Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

# MEMORANDUM

To: J.T. Fyles
Sr. Assistant Deputy Minister

Date: 22 January 1980

Our File: 018772

SENIOR ASSISTANT DEPUTY MINISTER E. M. & P. R.
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Kwinatahl Valley Road

As shown on attached Mineral Deposit-Land Use map 103P-Nass River, the Kwinatahl Valley road would provide a conventional means of access to a large area of fairly high mineral potential.

Besides the planned operations of Climax south of Kitsault, there are two potential producing properties north of Alice Arm. These include the Dolly Varden holdings 30 km north of Alice Arm where four properties have proven and probable ore reserves totalling 1.7 million tons of 9.5 ounces of silver per ton and recoverable values in lead and zinc. (Property numbers 9, 10, 11 on map). The Ajax molybdenum property 13 km northeast of Alice Arm (property number 13) has drill indicated reserves of 200 million tons of 0.121% $MoS_2$ at a 0.10% $MoS_2$ cut-off grade. Further drilling and underground testing of this deposit may define a larger tonnage of higher grade material. Potential mining would be by underground block caving.

The area north of Alice Arm contains numerous prospects with fairly high silver grades; some of these have been previously mined on a small scale and a large number have had only limited work done on them. There is also good potential for bulk copper-gold-silver deposits in the Upper Kitsault Valley area, Kinskuch Lake and near the Ajax property.

Access to this area north of Alice Arm would necessitate the re-building of sections of the Kitsault River road and a road link between Kitsault and Alice Arm.

The region between Kitsault and the Nass River crossing, north and south of the proposed Kwinatahl road, has received only limited exploration attention, and is categorized on the map as being of low mineral potential. However, the 1978 Accelerated Geochemical Survey indicated anomalous values of molybdenum and silver in this area which warrant follow-up.

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Encl.

PROPERTY FILE