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10,150

Don Says

500 Tons/year 6.00/Ton Paul
5.00 Fgt.
11.00

Talley 800 " "

800 " / month Same

800. 15% of Total Caliche.

6000 Tons // year 800
.1.8 .18
.09

30

18# feed/day of Head — 65,000 =

½ of 1% CaO 1,180,000
.005
590000

30/3 = 800 65,000 / .18 = 59,000

3/3 .1.8
.09

3.0 Ton/day

30/3 = 90 65-000 / .09 =

5850.00

COPY

G. William Harrison & Associates Inc.
5652 South Larigo Street - Las Vegas, Nevada 89109
(702) 736-7345

June 8, 1971.

Mr. J. H. M. Greenwood
11617 Sundown Drive
Scottsdale, Arizona 85254

Re: Standard Metals Corporation
Antlers Mine & Mill
McCracken Mine & Mill
C. O. D. Mine
Copper World Claims
et al properties
Mohave Co., Arizona

Dear Jack:

Confirming our past discussions, Mr. Clyde Keegel and I met with you initially and Mr. Steve Radvak later and still later Mr. Dennis Pickens regarding the acquisition of the McCracken Mine. At our initial meeting, Mr. Keegel and I were interested only in the acquisition of the McCracken Mine for a client of mine. Through our series of discussions a plan evolved whereby it was decided that a partnership be formed whereby such partnership would attempt to make acquisitions of the above and subsequently operate the properties.

Mr. Keegel and I had opened preliminary negotiations with the owners of the referred properties and developed a basis in general for the acquisition of same, of which we advised you. At a meeting at the Standard Metals Corporation - Antlers Mill on May 29, 1971 attended by Mr. Pickens, Mr. Keegel, Yourself and Myself, I furnished you with a copy of the Mortgage, etc. held on the property by the United Bank of Denver, Denver, Colorado and subsequently furnished you with a copy of a letter from the Bank's Attorneys, Holme Roberts & Owen outlining the Bank's position, it was decided that Mr. Pickens should contact Mr. Boris Gresov, President of Standard Metals Corporation to negotiate the acquisition of the Antlers Mine & Mill for our to-be-formally-formed partnership. It is my understanding that he is proceeding with such negotiations based upon our telephone conversation of June 6, 1971. Our initial plan was to secure the support of an Investment Banker or individual to cover the costs of the acquisitions and initial operating capital, subsequently taking the venture "Public" through the filing of a S-1 with the United States Securities & Exchange Commission. However, all felt that we may have a "Bankable" situation upon our hands which all felt would be by far the most desirable route to go. You advised me on June 6, 1971 that you and Mr. Pickens either would furnish or had arranged for the "Front Money" or initial acquisition & operating cost financing.

COPY

Pursuant to your request, we have delayed any further contact with the United Bank of Denver and Standard Metals Corporation pending the outcome of Mr. Pickens efforts.

It is my understanding that our "group" is to meet towards the end of this week to formalize our agreements and more particularly to make sure that we are all pulling in the same direction and don't inadvertantly initiate any action which would be adverse to our common goals.

We all agree that time is of the essence, therefore I feel that the above mentioned meeting should be held as sonn as possible. I had previously scheduled a meeting with a Houston, Texas, Banker, Rancher, Oil Man, Financier to present this entire "package" next week. I was to meet this individual on the Merger which is entirely unconnected to this matter next week, in any event. Therefore, my presence in Houston will be required around the 15th or 16th of June. Before we had entered into our agreement, I had already exposed him to this situation so I must either withdraw same or proceed per the outcome of this weeks developments.

Also, Mr. James C. Taylor, owner of the C.O.D., etc. just called and advised that he would fly in Friday of this week if any discussions were needed regarding the acquisition of their properties, etc.

It appears that everything is pulling together nicely and this is a group that I personally find it a distinct pleasure to be working with. If there is anything at all that Mr. Keegel or I may do to help at this juncture, please call.

With warmest personal regards to you and Eilene, I am,

Cordially yours,

(signed): Bill

G. William Harrison

/ms

December 30, 1970

TO: Mr. Boris Gresov

FROM: Mr. Richard C. Dwelley

SUBJECT: Antler Feasibility -- (Attach to Study Dated December 18, 1970)

The attached table extends Antler costs and production from 6,000 tpm through 10,000 tpm. Grade and tons of potential reserves below the 7 level to the 15 level cannot be determined without substantial development work including drifting on the 11, 13 and 15 levels. For purposes of this study, the reserves are assumed to be 400,000 tons at a grade of 3% Cu. The mill can probably handle 10,000 tpm of this grade with some renovations.

