GM 03067-A

REPORT ON BLACK LAKE PROPERTY

Documents complémentaires

Additional Files

Licence

License

Énergie et Ressources naturelles
Québec

IRELAND &
COLERAINE TWPS.

Concession Mining 373

U N I T E D A S B E S T O S C O R P.

Rg. VI Lot 27
Rg. V Lot 25-26
Rg IV Lot 28
} IRELAND TWP.

by

P.M. MALOUF. 1949.

PHILIP M. MALOUF
MINING ENGINEER

Report on

UNITED ASBESTOS CORPORATION LIMITED

Black Lake Property

Megantic County

Province of Quebec

by

Philip M. Malouf
Mining Engineer
1424 Bishop Street
Montreal, Quebec

January 10th, 1949.

PHILIP M. MALOUF
MINING ENGINEER

Report on

UNITED ASBESTOS CORPORATION LIMITED

Black Lake Property

Province of Quebec

I N D E X

PHILIP M. MALOUF
MINING ENGINEER

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MAPS (in insert)

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Showing Diamond Drilling.

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PHILIP M. MALOUF
MINING ENGINEER

Report on

UNITED ASBESTOS CORPORATION LIMITED

Black Lake Property

Province of Quebec

PROPERTY

The property consists of the mining rights located in the beds of Black Lake, Ireland and Coleraine Townships, Megantic County, Quebec. The acreage contained thereon, as admitted by the Department of Mines, is 460 acres. A survey of the claims is now completed and the company is awaiting a certified copy of the survey giving the actual acreage of the claims. In addition to the mineral rights in the bed of the lake, the company has purchased the surface rights on a tract of land containing 20 acres, more or less, situated on the East shore on Lot 27, Range V, and bounded by the lake and the Thetford River to the West and to the North, respectively.

TITLES

The mineral rights consist of 12 adjoining mining claims which are held under Development Licenses Numbers 16760, 16761, 16762, covering claims Q-46176 to 46185 inclusive and claims Q-46399 and Q-46476.

With the exception of an island containing 1.43 acres situated on claim Q-46177, and the 20 acres of surface rights, described above, the property is entirely submerged.

ACCESSIBILITY

The property is conveniently situated, the Lake being located about three-quarters of a mile from the Village of Black Lake and the railroad station. The Quebec-Sherbrooke Highway, power lines and the telephone lines pass along the East shore of the Lake, and the Quebec Central Railway parallels the highway at a distance of about 800 feet from same.

GEOLOGY

Geologically, the claims are situated to embrace a serpentinized area measuring one and one-quarter miles by one-half mile, starting from the Northwest contact between the serpentine and the sediments. It is in this segment of the serpentinized mass, paralleling the Northwest contact, that the major deposits of asbestos of the Thetford area are known to occur intermittently in a zone about one mile in width along a length of eight miles.

The property under discussion is within the enriched segment described above and lies roughly midway between the Vimy Ridge Mine and the producing mines of Black Lake. The British Canadian Mine, now being exploited, lies about three-quarters of a mile to the Northeast and the Vimy Ridge Mine about one and one-half miles to the Southwest. Both are owned and operated by Asbestos Corporation Limited.

Asbestos Occurrences

On or near the East shore of Black Lake, outcroppings containing asbestos have been traced intermittently across a width of 4,200 feet, thence the bedrock is covered by the universal mantle of overburden. At or near the West shore of the Lake, the Edith Mine and four outcroppings of asbestos bearing serpentine represent the possible

extension of an asbestos bearing area across the Lake within the bounds of the enriched band above described.

Granitic Intrusions

Geological mapping and diamond drilling indicate a zone containing medium-grained granitic intrusions striking Northeast, located midway across the property and embracing the island outcropping in the lake. The width of the zone is unknown under the Lake, but outcroppings at the British Canadian Mine show a true width of 300 feet. On the West shore of the Lake, the correlation on outcrop areas shows that the intrusive zone may be in excess of 1,000 feet in width.

Other than the granitic zone of intrusions, diamond drilling shows minor siliceous segregations within the serpentine mass, indicating the nearby presence of good asbestos ore. These small siliceous masses are encountered generally along the productive zone and invariably lead to rich asbestos ore.

