

BANBURY GOLD MINES LTD. (BBG-V)

MARBLE & CALCIUM CARBONATE LIMESTONE - D.A.Dewar, presi-
QUARRYING AND MARKETING PROJECT dent reports

Banbury Gold Mines has acquired a large tonnage reserve of high quality, good color marble as well as large tonnage reserves of high purity calcium carbonate limestone. Marketing is the key to the success of the project, he stated.

The reserves have been established and studies have shown the company can mine/quarry the stone, process and finish the products at competitively low costs. Banbury is seeking a joint venture partner. A number of major companies in the quarrying, mining, limestone marketing and marble cutting and marketing businesses have made enquiries or have inspected the property and expressed interest in discussing participation.

The Bald Range Creek deposit of Banbury Gold Mines is on 6 Blue claims of 2,620 acres, at 3,000 feet elevation on the west side of Okanagan Lake, 13 km north of Kelowna, 250 km northeast of Vancouver, B.C.

To assess both the marble and calcium carbonate limestone content and production/marketing potential of the Blue Claims, a major mining company, on behalf of the owners, extensively tested the property.

CONTINUED FROM PAGE ONE -In 1988 and 1989 drilling totalled 1,100 feet of core plus detailed geological mapping. This work indicated a large tonnage of high quality limestone and two horizons of colorful and texturally interesting marble suitable for manufacturing into tiles, building slabs and other goods. Polishing tests indicate the marble finishes well with low /brasion and high brightness. The marble unit covers 1,710,000 square meters and, as shown by 5 drill holes, extends to more than 70 meters below surface, indicating over 300,000,000 tonnes and open to extension to depth. There is the potential for additional large tonnages of marble on the property. The marble colors are white, grey, orange and bronze.

Calcite is CaCO_3 . Ultra high calcium limestone, more than 97% CaCO_3 , when appropriately processed, sells for between \$130 and \$600 per tonne. A 95% CaCO_3 content is required for the calcium limestone to be used as a filler, extender pigment in paper, paint and plastics. The Blue claim deposit averaged 97% CaCO_3 in the eleven samples tested. Other major uses include adhesives, carpet backing, putty, caulks and sealants. Selling prices for calcium limestone products range from \$5.00 per tonne for crushed stone to \$602 per tonne for a coated precipitated calcium carbonate.

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A preliminary report was commissioned in the spring of 1989 and completed in September to evaluate the market demand for and availability of calcium carbonate as a high purity limestone. The report found markets are forecast to increase at about 5% per year and that a plant with an annual output capacity of 91,000 tonnes of fine ground CaCO₃ in slurry form was built at a cost of \$7,500,000 U.S. in 1986.

The preliminary marble marketing study to date indicates some interesting features. A modern, computerized, labour reduced, semi-automated marble tile cutting and polishing line plant is estimated to cost \$2,500,000 and could expect to compete cost effectively in the large and quickly growing California market for top end high quality marble products. All of this California and North America market is currently supplied from offshore marble plants, mostly in Europe. Estimates indicate a mining plant costing approximately \$500,000 could supply both marble to a cutting and polishing plant and calcium carbonate to a limestone plant. A limestone plant would produce a full range of products: filler-extender for paper, plastics and paint.

Mr. Dewar noted that all of the work to date indicates a very substantial reserve which can be placed in production at a modest capital cost. This should generate a quick payout and profitably service a steadily increasing limestone market and a rapidly increasing demand for high quality marble products.

Banbury continues to hold the gold mine at Hedley, B.C. where reserves of some 40,000 tonnes grading 0.4 oz. gold per tonne have been established with good potential for the development of additional reserves. The property will support a 100 ton per day mine with a limited amount of additional work. The next stage of development on this property is in the planning stage.

At June 30, 1989, Banbury had 6,329,520 shares issued and a free working capital of \$440,000 available for exploration and development programs. Company offices are 1200 - 900 West Hastings St., Vancouver, B.C., Telephone (604)688-0601.

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