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A

REPORT

On The

FLORIDA MINE, MONACO AND LOST HEEL CLAIMS

Lida Mining District,

Esmeralda County, Nevada, U.S.A.

By

Andrew J. Zinkl

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Registered Mining Engineer

Prescott, Arizona

July 7, 1977

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REGISTERED MINING ENGINEER

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REPORTS

On The

Properties Of

TRIDEX NEVADA INC.

Esmeralda, Nye and Lincoln Counties,
Nevada, U. S. A.

For

TRIEX RESOURCES LTD.
270 Oakridge Place,
5655 Cambie Street
Vancouver, B.C. V5Z 3A4

By

Andrew J. Zinkl,

Registered Mining Engineer

Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
ANDREW
JOSEPH ZINKL
DEC. 31, 19 77
ARIZONA, U.S.A.

July 7, 1977

Prescott, Arizona

Andrew J. Zinkl
Registered Mining Engineer

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LETTER OF TRANSMITTAL

Triex Resources Ltd.,
270 Oakridge Place,
5655 Cambie Street,
Vancouver, British Columbia

Dear Sirs:

The attached reports have been prepared at the request of Triex Resources Ltd., of Vancouver, B.C.

The several properties, controlled by Tridex Nevada Inc. or in which Tridex Nevada Inc. owns a substantial interest, are described in separate sections.

In the event Triex Resources Ltd. wishes to use the reports individually, each section has been prepared in the form of a complete report.

Some of these properties are presently under intensive exploration by Major Corporations. Recommendations or suggestions for the exploration and/or development of the other two are included where appropriate.

Except as otherwise noted, the information contained in these reports was obtained from personal examinations of, and visits to, the properties during the period 1974 to 1977. Most of the field work and geologic mapping was done by James C. Parres, P. Eng. of Waskesiu Lake, Saskatchewan. Two of the properties were studied in some detail.

The reports are arranged in the following order:

Section 1 - The Florida Mine, Monaco and Lost Heel Claims,
Lida Mining District,
Esmeralda County, Nevada, U.S.A.

Section 2 - The Mt. Jackson Minerals - Lane Claims,
Lida Mining District
Esmeralda County, Nevada, U.S.A.

Section 3 - The Goehring Placer Claims,
Manhattan Mining District,
Nye County, Nevada, U.S.A.

Section 4 - The Salt Lake - Pioche Property,
Pioche (Ely) Mining District,
Lincoln County, Nevada, U.S.A.

Registered Professional Engineer (Mining)
Certificate Expires
Andrew Joseph Zinkl
Dec. 31, 1977
Arizona, U.S.A.

Respectfully submitted,

Andrew J. Zinkl
Registered Mining Engineer

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SUMMARY AND CONCLUSIONS

The Florida and Monaco properties, comprising four patented and ten unpatented contiguous mining claims, straddle Lida Canyon at an average elevation of about 6,000 feet, approximately 22 miles southwest of Goldfield, in the Lida mining district, Esmeralda County, Nevada, U.S.A. The Lost Heel claim is about three quarters of a mile southwest of the Florida mine.

The claims are readily accessible and are traversed by paved State Highway No. 3 and the Valley Electric Association's power line. Abundant water is available at shallow depths from Lida Canyon.

From its discovery in 1871, until about 1910, the Florida deposit was intermittently explored and developed by many trenches, cuts, pits and, at least two shafts, three tunnels and a considerable amount of underground workings most of which were backfilled or have subsequently caved. No maps of the mine area or underground workings are currently available. In 1907 the mine was serviced by a three compartment shaft and the ore removed was treated in a 5-stamp mill.

The oxide zone is very shallow - probably not more than 50 feet deep. In those pre-flotation days, this resulted in a limited production of oxide ores from the upper levels of the mine and the leaving of much clearly visible sulphide ore.

Mining probably ceased, therefore, not due to a lack of ore but rather due to a lack of ore that was amenable to treatment at that time.

In 1973 and 1974, a Reno based company, after receiving considerable assay encouragement from preliminary sampling, made several abortive attempts to open up the mine. Lack of capable management and a shortage of funds, resulted in premature abandonment of the project.

Recently, the two lower tunnels were opened up, a preliminary geologic map of the mine area was prepared and an extensive sampling of all available areas within the mine was completed. Samples from two dumps of stockpiled muck removed from the mineralized sections of the Main and Middle tunnels, consisting of caved material from the backs as well as backfill, yielded weighted assay averages of 11.17 and 2.28 ounces of silver per ton, respectively.

The Florida, and other mines on adjacent properties to the west, are located in the foothills of the eastern tip of Magruder Mountain near the nose of a major oroflex. The mines occur in a breccia zone developed along a major east-west, high-angle fault which traverses folded precambrian limestones and shales striking northeast and dipping southeast.

These formations are intruded by small dikes of granite and diorite.

The surface trace of a major mineralized thrust fault. dipping about 45° or less to the south, crosses the claims some 900 feet north of, and parallel to, the high-angle fault. The upper plate, containing the mines, has been thrusted over younger formations.

East of the Florida Mine, the fault breccia zone disappears under the gravels of Lida Canyon. Lida Canyon marks the locus of a fault along the apex of an anticlinal fold. This fault may be the eastward continuation of the fault breccia zone. About a mile east of the mine, the anticlinal fault is obliquely intersected by three parallel, northerly dipping, highly mineralized faults, which strike N60°W. and are spaced about 300 feet apart.

Geophysical methods may be usefully employed to trace the eastward continuation of the fault breccia zone with the view of locating any cross-faulting and to explore and pinpoint the intersections of the three parallel faults and the apex fault.

In the Florida mine area, ore bodies of good grade exist in the steeply dipping fault breccia zone which, in places, is about 30 feet in width. The Ore, consisting of argentiferous galena, argentite, and azurite, and a great deal of pyrite, occurs in quartz and calcite veins and as fracture fillings and impregnations or replacements of the breccia fragments. It is concentrated in, but not limited to, fractures and openings created in the fault breccia zone by tensional drag of a left-lateral cross-fault. In every known instance of a cross-fault offsetting the fault breccia zone, ore has been formed. Detailed geologic mapping and exploration of the area immediately east and north of the known ore bodies in the Florida mine will almost certainly reveal the existence of more cross-faulting and offsetting of the fault breccia zone with the attendant creation of further favorable loci for the emplacement of additional ore bodies.

As mentioned above, in the neighboring mines to the west, ore exists in the same fault breccia zone under identical structural conditions. However, in those mines, it occurs in beds some 700 feet lower in the stratigraphic sequence than the ore-bearing strata in the Florida mine. Since all these formations dip towards the Florida, these ore horizons will occur at depth on the Florida property. The plane of intersection of the fault breccia zone and these horizons should provide further favorable locations for the emplacement of additional ore bodies.

In any event, the joint mining and treating of the known ore remaining in the adjacent mines to the west would add substantially to the size and profitability of any operation contemplated on the Florida property.

At the time of the formation of the major oroflex, the sediments were intruded by granite and folded into a broad anticline. Continuing regional pressures caused by the gradual intrusion of plutons associated with the Sierra Nevada Batholith resulted in local tilting and rupturing of the sediments with the formation of the fault breccia zone, cross-faulting, and finally the thrusting of the block containing the mines over the adjacent plate of younger sediments. The hot, siliceous, mineral-bearing solutions ascending the thrust fault were diverted into the fault breccia zone where they deposited their minerals. The openings and fractures created in the fault breccia zone by the tensional drag of the cross-faults were ideal repositories.

At depth in the Florida mine, the mineralized thrust fault should intersect the fault breccia zone at something less than 900 feet. The plane of intersection of these two faults should be a very favorable location for the development of substantial ore bodies, particularly, where such intersection is coincident with that of one of the cross-faults.

The extensive sampling of the underground workings indicates that over 50,000 tons of immediately mineable ore with a weighted average of $96.57 per ton are fortuitously located in the mine above the Lower Tunnel level. By converting the Lower Tunnel into a temporary haulageway, the ore may be expeditiously mined by shrink stoping methods employing selective mining techniques insofar as possible.

Metallurgical testing indicates that the ore is readily amenable to concentration by tabling and flotation and that a recovery of about 90% can be expected.

Markets for the concentrates abound; however, equipment for the reduction of the concentrates to bullion is available at the property.

Utilizing a locally available mill, a highly profitable 25 ton per day interim operation can be initiated almost immediately. Based on an 80% recovery and gold and silver at $130.00 and $4.50 per ounce respectively, a preliminary financial forecase indicates that such an operation, if not expanded, would:

(a) generate a total cash flow before taxes of almost $2,000,000 in a little over 7 years; and

(b) enable the property to be paid out and the total investment to be returned in approximately 13 months; and

(c) produce a net profit of almost $1,250,000.

The "Probable" and "Possible" Ore estimates ranging from 99,500 to 278,600 tons, respectively, if proved, would require a plant with a capacity of 100 tons per day at an estimated cost of $1,000,000. Using the same parameters as employed in the preceding calculations, such an operation would, respectively:

(a) generate before taxes cash flows of $3,730,000 and $15,525,000 in 3.3 and 9.3 years; and

(b) payout the property in 82 days and return the total investment in 1 and 1¼ years; and

(c) produce total net profits of $3,341,000 and $7,835,000.

Since some of the profits generated from such an operation can be advantageously employed taxwise to pay the costs of proving up and exploring the several existing, very attractive possibilities for the discovery of further substantial ore reserves, it must be concluded that the exploration and development of this property should be proceeded with immediately in accordance with the recommendations cited hereunder.

RECOMMENDATIONS

Regarding The Further Exploration For Ore

1. The detailed geological and structural mapping and study of the mine area, particularly to the north and east, should be completed immediately. Valuable assistance in this matter could be rendered by:
   (a) mucking out the western ends of the backfilled forks of the Upper Tunnel in order to gain additional information in this interesting area; and
   (b) the judicious use of a bulldozer to clear the rubble, insofar as it would be safe and practical, from the steeply sloping eastern nose of the hill above and to the east and north of the mine workings. in order to expose the surface and, hopefully, the location of the fault breccia zone and its offsets and continuations to the east.

