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MAFEKING.

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MAFEKING MINERALS LTD.

SILVER, COPPER, LEAD, ZINC, CADMIUM

PROSPECT

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MAFEKING MINERALS LTD.

INTRODUCTION

Mafeking Minerals Ltd. of Calgary, Alberta, has a silver, copper, lead, zinc, cadmium occurrence in Northern British Columbia that she wishes to develop. As Mafeking does not have the necessary funds to explore and develop the prospect, she is willing to relinquish an equity position in the prospect, to acquire the necessary initial exploration funds.

PROSPECT

Mafeking's base and precious metal showing is represented by a vein 120 feet long, 8 inches (0.67 feet) wide on the north east, and 20 inches (1.67 feet) wide on the south west, where the vein is widening as it is obscured by talus. The vein strikes NE/SW, is closed on the north east and is open on the south west. It dips essentially vertical.

TRENCH

A trench, toward the southern part of the vein, 10 feet long, 4 feet deep and 3 feet wide was drilled, blasted and dug in 1969. Two samples of the mineralization were acquired from the trench - Sample No. 1 (ER-239) from the northern end and Sample No. 2 (ER-238) from the southern end.

ASSAY VALUES

<u>Assay Values</u>	<u>N/end Sample (1)</u>	<u>S/end Sample (2)</u>	<u>Value October 1979</u>
Ag Silver	4.2 oz.	56.6 oz.	\$18.15/oz. (Can.)
Cu Copper	13.1%	9.6%	\$ 1.05/lb.
Pb Lead	-	10.6%	\$ 0.71/lb.
Zn Zinc	-	12.2%	\$ 0.43/lb.
Cd Cadmium	-	0.33%	\$ 2.75/lb.

GROSS VALUE PER TON

Assuming a 3.5 specific gravity for the samples, thence 9.17 cubic feet of mineralization equals one ton, with these parameters and using October 1979 metal prices, an average gross value per ton of ore is \$1,173.00.

GROSS VALUE PER 10 FOOT CUT

With these same parameters the value of the various minerals per vertical foot over the 120 feet length of the exposed vein approximates \$17,959.00, hence 10 vertical feet over the exposed vein length would gross a theoretical \$179,590.00.

PROSPECT OPEN PIT MINING POTENTIAL

We feel the mineralization over the 10 foot depth could be mined via open pit operations while the property is being explored. An estimate as to the net return from the ore would entail a calculation of mining, milling, concentrating, shipping and refining costs plus taxes; however, I believe we could net approx. one quarter to one third, i.e. \$45 to \$59,000.00.

The recoverable net income would go towards alleviating the initial exploration expense.

ASSUMPTION OF ORE BODY

Assuming we have a vein of sulphide mineralization that maintained the 20 inch (1.67 foot) width over a length of 1,000 feet and a depth of 500 feet, then using the 3.5 specific gravity and 9.17 cubic feet to the ton we would have 91,058 tons of ore valued at \$1,173 per ton, giving a theoretical gross value of \$106,811,034.00.

EXPLORATION PROPOSAL

Geological exploration, diamond drilling and an initial feasibility study are essential to determine the extent of the initial showing, the cost of the proposed exploration is estimated as follows:

(a) Geological Exploration including acquisition of trenched samples for continuing assay and to determine the arsenic and anti- mony content of the mineralization	\$ 44,000.00
(b) 3,000 feet of BQ Diamond Drilling	227,000.00
(c) Initial Feasibility Study	<u>7,500.00</u>
	\$278,500.00
	i.e. \$279,000.00

OPTION AGREEMENT

An option payment of \$5,000 to Mafeking Minerals Ltd. for the first year of the agreement would be required; if the exploration is extended over two years, i.e. 1980/1981, a further \$10,000 payment for the 1981 year would be an additional requirement. If the area is explored in 1980 and the prospect proven up to the extent that we are reasonably sure we have a prospective ore body, the \$10,000 payment would not be required.

EQUITY INTEREST EARNED

For the provision of exploration funding to the extent of \$284,000.00, Mafeking Minerals Ltd. would relinquish a 50% interest in the prospect.

