

011508

PRESS RELEASE

Released by the Hon. W. K. Kiernan,
Minister of Mines and Petroleum Resources

For Release at 5 P.M.
March 14, 1962

In recent weeks news items have referred to high gold assays from company samples taken at the Golden Contact property at McGillivray Creek, under option to Cassiar Copperfields Ltd.

The property has been worked at intervals in the past sixty-four years, and was in production in the period 1900-1910 when a total of 9,190 tons was stamp-milled with a recovery of 681 ounces of gold. At \$35 an ounce this is equivalent to \$2.59 a ton. If it is assumed that mill recovery was no better than 50 per cent, the upper limit of value was \$5.18 a ton for the 9,190 tons milled.

In the period February 27 - March 1, 1962, at the request of the Superintendent of Brokers, the workings currently active were examined by Dr. Stuart S. Holland and Mr. A.R.C. James of the staff of the Department of Mines and Petroleum Resources.

Most of the company samples from which high assays were obtained consisted of pieces of heavily mineralized quartz picked out from the vein matter broken in advancing a drift on the 49er level. That the grab samples gave high assays is not questioned, nor that they may be useful in indicating in what kind of material gold occurs, however such samples do not furnish a basis for accurately estimating the average gold content of the vein or the material broken.

The Department engineers sampled the same working. Their sampling included taking thirteen cross-cutting channel samples, spaced 5 feet apart, along the section of the drift from which the Company had obtained the high gold assays.

The assays indicated an extremely erratic distribution of gold. The consistency of results was checked by assaying as many as four parts from each of seven of the thirteen channel samples. The range in results from the same samples further demonstrated that gold in the samples is erratically distributed.

Although the samples taken by the Department engineers were too few to indicate closely the average gold content of the section sampled, it is considered that they give an idea of the grade to be expected. Averaging the assays of the thirteen channel samples, by a well-established procedure that seeks to allow reasonably for erratic high values, gave a figure of 0.135 ounce per ton. This is equivalent to \$4.72 per ton at \$35 per ounce of gold. It is interesting to compare this figure with that of \$5.18 a ton, the probable upper limit for the gold contained in the ore milled in the period 1900-1910.

The Department has advised the Superintendent of Brokers of these findings and while public release of this type of report is not normally made by the Department of Mines and Petroleum Resources it is felt in the public interest to do so on this occasion.

Today's Dollar

MONTREAL—		Close
dollar	1.05	-1/32
sterling	2.95 5/8	-1/8
NEW YORK—		Close
dollar	.95 7/32	unch.
sterling	2.81 37/64	+3/64

Stock Averages

ES:

711.81,	up	3.76
146.44,	up	.14
128.26,	off	.06
42.64,	up	.76

56,	up	3.58
04,	up	.17
05,	up	1.42
36,	off	.14

,	up	.41
off		.42
,	up	.02
,	up	.33

,	up	.12
,	up	.11
,	up	.17

ow	Close
3	34
	155
	205
15 1/2	15 1/2
18 1/2	20
19	19 1/2
5	120
2 1/2	3
8	228
0	700
1	15
7	158
	17
1	42
1	61
3 1/2	19
1 1/2	12
1 1/2	14 1/2
4	25
84	85
38	39
325	330
	12
27	28
28	30
35	40
32	35
8	8 1/2
12	115
6 1/2	8
25	25
21	21
50	51
35	136
19	20
35	57
10	10 1/2
183	185
	260
	205
	27 1/2
	28 1/2
13 1/2	13 1/2
17 1/2	17 1/2
	55 1/2
96	96 1/2
	11 1/2
7 1/2	7 1/2
	100
22 1/2	22 1/2
	25
	19 1/2
	5 1/2
	25 1/2
	20
	10 1/2
	16
	14 1/2
7 1/2	37
6 1/2	16
	20 1/2

Mining Expert 'Used' To Spur Gold Claim

By HARRY YOUNG
Colonist Business Editor

A well-known B.C. mining consultant has accused two directors of a Vancouver mining company of misrepresenting some of his old reports to give the public the impression of an ore body which does not in fact exist.

