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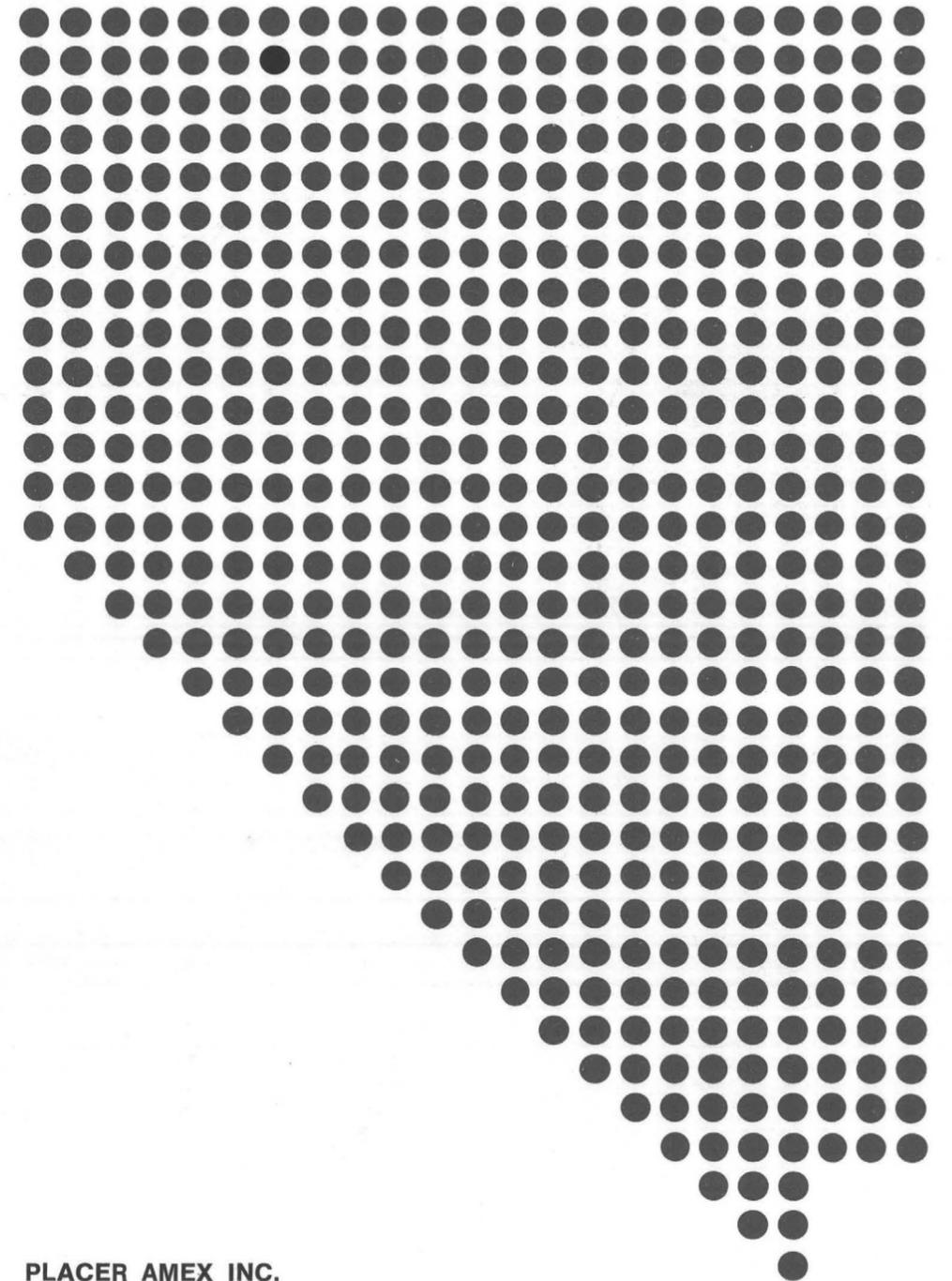
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File
1-8
Humboldt County

MCDERMITT MINE/NEVADA



PLACER AMEX INC.

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TOWN OF McDERMITT & REGION

The town of McDermitt is located in Humboldt County, Nevada where Highway 95 crosses the Nevada-Oregon border. Highway 95 is a major north-south interstate link connecting with the town of Winnemucca 73 miles to the south. Southern Pacific and Western Pacific railroads each have trunk lines through Winnemucca.

