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PROOF READ DRAFT THREE OF

REPORT ON

REXSPAR URANIUM & METALS MINING
COMPANY LIMITED

February 22nd, 1957.

C. C. HUSTON & ASSOCIATES

Suite 2001 - 80 Richmond St. West

TORONTO 1, ONTARIO

DRAFT 3
February 22, 1957

C. C. HUSTON & ASSOCIATES

MINING CONSULTANTS

2001 - 80 RICHMOND STREET WEST

TORONTO 1, ONTARIO

This firm has made an independent engineering investigation and study of the uranium property of Rexspar Uranium and Metals Mining Company Limited and submit herewith our report.

PROPERTY LOCATION

The uranium property of Rexspar is located at Birch Island, British Columbia. (Map No. 1). Birch Island is in the Kamloops Mining Division on the main line of the Canadian National Railway, 80.6 miles north of the town of Kamloops; the railway here follows the course of the North Thompson River. A good second class highway connects Birch Island with Kamloops.

Rexspar's property comprises 126 contiguous mineral claims or fractions extending southward for a distance of approximately four miles from a point approximately 1,000 feet south of the railway. (Map No. 2). The railway at Birch Island is at an altitude of 1386 feet. The area of the two principal orebodies is at an altitude of about 3800 feet.

The claims extend in an east-west direction a distance of about one mile at their southern boundary, and more than two miles in the central and north portions. Three roughly parallel and evenly spaced creeks, Foghorn, Holt and Cedar, run northward through the property debouching into

the North Thompson River.

TITLE

Twenty-three of the 126 mineral claims or fractions are Crown granted under British Columbia mining law, giving Rexspar permanent title to these claims. Seventeen additional claims have been surveyed and application made for Crown grants thereon.

Seventy-five other claims or fractions are held by Rexspar in good standing as regards assessment work requirements for varying periods, ranging from June 1957 to June 1966. Sufficient assessment work has been done on many of this group of claims, and applications for Crown grants may be made following survey.

The remaining eleven mineral claims or fractions of the total of 126 are leased by Rexspar from Deer Horn Mines Limited. Assessment work done on this group is sufficient to maintain them in good standing until November/December 1958.

Title to these 126 mineral claims or fractions was not verified by us. We have, as respects title, relied on information from and the opinion of Mr. J. W. Scott, Manager of Rexspar Uranium and Metals Mining Company Limited.

GENESIS OF THIS REPORT

For the preparation of this report we visited Rexspar's property, reviewed company data, and have had prepared from that data, the maps which are included in this report. Before making any calculations we considered all data made available to us in its relationship to our knowledge of and experience in uranium and other properties upon which we have prepared similar reports. We have considered the geological and structural aspects of the deposits, the core drilling results, and the underground development

completed to date. We subsequently considered, as indicated by such reviewed work, the tonnage and grade of indicated ore, the possibility of adding to that tonnage, and the ability of Rexspar to satisfy the requirement for uranium oxide outlined in a "Letter of Intent" by Eldorado Mining and Refining Limited.

We have discussed with Rexspar engineers and officials their proposed methods of mining and concentrating, the estimated capital requirements to bring the property to production, and the estimated cost of operation.

Our investigations did not include the original logging of drill cores nor the sampling of drill cores for assay purposes. Logging and sampling was done by Rexspar personnel and their data was made available to us. A proportionately small number of representative check samples were taken by us of drill cores and underground uranium bearing material. These confirmed the company's results and are shown as Appendix A.

The engineering methods and practices followed by Rexspar were discussed with Rexspar's various engineers and we consider them generally in accord with sound engineering practice. In general this report is based on information and data provided to us from Rexspar engineers.

As background material, in addition to the underground workings, there were in the "A" zone, 80 holes core drilled from the surface and 33 from underground. In the "B" zone, 45 holes were core drilled from the surface and 43 from underground. This drilling has permitted the calculation of tonnages and grades from vertical sections at fifty foot intervals which, in our opinion, is a valid method for making such calculations.

GEOLOGY AND STRUCTURE

The property is underlain by a complex of schistose sedimentary and volcanic rocks believed to be Pre-Cambrian to Mesozoic in age. These rocks have been gently folded, and normal faulting has occurred.

Heavy overburden over the area obscures most of the surface geology. Drilling results indicate the sequence of rock types from surface downward to be: quartzose sericite schist, fragmental trachyte, trachyte, argillite and some andesite, and again, quartzose sericite schist.

The uranium-bearing deposits comprise replacement-lenses in the trachyte where schistose.

The two zones which have been most fully investigated are the "A" zone and the "ED" zone.

The "A" zone on the east side of a steep hill which slopes toward the North Thompson River plunges and strikes to the north-east and dips gently to the north-west.

The "ED" zone on the western slope of the same hill, strikes north to north-east and dips gently to the north-west, at a flatter angle than the side of the hill.

The ore type rock in the "A" zone is a black micaceous, medium to fine grained pyritic rock. There is some fragmental trachyte containing uranium values.

The uranium enriched rock in the "ED" zone is similar to that in the "A" zone though it appears to be somewhat less siliceous, and uranium values in the fragmental trachyte are negligible.

The quantity and grain size of the mica and pyrite in the rock are believed indicative of the uranium content. In both zones where the pyrite is fine grained and layered and also the mica is fine grained, the grade

is usually improved.

ORE RESERVE ESTIMATES

In our estimation of the ore reserves of the "A", "BD" and "B" zones we have used the maps and basic data provided by Rexspar. For these zones, vertical sections at fifty foot intervals were prepared by the Rexspar engineers. On these sections, pertinent drilling and underground sampling had been plotted, and from this data Rexspar engineers had outlined indicated ore zones and calculated grades and tonnages.

We have most carefully reviewed this data, check-sampled to the necessary extent and outlined independently the indicated ore zones from the verified data. Following our own considered procedure for such calculation we have independently derived tonnages and grades therefrom. We were guided in our calculations by a series of specific gravity determinations from which we arrived at a figure for average specific gravity of the representative ore at 3.05, equalling 10.5 cubic feet per ton in place.

In the estimation of volumes and grades of ore we have referred to and been guided by the definitions for such categories of ore reserves as published by the United States Bureau of Mines and the United States Geological Survey, which pertinent definitions we quote herewith in relevant part:

"Measured ore is ore for which tonnage is computed from dimensions revealed in outcrops, trenches, workings, and drill holes, and for which the grade is computed from the results of detailed sampling. The sites for inspection, sampling, and

is usually improved.

ORE RESERVE ESTIMATES

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We have most carefully reviewed this data, check-sampled to the necessary extent and outlined independently the indicated ore zones from the verified data. Following our own considered procedure for such calculation we have independently derived tonnages and grades therefrom. We were guided in our calculations by specific gravity determinations made by the Mines Branch of the Department of Mines and Technical Surveys at Ottawa. We were advised that these determinations were made from bulk samples of 1000 and 4000 respective pounds of selected Rexspar ore, each being made up from half "A" zone ore and half "BD" zone ore. Subsequently check determinations were made by us, confirming the validity of the figure used.

