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109  
110 Mar. 4/05

# YORKE HARDY (Glacier Gulch)

- Meeting (TOS + DUL) with Jan McDonald (Pres. CEO of Blue Pearl Mining - 500-6 Adelaide St. E., 416-860-1438)
  - Hired (~~will hire~~) Ken Collin as Gen. Mgr. (will move from Junca (permitted Kensington mine with Coeur d'Alene); Gary Giroux - 43-101; John Kalmel; know/talked with Dick Fernie (Pres., Thompson Ct. Mining + friend (ex-colleague) of John Kalmel)
  - Res can ((Clem) Pelletier (Jr.) + Peter Tredger) - on site today
  - Hired/will hire "Community Relations" person in Smithers
  - Contracted "Image makers" (G.) in Van. to produce short video for Apr.
  - Plan series (4 or 5) "open house" meetings in mid-Apr. (Smithers, etc.)
  - Capital cost est. ~ \$20 - \$25 M
  - Plan 2000 T/D ~~mining~~ rate from u/G, probably using ~~an~~ u/G (gravity) drawdrop, to conveyor to get ore out at a lower elev. (below existing tunnel)
  - Total cap. needed to make production decision ~ \$4.5 M
  - Hope to haul (truck/rail) ore to Endako for processing
  - Possibility for Endako to blend high-grade Yorke-Hardy ore with low-grade (sub-economic) Endako ore to make ore.
  - 700,000 t/yr = 8.8 M lbs MoS<sub>2</sub>  
(4.85 M lbs Mo recoverable) - 10-yr. Mine Life
  - Resources: Global = 1.17 B lbs MoS<sub>2</sub> [or 700 m lbs Mo]
  - Gross value = US \$14 B @ US \$20/lb Mo
  - Employment ~ 175; operating costs ~ \$5.62/lb
- | Cutoff MoS <sub>2</sub> | Tonnes (m) | Grade | lbs MoS <sub>2</sub> |
|-------------------------|------------|-------|----------------------|
| 0.1                     | 230        | .193  | 991 <sup>(m)</sup>   |
| 0.2                     | 83         | .295  | 489                  |
| 0.4                     | 10         | .548  | 112                  |
| 0.6                     | 2.1        | .839  | 35                   |
- plus W (tungsten) - eq. \$1 B
- Production - Pearl would have 2% of world market (Phelps Dodge - 20.4%; Thompson Ct. - 8%)  
Production ~ mid-2007