

Poison Mtn.
April 26/91 920/2

Confident agent signed.

LAC 65% Bond going for remainder Target June. 672940

Presently - examine data -

Proposals Bill Cavaluzo ~~and~~

Manager of Exploration & Administration.

Review

Location map. Road Access from Tullahoma

General Geol.

Greywackes

Int by barren gran di

Tellur Q's field of di 61.4 ± 2.1

On rims younger 50% in greywackes

.05 - 2% in py same in py hem mag.

21,000 RVC 18,500 d d metres Lac 70% since 1979

1956-78 4500 RVC 7000 m d d

79-81 11500 17000 d d.

Topo studies all holes tied in.

Kelbourn retains computer data base.

LAC no computer base.

At warehouse large file base.

15% py in halo.

Minor supergene alt to 20 m north rim or ^{.519m As.}

One recover 280 mm tons ~~to~~ .26% Cu .14% Zn .007% Pb

based on Kelbourn 1981 study. Mineable (stated) limited
by depth of drilling. averaging 120 m.

Strip 0.45:1

Metallurgy - not aware size of sample

Subcon assay 25.21% Cu; .405% Mo; 11.42% Au 64.77% Ag

Rec 92.5% 87.5% 67.5% 39.7%

Block assaying As .02% Hg. 4.3 ppm

604 681-7480

New office in last week May
Seymour, Alberta

Assessment.

\$22,600 work commit on NW belt claims by March May 1992

Rev 202-204 March 1992

Rev 216-221 May 1992

Plexiglass model for out sections, 5th model site topography

Robert Brown, now with Hi Tech, was in charge of program. - Asked about restrictions on his consulting 1yr 2yr?

Ca Equiv Comp.

Copper Price	\$1.00		
Recovery	98%	% Pd	75%
Sold	550		
	90%		95%
Mo	1/8		
	75%		9.5%

Cut off grade of 0.25% Ca used for pit plan.

Simmons + Kelbourn may both have computer data base.
Sept 5, 1989 664 3000 ET/John VA Both said uneconomic

1981? Draft Feasibility. Based on 1983 prices

20 000 TPD 195.295 mm

40 000 Increment \$80 554

60 000 Increment \$94.967

Table 2.2 Annual Net Smelter Rev. Apply assigned prices

TOTALS x 1000 1.464,801 lbs Cu

851 oz Au

6315 oz Ag

36 950 lb Mo

GROSS QUANTITIES

DRE RESERVE	% Cu	lbs CONTAINED Cu	% Mo	lbs Cont Mo	grat Au	grat Au Ag
175 million	0.33	1,155,000,000	0.011	35,000,000 52,500,000	0.2	1,102,500 1,680,000
280 million	0.26	1,456,000,000	0.007	39,200,000	0.14	1,260,000

280 MILLION TONS

175 MILLION TONS

Cu lbs	Recover	Cu lbs	Recover
1,456 mill × 90% × 75%	982,800,000 lb	1,155 mill × 90% × 75%	779,625,000 lb
Mo lb		Mo lb	
39.2 mill × 75% × 95%	27,930,000 lb	35 mill × 75% × 95%	24,937,500 lb
Au oz.		Au oz.	
1.26 1.102 mill × 90% × 95%	1,077,300 oz	1.102 × 90% × 95%	942,210 oz
Cu 982,800,000 lbs @ \$1 =	\$982,800,000	779,625,000 lbs @ \$1 =	\$779,625,000
Mo 27,930,000 @ \$8 =	223,440,000	24,937,500 lbs @ \$8 =	199,500,000
@ 2.50	69,825,000	@ \$2.50	62,343,750
Au 1,077,300 @ \$550 =	592,515,000	942,210 @ \$550	518,215,500
@ \$325 =	350,122,500	@ \$325	306,218,250

Feas Study: 1,798,755,000 ^{val}
 Today's Price: 1,402,747,500
 Feas ÷ 280 mill Val/Ton: \$6.42
 Today: ~~\$280~~ \$5.00

1,497,340,500
 1,148,187,000
 ÷ 175 mill: \$8.55
 \$656
 656 - Mo 26²⁰

Wit & Wolligan 385 mill tons 0.22% Cu .5 gm Au

Payable Cu

$$385 \text{ mill tons} \times .22\% = 1694000000 \text{ lbs} \times \overset{\text{rec}}{.90} \times \overset{\text{melt}}{.75} = \overset{\text{Recover}}{1.143.450 \text{ mill lbs}}$$

$$385 \text{ mill tons} \times .015\% = 5775000 \text{ oz} \times .90 \times .95 = 4.937.625 \text{ oz.}$$

1 143 450 000 lb Cu @ \$1 =	\$ 1.143.450.000
4 937 625 oz Au @ \$325 =	\$ 1.604 728 000
	<hr/>
	\$ 2.748.178 000
÷ 385 mill =	\$ 7.14 Value / Ton

$$\frac{\$620}{7.14} = 86.8\%$$