MEMORANDUM

MAJUBA HILL

To: Personal File

Date: October 1, 1975

From: David LeCount Evans

Re: Notes to explain and support maps and sections; Mary Muler Property; September 1975.

A. CONCERNING:

- 1. Cost of program: \$78,000 or less if an indicated failure.
- 2. A tonnage "target" of 1,282,500.
- 3. Values, where exposed, are: tin-1.31%, copper 1.30% and silver 1.64 ounces per ton.
- 4. Gross value of above amounts to \$ 117.86 per ton on today's prices.
- 5. Involved is a prospect, close to old production.

B. IN GENERAL:

- 1. In file is our detailed analysis, ie: MAJUBA HILL PROPERTY (Property description, Analysis and Proposed Development) May 1966. We refer to the 1966 study for Location, History of Property, Pre-Mine Finders Geology, Interpretation and 1966 Recommendations.
- 2. California Time (later Petrominerals) efforts of 1969-1971 tested structural projections without any real success; indicating that the copper and time areas could not be joined together. California Time did not proceed with the planned exploration and development of the time where exposed in Tunnel 2.
- 3. Mine Finders-Bethlehem's program was to explore for porphyry-copper possibilities. Eleven diamond drill holes, with depths up to 3300 feet, indicated a wide-spread existence of very low grade copper with some associated molydenite, and strong alteration, in a complex of rhyolite intrusives. However, the \$750,000 + effort failed to pinpoint any economic possibilities. Brill holes 10 and 11 were drilled to test the Majuba Fault for more high-grade centers; this 'memo' considers 10 and 11 "token" drilling. Without a porphyry-type ore body, the program was closed down in April 1974.

4. Failure to prove another Bingham Canyon or Henderson must not be held against the property. Obvious outcrops of oxidized brecciation on Mary Myler patented ground remain partially to completely untested, as illustrated on maps and sections.

5. Suggested exploration and development is limited to Mary Myler properties. Inclusion of adjoining Gilmet claims, at this time, is neither necessary nor advised.

C. SEPTEMBER 1975 MAPS AND SECTIONS:

1. Mine Finders Drilling; 1973-1974; 400 Scale.

Map shows the position of Myler claims with respect to recent drilling. Note that less than 30% of coreing was on Myler ground.

Apparent, too, is the position of the two Myler brecciated areas, well within property lines. Majuba claims I, J, and K control the Tunnel 3 portal, which is beyond the limit of the sheet.

2. Mineralized structure; Mary Myler Property; 100 scales consists of nine exhibits, namely:

Plan Maps as follows:

Surface, Tunnel 2-Stopes, Tunnel 2, and Tunnel 3;

Sections as follows:

Section I-I', a true section through the copper breccia;

Sections 75-1, 75-2, 75-3 and 75-4, (a) exploring the possibilities of the Tin-area breccia and (b) showing the recommended diamond drilling.

D. COPPER BODY:

- 1. Production: 27,000 tons of ore have been shipped with average value of 5.1% copper, 0.15% tin and 1.9 ounces per ton silver. Possible ore remaining is estimated at 35,000 tons with average grade of 2.9% copper and low tin and silver bi-values.
- 2. Plan maps suggest an original "circle within a circle" of ore (shown in green) which has been shifted and distorted by the Majuba Fault system.

Section I-I' supports the "circle within a circle" suggestion, with mineralization doming over in two units, above the Tunnel 2 level, the one beneath and more or less parallel to the other.

3. Freeport's 1941 D.D.H. #8, drilled into the area of projection at a minus 45 degrees, encountered copper-dominant mineralization which has always been difficult to add to the picture. Its position on plan map and section provides a third segment-possibility in a series of domed units of brecciation. Additional doming (marked by "?") might also be a reasonable expectancy

The upper two units with good level and diamond drill control are very well established; the lower two remain a matter of conjecture until drilled.

E. TIN BODY:

1. Production: Recorded have been 350 tons of highgrade, cassiterite-bearing ore, assaying 3.4% tin, concentrated and sold to the Metals Reserve Corporation in 1942. Similar ore carries 1.9% copper and 4.8 ounces of silver.

Total Production (ore of record or mined and moved to surface), we estimate at 972 tons. The 972 would be from 2217 tons, representing all workings in the tin-bearing section, at and above the Tunnel 2 level.

Weighted on the basis of tons and assay value per block, the grade of total production would be as follows:

Tin:	2.86%	good sample control		
Copper:	1.90%	some samples		
Silver	4.8 Oz	some samples		

Considering the above, higher grade represents 44% of the explored mass.

