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Property File

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1240 Pender St. West,
Vancouver, B. C.

August 22, 1934.

The Board of Directors,
Haida Gold Mines Ltd.
Standard Bank Building,
Vancouver, B. C.

Gentlemen;-

On instructions from Mr. B. G. Hawkins, Managing Director, I have re-visited the Haida Mine on Kootenay Harbour, Queen Charlotte Islands, and report as follows on the work done between my visit in October last and August 3rd of this year. Work done between August 3rd and 12th, as described to me by Mr. Ingraham, is also shown on the map.

No. 1 Tunnel (Elevation 445 feet) This tunnel, on "C" vein has been advanced 53 feet to a total length of 278 feet. The average value of the vein in this section is low, - 0.15 Oz. gold over a width of 25 inches.

From 230 to 260 feet from the portal the average gold content is 0.26 Oz., or \$8.80 at \$34 gold, over a width of 22 inches. I did not resample this section and the above values are based on the Company's sampling, which is believed to be accurate.

The character of the vein in this advance work is entirely similar to that in the previous work, except that near the face of the tunnel it is somewhat broken as it is evidently close to the fault which shows on the surface and in the No. 3 Tunnel.

"AA" Vein: This vein is exposed in six open-cuts a short distance East of the No. 3 Tunnel, and is also cut by the tunnel at a depth of about 30 feet; it has not been traced beyond these openings, an overall distance of about 200 feet.

The vein is of the usual type and varies from four inches to eighteen inches in width. It is widest in the second cut from the west, and at this point contained particles of free gold; little or no visible gold was found in the other cuts and the assays are low. In the tunnel, this vein is from four to eight inches wide and generally low in value, although an assay of a half ounce gold is reported from the east side at the bottom over a width of about five inches.

As a whole, this "AA" vein does not appear to be of much importance as a possible ore-producer.

No. 3 Tunnel: This tunnel starts as a crosscut to the vein at Elevation 215 and encounters the vein at 387 feet from the portal. Drifts have been driven 29½ feet east, and 59 feet west along the vein.

The crosscut was driven through a dark porphyritic rock, probably an andesite, and essentially the same rock

as that which contains the vein in the Upper Tunnel.

Between the "AA" and "C" veins the tunnel crosses some half dozen stringers of quartz, with some calcite, varying from a fraction of an inch up to six inches in width; none of these show any important values.

"C" vein in No. 3 tunnel shows no change in character from No. 1 tunnel and, as usual, consists of closely spaced bands and stringers of quartz with partly silicified included fragments of andesite; there are also the usual scattered stringers of quartz in the walls. The vein proper varies from $1\frac{1}{2}$ to $4\frac{1}{2}$ feet in width, and averages $2\frac{1}{2}$ feet.

The East drift averages 0.086 Oz. gold over 26 inches according to the Company's samples, and 0.042 Oz. gold over 20 inches according to my own samples channeled across the back of the drift.

In the West drift values are very low for the first forty feet; from this point to the face of the drift, 20 feet, the average gold content is 0.13 Oz. by Company samples over a width of 36 inches, and 0.06 Oz. over a width of 38 inches by my samples. These assays are quite disappointing since the amount of visible gold found in the broken ore from this section would lead one to expect high assays.

At the time of my visit the face of the west drift was directly at a fault-slip which cut off the vein.

This fault has a strike of N 9° W and a dip of 63° west, and is undoubtedly the same fault which cuts and throws the vein outcrop about fifteen feet to the right, just east of the face of the No. 1 tunnel. The No. 1 tunnel drift has not yet reached this fault but is apparently very close to it.

Since I left the mine Mr. Ingraham reports that he has picked up the faulted continuation of the vein in the West drift and that it shows a throw of about five feet. This segment of the vein was not yet thoroughly exposed, and appeared to have been thrown slightly out of its normal course. Mr. Ingraham was unable to find any visible gold at this point and his sample shows a value of 0.04 Oz. gold.

There is nothing to definitely indicate the amount of vertical movement on the fault, but it is to be presumed that it is greater than the horizontal movement, and that the hanging wall has moved downward with respect to the footwall.

As soon as the broken zone adjacent to the fault is crossed the vein should continue west for a considerable distance without a break, and there is still a reasonable hope, I believe, of finding ore in it.

Development in the lower tunnel of the Haida has thus far been disappointing and has failed to show any commercial ore, although recently there has been considerable visible gold in the vein.

The vein is strong and a little wider than on the upper level, and I am firmly of the opinion that a limited amount of further development is thoroughly justified.

I recommend that the West drift be continued along the vein for at least a further one hundred feet, and that the East drift be also driven ahead, although I do not consider this as important as the west drift.

Work at the property appears to be carried on efficiently and economically, and I have no suggestions to offer along those lines.

Yours very truly,

C. C. S.