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BURMAN RIVER GOLD MINES SYNDICATE

Report on the property, covering development from August, 1939 to December, 1941, and August, 1945 to May 20, 1946.

PROPERTY

The property comprises eight claims and three fractions, some 450 acres in area. The claims are as follows: June, June 1, June 2, June 3, June 4, June 5, June 6, June 7, - A Fraction, B Fraction and C Fraction. All claims are held by location but over four years of assessment work has been completed, and all claims are ready for Crown Granting, after they have been surveyed.

SITUATION:

The property is located at the head of Muchalat Arm near the mouth of the Burman River and on the South West side of the Inlet. It extends from tidewater to and over the summit of the mountain ridge, over 2,000 feet in elevation, which flanks the head of the Arm. It is 136 miles North Westerly from Vancouver, and about 30 miles East from Nootka Cannery settlement, and 50 miles South Easterly from the mining centre of Zeballos.

TIMBER:

The entire property is heavily timbered, there being timber in abundance for all mining requirements.

WATER:

A stream flows through a narrow precipitous canyon in the centre of the property. Water for all requirements can be made available from this stream.

WATER POWER:

This creek is estimated to have a flow of five or six cubic feet per second. This volume of water, if developed, would provide about 100 horse power under a head of 250 feet, or 200 horse power under an effective head of 500 feet. On the opposite side of the Inlet there is a larger creek where hydro-electric energy to the amount of several hundred horse power could be developed and transmitted to the mine, a distance of approximately one mile.

*Headed
E.P.
Sunderland*

PROPERTY FILE

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TRANSPORTATION:

Canadian Pacific steamers maintain a tri-monthly service between Vancouver and Victoria and West Coast points. At present the nearest regular port of call is Nootka, 30 miles from the property. Muchalat Arm is navigable for deep sea ships to its head (90 feet depth, 50 feet from property line), and C.P.R. steamships, operating on the tri-monthly regular schedule, would make the head of the Arm a regular port of call, should there be sufficient business to warrant it. Freighters of the Waterhouse Navigation Company also operate on a regular monthly schedule and have quoted a rate on sacked ore from the property, delivered to Tacoma Smelter, for \$3.50 per ton of 2,000 pounds. Planes of Canadian Pacific Airways to Zeballos operate three times weekly, and call at the property on request. Transportation offers no difficult problems.

GEOLOGY:

The general, structural and economic geology of the Zeballos Mining District is reported upon by H. C. Gunning, Geol. Surv., Canada, Sum. Rept. 1932, p. 34., and by M. F. Bancroft, Geol. Surv., Mem. 204, Rept. 1935 and Paper 40-12, 1940. There is also a report by John S. Stevenson on the Zeballos area for the B. C. Department of Mines, 1938. These reports cover the geology of Privateer Mine at Zeballos; both surface and underground workings being examined and reported upon.

The geological conditions as seen from surface and underground workings on the June, June 1, June 2 and June 5 claims are exactly similar to those found at the Privateer Mine, as described by M. F. Bancroft and J. S. Stevenson, in the reports quoted. The only notable difference is that vein widths are greater at the June claims than at Privateer Mine, and the sulphide ores carry upwards of 3% Copper at the June claims, compared to less than 0.5% Copper at Privateer. High Gold values are found at both properties, but there is a notable difference in the Silver content of the ore, Privateer Mine ore averaging from 1 to 2 ounces and the June claims ore averaging from 6 to 8 ounces, and in some cases much higher.

