Wildhorse Creek Gold 680179 82G

MAUS MINERALS LTD.

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Lethbridge, Alberta
T1J 3X3

82 G.

April 17, 1979

Exploration Department,
Barrier Reef Resources Ltd.,
904, 675 W. Hastings Street,
Vancouver, B.C.
V6B 1N2.

Dear Sir:

I am a principal of a junior high school in Lethbridge and have taught geology in junior and senior high schools. I am also interested in placer mining. Since the 1950's my company has held a placer prospect on Maus Creek near Fort Steele. Recently my colleagues and I have staked five placer mining leases on Wildhorse Creek, two miles West of our Maus Creek property. They are in the Fort Steele mining area some seventeen miles from Cranbrook, British Columbia (south eastern corner of the province). Group 1 consists of 4 placer mining leases on Maus Creek, five miles NE of Fort Steele - deep lead mining. Electrical power is only 1.3 miles away. Group 2 is located on Wildhorse Creek or River some five miles due North of Fort Steele and two miles west of Group 1. Power is 4 miles distant. Both properties are accessible by road (passenger car) and are on crown land.

Since the price of gold is now approximately $240 U.S./oz. and I understand placer gold is higher, it is now possible to operate economically land that was not so a few years ago.

The Maus Creek group (group 1) (320 acres) was explored by a farmer in the 1930's by sinking a 6'x 3' shaft to bedrock, 92 feet deep. Coarse gold was found. I am enclosing a short history and summary of previous working there by Mr. Kelly. We (our group) have completed a new shaft 125 feet north of Kelly's (8'x 5', 2 compartment) and have drifted on bedrock some 200 feet. Before we sank the shaft we had it near surface seismographed by Hunting Exploration in 1959. They indicated a channel showing up at the 42 foot level of depth but they could not guarantee it on bedrock. The machine was working at its capacity, (a Geophysical Specialties Company Model MD - 1 single channel portable refraction seismograph). Bedrock was 170 feet there. We sank the shaft about 500 feet from the indicated channel where we knew bedrock was about 92 feet down. It was cheaper to sink this shaft (8'x 5') (cost $5000) than to have a keystone drill brought in.

We found coarse gold and nuggets up to $56 in value ($200/oz.). My crew of two elderly retired coal miners are now deceased. $30,000 would finish the drift into the hoped for channel. I am looking for a group to finish the exploration. A crew of two underground miners and two on the surface is all that is needed. The shaft and workings can be dewatered in two days' time (seventeen hours). Seepage overnight is taken out by one hour's pumping with a deep well turbine pump (7500 gals./hr. capacity). The camp is complete and can be in operation in two days' time.

This is bonanza country and since a pass or col connects Maus Creek and Wildhorse River there are good possibilities of rich placers on Maus Creek. Dr. Rice, Dominion Government geologist, reported on Maus and Wildhorse in 1937 in his Memoir 37.

My second group (group 2) (400 acres) is on Wildhorse Creek - 2 miles West of Maus Creek and parallel to Maus Creek. This is where the original find was made in 1863. I am enclosing a short history of Wildhorse. Since the last hydraulicking was done in the 1930's by a Mr. Drayton three other outfits have attempted testings besides one miner - (a) Jim Holbrook drifted on bedrock for two years before becoming sick and took out gold valued at $4.00/cu. yd. (gold $35/oz) and made a fair living (b) a placer engineer from California in 1950 (c) M. Pritchard in the 1950's with a small dryland wash plant but he was not onto bedrock and (d) a fourth party of which I know little. I know the property quite intimately and know the results and where the testing was done by the miners and the placer engineer from California. I do not know the results from the dragline. It must be remembered that gold at that time of testing was $35/oz.

I am enclosing a map section (Cranbrook Sheet) and an aerial photograph showing Maus Creek and Wildhorse holdings. We would like to get these properties explored and exploited. We are open to any reasonable deal. The main purpose is to complete the drift into the channel on Maus Creek and to explore the bench on Wildhorse. The properties are accessible now. I was on both on March 17 and 24 by car.

My business telephone number is area code 403, 329-3144 (8:30 a.m. to 4:00 p.m. M.S.T.) and home 327-4693 (after 5:30 p.m.).

All gold is coarse ($1 to $3 nuggets at $35/oz.). The fineness of the gold on both creeks is the same (92%).

