

103P
Bayview Mining
Property
near Stewart

OFFICE COPY
OF
S. W. MUDD

811918

9th February, 1926

BAYVIEW MINING COMPANY, Ltd.

Mr. J. E. Chaffey,
Union Bank Building,
Vancouver, B. C.

My dear Mr. Chaffey:

We have gone over the papers submitted in the case of Bayview Mining Company, Ltd., and have decided that it is nothing we would care to become interested in at this time. Our feeling is that the veins are small, and although the values may be high, the operating conditions will be exceedingly difficult. We thank you very much for bringing the matter to our attention and at some future time may be glad to consider the enterprise, provided it is still open for negotiation.

Thanking you for presenting the matter to us, I am

Sincerely yours,

LWW-W
cc M Elsasser

L. W. Wickes.

2nd February, 1926.

BAYVIEW MINING COMPANY, LTD.

Mr. J. E. Chaffey,
Chaffey-Fraser Ltd.,
Union Bank Building,
Vancouver, B. C.

Dear Sir:-

Your letter of the 27th January with regard to the above property and enclosing three reports is just received. Mr. Wickes is absent for a week or ten days but upon his return your letter will be promptly brought to his attention.

Yours very truly,

For Mr. Wickes

LMI

Chaffey-Fraser, Limited

PHONE SEYMOUR 9514

FINANCIAL AND INSURANCE AGENTS
MEMBERS OF THE VANCOUVER STOCK EXCHANGE

UNION BANK BUILDING
VANCOUVER, B.C.

REC'D	ANS'D	EB	1	1926
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P.W.				
H.S.M.				
W.L.H.				
P.K.W.				
L.W.W.			✓	
G.E.W.				
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January 27th, 1926.

L. W. Wickes, Esq.,
1206 - Pacific Mutual Bldg.,
Los Angeles, California.

Dear Mr. Wickes: Re. Bayview Mining Co. Ltd.

On my return to Vancouver recently I called a meeting of the directors of the above company and told them of the discussion I had with you in regard to financing its operations and that you were not satisfied with the proposal I was able to outline at that time.

It has been decided to increase the company's authorized capital from 1,000,000. to 3,000,000. shares. Its present financial situation is as follows:- Accounts payable \$2500.00, property payment due March 1st, 1926, \$5000.00, property payment due March 1st, 1927, \$10,000.00. There are no other liabilities and these two property payments give us clear title to all the ground in the group.

The attitude of the Board is, that they favour turning over the property to experienced and financially sound mining operators, such as yourselves, if suitable terms can be arranged. With the end in view of meeting, as far as possible, your suggestions during our conversation on the subject, I may say that I am of the opinion that a deal can be arranged with them on the following basis.

Assume that the increase of 2,000,000. shares in the Company's capital represents \$200,000.00, the amount you suggested as in all probability being necessary to equip and develop the property.

The first original 1,000,000 shares of the company's capital to represent their ownership and cover commission on the deal and current accounts payable of \$2500.00 (there are at present 820,000. of these shares outstanding).

The Bayview Company to agree to turn over to you complete operating control of the property and 51% interest in it for sufficient money spent on development to put it on a

proper producing basis. If this amount is \$100,000.00 or less you to receive your 51% interest in any event. If it is more your interest to be in proportion, as it may be more than \$100,000.00. That is, if you have to spend \$200,000.00 you have two thirds of the company, \$150,000.00 60% and so on.

You on your part to meet payment due on property of \$5000.00 March 1st, 1926 and to agree to spend a minimum of \$25,000.00 on development of the property and to agree to work continuously on a reasonable scale, so long as you are satisfied with the property, meeting the final property payment of \$10,000.00 due March 1st, 1927.

Further details can be arranged later on the general basis above outlined.

From information received concerning Colonel Mudd and his operations the feeling here is that we should like to be associated with him in this enterprise.


I shall appreciate it if you will advise me immediately if you feel disposed to close with us on the basis of this letter.

Yours truly,

CHAFFEY-FRASER LIMITED.

Per. 

P. S. - I enclose, under separate cover, copies of reports together with maps of the property which should give you all the technical information necessary.



GC:M

Canada,
British Columbia,
Portland Canal.

Sum Jan. 1926

BAY VIEW MINE
of the
Bay View Mining Co., Ltd.

This was brought in by Mr. J. E. Chaffey, who was sent to the office by Mr. Elsasser. Mr. Chaffey is a nephew of the president of the California Bank. He is a partner of Chaffey, Fraser, Ltd., brokers of Vancouver. He is one of the principal owners of the property.

The property is situated some three or four miles north of Stuart. The westerly boundary coincides with the national boundary between B.C. and Alaska. Elevations vary from 2700 feet to 5000 feet above Portland Canal.