PROVISION OF FUNDS FOR DEVELOPMENT

Once the initial work has been completed and further work is necessary to take the prospect to the production stage, Mafeking will provide 50% of the ongoing expenses,

while the original investor will provide the other 50% with the development income from the property to be used to alleviate exploration and development costs.

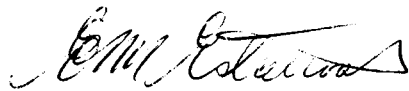
STAKING

The investing party will be precluded from staking any ground or acquiring an interest in any ground within a two mile radius of Mafeking's property for a period of two years. If additional claims are staked with the concurrence of Mafeking, such additional grounds will become part of Mafeking's holdings, whether the agreement is fulfilled or not.

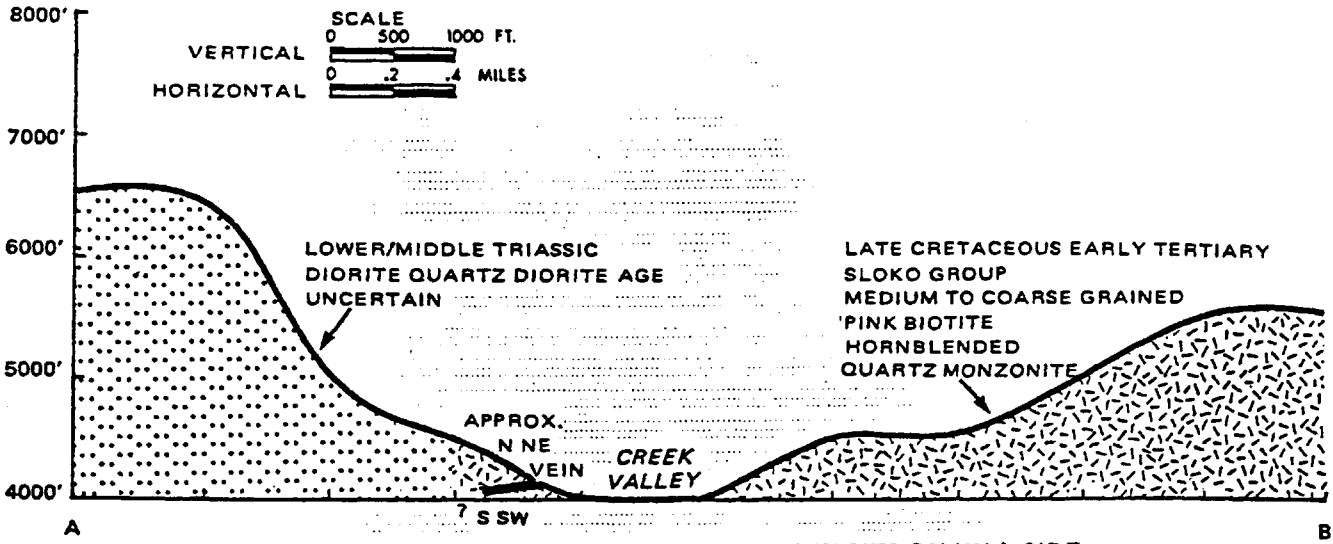
Yours truly,

MAFEKING MINERALS LTD.
c/o J.D. Salmon and Associates
Main Floor, Calgary House
550 - 6th Ave. S.W.
Calgary, Alberta