2. The Lower Tunnel should be extended at least 350 feet for the purpose of:

   (a) exploring the intervening area; and

   (b) supplying a haulageway for the ore existing in the Main, Upper and Middle Tunnels; and

   (c) providing potential underground drill sites to explore the downward extensions of the ore zones.

3. A series of rotary drill holes, 50 feet apart, should be drilled along the strike of the breccia zone to the west and east of the Main Tunnel in order to sample and determine the downward and lateral extent of the ore existing in the Main Tunnel - Drill Hole 2 area on the foot wall side of the cross-fault. Fill-in drilling to be done as required.

   (a) At least one of these holes should be drilled to a depth sufficient to test the intersection of the projection of the ore horizons from the mines adjacent to the west and the intersection of the thrust fault with the fault breccia zone;

   (b) To the west of the Main Tunnel and starting by re-drilling Hole 2 which bottomed in ore, a maximum of 6 holes would be required to reach the property boundary; however, the number of holes and the depth of each would be dependent on the results obtained from the immediately preceding hole;

(c) East of the Main Tunnel on strike with the fault breccia zone, the first hole should be drilled 50 feet east of the surface trace of the cross-fault in the Main Tunnel. Because of the increasing amount of dead-drilling required to reach the fault breccia zone in the footwall of the cross-fault and the increasing depths of the hill-wash gravels to be penetrated, the number and depths of these holes should be guided by the results obtained from each preceding hole. A maximum of 5 holes should be drilled at this stage.

(d) Upon completion of the detailed geologic mapping further exploratory drilling should be done, both underground and where possible to establish drill sites along the projected offset eastward extensions of the fault breccia zone. (Estimate 5 additional holes.) For instance, the ore showing in the southeast corner of Room 1 in the Middle Tunnel is probably in the foot-wall of the cross-fault. With a small amount of timbering in the Middle Tunnel, Room 1 would provide an excellent underground drill site.

4. A detailed Induced Potential Survey should be carried eastward from the mine area to cover the length of the Monaco claims in order to trace the probable continuation of the fault breccia zone down the valley. The objective

of this survey would be to pinpoint drilling targets such as any cross-faulting and particularly the intersections on the Monaco claims of the three highly mineralized parallel faults and the fault running down the middle of Lida Canyon.

5. On the Lost Heel Claim, the fault breccia zone should be explored by re-opening the eastern end of the presumed tunnel to provide access to the deposit. If the tunnel does not exist, the new drift will provide access for sampling purposes.

Regarding the installation of a plant.

6. Upon completion of the projects cited above, a decision would be possible as to the size of the ultimate plant required to establish a viable operation commensurate with the results obtained. In the interim, the locally available 25 ton per day mill should be purchased and installed in order to create an immediate cash flow.

ESTIMATED COST OF RECOMMENDED PROGRAM

1.		To complete geologic study and mapping of mine area, including mucking out back-filled forks of western end of Upper Tunnel and bulldozing ... 1WK CAT, 2WKS. MAPPING	$ 1,500.00 5,000
2.		To drive Lower Tunnel 350 feet @ $40.00 per/ft. (200.)	14,000.00 70,000
		Timbering 100 feet @ $30.00 per/ft. .... (100)	3,000.00 10,000
3.		To rotary drill 16 holes at $6.00 per/ft	
	900'	West of Main Tunnel 6 holes to average depth of 150'	5,400.00
	1100	East of Main Tunnel 5 holes to average depth of 220'	6,600.00
	900	1 hole to 900'	5,400.00
		Exploratory drilling:	
	500	5 holes to average depth of 100'	3,000.00
		Assaying	2,500.00
4.		Induced potential survey	3,000.00
5.		To open tunnel Lost Heel claim and sample .... +ASSAY	1,000.00 5,000
6.		To purchase and install:	
		25 ton per day mill	5,000.00
		12' X 8' recovery table	3,000.00
		Auxiliary equipment	4,000.00
7.		Engineering and supervision	2,500.00
8.		Contingency 25%	7,500 5,100.00 38,800
		TOTAL	$65,000.00
		MISC.	15,000

Respectfully submitted, ~ 184,250

Andrew J. Zinkl,
Registered Mining Engineer

AROUND $250,000

A REPORT

ON THE

FLORIDA MINE, MONACO AND LOST HEEL CLAIMS

LIDA MINING DISTRICT, ESMERALDA COUNTY,

NEVADA, U.S.A.

INTRODUCTION

Purpose

This report has been prepared at the request of Tri ex Resources Ltd. of Vancouver, B.C.

The information contained herein was obtained during numerous personal visits to the properties during the period 1974 to 1977.

Location and Means of Access

The properties are in the Lida Mining District, Esmeralda County, about 22 miles southwest of Goldfield, Nevada. (Location Map 1.)

The claims comprising these properties are in parts of Sections 5 and 6, T 6 S, R 41 E; Section 31, T 5 S, R 41 E; Section 36, T 5 S, R 40 E; and Section 1, T 6 S, R 40 E; stradding Lida Canyon at an average elevation of about 6,000 feet. (Map 2.)

The claims are readily accessible. The main campsite is situated on one of the Monaco claims on the north side of paved

State Highway No. 3, (Map 2.) and may be reached by proceeding 15 miles south from Goldfield on U. S. Highway No. 95 to Lida Junction and thence westerly for 17 miles on Nevada Highway No. 3. The Florida Mine is located one mile further west along Highway No. 3 about 1,000 feet south of the highway. A well-maintained gravel road leads up the hill to the mine area and other parts of the property.

The Lost Heel claim is some 4,000 feet southwest of the Florida Mine and may be reached by proceeding west from the campsite 2.2 miles on Highway No. 3 to Lida, then south at the Historic Marker on a dirt road for 0.6 miles to the top of the rise where a trail leads westerly up a steep incline for almost half a mile to the caved portal on the Lost Heel claim. (Map 2.)

Climate and Vegetation

The climate of the region is arid.

Annual precipitation averages about 5 inches most of which is received as snow during the winter and early spring months. In the summertime, surface run-off from the brief, but occasionally intense thunder storms, reaches flash-flood proportions on very rare occasions.

Temperatures are somewhat extreme and may infrequently exceed 100° F in the summer and have been reported to go as low as 0° F, or slightly below, in the winter; however long term average temperatures range from about 70° in July to about 32° in January. Year round operations present no problems.

Vegetation is sparse except for sagebrush, and consists of a few scattered desert plants and an occasional joshua tree; pinion and juniper; willows grow along the wash.

Water and Power

Water, an extremely rare commodity in this part of the state, is readily available in abundance at shallow depths from Lida Canyon. Two wells are present on the claims. The main well, located close to the northwest corner of Monaco No. 1 claim near the bottom of the wash, about 750 feet north of the mill site, is 60 feet in depth. (Maps 2, 3 and 4.) It is encased in 6-3/4 inch steel pipe throughout and has 35 feet of standing water. Under a recent test with a 1 HP submersible pump, the well produced 11 000 gallons in less than 10 hours while lowering the water level only about 4 feet. Therefore, sufficient water for the operation of a plant of virtually any capacity is readily available.

Tridex applied for and was granted a most valuable water permit by the Water Resources Division of the State of Nevada for the use of 19,000,000 gallons of water annually. This allotment can be increased upon application.

Utilizing a single - to three - phase converter, ample power is available from the single-phase power line of The Valley Electric Association which runs along the north side of Highway No. 3 across the property and to which the main campsite is presently connected. (Map 4.)

Property and Ownership

The Florida group comprises 4 patented mining claims totalling about 60 acres. (Map 3.)

The Monaco group is composed of 8 unpatented mining claims and 2 millsites containing a little over 200 acres. Both groups and all claims are contiguous. (Map 4.)

The Lost Heel claim is approximately 20 acres in size. (Map 5.)

The patented claims are owned by Eleanor M. Loughlin of Lida, Nevada, and are held by Tridex Nevada Inc. by an assignment of a Mining Lease and Option to Purchase Agreement from Hughes Mining Development Corporation of Reno, Nevada.

The Monaco claims and millsites are owned outright by Tridex by transfer from Hughes Mining Development Corporation. The Lost Heel claim is owned by Tridex by purchase and quitclaim deed.

The claims are shown on Maps 3, 4 and 5 and are recorded in the Esmeralda County Recorder's Office in Goldfield Nevada as follows:

© 1973 (4)

PATENTED CLAIMS	MINERAL SURVEY NO.
Florida	3281
Mother	3281
Father (Partial)	3281
Lenore	3281

Frances Maier
Land Manager

Gold Bar Cap.
Gold Garden
Sec 1

UNPATENTED CLAIMS		LOCATION NOTICES			CERTIFICATES OF LOCATION		
		Book	sec	Page	Book	Page	
✓Monaco No. 1	6S 41E	9	6	509	10	284	49855
✓Monaco No. 2	"	9	"	509	10	285	
✓Monaco No. 3	"	9	"	510	10	286	
X Monaco No. 4	"	9	"	510	10	287	
X Monaco No. 5	"	9	"	511	10	288	
X Monaco No. 6	"	9	"	511	10	289	
X Monaco No. 7	"	9	"	512	10	290	
X Monaco No. 8		11		593			
Amended	5S 41E	13	5+6	160	13	161	51764
X Monaco No. 9		11		593			
Amended	same	13	same	162	13	163	
X Monaco No. 10 Fraction	same	12	same	394	13	164	
X Mill Site Monaco No. 20		11	sec 5	598			50798
X Mill Site Monaco No. 21		11	sec 5	599			
~~Lost Heel No.~~ 1					23	179	

contiguous

Figure 2

BK 10 Pg 284-290

BK 13 Pg 160-164

Plant and Equipment

Two well-equipped mobile homes, complete with running water, sewer (septic tanks), electrical power, propane heating and cooking facilities, are located at the campsite (See Maps 2 and 4) which provides comfortable living quarters for up to 10 men as well as office space.

A 20' X 10' frame building and a 12' X 10' annex, wired for electricity and with water and sewer connections, houses a partially assembled assay office which is presently used to store the flotation reagents and other supplies and equipment.

Oil, grease, lubricants, carpenter tools, miscellaneous hardware and supplies are stored in a war surplus 10' X 8' canvas shed behind the office trailer.

