

\* RADIO (TRANSCRIPT?) REQ'D. ALSO.

CASSIAR CONSOL. MINES LTD.

Wm to Jack Sr

801103

ESTIMATE

\$40-50,000 should be assured

PRELIMINARY REHAB'N, MAPPING & SURF. D. DRILL AXWL PROGRAM -- SEPT -- , 1964.

TRANSPORTATION

A PERSONNEL A DRILLERS & BAGGAGE VAN. - STEWART: RET.  $4 @ 136^{00} = 544^{00}$

A DRILLERS VIA HELICOPTER @  $130^{00}/HR = 2 + 2 @ \frac{1}{2} hr = 130^{00}$

MISCELL. TRAVEL CHARGES.  $4 @ 25^{00} = 100^{00}$

ENGINEER & ASST. - PER ABOVE = 400.00

B SUPPLIES & EQUIP. <sup>30 ft incl handling chgs.</sup>  
<sup>2100 ft one way</sup>

EST. 8-10 T. VAN- STEWART. & HANDLING - (?) 250.00

HELICOPTER; STEWART TO MINE: (600# max load Hiller (2E))

DIA. DRILL W. AXWL. EQUIP. - 3000#

A-FRAME & GEAR - 1000#

600' DRILL RODS ETC @ 4# LF ~~1500#~~ 2400#

Water Supply - plastic - 500#

Fuel; 30 bbls - + oil etc - 15,000#

Total prov'ns & Camp Supplies incl. food, heater, fuel - 2,000#

Miscell. pumps, washing, Timber - 1,000#

3,000#

$27,000\# / 600 = 45 @ 65^{00} = 2925.00$

PURCHASES

PROVISIONS & CAMP SUPP. - 250.00

FUEL - 30 bbls. @ 18<sup>00</sup> - 540.00  
 (lean drams) L.S.O.

- tubes + gasoline - 75.00

Bunk house heater 2 @ 150<sup>00</sup> - 300.00

light chain saw - 135.00

Core Boxes, net rej'd  $\frac{2000-250}{35} = 42(2.50) = 105.00$

Miscell - 250.00

add fudge

\$ 1,655.00

CONTRACT & LABOUR

D. DRILL AXWL SURF. 2000' @ 9<sup>00</sup> straight - 18,000.00  
 BXWL - J. ELNEFF

REHAB'N FOR EXAM - 2500.00

SUPERVISION, ENG. ETC - 2 MO. - 3000.00

TOTAL - \$ 30,000<sup>00</sup>

(Copy to Jack Dr.)

CASSIAR CONSOLIDATED MINE.

TENTATIVE DEVELOP. ESTIMATE.

ACCESS TO 4000' EL. SILVERADO, ORE TRANSPORT,  
ACCOMMODATION; A.C.S. ALTERN. TUNNEL SCHEME TO CUT  
AT MID-POINT PROSPERITY - SILVERADO; SUBSIDIARY  
CROSS CUT, RAISE, & D. DRILL EXPLORATION, MILL  
FACILITIES, POWER, LOADING FACILITIES:

ACCESS ROAD TO 4000' AVG 10 <sup>th</sup> ; 8 mi. @ 12,000 <sup>th</sup> - \$100,000.00 <small>PLUS BRIDGES</small>	
AERIAL TRAMWAY 4000' EL TO LOADING WHARF -- 100,000.00 <small>1 1/2 mi @ 6 mi</small>	
MINE CAMPS & FACILITIES - - - - -	50,000.00
N.E. X-C. FROM SILVERBELL 3000' @ 75 <sup>th</sup> .	225,000
S.E. DRIEF (LATERAL ON "D" 3000' @ 100.00	300,000
MAIN EXPLOR'N X-CUTS -- 3000' @ 80.00	240,000
<small>(4 @ 1500')</small>	
SECONDARY DRIFTING - 3000 @ 100.00	300,000
RAISING; EXPLOR & DEVELOP; 2000 @ 80.00	160,000
DIAMOND DRILLING - - 10,000' @ 7.50	75,000
MISCELL. UNDE'G'D FACILITIES - - - - -	100,000
MINE PRODUCTION EQUIP. - - - - -	100,000
MILL. FLOT. & CYANIDE (EST 200-300T.)	500,000
POWER; 1000 H.P. @ 200 <sup>th</sup> /H.P.	200,000
WHARF & LOADING FACILITIES, WAREHOUSES, ETC. - -	100,000
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TOTAL PRE-PRODUCTION - - - - -	\$ 2,550,000
INTEREST - - - - -	450,000
TOTAL - - - - -	<u>\$ 3,000,000.00</u>

ESTIM. NET VALUE OF ORE RES. @ 50<sup>th</sup>/T. -

LESS TOTAL MINING, MILLING, ETC. - 30<sup>th</sup>/T.

