

TELEPHONE
277-5406

D. W. PRINGLE & ASSOCIATES, LTD.
MINING CONSULTANTS

673574
Trojan

807 LUCAS ROAD
RICHMOND, B.C.

DONALD W. PRINGLE, P. ENG.
MINING CONSULTANT

27 August 1969.

Alumina Mining Company Ltd.,
807-409 Granville Street,
Vancouver 2, B.C.

Attention: Mr. H.E. Jacques President,

Dear Harold:

In expectation we will receive the
go ahead I feel the following "off the cuff"
data and estimates might define the situation.

As you realize we have only very
sketchy information on the Trojan ore body
and grades - so my estimates could be
misleading.

Yours very truly
D.W. Pringle

cc. J.A.C. Ross
J. Crowhurst
A. Wells

DONALD W. PRINGLE, P. ENG.
MINING CONSULTANT

Very Preliminary Data
on
Alwin and Trojan

General

Many problems must be solved before construction of a suitable size mill handling Alwin ore plus custom ore could get the go ahead.

Initially the following items are the most important:

① Suitability of the North Coldstream mill, or cost of used mill equipment?

② Alwin mine production rate at 500 T.P.D. would require what mine development capital, could 2.25% a head be available for two years, could the shaft or incline decision be delayed till the end of year

one.

- (3) How many tons, of what grade, is available in the five Trojan crown grant claims?
- (4) How much of the above could be mined by open pit, at what stripping ratio and daily rate.
- (5) If the tonnage in item (4) is satisfactory, could the mining access to underground mining be delayed to end of year one.

All other problems are secondary and could be solved if the above answers are suitable.

Whether they go ahead is reserved or not, I believe answers should be obtained on items (1) and (2) since I believe Alwin could proceed on their own on this basis.

(3)

I would suggest that I follow up items ①, ③, ④ ⑤ and J. Crowhurst covers item ② — both must do enough on all items to be familiar with the other's work.

The attached table is straddled off the cuff but does outline a situation which will no doubt change somewhat with more detailed information.

27 Aug/69

D. Spring

Very Preliminary Production Estimate

Item	Alwin - ①	②	South Seas ③
T.P.D.	500	500	1000
T.P.Y. (350 DAYS)	175,000	175,000	350,000
Cu PRICE (C/W)	50¢	50¢	50¢
REC.	92%	90%	85%
GRADE	2.25%	1.75%	1.50%
# Cu/YR.	7,240,000 #	5,510,000 #	8,920,000 #
GROSS Cu VALUE	\$ 3,620,000 ⁰⁰	\$ 2,752,000 ⁰⁰	\$ 4,460,000 ⁰⁰
EST SILVER VALUE	\$ 100,000 ⁰⁰	\$ 78,000 ⁰⁰	\$ 140,000 ⁰⁰
TOTAL GROSS	\$ 3,720,000 ⁰⁰	\$ 2,830,000 ⁰⁰	\$ 4,600,000 ⁰⁰
EXPLORATION 25¢	\$ 43,750 ⁰⁰	20¢ 35,000 ⁰⁰	10¢ 35,000 ⁰⁰
MINING \$6 ⁰⁰	\$ 1,050,000 ⁰⁰	\$480 787,000 ⁰⁰	2/1 W/O TR 50¢ (200) 700,000 ⁰⁰
MILLING \$1.35	\$ 236,000 ⁰⁰	\$1.35 236,000 ⁰⁰	\$1.20 419,000 ⁰⁰
SERVISUR. 20¢	\$ 35,000 ⁰⁰	\$20¢ 35,000 ⁰⁰	\$20¢ 70,000 ⁰⁰
AD. & O.H. 50¢	\$ 87,500 ⁰⁰	\$50¢ 87,500 ⁰⁰	\$50¢ 175,000 ⁰⁰
MARKETING 8 1/2¢/#Cu	\$ 614,000 ⁰⁰	8 1/2¢ 468,000 ⁰⁰	8 1/2¢ 757,500 ⁰⁰
TOTAL COSTS	\$ 2,066,250 ⁰⁰	\$ 1,648,500 ⁰⁰	\$ 2,156,500 ⁰⁰
COST / TON MILLED	\$ 11.81	\$ 9.42	\$ 6.16
COST / # Cu PRODUCED	28.54¢	29.91¢	24.17¢
PROFIT / YEAR	\$ 1,653,750 ⁰⁰	\$ 1,181,500 ⁰⁰	\$ 2,443,500 ⁰⁰
TOTAL COST	①+② \$ 3,714,750 ⁰⁰		①+③ \$ 4,222,750 ⁰⁰
TOTAL GROSS	①+② \$ 6,550,000 ⁰⁰		①+③ \$ 8,320,000 ⁰⁰
TOTAL PROFIT	①+② \$ 2,835,250 ⁰⁰		①+③ \$ 4,097,250 ⁰⁰

①+② → U/G - BOTH MINES AND LATER YEARS.

①+③ → U/G ALWIN AND OPEN PIT 1-2 YRS SOUTH SEAS.