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STEWART-CANAL GOLD MINES, LIMITED, N.P.L.

This company was incorporated on the 14th of December, 1928, under the name of Finn Silver Mines, Limited (N.P.L.). This name was changed to Stewart Bridge River Gold Mines Limited (N.P.L.) on June 28th, 1934, and to the present name on May 13th, 1937. The registered office is at 603 Central Building, Victoria, and the president is John Haahti, Stewart, B. C. The capitalization is 3,000,000 shares of 50 cents par value of which the company reports 1,000,000 shares given for the property, and 26,510 shares sold for cash.

The property comprises the Gold Axe No. 1, No. 2 ,No.3 Big Bell No. 1, No. 2, No. 3, No. 4 and Big Bell Fraction mineral claims. The company reports that it also owns the Gold Boulder No. 1 to No. 6 inclusive, and the Nickel No. 1 and No. 2 located near the mouth of the Marmot River. The claims which have not been surveyed are situated on the westerly slope of Mount Rainey, ("Silverado Mountain") from near sea-level to about 3200 feet elevation. They are located on the east side of the mouth of Bear River and about half a mile to a mile east of the village of Stewart. The claims have at various times been restaked under different names, and it is understood from the president that the Big Bell group comprises a restaking of what was the Eagle group ground, reference to which will be found in the Annual Report of the Minister of Mines, British Columbia, 1925 page 83, under the heading of Gold Ore Mining Company, Limited.

W. H. WHITE, 1946

The claims are located northerly from the Silverado and Red Reef groups and southerly from the Oral M group, and Indian Reservation No. 19.

The property is reached by boat from the Stewart dock, to a location on the tide-flats on the east bank of Bear River, determined by the stage of the tide, a distance of about 1 mile. At low-water in the Bear River, this stream can be crossed to its east bank by pack-horse from the village of Stewart to the commencement of the trail at the foot of the hill, about 30 feet above sea-level. If a row-boat is used from Stewart dock, the tide-flat and its margin is traversed for about a quarter of a mile to the commencement of the trail. From this point, a pack-trail ascends the mountain-slope by a series of switch backs to the tent-camp at 500 feet elevation, and about a quarter of a mile from the foot of the hill. There are no trails extending to the various showings, and to reach these, a line of least resistance is followed through the thick timber.

From its foot, the hill slopes upward at a general angle of about 30 degrees to 500 feet elevation, above which the slope steepens. Longitudinal benched and knolled areas of general "roche mountonnée form fronted by rock-bluffs, and transversely cut by creek-gulches, are typical topographical features. Glacial overburden of varying thickness covers

the hill-slope which is thickly timbered to about 2200 feet elevation.

As the president had reported that no appreciable work had been done on the Big Bell showings since the reference to that property in the Annual Report of the Minister of Mines, for 1928, they were not examined.

The rock formation on the Gold Axe group, consists of silicified epidote bearing argillite of the Lower Hazelton group, adjacent to the contact of granitic rocks of the Coast Range batholith. The argillite strikes south-easterly and dips 60 - 70 degrees south-westerly. In this locality, the altered argillite formation lies in an embayment of the batholith the contact of which plunges easterly under the sediments. The argillite frequently contains finely-disseminated pyrrhotite, and on account of the silification and the development of epidote in alternating layers parallel to the bedding, it is often banded in appearance. Granitic dykes and tongues intrude the altered argillite. The formation and structure closely resemble that on the adjoining Oral M.

The mineral deposit consists of irregular and generally weakly-developed patches and bands of silification, conformable in attitude to the formation. In places, this is associated with weak shearing and cross-fracturing or jointing, striking northerly and dipping 50 degrees westerly. The best developed, although erratic and generally weak structures of silicification and shearing,

are adjacent to and on the north side of a deep and rugged creek-canyon about a quarter of a mile northerly from Portland Creek ("Silverado") . Only a small amount of prospecting by means of open-cuts, "pop-holes" and some stripping has as yet been done on the Gold Axe group, and no definitely correlated and continuously mineralized structure can be determined from the various showings.