B. W. W. McDougall, M.E. examined the June Group in 1940 and in his report states that a portion of the property is underlain by volcanic rocks of varying types, predominately andesitic but probably including some basalt. These rocks are in contact with coarse-grained granodiorite on the South and West and the plutonic rocks must also underlie the volcanic series at some unknown but probably not extreme depth below the present surface. The present known sulphide exposures would appear to be located well down on the flank of a minor cupola of the batholithic intrusives. When McDougall examined the property in 1940, some \$4,000.00 had been expended on exploratory surface development,

but only two cuts had been opened that exposed the ore in No. 1 vein. These cuts were 65 feet apart. In all, three samples from No. 1 Vein were taken by McDougall, with assay results as follows: 29 inches wide - Gold 0.10 oz., Silver 7.65 oz., Copper 5.20% - Value \$20.21; 19 inches wide - Gold 0.12 oz., Silver 11.76 oz., Copper 9.60% - Value \$33.99; 28 inches wide - Gold 0.62 oz., Silver 6.51 oz., Copper 3.90% - Value \$35.74 (Gold at \$38.50 per oz. - Silver at 78¢ per oz. - Copper at 10¢ per lb.) Further exploration of the property was recommended.

In 1941 the property was examined and reported upon by H. Gratton Lynch, M.E. Some \$8,000.00 had been expended when the report was made. The geological report was as follows:

The East side of the property is metamorphosed volcanic and limestone. To the West are outcrops of granodiorite. As some dykes of granodiorite are exposed in the creek which cuts through the property, it is quite probable that granodiorite underlies the volcanics, making them a rather small roof pendant. Lynch took 9 samples from cuts over a length of 80 feet. Assays from these samples were as follows:-

Width 19 inches	-	Gold 0.16 oz.	Silver 8.1 oz.	Copper 4.10%.
" 24 "	-	Gold 0.13 oz.	Silver 5.9 oz.	Copper 3.7%.
" 20 "	-	Gold 0.12 oz.	Silver 5.7 oz.	Copper 3.5%.
" 19 "	-	Gold 0.22 oz.	Silver 12.1 oz.	Copper 4.5%.
" 14 "	-	Gold 0.03 oz.	Silver 0.68 oz.	Copper 0.2%.
" 24 "	-	Gold 1.69 oz.	Silver 4.2 oz.	Copper 0.8%.
" 18 "	-	Gold 2.98 oz.	Silver 9.5 oz.	Copper 4.8%.
" 18 "	-	Gold 0.56 oz.	Silver 6.4 oz.	Copper 2.9%.
" 8 "	-	Gold 0.12 oz.	Silver 4.7 oz.	Copper 0.8%.

Lynch reports that 9 samples averaged .72 oz. Gold, 6.6 oz. Silver and 2.9% Copper; average width 18 inches - \$39.66 per ton (Gold at \$38.50, Silver at 78¢ and Copper at 10¢ per lb.) His recommendations and conclusions were that "Surface work shows ore of commercial grade that appears to be getting longer and wider with depth. The work shows a small but good grade ore body, and as this ore could be shipped direct to a smelter at a profit, and as it appears to be getting longer and wider at depth, it warrants additional work." Additional depth can be obtained by driving a cross-cut or an adit and sufficient ore blocked to warrant tram and dock. The freight rate from the mine to Tacoma is \$3.50 per ton. The basic smelter rate is \$5.50 per ton plus 75 cents per ton, if ore is sacked. It should be possible to mine and place the ore on the boat for \$6.00 per ton.

These reports by Mr. McDougall and Mr. Lynch are on hand and available, if required.

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Work was continued after Mr. Lynch's report was made and carried on until November, 1941, when War Order P.C. No. 19 caused work to be discontinued.

Stripping and open-cutting on the vein was carried out over a length of 195 feet and some stripping and open-cutting, some 220 feet to the West and 150 feet to the East of the workings exposed what appears to be the continuation of the vein for a total length of 565 feet. The lowest cut is at an elevation of 386 feet, the upper cut at 530 feet.