A 1,000 gallon steel tank, mounted on a steel frame provides gasoline storage.

A drilled well 80 feet deep with 8" casing, equipped with a 5 gallon per minute submersible pump, pressure tank and fittings, supplies an adequate pressurized water service to the trailers for domestic purposes.

Explosives are stored near the mine site in an old drift which has been remodelled to meet the rigid requirements of State and Federal laws.

Equipment owned by the company is listed in Appendix "A".

A pilot plant, with 5 tons per day capacity, has been assembled near the Florida Mine on the side of a steep ridge in order to provide gravity flow throughout. (See Maps 4 and 6.) The plant consists of an 8 ton ore hopper with 3" grizzly and gate feed, a 6" X 8" jaw crusher powered by a 5 HP electric motor, a 17 ton conical ore storage bin, a syntron feeder, an 8" conveyor belt, a Wheeler ball mill powered by a 7½ HP electric motor, an 8' X 4' Immco fiberglass concentrating table equipped with a ½ HP electric motor, a 1,000 gallon conditioning tank, a bank of two Denver Sub A flotation rougher cells and a 2 cell No. 8 Denver flotation cleaner machine, all with appropriate electric motors, completes the circuit.

Water for the operation is pumped by a 1 HP electric powered pump from the well, north of the mill site, through 750 feet of buried 1½" plastic hose into a 12,000 gallon storage tank installed just above the Pilot Plant.

Power to run the Pilot Plant is supplied by a 30KW portable Caterpillar diesel D310 generating plant. By conversion alternative power is available from the power line that follows State Highway No. 3.

History and Production

According to the Nevada Bureau of Mines and Geology, Bulletin 78, published in 1972, entitled "Geology and Mineral

Deposits of Esmeralda County, Nevada," by J. P. Albers and J. H. Stewart[1], and U.S.G.S. Bulletin No. 308 by S. H. Ball[2] published in 1907, the Lida district was discovered in 1871. By the 1880's the easily mined, enriched and near surface gold and silver oxide ores had been largely exhausted and mining activity diminished; however, some gold and silver were mined at intervals during the 1880's and 1890's in the Lida district. In 1904 and 1905, sparked by the discovery of the fabeled gold ores at near-by Goldfield, the old mines were re-opened and new discoveries made at Lida. Except for sporadic "high-grading" operations on neighboring properties, it is reported that since 1910 there has been virtually no mining activity in the district.

While no accurate records were kept, production is reported to have been something less than $1,000,000. Judging by the old workings, the Florida and the Wisconsin mine, owned by the Hughes Tool Company's Summa Corporation on the same structure and adjoining the Florida to the west, contributed substantially to this production. (The Wisconsin property has recently been sold by Summa to Houston Oils and Minerals.)

Ball[2] states: ...."some rich pockets of horn silver and silver-bearing galena were removed. The ore, probably picked, ran $500 to $1,000 per ton. It is said the values decreased at depths of 200 to 300 feet,....The Florida-Goldfield Mining Company's shaft....150 feet deep, was filled with water within 80 feet of the surface....the water level....in the Lida district, is comparatively near the surface....the oxidized zone is, for a desert country, very shallow....In the early days....considerable bunches of oxidized ore were hauled to Austin (175 miles) and Belmont (110 miles). It is scarcely probable that all these pockets have been found...Much of the ore already taken out is refractory and would require milling and smelting."

Previous Work

During the early period many cuts were made, short prospect tunnels driven and shallow pits excavated on the claims. Several shafts were sunk and a considerable amount of underground mining was done. Unfortunately, other than the survey plot for patent purposes, no maps of any description whatsoever, of either the mine area or the underground workings, are currently available.

Of the shafts, the most important appear to have been what are herein referred to as the East and West Shafts. (Map 6.)

The 3 compartment, 12' X 6' East Shaft was apparently the main entry to the mine. In 1907, according to the patent survey plot, it was serviced by an engine and hoist and the material extracted was treated in a 5 stamp mill. At the present time, although all the timbers have been removed, the walls are in excellent condition and the shaft is open to a depth of 125 feet where a bulkhead prevents further access. Ball[2] states that this shaft was 150 feet deep in 1905.

The West Shaft was sunk to an unknown depth. About 30' feet below the collar it was intersected by an east-west drift which appeared to be the upper part of a narrow stope that had been filled to provide the floor for the drift.

A few feet west of the shaft, the drift opened into a stope some 20 feet high, 15 feet wide and 55 feet long. The back of this stope comes within 10 feet of the surface. About 10 feet east of the shaft, the drift opened into a steep-walled glory hole about 20 feet in diameter. This area is hereinafter referred to an the Main Tunnel. (Map 6.)

The deposit was further explored by three tunnels spaced down the hill eastward from the West Shaft, each of which was successively offset to the north and are hereinafter referred to as the Upper, Middle and Lower Tunnels, respectively. (Map 6.)

Of these, only the Upper Tunnel (3' X 5') was accessible for 160 feet. Near its western end a raise zig-zags to the surface. Several short drifts or stopes were run from various levels up the raise. Just at the raise, the tunnel forks and each fork is completely back-filled.

The Middle Tunnel was caved and/or backfilled to the portal.

The adit to the Lower Tunnel, which had been driven through 200 feet of clay before reaching the solid rock, was completely caved and buried beneath talus. A small flow of water seeped from the mud covering the portal and flowed across the dump and down the hill.

Recent Work

In 1973 and early 1974, the Hughes Mining Development

Corporation of Reno, Nevada, cut 50 feet of channel samples in the stope just west of the West Shaft in the Main Tunnel area. The samples are reported to have assayed from 500 to 1200 ounces of silver per ton. In an effort to get at this ore, Hughes employed the equivalent of a D8 bulldozer in a futile attempt to terrace and remove the dangerous and poorly consolidated clay covering the portal to the Lower Tunnel. It was hoped, according to the stories of fairly reliable local Old-Timers, that this would lead to a point beneath the ore in the Main Tunnel area. When far greater thicknesses of clay covering than originally estimated were encountered, this effort was abandoned.

The Upper Tunnel was then opened for 100 feet by expanding the little 3' X 5' tunnel into a 10' X 8' drift in order to accommodate the loader being used. Failure of the operator to provide adequate support for the treacherous ground encountered resulted in the condemnation and abandonment of this drift at that point.

Finally, an almost horizontal open cut was started at a slight angle, because of the topography, to the strike of the ore zone, at a point about 150 feet east and downhill from the West Shaft and slightly lower in elevation than the floor of the drift 30 feet below the shaft collar. This large, open cut was carried for 135 feet to and through the Gloryhole and the West Shaft, terminating in the large open stope.

Neglect to adequately terrace this cut to provide safe entry resulted in its condemnation.

The muck removed from the mineralized section of this cut was stockpiled near the portal in 10 separate piles, the locations of which are shown on Map 6.

In mid 1974, with its funds exhausted, Hughes sought outside assistance from a consortium of Canadian companies which culminated in the formation of Tridex Nevada Inc., a Nevada corporation. Tridex was incorporated by the consortium for the purpose of acquiring, among other things, the above-mentioned Lease and Option to Purchase Agreement covering the claims.

Joint Venture

Being otherwise and elsewhere committed in late 1974, Tridex entered into a Joint Venture Agreement with an experienced miner and millman (and such others as they might require) for the purpose of developing the property and bringing it into production. Tridex, however, carefully supervised all sampling and assaying.

Main Tunnel and Pilot Plant

The floor of the Main Tunnel was cleaned off, washed and channel-sampled in detail. This sampling revealed the existence of several "high-grade" sections. (Assay Plan 1)

In early 1974, Hughes had had several metallurgical tests performed on the ore which demonstrated that a gravity-flotation circuit would produce an excellent concentrate. In late 1974 these conclusions were confirmed by D. C. Linton. Reports on the results of these tests are appended hereto. (Appendix "B")

These laboratory tests, conducted by three independent laboratories, indicate a recovery of 85% to 90% of the silver and a ratio of concentration which will average about 20 to 1. The gold recovery varied from 60% to 80% with a ratio of concentration ranging from 25 to 1 up to 30 to 1.

In accordance with the recommendations contained in these metallurgical reports, the 5 ton Pilot Plant was assembled to:

(a) test the amenability of the ore to treatment; and

(b) determine, if possible, the economics of a viable operation; and

(c) provide a small but immediate cash flow by mining and treating the "high-grade" showing in the Main Tunnel.

To test the plant, separate trial runs were made on bulk samples consisting of one loader bucket of approximately 1,750 pounds, taken from each of the ten 1974 stockpiles.

The ore was crushed to -3/4". Two pound head samples were taken at 15 minute intervals from the feeder belt. The ball mill ground the ore to -30 mesh and the discharge was fed to the concentrating table. The table tailings were conditioned by the addition of the proper amounts of standard flotation reagents, Xanthate 350 and Aerofloat 31 in the conditioner. The conditioner discharge was fed into the flotation circuit where more reagents in the proper proportions were added. The results of the tests are listed in the following tabular summary:

STOCKPILES

	1	2	3	4	5	6	7	8	9	10
GOLD Ozs/Ton	Tr.	Tr.	0.034	0.058	Tr.	Tr.	Tr.	Tr.	0.054	Tr.
SILVER Ozs/Ton	4.458	1.553	9.440	22.842	6.216	0.962	10.64	19.10	15.406	6.62

Average head sample assay	Au 0.015;	Ag 9.72
Number of pounds of ore treated	17,500 or 8.75 tons	
Number of pounds of table concentrates produced	600 = 66.67%	
Number of pounds of cell concentrates produced	300 = 33.33%	
Total pounds of concentrates	900 =100%	
Ratio of concentration	19.5 to 1	
Average assay of table concentrates	Au 0.6724	Ag 156.67
Average assay of cell concentrates	0.3100	189.41
Weighted average assay of concentrates	0.5516	167.58

Calculated recovery of silver = 88.67%

Both concentrates contain a large percentage of pyrite. Preliminary test work indicates that the pyrite does not contain any gold or silver and that additional regrinding and depression of the pyrite may increase the grade of the concentrate.

