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March 15, 1973

Mr. G.W. Walkey, V.P. & Gen. Mgr.,
Kam-Kotia Mines Ltd.,
Suite 416 - 25 Adelaide Street West
Toronto 1, Ontario

Dear Mr. Walkey:

Re: KAM-KOTIA-BURKAM JOINT VENTURE

This is in reply to your two letters of March 2, 1973 to me and enclosed copy of your March 1, 1973 memo to Bill Hogg. Receipt of the ore-value calculations was much appreciated; this and relevant material will be treated as confidential information.

I have sent coloured prints of my Carnegie Dwg. No. P.C.-1 and four cross-sections as requested. Also, Bill phoned me yesterday to fill me in on recent exploration-development work and results, which all look very encouraging from both the short and long-term points of view.

Persuant to your suggestion that I give three (geological and diamond-drilling page 2 March 2) aspects of the operation some serious consideration, and in view of the currently favourable outlook for our program, I thought it might be best to proceed with the first-noted item by preparing a drill plan which would include current workings, existing drill holes, and outlines of the porphyries. Therefore the accompanying Schematic Plan - Diamond Drill Coverage' and related 'Typical X-Sec.' are submitted with the intention that they will furnish some ideas for discussion at New Denver. The suggested 'primary' drill-hole spacings are based on the apparent or expectable areas of the drilling targets and the probable area of potentially ore-bearing lode which can be explored from the 4625 H.W. (East) Lateral. The coverage is admittedly broader than the one resulting from our last meeting at New Denver; however, it can be contracted or expanded, if such procedure is indicated at any time during the course of the program. Also, the pattern shown could serve as an over-lay which could be shifted to fit in with existing drill stations and/or 'bent' to fit actual lode trends. On the accompanying 'Typical X-Sec', Note (A) qualifies 'primary' drill hole layouts, and Note (B) suggests how 'detailed' drilling might be done with reference to the 'primary' drilling grid-realizing, of course, that locally this may not be applicable.

I have given at least preliminary (office) consideration to item 2 of your March 2 letter, concerning actual drilling procedure and the interpretation and use of the results. Pending an on-site study and discussion of these matters, the following are offered as preliminary suggestions - for subsequent discussion and evaluation at the operation:

- (a) Make, or attempt to make a preliminary section of each hole to be drilled and advise driller(s) re. expected depth of lode-intersection. *attempt to lay out holes @ $\pm 90^\circ$ to lode strike.*
- (b) Instruct drillers to take pains to mark (blocks) hole-depth accurately every time core tube is pulled.
- (c) Consider re-design, if necessary, of drillers report sheet in such a way that specific features can be recorded; these could include significant changes in the amount and colour of the drilling water (slurry), apparent broken ground, mud, etc. Make persistent efforts to convince drillers that recording of such data is an important part of their job.
- (d) Make up fittings for sludge-sampling, and carry out feasibility tests; suggest 2'- 3' length of casing, bored and fitted with a (6" x 3/4" nipple) flexible pipe, with valve and rubber hose, to take off a controllable portion of the return water and cuttings. The casing might be (wood) wedged into place and caulked at each installation, unless equipment with an expandable seal can be provided.
- (e) Within the general lode, take separate sludge samples on the basis of the colour of the return water plus cuttings and on the apparent nature (firm, broken, or gougy) of the section being drilled. If this is not feasible, take frequent sludges systematically. Discard sludges from sections giving near-full core recovery. *(Also consider design of sludge boxes, use of detergent or collector etc.)*
- (f) Estimate core recoveries on bases of relative volume of core, or on relative weight of fragments + sludge recovered and, if by the latter method, standardize on the basis of the calculated or measured weight of one foot of the type of material cored.
- (g) Doubtfully - mineralized sludges may be checked by panning (distinguish bit-metal cuttings) before being sent for assay.
- (h) Re-design diamond drill record sheets to include the additional data required for evaluating the drilling results. Some of this might be better portrayed by scaled vertical columns.

The above notes refer only to some of the currently-apparent problems. Others may be present as Bill has recently remarked that he is not too happy with the current performance at least of some of the drillers.

I would prefer to reserve my comments concerning the quality and quantity of geological staff until after my next visit. This is mainly because of the length of time since my last visit, and the fact that I spent almost no time with Don during it. I feel that his recording of the drill-hole geology is much improved; hence, he may be now ready and capable of providing more control over, and fuller records of the diamond-drill exploration.

Bill notes that he may call on me for a brief visit next week; perhaps in conjunction with your next trip?

With best regards,

Yours very truly

W.M. Sharp

Encl.

KKB - JV
Feb 22/72 phone call from Graham:

----- Close up drill A's. - concentrate on more detailed logging, core-sampling, sup. sludge sampling, eval of A's w re ore friability, ~~structure~~ and other tools complexities to better estimate actual recoveries made. - -
or, as Graham says up-grade core logging.

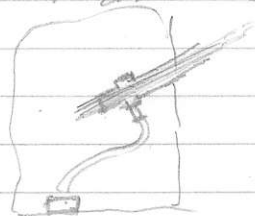
Also look into feasibility of taking concurrent (& representative) sludges in such a way that sludge assays may give useful supplementary info. along w core samples.

