Kerr-Addison Gold Mines Limited 44 king street west Toronto 1, ontario

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August 2, 1960.

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Azure River Group B.C.

Mr. Cyril W. Bradley, 2825 West 41st Avenue, Vancouver, B. C.

Dear Mr. Bradley:

Thank you for your letter of July 26th.

i regret to advise you that we do not wish to take an interest in a further development of your Azure River property, as we consider that it is too low-grade and would be prohibitive cost-wise.

Enclosed are the brochure and copy of the Nelson Report which you made available to us.

We wish to thank you for bringing your property to our attention.

Yours sincerely,

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Paul M. Kavanagh Chief Geologist - Exploration.

· Property Submission McBride file 93 H Azare River froup bleatwater. Kambooks Rug 2 1960

2825, West 4Ist. Avenue, Vancouver B.C. 93/H

July 26th. 1960

Mr. Paul M. Kavanagh Suite I6I6, Bank of Nova Scotia Building, 44, King Street West, TORONTO I.

Dear Sir,

On the 27th. of June last, in accordance with your wishes, I mailed you a "Brochure" of our Azure River property and a Report by Mr. Ned E. Nelson on the property in question which consisted of I6 Crown Granted Mineral Claims situated in the Kamloops Mining District of British Columbia for your information and consideration, and we have been awaiting hearing from you further on this matter.

As we have an American Group interested in our property who we hope will go in to examine same next month, we shall be glad to hear from you on this matter and, if you are not interested, please return me the "Brochure" and the copy of the Nelson Report as soon as possible, and oblige,

Yours very truly of . Bradley).

KERR-ADDISON GOLD MINES LIMITED

SUITE 1616-BANK OF NOVA SCOTIA BUILDING 44 KING STREET WEST TORONTO I, ONTARIO

July 18, 1960.

43/H

MEMORANDUM:

From: P. M. Kavanagh

To: Mr. W. S. Row

Azure River Claim Group, Clearwater Area, Kamloops Mining Division, British Columbia

Attached is data on the above property which has been submitted by a Mr. Cyril W. Bradley of Vancouver.

The property is a very old one containing low grade goldbearing quartz veins in schistose rocks. The only engineer's report available is one written in 1936 by Ned E. Nelson who stated that numerous shallow trenches and open cuts and two tunnels had been dug. He cited chip sample values generally running between .01 and .15 oz. Au. per ton. One of the tunnels encountered a possibly 50 foot wide zone assaying about \$11.00 per ton in gold. No estimates of overall grade or tonnage have apparently ever been made.

Mr. Bradley states that Bralorne investigated the property before the second World War but declined to develop the property because of the impending war. If Bralorne thought the property had merit they would surely have re-examined since the War. By Bradley's own admission the property is very inaccessible occurring at approximately 6000 feet above sea level in mountainous country.

I consider that the property is too low-grade and would be prohibitive cost-wise, and I recommend that Kerr does not take any further interest in it.

Faul m. Kavanagh

Paul M. Kavanagh Chief Geologist - Exploration.

approved by Ma Row

PMK:ry Enc.

2825, West 4Ist. Avenue, Vancouver B.C.

93/H

June 27th. 1960

Mr. Paul M. Kavanagh Suite 1616, Bank of Nova Scotia Bldg. 44, King Street West TORONTO I. Ontario.

Dear Sir,

In reply to your letter of the 22nd. of june last in the matter of our Azure River Group of Mineral Claims.

As desired, I am sending you enclosed a copy of a report made by Mr. Ned E. Nelson, which is the only report written after 1934, which gives you detailed description of work done on our property up to and including the date of the Report in question.

All the I6 Crown Grants have always been kept in good standing and the property is now held in the joint names of myself and Mr. Lester M. White, in trust for Western Investments Limited, which Company I control, who are the Owners of the property.

Just before the 2nd. World War, Braylorne Mines Limited examined the property but, owing to the impending war, did not proceed with their Option to develop same.