It is apparent that the operation is breakeven at .50 Cu unless the metallurgy and/or grade are improved, or the tails are marketed. I would expect a 5% increase in metallurgy and some reduction in costs as a result of milling improvements over the operating period and revision of the bonus schedule. There is a possibility of increasing reserves by driving the ramp in relatively unexplored ground.

Five to six stopes will be necessary to provide 9,000 to 10,000 tpm mill feed. Stope preparation on the 9 and 11 levels and initial development of the 13 level should be completed before the milling is contemplated.

RCD:pjd

Enclosure

December 18, 1970

TO: Mr. Boris Gresov

FROM: Mr. Richard C. Dwelley

SUBJECT: Antler Mine

The Antler operating period from June through November has been analyzed. Previous attempts were inaccurate primarily because of lack of factual data regarding actual concentrate weights and consequent adjustments.

Calculations regarding head grade and actual recoveries are listed under Table I (Attached).

Calculations for costs per ton are itemized in Table II.

Table III gives tons milled, total cost, and net smelter returns assuming given ore grades and recovery per Table I. Recovery may be expected to improve with constant mill feed. Costs may decrease somewhat from those given should we be successful in lowering bonus rates. For purposes of feasibility, the figures should be used as is.

Development plans must include a means of extracting ore from the 9 Level down. For this purpose a -15° ramp is proposed with ore tramming on levels by LHD and removal from the mine by a 20-ton ore carrier. One of the chief advantages in using a ramp system is that it will facilitate handling of stope fill. The present method has proven overly expensive and slow.

Ramp length will be about 5,000 feet at a total cost of approximately $600,000. (Size 9' x 14') Cost is prorated over 400,000 tons. Total time required for driving is expected to be about 15 months. The time period can be decreased by driving three headings, i.e., from surface, up from 9 level and down from 9 level.

Table III assumes copper prices at .50 or .55, shipment -- domestic or to Japan, and grade at 4.0% or 3.5%. For feasibility purposes, the grade at 6,000 tons per month should not be expected to exceed 3.5% Cu. The table indicates that operation should not be considered until:

1. Copper can be sold at .55/lb. in the U.S.
2. Copper can be sold at .60/lb. in Japan
3. Tonnage can be maintained at the rate of 6,000 tpm.
4. Grade will not be less than 3.5% Cu.
5. Possible ore reserves indicated by work on 9 Level should equal or exceed 400,000 tons.

Costs of continuing the development of the 9 Level will approximate a cash loss of $28,000 per month. Should we commence driving the ramp on a three heading basis, our costs will increase by $70,000 per month or a total of about $100,000 per month. Time necessary to complete the ramp to the 1050 Level and have four stopes ready for production is no less than 6 to 9 months.

This 6 to 9 months period will require a cash investment of about $750,000 including equipment purchases.

RCD:pjd

Enclosures

P.S. For purposes of computing development costs, ore reserves have been taken from the 7 level to the 15 level at a rate of 500 tons per vertical foot. Ore is indicated to the 11 level by drilling. We have no information below the 11 level. Exploration of the ground below and of the mineralized zone north and south of present development can be accomplished from the ramp.

TABLE I

Antler Production

June-November, 1970

Head Tons	% Pb	% Zn	% Cu	Oz. Ag
19,026	1.16	7.80	4.38	1.70
Pounds in Heads	442,000	2,965,000	1,670,000	32,400
Pounds Recovered	195,000	1,762,000	1,205,500	17,650
% Recovery	44 %	60 %	72 %	55 %

TABLE II

Tons Milled/Month	Fixed Costs[1]	Var. Costs	Additional[2] Development	Total
2500	71,684	25,025	3,750	100,459
3000	71,684	30,030	4,500	106,214
3500	71,684	35,035	5,250	111,969
4000	71,684	40,040	6,000	117,724
4500	71,684	45,045	6,750	123,479
5000	71,684	50,050	7,500	129,234
5500	71,684	55,055	8,250	134,989
6000	71,684	60,060	9,000	140,744

NOTES: 1. Includes 14,000 for development.

2. Approximate deferred cost for driving 15° ramp to 15 Level and supply 5 yard LHD plus 20-ton ore hauler. Basis of allocation is possible reserve from 7 Level to the 15 Level of 400,000 tons. Total cost $600,000.

