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NEVADA BUREAU OF MINES  
13**Stellar International Developments Inc.**

Suite 400, 1212 West Broadway, Vancouver, B.C. V6H 1G6  
(604) 734-4711

August 5, 1982

Nevada Bureau of Mines and Geology  
University of Nevada  
Reno, Nevada  
89557

Attention: Librarian

Dear Sir or Madame:

Re: Barrel Springs Testing Project  
June - July 1982

Stellar commenced its test program on the Barrel Springs property on June 21, 1982. At the outset 795 cubic yards of tailings from previous operations were processed and 805.8 grains of gold were recovered. The smallest test was 34 cubic yards, the largest 230 cubic yards. The average value was \$ .74 per cubic yard.

Material was then brought to the unit by belly dump truck from other locations on the claims and processed. The results were as follows:

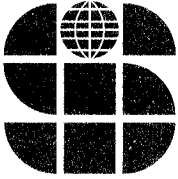
<u>Yds.</u>	<u>Locations</u>	<u>No. of Grains</u>	<u>\$ per yd.</u>
50	Thomson Pit	30.8	\$ .45
50	Walz Pit	149.0	2.18
50	Upper Thomson Pit	197.5	2.89
55	Prospectors Gulch	437.8	5.83
40	Between Thomson Pits	69.8	1.28
40	Pods 17, 18 & 19	23.9	.43
30	Rose Bud Canyon Cross	28.8	.70
40	Prospectors Gulch	31.9	.58
29	Prospectors Gulch	28.6	.72

The average value per cubic yard from supposed potential production area was \$ 1.11. Evaluation is based on gold at \$ 350.00 per ounce.

The project produced 1803.9 grains of gold. The principal method of recovery was via the Knelson Hydrostatic Concentrator, mercury/chemical amalgamation and titration.

In view of its acceptance by the Colorado School of Mines, there is little doubt of the capability of the concentrator used by Stellar in the event the question of recovery and ground value is raised.

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Comparison of actual recovery and supposed previous test results raises the distinct possibility of prior information having been fabricated. Had we been aware of the true value of the Barrel Springs ground I assure you that we would not have ventured anywhere near it. What it amounts to is that the Barrel Springs assessment work was completed at the expense of Stellar.

Insofar as Barrel Springs is so well known historically, I am sending the respective libraries of The Mackie School of Mines, The Nevada Bureau of Mines and The Geological Survey, detailed information of results of the tests conducted on the property, by Stellar.

Yours very truly,



Robert J. Mawson  
President

c.c. Mackie School of Mines  
Geological Survey