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→ Treasure Mtn.

Schroeter, Tom EMPR:EX

From: Cathro, Mike EMPR:EX
Sent: Wed, December 13, 2006 9:19 AM
To: Rothman, Stephen EMPR:EX; Seguin, Joe EMPR:EX; Madu, Bruce E EMPR:EX; Bruhjell, Darren EMPR:EX; Brunke, Ann EMPR:EX
Cc: Berdusco, Ricci EMPR:EX; Howe, Diane J EMPR:EX; Carr, Chris A EMPR:EX; Schroeter, Tom EMPR:EX; Lefebure, Dave EMPR:EX
Subject: Treasure Mountain

FYI - Another small mine application that could be coming in the next 6-12 months. Located in the upper Tulameen River valley, SE of the toll booth.

A couple months ago we told them we need an updated Mines Act application.

They have agreed to make a presentation to the SCMDRC (South) on March 27.

The previous (early 90s?) mine plan and feasibility study were pretty sketchy and will require substantial work. AMEC will prepare the new application.

Should be under thresholds, but should be screened for EAA and CEAA triggers to be safe.

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Huldra receives positive Treasure Mountain analysis

2006-12-12 06:55 ET - News Release

Mr. Magnus Bratlien reports

HULDRA SILVER INC.: THE TREASURE MOUNTAIN PROJECT, AN ECONOMIC EVALUATION

A.J. Beaton, PEng, has completed an economic analysis of a 36,000-ton-per-year mine/mill operation at Treasure Mountain, and concludes that the vein deposit "... can be put into production as a viable, economic, small underground mine." There are currently sufficient historic resources (not National Instrument 43-101 compliant) for a mine life of four years -- 147,000 tons grading 25 ounces per ton silver and 10 per cent combined lead-zinc -- with an open exploration potential laterally and to depth.

These historic resources were developed by the company in 1987-1989 on four underground levels with 7,200 feet (2,195 metres) of crosscuts and drifts, and 1,800 feet (549 metres) of raises and subdevelopment, complemented by 5,000 feet (1,524 metres) of underground drilling. They were defined as proven and probable by the resource classification standards of the day but have not been classified by the current and more exacting standards of National Instrument 43-101. An additional historic resource of 13,000 tons of equal grade was defined by surface drilling at a location 2,500 feet (760 metres) to the east of the mine workings.

Mr. Beaton's research shows that the capital requirements, including a working capital of $1.5-million, for a 36,000-ton-per-year (150 tons per day for eight months of the year) operation would be $9,715,000. Operating costs are calculated at $150 per ton and net smelter return at $344 per ton of ore. Based on United States metal prices of $10 (U.S.) per ounce silver, lead at 50 U.S. cents and zinc at $1.50 (U.S.) per pound and an exchange rate of $1.10, 150,000 tons of ore would, subject to equity financing, recover the capital costs of $9,715,000 and