Dr. J. T. Mandy complains that Cassiar Copperfields in a recent statement ascribed a gold mineralization tonnage of about 800,000 tons on the company's property known as Golden Contact to reports made by him on the property when it was in other ownership some years ago.

Dr. Mandy states that instead of being a rich gold ore body, as Cassiar claimed, it was in effect an extensive mass of quartz vein "characteristically barren of mineralization."

"All work done on the property since 1899 had not uncovered one measured ton of commercial gold ore," he said.

In his refutation, Dr. Mandy says he is in no way connected with Cassiar Copperfields; that at no time during his association with the old Golden Contact Co. did he ever estimate one ton of milling grade ore on the property, nor at any time did he recommend construction of a mill for production purposes at Golden Contact.

The news that Cassiar Copperfields had discovered a rich gold ore body at Golden Contact was made by directors of Cassiar Copperfields in Vancouver just prior to the annual meeting of the B.C.-Yukon Chamber of Mines.

Dr. Mandy's old reports were used extensively in the statement, and the engineer says that they represent a "complete misrepresentation."

★ ★ ★

As a result of the Cassiar Copperfields announcement, the shares in that company became active in over-the-counter trading in Vancouver.

The price rose within days from a few cents to over 40 cents, and it has now, largely as a result of Dr. Mandy's refutation, dropped back to about 20 cents.

Because the stock is unlisted, no official Vancouver Stock Exchange account of the trading is available, but the number of shares changing hands is understood to have been considerable, and many people may have lost money as a result.

In view of Dr. Mandy's report it would seem the duty

of the attorney-general's department to examine the facts of the case to find if indeed the investing public has been deceived.

★ ★ ★

DISCOUNT RATE

The Bank of Canada's discount rate maintained high for 10th week yesterday to 4 per cent. It was the same as last May.

STEEL'S

Steel prices provided market would allow the annual to appreciate in the steel industry. As rose strong

MOLY

Molybdenum prices ing \$ its facility.

BES

Net cer

v w t a

1 19 h1 br 19 h.1 tro \$4. p11 fin tra H I

n
ts

George Cross News Letter

"Reliable Reporting"

NO.43(1962)

WESTERN CANADIAN INVESTMENTS

MARCH 1,1962

SHERRITT GORDON MINES LIMITED

* Net Profit Up Slightly Despite Lower Gross Revenue

* Working Capital Higher After Sharp Increases in Dividends and Capital Outlay

Sherritt Gordon Mines Limited, with operations in Manitoba and Alberta, reports a moderate increase in net profit in 1961 over 1960. The company paid 30¢ per share in dividends compared with 25¢ in 1960, spent \$2,217,000 on capital improvements compared with \$1,241,000 in 1960, and closed the year with working capital of \$9,370,000, an increase of \$131,000 over the \$9,239,000 at end of 1960.

Eldon L. Brown, president and managing director, in reporting net earnings of \$3,-

Sherritt Gordon Two Year Performance Record

	<u>1961</u>	<u>1960</u>
Gross revenue	\$23,947,113	\$24,987,704
Mine, mill, freight and refining costs	\$14,726,230	\$16,274,764
Metallurgical research	470,862	373,881
Outside exploration	274,002	147,719
Administrative, sales exp.	450,077	384,422
	<u>\$15,921,171</u>	<u>\$17,180,786</u>
OPERATING PROFIT	\$ 8,025,942	\$ 7,806,918
Net interest expense	\$ 524,965	\$ 590,350
Royalty, income tax	<u>140,000</u>	<u>130,000</u>
	<u>664,965</u>	<u>720,350</u>
Net profit bef. writeoffs	7,360,977	7,086,568
Deprec'n, other w/o	<u>3,452,412</u>	<u>3,427,807</u>
	<u>3,908,565</u>	<u>3,658,761</u>
Other expense, net	<u>1,835</u>	<u>(93,074)</u>
NET PROFIT	\$ 3,906,730	\$ 3,751,835
PER SHARE	34.5¢	33.1¢
Paid per share ...	30.0¢	25.0¢
Shares outstanding	11,333,318	11,333,318
WORKING CAPITAL	\$ 9,370,000	\$ 9,239,000
Net funded debt ...	\$11,499,463	\$13,416,040
Earned surplus ...	\$27,676,511	\$27,169,776

