



**BEACON HILL
CONSULTANTS LTD.**
MINING ENGINEERS

840522

June 26 87

10771 Argentia Drive, Richmond, British Columbia, Canada V7E 4K6 Business: (604) 681-4196 Residence: (604) 277-0626

Chevron Minerals Ltd.
1900-1055 W. Hastings St.,
Vancouver, B.C.
V6E 2E9

Attention: Mr. Larry Dick

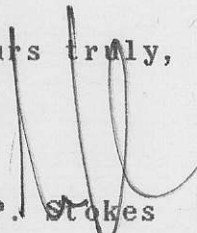
Dear Larry,

I enclose my report on the dewatering of the Wayside Mine.
I must apologize for the delay.

The estimates I have provided you are based on the best known information available. It should be noted dewatering operations of this nature can be problematic and costly due to unknowns, but since the workings have been dewatered before, the risk of cost overrun is not great.

If you need any clarification of this report please contact me at 681-4196.

Yours truly,


W.P. Stokes P. Eng.



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Summary

The Wayside Mine near Goldbridge, B.C. could be expected to be dewatered and rehabilitated in approximately 12 days at a cost of \$55,000 if completed by company personnel and 66,000 if by a contractor.

Overview

The Wayside Mine located near Goldbridge, B.C. is flooded below 5 level. The openings below 5 level consist of 7, 8 and 9 levels connected by an inclined shaft. The volume of the water below the 5 level has been calculated based upon the available drawings, but can only be considered a rough estimate since the drawings do not give specific dimensions and any scaled measurements can only be approximate.

The conditions below water level in the inclined shaft and openings are unknown but it can be expected that all the ladders in the shaft and other vertical openings would be replaced and some timbering in the shaft would be required.

Reports by others who had previously dewatered the workings indicates that a 4 inch pipe had been left in place in the shaft. The line extends from the shaft to the portal where it terminates.

Ventilation in the workings appeared to be excellent during the site visit but it can be expected that a ventilation fan and duct would be required during the dewatering stage to ensure adequate ventilation.

Cost Estimate

The calculated volume to be dewatered was determined as 315,000 cu.ft. which approximates to 2,400,000 usg.

Based on a rate of pumping of 200gpm it would take 8.3 days to dewater the openings. To allow for normal operating delays and procedures it is estimated an elapsed time of 10 days to dewater. A further 2 days is allowed for timbering giving a total of 12 days.



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Labour cost

Two men/shift 3 shifts/day @ \$200/shift
= \$1200/day
12 days = = \$14,400
(includes benefits and living allowance)

Equipment

Pumps 2 required @ \$2,316.00/month = \$ 6,948
Generator 1 required @ \$3,696/month = \$ 5,544
Switchgear & cable @ \$500/month = \$ 750
Compressor @ \$1,200/month = \$ 1,800
Winch & cable @ \$500/month = \$ 750
Fan & duct @ \$400/month = \$ 600
Miscellaneous @ \$750/month = \$ 1,125

Supplies

Timber allowance \$ 1,500
Ladders 20 @ \$50 ea. \$ 1,000
Miscellaneous \$ 500
Mobilization estimate \$ 5,000
Demobilization estimate \$ 4,000

Allowance for one man to be available
on dayshift only during geological mapping.
20 days mapping @ \$200/day = \$ 4,000

Sub total = \$47,917

Contingency 15% = \$ 7,188

Total cost = \$55,105

An estimate completed by Aurora Quarrying gave an initial estimate of 78,519.00 which was later revised to \$66,000.00. A copy of both are enclosed.



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Conclusions

The estimated costs to dewater the Wayside mine is \$55,000 if completed by Company hired personnel.

A contractor would mark-up his costs some 20% minimum and if we take the cost of \$55,000 and mark that up 20% the \$66,000 is reached.

I am of the opinion that if Chevron completed the work under their own supervision the Wayside mine could be dewatered for approximately \$55,000.



June 26, 1987

Mr. Peter Stokes, President,
Beacon Hill Consultants Ltd.,
801 - 1030 West Georgia Street,
Vancouver, B.C.

Dear Peter:

Re: Dewatering of Wayside Shaft

Enclosed in duplicate is our proposal for dewatering the Wayside Shaft near Goldbridge, B.C. The proposal was prepared on the basis of our discussion on June 19th and the print of the mine workings which you loaned to me.

The schedule includes time to set up the plant, dewater the shaft and levels, recover the shaft manway and prepare the levels for safe man travel during the mapping and sampling work.

We have not allowed for major retimbering of the shaft and manway nor the removal or movement of muck piles on the levels. As you are aware, such work would require additional time. We would require approximately two (2) weeks to prepare the equipment, crew and move both to the site.

Should you wish discussion on the proposal, please contact us for an additional meeting.

We trust our proposal is as per your requirement and that we may be selected to perform the work for you.

Yours very truly,

AURORA QUARRYING LIMITED

N. E. Green, P. Eng.
Area Manager

NEG/hf
Encls.