

MEMORANDUM

TO: J. Keily FROM: W. Krats
 SUBJECT: ADDITIONAL DIAMOND DRILLING FOR 1973 DATE: July 4, 1973

The attached memo from P. Pettigrew describes our present status on Diamond Drilling this year.

As stated in the memo, we have reallocated some of the drilling slated for Zone 1 to Zone 2 to give us the information necessary to design an initial pit in Zone 2.

Since the program for this year was developed last fall we have done a lot of work on reserves, a five year plan and stockpiles. A five year plan based on Zone 1 only indicates some very high mining ratios. The alternates to trying to reduce that mining ratio and also give greater ability to maintain 9.0% combined mill feed grade over the long term are as follows:

- (1) Bring in Zone 2 which appears to have a lower stripping ratio than Zone 1.
- (2) The south end of Zone 3 can by preliminary design supply approximately 900,000 Tons of mill feed at an 8.2:1 mining ratio. This estimate is based on very limited Diamond Drill information, but indicates an area of interest.

One of the proposals for additional drilling is the south end of Zone 3. I believe it is worth spending the money on drilling at this time to confirm the potential of this area.

The other area for additional drilling is the diorite intrusive, which appears to cut across the whole mining zone at the junction of Zones 1 and 3. It is desirable to further detail this so that its full effect can be evaluated.

In summary, I feel the proposed additional footage for a total additional cost of \$43,000 is warranted this summer. If possible, a decision on this should be made quite quickly as our present program only has a week or so to go.

W.K.
 W. Krats
 Chief Engineer

WK/mm

MEMORANDUM

TO: W. Krats FROM: P. M. Pettigrew

SUBJECT: SUGGESTED MODIFICATIONS TO THE 1973 DATE: June 27, 1973

DIAMOND DRILLING PROGRAMME

Progress Report:

The 1973 drilling programme was originally budgeted for a total of 5750 feet @ \$10 per foot or a total expenditure of \$57,500. This was to consist of 3450 feet of drilling in Zones 1 and 3 and 2300 feet of drilling in Zone 2.

To date, 1598 feet of drilling has been completed in Zones 1 and 3. This footage is shared by 3 holes. Two of these holes (accounting for 1250 feet of the total) have proved essentially barren due to a diorite intrusive which apparently cuts across the ore body corresponding to the trend of the so-called Faro Fault.

Due to increasing emphasis on Zone 2 for the present 5 year plan and because of the need to drill contingency holes, it has been necessary to increase the DDH coverage of this Zone. The need to better delineate Zone 2 has increased the previously estimated requirements to 3600 feet as presently estimated. Of this, 2195 feet are already drilled. Drilling in the area should be completed by the end of the first week of July.

This would leave a balance of 552 feet remaining of the originally budgeted footage.

Recommendations:

1. There still remains a minimum of 1200 feet of drilling to properly delineate the east and west walls for the 5 year plan. In addition to this, two inclined (15° to the vertical) holes will be required (totalling 1200 feet) to determine the broad outlines of the intrusive for planning purposes.
2. Seven holes totalling 1900 feet should be drilled as soon as practicable in the southern extremity of Zone 3 as the favourable stripping ratio and low grade may be quite attractive for mining and blending within the 5 year plan. At present data on this area is rather sketchy.

Conclusion:

If either or both of the above are to be completed, the costs will be as follows:

	<u>1 + 2</u>	<u>1</u>	<u>2</u>
Original Budget	\$ 57,500	\$ 57,500	\$ 57,500
Recommendation 1	24,000	24,000	
Recommendation 2	<u>19,000</u>	<u> </u>	<u>19,000</u>
	\$100,500	\$ 81,500	\$ 76,500
Additional monies required	\$ 43,000	\$ 24,000	\$ 19,000

P.M. Pettigrew

P. M. Pettigrew
Geologist

PMP/mm