The 56% of lower grade, on the basis of very adequate sample coverage averages:

Tin	0.09%
Copper	0.83%
Silver	1.64 ounces/ton.

From the above, the entire mass has an assay average of 1.31% tin. 1.30% copper and 3.03 ounces of silver.

Employing current metal prices of \$3.33/pound for tin, \$0.63/pound for copper and \$4.92/ounce-silver, the gross value of ores sampled at and above the Tunnel 2 level would be \$ 117.86 per ton.

2. Indicated Structure and Distribution:

With reference to the 100 scale Surface map, the zone of brecciation, colored brown, lies 470 feet and directly above, the zone in Tunnel 2.

Pattern with N45°E trend (at right angles to the copper trend) consists of an outer zone of oxidized brecciation, with an isolated zone, more or less at the center. Short axis of the exposure is 200 feet and the long axis about 300 feet. Actual brecciation does not cover the entire area; brecciated units exhibit thicknesses of from 20 to 40 feet.

Considering the three cross sections, 75-2,75-3, and 75-4, the 'central' zone of brecciation, suggests a zone within a zone pattern, similar to the arrangement for section I-I', in the copper body. Believing the structure to be another pipe, continuation to some depth would be an expectancy.

In view, therefore, of this indicated strength of structure, and considering the coincidence between the surface position and the development on Tunnel 2, the exposed surface pattern has been projected to the Tunnel 2-Stopes and Tunnel 2 plan maps. Estimates of 'target' tonnage have been made only down to the intercept of the breccia zone and the Majuba fault.

3. Size of Target:

By using the standard proceedure of measuring the area of brecciation per section and determining the volume by using the distance between sections (and reasonable beyond end sections), and converting the total cubic feet, using a factor of 11 Ft per ton, to short tons, the size of target amounts to 1,282,500 short tons.

Any successful development from Tunnel 3, on the footwall side of the Majuba Fault, would add considerably to the total.

F. EXPLORATION POSSIBILITIES:

1966 and prior proposals were influenced by the thenunestablished premise that copper and tin deposits were on the same structural control. California Time's negative efforts with 307 crosscut from Tunnel 3, and 224 and 225 drifts on Tunnel 2 eliminated that possibility. Copper and tin areas are now considered separate structural problems, each of breccia-pipe origin, and each a matter of separate exploration.

1. Copper Body:

With reference to the 100 scale, Tunnel 3 Pan map, obvious is the interpretation for the 0.32% copper zone indicated by Freeport's D.D.H. 8.

The projection could be further explored by drilling from Tunnel 3, but is not recommended at this time.

2. Tin Body:

Two exploration approaches exist, ie: (1) crosscutting and drifting to verify the projection, shown west of the tin area on Tunnel 2, as was proposed in 1966, or (2) diamond drilling fr m the surface as shown on sections 75-2, 75-3 and 75-4.

This memorandum favors the latter.

Freeport and others encountered structural complexities in the Majuba Fault area. It is believed that regularity of mineralized structure will only be assured by getting away from the post-mineral Majuba fault zone. To initially penetrate the eliptical zone and to crosscut at regular intervals would require some 300 feet which, at \$30 per foot, represents \$9,000. Such with cleanup, retracking, and locally widening 800 feet of Tunnel 2 would bring the total to \$15,000. The program would establish only about 25% of the eliptical outline at only the Tunnel 2 level. To complete the full elipse and to test above and below the level would require more drifting and/or diamond drilling.

G. SURFACE DRILLING:

1. Plan:

Considering sections 75-2, 75-3 and 75-4, purposes would be to block out structure to an average depth from surface of about 550 feet.

With two holes per section, holes would crosscut structure, with vertical distance between upper and lower holes between 200 and 300 feet.

Such a program has been discussed with the E. J. Longyear Company. Other drillers will be solicited for estimates. Data, listed under 'Factors', are the product of exploratory talks with Longyear.

2. Factors:

- (a) Mobilization-demobilization @ \$850.
- (b) NX or EX (1 7/8" and 1 7/16" cores) recommended; \$14/foot for vertical holes; add another 15% for inclined drilling.
- (c) Double shift drilling; estimate about 26 to 27 feet of penetration per 8 hours.
- (d) Core boxes for 10 feet of core; cost per box @ \$1.40
- (e) Water track provided at \$15/day.
- (f) Mud program cannot be estimated; 15% contingency factor should handle this charge.
- (g) assuming 53 feet per day, the 3650 feet of total hole represents 69 days; which with transfering from station to station might approach 72 days.

