

E.B. DEGOLIA  
311 California Street  
San Francisco

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Dr. John F. Walker  
Deputy Minister of Mines  
Victoria, BRITISH COLUMBIA

My dear Dr. Walker:

I feel sure you will wish to know the results of our drilling on Williams Creek and Willow River in the Cariboo Mining District and I regret to have to say that we were unsuccessful and have abandoned the project. Enclosed is a copy of a letter written to Mr. Lea. I should be glad if you would keep the information contained therein as confidential but I felt sure it would be of interest to you and your associates. In appreciation of the courtesies shown to us, the members of our syndicate feel that you should be given these facts so that they may be made a part of the public record, if you wish, and so be made available to others who might have ambitions similar to ours.

I should like to take this occasion to express our sincere thanks of all of the members of our syndicate for the co-operation given to us by you and other officials of the Province of British Columbia. I hope some occasion will arise which will permit me to see you and express these sentiments in person.

Yours very cordially,

"E.B. DeGolia"

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Mr. C.W. Lea, President,  
Lowhee Mining Co., Ltd.  
Rust Bldg.  
Tacoma, Washington

My dear Mr. Lea:

I am now in receipt of your favors of July 6th and 7th and note carefully what you say.

I believe it is time to give you formal notice of our desire to discontinue operations in the Barkerville district and to surrender the options obtained from you. I am therefore sending formal notice as provided in the agreement and enclose a copy herewith. Under separate cover I am returning to you the maps you lent us and shall be glad to know if they arrive safely.

Regarding our drilling operations, I have to report that we put our first line of holes across Williams Creek about 100 ft. north of the old Kurtz and Lane shaft. We selected this location as we felt it would give us the best picture of the channel from Barkerville Canyon and this was about the narrowest point. We felt that at this location the channel would have settled down and probably the gravel there would give an indication of what we might expect to find most of the way between the end of the Barkerville claim and the town of Wells. As you know, it was the opinion of several geologists that this channel had been scoured out by glaciation and the point selected seemed the best place for our test holes to prove or disprove this theory. We put down five holes across the canyon. No. 1 was 92 ft. to bedrock and showed values of about 12¢ per cu. yd. No. 2 was 122 ft. to bedrock and showed only a trace of gold. No. 3 was 154 ft. to bedrock and showed an average of .0149 per cu. yd. No. 4, apparently in the deepest portion of the channel, was 171 ft. to bedrock and showed values of .0468 per cu. yd. No. 5 was 137 ft. to bedrock and showed values of 2¢ per cu. yd. Owing to the extreme depth of bedrock and the very low values we felt it was conclusively proven that the values in Barkerville Canyon had been scoured out by a glacier and that it was impossible to dredge Williams Creek profitably. The nature of the ground encountered in our drilling confirmed this as we found a great deal of glacial clay and slime with sand and fine gravel. There was none of the coarse gravel of the type where one expects to find good dredging values.

We then decided to move the two drills down to Willow River. Our first choice was to put a line of holes across the channel just below the junction of Mosquito Creek and Red Gulch where the two join Willow River but as this land was under dispute, we went further down the channel to a point some 100 ft. below where Cornish Creek comes into Willow River and put a line of five holes across the channel there.

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It had been the contention of several geologists that while they believed Williams Creek had been scoured by a glacier which had taken away the gold bearing gravel, that the glacier had followed a course past the town of Wells and gone out through Jack-of-Clubs Lake and that the channel down the river from Wells to its junction with Slough Creek, several miles below, was not glaciated.

Our holes across Willow River channel showed practically the same results as on Williams Creek. The contour of the bedrock seemed to be almost the same as Williams Creek, the deepest hole being 157 ft. with values in no case more than 4¢ per cu. yd. A space of 100 ft. between holes was maintained in both lines. The nature of the channel was practically the same as along Williams Creek, that is to say, a great deal of glacial slime combined with fine gravel and sand.

When the reports of these results were all in, a meeting of the members of the Venture was called and it was their unanimous opinion that the venture was not worth continuing; that the depth of the channel made it extremely difficult if not impossible to dredge and the values encountered were so low that there was no possibility of profit. We, therefore, decided to abandon the venture; recall our men, and surrender our options.

The two drilling outfits have been released to their owners. The one we obtained from Fraser and Peers at Quesnel has been returned to them while the one we hired from the Consolidated Alluvials has been, according to Mr. Nisbet, left on the ground until such time as you and your son decide whether you wish to rent it from Mr. Richmond. We have a considerable quantity of 6 in. casing which we had to purchase in order to carry on the work and this casing has been stored at Barkerville in care of Mr. Fraser for resale.

Referring to the third paragraph of your letter of July 7, it is difficult to give you an estimate of the cost of a dredge capable of going to the depth that would be required to dredge the channel at the lower end of the Barkerville Canyon. You give the depth as 71 ft. but I believe it would be found considerably greater as you went down stream. A dredge capable of operating at that depth in that channel would have to be well equipped with power and a strong digging ladder and probably from 8 to 10 cu. ft. of bucket line. In California such a dredge would cost at the present time \$750,000. or more and it would not be possible to operate it profitably unless you had at least 12,000,000 yds. of gravel that would average 25¢ a cu. yd. or more. This is just a wild estimate but may be of some value to you.

It is the opinion of our engineers and practical drillers that the values which undoubtedly existed at one time in the Williams Creek and Willow River channels have been taken out by glacial action and probably carried down into the lower channels and possibly into the Fraser River.

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Mr. C.W. Lea  
July 21, 1938  
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I should like to tell you again how much we appreciate the courtesy and consideration shown by your company through your good self and we regret very much not having found sufficient values to warrant installing a dredge and working the property.

Yours very cordially,

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Enc.  
Copy to Dr. John F. Walker  
Victoria, B.C.

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