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L. P. Warriner

New York

2/9/54

R. E. Legg

J. & L. Mine, Revelstoke, British Columbia

Many thanks for your memo of the 5th. Your report of your conversation with Maley is just about what I expected and I appreciate your persistence in sticking with the situation until you were able to locate him.

The enclosed copy of my letter to Arnold is self-explanatory.

L. P. Warriner

LPW:CM
ENC.

February 9, 1954

Mr. T. E. Arnold
P. O. Box 629
Bryn Mawr, Pennsylvania

SUBJECT: J. & L. Mine
Revelstoke, British Columbia

Dear Mr. Arnold:

As discussed on the telephone just now, the information given to Roland Legg by Maley was of such an indefinite nature that Legg could not be sure of the correctness of what Maley reported to you. Under the circumstances, rather than delay you further, we feel that it would be better to return your data, which are included herewith.

Thanks very much for bringing this situation to us; the problems posed by the original ore zone rather dampen our enthusiasm.

With kind regards,

Sincerely yours,

Lendall P. Warriner

LPW:CM

ENC. Mr. R. E. Legg

INTER-OFFICE CORRESPONDENCE

FROM: R. E. Legg

CITY: Vancouver, B.C.

DATE: 5/2/54

TO: L. P. Warriner

SUBJECT: J. & L. Mine.
Revelstoke, B.C.

I finally located the prospector, Len Maley, who has been doing the assessment work on the J. & L. claims. After talking to him, I would not place too much importance on the so called "new discoveries". Maley spoke of other veins on the property, which show up in the creek only a very short distance from the main vein. He has no assay results on samples taken. I would say that if there was a good looking showing, it would have been sampled and assayed. The A.S. & R. representative saw this showing last summer. Maley did not state to me that he could trace this new discovery 1200 feet. In fact, I think this vein has been known for some time. It could be that T.E. Arnold is trying to make the property sound more interesting by referring to new discoveries. I believe you should still assess the property by the known vein, taking into account the possibility of their being other veins which possibly occur but have not been proved up by any work. I was not greatly impressed by Maley. Everything he said was too indefinite.

REL/FE

R. E. Legg
R. E. Legg

INTER-OFFICE CORRESPONDENCE

FROM: R. E. Legg

CITY: Vancouver, B. C.

DATE: Jan. 28/54.

TO: L.P. Warriner

SUBJECT: Rainder Gold Mines Ltd.

(J & L Mine, Revelstoke, B.C.)

Further to my memo of January 25th, I have met Mr. J.R. Arnold here in Vancouver. He is in the insurance business and knows nothing about mining. In the past he has lent some financial support to his brother T.E. Arnold.

Mr. Arnold loaned me a series of reports on the J & L property made by various engineers and geologists, which contain nothing new as far as I am concerned as I have seen them all before. In addition he did leave me a report by the Chemical Construction Corporation of New York entitled "Engineering economic study of process for the preparation of J & L ore for cyanidation and the production of zinc oxide product". As stated in your letter of December 24th, you have seen this report. I do not consider the profit figure given in this report to be of any significance because the figure relies upon a grade of ore which is far from being representative. The following comparative assays show the respective ore grades used by Chemical Construction Corporation in their calculation and the average grade as I consider it to be:-

	<u>Chemical Constr. Corp.</u>	<u>R.E.L. Average</u>
Lead	8.0%	3.79%
Zinc	13.8%	5.98%
Copper	0.32%	not known
Gold	0.32 oz/ton	0.119 oz/ton
Silver	5.88 " "	3.1 " "

Assuming the treatment of my average grade of ore, then it does not appear that the credits for the zinc, gold and silver would even meet the Chemical Construction Corporation's estimated operating costs. Even these estimated operating costs are away out of line. I note that mining and milling (exclusive of cyanidation and chemical treatment) are given as \$4.00 per ton. In reality they would be \$12.00 per ton.

Mr. Arnold had no particulars concerning the veins reported to have been discovered this year. He is going to try and locate the prospector, Len Maley, who is somewhere on the coast looking for a job, and if he is successful in finding him, then he is going to bring him in to see me. It could be that these new discoveries make the property more attractive.

R.E. Legg

R. E. Legg

REL:FE

REC'D JAN 27 1954
INTER-OFFICE CORRESPONDENCE

FROM: R. E. Legg
To: L.P. Warriner

CITY: Vancouver, B. C.

DATE: Jan. 25/54

SUBJECT: Raindor Gold Mines Ltd.
(J & L Mine, Revelstoke, B.C.)

Upon receipt of your memo of January 20th, I telephoned the home address of J.R. Arnold here in Vancouver and I left word for him to call me. His wife told me that he was very busy with out of town visitors including his boss from the east which may have been the reason why he has not contacted me as yet. I have never met Mr. Arnold and have no idea what he does. I trust he will have some information on the new discovery.

I again checked the government reports on this property and I can find no mention of more than one vein. As soon as I have further information I will get in touch with you.

Yours very truly,

R. E. Legg

R. E. Legg

REL:FE

January 20, 1954

Mr. T. E. Arnold
P. O. Box 629
Bryn Mawr, Pennsylvania

Dear Mr. Arnold:

From your letter of January 14, I am pleased to know that a new discovery has been made on the J & L property, but sorry that I was not in the office at the time of your call Wednesday, January 13.

The information contained in your letter has been passed on to Mr. R. E. Legg, with whom, no doubt by this time, your brother will have been in touch.

Maley's find sounds interesting.

Yours very truly,

Lendall P. Warriner

LPW:CM
CC: Mr. R. E. Legg

L. P. Warriner

New York

1/20/54

R. E. Legg

Raindor Gold Mines Ltd. (J & L Mine,
Revelstoke, B. C.)

A letter from T. E. Arnold dated January 14 refers to a new find on this property by Len Maley, a prospector whom he employs to do assessment work. Arnold has indicated that he has asked his brother, J. R. Arnold, of Vancouver, to check with you and to bring Maley around for a chat.

The principal discovery reported is said to average 10½ feet in width, traceable for 1200 feet with both ends open. Mineralization is similar to that of the narrow J & L vein. He claims to have found two other veins also.

No doubt J. R. Arnold has been in touch with you already. If not, the new discovery lends more importance to the property since tonnage could be developed much more rapidly at lesser expense on the new vein. Your comment will be appreciated.

Let me compliment you on the cost and profit analysis you prepared for the Lauder, Mercer and Company Limited.

Lendall P. Warriner

LPW:CM

T. E. ARNOLD

P. O. BOX 629

BRYN MAWR, PA.

REC'D

JAN 18 1954

Action

January 14, 1954,

Mr. Lendall P. Warriner,
C/o Cyprus Mines Corp.,
161 East 42nd Street,
New York, N. Y.