DIAMOND DRILLING

Diamond Drilling commenced on August 16th, 1948 and to date (Jan. 3rd, 1949) 12,895 feet were completed in 22 holes. Of this drilling, nineteen holes totalling 10,991 feet, were drilled from the East shore and three holes totalling 1,904 feet, were drilled from the West shore of the Lake. Asbestos ore was encountered on both shores. Details of the location of the holes and results obtained are shown in Appendix 8 and on the accompanying plan, scale one inch equals 200 feet.

Drilling from East Shore

Drilling from the East shore has partially outlined an outstanding asbestos deposit on the segment explored, measuring 3,550 feet along the shore of the Lake to a maximum horizontal distance of 550 feet out under the Lake and to a maximum vertical depth in ore of 737 feet.

Within the confines of this area are found two barren zones, each measuring about 250 feet in width, striking Northeast-Southwest, in conformity with the regional structural trend. One of these zones is the granitic band described under "Geology", located in Holes Nos. 13 and 18 and on the island; the second barren zone is located centrally in the drilled area and is outlined in hole No. 7 and part of holes Nos. 10 and 22.

With the exception of the barren zones, described in the previous paragraph and hole No. 14 which was abandoned before reaching bedrock, every hole drilled in the area has encountered asbestos ore comparable in quality and value to the better results obtained in the drillings of the Thetford Mines Area.

Drilling from West Shore

Three holes (Nos. 15, 16, 17) were completed on the West side of the Lake, some 3,000 feet West of the ore developed along the East shore. Results to date are satisfactory, inasmuch as asbestos of marginal grade was intersected. Hole No. 17, drilled due North at 45° to a depth of 848 feet, shows a progressive increase in the asbestos

content to the North in alignment with the ore indications explored by diamond drilling on Lot 27, Range VI, Ireland Township. The better intersection obtained in the above drilling is in hole No. 17, which averaged 2.40% asbestos on a core width of 273 feet. Considerable slip fibre as well as cross fibre, exists in the above diamond drill cores.

TONNAGES INDICATED

To date, within the confines of the horizontal outline on the east shore and to the maximum depth of ore reached by diamond drilling, there is indicated better than 68,000,000 tons of ore. Of this tonnage, about 50,000,000 tons are represented in a vertical depth of 550 feet.

On the deposit, a richer portion and a leaner portion, each about equal in size, are separated by the centrally located zone of granite and barren serpentine.

The richer block is located South of hole No. 10 and contains 53,280 tons per vertical foot. The leaner block contains 46,540 tons per vertical foot. The average depth of overburden is 50 feet on all the drilling from the shore line.

QUALITY OF FIBRE

The asbestos (chrysotile) is of excellent quality; it is soft, silky and comparable to the Thetford type of cross fibre (see Appendix 1). It is not harsh nor brittle, as is the case of fibres at the Vimy Ridge Mine and at the Black Lake mines. Some slip fibre is also present in some of the diamond drill holes. Laboratory tests confirm visual observation of the existence, to a marked degree, of "crude" asbestos and of spinning stock.

GRADE INDICATED

The weighted average grade of the intersections is 4.80% asbestos for the richer portion of the area drilled and 3.25% for the leaner portion. These portions are hereinafter referred to as Block A and Block B. The average of all ore intersections is 4.20% asbestos. These estimates are considered low, in view of laboratory tests made on some of the cores for check purposes against the visual estimates. This is discussed in greater detail under the heading "Tests on Diamond Drill Cores".

The following are tabulations of the individual ore intersections of Block A and Block B.

BLOCK A

Hole No.	Core Length in Ore	Asbestos Content
19	637'	3.10%
20	550'	6.00%
2	652'	4.90%
8	500'	3.00%
4	635'	5.40%
21	546'	7.25%
11	624'	6.45%
6	468'	4.40%
22	450'	3.50%

Average Length of ore per hole - 562 feet.
Average estimated Grade - 4.80 per cent.