Sales of Metal

Nickel, pounds ...	22,380,360	23,388,495
Copper, pounds ...	10,770,277	11,332,381
Cobalt, pounds ...	217,419	536,491

907,000 or 34.5¢ a share compared with \$3,750,000 or 33.1¢ per share in 1960, says the improvement was entirely attributable to the higher sales prices for products. The average price of all products, with the exception of copper and anhydrous ammonia, was higher than in 1960. On June 30, 1961, there was an increase of 7.25¢ a pound in the price of nickel metal and this, together with the devaluation of the Canadian dollar, resulted in a substantial increase in the sales price of the major product. The improvement in the sales prices was partially offset by a decrease in the volume of sales, a decrease in the custom refining business and an overall increase in unit production costs.

Mr. Brown says that results of an extensive exploration campaign in the mine at Lynn Lake were disappointing. Outside exploration resulted in the discovery of a copper-zinc orebody at Fox Lake. A decision was made to expand further into the chemical field by the immediate construction of a plant to produce 100 tons of urea per day.

The volume of ammonium sulphate sales was substantially lower than in 1960, when sales volume was abnormally high due to the liquidation of a large inventory. Anhydrous ammonia sales showed a satisfactory increase.

Sherritt-Gordon products were sold in 30 countries in Europe, Asia, North and South America and Australia. Export sales accounted for 93% of total sales.

At Lynn Lake 1,219,157 tons of ore was mined in 1961 compared with 1,151,419 tons in 1960. The tonnage of new ore developed during 1961, all in previously known ore zones, was not quite sufficient to replace the tonnage mined and milled. At the end of the year the ore reserve was calculated at 14,000,000 tons with an average grade of 0.92% nickel and 0.54% copper, as compared with 14,300,000 tons averaging 0.92% nickel and 0.53% copper at end of 1960. The mill treated an average of 3,340 tons per calendar day compared with 3,146 tons in 1960. Grade of mill feed was somewhat lower than in 1961 but metal recoveries were higher. During the fourth quarter, when ample feed was available, the mill treated an average of 3,658 tons per calendar day.

At the Chemical Metallurgical Division, Fort Saskatchewan, during final quarter, the powder rolling plant operated at capacity producing blanks for 5¢ pieces for the Royal Canadian Mint and nickel strip for export to U.S.A. The first shipment of two million blanks was made Dec. 31. While minting of Canadian 5¢ pieces from pure nickel started in 1922, this is the first time that the nickel has been processed entirely in Canada. Shipment of nickel strip to U.S. is also a new development. Mr. Brown says the successful development of this powder rolling process was a notable achievement by the company's Research and Development Division.

This NEWS LETTER owned and copyrighted by G. Cross

B.C.SECURITIES ACT

Coast Explorations Ltd., with registered office at 404-510 West Hastings St., Vancouver, has received registration under the B.C. Securities Act granting the right to sell, allot and issue, 100,000 shares of the company at 10¢ per share to Union Securities Ltd., and to sell 100,000 shares of the company at 20¢ per share to Union Securities Ltd., and to issue 750,000 shares of the company to Jack Rama, as fully paid up, pursuant to an agreement dated Jan.11,1962. The registration is subject to the condition that the 750,000 shares issued to Jack Rama be placed in escrow and also subject to the condition that none of the 100,000 at 20¢ per share be sold until all of the 100,000 shares at 10¢ have been sold.

KAMLOOPS COPPER COMPANY LTD.

CORRECTION - R.W.Kennedy, president of Kamloops Copper Company Ltd., calls attention to the fact that the GCNL report of his progress report dated February 24, as contained in Letter No. 41(February 27) varies in one particular from the text of his statement.

The News Letter report stated re No. 4 zone, one of three zones which the engineers consider promising: "A. No. 4 zone, located 200 feet north of the Erin raise, appears to be about 125 feet long and has shown average values of 4.4% copper across widths of 5 to 11 feet."