Upon completion of the mill tests, the adit to the Main Tunnel was timbered and a 15° decline started, designed to intersect the above-mentioned ore-shoots to yield at least 15 feet of backs. Bad ground necessitated the use of numerous roof-bolts.

The muck from the decline, totalling about 260 tons consisting mostly of backfill was stockpiled in an elongated dump near the portal burying the 1974 stockpiles 6, 7 8 and 10. (Map 6.)

As the decline progressed the mineralized zone was revealed to be at least 30 feet in width; however, a strong mud-filled fracture dipping about 80° to the north and striking at a very slight angle to the fault breccia zone was encountered along the north wall of the zone which, together with the southerly sloping south wall of the stope, created a hazardous inverted wedge overhanging the decline. In March of 1976 the Atomic Energy Commission exploded their last underground nuclear blast which severely jolted the mine area causing wide cracks to form along both walls of the above-mentioned inverted wedge resulting in the hasty abandonment of the decline. The Joint Venture was dissolved.

Upper Tunnel

Because of the dangerous ground conditions only the western 75 feet of the Upper Tunnel could be safely sampled. Up to 12 inches of sloughed material covered the floor of the more or less undisturbed western 50 feet of the tunnel. Two continuous channel samples, each 25 feet long, were cut from this material. (Assay Plan 2)

Lower Tunnel

The Lower Tunnel was cleaned out after arduously timbering and spiling through the large mass of clay covering its entrance. Unfortunately, it terminated about 250 and 120 feet short of the downward projections of the ore existing in the Main and Middle Tunnels respectively. (Map 6.)

Middle Tunnel

The inconspicuous and unimpressive Middle Tunnel upon being slightly widened and cleaned out amazingly revealed over 400 feet of underground workings. (Assay Plan 3.) A large caved or stoped area, about 20 feet in all dimensions, Hole 1, located in the cut leading into the Main Tunnel, was abandoned at 22 feet where the bit became stuck in a wet mud seam in the cross-fault. Hole 2, 150 feet west of the West Shaft, was abandoned in ore at a depth of 42 feet when it proved impractical to further attempt to fish the pieces of the rotary bit which had disintegrated, from the hole. Except for the failure of the bit, the drilling procedures and the samples recovered were quite satisfactory. The locations of these holes are shown on Map 6.

336.20 Au
2 350.05
268625

GENERAL GEOLOGY OF THE AREA

Sedimentary formations range in age from Precambrian, through Cambrian to Odivician. Exposures of many large, coarse-grained intrusive granitic plutons of Jurassic and Tertiary age suggest the possibility that they are subjacent and underline the entire area at relatively shallow depths, being the eastward continuation of the Sierra Nevada Batholith.

Numerous porphyritic granite and felsitic aphanitic rhyolite dikes and, to a lesser extent, dioritic and andesitic dikes of Jurassic and/or early Tertiary age intrude the sedimentary formations.

Early Pleistocene or late Pliocene basalts unconformably overlie the older rock and cap some of the hills.

The stratigraphy is summarized in the following table of formations:

Period	Formation	Description
Jurassic/ Tertiary	Granite	
Ordovician	Palmetto	Dominantly black shales; locally contains abundant chert, limestone and quartzite.
Cambrian	Emigrant	Mostly claystone in lower part, overlain by thin-bedded limestone with cherty layers.
Cambrian	Harkless	Dominantly green siltstone.

Table of formations (Continued)

Period	Formation	Description
Cambrian	Poleta	Mostly thick-bedded carbonate in lower part, overlain by green siltstone with limestone and quartzite interbeds.
Precambrian	Deep Springs	Dominantly well-bedded limestone and dolomite; subordinate dark quartzite.

The claims are located close to the nose of the so-called Silver Peak - Palmetto - Montezuma oroflex* near the eastern tip of Magruder Mountain which is essentially a southward dipping homocline cut by two groups of northwest and northeast trending high-angle faults. In contrast, Palmetto Mountain, just across the valley, is an area of complex thrusting. One of these major thrusts crosses the valley and cuts through the northern part of the claims group. (See Map 3)

GEOLOGY OF THE FLORIDA CLAIMS GROUP (MAP 3)

The predominant feature of the claims group is an east-west major fault, hereinafter referred to as the Florida Fault which traverses the Precambrian Deep Springs Formation comprising a heterogeneous unit of dolomites, limestones, quartzites limy sandstones and siltstones or shales. Of the beds exposed

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*"Oroflex", as defined by Albers[1] is a mountain range with an arcuate trend that is supposed to result from tectonic bending of the crust.

on the north side of the Florida fault the lowest member outcropping on the claims is an erosion-resistant, dense, dark-blue weathering, highly-fractured limestone characterized by networks of white calcite and quartz stringers. This layer grades upwards into a series of light-blue to white, finely crystalline, thinly laminated limestones which are occasionally intercalated with coarser crystalline flecked lenses. Overlying this series is a thick stratum of light tan to dark-brown weathering limestone succeeded by alternating beds of grey and brown, highly kaolinized shales. A steep, northerly striking fault with a slight westerly dip, marks the contact between the decomposed shales and the overlying clays, clay conglomerates and muds. (See Map 7.) These clays appear to be faulted, sheared and fractured in much the same manner as the underlying formations and are probably of the same age.

The adjacent members on the south side of the fault are medium-to fine-grained, grey to dark-brown siltstones or shales overlain by a dense, dark-blue, highly fractured limestone which is markedly similar in appearance to the lowest member occurring on the north side of the fault but is probably not correlative with it.

Locally, irregular gossans, as well as areas of chlorite schist have been formed, near the fault.

The formations are intruded by irregular dikes of light colored, medium- to fine-grained, sometimes porphyritic granite, which is usually speckled with numerous pale to dark-brown blebs of limonite. Frequently, it contains numerous tiny disseminated crystals as well as seams and veins of pyrite. In proximity to the fault breccia zone, it is bleached to a white unctuous mass. The contacts of the granite are frequently indurated, usually iron-stained, and sometimes a pyritic zone to to 2 inches in width occurs. In contact with the limestone, black carbonaceous zones, up to two feet in width have been developed. The granite is probably older than the fault breccia zone.

Locally, talus slopes of dark, dense, aphanitic diorite indicate the presence of dikes of this rock. It, too, contains pyrite.

Structures

Folding

North of the Florida fault the sediments are folded into an open assymetrical anticline. The beds on the southwest limb strike N60°E and dip 60° to 65° to the southeast while those on the northeast limb strike N30°E and dip 50° to 55° to the southeast. The axis of the fold strikes N25°W and pitches about 35° to the southeast. The axial plane strikes N45°W and dips steeply to the southwest. Drill Hole 2 is located on the nose of this fold.

Faulting

All the above-mentioned formations are not only considerably displaced by the Florida fault but, in addition, they are intensely and extensively shattered by sets of faults and/or fractures of various attitudes. (Map 7.)

At the eastern end of the Main Tunnel, the Florida fault has been offset 70 feet to the north northeast by a cross-fault striking N22°E and dipping 55° to the southeast. In the offset segment, as revealed in the raise from the Upper Tunnel to the surface, the dip of the fault breccia zone has been reversed to about 70° to 80° to the north. Although the fault breccia zone is only partly exposed at the eastern end of the Main Tunnel, the north wall also appears to dip to the north. Apparently, therefore, the fault breccia zone has rolled over someplace between the property boundary and the Main Tunnel area. The roll-over appears to wrap itself around the nose of the above-mentioned anticlinal fold.

Drag on the sediments on the north side of the Florida fault in the vicinity of the Main Tunnel suggests that the north side is downdropped which indicates that it is of the reverse type at the western end of the property and is a normal fault east of the roll-over.

About 60 feet east of the cross-fault mentioned above, there appears to be a second cross-fault dipping about 60° to the southeast which has offset the fault breccia zone only about 15 feet to the northeast. In an area complicated by a large granitic intrusion about 30 feet further east, a third cross-fault dipping about 45° to the southeast occurs. The amount of displacement of the fault breccia zone along this third cross-fault is not known. A fourth fault of similar attitude occurs about another 60 feet further east.

West from the Main Tunnel the surface trace of the Florida fault is barely visible in several old and caved cuts. It ascends a steep, deep, narrow, steep-walled, talus-filled gulch for 500 feet where it crosses the property boundary into adjacent claims in which the Wisconsin mine was developed on the same structure in the early days by means of a 200 foot shaft and considerable amount of underground and surface workings.

The previously mentioned major thrust fault dipping about 45° to the south is located some 900 feet north of the Florida fault and parallel to it. Here the upper plate, containing the step-faulted Florida and Wisconsin mines in the Precambrian Deep Springs Formation, is thrust over the interbedded black cherts, quartzites, limestones and variegated shales of the Ordovician Palmetto Formation. The continuation of this thrust to the east has been prospected by small cuts and shallow shafts. Malachite and azurite are visible on the dumps. A mineralized grab sample assayed 4.55 ounces of silver and 0.002 ounces of gold. This thrust should intersect the fault breccia zone at about 900 feet.

Just east of the Florida group boundary, a high-angle arcuate fault, trending southerly, cuts through the Monaco claims and marks the eastern boundary of the Deep Springs

Formation. It divides the steeply dipping sediments on the Florida claims from the gently dipping formations on the Monaco claims.

All the formations are intensely shattered by small closely spaced, more or less vertical faults and fractures striking east-west, northeast and northwest.

GEOLOGY OF THE MONACO CLAIMS (MAP 4)

On the Monaco claims, adjoining the Florida group to the east and east of the arcuate fault, the sediments are relativel flat lying but are, nevertheless, folded into a gentle anticlin The apex of this fold is located in the middle of, and is paral with, the valley. The Harkless Shales of lower Cambrian age outcrop on the south side whereas the dark shales and cherts of the Ordovician Palmetto Formation form the north wall of the valley. The valley floor, therefore, marks the locus of a fault with considerable vertical displacement, the north side of which has been downdropped.

Opposite the campsite, on the south side of the valley, the limestones of the Emigrant Formation of Cambrian age have been thrust over the Harkless Shales. The campsite is located in a small hill-wash embayment in a small semicircular wedge of Poleta Limestones and Shales of lower Cambrian age which are surrounded on all sides by the overthrusted Palmetto Formation.

