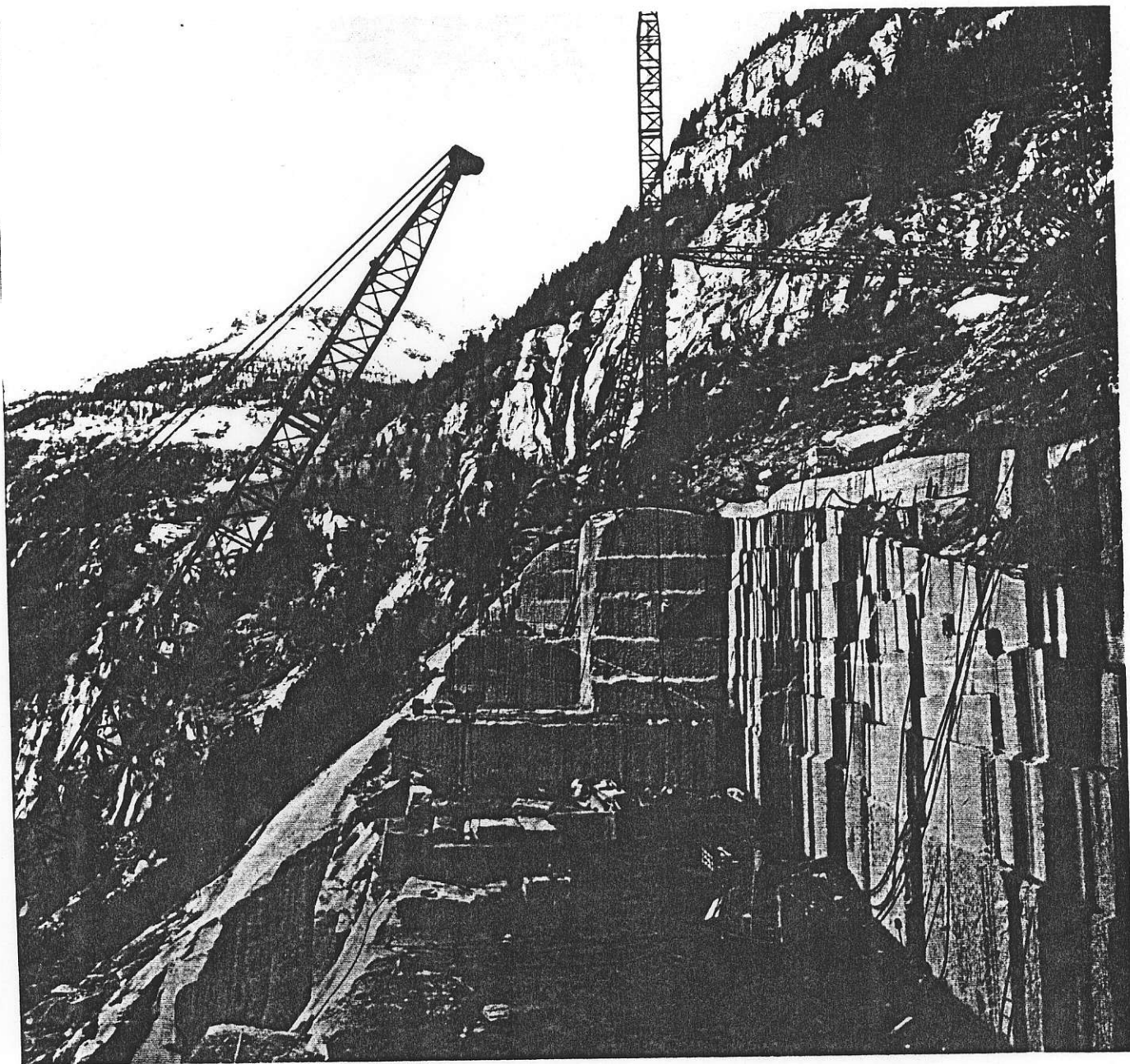


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MARBLEHEAD INTERNATIONAL MINING INC.



082K/6E, 7W

CONFIDENTIAL

THE INFORMATION CONTAINED WITHIN IS CONFIDENTIAL AND IS INTENDED SOLELY FOR THE BENEFIT OF MARBLEHEAD INTERNATIONAL MINING INC.(THE COMPANY).THIS INFORMATION MAY NOT BE DISCLOSED, REPRODUCED OR DISSIMINATED IN WHOLE OR IN PART WITHOUT PRIOR EXPRESS WRITTEN CONSENT BY THE BOARD OF DIRECTORS OF THE COMPANY.

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(2)

THE COMPANY

MARBLEHEAD INTERNATIONAL MINING INC.

Hereinafter also referred to as (The Company)

Suite 1006-750 West Pender St.

Vancouver, British Columbia, Canada

V6C 2T8

Tel: (604) 682-4864

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BUSINESS OF THE COMPANY

Business of the Company is to locate, explore and develop Marble and Granite quarry sites and to operate producing quarries held by the Company.

MARBLEHEAD INTERNATIONAL MINING INC. has acquired 100% interests (including Licence to quarry and operate) of the Property known as MARBLEHEAD located in the Kootenay District in the Province of British Columbia (Lardeau/Meadow Creek area), legally described as follows.

LOT No. 10443 (Appendix A)

Ministry of Forests and Lands File No.: 4410433

LICENCE OCCUPATION NO.: 401169. (Appendix B)

Name of Property : MARBLEHEAD.

THE PRODUCT

DEFINITION OF MARBLE;

Limestone, which by alteration due to natural agents has become crystalline, is called "Crystalline limestone", and this, when possessed of a certain fineness of grain or other qualities giving it a handsome appearance, is called MARBLE.

Owing to the intense metamorphosis to which the rocks of British Columbia have been submitted, practically all the limestones have been rendered "Crystalline" class.

Marble and Granite (slabs and tiles) have seen, since the beginning of the 1980's, a substantial upsurge of their use in the construction sector.

Marble and Granite have constantly eroded the wallcovering and floorcovering markets previously dominated by wooden materials, carpets, moquettes, plastic tiles and linoleum products.

Durable, decorative and of luxurious look, marble and granite have entered the North American markets (USA and Canada) decisively and with constant increase.

Apartment buildings, skyscrapers, offices, homes all over North America, increasingly demand the use of marble and granite in their halls, bathrooms, living-rooms, for wall and floorcoverings (interiors and exteriors).

Marble and granite are also used for rich-looking furniture (tables, consoles etc.) as well as for fireplace coverings, columns, fountains and other fine works. These materials visibly enrich and add value to any real-estate (buildings, homes), and therefore considered as good and wise investment.

PROPERTY AND RESERVES

MARBLEHEAD quarry has proven reserves of high quality marble of crystalline white and crystalline white-grey colour, well known in the North America market as "GEORGIA CHEROKEE MARBLE".

This marble meets all the ASTM standards for strength, compactness, density and transverse compactness, and can be used for interior wall/floorcoverings as well as for exterior building coverings.

Marble of Marblehead quarry will also find a strong market as a dimension stone for decorative purposes and for the funerary sector.

MARBLEHEAD quarry is conveniently located 3Km north of Meadow Creek adjacent to Highway 31, connecting Nelson with Revelstoke, The Highway is there bordered by Meadow Creek, thus offering all facilities concerning the supply of water needed for quarrying operation.

