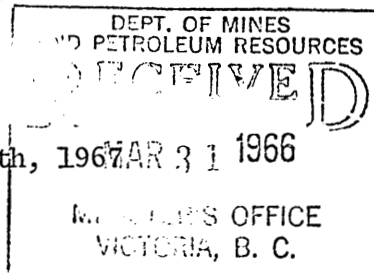


## JEDWAY IRON ORE LIMITED

1111 WEST GEORGIA STREET  
VANCOUVER 5, B.C.



March 29th, 1967

The Honourable Donald M. Brothers,  
Minister of Mines and Petroleum Resources,  
Province of British Columbia,  
VICTORIA, B. C.

Dear Sir:

In fulfilment of part of the requirements of the contract between the Province of British Columbia and Jedway Iron Ore Limited, dated December 1st, 1961, three schedules are presented together with supporting data and maps.

Schedule 1 (Sec. 1-b of Contract)

Application is made for credits against future royalties in the amount of expenditures in the search for iron ore in British Columbia, which totalled \$176,271 during 1966.

Schedule 2 (Sec. 1-f of Contract)

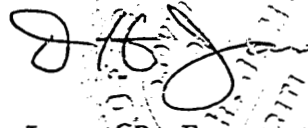
Ore reserves scheduled for production at the mine amount to 1,193,000 tons at 37% iron on January 1, 1967. Some additional proven and probable ore may be economically mineable.

Schedule 3 (Sec. 1-g of Contract)

Details of ore production and concentrate shipments in 1966 are reported.

Yours very truly,

JEDWAY IRON ORE LIMITED

  
D. H. James, P. Eng.,  
Geologist.

DHJ/eb  
Encl.  
cc: N.G.C.

SCHEDULE 1: Application for Royalty Credits

Exploration for iron ore was restricted to the Jedway property and the immediately surrounding area. Costs of the work are taken from the accounts of Jedway Iron Ore Limited.

<u>PROJECT</u>	<u>COST</u>	<u>CREDIT REQUESTED</u>
<u>Rose Road Construction:</u>		
The road to the Rose M.C. was completed and various access roads constructed and stripping done. Exposure of numerous new outcrops was of considerable value in mapping and geological interpretation, and 1/3 of the cost is requested as credit in this connection.	\$ 76,550	\$ 25,317
<u>Underground Mining</u>		
Development underground in 1966 consisted of the drawpoints, undercuts, sublevels, and raises necessary to start mining 400 Stope. These workings were all mapped and provided considerable additional information as to the shape of the orebody and the attitude of faults which affect it. In addition a considerable number of percussion test holes were drilled to determine the boundaries of the ore. Detailed information acquired was of considerable value in deciding to proceed with a second underground stope. An amount of 1/3 the cost is requested as exploration credits.	\$ 422,863	\$ 140,954
Totals	\$ 499,413	\$ 176,271

A composite plan of the 400 Stope development illustrates the work done.

SCHEDULE 2: Ore Reserves January 1, 1967

Ore reserves reported, as in 1966, are those reserves scheduled for production. During 1966 reserves reported in Pit H and Adonis Extension Pit were extracted, and those in 400 Stope underground were partly extracted. Ore in the Rose Pit and in 410 Stope underground was taken into reserves upon completion of economic studies. Reserve tonnage was calculated from vertical cross sections or plans using a tonnage factor of 8.0 cubic feet per ton.

Existing reserves now scheduled for production are as follows:

Rose Pit	549,000 tons
400 Stope underground	349,000 tons
410 Stope underground	<u>295,000 tons</u>
Total scheduled reserve	1,193,000 tons, grading
37% Mag. Fe. 430,000 tons Mag. Fe.	

An additional 450,000 tons of proven and probable ore is known, but further exploration and economic evaluation is required to ascertain if it is economically recoverable.

Details of the listed reserves follow:

Rose Pit Reserves

The Rose Pit is illustrated on the accompanying print at 1" = 100 feet which shows the pit plan, a series of cross sections with drill holes, and the magnetometric plan. Reserves are illustrated by photocopies of twelve plans showing the calculated reserves on each bench.

The reserves as calculated in February 1966 are tabulated below:

<u>Level</u>	<u>Reserves (short dry tons)</u>
660	nil
630	nil
600	29,000
570	68,000
540	95,000
510	82,000
480	77,000
450	109,000
435	39,000
420	33,000
400	23,000
390	<u>7,000</u>
Total	562,000 tons
Mined in 1966	<u>13,000</u>
	549,000 tons
Grade is 40% Mag. Fe. =	219,600 tons Mag. Fe.

400 Stope Underground Reserves

A detailed ore reserve calculation was submitted in the 1966 report and no revision has been required as yet. Reserves have therefore been calculated by difference.