A C

R X

L B

A = Action C = Comment
I = Information

Dear Sir: RE: Raindor Gold Mines Ltd (J&L Mine, REVELSTOKE, B.C.)

I tried to locate you last Wednesday, but your office informed me you were on vacation. No answer was received on telephoning your home, so gave up after that.

A letter from Vancouver just received stated that the prospector who has been doing our assessment work at J&L for a great number of years breezed into town, and stated he had done further work on some new veins. His report is that three new veins have been picked up, one averaging 10½ feet in width, and traceable for 1,200 feet, with both ends open, with mineralization similar to that of the vein partially developed.

Seeing you are not available for another ten days or so I asked my brother, J. R. Arnold, who resides in Vancouver, to give Mr. Rollie Legge a call, or failing that to contact Mr. Henry Hill, and if either is interested to take Len Maley, the prospector, over to see them so he can describe the new veins in detail.

It is thought this may be an important enough disclosure to easily sway any decision you or others might make regarding the property, and that some representative of yours should get at the facts as best they can be presented at the moment without any delay.

Naturally we have no assays available at the moment, but I have always found Maley to be reasonably accurate in any of his statements so conclude what he states is substantially correct.

Very truly yours,

T. E. Arnold
T. E. Arnold.

CC: J.R. Arnold, Vancouver.

INTER-OFFICE CORRESPONDENCE

FROM: R.E. Legg

CITY: Vancouver, B.C.

DATE: Dec. 29/53.

TO: L.P. Warriner

SUBJECT: Raindor Gold Mines Limited

In reply to your letter of December 24th the property owned by Raindor Gold Mines Ltd. has been known for 50 years and is referred to in the old Annual Reports of the B.C. Minister of Mines as the J & L property. I have never been on the property, but early in 1951 I made a detailed analysis of the possibilities for a Vancouver financial firm. At that time I was given access to the numerous reports and maps. I am enclosing herewith a copy of my report dated March 18, 1951.

The last paragraph on page 2 of my report gives my opinion on the ore reserve situation and on the possibilities for finding further ore. Before it would be possible to consider the erection of a costly leaching plant to handle 250 tons daily, it would be necessary to carry out an exploration campaign which today would probably cost in excess of \$400,000 and even with this expenditure, there is no certainty that the required tonnage would be proved.

You will note that I have taken the average gold content as 0.119 oz. which is much less than the 0.3 oz. content which you mention. I have taken the average silver, lead and zinc contents as 3.1 oz., 3.79% and 5.98% respectively. Possibly I am a little low on the average gold content. Riddell's average gold content is 0.185 oz., which might be attained by selective mining, which in turn would reduce the tonnage considerably. The ore occurs in lenses and the average width is probably around 3.5 feet. Cheap mining costs could not be expected.

Regarding the reports by F.C. Buckland, I feel that these would be on the optimistic side as he would be an interested party.

R. E. Legg

R. E. Legg

REL:FE

C O P Y

519 Cedar Street,
Nelson, B.C.
March 18, 1951

Mr. A. D. Lauder,
Lauder, Mercer & Co. Ltd.,
510 West Hastings Street,
Vancouver, B.C.

Dear Sir:

I have completed my analysis of the J & L gold-silver-lead-zinc mining property near Revelstoke, B.C. owned by Raindor Gold Mines Ltd. The profitable operation of this property depends upon four factors, none of which are known with any degree of certainty. These factors are:

- (1) The average grade of ore.
- (2) Tonnage of ore available.
- (3) The mill recoveries.
- (4) Metal prices two years hence, which is the earliest time the property could be brought into production.

Average Grade of Ore.

In attempting to arrive at the average grade of ore, the only reliable source of information is the sampling which has been done in the underground workings. The surface sampling can be discounted as it gives no true indication of the lead-zinc values. A very complete sampling of the underground workings was done by John E. Riddell in 1948 for Noranda Mines, and in trying to arrive at average values. I have checked Riddell's sampling results, and I have arrived at the following average results: (in my opinion, this is the only sampling which should be considered)
Raindor Upper Tunnel - average values across 3.34 feet for a length of 350 feet.

Gold	.119	oz. per ton
Silver	3.1	" " "
Lead	3.79%	
Zinc	5.98%	

No. 1 Shaft - average values across 3.06 feet for a depth of 120 feet.

Gold	.23	oz. per ton
Silver	4.0	" " "
Lead	3.52%	
Zinc	2.10%	

No. 2 Shaft - average values across 5.4 feet for a depth of 120 feet

Gold	.275	oz. per ton
Silver	4.05	" " "
Lead	3.1%	
Zinc	.5%	

In view of the fact that there is no doubt some oxidation in the upper portions of the two shafts, which would reduce the lead and zinc values, I have calculated the average values from depths of 60 to 120 feet in both instances, and these average values are as follows:

No. 1 Shaft - average values from 60 to 120 feet in depth across an average width of 3.0 feet.

Gold	.214 oz. per ton
Silver	4.56 " " "
Lead	4.9%
Zinc	3.1%

No. 2 Shaft - average values from 60 to 120 feet in depth across an average width of 5.4 feet.

Gold	.277 oz. per ton
Silver	4.80 " " "
Lead	4.97%
Zinc	.89%

There is an increase in the lead and zinc values in the two shafts from 60 to 120 feet in depth as compared to the averages for the entire depths, but the increase is not very substantial. The gold values show no appreciable change, while there is a slight increase in the silver values.

The average values in the Raindor upper tunnel are better than those of the two shafts, particularly the zinc average values. Whether these tunnel values are higher or lower than the average values for the property is something which it is impossible to give an opinion on. One can at least say that the surface showings over a length of approximately a mile, as sampled by Riddell, do not indicate an average width of ore greater than that exposed in the 350 foot tunnel. The surface ore zone is narrow all the way with occasional swellings. There are no large widths anywhere which would give cheap mining costs. The average width of the ore zone on the surface is 3.1 feet, practically the same as that in the tunnel.

In order to determine the value per ton of ore, I have assumed the average grade to be that as exposed in the Raindor upper tunnel, namely .119 oz. gold, 3.1 oz. silver, 3.79% lead and 5.98% zinc. In doing this I believe I am somewhat favouring the property.

Ore Reserves

With the small amount of underground development which has been done, there are no blocked out ore reserves in the accepted sense of the word. However, the long surface showings certainly indicate that a large tonnage could be expected. The surface showings also indicate that the ore is not continuous, and that there are stretches along the zone below commercial grade. One would expect this same condition to apply on the dip of the vein as along the strike.

Summing up the question of ore possibilities, I would say that an underground exploration programme would yield favourable results insofar as tonnage is concerned.

