

# KLAPPAN

Tom Schoeter  
Sept. 23/84

885521

- 50,470 hectares

Location - 150 km NE of Stewart (426 km by road)

- straddles partially completed BCR
- steel laid to within 85 km of property + subgrade
- present access from Hwy. 37 via Falue Lk. rd. + along BCR subgrade
- 1000 m gravel airstrip

Geology - Middle Jurassic to Early Cret. - Bowser Basin

- 3 local sequences (Gulf) Klappan → Malloch → Rhondda
- 2 periods of deformation (NW-SE/NE-SW)

Reserves - inferred - 960 million tonnes in 4 areas which comprise less than 10% of property.

- 2 potential open pit mines - Lost-Fox + Habbit-Broatch

- both capable of producing up to 5 million tonnes of coal per yr.

1) Lost-Fox - 8.2 km<sup>2</sup> - inferred res. ~ 330 million tonnes  
- 94 million tonnes of mixed product anthracite over 20 yrs.

Geology - sedimentary coal bearing sequence ~ 900 metres thick.  
- several anthracite seams in excess of 5 m thick.  
(A to Q i.e. ~ 16)

Structure: folding has enhanced situation (esp. open pitting)

Quality: - Ash content ranges 5% to 25% ; diverse  
- low sulphur anthracite  
- average reflectance is 3.45%

Products: Ability to simultaneously wash raw mined anthracite to produce premium low & medium ash products as well as briquetting coal products

W. Horn - \$1.15M in '04 ✓  
 QC ~ 0.1M, Bob Ch. ~ 0.2 ✓  
 Kalum \$1.4M in '04 ✓

Red Chris (Jan Smith) Min. North (Smithers) Apr. 16/04  
 - presentation on bcmetals website.

0.35% 1.5B lbs Cu; 2.2 Moz Au  
 (Equit. Area 11 Moz)

Prody = 72 kAu; 100M lbs Cu  
 Target

Cap. Cost ~ \$150M +  
 Oper. Cost ~ \$30M

2004: \$3.8M (Red Chris + Fire Mt.)  
 - 5000m ddh @ KC.

Fire Mt.: 1 km deep ddh in '04  
 (Henderson, Col. target)

Red Chris Development Corp. - subsidiary  
 of bcmetals

Salare Ck. (Doug Brown) Min. North (Smithers)  
 - 'NovaGold to take over' speculation  
 in June '04

Cap. Cost ~ \$400 - \$500M  
 250 - 400 employees (+contractors) '04 - scoping study  
 Access: ) die east via tunnels  
 ) ~ 150 km via strike then east

APPAN - Fortune Mtn. (Red Chris) Good  
 2002 - \$3.3M purchase @ Min. North (Smithers) Apr. 16/04  
 (+ \$1/tonne royalty)

\$65M prev. spent by Gault/Honnico  
 51.46 MT - "Prov. + Probs." (Mining reserves)

2.8 BT 'total' resource  
 Pulverized Coal Injection (PCI) - 'new' interest

→ ANTRACITE  
 \$85M - Cap. Cost 1.757M tonnes

- potential for coal-fired power generation  
 [BC req. 4000MW by 2012]  
 - new studies in progress.

2004 - update prev. 1991 Feas. Study  
 Prod. - 2006 → late '04  
 - marketing study "Expla" ~ \$500k!

TULSEQUAH CHIEF - Tony Chandler (Red Chris)  
 @ Min. North (Smithers) Apr. 16/04

- extend 60m level ~ 160m to North  
 - 30,000m ddh [ \$5.5M ]

- New resource est. [43-101] Cap. Cost ~ \$150M  
 - update feas. study - end-'04  
 - spent 35% of 2003 exp. in Athl. (via Smithers drilling)

**SMITHERS TRADE SHOW TO FOLLOW: APRIL 16 - 18, 2004**

MINERALS NORTH CONFERENCE APRIL 14 - 16, 2004  
 Sim Muntzent - lead geol. mnt + Scott Per

MINERALS NORTH CONFERENCE APRIL 14 - 16, 2004

2004: 20,000m ddh ~ \$8M Pre-Feas. - '05

- 2004 - Tom Schwartz

# Minerals North



## Conference

"DEVELOPING OPPORTUNITIES"

April 14 - 16, 2004

'AT A GLANCE'

MORRIS DOW 200-250 employees  
 10 yr. mine life  
 20-25,000 tpd  
 2005 - completed  
 2006 - Cons. - prod. 14.5% IAR 1.10M 385 Au  
 2007 (300t) - prod. \$98.5M cap. cost  
 Beaman Hill Assets  
 Smithers B.C.

KWAPPAN (Ribbon Coal) <sup>Apr 2015</sup>

\$71 M spent to date.

Incl. \$6 M by Fortescue

12/33 coal seams - 'economical'  
av. 11.25 m thick

Lost Fox (starter) pit  
145 mt (Measur. Indi)

1) Met. coal (steel) 2) PCI 3) Thermal

3.3 MT/yr prod.

Camp - 1220 emp

Power req. 5-7 MW

Prod. - '07-'08

Start under

small power

permits  
<250k

@ Minerals  
North