The access to the quarry is obtained by a road (30 meters length approx) which connects the Highway with a wide-flat area facing the quarry site.

MARBLEHEAD quarry offers the opportunity to extract high quality marble in large blocks of any requested size either to be exported overseas or destined to the North American markets, by way of quarrying in open-pit or from the existing large underground quarry.

The quarrying of marble at Marblehead (open-pit and underground) started in the late 1890's, and has been in operation until the year 1936. The crisis and depression of these years (1929 on) and World War II caused an abrupt halt of the local and North American related Industries.

Marble from MARBLEHEAD quarry has been extensively used for interior and exterior wall/floorcoverings in Government Buildings as well in Institutional Buildings (Banks, Public Buildings, Municipal Buildings) by the Albertan Company "Canadian Marble and Granite Ltd" which was conducting operations at that time.

THE MARKET

The increasing demand for marble and granite material World-Wide, (Italy being the most prominent supply of slabs, tiles, finished products) has created a wide open market for marble in blocks.

Blocks of marble from MARBLEHEAD quarry are already requested by Italian Processing Plants. However, since the North American market imports approximately 95% of its needs (in slabs and tiles format), the local implementation of a Processing Plant should be given serious consideration.

Opportunity for immediate supply, competitive pricing, high quality material and proximity to market are factors that ensure a high profitable operation.

Added value in transforming marble and granite blocks into large slabs and tiles destined to wall/floorcoverings of buildings (interiors-exterior) will favour high mark-ups to the Company for the foreseeable future.

The present demand for marble and granite is strong, with an annual increase in imports of approximately 30/40% (Canada and U.S.A. combined).

Italy stands as the major producer and exporter in the world. Since ancient times Carrara Marble and Tivoli Travertine have been quarried and used for rich houses and buildings, monuments and royal palaces as well as for Arab and East Indian magnificent buildings and structures.

Marble and granite are a symbol of solidity, beauty, wealth and abundance.

The supply to the world market by Italy, of finished and semi-finished marble and granite products is dependant on a continuous availability of large blocks which Italy has, in recent years, been importing from various areas of the world (Africa, South America, Asia, Eastern Europe China and India).

This is the result of the ever increasing demand for finished marble and granite and the depleting of Italian marble deposits throughout the times.

The supply by Italy of finished and semi-finished material, (in slabs, tiles, etc.), to the world (including the North American markets) fully justify the investments for activating local quarries for block-exports, and to further implement a processing plant aimed to satisfy the local markets for slabs, tiles and decorative panels.

HIGHLITES OF MARKET

The present demand for marble and granite (slabs, tiles, monumental works, dimension stone etc. for building purposes), has reached high volumes.

The Company, after evaluating all available data and information concerning production, consumption and imports, volumes (quantity) and value of this particular market, considers this moment as the most favourable for exploiting local resources, thus entering the international market by supplying marble in blocks abroad and, further, to process raw material into semi-finished and finished products for the Canadian and the USA related industries.

The consumption of marble and granite in the United States has increased 12.3 times during the period from 1980 to 1987 (latest figures available) reaching 135 million square feet in 1987.

From 1980 to 1985 the average increase in consumption was approximately 44% per annum. During the most recent recession the only sector which registered a positive gain was the marble and granite sector.

In 1987, total consumption in North America reached 1.3 billion dollars (US), while Canada was well over the 100 million dollar mark.

In 1989 the total consumption (United States and Canada) passed the 2 billion dollars, and expected to reach (annual increase of approx. 30%) the 2.9 billion in 1991.

The recent events in the Middle East, have created a new opportunity for a strong boost of this sector, as marble and granite will be extensively utilized in the re-building of the countries effected by the crisis.

U.S.A. and Canada will participate to the supply of building material and construction contracts as they have gained most favoured status with the countries involved in the crisis.

Raw material (marble and granite in blocks) will be subjected to a stronger demand, as request of finished products (slabs,tiles) from the Middle East will add to the existing one.

Major users of marble blocks (Italy), will demand greater quantities on long term basis.

In view of the world's market conditions , the Company is programming to take advantage of the existing opportunities.

Tile-size samples were taken from Marblehead quarry site, polished and presented to local, U.S. and European Companies for their evaluation. The marble samples have received high mark of appreciation for their colour, quality, purity and high compactness which makes it, also, suitable for exterior applications, (see appendix F for technical data).

HISTORY OF 'MARBLEHEAD'

At the turn of the century British Columbia produced a wide variety of dimension stone for both domestic and foreign markets.

The advent of the renowned depression of 1929, caused the closing of operations to the various quarries active at the time.

Today, most of dimension stone used in Canada and United States are imported.

A very limited and insufficient quantity of material is supplied by some quarries scattered in North America, confined mostly in the production of granite, jade and rhodonite.

Prior to the depression years, actual production of marble was confined to few localities:

- 1-Marblehead.
- 2-Nootka Sound.
- 3-Northern and Southern Texada Island.
- 4-Grant Brook, Grant Trunk Pacific Railway.

Of the above, only Marblehead produced substantial dimension stone for buildings, while the others were mainly operating in the lime producing activity.

In 1900, four quarries, (Appendix C) located approximately 3 kilometres north of Meadow Creek bridge on Highway 31, (South of Duncan Lake), were particularly active in producing white and white-grey crystalline marble.

Known as "Light and Dark Kootenay Marble", (also Georgia Cherokee marble for its similarity to the renowned Vermont marble), this stone has been used for interiors and exterior works in buildings, as far East as the Province of Manitoba. The marble, sometimes banded and medium grained/fine grained, is part of the Pre-Cambrian Badshot-Mohican Formation.

Utilization of marble and granite for building purposes was, at the time, mostly restricted to Municipal and Provincial-Federal buildings as well as for institutional buildings such as Banks, Public buildings, large Companies Offices etc.).

The four quarries above mentioned, (area called Marblehead), were owned and operated by the Albertan Company "Canadian Marble and Granite Works", with head office in Edmonton.

In addition to supplying its finishing plant (located nearby the quarry sites) which had a daily production of 25 M.Tons., it shipped blocks to other finishing plants in Edmonton, Alberta and Vancouver, British Columbia.

Finished marble extracted from Marblehead can still be viewed in various buildings in Vancouver, Nelson, Revelstoke, and other cities of western Canada (appendix D and E)

Canadian Marble and Granite Works Co. operated with the "open-pit" system on three of the indicated quarries. However, most of the production and shipment of large blocks was obtained from quarry N0.3, at the underground chamber.

The floor of the chamber is at the same elevation as Highway 31. The main entrance to the underground chamber is about 30 feet wide and 30 feet high. Inside, the chamber is approximately 200 feet in length, 60 feet wide, and the 30 feet high walls forming the perimeter of the chamber consist of solid, quarriable marble.

Marblehead quarry sites show large bands of massive limestone of various colour of medium and fine grained stone from white to bluish-grey.

It is estimated that the deposit is several hundred feet in thickness and undetermined length, and it is described as being harder than the average Vermont marble.

The deposit is also described as being free from flaws and cracks, and so unbroken that blocks can be extracted in sizes up to any dimensions that is practicable to get machinery to lift it with.

Geological and historical data on Marblehead contained in this report, was obtained from various publications issued by Federal and Provincial Government Ministries.