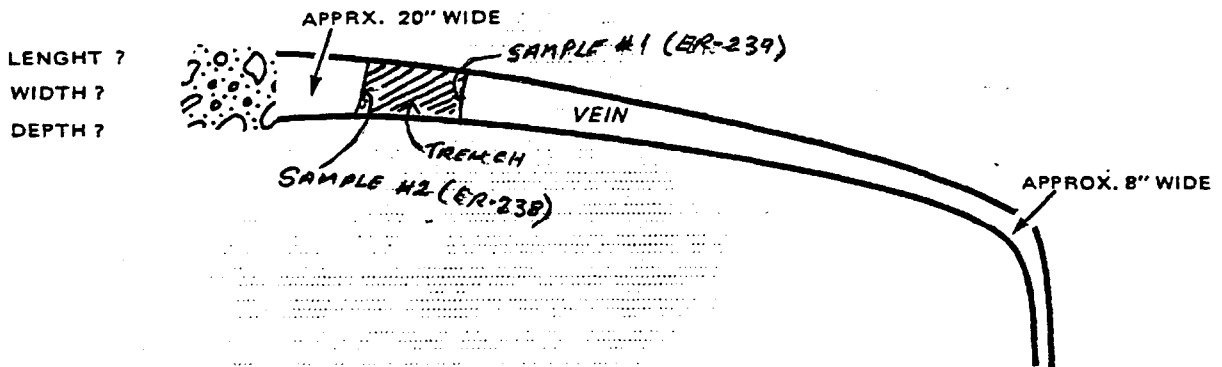
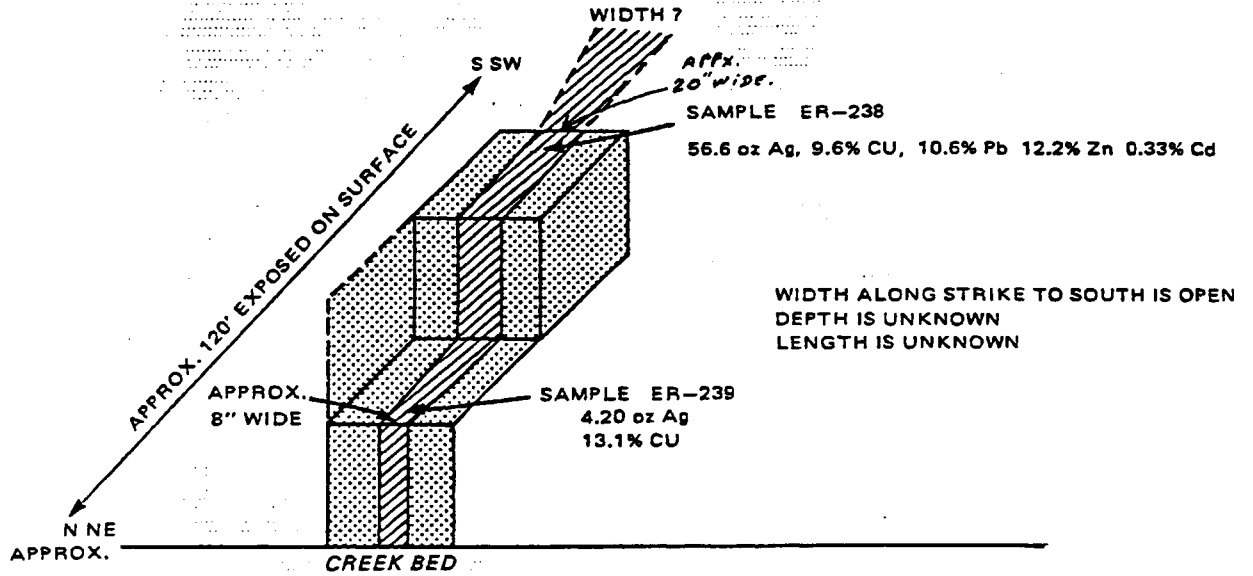
Telephone 266-6066


E.M. Estabrooks, P.Geol.
President
Mafeking Minerals Ltd.

TOPOGRAPHIC



IDEALIZED DRAWING OF VEIN AS IT SITS ON HILL SIDE



POTENTIAL OF PROSPECT

<u>Length</u>	<u>Width</u>	<u>Depth</u>	<u>Tonnage</u>	<u>\$1173/ton</u>	<u>Theoretical Gross Value</u>
250'	0.67' (8")	100'	1827 tons	"	\$2,143,071.00
250'	1.67' (20")	100'	4553 tons	"	\$5,340,669.00
500'	0.67' (8")	200'	7306 tons	"	\$8,569,938.00
500'	1.67' (20")	200'	18212 tons	"	\$21,362,676.00
1000'	0.67' (8")	400'	29226 tons	"	\$34,282,098.00
1000'	1.67' (20")	400'	72846 tons	"	\$85,448,358.00
1000'	1.67' (20")	500'	91058 tons	"	\$106,811,034.00

The above calculations give an indication of the potential inherent in the precious and base metal showing held by Mafeking Minerals Ltd.

