

887386

→ SCHAFFT CR

Tom Schuets
Apr. 9/03

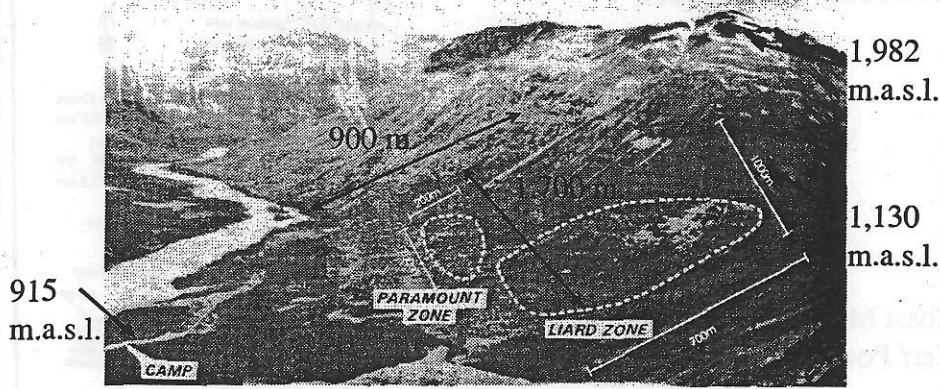
Guy Salazar
- Calgary MEB

[GS to email
colour digital
files]

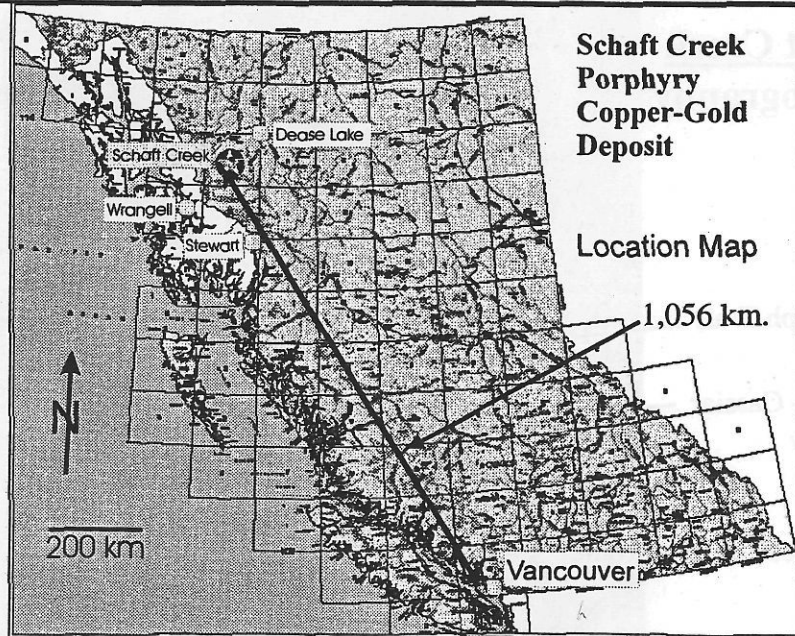
[GS to send
Forrest Kerr plan
info to GS]

