

Cariboo to Drive Two Major Underground Entries

THE big news of the month in British Columbia was the announcement that The Cariboo Quartz Mining Co. Ltd. was over-subscribed on its \$200,000 bond issue to provide for underground entries to the rich Burnett fault zone. The company will proceed to extend the Aurum 3125-ft. level, a projected distance of 900 ft. into the '64' orebody which has averaged 1.05 oz. (cut) gold per ton in ore deliveries to date and which has revealed a section covered by 10 upward diamond-drill holes averaging 1.55 oz. per ton. This is confidently expected to be a million dollar stope and equal to any replacement orebody yet found in Cariboo history. The 2850-level will also be extended an estimated length of 2600 feet to reach the downward projection of the presently producing 'M-1' orebody, which has yielded 4000 tons of ore grading 0.61 oz. gold per ton from a stope on the 3000-ft. level. Two other replacement bodies, the '56' and the 'M-5', show definite promise but with the bulk of their ore below the 3000-ft. horizon.

In its 26-year record of production, the Aurum (Island Mountain) mine yielded gold valued at \$16,839,041. The greater part of this production came from replacement orebodies and it was found that to the east all output came from quartz veins. Therefore it was inevitable that the search should be pushed to the west as the declining value of gold and the increasing cost of production rendered the quartz material sub-marginal. Acquisition of the Island Mountain property by the Cariboo company made it possible for the latter to explore its own ground from the much closer entries of the Island Mountain mine.

"Thus, the 300-ft. level was extended westerly along the Rainbow-Baker contact," E. E. Mason, consulting engineer, states in his

report of August 29, 1960, "and late in 1958 encountered a major fault sooner than was expected in the drive to the projected position of the Mosquito fault zone. The new fault was named the Burnett zone. Further development outlined a major folding of the contact that proved to be almost a replica of the Aurum crumple. Two occurrences of replacement ore were found in the south limb of the fold. Subsequent investigation in the east wall of the Burnett fault duplicated the fold or crumple on that side of the fault also as displaced downward, and a major replacement orebody is being developed here again."

Of fortuitous circumstance is the recent discovery of rich placer gold on Cariboo ground in the bed of Mosquito Creek, further to the west than the Burnett fault. The Mosquito fault is clearly exposed in the placer pit and as projected it is only about 200 feet west of the west face of the 3000-level drive. On surface a 20-in. occurrence of replacement ore, 12 to 15 feet in length, has yielded two representative samples assaying 0.60 and 1.20 oz. gold per ton. Free gold recovery made in the hydraulic operation included a significant quantity of coarse, rough, fresh gold that appeared to have travelled no more than 100 yards at most. It included a 3.6-oz. gold nugget with quartz and galena attached. Mr. Mason states that the definite location of the Mosquito fault in the immediate vicinity of the Burnett fault workings enlarges possibilities of the new area two-fold.

During the first half of August, The Cariboo Gold Quartz Mining Co. Ltd. produced 1030 oz. gold, the highest output recorded over such a period in the past 16 months.

A long-dormant company that stands to benefit from the recent

spectacular placer discoveries of Jack Gunn on Mosquito Creek in the Cariboo District is Barkerville Mining Co. Ltd., now a subsidiary of Bralorne Pioneer Mines Ltd. Mosquito Creek flows across the common boundary of Cariboo Gold Quartz and Barkerville ground. Franc. R. Joubin, president of Bralorne Pioneer, states no work is presently contemplated but developments will be followed closely.

Qualicum Mines Ltd. has been formed to acquire and proceed with the development of the Vancouver Island properties of Mt. Washington Copper Co. Ltd. Noranda Exploration Co. Ltd. has the right to name four directors and Mt. Washington has already designated its president and vice-president, Gordon C. Murray and J. G. Gibson respectively, to serve on the Qualicum board. When a million dollars has been spent on development, with funds provided 70% by Noranda and the balance by Mt. Washington, the former will be entitled to a 52% interest and Mt. Washington to 48%.

