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LAMBERT MINING SERVICES LTD.

815 NUMBER 3 ROAD
RICHMOND, B.C.
V6Y 2E4

July 15, 1976.

Bacon & Crowhurst Ltd.,
1720 - 1055 W. Hastings St.,
Vancouver, B.C.

Attention: Mr. J.J. Crowhurst

Dear Jack:

Pursuant to your request, I herewith submit two cost estimates for obtaining bulk samples from the Tye Lake Resources uranium deposit located near McCulloch, B.C.

ALTERNATIVE #1

This alternative is based on excavating a "trench" approximately 200 ft. deep to the underlying granite. The trench would be excavated by self-propelled scrapers, push tractors and ripper tractors. It is assumed that the side walls and one end wall would be on a 45° slope. The entrance and exit end would be on a 20% slope (see Alternate No. 1 sketch) From this trench, it is estimated approximately 53,000 tons of bulk sample could be obtained.

The total volume to be removed and the estimated cost of removing and placing the material in the waste dump and/or sample dump within 500' of the "trench", including 53,000 tons of bulk sample are:

962,000 cubic yards @ \$0.82 per cubic yard = \$788,840.00

It is interesting to note that by reducing the vertical depth of the "trench" by 25% to 150 ft., the volume of material removed is reduced by over half (see comparative sketch), yet the unit cost per yard will remain approximately the same.

ALTERNATIVE #2

This alternative is based on sinking a 2-compartment vertical shaft an estimated 250 ft., plus extending it into the underlying granite approximately 50 ft.

It is planned to excavate 460 lineal feet of 7' x 8' drift at the minus 240 ft. elevation of the shaft. It is further planned to excavate 5' x 5' x 55° drawpoints at 25 ft. intervals along the drift.


It is estimated that these drawpoints will "break" into the overlying ore-bearing material at elevation -200 ft. Prior to "breaking through", each drawpoint should be "coned out" to about a 14 ft. diameter. It is estimated that the "draw" from each drawpoint would be at about +85° around the perimeter of the coned out drawpoint. Assuming there is 50 vertical feet of ore-bearing material, each drawpoint should yield approximately 2170 tons of sample, for a total of 39,000 tons of sample from 18 drawpoints.

The cost of Alternative No. 2, including the 39,000 tons of bulk sample (see Alternative No. 2 sketch) is estimated to be:

Mobilization, erection of headframe and hoist, and demobilization - lump sum	\$75,000
Excavate 2-compartment shaft - 250 ft. @ \$550/ft.	137,500
Excavate 7' x 8' drift - 460' @ \$130/ft.	59,800
Excavate 18 drawpoint raises x 50' per raise equivalent, including coning 18 x 50' x \$80/ft.	72,000
Muck & hoist bulk sample - 39,000 tons @ \$3.00/ton	<u>117,000</u>
	\$461,300

Respectfully submitted,

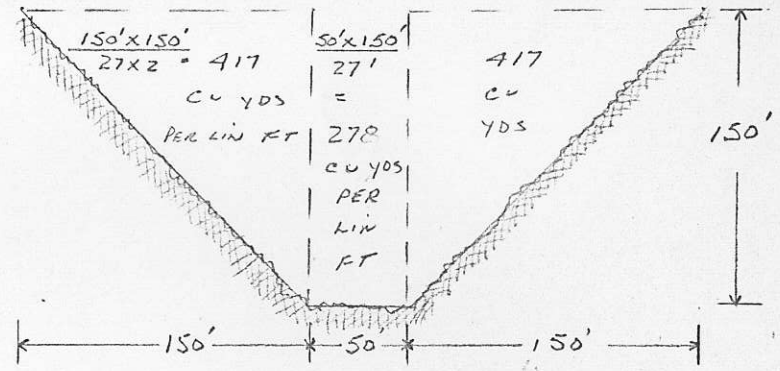
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R.F. Lambert

