

## RAIBMON, YOUNG, CAMPBELL &amp; YOUNG

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BARRISTERS &amp; SOLICITORS - 1275 TWO BENTALL CENTRE, 555 BURRARD STREET - VANCOUVER, B.C. V7X 1J6

## ASSOCIATES

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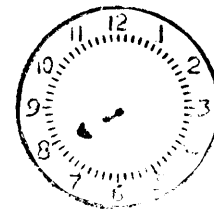
FILE No.

REPLY ATTENTION OF John K. Campbell

June 20, 1978

Dr. W.R. Bacon,  
 Co-ordinator,  
 Ministry of Mines and Petroleum Resources,  
 Parliament Buildings,  
 Victoria, B.C.  
 V8V 1X4

JUN 27 78 AM



DEPT. OF MINES  
 AND PETROLEUM RESOURCES

Dear Dr. Bacon:

Please find enclosed an A.M.D. application along with the following description of the planned development program on the Hewitt-Van Roi property.

The Companies Dungannon Exploration Ltd. and Sabina Industries Ltd. in concert with Frank Pho, a mining contractor of New Denver, B.C. re-opened the old Hewitt-Van Roi property near Silverton, B.C. during 1977. A continuation of the winze from the 13 Level was completed to the 14 Level during 1977. During 1978, 125 feet of drift was completed on the 14 Level and a raise to the existing 13 Level. The work developed approximately 4,000 tons of ore material on the east end of the vein between 14 and 13 Levels.

The late W.M. Sharp, P.Eng. acted as the venture's consultant on the project and for background I am enclosing a copy of Mr. Sharp's reports of September 26 and December 10, 1977. Following Mr. Sharp's death, the 14 drift was extended 50' on the vein to the west. Two ore shipments were made of the development muck and ore from the stope developed on the east end of 14 Level. The mill grade was disappointing as it averaged 12 oz. ag. 2.5% pb and 7.5% Zn.

The vein tends to carry a greater amount of lead towards the west end of the 14 Level drift and channel samples indicate a much higher silver content. Although the assays indicate an average grade of in excess of 40 oz. ag., the joint venture partners are reluctant to rely on assays and prefer a bulk shipment.

Because of the earlier disappointing results, the program for the remainder of 1978 was to merely make a shipment of 500 tons of ore from the 14 Level at an approximate mining and shipping cost of \$30,000.00.

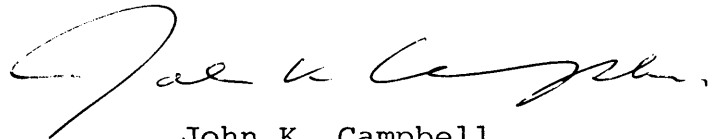
With the aid of AMD Incremental grant it is proposed to employ 4 additional men and to carry out a program of development on the west end of 14 and 13 Levels. In addition it is proposed to follow up the known vein structures from the 13 Level to 10 Level as recommended by Mr. Sharp in his report of September 26, 1977.

A schedule outlining the previously planned program and the incremental items is attached. The incremental program would entail 576 men days i.e. four men for 7 months. It is expected that the program would develop additional ore material as follows:

<u>Item #</u>	<u>Area</u>	<u>Tons</u>
1	14 to 13	3,000
2	13 to 12	1,000
3	12 to 11	1,600
4	11 to 10	2,600
		<hr/>
		8,200
		=====

The intention of the joint venture is to ship the ore developed for custom milling. The incremental program would give the area a total of 12,000 tons of developed ore which would employ four men for a period of 2 years mining and shipping.