* No work since
~ 1984

Schaft Creek Porphyry Copper-Gold Deposit

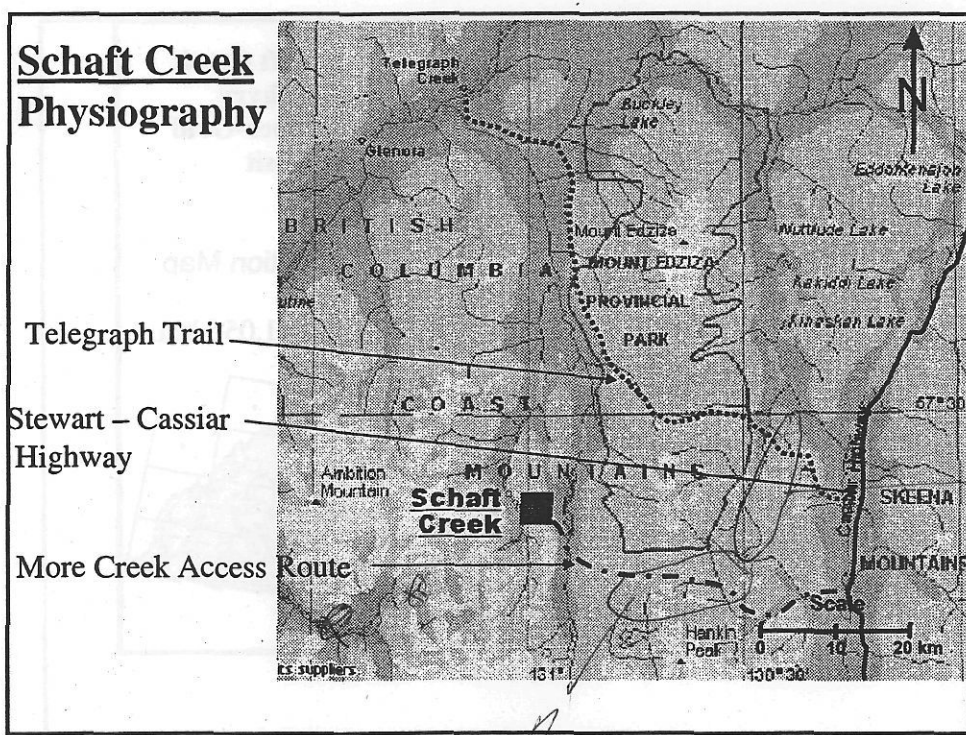
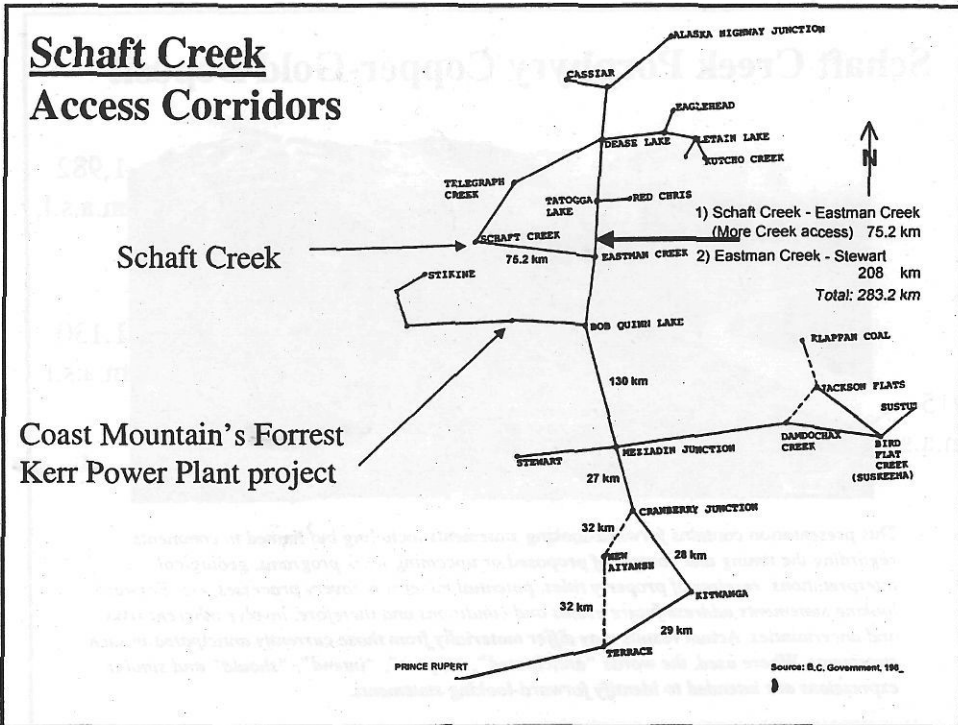


This presentation contains forward-looking statements including but limited to comments regarding the timing and content of proposed or upcoming work programs, geological interpretations, receipts of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. Where used, the words "anticipated", "expect", "intend", "should" and similar expressions are intended to identify forward-looking statements.