An extraordinary meeting of shareholders of Cowichan Copper Co. Ltd. at the end of August approved the proposal of directors that the company issue 500,000 shares to acquire control of Nadira Mines Ltd., Avallin Mines Ltd., Caycuse Copper Co. Ltd., and Cellardor Mines Ltd. Available ore from the Nadira and Cellardor properties will enable Cowichan to increase the development of its own Blue Grouse property, at the same time maintaining mill operation at the present rate.

Allied Mining Services Ltd. will construct a 5-ton mill to treat the selective ore mined under lease from the Tofino mine.

Canam Copper Co. Ltd. has let a contract to Intermountain Construction Co. Ltd. for a 1200-ft. extension to the 8-ft. by 8-ft. tunnel on the 15-level of the Canam mine on the Hope-Princeton Highway. The work is being financed by a firm commitment and underwriting by Surety Investments Ltd.

Although The Granby Mining Co. Ltd. earned an operating profit of \$20,658 in the first half of 1960, the true experience for the period resulted in a net loss of \$151,961

in Alberta.

CARIBOO GOLD QUARTZ MINING CO. LTD.

SLUICING BY PLACER OPERATOR FURTHER CONFIRMS
ORE POTENTIAL OF COMPANY'S MOSQUITO CK. GROUND

- Coarse placer gold including sizeable nuggets found in the Mosquito Creek placer operation of Jack Gunn have

attracted much interest among practical mining men and enthusiasts in the quest for gold.

NB The good results are of not a little interest also to Cariboo Gold Quartz Mining Co. Ltd. While Jack Gunn, a widely respected mining man of the region, has the placer rights, the underlying hard rock mining claims constitute part of the extensive holdings of Cariboo Gold Quartz. After first being under the impression that the Gunn diggings were on Red Gulch which is beyond Cariboo Quartz boundaries, Dr. W. B. Burnett, president of Quartz, corrected this impression after talking to E. E. Mason, P. Eng, the company's consultant who was at the property and had visited the Gunn operation.

He said Mr. Mason told him that the sluicing had laid bare gold bearing quartz in place and that near by Mr. Mason had found ore outcrops on Quartz ground which he had sampled, for assaying. Dr. Burnett points out that the Mosquito Creek fault has always been regarded as one of the important potential ore areas of the Cariboo Quartz property. It was the objective of the long drive from the Aurum workings on Island Mountain but this tunnel stopped about 900 ft. short of it when the adventitious discovery of an entirely new fault, subsequently named after Dr. Burnett, gave the property an excellent source of very good grade limestone replacement ore much closer to the mill. While pleased at the further confirmation of the worth of the Mosquito Creek fault, Dr. Burnett says this will, of course, not change the immediate underground program. Already six or seven stopes have been opened in the Burnett fault area and there will be no let-up in company efforts to get another level into this virtually new mine as quickly as possible, he said.

NB As relayed by Dr. Burnett, Mr. Mason's information about Jack Gunn's placer results was that the gold recovered is coarse and crystalline in character, indicating that it must have originated not far away. It was similar information resulting from operations of nearly 100 years ago that led the company to the conclusion long ago that its Mosquito Creek fault area must be explored. Old records show that a tunnel driven in 1867 in this sector resulted in reports of an apparently "fresh deposit of sulphides". Dr. Burnett says that this is known now as the limestone replacement ore which has been the principal cause of ability to sustain operation in the Aurum and Burnett fault zones. A placer operator on Mosquito Creek in the 1880's also reported coarse nuggets. Now, in addition to coarse nuggets, Mr. Mason reports presence of an outcrop of gold bearing quartz in place.

"We don't need any build-up on Mosquito Creek," said Dr. Burnett, "but we'll be busy for some time to come opening up the very fine ore we have reached in the new zone."

INTRODUCTION TO BARKERVILLE-WELLS PROSPECT
CARIBOO DISTRICT, BRITISH COLUMBIA, CANADA

During the summer of 1960, Dr. F. R. Joubin, who was at that time president of Bralorne Pioneer Mines Ltd., became interested in carrying out a programme of exploration in the vicinity of Mosquito Creek in the Barkerville-Wells area in central British Columbia. Dr. Joubin was of the opinion that due to the quality and nature of free gold which was being obtained from a placer mining operation on Mosquito Creek, that fairly good possibilities existed for the "mother-lode" to be located in the immediate vicinity. This theory was reinforced by the fact that immediately adjacent to the placer claim the Cariboo Gold Quartz Mining Company Limited was actively engaged in mining, producing and refining gold on an economic basis.