Yours very truly,



John K. Campbell

Encl:  
JKC:ry

Planned Program 1978

Mine 1,000 tons of developed ore from East End 14 Level  
Stope (3 months)

Labour	\$ 12,500	
Equipment & Supplies	12,500	
Shipping	<u>5,000</u>	\$ 30,000.00

AMD Increment Program

<u>Item 1</u>	<u>Work Item</u>	<u>Days</u>
A		
6 x 6	Box hole raise from West End 14 Level to West End 13 Level 80 feet	
	Set-up time	5 days
	Drive Raise	<u>14 days</u>
		19
B		
7 x 8	Sub-drift West End 13+10' to East End 13+10' 125 feet	
	Slash, set-up and install slusher	2 days
	Drive sub-drift	<u>21 days</u>
		23
C		
	Trial stope bench 13 + 10 sub drift to 14 Level and timber approximately 500 tons for shipment - 12 days	12
		<hr/>
		54 days

Crew

Miner  
Slusherman  
Hoistman  
Trammer

54 days x 4 men = 216 men days

Labour 216 x \$80 = \$17,280.00

<u>Item 2</u>	<u>Work Item</u>	<u>Days</u>
A		
6 x 6	Box Hole Raise from West End Main Vein 13 Level to 12 Level 90 feet	
	Set-up and timber	2 days
	Drive raise	<u>15 days</u>
		17
B		
7 x 8	Sub-drift West 12 Level to Old drift on 12 Level 18' - 4 days	4
C		
	Trial stope bench 12 Level to 13 Level and timber approximately 500 tons - 12 days	<u>12</u>
		33 days

Crew

Miner  
Slusherman  
Hoistman  
Trammer  
33 days x 4 men = 132 men days  
Labour 132 x \$80 = \$10,560.00

<u>Item 3</u>	6 x 6	Raise 12 Level East End to 11 Level East End - 90 feet	
		Set-up and timber	5 days
		Drive raise	<u>15 days</u>
			20

Crew

Miner  
Slusherman  
Hoistman  
Trammer  
20 days x 4 men = 80 men days  
Labour 80 x \$80 = \$6,400.00

<u>Item 4</u>	<u>Work Item</u>	<u>Days</u>
6 x 6	Raise 11 Level East End to 10 Level East End 90 feet	
	Set-up and timber	5 days
	Drive Raise	<u>15 days</u>
		20

Crew

Miner  
Slusherman  
Hoistman  
Trammer

20 days x 4 men = 80 men days

Labour 80 x \$80 = \$6,400.00

<u>Item 5</u>	8 x 8	Drift East End 14 Level Main Vein for 75 feet	
		Set-up and timber	5 days
		Drive drift	<u>12 days</u>
			17