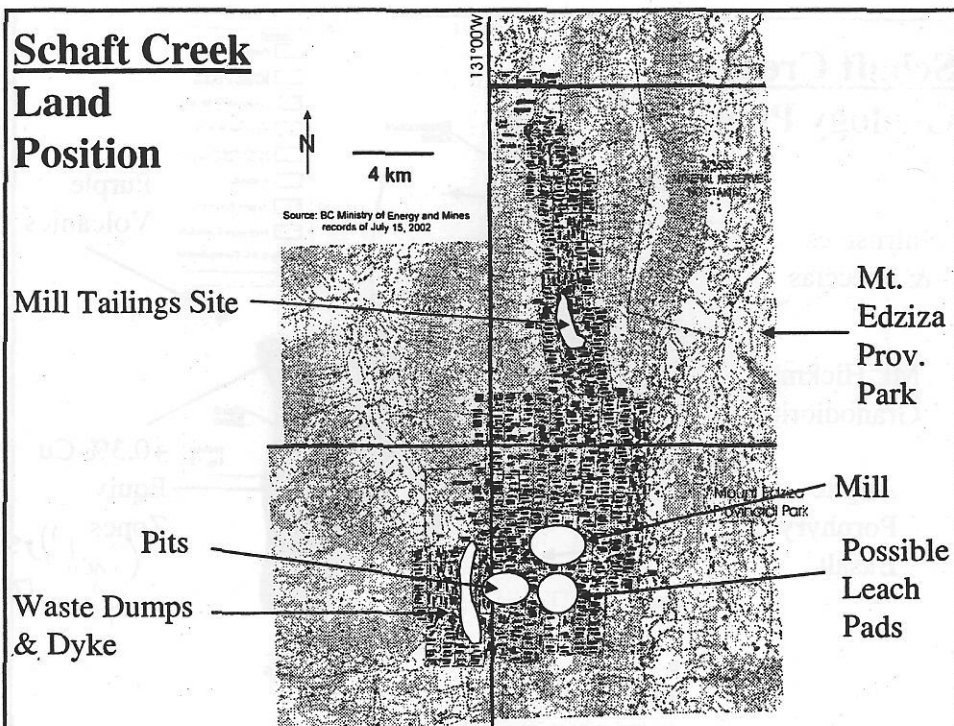
* 'Suspect' percussion drilling results (Recla, early 1970s) in area (downslope) to the SW here needs checking ('upside' potential) [10,000ft in 100 holes]