In the estimation of volumes and grades of ore we have referred to and been guided by the definitions for such categories of ore reserves as published by the United States Bureau of Mines and the United States Geological Survey, which pertinent definitions we quote herewith in relevant part:

"Measured ore is ore for which tonnage is computed from dimensions revealed in outcrops, trenches, workings, and drill holes, and for which the grade is computed from the results of detailed sampling. The sites for inspection, sampling, and

measurements are so closely spaced, and the geologic character is defined so well, that the size, shape, and mineral content are well established. The computed tonnage and grade are judged to be accurate within limits which are stated, and no such limit is judged to differ from the computed tonnage or grade by more than 20 per cent.

"Indicated ore is ore for which tonnage and grade are computed partly from specific measurements, samples, or production data, and partly from projection for a reasonable distance on geologic evidence. The sites available for inspection, measurement, and sampling are too widely or otherwise inappropriately spaced to outline the ore completely or to establish its grade throughout.

We have therefore classed as "indicated ore" the material outlined in the "A", "BD" and "B" zones. The closely spaced surface and underground core drilling together with the underground workings in the "A" and "BD" zones is almost sufficient as to come under the above classification of "measured ore". In our opinion, doubling the amount of the present underground workings, if properly located, would qualify these two zones for the classification "measured ore".

On the basis of the above data and subject to the limitations described, we estimate that there is indicated in the "A" zone 617,547 undiluted tons with an average grade of 1.64 lb. U₃O₈ per ton; in the "BD" zone 517,305 undiluted tons with an average grade of 1.57 lb. U₃O₈ per ton and in the "B" zone 53,829 undiluted tons with an average grade of 1.34 lb. U₃O₈ per ton.

These estimated indicated volumes and grades are adequate on a recovery of 87% to fulfill 79.3% of the quantity requirements of the Eldorado

proposed purchases.

Maps No. 3 and No. 4 are typical vertical sections of the "A" and "HD" zones. Drill holes plotted on or projected to these sections are those falling within the zone of influence of each section (twenty-five feet on either side of the plane of the section). Thus, a vertical section is calculated as having a width influence of fifty feet.

A summary of the calculations of grade and tonnage of indicated ore for both zones is shown in the following tables:

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Section	Area In Sq. Feet	Volume, Cubic Feet, Area X 50	Tons, Volume Divided by 10.5	Average Pounds U ₃ O ₈ Content Per Ton	Column 4 X Column 5	Weighted Average Pounds U ₃ O ₈ Per Ton

"A" Zone

45	7,232	361,600	34,438	1.74	59,932	63,918
46	10,944	547,200	52,114	1.86	96,932	121,779
47	20,404	1,020,200	97,162	1.81	175,863	184,656
48	22,988	1,149,400	109,467	1.55	169,674	178,157
49 Upper	3,576	177,800	16,933	1.63	17,441	18,313
49 Lower	16,784	839,200	79,924	1.42	113,492	119,166
50	21,624	935,043	88,099	1.76	155,054	162,807
51	19,968	998,400	95,086	1.82	173,056	181,709
52	7,680	384,000	36,571	1.08	39,497	41,472
53	1,628	81,400	7,753	1.23	9,536	10,018
Totals	132,828	6,484,243	617,547		1,010,537	1,064,995
						1.64 1.636

"HD" Zone

247.0	3,545	177,250	16,881	1.30	21,945
247.5	7,456	372,800	35,505	1.28	45,446
248.0	11,134	556,700	53,019	1.44	96,347
248.5	12,185	609,250	58,024	1.60	92,838
249.0	17,446	872,300	83,076	1.72	142,891
249.5	21,615	1,080,750	102,929	1.66	170,862
250.0	19,386	969,300	92,314	1.48	136,625

(1)	(2)	(3)	(4)	(5)	(6)	
Section	Area In Sq. Feet	Volume, Cubic Feet, Area X 50	Tons, Volume Divided by 10.5	Average Pounds U ₃ O ₈ Content Per Ton	Column 4 X Column 5	Weighted Average Pounds U ₃ O ₈ Per Ton
<u>2B¹ Zone (Continued)</u>						
250.5	11,302	565,100	53,819	1.64	88,263	
251.0	4,187	209,350	19,938	1.82	36,287	
251.5	378	18,900	1,800	1.72	3,096	
Totals	108,634	5,431,700	517,305		814,600	1.57
<u>2B² Zone</u>						
Upper #1						
25450 N	3,688	184,400	17,562	1.35	23,709	
25500 N	1,256	62,800	5,981	1.22	7,297	
Lower						
25500 N	1,660	83,000	7,905	1.11	8,775	
25550 N	3,376	168,800	16,076	1.02	16,397	
25600 N	884	44,200	4,210	1.65	6,946	
Upper #2						
25600 N	440	22,000	2,095	4.20	8,799	1.34
Totals	11,304	565,200	53,829		71,923	
Total 2A ¹ , 2B ¹ and 2B ² Zones			1,188,681			1.60

Note: For these tonnage calculations 10.5 cubic feet per ton in place is the factor used.

	Tons	Average Pounds Uranium Oxide Content Per Ton
Indicated Ore in Place	1,188,681	1.60
To which add 5% of 1,188,681 tons at an assumed nil uranium oxide content, as dilution (material unavoid- ably broken in mining and included in the ore as is normal in such operations)	<u>59,434</u>	<u>0.00</u>
Calculated Indicated Ore and Average grade after dilution factor applied	1,248,115	1.52
Less: Allowance for pillars for support in underground mining (20% of 75,557 u.g. tons).	<u>15,111</u>	<u>1.60</u>
Calculated Indicated Ore to be Mined and Milled and Dilute Grade	<u>1,233,004</u>	<u>1.52</u>
OR, say	<u>1,233,000</u>	
Estimated Mill Recovery of 87% Per Ton	1,233,000	<u>1.32</u>
Estimated Recovery from 1,233,000 tons of Movable Ore		1,627,560 Pounds U ₃ O ₈

NOTE: Based on the above figures, approximately
80% of the Eldorado requirement can be
satisfied.

2,000,000
500,000

2,500,000

ANALYTICAL DATA

In our calculations we used chemical assays said to have
been made by the University of British Columbia, and provided by Rexspar engineers.

	Tons	Average Pounds Uranium Oxide Content Per Ton
Indicated Ore in Place	1,188,681	1.60
To which add 5% of 1,188,681 tons at an assumed nil uranium oxide content, as dilution (material unavoi- dably broken in mining and included in the ore as is normal in such operations)	<u>59,434</u>	<u>0.00</u>
Calculated Indicated Ore and Average grade after dilution factor applied	1,248,115	1.52
Less: Allowance for pillars for support in underground mining (20% of 75,557 u.g. tons).	<u>15,111</u>	<u>1.60</u>
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Estimated Mill Recovery of 87% Per Ton	1,233,004	<u>1.32</u>
Estimated Recovery from 1,233,004 Tons of Movable Ore		1,627,565 Pounds U ₃ O ₈
Percentage of Eldorado Contract satisfied by 1,233,004 Tons Indicated Ore		79.3%

ANALYTICAL DATA

In our calculations we used chemical assays said to have been made by the University of British Columbia, and provided by Rexepar engineers.

We also considered radiometric assays which Rexspar had taken as checks and which were analysed by Pronto Uranium Mines Limited. None of these radiometric results were used in our calculations, although they did check closely with the chemical assays.