The land which was of interest to Dr. Joubin was held by four different companies and/or individuals and although several bona fide attempts were made to assemble a block of claims of suitable magnitude on which to carry out the proposed exploration programme, all attempts were frustrated and an agreement was never concluded. The properties in question have lain dormant until present.

In November 1970, one of the original parties who controlled acreage in the area contacted Dr. Joubin and enquired as to whether he would give consideration to renewing negotiations in an effort to put together a block of claims on which he could carry out his original exploration programme.

Dr. Joubin advised that he was already heavily committed in other projects at the time, and in particular in his capacity as president of Sogepet Limited, in carrying out a programme of exploration on a block of 72,000,000 gross acres in Hudson Bay.

Dr. Joubin then contacted R. D. Johnson and A. H. Jukes and suggested that they look into the matter as his original thinking was still valid and the project could prove to be very rewarding. Dr. Joubin also kindly offered his technical advice in regard to this prospect as well as other pertinent data.

As a result thereof, Messrs. Johnson and Jukes proceeded to Vancouver, and have after six months negotiating succeeded in concluding an agreement involving both placer and lode claims.

The agreement calls for the carrying out of exploratory work amounting to \$50,000.00 in the first period from August 1, 1971 to August 1, 1972, with further options to carry out additional work in the amounts of \$100,000.00 and \$150,000.00 during the ensuing periods from August 1, 1972 to August 1, 1973, and August 1, 1973 to August 1, 1974, respectively.

In order to provide for the required amounts, the terms of the agreement call for Jukes and Johnson to incorporate a company having a capitalization of 3,000,000 shares of which 500,000 shares are issued to the vendors for their properties, 200,000 shares are issued to Jukes and Johnson for their efforts, and 300,000 shares to reliable parties at a price of 20¢ per share.

The monies from the sale of the shares are for the carrying out of the initial exploration programme.

If the initial exploration programme is encouraging, additional monies would be raised by the sale of further blocks of shares at 40¢ and 60¢ respectively.

The initial purchase of 300,000 shares at 20¢ per share would give the purchaser a 30% interest in the new Company.

By exercising additional options on further blocks of 300,000 shares at 40¢ per share, and 300,000 shares at 60¢ per share, the purchaser would ultimately control 56 1/4% of the Company's outstanding shares.

Attached is a very brief summary of the prospect.


A. H. Jukes

June 1971

SUMMARY OF PERTINENT DATA RE BARKERVILLE-WELLS

PROSPECT, CARIBOO DISTRICT, BRITISH COLUMBIA, CANADA

1. PROSPECT Block of acreage comprising 29 Crown Granted Mineral Claims and 2 Placer Mining Leases held under an Agreement dated April 16, 1971.

2. AREA Barkerville-Wells area of the Cariboo District, British Columbia, Canada. The towns of Barkerville and Wells lie approximately 75 miles south-south-east of Prince George, B.C., and approximately 50 miles east of Quesnel, B.C.

3. OBJECTIVE Primary: to strip overburden from Placer Mining Lease No.5263 and process same for placer gold.

 Secondary: after removal and processing of overburden (15-20 feet) to examine bedrock for outcroppings and/or other evidence of gold bearing ore. In addition, a preliminary geophysical survey would be carried out (Induced Polarization) to determine presence of sulphide bodies at depths of from 400-500 feet. These sulphide bodies actually represent limestone replacement ore. This ore was mined until 1967 from the Cariboo Gold Quartz Mining Company Limited's gold mine immediately adjacent to these properties.

 The first two stages are relatively inexpensive, and if results are encouraging then a programme of diamond drilling would be conducted to determine location, extent and quality of orebodies. This would then be followed by detailed diamond drilling and feasibility studies prior to full scale mining operations.