885788



OIC for road access: 1972

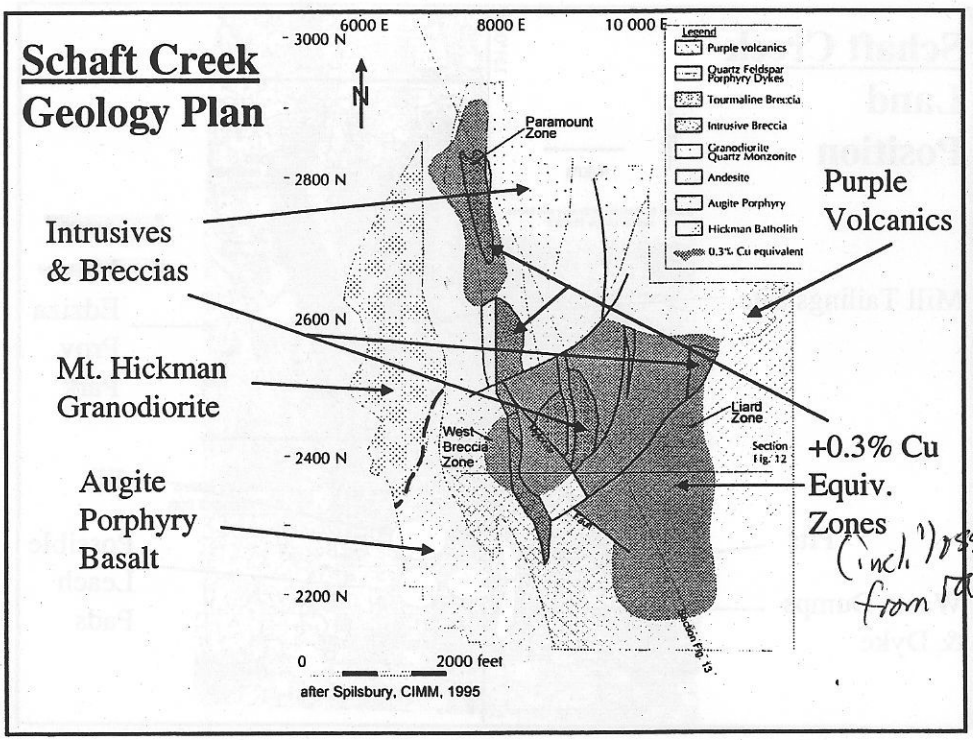
Schaft Creek Land Position



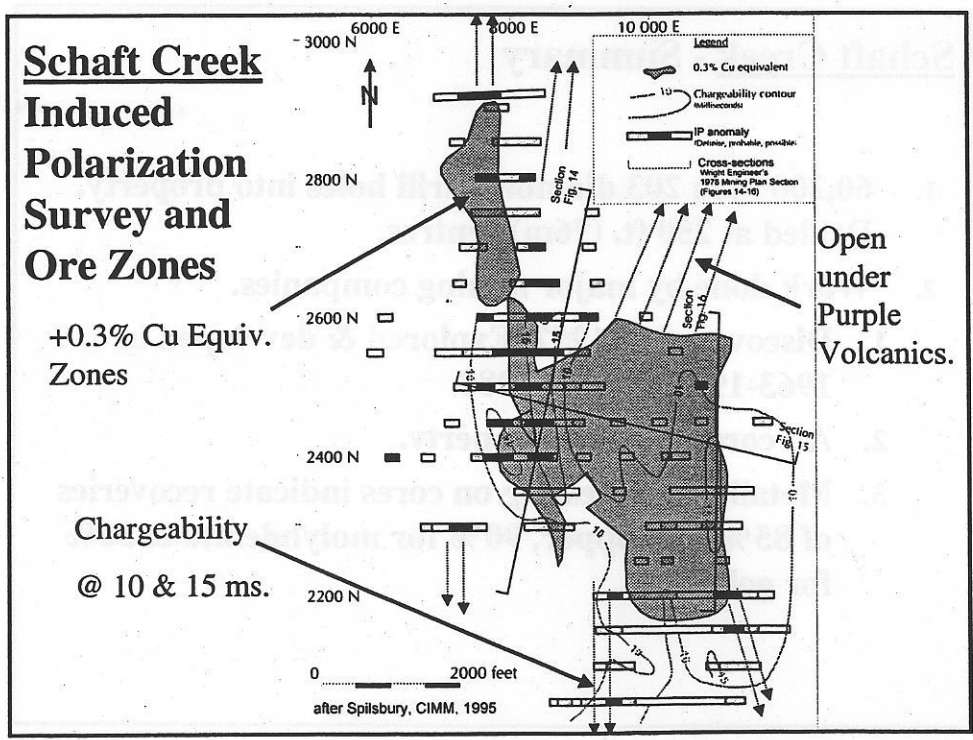
Schaft Creek - Summary

1. 60,200 m in 203 diamond drill holes into property. Drilled at 250 ft. (76m) centres.
2. Work done by major mining companies.
 1. Discovered in 1957. Explored & developed in 1963-1976 & 1978-1988.
 2. All core stored at property.
 3. Metallurgical testing on cores indicate recoveries of 85% for copper, 90% for molybdenite & 50% for gold.

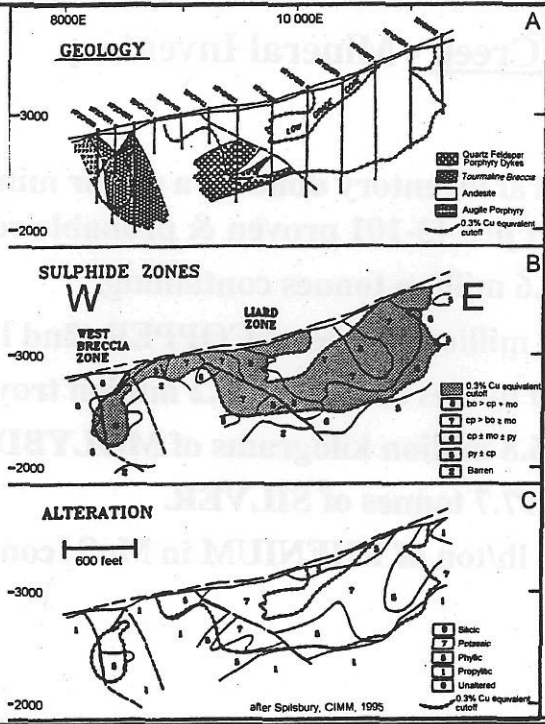
3-
Gemcom
Model
(Sta 43-107)