A very considerable amount of deep open cutting was done: No. 1 cut - 12 feet deep; No. 2 cut - 17 feet and No. 3 cut - 27 feet below the original surface outcrops. This work was necessary on account of a somewhat unusual geological condition found to exist when surface outcrops of the vein were opened up. Ore outcroppings 8 feet and 12 feet in length, 24 inches wide, at No. 1 and No. 2 cuts disappeared at four feet depth. No. 1 cut was carried downward 7 feet at which point the top of a definite vein was exposed 20 to 24 inches in width. No. 2 cut was carried down to 14 feet depth, where the top of the vein was exposed 20 inches in width. A vein fault was exposed here. Indications pointed to a possible downward throw at this fault. No. 3 cut was deepened to the point where the top of the vein was expected to show, but the cut had to be carried down a further 7 feet before the vein was encountered. At this point two post mineral faults were exposed, displacing the vein some 2 feet to the South. This deep cut also exposed two more veins - No. 2 and No. 3. No. 2 vein was intersected by No. 1 vein and No. 3 vein cut through both No. 1 and No. 2 veins. Faulting and vein intersections distorted the structure of both No. 1 and No. 2 veins for a length along the strike of these veins of some 40 feet. No. 2 vein is 20 inches wide and No. 3 vein from 2 feet to 3 feet 6 inches wide.

Completion of this surface work disclosed the cause of the unusual conditions found at the surface outcrops and revealed a definite vein structure underlying a thin layer of volcanic flow rock, which flow rock was not competent to yield to thorough fracturing, but did yield slightly to the stresses, so that shearing resulted and mineralizing solutions penetrated and formed small patches of sulphide mineralization in this flow rock, above the top of the underlying vein structure. This condition, plus the intersection of three veins and the post mineral faulting, was confusing until this work was completed.

No. 3 cut was again deepened and a cross-cut driven along the main fault with the object of cutting the No. 1 vein, under No. 2 cut some 25 feet below the surface.

At the time work was discontinued in November, 1941, the cross-cut had reached a point 45 feet from the objective.

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Development work was resumed on August 1, 1945. The tunnel, driven to cut the No. 1 vein, encountered the vein where expected, some 20 feet below the surface. The vein width is 20 inches. Samples taken across this width assayed \$101.24 and \$102.00 per ton in Gold, Silver and Copper. A sample taken across the full width of the face of the tunnel, 4 feet 3 inches, at this point, assayed \$23.46 in Gold, Silver and Copper.

On May 20th¹⁹⁴⁶ the tunnel had been driven along No. 1 vein for a distance of 32 feet, the face of the tunnel being 66 feet from the point where the cross-cut was started.

Both No. 1 and No. 2 veins are exposed in the back and floor of the tunnel, No. 1 vein intersecting No. 2 vein. The difference in strike of the two veins is less than 10 degrees, the No. 2 vein (or vein dyke) still showing alongside No. 1 vein in the face of the tunnel. The average width of these veins is 20 to 22 inches each. The ore encountered in No. 1 vein is much higher grade than anticipated. Some visible gold can be seen in the ore mined. Average values for a width of 20 to 22 inches from face samples taken at regular intervals (75 pounds to 150 pounds samples) were as follows: \$105.24, \$102.00, \$101.24, \$138.12 and \$101.57 per ton in Gold, Silver and Copper.

Values in No. 2 vein are below commercial grade, although there are occasional high grade sections at its intersection with No. 1 vein.

A general sample (400 lbs.) cut from the ore mined and stored in No. 3 cut, assayed \$381.73 per ton in Gold, Silver and Copper. This sample represents some 10 tons of the ore mined and was expected to check with the face samples which averaged about \$109.00 per ton. There is a very considerable difference - \$109.00 as against \$381.73 - which difference may be accounted for by the fact that when the general sample was taken, some ore that was by its appearance considered to be lower than average grade (about \$20.00 per ton) was included in the sample with a view to cutting the grade. A large sample (25 lbs.) of this apparently low grade ore was assayed for sorting purposes. The sample assayed \$3,478.20 per ton in Gold, Silver and Copper. Another sample of pyrite, showing no Copper sulphides, was also assayed for sorting purposes. There was no visible Gold in this sample, although Gold was observed in this type of ore. The sample assayed \$5,812.69 per ton (150.12 oz. Gold and 42 oz. Silver per ton). As the nearest assay office is at Privateer Mine, a considerable time elapses before assay returns are available after samples are taken. Before ore is sorted and sacked for shipment, an assay plant will be required at the mine so that daily sampling and assaying of the vein and of the ore mined can be made.

