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JERICO MINES LTD.

SUMMARY REPORT FOR THE PERIOD

NOVEMBER 1964 to NOVEMBER 1965

Alrae Exploration Ltd.

November 22, 1965

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INTRODUCTION

The Jericho Mines Ltd. claims in the Highland Valley area have been under active development for the past three years. Seasonal survey work had been done on the claims during the preceding several years.

A zone of copper mineralization on a portion of four claims has been partially explored and developed. Much further work is necessary to completely outline the indicated ore zones within these four claims.

Three additional surface discoveries are known on the claims but no work has been done to test them during the past three years. These are known as the Halfway Showing, Malachite Hill, and Bornite Ridge.

The company holds 158 claims and fractions in the Kamloops and Nicola Mining Divisions. All claims are in good standing. Most are held by assessment work for several years hence.

LOCATION

The claims lie on the southern slope of the Highland Valley and extend from the junction of Witches Brook and Guichon Creek southwest for six miles. Bethlehem Copper Corporation Ltd. mine is approximately six miles west of Jericho and the Craigmont Mine is approximately 20 miles to the south.

The Jericho camp (complete facilities for 20 men) is easily accessible by highway from Vancouver, a trip of $5\frac{1}{2}$ hours by automobile.

SUMMARY OF WORK PRIOR TO NOVEMBER 1964

During the summer seasons of 1960 and 1961 selected portions of the claim group were tested by magnetometer survey, geochemical soil testing, and self potential survey. This work was directed at the Halfway, Malachite Hill and Bornite Ridge prospects. Two shallow drill holes were drilled on each prospect.

In the autumn of 1961 an Induced Polarization survey tested a selected portion of ground between the Halfway Showing and Malachite Hill. This survey was successful in locating three strongly anomalous zones. Standard AX diamond drilling was undertaken to test the anomalies. Nineteen holes were drilled and some excellent mineralization was encountered. Core recovery was unsatisfactory so the decision was made to drive a five by seven foot adit into the mineralized area.

This adit was started in December of 1963 and was completed at 885 feet in March 1964. Rock drill hole testing of the walls and detailed geological mapping indicated the top of an ore zone immediately to the north of the adit. This has been named Zone 1.

BX wireline diamond drilling was started in

April 1964 and traced Zone 1 to a depth of 400 feet.

Two other I. P. anomalies were also drilled and were found to be caused by copper sulphide mineralization. These were named Zones 2 and 3.

To test Zone 1 at greater depth and to partially develop the ore zone a contract for a lower adit was let in November 1964. Surface diamond drilling ceased at the same time.

LOWER ADIT AREA

The lower adit is approximately 480 feet vertically below the first or Upper Adit. This is a 9 by 9 foot adit which intersected Zone 1 at 2300 feet and was continued to a total length of 2428 feet.

As this adit progressed mineralization was encountered at 890 feet and again at 1725 feet. Each zone was named for its position encountered. Neither of these had been indicated by previous surface work.

Underground wireline diamond drilling started in May 1965 and was used to test each of the zones encountered to a depth of from 150 to 300 feet below the Lower Adit. Zone 1 was tested by one long drill hole to a vertical depth of 900 feet from surface.

Drifts have been started to the east and to the west on Zone 1 and the 1725 Zone. Each drift face was sampled as work proceeded. The 1725 Zone has been opened for approximately 140 feet and Zone 1 for 70 feet. All

faces have been temporarily stopped and all are still in good sulphide mineralization, (Bornite, chalcopyrite and chalcocite).

A raise has been started in Zone 1. Chute timbers have been installed and the raise advanced for thirty feet before work was discontinued in September. Such a raise when completed will serve for safety, ventilation, and ore evaluation and development by sub levels.

SUMMARY OF ORE RESERVES

Ore reserve figures as indicated by diamond drilling and limited drifting are as follows.

Probable Ore	Zone 1	260,000 tons.
Indicated Ore	1725 Zone	200,000 tons.
Indicated Ore	890 Zone	<u>50,000 tons.</u>
Total Probable and Indicated Ore		510,000 tons.

Zone 1 has been calculated from the Lower Adit to surface only. One drill hole has shown the zone to extend well below this level but no grade figures may be calculated with present information.

Grade of the Probable and Indicated Ore is 1.5% copper. Drift face samples in the 1725 Zone have indicated an average of 1.6% copper. None of the three Zones above has been completely delineated by diamond drilling. Further testing will certainly increase the ore reserves by tracing them along strike and to greater depth.

CONCLUSIONS AND RECOMMENDATIONS

Exploration of copper bearing zones on the Jericho Mines Ltd. claims has indicated eight mineralized zones. Three of these have been partially tested and are known to contain a high enough grade of copper to be commercially interesting (Gross value approximately \$10 per ton). The remaining five zones are essentially unexplored. Further development work is necessary to increase the ore reserves before assured profitable mining can be undertaken.

To test the indicated ore zones and to prove and develop the ore the following work is recommended:

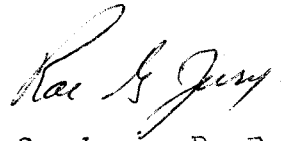
- (1) Extending drifts on the 1725 Zone to the limits of the ore. Short diamond drill holes will be necessary to test the width of the Zone.
- (2) Raises to surface on Zone 1 and the 1725 Zone.
- (3) Extending drifts to the east and west on Zone 1 and testing the drift walls with short diamond drill holes.
- (4) Diamond drilling to test the downward extension of Zone 1 from the Lower Adit.

COST ESTIMATE

Tunnel work (drifting) on the two Zones will cost approximately \$45,000. Diamond drilling \$20,000, and raising approximately \$55,000. A total of \$120,000 would be necessary to complete the proposed work.

Diamond drilling may be undertaken before the tunnel work to test the downward extension of Zone 1 but it is more efficient to do both drifting and drilling at the same time.

Respectfully submitted

A handwritten signature in cursive script, appearing to read "R. G. Jury".

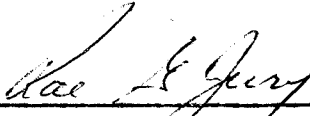
R. G. Jury P. Eng.

C E R T I F I C A T E

I, Rae G. Jury of the City of Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of Queen's University in Kingston (B.Sc. in Geological Sciences 1957).
3. I am a registered Professional Engineer of the Provinces of British Columbia and Ontario and also a Junior Member of the Canadian Institute of Mining and Metallurgy.
4. I have practised my profession since 1957 with Labrador Mining and Exploration Company, Quemont Mining Corporation, Canadian Johns Manville Co. Ltd., and Alrae Exploration Ltd.
5. I have personally supervised and examined Diamond Drilling and the adit work on the Jericho Mines, Ltd. property.
6. I have not received, nor do I expect to receive, any interest directly or indirectly, in the properties or securities of Jericho Mines, Ltd.

DATED THIS TWENTY SECOND DAY OF NOVEMBER, 1965



Rae G. Jury, P. Eng.

DEFINITION OF CLASSES OF ORE RESERVES

Proven Ore: Ore exposed and sampled on four sides (ie) by raises and levels generally not more than 200 feet apart. There is practically no risk of failure of continuity between points of information.

Probable Ore: Ore exposed and sampled on at least two sides and which has been drilled on a systematic pattern so there is good justification for assumption of continuity.

Indicated or Possible Ore:

Ore tested by widely spaced diamond drill holes. The continuity of ore between intersections is a matter of reasonable projection depending on the geological complexity of the ore zone.