

012251

Property File

RENO GOLD MINES LIMITED

[NON-PERSONAL LIABILITY]

092L 016

CENTRAL ZEBALLOS MINE
ZEBALLOS, B.C.

REPORT
OF EXAMINATION OF THE

RIMY MINE

Zeballos, B. C.

LOCATION: The property is situated about 7 miles north-east of the town of Zeballos, by road, and adjoins the Central and C. D. (Key Ore) mine properties. It is reached via the road to the Central mine, thence by the steep tractor road to the C. D. mine, and from there by a half mile of poor trail.

PROPERTY: The property is believed to consist of eight claims and fractions, Rimy #1 to #8; all have been surveyed. The group adjoins the south end of the Central Zeballos property and the east side of the C. D. Mines group. The Rimy is owned by the Man 'o War Mines Ltd., of Zeballos.

GENERAL: There is ample timber on the property for all purposes, although much of it is difficult to get on account of rough ground.

Water is rather scarce during periods of drought, but is probably sufficient for camp and mine use. Water for milling purposes would have to be obtained from Gold Creek or Menckton Creek, both of which are near the property, but not on it.

The Topography is generally very rough and steep except on the Rimy No. 4 claim. The claims lie on the westerly slope of a high ridge. Elevations are approximately as follows:- Junction of main road and tractor road 500 ft., C. D. Mine 1300 ft., Rimy camp 2075 ft., Rimy #4 tunnel 2500 ft., #3 tunnel 2650 feet.

There is no equipment except a partly furnished bunk house, and a cook-house, both built of shakes; they would handle eight or ten men at a pinch.

GEOLOGY: The veins lie entirely in granodiorite, and are of the type usual in the district. The strike is approximately east and west. They line up extremely well with the Prident (Gold Peak No. 4) veins, and fairly with the Privateer.

DEVELOPMENT: Development consists of three tunnels, as follows: #3 tunnel, elevation 2650, 195 feet all on the vein.

- #4 tunnel, elevation 2500 ft., 195 feet length of which 75 ft. is on the vein.
#2 tunnel, elevation 2240 ft., 80 ft. length of which 30 ft. is on the vein.

No. 3 and 4 tunnels are on the same vein; No 2 tunnel is on a parallel vein 250 feet to the south.

VEINS: The main vein, developed by No. 3 and 4 tunnels, is a narrow band of crushed and altered diorite with strong gouge and a discontinuous band of quartz. Both quartz and gouge contain varying amounts of sulphides which consist of the following minerals, arranged in order of relative quantity, pyrite, arsenopyrite, galena, and sphalerite. Gold seems to be associated with the sulphides; silver is present in the ratio of about 1 to 1 by weight with the gold.

The vein strikes S 35° E and dips 80° to 85° south; it is quite typical of other veins of the district, but is straighter and more regular than most. The vein is strong throught most of the length of No. 3 tunnel, but is pinched and lean at the face. Sulphides in the western half of the tunnel are generally mostly oxidised.

The outer 90 feet of No. 4 tunnel is off the vein, except for two crosscuts which expose it but are now caved; there is some oxidation where the vein is first out in the main tunnel, but in general the vein is essentially unoxidised on this level. At the face the vein is strong and appears to be improving.

In both tunnels the vein walls appear generally fairly strong, although there is some weak fracturing parallel to the vein; at places there is also pronounced jointing striking N 65° E and dipping steeply southeast.

Alteration and bleaching of the diorite adjacent to the vein is less pronounced than in many of the veins in the district.

The No. 2 tunnel vein shows in the tunnel as two narrow strands of gouge 2½ feet apart, one of which contains a ½ inch seam of quartz and sulphides. This vein outcrops at intervals for a long distance up a small watercourse, and shows up to three or four inches of quartz with some sulphides in places. It strikes about east and west and dips 30° south. So far as known the gold values are low. One sample taken across this vein at 185 feet east of the tunnel, at the best appearing point seen, assays 0.26 Oz. gold across 0.3 ft.

A third vein shows as a mere crack at the portal of No. 2 tunnel, but at 125 feet east shows on the surface as a one foot shear in altered granite with several knife-blade seams of quartz with sulphides. Beyond the 125 ft. point it is covered with soil.

A fourth vein shows in a narrow draw some 600 ft. southeast of camp. It consists of a narrow gouge seam with bleached diorite walls and contains little quartz, so far as observed. It strikes N 70° E and dips steeply south.

SAMPLING: The results of the Privateer Mine sampling have been obtained and are shown on the accompanying map, together with 36 samples taken during this examination for the Reno Company.

