

103P Dunwell Mines

OFFICE COPY
OF
H. S. MUDD

811925

July 5th, 1935

Mr. J. A. Profit,
Pacific Club,
Victoria, B. C.

- DUNWELL MINES LTD.-

Dear Mr. Profit:

Thank you very much for your note of July 3rd regarding the Dunwell. It would seem that the property is now on a basis of perhaps forty tons a day of \$11 or \$12 ore and I imagine the operators must be making a profit. I can not see, however, that the figures you were kind enough to send alter our position in any way.

Yours sincerely,

LWW:LF



3, July, 1935.

Dear Mr. Wickes, The following items may be interesting reference DUNWELL.

June shipments to Anyox. (Granby)

16
33
480
+
560
325
+111. = ore

Dunwell ore	Lot	Tons	Dry tons	Assay	Silver	Gold
	12.	298 T ^s	6.5	18		
	13.	290 T ^s	6.8	16		
	14.	349 T ^s	7.0	16		
	15.	393 T ^s	6.5	18		
	16.	140 T ^s	8.6	17		
Ben Ali ore	Lot 4	194 T ^s	5.9	70		

Approximately 1,200 tons will go forward during July.

Have read over D. Mandy's report & operating costs he reports: -
 Mining \$360 per ton
 Transportation 40 "
 To Scow 40 "
 & estimates the mill could be operated for \$2⁸⁰ per ton.

June 19th, 1935

Mr. J. A. Profit,
Pacific Club,
Victoria, B. C.

Dear Mr. Profit:

Thank you for your note of the 15th regarding
the Dunwell. I can not see that there is anything in
this property for us at the present time.

Yours sincerely,

PACIFIC CLUB



VICTORIA, B.C.

2.

I mention the foregoing in case
your good self & associates might
decide it is worth looking into.

Yours sincerely
Jat Profit.

P.S. The figures I took
personally from the Granby Co's
returns.



15, June. 1935.

Lt. Wickes Esq.
Los Angeles, Cal.

Dear Mr. Wickes, Reference DUNWELL.

They inform me they have picked up
good ore (no assays yet) - 5 ft wide in
the property, apart from the Ben Ali
vein.

D. Mandy, Govt. Engineer,
thinks highly of the possibilities of
the property, & I believe your good
self & associates would find it
really worth considering. If you
can use my services in connection,
I would very much appreciate it.

Yours sincerely,

J. Profit.

June 13th, 1935

Mr. J. A. Profit,
Pacific Club,
Victoria, B. C.

- DUNWELL MINES LTD. -

Dear Mr. Profit:

I have given some attention to the description of the property in the Minister of Mines' report for 1934. You will note that there is a very good description of the underground workings in the report for 1933.

The property does not seem to be one in which this office would care to become interested. Although there seems to be some ore approaching one-fifth ounce gold and five to ten ounces silver per ton, the quantity is evidently limited. The veins are relatively narrow and shoots short and we would anticipate exceedingly high development charges per ton of production of ore of the above grade.

I wish to thank you very much for giving us an opportunity to participate in this business.

Yours very truly,

LWW:LF

Hunwell Mines Ltd. —
1,000,000 shares, + 840,000 issued —

Presented by J. G. Profit, Pacific Club, Victoria, B.C.
Letters to H.S.M. — 6/4/35 + 10/4/35 —

Suggests as possible deal a reorganization —

One share new stock for $2\frac{1}{2}$ old =
Present owners would have + 340,000 shares
160,000 new shares to go for rehabilitation to
yield new Co \$1,000,000. —, i.e. 16¢ a share —

That is for financing up to 100,000 a $\frac{2}{3}$ interest
would be available given —

The following are notes from 1934 annual report of
B.C. Minitia of Mines —

24 claims & prospects —

N side Glacier Creek

4 mi from Stewart — good road —

A "shear structure with lateral veins carrying Ag-Pb-Zn
mineralization with Au in some places.

Veins occur in argillite in Bear River series.

Mineralization consists mainly of quartz-calcite gangue with
galena, sphalerite, pyrite and tetrahedrite —

One seems to favor intersection areas of the lateral veins
with the main N-S structure

One shoot is spoken of as 220' long & 3' to 5' wide

One stop is 120' long, 150' high

another showing is 150' long, opened by wing 5' deep
and vein 3' to 4' wide —

During 1934 to Oct 31st — there was produced

3100 tons — 0.186 oz Au, 7.4 oz Ag —

119 tons 0.810 142.0

930 tons 0.15. 11.0

The Co had difficulty feeding a 20 ton mill —

Call it 0.19 oz Au @ 35. = 14.25

10. oz Ag @ 75¢ = 7.50

\$21.75 ORE —

The 1933 report has map of the workings —



10, June, 1935.

L. W. Wickes Esq.
Los Angeles. Cal.

Dear Sir, I thank you for your favour of the 6th June & regarding the property, enclose the Govt report, just issued, & on folios 19, 20, 21, 22, the property is reported on by D. Mandp.

