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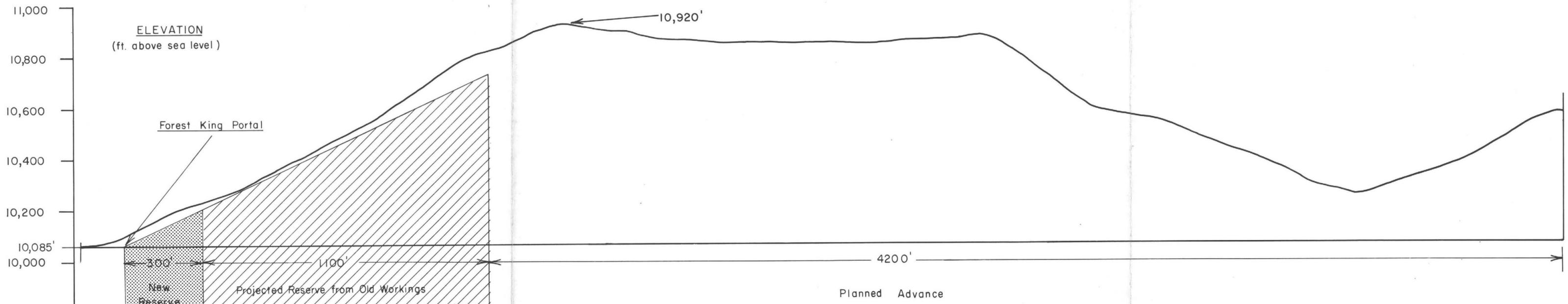
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FOREST KING MINE CORONADO SILVER CORPORATION



X - SECTION THRU MOUNTAIN

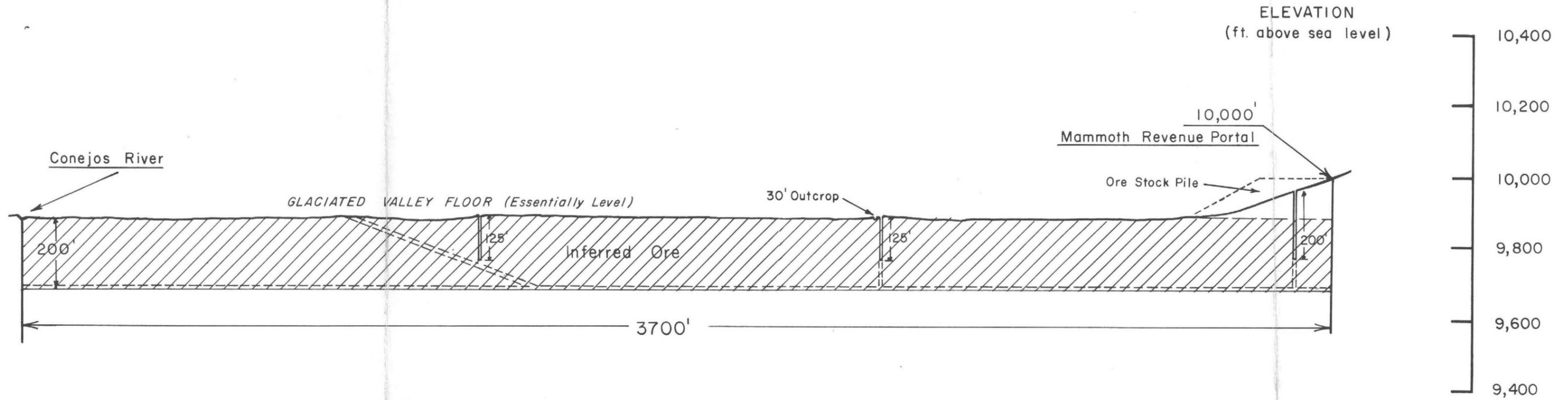
SCALE 1" = 300'
8/24/73

Tentative Profile taken from U.S.G.S. Topographic Maps

	Indicated Ore - 93,750 Tons
	Inferred Ore - 641,667 Tons
	<hr/> Total - 735,417 Tons

Based on minimum grade of 4.0 oz. of Ag/ton
.20 oz. of Au/ton
Vein 20' Wide - Mineable width taken as 10'

NORTH EXTENSION OF MAMMOTH REVENUE VEIN
PAROLE & VALLEY QUEEN MINES
CORONADO SILVER CORPORATION



X - SECTION THRU VALLEY

SCALE 1" = 300'

10/24/73

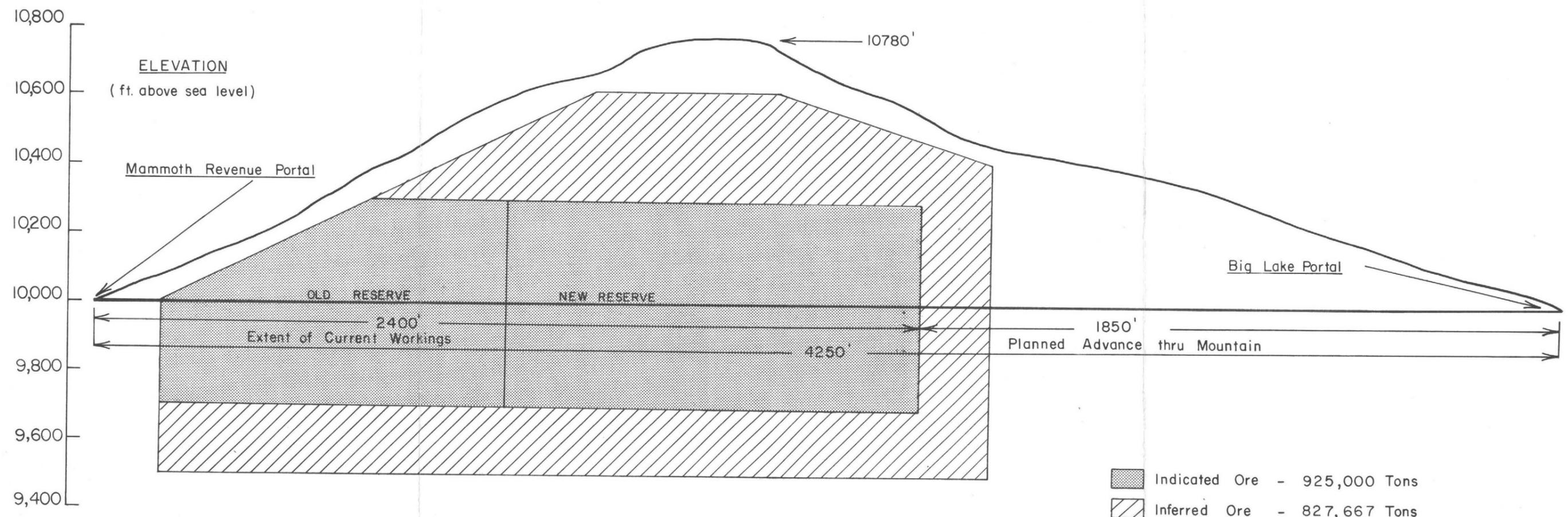
----- Proposed Initial Development

 Inferred Ore - 888,000 Tons

Based on Minimum Grade of 4.40 oz. Silver/Ton
0.13 oz. Gold/Ton

Vein 30' wide - Mineable width taken as 10'

MAMMOTH REVENUE MINE CORONADO SILVER CORPORATION



X - SECTION THRU MOUNTAIN

SCALE 1" = 300'

8 / 24 / 73

■	Indicated Ore	-	925,000 Tons
▨	Inferred Ore	-	827,667 Tons
	Total	-	1,752,667 Tons

Based on Minimum Grade of 4.40 oz. Silver/Ton
0.13 oz. Gold/Ton

Mineable vein width taken as 10'
South 800' Tonnage reduced by 1/3

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



*Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238*

February 21, 1974

SXM
FEB 25 1974
RECEIVED

Mr. Dennis C. Temple
Essex International Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

Dear Dennis:

Further to our letter of February nineteenth, we are enclosing cross section sheets from which we took our reserve tonnage data.

Our mining plan basically is to mine the veins with shrinkage stoping and the direct mining costs we are figuring at approximately \$4 and the direct milling costs at approximately \$4. Milling costs will probably be slightly lower unless we leach our own concentrates in which case our smelter costs will be reduced and the overall costs as well.

Let us know if you need additional information.

Sincerely,

CORONADO SILVER CORPORATION

Alfred G. Hoyl
Alfred G. Hoyl

AGH/dh
Enclosures

Alfred Hoyl

3/27/74

Perhaps advance some
money to help for a
proportionate equity.

Call first part of
next week.

Gene Sanders 303-333-4211

Alfred G. Hoyl 303-258-3354

Bill Bird 444-1103

Greg Hoyl 988-7285

Kelley
Box 183
Silverton

Denver Meeting
Feb. 9, 1974

Hoyl Bill Bird
~~5360~~ - 537

4 1/2 Million by 1975
350 tons/day
start fall 1975

600,000 in debt

402 Ag .150% Au

ESSEX

ESSEX INTERNATIONAL, INC.

1704 WEST GRANT RD., TUCSON, ARIZONA 85705
PHONE (602) 624-7421

April 5, 1974

Mr. Alfred G. Hoyl, President
Coronado Silver Corporation
Los Lagos Office
Rollinsville, Colorado 80474

Dear Mr. Hoyl:

As you requested during our conversation at Denver, Colorado on April 3, 1974, I am sending the following general outline of terms I will recommend to Essex International, Inc. for a lease option on your property at Platoro, Colorado.

These terms are conditional upon acceptance of the management of both Essex International, Inc. and Coronado Silver Corp. This agreement would cover all of the claims controlled by Coronado Silver Corp. in the Platoro, Colorado area except the finite area being operated by Coronado Venture until such time that possible deep mining by Essex endangers the operation. The lease would be for 10 years with the following payment schedule.

1st year	\$10,000
2nd year	\$20,000
3rd through 5th year	\$30,000 /yr
6th through 10th year	\$50,000/yr

Essex would be responsible for maintaining the claims covered by this lease, including a work commitment of \$100,000 per year beginning the second year. Upon exercise of the option, Essex International, Inc. would receive title to the property and Coronado Silver Corp. would receive a 2% production royalty or \$50,000 per year minimum royalty, or a negotiated end price. All payments to Coronado Silver Corp. are advance royalties. These negotiations are to be considered confidential.

I can meet with you at your convenience to discuss your response to this proposal.

Sincerely,

Dennis C. Temple
Senior Geologist

DCT:td

ESSEX INTERNATIONAL, INC.

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238

May 31, 1974

EXM

JUN 3 1974

RECEIVED

*Band
The mill could be
considerably less
complicated*

Mr. Dennis C. Temple
Essex International, Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

Dear Dennis:

Enclosed is a copy of Hazen Research, Incorporated's "Economic Evaluation of the Mammoth Revenue Ore Body" for your information.

You will note that Hazen has inferred reserves of 1,384,500 tons excluding the Forest King vein and the northern extension of the Mammoth Revenue. One thousand feet of depth on these latter two sections could add several million tons of reserves. It is important for us to check the Mammoth Revenue vein at depth as soon as possible.

We are working on our interim financing and until it is effected, it is difficult for us to accept your deal.

To solve this problem, would Essex put up \$500,000 matching \$500,000 we borrow to raise \$1,000,000. This would handle our obligations and give us the funds to check the Mammoth Revenue vein by drilling at depth and further enhance our reserves by some underground drilling and drifting.

This interim financing would provide an extra year for us to perfect our expansion plans and would allow Essex to become thoroughly acquainted with the area and our project.

Essex would also acquire a 5 percent interest in the Coronado Venture and would not have to make any yearly payments for the first five years on the porphyry copper potential and would have only a work commitment beginning the second year.

If such a deal makes sense to Essex, something could be worked out on your offer of April 5, 1974, at an early date.

Platoro is open, and Greg is in residence there. You are welcome to visit the property and operation at any time.

Sincerely,

CORONADO SILVER CORPORATION

Alfred G. Hoyl
Alfred G. Hoyl

AGH/dh

June 17, 1974

File:

Coronado

Al Hoyle has proposed in a letter that Essex pay \$500,000. for a 5 year option on Coronado Silver Corp's. Platono property and a 5% interest in the property. The money would be used for testing the veins in hopes of changing the 1m+ tons of inferred reserves to assured.

It is recommended that this proposal be rejected and that we stand on our offer of last spring, ~~for~~ concerning the porphyry copper potential of the property.

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



*Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238*

April 22, 1974

Mr. Dennis C. Temple
Essex International, Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

SXM
APR 23 1974
RECEIVED

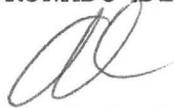
Dear Dennis:

Enclosed is a copy of William H. Bird's thesis on the Platoro area.

I have been in the East and have just returned. We are reviewing your offer and hope to meet with you soon for further discussions.

Sincerely,

CORONADO SILVER CORPORATION


Alfred G. Hoyl

AGH/dh
Enclosure

June 17, 1974

Mr. Alfred G. Hoyl
Coronado Silver Corporation
Los Lagos Office
Rollinsville, Colorado 80474

Dear Mr. Hoyl:

Thank you for the copy of Hazen Research, Incorporated's
Economic Evaluation of the Mammoth Revenue Ore Body."

Your latest offer has been reviewed by our exploration
staff in Tucson. I cannot recommend to Essex that we become
involved in exploration for gold-silver veins at this time. We
remain interested in the copper potential of your property at
Platoro and hope that we can proceed along the lines of my April 5
1974 letter.

I hope to be able to visit Greg at Platoro in a few weeks
and refresh myself concerning conditions on the property.

Very truly yours,

Dennis C. Temple
Senior Geologist

ESSEX INTERNATIONAL, INC.

DCT:td

Mineral Deposits of the Southern Portion of the
Platoro Caldera, Southeast San Juan Mountains, Colorado

William H. Bird
June 1, 1972

Mineral Deposits of the Southern Portion of the
Platoro Caldera, Southeast San Juan Mountains, Colorado

Abstract

With the recent recognition of the Platoro Caldera, every major mining district in the San Juan Mountains has been directly related to a caldera. The economic development of each of these mineralized calderas has depended largely on an understanding of the structure. In the southern Platoro Caldera, the mineral deposits are controlled by two major structural features: A northwest trending pre-caldera lineament and the caldera related structures. Two, and possibly three, types of deposits occur. The known silver veins lie along the boundaries of a resurgent block. Two newly discovered gold bearing breccia pipes occur on a resurgent radial fracture and on the main caldera rim. The possible third type, a disseminated sulfide deposit, is indicated by mineralogical, structural, and geochemical evidence at the intersection of the main caldera rim and the northwest lineament. The characteristics of these deposits can be used to predict further favorable ground within the caldera. Caldera exploration in general must depend on a complete understanding of the structure. Now that this ground work has been laid, geochemical and drilling programs should be instigated to define prospects and prove ore bodies.

Mineral Deposits of the Southern Portion of the
Platoro Caldera, Southeast San Juan Mountains, Colorado

Structural Development of the Platoro Caldera

Geologic structure is the key to the mineral deposits of the Platoro and other mining districts of the Platoro Caldera. An intimate knowledge of this geologic structure can tie the known mines, the prospects, the alteration patterns, the mineral associations, and the geochemical data together into a package that can not only explain the known mineralization, but it can be used to explore for further ore deposits.

Two major structural features are of prime importance in the genesis of the mineral deposits. These are the Platoro Lineament and the Platoro Caldera.

A structural lineament is a major structural zone of weakness usually expressed on the surface by fault zones, and aligned geologic and topographic features. They play major roles in the geologic development of an area and generally control the position of the features that develop. The northwest trending Platoro Lineament was first defined through geologic mapping over the past two years. Without question, it controls the position of the Platoro Caldera and all of the major structural and economic features that lie within the Caldera. It can be traced for many miles

outside the Caldera via structural and topographic features. It apparently also serves as a control for the Mt. Hope, Creede, and Lake City Caldera to the northwest of Platoro. The Platoro Lineament's method of control for such calderas is simple, the zone of structural weakness provided access for the magma body that formed the caldera.

A volcanic caldera is the result of the placement of a huge body of magma, or lava, near the surface of the Earth. This causes doming of the rocks above the magma chamber and volcanism on the surface. As the magma chamber is emptied the domed rocks collapse back into the chamber. Often, as with the Platoro Caldera, a second injection of magma enters the chamber and a resurgent episode begins. This resurgence repeats the doming, extrusion, collapse sequence of the primary caldera stage. The fracture pattern that develops with caldera formation is consistent and very important to the understanding of the total structure. Radial patterns develop with the doming and concentric patterns develop with collapse.

Caldera development and the associated magmatism provide two necessities for ore deposits. First, the fracturing provides access for ore forming fluids. Second, the waning stages of magmatism provide the ore fluid. This second feature is due to the fact that ore elements do not form minerals in the "normal" sequence of rock forming minerals. This means that they are concentrated in the last fluids of the magma. These fluids are highly volatile and

are able to travel up through the fractures. As physical-chemical conditions such as temperature and pressure change, ore minerals are deposited.

The Platoro Caldera is one of the most recently recognized volcanic collapse structures in the San Juan Volcanic Field (Figure 1). With its recognition and the recognition of the Bonanza Caldera (not shown on Figure 1), every mining district in the Colorado San Juan Mts. has been directly related to a caldera. This alone signifies the importance of such structures in mineral exploration work. Other mineralized calderas also provide a model for exploration work in the Platoro Caldera.

Development of the Platoro Caldera began approximately 30 million years ago (Figures 2 through 8 describe this development). The evolutionary features that are most important to the ore deposits are as follows:

1. The radial and concentric fractures of Figures 3 and 5.
2. The resurgent radial fractures and boundary fractures of the resurgent Cornwall Mt. central block of Figure 6.
3. The resurgent caldera of Figure 8.
4. Control of the Platoro Lineament.

As pointed out above, the control of the Platoro Lineament was of prime importance in the placement of the Platoro Caldera. The Lineament also controlled features of the Caldera development. All of the major structures within the Caldera lie along its trace. Figure 9 lists them as follows:

1. South Mt.-Platoro Fault.
2. South Mt. Vent Complex.
3. Lookout Mt. Vent Complex.

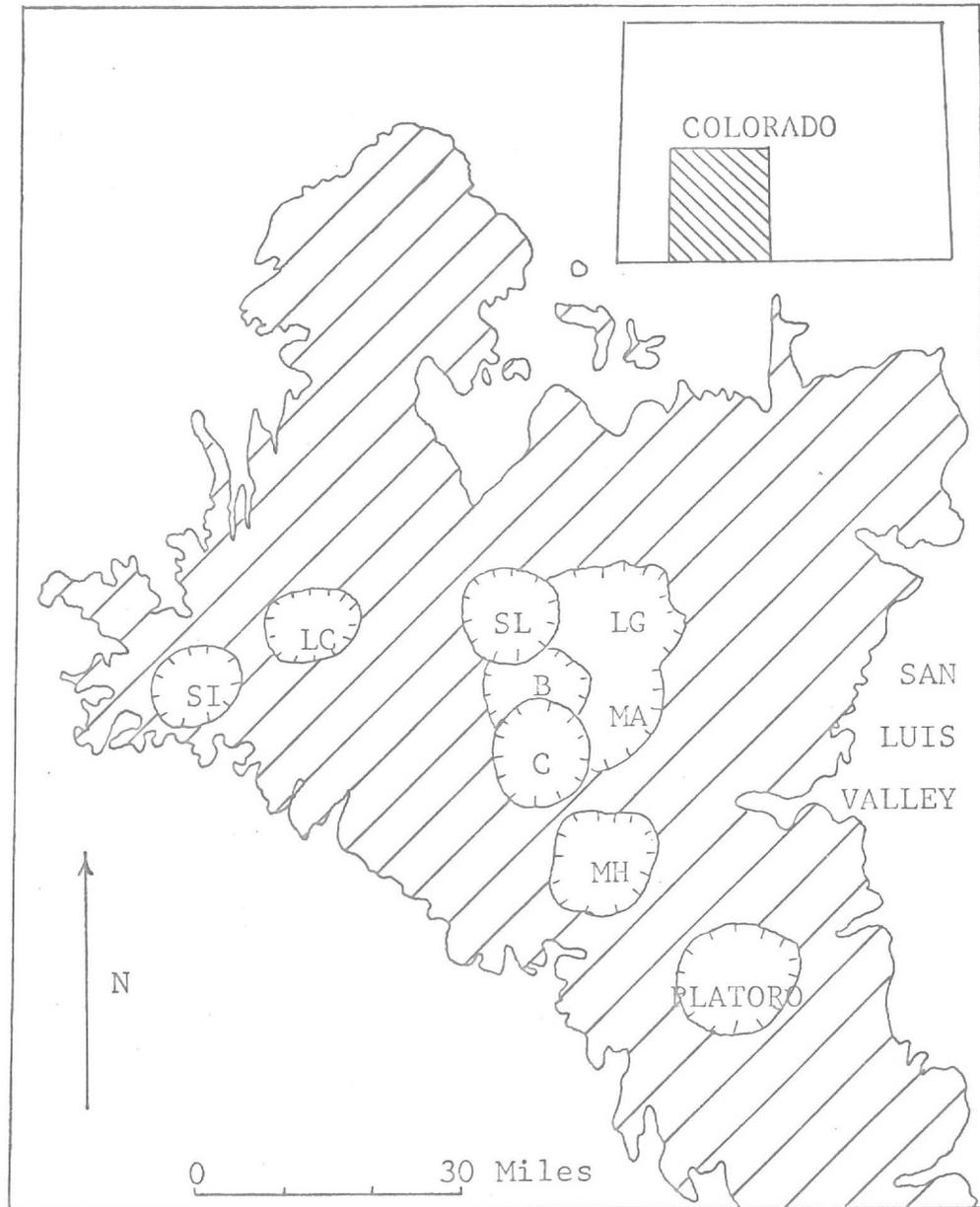


Figure 1

THE SAN JUAN VOLCANIC FIELD

CALDERAS

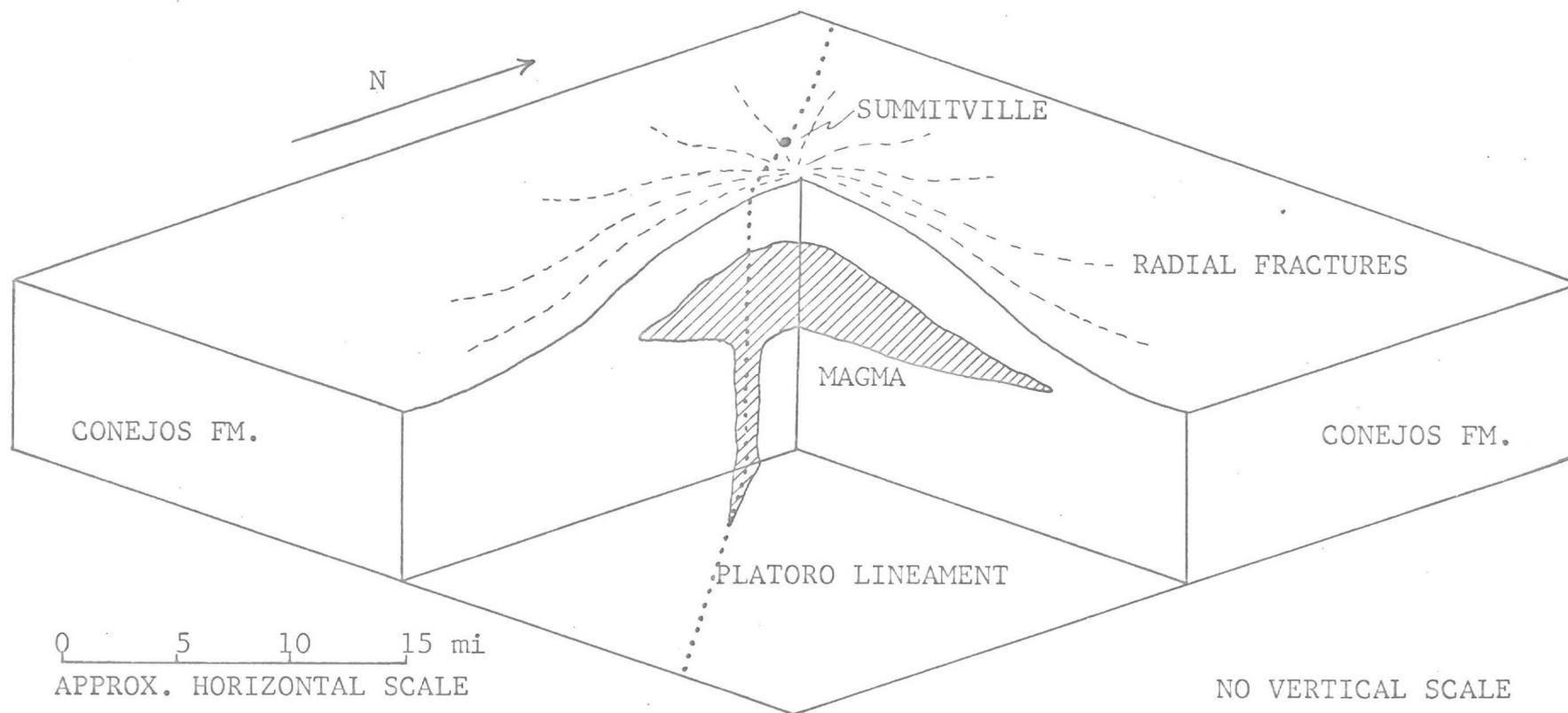
PLATORO	PLATORO
MH	MOUNT HOPE
C	CREEDE
MA	MAMMOTH
LG	LA GARITA
B	BACHELOR
SL	SAN LUIS
LC	LAKE CITY
SI	SILVERTON

FROM LIPMAN AND OTHERS, 1970

Figure 2

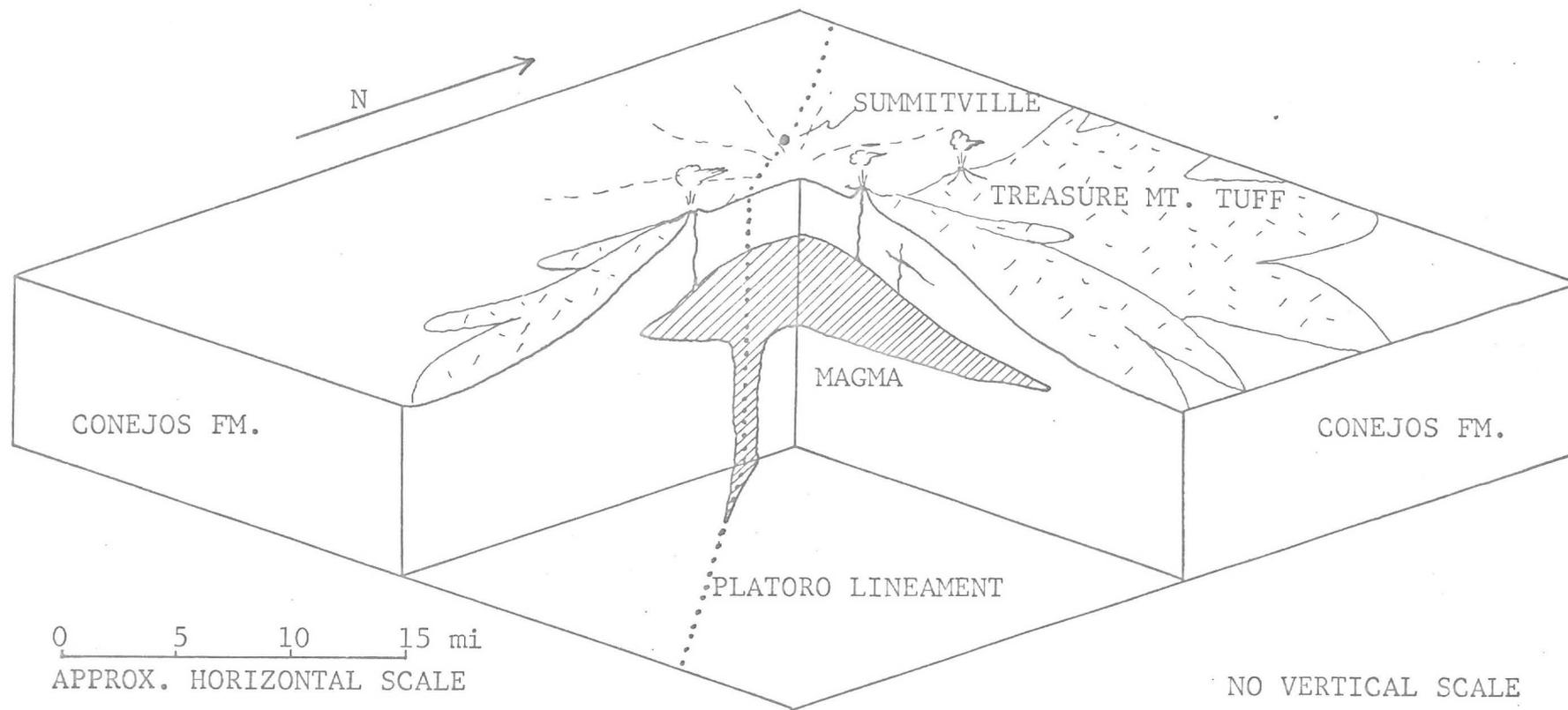
GENERAL SEQUENCE OF EVENTS, PLATORO CALDERA COMPLEX EVOLUTION

<u>EVENT</u>	<u>K/Ar DATES</u>
11. <u>Late stage intrusion and extrusion</u> , eg. Lookout Mt. vent-dome and South Mt.-Cropsy complex; mineralization and alteration continues. Date for South Mt. only.	25 my.
10. <u>Mineralization and alteration</u> of Platoro Caldera Complex.	
9. <u>Extrusions of Upper Summitville andesite</u> moat lava flows interfinger with Ojito and Ra Jadero ash-flows as Platoro Caldera Complex is filled.	
8. <u>Collapse of resurgent Summitville Caldera</u> occurs in northern portion of Platoro Caldera Complex due to release of pressure in magma chamber.	
7. <u>Extrusions of Upper Treasure Mt. Fm. Ojito and Ra Jadero Mems.</u> ash-flows begin; to continue through filling of resurgent Summitville Caldera.	29 my.
6. <u>Resurgence of magma causes second doming and radial fracturing;</u> Central Cornwall Mt. Block uplifted.	
5. <u>Extrusions of Lower Summitville andesite</u> moat lava flows interfinger with La Jara Canyon ash-flows as collapse depression is filled.	
4. <u>Collapse of Platoro Caldera</u> occurs along concentric fault due to release of pressure in magma chamber.	
3. <u>Extrusions of Lower Treasure Mt. Fm. La Jara Canyon Mem.</u> ash-flows begin; to continue until resurgence.	29.8 my.
2. <u>Intrusion of large magma body near surface in Platoro-Summitville area</u> causes doming and radial fracturing.	
1. <u>Andesite flows, flow breccias and lahars</u> of the Conejos Fm. build up major portion of San Juan Volcanic Field.	35 my.



