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PROGRESS REPORT

on

NICK OF TIME and COPPER CHIEF MINERAL CLAIMS

Hedley, B.C.

April 11th, 1949

Henry L. Hill, P.Eng.

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(March 1947 - April 1949)

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The conclusions set forth in the following pages arise from an inspection of the Nick of Time underground workings on April 5th, 1949 and on examination of maps, drill logs and monthly progress reports on April 4th, 5th and 6th, 1949.

SUMMARY AND CONCLUSIONS

Development work, since March 1947, failed to discover commercial ore outside the proven ore zone. Ore reserves in the proven ore zone have been increased by 1300 tons resulting from two drill intersections below the 3700 level. The present indicated ore reserves are estimated at 12,000 tons averaging .55 oz. gold per ton having a gross value of \$240,000.

A capital expenditure of \$75,000 would be required before the Nick of Time ore could be profitably extracted. This outlay would be necessary to sink a 400 foot winze and build a jig back tram from the 3700 level to the Hedley Mascot mill.

An operating profit of \$96,000 is estimated on the 12,000 tons of Nick of Time ore. After returning the capital expenditure of \$75,000 this ore would leave a net profit of \$21,000. Under the terms of the lease the 10% gross royalty would amount to \$24,000, thus no profit could be won by Hedley Mascot from extracting the Nick of Time ore.

Development work was carried on continuously from March 1947 to June 1948. After a shutdown of seven months from July 1948 to January 1949 intermittent work was resumed during February and was continued until April 1st, 1949. No work was being done on the Nick of Time at the time of the writer's inspection on April 5th, 1949.

Mining equipment for raising was available for a resumption of work on the level.

Hedley Mascot have not to date milled ore from the Nick of Time mineral claim.

At the time of the writer's examination on April 6th the Hedley Mascot were preparing to close down their operations. The mill is expected to clean up the little ore that is left on the Mascot Fraction by April 15th.

The Hedley Mascot's future plans on the Nick of Time are unknown.

RECOMMENDATIONS

Further exploratory work on the Nick of Time mineral claim is considered justified to test the ore zone at depth. Recent drilling results on the Morning Claim by the Kelowna Exploration Company have indicated that a really worth while ore body occurs 140 feet up the dip, above the 3700 level, from the Nick of Time boundary line.

The reward available from the present ore reserves and the ore finding possibilities on the Nick of Time are considered, in the opinion of the writer, sufficient to justify an expenditure of \$75,000 to sink a winze and construct a jig back tram to the Hedley Mascot mill.

DEVELOPMENT WORK (March 1947 - April 1949)

Raising

A raise (3710) was driven a distance of 500 feet from the 3700 level to the Kelowna Exploration 4150 level. This raise at an inclination of 60° is 5'x10' in cross-section and is divided into two compartments, one for an ore pass and the other equipped with ladders and a slide. This raise provides adequate ventilation and also a second exit which is required by the Mines Act. Preparatory work for driving this raise included 250 feet of drifting, station cutting and chute building. The total cost of the raise was \$25,000.

A 50' raise (3711) was driven from 3711 Drift to prospect a favourable ore zone. Spotty values were encountered.

Drifting

The 3700 South Drift was extended 340 feet to the South to prospect West of the hot sill towards the Climax Stock. Diamond drill stations were cut at the face and 200 feet North of the face.

North Drift

The North Drift was advanced a few rounds to allow diamond drilling the Red Mountain mineral claim.

Diamond Drilling

Drill logs of all drill holes on the Nick of Time drilled since the writer's examination of March 1947 were examined and checked on the maps. The following holes encountered interesting results.

Diamond drill hole #1037, drilled from the face of 3700 South Drift, intersected 3 feet of ore assaying 1.60 oz. per ton. Ten additional holes from the same location failed to prove any continuity to this ore. This intersection is, therefore, not considered worthy of further exploration.

Diamond drilling for the downward extension of the proven ore zone provided some interesting results. Drill holes #1025 and #1033 intersected $3\frac{1}{2}$ feet of ore assaying

1.26 oz. per ton and 3 feet assaying 2.08 oz. per ton. A third hole, #1083, should be extended 50 feet to intersect this same ore zone at a still greater depth.

ORE RESERVES

	<u>Ton</u>	<u>Grade</u> oz. per ton
Old reserves	10,687	.53
New ore	960	.90
Broken ore	<u>243</u>	<u>.39</u>
	11,890	.55

Value per ton - \$19.25
Gross value of reserves - \$240,000

ESTIMATED MINING COSTS AND PROFIT

Mining	3.00 per ton
Milling	3.00
Taxes, freight, insurance	3.00
Tram and head office	<u>1.00</u>
Total	\$10.00 per ton

Recoverable value of reserve per ton - \$18.00
Profit per ton - 8.00
Profit on 12,000 tons - \$96,000

Capital expenditures necessary:

Tram	\$25,000
Winze	<u>50,000</u>
	\$75,000

Profit after capital expenditures - \$21,000

These profits are calculated on the assumption that Hedley Mascot would mill the Nick of Time ore at a reasonable rate.

PROGRESS OF WORK


Work done on the Nick of Time is listed below:

April 1947 to June 1948 inclusive - continuous work, including 3710 raise, winze preparations, South Drift and diamond drilling.

Estimated cost \$75,000.

July 1948 to January 1949 - no work.

February 1949 to April 1st 1949 - 3711 raise 50 feet. Estimated cost \$1,000.


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