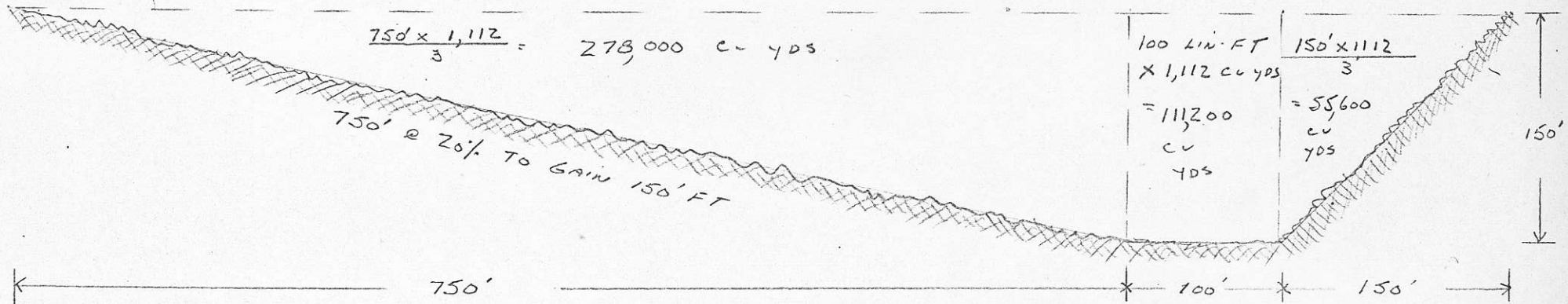
TOTAL CU YDS IN CUT

278,000
 111,200
55,600
 444,800 cu yds



TOTAL CU YDS PER LIN. FT

SIDE: $417 \times 2 = 834$
 CENTRE 278
 1,112 cu yds



VOLUME COMPARISON SKETCH

TOTAL VOLUME 444,800 cu yds

TOTAL CU YDS IN CUT

617,333
185,200
123,467

926,000 CU YDS

APPROX. TONS OF PER LIN. FT

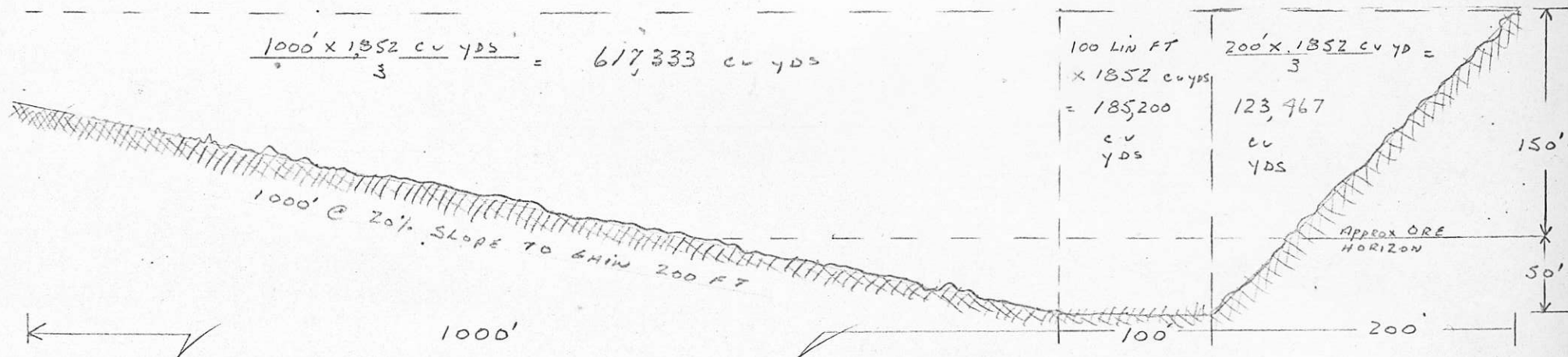
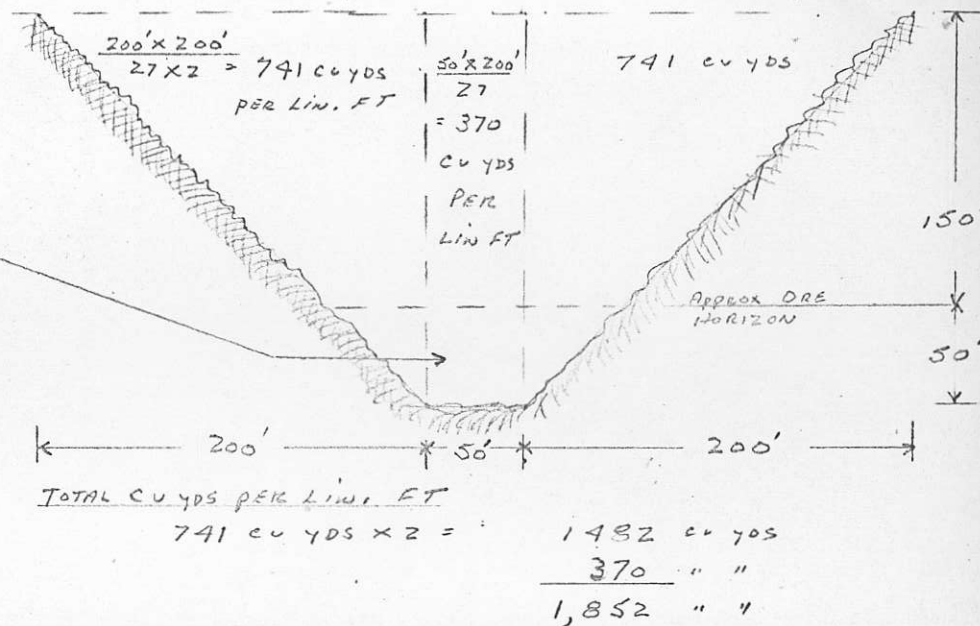
SIDES = 50' x 50'
18 CU FT PER TON = 138.8 TONS

CENTRE 50' x 50'
18 CU FT PER TON = 138.9 "

277.7 "

APPROX TONS OF SAMPLE

2 SIDES OF CENTRE 50' x 50' x 100'	13,889
18 CU FT PER TON	
CENTRE 50' x 50' x 100'	13,889
18 CU FT PER TON	
END @ 20% SLOPE 225' x 278 TONS PER LIN. FT	20,850
3	
END @ 100% SLOPE 50' x 278 TONS PER FT	4,633
3	
53,259 TONS	



ALTERNATIVE NO: 1

TOTAL VOLUME	926,000 CU YDS
TOTAL SAMPLE	53,260 TONS

ALTERNATIVE NO 2

TOTAL SAMPLE 39000 TONS