In the areas of silicification, mineralization is mainly a sparse distribution of pyrrhotite in scattered blebs, streaks and fine dissemination, with some pyrite. At 400 feet elevation in a creek-bed in the extreme westerly section of the area, contiguous to the Oral M workings and adjacent to Indian Reservation No. 19, and claimed by the president to be on the Gold Axe property, there is an erratic occurrence of quartz stringers, bands and patches, mineralized with massive pyrrhotite and chalcopyrite. In the following text, the various showings are described starting at this locality and proceeding easterly.

At 400 feet elevation, about 500 feet northerly from the tent, and claimed by the president to be on the Gold Axe No. 1, irregular bands and stringers of quartz, mineralized in places with chalcopyrite and pyrrhotite, outcrop in a creek-bed in epidotized and silicified argillite. The quartz is conformable to the formation, which strikes north 54 degrees west and dips 75 degrees south-westerly. An open-cut , 10 feet long and an adit 6 feet long have been driven on the hanging-wall, and expose some quartz patches and stringers with a few bands of quartz and

chalcopyrite in the face. A sample from a small dump, of selected quartz bands with chalcopyrite, which would compose about 10 per cent. of the adit-face, assayed: Gold, 0.30 oz. per ton; silver, 5.0 oz. per ton. A selected sample of quartz, pyrrhotite and chalcopyrite from the creek-bed, assayed;: Gold, 0.08 oz. per ton; silver 1.2 oz. per ton.

In the same creek-bed at 525 feet elevation, and about 120 feet south-easterly, an open-cut exposes quartz stringers in silicified, epidotized argillite, sparsely mineralized with pyrrhotite, striking north 54 degrees west and dipping 75 degrees south-westerly.

Adjacent to the tent at 500 feet elevation and about 500 feet southerly of these showings, stripping and 2 small open-cuts expose some patches of quartz in altered argillite, mineralized with sparsely disseminated pyrrhotite and some pyrite.

At 300 feet elevation, about 1500 feet southerly from the tent, a sheared and fractured zone in altered argillite is exposed in the north wall of a rugged creek-canyon, and about 60 feet above the creek-bed. This point is the approximate location of the projection of a probable major fault which strikes north along the Bear River trough. The shear strikes north 59 degrees west, slightly transverse to the canyon, and dips 75 degrees south-westerly, conformable to the formation. An open-cut for 12 feet across this exposes epidotized, garnetized and silicified argillite mineralized with blebs and fine-disseminated pyrrhotite. At 35 feet

higher elevation, an open-cut 20 feet wide on the same structure in the face of a steep bluff exposes similar material. At 375 feet elevation about 75 feet south-easterly from the last cut, a felsite dyke, 20 feet wide strikes north 11 degrees east across the formation.

At 925 feet elevation on the Gold Axe No. 2 about 1500 feet south-easterly from these showings, two open-cuts 60 feet apart, and 200 feet north-westerly of a creek-canyon, expose silicified argillite mineralized with disseminated pyrrhotite.

At 975 feet elevation, 80 feet north-easterly of this, and 150 feet north-westerly of the creek-canyon, an open-cut exposes 2 feet of quartz in altered argillite, striking north 51 degrees west and dipping vertically. The quartz and argillite are sparsely mineralized with pyrrhotite and an occasional bleb of chalcopyrite. A sample of the face of this cut for a height of 7 feet and a width of 2 feet, assayed: Gold, trace; silver, 0.6 oz. per ton; copper, 0.2 per cent.

At 1275 feet elevation, about 600 feet south-easterly from the last showing, and 120 feet northerly from a branch creek-canyon, parallel fracturing is exposed in the face of a bluff of epidotized rock. The fracturing strikes south 54 degrees east and dips steeply south-westerly, and is intersected at the base of the bluff by a lamprophyre dyke. An open-cut 10 feet wide in the face of the bluff shows some quartz stringers, blebs and patches of sphalerite and chalcopyrite. A sample of the face of the open-cut across 10 feet,

assayed: Gold trace; silver, 16.0 oz. per ton. About 120 feet south of this, and at 25 feet higher elevation, silicified argillite striking north 54 degrees west and dipping 75 degrees south-westerly is exposed by shallow stripping at the brink of the deep canyon. The argillite is mineralized with sparsely disseminated pyrrhotite and is weakly fractured conformable to the bedding-planes with narrow cross-fractures dipping north-westerly.