FEASIBILITY OF ESTABLISHING QUARRY

During the Month of March 1991, **MARBLEHEAD INTERNATIONAL MINING INC.**, examined all workings and outcroppings of the **MARBLEHEAD** property with particular reference to the feasibility of establishing a production quarry on the property.

The company did not actively explore the property as its scope was to determine the best possible location to establish a production site.

It is the company's position, as it will be set forth in this report, that there is a good and economically feasible production facility to be established on the already known and located areas of the deposit.

The **MARBLEHEAD** marble formation is vast and has already been well defined by the exposures, numerous workings and drilling which has been performed by previous operators of the quarry, this information is well documented and available from files of related Provincial Government Ministries.

There is two prominent variety of colours in the deposit, and it is clear that there are undetermined merchantable quantities of white and white-grey marble, better known as white and dark cherokee marble respectively.

Both types are considered to be premium marble of fine crystalline grain with a very low water absorption rate which takes an excellent polish and is well suited for interior (floor and wall coverings) as well as some exterior applications.

Both the white and dark cherokee are unique colours, and it is the company's position, these are colours that the market will accept very favorably

To the company's knowledge, there is no similar marble produced in North America, and the production of similar marble produced in Europe obtains a premium price.

The actual quarry site should be established in the existing underground chamber, for reasons of economics and for reasons that large and merchantable blocks of both varieties of marble can easily be quarried from the existing walls of the chamber, without having to remove large quantities of overburden and waste rock.

An underground quarry will, further, offer the convenience of year round operation instead of seasonal operation as it may be the case with an open pit production facility.

Advanced marble quarrying technology will offset any additional costs of underground production site.

The possibility and practicality of establishing an open pit quarry, in lieu of or to complement the underground operation will be thoroughly evaluated and taken into consideration.

The eventual aim of the company will be to establish a 50 ton per day production, focusing the operation to the extraction of three blocks per day of marble averaging 17 metric tones each (1.5mt by 1.5mt by 2.7mt) or 6 cubic meter each.

Marble blocks of these dimensions are in fact in greater demand than smaller ones and will obtain prices twice as high as they can be cut into large and desirable wallcovering panels. Smaller blocks are usually cut into small floor covering tiles or broken up into rubble marble blocks used in the masonry industry.

According to reliable information obtained from overseas sources a 17ton block will sell, at a european port, for a minimum of \$4,400,00 canadian or \$258,00 canadian per ton.

The company estimates that a crew of 5, including a quarry master, will be necessary to operate the eventual quarry site.

An experienced quarry master, preferably imported from Italy, will be essential for an efficient production and for skilled development of the quarry as it relates to the proper assessment of the grain and pattern of the deposit.

At full capacity, the company estimates that it will cost apx.45,00 per ton to extract the marble from the quarry.

Blocks produced from the underground chamber will be removed and stockpiled at the adjacent open area until they will be ready for shipping to Vancouver.

The distance between MARBLEHEAD and Vancouver is apx.750kms, and can be covered by transport vehicles in 22 hours return. The road is mostly freeway, and only the 3km portion between Meadow Creek and the site is unpaved, but is maintained in good condition year round.

Based on a rate of \$60,00 per hour, the cost of transportation of 2 blocks to the Vancouver port, will be apx. \$1,320,00 or \$39,00 per ton.

The company has obtained various overseas competitive shipping rates and foresees a cost of \$60,00 per ton for shipment of marble to Italian ports, located in the proximity of the major related industries in Italy. It is to be noted that these are conservative commercial rates which can be greatly reduced by bulk shipping the product.

It is therefore concluded that 1 ton of marble produced from

MARBLEHEAD will cost the company CIF Italian port \$144,00 Canadian per ton, leaving the company with a gross profit of \$114,00 Canadian per ton.

It should be noted that all the estimates hereinbefore set forth are inclusive of all operating expenses related to the operation, such as powder, fuel, repairs to equipment, maintenance, wages, etc. But do not include overhead and administrative expenses for the company or any cost associated with advertising and marketing the product and the cost of maintenance of a stock piling facility in Vancouver area and in other areas, if necessary.

Waste material at full production will account for approximately 30% of total output. This material will find a substantial market in various industries.

Large quantities of waste rock will be converted into Rubble Marble and will be sold to operators in the Masonry Industry to be used as facing stone and other various decorative purposes.

A smaller amount will be crushed and sized by screening into small chips which will be used as stucco-dash and in making terrazzo floors, exposed aggregate, architectural panels, and blocks of reconstituted marble.

The scrap material, can be further converted into powder form and used for the production of cement, limestone, fertilizers and other chemical applications.

At time of production the company will evaluate the feasibility of establishing a processing facility to produce any or all the above indicated by-products, offer to joint ventures the processing and marketing of these by-products or sell this material in row form to interested parties.

Prior to, and in preparation of a full scale production program, the company will conduct an initial work program, to be detailed further in this report, consisting of: production of at least 50 finished marble tiles from MARBLEHEAD for promotional purposes, preparation of quarry site, production of apx. 1,000 tones of marble blocks for an initial introduction of the product to the local and overseas marketplace.

INITIAL WORK PROGRAM

As previously mentioned, the Company has planned to initiate quarrying operations by an initial production of 1000 Tons. in marble blocks.

This operation will enable the Company to prepare the proper conditions for establishing a subsequent "full production" based on the utilization of the most advanced technology (machinery, equipment) which is required for a maximum profitability.

The following is a Budget concerning the above mentioned program. It is to be noted, however, that this Budget is comprehensive of additional expenses referred to initial preparation of the quarry sites, and for services and facilities that will remain later as an asset for the Company.

The initial 1000 Ton. will be extracted mainly from quarry No.3 (underground chamber). This will facilitate the operations as marble walls are well exposed.

The frontage of the existing quarry No.3 consist of a large and clear area suitable for setting-up Camp and eventually stockpiling blocks of marble, as well as for storage of equipment, tools, machinery.

However, preparation of frontage area will be necessary, as some trees and bushes have invaded portion of this area.

Priority will be given to works pertaining to :

Clearing and grubbing access road (from Highway 31) preparing the terrain for camp facilities, water supply, dewatering existing pond, setting-up water tank and fuel tank and power supply.

Extract approximately 50-20 Ton.blocks by way of drilling and wedging and channelling

Produce a minimum of 50 display samples of size 1ft.x 2ft. x 3/4 inch.This samples will be polished and engraved with Company's logo and will be used for promotional and marketing purposes.

BUDGETED COSTS

A)-Marble displays samples:	\$	5.000.00
b)-Small equipment:(Tools,pumps,generator,)	\$	10.000.00
c)-Camp facilities:	\$	40.000.00
d)-Clearing and grubbing.	\$	8.000.00
e)-Quarry services,(power,water,etc,)	\$	15.000.00
f)-Drilling and coring.	\$	18.000.00
g)-Black powder or S.Mite (or buy wedges/equip)	\$	12.000.00
h)-Loading operations (quarry site)	\$	4.500.00
i)-Transportation to Vancouver (1000 Tons.)	\$	38.750.00
j)-Shipping to Europe (Ctrs.and open cargo)	\$	62.500.00
m)-Loading and handling at port.	\$	4.250.00

Sub Total	\$	218.000.00
GST.	\$	15.330.00

Total	\$	233.330.00
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Revenue for 1,000 tons x \$ 258,00	\$	258.000.00
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Cash balance	\$	24.670.00
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Additional notes:

Since material is intended for export, GST tax will be reimbursed to the Company.

