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MEMORANDUM

MINISTRY OF MINES
AND PETROLEUM RESOURCES

Rec'd JUN - 7 1979

TO A.J. Richardson, P. Eng.,
Deputy Chief Inspector of Mines,
Victoria.

FROM J.B.C. Lang, P. Eng.,
District Inspector of Mines, Nelson.

May 31st 19 79

SUBJECT Re: Molly Hughes Mine.

OUR FILE

YOUR FILE

Enclosed are copies of two reports written by myself in 1973 and 1974 concerning this property.

The reason for showing you these reports is for historical background and to perhaps point out the exploration possibilities at the mine.

Originally, the operators had a shaft beside the rail line over which sat a bin which could dump skipped muck into rail cars. Waste was taken out of the lake portal and dumped into the lake.

The present mine proposal is to drive a runaround in the lake adit to go by this shaft and advance to the "Real Idea Lode", about 600ft. Backs would be about 300 ft to surface.

Several questions arise, the first of which is, transportation. The C.P.R. tug and barge running on the lake can be leased to move major equipment into the portal area. It was done before. Security of mining equipment and explosives must be maintained on a full time basis. The sound of diesel engines and blasting will be carried to home owners in the area, and will not be appreciated.

Should the Real Idea lode be ore, and production mining begin, a second exit must be established and a ventilation system. This will mean driving raises to surface to exhaust smoke and dust. This would take place around the Weisbrich and Simpson Holdings, again, probably not acceptable.

As District Inspector, I feel that the proposed exploration program is a good one and might open up a mine. The Company have so far tried to comply with the Mines Regulation Act and I have no objections, on this basis, for their proposal. Using the present Referral system, copies of the 10-11 have been sent to the other Agencies for their comments. No replies have been forthcoming to this office.

I have taken the time to discuss the matter with residents of the area, which I do not believe is really any of my business, beyond section 7 of the M.R.A.

It has been my understanding that a Free Miner, under the Mineral Act, had the right to explore and develop minerals. In doing this physical work, he has to stay within the requirements of the Mines Regulation Act. The bottleneck appears to be with his rights under the Mineral Act.



J.B.C. Lang, P. Eng.,
District Inspector of Mines
and Resident Engineer.

GEOLOGICAL REPORT
ON THE
MOLLY HUGHES GROUP OF CLAIMS
50° 01' N.Lat., 117° 22' W.Long.

of

DYKE MINES LTD., (N.P.L.)

LOCATED

ONE HALF MILE NORTH OF NEW DENVER

SLOCAN MINING DIVISION
BRITISH COLUMBIA

FIELD WORK, Sept 20, 1972 to May 15, 1973

by

J.B.C. Lang, P.Eng.,
MINCON ASSOCIATES.,

May, 1973

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SUMMARY

Argentiferous tetrahedrite, pyrite, and some galena and sphalerite occur disseminated in quartz filling along at least five lodes on the Molly Hughes property.

These lodes strike generally N 75° W and vary in width from about one to eight feet. These lodes have been cut by strong faults which have offset the veins to varying degrees. The Kinkora vein has been offset to the left about 80 feet. Surface mapping has not indicated the direction of throw caused by other faulting.

A wide shear zone appears to delimit the property on the west, causing an abrupt right hand throw to the Kinkora Lode. This shear has had a marked effect on the topography in the area.

Some years ago the Mining Recorder's office in New Denver burned, and records of the property were lost. Fire also destroyed the Molly Hughes Mine Office along with all the data contained therein.

This data then, compiled by MinCon Associates for Dyke Mines Ltd. (N.P.L.) is the company's only record of claims, topography and surface geology showing lodes and outcrops. Sampling and assays show the general tenor of the lodes are included where reasonably representative samples could be taken.

INTRODUCTION

The work on the property was started at the request of the company directors on September 29th, 1972 and was stopped on May 15, 1973, the anniversary date for the located claims.

The work was outlined as follows:

- 1) Topography
- 2) Claim Location
- 3) Surface Geology
- 4) Mapping of underground workings
- 5) Future work based on findings

During the year, the status of the claims was verified and all available reports were researched on the workings, Documentation is included in the appendix.

PROPERTY AND LOCATION

The property consists of five Crown granted mineral claims and six located mineral claims as follows:

<u>Crown Grant</u>	<u>Lot Number</u>	<u>Expiry Date (Taxes)</u>
Kinkora	L 2104	July 2, 1973
Real Idea # 2	L 2105	July 2, 1973
Molly Hughes	L 2106	July 2, 1973
Pinto	L 2107	July 2, 1973
Tryon	L 2108	July 2, 1973

<u>Located Claims</u>	<u>Claim No.</u>	<u>Expiry Date</u>
P.P.H. # 1	16862	May 15, 1973
P.P.H. # 2	16863	May 15, 1973
P.H.P. # 1	16864	May 15, 1973
P.H.P. # 2	16865	May 15, 1973
P.H.P. # 3	16866	May 15, 1973
P.H.P. # 4	16867	May 15, 1973

All the claims are held by Dyke Mines Limited (N.P.L.) under an option agreement dated July 17, 1972 in Vancouver, British Columbia. The owners of the crown granted claims previously sold the surface rights to other parties.