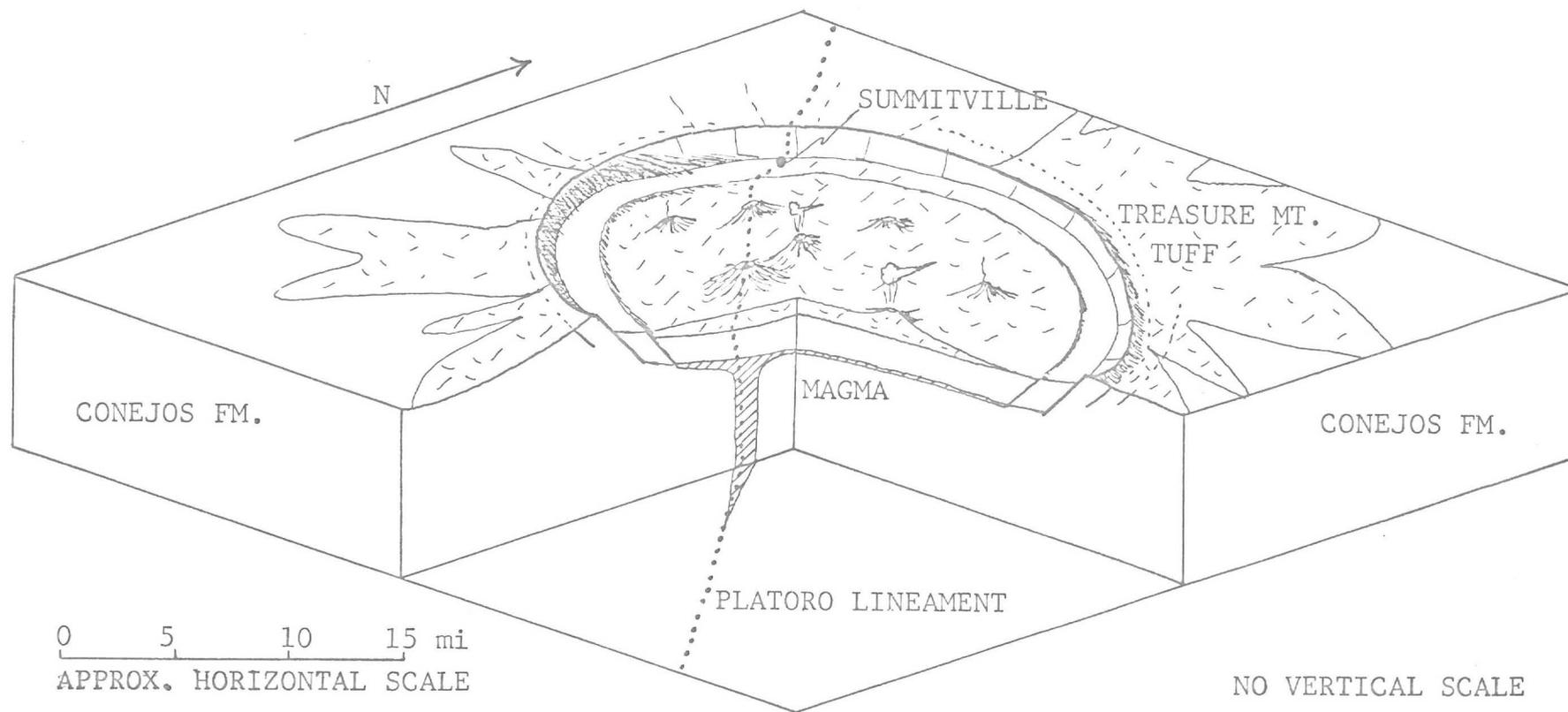
MAGMA INJECTION INTO CONEJOS FM. CAUSED DOMING AND RADIAL FRACTURING.

Figure 3



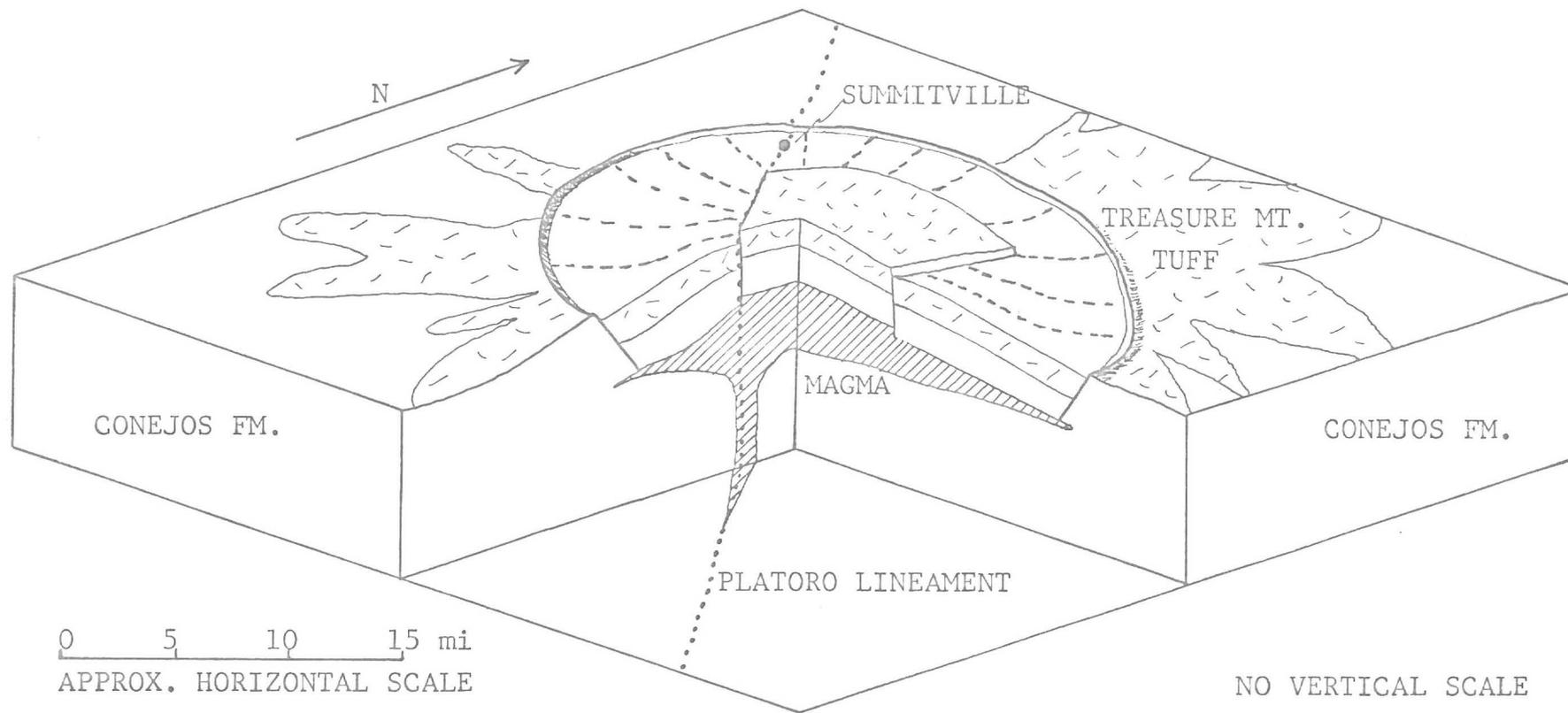
EXTRUSION OF EARLY TREASURE MT. FM. QUARTZ LATITE CRYSTAL ASH-FLOW TUFF.

Figure 4



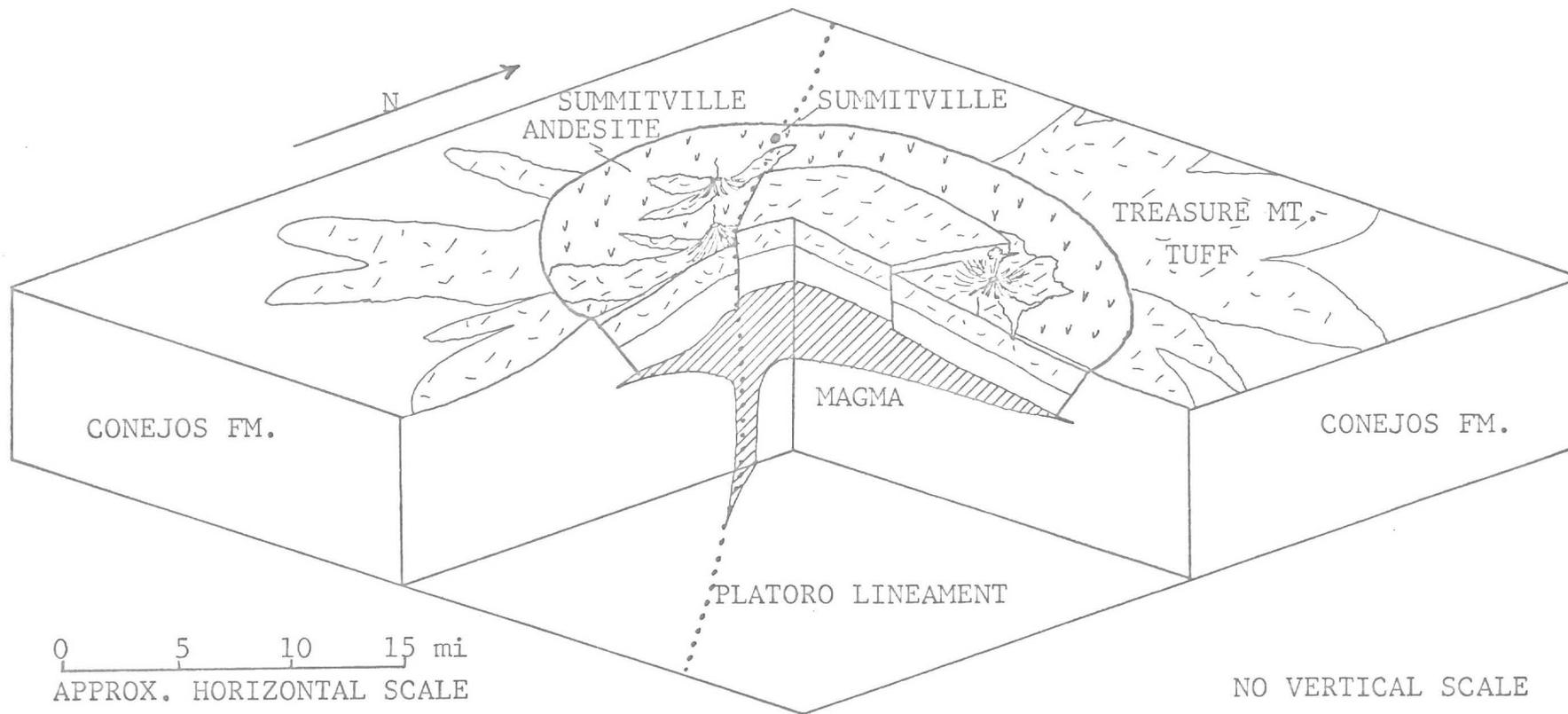
COLLAPSE OCCURRED ALONG CONCENTRIC FRACTURES.
 TREASURE MT. TUFF DEPOSITION FILLED THE DEPRESSION.

Figure 5

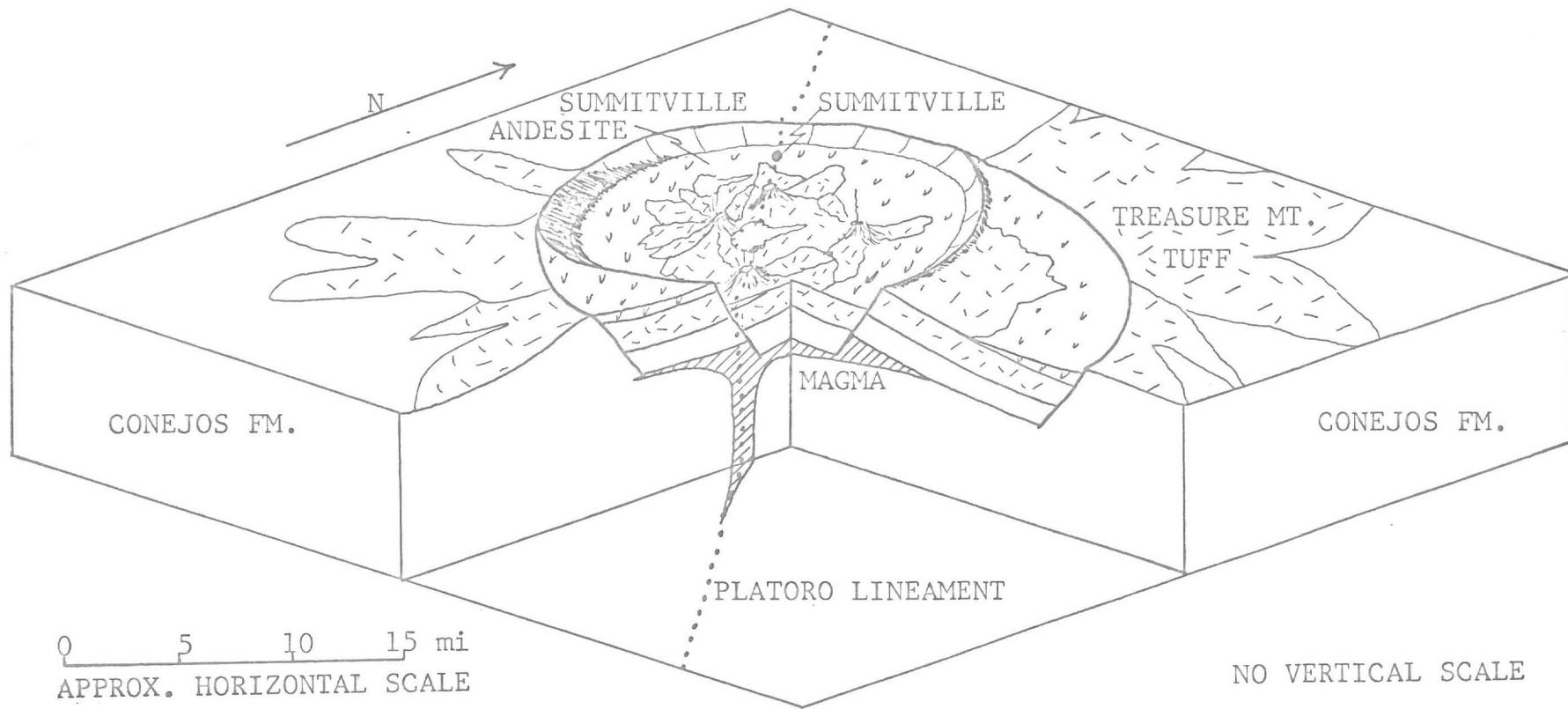


RESURGENCE CAUSED DOMING, RADIAL FRACTURING, AND THE UPLIFT OF A CENTRAL BLOCK.

Figure 6



SUMMITVILLE MOAT LAVAS AND TREASURE MT. ASH-FLOWS INTERFINGER AND FILL DEPRESSION
Figure 7



THE SUMMITVILLE CALDERA FORMED IN THE NORTHERN PLATORO CALDERA COMPLEX.

Figure 8

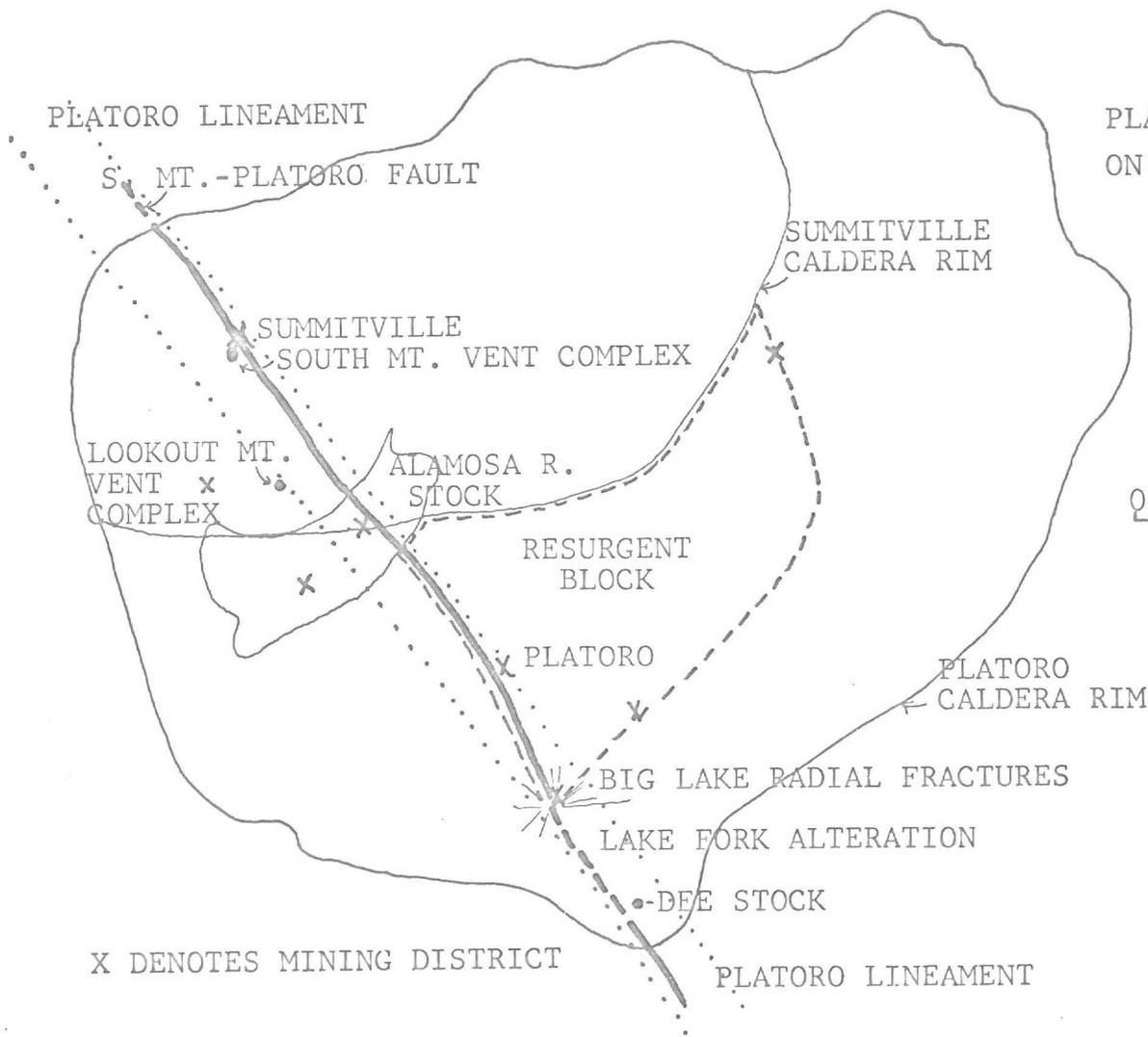
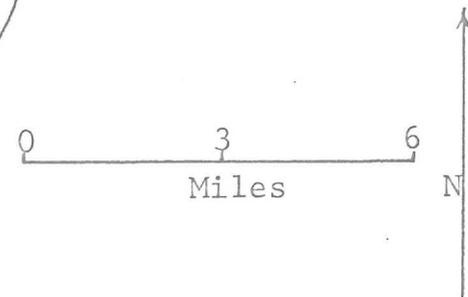


Figure 9
 PLATORO CALDERA FEATURES
 ON THE PLATORO LINEAMENT

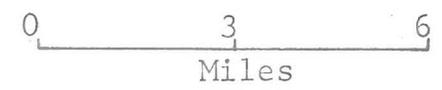
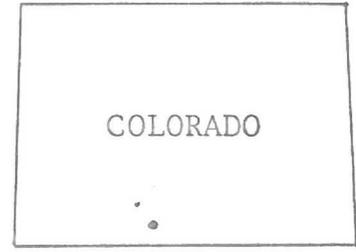
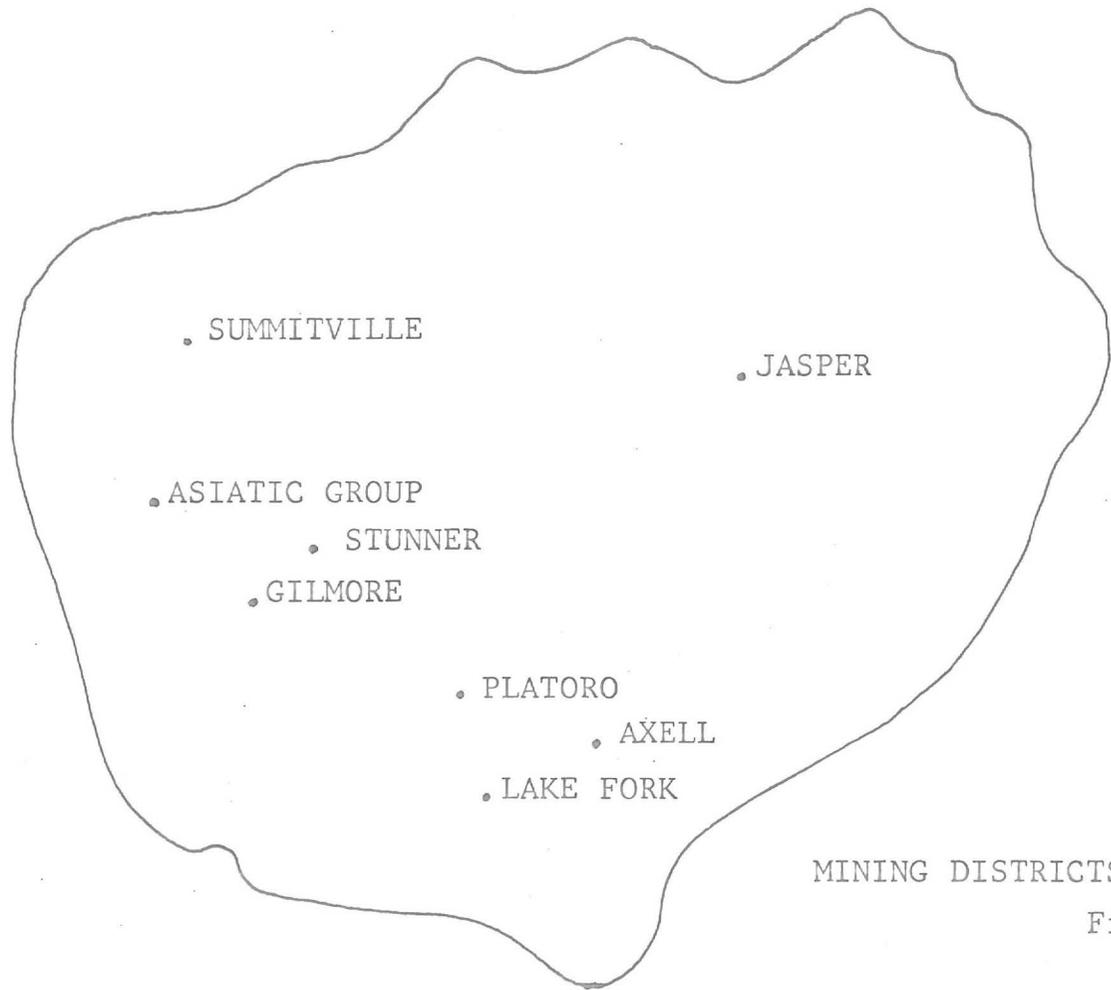


4. Alamosa River Stock.
5. Big Lake Radial Fracture.
6. Lake Fork Alteration.
7. Dee Stock.
8. Summitville Resurgent Caldera.
9. Platoro Caldera Complex.

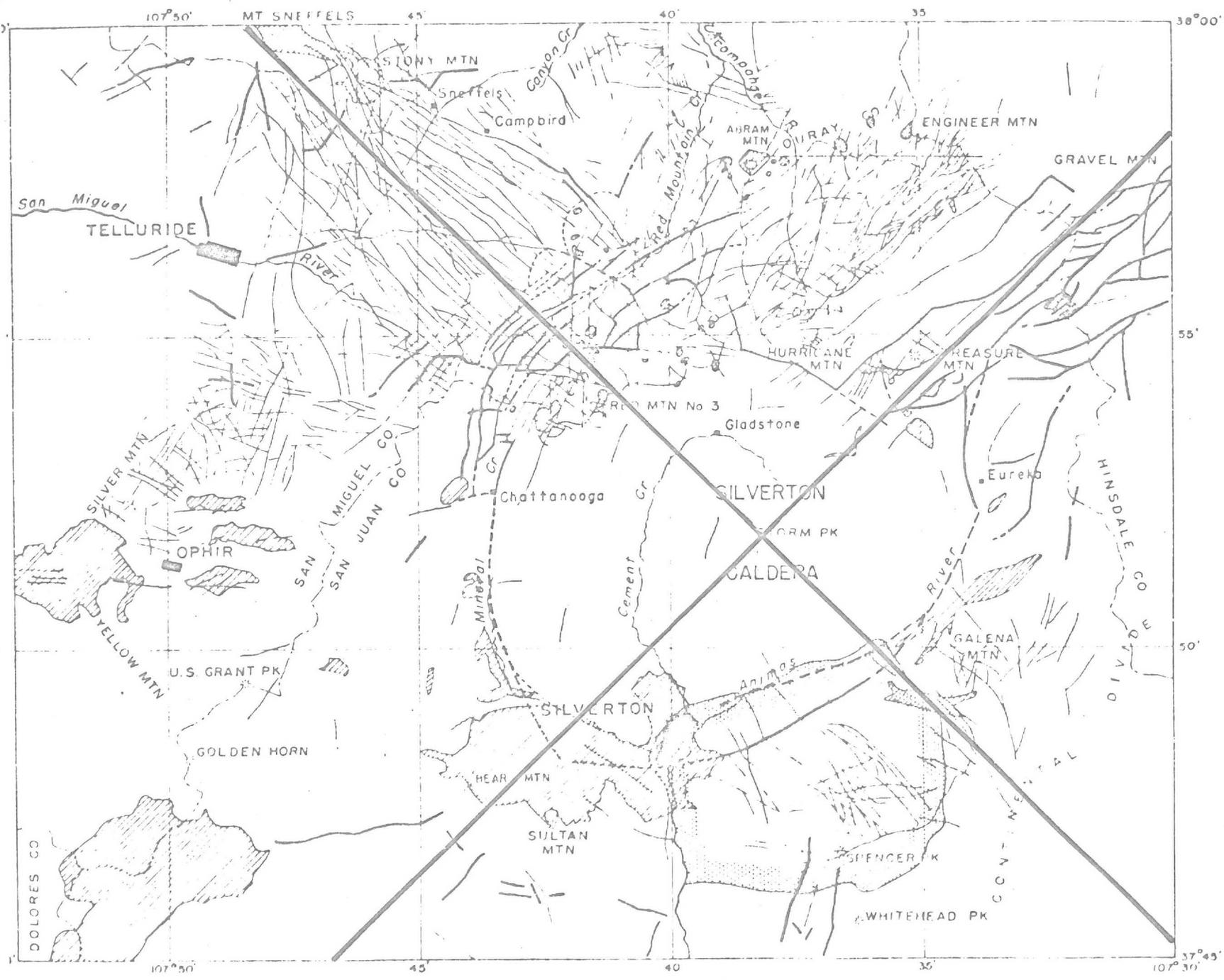
Figure 9 also shows that all the old mining districts except Jasper lie within or near the Platoro Lineament (see Figure 10 for identification). It is readily apparent that the Lineament is an important control for mineral deposits. This is not an unprecedented occurrence. The highly productive Silverton Caldera (Figure 1) lies at the intersection of northwest and northeast lineaments (Figure 11). As with the Platoro Caldera, the significant mineral deposits lie along the northwest lineament.