On Monaco Claim 2, numerous angular occasionally mineralized highly shattered, pieces of quartz float are strewn along the south wall of the valley. A grab sample from a large piece assayed 2.98 ounces of silver per ton.

A few hundred yards east of the campsite, on claims adjacent to the Monaco on the south side of the canyon, three parallel, highly mineralized faults, about 300 feet apart, striking N60°W and dipping 45° to 70° to the north, intersect the above-mentioned fault. (See Map 4.) The wall rocks of these faults are intensely hydrothermally altered and bleached for distances of up to 50 feet.

The mineralization occurs in quartz veins and consists of arsenopyrite, pyrite, galena, sphalerite, chalcopyrite, covellite, argentite and gold.

These mineralized faults have been explored by means of cuts, trenches, several shafts and considerable underground workings.

Two selected grab samples from mineralized lenses in the middle fault taken by F. L. Croteau assayed as follows:

Gold (Ozs)	Silver (Ozs)	Copper %	Lead %
Not done	Nil	23.75	4.29
0.028	11.25	Not done	25.10

Three channel samples, totalling 36 feet, were cut from a large dump surrounding a shaft sunk on the most easterly of the three faults and were assayed with the following results:

Gold (Ozs)	Silver (Ozs)
0.112	1.88
0.088	2.13
9.006	0.35

GEOLOGY OF THE LOST HEEL CLAIM (MAP 5)

The Lost Heel claim straddles a fault zone, somewhat simila to the three parallel faults mentioned above, striking N65°W and dipping 70° to the south. The north side has been down-dropped bringing the lower Cambrian Harkless Shales on the nort side into contact with the Precambrian Campito Formation on the south side.

The fault is exposed for about 800 feet where it cuts acros a steeply sloping, northerly trending knoll, deeply eroded on both sides. Although all the workings are almost completely caved and debris-filled, it would appear that the deposit was explored along its exposed length by a series of surface trench and cuts and by a tunnel that entered near the bottom of one side of the knoll and emerged near the bottom on the other side. A couple of caved, steep-walled "glory-holes" probably indicate that the stopes occasionally broke through to the surface.

The zone is highly brecciated and intruded by massive, dense, milky white quartz veins which have also been shattered. Mineralization, consisting chiefly of galena with minor amounts of pyrite and argentite as well as azurite, cerargyrite, and cerrusite, occurs throughout the quartz and as fracture fillings within it.

The wall rocks are intensely altered and locally silicified

Two continuous chip channel samples, each two feet in length, consisting mostly of the shattered milky white quartz, were assayed with the results listed below in ounces per ton. Sample No. 2 contained much galena. No. 1 had little, if any.

	No. 1	No. 2
Gold	0.010	0.178
Silver	1.13	125.19

The Fault Breccia Zone

Although extensive movement along the Florida fault has created a wide breccia zone, only a relatively small portion of it is accessible. An examination of these areas indicates that it is a heterogeneous mixture of lenticular, sometimes contorted and sinuous, fragments of wall rock in which networks and flaser textures are frequently developed, crush breccia, mylonite, mud and gouge. This mixture is intruded by milky and glassy quartz and calcite veins. Lenses or veins of dark, highly brecciated, dense, tough chalcedonic quartz also intrude the breccia and where shattered is frequently healed with glassy and milky quartz stringers and veinlets. Locally, finely laminated, dark to black, siliceous, pyritic, vertically banded veins or lenses have been developed. Crushed masses of quartz are common. Small to large irregular chambers, lenticular pods, sinuous seams, undulating veins and persistent pipes of a bleached, soft, powdery, crumbly, calcareous material sometimes containing grains of quartz, are of common occurrence.

The breccia zone is highly shattered by faults and fractures. Slickensides are numerous. Locally, large angular horses of the dark-blue limestone occur. Many of the tight fractures have been impregnated with dark pyritic material.

Substantial flows of water emanate from faults 150 feet from the portal and the western end of the extension to CC2N in the Middle Tunnel and from the western end of the Lower Tunnel.

Mineralization

Mineralization consisting chiefly or pyrite, galena, argentite and azurite occurs in both the quartz and calcite veins and as fissure fillings and impregnations into the crush breccia and fragments. Encrustations of malachite frequently occur along the slickensides and zone walls. The presence of the readily recognizable azurite invariably denotes the presence of high-grade ore. The oxide zone is very shallow - probably less than 50 feet. Minor amounts of Cerargyrite, Cerrusite and Anglesite along with Azurite are restricted to the fracture fillings and to the remnant scabs of the above-mentioned, altered, bleached and powdery material in the pipes, chambers, etc.

The scarcity of these minerals is a tribute to the efficacy of the mining abilities of the Old Timers who apparently sought only the oxide ores. Likewise, the existence of clearly visible veins of high-grade sulphide ore is mute testimony to the fact that such ore in those pre-flotation days, was not amenable to to simple treatment.

Although chalcopyrite and sphalerite were reported by Ball (1907)[2], these minerals have not yet been identified. Doubtless the malachite and azurite were derived from chalcopyrite and the lead carbonates and sulphates from the galena.

Alteration Of The Wall Rocks And Fault Breccia Zone

The wall rocks are frequently silicified and bleached and altered for distances of up to 50 feet from the zone. Banded and parallel structures are highly developed. Locally, the shales have been converted to Chlorite Schist.

The lenses and fragments within the zone are extensively bleached, intensely kaolinized, occasionally silicified, but always stained light tan, buff, mauve, pink, purple, various shades of reds and browns, and black. Fluffy, hair-like skims of alkali and/or sulphate, sometimes a couple of inches thick, cover many of the old exposed tunnel walls. Gypsum occasionally fills minor fractures and occurs as coatings on some of the mud seams, particularly along the walls of the zone. The bleached, powdery calcareous material appears to mark the locations of the main channelways for the supercharged gases, steam and hot waters during mineralization. Judging by the fact that this material has virtually all been mined out, it is concluded that it must have been the chief host of the oxide minerals.

Relationship of Mineralization To Structure

The detailed geological and structural study of this complex area has not been completed but mapping to date reveals that the mineralization apparently occurs only in the fault breccia zone. There has been no dissemination into or replacement of the wall rocks, although a very high-grade sample (G-2) was taken from a fracture cutting the shales. (Assay Plan 3.) The Upper Tunnel also appears to have followed a mineralized fault zone leading into the fault breccia zone.

The mineralization was controlled, or at least the concentration of the mineralization in the fault breccia zone was augmented by the cross-faults. While, with the exception of Drill Hole 2, no information is available on those parts of the fault breccia zone removed from the cross-faults, the mineralization appears to be concentrated in the fault breccia zone on both sides of the cross-faults where as a result of tensional drag, the fault breccia zone has been enlarged and shattered thus providing the numerous openings for the entry of the hot, siliceous, ascending, mineral-bearing solutions. These concentrations were, apparently, further aided and abetted by the dammi effects of the cross-faults. Calcite, probably dissolved from the brecciated limestones containing disseminated mineralization, was redeposited in some of the fractures.

Lithologic controls also, probably, exist. In the mines adjacent to the west, the ore is reportedly confined to those sections of the fault breccia zone which traverse a light tan limestone unit. Likewise, at least some of the ore in the Florida mine area appears to occur in a similar formation; however the ore-bearing strata in the adjacent mines are some 700 feet lower in the stratigraphic sequence than the ore horizons in the Florida mine area.

Sequence Of Events

Probably, contemporaneous with the tectonic bending which resulted in the formation of the so-called Silver Peak - Palmetto - Montezuma oroflex, the sediments were intruded by the granite and folded into a broad anticline. Continuing stresses and uplifting occasioned by the further gradual intrusion of the Sierra Nevada Batholith resulted in the local tilting of the sediments with the arcuate rupturing along the east boundary of the Florida group, the formation of the Florida fault parallel to the elongation of the intruding pluton, the cross-fracturing and displacement of the fault breccia zone, and finally the thrust faulting.

While Albers and Stewart[1] state: "..the thrusts in the county are offset by, and are apparently older than, at least the great majority of high-angle faults." evidence on this property would indicate that the thrust is the younger in that it does not appear to be cross-faulted which should be the case if it were present when the cross-faulting took place.

The mineralization has no apparent association at least with the early granite. It is post cross-faulting in age but may be contemporaneous with it since it fills the cavities and openings created in the fault breccia zone by the cross-faulting. In every instance where such cross-faulting of the fault breccia zone has occurred, ore invariably occurs in the fault breccia zone near and in both the hanging and foot wall sides of the cross-faults.

Similar mineralization exists in the eastward extension of the thrust fault at least to a point north of the campsite. Since it is virtually certain that the thrust and the fault breccia zone intersect at depth, it is probable that the ore-bearing solutions ascended the thrust and were diverted into the fault breccia zone along the plane of intersection where they were probably slowed down by the tight cross-faults and deposited their loads in the fractures and openings created in the fault breccia zone by the tensional drag.

ORE RESERVES

METHODS OF SAMPLING AND LIMITS OF ACCURACY

Except for a few grab samples, as listed hereunder, all underground samples were channeled with an air-operated chipping hammer equipped with a moil bit. Every sample was fire-assayed for both gold and silver. To expedite the assay returns, the parted beads of samples from the Upper and Middle Tunnels estimated to contain less than 0.007 ounces of gold were not weighed but were listed as "Traces." The results are shown on Assay Plans 1, 2 and 3.

To check the possibility of disseminations, some of the wall rocks in the vicinity of the fault breccia zone were also channel sampled; however, to avoid cluttering. only those samples which contained any values are shown on the assay plans. Assays for lead, copper or zinc were not done at this time.

Initially, the locations of the underground samples were marked and numbered with spray paint, but this method was soon abandoned because of the difficulty of finding suitable surfaces on which to make legible figures and also of controlling the spray. Thereafter, pieces of streamer tape bearing the sample numbers were nailed to each end of the sampled section. Where contiguous samples were taken, the number appears on the tapes at the right hand end of the sampled section.

Dump Samples (Map 6.)