If you wish further information I would be pleased to supply it. I have copies of the seismograph report and samples of the gold and also Rice's Report (Memoir 37). Leases rent for $50 per lease per year and $250 assessment work must be done on a lease per year. Free miner's licence cost for public companies is from $200 to $400/year according to capitalization. Individual licences are $5/year. Leases may be grouped so work can be done on one. Maus Creek property is grouped and Wildhorse's will be also.

Yours truly,

Geo. R. Castles

George R. Castles, B.Sc., M.A.

GRC/dv

Encl.

PLACER GOLD MINING IN THE AREA:

The early history and development of the district is closely associated with placer gold mining and principally the rush to the Wildhorse River in 1864. Although the Wildhorse deposits were by far the most important, other placer deposits were found in the district and include those on Moyie River, Perry Creek and at Palmer's Bar. Rice states: "For some years these deposits were mined without the knowledge of officials at the coast so that there is no reliable record of the total amount of gold recovered. In all probability the recovery amounted to several million dollars." Stuart S. Holland in British Columbia Department of Mines Bulletin No. 28 (1950), Placer Gold Production of British Columbia writes: "Most of the placer gold from the Fort Steele Mining Division has come from Wild Horse River, formerly known as Wild Horse Creek, discovered in 1863. The record of production since 1874 is reasonably complete, but for the preceding years, as for all old placer diggings, there is absolutely no record." Holland adds further: "In the early years Wild Horse River probably produced about nine-tenths of the total placer gold of the division." Since 1874 the Wild Horse deposits have yielded 41,858 ounces of gold for a total of $820,008.00.

The first Wild Horse River rush (1864) petered out in 1866 and estimates of the dollar value of gold taken off, range from $5,000,000.00 to $20,000,000.00, at a time when gold was $18.00 an ounce. In "Tales of the Kootenays" by Fred J. Smyth, Second Edition, Cranbrook: Cranbrook Courier, 1942, it is reported that Wild Horse Creek paid better in 1865 than did any creek in California during that great rush.

MAUS CREEK PROSPECT:

HISTORY AND PREVIOUS WORK:

Little is known of the early history of Maus Creek. It is known that apple trees were planted there in 1874 and are still bearing fruit. During the 1930's miners are reported to have made a living by sluicing surface gravels.

Mr. Dan Kelly and colleagues from Fort Steele made the first serious attempt to test the potential gold deposits of the creek. On the ground now held by Maus Minerals Ltd. he sank a shaft 92 feet to bedrock on P.M.L. #733. Mr. Kelly told Mr. G.R. Castles (personal communication) that in 1939 he had taken 10 ounces of gold with a value of $327.00 (See Bulletin #28) from underground workings in a period of two weeks. He said that some of the ground on bedrock ran as high as two ounces per set or somewhere in the range of $13.00 to $23.00 per cubic yard. Gold mining was prohibited by federal government legislation during the war years. After the war Mr. Kelly, because of his advanced age, did not attempt to reclaim the shaft and workings. In 1949 he allowed the leases to lapse.

In the summer of 1949 Mr. G.R. Castles and Mr. S.J.C. Best restaked the two leases and began attempts to reclaim the shaft and workings. During the summers from 1956 to 1958 the shaft was de-watered and reinforced, the existing drifts (tunnels) were sampled and the exploration drifts were extended another 30 feet (fig.2) and the material sluiced to recover the gold. No trouble was encountered in keeping the workings pumped dry since the maximum water flow in the developed workings was 550 gallons per hour. A seismic refraction survey of the leases was carried out in the summer of 1959 by Hunting Technical and Exploration Services Ltd. of Toronto. A possible buried stream channel 200 feet wide cut in glacial till and overlain by water-deposited material was outlined at a depth of approximately 40 feet from the surface.

HISTORY OF WILDHORSE CREEK

Wildhorse Creek is a stream flowing west out of the Rocky Mountains and emptying into the Kootenay River in the vicinity of Fort Steele, B.C. Its history is tied up closely with placer gold activity from 1863 to the present.

In the fall of 1863, a half-breed named Findlay and two companions passing through the country on their way south from diggings at Canal Flats, discovered gold in paying quantities on Wildhorse Creek. 700 dollars in pumpkin seed gold was sold in Montana by them late that fall. Word of the strike spread rapidly. 1864 saw 3,000 men on the creek. This first gold strike continued into 1865.

