

Appl'n within Grandview -
Granite interval.

LONG RANGE EXPLORATION TO S.W. ON 6040 LEVEL

This program would be based probable occurrence, at 25% re-frequency above 6040 level, of 100,000 tons of presently-indicated + geologically-inferred ore of average grade equivalent or better than the weighted-average of Blocks 'C' and 'D'.

Grade Estimate - Indicated + Potential Ore:

Block C: 16,000 tons @ Au, 0.0302%; Ag, 6.902%; Pb, 5.5%; Zn, 1.9%
 " D 12,700 " @ Au, 0.07402%; Ag, 2.602%; Pb, 7.3%; Zn, 4.1%
 Total - 28,700 tons @ Au, 0.0502%; Ag, 5.002%; Pb, 6.3%; Zn, 3.0%

Net Mill-Head or Mine Value of Ore:

Au	0.05	x	\$118.00	=	5.90
Ag	5.0	x	3.896	=	19.48
Pb	6.3	x	0.0805	=	10.14
Zn	3.0	x	0.0726	=	4.36
Cd estm.	0.1	x	1.143	=	0.11

Total, net mine value = \$39.99 per dry-ton
 less Estm cost mining + milling - 39.78 " " "
 Gross operating profit = \$0.21 per dry ton.

Exploration Program

- * (a) Construct Road to 6040 level, 1/2 mi @ 40,000/mi - \$20,000
- * (b) Install Portal & Dump Facilities, estm - - - - 25,000.
- * (c) Drift southwest 2500' on 6040 level,
 incl X-C's to offset
 runs & segs.
 1000' @ \$80/ft. 80,000
 1000' @ \$90/ft. 90,000
 500' @ \$100/ft. 50,000
 220,000
- (d) Excavate 5 dia-drill X-C's @ 250' each.
 1250' @ \$80/ft - - - - 100,000
- (e) Explore vein up (2 down) dip by dia-drill,
 6000' @ \$12/ft. - - - - 72,000
- (f) Contingencies & Extras, Estm. @ 20% - - - \$437,000

Above stand-off results from (necessity to) use existing indicated grades on blocks 'C' + 'D' - - - which are probably decidedly low with respect to Au + Ag content.

	<u>Tons</u>	<u>Au, oz/t</u>	<u>Ag, oz/t</u>	<u>Pb, %</u>	<u>Zn, %</u>
Block C,	16,000	$\times 0.03 = 480$	$\times 6.9 = 110,600$	$\times 5.5 = 88,000$	$\times 1.9 = 30,400$
	12,700	$\times 0.074 = 940$	$\times 2.6 = 33,050$	$\times 7.3 = 92,800$	$\times 4.1 = 52,100$
	28,700	0.0494	1420	5.0	143,650
				6.3	180,180
					82,500
					2.9

Rounded: 28,700 @ Au, 0.05 oz/ton; Ag, 5.0 oz/ton; Pb, 6.3% Zn, 3.0%