

801186

*Try Bill Douglas on  
this. then phone art*

September 29, 1971.

Mr. William M. Sharp, P. Eng.,  
171 West Esplanade,  
North Vancouver, B.C.

*Call Art @ 11:15 P.M.T.  
(2:15 L.O.T.)*

Dear Bill:

*& reverse charges  
agree I will go up a couple  
of days ahead of art - say Oct  
14-15 -  
let art  
& I work*

I understand that Burkam Mines is going to ask you, or has already asked you, to make an evaluation of the present worth of the royalty due them from the Silmonac operation, and I wonder if you will find it necessary to go to the mine in doing this. I plan to be there from Sunday, October 17th to Thursday evening, October 21st, and it occurred to me that it might be of some help to you to be there at the same time. I'm sure <sup>also</sup> it would be some help to me and to Bill Hogg and <sup>DIXSON</sup> ~~Plen~~ <sup>Dixon</sup>, the new geologist, if we could all put our heads together for a while on some of the problems of finding ore and keeping on it. However, I don't want to impose on you or take any more of your time on problems other than the evaluation than you'd be willing to contribute for old times' sake.

Even if I don't see you in New Denver, I'll be seeing you in Vancouver at the C.I.M.

*agree -  
w. H. sugg.  
Oct 12-15 if  
mutually  
agreeable -  
Bill Douglas  
in favour of  
making arrangements  
to meet at  
mine.*

All the best,

*Art*

A. E. Buller.

AEB:WS

Oct. 4/71

6-9 mo @ 4000/mo

24,000 - 36,000 T.

Ph. call to Bill Douglas (206)-322-0890

Time & Charges

Charles for various data & letters rec'd.

Have studied this mat'l, while it is all clear to me, can not find instructions re. req'd. Valuation date, might assume from the tenor of the general correspondence that Aug. 1 or ~~Sept. 1~~ <sup>Aug. 30, K.</sup> ~~Oct. 1 if visit delayed~~ might apply but perhaps it should be quite current and set at Oct. 1st. Stop market price

My understanding is that no royalty payments have been made to date, or that the Dec. 1 distrib'n will be the first.

Bill D. adv. No royalties would be collected until Jan. 72 at which time pay-back will have been completed.

CHECK:

Read off Art Buller's letter; also note that next Monday is Thanksgiving here so mine would prob. be closed down Sat. next through Monday.

→ Art's sched visit Oct. 17-21. So -- it is possible I could defer my visit for 1 week (say to ~~Sept~~ Oct. 13-15, if Art could advance his by 4 days to correspond. There certainly would be advantages to review the operation together and reach agreement on various matters relevant to my valuation right at the source. In any case I will phone Bill Hogg & advise when I will arrive.

W.C.D. understands agrees & will phone Art in this then advise me to phone

Barbie and I will look forward to meeting at the C.I.S.T.

Note someone last talked on the phone during which you mentioned what Violamae (Victor) product had been, I have come up with rough estimate

Victor Violamae 1948-1962 (Feb 1) - \$240,000 @ 422 2/3 units Pb + Zn. Note Oct. 4/71 ph. call; Bill agrees more approx in req'd. 130g by 12 Pb, 10 Zn } range 300/mo with emphasis on up-clips (Mexico & Chile) approx 12 by 10 Pb - 8 Zn }

WILLIAM M. SHARP, M.A.Sc., P.Eng.  
CONSULTING GEOLOGICAL ENGINEER  
171 W. ESPLANADE, NORTH VANCOUVER, B.C.

MR. WILLIAM C. DOUGLASS,  
MINING ENGINEER,  
1411 - 26<sup>TH</sup> AVENUE EAST,  
SEATTLE, WASHINGTON 98102

OCTOBER 6, 1971

DEAR BILL:

ART BULLER PHONED ME YESTERDAY IN CONNECTION WITH OUR RESPECTIVE VISITS. HE ADVISES THAT IT WOULD BE IMPOSSIBLE FOR HIM TO RE-SCHEDULE HIS VISIT EVEN A FEW DAYS EARLIER. CONSEQUENTLY, I WILL ARRANGE MY TRIP SO AS TO ARRIVE A COUPLE OF DAYS BEFORE HIM, SO THAT I <sup>MAY</sup> PROCEED WITH DATA-GATHERING AND BE PREPARED TO DISCUSS MATTERS WHICH COULD RELATE TO MY VALUATION ASSIGNMENT. THIS IS THE PRINCIPAL REASON FOR OUR GETTING TOGETHER AT THE PRESENT TIME.

WITH THE ABOVE, I WOULD ARRIVE, OR START WORK ON OCTOBER 15<sup>TH</sup>. ALSO, I WILL PHONE BILL HOGG AND INFORM HIM OF THIS; I HOPE THAT THIS WILL BE SATISFACTORY TO HIM, YOURSELF, AND ALL OF THE OTHER PEOPLE INVOLVED.

I AM ENCLOSED MY TRACING OF THE 'LONG SECTION OF THE MAIN SLOAN LOBE' WHICH ACCOMPANIED MY JANUARY, 1966 REPORT TO SIMONHAZ MINES LTD.

