

WILLIAM M. SHARP, M.A.Sc., P.ENG.
CONSULTING GEOLOGICAL ENGINEER
3280 CHESTERFIELD AVENUE
NORTH VANCOUVER, B.C. V7N 3M9

801282

NEW WELLINGTON RESOURCES LTD.,
614 - 4TH & PIKE BLDG.,
SEATTLE, WASHINGTON 98101
ATTN. MR. JACK EVANS

AUGUST 27, 1975

PRELIMINARY FEASIBILITY ESTIMATE
MINING - NEW WELLINGTON DUMPS.

GROSS RECOVERABLE TONNAGE, NEW WELLINGTON NOS 0, 1, & 2
SUNSET NOS 1 & 2 = 11,150 TONS

ESTIM. NET RECOVERABLE TONNAGE - - - - - 10,000 TONS ←

AVERAGE GRADE, BETTER PARTS }
AG = 4.55 OZ/TON }
PB = 1.08% } PENDING P LEDNTOVICZ
ZN = 0.72% } TABLE RESULTS.

(A) ESTIM RECOVERY VIA FLOTATION CONCENTRATION (SEMI-OR MATERIAL)

AG, 4.55 OZ/TON x 66% = 3.0 OZ PER TON MILLED.
PB, 1.08% = 21.6# x 70% = 15# PER TON MILLED
ZN, 0.72% = 14.4# x 60% = 8.6# " " "

ESTIM. NET SMELTER VALUES, F.O.B ANSWORTH OR SANDON MILLS

AG @ \$4.25/OZ }
PB @ \$909/LB. } AFTER SMELTER CHARGES, CONCENTRATE TRANSPORT,
ZN @ \$0.13/LB. } HANDLING CHARGES & B.C. ROYALTIES

NET SMELTER VALUE, PER TON OF AVG. DUMP MATERIAL MILLED:

AG, 3.0 OZ x \$4.25 = \$12.75
PB, 15# x 0.09 = 1.35
ZN, 8.6# x 0.13 = 1.12
CD, 1/30# x 8# = 0.16# x 1.27 = 0.21 \$15.43 ←

ESTIMATED PRODUCTION COSTS	ANSWORTH MILL	SANDON MILL
ACCESS PREPARATION & LOADING	\$ 1.00 PER TON	\$ 1.00 PER TON
HAUL TO MILL	@ 10¢/ft-mi 4.00 " " @ 12 2.40 " "	
MILLING @ PROBABLY TELL CHARGE	10.00	10.00 " "
TOTALS - - - - -	15.00 PER TON	\$ 13.40 PER TON

POSSIBLE GROSS PROFIT, USING SANDON MILL = 10,000 x \$2.03 = \$20,000 APPROX.
(ASSUMING ALL OF NET-RECOV. MATERIAL @ \$15.43/TON)

(B) JIG CONCENTRATION ON PROPERTY

ESTIM JIG PRODUCTION, 5000 TONS: AG, 5 OZ/TON @ \$4.25 = \$106,250
(CRUSH & JIG 10,000 TONS)
PB, 25# / " @ 0.09 = 11,250
ZN, 15# / " @ 0.13 = 9,750
CD, 0.25" / " @ 1.27 = 1,587
TOTAL - - - \$ 126,837 ←

PURCH & SET UP JIG, ALLOW 10,000 @ 0.10 \$1000
LOAD & FLEAD OR JIG 10,000 @ 1.50 15,000 \$16,000
HAUL & MILL 5000 TONS:
LOAD TRUCKS @ 1.00/TON \$5,000 \$5,000
HAUL TO MILL @ ANSWORTH / @ SANDON @ 20,000 / @ 12,500
MILL " " " 50,000 \$50,000
\$71,000 \$83,500

ESTIM. GROSS PROFIT RESULTING - - \$ 38,000 @ \$45,000 → \$3.80 TO \$4.50 PER TON
(a) (b) Wm Sharp

New Wellington. - Fractional Calc
 (New Wellington this 0, 1 2 Sunset #1 then probably)

Pb	Zn	Ag	0.85	1.13	21.6
0.40	0.27	4.16	15	8.6	1512
0.96	1.01	6.22	85	104	1.08
0.61	0.78	2.14	12.75	1118	20
1.57	0.37	6.20		4.22	21.60
0.81	0.28	4.88		3	14.4
1.58	1.15	4.98		12.66	.6
0.28	1.34	4.52		2.27	816.4
8) 2.43	0.63	5.30		4000	9.55
8.64	15.83	38.40		9.08	.65
width avg = 1.08	0.72	4.55			2275
					2730
					29575

Pb - 1.08% = 21.6# x 70% recov = 15# / ton milled
 Zn - 0.72% = 14.4# x 60% " = 8.6# / ton milled
 Ag - 4.55% @ 65% " = 2.96, say 3.0% milled.