Values recovered during this strike were very impressive. One claim, the "Dore Claim", 100 feet long, produced as much as Seven Thousand dollars per day and averaged 3,500 dollars per day over its life history. 521,700 dollars is said to have been taken from this one claim in a period of two years. A pan would have values from one to twenty dollars. It is estimated that five to twenty million dollars were taken off Wildhorse Creek during the first gold rush. Official figures in Victoria, B.C. show nine million dollars. It must be remembered that much gold found its way across the International Border and was never reported to the Government. During 1865 Wildhorse paid better than did any creek in California during the rush of 1848. In one year some men made fortunes of forty thousand to sixty thousand dollars. The largest nugget recovered was one valued at Seven hundred dollars. All of these values are calculated on gold at Eighteen dollars per ounce.

The second rush occurred in 1884. Due to Indian trouble, Major Steele, with a detachment of Mounted Police, arrived in 1887 and set up a Fort. Official figures from 1874 on show gold being taken from

the Creek each year. Approximately values of Eight Hundred thousand dollars have been reported to the Government from 1874 to the present.

A recent operation (1936) on the creek involved large scale hydraulicking by W. A. Drayton. The overburden was removed from bench placers but due to the valley being filled with tailings as a result of this operation, bedrock was not reached. Approximately 30 to 50 feet of gold bearing glacial till remain above bedrock. Several million cubic yards of till remain on the bench that can now be worked mechanically or by hydraulicking since the river has now cleared itself of the tailings over the past 20 years. Tests have shown an average yield of seventy-five cents from top to bottom in one shaft 49 feet deep. Other tests have shown ninety-eight cents average for some 30 - 1 Cu. Yd. tests over the surface of the bench. One miner, drifting on bedrock for a period of two years averaged Four dollars a Cu. Yd. He recovered 47 ozs. valued at One thousand five hundred and ninety three dollars during this time. In 1952 the lessees holding the property for that year, hired a consulting engineer from California to examine the lands. He stated it was economically feasible to work the property. It is believed that the lessees did not follow up his suggestions due to difficulties in acquiring the necessary capital.

Some seven miles of the creek have yielded values. The creek was examined by a Department of Mines (Dominion Government) Geologist, H.M.A.Rice and his report was issued in 1937. A copy of this document is available for perusal. He states that enormous values were recovered over a comparatively short distance due to sluggish glaciation. Thus the placer deposits were never greatly scattered as would be so with extensive glaciation. Then as the river cut through the moraines a sorting action was carried on. Thus the values were concentrated so that large deposits of gold were formed.

FORT STEELE MINING DIVISION

Most of the placer gold from the Fort Steele Mining Division has come from Wild Horse River, formerly known as Wild Horse Creek, discovered in 1863. The record of production since 1874 is reasonably complete, but for the preceding years, as for all old placer diggings, there is absolutely no record. From 1896 to 1905 the production of Perry Creek (discovered in 1867) is listed with that of Wild Horse River, and from 1906 to 1922 the production of the whole division is listed under Wild Horse River. In the early years Wild Horse River probably produced about nine-tenths of the total placer gold of the division.