In our verification of analytical results on the "A" and "BD" zones we took forty-five core and underground samples, which were chemically analysed by H. Weller, Cobden, Ontario. These assays checked well with the corresponding results of Rexspar engineers. (See Appendix A).

ORE DILUTION

The "A" and "BD" zones give the most of the tonnage above and due to their position and attitude in relation to topography and to the proposed methods of strip mining, it is our opinion that these zones can be mined with minimum resulting dilution. It is not uncommon to estimate dilution by underground methods as high as 15%; in our calculations of Rexspar reserves we have used a figure which we believe conservative, of 5% dilution, at a grade of nil uranium content.

OTHER POTENTIALITIES

The principal mineral deposits thus far developed on Rexspar's large mining property at Birch Island are the "A", "BD" and "B" zones. Limited exploratory work has been done on other parts of the property which, with detailed exploration, may be productive of additional tonnages of uranium ore, or other minerals which might be of economic significance.

Map No. 5 is a surface plan on which is shown the location of some of the various areas or zones of particular interest.

Surface core drilling on the "BD" zone indicated uranium ore type material in the footwall below the indicated ore zone. Further exploration in this sub area could result in additional tonnages of economic interest. Also, down dip to the northwest, extensions or repetitions of the "BD" are

possible since core recovery here was not good.

North of the "A" zone, surface drilling returned low grade uranium values in ore-type material. We consider additional exploration either by underground attack or by surface drilling warranted for this area.

These two prime locations, together with the "B" zone, have sufficient potential on further drilling and underground development to complete the Eldorado requirements.

West of the "ED" zone and across Foghorn Creek diamond drilling was attempted following the discovery of ore-type float. Core recovery was poor. An adit into the hillside here will be further advanced when weather conditions improve. This area has been designated as the "F" zone and requires more exploration.

Other areas which appear to merit further exploration are the "C", "D", "G" and "H" zones. (Map No. 2).

Most of the Rexspar property has been systematically surveyed for surface radioactivity. There remains, however, some ground on which such a survey should be made.

The "Fluorite Zone" is a deposit of another mineral assemblage which was diamond drilled by a predecessor company and said to contain over one million tons of fluorite - celestite bearing material averaging about 20% fluorite and 20% celestite. (Strontium Sulfate). Also mentioned in geological reports on this property is the presence of manganese, lead and certain rare earths, including cerium, yttrium and lanthanum.

Rexspar has leased eleven mineral claims from Deer Horn Mines Limited. These claims adjoin the Rexspar property to the northeast.

Exploration of a zone here, where surface radioactivity was in evidence, consisted of two diamond drill holes in which ore-type material of low grade was indicated though core recovery was very poor. Further exploratory work is merited. This zone is designated as the "Steiner". There are two other areas within the Deer Horn Lease of lesser but not necessarily negligible interest called "Yale" and "West Bank".

The foregoing review of "Other Potentialities" is based on information derived from reports, supplied us by Rexspar, listed as follows:-

- Geological Report**
Rexspar Uranium and Metals Mining Company Limited.
December 5, 1951
Franc Joubin
Mining Geologist
- Summary Geological Report**
Rexspar Uranium and Metals Mining Company Limited.
May 8, 1956
Franc Joubin
Consulting Geologist
- Rexspar Uranium and Metals Mining Company Limited.
September 23, 1953
S. Leaning,
Geologist
- Rexspar Uranium and Metals Mining Company Limited.
September 4, 1956.
Ringsleben and Burns
Consulting Mining Geologists
- Report On**
Rexspar Uranium and Metals Mining Company Limited.
November 10, 1956
Ringsleben and Burns
Consulting Mining Geologists
- Annual Report 1954**
Rexspar Uranium and Metals Mining Company Limited.
J. W. Scott, Manager to the President and Directors
- Annual Report 1955**
Rexspar Uranium and Metals Mining Company Limited.
J. W. Scott, Manager to the President and Directors.
- Report on Claim Holdings Recently Acquired by**
Rexspar Uranium and Metals Mining Company Limited.
August 27th, 1956
J. W. Scott, Manager.

MINING

We have discussed with the management of Rexpar the mining methods which they propose to employ. The attitude of both the "A" and "B" zones is such that open pit mining seems to be the most economical means of extracting the indicated ore. Approximately 93% of the estimated tonnage can thus be mined. The balance can be won from underground.

Initially it is proposed to wholly strip the "A" zone of overburden and mine this indicated orebody first. Before this mining is completed the "B" zone can be stripped and mill feed provided from this area immediately the "A" zone is exhausted. There should be little or no interruption in the continuous operation of the concentrator during the switchover.

The small tonnage now indicated in the "B" zone will be mined by underground methods.

In our opinion open pit mining of these two flat lying orebodies is a feasible method of attack. We have reviewed the details of the proposed plan and the estimated cost of such an operation and find them both acceptable. No further development underground in these areas would be necessary before stripping the overburden which together with starting to mine the ore, could readily be done well in advance of the commencement of the concentrator operation.

The site of the concentrator is more than two line miles below the location of the indicated orebodies. In our discussions with the management, we were satisfied as to the validity of the location of the mill and plant site. Transportation of the ore to the mill was investigated and in our opinion the most feasible means of so doing is the one planned by the management, of aerial tramming either crushed or partially crushed ore from the open pits to the concentrator. Suitable provision is to be made at the concentrator for storage of crushed ore in sufficient quantity to provide for possible delays in mining due to holidays, breakdowns or inclement weather conditions.

We estimate the removal of the following quantities of overburden will be required.

	Tons Indicated Ore Before Dilution		Cubic Yards Overburden
"A" Zone	600,393	240,000 yd	246,510
"BD" Zone	502,935	200,000 yd	287,861 ?
Totals	1,103,328		534,371

PROCESS AND RECOVERY

Plans have been laid for the construction of a pressure leach, ion exchange concentrator having a rated daily capacity of 750 tons of ore per day.

A. H. Ross and Associates, Consulting Metallurgical Engineers, have been retained by Rexspar to coordinate the design, construction and metallurgical investigations in connection with the processing plant and ancilliary buildings. F. A. Forward, Metallurgical Engineer, has been retained to advise on metallurgical matters particularly those in connection with the Forward Pressure Leach process and its relation to the rest of the concentrator.

R. M. Way and Company Limited, Consulting Engineers, have been engaged to design the concentrator building, all its contents and the chemical storage tanks and facilities. Wright Engineers Limited, Metallurgical Engineers have been engaged to design the rest of the surface plant and to supervise the construction of it and the concentrator as well.

We have reviewed the available data and have had discussions with the above mentioned consultants. We have been advised by them that there are no metallurgical problems that cannot be solved in connection with processing the Rexspar uranium ore. In view of the expert advice and engineering ability with which Rexspar has provided itself and in view of the test work done on the ore

under the direction of Ross and Forward, we feel that the metallurgy of the Rexspar ore can and will be satisfactorily performed. We were advised that a recovery of 87% of the uranium oxide in the ore can be expected.

CAPITAL COSTS ESTIMATES

We have reviewed the capital cost estimates of Mr. Scott, Manager of Rexspar; Robert McLellan & Company Limited re the aerial tramway; R. M. Way & Company Limited re the concentrator; Wright Engineers Limited re the concentrator and ancilliary plant buildings, and have discussed these with A. H. Ross and Associates.