Mill Recoveries

In order to determine the value per ton of ore, not only is it necessary to know the average grade, but it is essential that mill recoveries be known, especially since the ore is known to be complex. The only information on such recoveries in the data which you sent me is that mentioned by F.C. Buckland in his resume dated Nov. 19, 1948 on the Raindor results. Apparently some test work on the Raindor ore was carried out by Noranda Mines, and they were able to make a lead recovery of 65% in a concentrate assaying 30% lead, and a zinc recovery of 75% in a zinc concentrate assaying 46% zinc. Apparently it was also possible to make an overall gold recovery of 90%, but that this was difficult and required considerable plant. This meagre information makes it impossible to calculate with any degree of accuracy the value of the Raindor ore. To do so, it is necessary to have a proper metallurgical balance. Not only is it necessary to know the lead assay of the lead concentrate, but also the gold, silver and zinc assays on the same concentrate. Likewise it is essential to know the gold, silver and lead assays of the zinc concentrate. It is very probable that a separate gold concentrate was also made. This might either be roasted and cyanided on the spot and gold bullion produced, or else, if the economics permitted, the concentrate might be shipped to the nearest smelter which would handle it, and this would be the Tacoma smelter. At any rate the income to be derived from the gold is very secondary to that derived from the lead and zinc. Furthermore, there may be some cadmium values in the zinc concentrates, which conceivably might add around 50¢ to the value of a ton of ore, but as there is no mention of cadmium in the available data, I am forced to assume that it is not present.

Value Per Ton Of Ore.

In order to calculate what the net smelter returns would be for both lead and zinc concentrates, which information is necessary in order to arrive at the value per ton of ore, I have had to assume the gold, silver and zinc assays in the lead concentrate, and the gold, silver and lead assays in the zinc concentrate. Experience is a great help in this matter, and I do not feel that my assumed figures would vary too greatly from those which would be obtained in practice. The exception might be the arsenic content in the lead concentrate. The smelter penalizes for arsenic over .5%, and I have assumed a content of 2.5%, which is a very rough guess.

With lead at 17.68¢ per pound, zinc at 18.2¢ per pound, silver at 83.2¢ per ounce, and gold at \$36.40 per ounce, I place the value of Raindor ore (tunnel average) at \$18.44 per ton on the basis of the lead and zinc concentrates shipped. The supporting calculations for this value are attached hereto. To this value might be added \$2.00 per ton for gold, assuming a gold concentrate were shipped. The total value per ton might therefore be considered as \$20.44. From this value

must be deducted mining and milling costs, which on a basis of 250 tons daily are estimated at \$14.00 per ton. There is thus an indicated profit of \$6.44 per ton. This is an operating profit, and no allowance has been made for taxes. No doubt you are aware that during the first three years of production the property would be exempt from Dominion income taxes, but after that period income taxes become an important item.

Metal Prices.

In calculating the value per ton of ore at \$20.44, I have used the present high prices for lead and zinc. To show the importance of metal prices on the profit per ton, I have calculated the value per ton of ore on the basis of lead and zinc both at 15¢ per pound, silver at 80¢ per ounce and gold at \$35 per ounce. At these prices the value per ton of ore is \$16.33. With operating costs at \$14.00 per ton, the operating profit per ton is reduced to \$2.33.

Conclusion.

I believe it is fair to say that the J & L is a marginal property. If the grade of ore falls off moderately from the assumed average figures, or if metal prices declined from their present peaks, then the property might just meet operating costs. Mining costs are bound to be high on an ore body 3 feet wide, as the opportunities for mechanization are limited. Owing to the dip of the ore body, reported at 43 degrees, it might be difficult to hold a three foot stopping width. Any excessive dilution of the ore by waste rock would result in a drop in grade, which would have a disastrous effect on profits.

An underground exploration programme to test the property would cost from \$200,000 to \$300,000, and such an expenditure is definitely in the speculative class.

Yours sincerely,

"R.E. Legg"

Calculations to determine value of Raindor ore assaying
.119 oz. gold, 3.1 oz. silver, 3.79% lead and 5.98% zinc.

Value of lead concentrate.

100 tons of ore assaying 3.79% lead contain 3.79 tons lead.
 At 65% mill recovery the lead concentrates produced from 100 tons
 of ore would contain 2.46 tons lead.
 As per Noranda tests, the lead concentrate assays 30% lead.
 2.46 tons of lead in a concentrate assaying 30% lead are contained
 in 8.2 tons of concentrate.
 Therefore 100 tons of ore will produce 8.2 tons of lead concentrate
 assaying 30% lead.

As the gold, silver, zinc, iron and arsenic assays on the lead
 concentrate are not available, it is assumed that these will be as
 follows: gold .2 oz., silver 30.0 oz., zinc 7.0%, iron 20.0% and
 arsenic 2.5%.

Value per ton of lead concentrate

Pounds of contained lead in 1 ton of concentrate	600 lbs.
Smelter pays for 92.5% of contained lead or	555 "
Pounds of contained zinc in 1 ton of concentrate	140 "
Smelter pays for 50% of zinc less 10.53% due to excessive iron content or 39.47%	55.3"
Smelter pays for 95% of gold content or	.19 oz.
Smelter pays for 95% of silver content or	28.5 "

Metal Prices

Lead	17¢ per lb. plus 4% U.S. exchange	17.68¢
Zinc	17.5¢ " " " " "	18.2¢
Silver	80¢ per oz. " " " "	83.2¢
Gold	\$35 " " " " "	\$36.40
555 lbs. lead at 17.68¢ less 2.25¢ smelter deduction		\$85.63
55.3 " zinc " 18.2¢ " 6¢ " "		6.74
28.5 oz. silver at 83.2¢		23.71
.19 " gold at \$36.40 less \$1.25 " "		<u>6.68</u>
		122.76
<u>Deduct</u>	Smelting charge per ton	\$ 12.00
	Deduction for iron content at 22¢/U.	4.40
	Deduction for arsenic content	<u>1.00</u>
		<u>17.40</u>
Net smelter return for 1 ton of lead concentrate		\$105.36

Net smelter return for 1 ton of lead concentrate \$105.36

Deduct.

Haulage charge from mine to railway 33 miles	\$3.50	per	ton
Rail freight Revelstoke to Trail Smelter	<u>8.50</u>	"	"
(rail freight estimated)			<u>12.00</u>
Net return for one ton of lead concentrates			\$ 93.36

100 tons of ore produce 8.2 tons of lead concentrate.