The community has no scheduled air service, however, major air carriers are located at the cities of Boise, Idaho, 193 miles north; at Reno, 237 miles southwest; and at Elko, 198 miles southeast. Charter aircraft can use the existing 3,500-foot landing strip at McDermitt.

The town of McDermitt, with a current population of several hundred, presently offers:

- Schools, kindergarten and grades 1 - 12
- Shopping facilities and small businesses
- Road transport (US 95)
- Motel and hotels
- Post office
- Churches
- Community center with library
- Cafes, taverns
- Gas stations

The regional population of approximately 1,000 is mainly employed in cattle and sheep ranching.

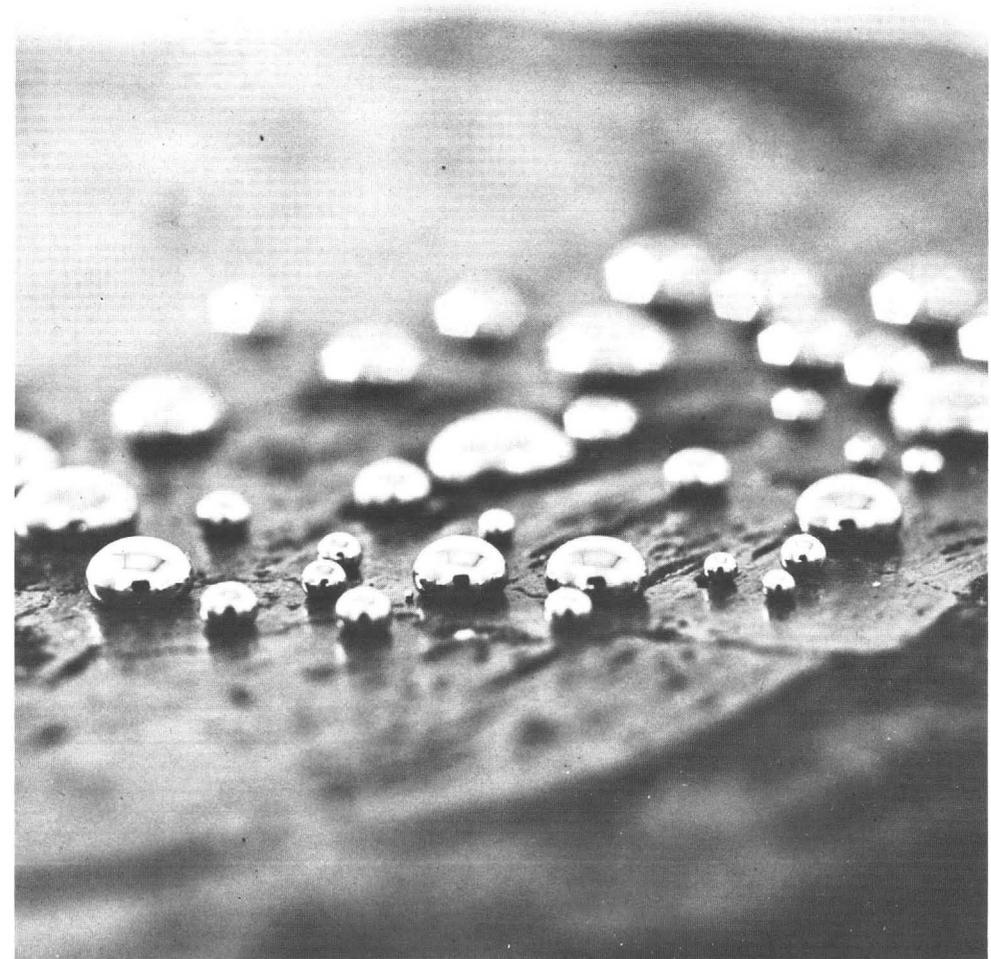
PLACER AMEX INC.

Placer Amex Inc. of San Francisco was incorporated in November, 1953. It is 100% owned by Placer Development Limited of Vancouver, British Columbia. Placer Development is a public company whose shares are traded on a number of Canadian stock exchanges as well as the American Stock Exchange in New York and the Sydney Stock Exchange in Australia. Placer is noted for responsible, experienced and rapid development of mineral resources and for efficient mine management.