THIS DRAWING INCORPORATES THE STATISTICAL DATA COMPILED BY S.J. PEDLEY DURING 1960 WHILE HE WAS AT VIOLAMAC WITH JACK BLACK. WITH THIS, I MADE SOME REVISIONS TO THE STRUCTURAL PICTURE AS SHOWN ON STAN PEDLEY'S DRAWING. I HOPE THAT THIS IS THE SECTION YOU WERE ASKING ABOUT DURING OUR PHONE CONVERSATION LAST MONDAY. BUT, IF YOU HAD SOME OTHER SECTION IN MIND PLEASE LET ME KNOW AND I WILL SEARCH IT OUT.

P.S. — BY THE WAY, I HAVE A PRINT OF THE ENCLOSED SECTION, SO THERE IS NO URGENCY ABOUT RETURNING IT. WITH BEST REGARDS,

Bill Sharp

ENCL.

MR. A. E. BULLER,  
SUITE 1715 - 25 KING ST. WEST,  
TORONTO 1, ONTARIO

OCT. 19, 1971

DEAR ART:

THE ENCLOSED CONCENTRATE EVALUATION CALCULATIONS  
RESULT FROM MY SUBSEQUENT RE-INTERPRETATION OF  
BRITISH METALS' PB, ZN PURCHASE AGREEMENTS.

I THINK THESE ARE CLOSER TO THE MARK, SO WOULD  
REQUEST THAT YOU SUBMIT THESE TO YOUR B.M.C. MAN,  
(RATHER THAN THE EARLIER SET) FOR HIS APPRAISAL.

USING MY NEWLY-DERIVED NET SWEETER VALUES FOR AG,  
PB, ZN, & CD, WITH APPROPRIATE ALLOWANCES FOR MINE &  
MILL METAL LOSSES, I GET A VERY CLOSE CHECK ON THE  
SEPT 30/71 MINE OPERATING STATEMENT ( $30.96$  VS  $30.879$ /SOT).  
HOWEVER, I STILL FEEL THAT THE REQUESTED CHECKS SHOULD  
BE MADE FOR PURPOSES OF GENERAL CONFIRMATION.

WILL BE PLEASED TO HAVE YOUR COMMENTS JUST AS  
SOON AS YOU CAN FIND TIME TO ATTEND TO THE MATTER.

WITH BEST REGARDS,

Bill.

ENCL.

WILLIAM M. SHARP, M.A.Sc., P.Eng.  
CONSULTING GEOLOGICAL ENGINEER  
171 W. ESPLANADE, NORTH VANCOUVER, B.C.

November 29, 1971

Mr. A. E. Buller,  
A. E. Buller Ltd.,  
Suite 1715 - 25 King Street, West,  
Toronto 1, Ontario.

Dear Art:

Thanks very much for your November 24th letter in which you outlined the checks, revisions, corrections, and opinions of the British Metals office man in respect of my calculation sheets.

I will be sending new pages 4, 5, & 6 to replace the originals in my report. The following comments relate to specific details noted in your letter:

1. The concentrate grades used in my report are the year-to-date figures (to Sept. 30/71) given in the mine statements. I found these to be correct via weighted average calculations of tons & grades for all 9 months. It would appear that the B. M. man's grade calculations represent 4 or 5 months of the most recent production.
2. My (repeated) omission of the 95% factor in regard to the lead concentrate was a real lulu! This and other errors were regrettable, but fortunately I had inadvertently compensated for these via a final 5% contingency allowance for possible mill and mine losses.
3. The minor corrections due to my having erroneous and incomplete data in regard to lead and zinc duties have been made as suggested. However, I prefer to use the (1971) year-to-date figures for 'freight', 'moisture penalty', and 'representation and assaying'. Also my treatment charges relate more to the 1972-73 production estimates (forecasts) of my report.
4. I would have used the 16.5¢/lb. zinc price, I suppose, if I had checked all of the production statement figures and had not simply accepted the E & M.J. (Metals Week) 17¢/lb. quotation for October. Wonder why E & M.J. and others omit all mention of the details of the new import duties?

5. As regards my particular distribution of treatment and freight charges in arriving at my 'unit mill-head values' of the separate metals, I handle these on the basis that both the lead and zinc concentrates can always be expected to carry important amounts of silver, and that there is a real cost involved in extracting this (and cadmium) from both concentrates. However, I do not charge duty or freight against the silver and cadmium content. In distributing the smelter and freight charges, I put roughly 1/2 of the 'combined' treatment charge against silver + lead and about the same against zinc (+ cadmium). I have followed this procedure in past unit-value calcs. on about four silver-lead-zinc situations and have found that it produces reasonably representative and adaptable figures for a fair range of mill-head grades.
6. With the above, it works out that there is no significant change from the unit metal values given on the original page 6 of my report; hence no change is made in the subsequent estimates. I believe that these are as accurate as the available data concerning present and future ore tonnage and grade, possible variations in prices, charges, duties, and costs warrant.

With best regards,

Yours sincerely,

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W. M. Sharp