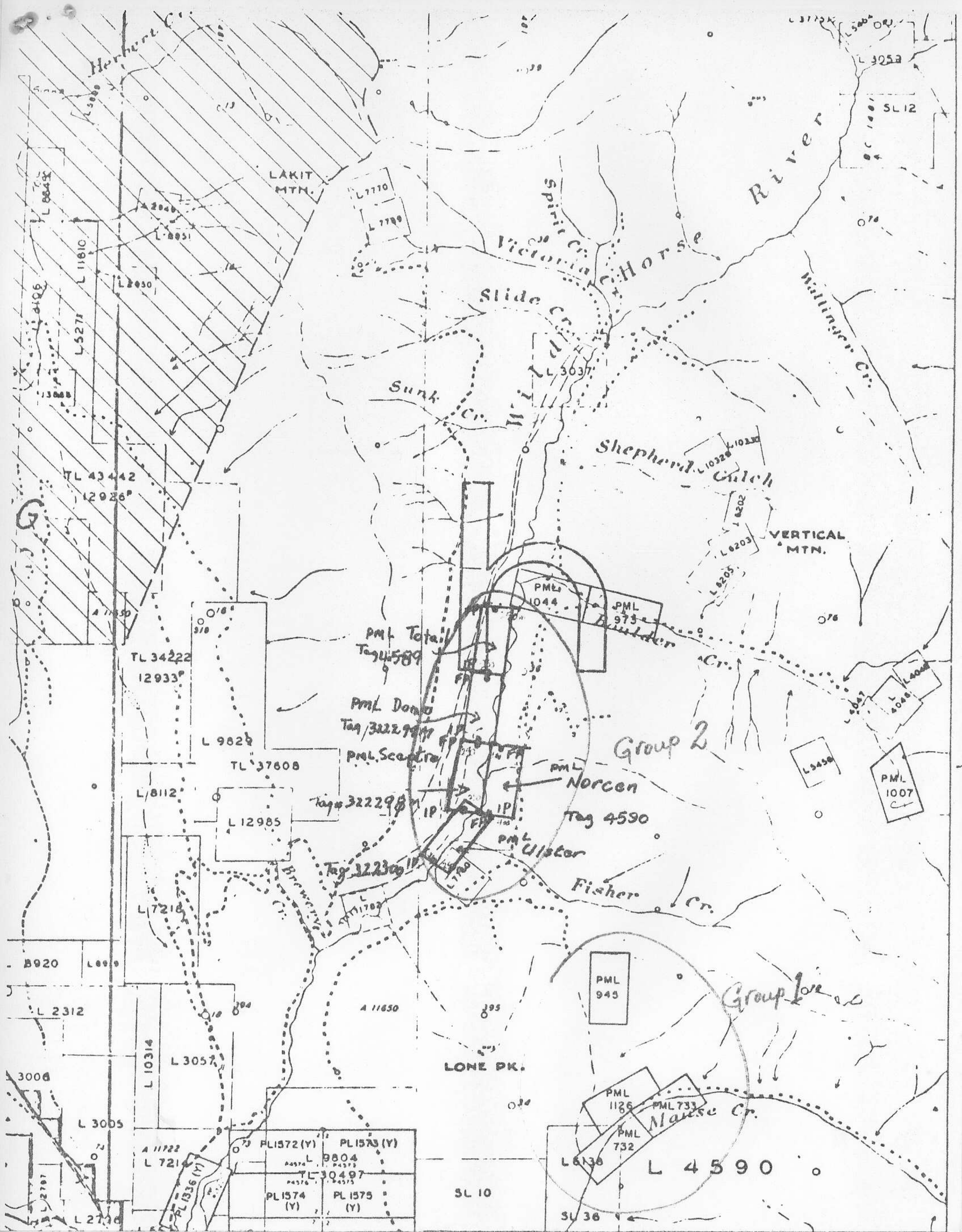
Year	Wild Horse River (219)		
	Ounces	Value	
		$	
1874 - 75	1,525	77,840	3
1876 - 80	6,173	112,650	
1881 - 85	7,551	137,780	
1886 - 90	6,762	123,400	
1891 - 95	5,621	102,575	
1896 - 1900	3,841	70,076	4
1901 - 05	5,466	99,760	4
1906 - 10	1,502	27,447	4
1911 - 15	1,261	23,000	4
1916 - 20	598	10,900	4
1921 - 25	923	16,524	4
1926 - 30	107	1,946	
1931 - 35	236	6,805	
1936 - 40	245	7,712	
1941 - 45	47	1,593	
	41,858	820,008	

(3) Production for 1874 from Perry and Weaver Creeks and Moyie River is combined with production from Wild Horse River.

(4) From 1896 to 1922 production is total for division, most of which is from Wild Horse River.

Gold valued @ $18.25


W. H. Creek
SCEPTRE
Dome
NORGEN



Herbert Cr.
LAKIT MTN.
L 7770
L 7780
L 3053
SL 12
Spirit Cr.
Victoria Cr.
Horse River
Slide Cr.
Wild
L 3037
Sunk Cr.
Shepherd Gulch
VERTICAL MTN.
L 8202
L 8203
L 8205
L 11810
L 5271
L 2050
L 8051
TL 43442
12926P
TL 34222
12933P
A 11650
PML 1044
PML 973
Boulder Cr.
PML Total
Tag 4589
PML Dome
Tag 322298
PML Sceptre
Tag 322298
Group 2
PML Norcen
Tag 4590
PML Ulster
Tag 322300
Fisher Cr.
L 9822
TL 37608
L 8112
L 12985
L 7218
Brewery Cr.
L 4046
L 4048
L 5456
PML 1007
L 11782
B920
L 2312
PML 945
Group 1
A 11650
LONE PK.
L 10314
L 3057
3006
L 3005
A 11722
L 721
PL 1572 (Y)
PL 1573 (Y)
L 9804
TL 30497
PL 1574 (Y)
PL 1575 (Y)
PL 1336 (Y)
L 2707
L 2710
SL 10
PML 1126
PML 733
PML 732
Maisie Cr.
L 6138
L 4590
SL 36