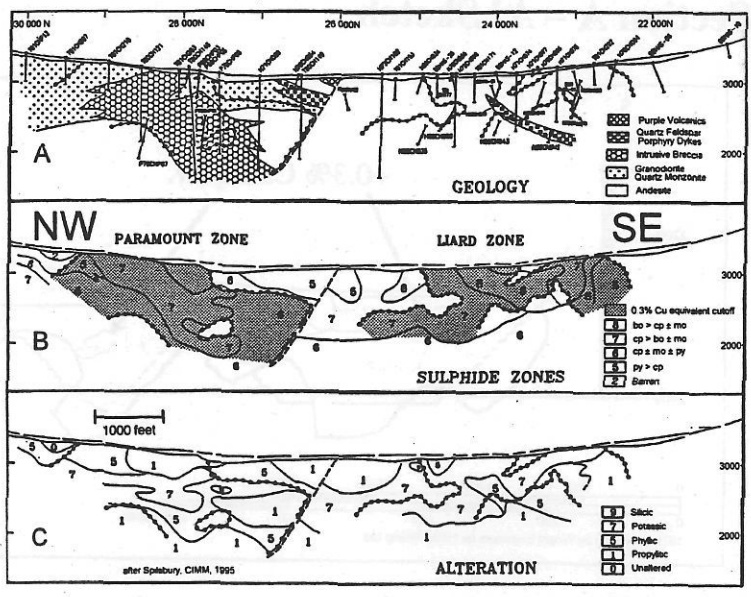
(incl) losses
from tail shipment, etc)