BLOCK B

Hole No.	Core Length in Ore	Asbestos Content
10	175'	3.20%
1	494'	3.26%
3	590'	4.20%
9	619'	2.14%
5	410'	4.00%
12	672'	2.04%
13	170'	6.85%

Average Length of ore per hole - 447 feet.
Average estimated Grade - 3.24 per cent.

PHILIP M. MALOUF
MINING ENGINEER

TESTS ON DIAMOND DRILL CORES

Five samples each containing 25 feet of core were submitted to the Laboratories of the Department of Mines of the Province of Quebec, at Quebec City, to determine their asbestos content and approximate grading.

The results obtained (shown in Appendix 2), are satisfactory. The following is concluded.

Comparison with the visual estimates (i.e. grade calculated by measurement of fibre in core) shows that the core readings by the writer are low by 47% of the asbestos content reported by Milling Test. Hence the writer's estimate of the average grades is most conservative. Mill Test gives 10.94% asbestos against the writer's estimate of 7.45%.

The dollar value per average ton of asbestos compares favourably with that of the estimates of your company's engineers. On the samples submitted for test, the value per ton of rock is $7.83, and the estimated value of same by the writer is $7.45.

Regarding the analyses of the cores, the material retained on the 10-mesh screen and in the pan is in actual milling practice further fiberized (i.e. fluffed up or opened up), thereby releasing a greater weight to that which would be retained successively on the 4-mesh screen and on the 10-mesh screen and thus raise the value of the product without altering the percentage of asbestos contained in the assay.

No factor is applied for the fibres ground and washed away with the sludge in the drilling operations. When this is taken into account, the actual recovery of fibre in the rock mined will be greater than that exposed in the diamond drill cores.

PHILIP M. MALOUF
MINING ENGINEER

Also, in actual milling, some of the material retained in the pan, consisting of shorts and drops, need not necessarily be totally recovered. The effect of this procedure is to raise the value of the product at the expense of recovering a lower percentage of the asbestos contained in the rock.

On the screen analysis of the cores tested, it is permissible to eliminate some of the drops and to blend the crude by lowering same, on to the 4-mesh screen to achieve desired products. It is not the writer's opinion that crude exists in the proportions reported, but that a percentage of the long fibre contained in the reported "crude" will be found to enter into the spinning stock and possibly into the shingle stock. An attempt at re-grading and blending of fibre of the mill tests is given in Appendix 6. It demonstrates that the value per ton of fibre can be raised from $71.59 to $88.64 by rejecting 32% of the drops and lowering the crude into the spinning stock.

ESTIMATED VALUE OF FIBRE(x)

The value of the fibre at existing prices(xx) is estimated at $100.00 per ton, ranging from long spinning stock to shorts including Group 7D as shown in Appendix 7.

No consideration is given in this estimate for Crude No.2 which exists in a number of the diamond drill holes and which, if recovered, will add to the average value of the fibre.

(x) Based on Mr. Norman R. Fisher's estimate, forming part herein.

(xx) Price List:- Canadian Johns-Manville Co., Limited,
Dated November 22nd, 1948.

REPORT OF NORMAN R. FISHER

Mr. Norman R. Fisher, Consulting Engineer of Montreal, Quebec made a report dated October 23rd., 1948 on the Black Lake property and the developments to that date. A true copy is attached in Appendix 9.

CERTIFICATE

The writer certifies that on the east shore under the bed of Black Lake, diamond drilling results have shown an economic deposit of asbestos of major proportions.

Respectfully submitted,

Philip M. Malouf, P. Eng.

Montreal, Que.
Jan. 10th, 1949.

PHILIP M. MALOUF

MINING ENGINEER

APPENDICES.

PHILIP M. MALOUF

MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 1

Copy

CANADA

GEOLOGICAL SURVEY OF CANADA

DEPARTMENT
of
MINES and RESOURCES
Mines, Forests & Scientific Services Branch

Ottawa, December 10th, 1948.

Mr. G. McTeigue,
Solicitor,
United Asbestos Corp. Ltd.
132 St. James St. W.
Montreal 1, Que.

Dear Sir,

Your letter and accompanying piece of drill core have been transferred to this section of the Geological Survey for attention.