The company is incorporated for 1,000,000 shares, par value 25¢ each. 800,000 of these have been issued in payment of property and to do what little work has been done. Arrangements are now under way to increase the capitalization to 2½ million shares. 400,000 shares are offered at 12½¢, the money to go into development. An option will be given on 400,000 shares more at the same price to August, 1926. This money also to go into the property. There is due on the property \$5000 in March, 1926 and \$10,000 March, 1927.

I expressed the general idea to Mr. Chaffey that the deal as above outlined might not be satisfactory but intimated that we might be interested along some other lines.

The property consists of five Crown grants and several locations covering a total of approximately 450 acres. A contact between greenstone to the north and granodiorite to the south passes through the property. The report submitted indicates that the greenstone area is the only one worthy of consideration, nothing ever having been found in the granodiorite. There has been no work to amount to anything done on the property. Six different croppings have been opened with cuts and trenches. Some of these line up in such a way that they may be on the same vein. There is a general indication of three veins, one along the contact, one 500 feet from and parallel to the contact, and a third at the east end of the group which is perpendicular to the contact. The second one mentioned above is the most promising.

The property has been examined by Mr. B. W. W. McDougall a mining engineer of Stuart, and his report, dated September 15, 1925, is submitted. Mr. McDougall writes a very intelligent report. He has apparently gone into the matter very carefully

Bay View Mine.

and thoroughly sampled the croppings. The best showing on the No. 2 vein is in a series of open cuts over a total length of 240 ft. Ten samples were taken in this distance and assay as follows:

<u>Width</u>	<u>Oz. Au</u>	<u>Oz. Ag</u>	<u>% Pb</u>	<u>% Zn</u>
12 inches	.04	12.5	3.6	8.5
14 "	.01	2.5	---	---
15 "	.04	18.4	4.0	---
13 "	.04	15.5	3.3	---
36 "	.04	41.5	9.0	9.1
3 "	.08	205.0	52.1	---
5 "	.02	24.6	5.3	11.9
12 "	.02	24.8	4.5	---
22 "	.03	14.0	3.9	15.2
12 "	.005	26.8	5.1	4.0

These samples were taken across the full width of the exposure but it is not stated at what distance apart along the strike they are. The principal minerals are galena and sphalerite with some pyrrhotite and chalcopyrite. Some of the other showings are said to be wider and of higher grade and it is not quite clear why Mr. McDougall figures the above as the best.

One gets the impression that there may be quite long shoots, perhaps up to 1,000 feet or more, that will approach 2 feet wide and which will return 0.04 oz. Au, 20 oz. Ag, 5% Pb and 8% Zn.

The following samples were taken from the croppings of the perpendicular vein on the Lucille claim:

<u>Width</u>	<u>Oz. Au</u>	<u>Oz. Ag</u>	<u>% Pb</u>	<u>% Zn</u>
18 inches	0.35	102.0	57.0	8.6
38 "	0.01	9.2	0.6	5.5
30 "	0.08	58.0	28.6	3.8
28 "	0.02	60.5	32.3	9.5
34 "	0.02	47.0	32.6	22.2
15 "	0.04	14.5	21.4	11.1
12 "	0.04	24.4	25.9	14.5
48 "	0.02	6.4	2.3	4.7
8 "	0.01	17.5	7.1	24.2
24 "	0.06	16.0	2.4	10.3

Bay View Mine.

The minerals are all sulphides as before with very little gangue material. Some hand sorted material was sacked and shipped in August, 1925 which ran as follows:

80 sacks	0.80 oz. Au	204.1 oz. Ag	21.5 % Pb
100 "	1.00 " "	224.5 " "	22.1 " "

Althouth it looks as if these were very narrow veins, my whole reaction in reading the McDougall report, as well as one by John F. Coats and one by Wm. G. Norrie, is that this might make a very attractive property if attained on appropriate terms.

Mr. Chaffey does not care to make any other sort of proposition at this time, stating he believes he has other prospects who will accept his offer. On that account he does not care to leave his reports. He states, however, that if he finds he can not make a deal along the lines he wishes, he will approach us again and we can then have the reports back.

I believe this is something that should be kept in mind. The reports estimate that \$30,000 will have to be put into the ground to really get under way at all. \$12,000 of this will be for tramway up the mountain. Some fair arguments are presented for building the tram at once, even before development. Because of the situation on the side of a steep mountain, present packing costs \$60 a ton from Tidewater, so that only 250 tons of freight would equal the cost of the tram. The total estimated capital requirement is \$160,000.

This general area is described in Memoirs #32 and #132 of the Canadian Geological Survey.

L. W. WICKES.

LWW-W