The property is on the north-west slope of Carpenter Mountain and extends to the east shore of Slocan Lake between $\frac{1}{2}$ mile and one mile north of the town of New Denver. Both the New Denver-Nakusp Highway and the C.P.R. Railway run through the property.

CLIMATE, ACCESSIBILITY AND LOCAL RESOURCES

Elevations range from 1,800 feet to about 4,000 feet above sea level. At this altitude, weather conditions are moderate with less precipitation than at higher elevations. The proximity of Slocan Lake has a modifying effect on local weather conditions.

Highway transportation is available on a year-round basis. Supplies can be readily available from Nelson, 75 miles to the south, or from Revelstoke, 93 miles to the north. Trail, with its concentrator is 80 miles by road to the south.

Good stands of secondary timber cover most of the claims. Logging operations are abundant in the area with a major sawmill at Slocan City. New Denver and the hamlet of Roseberry, 4 miles to the north of New Denver, are on hydro-electric power supplied by the B.C. Hydro and Power Authority. The power transmission lines cross the property.

HISTORY

Production was first recorded in 1899, and it is said that 2,328 tons of ore were shipped between that time and 1940. This ore graded 0.3 ounces per ton gold and 107 ounces per ton of silver. It is understood that lessors also mined a considerable quantity of shipping ore that has not been reported.

In the early 1930's most of the underground work was accomplished. This was done on the Kinkora vein. It was carried out on three levels over a vertical range of 150 feet. The first work was done on the second level in which a shaft was raised to surface on the ore and then sunk to the third level at or near lake level. The vein is reported to have followed the lode 900 feet laterally on the second level. Operations on a company basis ceased early in World War II and, except for work done by the lessors, has not been resumed.

GENERAL GEOLOGY

The property lies within the porphyritic granite and granodiorite associated with and forming part of the Nelson Batholith. The ore-bearing veins on the group appear as quartz veins in fault-fissure lodes which strike

generally N 75° W, and dipping to the north-east at various degrees. These lodes are cut by numerous faults striking generally north-south. The lodes noted by the writer appear to be one to eight feet wide and are characterized by white quartz mineralization carrying gold and silver values. Disseminated tetrahedrite and minor galena were noted in the quartz. There are at least five lode systems generally parallel to, and in the hanging wall of the Kinkora vein lying near the shore of Slocan Lake, which were visited by the writer. They have all had surface trenching and pits dug along their strike where the overburden was manageable.

LODES

Kinkora Lode: This was the most productive system on the property. East and west sections of the vein are separated by a northerly trending fault left hand offset of about 80 feet as seen on adit mapping of second level.

East Section: Lode strike N88°^WE Dip 45°N, width 4 to 8 feet. Numerous pits on surface, one underhand stope noted. Disseminated tetrahedrite and pyrite predominate sulphides, some galena and sphalerite noted.

Traced on surface for 600 feet from fault.

West Section: Lode strikes $N33^{\circ}E$ Dip $64^{\circ}N$ width 2 to 10 feet. Numerous pits on surface, two stopes broken through from underground workings. Lode is pulled to the north at west end under influence of major shear zone.

General: From underground workings, fault separating sections of lode has also influenced vein characteristics. Near fault, the lode carries quartz along hanging wall and footwall with crushed granitic material between. Fault indicated on surface by creek valley.

Real Idea Lodes: Two sub parallel lodes of which the most northerly has had most attention.

Northerly Lode: Lode strike $N73^{\circ}E$, Dip $50^{\circ}N$ width 1 to 3 feet. Four pits have been cut on surface, which show disseminated tetrahedrite and galena. Samples were cut along this lode plus a muck sample of dump material.

Southerly Lode: Lode strike $N73^{\circ}E$, Dip $50^{\circ}N$, width 0.6 to 2 feet. Poorly mineralized - a 6' x 6' shaft sunk on the lode shows the vein pinching about 18 feet below surface. Map sample No. 4 taken in this shaft is not encouraging.

P.H.P. 2 Lodes: The P.H.P. 2 claim also carries two known lodes which are sub parallel and about 300 feet apart.

Southerly Lode: Lode strike $N78^{\circ}E$ ^W, Dip $43^{\circ}N$, width 3.5 feet. The quartz filling in this lode is extremely well mineralized with tetrahedrite and pyrite as seen in the dumps adjacent to underhand workings.

A shaft was sunk on this lode and is water filled. At least six pits have been dug along its strike length of 1100 feet. The vein appears to terminate at both east and west extremities on faults, which again strike generally north-south, and are marked by small creek beds. Samples were not taken on this structure as because of sloughing, representation was difficult to define.