4. LOCATION OF INITIAL
EXPLORATION PROGRAMME:

The location of the initial Placer mining operation would be on Placer Mining Lease No.5263 located on Mosquito Creek. This lease has been operated for many years and has yielded some excellent gold nuggets, some in excess of 3.5 oz.

5. GEOLOGICAL BASIS FOR
LOCATION OF INITIAL
EXPLORATION
PROGRAMME:

- (a) Free gold recoveries made in earlier hydraulic operations on Mosquito Creek have been most encouraging and financially rewarding. Inasmuch as a large percentage of this free gold was coarse, rough and relatively unweathered, it is safe to assume that it has travelled a very short distance, probably not exceeding 100 yards, and therefor the source or "mother lode" should be in the immediate vicinity.
- (b) Gold ore deposits have been established in the immediate vicinity (Cariboo Gold Quartz Mining Company Limited, Island Mountain Mine). These deposits have produced in excess of \$30,000,000.00 in gold in past years. It is probable that gold ore of comparable type and quality will be developed in the virgin extension of the favourable host rocks of the immediate area (vein gold in quartzite and limestone replacement masses).
- (c) Placer operations on Mosquito Creek have in the past uncovered several excellent shows in the underlying hard rock mining claims. These operations were responsible for the discovery of good grade limestone replacement ore. Divergency of ownership of claims in the immediate area has held back the development of many of these interesting shows.

- (d) Old records (Geological Survey of Canada) indicate a tunnel driven in 1867 in the immediate area resulted in reports of an apparently "fresh deposit of sulphides". These sulphides are in actual fact limestone replacement ore which was one of the main producing ores in the Cariboo Gold Quartz Mine until 1967. It is believed that the tunnel referred to in the report underlies Placer Mining Lease #5263 on Mosquito Creek and is no doubt driven into the bedrock.

6. TIMING, METHOD OF EXPLORATION AND ESTIMATED COSTS

A. July 1, 1971 to July 1, 1972

| | |
|----------------------------------|--------------------|
| i. Placer Mining | \$30,000.00 |
| ii. Trenching and Stripping | \$10,000.00 |
| iii. Induced Polarization Survey | \$ 7,500.00 |
| iv. Geological Study | \$ 2,500.00 |
| | <u>\$50,000.00</u> |

B. July 1, 1972 to July 1, 1973

| | |
|---|---------------------|
| i. Placer Mining | \$ 30,000.00 |
| ii. Trenching and Stripping | \$ 10,000.00 |
| iii. Diamond coring - reconnaissance | \$ 60,000.00 |
| | <u>\$100,000.00</u> |

C. July 1, 1973 to July 1, 1974

| | |
|--|---------------------|
| i. Placer Mining | \$ 30,000.00 |
| ii. Trenching and Stripping | \$ 10,000.00 |
| iii. Diamond coring - detailed to delineate ore bodies and tonnage | \$110,000.00 |
| | <u>\$150,000.00</u> |

D. July 1, 1974 to July 1, 1975

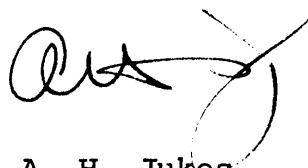
- i. Major Financing
- ii. Major Operations

N.B. All the foregoing operations can be accelerated depending upon results of initial and secondary exploration programmes.