Placer Amex, formerly American Mining & Exploration Co., is responsible for exploration, development and management of the Placer Group's United States interests. It manages the Cortez Gold Mine, in which it holds a 28.33% interest. Located near Carlin, Nevada, this property was the fourth largest gold producer in North America in 1972. It was financed and brought into production by Placer Amex in March, 1967 at a capital cost of \$8 million. Development costs included staff housing in Carlin and a 4,000-foot airstrip.

Other properties managed by Placer Amex have included the Evans Jones Coal Co. in Alaska and the Iron Age Mine in southern California.

McDERMITT MINE / NEVADA



Mercury, known also as quicksilver, has a number of unusual properties. It is liquid at room temperature, conducts electric current well, has high specific gravity, expands greatly when heated, has herbicidal and bactericidal capabilities and amalgamates with gold and silver.

Major industrial uses in recent years have been in the electrolytic processing of chlorine and caustic soda, electrical apparatus, paints and industrial control instruments. Other uses are in dental preparations, agriculture, pharmaceuticals, medical equipment such as thermometers and for general laboratory applications.

PERSONNEL & FACILITIES

Approximately 60 people will be employed at the mine and plant facilities when operations commence, providing an anticipated annual payroll of \$600,000. The work force will include heavy equipment operators, concentrator operators, technicians, various classes of tradesmen and a clerical staff. Operations will be under the direction of the Mine Manager and the following department heads:

- Mill Superintendent
- Mine Superintendent/Chief Engineer
- Chief Accountant

It is anticipated that most mine personnel will reside in the town of McDermitt, approximately 11 miles from the mine. Some employees may, however, commute from as far away as Winnemucca, approximately 73 miles south of McDermitt. Where employee relocation is necessary, the company will assist in locating accommodation.

ECONOMIC BENEFITS

Although the McDermitt Mine will be small by many standards, it will provide a stable payroll for many years and an expanded regional economic base to encourage improvement of local businesses and facilities.

Benefits to the regional and state economies from the mine will commence with construction. The development cost of \$9 million will include local material and equipment purchases in addition to the construction payroll.

Under normal operating conditions, the mine will continue to spend relatively large sums in the area, in addition to an annual payroll of \$600,000. The construction and operation of the mine are expected to provide substantial tax revenues to local, state and federal governments.

THE MCDERMITT MINE

The McDermitt Mine, a joint venture by Mineral Exploration Company Ltd. of New Jersey and Placer Amex Inc. of San Francisco, is to be designed, constructed and operated by Placer Amex Inc. The mine will produce Prime Virgin Mercury (PVM) in standard units of 76-lb. flasks.

The property is located 11 road miles southwest of McDermitt, Nevada and is accessible by paved road. The McDermitt area has been associated with mercury production for many years. Cinnabar, a mercury ore, has been found in a number of locations through the region which is known as the Opalite Mining District. The McDermitt orebody is located near the site of the old Cordero orebody which ceased production of mercury in significant amounts in 1970. The new mining venture will result in the construction of an entirely new plant employing the best of modern technology.

