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May 18, 1966

Mr. Patrick H. O'Neill, Executive Vice President
International Mining Corporation
280 Park Avenue
New York, New York 10017

Dear Mr. O'Neill:

In compliance with your instructions, I made a reconnaissance of the Lodi Mines Ltd. property along Ahbau Creek with the object of determining, if possible, the extent of the auriferous materials suitable for a dredging project.

Time did not permit a thorough survey of the deposit but I am confident there is a vast yardage of dredgeable ground in the area although separated by a bottleneck in the vicinity of the camp on claim No. 5744.

The creek at this point narrows to a width of approximately one hundred and fifty feet. Flowing between the rim on the left limit or east side of the creek and to the right limits to a gradual sloping bench of sand, gravel, etc., with a height of between twenty and twenty-five feet. The contour map with this report will show the area of the bottleneck.

It is reported Ray Hanson drilled on this low bench but definite information is lacking. The logs for his drilling are lost. But in discussing this drilling with Hanson in Quesnel he remembered the depths to the bedrock was around one hundred feet, but could not furnish information regarding the gold values recovered.

I knew Hanson from my work around Horsefly, B. C. and he furnished what information he could remember from his work on the property. They used a 4-inch drill pipe in the testing. Burnett had one log of Hanson's drilling but it was a poorly written log with hardly any information other than the drives in feet and lacking in information as to the formation and gold content of the hole.

Above this bottleneck in the creek, the area widens out into marsh flat land. The shoreline around the marsh is covered in places with a thick growth of pine and fir timber.

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Below the bottleneck the area widens out along both sides of the creek and would be dredging area rimmed with pine and fir timber. In the vicinity of Murry Creek the area shows considerable width along Ahbau Creek down to and including the marsh land in claim #6061.

The benches along the west side of the creek entered back for a considerable distance and could not be considered suitable for dredging. In vicinity of Murry Creek on the high bench, which is a gravel bench, three 4-inch diameter drill holes were started but could not reach the bedrock. Although gold was reported recovered from these holes, it is obvious the ground would be deep to the bedrock at the site of the drill holes.

There is considerable well water worn quartz gravel mixed with the creek gravels and this condition could continue into high bench gravels. Should these gravels contain pay in sufficient amounts, to recover the pay would require a separate mining operation after the creek areas had been mined.

Grey and black sands were recovered in the pannings along with the gold. Some grey clay was noted in places in the exposed banks and cuts. This clay will disintegrate into a fine sand when actuated in water along with the gravel. It is certain this clay would readily dissolve on coming in contact with the scrubbing action of gravel and water in a revolving dredge screen.

Hay and Lodi lakes are reported to be shallow with gravel bottoms. The depths of the gravels in these lakes are not known but should this area carry pay gravel the area would provide a vast yardage of dredging ground with gravel in depth.

There is very little vegetation in the lakes and the marsh lands contain a scattering of some small bushes and would provide no clearing problem.

The benches above the creek proper are covered with a thick stand of fir and pine in some places.

Although the trees are not large, ranging in size from six inches to approximately twelve to fourteen inches in diameter at the butt, they are numerous enough to be a problem and would require falling and cutting up into saw logs for sale to the saw mills in the vicinity. The tops and waste and stumps would require burning.

I talked to contractors regarding falling, clearing and burning the timber and was advised the costs range from one hundred twenty-five to one hundred seventy-five dollars per acre for clearing and burning the left timber. From information gathered this clearing could be (perhaps) done at a small profit from the sale of the cut logs.

The few large boulders seen in the area should be no problem in dredging. In the mined areas, boulders of eight to ten inches in diameter were noticed in the tailings with the occasional large well washed boulder in among the taili

From surface pannings the gravel would wash readily and clean and it is believed the deeper gravels would also wash clean when bedded in the clays, as the fine sedimentary clays would dissolve in the scrubbing action in the dredge screen.

The property is well situated in regards to access to the deposit. There is a good gravel road passing along the left limits of the property and this road also cuts across the lower claim No. 6061.

This logging and forest service road leaves the main highway at Strathnaver and when a bridge is completed this summer, this road will be another connecting link between Prince George and Quesnel.

It is reported the B. C. Government will run a powerline from the main line into the property should a dredge installation become a fact on the project.

The enclosed reports by Mullett and Steiner and others who have spent considerable time on the property, will better describe the property and furnish the results of their work.

It is strongly recommended by the writer should it be decided to start a drilling campaign at the property that serious considerations be given to staking the large area of several miles up Ahbau Creek and Lake above the Lodi Mines property.

It is apparent there are several million yards of gravel in this area of unknown value. Should this area carry gold values, in addition to the Lodi Mines property, this district would make a long life dredging operation.

From information gathered, this area above the Lodi Mines property could perhaps be staked under special lease. It is suggested this staking should be done before moving drilling equipment onto the property of Burnetts.

After studying Douglas Lay's report covering this area and his impression of a second deep channel west of the present flow of Ahban Creek, it might be advantageous to employ Lockwood of Vancouver to conduct a Seismometric survey of the Lodi mines property.

It would also be advisable to make cross sections of the present Ahbau Creek in the vicinity of Murry and Gold Creeks and benches.

If possible make a survey of Hay and Lodi Lakes for the bedrock depths--such a survey would furnish the bedrock contours and determine the better sites for the drill lines across the creek.

CONCLUSIONS

It is the writer's conviction this property should be tested for its gold content.

The physical features lends itself to dredging--the formation should be of no problem in bucket dredging.

Although the gold content in the gravel is reported to be favorable from past work done in the district, this area falls in a glacial zone and drilling would tell whether the glacial action has cut across the stream and carried away the values and enriched the area in other places.

Transportation is favorable to conducting mining in the district.

The climate during the greater part of the year would be favorable to dredging.

Yours very truly,

O. T. McShane

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- Enclosures:
1. Report by William S. Mullett - April 18, 1961
 2. Report by Robert Steiner - May 26, 1961
 3. Report by Robert Steiner - May, June, July 1962
 4. Report by Evan A. Burnett, Jr.
 5. Contour Map
 6. Burnett Map of Property
 7. Geophysics Paper #1541

cc: Mr. Patrick H. O'Neill, Bogota
Mr. L. F. Barber
Mr. O. T. McShane

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