An amount of approximately \$. 60.000.00 in equipment will remain as a fixed asset of the Company.

When in full production, cost of operations should be reduced by approximately 25%, raising the profitability substantially.

DIRECTORS AND OFFICERS

MARIO C. AIELLO President and Director.

Mr. Aiello is a West Vancouver entrepreneur with extensive background in structuring, developing and financing private and reporting companies.

For the last 8 years he has been employed by M.C. Aiello and Associates and M.C.A. Management Consulting Ltd., companies both controlled by Mr. Aiello which were responsible for the structuring and financing of various private and public companies.

Mr. Aiello, has further negotiated and finalized a number of underwritings for numerous reporting companies through different well known Vancouver brokerage houses.

He is presently employed by M.C.A. Management Consulting Ltd. as manager and administrator for different private and reporting companies.

MARIO VERARDI Secretary and Director.

Mr. Verardi has extensive experience in marketing, public relation, business development and sales management.

He has worked as a Trade Analyst and Assistant Trade Commissioner for the Italian Trade Commission office in Vancouver from 1973 to 1986.

During this period, his responsibilities were to develop trade between Italian and Canadian concerns; conduct market surveys and organize trade fairs and missions.

He is presently employed as sole director and officer of Ital-Trade Consulting Ltd., promoting Trade between Canadian and European concerns.

Recently was successful in completing 2 joint-ventures between Italian and B.C. Companies operating in the Waste Disposal sector.

GREG SATCHWELL Director.

Mr. Satchwell has been active in the Industrial Demolition, (implosion of highrise buildings), Structure demolition, Blasting and Salvaging, including marketing and recycling of structural steel.

From 1985 to 1990 acted as Broker for Aircraft, Trailers, Mobil-Homes, Heavy equipment and Helicopter Charter operations for Forestry, Fishing and Mining Industries as President of Gregco Industrial Ltd.

Mr. Satchwell is also experienced in the Mining and Marketing of Granite blocks, having quarried many tons of it, for local finishers, from various sites in British Columbia.

SUMMARY OF FINANCIAL PROJECTION

A summary of Marblehead International Mining Inc.'s six month cash flow including an injection of \$800,000,00 net is outlined below:

Marblehead International
Cash Flow Projection (six months)
(000's)

CASH IN

Sales (4,000 tons x \$258,00)	\$1,032
Funding proceeds	800
	<u>\$1,832</u>

CASH OUT

Cost of equipment	\$ 600
Cost of production	350
Shipping cost	392
Marketing and Travel	150
Commissions	52
	<u>\$ 1,544</u>

CASH BALANCE

\$ 288

USE OF PROCEEDS

Marblehead International Mining Inc. intends to raise \$ 800,000 net through a debenture offering. These funds are expected to be allocated as follows:

Purchase of production and camp equipment	\$ 600,000,00
Unallocated working capital	200,000,00

ASSESSMENT OF FINANCIAL PLAN

Accordingly, it is the Directors opinion that the company has the ability to achieve its operating results, and the company's financial plan appears to be reasonable and more then adequate to support its strategic business objectives.

As it can be expected of any company as it enters the first stage of its production and marketing cycle, Marblehead International Mining Inc.'s financial projection is subject to a rapid rate of change. Variability in actual results, and favorable changes in the financial projection are anticipated.

It is our opinion that funds allocated for production and marketing of marble blocks are most important to the Company in its initial stages.

We believe Marblehead International Mining Inc. has allocated adequate funding to the promotion of its product and ensuring availability through proper production management.

It is, further, our opinion that the results achieved will approximate those projected by the company as they are based on evaluations of current events which strongly indicate to an increasingly strong demand of Marble products.

LIST AND COST OF PRODUCTION EQUIPMENT

The list of equipment hereinunder described will be required for a total production of 50 mt tons of Marble Blocks per day, and is complete with accessories and consumables for a period of one year.

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>COST IN CDN\$</u>
2	Hydraulic perforators	33,000,00
2	Electronic diamond wire plants	89,000,00
1	Ligth diamond wire sawing plant	15,000,00
1	Ligth hydraulic blockcutter	21,000,00
1	Hidraulic jacking plant	20,000,00
1	Quarry winch	28,000,00
1	Derrick crane	51,000,00
1	Vertical diamond belt saw	181,000,00
		<u>\$ 438,000,00</u>
1	Set of shop tools and supplies	11,500,00
1	Portable rotary compressor	25,000,00
1	Portable generator	15,000,00
		<u>\$ 51,500,00</u>
	Camp equipment	36,000,00
	Maintenance and service equipment	29,500,00
	Removal equipment and parts	45,000,00
		<u>\$ 110,500,00</u>
	Total Canadian _____	\$ 600,000,00



Legal Description Schedule

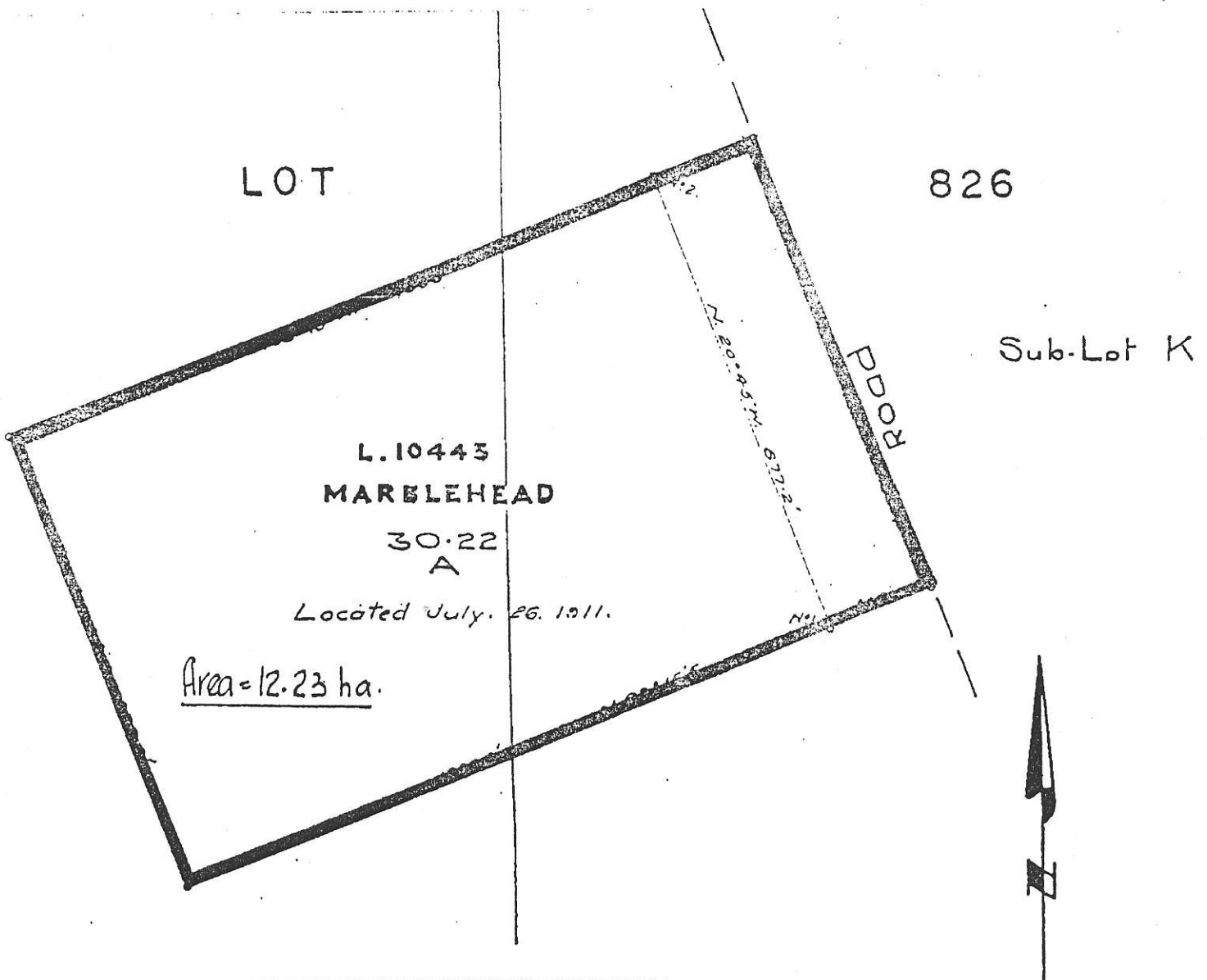
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APPENDIX A