Northerly Lode: This lode is marked by a large underhand stope from surface of upwards of 150 feet long. It was mined 6 to 7 feet wide, sloughing and a heavy hanging wall precluded seeing the lode. The muck pile however revealed large chunks of quartz containing disseminated sulphides.

Stope strike $N88^{\circ}E$ ^W, Dip $70^{\circ}N$, width $\pm 6'$.



Pinto Lode: This lode is a strong well mineralized quartz filled fissure striking $N62^{\circ}E$, dipping $39^{\circ}N$. It is traceable for over 500 feet terminating on the west by a fault and lost under talus on the east. There are four small pits on the lode which define the structure very well. The average width is 2 feet. Tetrahedrite disseminated in the quartz is the major sulphide.

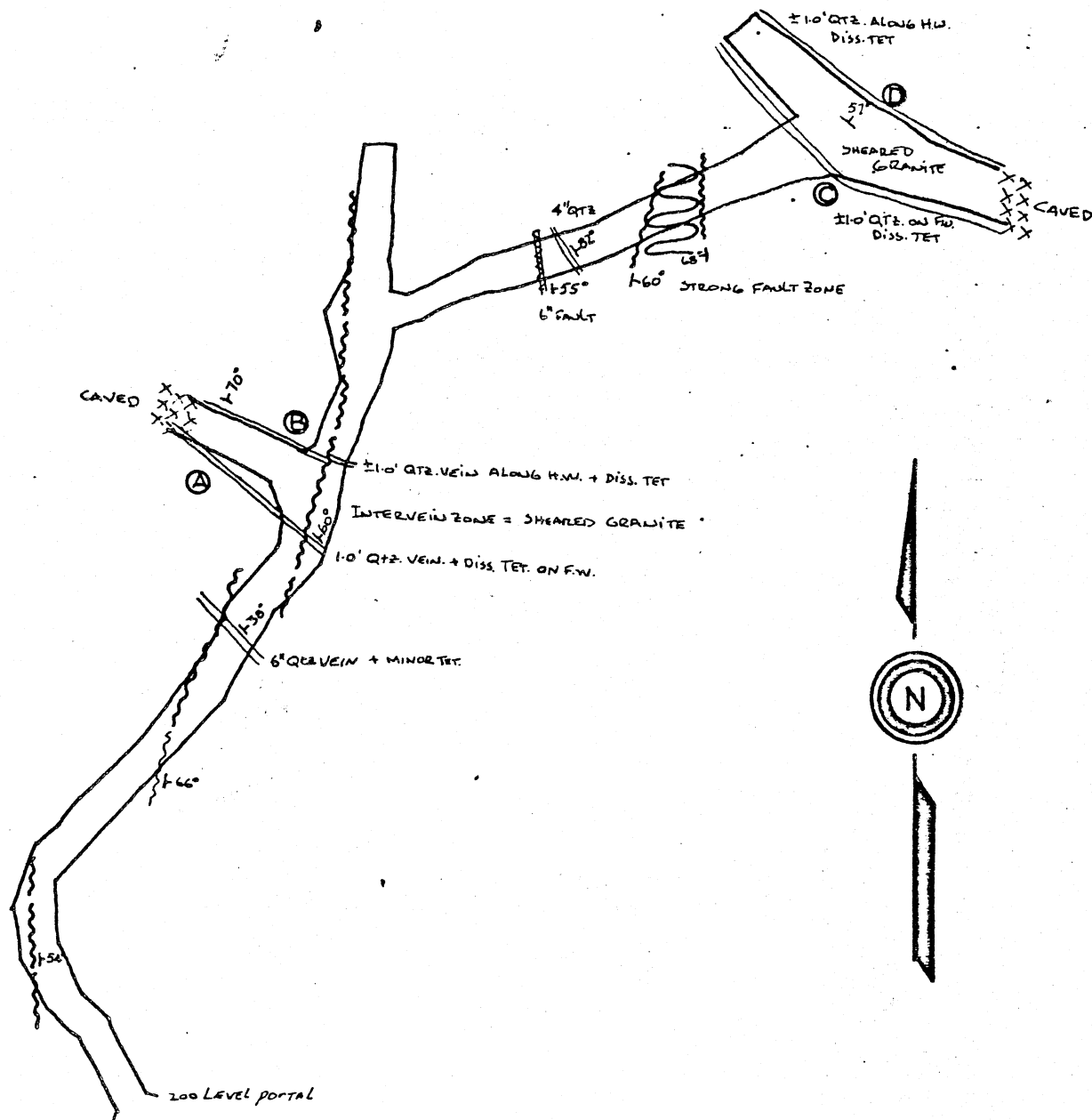
Tryon Lode: This structure on the Tryon claims strikes $N35^{\circ}W$ and dips about $70^{\circ}S$. Quartz occurs across two feet on the average and sulphide mineralization is not plentiful. The structure could be a fault though indication of movement was not observed.

Though there are five pits on the structure, they have sloughed badly and further examination will have to be made.