Mineral Deposits of the Platoro Caldera

In the southern portion of the Platoro Caldera, which includes the Platoro mining districts and the ground controlled by the Coronado Silver Corporation, the mineral deposits are of two, and possibly three, types. These are the silver-gold vein, the gold pipe and, possibly, the disseminated sulfide deposits. Naturally, most is known about the silver-gold vein deposits since these have been worked for approximately 100 years. The Mammoth-Revenue mine is on such a vein and it typifies the silver-gold deposits. The Mammoth vein is in the wide brecciated South Mt.-Platoro fault zone which is the major trace of the Platoro Lineament through the Caldera. This South Mt.-Platoro fault and the Major Dawn fault (Figure 12) are the southern boundaries of



MINING DISTRICTS OF THE PLATORO CALDERA
Figure 10

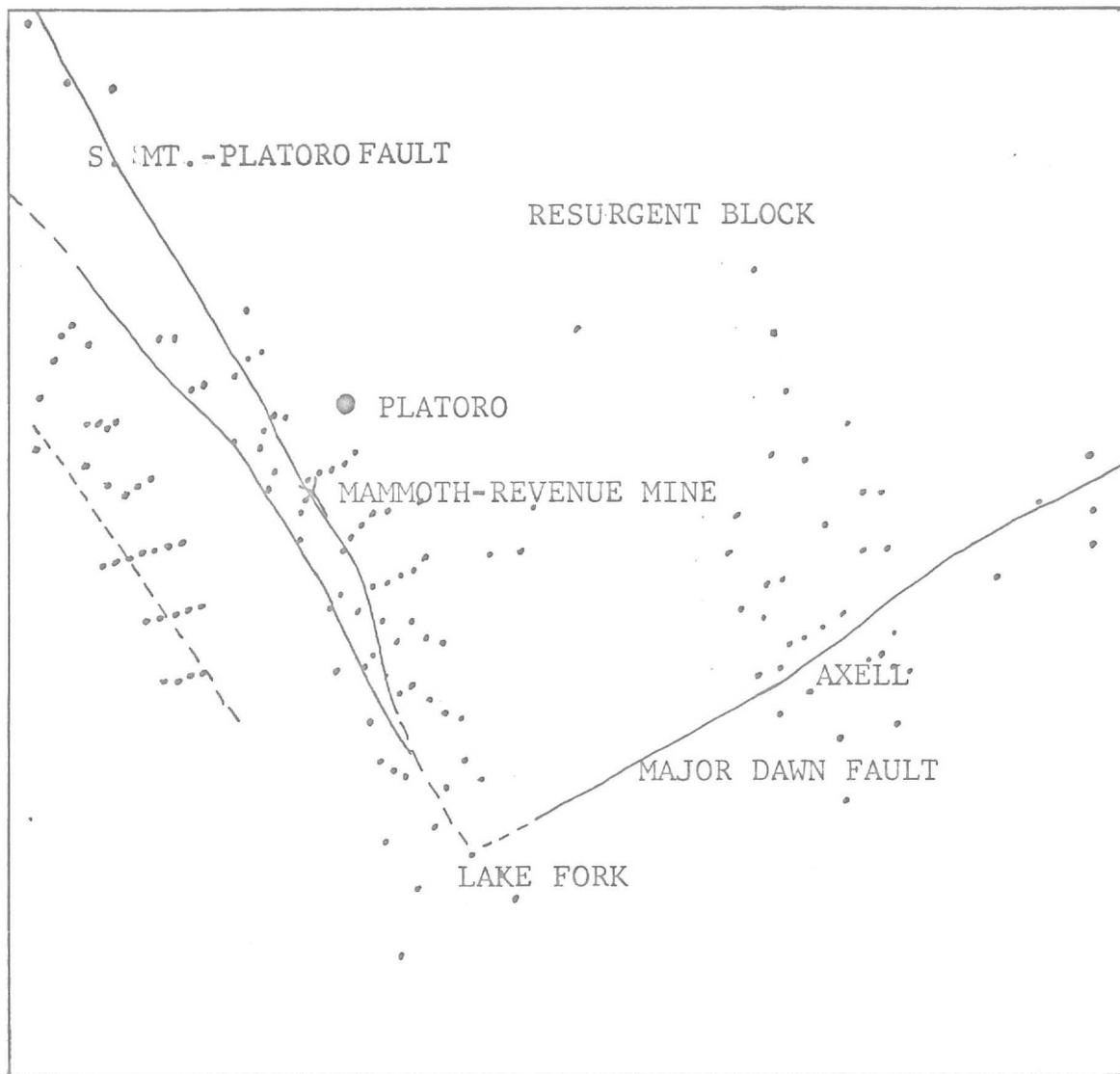


- EXPLANATION**
-  Late Tertiary intrusive rocks
(Not including dikes shown by line)
 -  Principal fissures, dikes, veins and minor faults
 -  Major faults
(including mineralized faults)
 -  Outline of south Silverton area
 -  LINEAMENT

COPIED FROM MAP BY V.C. KELLEY, COLORADO
 SCI SOC PROC., VOL. 14, NO. 7, PLATE I, 1946



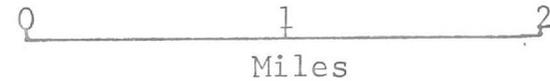
FIGURE 11. INDEX MAP OF SILVERTON CALDERA AND VICINITY



MINES, CLAIMS, & PROSPECTS
 PLATORO-LAKE FORK-AXELL
 MINING DISTRICTS

SOUTHERN PLATORO CALDERA

Figure 12



SITE OF CLAIM
 OR WORKINGS

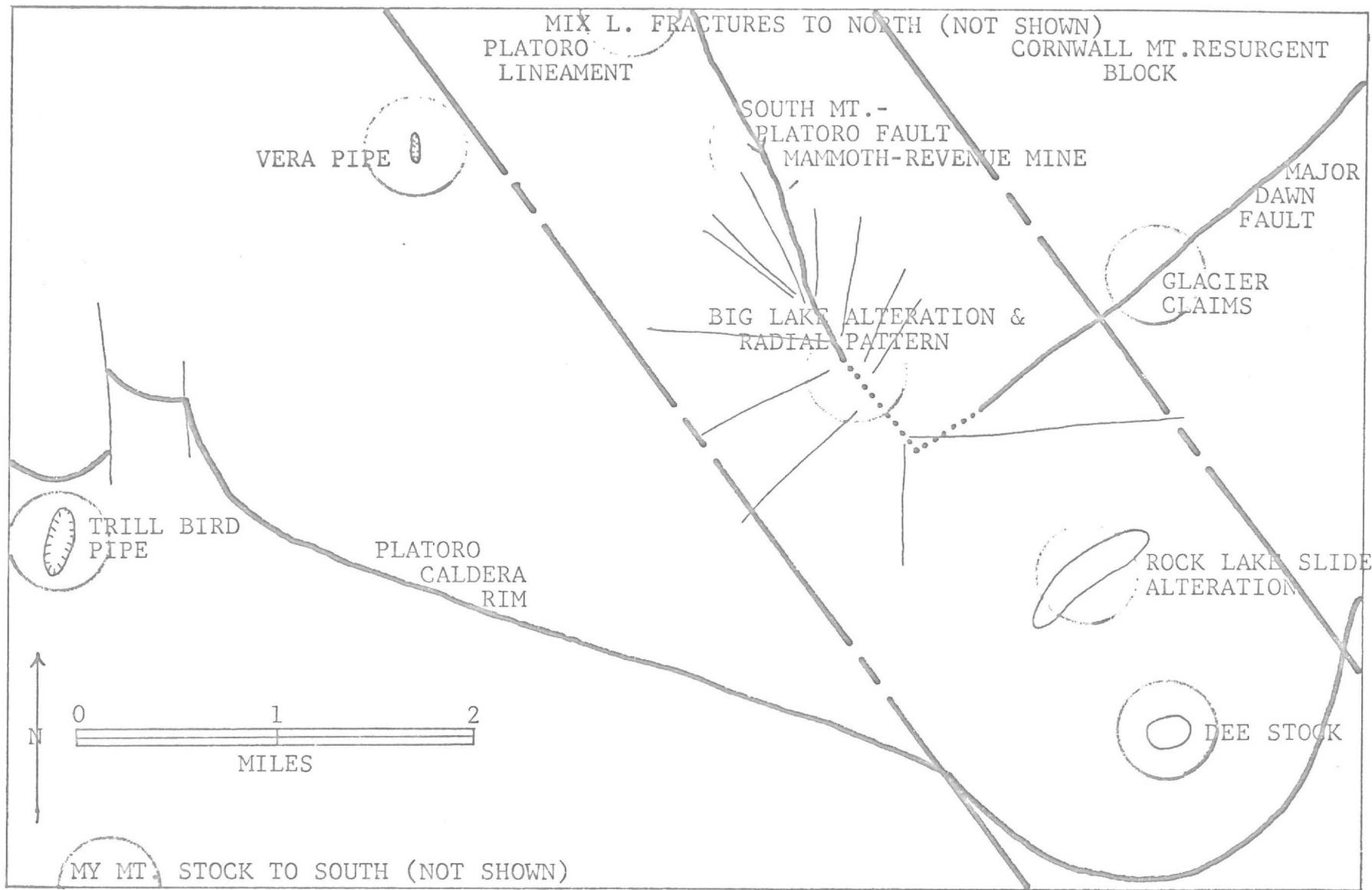
RESURGENT BLOCK
 BOUNDARY FAULT



the central Cornwall Mt. Resurgent block. To date, all of the silver-gold vein deposits have been found in a zone about a mile wide along the edges of this block. This area, then, is a prime exploration target for silver-gold veins and, in fact, any of the other structurally controlled deposits. Two particularly favorable areas are the highly fractured Big Lake Radial pattern at the block apex and the highly fractured area just northwest of the town of Platoro (Figure 13).

The ore mineralogy of the Mammoth-Revenue mine is complex and typical of volcanic associated telescoped deposits. Telescoping occurs when the ore fluids are dispersed near the surface. This means that there is a rapid change in environment and high temperature minerals overlap low temperature zones. This is an advantage when interpreting the mineralization because minerals from all zones are present in any single zone. Using this key and the minerals identified in the ores, vertical mineral zones of Figure 14 were constructed for the Platoro Caldera. The bulk of the Mammoth-Revenue mine's minerals are in the low temperature zone 3. Hence, a considerable thickness of the vertical zoning sequence is yet to be mined in the Platoro area.

Exploration for further silver-gold veins will depend heavily on the structural tool mentioned above. Known faults and areas of intense fracturing should be checked geochemically to locate mineralized portions. Drilling would then be necessary for positive identification of ore



EXPLORATION TARGETS, SOUTHERN PORTION OF THE PLATORO CALDERA

Figure 13

Figure 14
Minerals and mineral zones of the Platoro Caldera

<u>Sequence of Deposition</u>		<u>Important Economic Zones</u>
Quartz	SiO_2	6. Quartz
Pyrite	FeS_2	5. Quartz
Pyrrhotite	FeS	Pyrite
Gold	Au	Gold
Molybdenite	MoS_2	Molybdenite
Chalcopyrite	CuFeS_2	Chalcopyrite
Chalcocite	Cu_2S	(Enargite)
Digenite	Cu_9S_5	
Sphalerite	ZnS	4. Chalcopyrite
Galena	PbS	Sphalerite
Tetrahedrite	$3(\text{CuFeZnAg})\text{S} \cdot 2\text{Sb}_2\text{S}_3$	Galena
Silver	Ag	Tetrahedrite
Polybasite	$9\text{Ag}_2\text{S} \cdot \text{Sb}_2\text{S}_3$	Polybasite
Marcasite	FeS_2	Silver
Pyrargyrite	$3\text{Ag}_2\text{S} \cdot \text{Sb}_2\text{S}_3$	3. Marcasite
Proustite	$3\text{Ag}_2\text{S} \cdot \text{As}_2\text{S}_3$	Pyrargyrite
Miargyrite	$\text{Ag}_2\text{S} \cdot \text{Sb}_2\text{S}_3$	Proustite
Andorite	$2\text{PbS} \cdot \text{Ag}_2\text{S} \cdot 3\text{Sb}_2\text{S}_3$	Silver
Zinkenite	$\text{PbS} \cdot \text{Sb}_2\text{S}_3$	Electrum
Silver	Ag	Gold
Electrum	AuAg	
Gold	Au	
Pyrite	FeS_2	2. Gold
Barite	BaSO_4	
Anhydrite	CaSO_4	
Chalcedony	SiO_2	1. Chalcedony
Calcite	CaCO_3	Calcite
Argentite	Ag_2S	
Covellite	CuS	

bodies.

The second type of deposit in the southern part of the Caldera is the gold pipe. Two of these have been located during field work, the Vera and the Trill Bird (Figure 13). They are roughly circular brecciated vertical bodies with extensive fracturing and calcite-chalcedony veining. Visible mineralization is sparse and assays have revealed that only gold is present in the range of economic values. All samples taken have reported gold present and several have shown gold values in excess of \$100.00 per ton. The alteration, mineralization and morphology indicate that these features are the product of venting of gases in a low temperature-pressure environment. Hence, these are the last residues of the mineralizing fluids. Relative to the mineral zones of Figure 14, they are in the #2 low temperature gold zone. This is another indication of how high the present topography is in the mineral zoning sequence. Exploration of these prospects should include bulk sample mill runs to determine the value of the exposed material and a drilling project to determine the size and extent of the pipes. Other pipes may very likely be found in the area because their relative small size tends to obscure them from all but very detailed mapping. A feature that these pipes have in common with other economic San Juan breccia pipes, silicious veining in their upper parts, has been used to locate two other possible pipes. These have not yet been verified.

Geologic evidence supports the possibilities of a third

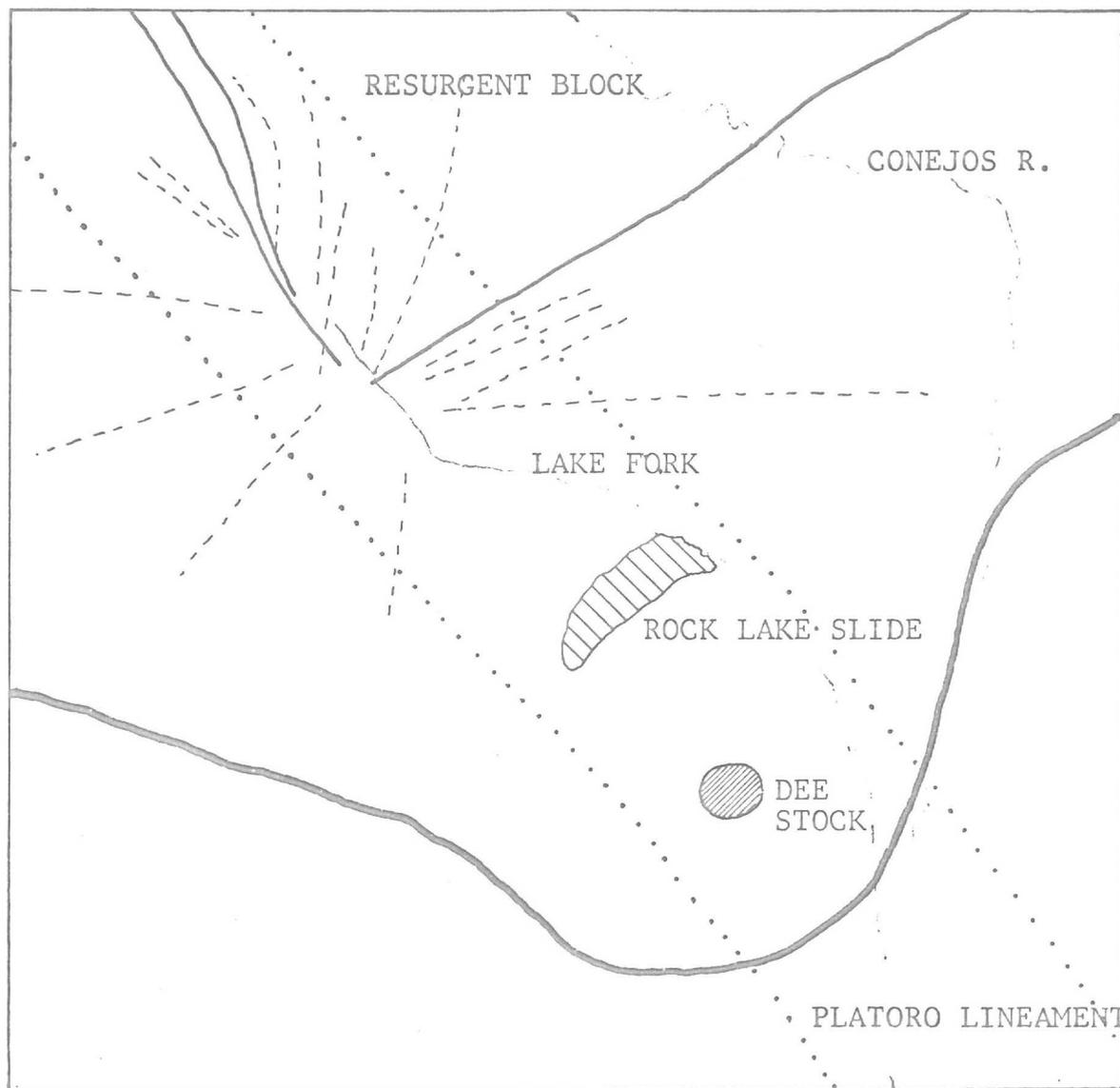
type of mineralization in the southern part of the Caldera. This type of deposit would be a deep high temperature deposit with the copper-gold-molybdenum zone 5 mineralization (Figure 14) disseminated in or near an igneous body. The Dee Stock, an important prospect for such a deposit, was located during geologic mapping. This altered felsic porphyry is in an extremely favorable structural position (Figure 13). It lies on the Caldera rim at the intersection with the Platoro Lineament. All major ore bodies and intrusives lie along this Lineament and especially favorable areas occur where the Lineament crosses major caldera structures. In addition to this location, the stock is brecciated, altered silicified, pyritized, and shows anomalous geochemical values (Figure 15).

Other indications of buried mineralized intrusives lie to the northwest of Dee Stock, again along the Platoro Lineament. A wide area of variously altered rocks lies along Lake Fork Valley (Figure 16). The most intense alteration is centered around Big Lake and around Rock Lake Slide just north of Dee Stock. The Big Lake area is promising for several important reasons. Structurally, it lies at the apex of the Cornwall Mt. resurgent block and on the Platoro Lineament. These major fault zones provide excellent access for intrusion and mineralization. In fact, the radial fracture pattern is indicative of intrusion. The analyses of altered material (Figure 17) show what are generally

Figure 15

METAL VALUES OF THE DEE STOCK

<u>ELEMENT</u>	<u>PPM</u>	<u>AVE CRUST PPM</u>
COPPER	91	70.
MOLYBDENUM	45	1.7
ZINC	150	80.
LEAD	470	16.
ARSENIC	230	1.5
ANTIMONY	140	0.4
SELENIUM	45	0.09



LAKE FORK VALLEY
SOUTHERN PLATORO CALDERA
Figure 16



- BIG LAKE RADIAL FAULTS
- RESURGENT BLOCK BOUNDARY FAULTS
- CALDERA RIM FAULT
- PLATORO LINEAMENT



Figure 17

METAL VALUES OF THE LAKE FORK ALTERATION

<u>ELEMENT</u>	<u>PPM</u>	<u>AVE CRUST PPM</u>
COPPER	190	70.
MOLYBDENUM	36	1.7
LEAD	940	16.
ZINC	260	80.
SILVER	45	0.2
ARSENIC	99	1.5
ANTIMONY	58	0.4
BISMUTH	34	0.1

considered to be geochemically anomalous values.

Dee Stock and the Lake Fork Valley alteration are, at this point, raw prospects. Exploration must continue to define the excellent field data. Further geochemical studies should be carried out followed by a drilling program. One other area should be pursued on a similar basis. The My Mt. Stock (figure 13) has produced geochemically anomalous molybdenum analyses. This stock should be more completely sampled.

Summary

All of the Platoro Caldera mineral deposits are structurally controlled and definitely related to the late stage activity of the Caldera. Morphologically, the deposits consist of two, and possibly, three types. These are the silver-gold vein deposits, the gold pipe deposits, and possibly, the disseminated sulfide deposits. The silver-gold vein deposits lie along the boundaries of the resurgent Cornwall Mt. block. Exploration for these veins should proceed along these well defined fault zones. The gold pipe deposits lie along major fractures. Exploration should concentrate on this fact and the silicification that is found in the upper parts of these and other famous San Juan Breccia Pipes. The prospects for disseminated deposits are geologically very good but still in an early stage. Geochemical and drill hole data is necessary to further define these prospects.

Reference to Figure 13 will facilitate the location of the following list of features that are of utmost importance

as ore deposits and prospects:

1. Mammoth-Revenue Mine
2. Glacier Group Claims
3. Vera Pipe
4. Trill Bird Pipe
5. Big Lake Alteration and Radial Fracture Pattern
6. Dee Stock
7. Rock Lake Slide Alteration
8. Mix Lake Fracture Zone
9. My Mt. Stock

William H. Bird

William H. Bird

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238

March 18, 1974

Mr. Dennis C. Temple
Essex International Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

MAR 20 1974
RECEIVED

Dear Dennis:

It was a pleasure to meet with you on Friday of last week, and as promised, we are enclosing a copy of our appraisal as reviewed by Hazen Research, Inc.

We are confident that adequate reserves exist as justification for the 350 ton per day capacity, and as you will note from our cash flow sheets, the possible additional capacity is paid for from income provided by the first 350 ton per day unit.

You will also note that the debt is retired in 1978. It would be possible to repay this debt as early as 1976 even if we did not add additional units.

It would seem that your thinking about the Platoro Project could be colored by:

First, the real value of the property without regard to its mineral value, and second, there is very little question that a 350 ton per day operation would succeed.

If Essex came in on the basis of a loan of \$700,000 to the Coronado Venture in return for an option, which would allow Essex to explore the caldera while Coronado developed the vein system, this might be a favorable deal for Essex.

With our debt taken care of, there would be no rush about putting the vein system into production, and the timing could be mutually agreed upon between Essex and Coronado, and the additional financing necessary for the

Mr. Dennis C. Temple

-2-

March 18, 1974

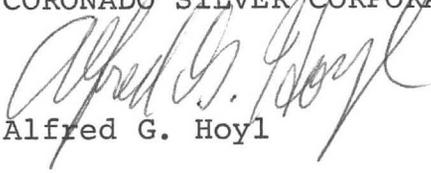
expanded facilities on the vein structure could either be provided by Essex or by Coronado.

We would suggest that you might contact Frank Stephens of Hazen Research as to his thoughts on the expansion program we are considering.

Please call if you have any questions or need additional information.

Sincerely,

CORONADO SILVER CORPORATION



Alfred G. Hoyl

AGH/dh
Enclosure

HAZEN RESEARCH, INC.



4601 INDIANA STREET
GOLDEN, COLORADO • 80401
TELEPHONE 303/279-4501

March 6, 1974

Mr. Alfred G. Hoyl
Coronado Silver Corporation
Los Lagos Office
Rollinsville, Colorado 80474

Dear Al:

We have reviewed your March 1, 1974 appraisal memorandum for the Coronado Venture as per your request.

Based on an independent method of evaluation for the actual real estate, we would arrive at a total land value of \$565,000 which, with the \$126,000 value for the motel plus boat concession, would give a total of \$691,100 for the real estate package.

A present day replacement cost for the mill and equipment would be approximately \$600,000 or, on a present value basis, approximately \$400,000.

These two estimates are in comparatively close agreement with the \$722,000 real estate value and \$412,000 plant values you have used in your appraisal. We also agree with your figures for the potential value of the ore reserves in place of \$5,000,000 for the proven and probable reserves and \$20,000,000 for proven, probable, and potential reserves.

Yours very truly,

F. M. Stephens, Jr.
Vice President

FMS:mk

CORONADO VENTURE APPRAISAL

MARCH 1, 1974REAL ESTATEMotel

Office, 9 Units, Garage, Bath House, Utility
Room; Includes 46 25 ft. x 140 ft. Lots and
1 Triangular City Block.

Buildings	\$ 52,000	
Furnishings	9,100	
Land	<u>49,000</u>	\$110,100

Patented Claims

Choice Property on River or Lake Shore

37 Acres @\$6,000/Acre \$222,000

Mountainside overlooking Lake and Town

320 Acres @\$1,000/Acre 320,000

Leased - Mining Value only

45 2/3 Claims - 457 Acres (Cost) 21,000 \$563,000

Located Claims

7 - Mining Value Only - 140 Acres (Cost) 3,500 3,500

Boat Concession

Dock, 8 Boats & Motors & Miscellaneous
Equipment

16,000 16,000

Miscellaneous Patented Claims

5 Patented Claims in Mineral and 3 in
Clear Creek Counties, (Cost)

30,000 30,000

Total Real Estate

\$722,600

EQUIPMENT AND MACHINERY

From Ernst & Ernst, Coronado Venture and
Coronado Silver Corporation

\$412,933¹

CORONADO VENTURE APPRAISAL, Continued
March 1, 1974

<u>BUILDINGS</u>	\$ 35,000 ¹
<u>TOTAL</u>	<u>\$1,170,533²</u>

PRESENT VALUE OF ORE RESERVES IN GROUND PLUS REAL ESTATE

Based on Criteria in "Proposed Expansion of the Platoro Project", February 15, 1974, G. H. Hoyl

Hazen³

715,000 Tons @110,000 tons per year for ^{6.5} 8.5 years discounted @10% annually	\$ 5,110,000	
Add Real Estate	<u>722,600</u>	<u>\$5,832,600</u>

Coronado Silver Corporation-ASARCO⁴

2,765,000 Tons as per "Projected Cash Flow" from "Proposed Expansion of the Platoro Project", February 15, 1974, G. H. Hoyl, discounted @10% annually	\$20,735,000	
Add Real Estate	<u>722,600</u>	<u>\$21,457,600</u>

¹/ \$447,933 for mine and mill plant at 150 t/d is \$2,986/ton/day. Most of this equipment, machinery, and buildings will be used in expanded operation.

²/ Loans could be based on this value.

³/ Hazen reserves represent minimum without development of potential reserves. 6.5 years of active production allowing 1974 and three-fourths of 1975 for design and construction of facilities.

⁴/ Coronado Silver Corporation-ASARCO reserves represent continued development of reserves from overall potential reserve over a ten year period of active production allowing 1974 and three-fourths of 1975 for design and construction of facilities.

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



*Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238*

March 1, 1974

Mr. Dennis C. Temple
Essex International Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

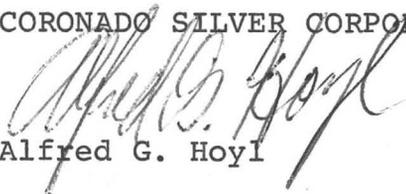
Dear Dennis:

Enclosed is some additional data on operating costs
for our expanded vein operation at Platoro.

These costs are based on our experience and our stope
planning for mining and our actual operation of our pilot
concentrator.

Yours very truly,

CORONADO SILVER CORPORATION


Alfred G. Hoyl

AGH/dh
Enclosure

XM
MAR - 4 1974
RECEIVED

CORONADO VENTURE

PLATORO PROJECT

DIRECT OPERATING COSTS

MINE:

Case I -

Ore removed from each stope

Stope	75,816
Entries	3,642
Raises	<u>3,235</u>
	<u>82,693</u> Tons

Cost of removing ore

Stope	\$ 1.42/ton
Entries	37.10/ton (\$100/ft - 8' x 9')
Raise	16.49/ton (\$200/ft - 8' x 8')

Total Cost = \$317,660

Cost per Ton = \$3.84/ton

Case II -

Cost of labor

12 Miners
3 Trammers
3 Laborers
2 Mechanics
2 Surveyor-Samplers
3 Supervisors

25 @\$5.00/hr + 14% = \$1,140 per day
350 Tons per Day

Cost per Ton

Labor	-	\$3.26
Supplies	-	<u>.75</u>
		\$4.01/ton

CONCENTRATOR:

Cost of Labor

- 8 Operators
- 8 Helpers
- 8 Laborers
- 3 Lab
- 4 Mechanics
- 1 Superintendent

32 @\$5.00/hr + 14% x 173 hours = \$31,555.20

Cost per Ton

Labor	-	\$31,555.20/9,167 =	\$3.44
Reagents			.10
M & S			.30
Power			.05
Other			<u>.11</u>

9,167 Tons/Month

\$4.00 per ton

CORONADO VENTURE

PLATORO PROJECT

PROJECTED CASH FLOW (350 TPD)

(in thousands of dollars)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	TOTAL
Tonnage Milled	0	5	110	110	110	110	110	110	110	110	110	110	110	110	110	1435
Metal Prices-Au (\$/oz)	160	175	190	205	220	235	250	265	280	295	310	325	340	355	370	
Ag (\$/oz)	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.00	9.50	10.00	10.50	11.00	11.50	12.00	12.50	
INCOME																
Net Smelter Return/Ton (\$/ton)	33.20	26.87	29.99	43.10	46.20	49.28	52.35	55.40	58.44	61.45	64.45	67.52	70.37	73.29	76.19	58.23
Operating Income			3705	4684	5025	5364	5702	6038	6373	6704	7035	7362	7687	8008	8328	82015
Capital ¹	775	2458														3233
Loans	700															700
Total (A)	1475	2458	3705	4684	5025	5364	5702	6038	6373	6704	7035	7362	7687	8008	8328	85948
DISBURSEMENTS																
Operations ²	240	651	1218	1316	1422	1535	1658	1791	1934	2089	2256	2437	2631	2842	3069	27089
Overhead	120	130	140	151	163	176	190	206	222	240	259	280	302	326	352	3257
Exploration	90	32	35	38	41	44	47	51	56	60	65	70	76	82	88	876
Interest	50	70	70	70	20											280
Subtotal	500	883	1463	1575	1646	1755	1896	2048	2212	2389	2580	2787	3009	3250	3509	31502
Capital Expenditures																
Mine	175	50	54	58	63	68	73	79	86	93	100	108	117	126	136	1386
Concentrator		1225	54	58	63	68	73	79	86	93	100	108	117	126	136	2386
Other		300														300
Subtotal	175	1575	108	116	126	136	146	158	172	186	200	216	234	252	272	4072
Income Taxes ³				792	859	916	966	1012	1054	1093	1127	1157	1183	1203	1218	12580
Loan Repayments	400															400
Other Debts	200															200
Total Disbursements (B)	1275	2458	1571	2483	2631	2807	3008	3218	3438	3668	3907	4160	4426	4705	4999	48754
NET CASH FLOW (A-B)	200	0	2134	2201	2394	2557	2694	2820	2935	3036	3128	3202	3261	3303	3329	37194
CUMULATIVE FLOW	200	200	2334	4535	6929	9486	12180	15000	17935	20971	24099	27301	30562	33865	37194	37194

PV @10%
17465

CORONADO VENTURE

PLATORO PROJECT

FOOTNOTES ON PROJECTED CASH FLOW (350 TPD)

Cash flow projections are based on a concentrating facility of 350 tons per day going on line in November, 1975. No additions are considered.

Concentrator feed grade is .13 ounces of gold per ton and 4.00 ounces of silver per ton with recoveries of 90% for gold and 88% for silver, (ASARCO-J. F. Henderson). A concentration ratio of 30 is used.

1. A total capital investment of \$3,933,000 is required for the expansion of mine and concentrating facilities - \$1,475,000 in 1974 and \$2,458,000 in 1975.
2. Cash requirements for 1974 include \$600,000 for debt retirement and \$100,000 for working capital. The majority of these funds may be obtained through loans - the notes to be due in three years carrying an interest rate of 10% payable quarterly.
3. Operation disbursements, (direct mining and milling costs), are calculated at \$9.50 per ton inflated at 8% per year beginning in 1974. \$891,000 of mine development is allowed in 1974 and '75 for mine development.
4. CAPITAL EXPENDITURES ALLOCATION:

AREA:

Mine

1974 - \$175,000	Compressors, hoists, drills, etc.
1975 - \$ 50,000	Normal replacement requirements
1976 - \$ 54,000	Outside facilities expanded
1977 - \$ 58,000	Equipment requirements as depth increases

Concentrator

1975 - \$1,225,000	350 tpd unit @\$3,500 per ton
1976 - \$ 54,000	Normal replacement requirements
1977 - - -	Normal replacement requirements

FOOTNOTES ON PROJECTED CASH FLOW (350 TPD)

(CONTINUED)

(4. CAPITAL EXPENDITURES ALLOCATION, CONTINUED)

Other

1975 - \$300,000 Power Plant, Coal fueled

5. Income taxes are shown for a corporate operation. They would not apply in a partnership or joint venture, and each partner would calculate his own tax. Income tax allows for depletion.

Total tons milled in projection are 1,435,000 tons.