7. MARKETS FOR GOLD

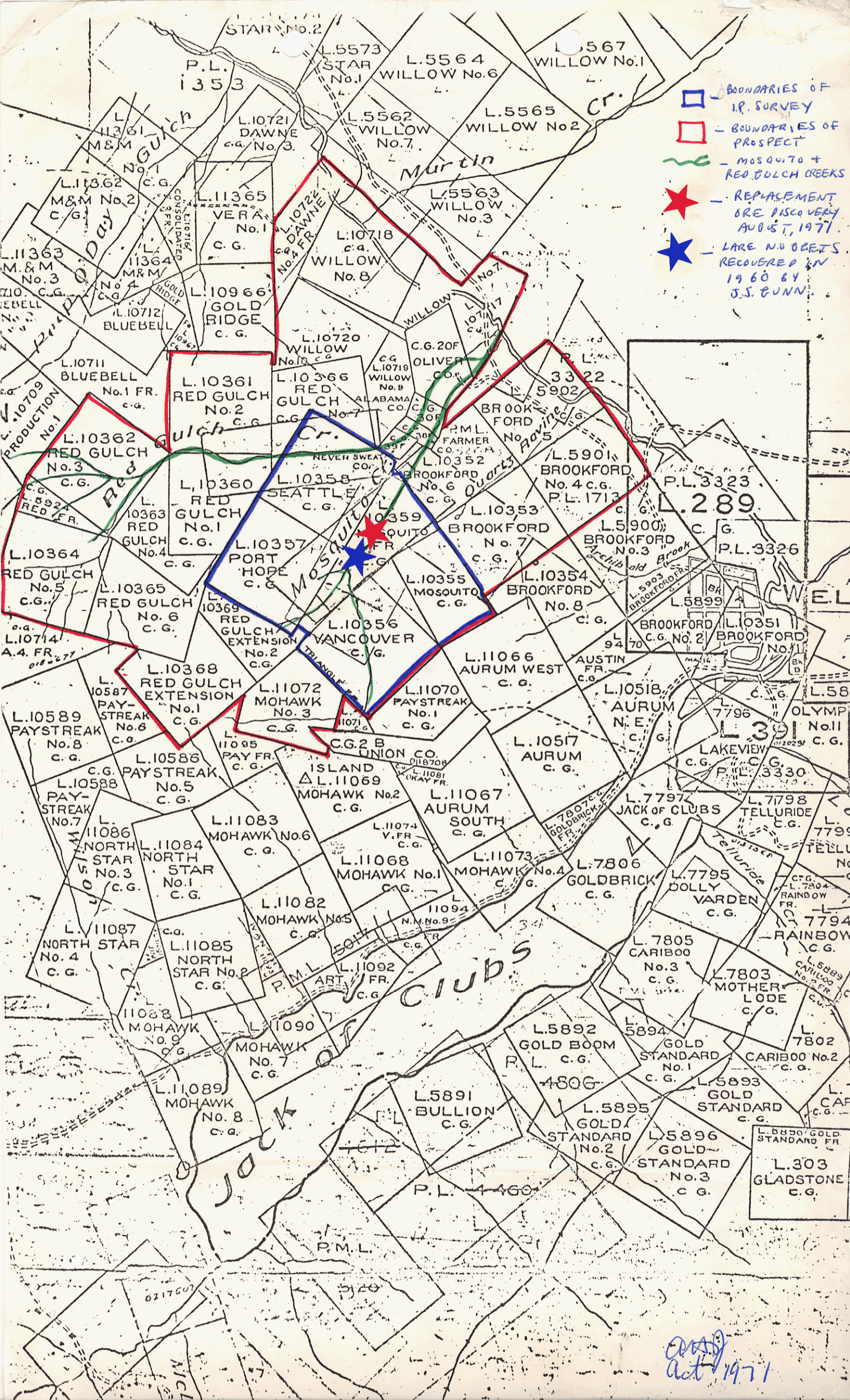
Placer gold is readily saleable in British Columbia at from \$125.00 to \$150.00 per oz. The majority of the placer gold is purchased by jewellers at present.

Gold is rising steadily on the market and at present is approximately \$39.00 an oz. The outlook for increased gold prices is extremely good and this prediction is widely supported by many economic analysts.

A handwritten signature in black ink, appearing to read 'A. H. Jukes', with a large, sweeping flourish extending to the right.