From past production records, limited sampling and visual inspection and mapping, further work is warranted exploration-wise on this group of claims.

J.B.C. Lang, P.Eng.,

May 25, 1973



ASSAYS

sample	Number	Au. oz./T	Ag. oz./T	Width
A	11151	0.02	13.0	1.0'
B	11152	0.02	3.1	1.0'
C	11153	0.02	8.0	1.0'
D	11154	0.04	6.9	1.0'

DYKE MINES LTD. (NPL)
 MOLLY HUGHES PROPERTY
 Kinkora Vein, 2nd Level
 Scale: 1 in. = 20 ft. Oct. 1972
 MinCon Ass.



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

OFFICE ADDRESS:

103 Vernon Street
Nelson, B.C. V1L 4E6

MAILING ADDRESS:

310 Ward Street
Nelson, B.C. V1L 5S4

MINISTRY OF MINES
AND PETROLEUM RESOURCES

MAY 29 1979

AK

24th May, 1979.

Mr A.J. Richardson, P. Eng.,
Deputy Chief Inspector of Mines,
525 Superior Street,
Victoria. B.C.

Dear Sir,

In reply to your May 17th, 1979 request I report herewith on the "Molly Hughes" situation at New Denver.

I am enclosing a copy of the 10-11 covering this property. Mr Lloyd came in to see me in March and discussed the operation with me. At that time I was assured that the people in the area had no objection to the road along Bigelow Bay from New Denver being extended to the mine portal. To this time he may have misunderstood, or the local people may not have realized the situation.

On May 8, I met with Mrs B. Yoemans and her husband Mr Callison, who have purchased the old Viola McMillan property between New Denver and the Molly Hughes property and through which the Lakeshore road passes. They are not happy with the proposal submitted by the company.


I explained to them that they have purchased land in a mining area that has been historically famous for its silver production and that it is far from mined out. They should, therefore, expect mining to continue with its accompanying benefits to B.C. and some inconvenience to non mining residents. There is no reason why both parties cannot co-habit the area provided each are prepared to "give" a little. This was a friendly meeting with no harsh words on either side. I later found out that they were unhappy with my remarks, and contacted all Provincial Candidates running in the District to have them take sides against the mining industry. (This meeting took place prior to the Provincial election).

The old Molly Hughes Crown granted claims were broken into surface and under-surface sections by a Mr Greenan of New Denver. He sold the surface rights to some new Canadians of American origin, telling them that no mining would be done. He then sold the Mineral Rights to Dyke Mines Ltd. who tried to develop the property in the early 70's without success because of pressure from surface owners. It is doubtful that surface right owners will allow any mining to be done anywhere on these claims.

Having had experience on this property previously, where people sit down in front of equipment to prevent operation, and having had experience at China Creek where civil disobedience was condoned by our Courts, I will have to assume that the Company will be prevented in pursuing its business of mining on the Molly Hughes claims.

I have attempted on several occasions in the last few days to contact the Company, but have not been successful.

Yours very truly,


J.B.C. Lang, P. Eng.,
District Inspector of Mines
and Resident Engineer.

JBCL/elg
Encl.

M. L. Explorations Ltd.

M.D. nte) Lloyd
Box Bentley, Alberta T0C 0J0
Phon 8-2672

No. 8 - 3600 - 19th Street N.E.
Calgary, Alberta T2E 6V2
Phone 277-1613

on behalf of DENVER SILVER MOLLY HUGHES INC
MARCH 22 1979

MR. B LANG, MINE INSPECTOR
MINISTRY OF MINES AND PETROLEUM RESOURCES
310 WARD ST
NELSON B.C. VIC 5S4

Dear Sir -

As you are familiar with the property, there is probably little that I need add to the 10-11 form.

I would like, however to clarify our intentions of gaining access to the existing 'Molly Hughes' adit.

We propose to use the existing trail along the lakeshore for moving in equipment, then should the mine prove successful, to upgrade the trail for hauling ore.

The 10-11 form refers to "350 meters of road". For the exploration phase of our project the "road" would be crude and narrow. Our only requirement would be that the compressor, rail etc. could be hauled in. For the most part the existing trail will easily suffice. The work required will be the installation of a short bridge and blasting bedrock to widen the trail. In fact the actual altered sections will probably total far less than 350 meters.

While I stress the minimal amount of disruption required for our exploration phase, I must also make clear that should the ore values warrant development, we would wish to upgrade the road for the shipping of ore.

Should you have any questions, please do not hesitate to call me collect. Thank you.

Yours. truly,

Monte Lloyd

MONTE LLOYD.

*old
used*



Province of British Columbia
Ministry of Mines and Petroleum Resources

MINERAL RESOURCES BRANCH
INSPECTION AND ENGINEERING DIVISION

NOTICE OF WORK ON A MINERAL PROPERTY

(Pursuant to section 10, Mines Regulation Act)

This form is to be completed by all companies or individuals carrying out exploration work one month prior to commencement of work and one week prior to cessation of work. Keep one copy and forward one copy to the District Inspector of Mines.