Income from 8.2 tons of concentrate at \$93.36 per ton \$765.55

Income from lead concentrates for 1 ton of ore \$ 7.65

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Value of zinc concentrate

100 tons of ore assaying 5.98% zinc contain 5.98 tons zinc.
 At 75% mill recovery the zinc concentrates produced from 100 tons of ore would contain 4.485 tons zinc.
 As per Noranda tests, the zinc concentrate assays 46% zinc.
 4.485 tons of zinc in a concentrate assaying 46% zinc are contained in 9.75 tons of concentrate.
 Therefore 100 tons of ore will produce 9.75 tons of zinc concentrate assaying 46% zinc.

As the gold, silver and lead assays on the zinc concentrate are not known, it is assumed that they will run as follows: gold .10 oz per ton, silver 8.0 oz., lead 8.0%.

Value per ton of zinc concentrate.

Pounds of contained zinc in 1 ton of concentrate	920 lbs.
Smelter pays for 80% of contained zinc or	736 "
Pounds of contained lead in 1 ton of concentrate	160 "
Smelter pays for 80% of contained lead or	128 "
Smelter pays for 80% of gold content or	.08 oz.
Smelter pays for 80% of silver content or	6.4 "
736 lbs. zinc at 18.2¢ less 3.25¢ smelter deduction	\$ 110.03
128 " lead " 17.68¢ " 4¢ " "	17.51
.08 oz. gold at \$36.40 less \$1.25 " "	2.81
6.4 " silver at 83.2¢	<u>5.33</u>
	\$135.68

Value per ton of zinc concentrate (cont'd)

Income from 1 ton of zinc concentrates		\$135.68	
Deduct smelting charge per ton		<u>13.00</u>	
Net smelter return for 1 ton of zinc concentrate		122.68	
<u>Deduct</u>			
Haulage charge from mine to railway 33 miles	\$3.50		
Rail freight Revelstoke to Trail (estimated)	<u>8.50</u>	<u>12.00</u>	
Net return for 1 ton of zinc concentrates			\$110.68
100 tons of ore produce 9.75 tons of zinc concentrate.			
Income from 9.75 tons of concentrate at \$110.68 per ton			\$1079.13
Income from zinc concentrate for 1 ton of ore			\$ 10.79

.....

Value per ton of ore.

Income from lead concentrates from 1 ton ore	\$ 7.65
Income from zinc concentrates from 1 ton ore	<u>10.79</u>
Value per ton of ore based on lead and zinc concentrates	18.44
Estimated return per ton of ore from gold concentrates	<u>2.00</u>
VALUE PER TON OF RAINDOR ORE (TUNNEL GRADE)	\$ 20.44

Note.

The average gold content at .119 oz. at \$36.40 per ounce is worth \$4.33 per ton of ore. If a gold concentrate were produced and shipped to Tacoma, then after paying freight and smelting charges, it is not likely that the income would exceed \$2.00 per ton of ore. The gold which is assumed to be in the lead and zinc concentrates gives a return which amounts to 95¢ per ton of ore. As the grade of any gold concentrate is not known, it is not possible to make any accurate calculations.

"R.E. Legg"

L. P. Warriner

New York

12/24/53

Mr. R. E. Legg

Raindor Gold Mines Limited

The subject property in the Revelstoke area has been presented by Mr. T. E. Arnold of Bryn Mawr, Pennsylvania, who represents himself as the owner of the property as a result of having staked it when the claims came open.

The ore occurrence appears to be very narrow but of considerable length. Grade, even at present prices, is quite good, especially since the gold content appears to be above 0.3 oz. Arnold admits that the ore is extremely refractory due to its fineness and can probably be concentrated only by the chemical leach method. He has submitted an engineering report by Chemical Construction Corporation which states that the ore can be treated at a profit that will amortize the investment in 2.7 years. This covers a 250-ton per day leaching plant at a cost of \$3,000,000 and a cyanide plant to treat residues for the recovery of gold at a cost of \$600,000.

If you can add any information as to the continuity of the ore, we would be glad to have it. Arnold has submitted reports by Dr. W. L. Brown for Mining Corporation of Canada, November 1942; Dr. John E. Riddell for Noranda Mines, November 1946, and reports by Dr. F. C. Buckland in November and December 1948, for Quebec Gold Mining Corporation, and preliminary metallurgical analysis by Angus Adair for Quebec Gold Mining Corporation, November 1948.

Lendall P. Warriner

LPW:CM

June 26, 1951

Mr. T. E. Arnold
900 West Pender Street
Vancouver, B. C.

Re: Raindor Gold Mines Ltd.

Dear Mr. Arnold:

This will acknowledge receipt of your letter of June 20, 1951, inquiring as to our decision in the matter of the Raindor Gold Mines, a report on which you submitted to us on May 30, 1951.

I am sorry that I could not have written you sooner in regard to the matter, but we have been most shorthanded here and have not had an opportunity until quite recently to fully study the several reports you sent us. While the property does have some attractive features, we do not feel that it is the kind of situation we wish to go into. The terms of sale of the suggested block of stock likewise are not sufficiently attractive to excite favorable interest. The mine itself, as I said, has some attractive features but will require a large capital expenditure for further exploration and development.

I am sorry to so have to write you but do wish to express our appreciation for giving us the opportunity to consider the matter. I am returning herewith your report as you have requested.

Very truly yours,

Blair W. Stewart.

BWS/a
Encl.

900 West Pender Street,
Vancouver, B. C.,

June 20, 1951.

Mr. Blair W. Stewart,
C/o Coronado Copper and Zinc Co.,
1206 Pacific Mutual Building,
Los Angeles, California.

Dear Mr. Stewart: RE: Raindor Gold Mines Ltd.

About two weeks or more ago I sent you a set of reports and maps covering the above mentioned property, but so far no acknowledgement has been received from you that they arrived safely.

It would be appreciated if you would give this matter your attention just as soon as convenient, for if you wish to have any work done, now is the season when such should be started.

I will be expecting a reply from you in the near future.

Very truly yours,

T. E. Arnold.
T. E. Arnold.

Reply to:::900 West Pender Street,
Vancouver, B. C.

DATE						BY					
COMMENT TO						FOR					
RETURN TO						DEPLY					
FROM						TO					
FROM						TO					
FROM						TO					
FROM						TO					

Dear Mr. Stewart: RE: Raindor Gold Mines Ltd, Revelstoke, B. C.

To give you an idea of the Raindor picture, the company was incorporated by Quebec Gold Mining Corporation, and Noranda Mines about five years ago, and was to have been financed by them privately. The company has never been qualified with any securities commission anywhere.

There have been no shares sold publically. Being one of the vendors with a decent sized block of stock I did sell a few shares to parties who asked to participate, but with the exception of a few small vendors' holdings, totalling not more than say 50,000 shares the entire stock picture is in my hands to deal with as I see fit. That would mean roughly about 700,000 shares of vendors' stock and the odd 600,000 shares that were sold to Noranda and Quebec Gold, plus the entire unissued treasury shares.

