



E.W. HUDSON,
GENERAL MANAGER

812828

HOTEL Georgia



OPERATED BY PACIFIC WESTERN HOTELS LIMITED

cc *Shoke@Baird*
SYDNEY WILSON
PRESIDENT

92C
Cowichan Copper
Company

TELEPHONE-MARINE-1182
VANCOUVER I, B. C.

June 16, 1956

RECD. JUN 19 1956		
ANSD.	BY	
RETURN TO		
FOR REPLY	COMMENT	
HTM	PKW	SCM
ART	JLB	LCA
HSN	GDD	LDC
WSV	BWS	PWA
CWS	KKW	WFS
JHS	SAS	EW

Mr. Geo. B. Dubb
1206 Pacific Mutual Bldg.
523 West 6th St.
Los Angeles, Calif. U.S.A.

Dear Mr. Dubb -
after my conversation with you
by long distance telephone on Thursday last,
Mr. ^{Oswald} G. Macdonald called on me,
and stated that he would write
fully to you regarding the copper
properties under his control situated
on Vancouver Island at Cowichan Lake
close to Sidewater.

It was both his opinion and mine
that only after an examination of these
properties by your engineers, would it
be possible to work out some proposal
to the mutual advantage of each.

E.W. HUDSON,
GENERAL MANAGERHOTEL
Georgia

OPERATED BY PACIFIC WESTERN HOTELS LIMITED

TELEPHONE-MARINE-1182
VANCOUVER I, B. C.

I therefore trust that the information given by Mr. Macdonald will be of sufficient interest to you to continue these negotiations directly with him.

I am leaving on Monday 18th for Lindsay, Ontario - 50 Peel St. where I now reside and would be grateful to you if you would communicate with me there.

With kindest regards
Sincerely yours
C. L. Gladman

C. L. Gladman
50 Peel St.
Lindsay
Ontario
Canada

LFW

June 3, 1955

Mr. R. E. Legg
Room 25-26
425 Howe Street
Vancouver 1, British Columbia

SUBJECT: Cowichan Copper

Dear Roly:

Thank you for your letter in regard to Cowichan Copper.

In addition to your adverse opinion, I am afraid that the way the stockholders have been taken for a ride in this situation would make it difficult for us to handle.

Cordial best wishes,

Evan Just
Vice President

EJ:CM

REC'D MAY 23 1955
Action Date

A C
E J
H K

A	5-23
1	6-8

R. E. LEGG
Consulting Mining Engineer
311-850 WEST HASTINGS STREET
VANCOUVER 1, B.C.

A = Action
I = Information
May 18, 1955

Mr. Evan Just,
Cyprus Mines Corporation,
161 E. 42nd Street,
New York 17, N.Y.

Re Cowichan Copper Mines Ltd.
Vancouver Island, B.C.

Dear Evan:

A young engineer who has been looking after the work on the above named property was in my office today and gave me the story of the operation. He resigned his job as he found it impossible to work with the company president, whose name is O.G. MacDonald. In the past I have told you that I did not think there was any opportunity for Cyprus to participate in this venture, and I now know for sure that this is the case.

Gatenby, who is the young engineer referred to, says he estimates that there are around 125,000 tons of ore indicated averaging 4.5% copper. He was not too optimistic about finding further ore, but conceded that there were chances of finding other lenses by doing a large amount of exploration. He says that MacDonald has an obsession about the property. As I informed you a month or so ago, MacDonald told me that he was aiming at a mill to handle 6000 tons daily. At this rate the reserves would last for three weeks. It seems too bad that a good little mine would be spoiled by its getting into the hands of a man who will not listen to reason, but that is the case. MacDonald owns half of the issued shares, even though they are in escrow. He formed a 3 million share company, and obtained 750,000 shares for turning over his option on the claims to this company. Some 750,000 shares have been sold to date, and the proceeds from the sale of these shares together with the smelter returns on the 10,000 tons of ore shipped to the Tacoma Smelter have kept the company in business. The company now has around \$100,000 in cash which is being used to conduct further exploration. Ore is no longer being shipped. Probably when this \$100,000 has been spent, and if MacDonald cannot raise any more, then there might be a chance for somebody to take over. Due, no doubt, to the optimistic statement given to the press by MacDonald, the company's shares went to \$1.95, and many people thought a bonanza was being developed. I never thought so, and my opinion was based on my examination of the property for MacDonald two years ago.