NET PRODUCT PROFIT 20<sup>th</sup>/TON - ESTIM.

MINIMUM POSITIVE ORE RESERVE REQUIRED TO  
RETURN INVESTMENT ONLY - 150,000 TONS OF 50<sup>th</sup> NET ORE  
SAFE OPERATING ORE RES REQ'D 250,000 TONS " " "  
OR NET DOLLAR EQUIVALENT.

(NOTE: CANEX 630,000 T. FIGURE BASED ON 30<sup>th</sup> OUN @ 500 T/DAY)

Helicopter	130	42	75 gal/oh.
Surf d. drill 3 trips	17	25	30 gal dry
Probe - etc. 4 "	910	210	2/3 bbl for 50'
(Compressor - - 3 trips)	130	84	2000' - 40 x 2/3 - 30 bbl
Air + water hose - 2 trips	221	1050	30
Fuel 2000 lb. - 20 trips			
+ 50% wt.			
miscellaneous supplies + crew 6 trips			

34 trips - 17 hrs @ 180<sup>00</sup> = 2210<sup>00</sup>  
 say helicopter - - - - - \$2500.00

Provisions + camp supplies - - - - - \$250.00  
 Oil heaters for phase 2 @ 150<sup>00</sup> - - - - - 300.00  
 Light chain saw for firewood - - - - - 135.00  
 Core Boxes 2000' - 750 - - - - - 1250 - 42 @ 2.50 105.00  
 Rehab'n - - - - - 2500.00  
 Surface Area Drilling 2000' @ 10<sup>00</sup> 20,000.00  
 Eng. miscel equip + tools + etc. 2,000.00

See more detailed est. @ 30,000<sup>00</sup> → 27792.00  
 @ 28,000<sup>00</sup>

\* Final Summary & Conclusions pend w. RW attitude:

Additional well sections of res. border, more competent beds (mixed form in) can be expected to develop additional structural situations as those associated with the formerly predicted & primarily indicated ore zones on the property. These new structural situations may be expected laterally & at depth. \* Grade of ore such that a relatively small tonnage of ore could be produced & profitably developed. Persons participating in this work are primarily interested in any verbal presentation of the prop. - want sound geol. basis.

\* Excellent exploration possibility, if suitably interpreting terms for exploring, developing, & acquiring property may be arranged with the principals.

Yours a Cord

Get Wheeler's feet on ground, then we can, if required, amplify the Summary & Resour. sect of report.

Classar, Stewart

190,000 share equity

200,000  
15/3000000

Conex -- \$ 30,000 -- 15¢/sh. -- 200,000 sh  
 deal. \$ 60,000 -- 20¢/sh -- 300,000 sh.  
\$ 100,000 -- 25¢/sh. -- 400,000 sh

190,000 @ 6% -- 900,000 sh.

repay'd out of 80% (wheeler has 800,000 sh.)  
of cash flow.

also addnl \$ 2 to put property into production.

Conex offer 70/30 deal to Wheeler w.

\$ 190,000 + 2¢ @ 6% priority repay't out of  
80% of (cash flow or profit?)

Note 630,000-ton objective on Conex's part  
to warrant full-scale production @ (rate?)

Carriar: -- 5,000,000 share company.

o/s 2,800,000 of which Wheeler  
has 800,000 (control)

Deal w Carriar solely on Stewart prospect

12.40

16.85

81.40

93.80

80.00

26.80

12.15

35.55

8 368165

46.803 — "haywire average"

total avg incl BWW.

6.25' @ 34.5 oz/ton w pb-m = \$50<sup>00</sup>/T. net.