We are not looking for a promotional deal whereby stock is sold to the public at fancy prices, but would like to see the mine developed, and the stock listed on some recognized exchange, so it could be disposed of if needs be, such as for the purpose of settling an estate, etc.

Under the circumstances it can be seen the property is not for sale outright, although control could be purchased. We are looking for a reasonable deal, with a decent stock participation, and enough cash to keep us happy, plus an understanding the purchasers will get into production in the shortest time possible, work to be done in a miner-like way.

I came out here to arrange a deal with two bond houses, real conservative ones. The leading partner in one happened to die, which eventually caused that house to back out of the arrangement, but the other house is still willing and anxious to proceed and would supply half the money required if a suitable partner could be found. A deal along the lines of the one proposed on the attached sheet would be satisfactory to them, and to us. It is sent as a rough guide for you.

There seems to be little, if any, doubt about the ore picture, but until recently the ore was considered a difficult one to handle. As far as can be ascertained the ore can now be quite successfully treated by several methods, although plant cost might be considerably higher than for an ordinary type of milling operation.

Mr. B. W. Stewart,
RE: Raindor

May 30/51

Reference to the work done by Angus Adair is made in the reports sent. You could locate him on the telephone, or by mail, if desired. He will assure you the treatment problem is licked, although he will advise further work be done to refine the method he has devised.

I will be in Vancouver until at least the end of this week. If you might wish to discuss the matter in detail, I could arrange to see you on my way back to Philadelphia. I can assure you the reports sent give the entire picture, so it would appear needless to make detailed examination of the mine before a definite decision of your possible interest could be arrived at.

Please keep the reports for as long a period as they may be of use to you, but if and when you have no further use for them, please return them to me.

Very truly yours,

T. E. Arnold.
T. E. Arnold.

*Angus Adair - 467 Cote St Antoine Road
(Westmount) Montreal
(Phone) ELwood 0804.*

May 29, 1951

*No reply to
you 11/5
past*

Mr. T. E. Arnold
900 West Pender Street
Vancouver, B. C.
Canada

Re: Raindor Gold Mines Ltd.
Revelstoke, B. C.

Dear Mr. Arnold:

This is to acknowledge your letter of May 15, 1951, addressed to Mr. Harvey S. Mudd, suggesting Raindor Gold Mines as being of possible interest to this Company.

While we are in no way interested in any arrangement pertaining to acquisition of stock in the company, or the refinancing of any stock promotional enterprise, we would be interested in learning in more detail about the physical features of the property and a determination as to whether or not the company would be in a position to lease and option the property, over a period of time, provided of course it stands up to examination and other details.

In addition to learning the price and terms at which the property may be offered, it will be necessary for us to have such engineering reports, geological reports, maps, and assays in order for us to determine our further interest. We will give such information our prompt attention and advise you of our decision.

Yours very truly,

Blair W. Stewart.

BWS/a

Permanent Address: P.O. BOX 629,
Bryn Mawr, Penna., U.S.A.

RECD.	MAY 2 1951
ANSD.	
COMMENT TO	
RETURN TO	
HSM	
SGM	
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LCA	
FOR	
REPLY	
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ALD	

Reply to: (Until June 2, 1951)

900 West Pender Street,
Vancouver, B. C., CANADA.

May 15, 1951.

Mr. Harvey S. Mudd,
523 West 6th,
Los Angeles, Calif.

Dear Mr. Mudd: RE: Raindor Gold Mines Ltd- (J&L Mine)- A zinc-lead-gold-silver property. Revelstoke, B.C.

Certain parties here suggested you are interested in acquiring interests in meritorious base metal properties. If such is the case Raindor should be of interest to you.

The attached sheets will give you a very good idea of the merits of the property, the financial status of the Company, etc.

At the present time a local bond house is willing to finance at least half of any funds required, provided some acceptable partner can be found for them preferably one with mining and brokerage connections, such as you are associated with.

The property is reported on in several government reports, under the name of J & L. The ore was formerly considered to be complex, but can now be treated successfully, and at the present stage of metallurgical development will show in excess of \$15 per ton net profit.

If you are interested in looking into this matter fully, please contact me at your earliest convenience, as I will have to be returning East very soon, and could arrange to see you in Los Angeles on my way back, if such a move is deemed advisable.

Very truly yours,

L. E. Arnold.
L. E. Arnold.

RECD.	MAY 26 1951	
ANSD.	BY	
COMMENT TO	FOR	
RETURN TO	REPLY	
HSM	IRWM	RTM
SGM	JLB	BWS
ILWW	CWS	ENG
LCA	LF	ALD

RAINDOR GOLD MINES LTD

CONTAINING ZINC-LEAD-GOLD-SILVER ORE

LOCATION

Twenty three miles from Revelstoke, B. C., north along the Big Bend Highway, part of the Transcanada Highway system. Thence by trail for about 8 miles.

8

EXPENDITURES TO DATE

The work already done in proving up ore, etc., could not be duplicated for less than \$300,000.00

VEINS

The main vein is traceable for 14,000 feet, of which 3,500 feet have been prospected. Average width 44 inches, mostly heavy sulphide. The vein shows vertically on the mountain side for 1,800 feet

Other veins of a similar nature occur, but have not been scratched.

TONNAGES

Blocked out ore:: 37,100 tons above one level. This ore shoot shows 300 tons per vertical foot. It is a safe assumption that the ore will continue downward for at least 100 feet, so another 30,000 tons can be considered as "positive" giving a total of at least 67,100 tons in that one ore shoot.

To the south, along another section of vein, surface sampling has indicated 1,370 tons per vertical foot. Two shafts, each 130 feet deep, show ore right to the bottom, which would indicate some (1,370 times 130) 178,100 tons of ore pretty well assured. Further this section is some 1,500 feet or more above the lowest workings at the creek level, so should contain a very large tonnage (1,500 times 1,370 or 2,055,000 tons)

To the north of the creek another section of vein, as good as the section mentioned has scarcely been scratched.

All parallel veins show indications of containing large tonnages in excess of those mentioned above, and there are several.

GRADE OF ORE

There is considerable leaching of the zinc, and to a lesser extent of the lead, near the surface, which reduces their content in the ore near the surface to a marked degree. A 50 ton sample of primary unoxidised ore, as it would be mined, which checked very closely with mine samplings, assayed::

Gold 0.32 oz per ton	Zinc 13.5%
Silver 6.00 oz per ton	Lead 8.0%
	Arsenic 7.5%

RECOVERIES AND NET PROFIT

Testing has now conclusively demonstrated a net overall recovery of the order of 75% and it is stated this can be raised to 85% or better in practice. This allows a very minimum net profit of \$15.00 per ton, which can undoubtedly be doubled or trebbled. On the basis of \$15 per ton net and with 67,100 tons of ore assured shows a net profit of \$1,006,500 would accrue.