Mr. Kennedy states that the reference to No. 4 zone should be limited to the following:"No. 4 zone which appears to be about 125 feet long has shown in work to date high grade values over widths of up to five feet."

(For results of the first three holes to test No. 4 Zone, see Letter No. 19(January 26; Page 3.)

MID-WEST COPPER AND URANIUM MINES LIMITED

NEW PROPERTY - Negotiations are presently underway for the acquisition of property NEGOTIATIONS UNDERWAY in the Highland Valley area of B.C.,Mid-West Copper and Uranium Mines Limited reports. The company also states that regular income is being received in the form of royalties from the operation of the Velvet Mine near Rossland, B.C. During the past few months the royalties have ranged between \$1,000 and \$1,500 per month,the company reports.

SKEENA SILVER MINES LTD.

FIRST DRILL HOLE - Depth of 300 feet was reached by the first diamond drill hole on Feb.27, NEARS TARGET AREA at the Highland Valley property of Skeena Silver Mines Ltd.which adjoins the Sheba claims of Peel Resources Ltd. A telephone report from the property states that the hole has encountered a change in rock structure. The company engineer will visit the property shortly to determine the significance of the drilling results. Drilling is continuing.

PACIFIC NICKEL MINES LIMITED

FINAL DISTRIBUTION EXPECTED - Liquidator of Pacific Nickel Mines Limited, G.N.Stacey, ABOUT THE END OF MARCH 1962 states in a letter to shareholders that it is anticipated that a final distribution will be made on or about the end of March at which time resident shareholders will receive the balance due to them and non-resident shareholders will receive the entire distribution to which they are entitled less applicable withholding tax.

Mr.Stacey, states that it has been established that of the 70¢ per share paid to Canada resident shareholders during 1961, 2¢ per share must be deemed to be distributed income under the income tax act of Canada and should be treated by resident shareholders as a dividend from a Canadian taxable corporation. Canada resident shareholders received T5 slips with the letter.

The letter explains that non-resident distribution has been temporarily deferred pending tax authorities rulings.

Consideration had been given to a further immediate interim distribution to be followed by a final distribution when all tax matters had been finally resolved. It now appears that final determination of the tax situation is so close that it would be to the shareholders' advantage not to have an interim distribution but to make a final distribution in a short time. In this way duplication of distribution, accounting and other expense will be avoided, Mr.Stacey states.

FOR THE RECORD

Mt.Washington Copper Co.Ltd. reports that Thomas Mackay & Co.Ltd. has exercised its option to purchase 100,000 shares of the company's stock at 65¢ per share due June 30,1962. No further options are outstanding.

Royalite Oil Company Limited will pay a regular quarterly dividend on the 5 $\frac{1}{4}$ % series first preferred shares of 32.8125¢ per share payable April 2,1962, to share holders record March 12,1962.

COPY
↓

CASSIAR COPPERFIELDS LTD.

Consultant Asserts his Old Reports on Golden Contact are Being Misrepresented

* Dr. J.T. Mandy Says "Extensive Mass of Quartz Vein was Characteristically Barren"

In a report on Cassiar Copperfields Limited "Golden Contact" property in Letter No. 40 (February 26, 1962) two directors of Cassiar were given as the source of information that previous operators had been advised by J.T. Mandy, consultant, that gold mineralization in different blocks had been indicated for a total tonnage of approximately 800,000 tons. They said Dr. Mandy had advised that as mineralization occurred in erratic fashion, the way to determine average grade would be to instal a small mill.

This information was given incidentally to reporting the further information provided by two directors regarding the recent discovery of gold bearing sulphides at the Golden Contact and to correcting newspaper reports that the sulphides had been found to average extremely high in gold across drift width for a length of 60 feet. It has been subsequently stated by directors that systematic channel sampling of the 60 ft. at 5 foot intervals showed the average to be more in the order of one ounce gold per ton.

At the request of Dr. Mandy his letter is placed on record to give his own interpretation of what he reported at the time he was consultant to the former operator of the property - Golden Contact Mines Ltd. Dr. Mandy's letter follows, together with a summary of his main points, compiled by himself:

Re: Golden Contact - Cassiar Copperfields Ltd.