From the dump at the Main Tunnel, four contiguous horizontal shovel channel samples, each 15 feet long, were taken midway along the side of the dump. Each sample was split down to about 5 pounds. The arithmetic average of the assays is 0.045 and 11.17 ounces of gold and silver, respectively.

To ascertain whether there might be any concentration of values in the fines, a sample from stockpile No. 8 was screened, sampled and assayed with the following results:

Coarse - + 3/4 inch . . . . 15.200 ounces of silver

Medium - 3/4-1/4 inch . . 6.146 ounces of silver

Fine - - 1/4 inch . . . . 8.320 ounces of silver

At the Middle Tunnel the dump of the caved and backfilled material removed from Rooms 1 and 2, and the connecting tunnel was shovel-channelled at 5 foot intervals across the top. The weighted average of the 185 feet of channels is 2.35 ounces of silver. Samples of the muck from CC1N which was added to the stockpile, were obtained by taking shovelsfull from each of the four buckets of muck removed and averaged 2.22 ounces of silver.

The muck from CC2N, which was composed of spall at the bottom of the raise to the Upper Tunnel and caved material in about equal proportions, was sampled in a similar manner. The 9 samples taken averaged 4.88 ounces of silver.

Three continuous channel samples, each 15 feet in length, were cut from the small dumps surrounding the openings where the raise from the Upper Tunnel breaks through to the surface and assayed with the following results:

	Gold	Silver
East End	0.012	15.88
Middle	Tr.	17.46
West End	Tr.	4.43

Drill Hole

The cuttings from Drill Hole 2 were collected at intervals of 5 feet and reduced by means of a Jones Splitter to approximate 2 pound assay samples. The assay results are shown on Assay Plan 1.

Grab Samples

The above-mentioned grab samples, which were not used in any of the calculations, are listed hereafter:

No.	Location	Description	Silver Ozs.	Gold Ozs.	Total Value Per Ton
G - 1	Middle Tunnel, 140' W. Adit	Copper Stained, Brecciated Limestone	118.0	Tr.	$ 531.00
G - 2	Middle Tunnel Extension (Between Crosscuts 2N and 3N)	Fault Gouge	403.4	Tr.	1 815.[illegible]
G - 3	Middle Tunnel Sub Drift CC2N	Fracture Filling	106.5	0.72	572.85
G - 4	Middle Tunnel Back CC2N W. Wall, North Edge Raise To Upper Tunnel	Fault Gouge	229.8	0.90	1,151.10
G - 5	Middle Tunnel CC2N Back Near Filled Shaft	Fault Gouge 1' Channel	37.7	1.04	304.85
G - 6	Middle Tunnel CC2N W. Ext. North Wall	Fault Breccia 4.5' Channel		1.00	130.00
G - 7	Middle Tunnel CC2N W. End W. Ext.	In Footwall Of Cross-Fault 2' Channel		0.60	78.[illegible]
G - 8	Upper Tunnel Short Decline And Sub-Drift Into S. Wall Opp. Raise From CC2N	Fracture Filling	323.26	0.18	1,478.07
G - 9	Main Tunnel Near Portal South Wall	Fracture Zone Containing Copper Stringers, 2' Chip Channel	756.69	2.188	3,689.54

ORE BODIES

Definitions

Immediately Mineable Ore

Because the vertical extensions of the ore existing in the Main, Upper and Middle Tunnels have not been conclusively determined, calculations of "Proved Ore" are difficult; however, to make a fine distinction, virtually assured ore has herein been designated as "Immediately Mineable Ore" and is more particularl described as the ore calculated to exist between the surface or the top of the known ore in that particular section of the mine and the back of the Lower Tunnel.

"Probable" and "Possible Ore" are the downward projections of the existing ore using the depths as defined below:

Probable Ore - 250 feet, using the average of Ball's[2] assertion of reported decreasing values at 200 to 300 feet.

Possible Ore - 700 feet being the depth in the Florida mine area to the projected ore-bearing strata from the mines adjacent to the west on the same structure.

For purposes of calculation the following assumptions are made:

13 cubic feet = 1 ton of ore; Gold = $130.00 per ounce; Silver = $4.50 per ounce.

Sections

A section in the plane of the fault breccia zone, Figure 1, shows the true lengths of the indicated ore-bodies.

Figure 2, a section at right angles to the planes of the cross-faults, indicates their true slope depths.

Main Tunnel (Assay Plan 1)

The ore existing in the Main Tunnel is exposed within a tabular section at least 30 feet wide and 65 feet long. (Assay Plan 1.)

The weighted average per ton of 30 channel samples totallin 113 linear feet cut at intervals across the zone, is 19.88 ounces of silver and 0.038 ounces of gold with an average gross value of $94.40. This section will yield 150 tons with a gross value of $14,160.00 per vertical foot.

Probable Ore:	250 x $14,160 = $3,540,000.00
Possible Ore:	700 x $14,160 = $9,912,000.00
Immediately Mineable Ore:	130 x $14,160.00 = $1,840,800.00

Main Tunnel — Drill Hole 2 Section (Assay Plan 1)

The drill hole bottomed in ore and the weighted average of the lower 24 feet is 15.29 ounces of silver and 0.083 ounces of gold with an average gross value of $79.59 per ton. If it is to be assumed that the zone is one-half as wide at the drill hole as it is in the Main Tunnel and is continuous from the stope to a point 25 feet west of the drill hole, this would yield an additional section 115.5 feet long by 22.5

feet wide containing 200 tons with a gross value of $15,918. per vertical foot.

Probable Ore =	250 x $15,918 = $ 3,979,500.00
Possible Ore =	700 x $15,918 = $11,142,600.00
Immediately Mineable Ore	130 x $15,918 = $ 2,069,340.00

Upper Tunnel (Assay Plan 2.)

Apparently this tunnel was driven along a steeply northerly dipping mineralized fracture striking N57°W leading into the fault breccia zone. Because of the location of the high-grade ore in the Middle Tunnel, next below, the area west of the raise-to-the-surface in the Upper Tunnel must be the most interesting but, unfortunately, the back-fill in both forks prevents access. While some ore is present no calculations are possible. The most westerly of the two 25 foot channel samples taken from the sloughed material on the floor of this tunnel yielded 2.72 ounces of silver.

Middle Tunnel (Assay Plan 3.)

The ore exposed in this tunnel occurs in a faulted area along the arcuate north wall of the western extension of CC2N and in the east wall of CC2N near its entrance or juncture with the Middle Tunnel. The ore in the first mentioned area is in the drag part of the breccia zone near the cross-fault and is, apparently, a vertical, tabular body, bounded by two cross-fractures or faults. 26 feet in length with at least 11 feet of exposed width. The breccia zone in the Main Tunnel from which this segment was displaced is over 30 feet wide. so it should be safe to assume that the zone, here, would be half as wide again as the exposed part or 16.5 feet. The weighted average of 7 channel samples totalling 13.5 feet in length, cut at right angles to the strike of this lens is 44.524 ounces of silver with a gross value of $200.36 per ton. This section will yield 33.04 tons, with a gross value of $6,620.00 per vertical foot.

Probable Ore =	250 x $6,620 = $1,655.000.00
Possible Ore -	700 x $6,620 = $4,634.000.00
Immediately Mineable Ore	155 x $6,620 - $1,026,100.00

The ore in the latter section, exposed on the east wall and in a short sub-drift into the east wall near the entrance to CC2N, appears to be a zone of undulating, sinuous, more or less parallel, filled fractures striking easterly and dipping steeply to the south about 13 feet in width. The weighted average of 10 channel samples totalling 29.4 feet obtained from the walls and back of the little sub-drift is 0.034 ounces of gold and 19.59 ounces of silver with a gross value of $92.57 per ton. With 15 feet of length, yield would be

15 tons with a gross value of $1,388.55 per vertical foot.

Probable Ore =	250 x 1,388.55 = $347,100.00
Possible Ore =	700 x 1,388.55 = $972,000.00
Immediately Mineable Ore	155 x 1.388.55 - $215,225.00

Ore Summary

The above-mentioned calculations may be summarized as shown on the following page.

MINING AND TREATMENT METHODS

Scale Of Operations

It should also be noted that within a radius of 30 miles of the Florida Mine, numerous gold, silver, lead and copper deposits lie dormant. Most of these are small but some have the potential of developing substantial tonnages. Several are of exceptionally good grade. In the overall planning and final decision on the optimum capacity of the eventual mill due consideration should be given to evaluating and cataloguing these deposits with the view of leasing and/or custom milling all available ores in the district.

Obviously, until the results of the recommendations contained herein are available, any decision as to the size of the ultimate plant would be premature; however, based on indications to date, a plant with a capacity of at least 100 tons per day would appear to be well within the realm of reasonable expectation.

Intermim Operation

In the interim, because of the fortuitous location of the ore bodies with respect to the Lower Tunnel, it is possible to initiate a small profitable operation at once. A good, used 25 tpd mill is immediately available locally at an installed price of $5,0(Together with the add(.onal auxiliary equipment required, and making allowances for the trade-in value of the components of the pilot plant to be removed, such a plant could be put into operation within 30 days at an outside cost of $12,000.00. The pilot plant was originally designed to provide for easy replacement of the various components so the substitution of this mill would present few problems. At such time as a decision as to the size of the ultimate plant can be taken, any or all of this equipment will bring as much or more than its original cost as trade-ins. Therefore, other than installation time, few additional costs would be involved and these would, in all likelihood, be more than offset by the additional useful and valuable data and information that would be amassed from the operation of such a plant.

Meanwhile, a substantial cash flow would be established almost immediately and the expensing of many of the proposed exploration costs, insofar as permissible, would substantially reduce taxes.

By extending the Lower Tunnel some 350 feet in three stages of 150, 100 and 100 feet and converting it into a temporary haulageway, the more than 50,000 tons of ore existing in the Middle Tunnel, Main Tunnel and Main Tunnel - Drill Hole 2 sections of the mine, respectively, would be immediately available for mining.

The completion of all three stages would have the advantage of providing three separate headings from which to draw ore.

Mining Methods

The attitudes of these presently mineable ore bodies indicate that the ore may best be extracted by using the shri age mining method. This method would require less timbering and would provide for ore storage in the stopes.