TIME AND COST TO GET INTO OPERATION

The mine can comfortably support a 200-250 ton per day operation for many, many years, probably one double or trebble that size. It will take about one year to get into operation, and will cost approximately \$1,000,000.00 which as shown above is covered by the ore in the one small ore shoot already proven beyond question.

COMPANY SET UP

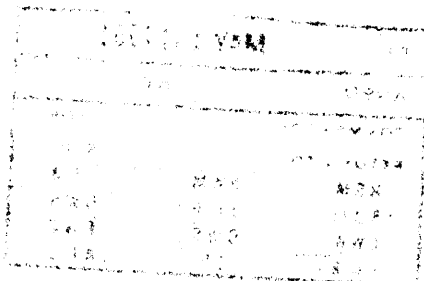
Capital 3,000,000 shares of \$1.00 par value. Incorporated in Ontario, and registered to do business in B. C.

Issued stock as follows: (To vendors-----750,000 shares
(Sold for cash-----600,000 "
(To go for mortgage----- 50,000 "

TOTAL SHARES ISSUED-----1,400,000 Shares.

In treasury-----1,600,000 Shares

May 1, 1951.



April 30, 1951.

PRESENT STATUS OF COMPANY

Capital:: 3,000,000 shares \$1.00 par value. Incorporated under Ontario law, and registered in British Columbia.

Issued, as follows:: To vendors and for cash expenditure

amounting to some \$300,000.00-----1,350,000 shares

To go for mortgage----- 50,000 Shares

TOTAL SHARES ISSUED-----1,400,000 Shares

SUGGESTED FINANCING SET UP

(A) 250,000 shares @ 40¢ net (Firm)-----\$100,000.00

(B) 300,000 shares @ 50¢ net (Option for 90 days)----- 150,000.00

(C) 300,000 shares @ 60¢ net (Option for 120 days)----- 180,000.00

(D) 300,000 shares @ 70¢ net (Option for 180 days)----- 210,000.00

(E) 450,000 shares @ \$1.00 net (Option for 270 days)----- 450,000.00

1,600,000 shares @ 68.1¢ net (Average price)----- \$1,090,000.00

BONUSES TO BE GRANTED

On taking up (A) an option on 125,000 vendors' shares will be granted at 17¢ per share net, good for 6 months from date.

On taking up (B&C) an option on a further 200,000 shares of vendors' stock will be granted at 17¢ net, good for 9 months.

On taking up (D) an option on 75,000 shares of vendors' stock will be granted at 17¢ net per share, good for 10 months from date.

On taking up (E) an option on 150,000 shares will be granted for one year from date, at a net price of 50¢ per share.

GENERAL

Each option above mentioned (A,B,C,D,E) and bonuses, are contingent on taking up the preceeding one. Otherwise options automatically lapse.

If thought adviseable the capital of the company may be raised 500,000 shares, but they must be used only if further financing is deemed necessary, such as for larger mill, etc., and further are not to be sold for under \$1.00 per share net to treasury.

The mortgage can be cancelled out when (B&C) options are taken up, or a firm commitment by responsible parties is given. 50,000 shares of free stock will be accepted in lieu of the mortgage.

It is suggested the name of the company be changed.

*2,150,000 shares
original 50¢*

April 30/51.

PRESENT STATUS OF COMPANY

Capital:: 3,000,000 shares \$1.00 par value. Incorporated under Ontario law, and registered to do business in B. C.

Issued, as follows:: (To vendors-----750,000 shares
(For cash-----600,000 "
(To go for mortgage----- 50,000 "
TOTAL SHARES ISSUED-----1,400,000 Shares

SUGGESTED FINANCING SET UP

(A) 250,000 shares @ 40¢ net (firm)-----\$100,000
(B) 300,000 shares @ 50¢ net (Option for 90 days)----- 150,000
(C) 300,000 shares @ 60¢ net (Option for 120 days)----- 180,000
(D) 300,000 shares @ 70¢ net (Option for 180 days)----- 210,000
(E) 450,000 shares @ \$1.00 net (Option for 270 days)----- 450,000
1,600,000 shares @ 68.1¢ (Average price)-----\$1,090,000

BONUSES TO BE GRANTED

On taking up (A) an option on 125,000 vendors' shares will be granted at 17½¢ per share net, good for 6 months from date.

On taking up (B&C) an option on a further 200,000 shares of vendors' stock will be granted at 17½¢ net per share, good for 9 months

On taking up (D) an option on 75,000 shares of vendors' stock at 17½¢ net per share will be granted for 10 months from date.

On taking up (E) an option on 150,000 shares will be granted for one year from date at a net price of 50¢ per share.

GENERAL

Each option above mentioned (A,B,C,D,E) and bonuses, are contingent on taking up the preceeding one. Otherwise options automatically lapse.

If thought adviseable the capital of the company may be raised 500,000 shares, but they must only be used if further financing is deemed necessary, such as for larger mill, etc., and further are not to be sold for under \$1.00 per net to treasury.

The mortgage can be cancelled out when (B&C) options are taken up, or a firm commitment by responsible parties is given. 50,000 shares of free stock will be accepted in lieu of the mortgage.

It is suggested the name of the company be changed.

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FOR	REPLY	FOR	REPLY
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J. & L. Mine
1935

1206 Pacific Mutual Bldg.,

February 25, 1936

Mr. T. E. Arnold, Mining Engineer,
607 Stock Exchange Bldg.,
Vancouver, B. C.

Re: J. & L. Mine, Revelstoke, B. E.

Dear Sir:

We wish to acknowledge receipt of your letter of February 10th with which was enclosed a bound copy of reports and maps concerning the J. & L. mine.

I have read the reports and studied them in connection with the maps. While the reporting engineers state their beliefs that 300,000 to 400,000 tons of ore can be developed above the J. & L. tunnel they seem to be skeptical as far as the metallurgical problem is concerned. It is true that flotation methods have been so improved that good recoveries can be made on almost any sulphide ore but selective flotation does not always give satisfactory results on such complex ores as are found in this property.

One reporting engineer shows that three samples carried approximately 10% arsenic each. The problem of treating J. & L. ores would be simpler if gold silver free arsenical pyrite could be separated and discarded, but unfortunately, the gold accompanies arsenical pyrite in many of the mines in B. C.

Your vein fissures seem to be long but it is probable that the shoots of ore occur as isolated lenses along the fissures and more than the usual amount of development would be required per ton of ore put in reserve because the average width of commercial ore is narrow. Your property is somewhat isolated and not accessible to favorable transportation.