Reserve January 1, 1966	569,500 tons
Production 1966	<u>220,015</u> tons
Reserve January 1, 1967	349,000 tons (rounded)
Grade is 35% Mag. Fe. =	122,000 tons Mag. Fe.

410 Stope Underground Reserves

The 410 Stope underground is being developed to mine the F. W. Zone between #1 and #2 faults. The reserve calculation for this block was given in detail in the 1966 report and has not been changed. It stands at 294,900 tons grading 35% Mag. Fe. = 103,200 tons Mag. Fe.

### SCHEDULE 3

During 1966 the mill treated a total of 889,281 short dry tons of ore. It was extracted from the Main Pit, the Adonis Pit, the Rose Pit to a small extent, and the underground mine. Detailed statistics are presented in the following pages 14 to 18 reproduced from the Annual Report of the Mine Manager.

Concentrate shipped in 1966 totalled 477,586 long dry tons. Details of shipments are listed on page 19 reproduced from the report of the Mine Manager.

SUMMARY OF MAIN PIT PRODUCTION1966

	WASTE	ORE	STRIPPING RATIO
Total to Dec. 31, 1965	12,371,600	2,412,291	5.1
January 1966	59,115	27,662	2.1
February	66,825	71,188	0.94
March	65,405	67,813	0.96
April <i>open pit</i>	78,155	68,457	1.14
May	<i>67729</i> 64,875	<i>59325</i> 76,957	0.84
June	39,270	49,479	0.79
July	3,360	45,515	0.07
August	2,250	37,956	0.06
September	9,730	7,170	1.36
October	10,655	12,817	0.83
November	<i>107 863</i>	<i>287219</i> -	-
December	-	-	-
	<i>487,088</i>		
1st Quarter	191,345	166,663	1.15
Total to Date	12,562,945	2,578,954	4.87
2nd Quarter	182,300	194,893	0.94
Year to Date	373,645	361,556	1.03
Total to Date	12,745,245	2,773,847	4.59
3rd Quarter	15,340	90,641	0.17
Year to Date	388,985	452,197	0.86
Total to Date	12,760,585	2,864,488	4.45
4th Quarter	10,655	12,817	0.83
Year to Date	399,640	465,014	0.86
Total to Date	12,771,240	2,877,305	4.44

SUMMARY OF ADONIS PIT EXTENSION1966

	WASTE	ORE	STRIPPING RATIO
Total to Dec. 31, 1965	257,605	-	-
January 1966	21,335	-	-
February	39,450	-	-
March	62,210	-	-
April	43,745	-	-
May	74,080	-	-
June	88,435	2,215	-
July	86,870	2,158	-
August	63,555	13,618	4.7
September	53,290	28,727	1.9
October	38,025	45,384	0.8
November	3,255	50,207	0.06
December	20,200	22,415	0.9
1st Quarter	122,995	-	-
Total to Date	380,600	-	-
2nd Quarter	206,260	2,215	-
Year to Date	329,255	2,215	-
Total to Date	586,860	2,215	-
3rd Quarter	203,715	44,503	4.6
Year to Date	532,970	46,718	11.4
Total to Date	790,575	46,718	16.9
4th Quarter	61,480	118,206	0.5
Year to Date	594,450	164,924	3.6
Total to Date	852,055	164,924	5.2

SUMMARY OF ROSE PIT PRODUCTION1966

	WASTE	ORE	STRIPPING RATIO
Total to Dec. 31, 1965	-	-	-
January 1966	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	2,790	-	-
August	9,560	2,745	-
September	13,700	70	-
October	22,245	10,256	-
November	82,500	-	-
December	77,590	-	-
1st Quarter Total to Date	-	-	-
2nd Quarter Year to Date Total to Date	- - -	- - -	- - -
3rd Quarter Year to Date Total to Date	26,050 26,050 26,050	2,815 2,815 2,815	- - -
4th Quarter Year to Date Total to Date	182,335 208,385 208,385	10,256 13,071 13,071	- - 16.0



SUMMARY OF 400 STOPE PRODUCTION1966

	WASTE	ORE	STRIPPING RATIO
Total to Dec. 31, 1965	-	-	-
January 1966	-	* 1,234	
February	-	* 2,731	
March	-	* 8,432	
April	-	* 4,796	
May	-	* 1,556	
June	17	17,555	
July	-	20,029	
August	-	29,863	
September	-	33,884	
October	-	25,972	
November	2,480	36,947	
December	4,335	37,016	
1st Quarter	-	12,379	
Total to Date	-	12,379	
2nd Quarter	17	23,907	
Year to Date	17	36,304	
Total to Date	17	36,304	
3rd Quarter	-	83,776	
Year to Date	17	120,080	
Total to Date	17	120,080	
4th Quarter	6,815	99,935	
Year to Date	6,832	220,015	
Total to Date	6,832	220,015	

\* Development Ore.