A raise was driven through from No. 1 level to the surface at No. 1 cut. This raise exposes a horizontal fault which

displaces the vein on its dip, downward, 3 feet to the North.

The average grade of the ore in No. 1 vein on No. 1 level, according to face samples taken at regular intervals over 20 to 22 inches in width, is \$109.00 per ton in Gold, Silver and Copper. As already stated, ore sorted for shipment from the workings assayed \$381.73 per ton in Gold, Silver and Copper.

A sample, approximately 600 lbs. in weight, is being shipped to Tacoma Smelter for a smelter test.

Some 20 tons of ore is ready for sacking and shipment to the smelter. This ore should assay over \$100.00 per ton.

Surface cuts were made in No. 4 vein, which is exposed some 240 feet lower in elevation than No. 1 tunnel, and some 700 feet East. This vein is 24 inches wide and samples taken from the cuts assayed 0.28 oz. Gold, 0.80 oz. Silver and 0.62% Copper per ton. Those surface cuts were made on No. 4 vein some 150 feet from where the vein should intersect the continuation downward and Eastward of No. 1 vein. This surface assay of No. 4 vein is higher than the original surface assays of No. 1 vein outcrop.

Work done at sea level on what may be the downward continuation of No. 2 vein disclosed mineralization which assayed 1.64 oz. Gold and 0.80 oz. Silver per ton.

A road from the beach to the workings at 470 feet elevation can be constructed at about half the cost of a tramline, and ore can be transported at small cost to a float at the beach for shipment to the smelter.

CONCLUSION:

Development work has disclosed ore on the No. 1 level of much higher grade than is found by surface cutting. Some visible Gold can be seen in the ore. Sampling indicates that ore averaging over \$100.00 per ton can be mined from No. 1 vein, width 20 to 22 inches, and that the full width of the drift tunnel, 5 feet, should average over \$25.00 per ton in Gold, Silver and Copper. The ore can be mined and placed on a ship for shipment to the smelter at a cost of \$6.00 per ton. The freight rate to the smelter is \$3.50 per ton. The basic smelter rate is \$5.50 per ton, but other charges and deductions will amount to \$3.00 per ton - a total cost of \$18.00 per ton.

Sampling of the No. 4 vein, 240 feet below and 700 feet East from No. 1 level, indicates that ore similar to that of No. 1 vein exists at this lower elevation and points to continuation in length and depth of the ore opened at the upper level.

High Gold values found at sea level in the vein opened some

475 feet below and 1200 feet East from the No. 1 vein at No. 1 tunnel, indicates that good ore may persist for length and depth in the veins.

It is a reasonable conclusion that a large tonnage of profitable ore can be developed, sufficient to warrant the installation of a mining and milling plant of at least 100 tons per day capacity.

As the property is situated on tidewater, and ore or concentrates can be mined and shipped to the smelter at low cost, it is recommended that a mining plant be installed as soon as possible to develop sufficient ore to warrant the installation of milling plant and wharf. Ore can be mined and sorted for shipment from the workings as development work proceeds. It is probable that ore mined and shipped will more than pay the cost of the mining plant required and cost of the development of the veins.

It is estimated that \$22,500.00 will be required to install a mining plant, float, assay office, etc., and carry out a development programme before milling plant and wharf are constructed.

Yours respectfully,

William Sloan

May 20/46

GCNL #202 21 OCT 1985

ADOLA MINING CORPORATION (ADA-V)

92F/12, 92G/4

DRILL STARTS ON CASA - E.O. Chisholm, P.Eng., president of Adola Mining Corporation reports that the \$700,000 work BERARDI GOLD CLAIMS program in the Casa Berardi area in Quebec is underway. These funds have been raised by way of sale of tax flow-through shares and is independent of the recent sale of 500,000 units at 43¢ per unit comprising 1 share and 2 Series A warrants (GCNL 189(85) P4 refers). Induced polarity survey work, which was preceded by line cutting, is taking place. Induced polarity methods have been successful in the heavily overburdened Casa Berardi area and have indicated targets for reserve circulation drilling in early October, to be followed by diamond drilling in November.