We are prepared to accept these estimated capital costs with some modifications of our own, the whole being tabulated as follows:-

A. Mine Preparation and Equipment	\$ 574,500
B. Crushing Plant	272,200
C. Concentrator	3,954,000
D. Service Buildings and Equipment	304,900
E. Steam Plant	182,000
F. Electrical Substation, Transformers & Switchgear	43,000
G. Housing	100,000
H. Working Capital	240,000
I. Inventories	140,000
J. Contingencies, Items A, E and F at 5%	39,975
	\$5,850,575

Note: No provision is made in the above for interest charges nor the cost of financing.

ESTIMATED OPERATING COSTS

Estimated mining costs have been submitted to us by J. W. Scott, Manager of Rexspar, and estimated processing costs have been

submitted to us by A. H. Ross and Associates. While we are prepared to accept the estimates of both there are certain minor additions which we have made and which were not included in the estimates of Scott or Ross. These estimated operating costs do not include British Columbia Mining Tax, Federal Income Tax, repayment of capital, interest, depreciation, preproduction expenditures and depletion.

	Per Ton Milled	
Development	\$0.10	
Mining	1.64	
Contingencies at 10% of \$1.64	0.16	
Milling	5.76	
Sales Tax and Taxes Other than on income	0.20	
Process Royalties	0.10	
Head Office	0.10	
Insurance	<u>0.06</u>	\$8.12

Note: Development costs are based on mining the whole of the indicated ore tonnage.

CONSTRUCTION PROGRAM

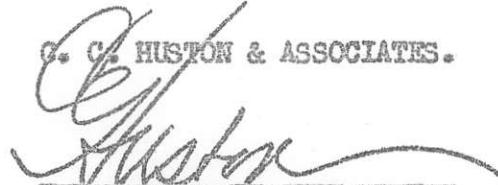
In reviewing the time required for completion of the various phases of the program to bring the property to production it is our opinion that, provided sufficient funds are available to Rexspar, production could be started as required by Eldorado.

GENERAL

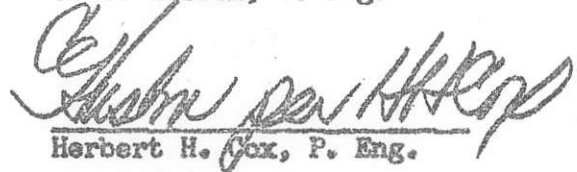
The opinions stated in this report are based on a study of all of the data that was made available to us. While we believe that we have satisfactory experience in this type of investigation and have a full background of knowledge of the various aspects of such a type of operation, we

must state that the calculations herein set out are estimates only and are not to be accepted as a guarantee that such estimates of tonnage, grade of ore, capital costs and operating costs of Rexspar Uranium and Metals Mining Company Limited will necessarily be confirmed by operating and production results.

C. C. HUSTON & ASSOCIATES.



C. C. Huston, P. Eng.

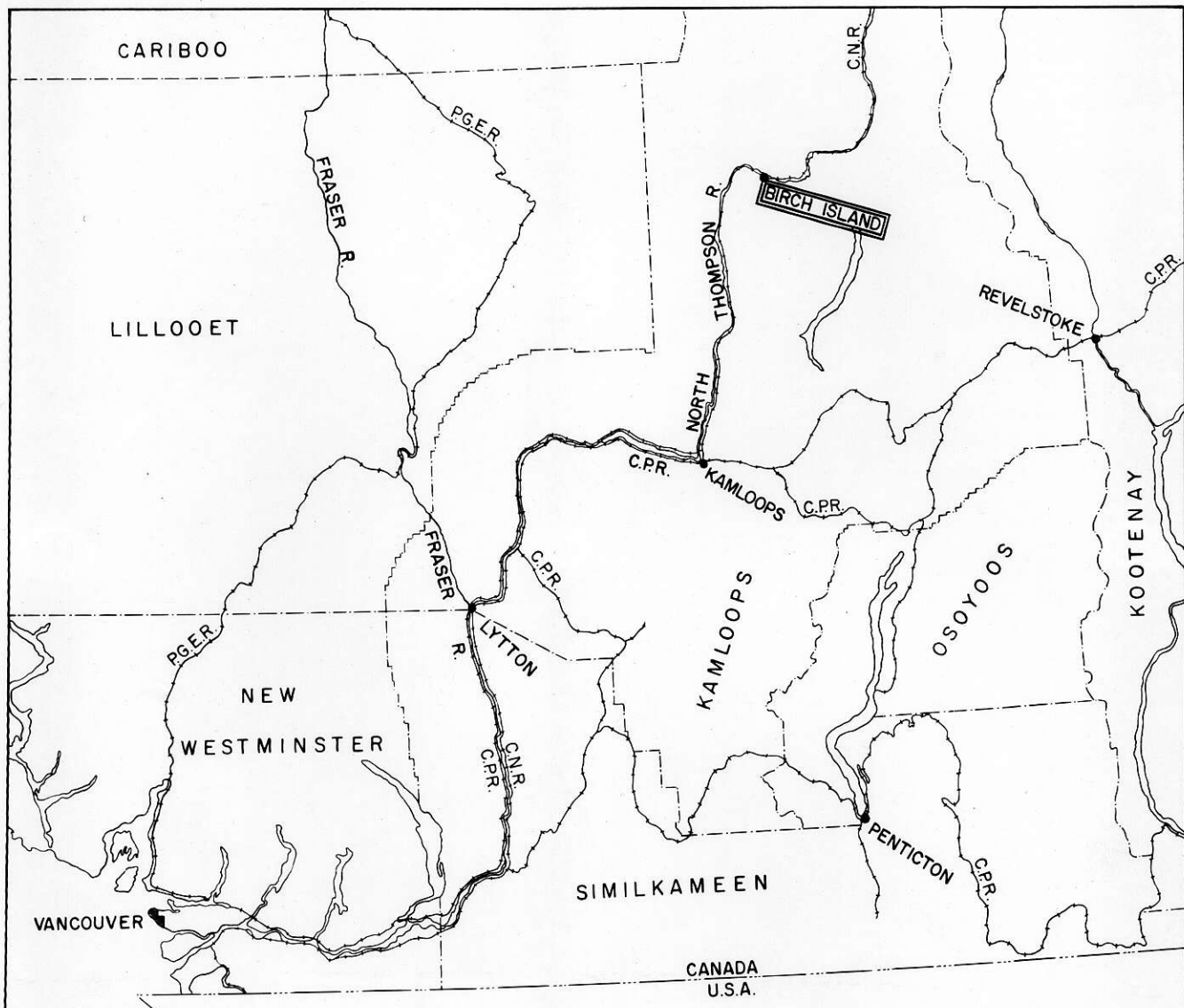


Herbert H. Cox, P. Eng.