This piece of diamond drill core consists of serpentinized peridotite, a rock which originally was composed of about 90 percent olivine and 10 percent enstatite with some accessory grains of chromite.

This serpentinized peridotite is traversed by three chrysotile asbestos veins averaging 1/2 in. in width. These cross fibre asbestos veins are greenish in color, and are clearly defined with uniform widths and sharp walls.

Magnetite, a secondary mineral due to serpentinization is associated with the asbestos and may be seen along the vein walls.

The chrysotile fibres are silky, soft and of good spinning quality.

Yours very truly,

"Eug. Poitevin"

Eugene Poitevin,
Chief,
Mineralogical Section,
Geological Survey.

PHILIP M. MALOUF

MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 2

Copy

Province of Quebec
DEPARTMENT OF MINES
LABORATORIES
1430, St. Denis Street
Montreal

Quebec, December 3rd, 1948.

CERTIFICATE No. Qh-4635/4639.-

Samples submitted by United Asbestos Corp.
c/o Mr.Gerard McTeigue,
Room 204, Transportation Building,
132-St-James West, Montreal.

	Crude No. 2	Group.3 Class Z	Group.6 Class D	Group.7 Class D	Group.7 Class F	Sands	Total
B.L.2-675-700 (Qh-4635) 32-lb.	--	0.18%	--	10.12%	--	89.7%	100.0%
B.L.3-50-75 (Qh-4636) 30¼-lb.	0.70%	0.51%	--	9.69%	--	89.10%	100.0%
B.L.4-100-125 (Qh-4637) 31¾-lb.	0.20%	0.78%	--	12.62%	--	86.40%	100.0%
B.L.6-550-575 (Qh-4638) 32-lb.	0.70%	0.40%	7.80%	--	--	91.10%	100.0%
B.L.8-150-175 (Qh-4639) 29¾-lb.	--	--	--	--	11.00%	89.00%	100.0%

Fibre classification according to Quebec Asbestos Producer's Ass'tn. Method as adopted March 22nd. 1943.

N.B. Figures are obtained on 100% actual recovery basis by laboratory methods. In mill practice, a recovery factor would apply.

The Analysts:- "Laurent Bedard""
Laurent Bedard
Gaetan.Michaud.....

The Director of Laboratories:-
"Maurice Archambault"

The Deputy Minister:- "A. O. Dufresne"

PHILIP M. MALOUF
MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 3

COMPARATIVE AVERAGE GRADES

By Analysis and by Visual Estimate

Sample Number	Asbestos Content		Percentage by which Visual Estimate is Low
	Dept. of Mines Mill Test	Visual Estimate by Writer	
Hole 2 (657-700')	10.30%	9.33%	10.39%
Hole 3 (50-75')	10.90%	5.70%	91.20%
Hole 4 (100-125')	13.60%	11.00%	23.62%
Hole 6 (550-575')	8.90%	5.60%	58.91%
Hole 8 (150-175')	11.00%	5.60%	96.40%
Average of all samples	10.94%	7.45%	46.85%

PHILIP M. MALOUF
MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 4

BREAK DOWN of MILL TEST

(Screen Analysis)

Grading		Per ton fibre	Screen Analysis			
			3/8	4-mesh	10-mesh	drops
Crude No.2	( ) 3/8" (-) 3/4"	2.93%	2.93	--	--	--
3-Z	0-8-6-2	3.42%	--	1.71	1.28	0.43
6-D	0-0-7-9	14.26%	--	--	6.24	8.02
7-D	0-0-5-11	59.28%	--	--	18.56	40.72
7-F	0-0-4-12	20.11%	--	--	5.03	15.08
		100.00%	2.93	1.71	31.11	64.25

By analysis average content of asbestos in cores is 10.94%.

PHILIP M. MALOUF
MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 5

VALUE PER TON FIBRE AND ROCK

BASED ON MILL TESTS

	Price/ton	Value/ton fibre
Crude No. 2	$ 485.00	$ 14.21
3-Z	231.00	7.90
6-D	59.00	8.41
7-D	52.50	31.12
7-F	49.50	9.95
Value per ton of fibre		$ 71.59

Value per ton rock is:-

10.94% pf $71.59 equals $7.83 per ton rock.