ANTLER FEASIBILITY

c/ton

25.80
24.10
22.80
21.80
20.95

Tons Milled Per Month	Fixed Costs	Variable @ 7.90	Variable Exceed. 6,000 tpm @ 2.75	Develop. @ 3.00	Total	N.S.V. Cu @ .50 Head Grade 2.5 Cu	3.0 Cu	3.5 Cu
6,000	73,000	47,300	16,500	18,000	154,800	107,000	128,000	150,000
7,000	73,000	55,300	19,300	21,000	168,600	125,000	150,000	175,000
8,000	73,000	63,200	22,000	24,000	182,200	143,000	171,000	200,000
9,000	73,000	71,100	24,800	27,000	195,900	160,000	192,000	225,000
10,000	73,000	79,000	27,500	30,000	209,500	178,000	210,000	250,000

NSV Based Upon
.50 Cu Domestic Smelter
.145 Pb
.15 Zn
1.80 Ag

Heads 3.5 Cu, .93 Pb, 6.2 Zn, 1.4 Ag
Heads 3.0 Cu, .78 Pb, 5.3 Zn, 1.17 Ag
Heads 2.5 Cu, .66 Pb, 4.4 Zn, .97 Ag

Recovery: 72% Cu
60% Zn
44% Pb
55% Ag

Tons Milled Per Month	N.S.V. Cu @ .55 Head Grade 2.5 Cu	3.0 Cu	3.5 Cu
6,000	117,000	141,000	165,000
7,000	137,000	164,000	192,000
8,000	156,000	187,500	219,000
9,000	176,000	211,000	246,000
10,000	195,000	234,000	274,000

TABLE III

Tons Milled/Month	Cost	NSV of Heads @ 3.5 Cu, .8 Pb, 6.0 Zn, 1.3 Oz Ag				NSV of Heads @ 4.0 Cu, 1.0 Pb, 7.0 Zn, 1.5 Ag			
		Domestic Cu @ .50	Domestic Cu @ .55	Japan Cu @ .50	Japan Cu @ .55	Domestic Cu @ .50	Domestic Cu @ .55	Japan Cu @ .50	Japan Cu @ .55
2500	100,459	61,800	67,700		63,250	70,700	77,800	64,500	72,900
3000	106,214	74,100	81,200	68,200	76,000	85,000	92,300	77,500	87,500
3500	111,969	86,500	94,700	79,500	88,600	93,500	108,800	90,400	104,000
4000	117,724	98,900	108,200	91,000	101,000	113,200	124,200	106,500	116,500
4500	123,479	111,000	122,000	102,000	114,000	127,500	139,900	116,100	131,000
5000	129,234	123,500	135,300	113,500	126,300	141,600	155,400	129,000	145,700
5500	134,989	136,000	149,000	125,000	139,000	156,000	171,000	142,000	160,200
6000	140,744	148,000	162,300	136,000	152,000	170,000	186,500	155,000	175,000

Assumed Metal Prices: Pb @ .145

Ag @ 1.80

Zn @ .15

6/13/71.

TO: Geo. Freeman & Jack Greenwood.

FROM: D. K. Pickens.

SUBJECT: Project McCracken, C.O.D. & Antler (McCan).

1) There is no difficulty in financing this project hereinafter called "McCan", providing:

a) The three properties can be leased on reasonable terms, i.e. - not more than 10% net Smelter Returns.

b) That the ore reserves are as reported, i.e.:

	Tons	Ton Gross Value	Method.
1. McCracken	100,000	$ 20.00	O.P.
	62,000	25.00	UnG.
2. C.O.D.	80,000	35.00	UnG.
3. Antlers	400,000	18.00	Ung.

c) That the Antler Mill can be leased at not more than $1.50 ton.

d) Heavy - Off-the-highway haulage vehicles are used.

The above appear possible with respect to the McCracken & C.O.D. The Still & Still report on Antlers is said to anticipate 400,000 tons 3% copper - 75% recovery, roughly $18 - $20 ore on net smelter return.

2) The deal to be worked outtherefore involves 4 and maybe 5 leases, and at least two promoting groups, i.e. ourselves and Harrison (6/8/71) letter) and Keegel. I don't know where Radvak stands.

3) Any financing group will have to give us (Greenwood, Pickens, Freeman) the role of Managers or operators for and on behalf of the money required. This is presently estimated at $250,000.. We will also have to put the deal completely together or loose out.

4) Financing Group should deal only with us as Finders, Manggers and operators. We will have to deal with the others.

5) I therefore recommend that George Freeman summarize economics of McCracken i.e. cost of getting ore onto trucks, Keegel report should do same. Let's not try to summarize Antlers yet, but put it down as a probable big plus when we improve the metallurgy and have time to study mine.

6) In this way, we can write up the deal as soon as 5) above is finished, and George inspects mill, so knows what modifications are necessary for McCracken and C.O.D.

7) Before we present the final project report for financing, we must decide what Harrison, Keegel & Radvak get out of it. I say the money will want 60% - we want 30% & Management, and the6 get 10% plus pay for any services we ask them to perform. Keegel would be excellent to run mill and Radvak for C.O.D. But they might be too expensive.

8) Finally, we must keep everybody's interest on a participation basis, so share in tangible tax benifits. No stock sale or promotion. Money is General Partner, Greenwood, Pickens & Freeman are Operators, and the others participate in cash flow after costs.