CCH/HHC:mv

APPENDIX A

<u>Sample No.</u>	<u>Radiometric (pounds U₃O₈/ton)</u>	<u>Rexspar Assay (pounds U₃O₈/ton) (chemical)</u>	<u>Huston Assay (pounds U₃O₈/ton) (chemical)</u>
4801	2.60	2.84	2.70
4802	1.00	1.14	1.02
4803	0.80	None taken	0.50
4804	2.00	1.28	1.88
4805	1.40	2.10	1.09
4806	4.40	3.38	4.34
4807	7.40	7.00	7.24
4808	0.80	0.50	0.70
4809	0.80	0.84	0.74
4810	0.60	0.44	0.58
4811	2.80	2.55	2.80
4812	2.20	1.37	2.04
4813	1.20	1.08	1.23
4814	1.20	1.08	0.99
4815	2.00	1.68	1.87
4816	1.00	1.34	0.88
4817	2.00	0.88	1.79
4818	5.60	2.20	5.50
4819	0.80	1.00	0.74
4820	0.60	none taken	0.48
4821	1.00	0.80	0.96
4822	2.20	1.90	2.00
4823	1.20	1.00	1.00
4824	1.20	1.48	1.32
4825	0.60	0.66	0.64
4826	1.00	1.00	1.00
4827	0.80	0.80	0.75
4828	0.80	0.35	0.64
4829	2.00	1.96	1.90
4830	3.20	2.86	2.80
4831	6.00	3.32	4.80
4832	0.80	1.00	0.80
4833	1.20	1.00	1.17
4835	0.60	0.78	0.56
4838	5.40	2.60	4.84



REXSPAR URANIUM & METALS MINING CO. LTD.

BIRCH ISLAND B.C.

REGIONAL MAP

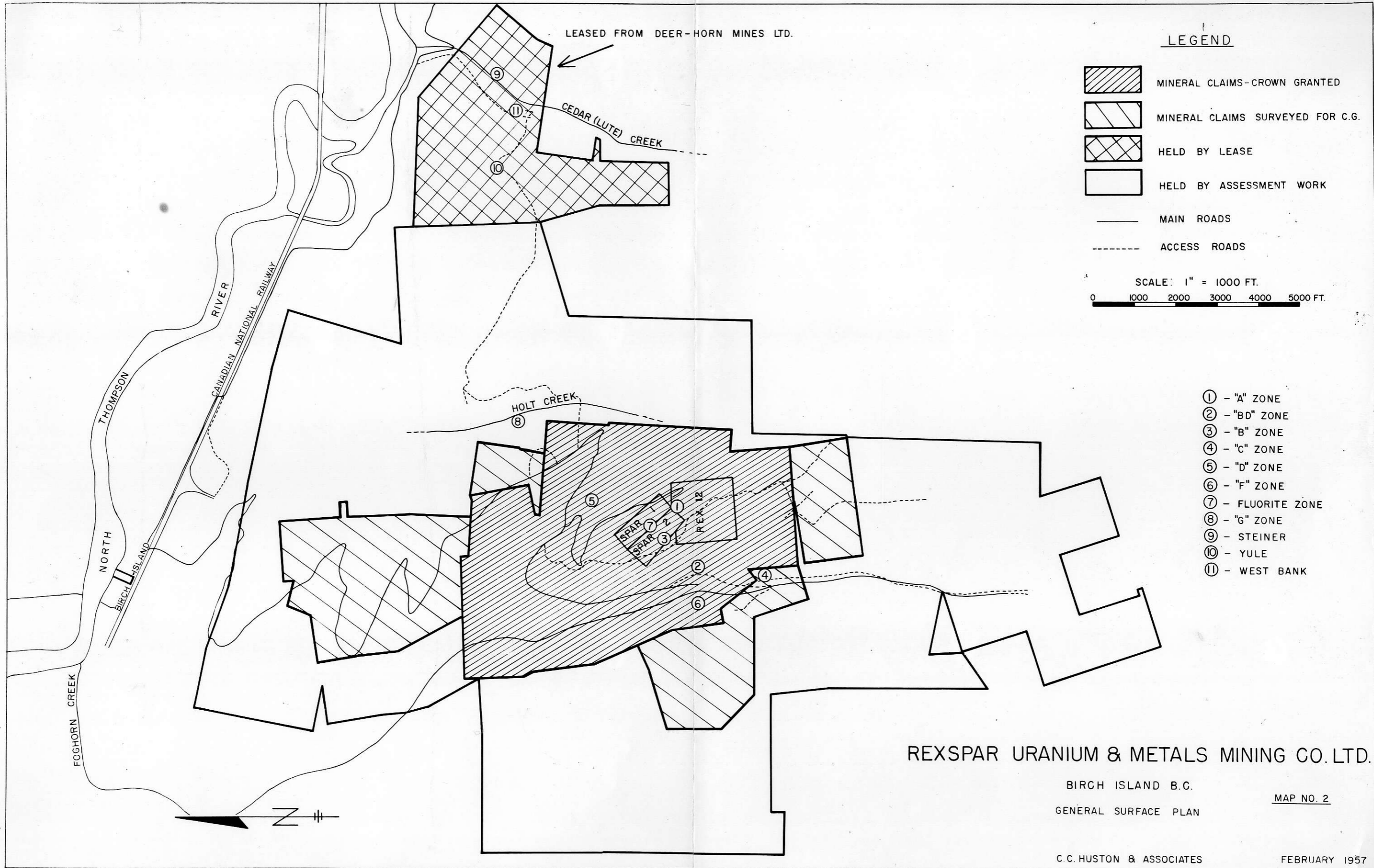
MAP NO. 1






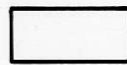


C.C. HUSTON & ASSOCIATES

DATA TAKEN FROM GEOLOGICAL SURVEY OF CANADA

FEBRUARY 1957



LEGEND

-  MINERAL CLAIMS-CROWN GRANTED
-  MINERAL CLAIMS SURVEYED FOR C.G.
-  HELD BY LEASE
-  HELD BY ASSESSMENT WORK
-  MAIN ROADS
-  ACCESS ROADS

SCALE: 1" = 1000 FT.
 0 1000 2000 3000 4000 5000 FT.

- ① - "A" ZONE
- ② - "BD" ZONE
- ③ - "B" ZONE
- ④ - "C" ZONE
- ⑤ - "D" ZONE
- ⑥ - "F" ZONE
- ⑦ - FLUORITE ZONE
- ⑧ - "G" ZONE
- ⑨ - STEINER
- ⑩ - YULE
- ⑪ - WEST BANK

REXSPAR URANIUM & METALS MINING CO. LTD.

BIRCH ISLAND B.C.
 GENERAL SURFACE PLAN

MAP NO. 2

C.C. HUSTON & ASSOCIATES

FEBRUARY 1957

LEASED FROM DEER-HORN MINES LTD.

