

Redbird
886335

Phase I cannot proceed without some assurance that approvals required for Phase II are probable, or at least possible.

Economic potential and impact

The Redbird deposit contains potential, partly outlined reserves as follows:

Cutoff Grade	Tons (cumulative)	%MoS ₂	Gross valuation at Mo =		
			\$6.00/lb	\$8.00/lb	\$10.00/lb
0.20	20,000,000	0.22	\$ 312,000,000	\$ 416,000,000	\$ 520,000,000
0.15	40,000,000	0.17	480,000,000	640,000,000	800,000,000
0.10	100,000,000	0.14	1,008,000,000	1,344,000,000	1,600,000,000

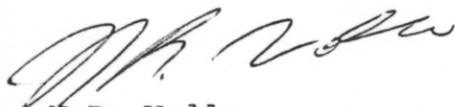
These figures require confirmation by the Phase I drill program.

A mining plant treating somewhere between 5000 and 25,000 tons per day would be required, employing 300-400 people for about 20 years. Preproduction costs, depending on plant size chosen, would range somewhere between \$100,000,000 and \$250,000,000.

We would like to have this proposal brought before the Smithers Regional Resource Board and are prepared to meet at any time to discuss it further and answer any questions that may arise.

yours very truly

CRAIGMONT MINES LIMITED



N.B. Vollo
Exploration Manager

> 40,000' adh by P.D.

5-7,000 metres adh - Craigmont

cc. A.J. Petrina
W. Diment

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AND PETROLEUM RESOURCES
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