1. NAME OF PROPERTY: MOLLIE HUGHES
 Number of claims 9 (5 claim grants, 4 post claim) Principal Claim Group MOLLIE HUGHES

2. LOCATION: Mining Division SLOAN NTS Map Sheet (e.g., 82E/9E) 32K/PW
 Lat. 52° 01' Long. 117° 25' Locality and Access 1 mile north of New Denver along highway

3. OWNER: Name DENIER SILVER MOLLY HUGHES INC. Free Miner's Cert. No. _____
 Address 9th Floor 1155 West Georgia St. City VANCOUVER Prov. B.C.

4. OPERATOR: Name DENIER SILVER MOLLY HUGHES INC. Free Miner's Cert. No. 153033 (M. 2. 240'S)
 Address 4th Floor 1155 West Georgia St. City VANCOUVER Prov. B.C.
 Postal Code V6E 3H0 Telephone No. (604) 681-0261

5. DURATION OF EXPLORATION WORK: From APR 30 1979 to AUG 30 1979

6. DATE WORK COMPLETED (report of closing only): _____ 19____

7. APPROXIMATE NUMBER OF MEN EMPLOYED: FOUR

8. EXPLORATION WORK: Indicate PROPOSED or COMPLETED - use metric measure (1 metre = 3.3 feet)

Geophysical _____ Geochemical _____

Linecutting (distance, width, method) _____

Drilling - No. of Sites _____ Total area _____ metres

Road Construction - Length 350 metres Width 2.5 metres

Underground Exploration 340 M of cross cut 170 M of drifting (type)

Total Area:
 Trenching _____ square metres Stripping _____ square metres
 Test Pitting _____ square metres Other _____ square metres

Work by self or contractor (Name) CONTRACTOR - BILL WILBERT NEW DENIER B.C.

NOTE: Owner is responsible for ensuring the Contractor complies with pertinent regulations (see section 11, Mines Regulation Act).

9. DATE FOREST SERVICE ADVISED BY OPERATOR: MARCH 22 1979
 Name and Title of Forest Official FOREST RANGER P. B. ROBINSON
 Address R.R. #1 NELSON B.C.

NOTICE

- A. Pursuant to section 11, sub-section (18) of the Mines Regulation Act - "Where mechanical equipment is likely to disturb the surface of the land in clearing, stripping, trenching or such other operations as the Chief Inspector may consider likely to cause significant disturbance of the surface of the land, the Chief Inspector may require a Reclamation Permit." If there is a surface disturbance, complete back of this form, 'Application for Reclamation Permit.'
- B. Where timber is to be cut, a 'Free Use Permit' or 'Licence to Cut' is required from the Forest Service.

SIGNATURE OF APPLICANT M. G. D. [Signature] TITLE _____
 Print Name M. G. D. [Printed Name] DATE _____



Province of British Columbia
Ministry of Mines and Petroleum Resources

MINERAL RESOURCES BRANCH
INSPECTION AND ENGINEERING DIVISION

APPLICATION FOR A RECLAMATION PERMIT
(Pursuant to section 11, Mines Regulation Act)

The following is to be completed when applying for a Reclamation Permit or when reporting work to be done under General Reclamation Permits. When reporting on work done, see instructions at bottom of page. For recommendations on reclamation and environmental control procedures see booklet entitled *Guidelines for Coal and Mineral Exploration*, available at the office of the District Mining Inspector.

PERMIT NO. MX _____

1. INDICATE APPROPRIATE DESIGNATION

Application for Reclamation Permit

Work to be done under General Reclamation Permit

2. PRESENT STATE OF LAND ON WHICH EXPLORATION WILL BE DONE (Note on 1:50,000 map.)

Present land use (ranching, timber, etc.) 2125⁰⁰ RESIDENCE. THE REST IS IN PART SUBDIVIDED LANDLORDS

Type of vegetation PREDOMINANTLY CONIFEROUS

Access roads (present use and condition) TRAVERSED BY HIGHWAY 6 + A TRAIL FROM NEW DENNER TO LAKE

Campsites, old workings (location, condition) THE ADIT OF MOUNT HUGHES MINE AT LAKE

LEVEL 100 METER CROSSCUT INTERSECTS WITH KANOGA VEIN. CROSSCUT IN GOOD

3. DETAILS OF PROPOSED SURFACE WORK (Note on attached sketch plan with boundaries of claim.)

Roads: Total length 350 metres Total disturbed area 150 square metres

Test Pits: Total No. _____ Total disturbed area _____ square metres

Trenches: Total No. _____ Total disturbed area _____ square metres

Drill Sites: Total No. _____ Total disturbed area _____ square metres

Camp Sites: Total No. _____ Total disturbed area _____ square metres

Other Disturbed Areas: Flat area surrounding pit at lake level 100 square metres

Total Disturbed Areas: 250 square metres

(1 metre = 3.3 feet 1 hectare = 10 000 square metres) 0.025 hectares

4. EQUIPMENT TO BE USED (List size, capacity, number.)

(a) CAT - D 6 or smaller (d) _____

(b) DRILLS (A.R.) AND POWDER (e) _____

(c) _____ (f) _____

5. SIGNATURE OF APPLICANT M. G. J. (Signature) Date MAY 22 1979

FOR DISTRICT OFFICE USE ONLY

Date of Notification of Government Agencies:

Forestry _____ N.A. Fish and Wildlife _____ N.A.