CORONADO VENTURE
PLATORO PROJECT
DIRECT OPERATING COSTS

Mine:

Case I -

Ore removed from each stope

Stope	75,816
Entries	3,642
Raises	<u>3,235</u>
	<u>82,693 Tons</u>

Cost of removing ore

Stope	\$ 1.42/ton
Entries	37.10/ton (\$100/ft - 8' x 9')
Raise	16.49/ton (\$200/ft - 8' x 9')

Total Cost = \$317,660

Cost per ton = \$3.84/ton

Case II -

Cost of labor

12 Miners
3 Trammers
3 Laborers
2 Mechanics
2 Surveyor-Samplers
3 Supervisors

25 @\$6.00/hr x 173 hrs. + 14% = \$29,583.00/month

Cost per Ton

Labor	-	\$29,583.00/9,167 =	\$3.23
Supplies	-		<u>2.27</u>
			<u>\$5.50 per ton</u>

CONCENTRATOR:

Cost of Labor

8 Operators
8 Helpers
8 Laborers
3 Lab
4 Mechanics
1 Superintendent

32 @\$5.00/hr + 14% x 173 hours = \$31,555.20

Cost per Ton

Labor	-	\$31,555.20/9,167 = \$3.44
Reagents		.10
M & S		.30
Power		.05
Other		<u>.11</u>

9,167 Tons/Month

\$4.00 per ton

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



*Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238
March 22, 1974*

EXM

MAR 26 1974

RECEIVED

Mr. Dennis C. Temple
Essex International, Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

Dear Dennis:

We have prepared a projected cash flow on a 350 tpd operation at Platoro on the basis of seeing how it would turn out if we did not expand to 1,000 tons per day.

It is more likely that the expansion would take place; however, to reassure your people that their money would be returned, we have made the projection on the minimum 350 tpd basis which involves a total of 1,435,000 tons over a fifteen year period. Inasmuch as similar San Juan vein projects develop more ore each year than they mine, it is logical to expect that out of the extensive Platoro vein system, this minimum tonnage will at least be developed.

The 1975 prices we have projected for gold and silver have already been achieved.

It would seem from the appraisal of the property which you have and even a very modest operation, your initial funds risked as a loan to Coronado Silver would be quite safe and would afford you the opportunity to test the overall potential of the Platoro area.

Please let us know if you need any additional information.

Sincerely,

CORONADO SILVER CORPORATION


Alfred G. Hoyl

AGH/dh
Enclosure

PROJECT REPORT

COPY NO. 1

RECIPIENT ESSEX

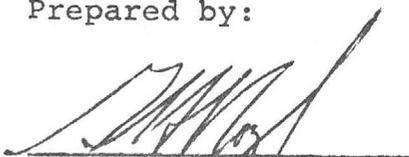
PROPOSED EXPANSION
OF
THE PLATORO PROJECT

BY

CORONADO VENTURE
AND
CORONADO SILVER CORPORATION
ROLLINSVILLE, COLORADO

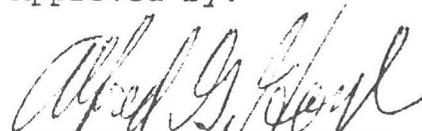
February 15, 1974

Prepared by:



Gregory H. Hoyl
Vice President

Approved by:



Alfred G. Hoyl
President

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INTRODUCTION AND SUMMARY

Platoro, Colorado, on the southeastern flank of the San Juan Mountains, is the location of Coronado Venture's Platoro Project.

Coronado Venture is a Limited Partnership. Coronado Silver Corporation is the General Partner of the partnership.

Coronado has extensively mapped and studied the geology of the area, determining the extent of the outcropping gold and silver vein system, the associated caldera features typical of all other major mining districts in the San Juans, (Del Norte, Creede, Telluride, Ouray, and Lake City), and the location of the Platoro lineament in relation to the caldera. Coronado has acquired approximately 9,000 acres covering all the major target areas within this complex system.

The major exploration to date has been tied to the vein system contained within the limits of the patented claims held by the company. Monies for this work were obtained from Coronado Silver, bank loans, and the limited partners. The reserves developed from this work and the economics associated with their development and exploitation indicate that optimum profit from the properties can be achieved through construction of a production flotation, concentrating facility beginning with a 350 ton per day unit followed by two additional units of equal size as mine development proceeds.

All metallurgical and processing data needed for designing and operating the new facility has been obtained through work done at the company's pilot mill located on the property.

Coronado Venture plans to obtain permanent financing to build the new concentrating facility, prepare the mine for expanded production and explore the caldera structure at depth. Forms of financing presently under consideration are a joint venture with another mining company, an additional limited partnership, a private placement, a public offering, bank loans, or a combination of these.

In summary, Coronado's work to date - geologic studies, ore reserve development, and metallurgical testing, - shows the Platoro area to be a major mining project. The gold and silver vein system can most economically be exploited by a production concentrating facility employing all the metallurgical and processing data obtained in the pilot mill.

Adequate reserves of ore exist to justify such a facility, and Coronado Silver is presently seeking financing to expand the operation.

Approximately \$4,700,000 is required. \$700,000 of this sum may be obtained through loans.

The expected profitability of the project and the large potential of the caldera structure make this project and the Platoro area an exceptional investment opportunity.

CORONADO SILVER CORPORATION

Coronado Silver Corporation, the General Partner of the Coronado Venture, is a privately held Colorado corporation founded in 1952. The company's principle business is management of the Platoro Project, but it also does consulting work and acquires and develops mineral properties.

Coronado's management group, (see Attachment #1), consists of professionals with experience in all phases of the management and technical know-how required in the development and operation of mineral properties for optimum profit recovery.

The corporation's stock is held by the management and a private financing group¹. The principle stockholder and founder of the corporation is Mr. Alfred G. Hoyl. Some of the stock is held in the form of options and amounts to 49% of the outstanding shares.

In order to finance the work required in exploring and developing the Platoro Project, Coronado Silver has used bank financing, loans from individuals and groups, and limited partnership funds. The limited partnership, Coronado Venture, controls 834 acres of claims in and around the Platoro area consisting wholly of patented claims either leased or owned by the venture.

EQUITY POSITION
CORONADO VENTURE

Limited Partners	36%		\$1,620,000	
Coronado Silver	<u>64%</u>	<u>100%</u>	<u>\$2,880,000</u>	<u>\$4,500,000</u>

Note: The limited partners receive 65% of all distributed profits until 150% of their equity has been returned.

In addition to Coronado Silver's 64% equity in the Venture, Coronado Silver also holds 8,080 acres of located claims and mineral leases adjacent to the Venture properties. These claims encompass all the caldera structure within the Platoro lineament.

^{1/} This group, consisting of some of the limited partners, is presently negotiating with the corporation. Finalization of the agreement is expected by the end of February, 1974.

Coronado Silver Corporation retains Ernst and Ernst in Denver, Colorado, as their accountants, (see Attachment #2 for Coronado Silver Corporation and Coronado Venture financials). Holm, Roberts, and Owen are retained for legal counseling.

PLATORO PROJECT

History

Platoro first became active as a mining area in the late 1800's. Access was limited, and only 700 tons of high grade gold and silver ores were extracted. Since that time the area has been active only when the metal prices were attractive, (1915, 1933, and 1964 through the present).

Coronado Silver Corporation originally examined the properties as consultants in 1957, at which time, due to the low price of gold and silver, production would have been uneconomic. Coronado assumed control of the properties in 1964 and has expanded and developed them since that time.

A small pilot mill was built and later added on to, modified and adjusted as the complexities of the ore were determined. Approximately 40,000 tons of ore - mostly low grade development material - have been processed since the construction.

Old workings in the Mammoth Revenue mine and the Forest King mine have been reopened and extended to develop ore reserves and determine the most economic mining methods to be used. Approximately 3,000 ft. of new work has been done.

Geology

The economic geology feature of the Platoro area was thought until recently to be only a prominent vein system within the San Juan volcanics - the veins are strong and persistent, (widths from 8 ft. to 50 ft.). Dr. William H. Bird, Coronado's head geologist, discovered in doing his thesis work, evidence of a caldera structure overlying the Platoro lineament, (a structural zone of weakness passing through all major mining districts in the San Juans). The lineament has widths of mineralization 200 ft. wide in places.

This discovery has great implications in light of recent work done by Sillitoe in which he discusses the tops and bottoms of porphyry copper deposits. The Platoro geology fits his model and there is a possibility of a large massive deposit at depth. This has yet to be confirmed, but programmed deep drilling will verify this.

Present Status

Primary emphasis to date has been placed on the exploration and development of the gold and silver vein system which outcrops at the surface and which by itself is quite extensive - approximately 50,000 ft. The mineralization in the veins has amounted to a substantial reserve of

low grade material, (.13 ozs. of gold per ton and 4.00 ozs. of silver per ton).

Basing an operation only on the high grade portions of the veins with high costs and low tonnage has not proven feasible. Taking the bulk of the mineralized material and accepting a low grade with high tonnage and low costs appears to be the economic and profitable way to exploit the project.

Hazen Research, Inc., of Golden, Colorado, has made reserve estimates and recommendations for an expansion, (see Attachment #3). They have determined that sufficient ore reserves exist to justify expansion and that this be done in a stepwise fashion to allow the necessary mine preparation and reserve development.

Asarco, the American Smelting & Refining Company, spent the summer of 1973 at Platoro and also made recommendations concerning the future of the property.

The results of Hazen's, Asarco's, and Coronado's findings are given below:

Ore Reserve Position

<u>Source</u>	<u>Tonnage</u>	<u>Grade</u>		<u>Concentrator</u>
		<u>Gold</u>	<u>Silver</u>	<u>Size</u>
Hazen	715,000	.11	4.55	350 tpd (Attachment #3)
Asarco	(see note)	.13	4.00	1000 tpd
Coronado	3,376,076	.16	4.20	3-350 tpd (Attachment #4)

Hazen's figures are conservative and were based on SEC guidelines. Coronado's and Asarco's figures are based on the bulk sampling, taking a large part of the mineralized material of the veins. The pilot plant milling tends to support this with present metal prices.

Coronado Silver, in order to best manage the properties, has asked several top consultants to continuously monitor the operation and their development. Along with Hazen, Mr. Frank Coolbaugh, Mountain States Engineering, and J. Frank Henderson have been consulted with and they are available to discuss the project.

PROPOSED EXPANSION

Rising prices for gold and silver and worldwide shortages of these metals make the Platoro Project extremely attractive in that it has

Note/

Mr. Stephen Von Fay, head of Asarco's Denver exploration office, stated that they used a reserve of 3,500,000 tons in their calculations and evaluation of the Platoro Project. Although Asarco feels that such a reserve or larger is indicated, they by no means guarantee or represent that such a reserve exists.

large low grade reserves which, when processed at a high tonnage rate, are quite profitable.

To develop new reserves and to exploit the economics of a large concentrating facility, Coronado plans to expand its operations in the following manner:

1. Prepare the mine for production on a 350 ton per day basis by November of 1975. Expand Hazen's reserve figures to 1,100,000 tons to insure a minimum ten year life.
2. Design and construct a 350 ton per day concentrating facility with operating space available for two additional 350 ton per day units. The first unit is to go on line in November of 1975.
3. Expand the reserves by an additional 2,200,000 tons, adding additional production units as reserves and mine production fall into line. Estimated dates for the new units to go on line are November of 1977 and 1978.
4. As with similar San Juan vein systems, continual exploration and development should continue to expand reserves compensating for ore produced.

A cash flow projection, (Attachment #5), based on the expansion plans as outlined above, has been drawn up. Important to notice is that the two additional units in the concentrating facility are financed out of earnings.

The total project investment of \$8,500,000 is recaptured at a 15% discount rate in 1981, - three years after the last unit is on line.

Through 1985, a discounted cash flow yield of 25% is achieved - after corporate taxes.

The projections do not reflect the possibility of higher grades which could be encountered, nor do they anticipate any contribution from the caldera properties.

CORONADO SILVER CORPORATION
MANAGEMENT

Experience Resumes for:

Alfred G. Hoyl

Gregory H. Hoyl

David W. Mitchell

William H. Bird

EXPERIENCE RESUME

ALFRED G. HOYL
Los Lagos
Rollinsville, Colorado 80474
Phone: Area Code 303-258-3354

Age 60, Married with three children. Degrees from the Colorado School of Mines in Mining Engineering and Geology-Geophysics, Class of 1940. Forty-four years in engineering, education, and experience in the mineral industry. Founded Coronado Silver Corporation, (formerly Contract Engineering Company), in 1952, and has managed and owned company to date, twenty-two years.

- 1952 to Date - Founder, owner, President of Coronado Silver Corporation, Los Lagos Office, Rollinsville, Colorado 80474 - Mineral Engineering, Mine Management, and Equipment Sales. Has done drilling, exploration, and consulting on many properties and projects for companies such as Climax Molybdenum Company, E. I. duPont de Nemours & Company, Humphreys Gold Corporation, Michigan Chemical Corporation, and U. S. Bureau of Mines. Coronado Silver Corporation is the General Partner of the Coronado Venture, A Limited Partnership, and operates the Platoro Project, Platoro, Colorado.
- 1958 to Date - President of Silver Ventures Corporation. Owns and manages Lake Central Project, Idaho Springs, Colorado.
- 1946 to 1952 - Founder, stockholder, and manager of Concrete Masonry Corporation, Elyria, Ohio - lightweight aggregate, concrete products, concrete, pre-stressed concrete structures. Sold interest in 1952.
- 1941 to 1946 - U. S. Army Corps of Engineers, Combat Engineer Line Officer; Engineer Board; Joint Army-Navy Engineering and Testing Board, (JANET); Developer of Demolition and Assault Equipment and Techniques. 2nd Lt. to Major.
- 1940 to 1941 - Engineer, Climax Molybdenum Company, Climax, Colorado; Geophysicist, Colorado Fuel & Iron Corporation and Climax Molybdenum Company; Drilling and Blasting Foreman, Phelps-Dodge Corporation, Morenci, Arizona.
- 1938 to 1940 - Colorado School of Mines, Golden, Colorado.
- 1935 to 1938 - Engineer, Overseer, Tela Railroad Company, Tela, Honduras. Railroads, Drainage, Overhead Irrigation, Airfields, Airplane Dusting, Engineering, Construction, Operation, and Development; Prospecting for lime and copper deposits, United Fruit Company.

EXPERIENCE RESUME - ALFRED G. HOYL:

2

1930 to 1935 - Three years at the Colorado School of Mines, two years and vacations working. Student, Colorado School of Mines, Miner, Prospector, Placer Testing, U. S. Coast and Geodetic Survey, Surveyor.

* * * * *

Registered Professional Engineer and Land Surveyor, State of Colorado, #1805-PE-LS.

Member and Past Denver Section Chairman, American Institute of Mining, Metallurgical, and Petroleum Engineers.

Member, Mining and Metallurgical Society of America

Member, American Concrete Institute.

Governor, American Mining Congress, Western Division

President and Director, Colorado Mining Association, Chairman, Environmental Protection Committee

Member, University Club, Denver

Member, Teknik Club, Denver

Manager, Los Lagos Ranch, Inc.

Vice President and Director, Berger Land Company

Legal Counsel: Erl H. Ellis
Suite 1740
Colorado State Bank Building
Denver, Colorado 80202
Phone: 303-893-5003

Holme, Roberts, & Owen, (Richard G. Wohlgenant)
1700 Broadway
Denver, Colorado 80202
Phone: 303-573-8000

Accountants: Ernst & Ernst, (Nels Tamplin)
The First National Bank Building
Denver, Colorado 80202
Phone: 303-623-5211

Banks: The Colorado National Bank, (E. Bowman McLean)
P. O. Box 5168, Terminal Annex
Denver, Colorado 80217
Phone: 303-893-1862

The Republic National Bank of Dallas, (T. K. Matthews)
P. O. Box 5961, Dallas, Texas 75222
Phone: 214-749-5000

R E S U M E

GREGORY HAL HOYL
Box 295
Antonito, Colorado 81120

PERSONAL INFORMATION:

Born: October 12, 1945
Married
No Children

EDUCATION:

Graduated from Colorado School of Mines, Golden, Colorado, in 1968 with a Professional Degree (equivalent to Masters) as an Engineer of Mines.

Attended night school at University of Utah, studying towards an MBA. Course interrupted with move to Brazil.

JOB HISTORY:

Dec., 1972 to Date - Executive Vice President, Director, and General Manager, Coronado Silver Corporation, Platoro, Colorado

Oct., 1970 to Dec., 1972 - Financial Director for EMINEX - Empresa Mineira de Explosivos, Joint Venture Company of IRECO Chemicals of Salt Lake City, Utah, and Industria Quimica Mantiqueira S. A. of Lorena, S. P. Brasil. EMINEX is sole producer of IRECO Slurry Explosives in the Brazilian market.

Duties: Planning, organizing, staffing, directing, and controlling the financial interests of the company in a manner which best served the interests of the Partners. Also included were marketing research, customer contacts, and technical assistance. Controlled company in the frequent absence of the Company's General Manager.

March, 1968 to Oct., 1970

- Mining Engineer for Kennecott Copper Corporation in Salt Lake City, Utah.

Duties: Mining Engineer in the Industrial Engineering and Mine Planning Departments at

RESUME, GREGORY H. HOYL, CONTINUED:

Kennecott's Utah Copper Division's Bingham Canyon Mine. Later transferred to the Scientific and Engineering Computer Center. Responsible for mine planning for various mining divisions including Chino Mines, Ozark Lead, Peabody Coal, and others.

Pre-March, 1968

- Prior to graduation from the Colorado School of Mines, held a variety of jobs including teaching, mine and land surveying, mine inspections, and computer programming.

ACTIVITIES AND AWARDS:

Selected to appear in the 1966-67 Edition of Who's Who Among Students in American Universities and Colleges

Recipient of H. K. Ferguson Company Merit Scholarship for 1966-67

President, Student Chapter, American Institute of Mining, Metallurgical, and Petroleum Engineers, 1966-67

Member, American Institute of Mining, Metallurgical, and Petroleum Engineers

Member, Colorado Mining Association

Member, American Management Association. Attended their summer program, "Camp Enterprise", in 1965

February 12, 1973

BUSINESS AND TECHNICAL
QUALIFICATIONS
David W. Mitchell

Education

- B. S. Metallurgy, University of California
(Berkeley) 1938
M. S. Metallurgical Engineering, University of
Utah 1940
Ph.D. Metallurgy, University of California
(Berkeley) 1947

Professional Experience

- 1972- : Professor of Metallurgy, New Mexico
Institute of Mining and Technology
- 1970-1972: Expert in Extractive Metallurgy, United
Nations Educational, Scientific and
Cultural Organization, Escuela de
Minas, Oviedo, Spain. (On leave from
New Mexico Institute of Mining and Tech-
nology). Responsible for assisting in
establishment of undergraduate and
graduate programs in extractive metal-
lurgy compatible with needs of country.
- 1962-1970: Chairman, Department of Metallurgical
and Materials Engineering, New Mexico
Institute of Mining and Technology.
Responsible for budgets, personnel and
other administrative functions. Teach-
ing extractive metallurgy and environ-
mental engineering. Development of
sources of support for graduate students.
Preparation of research proposals. Super-
vision of research projects.
- 1957-1962: Manager of Minerals Research, Research-
Production Coordinator. Director of
Research and Development, Footo Mineral
Company, Exton, Pennsylvania. Selection
and/or development of procedures for
mineral processing, preliminary cost
estimates. In last position, "A"
department head reporting to President.
Responsible for program, budgets and
personnel of department of about 100
persons with million dollar plus salary
budget. Programs in all kinds of

Professional Experience (Continued)

- 1957-1962: metallurgy, chemistry and process
(cont) engineering.
Chairman of corporate Development
Committee. Member of Management
Committee and others.
- 1956-1957: Vice-President and Technical Director,
The Oil Shale Corp., Beverly Hills,
California. (On leave from University
of California.)
Corporate responsibility for direction
of research and development program,
patent program, and promotion of pro-
cesses to petroleum companies. Liaison
with contractors (Stearns Roger and
Denver Research Institute) on shale-oil
pilot-plant project.
- 1942-1957: Research Engineer, Lecturer, Assistant
Professor, and Associate Professor of
Metallurgy. University of California
(Berkeley).
Research, committee and teaching duties.
- 1941-1942: Chemist, Metallurgist, American Smelting
and Refining Co., Selby, California.
Supervision of dust and fume collection
and atmosphere monitoring.

Consulting Experience:

Processing of metallic and non-metallic ores such
as those of tungsten, chromium, manganese, nickel,
gold, iron, copper, titanium and zirconium, rare earths,
phosphate, and potash for various mining and metallurgy-
ical companies such as Hanna Nickel Co., Atlas Mineral
Corp., Foote Mineral Company, Kaiser Iron and Steel,
Carpco Research and Engineering Inc., and others.
Activities from paper studies and on the site "trouble-
shooting" to operation of concentrating plant during
start-up period and specification of equipment.

Extraction of oil from oil-shale and tar sands
including evaluation of performance of unusual
flow-sheet units for the Oil Shale Corp. and Sun Oil
Company.

Page 3
Qualifications - David W. Mitchell
February 12, 1973

Consulting Experience: (continued)

Consultation with World Bank on mineral industries education for developing countries.

Member and Chairman of the Governor's (State of New Mexico) Advisory Committee on Minerals Development (1963-1967)

Publications and Patents:

Fourteen technical publications and five patents.

Engineering Registration:

Chemical Engineer, California

Memberships:

American Institute of Mining, Metallurgical and Petroleum Engineers.
American Society for Metals.

RÉSUMÉ

NAME: William Henry Bird

ADDRESS: 317 Canyon Blvd.
Boulder, Colorado 80302
(303) 444-4682

Mine & Mineral Services
Box 1092
Boulder, Colorado 80302

PERSONAL INFORMATION:

Born 6-16-42
Married 8-31-63
One child

EDUCATION:

B.S., Geology, University of Wisconsin, 1965
M.S., Geology, University of Colorado, 1967
PhD., Geology, Colorado School of Mines, 1973

SOCIETIES:

American Institute of Mining Engineers
Sigma Xi
Rocky Mountain Association of Geologists

PROFESSIONAL EXPERIENCE:

Teaching assistant, U. of Colorado, Boulder, Colorado, 1965-1967. Duties: Design and execution of physical and historical geology labs.

Mineralogist, The Anaconda Company, Extractive Metallurgical Research Division, Tucson, Arizona, 1967-1969. Duties: Mineralogical research on all Anaconda ores and mill products.

Teaching assistant, Colorado School of Mines, Golden, Colorado, 1969-1971. Duties: Assisting in physical geology and mineralogy labs and design and execution of ore microscopy labs.

Consulting geologist, Mine & Mineral Services, Box 1092, Boulder, Colorado, 1969-present. Duties: Exploration and mining geology and metallurgical mineralogy of base and precious metal deposits.

Geologist, Sweeney Mining & Milling Inc., 904 10th St., Boulder, Colorado, 1972-present. Duties: Consultant on mining and metallurgical problems.

PROFESSIONAL EXPERIENCE (Continued):

Chief Geologist, Member of the Board,
Coronado Silver Corp, Los Lagos Office,
Rollinsville, Colorado 80474, 1972-present.
Duties: Design and execution of geologic
exploration and related production programs.

REGISTRATION:

Registered Professional Geologist #362, State
of Idaho.

THESIS RESEARCH:

The development of the southern portion of the
Platoro caldera complex and its related
mineral deposits, southeast San Juan
Mountains, Colorado.

PUBLICATIONS:

Bird, William H., 1969, A note on the occurrence
of violarite, Copper King mine, Boulder, Co.,
Colorado: Econ. Geol., v.64, p. 91-94.

Bird, William H., 1972, Mineral deposits of the
southern portion of the Platoro caldera
complex, southeast San Juan Mountains,
Colorado: Mountain Geologist, v.9, p. 379-
387.

CORONADO SILVER CORPORATION

AND

CORONADO VENTURE

FINANCIAL STATEMENTS
(Without Audit)

BY

ERNST & ERNST

Financial statements show book values only. All exploration, development, and experimental costs have been expensed. No value has been attributed to ore reserves or to the potential of the properties.

FINANCIAL STATEMENTS
(Without Audit)

CORONADO SILVER CORPORATION

ROLLINSVILLE, COLORADO

SEPTEMBER 30, 1973

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ERNST & ERNST

FIRST NATIONAL BANK BUILDING

DENVER, COLORADO 80202

DISCLAIMER OF OPINION

Board of Directors
Coronado Silver Corporation
Rollinsville, Colorado

The accompanying balance sheet of Coronado Silver Corporation as of September 30, 1973, and the related statements of operations and changes in financial position for the years ended February 29, 1972, and February 28, 1973 and the period of seven months ended September 30, 1973, were not audited by us and we express no opinion on them.

The above-mentioned financial statements (without audit) were prepared on the going-concern basis. However, the continued operations of the Corporation appear to be dependent upon obtaining future profitable operations, continuing existing financing, and obtaining additional financing or capital to permit the Corporation to meet its obligations.

Ernst & Ernst

Denver, Colorado
November 15, 1973

BALANCE SHEET (Without Audit)

CORONADO SILVER CORPORATION

September 30, 1973

ASSETS

CURRENT ASSETS

Cash		\$ 5,526
Loan to stockholder		7,092
Notes receivable - employees		8,559
Recoverable income taxes		462
Prepaid expenses		<u>6,977</u>
	TOTAL CURRENT ASSETS	<u>28,616</u>

OTHER ASSETS

Notes and advances to Coronado Venture - Note B		116,230
Notes receivable - employees		74,675
Deposits		100

PROPERTY, PLANT, AND EQUIPMENT - on the basis of cost

Mining claims		5,931
Building	\$ 18,068	
Equipment, \$14,208 mortgaged - Note A and C	<u>100,538</u>	
	118,606	
Less allowances for depreciation	<u>35,833</u>	<u>82,773</u>
		<u>88,704</u>

\$308,325

LIABILITIES AND DEFICIENCY IN ASSETS

CURRENT LIABILITIES

Trade accounts payable		\$ 6,700
Accounts payable to affiliates		10,662
Taxes, other than income taxes		1,380
Billings on uncompleted contracts in excess of related costs - Note A		278,281
Current portion of long-term debt		<u>10,529</u>
	TOTAL CURRENT LIABILITIES	<u>307,552</u>

LONG-TERM DEBT - less portion classified as current liability- Note C

88,323

DEFICIENCY IN ASSETS

Common Stock, no par value, stated value \$1 a share:		
Authorized 40,000 shares		
Issued and outstanding, 1,000 shares		1,000
Additional paid-in capital		9,634
Retained-earnings deficit (deduction)		<u>(98,184)</u>
		<u>(87,550)</u>

CONTINGENT LIABILITY - Note B

\$308,325

See notes to financial statements (without audit).

STATEMENT OF OPERATIONS AND RETAINED-EARNINGS DEFICIT
(Without Audit)

CORONADO SILVER CORPORATION

	Period of	Year Ended	
	Seven Months Ended September 30, 1973	February 28, 1973	February 29, 1972
Sales			
Cost of goods sold - development cost applicable to ore sold			\$ 2,715
			<u>961</u>
			1,754
Costs and expenses:			
Commission expense	\$ 4,025	\$ 65,025	30,950
Depreciation	24,646	11,187	17,831
Salaries			14,400
Legal and accounting			13,827
Management fee			8,050
Office expense	1,371	4,067	
Property and other local taxes	21	80	5,706
Travel and entertainment			2,861
Telephone	2,857	4,357	2,177
Insurance			3,062
Auto expense			790
Supplies			430
Utilities			878
Cabin expense			628
Fuel and propane			568
Depletion			237
Repairs			428
Miscellaneous		888	504
	<u>32,920</u>	<u>85,604</u>	<u>103,327</u>
	(32,920)	(85,604)	(101,573)
Other income:			
Management fee	4,025	65,025	30,950
Interest	4,772	778	17,176
Miscellaneous	1,218	522	2,918
	<u>10,015</u>	<u>66,325</u>	<u>51,044</u>
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	(22,905)	(19,279)	(50,529)
Extraordinary items - gain realized on contribution of liabilities in excess of assets to affiliated partnership - Note B		146,181	
NET INCOME (LOSS)	(22,905)	126,902	(50,529)
Retained-earnings deficit at beginning of year	(75,279)	(202,181)	(151,652)
RETAINED-EARNINGS DEFICIT AT END OF YEAR	<u>(\$ 98,184)</u>	<u>(\$ 75,279)</u>	<u>(\$202,181)</u>
Per share of Common Stock:			
Income (loss) before extraordinary item	(\$22.91)	(\$ 19.28)	(\$50.53)
Extraordinary item		146.18	
Net income (loss)	<u>(\$11.91)</u>	<u>\$126.90</u>	<u>(\$50.53)</u>

See notes to financial statements (without audit).

STATEMENT OF CHANGES IN FINANCIAL POSITION
(Without Audit)

CORONADO SILVER CORPORATION

	Period of Seven Months Ended September 30, 1973	Year Ended	
		February 28, 1973	February 29, 1972
SOURCES			
From (to) operations:			
Income (loss) before extraordinary item	(\$ 22,905)	(\$ 19,279)	(\$ 50,529)
Depreciation and depletion not requiring current outlay of working capital	<u>24,646</u>	<u>11,187</u>	<u>18,068</u>
Total from (to) operations, before extraordinary item	1,741	(8,092)	(32,461)
Extraordinary item		146,181	
Less amount not affecting working capital		<u>(146,181)</u>	
Total from (to) operations	<u>1,741</u>	<u>(8,092)</u>	<u>(32,461)</u>
Decrease in other assets	200,000		32,236
Additions to long-term debt	88,323		39,311
Contribution of liabilities in excess of assets to Coronado Venture, an affiliated limited partnership, less net current liabilities of \$148,325:			
Property, plant, and equipment - net			476,195
Long-term debt (deduction)			(474,051)
Initial deficiency in partnership investment account			<u>146,181</u>
			<u>148,325</u>
TOTAL SOURCES	<u>290,064</u>	<u>(8,092)</u>	<u>187,411</u>
USES			
Increase in other assets	74,675	200,000	
Additions to property, plant, and equipment	<u>43,309</u>	<u>75,764</u>	<u>5,816</u>
TOTAL USES	<u>117,984</u>	<u>275,764</u>	<u>5,816</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$172,080</u>	<u>(\$283,856)</u>	<u>\$181,595</u>
CHANGES IN COMPONENTS OF WORKING CAPITAL			
Increase (decrease) in current assets:			
Cash	(\$ 66,304)	(\$ 77,843)	\$149,578
Accounts and notes receivable	1,634	61,517	68,973
Prepaid expenses	144	6,833	
TOTAL	<u>(64,526)</u>	<u>(9,493)</u>	<u>218,551</u>
Increase (decrease) in current liabilities:			
Accounts payable	4,025	(2,178)	(31,995)
Current portion of long-term debt	(37,580)	48,109	(156,311)
Loans to stockholder			(27,638)
Excess billings over relating costs of mining contract	<u>(203,051)</u>	<u>228,432</u>	<u>252,900</u>
TOTAL	<u>(236,606)</u>	<u>274,363</u>	<u>36,956</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>\$172,080</u>	<u>(\$283,856)</u>	<u>\$181,595</u>

See notes to financial statements (without audit).