My attention has been drawn to your NEWS LETTER of February 24th, in which my name was mentioned as authority for certain information regarding the old Golden Contact property, conveyed to you by Cassiar Copperfields Co., which company, I understand, is now operating the old Golden Contact.

In this regard, this statement attributes to me an estimate of 800,000 tons of "gold mineralization in different blocks", coupled with a recommendation from me that "as mineralization occurred in erratic fashion, the way to determine average grade would be to instal a small mill."

Your statement immediately conveys the completely misleading inference that, based on my estimate and recommendation, the Golden Contact property has a large tonnage of milling-grade ore developed and is ready for production.

In its reference to me, this information conveyed to you by the Cassiar Copperfields Co. is a complete misrepresentation. I must consequently request that the matter be corrected and clarified through your News Letter.

The misrepresentation is especially regrettable because the figure of 800,000 tons and the mention of a mill are words taken out of context of letters of mine to the managing director, March 19, 1951, and probably January 14, 1952, and used out of context to convey exactly the opposite meaning for which the words were used in the text of the letters.

At the time these letters were written by me to the managing director, Malcolm McGregor, 1951 and 1952, not even one ton of measured commercial or milling-grade ore was known to exist on the Golden Contact property or in its extensive workings, after many hundred feet of discouraging crosscutting, drifting and diamond drilling, hand sampling and semi-bulk sampling. It seemed probable that with the exception of a few small and

rare pockets of native gold with sparse sulphide mineralization, the quite extensive mass of quartz vein was characteristically barren. It was questionable as to whether any further work would be justified.

However, because of the indicated large-tonnage potential of the quartz vein (with no commercial values) exposed in the workings of the old Anderson Lake Mining and Milling

In Summary, Dr. Mandy States

1. He is in no way connected or associated with Cassiar Copperfields Ltd.
2. At no time during his association with the old Golden Contact Co. did he ever make an estimate of even one ton of milling-grade or commercial-grade ore as being known to exist on the Golden Contact property.
3. During his association with the old Golden Contact property not even one ton of commercial-grade ore was developed, could be measured or was known to occur in the Golden Contact workings.
4. That at no time has he ever recommended construction of a mill for production purposes at the Golden Contact property; there was no known tonnage of commercial-grade ore to mill.

Co. (1899-1910), the National Gold Mines Ltd. (1932-1937), the Golden Contact Mines Ltd. (1946-1953) some further work was considered in order to ascertain if commercial gold values in commercial ore-shoot lengths might occur somewhere in this large mass of quartz vein or its possible extensions.

For the purpose of indicating the warrant for some further exploration an assumed and generally semi-inferred tonnage potential of 880,200 tons of quartz vein material, of unknown value, was calculated and some further work recommended to try and discover if commercial values in commercial lengths or volume did occur in this mass of known and inferred quartz vein. So far, all the work done since 1899, Continued on next page

Continued from Page Preceding

CASSIAR COPPERFIELDS LTD.

had not uncovered one measured ton of commercial gold ore. Some work was done for this purpose but it proved distinctly and unqualifiedly discouraging.

Regarding the mill matter and the small pockety areas of native gold known to occur on the footwall side of No. 1 fault on the Pep and 49-er levels, a small pilot sampling-mill was originally suggested to Managing Director McGregor to ascertain the values in these pockets by bulk-sampling and explore for any possible sustained continuance of these. Because of the continued discouraging results of the main development work this plan of bulk-sampling in a small (10-20 tons) sampling-mill was cancelled.

In my letter of January 14,1952, to the managing director, this matter was clarified and it was stressed that the reference to a small pilot sampling-mill "definitely does not refer to construction of a mill for the purpose of coming into production. Such an interpretation...is fundamentally unsound". Some further work was recommended even before the installation of a small pilot sampling-mill could be justified. The January 14, 1952 letter continues: "The results of this work and the preliminary sampling of the completed work will indicate the warrant for any expenditure in installation of a small-tonnage sampling pilot-mill."