Water Resources _____ N.A. Lands _____ N.A.

COMMENTS: _____

RECLAMATION PERMIT: Required Not Required

Bonding Recommended, Terms and Conditions: NO BONDING. BUT MUST HAVE RECLAMATION PERMIT

FOR VICTORIA RECLAMATION OFFICE (Copy to District)

Bonding required: _____

Bonding received: _____

Date approved: _____ Date permit issued: _____

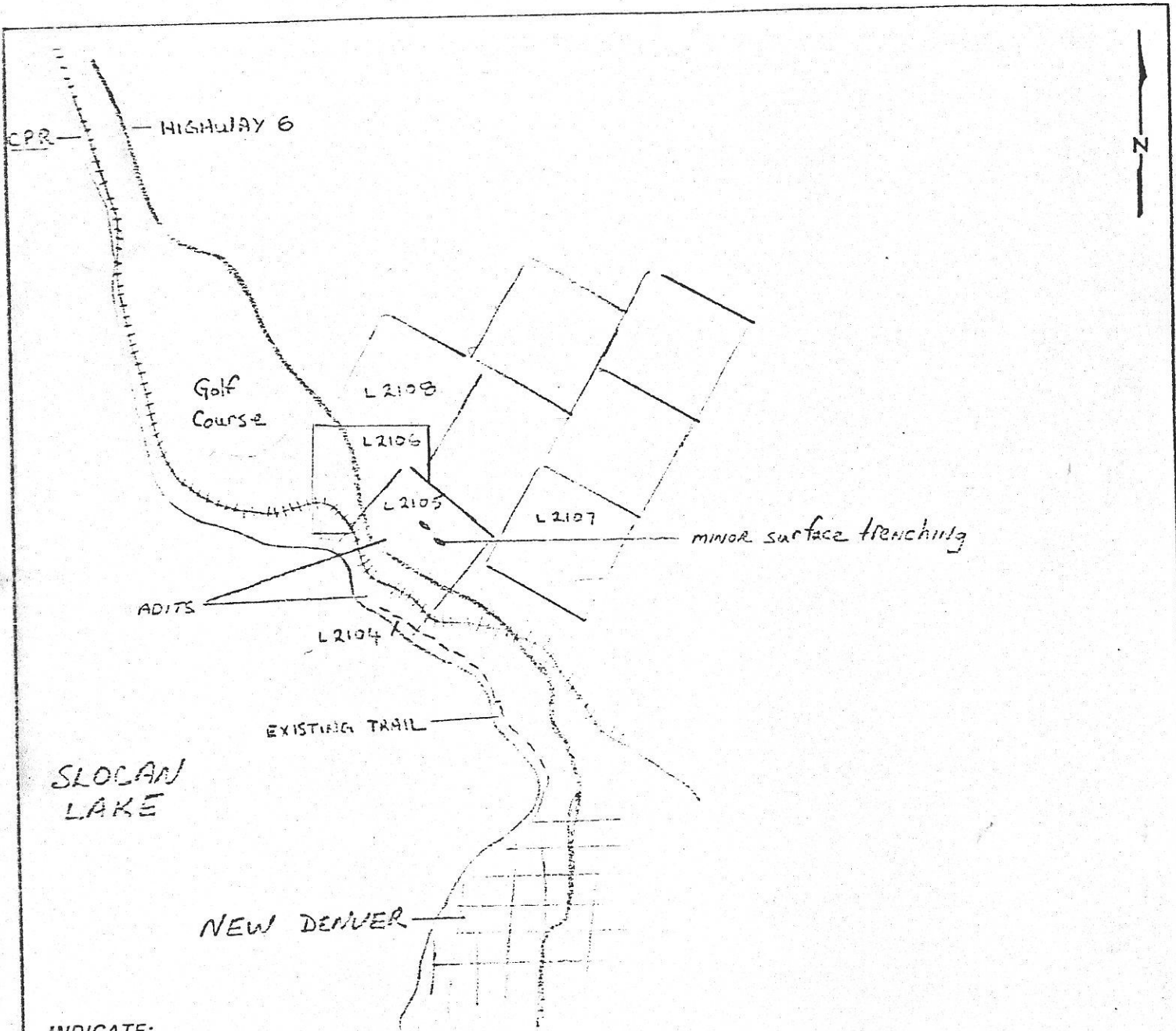
NOTE: At year-end all surface and reclamation work which has been done should be reported to the District Inspector. Submit a one-page report which describes field work in detail under the following headings: roads, trenches, drill sites, camp sites, seeds and fertilizers used, slash abatement, other. Note on a copy of the 1:50,000 NTS map and on a copy of the Site Plan where work done has varied from that which was proposed in the 'Notice of Work' or on this 'Application.' See the 1976 Reclamation Guidelines for a sample of a one-page work report.