1.1 Legal Description

Lot 10443, Kootenay District

L57d (2/83) M-541 M26-925



COMPILED FROM OFFICIAL PLAN 26.T.9.....

Scale 1 Inch = 300 Feet

DLF



LICENSE No.

401189

FILE No.

4410433

APPENDIX B

QUARRY MATERIALS

1.1 Purpose

The Licensee shall use the Land only for the purpose of quarrying, digging or removal of marble and uses ancillary to quarrying such as sorting, crushing, stockpiling and washing of materials and the operation of a temporary portable asphalt plant on the Land.

1.2 Special Provisions

1.2.1 For the purpose of this license

"Operating Record" means a record of all material removed from the Land and includes weigh scale data, quantity surveyor's reports, production and shipping schedules, income statements and all other documents and records kept by the Licensee in connection with his quarrying operation on the Land.

"License Period" means the first 12 month period of the term beginning on the Commencement Date and each successive 12 month period thereafter.

1.2.2 The Licensee shall

- (a) during the term of this license, maintain the Operating Record in such form and containing such information as the Owner may reasonably require, and
 - (i) permit the Owner or his representative to attend at the offices of the Licensee to examine the Operating Record during normal office hours, AND
 - (ii) within 10 days of receiving a written request from the Owner deliver to him copies of the Operating Record;
- (b) establish and maintain proper books of account and cause to be made therein true and faithful entries of all dealings and transactions in relation to his quarrying operation on the Land, and at all reasonable times furnish or cause to be furnished to the Owner such information relating to his quarrying operation on the Land as the Owner may reasonably require;
- (c) on the written request from the Owner, cause an independent quantity survey to be undertaken by a qualified Professional Engineer or British Columbia Land Surveyor to confirm the actual amount removed from the Land during the preceding License Period;
- (d) not construct, erect or place any building structures or other improvements on the Land except as shown in the Site Plan schedule attached to this schedule;
- (e) reclaim the Land to the post extraction land use(s) approved by this Ministry in accordance with the reclamation plan approved by the Ministry of Energy, Mines and Petroleum Resources;
- (f) maintain the quarry in a safe and orderly manner in accordance with the provisions of the Mines Act.

1.3 Additional Provisions

1.3.1 Notwithstanding anything to the contrary in this license, so long as:

- (i) the Licensee is not in default of any of the terms or conditions of this license, and
- (ii) the Licensee has given the Owner, not more than 120 days prior to the 3rd anniversary of the term herein granted, notice in writing of the Licensee's intention to terminate this license and apply for a new license of the Land,

the Owner may agree to terminate this license and offer a new license of the Land to the Licensee by notice to the Licensee, in writing, at the fee and on the terms and conditions determined by the Owner and contained in the notice;

1.3.2 The Licensee shall have a period of 60 days from the date of receipt of the notice from the Owner to accept a new license of the Land by executing the new license contained in the notice and delivering it to the Owner.

LEGEND

PRE - MISSISSIPPIAN

1 Lardeau Group: chlorite-muscovite-quartz schist, biolite-muscovite schist, micaceous quartzite, and tremolite marble; chlorite feldspar green schists; garnet, staurolite and rare kyanite in pelitic schists.