Crew

Miner  
Slusherman  
Hoistman  
Trammer

17 days x 4 men = 68 men days

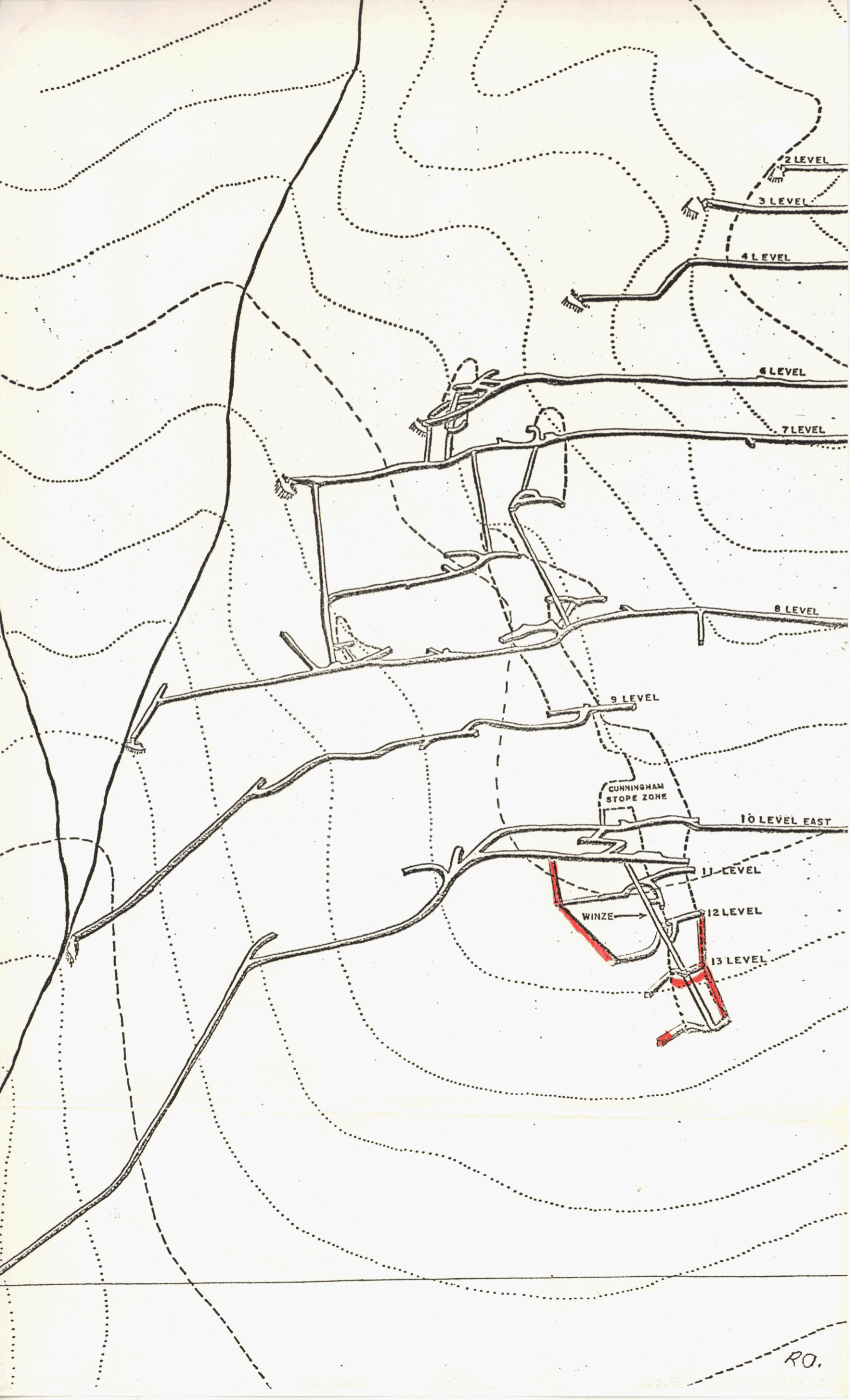
Labour 68 x \$80 = \$5,440.00

Labour Cost Summary - Incremental Program

<u>Item</u>	<u>Men days</u>	<u>Labour Cost</u>
1	216	\$ 17,280.00
2	132	10,560.00
3	80	6,400.00
4	80	6,400.00
5	68	5,440.00
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	576	\$ 46,080.00
	=====	=====

Program to start July 15, 1978 and to be completed by March 15, 1979.

$$\frac{576}{4} \text{ men days crew} = 144 \text{ work days} = 7 \text{ months}$$







ACCELERATED MINE DEVELOPMENT

APPLICATION FORM
1978-79

(PLEASE PRINT OR TYPE)

DATE ... May 31, 1978.

Name and job title of person submitting application ... Corporate Lawyer

Name of Company .. Dugannon Explorations Ltd. and Sabina Industries Ltd.

Mining Division .Slocan..... NTS Location Sheet 82F/14W

Property .. Hewitt-Van Roi Property

Program to be carried out between .. July 1, 1978 .. and .. December 31, 1978..

What is the relation of this project to mineral reserves? .. This project is to develop
additional mineral reserves

Number of additional employees required to implement the project ..... 2

Expected increase in man/months employed during the project ..... 12

Are any permanent jobs likely to be created? .. Yes, 2 for an additional total of
24 months

PLEASE PROVIDE BRIEF DESCRIPTION OF PROPOSED PROJECT, ADEQUATE
DOCUMENTATION OF ORIGINAL PLANS FOR 1978, AND INCREASE TO
RESULT FROM FUNDING BY ACCELERATED MINERAL DEVELOPMENT.

NOTE:

- 1. Only salaries and wages are to be considered for funding to a maximum of \$10 per hour.
2. 'Units' refer to units of performance such as metres of drilling, cubic metres of stripping, etc.

Return to: Co-ordinator,
Accelerated Mineral Development,
Ministry of Mines and Petroleum Resources,
Victoria, B.C. V8V 1X4

SIGNATURE OF APPLICANT [Signature]
FOR (COMPANY) .. Dugannon Explorations Ltd.





