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NR
JUN 10 1991
ENVIRONMENTAL
INSPECTION

*Metsub
VLLTA
0002
1991*

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June 10, 1991

Mr. Norman Ringstad
#105, 525 Superior St.
Victoria, VC
V8V 1X4

Re: File 15010, Villalta Property (No. 85 on review list)

Dear Mr. Ringstad:

- Herewith is a prospectus concerning a very small operation I am considering for this property. In essence, it is an open pit, crush and heap leach, less than 10,000 tons per year operation. Hopefully, all of the tailings would be sold as cement plant feedstock.
- My main problem lies with the choice of a mill-site. Cyanide is involved. It could be near the mine (within the drainage if the Nanaimo River) near the ocean, or on a barge moored offshore. An on-land Duke Point area site would perhaps be best for security (both environmental and operational) but this places it within Nanaimo City limits.
- I plan on visiting interested parties to discuss this further. Who would you suggest for me to contact in this regard?

Thanks for your consideration.

Yours truly,

C.F. Millar

C.F. Millar

#31063

Enclosure

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PROSPECTIVE FACT SHEET - VILLALTA PROJECT-1991 SUBMITTED

PROJECT NAME & OPERATOR: Villalta, Chester F. Millar,
PO Box 49287, Vancouver, V6G 1L3

LOCATION: On Fletcher Challenge logging road, 40 Km.
west of Nanaimo. (see accompanying map).

Est. Capital Cost: About \$250,000 depending largely on mill
site.

Minerals: Gold and hematite iron ore

Production: Considering 6,000 t ore/year, seasonably
operated.

Mine Life: 1 year for development, 4-5 years production.

Reserves: 15,000 to 25,000 tons depending on economics.

Grade: 0.12 to 0.07 opt Au, about 35% Fe

Cut-off Grade: About 0.05 opt Au.

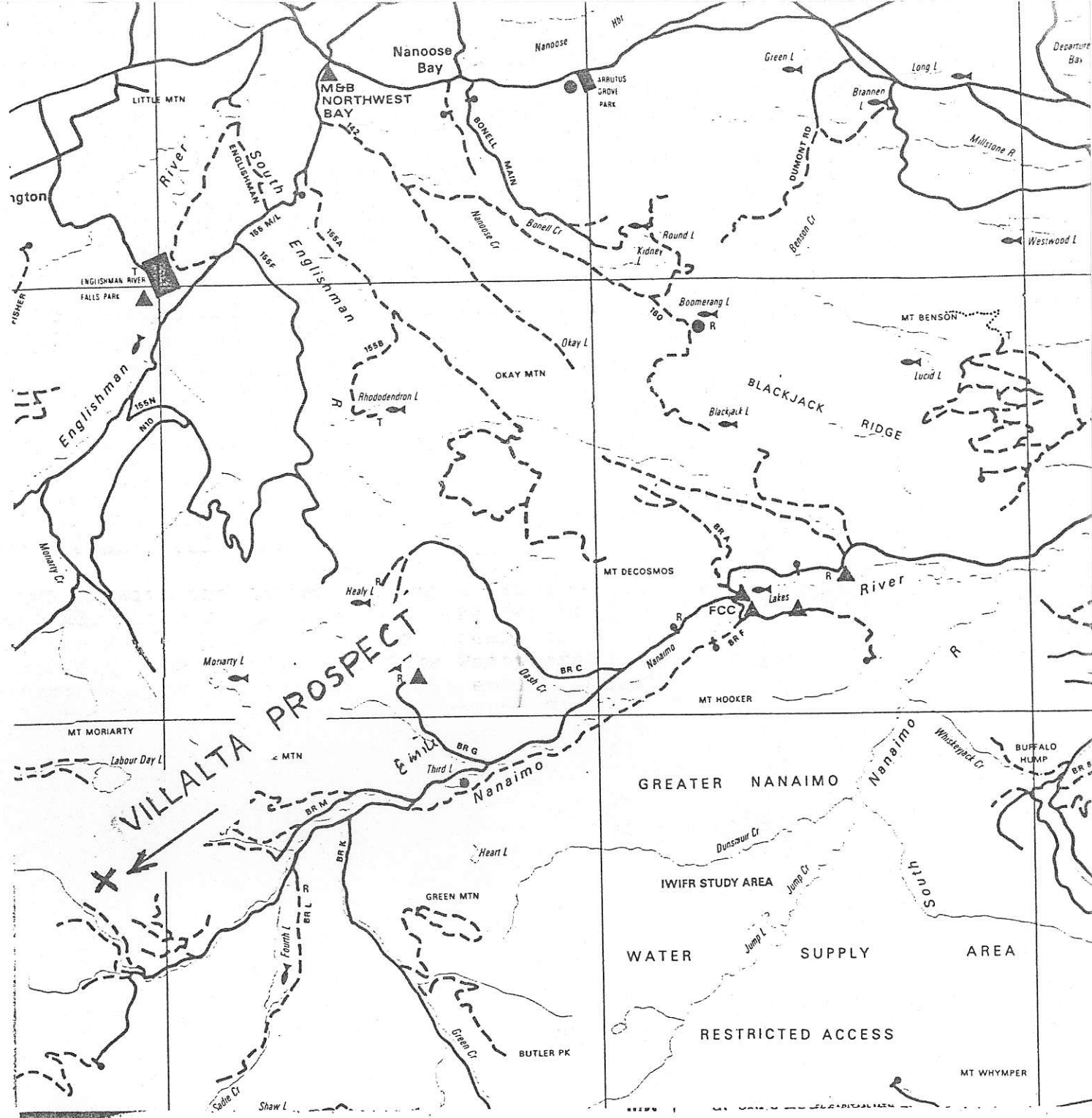
Potential: Unlikely that underground mining of any
additional reserves would be profitable.