Yours sincerely,

R. E. Legg

R. E. Legg

c.c. to C.H.E. Stewart

REC'D

JAN 31 1955

Action Date

INTER-OFFICE CORRESPONDENCE

H J	1	2-1
H K		
L W	1	1-31

FROM: R.E. Legg

CITY: Vancouver, B.C.

A = Action C = Comment

DATE: Jan. 28/55.

TO: L.P. Warriner

I = Information

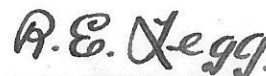
SUBJECT: Cowichan Copper Mines Ltd.

Yesterday I talked to O.G. McDonald of Cowichan Copper Mines regarding the sale of Kootenay Belle mill. To my amazement he said he was aiming at a production of six thousand (6,000) tons daily. Cap Kidd saw the property in September of 1954 and formed the same opinion as that given in the report I made early in 1953. There has been some diamond drilling and underground development since that date, but I have seen no comprehensive reports by any reliable geologist or engineer. Apparently all statements emanate from McDonald. The shares have risen to \$1.50.

Last year Dr. Skerl did a geological survey and recommended some geophysical work. This showed up some anomalies which is not surprising as several small surface showings were in evidence several hundreds of feet apart. I would judge that McDonald is taking these to mean that the ore is continuous and this is the basis for his extremely exaggerated reports.

I do not know McDonald well enough to ask him if I could examine the property, and without any definite knowledge I would not want to recommend the purchase of the shares.

Yours very truly,



 R. E. Legg

REL:FA

INTER-OFFICE CORRESPONDENCE

REC'D JAN 21 1955
Action Date

A C		
E J	1	1-24
H K		
	1	DATE: 1-24

FROM: R.E. Legg

CITY: Vancouver, B.C.L.W

1 DATE: Jan. 19/55.

TO: Evan Just

A = Action C = Comment
I = Information

SUBJECT: Cowichan Copper

This will acknowledge and thank you for your letter of January 13th. You must have had some interesting experiences in Peru and Turkey, particularly the latter country.

In an indirect manner I was able to find out from Mr. McDonald, president of Cowichan Copper Mines Limited, how he felt about having the participation of a mining company in his Vancouver Island venture. Kootenay Belle Gold Mines Limited have asked me to try and sell their mill and mining equipment, and so I approached McDonald to this end. In the course of our conversation he told me that he had received offers from Newmont, Granby and other mining companies but that he was determined to retain control and do any financing through his present shareholders and their freinds. To date his capital requirements have not been large and the profits from shipping ore have largely paid for the development. The property is very well situated and only very small outlays are required for transportation and power. Housing accomodation is not a problem as the employees can live in the nearby village of Lake Cowichan. I did not think it an opportune time to approach the subject of participation by Cyprus. He went away taking the inventory of the Kootenay Belle equipment and I will know in a few days time if he is interested in acquiring this. If so, he may want to offer shares and it will then be necessary for me to make an examination of the property in order for me to assure the Kootenay Belle people that the shares have real value behind them. If this should come about and if I should feel that More capital is warranted, then there is a possibility of Cyprus taking a minority position. I would have to ascertain that the mine outlook warranted my making such a recommendation to you.

I note your comments about my proposed prospecting venture in northwestern British Columbia. I am going to try and find out what the landing conditions are like on Tom McKay Lake. I have reason to believe that the lake is frozen over until quite late in the season and if water did not become clear until around the end of June, it would make a very late start.

With kind regards.

Yours very truly,

R.E. Legg

R. E. Legg

INTER-OFFICE CORRESPONDENCE

REC'D JAN 12 1955
 Action Date

A C		
E J	/	
H K		
L W	DATE: Jan. 10/55	1-12

FROM: R.E. Legg CITY: Vancouver, B.C.
 TO: L.P. Warriner
 SUBJECT: Cowichan Copper Mines

A = Action C = Comment
 I = Information

This will acknowledge your memo of January 5th on the above subject. By now you will have received my report of January 4th in which I referred to the reported results of Cowichan Copper. I have dicussed your memo with Cap Kidd and he is going to get in touch with Dr. Skerl about the matter. He knows Skerl quite well whereas I don't.

