

Rexspar

G.W. Sander

July 16/66.

- a Dec 28/54 radiation survey found scattered anomalies in Rex #12
 - ^{highest} one of them is almost in geograph center of property & may not have been drilled.
 - some holes tested south part of the claim at least.
 - other anomalies found in NW half of Spars 1 & 2. & another just north of NW end of Spar #2.
 - another just north of west end of north line of Tane 3.
 - weak small radiation anomalies in Deerhorn area.

- self-potential survey: Dec. 28/54 G.W. Sander

1 electrode in perm. pos'n - other moved along profiles taking measurements every 25' - cable distance limit was 1100'

the A, B, C, D anomalies (I have shown them on my colored claim map) were considered to be reflecting graphite in beds of argillite which are often found in the vicinity of the ~~argillite~~ schist-trachytic contact - show deviation up to 800 mV.

- E, F, & G anom's (have shown them on my map)

E - coincides with radi' anom - they suggested some drilling

F - Hole 109 tested it - found cone of py at shallow depth but no radioactive material was encountered; some radioactive material found on surf not far from this loc'n. - suggest maybe more work

G. broad & fairly strong - some red material found on surf & in drill holes.

- other small anomalies noted

- "the area to the west & south of the 'A' zone has been surveyed but no significant anomalies have been found."

- Cequir Counter Survey Lit Claims Aug. 57 - N.B. Lyon.

- block from 27000 N - 27000 E, 26500 N - 30,000 E, 23500 N - 30,000 E, 23,500 N - 27,000 E

- only 1 anomaly found in SE corner of Lit 32 near schist trenches. - readings only up to 105 counts per minute.

July 16/66 ⁽²⁾

H-Zone holes:

#106 - log missing

#107 - 0-7 casing

7-229.0 trachyte - End of Hole.

- no samples taken apparently.

#108 - 0-5 casing

5-131.0 trachyte

4'-10' .012% = .24/lb_s

25'-35' .020 .40

{ 84 claims & 4 fractions }

- road in perfect condition
Wells Gray, ^{Hotel.} in Clearwater

- 60 claims

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Clearwater

McMillan

- have to get Co. recapitalized.

completed all drawings for complete fluorspar plant

statement that he hasn't taken part in 10.7
recent market action 1.3

make filing statement -

321
 107

1391

10.7
 1.8

856

107

1926

252
San Robertsm

5.00
26,000 ft } 10
75
750 1150,000 60%

Bach & Co.

75% of selling price is w/ transp. &

Giant 4,000,000

800,000 escrow - Joseph has 100,000 sh.

Operations @ 1,000 t pd = 300,000 t py —
= 5 years —

Grade = 1.33 # / t Recovered
= \$10.64 / t @ \$8⁰⁰ U3O8.
or \$13.30 / t @ \$10⁰⁰ " .

Operating Costs

Put stripping into Pre-production costs

Mining:

Waste - 521,000 yds

= 1,200,000 tons

= 0.8 tons per ore

= \$360,000 to Pre-prod @ 30¢/t

Stripping - 428,000 yds @ 35¢.

= \$150,000

Total : \$510,000 to ~~Pre-prod~~

Operating Costs

Mining —

~~0.75~~
~~0.50~~

Milling —

5.50

inc. 10¢ / ton royalties

Admin & QH. —

0.50
~~0.33~~

Engineering —

—————
\$ 7.00

Ore Reserves

Manning

Company

Open pit 1,505,175
Underground 126,593

Total @ 10cuff/t = 1,631,768

Total @ 9.1cuff/t = 1,793,152

1,711,121

Undiluted grade. 1.619 #/t 1.86 #/t

Open pit only.

Tons with 5% dil - 1,580,434
Grade 1.55 #/t

Remaining Underground
Tons ~~126,593~~ 126,593 1.83 #/t
dil @ 10% 12,659 0.40 #/t
139,252 1.63 #/t

Summary

Open pit - 1,580,434 tons @ 1.55 #/t (1.33)
Under - 139,252 " @ 1.63 #/t (1.40)

Capital Cost from now on

	<u>Scott</u>	<u>DF</u>
* Mining Equipment —	73,000	100,000
Milling Plant & Eq. —	2,045,907	
Leaching & Solv. Ext —	2,632,601	
Aerial Tram —	183,800	
Housing —	30,000	
Supplies —	200,000	
Working Caps —	200,000	
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	5,365,408	
	x 1.25 =	\$ 6,700,000

Based on contracting the loading and truck haulage of @ \$0.35 / yd. of waste rock.
 @ \$0.50 / yd. of ore "A"
 @ 0.35 / " " " " "B"
 @ 0.45 / yd " " "BD"

Operating Costs

Mining	1.41	
Milling	4.50	
Overhead	0.16	
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	6.07 x 1.25 =	\$ 7.60 / ton
	x 1.20 =	\$ 7.28

Frameworks requested by Joseph

- (1) debt retirement payment of \$100,000
- (2) Exploration commitment - fulfillment of which entitles Kerr to certain ownership of the new company if Kerr brings property into production.
- (3) Kerr would get back its investment out of profits
- (4) It is assumed that Peppas would expect to recover its expenses to date out of profits. This is negotiable.

Capital Pre-production

	<u>Refpar</u>	<u>New</u>
Already expended	\$ 1,552,955	\$ 100,000
Immediate Program	 	\$ 150,000
Commitment before production dec.	\$ 1,552,955	\$ 250,000
Additional prepaid Requirements Mining Equip		\$ 5,365,408 15,000
	\$ 1,552,955	\$ 5,865,408
		\$ 7,418,363

Reynolds Comments -

① We would buy majority interest in a property which has a proven ore body for laying out \$250,000 which would be almost certainly returned at 6%

② If Reynolds share holders are to get their pre-jud.