Wherever visible, the walls of the ore bodies are amazin ly distinct and are generally marked by mud slickensides. Breakage should be good. Except for the chalcedonic and silicified, pyritic lenses, very little powder will be require because of the soft and altered nature of the rock. Dilution therefore, will probably not become a factor but, if it shoul consideration could be given to the alternative horizontal cut and fill mining procedure which would permit a greater degree of selective mining.

Treatment

As previously mentioned, several metallurgical tests were performed on the ore in 1974 which indicated that it is readil amenable to treatment and that a satisfactory concentrate can be produced by tabling and flotation. A recovery of about 90% can be expected.

Markets

Markets for the concentrates abound; however, equipment for the reduction of the concentrates to bullion is available at the property.

FINANCIAL CONSIDERATIONS

Utilizing the previously suggested limits of 25 and 100 tons per day, the following preliminary financial forecast indicates the comparative parameters of probable profitability and has been prepared:

(a) Using a weighted average of the exposed ore within the mine; and

(b) Basing estimated costs on going rates within the district; and

(c) Assuming 300 operating days per year, straight line depreciation and that the concentrates will be reduced at least to a sponge before sale.

...liminary Financial Forec...t

	IMMEDIATELY MINEABLE ORE 25 tons per day	PROBABLE ORE 100 tons per day	POSSIBLE ORE 100 tons per day
...ber of tons available	52,196	99,510	278,000
...quired to pay out property	8,201	8,201	8,201
...ter property is paid out	43,995	91,309	270,399
...timated total plant investment	$ 200,000	$1,000,000	$1,000,000

		IMMEDIATELY MINEABLE ORE Before	After	PROBABLE ORE Before	After	POSSIBLE ORE Before	After
		Property is paid out		Property is paid out		Property is paid out	
...oss value of ore at 80% recovery		77.26	77.26	77.26	77.26	77.26	77.2...
...fining and/or smelting costs plus Haulage ...		1.70	1.70	1.70	1.70	1.70	1....
... Net Smelter Return		75.56	75.56	75.56	75.56	75.56	75.5...
...yalty at 10%		7.56		7.56		7.56	
... Gross receipts		68.00	75.56	68.00	75.56	68.00	75.5...
...sts of producing bullion							
Mining	$10.00 *			8.00(a)			
Milling	16.00 **			12.00(b)			
...al direct costs	26.00			20.00		20.00	
...20% o'head, taxes insurance, etc.	5.20			4.00		4.00	
... depreciation (s/l 7.07 years)	3.77			10.05(c)		3.62(d)	
	34.97			34.05		27.62	
10% contingency	3.50			3.41		2.76	
...al cost operation	38.47	38.47	38.47	37.46	37.46	30.38	30.3...
...al pre-tax profit		29.53	37.09	30.54	38.10	37.62	45.1...
...s depletion (15% gross ...)		10.20	11.33	10.20	11.33	10.20	11.3...
...ome tax base		19.33	25.76	20.34	26.77	27.42	33.8...
...ome tax @ 50%		9.67	12.88	10.17	13.39	13.71	16.9...
		9.66	12.88	10.17	13.38	13.71	16.9...
... back depletion		10.20	11.33	10.20	11.33	10.20	11.3...
...fit after taxes		19.86	24.21	20.37	24.71	23.91	28.2...
...back depr		3.77	3.77	10.05	10.05	2.76	3.6...
...n flow per ton of ore		23.63	27.98	30.42	34.76	26.67	31.8...
...n flow per day		590.75	699.50	3042.00	3476.00	2667.00	3187.0...
...n flow per year		177,225.	209,850.	912,600.	1,042,800.	800,100.	956,100.
...n flow - totals		193,766.	1,251,965.	249,474.	3,173,900.	218,720.	8,617,616.
Total Cash Flow		$ 1,445,731.		$ 3,423,375.		$ 8,836,336.	
...erty paid out in		328 days		82 days		82 days	
...stment paid back in		337 days		298 days		375 days	
... of return		88.67%		101%		80%	
...it after taxes		162,872.	1,083,276.	167,034.	3,173,900.	196,036.	7,638,772.
... flow before taxes		242,176.	1,659,592.	250,459.	3,478,873.	308,522.	12,216,626.
Total cash flow before taxes		$ 1,901,768.		$ 3,730,332.		$ 12,525,148.	

* 1 shift
** 3 shifts

(a) 3 shifts
(b) 3 shifts
(c) $1,000,000 straight line - 3.32 years
(d)

APPENDIX "A"

EQUIPMENT OWNED BY COMPANY

SCHEDULE OF EQUIPMENT

DESCRIPTION

1	Frame building, 20' x 15' with annex 12' x 10' complete with wiring and fixtures and contents,
1	Water well, 5 gal. p. m. with submersible pump, pressure tank and p.v.c. supply.
	Electric power service with boxes, cable, etc,
1	5 ton pilot ball mill #501 complete with 4 x 6 crusher, feeder and scoop.
1	Ingersoll compressor #1483886, model 130, with 250' of pipe line..
1	Palmer 3 phase gererator #9797-21, 110/220 10 K.W. with 200' cable. (At well)
1	Water pump 2 H.P. w/250' cable.
1	Hand hoist with 250' 1/2" wire cable.
1	Hydraulic jack leg, hammer and steel.
1	Kress electric assay furnace w/automatic control #7465.
1	Pulverizer M62012CTA.
2	Blowers and motors.
1	1500 gallon oil storage tank.
1	National Mobile home #N429436, furniture, furnishings and contents.
1	Case rubber tired loader, Model 480, 3/4 yd. bucket #8661631 (1971)
1	McPhar M700 Magnetometer #70164.
1	McPhar Self Potential Unit #7017.
	Pumping, Crushing, Milling and Auxiliary equipment detailed in the report on Page 18.
	Miscellaneous drill steel, tools, hardware, fittings, pipes, supplies, etc.
1	Hand Gas Pump

1 I.R. Chipping Hammer and Bits

1 20 H.P. Rotary 3 Phase Converter

1 Melro Bobcat Mucking Machine (610D)

1 Oliver Tractor Bulldozer, old but serviceable.

1 Cahn Electobalance

200' Underground Air Duct

1 500 Gal. Propane Tank

1 1972 Jeep 3/4 Ton Pickup

1 1973 Ford 3/4 Ton Pickup with power winch

1 1973 Chevrolet 1/2 Ton Pickup

1 Mill Building

APPENDIX "B"

REPORTS ON METALLURGICAL TESTS

Sylvania Mines
Feb.22, 1974.

Hughes Mining Development Co.
601 East Fourth St.
Reno Nev. 89502

Gentlemen.

At the conclusion of the gravity tests conducted at Sylvania mill Feb. 20-21 1974, it appears that the following has been determined.

I. A satisfactory recovery cannot be accomplished by tabeling alone. although a fine concentrate can be made there is however a high tailing loss.

II. That the ore consists of Galena(Lead Sulphide) Cerussite (Lead Carbonate) and free Gold.

the two Lead minerals are no doubt rich in Silver, and are no doubt the main carrier for the Silver. However there may be some other form of Silver not visible to the naked eye.

In view of the above findings suggestion is made that you have a Flotation test conducted.

Suggest that reagents, Xanthate, Dow froth, and Sodium Sulphide be added to the grinding circuit. + SODA ASH AS REQUIRED

Purpose of the Sodium Sulphide is to sulphidize the Lead Carbonate so as to make it flotable.Our test indicated that the Carbonate is easily Sulphidized.

Determine if the Gold is flotable as some free Gold is visible while no doubt other Gold values are not visible.

Assay the Flotation Concentrates for Lead. Silver and Gold.

Assay the Flotation tailings for Lead, Silver and Gold,

The optumin grind for the Flotation tests will probably be about 60 mesh.

If Flotation tailings are sufficiently high then a Cyanide test should be conducted.

Respectfully submitted.

Don.H.Clair.

COULON METALS & ORES
BOX 524
LOVELOCK, NEVADA 89419

March 28, 1974

ASSAY & MINERAL DRESSING LAB.

Hughes Mining Development
PO Box 530
Reno, Nevada 89505

FLOAT TEST #1 (Ore ground 96% minus 100 on all tests)

Reagents-- .2 lb. Z6
.2 lb. 404
1.0 lb. Na2S
Aero Float 31 & M.I.B.C. Frother to proper froth.

Assay--	AU.	AG.	
Heads	.05	30.78	
Tails	tr.	6.68	
Cons	.30	281.85	Recovery 78.3 %
Mids	.12	127.11	

FLOAT TEST #2

Reagents-- .2 lb. Z6
.2 lb. 404
.5 lb. Fuel Oil
1.0 lb. Na2S
.5 lb. CuS04 Stage feed in cleaner cells

Assay--	AU.	AG.	
Heads	.05	30.78	
Tails	tr	3.36	
Cons #1	5.74	2890.26	Recovery 89.1 %
Mids #2	tr	109.50	
Cons #3	.39	359.16 (CuS04 added at this point)	

FLOAT TEST #3

Reagents-- .2 lb. Z6
.2 lb. 404
.5 lb. Fuel Oil
1.0 lb. Na2S
.5 lb. CuSo4 (Stage fed, cleaner circuit)

Assay--	AU.	AG.	
Heads	.05	30.78	
Tails	tr	3.19	
Cons	1.35	792.65	Recovery 89.7 %

With a little more experimental work these results will no doubt be considerably better.

TOULON METALS & ORES
BOX 524
LOVELOCK, NEVADA 89419

NaCN TEST

12 hr. Air Agitation

Start--5.5 lbs. NaCN Per Ton Sol.
2.0 lbs. CaO Per Ton Sol.

Finish--4.7 lbs. NaCN Per Ton Sol.
Consumed .8 lbs. NaCN Per Ton of Ore

Assay--	AU.	AG.	
Heads	.05	30.78	Recovery 89.7 %
Tails=	tr	3.19	

Value wise No 3 Float Test and CN Test are right at 90% due to recovery of all the gold.

