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Beano Property
Vancouver B.C.

Seattle, Washington,
April 27, 1939.

H. Grattan Lynch,
Geologist & Mining Engineer.

Mr. W. C. Ditmars, 932 Marine Building,
355 Burrard St.,
Vancouver, B. C.

Dear Mr. Ditmars:

I am submitting herewith report of my preliminary examination of the Beano property located in the Zeballos District, British Columbia. I spent one day on the property but because of snow and ice in the canyon below the main outcrop, was handicapped in the examination.

SUMMARY:

The property is located an elevation of 1500-2500 feet, about three miles by trail from Zeballos, in an area that can be made accessible to the Coast by building about three miles of road. There is a good small camp on the property, good supply of timber and water sufficient for camp purposes. Water for metallurgical purposes is lacking and it would be necessary, therefore, to build a tram to the Little Zeballos, a distance of about two miles.

A large lense of altered greenstone laced with veinlets and masses of pyrrhotite and pyrite carrying values in gold, with minor amounts of copper and nickel outcrops like a huge scab on the side of a N-S canyon, which is 200' deep. The mineralization appears to pinch going Southeast and at depth. A second mineralized mass outcrops to the Northwest and may either be a continuation or a similar lense; the area between the two is covered and inaccessible.

A road must be built in order to do any serious development; and a tramway if production is obtained.

Timber: There is a good stand of timber on the claims; this is adequate for mine and structural use.

Climate: At the elevation of these claims (2500') snow usually covers the ground from December until April, at times reaching a depth of six feet. Summers are generally wet. The annual rainfall is in the neighborhood of 200 inches.

Water: Although the annual precipitation is great in this area the run off is very rapid. During the summer months the high areas are quite dry. Water for large scale production would have to be obtained from the Little Zeballos. A tram would probably be built to carry ore to the river. The creek near the camp will provide water for culinary and mining purposes.

Housing: The property contains a small camp containing three cabins and a tent cookhouse. This is adequate for a development crew. This campsite is in a rounded valley which provides excellent building sites. It is one thousand feet below and about fifteen hundred feet distant, from the outcrop. This is rather unsatisfactory during prospecting, but if any serious development be started the camp location would be all right as a tunnel would probably be driven from that side of the mountain.

Power: During the prospecting most companies use small gas driven equipment. During development and production diesel power is used. A diesel electric plant would probably be installed at the Little Zeballos.

Topography: The Beano Outcrops are at an elevation of about 2500 feet along the side of a straight walled canyon running S 30 E and about 200 feet deep. From the outcrop the surface slopes steeply to the south and west to

the camp, which is in a rounded valley at an elevation of fourteen hundred feet. From the campsite a wide park-like valley slopes east and turns south to the Little Zeballos River Valley.

GENERAL GEOLOGY:

The Beano claims are in the volcanic and argillaceous rocks that lay along the southwest side of the quartz diorite. The formations strike N 20 E and dip 65° S.E. The mineralization which outcrops on the west of the canyon on the Pat Claim is on a contact between lime schists and volcanic rocks. This contact does not cross the canyon. The east wall of the canyon is volcanic rocks. This indicates that the canyon masks a fault of some magnitude.

ORE DEPOSITS:

The mineralization present is a large lense-like deposit which pinches going southeast. The bottom of the canyon is filled with ice and snow and could not be examined, but I am informed that the ore pinches out going down, also; this leaves a sort of scab on the wall. It is cut off on its strike south and at depth.

To the northwest and above the canyon is an outcrop of similar mineralization. Because of the covering and inaccessible area between the two showings, it is not known if these are the same orebody or represent separate lenses.

The mineralized areas run from nine to twenty feet in width. Along the edges is usually a zone of sheared volcanic rock with small stringers of pyrite and pyrrhotite. The center is usually massive pyrite and pyrrhotite. The massive sulphide assays well, one sample taken across seventeen feet returned 1.83 oz. per ton. The border zones assay from trace to 0.10 oz. gold per ton. There is also present small amounts of copper and nickel.

ORE RESERVES:

There are no blocked ore reserves on the property. The scab of ore on the side of the canyon probably contains 20,000 tons of ore, but without more sampling and crosscuts the grade is not known. Six samples taken by the writer assayed as follows:

<u>NO.</u>	<u>DESCRIPTION</u>	<u>WIDTH</u>	<u>GOLD OZ. PER TON</u>
L-30	Cliff face, cut at N20E end of outcrop	7'	0.05
L-31	Tunnel 88' SE of cut L-30 Start at face. Rock mostly pyrrhotite and cummingtonite.	5'	0.44
L-32	Continue cut of L-31 to canyon edge.	4'	0.15
L-33	Outcrop on top of cliff, North cut, start east side cut 12'S70W, slight mineralization	12'	Trace
L-34	Same cut as L-33, continue 10', slight increase in sulphide content.	10'	0.01
L-35	Open cut 50' S.W. of L-34, grab sample across 17', mostly heavy sulphide	17'	1.83

All these samples were taken only to get an idea of the value of the mineralization, a weighted average gives a value of 0.62 oz. per ton. Fifty-six samples taken by former operators gives a weighted average of 0.48 oz. per ton.

DEVELOPMENT:

Development work consists of three open cuts on the top of the cliff and two tunnels and an open cut from the bottom of the canyon into the bottom of the cliff. A long ladder runs down into the canyon from the top.

RECOMMENDATIONS:

1. The geology of the claims in the area of the outcrop should be mapped.
2. Clean out cuts and sample with channel samples.
3. Have metallurgical tests made on ore.
4. Make magnetometer survey to trace extension of mineralization.
5. Diamond drill extensions if indicated.

If these steps indicate sufficient ore a road should be built, a plant installed and underground development started.

CONCLUSION:

The outcrops present on the Beano indicate a possible large orebody of medium grade ore. Because of the limited development work and snow in the bottom of the canyon, no extension of the ore zone could be found, but further stripping, geologic^{al} mapping and geophysical survey may find extensions and continuations of the outcrops.

The preliminary sampling indicates an orebody from nine to twenty feet in width and values average around one-half ounce.

The presence of copper and nickel in the ore forbode some metallurgical difficulties. It may be possible, however, to ship direct to the smelter without concentrating. This should be investigated.

The property warrants further work. It should be remembered, however, that the development of this property will eventually require a large investment and will probably take several years to get into production. The further development recommended should only be undertaken if price and terms for purchase of the property take into consideration the time and money involved in development.

Yours very truly,

(Sgd.) H. GRATAN LYNCH