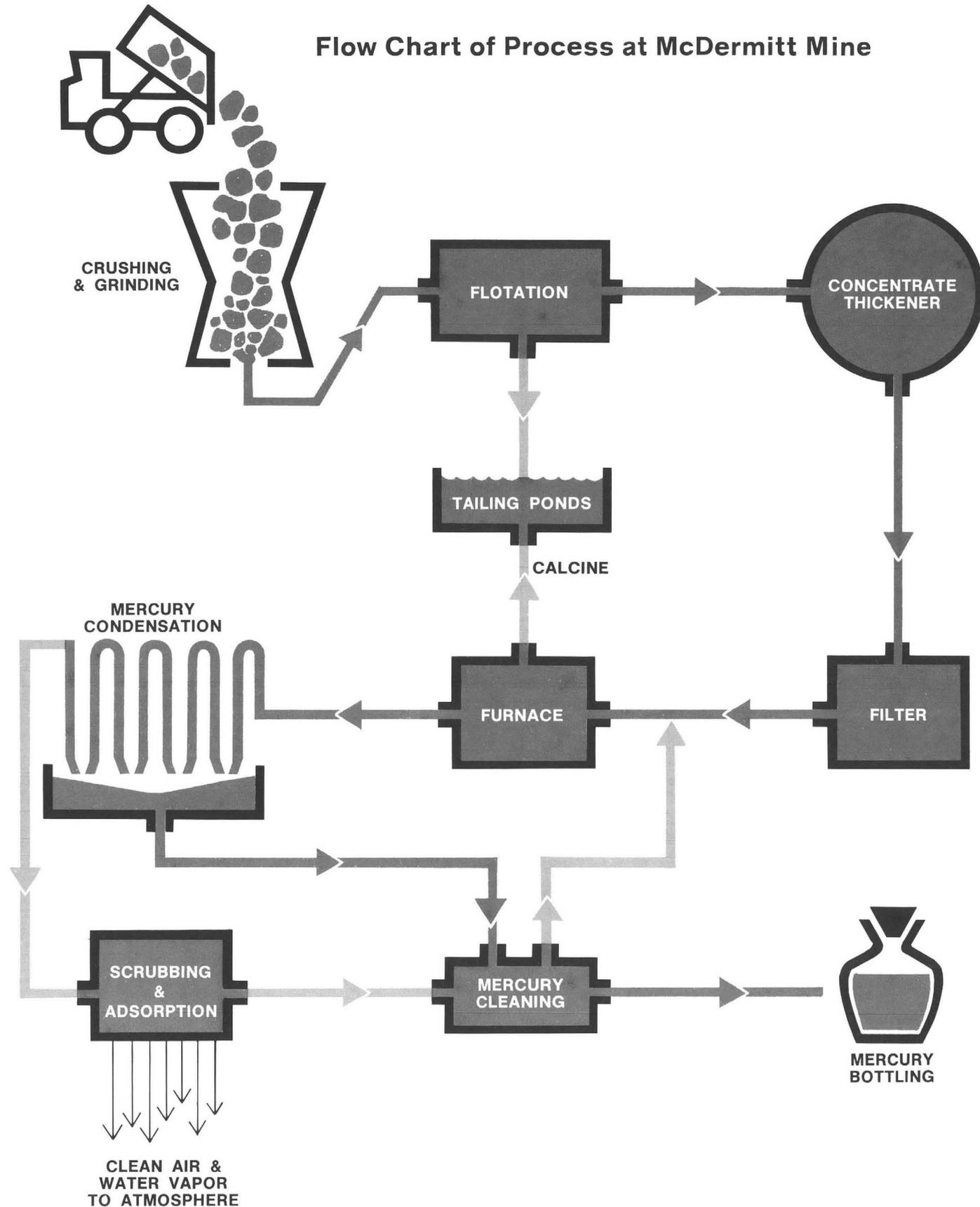
Mining and processing facilities will include:

- Open pit and associated mobile equipment
- Primary crusher
- Flotation concentrator
- Furnace and condenser system
- Emission control equipment (dust and fumes)
- Tailing impoundment

Service facilities will include:

- Office
- Warehouse
- Metallurgical test and assay building
- Maintenance shops

Flow Chart of Process at McDermitt Mine



CONSTRUCTION

The cost of plant construction and open pit preparation is estimated to be \$9 million. It is anticipated that construction will cover a period of 12 months and will involve an estimated 150 men at its peak. The total payroll during the development period will be approximately \$1,150,000.

Residents of the McDermitt area will be employed whenever possible for both construction and operating work forces.

THE MINE & THE ENVIRONMENT

The McDermitt Mine will employ advanced technology to minimize any effect which its operation may have on the surrounding area. Design specifications will ensure that it meets or exceeds all standards established by federal and state authorities for protection of the environment and personnel.

Dames & Moore, an international company of environmental specialists, has been engaged to prepare a base environmental study of the mine area. The studies, begun in early 1973, cover site conditions, general topography, hydrology analysis, and flora and fauna. These studies will provide pre-industrial data for the mine and surrounding areas and will be continued during construction and operation of the mine.

Water required for mineral processing and domestic use will be drawn from one or more wells to be drilled on the property. No water will be drawn from or discharged into the Washburn or McDermitt Creeks or any other local drainage systems.

Finely ground rock (tailing) remaining after extraction of the mercury mineral will be permanently impounded in tailing ponds. A tailing pond constructed to rigid design specifications with impervious walls and a sealed bottom prevents escape of tailing water and additionally results in conservation of water resources. Seepage dams will be constructed below the ponds as a further safety feature. Studies will be made to find the most effective method of encouraging subsequent plant growth on tailing ponds and areas disturbed by mining.

Furnace gases will pass through a modern, efficient scrubbing system to remove all trace of noxious chemicals and dust.