Work is continuing on Adola's Grenfell property in the Kirkland Lake area, Ontario. Encouraging results from geophysics, including an induced polarity survey, indicate a drill program will be started in the near future.

A preliminary, Phase I program of line cutting and magnetometer survey will be carried out over the Destor Porcupine gold-bearing fault zone crossing Adola's property in Taylor township, Ontario, in for a strike length of 2,640 feet to outline drilling targets.

Mr. Chisholm says the Muchalat, Alberni property lying in the Westmin mineral belt of Vancouver Island, B.C., will be mapped in detail in the area of its high grade gold and base metal occurrence uncovered by previous survey work. An access road will be cut to facilitate diamond drilling on the adit vein where sampling indicated possible high grade reserves of 1000 to 2000 tons of 1 to 5 oz.gold per ton and a larger unproven potential of 20,000 tons of 0.1 oz.gold/t in a nearby massive sulphide occurrence.

Negotiations for an interest in an anthracite coal operation in the Republic of Ireland are in progress.

Adola has 2,395,002 shares outstanding including 737,500 in escrow.

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PROPHECY DEVELOPMENTS LTD. (PPY-V) *GNL*

EXPLORATION STARTED ON - E.O. Chrisholm, a director,
TWO PROPERTIES IN B.C. reports that Prophecy Develop-
ments Ltd. is exploring two
properties in B.C. - the PT-1 claim in the Harrison-Hope
area adjacent to Mascot Gold's Giant Nickel copper-
nickel mine, and the Adola claim at Matchlee Bay near
Gold River, Vancouver Island.

Mr. Chisholm says several groups are currently
exploring for platinum in the PT project area. Pro-
phesy's first goal is to locate platinum group elements
in association with copper-nickel mineralization,
delineated by mapping, sampling and airborne surveys.

On the Adola gold-silver prospect, exploration
started last week, consisting of line cutting,
geochemical sampling and VLF and magnetometer surveys.
Extensive sampling of the old workings obtained grab
samples in excess of 7 oz./ton gold and 23 oz./ton
silver. Further work is planned for trenching, road
construction and diamond drilling.

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18 June

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ADOLA MINING CORPORATION (ADA-V) ~~92E/12, 9267~~

MULTI-METAL PROSPECT WILL BE TESTED ON VANCOUVER ISLAND - Adola Mining Corporation owns outright a 12 metric unit claim block near Muchalat Inlet off Nootka Sound on the west Coast of Vancouver Island. President E.O. Chisholm,

P.Eng., reports that it is located about 500 feet above the sea coast and is accessible by logging road. The main geological feature is a narrow sulphide exposure on an old tunnel and pits associated with a narrow, high grade, quartz vein. The zone strikes east-westerly and dips vertically. Analysis by Chemex Laboratory of massive sulphide material near and north of the adit returned high values in base and precious metals as follows: copper 6.01%, lead 2.20%, zinc 0.72%, silver 23.63 oz./ton and gold 7.45 oz./ton. The quartz and adjacent sulphide zone constitute a mineralized shear zone in volcanic rocks in the adit and open cuts over a strike length of about 340 feet and a width up to 7 feet. The massive sulphide vein structure is magnetic and can be traced by magnetic survey.

An earlier magnetic survey by the original owners indicates the zone may be some 1200 feet long. Mr. Chisholm believes the data to date indicates a volcanogenic massive sulphide deposit similar in nature to the Westmin mine 35 miles to the east. Assuming the mineralization to be continuous between the adit and pits only, a possible 2,000 tons of high-grade vein reserves of 1 to 5 oz./ton gold may be inferred. The massive sulphide may contain up to 20,000 tons of 0.1 oz./ton gold (unproven). The chances of extending these tonnages to major proportions are considered very good. The strong gold values in the main zone suggest the claim is an attractive property for low tonnage but high grade precious metal content at present, and there is good potential for additional fault-controlled volcanogenic deposits of a similar nature.

Adola plans an electromagnetic survey in the massive sulphide area followed by bulldozer trenching and diamond drilling this spring.