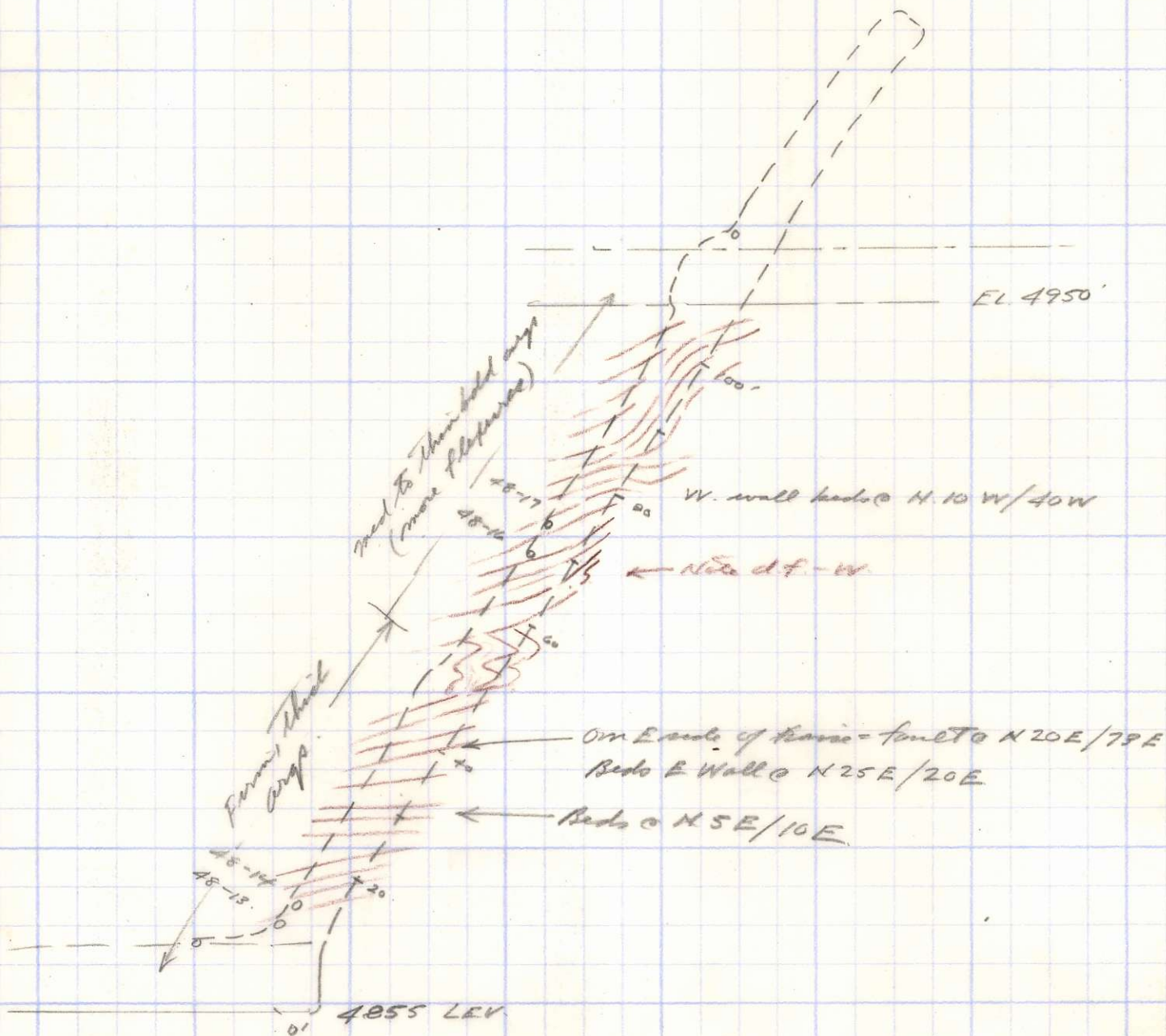
- 4625 E (FW) Explor. very encouraging. Half dozen (?) holes out here indicate $\pm 10,000$ T. new ore and there may be consid more. Opens up excellent possibilities for sub-drift explor. (close to '4625' horizon) and for longer range explor. from 4625 O.W. lateral.

- Graham also notes that Bill is currently driving a raise to test (& develop) ore intersections above 4625 # 2 X-C. - - good! (We already had this explor. indicated on his 20-scale design).

- Graham also notes he pushing Bill to explore 4625 W. Fault-vein intersection. Both agree that core recoveries here may have been exceptionally low. (place where more detail req'd on logging & sampling!) Graham notes glad to hear my comments re similarity of this structure to Douglas Fault-lode structure as this has also occurred to him.

- Look up sludge sampling equip. & methods before next trip. Poss use set of casing w. seal outlet at collar & annular groove to accomplish this.





No 1 Pse Look W-NW
4855 Lev. Sect. A-A.
Scale 1" = 20'

KKB - J.V.
New Denver
June 30/72

Wm J.

4950 LEV. No. 1. RAISE

4950 LEV
(100' elev + 4950')

49 T.P.

49-06

49-07

30' Elev 890' to arg.
Thick bed to
min 950'
70' arg.
50' NSW/45W
cotton slip

49-08

49-09

Raise + 5030

FLAT

Revised (W. 200')
WASH & chub

4950 LEV

49-07

T.P.

INSET.
MASCOT @ 5050 LL
1" = 100'

1" = 20'