Net Smelter Values, F.O.B. Newsmouth, per Scranton report:
 (after treat., conc. transport, etc & royalties)

Pb. 15 lbs recov. @ \$8.5 / lb.	\$ 1.28 / ton
Zn, 8.6 " " @ 139 / lb.	1.12 / ton
Ag - 3.0% " @ \$4.22 / oz	12.66 / ton
Cd - @ 50 x 8# 0.16# @ 1.27 / lb.	0.21 / ton
Total N.S.V.	\$ 15.27 per ton
Add Acc. fee	\$ 15.40 per ton

Blue Star
 Estim access prep & loading @ \$1.00 / ton
 " haul @ 40 mi @ 12¢ / ton mi 4.80 / ton
 " milling @ prob toll charge 10.00 / ton \$ 15.00 per ton
 Profit, say 4000 tons x \$0.40 --- \$ 1600 (too little!)

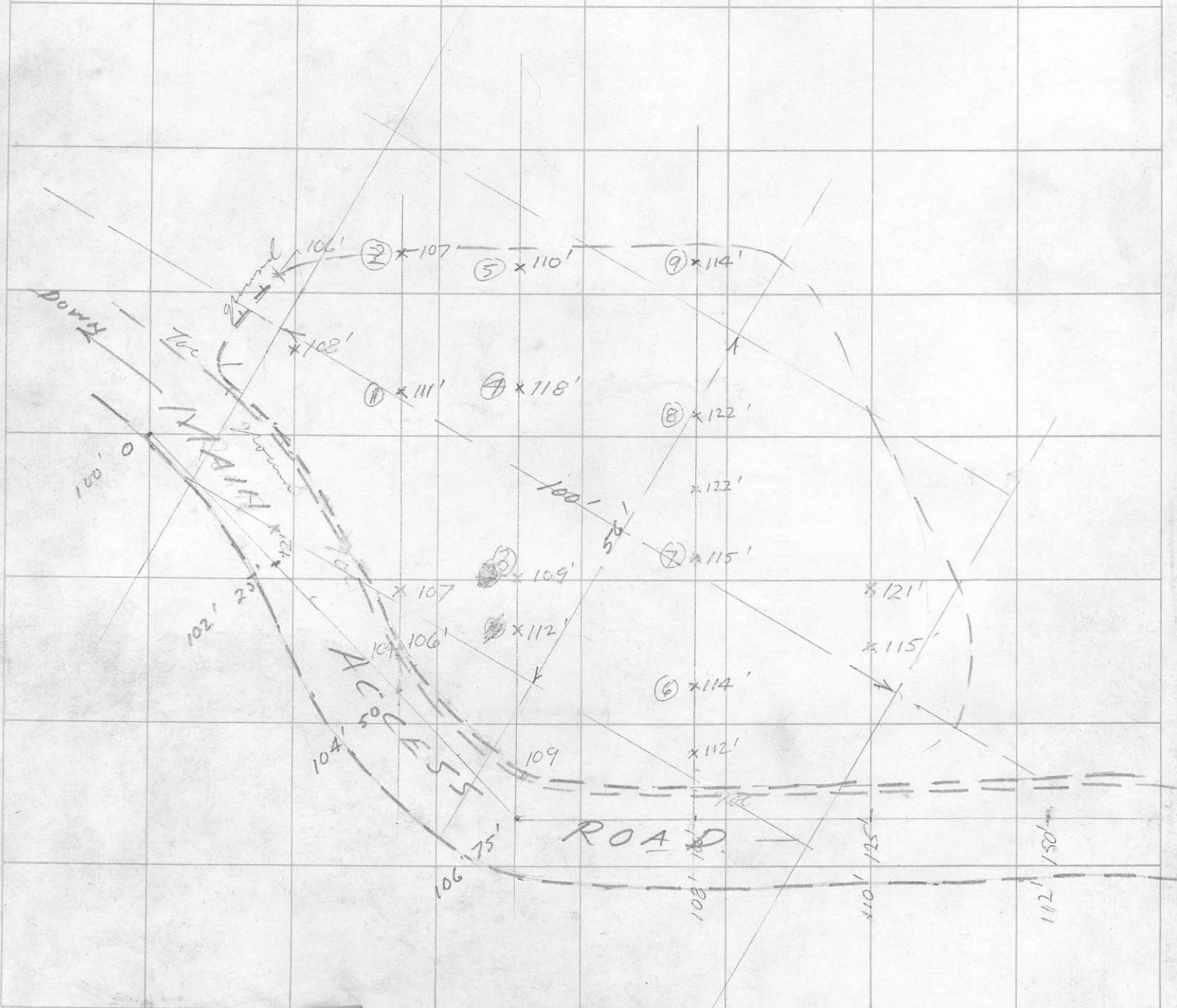
Honey
 Hence try to arrange milling @ Kam-Koted @ say
 access prep & loading @ \$1.00 / ton - \$ 1.00
 Truck to mill, 20 mi @ 12¢ / ton mi - 2.40
 Milling @ prob toll charge (1975 = 7.85 / ton - 10.00) \$ 13.40 / ton
 Profit @ say 4000 tons x \$2.00 - \$ 8,000 (just adequate)