NOTES TO FINANCIAL STATEMENTS (Without Audit)

CORONADO SILVER CORPORATION

September 30, 1973

Note A - Significant Accounting Policies

Contract Income - Under an election privilege afforded by the Internal Revenue Code, the Company has elected the completed contract method to report gross income derived from a mining development contract with Coronado Venture, a limited partnership (see Note B).

Billing on Uncompleted Contracts in Excess of Related Costs - Costs under the contract consist of purchase of equipment which has a useful life of more than one year which the Company capitalizes and depreciates over the equipment's estimated useful life.

Depreciation - Depreciation has been computed principally using the declining balance method based on the estimated useful lives of the assets.

Income Taxes - Investment tax credits are accounted for using the flow-through method. Net operating losses aggregating approximately \$108,000 are available for carryforward to future years and expire approximately \$35,000, \$50,000, and \$23,000 in February, 1976, 1977, and 1979, respectively.

Note B - Affiliated Partnership and Contingent Liability

The Company is the general partner in the limited partnership, Coronado Venture. Substantially all of the Company's operations arise from contracts with the partnership.

The following unaudited condensed modified cash basis balance sheet summarizes the accounts of the limited partnership at September 30, 1973:

Current assets	\$ 32,227
Property, plant, and equipment	<u>380,706</u>
	<u>\$412,933</u>
Current portion of long-term debt	\$455,425
Long-term debt	133,200
Partners' capital (deficit)	<u>(175,692)</u>
	<u>\$412,933</u>

Substantially all of the long-term debt (including current portion) was transferred to the partnership from the Company and the Company remains contingently liable for the debt.

Note C - Long-Term Debt

The long-term debt is due \$437.35 per month through April, 1981, including interest at 10.21% and \$440.10 per month through July, 1982, including interest at 11.82%.

NOTES TO FINANCIAL STATEMENTS (Without Audit)

CORONADO SILVER CORPORATION

September 30, 1973

Note D - Stock Warrants

There are 471 exercisable warrants outstanding to purchase an equal number of shares at \$467.09 a share. The warrants expire in 1975. Shares issuable under the outstanding warrants were excluded from the computation of income per share at February 29, 1972, February 28, 1973 and September 30, 1973, since their effect was not dilutive.

MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Without Audit)

CORONADO VENTURE, A LIMITED PARTNERSHIP

ROLLINSVILLE, COLORADO

SEPTEMBER 30, 1973

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ERNST & ERNST

FIRST NATIONAL BANK BUILDING

DENVER, COLORADO 80202

DISCLAIMER OF OPINION

Partners
Coronado Venture
Rollinsville, Colorado

The accompanying modified cash basis balance sheet of Coronado Venture, A Limited Partnership, as of September 30, 1973 and the related modified cash basis statements of operations, changes in partners' capital, and changes in financial position for the period from inception (September, 1971) to December 31, 1971, the year ended December 31, 1972, and for the period of nine months ended September 30, 1973 were not audited by us and we express no opinion on them.

The above-mentioned modified cash basis financial statements (without audit) were prepared on the going-concern basis. However, the continued operations of the Partnership appear to be dependent upon obtaining future profitable operations, continuing existing financing, and obtaining additional financing or capital to permit the Partnership to meet its obligations.

Ernst & Ernst

Denver, Colorado
November 15, 1973

MODIFIED CASH BASIS BALANCE SHEET
(Without Audit)

CORONADO VENTURE, A LIMITED PARTNERSHIP

September 30, 1973

ASSETS

CURRENT ASSETS

Cash		\$ 952
Inventory - at cost		<u>31,275</u>
	TOTAL CURRENT ASSETS	<u>32,227</u>

PROPERTY, PLANT, AND EQUIPMENT - on the
basis of cost

Land and mining claims, less depletion of \$18,290		76,210
Buildings	\$ 18,000	
Equipment	<u>222,690</u>	
	240,690	
Less allowances for depreciation - Note A	<u>180,039</u>	60,651
Platoro Project development costs, less amortization of \$106,639 - Note A		<u>243,845</u>
		<u>380,706</u>
		<u>\$412,933</u>

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES - current portion of long-term debt - Note B		\$455,425
LONG-TERM DEBT - less amounts classified as current liability - Note B		133,200
PARTNERS' CAPITAL		
Limited partners (deficit)		(29,511)
General partner (deficit)		<u>(146,181)</u>
		<u>(175,692)</u>
		<u>\$412,933</u>

See notes to modified cash basis financial statements
(without audit).

MODIFIED CASH BASIS STATEMENT OF OPERATIONS
(Without Audit)

CORONADO VENTURE, A LIMITED PARTNERSHIP

	Period of Nine Months Ended September 30, 1973	Year Ended December 31, 1972	Period from Inception (September, 1971) to December 31, 1971
Sales	\$ 58,515	\$ 73,707	
Costs and expenses:			
Mining development costs	63,880	622,099	\$331,169
Interest expense	23,191	37,156	50,556
Management fees	18,631	52,019	29,350
Amortization of deferred development costs	17,293	26,060	
Depreciation	20,788	32,086	7,849
Depletion of mining claims	4,271	6,436	
Property and other local taxes	5,717	6,351	
Royalty expense	3,000		
Legal and accounting		1,550	1,071
Miscellaneous	12	1,193	5
	<u>156,783</u>	<u>784,950</u>	<u>420,000</u>
NET INCOME (LOSS)	<u>(\$ 98,268)</u>	<u>(\$711,243)</u>	<u>(\$420,000)</u>

See notes to modified cash basis financial statements (without audit).

MODIFIED CASH BASIS STATEMENT OF CHANGES IN PARTNERS' CAPITAL
(Without Audit)

CORONADO VENTURE, A LIMITED PARTNERSHIP

For the Period from Inception (September, 1971) to
December 31, 1971, the Year Ended December 31, 1972,
and the Period of Nine Months Ended September 30, 1973

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
Contribution of assets subject to liabilities stated at amounts determined by the general partner	\$2,333,333		\$2,333,333
Less adjustment to reflect contributed assets at general partner's cost basis (deduction)	(2,479,514)		(2,479,514)
Capital contributions		\$420,000	420,000
Net loss		<u>(420,000)</u>	<u>(420,000)</u>
Balance at December 31, 1971	(146,181)	-0-	(146,181)
Capital contributions		715,000	715,000
Net loss		<u>(711,243)</u>	<u>(711,243)</u>
Balance at December 31, 1972	(146,181)	3,757	(142,424)
Capital contributions		65,000	65,000
Net loss		<u>(98,268)</u>	<u>(98,268)</u>
Balance at September 30, 1973	<u>(\$ 146,181)</u>	<u>(\$ 29,511)</u>	<u>(\$ 175,692)</u>

See notes to modified cash basis financial statements (without audit).

MODIFIED CASH BASIS STATEMENT OF CHANGES IN FINANCIAL POSITION
(Without Audit)

CORONADO VENTURE, A LIMITED PARTNERSHIP

	Period of Nine Months Ended September 30, 1973	Year Ended December 31, 1972	Period from Inception (September, 1971) to December 31, 1971
SOURCES			
From (to) operations:			
Net income (loss)	(\$ 98,268)	(\$711,243)	(\$420,000)
Depreciation, amortization, and depletion not requiring current outlay of working capital	42,352	64,582	7,849
Total from (to) operations	<u>(55,916)</u>	<u>(646,661)</u>	<u>(412,151)</u>
Contributions by limited partners	47,500	715,000	420,000
Additions to long-term debt		17,500	
Book value of asset disposals	83		
TOTAL SOURCES	<u>(8,333)</u>	<u>85,839</u>	<u>7,849</u>
USES			
Contribution of liabilities in excess of assets by general partner, less net current liabilities of \$148,325:			
Property, plant, and equipment - net			476,195
Long-term debt (deduction)			(474,051)
Initial deficiency in general partner's capital account - Note A			<u>146,181</u>
			<u>148,325</u>
Additions to property, plant, and equipment		3,270	16,108
Payments and current maturities of long-term debt	205,000	86,000	49,851
TOTAL USES	<u>205,000</u>	<u>89,270</u>	<u>214,284</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>(\$213,333)</u>	<u>(\$ 3,431)</u>	<u>(\$206,435)</u>
CHANGES IN COMPONENTS OF WORKING CAPITAL			
Increase (decrease) in current asset accounts:			
Cash	\$ 623	\$ 328	
Inventories			\$ 31,275
TOTAL	<u>623</u>	<u>328</u>	<u>31,275</u>
Increase (decrease) in current liability accounts:			
Current portion of long-term debt	213,956	3,759	237,710
TOTAL	<u>213,956</u>	<u>3,759</u>	<u>237,710</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>(\$213,333)</u>	<u>(\$ 3,431)</u>	<u>(\$206,435)</u>

See notes to modified cash basis financial statements (without audit).

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS
(Without Audit)

CORONADO VENTURE, A LIMITED PARTNERSHIP

September 30, 1973

Note A - Significant Accounting Policies

Methods of Accounting - The financial statements have been prepared using the cash basis of accounting except for the inclusion of inventory; and depreciation, depletion or amortization of property, plant and equipment. Assets that were initially contributed to partnership by the general partner and stated at amounts determined by the general partner have been adjusted in the financial statements to reflect such assets at the general partner's cost basis.

Platoro Project Development Costs - The deferred development costs that were contributed by the general partner were capitalized and are being amortized over total estimated recoverable tonnage. Expenditures by the partnership for ore production development costs are charged to costs and expenses during the year incurred.

Depreciation and Depletion - Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depletion is computed using the cost method over the estimated recoverable tonnage.

Income Taxes - No income tax expenses or benefits accrue to the partnership because the income or loss and investment tax credits are reported on the separate tax returns of the partners.

Note B - Long-Term Debt

Long-term debt is summarized as follows:

Republic Small Business Investment Company	\$220,000
Republic National Bank of Dallas	179,595
Other notes and advances	<u>189,030</u>
	588,625
Less amounts classified as current liability including installments aggregating \$249,595 that are past due under existing loan agreements	<u>455,425</u>
	<u>\$133,200</u>

NOTES TO MODIFIED CASH BASIS FINANCIAL STATEMENTS

Note B - Long-Term Debt (Continued)

Substantially all land, buildings, leases, and equipment are mortgaged or assigned as collateral on the above indebtedness.

Interest on the notes payable to Republic Small Business Investment Company and Republic National Bank of Dallas is at 1 1/2% over the prime rate.

Other notes and advances include individual real estate mortgage notes, which are payable in installments at varying dates through October, 1975, a note payable to Mr. A. G. Hoyl, and notes and advances payable to the general partner.

CORONADO VENTURE
SUMMARY OF ORE RESERVES
FEBRUARY 15, 1974

<u>PROPERTY</u>	<u>BROKEN & STOCKPILED</u>	<u>MEASURED</u>	<u>INDICATED</u>	<u>INFERRED</u>
Mammoth Revenue	58,482	42,000	824,518	827,667
Forest King	- - -	8,000	85,750	641,667
Parole & Valley Queen	- - -	8,000	- - -	880,000
Totals	<u>58,482</u>	<u>58,000</u>	<u>910,260</u>	<u>2,349,334</u>

TOTAL - 3,376,076 TONS, ALL CATEGORIES, LESS POTENTIAL

Mineralized Vein Material along the Platoro Lineament and Vein System

$$\frac{50,000' \times 1,000' \times 10'}{12'} = \underline{42,000,000} \text{ Tons}$$

Assuming one-third of this vein material will turn out to be ore, a potential reserve of 14,000,000 tons would result with a vertical extent of only 1,000 ft.

CORONADO VENTURE

CORONADO SILVER CORPORATION

SUMMARY OF SAMPLING DATA TO DETERMINE ORE GRADE AND RESERVESMILL DATA

<u>TYPE OF ORE</u>	<u>TONNAGE</u>	<u>GOLD ASSAY OZ/TON</u>	<u>SILVER ASSAY OZ/TON</u>	<u>AUTHORITY</u>
Dump	20,000*	0.18	5.80	Schiele
Mill Run, 1966-68	14,000	0.15	5.00	C.S.C.
Mill Test Run, Nov. 1970	1,482	0.15	9.85	C.S.C.-Hazen
Mill Run, 1972	10,840	0.13	4.40	C.S.C.
Mill Run, 1973	14,396	0.07	2.39	C.S.C.
Mill Run, Forest King 1973	46	0.16	6.34	C.S.C.
Total	60,764			
Weighted Average		<u>0.15 oz/ton</u>	<u>4.63 oz/ton</u>	

MINE SAMPLING

<u>LOCATION</u>	<u>NUMBER</u>	<u>GOLD ASSAY OZ/TON</u>	<u>SILVER ASSAY OZ/TON</u>	<u>AUTHORITY</u>
New Work	92**	.14	7.13	C.S.C.-Norsworthy
All Drifts	73*	.12	4.53	Milchem-Hazen-
All Drifts	All Sampling*	.10	3.00	Asarco
Weighted Average		<u>.115 oz/ton</u>	<u>4.49 oz/ton</u>	

COMBINATION OF MINE AND MILL

WEIGHTED AVERAGE, giving ten times the weight to the larger, more accurate mill samples:

Gold - 0.15 oz/ton
Silver - 4.63 oz/ton

ASARCO AVERAGE GRADE INCLUDING BULK SAMPLING

Gold - 0.13 oz/ton
Silver - 4.00 oz/ton

The extensive bulk sampling and channel sampling indicates that the greater part of the vein material opened up so far may be considered ore at present prices.

*Did not include any high grade

**Includes some high grade samples

CORONADO VENTURE

PLATORO PROJECT

PROJECTED CASH FLOW

(in thousands of dollars)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>TOTAL</u>
Tonnage Milled (1000 Tons)	0	5	110	115	225	330	330	330	330	330	330	330	2765
Metal Prices-Au (\$/oz)	120	130	140	150	160	170	180	190	200	210	220	230	192*
Ag (\$/oz)	4.60	5.00	5.40	5.80	6.20	6.60	7.00	7.40	7.80	8.20	8.60	9.00	7.49*
<u>INCOME</u>													
Net Smelter Return/Ton	26.54	28.82	31.09	33.37	35.64	37.91	40.19	42.46	44.74	47.01	49.28	51.56	42.96
Operating Income			3004	3630	7325	10463	13140	13889	14641	15391	16140	16892	114515
Capital ¹	775	3189											3964
Loans ²	700												700
Total (A)	1475	3189	3004	3630	7325	10463	13140	13889	14641	15391	16140	16892	119179
<u>DISBURSEMENTS</u>													
Operations ³	240	643	1226	1859	3204	3878	4188	4524	4887	5277	5699	6155	41780
Overhead	120	126	150	161	172	184	197	210	225	241	258	276	2320
Exploration	90	50	50	54	57	61	66	70	75	80	86	92	831
Interest	50	70	70	70	20								280
Subtotal	500	889	1496	2144	3453	4123	4451	4804	5187	5598	6043	6523	45211
<u>Capital Expenditures</u>													
Mine	175	50	100	107	66	70	75	80	86	92	98	105	1104
Concentrator		1750	50	1429	1543	70	75	80	86	92	98	105	5378
Other		500											500
Subtotal ⁴	175	2300	150	1536	1609	140	150	160	172	184	196	210	6982
Income Taxes ⁵				372	968	1646	2172	2271	2364	2448	2525	2592	17358
Loan Repayments	400				700								1100
Other Debts	200												200
Total Disbursements (B)	1275	3189	1646	4052	6730	5909	6773	7235	7723	8230	8764	9325	70851
<u>NET CASH FLOW (A-B)</u>	200	0	1358	(422)	595	4554	6367	6654	6918	7161	7376	7567	48328
<u>CASH POSITION</u>	200	200	1558	1136	1731	6285	12652	19305	26224	33385	40761	48328	48328

*Average

CORONADO VENTURE

PLATORO PROJECT

FOOTNOTES ON PROJECTED CASH FLOW

Cash flow projections are based on an expanded concentrating facility of 1,050 tons per day going on line in three stages - November, '75; November, '77; and November, '78.

Concentrator feed grade is .13 ounces of gold per ton and 4.00 ounces of silver per ton with recoveries of 90% for gold and 88% for silver, (ASARCO-J. F. Henderson). A concentration ratio of 30 is used.

1. A total capital investment of \$3,964,000 is required for the expansion of mine and concentrating facilities - \$775,000 in 1974 and \$3,189,000 in 1975.
2. Cash requirements for 1974 include, in addition to above, \$600,000 for debt retirement and \$100,000 for working capital. The majority of these funds will be obtained through loans - the notes to be due in four years carrying an interest rate of 10% payable quarterly.
3. Operation disbursements, (direct mining and milling costs), are calculated at \$8.00 per ton inflated at 8% per year beginning in 1974. \$600,000 of mine development is required prior to each unit going on line.

4. CAPITAL EXPENDITURES ALLOCATION:

AREA:

Mine

1974 - \$175,000	Compressors, hoists, drills, etc.
1975 - \$ 50,000	Normal replacement requirements
1976 - \$100,000	Outside facilities expanded
1977 - \$107,000	Equipment requirements as depth increases

Concentrator

1975 - \$1,750,000	350 tpd unit @\$5,000 per ton
1976 - \$ 50,000	Normal replacement requirements
1977 - \$1,225,000	350 tpd unit @\$3,500 per ton
1978 - \$1,323,000	350 tpd unit @\$3,780 per ton, (8% inflation)
1979 - - -	Normal replacement requirements

FOOTNOTES ON PROJECTED CASH FLOW

(CONTINUED)

4. CAPITAL EXPENDITURES ALLOCATION, CONTINUED

Other

1975 - \$500,000 Power Plant, Coal fueled

5. Income taxes are shown for a corporate operation. They would not apply in a partnership or joint venture, and each partner would calculate his own tax. Income tax allows for depletion.

Total tons milled in projection are 2,765,000 tons.

SUPPLEMENTAL ORE DRESSING TESTS

ON PLATORO ORE

BY

J. FRANK HENDERSON AND ROBERT J. FERRANTI

FEBRUARY 1, 1970

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INTRODUCTION AND SUMMARY

The Coronado Silver Corporation has a 175 TPD flotation mill at Platoro, Colorado, which will be operated during the summer and fall months of 1970. Hazen Research, Inc., has investigated the economic and technical feasibility of the proposed project and furnished a comprehensive report dated January 13, 1969.

This report covers additional ore beneficiation laboratory work performed in Denver in late 1969 and early 1970.

It was assumed from the first that the laboratory results given in the January report were valid for the methods used and comprehensive in their scope. The results were checked in some detail, however, in the early stages of the laboratory work in order to provide experience with the ore samples, reagents, and laboratory equipment.

Microscopic and metallurgical testing of process samples soon indicated that improved recoveries, smoother operation, reagent savings, etc., could be attained by application of ore dressing methods found necessary by several mining companies for treatment of ore of similar mineral characteristics as the Platoro ore. This involves two stage grinding and flotation of the ore, and provides early treatment and removal of the inherent colloidal slime portion, and finer grinding for added mineral recovery. Harmful overgrinding is minimized and an improved operational scheme is provided.

In the testing of several ore samples from different mining areas, it developed that there were considerable variations in ore dressing requirements from one sample to another. Accordingly, it is recommended that additional process steps involving flotation conditioning and concentrate regrinding be provided at Platoro. Installation of a test section of corduroy blanket tables is suggested as an important item of the new construction.

Installation of a new ball mill to provide secondary grinding should be made as finances permit.

CONCLUSIONS AND RECOMMENDATIONS

The improved results made possible by the recommended grinding and flotation procedures are necessary for the successful operation of the Platoro mine. It is recommended that the required installations be made in the following order:

1. Purchase and install a flotation conditioner, cyclone feed pump, and 15 inch cyclone.
2. Install the existing cyclone feed pump on the tailings discharge.
3. Purchase a new larger cyclone and start up at 175 TPD, expecting an average 150-160 TPD mill tonnage.
4. Fabricate and install corduroy blanket tables in the tailings circuit.
5. Purchase and install in conjunction with the above items the proposed concentrate handling equipment consisting of regrind mill, cyclone, and pump, and new flotation cells.
6. As finances permit, purchase and install the equipment for secondary grinding and flotation of the first flotation reject. Essentially this consists of:
 - (a) desliming cyclone and pump
 - (b) secondary ball mill, ball mill cyclone and pump, and
 - (c) flotation conditioner.

The existing rougher flotation equipment will suffice.

PROGRAM OBJECTIVES

The object of further test work on the Platoro ore was to determine if mineral recoveries superior to those indicated by other researchers could be improved on, and to recommend and estimate capital costs for any suggested additions or improvements.

The work was done in the laboratories of Humphreys Engineering Company, and was limited to the equipment provided by the facility. Assaying was done by Root and Simpson, Inc., with an occasional questionable result checked elsewhere. Ore samples came from the Platoro mine. Mineralogical studies were undertaken by Dr. J. J. Finney of the Colorado School of Mines.

If a suitable test procedure could be established then testing was to be done on samples from several locations in the mine.

In addition to objectives noted above, information regarding the following items were required:

1. Capacity of the existing milling equipment for operation using the original mill flowsheet.
2. Equipment requirements necessary to bring mill capacity to a maximum 175 TPD using the original mill flowsheet.
3. Equipment requirements required to provide treatment by procedures other than those permitted by the existing mill equipment.

DISCUSSION

Preliminary study of the Hazen report indicated that the so-called conventional methods of beneficiation would only provide a moderate recovery of the gold-silver values from the Platoro ore.

It was apparent that losses in the middlings were high with a coarse grind and that slime losses were high with a fine grind. Heavy media testing, and Humphrey spiral and jig testing all indicated that efficient mineral recovery and concentration could not be made without fine grinding of the ore. However, fine grinding of the ore in a single grinding pass, as demonstrated by Hazen, generated sufficient colloidal fines to interfere with flotation recovery. Mineral contents of the slimes are not efficiently recoverable by flotation, and are too high in values to be discarded if allowed to accumulate in the flotation circuit.

Accordingly, beneficiation methods that would provide finer grinding and at the same time early treatment and discard of the slimes portion were examined. Canadian practice on finely disseminated ores as practiced by Ecstall Mining Ltd. at Timmins, Ontario, involves very fine grinding in two stages with flotation recovery between grinding stages for recovery of silver minerals as they are liberated from the ore. Overgrinding and consequent sliming of the mineral particles are thus at least partially avoided, and losses in the fine portions of the grind are minimized.

The second stage grind then liberates the mineral still locked in the ore particles and a second flotation step efficiently recovers the remaining values.

This procedure was used on a sample of the Platoro ore with encouraging results. The first stage grind was to approximately 65 mesh, followed by flotation, and then a succeeding grind to around 90% minus 325 mesh. However,

the ore contained enough alteration products due to its long exposure in the mine stopes to atmospheric oxygen and acids that an excess of slimes was generated in the first grind. It was then determined that the minus 100 mesh portion of the primary flotation tailings or reject could be discarded without serious loss of values. This deslimed material then, when subjected to the secondary grinding procedures, provided suitable material for the second flotation step.

Work on various ore samples along these lines indicated that the inherent slime content of the mill feed would be quite variable. Later, when freshly broken ore becomes available, trouble from this source will be minimized.

As this work progressed, it became routine to make 94-96% gold recovery and 92-94% silver recovery in a flotation rougher concentrate.

Since the slime portion to be discarded will contain 1 to 3% of the total values in the ore, we contemplate the installation of corduroy tables in the tailings stream for further recovery of gold and silver. The laboratory tests with corduroy cloth were necessarily on such a small scale as not to be conclusive. However, indications were that some recovery and concentration of values were affected. For test purposes about 50% of the eventual blanket table requirements will be initially installed. It is considered as another value of the blankets that losses from plant upsets which occur occasionally will be minimized by the ability of the corduroy to entrap heavy minerals.

No credit has been given to the blankets in the laboratory work evaluation.

It was found that when treating dump ore with the two stage system, if the ore is scrubbed and deslimed before grinding and flotation, high recoveries of the values in the deslimed portion can be attained. However, the slimes will contain 8 to 10% of the total values, and this material could be put over the corduroy tables with fair recoveries to be expected.

Assuming that the present ball mill in the plant will provide the degree of mineral liberation as attained in the laboratory mill, gold and silver recoveries in the primary flotation step will be on the order of 88% gold recovery and 83% of the silver. However, we do not expect the grate mill to produce with this efficiency at the higher feed rates, and, in fact, expect no better results than those attained during the actual mill test. The additional flotation equipment may partially compensate, but in actual operation, the two stage system is expected to provide an additional 10% gold recovery and 15-20% silver recovery.

The in-plant operating advantages of the two stage system will provide much smoother flotation operation, reducing detention time requirements more than 50%, a simplified reagent scheme, etc.

In regard to concentrate upgrading, it is apparent that a separate concentrate handling system is required. Just as the ore contains locked middlings down to the finest sizes, the concentrate will contain locked middlings which contribute to loss of recovery and lower grade concentrates. A small regrind mill and separate flotation equipment is required to insure maximum grade of concentrate with maximum recovery, thus providing maximum dollar return to the operation.

In tables A-9, A-10, A-11, and A-12 of the Hazen report which record results attained with four different grinds, the average losses in a single recleaning of the concentrates are 5.4% of the gold, and 9.1% of the silver. Efficient and conventional cleaning and regrinding of the concentrates will lower these losses greatly, and at the same time provide higher grade concentrates.

It is recommended that a flotation conditioner be installed in the recovery

circuit of the mill. This would be a tank equipped with an agitator, providing about ten minutes detention time of the flotation feed. This provides a steady head feed to the rougher flotation cells, insures adequate reagent contact, and facilitates pH control of the pulp flow.

MILL OPERATING PROGRAM AND COST ESTIMATES

It is proposed to initiate 1970 operations at Platoro at a maximum rate of 175 TPD. Hopefully, this rate can be attained 85 to 90 percent of the time, thus providing an average tonnage rate of around 150 TPD.

Assuming that the existing Marcy grate mill will operate at circulating loads of 800 to 100 percent as forecast in the Hazen report, that required cyclone feed density is 55% solids, and that specific gravity of the quartz ore is 2.65, then the cyclone feed rate calculates as follows:

1. 175 TPD at 800%, or 8:1 (See note below)

175 x 9 = 1575 TPD through the mill and cyclone feed pump

At 55% solids, dilution is $\frac{100-55}{55} = \frac{45}{55} = 0.818$

Solids: $1575 \times \frac{32}{2.65} = 19,019$ Cu. Ft. per Day (CFD)

Water: $0.818 \times 1575 \times 32 = 41,227$ CFD

Pulp: 60,246 CFD

1440 minutes per day, 7.48 gallons per cu. ft.

$\frac{60,246 \times 7.48}{1440} = 313$ gallons per minute (GPM)

175 TPD at 11:1 Circulating Load is

175 x 12 = 2100 TPD through the mill and cyclone feed pump

Solids: $2100 \times \frac{32}{2.65} = 25,358$ CFD

Water: $0.818 \times 2100 \times 32 = 54,970$ CFD

Pulp: 80,328

$\frac{80,328 \times 7.48}{1440} = 417$ GPM

Note: Circulating Load is defined as the ratio of circulating tonnage to new feed taken as 1. If Circulating Load is 8:1, the mill discharge is 8 + 1 = 9.

It is not really possible to provide in a single fixed speed feed pump and cyclone installation this range of capacities. Pump capacity and cyclone fittings for, say, 375-390 GPM should be chosen. Feed rate can be changed when required, dilution water varied, and cyclone classification variations accepted as they fall to provide steady operation. Ball mill load amperage will probably be the criteria for optimum operation.

Accordingly, a new cyclone feed pump and cyclone are required. The existing cyclone will suit the later installation of a secondary grinding mill, and the feed pump can be installed on the present tailings line. The tailings discharge will be around 175 TPD at, say, 15% solids.

$$\text{Solids:} \quad 175 \times \frac{32}{2.65} = 2.100 \text{ CFD}$$

$$\text{Water:} \quad \frac{100-15}{15} \times 175 \times 32 = \underline{31.800} \text{ CFD}$$

$$\text{Tails:} \quad \frac{33.900 \times 7.48}{1440} = 176 \text{ GPM}$$

The existing cyclone feed pump will be slightly overloaded when speeded up to 1800 RPM, which speed is required to handle this volume at the required head, but should suffice for the summer's operation.

The flotation conditioner and corduroy table installation should proceed in conjunction with the cyclone and pump installation.

Next in importance is the required concentrate regrind mill with or without new separate flotation equipment. Perhaps the appropriate time for purchase and installation of concentrate flotation cells is when finances permit the purchase of the proposed secondary grinding mill and ancillary equipment such as pumps and cyclones.

Capital cost estimates for these proposed additions properly belong at this stage of this report, but sufficient cost data has not yet been acquired. Accordingly, this information will be furnished in due time as an addendum to this report.

DESCRIPTION OF SAMPLES AND TEST PROCEDURES

There were five ore samples available for test work. Each ore was different in some respects, and these variations are described under each sample heading. In each case the ore was crushed and screened through a 20 mesh screen, carefully split, and 500 gram portions made up for the laboratory ball mill charge.

Sample No. 1

This sample was in a steel drum weighing approximately 700 lbs. The ore was drawn from a newly installed chute in the Smoke Stack stope. The sample contained considerable wall rock which visibly had a high pyrite content. It was ascertained that the total sulphides amounted to around 10% of the sample. Because of our unfamiliarity with the Platoro ores, we did not at first recognize the fact that this ore was not a representative ore because of the high sulphide content and that it did not represent an ore on which any mill experience or experimental data were available. It was not possible to achieve a high ratio of concentration of the gold and silver values because of the sulphide dilution.

Our study of the Hazen report indicated that the gold-silver values follow the iron sulphides, (pyrite and marcasite), and that recovery of the values more or less simply depended on a bulk sulphide recovery system. An inspection of the ore sample indicated that a considerable portion of the sulphides were liberated in the minus 20 mesh sample preparation procedures. The Humphrey Spiral Concentrator is an efficient sulphide recovery unit at this mesh, and since there were obvious free sulphides in the ore sample, and because presumably the gold and silver values were in the sulphides, and we were working in the Humphreys' laboratory with equipment for test work available, it seemed obvious that the Spiral should be tested.

This was done, with negative results, and was the first indication that the precious metal values were locked in the finer mesh sizes of the ore.