Floatation Tests by Joe Morris, Gen. Mgr.
Cyanide Test and Assays by D. A. Jacobs, Assayer

Joe Morris

FLORIDA MINE

FLOW SHEET

TYPE OF ORE- OXIDIZED

SCREENING - 65 - 70 MESH (100 MESH MIGHT BE BETTER)

FIRST STAGE- USING THE FIRST 5 FLOTATION CELLS, INTRODUCE THE ORE AT A NORMAL DILUTION (22% - 25% SOLID) WITH THE CHEMICAL COLLECTORS -

Z 6 - AMYL XANTHID (DOW CHEMICAL)

AEROFROTH # 404 (AMERICAN CYANIMID)

USE UP TO 2/10 lb PER TON OF DRY SOLID (DURING TEST AMOUNT USED WAS .15 lb PER TON)

TOGETHER WITH -

FROTHER - DOW FROTH # 250

FUEL OR DIESEL OIL

USE FROTHER AS NEEDED BY OBSERVATION AND USE OIL AT RATE OF ½lb - 1lb PER TON OF DRY SOLID.

SECOND STAGE- AFTER TREATMENT IN THE FIRST STAGE CARRY ON INTO A CONDITIONING TANK CONTAING A SOLUTION OF

SODIUM SULPHIDE - 1 lb PER TON

COPPER SULPHATE - ½ lb PER TON

ALLOW 5 MINUTES CONDITIONING

THIRD STAGE - FROM CONDITIONING TANK USE LAST 3 FLOTATION CELLS, USING FROTHER AS IN FIRST STAGE.

NOTES - DURING TESTS NO TABLE WAS USED AFTER FLOTATION TREATMENT, HOWEVER, IF DESIRED THE ORE MAY BE RUN OVER TABLE AFTER FLOATING AND MAY RESULT IN A HIGHER CONCENTRATE.
NO ALKALI TO BE USED.

HUGH W.CORE
P.O.BOX 536
SUTTER CREEK,CALIF. 95685

(209) 267 - 5569

Mariposa Spectrographic Laboratory

Mariposa, California 95338

Telephone 966-2591

ASSAY REPORT

mitted By: Mr. H. W. Coke
Box 536
Sutter Creek, Calif. 95685

Charges: $13.50 paid 3-14-74

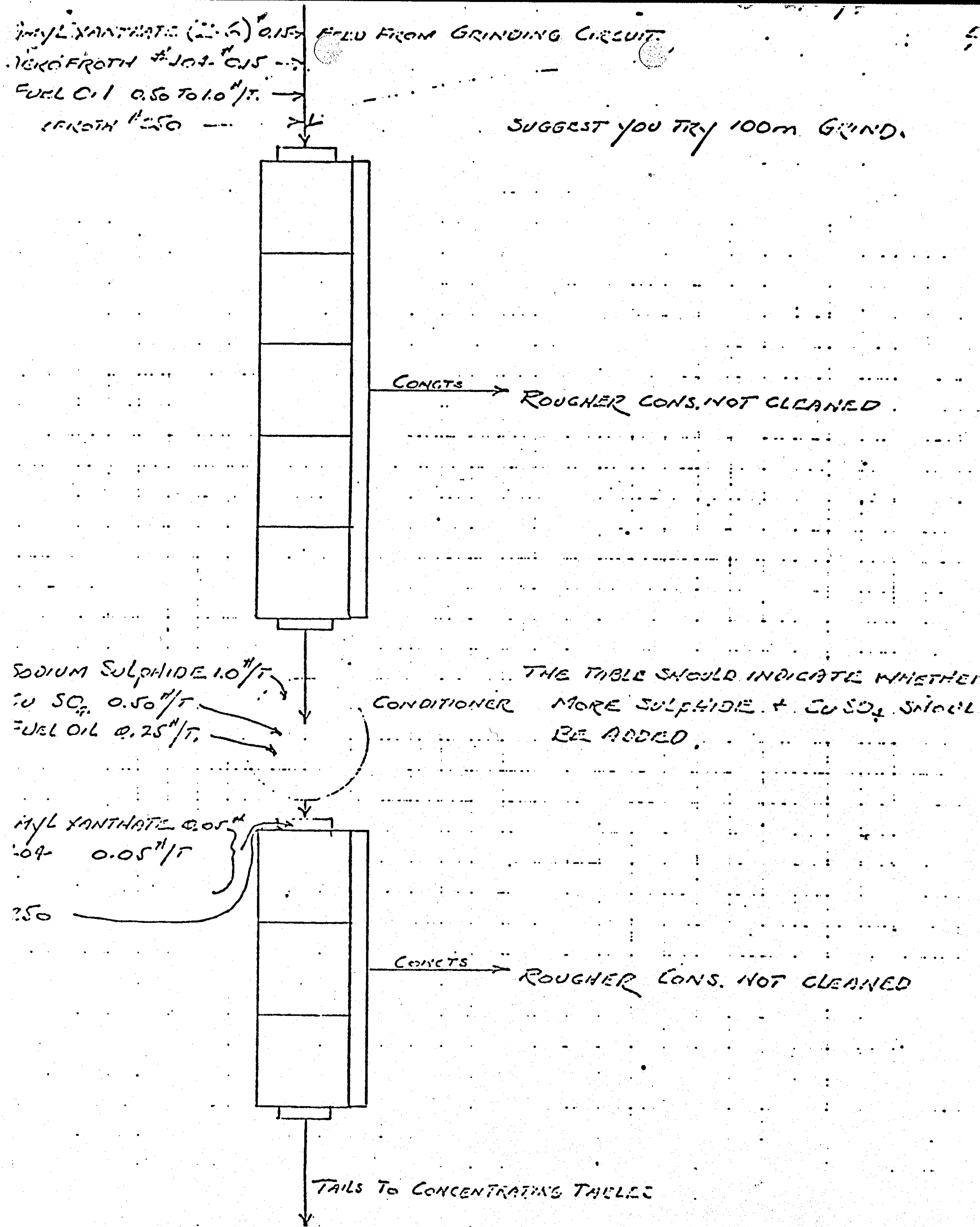
Date: March 12, 1974

No.	Sample Mark	Per Ton of 2000 Pounds				% Other Metals		
		GOLD		SILVER				
		Ounces	@ $. 160.00	Ounces	@ $. 5.00			
51	Lida Heads	0.180	$28.80	143.98	$719.90			
52	Lida Flot Concts.	3.122	$499.52	3220.05	$16100.27			
53	Lida Flot Tails	0.066	$10.56	17.97	$89.85			
			Thank you					

arks:

.0 ton (2,000 lbs.)
20.0 Lbs. AVOIR.
2.0 Lbs. AVOIR.
3.2 oz. AVOIR.
= 0.32 oz. AVOIR.
= 0.032 oz. AVOIR.

By: J. P. Gilliam
JPG/msl Assayer-Chemist


AMYL XANTHATE (Z-6) 0.15#
AEROFROTH #104 0.15#
FUEL OIL 0.50 TO 1.0#/T.
AEROFROTH #250
FEED FROM GRINDING CIRCUIT
SUGGEST YOU TRY 100m GRIND.
CONCTS
ROUGHER CONS. NOT CLEANED.
SODIUM SULPHIDE 1.0#/T.
CU SO4 0.50#/T
FUEL OIL 0.25#/T.
CONDITIONER
THE TABLE SHOULD INDICATE WHETHER MORE SULPHIDE + CuSO4 SHOULD BE ADDED.
AMYL XANTHATE 0.05#
104 0.05#/T
250
CONCTS
ROUGHER CONS. NOT CLEANED
TAILS TO CONCENTRATING TABLES

FOR HMD CORP.
[illegible]

LINTON ENGINEERING CO.
5185 SOUTH MAIN
SALT LAKE CITY, UTAH 84107

CONSULTANTS FOR
TECHNICAL MANAGEMENT
& TECHNICAL SERVICES
(801) 266-7841
(801) 277-7350

FLOTATION TEST RESULTS

Sample Location: Florida Mine, Lida, Nevada.
Sample submitted by: James C. Parres.
Tested by: Don James on October 22, 1974.

SAMPLE: The sample was a composite of equal weights of assay rejects from samples numbered 3, 4, 11, 12, 14 and 15 from the Main Tunnel of the Florida Mine. The weighted average assay of the sample was 5.8 ounces of silver and 0.016 ounces of gold.

GRINDING: The composite sample was crushed to minus 8 mesh. 750 grams was mixed with 405 cc of water (65% solids by weight) containing 0.12 pounds per ton of American Cyanamide promoter reagent #25 and ground in a laboratory ball mill for 20 minutes.

FLOTATION: The ball milled sample was transferred to a Booth laboratory flotation cell and treated as follows:

1. 0.10 lbs/ton of AC 350 and 0.10 lbs/ton of AC208 promoter were added with dilution to 20% solids;
2. After conditioning for 3 minutes the air was turned on and flotation continued for a total of 10 minutes. At 6 minutes 0.05 lbs/ton of AC 350 and 0.10 lbs/ton of AC 404 were added. Some additional mineral floated after the ad-ition of these promoters. No frother was added at any time.
3. The tabulated results of the test are as follows:

Product	Wt. %	Assay		% Distribution	
		Au	Ag	Au	Ag
R. cons.	3.16	0.465	115.8	50.27	79.07
R. tails	96.84	0.150	1.0	49.73	20.93
Heads	100.00	0.029	4.63	100.00	100.00

CONCLUSIONS: The ore is readily amenable to flotation for the recovery of gold and silver. In the rougher concentrate 79.07% of the silver and 50.27% of the gold was recovered in 3.16% of the ore as flotation concentrate. Longer dwell time or a second float would result in additional recovery. 79.8% of the silver assay values were recovered.

[signature]

APPENDIX "C"

WRITER'S CERTIFICATE

Andrew J. Zinkl
REGISTERED MINING ENGINEER

1602 N. CAMPBELL ST.
PRESCOTT, ARIZONA 8630
PHONE 445-5763

July 7, 1977

LETTER OF CONSENT

I hereby consent to have the information in my report on the Florida Mine, Monaco and Lost Heel claims in Esmeralda County, Nevada, U.S.A. dated July 7, 1977 for Triex Resources Ltd., published in the Company's Statement of Material Facts.

ANDREW J. ZINKL
Registered Mining Engineer

To: Superintendent of Brokers,
Victoria, B.C.

APPENDIX "D"

MAPS