LOWER CAMBRIAN

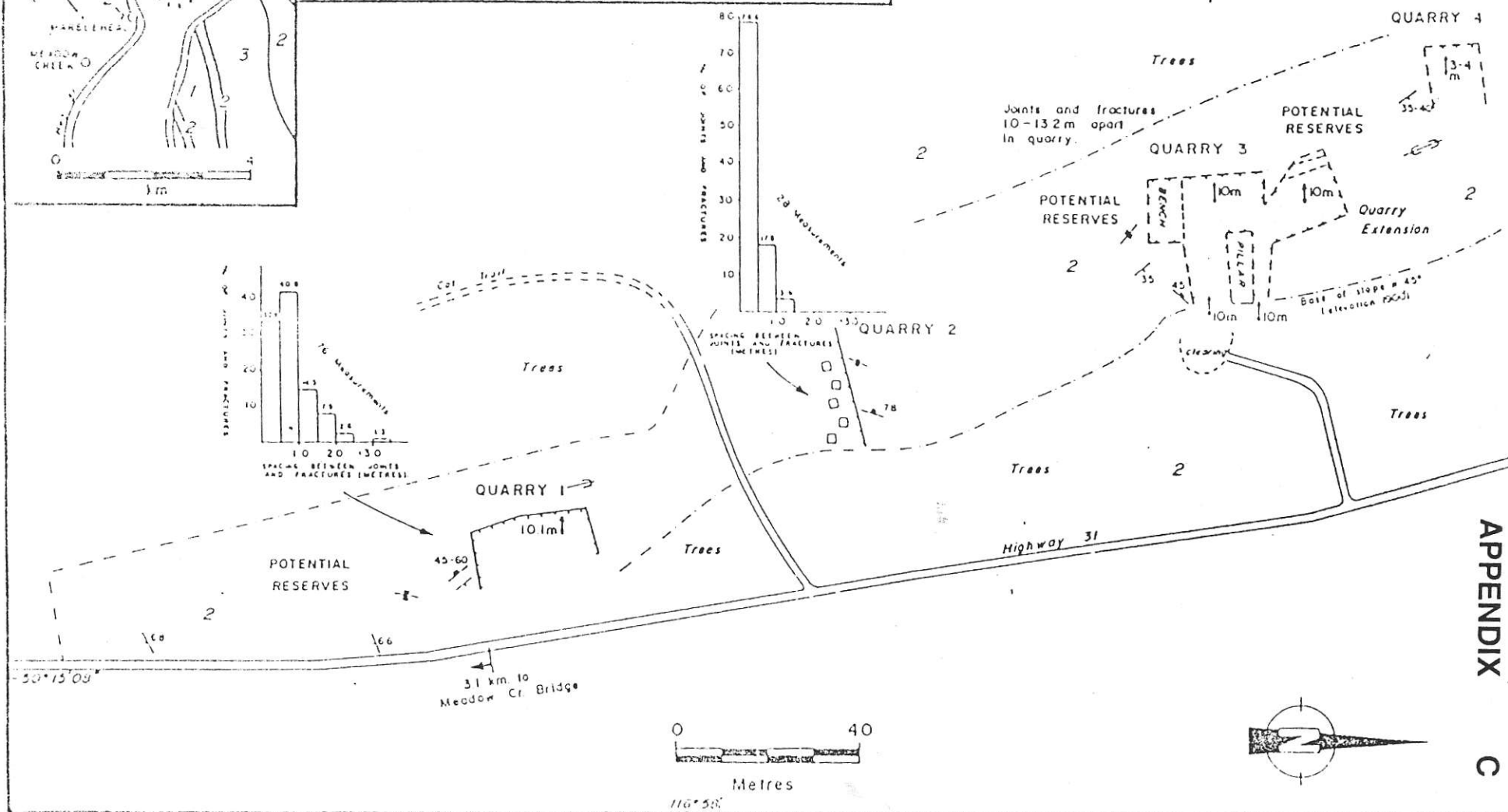
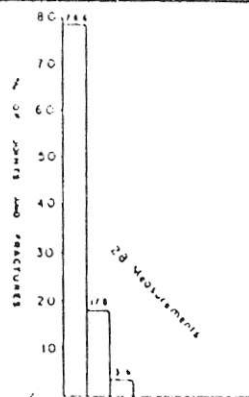
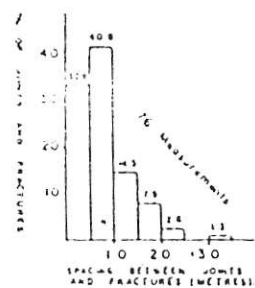
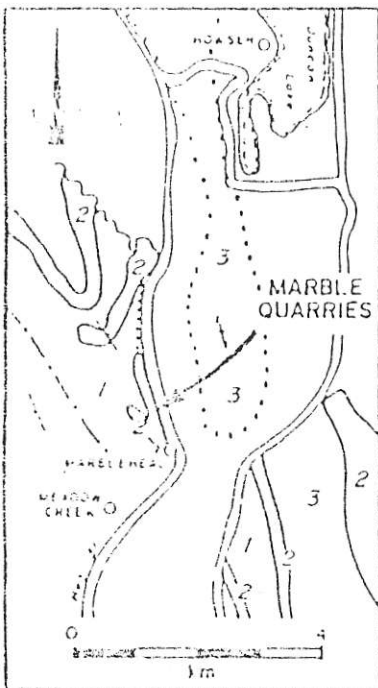
2 Badshot-Mohican Formation: marble, phyllite, muscovite-quartz schist.

3 Hamil Group: white, green and grey quartzite and micaceous quartzite, slate, phyllite, schist.

Adapted after GSC Map 1320 A

LEGEND

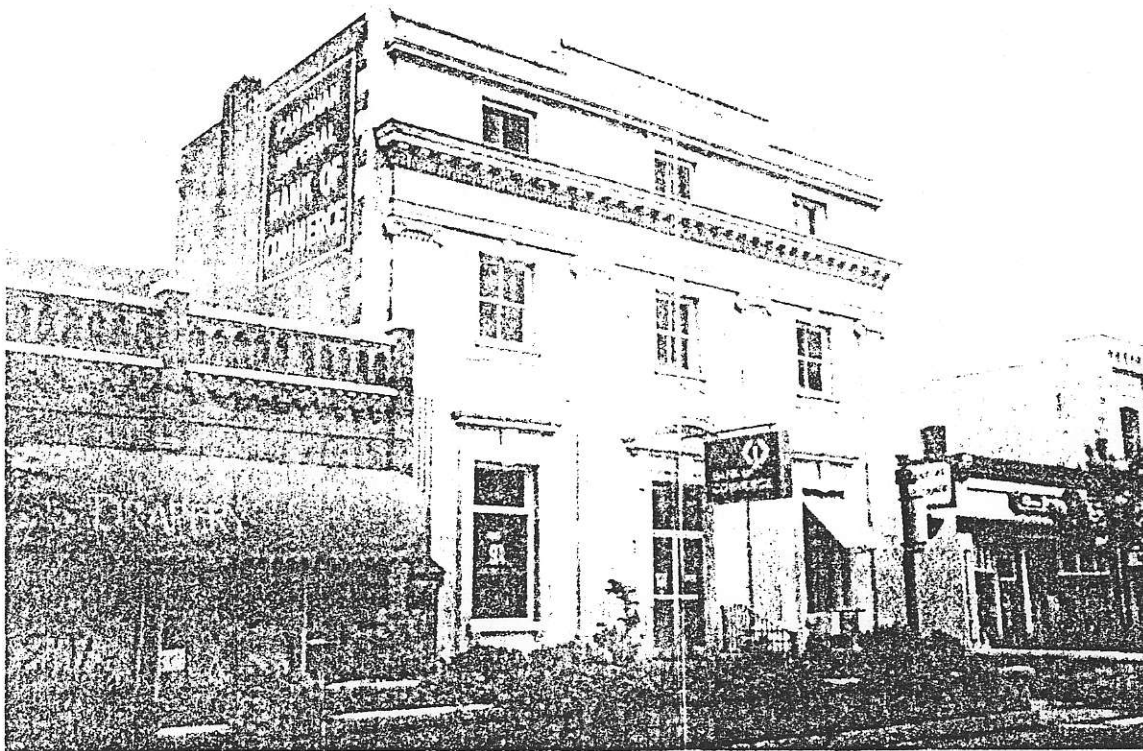
- - - Underground working face.
- - - Above surface working face.
- - - Outcrop/overburden contact.
- - - Bedding.
- - - Joints.
- - - Glacial striae.



APPENDIX C

MARBLE

Marblehead Quarry (82K/7W)