Schaft Creek Section 237+50N



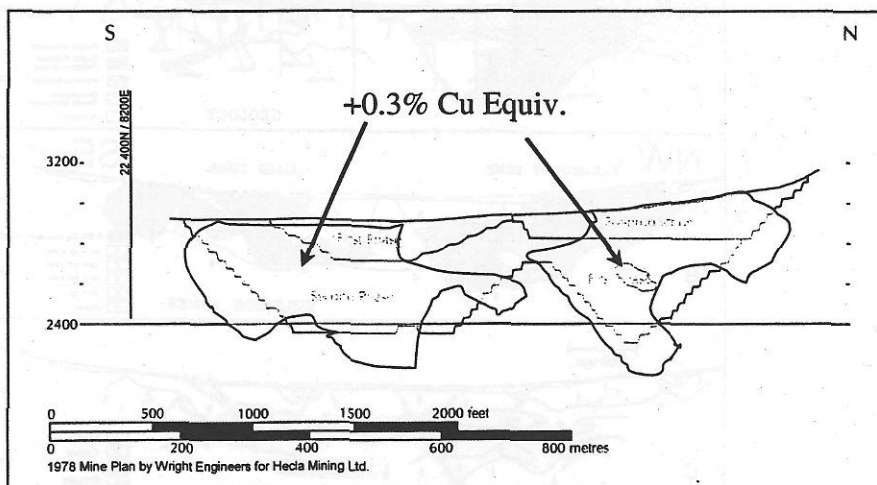
Schaft Creek - Long Section



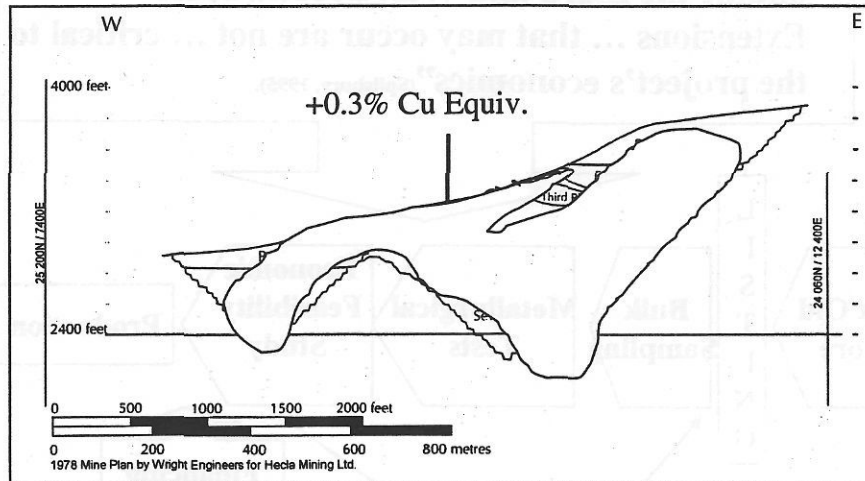
Schaft Creek - Mineral Inventory

1. Mineral inventory done by a major mining company report pre 43-101 proven & probable reserves of:
2. 1,296.6 million tonnes containing.
 1. 3.3 million tonnes of COPPER (2nd largest in B.C.).
 2. 130 tonnes of GOLD (4.2 million troy ounces!).
 3. 206.8 million kilograms of MOLYBDENUM.
 4. 1,297.7 tonnes of SILVER.
 5. 0.7 lb/ton of RHENIUM in MoS₂ concentrate.

Schaft Creek - 1978 Mining Plan Section A - A' Sketch



Schaft Creek - 1978 Mining Plan Section B - B' Sketch

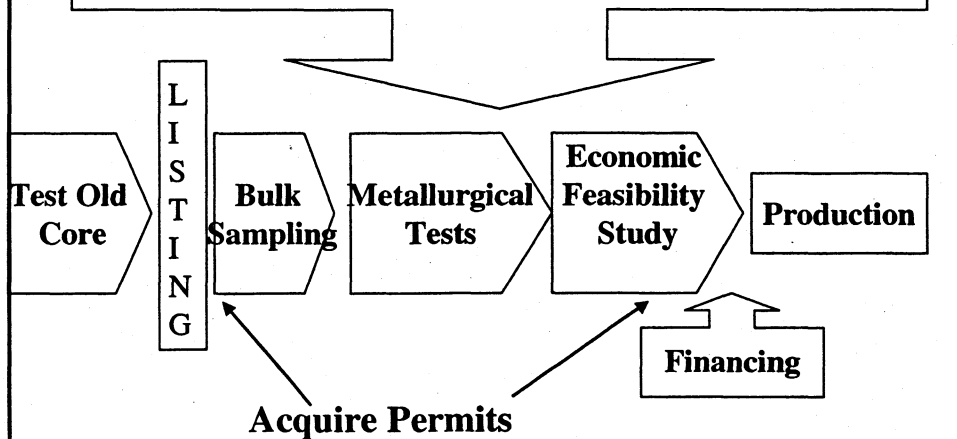


Schaft Creek - Deal

1. **955528 Alberta Ltd. has the right to acquire 100% of Teck Cominco's rights to the property by producing a positive bankable Economic Feasibility Study before December 31st, 2012.**
2. **Teck Cominco has the right to buy back a 20%, 40% or 75% equity position on the project, under defined terms.**
3. **A minimum annual expenditure to keep the property in good standing is (Can) \$75,000.**

Schaft Creek - Status & Plan

“Sufficient Exploration Work has been done to outline the Liard and West Breccia zones. Extensions ... that may occur are not ... critical to the project’s economics” (Spilsbury, 1995).

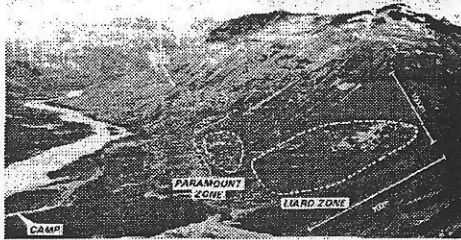


Schaft Creek - Our Plans

1. Confirm the Existence of a Mine by checking the old core’s amenability to new (since 1990) metallurgical techniques. *1, 2, SX-EW*
2. Collecting the Bulk Samples.
3. Confirming Metallurgical Techniques, checking new procedures.
4. Producing a Economic Feasibility Study.
5. Securing Permitting.
6. Check the old core for the existence of Platinum Group Metals.

Schaft Creek – Our Mining Model

**Waste:
59,000
tons/d**



**Floataion Mill
50,000 tons/d**

**SX/EW Mill:
25,000 tons/d**

	tons MM	Cu %	Au g/t	MoS ₂ %	Ag g/t
Floataion	289.2	0.414	0.240	0.057	1.92
SX/EW	175.0	0.270	0.168	0.026	0.99
Waste	227.0	n.a.	n.a.	n.a.	n.a.

