

820123

TO: J.H. Stovel
FROM: Peter Stym
DATE: April 2, 1971

Attached hereto is information from my notes on B.C. Moly provided before I left Vancouver.

Documented information available here and read now by me since my arrival show minor discrepancies in my provision. The facts, however, on the whole are still representative.

Note: Geologic reserves are calculated to amount to 62,500,000 tons. The first 32,000,000 is mineable with a waste-to-ore ratio of 1.18 to 1.0. The remaining tonnage encompasses a 3.0 to 1.0 ratio. Currently, for a 8,000 to 9,000-ton a day treatment, pit equipment is adequate for a 1.5 to 1.0 ratio. If an increase in waste-to-ore ratio comes to the fore, a major outlay in additional pit equipment must be considered and cannot be really justified at this time.

I would like to point out, also, that an additional outlay for haulage trucks would be required and maintained progressively to end of mine life after the third year; there was no allowance shown for this additional periodic outlay and additional haulage costs in this exercise at this time.

All this can be refined further if a deal looks anywhere attractive.