The shipping results I forwarded in my last letter were taken by me from anyone returns.

As regards the plan to take over, what I mentioned was just what I know could be done & not the best that can be done.

Victoria people are the chief people interested & I can reliably report that any group of real mining operators would receive a welcome hearing, as they are not pleased with the present directorate. Personally, I believe the property has not been



managed to the best advantage but they had real hard luck over the past winter months.

The fire at Premier dislocated all shipping arrangements; the strike on the Pacific Coast shipping trade held returns back from Tacoma, and finally the freeze-up played havoc with their Pelta. Real hard luck is the final analysis of the past few months.

What I think can be done, & it is only my thought is, for some group to take up stock (as money is spent on the property) & possibly have a rising scale. In place the present equipment in excellent condition & prove up our reserves will from one authority take not more than \$100,000. Stewart, their director has suggested \$25,000. In any case I believe there is a mine at Dunwell & needs



Some ready capital, also real mining operators.

Personally, I would try to make a deal on the following lines:—

Give present Shareholders 1 share for 2 1/2 shares, giving an issued capital of approx: 340,000 shares & then suggest a rising scale on the balance to net them rather the reorganized Company about \$100,000⁰⁰ & the people coming in to take full charge. This would make a price of about 16 cents average for the 660,000 then shares outstanding.

Something on these lines can be done, if interested & from all I can learn it is worth while & if I may, I would suggest taking up the matter as early as possible.

Yours sincerely
J. J. J.

June 6th, 1935

Mr. J. A. Profit,
c/o Pacific Club,
Victoria, B. C.

- DUNWELL MINES LTD. -

Dear Mr. Profit:

I wish to acknowledge your letter of June 4th addressed to Mr. Harvey S. Mudd regarding the above property. Mr. Mudd is away and not expected back for some time.

We have little or no information of the showing at the Dunwell property on Glacier Creek in the Portland Canal Mining Division, four miles from Stewart. I have been under the impression that this property had some narrow streaks of rather high grade material from which leasers have shipped a few hundred tons which resulted in their receiving fairly good wages. I also was under the impression that most, if not all, the equipment had been shipped to the Bralorne.

If the owners or vendors care to submit details of the property we would be very glad to give them careful consideration. Unless the impression I have obtained is entirely erroneous, my reaction at this time is that the supplying of \$250,000 for a 54% interest would not be particularly attractive.

I wish to thank you for calling the property to our attention.

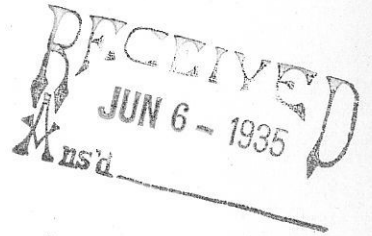
Yours very truly,

LWW:LF



4, June, 1935.

Harvey S. Mudd Esq.
Los Angeles, Cal:



Dear Sir, I would like to submit to you, although I have no authority for doing so, except conversations with the directors, the Dunwell property.

Briefly particulars are:-

Situation. Glacier Creek. Portland Canal. Cassiar. 1/2 miles from tidewater, 30 minutes from Stewart by motor.

Claims. 24 Crown Granted, in all, 920 acres. Equipment. 25 ton mill, can be stepped up to 100 ton, with extra ball mill.

Power. Owns its own Hydro Electric Power, (Pelton) can be stepped up to 400/500 H.P. & under. present conditions can work at full capacity 8/9 months annually.

Aerial tram from mine to mill. Capacity 100 tons per shift.

Present Capital 1,000,000 Shares \$1.00 per of which approx. 850,000 issued.

10% Debentures. \$18,000.00 due Nov. 1936.

Due to poor management & ill fortune this property has been a

2.

PACIFIC CLUB



VICTORIA, B.C.

series of ups & downs.

Premier inspected earlier in the year, and Asseltine (now with Hedley Mascot) thought highly of it, & I know from personal knowledge he purchased stock on the open market.

What Premier's reactions have been I do not know, but here are three to three lots of ore shipments (raw ore) shipped to Anyoc. during the past four months.

1. 223 T.S. { Assaf value 1.07 ozs in gold.
7.90 " " silver

2. 263 T.S. { Assaf value 6.50 ozs in silver
.74 " " gold.

3. 90 T.S. { Assaf value 8.80 ozs in silver
.08 ozs in gold.

& they have a further 1,000 T.S. to be shipped during this month by sea.

Nos 1 & 2 are mostly "Ben Ali" vein, while No 3 is general ore, mostly from the dumps.

The "Ben Ali" vein is from 12" to 60" wide.

3.



What can be done eventually. I do not know, but, the property can be obtained today for:-

Double capital to 2,000,000 shares and 1,000,000 obtainable for 25 cts per share & issued as money is paid on development, in other words, control with 1,000,000 shares out of 1,850,000 issued for \$250,000⁵⁰.

This letter is just a "feeler" on my part to learn if your good selves might be interested.

Yours sincerely,

J. Profit.