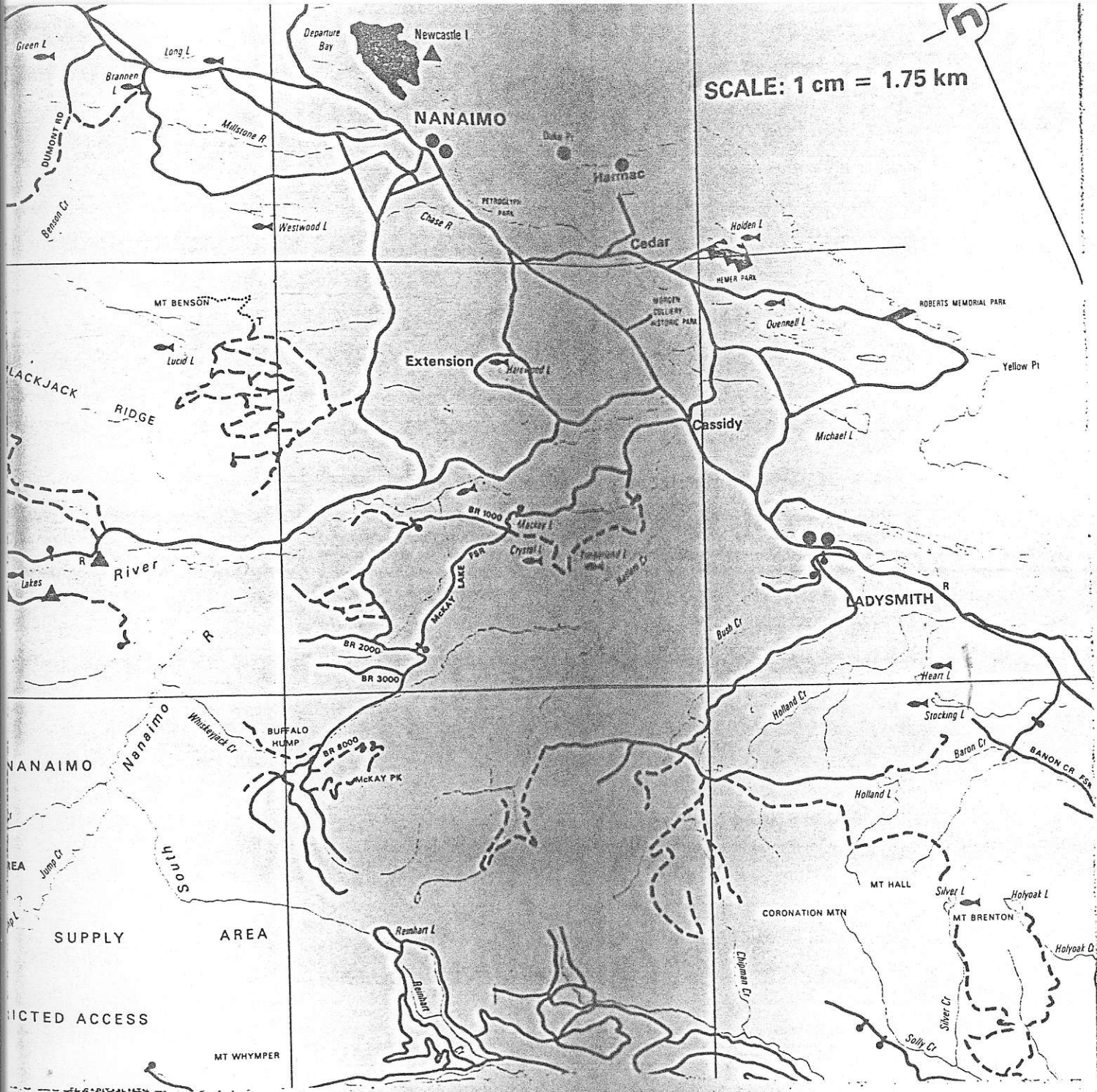
Roads, shipping: Use existing roads. 10,000 ft² leach pad.
Duke Point barge-out.