## SUMMARY OF TONS MILLED AND CONCENTRATE PRODUCTION

1966

	MILL HEAD DELIVERIES			CONCENTRATE PRODUCTION			RECOV. Conc. Ratio
	Tons	* Grade	Tons Fe	Tons	** Grade	Tons Fe	
Total to Dec.31/65	2,488,287	34.4	855,279	1,259,563	61.9	779,822	2.00
January 1966	46,454	35.7	16,584	26,577	62.4	16,584	1.75
February	74,334	35.4	26,314	41,930	62.8	26,332	1.77
March	81,730	34.0	27,788	44,321	62.7	27,789	1.84
April	74,632	36.2	27,017	42,748	63.2	27,017	1.75
May	77,986	36.6	28,543	45,299	63.0	28,538	1.72
June	80,190	32.7	26,222	42,022	62.4	26,222	1.91
July	66,881	40.7	27,221	+43,477	63.4	27,564	1.54
August	91,168	36.8	33,550	52,178	64.3	33,550	1.75
September	70,026	41.9	29,341	46,352	63.3	29,341	1.51
October	83,607	38.9	32,523	50,817	64.0	32,523	1.65
November	83,827	36.4	30,513	48,587	62.8	30,513	1.73
December	58,446	33.4	19,521	30,991	63.0	19,521	1.89
1st Quarter	202,518	34.9	70,686	112,828	62.7	70,705	1.79
Total to Date	2,690,805	34.4	925,965	1,372,391	62.0	850,527	1.96
2nd Quarter	232,808	35.1	81,782	130,069	62.9	81,777	1.79
Year to Date	435,326	35.0	152,468	242,897	62.8	152,482	1.79
Total to Date	2,923,613	34.5	1,007,747	1,502,460	62.1	932,304	1.95
3rd Quarter	228,075	39.5	90,112	142,007	63.7	90,455	1.61
Year to Date	663,401	36.6	242,580	384,904	63.1	242,937	1.72
Total to Date	3,151,688	34.8	1,097,859	1,644,467	62.2	1,022,759	1.92
4th Quarter	225,880	36.5	82,557	130,395	63.3	82,557	1.73
Year to Date	889,281	36.6	325,137	515,299	63.2	325,494	1.73
Total to Date	3,377,568	34.9	1,180,416	1,774,862	62.3	1,105,316	1.90

\* Recoverable Magnetic Iron

\*\* Total Iron

+ These figures include concentrate rerun through the mill

## SUMMARY OF CONCENTRATE SHIPMENTS

1966

Date 1966	Ship't. No.	Vessel	L.W.T.	% Moist.	L.D.T.	-100 Mesh	% Fe.	Value Canadian \$
Jan. 14	46	Resita	23,749	5.2	22,514	38.0	63.31	238,690.58
Feb. 14	47	Harriet Maru	25,616	5.9	24,105	37.0	62.59	247,628.90
Apr. 7	48	Norbu	28,448	5.2	26,969	31.0	63.24	289,272.69
Apr. 22	49	Harriet Maru	26,323	5.4	24,901	31.0	63.36	267,923.36
June 2	50	Harriet Maru	26,408	5.6	24,929	38.0	63.78	268,650.85
June 4	51	Tokyo Olympic	23,152	4.6	22,087	38.0	63.78	238,676.98
June 11	52	Janita	30,836	4.9	29,325	35.0	63.08	309,957.83
July 10	53	Janita	30,743	5.2	29,144	34.0	63.38	311,778.55
July 31	54	Kotoura Maru	25,160	5.1	23,877	36.0	63.73	258,397.34
Aug. 17	55	Janita	30,830	5.7	29,073	36.0	62.83	302,614.00
Aug. 30	56	Harriet Maru	26,369	5.8	24,839	39.0	63.36	262,066.04
Sep. 13	57	Janita	30,694	5.2	29,998	36.0	63.38	340,457.82
Sep. 27	58	Kotoura Maru	25,002	5.2	23,702	36.0	63.62	256,050.85
Sep. 30	59	Hoegh Mallard	21,657	4.9	20,596	37.0	62.94	216,351.32
Nov. 1	60	Harriet Maru	25,725	5.3	24,362	34.0	64.20	270,735.78
Nov. 27*	61	Marg. Chandris	28,571	5.5	26,994	33.0	62.70	281,388.35
Nov. 29*	62	Harriet Maru	25,609	6.0	24,083	36.0	63.19	252,922.73
Dec. 11*	63	Kotoura Maru	24,327	5.9	22,882	36.0	62.00	229,234.33
Dec. 30*	64	Harriet Maru	25,620	5.9	24,106	35.0	62.34	245,801.23
Totals & Averages			504,839	5.4	477,586	35.5	63.19	5,088,599.53

\* Not Final Values .