The variable combination of possibilities is great, they range from the position that, "What we observe now is all there is", to the above calculations and beyond.

The risk factor is high in all types of natural resource exploration and in particular that of exploring for minerals; however, the evidence we have in this case reduces the risk to reasonable proportions.

CALCULATION OF VALUE PER TONSample No. 1Dimensions of Trench

10 feet long x 3 feet wide x 4 feet deep.

Dimensions of mineralized area within trench from which the sample was derived were:

5 feet long x 8 inches (0.67 ft.) wide x 4 feet deep.

5 feet x 0.67 feet x 4 feet = 13.4 cubic feet.

Assuming a specific gravity of 3.5 for the mineralization and 9.17 cubic feet per ton of ore, the area represents 1.46 tons.

1.46 tons with 4.2 oz. Ag/ton @ \$18.15/oz. = \$ 111.30

1.46 tons with 13.1% Cu @ \$1.05/lb. = \$ 401.63

\$ 512.93

1.46 tons with gross value of \$512.93.

Sample No. 2

Trench 5 feet long x 20 inches (1.67 ft.) wide x 4 ft. deep.

5 feet x 1.67 x 4 feet = 33.4 cubic feet = 3.64 tons.

3.64 tons with 56.6 oz. Ag/ton @ \$18.15/oz. = \$3,739.26

9.6% Cu @ \$1.05/lb. = \$ 733.82

10.6% Pb @ \$0.71/lb. = \$ 547.89

12.2% Zn @ \$0.43/lb. = \$ 381.91

0.33% Cd @ \$2.75/lb. = \$ 66.00

\$5,468.88

3.64 tons with gross value of \$5,468.88.

1.46 tons @ \$512.93

3.64 tons @ \$5,468.88

5.10 tons @ \$5,981.81, i.e. \$1,172.90, i.e. \$1,173/ton

as of October 1979.

GEOLOGICAL EXPLORATION

	<u>Cost Estimate 1979</u>
5 Man Crew (1 Geologist; 3 Field Assistants; 1 Cook)	
1) Personnel (Consulting)	\$10,200.00
2) Transportation	\$14,990.00
3) Board Expenses in Field Camp	\$ 1,750.00
4) Camp Equipment	\$ 3,400.00
5) Field Equipment including Atlas Copco Gasoline Plugger and 2,4 and 6 ft. steel	\$ 3,000.00
6) Assaying @ \$43.00/Sample (30-35 samples)	\$ 1,500.00
7) Communications	\$ 600.00
8) Payroll, Taxes, etc.	<u>\$ 1,530.00</u>
Sub-Total	\$39,470.00
9) Contingencies - 10%	<u>\$ 3,947.00</u>
Estimated Total Cost	\$43,417.00
i.e. \$44,000.00.	

A) AREAS OF EXPLORATION

- 1) Southward along strike of vein.
- 2) East and west from exposed mineralization.
- 3) Trench surface exposure of vein for samples at
30 ft. intervals - trenches 4 ft. long x 3 ft. wide
x 3 ft. deep.
- 4) Samples assayed for Ag, Cu, Pb, Zn, Cd, Antimony,
Arsenic, and Gold.
- 5) Spot drill locations for initial Diamond Drilling.

DIAMOND DRILLING PROJECT3,000 feet of BQ

Cost
Estimate
1979

1) Drilling price per foot \$25.00	\$ 75,000.00
2) Estimated field cost per foot \$20.00	\$ 60,000.00
3) Mobilization and Demobilization, cost of flying in fuel; flying out samples and core @ \$5.00/ft.	\$ 15,000.00
4) Geological personnel (Consulting)	\$ 13,000.00
5) Personnel transportation	\$ 1,000.00
6) Board expenses in field camp	\$ 2,240.00
7) Assaying cost including shipment of samples from location to Whitehorse Assay Lab. (Estimated 800 samples @ \$43.00 each)	\$ 34,400.00
8) Field equipment	<u>\$ 5,000.00</u>
	Sub-Total
	\$206,140.00
9) Contingency 10%	<u>\$ 20,614.00</u>
	Total
	\$226,754.00
	i.e. \$227,000.00

The drilling costs could be reduced somewhat if the geology work was conducted by in-house staff geologists and assistants.