I will write again as soon as I have anything to report.

Kind regards and best of luck for 1955.

R.E. Legg.
 R. E. Legg

REL:FA

L. P. Warriner

New York

1/5/55

R. E. Legg

Cowichan Copper Mines

Without trying to resurrect a dead horse, I wonder if you saw the article on page 19 of "The Northern Miner" of December 30 referring to the subject company. Mr. MacDonald reports an ore reserve of 300,000 tons, which, if true, might alter our interest in the situation to some degree. I notice, however, that Dr. Skerl's name is conspicuously absent from the article. It may well be that Mr. MacDonald's promotional efforts have gotten out of hand. At any rate, I would appreciate a line from you at your convenience after you have been able to verify the information. I doubt if it would be necessary for you to do more than make a telephone call.

With best wishes for 1955.

Lendall P. Warriner

LPW:CM

DOUBLE TONNAGE AT COWICHAN

Now Estimate 300,000 Tons
Averaging 6% Copper —
Work Continues 12/30/54

Cowichan Copper Co. has about doubled its last estimated ore tonnage, advises O. G. MacDonald, president. Tonnage now is estimated by the company at about 300,000 tons averaging 6% copper, just over double the last estimate of 140,000 tons made Nov. 20.

Development work continues to give encouragement, Mr. MacDonald states. Property is near Duncan, Vancouver Island, B.C.

The drift in the main orebody now has advanced 200 ft. with ore still in the face, the president states. Test holes have shown the width, 45 ft., to be maintained, although some faulting has thrown the ore 20 ft. to the east. It now is the intention to set up an underground drill to determine depth of the main body below the present level at 1,200 ft. elevation.

Mr. MacDonald points out that his latest estimate of reserves includes nothing for the Northwest body which also is under development. This is the extension of the main body under a fault. To date a length of 50 ft. has been established with grade now approaching shipping values.

Mr. MacDonald states that exploration from present workings and from surface has shown the presence of at least two more similar replacement beds of comparable width. The company intends to intensify development during the first half of 1955 so that these can be explored in addition to the main structure. It is expected in the meantime that surface drilling results (tracing the southerly extension of the main body) will be available within a month.

Dec. 5, Mr. MacDonald reports, the company made its ninth shipment of development ore to the Tacoma smelter. It was approximately 1,000 tons and averaged around 7% copper.

Cowichan Planning New Lower Level

Deep Drilling Shows Good
Ore Below Main Adit 1/20/55

The first of a series of three holes by Cowichan Copper Co. to determine best location for a new low level has shown excellent values below the present main 1,200-ft. level.

Collared near the north end of the main orebody, and terminated at a slope depth of 141 ft. after entering the hangingwall volcanics, the core showed 36.5 ft. from 2.0 to 38.5 ft. in which sections were as follows; 9.3 ft. averaging 16.6% copper; 10.7 ft. averaging 15.65%; 8.6 ft. averaging 13.5%; 4.0 ft. averaging 30.9%; and 3.9 ft. averaging 1.15%. This was followed by 20 ft. of porphyry, after which came 13 ft. in which sections ran from 1.05% to 10.4%, and a 9.0-ft. section running 2.8%. The last 40 ft. of core has not yet been assayed.

The second hole in the series will be driven from a station 120 ft. to the south to intersect the projected persistence of the orebody at a slope depth of 260 ft. below the level. The third hole will be collared 100 ft. south of No. 2, and near

the south end of the continuous orebody, to explore persistence at a slope depth of 370 ft. below the 1,200-ft. level. O. G. MacDonald, president, advises that the orebody as developed on the 1,200-ft. level shows a length of 240 ft., with indicated width of 40 ft. and grade of 4.5% copper.

Road Constructed

A road has been constructed from the 1,500-ft. elevation to a portal-site at 950-ft. elevation. It is estimated the proposed new adit will have to be driven 1,350 ft. before encountering the main orebody at a slope depth of 371 ft. below the present development on the 1,200-ft. level. The vertical interval is 250 ft.