PHILIP M. MALOUF
MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 6

REGRADING AND CALCULATED SCREEN ANALYSIS

			3/8	4-mesh	10-mesh	Drops
Crude No. 2		0.15%	0.15	--	--	--
3-R	2-8-4-2	1.37%	0.17	0.69	0.34	0.17
3-Z	0-8-6-2	6.00%	--	3.00	2.50	0.50
4-Z	0-1½-9½-5	30.00%	--	2.81	17.81	9.38
5-R	0-0-10-6	24.00%	--	--	15.00	9.00
6-D	0-0-7-9	10.00%	--	--	4.37	5.63
7-H	0-0-3-13	28.48%	--	--	5.72	22.76
		100.00%	0.32	6.50	45.74	47.44

NOTE: Drops reduced by 32%
and "crude" reduced by 59%

Asbestos Content reduced to 7.45% asbestos from 10.94%

Average value / ton fibre = $88.64

Average value / ton rock = $ 6.50/ton

PHILIP M. MALOUF
MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 7

ESTIMATE OF GRADING AND VALUE OF FIBRE(x)

Standard Grade	Guaranteed Minumum Test	Estimate per ton of fibre	Value/ton List Price(xx)	Value per ton fibre
3-R	2 - 8 - 4 - 2	3.50%	$267.00	$9.345
3-Z	0 - 8 - 6 - 2	8.50%	$231.00	$19.635
4-Z	0-1½- 9½ - 5	29.50%	$111.50	$32.892
5-R	0 - 0-10 - 6	28.50%	$79.00	$22.515
7-D	0 - 0 - 5 - 11	30.00%	$52.50	$15.750
		100.00%		$100.13

Value per ton rock containing 4¼% asbestos = $4.25 per ton
" " " " " 7% " = $7.00 " "
" " " " " 7.45% " = $7.45 " "

(x) Based on Norman R. Fisher's Estimate.

(xx) Price List:- Canadian Johns-Manville Co. Limited
Dated November 22nd, 1948.
Carload price per short ton
F.O.B. Asbestos, Quebec, Canada,
In Canadian Funds.

PHILIP M. MALOUF
MINING ENGINEER

APPENDIX 8.

UNITED ASBESTOS CORPORATION LIMITED

RECORD OF DIAMOND DRILLING

BLACK LAKE PROPERTY

HOLE	FOOTAGE	DIP ANGLE	DEPTH O'BURDEN	ORE SECTION	ORE WIDTH	GRADES	REMARKS
1	577'	42°	45'	50.5' - 544.0'	494'	3.26%	
2	737'	45°	85'	85.0' - 737.0'	652'	4.30%	
3	648'	45°	35'	40.0' - 630.0'	590'	4.20%	
4	715'	45°	82'	80.0' - 715.0'	635'	5.40%	
5	453'	45°	40'	40.0' - 450.0'	410'	4.00%	Sludge good
6	775'	45°	30'	50.0' - 768.0' 300.0' - 768.0'	718' 468'	3.52% 4.40%	
7	400'	45°	90'	none		none	
8	735'	45°	111'	111.0' - 611.0'	500'	3.00%	
9	722'	45°	26'	31.0' - 450.0' 476.0' - 676.0'	419' 200'	2.45% 1.50%	
10	700'	45°	85'	85.0' - 350.0' 375.0' - 525.0' 525.0' - 700.0'	265' 150' 175'	1.59% 1.25% 3.20%	
11	774'	45°	55'	150.0' - 774.0'	624'	6.45%	
12	730'	45°	46'	50.0' - 722.0'	672'	2.04%	Sludge good
13	468'	45°	65'	80.0' - 250.0'	170'	6.85%	

PHILIP M. MALOUF

MINING ENGINEER

APPENDIX 8 (Cont'd.)