Province of British Columbia
Ministry of Mines and Petroleum Resources

MINERAL RESOURCES BRANCH
INSPECTION AND ENGINEERING DIVISION

SITE PLAN



INDICATE:

Claim boundaries, permanent watercourses, access road and distance to nearest town, proposed roads, test pits, trenches, ground slope at trenches, drill sites, and camp sites.

LOCATION MAP
Show nearest town and access road.

Name of property MOLLIE HUGHES
Claim No. L2104/L2105/L2107
Owner DENVER SILVER MOLLY HUGHES INC
Date MAR 18, 1979

File No. _____

INTERMEDIATE REPORT

ON THE

MOLLY HUGHES GROUP OF CLAIMS

50° 01' N.Lat., 117°22' W.Long.

OF

DYKE MINES LTD., (N.P.L.)

8th FLOOR, CREDIT FONCIER BUILDING

VANCOUVER, B.C.

BY

J.B.C.LANG

JULY, 1974

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SUMMARY

The Lake Level adit was rehabilitated for 325 ft. to its face. At the face, the Kinkora vein was cut. Over the years however, backstope timber has collapsed, filling the drift. It is unlikely that any production could be won from this vein with less than unreasonable costs, and it is recommended that further development on the Kinkora Lode be stopped.

Work should be started advancing the Lake Level adit to the Real Idea Lode about 600 ft. ahead of the present face. This lode shows promising assay results from old surface pits and is traceable for many hundreds of feet on surface.

Historically, lodes in the Slocan are noted for their great vertical continuity. This Lake Level adit advance would give some 300 ft. of backs above the drift. This is not considered an unusually large projection in this district.

This approach to the vein would ease problems of environment and reclamation which are unreasonably prevalent in the Slocan. Once the tenor of the vein and viability of the Real Idea Lode is established, the company will be in a better position to face these problems.

The cost of this program is estimated to be about \$67,000.

INTRODUCTION

The following report is concerned primarily with an underground development program recommended for the Molly Hughes Mine. A program for the exploration of the Kinkora Lode was started in 1973 with some surface stripping and was continued into 1974 by way of opening the Lake Level adit crosscut to the Kinkora vein for further examination. It was found that backstope timbers have rotted out letting thousands of tons of fill into the drift. All thoughts of rehabilitation, drilling or otherwise exploring the vein must be dropped.

The next target for exploration is the Real Idea vein some 600 ft. (horizontally) in the HW of the Kinkora lode. As the Lake Level adit is now renovated with track and portal facilities it is proposed to advance this heading to the Real Idea.

The property has been visited many times by the writer during the past two months. On July 14th the President of Dyke Mines commissioned this report.

PROPERTY, DESCRIPTION & LOCATION

The Molly Hughes group of claims consists of five Crown-Granted Mineral claims and six located claims as shown on the accompanying claim map. The author searched the titles in 1972 in the Kaslo Recording office. Surface rights on the Crown-granted claims had been sold to outside parties by former owners. At present all claims are held by Dyke Mines Ltd.(NPL) under an option agreement dated July 17, 1972.

The property is on the north-west slope of Carpenter Mountain and extends to the east shore of Slocan Lake about 1 mile north of the town of New Denver. B.C. Highway No.6 and C.P. Railway run through the property.

CLIMATE, ACCESSIBILITY AND LOCAL RESOURCES

Elevations range from 1800 ft. to 4000 ft. above sea level. At this relatively low altitude weather conditions are moderate and are made more so due to the proximity of Slocan Lake.

Highway transportation is available on a year-round basis with supplies readily available from the larger centres in the interior. Trail, with its smelter is 80 miles by road to the south.

The area is basically a mining camp, but logging operations are abundant with a major sawmill at Slocan. B.C. Power & Hydro Authority serves the Slocan with hydro electric power.

HISTORY

Production was first recorded in 1899 and continued through 1940 when operations by a company were stopped due to the war. The grade of the 2,828 tons shipped averaged 0.30 oz/T Au. and 107 oz./T Ag. A copy of the report from the Bureau of Economics and Statistics in Victoria is appended.

Most of the production was won from the Kinkora Lode which outcrops at about the 1900 ft. elevation. Mining was carried out down to about the 1400 ft. level with 3 levels below the lake elevation. Pumping difficulty was a factor in the mine closing in 1940.

The New Denver Mining Recorder's Office and subsequently the Mine Office were destroyed by fire which sadly included all mine plans and data.

