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PROPERTY FILE
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REPORT
ON
FORD IRON PROPERTY

Zeballos, B. C.
MINING DIVISION

A. J. Anderson
MINING ENGINEER

S U M M A R Y

ON

FORD IRON PROPERTY

ZEBALLOS, B. C.

by

A. J. ANDERSON

Sept. 6th, 1948

S U M M A R Y

ON

FORD IRON PROPERTY

ZEBALLOS, B. C.

From the information available and examinations
in the past -

1. Report by V. W. Usatis.
2. Report by J. S. Stevenson,
B. C. Department of Mines.
3. Visit to property by A. J. Anderson and
Alex Smith, August 17-19, 1948,

the situation can be summed up as follows:

ORE PICTURE:

All appraisals of ore tonnage have been based on surface outcrops and two diamond drill holes. One hole crosscut the ore zone at an elevation of 250 feet below the outcrop, while the other failed to intersect ore at a point 300 feet below the outcrop. However, this latter hole was directed below a section on the surface where no ore was exposed. It is assumed that the ore either lensed out or was offset in some manner at this point. This hole was of negative value and it cannot be used as delimiting the ore

at depth.

From this information tonnage estimates have been made arriving at various figures. An outside estimate can be based on a block 450 feet long, 100 feet wide to a depth of 250 feet containing about one million tons of high grade magnetite ore. An additional 200,000 tons to this depth could be expected from two smaller lenses lying to the south of the main block.

It is recommended that before accepting these figures additional drilling of 10 to 15 shallow holes be undertaken to prove up this tonnage. This work might be successful in indicating additional tonnage.

LOCATION, ACCESSIBILITY, TRANSPORTATION:

The orebody is located at an elevation of 2800 feet above the valley floor, and on a relatively sheer mountainside. It is approximately 5 miles from tidewater at the head of Zeballos Arm, West Coast of Vancouver Island.

From a study of the topography, the most logical method of mining and transporting the ore at the outset would be by an open cut at the mine, an incline railway to the valley floor, using skips in balance with bunkers at either end of the incline. From this point the ore would be transported by heavy trucks to bunkers at the wharf. Construction of a road and a wharf would necessarily have to be undertaken. The rocks and bunkers for ship loading should be of such a nature and size to load 8,000 to

10,000 ton vessels in a minimum of time.

CAPITAL REQUIREMENTS:

In view of location and difficult access it is not reasonable to assume that the operation can be started on a small scale and gradually increased. It should be on a minimum of 500 tons per day, and any increases would be in large steps. Detailed estimates of cost are not available, however, it is considered that a minimum investment of \$800,000., would be involved. With erratic and indefinite labor and material costs this figure might be exceeded by one-third. On a 500 ton scale operating costs are estimated as follows:

Mining.....	\$3.00
Transportation to road.....	.80
Trucking to tidewater.....	1.00
Loading on ships.....	<u>.70</u>
	\$5.50
Contingencies	<u>.50</u>
	\$6.00

Assuming a \$1,000,000., capital investment, any contract entered into should be at such a price as to return this sum, i.e., to say -

a 250,000 ton contract would add \$4. per ton to the price on shipboard.

a 500,000 " " " " \$2. " " " "

making a total cost per ton on shipboard of \$10., and \$8.,

respectively. Profit, of course, would be in addition to these figures.

Recent quotations on freight rates Zeballos-Japan are \$10.25 - \$10.50 per ton.

A. J. Anderson.

Penticton, B. C.

September 6th, 1948