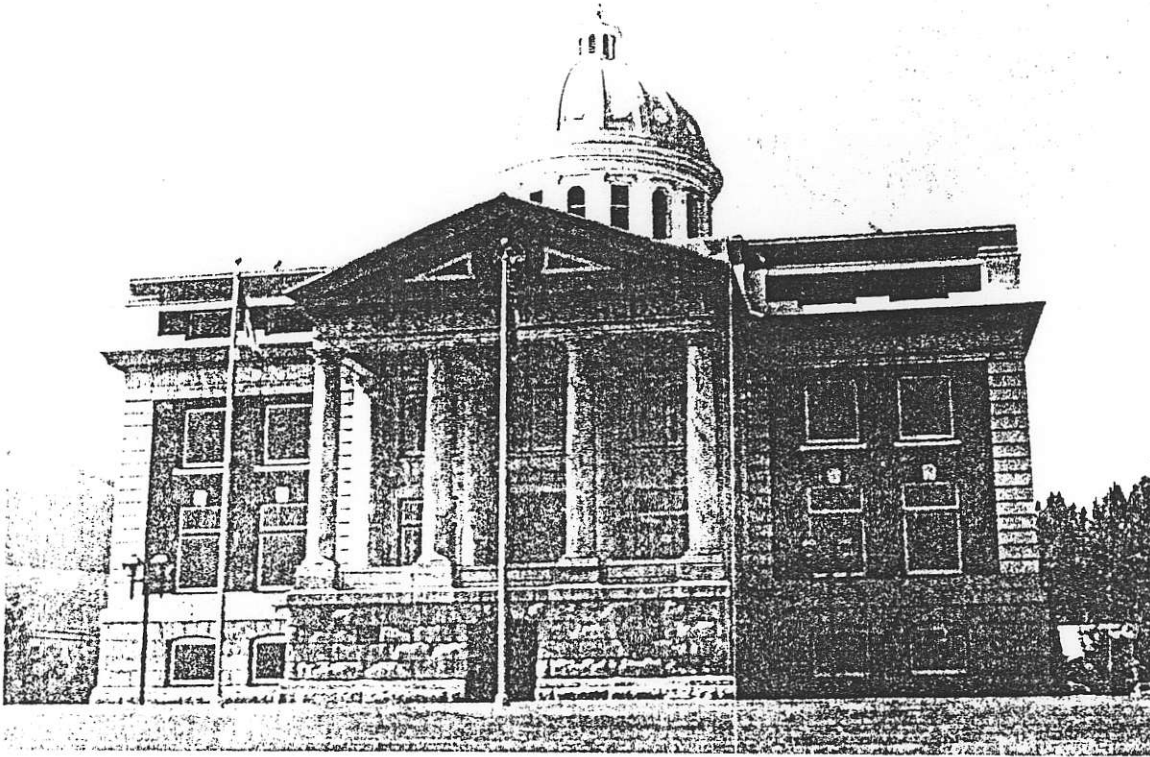


Dimension stone in the Bank of Commerce building, Nelson.

About 1900, four quarries in southeast British Columbia, located approximately 3 kilometres north of the Meadow Creek bridge on Highway 31 south of Duncan Lake, produced white to grey-banded crystalline marble. Known locally as "Light Kootenay" and "Dark Kootenay" the stone has been used as a dimension stone as far east as Manitoba (Great West Life Assurance Building). The marble is banded and medium grained; it is part of the Cambrian Badshot-Mohican Formation. Joint and fracture density varies with location but large blocks are available; reserves extend west of all four quarries.

GRANITE QUARRIES (INTERIOR)

Three Mile Point (82F/11W)



Revelstoke Courthouse - Three Mile Point granite (base) and Marblehead marble (pillars).

An abandoned quarry near Three Mile Point on Kootenay Lake, approximately 2.5 kilometres east of Nelson, provided stone for a number of prominent buildings and the Houston monument in Nelson, B.C.

The granite, part of the Nelson batholith, is porphyritic, with scattered feldspar crystals that locally are up to 2 by 4.5 centimetres. The stone is medium to coarse grained, speckled with black mica (1 to 2 millimetres) and glassy grey to pink quartz crystals (1 millimetre to 1 centimetre) and has a light white to pink tone. Three separate sites were worked in the past and excellent potential for additional reserves of granite exists both along and between abandoned working faces.

TABLE 4-8-2.
DIMENSION STONE QUARRIES IN BRITISH COLUMBIA, PHYSICAL PROPERTIES

Commodity	Quarry Name	NTS	Specific Gravity	Density		Absorption by Weight (per cent)	Compressive Strength		Traverse Strength (Modulus of Rupture)	
				lb/ft ³	kg/m ³		PSI	MPa	PSI	MPa
GRANITE ^A	Ymir ²	82F/6E	2.69*	167.83*	2688*	0.35*	7,581 – 8,514	52.27 – 59.00	1,594 – 1,808	10.99 – 12.46
	Three Mile Point ¹	82F/11W	2.656	163.63	2621	0.407	29,406	203	1,708	11.78
	Beaverdell	82E/6E	2.61*	162.63*	2605*	0.50*	8,110 – 9,543	55.92 – 65.80	1,151 – 1,460	7.94 – 10.07
	Vernon	82L/3	2.67	164.30	2632	0.354	24,791	171	1,968	13.57
	Nelson Island ¹	92F/9E	2.657	164.82	2640	0.175	34,823	240	2,871	19.79
	Hardy Island ¹	92F/9E	2.703	167.56	2684	0.177	32,288	223	1,453	10.01
	Kelly Island ¹	92F/9E	2.681	166.33	2664	0.178	35,144	242	3,521	24.28
	Knight Inlet		3.05	—	—	0.113	—	—	4,075	28.10
	MARBLE ^B	Marblehead	82K/7W	2.718	168.70	2702	0.179	12,486	86	2,127
Kaslo		82F/15W	2.752	171.36	2745	0.99	13,987	96	1,254	8.65
Nootka Sound		92E/15E	2.721	169.39	2713	0.073	18,992	131	2,349	16.20
Texada Island (Anderson Bay)**		92F/9E	2.712	169.00	2707	0.052	18,518	128	2,466	17.00
Haddington Island**		92L/11E	2.67	143.41	2297	3.79	18,428	127	1,160	8.00

PHYSICAL REQUIREMENTS — AMERICAN SOCIETY FOR TESTING AND MATERIALS (ASTM)

GRANITE (See Definition)	N/A	160 (min)	2560	0.40 (max)	19,000 (min)	131	1,500 (min)	10.34
MARBLE (Calcite) (See Definition)	N/A	162 (min)	2595	0.75 (max)	7,500 (min)	52	1,000 (min)	7.00

* Average of three tests.

** Report published in Exploration in British Columbia, 1985, Part B.

¹ Granofiorite.

² Pulaskite.

GRANITE^A (Commercial Definition) — a visibly granular, igneous rock generally ranging in colour from pink to light or dark grey and consisting mostly of quartz and feldspars, accompanied by one or more dark minerals. The texture is typically homogeneous but may be gneissic or porphyritic.

MARBLE^B (Commercial Definition) — a crystalline rock composed predominantly of one or more of the following minerals: calcite, dolomite or serpentine and capable of taking a polish.

Source: 1984 Annual Book of ASTM Standards.