[+ Hydromet]

Schaft Creek – Our Team

Guillermo Salazar, C.E.O., M.A., P. Geol. (Ab, BC):

Owen H. Hay, C.F.O., C.A.:

Michael J. Smith, Director:

Darren Fach, lawyer

Schaft Creek – Economic Analysis
Production Parameters

		<u>Floatation</u>	<u>SX/EW</u>
Mill Rate	tons/d	50,000	25,000
Copper	%	0.414	0.27
Gold	g/t	0.24	0.168
Silver	g/t	1.92	0.99
MoS ₂	%	0.057	0.026
Re in MoS ₂ con	lb/ton	0.7	n.a.

Schaft Creek – Economic Analysis
Recoverable Metal

	<u>Units</u>	<u>Floatation</u>	<u>SX/EW</u>
Cu con.	tons/yr	228,883	nil
Cu cathode	tons/yr	nil	10,361
Gold	t.o.	90,499	31,726
Silver (1000's)	t.o.	762,094	196,969
MoS ₂ con	tons/yr	6,713	1,513
Re in MoS ₂	kg/yr	2,131	nil

Schaft Creek – Economic Analysis

Project's Parameters

Initial Capital (million US \$)	\$332.35
Yearly Cash Inflows (million US\$)	\$52.0
Projected Mine Life (years):	19
Interest (%)	7.5
Debt to Equity Ratio:	60/40
Internal Rate of Return:	14.4
NPV (US\$ million)	\$167.0

Schaft Creek – Price Sensitivities

Case	Gold (\$/oz)	Copper (\$/lb)
7b	300.00	1.00
8	310.95	0.68
9	310.95	0.75
<u>10</u>	<u>310.95</u>	<u>0.85</u>
11	300.00	0.68
12	300.00	0.75
<u>13</u>	<u>300.00</u>	<u>0.85</u>
14	325.00	0.68
15	325.00	0.75
<u>16</u>	<u>325.00</u>	<u>0.85</u>

Molybdenite @ 2.50 \$/lb, Rhenium @ 35.00 \$/g, Silver @ 4.50 \$/oz

4.50
3.50

10%
of revenues

Schaft Creek – Sensitivity Results

Case	NPV (millions)	I.R.O.R. (%)
7b	167	14.4
8	9	8.4
9	92	11.7
<u>10</u>	<u>211</u>	<u>16.0</u>
11	-2	7.9
12	81	11.3
<u>13</u>	<u>200</u>	<u>15.6</u>
14	23	8.9
15	106	12.2
<u>16</u>	<u>224</u>	<u>16.5</u>

Schaft Creek – Private Placement

1. **Case One:** Raise \$300,000 @ 0.10 \$/share now, then \$300,000 @ 0.20 \$/share to go Public.
2. **Case Two:** Raise \$600,000 @ 0.10 \$/share now to go Public.
3. **I.P.O.** to raise funds to take us through Feasibility. — needs 43-101 Rpt. asap

Schaft Creek – Use of Proceeds

1. Definition of Restricted Areas:	\$20,000
2. Search for Pt-Pd mineralization:	\$100,000
3. Prelim. Met. Test & Re-scoping:	\$222,500
4. Definition of Power & Permit Needs:	\$100,000
5. Corporate & Admin (25%):	\$105,000
6. Cost of Raising Funds (10%):	<u>\$52,500</u>
TOTAL	\$600,000

2nd yr?

Expenditures are for one OR two years.

*2003
TGS est. ~ \$300k*

Schaft Creek – Share Capital Structure

<u>CASE</u>	<u>ONE</u>	<u>TWO</u>
Shares Outstanding (million)		
Management	7.202	7.202
\$300,000 raised @ 8.0 cents/sh	3.75	n.a.
\$300,000 raised @ 5.7 cents/sh	5.26	n.a.
\$600,000 raised @ 0.10 \$/sh	n.a.	6.0
Funds Available	\$600,000	\$600,000
Shares Outstanding (million)	16.215	13.202
Management Position	44.4%	54.5%
Max. Options	1.6	1.3