In my progress report to December 12,1953 to the Golden Contact board of directors, further and complete discouragement was evident through the continuous absence of commercial gold values in the additional work.

Because of this and the exposed structural limitation of the vein along its strike in both directions and, possibly also down the dip, it was recommended that the Golden Contact Mining Company suspend its exploratory operation completely. It was also recommended that the company try to interest a leasor in the further exploration of the pocket gold occurrences known on the "Pep" and "49-er" levels.

It would be greatly appreciated if you will correct and clarify the statement in your News Letter of February 24 in such a way as to completely disassociate me from any connection with Cassiar Copperfields Co., any estimate of even an implied milling-grade tonnage of suggested or implied commercial ore, and any recommendation whatsoever for mill construction.

THE CALGARY & EDMONTON CORPORATION LIMITED

CANADIAN DEVONIAN

DOME PETROLEUM

↑
COPY

LAPRISE AREA GAS - In the recently issued report of The Calgary & Edmonton Corporation
SUCCESS CONFIRMED Limited, reviewed in Letter No. 36, reference was made to the fact that two of the three exploratory wells that were drilling in the Laprise Creek area of B.C. at the year-end had been successful. It was pointed out that C. & E. had taken a 50% working interest in a farmout comprising three separate lease blocks covering a total of 11,200 acres. C. & E. and Canadian Devonian split the 50% working interest 25% each with Dome Petroleum holding the other 50%.

Particulars are now reported of the results at Dome-CDP-C. & E. West Laprise C-82-G/94-G-8 (Permit 187). A drill-stem test of the Baldonnel section of the triassic formation below 4,714 ft. yielded gas at rates up to 2,500,000 cu.ft. daily. Following an acid treatment the flow rate was increased to 9.8 million cu.ft. daily through restricted choke. This success is 4 miles northwest of the Laprise Creek gas field and about 8 miles northeast of the Jedney gas field. On Feb. 21 another well in this series was spudded, designated Dome CDP C & E Laprise C-71-G/94-G-8.

The three company agreement covers three lease blocks for a total of 11,200 acres. The C. & E. report pointed out that this acreage is in a prolific gas-bearing area in northeastern B.C. Two wells give C. & E. a 25% net interest in 5,600 acres. At their option C. & E. and Canadian Devonian may drill a well on the third block to earn a similar interest in another 2,800 acres, the report states.

IMPERIAL METALS & POWER LIMITED

CORE DRILLING OF LODESTONE - Core drilling upon which a systematic appraisal will
IRON DEPOSIT IN PROGRESS be made of its iron deposit at Lodestone Mountain near Princeton, B.C. has been started by Imperial Metals & Power Limited. Reference was made to plans for this program in Letter No. 28(February 8). Since that time two more trenches have been cut, disclosing more of the iron mineralization and the drilling is getting under way. This will be in the form of core drilling to ensure maximum recovery, instead of the churn drilling method used in previous testing.

John W. Britton, B.Sc., A.R.S.M., P.Eng., will be in full charge of the cores and will prepare the cores and analyze the material at his laboratory in Vancouver. To expedite the program with a view to having the study completed, if possible, before the end of May, it is planned to employ a series of drills as the work proceeds.

Mr. Britton has a background of 30 years' experience in metallurgical and chemical research, development and technical service including 18 years spent in the investigation of ore treatment problems. After 23 years with Imperial Chemical Industries Ltd. in England and the last seven years with Lakefield Research of Canada Limited, latterly as president and general manager he resigned from the latter last July to start his own research and consulting practice in Vancouver.

Cassiar Copperfields Limited

(NON PERSONAL LIABILITY)

January 24, 1963.

928 WEST PENDER STREET
VANCOUVER 1, B.C.

Mr. A.R.C. James,
Inspector of Mines,
Department of Mines & Petroleum Resources,
Ste. 101, 739 West Hastings Street,
Vancouver 1, B.C.

Dear Mr. James:

We submit the following information regarding our operation at the Golden Contact Mine during 1962.

SURFACE DEVELOPMENT WORK

During the period under discussion the road from the Camp to the railway siding at Marne was widened and graded so that a large truck could move equipment from the railhead to the mine.