CEDAR (LUTE) CREEK

HOLT CREEK

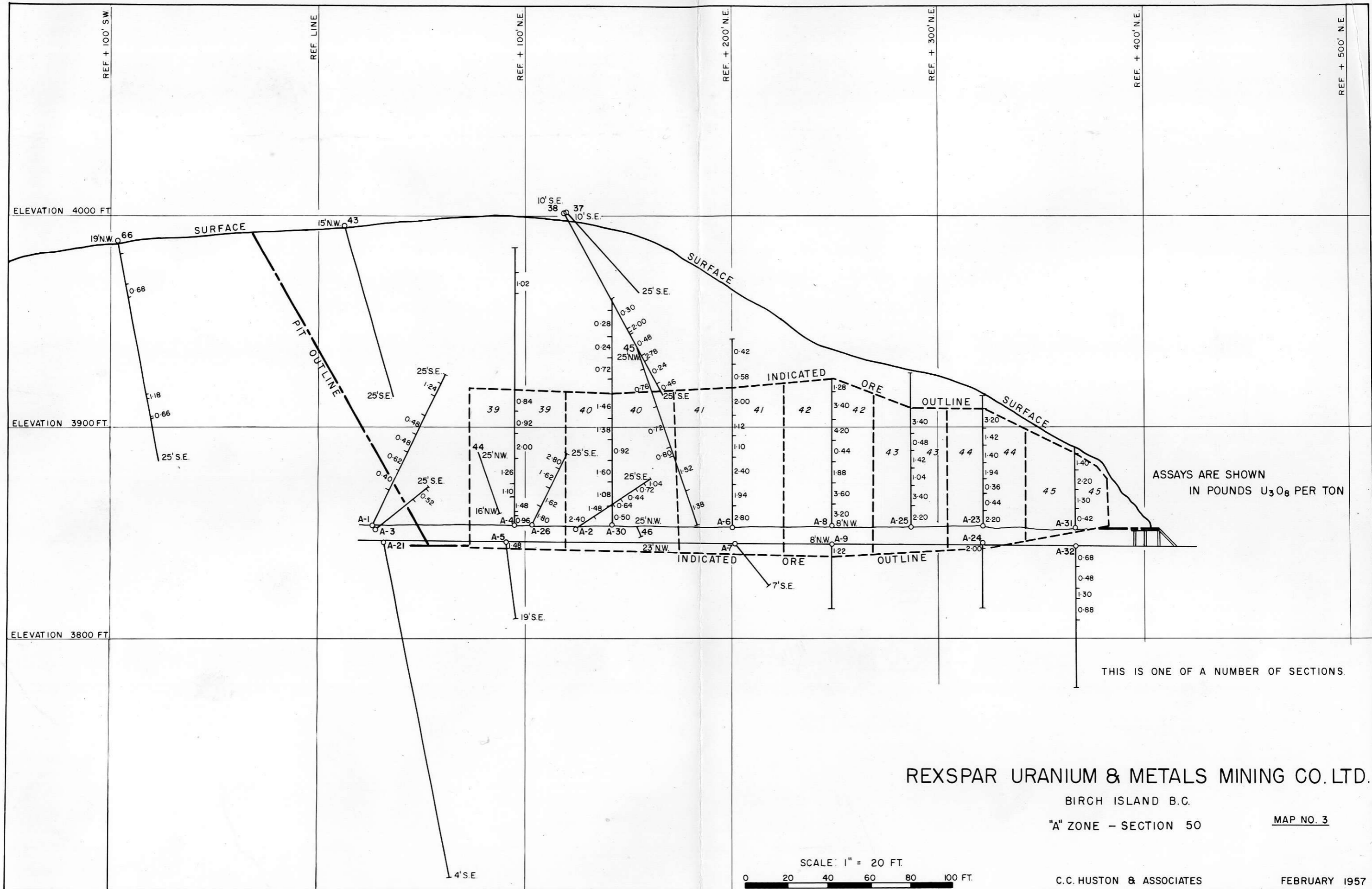
THOMPSON RIVER
 CANADIAN NATIONAL RAILWAY

NORTH
 BIRCH ISLAND

FOGHORN CREEK

REXSPAR
 REX 2





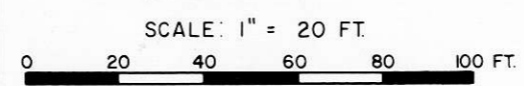
THIS IS ONE OF A NUMBER OF SECTIONS.

REXSPAR URANIUM & METALS MINING CO. LTD.

BIRCH ISLAND B.C.

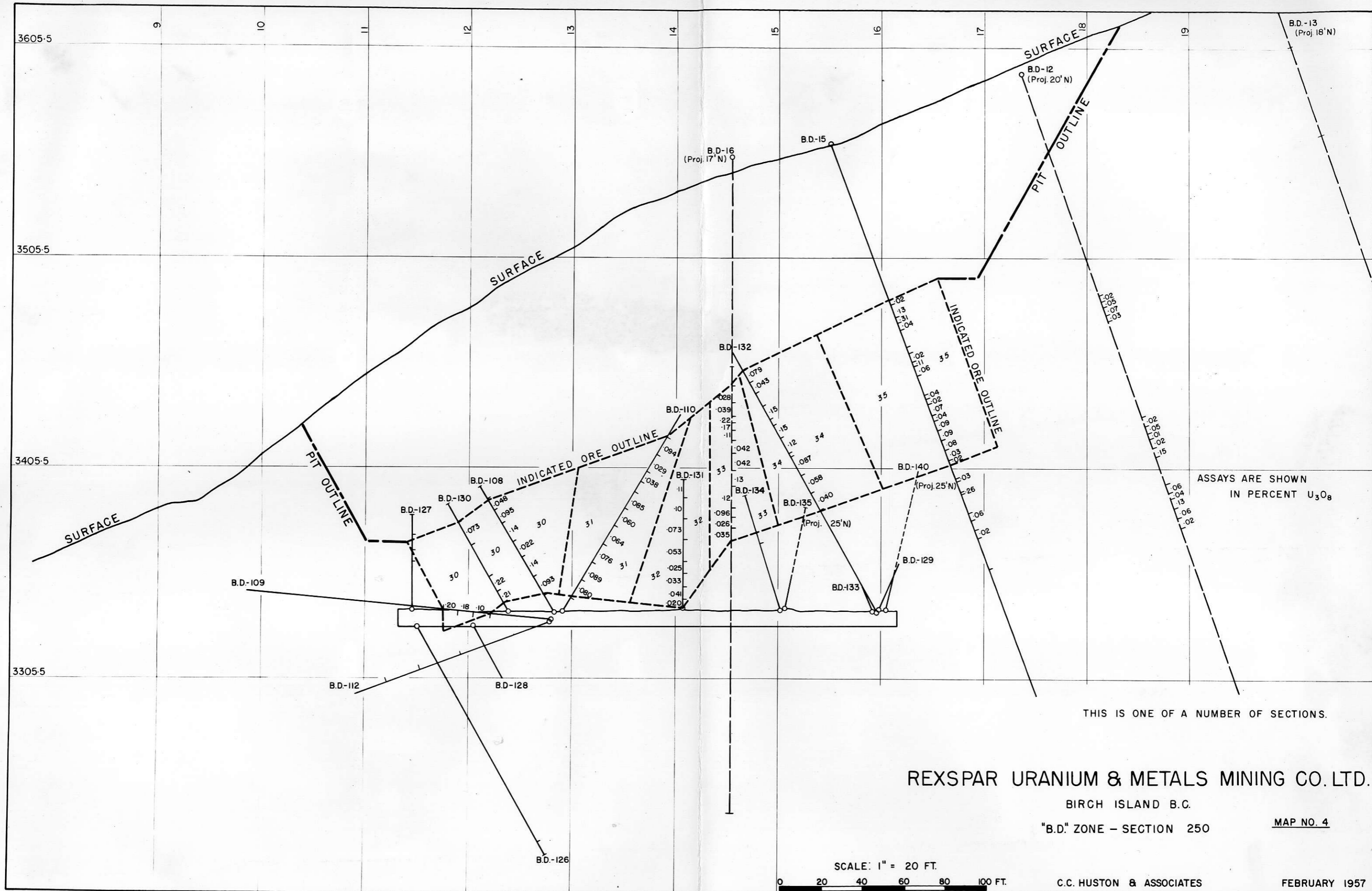
"A" ZONE - SECTION 50

MAP NO. 3



C.C. HUSTON & ASSOCIATES

FEBRUARY 1957



ASSAYS ARE SHOWN
IN PERCENT U₃O₈

THIS IS ONE OF A NUMBER OF SECTIONS.