I have gone into considerable detail here to point out why the property does not seem to be one that would be of interest to this office.

I want to thank you for submitting the reports and maps, which I am returning herewith.

Yours very truly,

RWM:df.
Encls.

T. E. ARNOLD
MINING ENGINEER

607 Stock Exchange Building,
Vancouver, B. C.,
February 10, 1936.

Mr. Roy W. Moore,
1206 Pacific Mutual Building,
Los Angeles, California.

Dear Sir:- Re J. & L. Mine, Revelstoke, B. C.

Enclosed is a booklet, containing all reports and other data, on the J. & L. Mine, Revelstoke District, B. C.

If there is any further information required, please let me know, and if it is on hand, or can be obtained, it will be sent along immediately.

If the property comes up to your requirements, please let me know at your earliest convenience. If not would you kindly return the booklet.

Yours truly,



1206 Pacific Mutual Bldg.,

February 6, 1936

Mr. T. E. Arnold,
607 Stock Exchange Bldg.,
Vancouver, B. C.

Re: J. & L. Mine, Revelstoke, B. C.

Dear Sir:

Mr. Harvey S. Mudd has asked me to reply to your letter of February 3rd, which was received today.

The summary that accompanied your letter does not give much information about the property so I suggest that you send a complete set of reports and maps for our perusal. I assume that you have assay maps showing widths and grade of ore exposed in all open cuts and ground workings.

After studying the maps and reports we can advise whether the property might be of interest to us.

Thanking you for your letter, I am

Yours very truly,

RWM:df.

T. E. Arnold
T. E. ARNOLD
MINING ENGINEER

607 Stock Exchange Building,
Vancouver, B. C.,
February 3, 1936.

Mr. Harvey Mud,
1206 Pacific Mutual Building,
Los Angeles, California.

RECEIVED
FEB 6 1936

Dear Sir:-

It has been brought to my attention that you may be looking for an interesting mining property in British Columbia, so I have taken the liberty of enclosing a short summary of several reports describing my J. & L. Mine, Revelstoke, B. C.

To date I have spent considerable money in lining up and developing the property, and in working out the metallurgy. From the data now on hand it is obvious that the metallurgical difficulties can be completely conquered, provided the necessary money for the final experimental work is available. The final experimental work has not been done, nor even attempted, as my object was to demonstrate how the ore could be successfully treated, and not to work out the final details of any process, as that is not necessary until a plant is to be constructed. Suffice to say that by several processes a complete recovery of all values can be made for under \$4 and possibly under \$3 per ton. The problem is now to raise sufficient money to develop enough ore to warrant the installation of a plant, that is to technically block out enough ore. I feel positive enough ore can be technically developed in a year or less to justify the erection of any type of reduction plant necessary to treat the ore.

At the present time I have no public company incorporated to take over the property, it being my intention to contact some recognized firm or individuals who can finance the development fully, and to let them decide how the necessary money can best be obtained.

Now about a deal. My desire is to get someone to put the mine on its feet. Any reasonable offer will be considered. I would, however, like a few thousand dollars from the proceeds of any sale to compensate me for my expenditures and time, and to have a substantial interest in the concern.

If you might be interested in the property, please let me know. If interested we can arrange to meet at some convenient place, or if you think best a complete set of all reports could first be sent you.

Yours truly,

T. E. Arnold

REVELSTOKE DISTRICT

B. C.

LOCATION

Twenty-seven miles up Big Bend Highway from Revelstoke, B. C. Then up Carnes Creek by good pack trail for nine miles. Estimated cost of nine mile road about \$15,000; mostly grading. Free from snow slides, etc.

PROPERTY

Thirty full sized claims of fifty-one acres each, all held by location. Twelve are partially surveyed.

OWNERSHIP

T. E. Arnold, 1013 Stock Exchange Building, or 1045 West 11th Avenue, Vancouver, B. C., is the registered owner. Telephones Trinity 3497 or Bayview 1233X.

TIMBER

Good cedar and hemlock cover the property.

WATER POWER

Several hundred horse power are available from Creek. Flow of creek exceedingly variable. Good regular flow near mouth.

CLIMATE

Heavy snow in winter, but not cold. Twenty below zero is exceptional, and only lasts for short periods. Roads can easily be kept open.

TOPOGRAPHY

Very mountainous. Elevation of mine from 2,500 to 6,000 feet.

CAMP AND MILL SITES

Good camp and mill sites, free from snow slides, etc are obtainable.

EQUIPMENT, BUILDINGS, ETC.

Hand tools only. Small cabin in excellent condition.

WORKINGS

About 500 feet of drifting and crosscutting. One shaft and one winze totalling 260 feet. Forty or more opencuts exposing the vein. All tunnels and shafts can be inspected safely. Opencuts filled in to slight extent by surface overburden.

GENERAL GEOLOGY

Pre-Cambrian sedimentary schists, quartzites, argillites, and greywache, and limestones. No igneous rocks within two miles.

Vein more or less follows the bedding planes, but cuts across them at very acute angles. Vein of heavy sulphides, consisting of arsenopyrite, pyrite, galena, sphalerite, and a little chalcovrite and tetrahedrite. Sulphides deposited along contact of schists and limestones, and/or along bedding planes. No replacement of wall rocks. Gangue minerals quartz and calcite.

SURFACE OUTCROPS

Vein well trenched for 5,000 feet showing great continuity. Indicated for another 5,000 feet atleast by a few trenches. Vertical range exposed 2,000 feet.

VEIN WIDTHS

Average of four feet is given by C. C. Starr, which includes sulphides and vein matter, for 4,000 feet on surface.

P. E. Hopkins states the average width sampled was between 32 and 35 inches, which he states is mostly sulphides. He states the average width of heavy sulphide is 1.75 feet for a length of 3,000 feet on surface.

Vein shows between one and ten feet of heavy sulphides.

AVERAGE VALUES

P. E. HOPKINS--41 samples from surface and underground
Width 31.6 inches--Gold 0.3685 oz; Silver 4.1 oz.

18 samples from surface and underground
Width 25 inches--Lead 4.08%; Zinc 5.4%

C. C. STARR---Average of all samples
Width 3.5 feet--Gold 0.363 oz.; Silver 3.80 oz;
Lead 4.6%; Zinc 3.4%.

TONNAGE ESTIMATES

P. E. HOPKINS--300,000 to 325,000 tons above J. & L. Tunnel

He states the vein is traceable for 4,500 feet horizontally, 2,000 feet vertically, and has an average sampled width of 32 inches. (This gives a tonnage of 1,350,000 tons) but his estimate is based on a length of 3,000 feet, depth of 600 feet and a width of 1.75 feet.

