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# DOME PETROLEUM LIMITED

C. S. DUNKLEY
VICE-PRESIDENT

706 - 7TH AVENUE SOUTH WEST
CALGARY 2, CANADA
P.O. Box 200

TELEPHONE
269-4951
(AREA 403)

October 9, 1969.

Mr. J.B. Redpath,
Dome Mines Limited,
Suite 702, 360 Bay Street,
Toronto 1, Ontario.

Dear Jim:

Approximately nine miles south of Quesnel, B.C., on the Fraser River, there are placer deposits, containing black sands. These black sands, which run at about 12 lbs per ton, contain gold, silver, platinum and probably other rare earth minerals.

We had two samples assayed. The first sample ran 1.9 oz of platinum per ton of black sand; the second sample ran 2.14 oz of gold per ton of black sand, 1.34 oz of silver, 0.1% platinum and a trace of palladium. Obviously the values are very erratic.

The vendor claims to have a gravel deposit of some two million tons with the possibility of additional deposits in the area.

Do you feel these prospects are worth additional investigation. We have no idea as to the economics involved in placer mining.

Yours truly,

C.S. Dunkley.

CSD/H

RECEIVED
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ACRD
FILE

DRAFT - OCTOBER 27, 1969

Mr. C.S. Dunkley,
Vice-President,
Dome Petroleum Limited,
706 - 7th Avenue S.W.,
CALGARY, Alberta.

Dear Charlie:

re: Au-Pt Placer Properties, Quesnel, B.C.
93-B-16

Mr. Redpath has asked me to reply to your letter of October 9,1969, in connection with the above.

We have looked into the available information and have concluded that this ~~proposal~~ situation is probably not too attractive to us at this time.

1. Gold and platinum placers have been known in this area since the beginning of the century. There have been intermittent unsuccessful attempts to exploit them;

2. We feel that contemporary placers in this setting would be extremely irregular and very difficult to sample;

3. As far as placer grades go, the two samples of black sand concentrates which you had assayed ran quite well. We do not know, however, if they are representative and what recoveries could be expected in commercial operations. To determine average grade would probably require a very extensive programme. Your letter mentions a tonnage potential of 3,000,000. We do not know how firm this is and, despite the good grade of the material which you had assayed, this is actually a rather small volume of material ~~which even at these attractive grades might not be economic.~~

. . . . . continued

We do feel that considerable attention has been given to this area over the years by knowledgeable people and in ~~combination~~ view of the above points, we feel that it is probably not worth ~~the~~ while to investigate ~~this matter~~ it further at the present time.

Many thanks for passing this information along.

Yours sincerely,

GSWB/mm

G.S.W. Bruce.

REFERENCES CONSULTED:

G.S.C. Paper 66-1

G.S.C. Map 12-1959 (N.T.S. 93-B)

G.S.C. Economic Geology Series #13

Annual Reports of the Minister of Mines, B.C. 1925, 1927, 1932 and 1965.

## NUMERICAL FILING SYSTEM

LOCATION: (1) QUESNEL, B.C.

(2)

(3) N.T.S. 93-B-16

NAME: (1) AU-PT. PLACER

(2)

(3)

REMARKS:

## N.T.S. FILING SYSTEM

N.T.S.# 93-B-16

FILE # 1832

LOCATION:

Lat.: 52°30' N

Long.: 122°90' W.

Prov.: B.C.

Twp.: Quesnel Area

NAME:

Property: AU-PT PLACER

Company:

B/F By: MR. DUNKLEY

Date: OCTOBER 1969

REMARKS: Au-Pt placer properties offered. Old prospect - Turned Down.

TYPE:

Office Study ✓

Field Exam:

Co. Project:

STATUS:

Recommended? NO

For Record:

Other

At concentration of 12 lbs of black sand from 1 ton gravel it takes $\frac{2000}{12}$ = 166 tons of gravel to make 1 ton of concentrate.

Value in 166 tons of gravel = (Sample #1) = 2 oz. Pt = $250

" " 1 " " " = $\frac{250}{166}$ = $1.50

" " 1 cu. yd. " " (1 cu yd = 2300 lbs) = $\frac{2300}{2000} \times \$1.50$ = $1.72/cu yd.

Value in 166 ton of gravel (Sample #2) = 2.14 oz Au = $74.90

" " 1 " " " = $\frac{74.90}{166}$ = $0.45

" " 1 cu yd " " = $\frac{2300}{2000} \times \$0.45$ = $0.51/cu yd

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Placer Dev. (New Guinea) = Res. 1,200,000 cu. yds average

9.5 US ¢/yd.

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Would pollution be a factor?

1 ton crude sand = 12 # black sand

2000 # black sand = 1.9 oz Pt

= 1.9 × #1.25.00 = #250

1 ton black sand = $\frac{2000}{12}$ = 166 tons · crude

166 tons crude = #250

∴ 1 ton crude = $\frac{\#250}{166}$

∴ 1 cuyd crude = $\frac{250}{166} \times \frac{2000}{2300}$

= #1.72 / yd.

Gross value/yd = 1.72

Recovery. = 75% = 1.30

Op Cost = .30

profit — #1.00

#2,000,000

value of pt = #3,440,000