UNITED ASBESTOS CORPORATION LIMITED

RECORD OF DIAMOND DRILLING

BLACK LAKE PROPERTY

HOLE	FOOTAGE	DIP ANGLE	DEPTH O'BURDEN	ORE SECTION	ORE WIDTH	GRADES	REMARKS
14	93'	65°	93'				Fibre in boulders. No bedrock reached.
15	550'	45°	10'	275.0' - 550.0'	275'	2.0%	Sludge rich
16	502'	45°	5'	5.0' - 250.0' 250.0' - 375.0' 375.0' - 502.0'	245' 125'	0.50% 1.8%	
17	848'	45°	6'	6.0' - 450.0' 450.0' - 575.0' 575.0' - 848.0'	nil 125' 273'	 1.40% 2.40%	Sludge good
18	232'	45°	90'	none	none		Granite
19	780'	85°	65'	100.0' - 737.0'	637'	3.10%	"Fur" rock
20		45°	82'	123.0' - 350.0'	227'	6.50%	"Fur" rock
21	606'	45°	60'	60.0' - 606.0'	546'	7.25%	"Fur" rock
22		45°	80'	100.0' - 350.0' 350.0' - 500.0'	250' 150'	2.25% 4.50%	"Fur" rock

PHILIP M. MALOUF

MINING ENGINEER

UNITED ASBESTOS CORPORATION LIMITED

BLACK LAKE PROPERTY

APPENDIX 9

Copy

NORMAN R. FISHER

MONTREAL, Quebec,
October 23rd., 1948.

United Asbestos Corporation Limited,
132 St. James St. West,
Montreal, Quebec.

Dear Sirs:

I have made a close inspection of the cores from the diamond drilling so far accomplished on your Black Lake property in order to visually estimate their content and to determine the significance of them on the ore picture in general under the Lake.

HOLES DRILLED:

Altogether nine 45° holes have been drilled to date, with lengths ranging from 450 to 775 feet for a total of 5,792 feet, all on the southern side of the lake near where it is closely followed by the Sherbrooke-Quebec highway.

All of the holes were drilled from near the water's edge, seven of them to cover a distance of about 2,700 feet along it to a maximum depth of about 548 feet and two of them normal thereto under the bed of the lake for a horizontal distance of about 520 feet and the same vertically.

ROCK ENCOUNTERED:

This drilling demonstrated all of this 2,700 foot stretch of ground, excepting a centrally located 300 feet of it composed of a granitiferous rock alternating with highly altered serpentine carrying little or no asbestos, is almost entirely composed of serpentine of a class favorable for bearing asbestos in commercial proportions.

TONNAGE INDICATED:

Within that area 2,700 feet less 300 feet of a net of 2,400 feet long by 520 feet wide of desirable serpentine rock there is about 100,000 tons to the vertical foot, or better than 50,000,000 tons within the vertical and lateral limits of the above described drilling alone.

PHILIP M. MALOUF

MINING ENGINEER

APPENDIX 9 (Cont'd.)

(Copy)

October 23, 1948.

United Asbestos Corporation Limited

GRADE INDICATED:

The grade of that particular block of ore varies considerably at the different diamond drill hole intersections of it, from quite high to relatively low as is common under similar conditions in the district, but the whole of it would appear to average at about 4½% in grades varying from spinning stocks down to and including shorts testing 5-11 to give it an average value, at existing fibre prices, of about $86.00 to the ton.

The fibre itself is of first-class quality and comparable with the best produced in the Thetford Area.

FIBRE RECOVERY COST:

Assuming an operating cost of $2.25 per ton of rock mined after the property has been properly conditioned for production it would cost about $53.00 per ton to recover and market that fibre for an indicated operating profit thereon of about $33.00 to the ton at existing fibre prices.

This is equivalent to an indicated profit of about $1.40 per ton of rock mined, less whatever might be currently charged against it in the amortization of the capital cost of either the removal of its overlying water and debris to permit of open cast mining or of its development for underground mining.

GENERAL:

The above mentioned tonnage is unquestionably only a small fraction of the ore at present on this property which has an expanse of potentially favorable ground, probably twelve times larger than the area to which it is limited by the scope of the diamond drilling to date.

Yours very truly,

(signed) Norman R. Fisher

NRF/EG

(Asbestos prices of Canadian Johns-Manville of Feb. 16, 1948. At today's price list (revised Nov. 22nd, 1948) the value per ton of asbestos is $100.00, as shown in Apperdix 7).