REXSPAR URANIUM & METALS MINING CO. LTD.

BIRCH ISLAND B.C.

"B.D." ZONE - SECTION 250

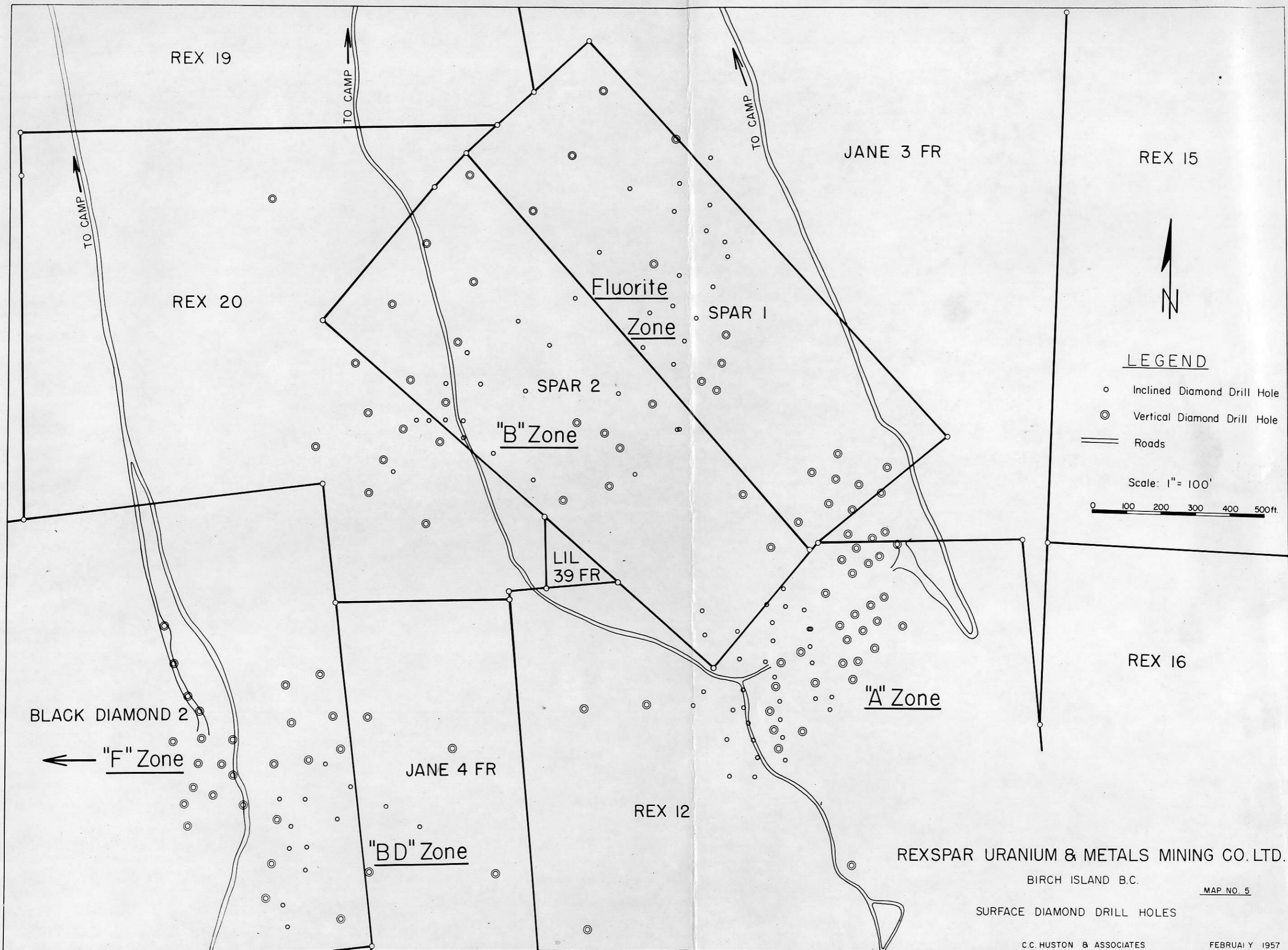
MAP NO. 4

SCALE: 1" = 20 FT.



C.C. HUSTON & ASSOCIATES

FEBRUARY 1957



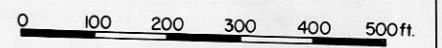
REX 15



LEGEND

- Inclined Diamond Drill Hole
- ⊙ Vertical Diamond Drill Hole
- == Roads

Scale: 1" = 100'



REX 16

REXSPAR URANIUM & METALS MINING CO. LTD.

BIRCH ISLAND B.C.

MAP NO. 5

SURFACE DIAMOND DRILL HOLES

C.C. HUSTON & ASSOCIATES

FEBRUARY 1957

C.C. HUSTON & ASSOCIATES

MINING CONSULTANTS
2001-80 RICHMOND STREET WEST
TORONTO 1

C.C. HUSTON
H.H. COX

S.C. BROWN
G.S. DISLER
G.W. GOETTLER
K.G. HOPE
W.J. MATTHEWS

EMPIRE 2-1474-5-6
CABLE "HURONTO"

February 5th, 1957.

Mr. John W. Scott, Manager,
Rexspar Uranium & Metals Mining Co. Ltd.,
BIRCH ISLAND, B. C.

Dear Mr. Scott:

Enclosed herewith are the maps and correspondence which you loaned me last week and which we have photostated and list as follows:

1. General Surface Plan
2. "B" Zone Section 25450 N
3. "B" Zone Section 25500 N
4. "B" Zone Section 25550 N
5. "B" Zone Section 25600 N
6. "B" Zone Section 25700 N
7. Letter - December 20/56 - L.F. Wright to A.H. Ross.
8. Summary of Mineral Claim Holdings - December 31/56.
9. Letter - December 27/56 - H.M. Wright to A.G.W. Lamont.
10. Letter - January 2/57 - A.G.W. Lamont to Dr. Philip Joseph.
11. Letter - December 3/56 - F. A. Forward to Dr. Philip Joseph.
12. Letter - December 3/56 - F. A. Forward to Dr. Philip Joseph.
13. Letter - December 20/56 - Trial Balance November 30/56 - J. W. Scott to Rexspar Uranium, Montreal.
14. Summary Geological Report by Franc R. Joubin - May 8/56.
15. Letter - January 21/57 - A.G.W. Lamont to Dr. Philip Joseph with attached comments on a meeting at R.M. Way & Co. on January 17/57.
16. Letter - December 6/56 - H.M. Wright to A.H. Ross.
17. Letter - December 27/56 - A.H. Ross to Dr. Philip Joseph.
18. Cost Estimate by J.W. Scott, Rexspar Uranium - October 26/56.
19. Letter - January 23/57 - J.W. Scott to Dr. Philip Joseph.