An offering of 30,634 treasury shares to present shareholders was oversubscribed at \$1 per share on Jan. 11. At the present time there are 1,450,000 shares issued, of which 700,000 shares are in escrow. The company's property is in the Lake Cowichan area, 30 miles west of Duncan on Vancouver Island, B.C.

Further Shares Offered By Cowichan Copper Co.

Shareholders of Cowichan Copper Co. have been invited to purchase further treasury shares to the extent of 200,000 at a price of \$1.50 per share. The offer is extended to all shareholders of record Feb. 2, 1955, and is subject to cancellation without notice.

Cowichan has been experiencing encouraging results in underground development at its copper property on Vancouver Island and has been successful in raising funds from time to time from shareholders as required. The objective in the present drive is to develop enough ore to warrant mill construction.

Some shipments of development ore have been made to the Tacoma smelter and O. G. MacDonald, president, advises that the next shipment will be made by barge on Feb. 19. It will consist of approximately 1,000 tons from development headings on the 1,200-ft. adit.

Cowichan Arranging Funds For Expanded Program

In view of the encouraging results of development at the 1,200-ft. horizon, Cowichan Copper Co. is planning to increase its scale of operations.

Arrangements are well in hand for raising \$250,000 to enable the company to advance several headings at once and proceed more rapidly toward the objective of milling in the near future.

In the interval between the 1,200 and 1,365 levels, a slope distance of 235 ft., the ore length has been increased by 90 ft. on the lower horizon and the grade increased to an average of 10% copper. The 1,200 crosscut has been advanced 650 ft. from the portal and is approaching a section in which geological deduction anticipates an ore occurrence below the fault. The Cowichan property is 30 miles west of Duncan on Vancouver Island, B.C.

E.V.
7-19-54
This confirms Legg's
Comments - are we that
in some danger of conflict between
Legg and Kidd?
BS

[Handwritten signature]
6-28-54

MEMORANDUM RE COWICHAN COPPER CO. LTD.

The Cowichan Copper Company on Lake Cowichan, Vancouver Island, has within the last few months made shipments of copper ore to the Tacoma smelter totalling 2,500 tons, and said to grade 6.3% copper. Dr. A. C. Skerl, consulting geologist for the company, phoned me and told me on short notice that he was going to the property. A phone call to R. E. Legg's office indicated that he was out of town for several weeks. I took on myself the responsibility for going to the property with Skerl and having a look around.

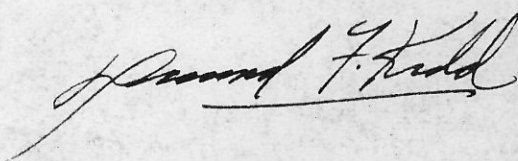
Cowichan Copper Co. Ltd. is a British Columbia company. Authorized capital is \$1 $\frac{1}{2}$ million, divided into 3 million shares. 750,000 shares have been issued for the property and 400,000 shares have been sold for a total of \$44,640.00. The company is controlled and run by Oswood G. MacDonald, a plumbing contractor with some mining experience. 4 of the 7 directors are also plumbing contractors. They have the general idea that they can operate the property on a shipping basis, perhaps without much further financing. This is a dubious proposition.

The property is the old Blue Grouse mine. Some 30 years ago it received minor development and diamond drilling by C. M. & S. Some of the drilling was done from awkward angles and so did not cut ore, so the development was discontinued. The property has been idle ever since. MacDonald and partners have driven several hundred feet of workings from the end of an old unsuccessful tunnel and have located and are stoping a small ore body. The stope is perhaps 100 ft. long and up to 30 ft. wide at a maximum. It is quite irregular but gives some impression of raking southward and dipping perhaps 45° ~~east~~ westward. The ore occurs as chalcopyrite in a garnet skarn replacement. The replaced rock cannot be identified now. It is surrounded by highly altered greenstone. No remnants of limestone remain, but it is a fair guess that the skarn did replace in turn limestone. No appreciable magnetite, however, occurs with the ore.

Numerous dikes ^{or} irregular bodies ^{of} highly altered feldspar porphyry occur near the ore. One wall of a surface cut directly above the stope now in operation is of porphyry. Skerl thinks the underground stope is on the opposite wall of the same porphyry body and that it therefore is not a downward continuation of the surface pit ore. This may well be so and would indicate two ore bodies, one on each side of the porphyry. The surface pit is the original working from which many years ago some production of shipping ore was obtained and on the basis of which, presumably, C. M. & S. did their work. From what can be seen in this old working the ore was irregular and the general structure in which it occurred was not too well defined or strong.