The property, as you will see from the Nelson report, is not easily accessible, but a helicopter can land without difficulty right on the property, which will be clear of snow and available for close inspection by the end of next month.

Should you be sufficiently interested to inspect our property this Fall, we could put you in touch with a Mr. Malcombe McMillan of Valemount, B.C. who went into the property with Mr. Nelson on two seperate occasions and who knows our property well and would I am sure be willing to accompany you to the property. Mr. Ned Nelson has always been most enthusiastic about our property which he considers the most promising "prospect" in British Columbia, and contended, as late as March 22nd. last in a letter to me in which he stated "I think there is a mine in there". 93/H

Mr. Ned Nelson, who retired from active practice last September, was chief consulting Engineer for many years with Consolidated Mining and Smelting, is now living at II4, Brown Street, Providence R.I. New York, which is not too far from you and, should you wish to communicate with him, I am sure he would be only too pleased to give you every information about our property to help you come to a decision in the matter, and, in the meantime, await hearing further from you.

Yours very truly or all

Cyril W. Bradley)

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KERR-ADDISON GOLD MINES LIMITED 44 KING STREET WEST TORONTO 1 ONTARIO

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June 22nd, 1960

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Mr. Cyril W. Bradley 2825 West 41st Avenue Vancouver, British Columbia

Dear Sir:

I have been forwarded the letter of the 14th with attached data which you addressed to Mr. R. J. Beggs.

The attached data is not sufficient for me to appraise the situation, and I would appreciate it if you would send me all the reports and information you have concerning work done on the property from the start of 1934 to the present. I am not interested at the moment in having reports written prior to 1934.

What is the oumership of the property now? What other companies have examined the property during the last 20 years and when did they make their examinations? How accessible is the property now?

Yours sincerely

KERR-ADDISON GOLD MINES LED.

Paul

Paul M. Kavanagh Chief Geologist - Exploration

PMK:ly

art: P. Kavanagh Toronto

2825, West 4Ist. Avenue, Vancouver B.C. 93/H

June 14th. 1960

Mr. R. G. Beggs Kerr-Addison Gold Mines Ltd. Suite #1616, 44, King Street West, TORONTO I. Ont.

Dear Sir,

I have been given to understand that your Company is looking for a large Crown Granted property of some merit which is open for immediate development and, in the hope of interesting you in our property, am sending you enclosed a "Brochure" of same for your information.

The enclosed "Brochure" will give you a good idea of our property, its location and possibilities and, should same appeal to you, I should be pleased to send you copies of our Engineer's Reports and any other information you may require.

Our Engineer, Mr. Ned E. Nelson is a well known Mining Engineer who has always said and still maintains that we have the best prospect in British Columbia, and he would I know be pleased to give you full information on our property if you would care to communicate with him. His adress is:-Ned E. Nelson- II4, Brown Street, Providence R.I. New York.

We are most anxious to get a responsible mining organization into our property this Fall and would be willing to give a very attractive Option to anyone prepared to go in and diamond drill our property this Season and, hoping to hear from you on this matter at an early date beg, Sir, to remain,

Yours very truly adap W. Bradley)

REPORT

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BX

NED E. NELSON, B.Sc., E.M.

ON

THE AZURE RIVER GROUP, in the Clearwater Area of the Mamloops Mining Division.

Dated

October 14th, 1936.

JOHN F TENER 5430 CARGON ST. BURNABY J. B.C.

SUMMARY

<u>NAME</u> Asure River Group. <u>PROPERTY</u> Thirteen claims and two fractional claims, with probably additional fractional claims to be located as a result of surveys.

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<u>TITLE</u> Claims held by location and annual assessment work. Fifteen are being surveyed preparatory to Grown Granting. LOCATION In the Clearwater District, Kamloops Mining Division of British Columbia.

ACCESS At present by trail from Gosnell on the Canadian National Railway, about 160 miles north of Kamloops. Distance by trail 46 miles. Alternative routes as outlined in text. <u>TOPOGRAPHY. TIMBER & CLIMATE</u> Generally rugged country. Altitude at the property 5400 to 6400 feet.