C. C. STARR-----400,000 tons above J. & L. Tunnel alone.

He states the vein is traceable for a length of 4,000 feet, depth of 2,000 feet, with an average width of 4 feet (this gives a tonnage of 1,600,000 tons)

NOTE:: The vein is traceable for a much greater distance than given in either of these estimates. Only the central part of the vein that is well trenched and opened up is considered. The vein is also of deep-seated origin.

OTHER POSSIBILITIES.

Atleast one other parallel vein is known to exist. No work has been done on it.

METALLURGY.

Refer to separate description.attached.

REFERENCES

B. C. Minister of Mines Report for 1922. Here it is stated there is "A mine with some life in it."

Bulletin, No. 1, 1932 "Lode-gold Deposits of B. C.", Page 119 issued by the B. C. Department of Mines.

CANADIAN GEOLOGICAL SURVEY "Summary Report for 1928, Part A". Also "Lead-Zinc Deposits of Canada," and "Arsenic Deposits of Canada." All these publications are obtainable free of charge upon request from the offices of the Survey, Ottawa, Ontario.

Report of P. E. Hopkins. He is rated as one of the outstanding consulting Geologists of Ontario.

Two reports by C. C. Starr. He is one of the outstanding mine geologists and engineers of Western Canada, and the Western States.

T. E. ARNOLD

MINING ENGINEER

OFFICE COPY
OF
H. S. MUDD

1013 Stock Exchange Building,
Vancouver, B. C.,
July 20, 1935.

Mr. L. W. Wickes,
1206 Pacific Mutual Building,
Los Angeles, Calif.

Dear Sir:-

Re J. & L. Mine, Revelstoke, B. C.

Possibly the following explanations will be helpful to you.

The vein on the J. & L. is clearly traceable on the surface for a distance of 5,000 feet or more, by surface trenches and tunnels. In places it is narrow but other sections show vein widths of ten feet or more for considerable lengths. The wider sections generally occur where there is a hard schist hanging-wall and a limestone foot-wall. The sulphide sections of the vein constitute between two-thirds and three-quarters of the vein widths. The vein matter (not sulphide) is quite soft and carries some values, so what little dilution would come from it would be negligible.

The possibility of dilution by wall rock has been over-emphasized. The walls of the vein are free. Sections of tunnel driven over twenty years ago have not sluffed to any appreciable extent, so with careful mining no trouble would be experienced.

The reports sent you are conservative in some respects. There is a private report, I have seen, made by one of the large operating company's engineers, which shows an average content of 0.6 oz. gold and nearly 6.0 oz silver per ton, over an average of better than four feet in width and over 4,000 feet in length. It is an average of 100 samples.

The ore, as you state, is refractory. Recent tests have, however, shown that a high-grade lead flotation concentrate, containing good gold and nearly all the silver values, with very little arsenic and zinc, can be obtained, which would pay to ship.

Polished sections of the ore show it to consist of arsenopyrite, pyrite, galena, sphalerite, chalcopryrite, tetrahedrite, and chalcocite. Indications, although not conclusive, point to the gold being associated with the copper minerals. We are now running tests to discover if a high-grade copper-gold concentrate can be made.

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2460-4

J. & L. Mine, Revelstoke.

The following is what I would like to get for the property. If any of the terms or conditions are not considered reasonable, or do not fit into local conditions, they might be changed or modified to suit.

The price of the property is a 40% interest in any company or companies to be formed, \$5,000.00 down after examination, and \$150,000.00 in royalties or out of production at the rate of 50% of the net production.

The purchasers are to receive 60% interest in the company or companies and 50% of production with me up to \$150,000.00 and the balance they are out of pocket up to \$400,000.00. They agree to spend not less than \$3,000.00 per month on the property, to patent it within two years and to finish the survey this year.

The ownership of the property is vested in me, but of the twenty-seven claims, I own outright only fifteen of them, and hold the other twelve by option.

What is need is a strong enough financial group to fully finance the development of the property so if my suggested deal is out of line with what can be done, please state what you consider might be done and I will consider your suggestion carefully.

Yours truly,

A handwritten signature in dark ink, appearing to read "T. Arnold". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

TEA/EC

July 15, 1935.

Mr. T. E. Arnold,
1013 Stock Exchange Bldg.,
Vancouver, B. C.

Dear Mr. Arnold:

Mr. Donald G. Miller has turned over to us your various communications and memoranda on the Eureka-Victoria Mine in the Yale District and the J & L Mine on Carnes Creek, both in British Columbia. It is impossible to tell whether or not either of the properties would be of interest unless we know something of the price and terms on which they are offered. This information is all important.

The statement regarding the Eureka-Victoria seems to indicate narrow pay streaks of from 1-ft. to 2-ft, which may carry up to 12 ounces of silver. As the vein is considerably wider than the pay streak there would probably be a good deal of dilution. If this is actually the picture, the property would not look very attractive. I can not enthuse over surface enriched production even though they run into the hundreds of ounces as the quantity is ordinarily too small to amount to a great deal in actual dollars. Please let me know if I have gained the correct impression on this point.

The ore of the J & L seems to be extremely refractory and there is considerable divergence of opinion as to the average width. Apparently some of the examiners report the width of the pay streak and other vein widths as minable widths. There seems to be around 3-ft. which will approach \$13 in gold at present prices plus about 4 ounces in silver, and exclusive of anything to be recovered from the lead and zinc. Considering the extremely refractory nature of the product, one wonders what the operating margin will be.

If you have any more information we will be glad to give it further study.

Yours very truly,

LWW:LF

T. E. ARNOLD

MINING ENGINEER

July 10/35
1017 Stock Exchange Bldg
Vancouver B.C.

Dear Don:-

Received your letter from Los Angeles today.
Sent along some other reports to you about
a week ago to your N. Y. Office so expect
you will get them in due course. They may
be of interest to you.

Will be expecting a reply from you when
time permits.

Yours truly
T. E. Arnold

P.S. The reports were on the J & L. mine
near Hazelton B.C.

400,000 tons @ about the following

Gold .37 oz.

Silver 4.5 oz.

Lead 4.5 %

Zinc 5.0 %

Copper .5 %

Arsenic 7.5 %

Very Complex but plenty of it.
400,000 tons is a very conservative estimate

"BLUE PRINTS A MILE LONG"

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~~Crowe & Wilson Building~~
441 SEYMOUR STREET
Vancouver, B. C.,

193

1013 stock Exchange Bldg
July 10/35

Dear Don:-

Sending on the report by J & T. via air mail
so you can see them before you leave, if you have
time or can peruse them on the high seas.

Yours truly

T Arnold