A new road was built from the camp to connect with the portals of the three levels above the "Pep" level.

New portals were set at the "Mac" and "No. 3" level so that an inspection of the workings could be carried out.

A new water line was laid from Gold Creek at a point approximately 150 feet above the mill building. This new line which started as a 5 inch line and reduced to 3 inches for the greater part of its length and then to 2 inches in the mill vicinity supplied ample water for the operation.

UNDERGROUND WORK

Part of the main raise from the "Pep" to the "49-er" level was timbered off so that air and water lines could be extended from the "Pep" level up to the "49-er" level in preparation for stoping.

During the latter part of January 1962, a short drift was driven from the south end of the east segment on the "49-er" level to a cross cut approximately 50 feet. This drift is referred to as G. Vooro extension drift in Mr. Ellis's report.

Stoping operation in the "49-er" east segment are covered also in Mr. Ellis's report.

Early in January 1962, two diamond drill holes were put in on the "Pep" level and are shown on the enclosed map.

D.D.H. 61-A-2 was logged by Mr. George Addie and his report on the same is enclosed.

Very little core was recovered from D.D.H. 61-A-1 and the information on the map was supplied by Mr. Vooro who was in charge at that time. No assays were taken from the core.

During February 1962, an attempt to cross cut into the high grade section on the "Pep" level from a point approximately 50 feet north of the "Ben Stope" was abandoned due to heavy caving conditions.

In August 1962, an attempt to raise up on the high-grade vein above the "Ben Stope" was attempted. This operation was stopped as caving conditions made it too hazardous to continue without timbering the entire caving section.

BUILDINGS

During 1962 the building program at the Golden Contact Mine which had just got underway in the latter part of 1961 was completed. The buildings consisted of:-

- 1 14' x 24' Bunkhouse
- 1 10' x 16' Bunkhouse
- 1 10' x 14' Bunkhouse
- 1 Warehouse 24' x 48'
- 1 Machine Shop 24' x 48'
- 1 Power House 24' x 48'

The Mill building which housed the coarse and fine ore bins covers an area of approximately 30 feet by 120 feet.

Approximately 300 feet of snow shed was built from the portal extending towards the mill building.

MILL MACHINERY

Power for the milling operation was supplied by a 250 K.V.A. Generator driven by two Diesel Caterpillar Motors, 1 D-17000 and 1 D-13000.

The primary crushing unit installed was a 12" x 18" Jaw Crusher driven by a 25 H.P. Motor, the Secondary crushing was carried out by a 24" Gyrator driven by a 30 H.P. Motor.

A 4' x 6' Union Iron Works Conical Ball Mill driven by 75 H.P. Motor was used as the grinding unit connected with a Dorr-Oliver Cyclone classifier. Recovery was made by a mineral jig in the grinding circuit and final recovery was over corduroy on tables.

MILL OPERATION

A copy of a report submitted by Mr. W.S. Ellis is enclosed which covers the entire operation of the mill.

At this time the mint returns for the gold recovered during the operation is not available. It is estimated that the ore ran approximately .010 oz. of gold for a ton.

If there is any further information you wish please get in touch with the writer through MU 1 - 6628.

Yours very truly,
CASSIAR COPPERFIELDS LIMITED (N.P.L.)

PER: *M. W. Graham*

M. W. GRAHAM, Secretary.

MINE OFFICE
GOLDEN CONTACT MINE
McGILLIVRAY FALLS, B.C.

Telephone: MUtual 5-9734

3849

Cassiar Copperfields Limited

(NON PERSONAL LIABILITY)

928 WEST PENDER STREET
VANCOUVER 1, B.C.

November 9, 1962.

Dr. S.S. Holland,
Department of Mines & Petroleum Resources,
Victoria, B.C.

Dear Mr. Holland:

The small amount of gold recovered from the Contact mine this summer was only recently forwarded to the mint.

I will send you a copy of Mr. Ellis's report on the milling operation and the amount of gold recovered as soon as we are advised by the mint as to the exact amount recovered.

Yours very truly,

John A. McKelvie
John A. McKelvie.

