BRALORNE PIONEER MINES LTD.

TO: J. S. Thomson DATE: May 17th, 1967

FROM: W. E. Field

SUBJECT: Takla Silver - Lustdust Claims

This memo report will indicate my impression of the exploration possibilities for the Takla Silver Mines property near Manson Creek, B. C. I believe that the chances of finding an economic deposit at the present time are only fair, but even on this basis it may be considered as a legitimate venture and we could recommend a substantial expenditure for stripping, trenching, diamond drilling, and underground drifting.

General

I have reviewed the report of March 10th, 1966 by Dr. D. D. Campbell and the memo report to G.H. Davenport from D.H. James dated March 19th, 1964. In addition I have talked to Dr. Campbell, Mr. James, Len Belliveau and Ted Mason. A discussion with Mr. E. Bronlund would be most useful, as of course would be a visit to the property. Meanwhile, my assessment is based on written information by others.

Summary of Showings

Zone 1 has the potential of a modest amount of relatively high-grade silver ore which could conceivably support a small concentrator. The vein-like shoots are generally narrow (5 to 6 feet) and probably of limited length. Silver makes up most of the values, and the grades range from low to medium with scattered highs. Surface work and underground work has been partially correlated and further work of both types would make sense. Indicated grade must be discounted at least 30% in determining the economics. One oreshoot containing between 20,000 and 35,000 tons can be called "probable", although the gross value at about $43 per ton is not too attractive in this location.

Zone 2 has been exposed in at least four trenches but silver values appear low and no diamond drilling has been done. Exploration here should take second place to work on Zone 1.

Zone 3 has undergone considerable trenching [illegible] limited diamond drilling. The zone is leached and oxidized, but good widths a[illegible] potentially large tonnages are suggested. The values are in lead and zinc (5% to [illegible]% combined) with gold and silver being low but consistent, and therefore si[illegible]ficant. Some secondary carbonate material is high in zinc. A possible one million tons can be envisaged, but the key factor would be transportation, which at present is not favourable.

Zone 4B is somewhat simil[illegible] to Zone 3 in tonnage potential, and the same economic factors apply. Values i[illegible]ld, silver, and lead are quite low, but the zinc averages in the order of 7% o[illegible]ter.

Conclusions

From a study of the data, and in the light of present day costs,

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I have formed the following miscellaneous conclusions:

1. Exploration at this time should be confined to Zone 1 with the possibility of developing a small high-grade profitable operation. Zone 2 may be considered as a possible extension.

2. There is no commercial ore in any quantity known to exist at this time. Dr. Campbell lists the middle orebody of Zone 1 as containing 21,700 tons of "probable ore" averaging 0.13 ounces per ton in gold, and 23.4 ounces per ton in silver with 2% lead. The gross value per ton of $43.15 still does not represent ore in my opinion, except on a large tonnage basis. It must be depreciated 10% for mining dilution, 15% or more for mill losses, and at least 5% for smelter deductions, and the net value would be about $30.00 per ton at best. Mining costs, including development and beneficiation, would be at least $25.00 per ton, and the other $5.00 per ton could be used up in getting the concentrate to a smelter, and making allowances for depreciation and write-offs.

3. There is no point in developing a small additional quantity of "ore" similar to the above material. The objective would have to be to locate a reasonable tonnage of better grade material, or similar material in large enough quantity to support a large scale operation allowing low unit costs. The former is more likely to be achieved.

4. There is no indication that material in Zone 3 or Zone 4B would make ore under present economic conditions and considering present transportation facilities. Improved transportation may come with a P.G.E. extension, and smelter facilities may become more favourable. Meanwhile, funds are not likely to be available to explore for material which might only be ore at some future indeterminate date.

5. Mineralization is so extensive that further exploration is warranted. Geophysical work is probably not attractive, since sufficient targets have already been located.

Recommendations

1. I believe that drifting on known structures such as the middle orebody (DDC) and the No. 1 Dike zone (DDC) of Zone 1 would yield the most information in the shortest time. Up to 800 feet of drifting could probably be scheduled. It should precede most of the diamond drilling.

2. Diamond drilling, which has a record of poor core recovery on the property due to the nature of the ore zones, could be satisfactory using B size wireline equipment. Several holes between surface and the adit level could establish continuity of the oreshoots and allow correct geological interpretation. A few deep holes could establish more depth, and this would be important, as lower level adits are a future possibility since portal sites probably exist not

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too far away. Probably 3,000 feet of diamond drilling could be justified.

3. Surface stripping, rock trenching, and systematic sampling is also justified.

4. It would probably be reasonable to recommend an expenditure of at least $90,000, since a lesser amount would have little chance of success. Usage could be $10,000 for mobilization, etc., $10,000 for surface work, $30,000 for drilling, and $40,000 for underground drifting. This is in general agreement with the initial expenditure recommended by Dr. Campbell in 1966.

5. The recommendation of Dr. Campbell that any exploration be well conceived, precisely laid out, and supervised by a Resident Manager with technical qualifications, is supported.

WEF:Mc

SIGNED: W. Field