Spruce and cedar at lower altitudes, balsam near the property. The climate is similar to that at Barkerville. Considerable snow and cold spells in winter, but year around operations possible.

<u>POWER</u> Several small part time power streams in the immediate neighbourhood, especially Azure River. Streams need study before being developed. Diesel power indicated in early stages. <u>EQUIPMENT</u> Small tools and two small cabins, sufficient room in cabins for eight or ten men.

GENERAL GEOLOGY Area underlain by Pre-Cambrian schists, on the property represented by sericite and quartz sericite schists with general northwest southeast strike. MINERALIZATION Many quartz veins occur within the schists,

MINERALIZATION Many quarts veins occur within the schists, some cutting the schistosity, others "lying with" the schist. Quarts veins vary in thickness from mere threads to twenty-five or more feet. Some of the quarts carries pyrite, a little galena and occasionally chalcopyrite. When sulphides are present, the quarts-sulphide vein matter is, probably without exception, gold bearing and pyrite mineralization is widespread. <u>DEVELOPMENT</u> Numerous shallow trenches and open cuts. Two tunnels, 55 feet (Horne) and 40 feet (Stewart) long. Horne tunnel partially develops a body of quartz-pyrite. Part of it shows good gold values, part low grade. This body is worth more work. Stewart Tunnel is in practically barren schist, but if continued should encounter large quarts vein showing on surface. Continuation being driven and warranted. <u>CONCLUSION</u> Pyrites quarts and enclosing altered schist extensively mineralized indicating substantial volume of better than average grade ore. Further surface and sub-surface prospecting warranted and diagond drilling to medium depth indicated.

warranted and diamond drilling to medium depth indicated. Indicated volume of ore and apparent continuity of values presage conditions warranting major mining development and milling operation

(Signed) "NED E. NELSON"

JOHN F. TENER 5430 CARSON ST. BURNABY 1, B.C.

AZURE RIVER GROUP

PROPERTY

The Azure River Group consists of thirteen recorded claims and two recorded fractional claims. At the time of examination the claims were being surveyed by Mr. Harold Garded of Morkill & Garded, Provincial Land Surveyors, and it was expected that other fractional claims would be necessary to cover all the wanted ground.

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The recorded claims and fractional claims as of the time of examination were:-

Summit Nos. 2,3,44, and the Bussard, parts of the original Summit Group;

Oldham, Oldham Nos. 1,2,3,4,5,6,11 & 12 and Renfrew Fractional Nos. 1 and 2, parts of the Oldham Group. The compact block should exceed 700 acres in area.

(a full claim covers 51.65 acres.)

TITLE

As of the time of examination, the claims were held by staking and yearly assessment work. All claims and fractions, according to the affidavit of the Deputy Mining Recorder at Kamloops, were in "good standing".

LOCATION

The Azure River Group is located in the Clearwater Section of the Kamloops Mining division of British Columbia, Canada. The property lies to the west of the Azure River on the slope and in the summit saddle between that river and Hobson Creek on the West.

ACCESS

The Azure Eiver-Hobson Creek Summit area is reached by pack horse trail from Gosnell, a tank station on the Canadian National Railway and the North Thompson River, about 160 miles north of Kamloops, B.C. Kamloops is about 250 miles from Vancouver, B.C.

The pack trail follows the valley of the North Thompson River westerly for about 30 miles, then climbs the divide (altitude 5300 feet.) above the Azure River. The trail then leads down Summit Creek to the Azure, 8 miles, and up the Azure River for five miles, at which place it crosses the Azure and climbs to the property on the Azure-Hobson divide. The total distance is 46 miles.

The trail is in poor condition and should be reconditioned if same is used prior to the development of one of the other means of ingress.

An undeveloped route, which seems to offer the most advantages, leads from Williams Lake on the Pacific Great Eastern Railway. This route makes use of the present fair auto road to Likely, on Quesnel Lake, 60 miles from Williams Lake. Then by water to the head of the Lake, 70 miles. Follows 5 miles across the low divide between Quesnel and Hobson Lakes. Again water to the head of Hobson Lake, five or six miles. Then by trail arroad to the Hobson-Azure divide, 14 miles At present several truck lines operate directly from Vancouver, B.C., to Williams Lake and the Cariboo districts.