Averages of these samples are as follows:

	Reno		Privateer	
	Lenth. Ft.	Oz. Au.	Ft.	Oz. Au.
<u>No. 3 Tunnel</u>				
15' west to 70' east of portal	55ft.	0.49 - 2.69	0.55 - 2.87	
or		3.0 - 0.44	3.0 - 0.53	
70' to 108' east of portal	40	no samples	0.39 - 1.14	
or			3.0 - 0.15	
108' to 153' east of portal	50	0.34 - 2.21	0.30 - 2.27	
or		3.0 - 0.25	3.0 - 0.23	
15' W. to 160' E. of portal	175	Incomplete	0.44 - 2.34	
or			3.0 - 0.34	
<u>No. 4 Tunnel</u>				
15' to 38' from W. end drift	25	0.45 - 1.17		
or		3.0 - 0.18		
15' to 43' from W. end drift	30		0.46 - 2.46	
or			3.0 - 0.33	

These samples indicate fair ore for a length of 55 feet in No. 3 tunnel, or ore barely over paying grade for 175 feet. In No. 4 tunnel the ore to date is sub commercial;

The west end of the oreshoot in No. 3 tunnel is not known as the last exposure west of the portal is still in ore. No. 4 tunnel has not reached this point by 90 feet.

PRODUCTION: According to the Privateer Company records, the following shipments have been made from the Rimy:-

Sept. 1938 Mine lot "A" from #3 Tunnel, to smelter, 4150 Lbs.
Assays: Gold 2.95 Oz. Silver 3.34 Oz. Lead 1.1% Zinc 1.0%
and arsenic 4.13%.

Sept. 1938 Mine lot "B" from #3 Tunnel to smelter
Assays: Gold 2.88 Oz. Silver 3.26 Oz. Lead 1.0% Zinc 0.9%
and arsenic 4.09%.

Jan. 1939 From #3 and #4 Tunnels, milled at Privateer.
Assays: Gold 2.05 Oz., Silver 3.0 Oz. Dry tons 12.77

April 1940 From unknown source. Milled at Privateer.
Assays: Gold 1.04 Oz., Silver 1.26 Oz. Dry tons 5.61

PROPOSED DEVELOPMENT: When further development is done, it should be as follows:

1. Continue #3 tunnel eastward. The present face is now under a surface outcrop which assays 2.74 Oz. gold across 0.35 feet, and no other outcrops are known to the eastward, at least not to the writer, so that further work in this direction would be entirely exploratory. The vein at the face of the tunnel is pinched and lean, but it seems probable that the vein will again open up to the eastward.
2. Continue #4 tunnel eastward. Within 90 feet or less this tunnel will be directly under the beginning of the oreshoot on #3 tunnel, and it may be expected to encounter commercial ore at this point. The vein in the present face is low grade but strong and seems to be improving in the last few feet.
3. Locate the vein by cross trenching at 200 feet vertically lower than #4 tunnel, and start a new tunnel on the vein at that point.
4. Prospect the ground more thoroughly for other veins, as it is believed that the claims have not been thoroughly prospected, and there seems a good possibility that other promising veins may be found. The three other veins now known are not especially attractive.

GENERAL COMMENTS: The location of the property is rather poor so far as transportation is concerned, and there is no satisfactory supply of water on it sufficient for milling use. On account of topography, water, and general situation it could be more conveniently worked in conjunction with the C. D. property, than alone.

The main C. D. Vein, if it should extend that far, will enter the Riny property at a point 1050 feet from the present face of the tunnel, and the main Riny vein will enter the C. D. property at about 900 feet from the #4 tunnel. There are also several other veins on both properties which, if they do not pinch out in the meantime, will intersect near the Riny - C. D. boundary. The general strike of the Riny veins is east and west, and that of the C. D. veins around N 50° E. The horizontal distance between the main workings of the two properties is 2200 feet, and the vertical distance 1200 feet.

The Riny workings are 6200 feet from the Central mill, and about 1800 feet above it, but the country along an airline between them is very rugged.

The southeast side line of the Riny #4 claim is almost exactly along the strike of the main vein of the Spud Valley Gold Mines and is less than 500 feet distant from the nearest exposure of that vein. This vein dips 32° toward the Riny ground and should be on it in depth or possibly at the surface. The surface of the Riny #4 at this point is quite flat.

The main Riny vein is, to date, rather small and rather low grade, but is probably quite persistent. It has as yet been exposed for only about 400 feet along its strike, and of the 230 feet of drifting on the vein, 175 feet is in commercial ore and the remaining 105 feet averages perhaps a half ounce of gold per ton. There should be good chances of developing substantial amounts of commercial ore by further development.

If #4 tunnel should find ore of the same size and value as that now exposed in #3 tunnel, there would be indicated 6500 tons (figured at 3 ft. width) between those levels, plus 2500 tons above #3, which would average \$12.00 per ton at \$35 gold, or 9000 tons at \$108,000 gross.

CONCLUSION: It is impossible to say, at this stage of development, whether or not the Riny will make a mine. It has some attractive features and some drawbacks.

It is my opinion that development by the Reno company is justified only at a very low price and easy terms, such as, say, \$50,000 to be paid from a proportion of the proceeds of production. I would recommend optioning and developing the property on such, or similar, terms but do not consider that the chance of developing a profitable mine is sufficiently good to justify a stiffer price and terms.

Respectfully submitted,

Chas. C. Starr

Zaballos, B. C.
September 16, 1940.