The ore assayed as follows:

Au oz.	Ag oz.	Fe %	S %	As %	Sb %	Pb %	Zn %	Cu %
0.46	7.43	4.7	4.73	0.05	0.05	0.05	Nil	0.006

Spiral concentration test results are tabulated below:

Rougher Concentrate Test

Material	Weight Percent	Assays			Recoveries		
		Au	Ag	S ^o	Au	Ag	S ^o
Rougher Conc't	22.9	0.96	9.32	15.2	43.6	29.9	70.0
Rougher Tails	77.1	0.37	6.67	1.99	54.5	70.0	29.8
Feed	100.0	0.525	7.60	4.73	100.0	100.0	100.0

Cleaner Concentrate Test

Material	Weight Percent	Assays			Recoveries		
		Au	Ag	S ^o	Au	Ag	S ^o
Cleaner Conc't	6.0	1.43	12.91	34.2	16.7	10.2	39.5
Cleaner Tails	16.9	0.64	8.03	5.33	20.6	18.6	24.0
Rougher Conc't	22.9	0.96	9.32	15.2	37.3	28.8	63.5

The usual assay differences account for the small unbalances indicated in the gold and sulphur totals. Obviously, the gold and silver recoveries are not very proportional to sulphur recoveries.

This Spiral test does arouse interest in what the results might be if a normal ore at a minus 65 mesh grind could be tested. There seems no point in such a test, however, since flotation recoveries on the ore are so high.

Another obvious test on gold-silver ores was to determine the efficacy of a jig for possible heavy metal or mineral recovery. A sample was sent to Denver Equipment Company who kindly arranged the test work. The assays of the jig products tell the story:

Product	Assay	
	Au	Ag
Jig Cleaner Conc't	1.73	10.11
Jig Cleaner Tails	0.725	8.39
Jig Rougher Tails	0.40	6.47

Flotation testing of No. 1 ore was initiated using reagent combinations recommended by Hazen in their report of January 13, 1969. Previously, considerable time was spent in New York and Denver reviewing the literature, particularly the work of the U. S. Bureau of Mines, with regard to beneficiation of proustite and pyrargyrite silver minerals.

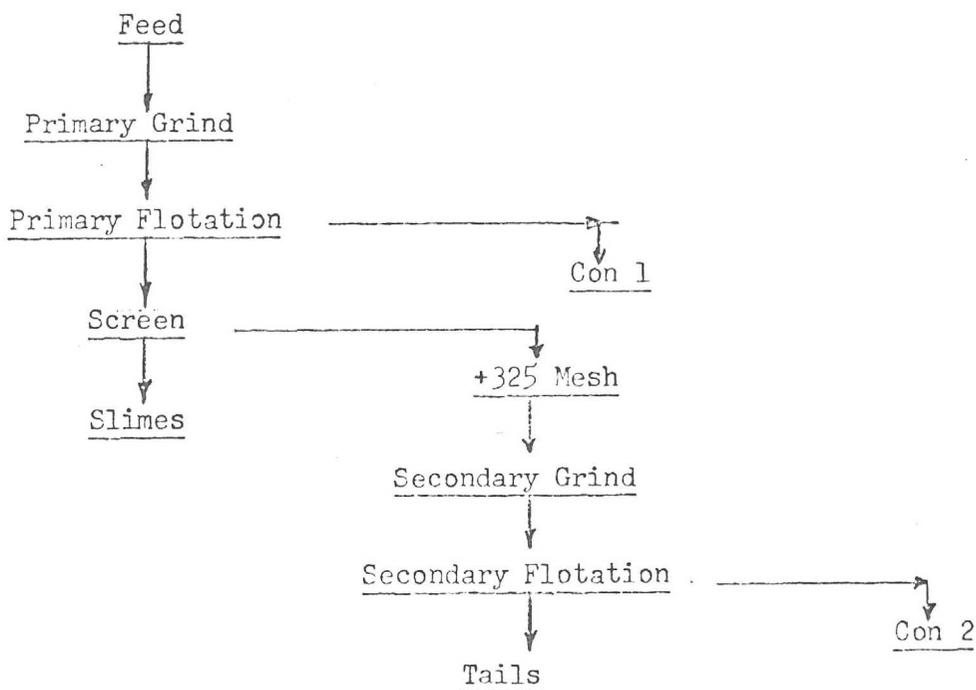
It required several days and some twenty tests using different reagent combinations, time factors and various grinds to demonstrate that with a single stage grind, flotation recoveries attained by Hazen could not be improved on. During this time a test on flotation tailings was made in a small sluice lined with corduroy cloth.

Tests were then undertaken to determine the fineness of grind required to affect more complete liberation of the ore values. It appeared that at 90 to 95% minus 325 mesh there was sufficient unlocking of up to 95% of the metal values. Grindability characteristics of the laboratory mill were then determined, and the stage grinding and flotation work got under way.

The amount of colloidal slime generated in a first grind to 1% minus 65 mesh was impressive, and it developed that after primary flotation, this material plus some fine minus 325 mesh sands could be discarded, thus avoiding slime troubles in the secondary grind and flotation.

High gold and silver recoveries resulted from this arrangement, so the following flow sheet was adopted: (See Next Page)

LABORATORY FLOW SHEET



Typical test results on the high sulphide No. 1 ore are as follows:

<u>Product</u>	<u>Weight</u>	<u>Assays</u>		<u>Recovery</u>	
		<u>Au</u>	<u>Ag</u>	<u>Au</u>	<u>Ag</u>
Con 1	133.5	1.35	30.17	89.9	87.6
Con 2	35.5	0.36	8.82	6.4	6.8
Slimes	134.0	0.025	0.75	1.7	2.2
Tails	200.0	0.02	0.79	2.0	3.4

Gold recovery is 96% and silver 94.4%.

The rougher concentrate can only be upgraded to 60 oz. silver, because of the high sulphide content of the ore.

Sample No. 2

This was a barrel of ore chosen from various areas of the mine dump, and was material more or less recently trammed from the mine. Part of the sample was a yellow, heavily oxidized material which is said to be old stope fill from the Dutch Swede stope. The remainder was representative of the lower grade mine ore.

The ore assayed 0.14 oz. gold and 4.1 oz. silver per ton.

Stage grinding and flotation of this ore in accordance with the flow sheet outlined previously, achieved a 95% recovery of the gold and 89% recovery of the silver in a rougher concentrate assaying 1.1 oz. gold and 30.0 oz. silver.

Sample No. 3

Sample No. 3 was an ore sample provided by Hazen and was said to be the ore tested for their report of January 13, 1969.

Many tests were run on this sample using both single and stage grinding techniques. The two stage grinding added 12% additional gold recovery and 9% additional silver recovery to the recoveries attained with the single stage grinding procedure.

This would be good ore to have as mine feed, but there is a considerable variation in ore characteristics and mineralization in ores from different locations in the mine. It will be difficult and costly to attempt to make recoveries and concentrate grades comparative to those easily achieved with this ore sample from the blended ore without having a concentrate regrind system in the mill.

The Hazen sample assayed 0.11 oz. gold and 5.6 oz. silver and provided a rougher flotation recovery of 95% and 93% gold and silver respectively. The rougher concentrate grade was 80 oz. silver.

Sample No. 4

This was a sample of the dump ore, and contained considerable oxidized slimes. Head assays were 0.2 oz. gold and 9 oz. silver. The two stage recovery procedures made recoveries of 85% and 83% of the gold and silver. 10% of the gold and 12% of the silver was lost in the slimes discard portion of the procedure.

When the ore was scrubbed and deslimed prior to primary grinding, the slimes being removed from the sample, the slimes losses were 4% of the gold and 8% of the silver, but on the deslimed portion, gold recovery was 91% and that

of silver 92%. This work demonstrates the deleterious effect of the ore slimes in flotation. The earliest possible discard of the primary slimes is necessary for efficient mill operation.

Sample No. 5

This was a sample chosen by Mr. Hoyl as indicative of high grade portions of the vein. The sample assayed 0.54 oz. gold and 86.0 oz. silver per ton. The ore was treated in the usual manner, with the rougher concentrate being cleaned one time. The concentrate assay was 10 oz. gold and 2200 ozs. silver with recoveries of 93% and 95% respectively. Additional tests indicated that these results were valid.

REAGENTS

The Hazen report recommends a total of eleven flotation reagents for use in the Platoro mill. Several of these seem required to recover the middling products from the ore. We followed the recommended reagent procedures in both the single and double stage grinding procedures. However, in the double stage technique, there no longer being a middling problem, superior results were attained with five and possibly four of the reagents. Thus, soda ash is required for alkalinity control, pine oil or DowFroth for frother, copper sulphate for activation and Z-6 plus R-404 as collectors. Indications were that on some of the ore samples the R-404 could be omitted with possibly a small increase of copper sulphate requirements.

Further testing of reagents during mill operation at Platoro will be conducted, using Platoro water which is said to be acidic, and which may provide different results than the Denver tap water used in the Humphreys laboratory. It is planned to experiment with slime depressants also, with a view towards concentrate upgrading.

PLATORO MILL CONDITIONS

It must be recognized that the operating conditions in the Platoro mill cannot be as precise and flexible as those possible in the laboratory. For instance, no work was done with stage grinding procedures such as is characteristically provided by the Marcy low-level grate ball mill. The mill will operate at very high circulating loads and will require precise control of flotation feed classification.

Possible advantages of the grate mill are that slime can be removed quickly, and overgrinding of the sulphide mineral particles minimized.

Capacity of the mill will vary with ore hardness, dilutions must be carefully watched and regulated, etc.

Installation of the proposed secondary grinding mill will smooth out the overall operation, and will repay its cost in two or three months' time.

PLATORO MILLING PROGRAM

ADDENDUM REPORT

J. Frank Henderson

February 3, 1970

* * * * *

TWO STAGE GRINDING AND FLOTATION DEVELOPMENT
AND RECOMMENDED FLOW SHEET FOR 1970 STARTUP

The economic and process advantages that would be provided by the installation of a secondary ball mill for additional grinding of the ore have been presented and discussed in the main body of this report.

The apparent advantages seem overwhelmingly in favor of such an installation. However, it is realized that the data contained in the two reports are based on laboratory test data, all of which indicate superior results to those obtained in actual mill operation. Table I on the third following page tabulates the differences.

There exists a very simple procedure available which could obviate any differences that exist, and which would conclusively prove from actual operation the economics of both systems. Since in any event, the mill will be started with the single stage system, there will be ample opportunity to judge its performance in any and all respects by samples and assays taken and performed at the site. It should not require much time to shake the mill down and operate through a range of ore blends from different parts of the mine.

It then becomes a simple procedure to take flotation tailings samples on which to perform the second stage operation. All that is involved is desliming, additional grinding, and reflation in a laboratory flotation cell. Using shift samples, only an hour or so a day will be required to perform the operation.

After valid conclusions have been made, and if the second stage addition becomes necessary, it is believed that the equipment can be purchased and installed in a few weeks time. Obviously, used equipment will be purchased, probably with immediate availability.

To do all this it remains to adequately outfit a laboratory at Platoro. This should be done in any event, and should not pose much of a problem. The following items will be required:

Ball Mill

Scales

Microscope

Pressure and Gravity Filters

Air Compressor

Vacuum Pump

Wet and Dry Screening Equipment

Glassware

Oven or Hotplate

Buckets and Pans

These items are immediately available, and the list will be detailed and costed in due time.

TABLE I - RECOVERY DATA

Test	Plant Recovery	
	Gold	Silver
Mill Run, (Hazen)	79.8	67.2
Lab. 5%+65m Grind (Hazen)	87.0	74.5
Lab. 0.1%+65m Grind (Hazen)	84.5	68.5
Lab. Calculated (Hazen)	89.0	79.0
Two Stage Process	93.0	90.0

TABLE II - ORE VALUES

Assays, 0.18 oz. gold and 6.6 oz. silver per ton
 Gold at \$35.00, Silver at \$2.50 and \$3.00

Gold	Silver at \$2.50		Silver at \$3.00	
	Silver	Total	Silver	Total
\$6.30	\$16.50	\$22.80	\$19.80	\$26.10

TABLE III - DOLLAR RECOVERIES
 USING PLANT RECOVERIES FROM TABLE I

A. Silver at \$2.50

Test	Gold	Silver	Gold plus Silver	% Recovery
Mill Run	\$5.01	\$11.10	\$16.11	70.9
Lab 5%+65	5.47	12.30	17.77	78.0
Lab 0.1%+100	5.31	11.30	16.61	72.9
Calculated	5.60	13.00	18.60	81.5
Two Stage	5.85	14.80	20.65	90.6

B. Silver at \$3.00

Mill Run	5.01	13.30	18.31	70.2
Lab 5%+65	5.47	14.70	20.17	77.1
Lab 0.1%+100	5.31	13.55	18.86	72.3
Calculated	5.60	15.60	21.20	81.2
Two Stage	5.85	17.80	23.65	90.7

TABLE IV - MONTHLY SMELTER PAYMENTS

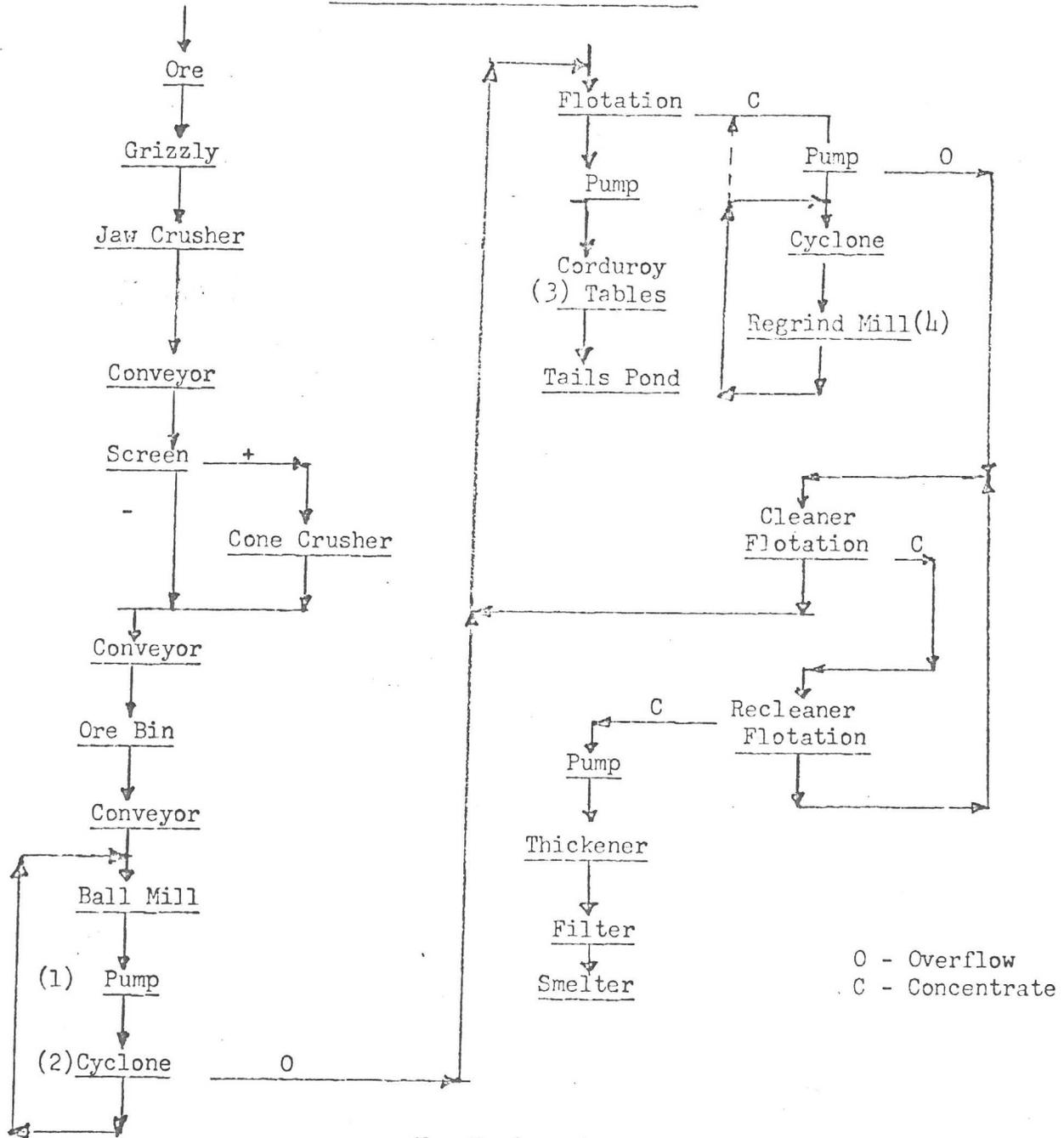
Assumptions: Tonnage 4500 TPM, Values per Table III A
Smelter Costs 10% of Mill Values

<u>Test</u>	<u>Tonnage</u>	<u>Gross Value of Ore</u>	<u>Recovered in Mill</u>	<u>Smelter Payment</u>
Mill Run	4,500	\$102,600	72,495	65,246
Lab 5%+65m	4,500	102,600	79,965	71,969
Lab 0.1%+100m	4,500	102,600	74,745	67,271
Calculated	4,500	102,600	83,700	75,330
Two Stage Proc- ess	4,500	102,600	92,925	83,633

FLOWSHEET

PIATORO MILL

CORONADO SILVER CORPORATION



O - Overflow
C - Concentrate

New Equipment

- (1) 5" x 4" SRI Pump
- (2) 15" Krebs Cyclone
- (3) Corduroy Tables
- (4) Regrind Mill

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



*Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238*

February 19, 1974

SXM
FEB 22 1974
RECEIVED

Mr. Dennis C. Temple
Essex International Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

Dear Dennis:

Thank you for your letter of February fifteenth.

As you requested, we are enclosing a summary of our proposed expansion of the Platoro Project with figures supporting our picture of the ore reserves. In addition to this you already have the Hazen report.

The mining costs are taken basically from Idarado's costs at Telluride together with data from our own experience.

In addition to the \$8 for mining and milling, we have added the additional costs of smelting, overhead, etc., which are reflected in the cash flow sheets.

The mining method is shrinkage stoping which seems to be working well, and with the wide stopes, produces ore very economically.

Milling costs are also based somewhat on Idarado's costs as well as our own figures. Idarado's costs actually are closer to \$3.

We are presently preparing to design the flow sheet and mill with Hazen Research, Inc., and this, of course, is a time-consuming project and is part of our proposed expansion timing and cost. Basically, it will be a fairly simple double grind flotation flow sheet.

Enclosed also is a copy of J. Frank Henderson's data which does outline a tentative flow sheet.

Mr. Dennis C. Temple

-2-

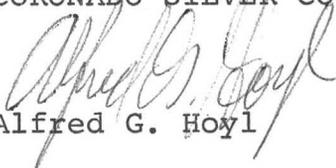
February 19, 1974

We are presently having Mr. Bird's thesis printed, and copies will not be available for approximately thirty days.

Please let us know what other information you will require.

Sincerely,

CORONADO SILVER CORPORATION



Alfred G. Hoyl

AGH/dh
Enclosures

CORONADO VENTURE

PLATORO PROJECT

SUMMARY - FEBRUARY 20, 1974

Status - Exploration and development phase is essentially complete for expansion of mine production and concentrating facilities to 350 tpd as recommended by Hazen Research, Inc. The expansion is in the initial planning stage.

Funds Required - \$4,664,000¹

Source and Use of New Investment Funds

<u>Source</u>		<u>Use</u>	
Loans	\$ 700,000	Retirement of Bank Debt	\$ 400,000
Capital	3,964,000	Other Debts	200,000
	<u>\$4,664,000</u>	Capital Expenditures	2,430,000
		Working Capital	1,634,000
			<u>\$4,664,000</u>

Expanded Capacity - 350 tpd in 1975, 700 tpd in 1977, and 1,050 tpd in 1978.

Reserves - 715,000 to 3,500,000 tons - Greater potential overall.

Grade - .13 oz of gold per ton, 4 oz of silver per ton

Metal Prices - Expected to increase from present level to \$230.00/oz for gold and \$9.00/oz for silver by 1985. Present prices, February 15, 1974, are Gold - \$150.00/oz; Silver - \$5.62/oz. These prices are ahead of those in the "Projected Cash Flow".

Recapture - Total investment - (includes \$4,500,000 value to date), \$8,500,000 in seven years, (1981), at 15% discount rate.

Yield - 25%, through 1985, discounted cash flow after corporate taxes, (if any).

1/

Funding requirements may be modified as planning proceeds. Figures given represent present best estimates.

February 15, 1974

Mr. Alfred G. Hoyl, President
Coronado Silver Corporation
Los Lagos Office
Rollinsville, Colorado 80474

Dear Mr. Hoyl:

Thank you for the discussions we held and the information you gave me at the Denver Hilton Hotel on Feb. 6, 1974 concerning your Platoro project.

We have been analyzing the information and need some additional data.

1. Mine plans and sections to support the ore reserve to be mined for the Projected Cash Flow.
2. Back-up for mining costs and the mining method.
3. Back-up for milling costs and a flow sheet.

Also, I will appreciate receiving a copy of Mr. William Bird's thesis.

Sincerely,

Dennis C. Temple
Senior Geologist

ESSEX INTERNATIONAL, INC.

DCT:td

To: Bud Temple

From: D. Bellum

Sub: Platoro Project

I have reviewed the two documents you gave me on the Platoro Project. One was a report prepared by Hazen Research entitled "Ore Reserves At The Platoro Project For Coronado Silver Corporation" and the second was a cash flow projection for "The Platoro Project of The Coronado Venture". I have several comments regarding these two documents.

1. Do they deal with the same property?

Hazen quite liberally estimates reserves of 718,000 tons at approximately 0.115 oz of gold and 4.24 oz of silver, which includes 36,000 proven, 330,000 indicated and 350,000 inferred tons.

The cash flow study indicates 3,520,000 tons of ore of which 79% is extracted. There are no indicated ore grades on the cash flow study but the ore in the cash flow study has about 80% of the value of Hazen's reserves which may be a dilution factor. However, the ore reserves used in the cash flow study are still 5 times the reserves reported by Hazen. For all three prospects.

2. The Mammoth-Revenue has been sampled

several times and the reserves of 552,000 tons probably have some validity. The Forest King reserves of 114,000 tons were not sampled by Hazen because the original access adit is now under Platoro Lake and most of the reserves are below-lake level. The Parole-Valley Queen reserves of 50,000 tons are developed from unknown data.

3. The capital costs used in the cash flow are probably accurate within limits of $\pm 50\%$ - 10% . I have no idea if the operating costs are correct because there is no information regarding the size and shape of the orebody, the mining method, and the processing methods. The projected costs of \$8 per ton could be 50% to 100% low. Then there is always the question of what metal prices should be used, but since he escalates his operating costs at 7% per year I would not quarrel with the metal prices used in the cash flow.

As you can see the basic data necessary to make an evaluation is lacking.

RÉSUMÉ

NAME: William Henry Bird

ADDRESS: Box 1092
Boulder, Colorado 80302
(303) 444-4682

Mine & Mineral Services
Box 1092
Boulder, Colorado 80302

PERSONAL INFORMATION:

Born 6-16-42
Married 8-31-63
One child

EDUCATION:

B.S., Geology, University of Wisconsin, 1965
M.S., Geology, University of Colorado, 1967
PhD., Geology, Colorado School of Mines, 1973

SOCIETIES:

American Institute of Mining Engineers
Sigma Xi
Rocky Mountain Association of Geologists

PROFESSIONAL EXPERIENCE:

Teaching assistant, U.of Colorado, Boulder, Colorado, 1965-1967. Duties: Design and execution of physical and historical geology labs.

Mineralogist, The Anaconda Company, Extractive Metallurgical Research Division, Tucson, Arizona, 1967-1969. Duties: Mineralogical research on all Anaconda ores and mill products.

Teaching assistant, Colorado School of Mines, Golden, Colorado, 1969-1971. Duties: Assisting in physical geology and mineralogy labs and design and execution of ore microscopy labs.

Consulting geologist, Mine & Mineral Services, Box 1092, Boulder, Colorado, 1969-present. Duties: Exploration and mining geology and metallurgical mineralogy of base and precious metal deposits.

Geologist, Sweeney Mining & Milling Inc., 904 10th St., Boulder, Colorado, 1972-present. Duties: Consultant on mining and metallurgical problems.

PROFESSIONAL EXPERIENCE (Continued):

Chief Geologist, Member of the Board,
Coronado Silver Corp, Los Lagos Office,
Rollinsville, Colorado 80474, 1972-present.
Duties: Design and execution of geologic
exploration and related production programs.

REGISTRATION:

Registered Professional Geologist #362, State
of Idaho.

THESIS RESEARCH:

The development of the southern portion of the
Platoro caldera complex and its related
mineral deposits, southeast San Juan
Mountains, Colorado.

PUBLICATIONS:

Bird, William H., 1969, A note on the occurrence
of violarite, Copper King mine, Boulder, Co.,
Colorado: Econ. Geol., v.64, p. 91-94.

Bird, William H., 1972, Mineral deposits of the
southern portion of the Platoro caldera
complex, southeast San Juan Mountains,
Colorado: Mountain Geologist, v.9, p. 379-
387.

EXPERIENCE RESUME

ALFRED G. HOYL
Los Lagos
Rollinsville, Colorado 80474
Phone: Area Code 303-258-3354

Age 60, Married with three children. Degrees from the Colorado School of Mines in Mining Engineering and Geology-Geophysics, Class of 1940. Forty-four years in engineering, education, and experience in the mineral industry. Founded Coronado Silver Corporation, (formerly Contract Engineering Company), in 1952, and has managed and owned company to date, twenty-two years.

- 1952 to Date - Founder, owner, President of Coronado Silver Corporation, Los Lagos Office, Rollinsville, Colorado 80474 - Mineral Engineering, Mine Management, and Equipment Sales. Has done drilling, exploration, and consulting on many properties and projects for companies such as Climax Molybdenum Company, E. I. duPont de Nemours & Company, Humphreys Gold Corporation, Michigan Chemical Corporation, and U. S. Bureau of Mines. Coronado Silver Corporation is the General Partner of the Coronado Venture, A Limited Partnership, and operates the Platoro Project, Platoro, Colorado.
- 1958 to Date - President of Silver Ventures Corporation. Owns and manages Lake Central Project, Idaho Springs, Colorado.
- 1946 to 1952 - Founder, stockholder, and manager of Concrete Masonry Corporation, Elyria, Ohio - lightweight aggregate, concrete products, concrete, pre-stressed concrete structures. Sold interest in 1952.
- 1941 to 1946 - U. S. Army Corps of Engineers, Combat Engineer Line Officer; Engineer Board; Joint Army-Navy Engineering and Testing Board, (JANET); Developer of Demolition and Assault Equipment and Techniques. 2nd Lt. to Major.
- 1940 to 1941 - Engineer, Climax Molybdenum Company, Climax, Colorado; Geophysicist, Colorado Fuel & Iron Corporation and Climax Molybdenum Company; Drilling and Blasting Foreman, Phelps-Dodge Corporation, Morenci, Arizona.
- 1938 to 1940 - Colorado School of Mines, Golden, Colorado.
- 1935 to 1938 - Engineer, Overseer, Tela Railroad Company, Tela, Honduras. Railroads, Drainage, Overhead Irrigation, Airfields, Airplane Dusting, Engineering, Construction, Operation, and Development; Prospecting for lime and copper deposits, United Fruit Company.

1930 to 1935 - Three years at the Colorado School of Mines, two years and vacations working. Student, Colorado School of Mines, Miner, Prospector, Placer Testing, U. S. Coast and Geodetic Survey, Surveyor.

* * * * *

Registered Professional Engineer and Land Surveyor, State of Colorado, #1805-PE-LS.

Member and Past Denver Section Chairman, American Institute of Mining, Metallurgical, and Petroleum Engineers.

Member, Mining and Metallurgical Society of America

Member, American Concrete Institute.

Governor, American Mining Congress, Western Division

President and Director, Colorado Mining Association, Chairman, Environmental Protection Committee

Member, University Club, Denver

Member, Teknik Club, Denver

Manager, Los Lagos Ranch, Inc.

Vice President and Director, Berger Land Company

Legal Counsel: Erl H. Ellis
Suite 1740
Colorado State Bank Building
Denver, Colorado 80202
Phone: 303-893-5003

Holme, Roberts, & Owen, (Richard G. Wohlgenant)
1700 Broadway
Denver, Colorado 80202
Phone: 303-573-8000

Accountants: Ernst & Ernst, (Nels Tamplin)
The First National Bank Building
Denver, Colorado 80202
Phone: 303-623-5211

Banks: The Colorado National Bank, (E. Bowman McLean)
P. O. Box 5168, Terminal Annex
Denver, Colorado 80217
Phone: 303-893-1062

The Republic National Bank of Dallas, (T. K. Matthews)
P. O. Box 5961, Dallas, Texas 75222
Phone: 214-749-5000

R E S U M E

GREGORY HAL HOYL
Box 295
Antonito, Colorado 81120

PERSONAL INFORMATION:

Born: October 12, 1945
Married
No Children

EDUCATION:

Graduated from Colorado School of Mines, Golden, Colorado, in 1968 with a Professional Degree (equivalent to Masters) as an Engineer of Mines.

Attended night school at University of Utah, studying towards an MBA. Course interrupted with move to Brazil.

JOB HISTORY:

Dec., 1972 to Date - Executive Vice President, Director, and General Manager, Coronado Silver Corporation, Platoro, Colorado

Oct., 1970 to Dec., 1972 - Financial Director for EMINEX - Empresa Mineira de Explosivos, Joint Venture Company of IRECO Chemicals of Salt Lake City, Utah, and Industria Quimica Mantiqueira S. A. of Lorena, S. P. Brasil. EMINEX is sole producer of IRECO Slurry Explosives in the Brazilian market.

Duties: Planning, organizing, staffing, directing, and controlling the financial interests of the company in a manner which best served the interests of the Partners. Also included were marketing research, customer contacts, and technical assistance. Controlled company in the frequent absence of the Company's General Manager.

March, 1968 to Oct., 1970 - Mining Engineer for Kennecott Copper Corporation in Salt Lake City, Utah.

Duties: Mining Engineer in the Industrial Engineering and Mine Planning Departments at

RESUME, GREGORY H. HOYL, CONTINUED:

Kennecott's Utah Copper Division's Bingham Canyon Mine. Later transferred to the Scientific and Engineering Computer Center. Responsible for mine planning for various mining divisions including Chino Mines, Ozark Lead, Peabody Coal, and others.

Pre-March, 1968

- Prior to graduation from the Colorado School of Mines, held a variety of jobs including teaching, mine and land surveying, mine inspections, and computer programming.

