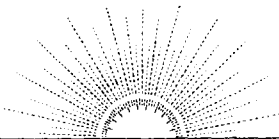


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Takla
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Sunshine Mining Company

P. O. BOX 1080 PHONE: Area Code 208 784-1257

Kellogg, Idaho

83837

August 24, 1971

Mr. Jack Crowhurst
West Four Contracting Ltd.
1755 Guinness Tower
1055 Hastings St.
Vancouver 1, B. C.

Dear Jack:

I received your enclosed booklet containing cost estimates and have gone over these with Mr. Chase and Mr. Hathhorn. We are of the opinion that declining would be the better approach although for developing any depth on the vein, a shaft would be a more logical approach.

In looking over your very thorough report I am convinced that your estimates are well in line with what the costs would actually be.

As you know, the silver price has not improved and it looks like the rise will come very slowly, as a result we have decided to delay further development on the 16-to-1 property until 1972.

We would like to keep your booklet and will certainly come back to you when we decide to commence work at the property.

I received the concentrate sample that Jack Ross sent down from the Anchor Takla property.

We ran a leach test on the Lead concentrate and found that we could leach the antimony from it, however the Residue carried the 6.3% arsenic. This concentrate was not acceptable to Bunker Hill's Smelter as they would not take anything over three tenth of a percent.

The Zinc concentrate could be shipped on to a regular zinc Smelter.

Our metallurgists thought perhaps the arsenic was in the form of arseno pyrite and could be depressed in the milling.

We are still interested in the property especially if it has a large potential and if possible, would like to see some figures on ore potential. If geologic maps are available we would like to examine them, or perhaps make an examination trip to the property.



P. O. Box 1080 KELLOGG, IDAHO 83837

August 24, 1971

I am sorry for the delay in answering your letter, and I think it was mostly caused by a hope that the Silver price would suddenly start to rise and we could squeeze this project into our exploration budget.

Thank you for submitting the booklet and will be looking forward to hearing from you about the Anchor Takla property.

Sincerely,

Don C. Long
Chief Geologist

DCL/mc

cc: M. C. Chase