Not included herewith is the copy of Mr. McLellan's report and the report from Mr. Yuill. These reports would not photostat well and as soon as we have copies of them made we shall return them to you.

- 2 -

Mr. John W. Scott

February 5th, 1957.

With respect to crushing costs, I have looked up the Malartic Gold Fields' crushing costs for 1955 which were at 13.2¢, and for 1956 at 13.1¢. Tonnage handled for the years was 671,866 and 632,542, respectively. These costs include crushing, conveying, dust control and all building and machinery maintenance costs. I do not have the capital outlay here but the plant consists of 36 x 48 Jaw Crusher, a 4 1/4 ft. Symons Standard, two 4 ft. Symons Shortheads, two 5 x 10 Dillon Screens, separate screening house and all the necessary conveyors.

When I have the opportunity of procuring further crushing costs I shall advise you.

I have not yet had the opportunity of finding out more about the B. C. Power contract but will advise you when I have done so.

I should like to express my thanks to you for the many courtesies extended to me and to Mr. Adams during our stays with you.

With kindest personal regards to Mrs. Scott and yourself, I am,

Yours very truly,



Herbert H. Cox, P. Eng.

HHC:mv
Encls.

Kingspan

BD

Cu. ft.

4,182,650

Grade

1.710 16

A

6 204 525

1.711

10,387,175 cu ft.

1.7106

Huston

BD

5 431 700

1.57

A

6 484 243

1.64

11,915,943

1.61

BD - Huston added

1,249,050 cu ft at grade 1.101 #

Sorted waste BD 763,641 cu ft (Kingspan/Huston)

A Huston added

279 718 cu ft at grade 0.07 #

Total Huston added

1,528,768 cu ft @ 0.901 #

Sorted waste

Rexspar Uranium & Metals Mining Co. Limited

(NO PERSONAL LIABILITY)

HEAD OFFICES: Suite 1922, 44 King Street West, Toronto 1, Ontario, Empire 6-2701

MINE OFFICE: Birch Island, B.C.

Rexspar reserves @ 10.5 c/lb/ton
 Present reserves 933,500 tons @ 1.71 [#]/ton
 Recoverable @ 87.9% 1,393,000 lbs
 Gross Revenue @ 10.50 \$ 14,626,500
 Operating cost allow 5% dilution
 Huston draft cost \$8.12/ton
 980,175 x 8.12 7,959,000

Gross Revenue \$ 6,667,500

Balance reqd for contract 660,125 lbs
 Tons @ 1.50 recovery 440,000 approx

Gross Revenue 660,125 x 10.50 6,931,300
 Op Cost 5% dil. 8.12/ton 3,751,440
 Gross Revenue 3,179,860

Total Gross less for contract 9,847,360

Less 300,000 for mill
 25% extra of cost for
 1st year 300,000
 Say 9,500,000

WRIGHT ENGINEERS LIMITED

METALLURGICAL ENGINEERS, TESTING,
MILL AND INDUSTRIAL DESIGN

STE. 802 CREDIT FONCIER BLDG.
850 WEST HASTINGS STREET
VANCOUVER 1, BRITISH COLUMBIA

January 29, 1957.

C. C. Huston and Associates,
80 Richmond St. West,
Toronto, Ontario.

Subject: Rexspar Uranium & Metals
Mining Co. Limited -
Preliminary Estimate of
December 21, 1956.

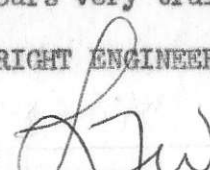
Gentlemen:

At the request of Alvin H. Ross, we are forwarding a copy of our Estimate dated December 21, 1956 covering a preliminary set of figures on a 750 ton per day Uranium Concentrator for Rexspar Uranium & Metals Mining Co. Limited.

As this is our file copy, we would appreciate its return when you are through with it. We enclose a photostatic copy for your records.

Yours very truly,

WRIGHT ENGINEERS LIMITED.


L. E. Wright.

LFW/aa

cc: Dr. Joseph,
Mr. J.W. Scott, ✓
Mr. A.H. Ross

January 25, 1957.

Mr. H. M. Wright,
Wright Engineers Limited,
Suite 802, Credit Foncier Bldg.,
850 West Hastings Street,
Vancouver, B. C.

Subject: Rexspar Estimate of December 21, 1956

Dear Harold:

C. C. Huston & Associates have now been retained on the Rexspar job as Independent Engineers in connection with financing. For their studies, Huston requires a copy of your report of December 21, 1956. We would appreciate your sending one to them immediately. The address is:

C. C. Huston & Associates,
80 Richmond Street West,
Toronto, Ontario.

Thanks.

Yours sincerely,

AGW Lamont

A. G. W. Lamont.

AGWL/LG

cc. Dr. P. Joseph.
Mr. J. W. Scott. ✓

January 25, 1957.

C
O
P
Y
C. C. Huston & Associates,
80 Richmond Street West,
Toronto, Ontario.

Subject: Rexspar

Sirs:

As arranged with Mr. Ross, enclosed are copies of the following Rexspar reports, etc.:

Jan. 18, 1957 Letter, W. Gow to F. Forward, reporting test data from the Mines Branch.

Nov. 29, 1956 Letter, O. Tangel to Dr. Joseph, detailing Battelle Memorial Institute's comments, recommendations, etc.

Aug. 15, 1955 Report, J. Halpern, U.B.C. "Laboratory Investigation on Treatment of Rexspar Uranium Ore -- Final Report".

Aug. 19, 1954 Report, M. Hughson, Radioactivity Division, SR 246/54, "Mineralogical Report on a Bulk Sample from Rexspar".

Undated Report, "Petrographic Report on a Series of Specimens from Rexspar".

Undated Report, "Details re Samples Sent to U.B.C. and Ottawa".

We have asked Ringsleben and Burns, and Wright Engineers to forward to you copies of their reports.

Yours truly,

AGW Lamont

A. G. W. Lamont.

AGWL/LG
Encls.

cc. Dr. P. Joseph.

Mr. J. W. Scott. ✓

INTER-OFFICE MEMORANDUM

FROM

TO

DATE

COPY TO

SUBJECT

COPY TO

FILE No.

COPY TO

C Mill Design & Construction.

Toronto eng. & designers used to plush jobs.

Our design will probably have much fat which can be hacked off.

- eg.
- (1) Fine or bins (out)
 - (2) Used equipment should be used purchased wherever possible except for teach towers.

Wright's examine Cranby plant?

- (3) Building construction should be a same bones proposition only - Wright can assist here as used to cheap construction
Towers outside except bottoms
Process heat should reduce necessity for tight & weatherproof bldg.

- (4) Contract crushing.

Present arrangement Wrights supervise construction to

R.M. Way design. Might extend Wright function to include design
check for fat & for possible 2nd hand equipment available West.
J.H.M. Green wood.

lumber supply - Clearwater Timbers.