ACTIVITIES AND AWARDS:

Selected to appear in the 1966-67 Edition of Who's Who Among Students in American Universities and Colleges

Recipient of H. K. Ferguson Company Merit Scholarship for 1966-67

President, Student Chapter, American Institute of Mining, Metallurgical, and Petroleum Engineers, 1966-67

Member, American Institute of Mining, Metallurgical, and Petroleum Engineers

Member, Colorado Mining Association

Member, American Management Association. Attended their summer program, "Camp Enterprise", in 1965

February 12, 1973

BUSINESS AND TECHNICAL
QUALIFICATIONS
David W. Mitchell

Education

- B. S. Metallurgy, University of California
(Berkeley) 1938
- M. S. Metallurgical Engineering, University of
Utah 1940
- Ph.D. Metallurgy, University of California
(Berkeley) 1947

Professional Experience

- 1972- : Professor of Metallurgy, New Mexico
Institute of Mining and Technology
- 1970-1972: Expert in Extractive Metallurgy, United
Nations Educational, Scientific and
Cultural Organization, Escuela de
Minas, Oviedo, Spain. (On leave from
New Mexico Institute of Mining and Tech-
nology). Responsible for assisting in
establishment of undergraduate and
graduate programs in extractive metal-
lurgy compatible with needs of country.
- 1962-1970: Chairman, Department of Metallurgical
and Materials Engineering, New Mexico
Institute of Mining and Technology.
Responsible for budgets, personnel and
other administrative functions. Teach-
ing extractive metallurgy and environ-
mental engineering. Development of
sources of support for graduate students.
Preparation of research proposals. Super-
vision of research projects.
- 1957-1962: Manager of Minerals Research, Research-
Production Coordinator. Director of
Research and Development, Footo Mineral
Company, Exton, Pennsylvania. Selection
and/or development of procedures for
mineral processing, preliminary cost
estimates. In last position, "A"
department head reporting to President.
Responsible for program, budgets and
personnel of department of about 100
persons with million dollar plus salary
budget. Programs in all kinds of

Professional Experience (Continued)

- 1957-1962: metallurgy, chemistry and process
(cont) engineering.
Chairman of corporate Development
Committee. Member of Management
Committee and others.
- 1956-1957: Vice-President and Technical Director,
The Oil Shale Corp., Beverly Hills,
California. (On leave from University
of California.)
Corporate responsibility for direction
of research and development program,
patent program, and promotion of pro-
cesses to petroleum companies. Liaison
with contractors (Stearns Roger and
Denver Research Institute) on shale-oil
pilot-plant project.
- 1942-1957: Research Engineer, Lecturer, Assistant
Professor, and Associate Professor of
Metallurgy. University of California
(Berkeley).
Research, committee and teaching duties.
- 1941-1942: Chemist, Metallurgist, American Smelting
and Refining Co., Selby, California.
Supervision of dust and fume collection
and atmosphere monitoring.

Consulting Experience:

Processing of metallic and non-metallic ores such
as those of tungsten, chromium, manganese, nickel,
gold, iron, copper, titanium and zirconium, rare earths,
phosphate, and potash for various mining and metallurg-
ical companies such as Hanna Nickel Co., Atlas Mineral
Corp., Foote Mineral Company, Kaiser Iron and Steel,
Carpco Research and Engineering Inc., and others.
Activities from paper studies and on the site "trouble-
shooting" to operation of concentrating plant during
start-up period and specification of equipment.

Extraction of oil from oil-shale and tar sands
including evaluation of performance of unusual
flow-sheet units for the Oil Shale Corp. and Sun Oil
Company.

Page 3
Qualifications - David W. Mitchell
February 12, 1973

Consulting Experience: (continued)

Consultation with World Bank on mineral industries education for developing countries.

Member and Chairman of the Governor's (State of New Mexico) Advisory Committee on Minerals Development (1963-1967)

Publications and Patents:

Fourteen technical publications and five patents.

Engineering Registration:

Chemical Engineer, California

Memberships:

American Institute of Mining, Metallurgical and Petroleum Engineers.
American Society for Metals.

CORONADO VENTURE

PLATORO PROJECT

PROJECTED CASH FLOW

(in thousands of dollars)

	1974	1975	350T ^{PP} 1976	700T ^{PP} 1977	1050T ^{PP} 1978	1979	1980	1981	1982	1983	1984	1985
Tonnage Milled (1000 T)	0	10	110	120	230	330	330	330	330	330	330	330
Metal Prices-Au (\$/oz)	120	130	140	150	160	170	180	190	200	200	200	200
Ag (\$/oz)	3.50	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
<u>INCOME</u>												
Net Smelter Return/Ton (\$/ton)		25.41	28.04	29.02	29.99	30.97	31.93	32.89	33.84	33.71	33.57	33.43
Operating Income			2580	3175	6331	9927	10485	10802	11116	11131	11086	11039
Capital ¹	1425	2776										
Total (A)	1425	2776	2580	3175	6331	9927	10485	10802	11116	11131	11086	11039
<u>DISBURSEMENTS</u>												
Operations ²	240	300	1078	1258	2581	3962	4239	4536	4854	5193	5557	5946
Overhead	120	126	150	161	172	184	197	210	225	241	258	276
Loan Repayment												
Other Depts	600											
Exploration	90	50	50	54	57	61	66	70	75	80	86	92
Income Taxes ³	0	0	0	426	880	1430	1496	1497	1491	1404	1296	1181
Subtotal	1050	476	1278	1899	3690	5637	5998	6313	6645	6918	7197	7495
<u>Capital Expenditures</u>												
Mine	175	50	100	107	66	70	75	80	86	92	98	105
Concentrator		1750	50	1225	1323	70	75	80	86	92	98	105
Other		500										
Total Capital Expenditures ⁴	175	2300	150	1332	1389	140	150	160	172	184	196	210
Total Disbursements (B)	1225	2776	1428	3231	5013	5777	6148	6473	6817	7102	7393	7705
<u>NET CASH FLOW (A-B)</u>	200	0	1152	(56)	1318	4150	4337	4329	4299	4029	3693	3334
<u>ANNUAL CASH POSITION</u>												
Starting	0	200	200	1352	1296	2614	6764	11101	15430	19729	23758	27451
Net Cash Flow	200	0	1152	(56)	1318	4150	4337	4329	4299	4029	3693	3334
Ending	200	200	1352	1296	2614	6764	11101	15430	19729	23758	27451	30785

CORONADO VENTURE

PLATORO PROJECT

FOOTNOTES ON PROJECTED CASH FLOW

Cash flow projections are based on an expanded concentrating facility of 1,050 tons per day going on line in three stages - November, '75; November, '77; and November, '78.

Concentrator feed grade is .13 ounces of gold per ton and 4.00 ounces of silver per ton with recoveries of 90% for gold and 88% for silver, (ASARCO-J. F. Henderson). A concentration ratio of 30 is used.

1. A total capital investment of \$4,201,000 is required for the expansion of mine and concentrating facilities - \$1,425,000 in 1974 and \$2,776,000 in 1975.

Capital requirements for 1974 include \$600,000 for debt retirement and \$200,000 for operating capital.

2. Operation disbursements, (direct mining and milling costs), are calculated at \$8.00 per ton inflated at 7% per year beginning in 1976.
3. Income taxes are shown for a corporate operation. They would not apply in a partnership or joint venture, and each partner would calculate his own tax. Income tax allows for depletion.

Total tons milled in projection are 2,780,000 tons, or 79% of today's reserves.

4. CAPITAL EXPENDITURES ALLOCATION:

AREA:

Mine

1974 - \$175,000	Compressors, hoists, drills, etc.
1975 - \$ 50,000	Normal replacement requirements
1976 - \$100,000	Outside facilities expanded
1977 - \$107,000	Equipment requirements as depth increases

FOOTNOTES ON PROJECTED CASH FLOW

(CONTINUED)

(4. CAPITAL EXPENDITURES ALLOCATION, CONTINUED)

Concentrator

1975 - \$1,750,000	350 tpd unit @\$5,000 per ton
1976 - \$ 50,000	Normal replacement requirements
1977 - \$1,225,000	350 tpd unit @\$3,500 per ton
1978 - \$1,323,000	350 tpd unit @\$3,780 per ton, (8% inflation)
1979 - - - -	Normal replacement requirements

Other

1975 - \$ 500,000	Power Plant, Coal fueled
-------------------	--------------------------

HAZEN RESEARCH, INC.



4601 INDIANA STREET
GOLDEN, COLORADO • 80401
TELEPHONE 303/279-4501

HRI Project 1456
Copy No. 11

ORE RESERVES AT THE
PLATORO PROJECT

for

Coronado Silver Corporation
Rollinsville, Colorado

November 30, 1973

Prepared by:


John S. Holland
Chief Geologist

Approved by:


F. M. Stephens, Jr.
Vice President

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INTRODUCTION AND SUMMARY

Coronado Silver Corporation and Coronado Venture, a partnership, have been actively developing their property holdings near Platoro, Colorado since 1964. This activity has consisted of rehabilitation and development in the Mammoth-Revenue mine, re-opening the nearby Forest King mine, construction and operation of a 175 tons per day mill and the sponsorship of a geological study of the Platoro area.

The mill has been operated more as a pilot plant making intermittent runs on Mammoth dump material, Mammoth stope material, and a sample of Forest King ore. By the last quarter of 1973 the metallurgical performance had reached an efficiency adequate to permit continuous operation on Mammoth stope ore. However, it is recommended that it be shut down in the near future, as noted more fully in the report.

The geological study of the area has provided a much better understanding of the regional structure and of the yet undeveloped mineral occurrences within the Coronado property holdings.

The sharp increases in the prices of gold and silver beginning early in 1973, the progress in rehabilitation and development in the Mammoth-Revenue mine, and improved mill performance have led the Coronado management to a serious consideration of a larger mill and a comprehensive program of exploration and development work in the mines.

Hazen Research, Inc. was engaged to make an evaluation of the ore reserves as presently developed using available sources of data. Samples were taken at randomly selected points in the Mammoth and Forest King to check previous sampling.

The "measured," "indicated," and "inferred," ore reserves were determined to be:

Mammoth Revenue	Tons	Au oz/ton	Ag oz/ton
Measured	35,666	0.09	4.62
Indicated	300,371	0.118	3.47
Inferred	<u>215,740</u>	<u>0.115</u>	<u>5.27</u>
	551,777	0.115	4.24

Forest King	Tons	\$/ton
Indicated	29,450	13.50 ^{1/}
Inferred	84,670	19.42

Parole-Valley Queen

Inferred 50,000 tons
 (25,000 tons: 0.17 oz/ton Au 7.1 oz/ton Ag)
 (25,000 tons: No reliable sampling available)

Summary of Reserves

Measured	35,666 tons
Indicated	329,821 tons
Inferred	<u>350,410 tons</u>
	715,897 tons

These reserve figures are not presented as the ultimate potential of the property, but rather reflect an appraisal of the quantity and quality of ore which can reasonably be expected at

^{1/} Most of Forest King samples were taken in 1939 and expressed in total dollar values at the metal values of that time, \$35.00/oz for gold and \$0.6464/oz for silver. Values converted to 1973 basis by using a factor of three times 1939 values.

the present stage of exploration and development. In addition, there are several thousands of feet of known vein structures on which only a small amount of prospecting has been done.

This evaluation does not include an economic analysis of the Platoro operation; however, the ore reserves as presently known appear to offer justification for a larger mill and for an aggressive program of mine exploration and development.

This study and review of the available data leave us confident that the Mammoth vein system is a remarkably strong and persistent structure with recoverable gold and silver values which can be economic at present prices. A continuing exploration and development program should develop a significant increase in the reserves at moderate cost. The ore reserves as herein reported represent a reasonably conservative appraisal and are, in our opinion, adequate as a basis for serious consideration of a larger mill which would be designed and equipped for the most economic operation possible and which would lend itself to the addition of parallel units when conditions so warrant.

PROPERTY AND LOCATION

The Platoro property of Coronado Silver Corporation and Coronado Ventures consists of a total of 8,914 acres, some of which is owned and some leased, as shown in summary below and on Plate 2 (in pocket).

	<u>Acres</u>
Coronado Venture:	
Owns 36-2/3 patented claims	367
Owns motel and 5 city blocks	10
Leases 45-2/3 patented claims	457
Coronado Silver Corporation:	
Owns 412 located claims	8,240
Leases 1 school section	<u>640</u>
Total	9,714
Correction for overlaps	<u>800</u>
Net property area	8,914

The claims of greatest interest are those of the Mammoth-Revenue Group of 17 patented claims and the Parole-Illinois Group of eight patented claims which together cover 7,500 feet along the apex, together with the extra-lateral rights of the Mammoth-Revenue vein. The Forest King Group of 19 patented claims covers 6,000 feet along the Forest King vein which is about 4,000 feet west of the Mammoth-Revenue and roughly parallel.

The property is located in the Ute Mining District in Conejos County in south-central Colorado, part of the greater Platoro-Summitville District. The district includes the southeastern San Juan Mountains which cover about 9,650 square miles of southwestern Colorado and adjacent New Mexico. The Mammoth-Revenue Mine is about one-half mile from the town of Platoro which occupies a parklike area on the Conejos River at an elevation of 9,800 feet.

HISTORY

The Platoro area and some of the mineral-bearing veins are reported to have been discovered by early Spanish explorers. The Mammoth claim was located in 1882 and was worked until the 1890's, according to J. B. Carman in a 1916 report to American Smelting and Refining Company. The remoteness of the area was a deterrent to its early development. It was not until 1952 that an adequate road was built into Platoro.

The Mammoth was reopened in 1935 and thoroughly sampled by H. R. Norsworthy.

About 1964, Contract Engineering Company, predecessor of Coronado Silver Corporation, acquired the property. Later a small mill was built and it has been operated intermittently since 1966 on a mixture of old dumps and stope production. To a great extent mill operations up to 1973 have been experimental. By late 1973 the metallurgy had been reasonably well worked out within the limitations of the existing mill facility and the plant was being operated on a steady feed of stope ore.

In 1968 the Mammoth-Revenue mine was sampled by K. L. Van Guilder for the Mineral Division of Milchem Incorporated. A report on the geology of the property by E. F. Lawrence was part of the Milchem study.

In 1968 Hazen Research, Inc. made a study of the mineralogy and conducted an economic study of the operation. This study included mine sampling, and some longhole drilling in the Mammoth adit in addition to the metallurgical studies and economic analysis.

In 1973 a geologist of American Smelting and Refining Company made a reconnaissance study of the Platoro area and conducted a check sampling program in the Mammoth-Revenue adit level.

GEOLOGY

Early observers of the geology of the Summitville-Platoro area recognized that the area was part of the extensive San Juan volcanic field which covers much of southwestern Colorado. However, it was not understood until recently that the Platoro-Summitville area was within a caldera-collapse structure related to eruption of voluminous ashflow tuffs typical of other areas of the San Juan volcanic field. Lipman and Steven ^{1/} recognized the existence of the caldera which they named the Platoro Caldera. This is a significant discovery as most of the mineral occurrences in the San Juan mountains, Crede, Silverton, Telluride-Ouray, and Lake City are closely associated with caldera structures. Previously, the Summitville-Platoro area was considered anomalous.

The geology and mines of the Platoro area were described in a report issued by the Colorado Geological Survey in 1917.^{2/}

Since 1970, the more immediate area around Platoro has been studied in greater detail by William H. Bird, Coronado Silver Corporation geologist. Bird's study ^{3/} has been submitted to Colorado School of Mines as part of his Ph.D. requirements. His work has provided much data on the structural details of the area and the mechanics of the caldera's origin.

-
- ^{1/} Lipman, Peter W. and Thomas A. Steven. "Reconnaissance Geology and Economic Significance of the Platoro Caldera, Southeastern San Juan Mountains, Colorado." U.S.G.S. Professional Paper 700-C, pages C 19-C 29, 1970.
- ^{2/} Patton, H. B. "Geology and Ore Deposits of the Platoro-Summitville District, Colorado." Bulletin 13, Colorado Geological Survey, 1917.
- ^{3/} Bird, William H. "Mineral Deposits of the Southern Portion of the Platoro Caldera Complex, Southeast San Juan Mountains, Colorado." The Mountain Geologist, vol. 9, no. 4, October, 1972, pp. 379-387.

Bird postulates that the placement of the caldera and its evolution are due to the control of a northwest trending structural lineament, or fault zone. The mineral deposits, in turn, appear to be controlled by the lineament which is precaldera and by fault structures related to the caldera's formation. The lineament, also called the South Mountain-Platoro fault zone, is expressed structurally and topographically for over thirty-five miles. In the vicinity of Platoro it reaches a width of 200 feet.

The Mammoth vein has formed along a large sheared zone in altered tuff. It strikes $N20^{\circ}W$ to $N30^{\circ}W$ and dips steeply to the west generally. The vein zone consists of brecciated country rock with quartz filling, banded or ribbon quartz, and some fairly massive quartz bands. The principal ore minerals are pyrite and marcasite with lesser amounts of galena, sphalerite, chalcopyrite, pyrargyrite, proustite, and traces of argentite and covellite. Gold occurs as free gold and Patton reported an occurrence of a gold-silver telluride. No free gold and no telluride minerals were noted in the earlier Hazen study.

The Mammoth-Revenue vein ranges from a few feet to over twenty-five feet in width. Locally, splits develop. The vein has exceptional continuity along strike as it has been traced from the Parole claims to Lake Fork, a distance of 7,000 feet. Vertical range is well over 500; the ultimate vertical extent of the vein may be considerably greater.

Mineralization within the vein occurs in definite ore-shoots, some of which may have a localized structural control. The shoots range in length from 40 feet to 1,000 feet. Nowhere is the vein completely without some metal values; the ore shoots are those portions of the vein having consistent minable value over a mining width of not less than five feet.

DEVELOPMENT

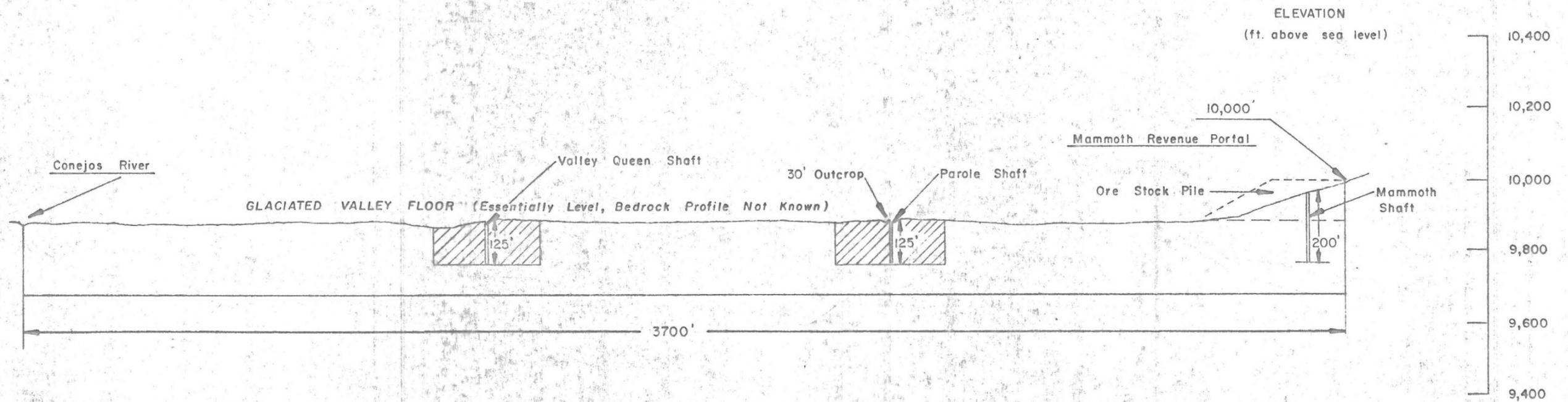
The Mammoth vein has been developed for a length of 2,350 feet on the main adit level as shown on Plate 1 (in pocket). Several splits have also been developed on the adit level horizon. Recent realignment of the main haulageway has caused these splits to be blocked off.

A 200-foot vertical shaft collared near the adit portal has had levels developed at 100-foot and 200-foot depths. They are presently full of water. Old maps show the 100 level to extend about 1,200 southward on the Mammoth vein. Some of this level was seen in 1968 during the Milchem and Hazen sampling programs at which time the shaft to the 100 level and the station at that level were in good condition.

The 200 level is inaccessible. It was sampled by Norsworthy in 1935 but was not examined during the 1968 work. Old maps show this level to extend about 460 feet south from the shaft.

North of the adit level portal the continuation of the Mammoth vein system is marked by the Parole shaft which was 125 feet deep but is now caved. Old plats show this shaft to be on the Parole Spur vein which splits from the Mammoth vein a short distance south of the Mammoth shaft. It is shown to reunite with the Mammoth vein near the Valley Queen shaft which is about 1,750 feet north of the Parole shaft, as illustrated in Figure 2.

NORTH EXTENSION OF MAMMOTH REVENUE VEIN
 PAROLE & VALLEY QUEEN MINES
 CORONADO SILVER CORPORATION



X-SECTION THRU VALLEY
 (LOOKING EAST)
 SCALE 1" = 300'

 INFERRED ORE

FIGURE 2

PRODUCTION

Production from the Mammoth-Revenue and from other prospects within the Coronado Silver Corporation property has been small and intermittent until 1972 when the Coronado mill began to operate on a year-round basis though not continuously.

The first recorded production from the Mammoth was in 1889. By 1906, shipments had totaled only about 700 tons. The first production from the district is credited to the Merrimac Mine which is situated between the Mammoth-Revenue and Forest King veins.

The Coronado mill was built in 1966 and has been operated as a pilot plant more than as a production unit. Much experimentation has been required to develop a satisfactory metallurgical operation. Relatively steady operation began around mid-1972 on a mill feed of mixed development ore and stope production. A summary of mill production is shown below.

	Tons	--- Assays ---		Net Smelter Value
		Au oz/ton	Ag oz/ton	
1966-68	14,000	0.15	5.00	Not known
November, 1970	1,482	0.15	9.85	Not known
1972	10,840	0.13 ^{3q45}	4.40 ^{7.23}	\$85,033 ^{1/} ^{176,296}
1973 (to 11/17)	11,148 ^{3/}	0.06	2.33	\$68,493 ^{2/}

1/ Average metal prices were \$65.00/oz gold, \$1.78/oz silver.

2/ Net smelter value of concentrates at smelter through 11/15/73.

3/ Includes some low-grade Mammoth dump material and 46 tons Forest King ore which assayed 0.16 oz/ton Au, 6.34 oz/ton Ag.

PILOT MILLING OPERATIONS

The present small mill operation has proven to be a valuable tool for demonstrating that the values contained in the Mammoth-Revenue ore can be concentrated by conventional ore dressing techniques. Of particular importance has been its ability to serve as a large scale sampling system for bulk ore samples taken from the mine during development operations. The mill results have confirmed that the grade of ore projected from other sampling procedures does exist in tonnage lots of material.

The small size of the existing mill which is now operating a throughput of 130 tons per day, does not permit its operation to be profitable. Essentially the same manpower is required for operation of this small unit as would be required for operation of a mill processing two to three times this tonnage. For this reason the present mill would have to operate on a much higher grade feed in order to cover current costs of mining and milling. With average grade feed the operation can be self sustaining as regards direct milling costs so that its continued operation, while not profitable, is not an economic drain on the overall development program.

We would suggest that, as soon as the mill has completed its present planned campaigns for treating a reasonable tonnage of bulk ore and when adequate engineering data for larger plant design has been secured, then the present small mill should be closed down and the existing measured ore be held for milling at a future date in a larger mill under more profitable operating conditions.

The only alternative to this would be providing higher grade mill feed which in the long run would only result in high grading of the mine thus diminishing its future ability to become a profitable operation.

If the mill is closed down, it should be done in such a manner as to leave it in standby shape so that if further development work on the Mammoth-Revenue or Forest King proves up ore of an unexpected character, the small mill could be reactivated for further test runs.

SAMPLING PROGRAMS

The Mammoth-Revenue mine has been quite thoroughly sampled on the basis of a composite of the various sampling programs carried on since 1936.

In 1936 H. R. Norsworthy reopened the mine and took 369 samples, many in areas now inaccessible. In 1968 Milchem, Incorporated collected 73 samples of which about 25% were taken at Norsworthy locations in order to check the accuracy and reliability of that earlier work. On the average there was less than 0.01 oz/ton difference in gold content and 0.03 oz/ton difference in silver in samples from the same locations.

Late in 1968 Hazen Research, Inc. collected 67 channel samples, some of which were taken at accessible Norsworthy locations and some were taken at Milchem locations. The results were comparable, according to the Milchem report, and were used in Milchem's ore reserve computations.

In the summer of 1973, C. E. Beverly of American Smelting and Refining Company (ASARCO) sampled the Mammoth adit level at 65 locations at 20 to 25-foot intervals where the vein was accessible. As part of this evaluation Hazen Research, Inc. collected twelve samples at selected points along the vein to check the ASARCO results. The results are compared in Table A-1.

ORE RESERVES

The reserves used in this report are categorized into three classes which are defined as follows:

CLASSIFICATION OF RESERVES ^{1/}

Measured Ore is that for which tonnage is computed from dimensions revealed in outcrops, trenches, workings and drill holes and for which the grade is computed from the results of detailed sampling. The sites for inspection, sampling and measurement are so close spaced and the geologic character is so well defined that the size, shape and mineral content are well established. The computed tonnage and grade are judged to be accurate within limits which are stated, and no such limit is judged to differ from the computed tonnage or grade by more than 20 percent.

Indicated Ore is ore for which tonnage and grade are computed partly from specific measurements, samples, or production data, and partly from projection for a reasonable distance on geologic evidence. The sites available for inspection, measurement, and sampling are too widely or otherwise inappropriately spaced to outline the ore completely or to establish its grade throughout.

Inferred Ore is ore for which quantitative estimates are based largely on broad knowledge of the geologic character of the deposit and for which there are few, if any, samples or measurements. The estimates are based on an assumed continuity or repetition for which there is geologic evidence; this evidence may include comparison with deposits of similar type. Bodies that are completely concealed may be included if there is specific geologic evidence of

^{1/} McKinstry, H. E. "Mining Geology", Prentice-Hall, Inc., 1948, p. 472.

their presence. Estimates of inferred ore should include a statement of the spatial limits within which the inferred ore may lie.

Ore was considered as that material having a gross assay value of not less than \$10.00 per ton based on prices of \$90.00 per ounce for gold and \$2.75 per ounce for silver, the prevailing prices at the time calculations were being made. Assay values along the Mammoth vein tend to be erratic, thus some of the ore shoots will contain a few scattered samples having less than cut-off value.

Ore Reserves
Mammoth Revenue Vein

	Tons	-- oz/ton --	
		Au	Ag
<u>Measured Ore</u>			
Ore dump at portal	4,000	0.07	3.17
"B" stope	10,000	0.156	1.82
"D"	11,500	0.09	7.27
Block B-1	4,333	0.156	1.82
Block D-1	<u>5,833</u>	<u>0.09</u>	<u>7.27</u>
	35,666	0.09	4.62
<u>Indicated Ore</u>			
Block 1	9,216	0.156	1.82
2	17,533	0.18	2.2
3	16,792	0.18	7.5
4	27,983	0.10	3.15
5	13,992	0.10	3.15
6	81,000	0.11	4.04
7	40,500	0.11	4.04
8	15,000	0.07	1.99
9	7,500	0.07	1.99
10	21,233	0.158	3.95
11	10,616	0.158	3.95
12	6,480	0.13	2.27
13	4,500	0.13	2.27
14	1,145	0.19	4.62
15	2,108	0.13	5.86
16	1,460	0.13	5.86
17	20,230	0.13	1.73
18	<u>3,083</u>	<u>0.13</u>	<u>1.73</u>
	300,371	0.118*	3.47

*Average

	Tons	-- oz/ton -- Au	-- Ag
<u>Inferred Ore</u>			
Block 3-A	5,166	0.18	7.5
4-A	16,352	0.10	3.15
5-A	12,592	0.10	3.15
6-A	60,750	0.11	4.04
8-A	11,250	0.07	1.99
10-A	15,750	0.158	3.95
11-A	92,670	0.118	3.47
16-A	<u>1,210</u>	<u>0.13</u>	<u>5.86</u>
	215,740	0.115	5.27

Forest King Vein

Indicated Ore

15,000 tons @ 0.051 oz/ton 2.33 oz/ton Ag
 (\$11.00) 1/
14,450 tons @ \$16.29
 29,450 tons \$13.50

Inferred Ore

68,010 tons @ \$19.42
16,660 tons @ 19.42
 84,670 tons @ \$19.42

Parole-Valley Queen Vein

Inferred Ore

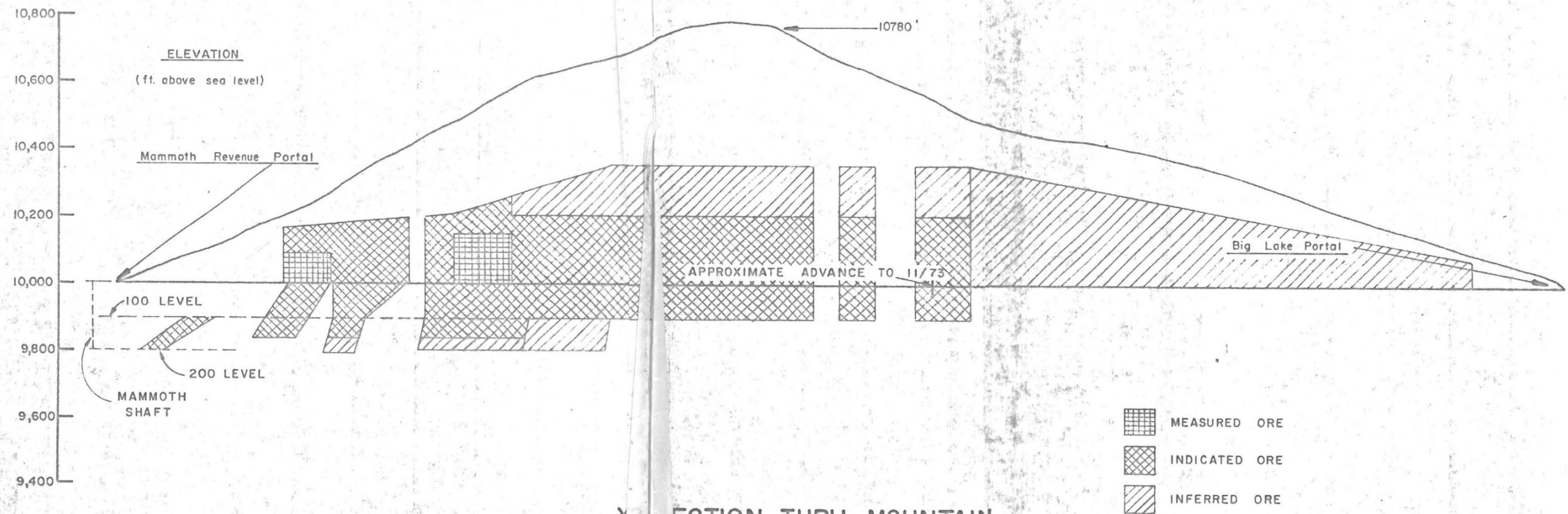
Parole shaft $\frac{100' \times 300' \times 10'}{12}$ = 25,000 tons

0.17 oz/ton Au, 7.1 oz/ton Ag per ASARCO surface samples near shaft

Valley Queen Shaft 100' x 300' x 10' = 25,000 tons, no reliable sample data available.