Skerl has done a self-potential geophysical survey of an area said to be 1,000 ft. x 1,500 ft. This work has indicated a number of anomalies, one of which occurs at the present working. The two largest anomalies are in the immediate vicinity of the workings and are considerably larger than the one at the working. A very limited amount of bulldozer stripping on the largest anomaly has only shown limestone as yet.

The attitude of the present company is to mine and ship ore, and to carry on development as a relatively minor side occupation. They have been approached by different parties but are not prepared to yield control of the company at the present time. The deposit is a comparatively familiar type on Vancouver Island. All the known pyrometasmatic deposits of this type are comparatively small and notably irregular. This one gives no indication of being an exception. The size, however, of two of the anomalies indicated would probably make it worthwhile to test them by diamond drilling. As indicated above, the owners are at present not agreeable to any such programme. In conversation with MacDonald I left the suggestion with him that, if at any time he did decide to develop the geophysical anomalies and did need some help, we would be glad to discuss the matter with him.



Vancouver, B.C.
June 28th, 1954.

D. F. Kidd.

L. P. Warriner

7/2/54

R. E. Legg

Cowichan Copper Co.
Duncan, B.C.

Many thanks for your prompt reply to my inquiry about this property. I would have acknowledged it sooner, but have only been back in the office a day or two.

It is obvious from your memorandum and report that neither the property itself nor the financial setup is of interest. Apparently, from the account in "The Northern Miner", they are getting results somewhat better than you forecast, but, as you point out, the results would have to be a great many times better to be worthy of note. Nevertheless, the geological situation looks like one in which steady plugging might accidentally locate much improved conditions. I would appreciate your comments on the results as they come to your attention.

LPW:pr

Lendall P. Warriner

INTER-OFFICE CORRESPONDENCE

REC'D JUN 14 1954
Action Date

E J	1	7-9
H K		
L W	A	7-7

FROM: R. E. Legg

CITY: Vancouver, B.C.

DATE: June 10/54.

TO: L.P. Warriner

A = Action C = Comment
I = Information

SUBJECT: Cowichan Copper Company, Duncan, B.C.

This will acknowledge your letter of June 8th on the above company. I am watching the results of this venture with interest because slightly over a year ago I made a report on the property. I am enclosing a copy of same.

As my report indicates, it was possible to bring this property into production as an ore shipper to the Tacoma Smelter at a very small cost. That has been done during the past year and the results have been very much in line with my predictions. The ore is sorted before shipment to the smelter. The results of these shipments, as quoted in the Northern Miner by O.G. MacDonald, president of the company, may present an attractive picture but an analysis of the operation taking into account the geology and the size and distribution of the ore shoots does not lead to the conclusion that there is a worth while opportunity for an investment by Cyprus. In fact the reverse is the case.

In my opinion there is no favourable geological structure. The ore bodies are small and disconnected and many hundreds of feet apart. This has been substantiated by the surface showings which have been mapped and by diamond drilling carried out by the Consolidated Mining & Smelting Company many years ago.

The operation might have a chance to be financially successful if it were held down to a very minimum of capital expenditure and if the ore shoot now being tested proved up sufficient tonnage laterally and in depth. From a study of the Section showing the drilling on this ore shoot (see my report), you will note that the C.M.&S. drilled five holes, namely No's 1, 5, 6, 8 & 9. Holes 6 and 8 gave good results. No. 1 gave a 1-foot section assaying 3.92% Cu. No. 9 found some low grade copper mineralization below commercial grade. No. 5, a flat hole angling to the north of No. 6, did not strike any ore. The company is now shipping the ore indicated by holes 6 and 8. They first drifted into the hillside along hole No. 9 but, as I understand, did not find any commercial values when they got in the full distance. They next raised and located the ore zone picked up by hole 8. In my report I estimated 5,000 tons of shipping ore available in this lens, which seemed reasonable enough when it is considered that 2,391 tons of 6% shipping ore came from the surface workings immediately above the drill holes. I also said in my report that I felt this figure of 5,000 tons might be quickly increased by a modest amount of drifting and raising. However, I think you will agree that any such increase which might even double or treble the indicated figure of 5,000 tons is not going to alter the picture to any great extent.