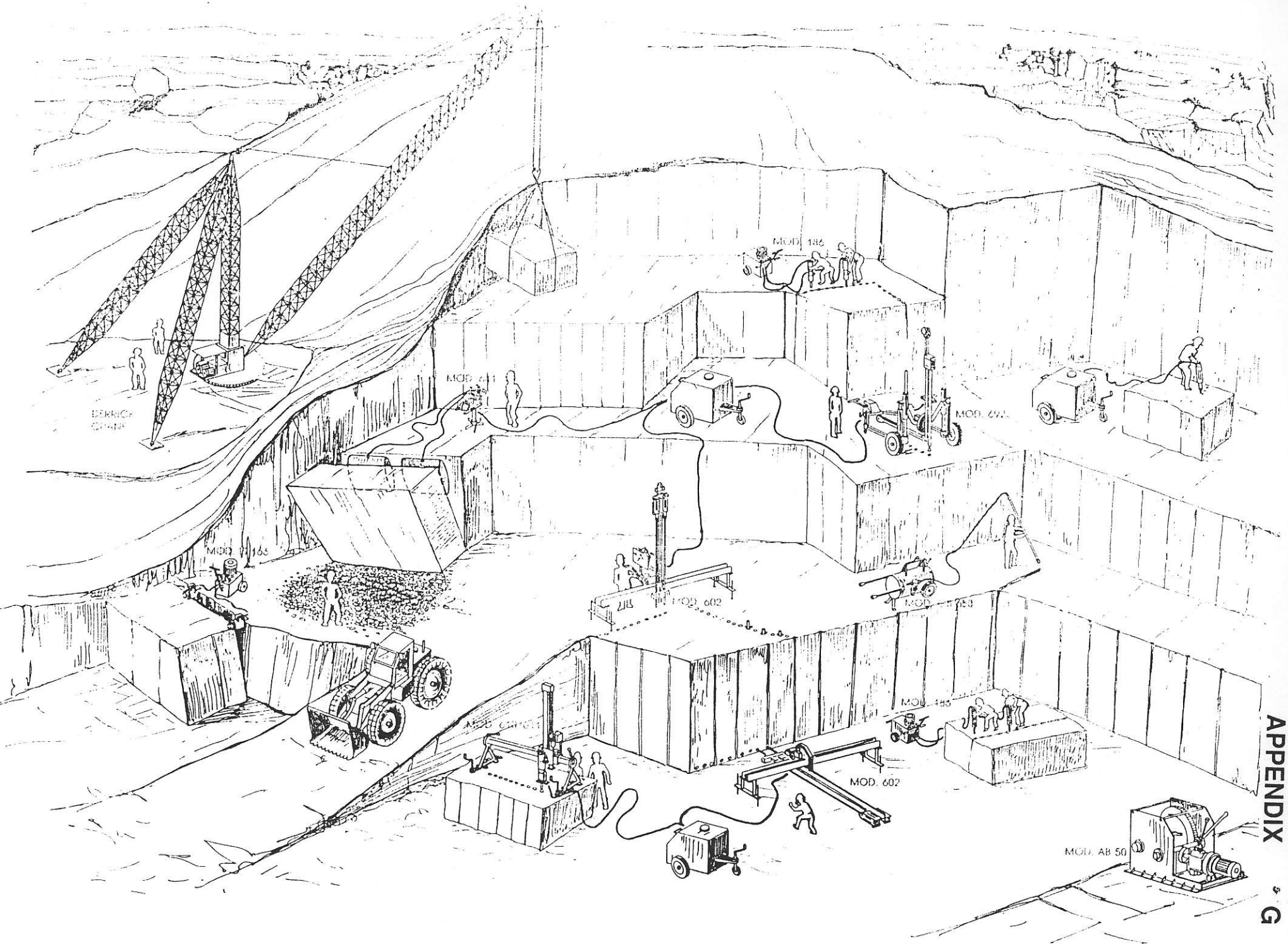
Conversion Factors:

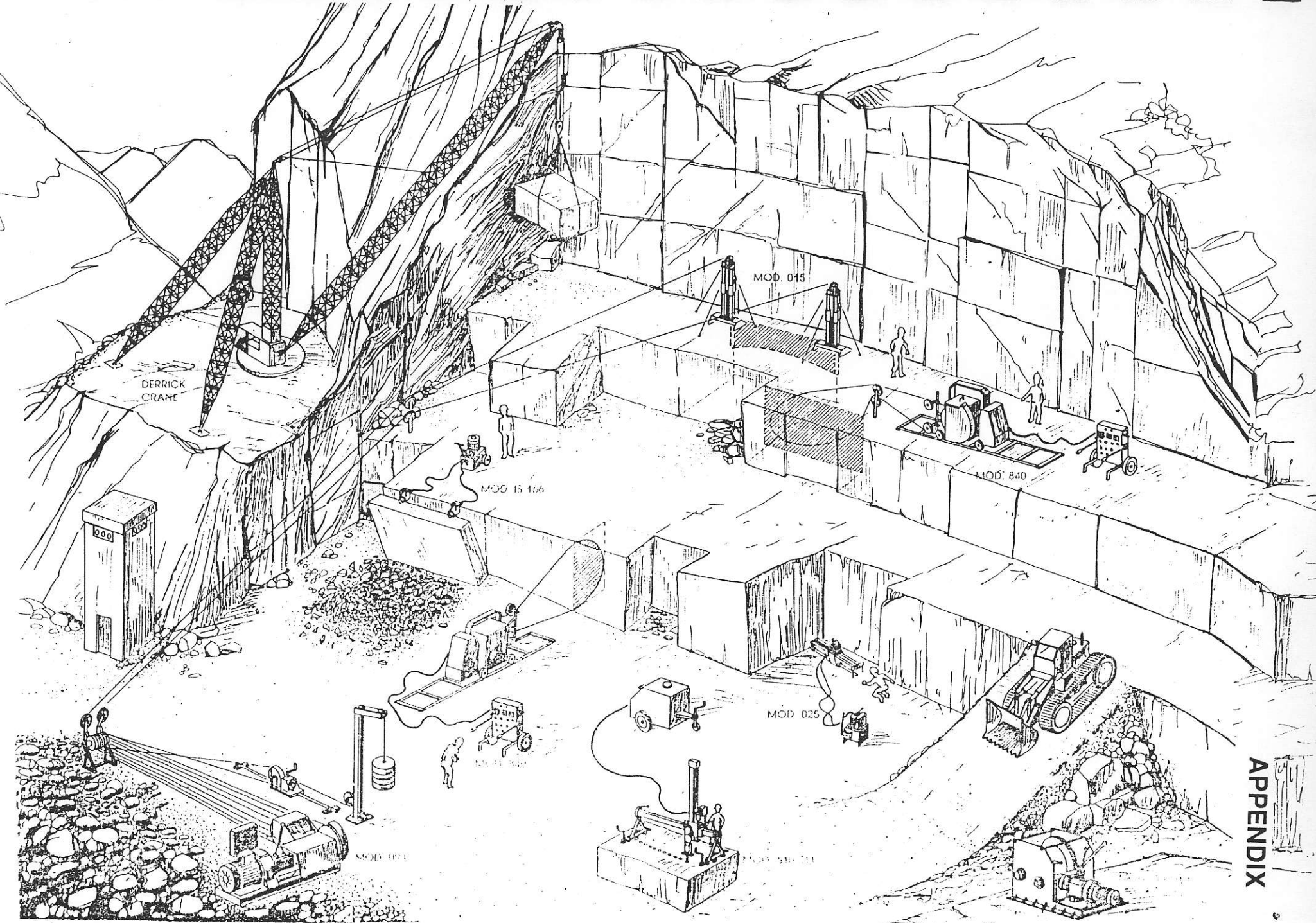
$$\text{PSI} \rightarrow \text{MPa} = \# \times 6.894\ 757 \times 10^3$$

$$\text{lb/ft}^3 \rightarrow \text{kg/m}^3 = \# \times 1.601\ 846 \times 10$$

Physical Tests: Ymir and Beaverdell tests: B.C. Ministry of Transportation and Highways (Geotechnical and Materials Branch).

All other tests results, Parks (1917).





IL PRENITE CATALOGO E STATO REALIZZATO CON LA COLLABORAZIONE DELLA DOTT. S.S. A. DI MANA E LARRANA