Lodes in the Slocan are noted for their vertical rather than lateral extent. The Hewitt shear for example contains two lodes of less than 200 ft. in length but the vertical extent is over 1700 ft. The same can be said of the Standard, Mammoth and Van Roi Lodes. The Kinkora Lode appears to have this characteristic and so presumably may the Real Idea Lode.

GEOLOGY

The property lies within the porphyritic granite and granodiorite associated with and forming part of the Nelson Batholith. The ore-bearing veins on the property appear as quartz veins in fault-fissure lodes which strike generally N.75°W. and dipping to the N.E. at various degrees. These

fissures are cut by numerous faults striking generally north-south. The numerous lodes noted by the writer appear to be from one to eight feet wide and are characterized by white quartz mineralization carrying gold and silver values. Sulphides were disseminated in good concentrations near vein contacts. Tetrahedrite, galena sphalerite and pyrite are most prominent with some bornite and chalcopyrite in evidence in places.

REAL IDEA LODE

This lode outcrops at about the 2050 ft. elevation. It is traceable on surface for over 900 feet. Numerous pits and two small shafts were sunk on the lode for a few tens of feet. (The most westerly shaft is on a sub-parallel vein in all probability). Mr. R.A. Fowler sampled the eastern shaft at its collar (#33237) and at 17 feet below the collar (#33238). He also sampled a pit 200 feet to the west of this shaft (#33239) and another pit some 500 feet to the east of the shaft (#33240). Certificates are appended. The author sampled the western pits and dumps. All assays are recorded on the accompanying map. The lode where seen appears to range between one and two feet wide.

CONCLUSIONS & RECOMMENDATIONS

The workings on the Kinkora Lode have deteriorated to the extent that rehabilitation would be extremely expensive and time consuming. Rehabilitation of the Lake Level adit has been completed to its face, some 325 feet and is now

equipped with rail, pipe and portal facilities. This adit is considered to be a very good base for exploration of the Real Idea Lode at depth. Assay results on surface showings on this lode must be looked into, and because surface rights are owned by others who are environmental enthusiasts, the underground approach would be less controversial.

It is therefore recommended that work on the Kinkora Lode including stripping and drilling be stopped. All efforts and money be channelled into driving the Lake Level Adit to the Real Idea Lode and one hundred feet of drifting be done on this structure.

EXPENDITURES

Extending Lake Level Adit

600 ft. @ \$80.00/ft.	\$48,000
100 ft. Drifting @ \$80.00/ft.	8,000
Engineering	2,000
Assaying	120
	<u>\$58,120</u>
Contingencies 15%	8,700
Total	<u>\$67,000</u>

Respectfully submitted,

.....

J.B.C. Lang, P. Eng.

CERTIFICATE

I, J. BRUCE C. LANG OF VANCOUVER, CANADA, DO HEREBY CERTIFY THAT:

1. I am a Consulting Mining Engineer.
2. I am a graduate of the University of Toronto (B.A.Sc.,) Mining Engineering, 1949).
3. I am a Registered Professional Engineer of the Province of British Columbia (Reg. No.7141) of Ontario and of Yukon Territory.
4. Since 1949 I have been actively engaged in the mining industry for various companies in Canada.
5. That I have examined the workings, lodes and dumps on the Molly Hughes claims and have examined available reports on the property.
6. I have not received, nor do I expect to receive any interest in the properties or securities of Dyke Mines Ltd. (NPL).

Respectfully submitted,

.....
J.B.C. Lang, P. Engineer.

GROSS CONTENTS

Year	Tonnage		Gold Oz.	Silver Oz.
	Mined	Milled		
1899	23	-	4	1,370
1900	2	-	-	617
1901	21	-	-	1,531
1902	11	-	2	1,232
1904	49	-	18	4,664
1905	7	-	1	962
1906	40	-	9	5,325
1907	41	-	7	5,030
1909	380	-	79	40,844
1910	373	-	68	36,208
1911	90	-	16	8,022
1915	18	-	1	1,373
1916	25	-	8	2,661
1918	19	-	6	2,100
1919	21	-	35	8,568
1920	33	-	46	7,794
1921	27	-	9	3,319
1922	4	-	10	1,884
1923	74	-	22	8,471
1924	108	-	13	10,033
1925	34	-	7	5,020
1926	96	-	71	8,710
1927	33	-	15	2,950
1928	326	-	82	41,732
1929	100	-	16	11,521
1933	7	-	1	1,024
1934	10	-	2	1,176
1935	61	-	7	4,898
1936	4	-	1	464
1937	34	-	2	904
1938	137	-	57	14,453
1939	233	-	107	26,682
1940	<u>387</u>	-	<u>107</u>	<u>31,978</u>
	2,828		829	303,520

M- Miscellaneous

1957 0.37 tons

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APPENDIX

Property Map - Kinkora & Real Idea Lodes

Bureau of Economics & Statistics Report

Crest Laboratories Certificate

Dept. of Mines Certificate