1/ Dollar value based on cut off valuation; see page 15.

MAMMOTH REVENUE MINE
CORONADO SILVER CORPORATION



SECTION THRU MOUNTAIN
(LOOKING EAST)
SCALE 1" = 300'

FIGURE 3
hri 11/73

FOREST KING MINE

The Forest King vein is roughly parallel to, and about 4,000 feet west of the Mammoth vein. The vein structure is nearly vertical. Strike is about N10°W. Where exposed in the new adit, the vein ranges from four to ten feet in width.

The Forest King vein resembles the Mammoth-Revenue vein in that it consists of massive quartz, quartz cemented breccia, and irregular masses of altered volcanic rock. The mineralogy of the vein is believed to be essentially similar to the Mammoth. The short section exposed in the adit is much oxidized. Patton reported that the ore was similar to that of the Mammoth. He reported that the lower tunnel was driven 1,200 feet, exposing the vein to widths of twenty feet. He also reported ore on the dump to have an average value of \$31.20, of which \$15.00 was in gold, and that the vein had contained beautiful specimens of free gold.

The present adit level, driven by Coronado, is only about 450 feet long. From the portal, the first 210 feet is a crosscut to the vein. About 100 feet from the face the vein virtually disappears in a zone crushed and altered country rock.

About 200 feet (the exact distance is not known) below the present adit and now below the level of the Platoro reservoir is the adit referred to by Patton. According to an assay map dated 1951, the adit is about 1,600 feet long. Carman's 1916 report mentions the adit being 1,200 feet long and also refers to "a few samples taken average...4.6' width, 0.118 oz/ton Au and 5.52 oz/ton Ag. "

The 1951 map referred to is an assay map showing the results of a sampling program in February, 1939. The values are expressed

in dollars. Precious metal prices prevailing at that time were \$35.00 per ounce for gold and \$0.6464 per ounce for silver. There are no clues whether the dollar values are for gold or silver alone or are composites.

Samples in the new adit exhibit a wide range of gold to silver by weight, the ratio in the better mineralized portion ranges from 1:26 to 1:148, the average is 1:61. At present metal prices (November, 1973), the assay values, as expressed in dollars, are over three times those of 1939 for gold and silver combined.

The sampling shows that metal values occur in well defined ore shoots which range in length from 70 feet to 440 feet. There are several places where there are good indications of splits in the vein. In one other section it seems likely that the drift wandered off the vein for 100 feet or more.

Commencing at a raise which was driven to the surface, there is a shoot 170 feet long which coincides with a 140-foot mineralized zone in the new adit. This block is considered as indicated ore made up of two parts as shown in Figure 4.

A - 15,000 tons	6.7' wide	0.051 oz/ton Au, 2.33 oz/ton Ag
		(\$11.00)
B - 14,450 tons	5.1' wide	\$16.29 per ton ^{1/}
29,450 tons		\$13.50 per ton average

Inferred ore can be calculated along the strike of the vein for the remaining length of the old adit, as follows:

^{1/} Dollar values used in this compilation and that below are the 1939 assay values multiplied by three.

a.	70' block	7.3' wide	6,700 tons @ \$13.12/ton
b.	20' block	5' wide	1,660 tons @ \$13.39/ton
c.	170' block	5' wide	14,150 tons @ \$22.23/ton
d.	260' block*	5.6' wide	22,040 tons @ \$14.51/ton
e.	230' block*	5.4' wide	<u>15,100</u> tons @ \$24.92/ton
			68,010 tons @ \$19.42/ton

The assay map shows persistent vein width of 4 feet to 5 feet and good mineral values near the end of the adit. Since the vein exhibits strong continuity throughout its known strike, an additional block (P) of 16,660 tons of inferred ore can be assumed with dimensions of 5 feet in width, 200 feet in length, and 200 feet in depth, and having an expected value equal to the average of the other adit ore blocks.

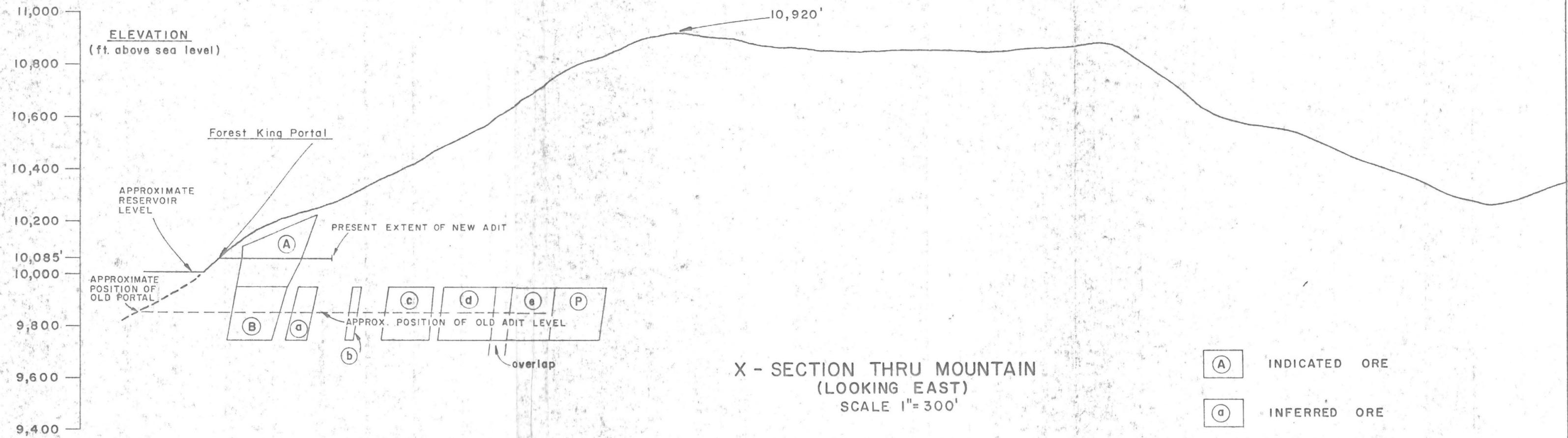
The Forest King structure has a well defined surface expression thus its persistence along strike well beyond the present adits is reasonably assured.

Approximately the last 100 feet of the new adit has been declared a dangerous area until it has been satisfactorily timbered. This will not be any particular problem but the work has been deferred until next year because winter conditions make access to the area more difficult.

This section has been faulted and the broken and altered rock requires support. It contains little or no vein material. This condition can be correlated with an unmineralized or weakly mineralized section in the old adit below as reflected by widely spaced samples and low values. It is reasonable to expect that the vein will reappear on the new adit level.

* Blocks d and e overlap about 60 feet along strike because of an apparent split.

FOREST KING MINE
CORONADO SILVER CORPORATION



X - SECTION THRU MOUNTAIN
(LOOKING EAST)
SCALE 1" = 300'

Tentative Profile taken from U.S.G.S. Topographic Maps

FIGURE 4

OTHER PROSPECTS

The northern extension of the Mammoth vein system contains several known mineral occurrences between the Conejos River and the Mammoth portal. The best known are the Parole and Valley Queen claims, each of which has a caved shaft 125 feet deep. In a few scattered outcrops the veins are found to be as much as 20 feet wide. Old claim maps of this vicinity show the vein system to consist of a number of branches and splits, several of which were prospected. In addition to the Parole and Valley Queen, the Parole No. 2 and Valley King claims contain important segments of the Mammoth vein system, a total prospective vein length of about 3,000 feet.

The Merrimac vein lies about 800 feet west of the Mammoth and is approximately parallel to it. A 175-foot shaft was sunk on this vein which was described as about 10 feet wide. Patton refers to considerable high grade ore having been extracted from the shaft. Topographic expression along the trend of the Merrimac vein suggests that it may extend to the Big Lake area as does the Mammoth, a potential of about 7,000 feet.

The trace of the Platoro-South Mountain fault can be traced northward into the Alamosa River valley, a distance of more than two miles. There are several small prospects, the Eurydice being the best known. In 1973 Beverly collected some samples along this zone, most of which showed very encouraging assays.

During the mapping program Bird discovered several pipe-like structures which he called breccia pipes. They are roughly circular, altered, and mineralized with some gold and minor silver. Some high gold assays have been reported; however, Beverly's 1973

sampling of the two best known pipes gave uniformly low (< 0.005 oz/ton Au) values. These structures have not had any serious investigation, they are exposed in road cuts. They warrant some study eventually.

There are other prospects and mineral showings within the property which have not been visited in this study. Their value, or importance, is to demonstrate that the Platoro area has been subjected to mineralizing activity over a wide area and that much serious prospecting remains to be done.

EXPLORATION AND DEVELOPMENT PROPOSALS

The most pressing exploration and development requirements at Platoro are those which will develop more ore and which will upgrade "indicated" and "inferred" ore blocks to "measured" and "indicated," respectively.

Every effort should be made to continue the southward advance on the main adit level of the Mammoth. As the drift advances, crosscut turnouts should be made for future diamond drill stations. Crosscuts should be in the hangingwall and would be slightly over 100 feet long from the center line of the drift. From the 90 foot point, holes drilled at -40° and -65° would intersect the vein at depths of 65 feet and 147 feet, respectively, down dip, assuming a uniform vein dip of 80° .

At selected intervals, raises should be driven to prospect and develop the vein above the adit level as well as to begin the preparation for ore extraction. As the ore grade mineralization shows a strong tendency to occur in shoots, raise site selection can be located to take advantage of ore shoots and waste pillars.

There should be an ore shoot in the "C" area above the adit level as indicated by samples in the existing short crosscuts #5 through #11. This area could be sub-levelled and prepared for mining without serious disruption of development projects further south.

The mine map does not make clear all aspects of the vein splits just south of the portal. A crosscut to the west from the Spur Vein and some drilling of inclined holes below the adit level might lead to additional ore discovery in this area. Ultimately, the shaft

will have to be dewatered to permit study of this north area and to provide a jump-off point for exploring to the north under the valley fill and tailings. This is for the future when the cost of shaft repair, pumping, and a hoist can be justified.

Exploration programs are closely tied to the availability of funds. Specific projects and more precise time tables can be formulated when Coronado Silver Corporation's financial situation has been resolved.

APPENDIX

Table A-1

HRI Assays				ASARCO Assays			
Sample	Width	Au oz/ton	Ag oz/ton	Sample	Width	Au oz/ton	Ag oz/ton
HC-1 (Taken 1 ft higher on face than "A")	3.8 ft	0.17	1.63	Face "A"	4.0 ft	0.14	2.69
HC-2 R & S ^{1/}	5.2 ft	0.03 0.01	0.59 0.58	B-61	5.0 ft	0.02	0.48
HC-3	6.5 ft	0.09	1.37	B-48	6.5 ft	0.055	1.70
HC-4a R & S	5.0 ft	0.50 0.45	7.04 7.33	B-36a	5.0 ft	0.38	6.59
HC-4b	3.6 ft	0.12	4.47	B-36b	3.6 ft	0.12	6.20
HC-5a R & S	3.0 ft	0.18 0.155	8.41 8.51	B-25a	3.0 ft	0.145	12.08
HC-5b	4.0 ft	0.07	1.26	B-25b	4.0 ft	0.035	0.090
HC-6	10.6 ft	0.07	1.74	B-20	9.0 ft	0.03	1.46
HC-7	8.0 ft	0.17	3.06	B-16	9.5 ft	0.22	4.31
HC-8 R & S	7.3 ft	0.20 0.14	2.38 2.08	B-6	7.3 ft	0.14	2.0
HC-9	5.4 ft	0.20	2.80	B-3a	5.0 ft	0.17	2.45
HC-10 (1-ft north of BN-1)	11.0 ft	0.17	2.19	BN-1	6.0 ft	0.07	1.06

^{1/} Assay by Root & Simpson of a duplicate assay pulp.

MAMMOTH-REVENUE ORE RESERVES

Tonnage calculations based on a factor of 12 cubic feet per ton. Minimum widths less than 5 feet were adjusted to 5-foot widths with dilution of zero value if no information to the contrary was available. Ore blocks shown on Plate 1 in pocket.

MEASURED ORE

Portal dump	4,000 tons estimated. Grade assigned is average mill head assay for period February through July.
"B" stope	10,000 tons broken ore.
"D" stope	11,500 tons broken ore.
Block B-1	4,333 tons, extends 50' above stope back.
Block D-1	5,833 tons, extends 50' above stope back.

INDICATED ORE

Block 1	Above "B" stope. 80' x 130' x 7.9', 9,216 tons
Block 2	Above "D" stope, irregular shape, 26,300 square foot x 8', 17,533 tons.
Block 3	Between 100 level and adit level and below "D" stope. 310' x 130' x 5', 16,792 tons.
Block 4	Adit level, south of and adjoining block 2. 230' x 200' x 7.3', 27,983 tons. (12 Hazen samples, 1968).
Block 5	100 level, below block 4. 230' x 100' x 7.3'. 13,992 tons.
Block 6	Adit level. Continuation of block 4. 540' x 200' x 9'. 81,000 tons. C.S.C. assays plus some ASARCO.

- Block 7 100 level horizon; downward continuation of block 6. 540' x 100' x 9', 40,500 tons.
- Block 8 Adit level, south of block 6. Blocks 6 and 8 are separated by 70' of vein having sub-cutoff values. 100' x 200' x 9', 15,000 tons.
- Block 9 100 level horizon; downward continuation of block 8.
- Block 10 Adit level. Blocks 8 and 10 are separated by 120 feet of vein having sub-cutoff values. Block 10 extends from 40' north of present (11/15/73) face to 100 feet beyond. 140' x 200' x 9.1', 21,233 tons.
- Block 11 100 level horizon; downward continuation of block 10. 140' x 100' x 9.1', 10,616 tons.
- Block 12 100 level horizon, "B" stope ore shoot. 14 Norsworthy samples on 100 level. 135' x 72' x 8', 6,480 tons.
- Block 13 "B" stope ore shoot below 100 level. Block was not carried to 200 level because 14 Norsworthy samples on 200 level are marginal grade, 135' x 50' x 8', 4,500 tons.
- Block 14 Between 100 level and 200 level. May be on Spur vein. 7 Norsworthy samples on 200 level, 9 Norsworthy samples around high-grade underhand stope below 100 level. 90' x 70' x 5.5', 1,145 tons.
- Block 15 Short ore shoot on 100 level in "C" area. 10 Norsworthy samples on 100 level. 40' x 115' x 5.5', 2,108 tons.
- Block 16 Extension of block 15 below 100 level. 40' x 80' x 5.5', 1,460 tons.
- Block 17 "C" area above adit level. 6 Hazen and 2 Milchem samples in crosscuts #5 to #11. 210' x 170' x 6.8', 20,230 tons.

Block 18 "C" area, below block 17 and above block 15, 32' x 170' x 6.8', 3,083 tons.

INFERRED ORE

Block 3-A "D" ore shoot below block 3 and above 200 level horizon, 40' x 310' x 5'.
5,166 tons.

Block 4-A Above block 4, irregular figure as upper limit roughly parallel to ground profile.
26,879 square foot x 7.3', 16,352 tons.

Block 5-A Below block 5 and between 100 level and 200 level horizons. 90' x 230' x 7.3',
12,592 tons.

Block 6-A Above block 6. 540' x 150' x 9', 60,750 tons.

Block 8-A Above block 8. 100' x 150' x 9'. 11,250 tons.

Block 10-A Above block 10. 140' x 150' x 9', 15,750 tons.

Block 11-A South of block 10. Irregular figure representing continuation of vein to near Big Lake portal, above present adit level horizon and approximately conforming to surface profile. Assume 60% of strike length represents ore shoots. 205,950 square foot x 60% x 9', 92,670 tons.

Block 16-A Below block 16 and down to 200 level horizon. 80' x 33' x 5.5', 1,210 tons.

CORONADO SILVER CORPORATION

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

PHONE 303-258-3354



*Platoro Project—Platoro, Colorado
Box 295, Antonito, Colorado 81120
Phone 303-852-2238*

December 17, 1973

Mr. Dennis C. Temple
Essex International Inc.
1704 West Grant Rd.
Tucson, Arizona 85705

XM
DEC 21 1973
RECEIVED

Dear Mr. Temple:

We have received your letter of December 13, 1973,
regarding our claims near Platoro, Colorado.

If you will let us know what time you will be in
Colorado during February, we will be pleased to meet
with you.

Tentatively, we will be attending the National Western
Mining Conference meeting from February 7th through the 9th
in Denver and will be away the week after.

We will be looking forward to meeting with you.

Sincerely,

CORONADO SILVER CORPORATION

Alfred G. Hoyl
Alfred G. Hoyl
President

AGH/dh

CORONADO BOARD
CONFIDENTIAL

December 13, 1973

Coronado Silver Corp.
Los Lagos Office
Rollingsville, Colorado 80474

Dear Sirs:

This letter is in reference to the claims you have staked in T36N, R4E, N.M.B.L. and M.

Essex International, Inc. is a major electrical products manufacturing company interested in the exploration for and development of mining properties. Your property was noted during reconnaissance activities last summer. As a follow-up to this program and if you are interested, I would like to meet with you for discussions concerning these claims.

I plan a trip to Colorado during February. Please let me know if it is possible for us to meet.

Respectfully yours,

Dennis C. Temple
Senior Geologist

ESSEX INTERNATIONAL, INC.

DCT:td

(11)

Bio Grande County

Tice-Matthews Oil Co. controls the altered ground at Summitville, southwest of Del Norte. Contact has been made.

They are interested in participation at some point, but plan to drill at their own expense next summer.

Earth Sciences Inc. has located 9 claims on Elephant Mountain, southwest of Del Norte. This property is within the altered area of Alum Creek.

John H. Tippet has located 98 claims on the south east side of Elephant Mountain, southwest of Del Norte. These claims are also on the altered area of Alum Creek.

Earth Sciences Inc. has located 12 claims at Mount Creek, southwest of Del Norte. This property is on the altered area of Jasper.

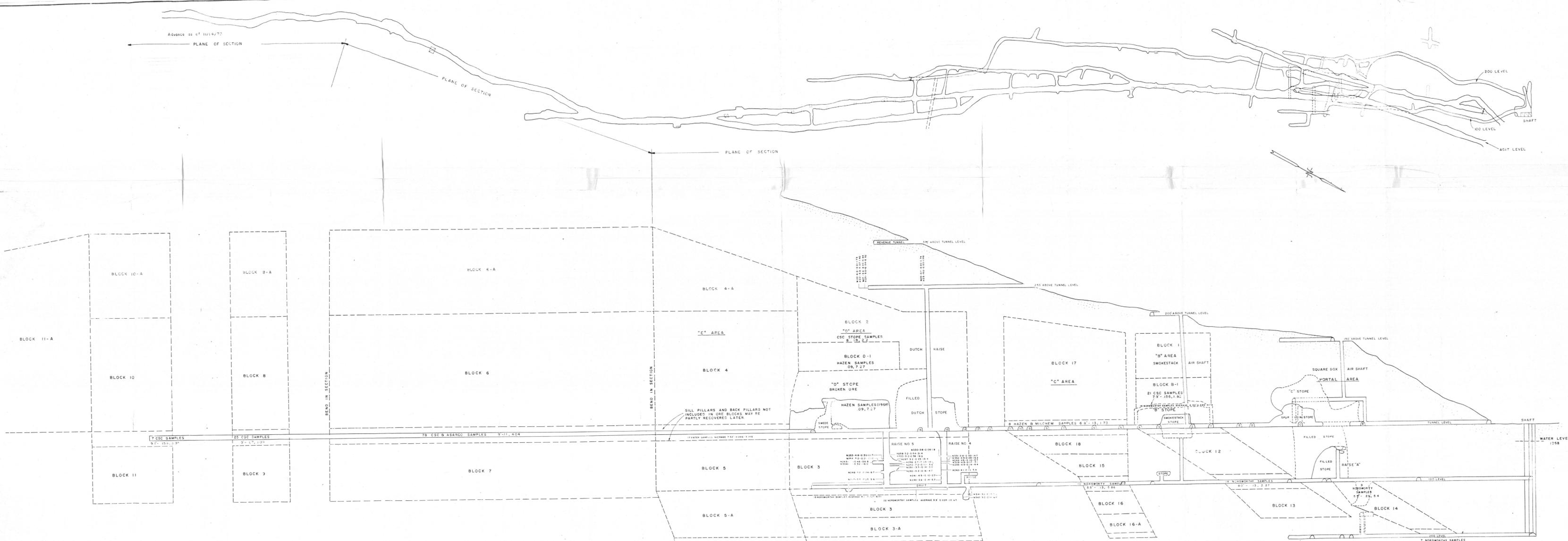
Conejos County

Coronado Silver Mining Co. has located 207 claims at Alum Creek, southwest of Del Norte. Contact will be made in order to determine the availability of this property. Reportedly, Inspiration Consolidated Copper Co. was drilling in this area during the summer. No activity was observed.

A. B. Geissler controls 184 claims at Red Mountain, south of Del Norte. Earth Metals and Science Corp. has located 155 claims in approximately the same area.

Reading list directly applicable

69. Reconnaissance Geology and Economic Significance of the Platoro Caldera, Southeastern San Juan Mountains, Colorado
Peter W. Lipman and Thomas A. Steven, 1970
70. Geology and Ore Deposits of the Platoro-Summitville Mining District, Colorado
Horace B. Patton, 1917
71. Geology, Alteration, and Mineralization of the Alum Creek Area, San Juan Volcanic Field, Colorado.
Wm. S. Calkin, 1969
72. Some Petrologic and Alteration Aspects of the Alum Creek Area, San Juan Volcanic Field, Colorado
William S. Calkin, 1971
74. Age of Mineralization at Summitville, Colorado, As Indicated by K-AR Dating of Alunite
Harold H. Mehnert, Peter W. Lipman and Thomas A. Steven, 1973



LEGEND

Sample Designation - $\frac{Wt. Fe.}{Wt. Cu. Au. Ag. Zn. Pb. Ni. Co. Mn. S. P.}$

H. Hazen Research Cut Sample
 M. Mendenhall Sample
 N. Noreworthy Sample

[Symbol] Tunnel Level
 [Symbol] 100 Level
 [Symbol] 200 Level

REVISION	DATE	TITLE

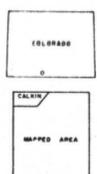
HAZEN RESEARCH, INC.
 601 INDIANA STREET - GOLDEN, COLORADO
CORONADO SILVER CORP
 PLATERO, COLORADO
MAMMOTH-REVENLE MINE
 PLAN AND SECTION

SCALE: 1" = 40'
 DRAWN BY: J. E. L.
 CHECKED BY:
 APPROVED BY:

DATE: 12-4-73
 PROJECT NO: 1456
 SHEET NO: OF
 DRWC: 00



**GEOLOGIC MAP OF THE SOUTHERN PORTION OF
 THE PLATORO CALDERA
 INCLUDING
 THE PLATORO MINING DISTRICT
 SOUTHEAST SAN JUAN MOUNTAINS, COLORADO**



- CONTOUR INTERVAL 40 FT
- FAULT
- INFERRED FAULT
- COVERED FAULT
- PLATORO CALDERA RIM FAULT
- FRACTURE WITHOUT UID SYMBOL
- INDICATES UNKNOWN MOVEMENT
- TRACE OF SYNCLINAL AXIS
- CONTACT
- INFURRED CONTACT
- VEINS WITH MINERALIZATION OR ALTERATION
- BRECCIA PIPE
- STRIKE & DIP OF BEDS
- APPARENT STRIKE & DIP OF BEDS
- OLD WORKINGS & PROSPECT PITS
- STRUCTURAL CROSS SECTION LINES. SEE PLATE 2
- PETROGRAPHIC SAMPLE LOCATION

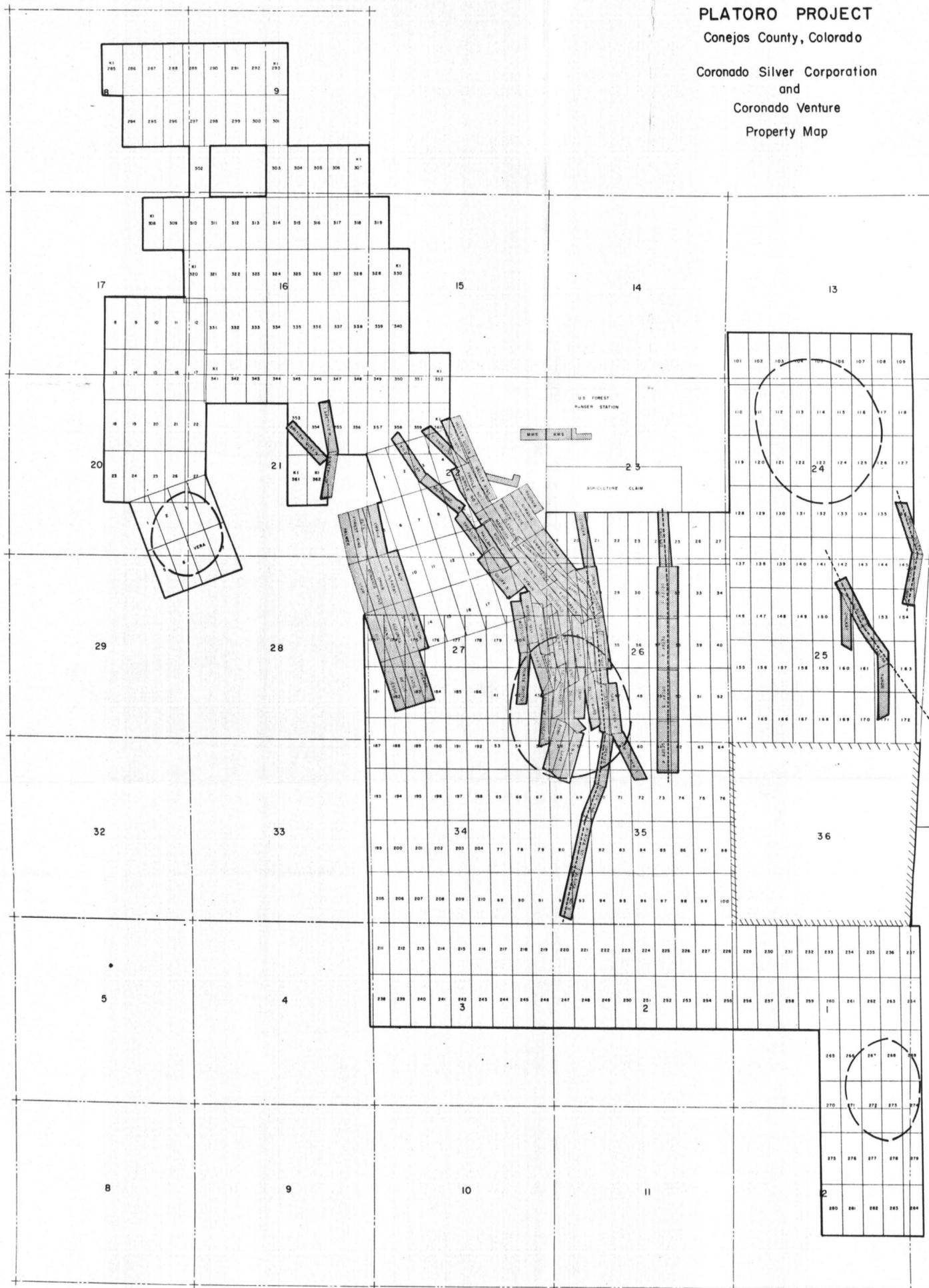
- QUATERNARY
- ALLUVIUM
- LANDSLIDE
- MORaine
- TERTIARY
- HINSDALE FM., BASALT FLOWS
- LOOKOUT MT. VENT-DOME COMPLEX
- TREASURE MT. RA JADERO QUARTZ LATITE
- VITRIC ASH-FLOW TUFF
- TREASURE MT. QUITO CREEK QUARTZ LATITE
- VITRIC ASH-FLOW TUFF
- SUMMITVILLE ANDESITE FLOWS
- INTRAVOLCANIC SEDIMENTARY ROCKS
- TREASURE MT. LA JARA CANYON DEUTERICALLY ALTERED LATITE
- CRYSTAL VITRIC ASH-FLOW TUFF
- TREASURE MT. LA JARA CANYON UNALTERED LATITE
- CRYSTAL VITRIC ASH-FLOW TUFF
- CONEJOS FM., LAHARS & FLOWS
- TERTIARY INTRUSIVES
- HINSDALE BASALT
- LATE CALDERA STAGE FELSITE
- SUMMITVILLE ANDESITE & DIORITE
- ALAMOSA R. STOCK MONZONITE
- TREASURE MT. LATITE
- CONEJOS ANDESITE

GEOLOGY BY WILLIAM H. BIRD, 1972.
 RULED AREA UPPER LEFT MODIFIED FROM CALVIN, 1967.
 BASE MAP FROM U. S. GEOL. SURVEY PLATORO, RED MT.,
 SUMMITVILLE, & JASPER QUADRANGLES, 1967.

PLATORO PROJECT

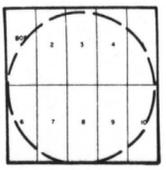
Conejos County, Colorado

Coronado Silver Corporation
and
Coronado Venture
Property Map

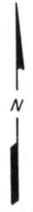


T 36 N
T 35 N

T 36 N
T 35 N



- 8,080 acres Coronado Silver Corporation Property
- 834 acres Coronado Venture Property
- 8,914 acres Total
- Known Exploration Target



Scale 1"=2000'
8/24/73

R 4 E R 4 1/2 E

CLAIM PREFIXES

VERA	AS SHOWN
VERA	1-27
DETELZ	1-172
BEN	173-264
DEC	265-284
BIRD	AS SHOWN
BILL	1-4
#1	285-362
BOB	1-10