DEPT. OF MINES AND PETROLEUM RESOURCES		
Rec'd NOV 14 1962		
HS		
SSH		

925/9W

PROPERTY FILE

92JNE079

Cassiar Copperfields Limited

(NON PERSONAL LIABILITY)

January 24, 1963.

928 WEST PENDER STREET
VANCOUVER 1, B.C.

Mr. A.R.C. James,
Inspector of Mines,
Department of Mines & Petroleum Resources,
Ste. 101, 739 West Hastings Street,
Vancouver 1, B.C.

Dear Mr. James:

We submit the following information regarding our operation at the Golden Contact Mine during 1962.

SURFACE DEVELOPMENT WORK

During the period under discussion the road from the Camp to the railway siding at Marne was widened and graded so that a large truck could move equipment from the railhead to the mine.

A new road was built from the camp to connect with the portals of the three levels above the "Pep" level.

New portals were set at the "Mac" and "No. 3" level so that an inspection of the workings could be carried out.

A new water line was laid from Gold Creek at a point approximately 150 feet above the mill building. This new line which started as a 5 inch line and reduced to 3 inches for the greater part of its length and then to 2 inches in the mill vicinity supplied ample water for the operation.

UNDERGROUND WORK

Part of the main raise from the "Pep" to the "49-er" level was timbered off so that air and water lines could be extended from the "Pep" level up to the "49-er" level in preparation for stoping.

During the latter part of January 1962, a short drift was driven from the south end of the east segment on the "49-er" level to a cross cut approximately 50 feet. This drift is referred to as G. Vooro extension drift in Mr. Ellis's report.

Stoping operation in the "49-er" east segment are covered also in Mr. Ellis's report.

PROPERTY FILE

Early in January 1962, two diamond drill holes were put in on the "Pep" level and are shown on the enclosed map.

D.D.H.61-A-2 was logged by Mr. George Addie and his report on the same is enclosed.

Very little core was recovered from D.D.H. 61-A-1 and the information on the map was supplied by Mr. Vooro who was in charge at that time. No assays were taken from the core.

During February 1962, an attempt to cross cut into the high grade section on the "Pep" level from a point approximately 50 feet north of the "Ben Stope" was abandoned due to heavy caving conditions.

In August 1962, an attempt to raise up on the high-grade vein above the "Ben Stope" was attempted. This operation was stopped as caving conditions made it too hazardous to continue without timbering the entire caving section.

BUILDINGS

During 1962 the building program at the Golden Contact Mine which had just got underway in the latter part of 1961 was completed. The buildings consisted of:-

- 1 14' x 24' Bunkhouse
- 1 10' x 16' Bunkhouse
- 1 10' x 14' Bunkhouse
- 1 Warehouse 24' x 48'
- 1 Machine Shop 24' x 48'
- 1 Power House 24' x 48'

The Mill building which housed the coarse and fine ore bins covers an area of approximately 30 feet by 120 feet.

Approximately 300 feet of snow shed was built from the portal extending towards the mill building.

MILL MACHINERY

Power for the milling operation was supplied by a 250 K.V.A. Generator driven by two Diesel Caterpillar Motors, 1 D-17000 and 1 D-13000.

The primary crushing unit installed was a 12" x 18" Jaw Crusher driven by a 25 H.P. Motor, the Secondary crushing was carried out by a 24" Gyrator driven by a 30 H.P. Motor.

A 4' x 6' Union Iron Works Conical Ball Mill driven by 75 H.P. Motor was used as the grinding unit connected with a Dorr-Oliver Cyclone classifier. Recovery was made by a mineral jig in the grinding circuit and final recovery was over corduroy on tables.

MILL OPERATION

A copy of a report submitted by Mr. W.S. Ellis is enclosed which covers the entire operation of the mill.

At this time the mint returns for the gold recovered during the operation is not available. It is estimated that the ore ran approximately .010 oz. of gold for a ton.

If there is any further information you wish please get in touch with the writer through MU 1 - 6628.

Yours very truly,
CASSIAR COPPERFIELDS LIMITED (N.P.L.)

PER: 

M. W. GRAHAM, Secretary.