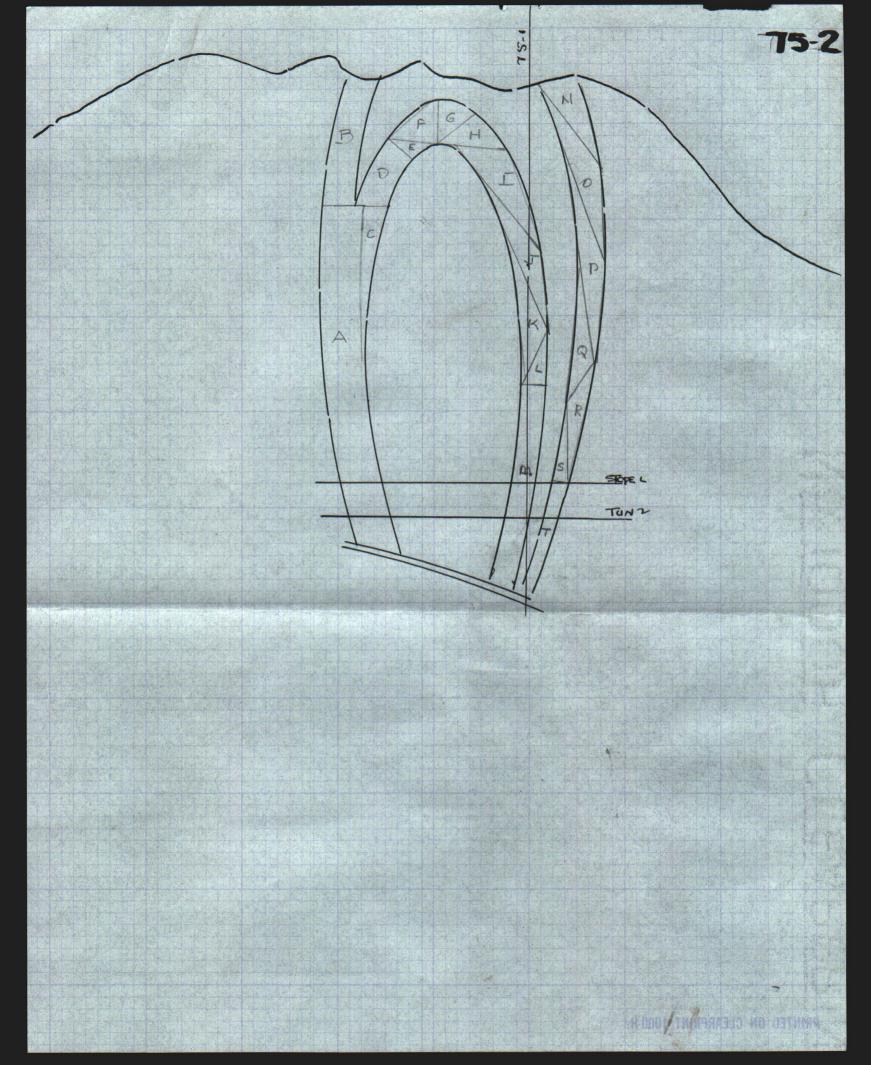
3. Cost Estimate for 3650 feet

(a) Mobilization-Demobilization	\$ 850.00
(b) Drilling; 3650 @ \$15.68	57,232.00
(c) Core Boxes; 365 @ \$1.40	511.00
(d) Water truck: 72 @ \$15	1,080.00
(e) Core splitting 34 days@ \$30	1,020.00
(f) Assaying	3,000.00
(g) Supervision	4.000.00
(h) 15% contingency factor	10,154.00
Total Estimate	77,847.00
	78,000.000 (ounded)

RECAPITULATION:

- 1. Suggested size and grade might not measure up to the needs of a major mining company seeking an economic property, but it could be of interest to the medium-sized operator.
- 2. Continuing small exploratory programs have added to structural understanding. The two brecciated areas continue to be obvious and adaptable to shifts in the structural approach.
- 3. The position of the brecciated pattern immediately above the tin development of Tunnel 2 is a positive relationship and the pattern is expected to continue to depth. 4% tin samples taken from the surface by the writer in 1941 also suggests continuity.
- 4. Confirmation of the target tonnage by a \$78,000 program would represent a per ton cost of \$0.06.
- 5. The suggested program consists of 3650 feet of drilling. Should the first section drilled indicate a *bust*, the program could then be stopped, after an expenditure of less than \$27,000.
- 6. Copper structure development from Tunnel 3 is not included. Successful tin-breccia development would then justify a copper program.

Reno, Nevada October 1, 1975 David LeCount Evans



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