Operation would be justified if a sink-float plant were available to reduce tonnage milled @ \$10 / ton toll charge. (Even a high capacity jig on property might do it)
 Anyway - possibilities worth cost of bench mill-tests. as recovery may be upped.

NEW WELLINGTON No. 1 DUMP.

ESTIM. GROSS TONS = $\frac{5}{20} \times 100' \times 56' \times 8' = 2240 \text{ TONS.}$ EXCL. SHALLOW FRINGE SECTS. & SECTS. BELOW ROAD

NET-RECOVERABLE TONS @ 80% = $2500 \times 0.8 = 2000 \text{ TONS}$

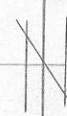


MINE New Wellington LOCATION _____ LEVEL _____
 GEOLOGY BY J. L. Darling SURVEY _____ DATE Aug 17/75 SCALE 1" = 20'
 N re-designated as No. 1 Dump EL. _____
Put in this box WEATHERPROOF

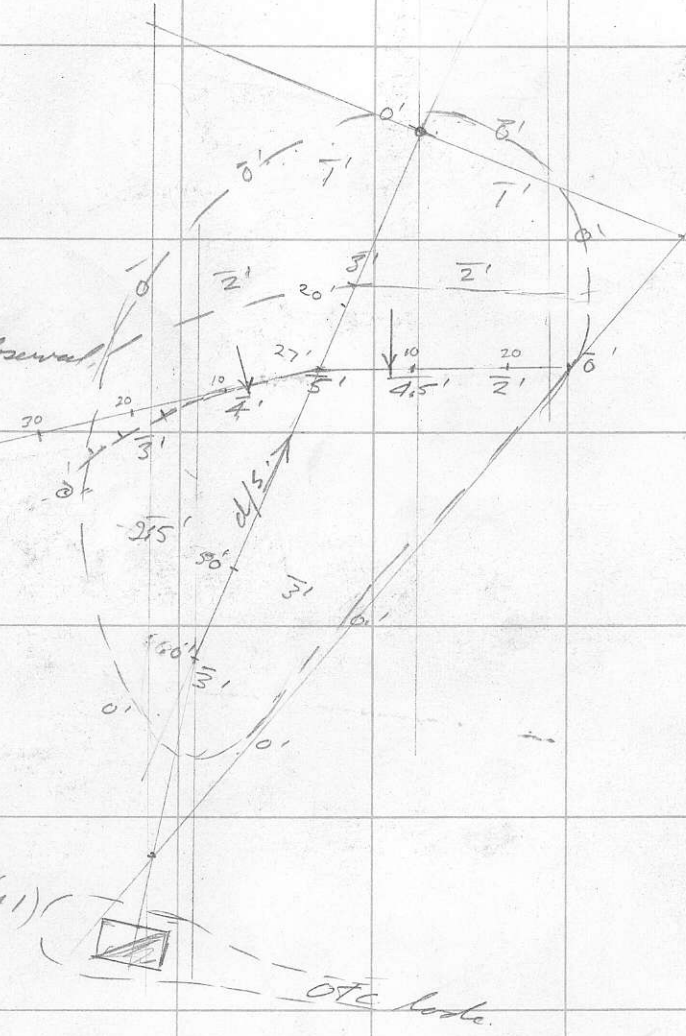
Sunset Shaft
(Caved)

2
3
2
3
4
5
4.5
2
2.5
3
3
13
36.0
± 3.0'

225'



Note occurrence here, as observed elsewhere on N.W. side, of Pb/Zn filling structure in slaty cleavage (books) as well as with 92-clt vein mat'l.



Old Sunset (#1) Shaft Collar Caved

$$\text{Vol} = \frac{3}{25} \times 60 \times 40 \times 3 = 260, \text{ say } 250 \text{ tons.}$$