WILLIAM M. SHARP, M.A.Sc., P.Eng.  
CONSULTING GEOLOGICAL ENGINEER  
3280 CHESTERFIELD AVENUE  
NORTH VANCOUVER, B.C. V7N 3M9

December 10, 1977.

President & Directors,  
Dungannon Explorations Ltd. &  
Sabina Industries Ltd. (N.P.L.),  
c/o Suite #1275 - 555 Burrard St.,  
Vancouver, B. C. V7X 1J6.

Gentlemen:

PROGRESS REPORT - DEVELOPMENT & MINING  
HEWITT MINE PROPERTY, SILVERTON, B. C.  
SLOCAN MINING DIVISION

GENERAL

This report follows upon the writer's formal report of date September 26, 1977, and describes progress and results accomplished at the operation since that date. The reader is referred to the formal report for details of the property, history, past production, geology, and reserves of indicated and potential ore. On the recent inspection, as previously, the writer benefitted from the good guidance, assistance in mapping and sampling, and general data provided Mr. Frank Pho and crew.

PROGRESS DETAILS - 1977

September: Produce up-dated formal report.

May - December:

- (a) Extend Cunningham shaft from 13-level to 14-level. Any necessary rehabilitation required on shaft was well taken care of.
- (b) Drive short crosscut to north to intersect vein on 14-level.
- (c) Currently developing vein on 14-level. To date this has advanced some 70 ft.--with the southwest face still in good ore and, probably, the northeast face will be advanced an additional few feet in ore--depending upon the effects of an apparent warp in the sediments at the northeast face.

CURRENT EXAMINATION

Dec. 2: Review field file of reports, maps, and compilation of, mainly, M. C. Robinson's geological sketches.

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Dec. 3: Drive to mine; inspect walls of main No. 10 X-C for evidence of former exploratory drilling (one hole only in south wall at 1650' from portal).

Descended shaft to No. 14 level, with brief inspection stops at 11-12-13 levels. The possibility of ore repetitions occurring closely beyond drift faces at each level has not been explored to any significant extent--mainly because the ready availability of ore within the central parts of the Cunningham ore shoot has, to date, made this unnecessary.

Map topography and geology on #14 level.

Lay out cut-lines and general location of muck-sampling for Messrs. Pho and Palmer. These returned the following results:

<u>Sample No.</u>	<u>Location.</u>	<u>True Width, ft.</u>	<u>Ag, oz/ton;</u>	<u>Pb, %;</u>	<u>Zn, %.</u>
9701	Ref. 0+48'	9.0'--incl.2'waste	10.6	2.7	6.3
"	"	7.0'--excl.2' "	13.6	3.47	8.1
9702	Muck from base N.&S.walls	Avg. 8' approx.	12.5	5.1	5.4
9703	Ref. 0+31'W. 1st rse. round	6.0'	26.4	6.7	15.0
Arith. Average - - - - -		8.0' and less	17.5 oz/ton;	5.05%;	9.5%

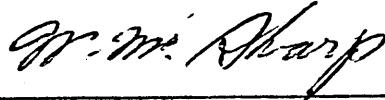
SUMMARY & SUGGESTIONS

1. All development and mining operations are being carried out efficiently and in accordance with proper mining practices for small mines.
2. Continue drifting to E. and W. limits of ore on 14-level.
3. Continue driving existing slot-raise from 14 to 13 levels to, eventually, 10-level.
4. Extend mining below 14 level sill by means of steep slusher declines.
5. Defer scheduled exploration until such time as the maximum amount of good grade ore has been mined from the 10-14 level of the Cunningham ore shoot.
6. Readily accessible ore reserves within the Cunningham ore shoot are presently estimated to be about 6,000 tons--excluding significant quantities which may exist below No. 14 level. The above-noted figure does not include the 1670 tons

....3....

of 'indicated' ore and 2600 tons of 'possible' ore on, respectively, the west and east segments of the North vein below 10-level and, additionally, the significantly larger tonnages of 'inferred' ore above and below 10-level.

Respectfully submitted,



W. M. SHARP, P. Eng.

WMS:imm