Power: Probably all diesel powered, portable.
Mining and hauling contracted out.
Fine crush (if used) and heap leach require
20-30 HP.

Work force: Intermittent employment for several local
contractors mining, hauling, crushing.
2 men heapleaching for 6 months each year.
Living in Nanaimo.

Other comments: Mill tailings could be sold to cement plants.
Small pit and leach pads could easily reclaimed.
Economic impact would be about \$500,000
spent in Nanaimo area - mostly paid to local
contractors.





SCALE: 1 cm = 1.75 km

NANAIMO

Cassidy

LADYSMITH

Extension

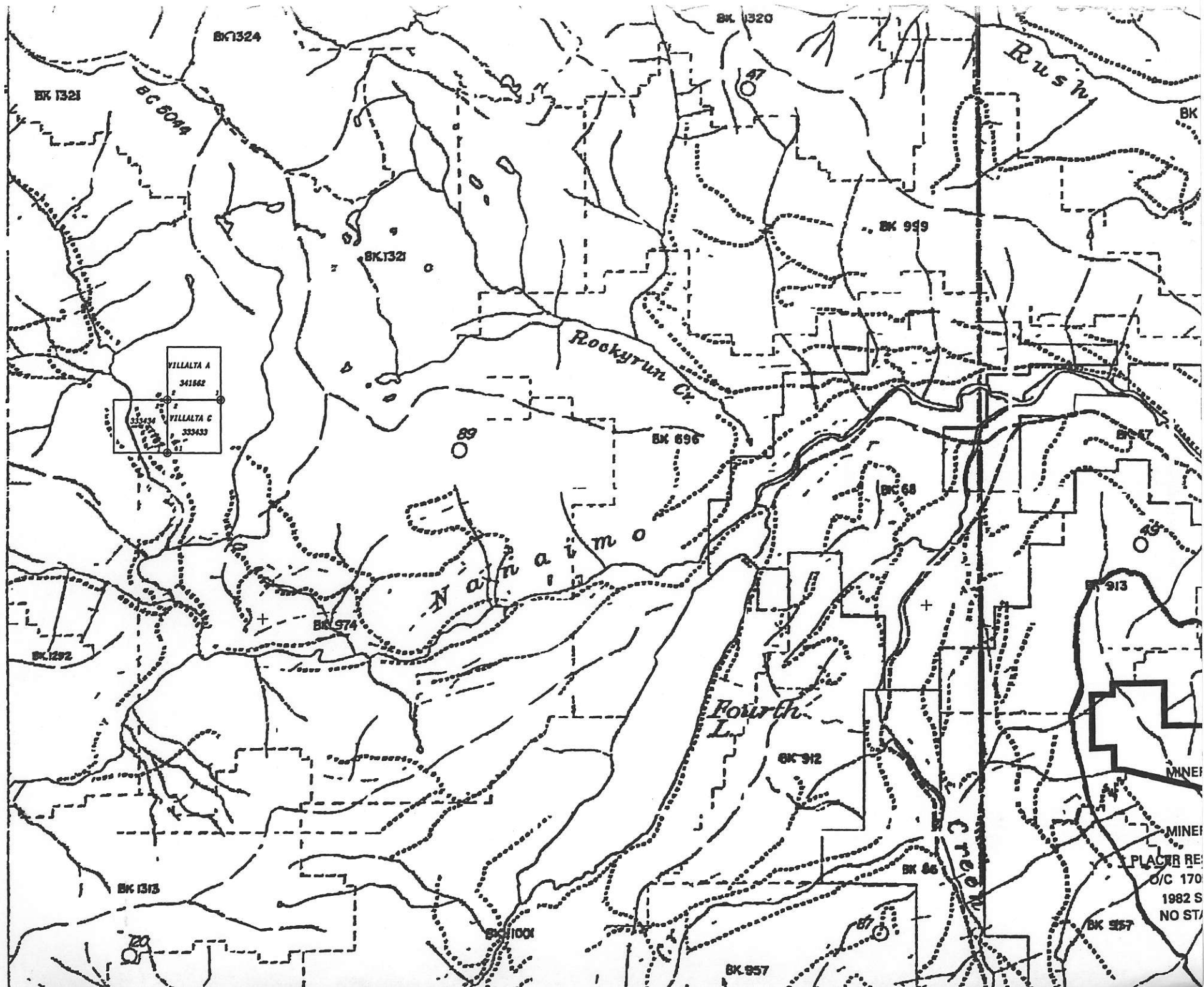
NANAIMO

SUPPLY AREA

RESTRICTED ACCESS

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