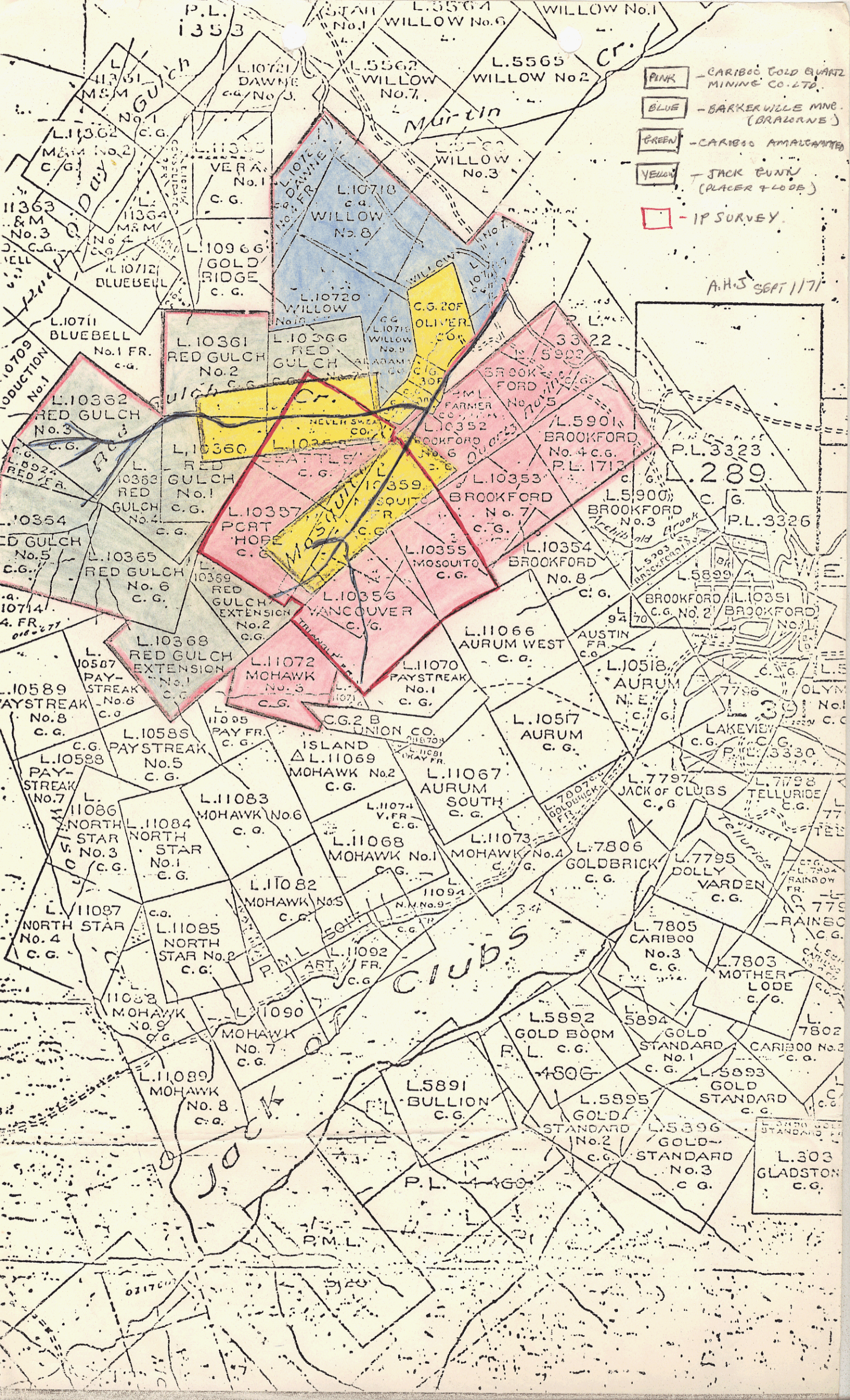
A. H. Jukes

June 1971



- - BOUNDARIES OF I.P. SURVEY
- - BOUNDARIES OF PROSPECT
- ~ - MOSQUITO + RED GULCH CREEKS
- ★ - REPLACEMENT ORE DISCOVERY AUGUST, 1971
- ★ - LARE NO. OBJECTS RECOVERED IN 1960 BY J.S. BUNN

Handwritten: 1971



- PINK - CARIBOO GOLD QUARTZ MINING CO. LTD.
- BLUE - BARKERVILLE MNG. (BRALORNE)
- GREEN - CARIBOO AMALGAM
- YELLOW - JACK PUNT (PLACER & LOSE)
- IP SURVEY

A.H.S. SEPT 1171

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P.L. 1353

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