The financial structure of the company is of interest. I note that 1,350,000 shares out of the 3,000,000 authorized have now been issued. O.G. MacDonald and possibly some of his associates own 750,000 of the issued shares. They obtained these shares by turning over to Cowichan Copper Company their option on the three key claims. The company is making the option payments. In my report (page 11) I commented on the fact that the financial structure of the company was out of line with its potentiality as an ore shipper. You can see what I mean. MacDonald would control the company without putting up any money. Recently the shares of the company have been put on the Vancouver unlisted market and are currently quoted at from 30¢ to 40¢. At 30¢ the market valuation is roughly \$400,000. As far as I can see, the only person who is going to do well on this deal is MacDonald, particularly if he can persuade the Securities Commissioner to release some of his escrowed stock. It is to his advantage to send in optimistic reports to the Northern Miner where they are given a wide circulation.

With kind regards.

R. E. Legg
R. E. Legg

REL:FE

Encl.

L. P. Warriner

New York

6/8/54

R. E. Legg

Cowichan Copper Company, Duncan, B. C.

An article on pages 17 and 18 of the June 3 "Northern Miner" indicates a rather interesting property situation for this Company, with an issued share position and capitalization that would permit us to come into the picture if examination is favorable and the owners are willing. A quick check on the picture might well indicate the need for a more thorough geological study.

Certainly the grade of the ore they are shipping is excellent, although it may be hand sorted to some extent. Since they have retained A. C. Skerl as consulting geologist, whose reputation as far as I know is good, it may be possible to get a fairly authoritative picture without stirring from your office. Please let us have the results of your investigation as soon as possible.

With best regards.

COWICHAN LOOKS TO MILL STAGE

Shipments Showing Operating Profit — Good Grade Copper

Cowichan Copper Co., is securing net smelter returns from the shipment of development ore from its property near Duncan, B.C., at a rate approximately double the cost of extraction and shipping. The Northern Miner is advised by O. G. MacDonald, president and managing director. Recently an offering of 200,000 treasury shares to net 28¢ each was sold and these funds, together with current earnings, are considered by Mr. MacDonald to be ample to see the operation through to the milling stage. Of the 3,000,000 shares authorized, 1,350,000 shares have now been issued and of these 750,000 shares are in escrow.

The second shipment of ore, consisting of 828 dry tons, was made to the Tacoma smelter on Apr. 14. The ore graded 5.6% copper and 0.87 oz. silver per ton. Gross returns were \$19,563 with net settlement of \$12,496. Transportation costs were cut from \$6 per ton as experienced with the first shipment to \$4 per ton. The price of copper was up by 0.64¢ per lb. and the rate on U.S. funds became more favorable.

The third shipment of ore was made on May 14 and consisted of 1,018 wet tons with an estimated grade of 7% copper. The tempo of the operation is being advanced and Mr. MacDonald expects to despatch two more shipments before the end of June. He has set a goal of 1,500 tons monthly from which he expects to obtain returns of \$30,000.

Underground, the development program has proven particularly encouraging. A drift has now been advanced in 132 ft. of continuous ore in the Blind orebody. There is a full face of ore on the south but the shoot is delimited on the north by a fault. The average width of the orebody over the presently developed length is 40 ft. as indicated by crosscutting, slashing and test-holing.

Mr. MacDonald says the orebody is extending away from the porphyry foot-wall contact and the face is now 200 ft. down dip from surface. A raise has been started from a point 20 ft. north of the drift face and has been driven 30 ft., 6.0 ft. by 12 ft., and all in ore. The raise will be extended to the surface and the drift will be continued. The company has reportedly been advised by Dr. A. C. Skerl, consulting geologist, that there is no obvious limiting factor to the southerly extension of the orebody, which is heading in the direction of the second largest anomaly as indicated by previous geophysical survey.

The president reports drilling to the north of the fault gave further evidence of ore occurrence. One intersection shows 3.0 ft. of massive chalcopryrite followed by 32 ft. of volcanics well mineralized with chalcopryrite. A crosscut will be driven through the fault to explore this area.

. Warriner