

672582

August 8th, 1968.

Mr. W.F. Knox, President,
Ajax Mercury Mines Ltd.,
115 - 815 West Hastings St.,
Vancouver, 1, B.C.

Dear Mr. Knox:

Exploration work at your Highland Silver property in the Beaverdell, B.C., area has been in progress during the month of July.

The work completed to date includes compilation of a topographical map from aerial photographs on a scale of 1" = 400', detailed ground surveying of the various adits and other workings in the Buster, Standard and Rambler properties, and preliminary geological mapping concerning the vein structure. Geological mapping and chip sampling of some of the exposed mineralization has been completed. Several interesting shoots have thus been indicated.

It is recommended that 1000 feet of diamond drilling be done, chiefly in the Rambler and Standard workings, in an effort to confirm the above indications to test possible extensions and generally explore any mineralization found.

The direct cost of this underground diamond drilling program and sampling of the Buster workings is estimated as follows:

(1) Diamond drill contractor cost		
1000' @ \$5.25/ft.		\$ 5,250
(2) Compressed air cost		
Rental 5 weeks	\$1500	
Fuel - 100 g.p.d. x 25 days		
x 25¢/gal. delivered	625	
Maintenance	150	
Freight - in & out	<u>200</u>	
		2,475
(3) Vehicle expense		500
(4) Core boxes - delivered -		
50 boxes @ \$5.00 each		250
(5) Labourer - 10 days @ \$30/day		300

(6) Sampling & assaying - 100 samples @ \$5	\$ 500
(7) Small tools	200
(8) Supervision	1,500
(9) Board & room loss - equivalent of 2 men x 30 days x \$8/day	480
(10) Mapping	300
(11) Consulting fees - 8 days @ \$125/day	<u>1,000</u>
	\$12,755
Contingencies @ 10%	<u>1,275</u>
Total	\$14,030

Yours very truly,

BACON and CROWHURST

J.J. Crowhurst

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