> JOHN F. TENER 5430 CARSON ST BURNABY 1. B.C.

ACCESS (Continued)

Of this route, that part of the head of Quesnel Lake is in use. Between Quesnel and Hobson Lakes is a road of sorts. On Hobson Lake a motor boat would be required. From the head of Hobson Lake a road four miles long was once built to a placer camp, long since abandoned. From that point to the property on the divide, 10 miles, a new trail and road would be necessary. Mr. Angus Davis, former Resident Engineer for the Province of British Columbia, stated that he has been over this route and thet it presents no serious difficulties for improvement.

This route is the longest from points on the railway, but, using trucks and boats, supplies could be landed within twenty five miles of the property. Fifteen miles of the twenty-five are partially developed, and the remainder, compared to the other routes, should be overcome with little trouble and expense.

A fourth possible route is via the Clearwater River road, 25 miles long, and a trail 20 miles to the Clearwater Lake. Then over that Lake to where Hobson creek enters. Then by trail or road to Hobson Lake, six miles. By water to the head of the Lake, from which point there remains the 14 miles of route #3.

SOPOGRAPHY, TIMBER & CLIMATE:

The Hobson Asure summit is about 6400 feet above sea level. The pass is essentially level for about a mile, and the slopes to the east (Asure) and west (Hobson) are, relatively, gentle. The Mountains to the north and south rise perhaps 10,000 feet higher than the pass.

Timber line is at about 5800 feet, though scrub balsam occur above that elevation. The valleys below are well timbered with balsam. While not a first-class structural timber, it should satisfy many needs around the mine and camp.

The climate is not, preparations being adequate, unfavourable for year around work. The snowfall ishheavy and cold snaps may hinder, but not halt, winter work. The waterways, Quesnel and Hobson Lakes, freeze over and at freeze-up and break-up season would be practically impassable, but other-wise no great trouble should be encountered; the length of freeze-up and break-up seasons should not exceed 30 days in each case.

Occasionally tie-ups might be expected in road haulage, due to snowfall and the spring break-up. In a general way, operating conditions would be similar to those at Barkerville, now a thriving mining camp nearly 60 miles form the railway at Quesnel.

POWER

Several streams within ten miles of the mines are indicated as possible power streams, but so far as known, none have been studied thoroughly. At certain periods they carry much water, and the frequent rapids and small falls suggest water power possibilities, but what the year round dependable run-off may be is probably unknown, and requires investigation.

JOHN F. TENER 5430 CARSON ST. BURNABY 1. B.C.

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POWER (continued)

The stream flowing from furthe Lake, sixty or more miles from the property, is generally recognized as a source of dependable and economically developed water power. This power development would be more or less on the Clearwater Lake (No.4) route and on that account makesthat possible approach interesting.

Until the water power possibilities have been investigated Diesel power would suffice, and the cost of that type of power not being prohibitive when truck and water haul are possible.

EQUIPMENT

The property is adequately equipped for the usual hand prospecting and development work. The samp has adequate housing for approximately ten men, and also has the necessary hand tools blacksmith equipment and other things necessary for this type of operation.

GEOLOGY

The Clearwater area has been studied by Marshall and Davis of the Dominion Geological Survey, their reports being contained in the Summary Reports, Part A, for 1928 and 1929, respectively.

The area is underlain by a series of pre-Cambrian rocks, schists of various types being the most common rocks, though relatively thin beds of limestone are known. The general trend of the schistosity and the bedding is from southeast to northwest. Regional study has been anticlimal and synclinal structures, but in the area investigated the variations from the general structure are not marked. Changes in strike and dip are grequent, but folds are very scarce. Gloser study and development may indicate a close relationship between the variations from the general trend and the many depositions of gold bearing pyrite, but as yet the relationship is not apparent. No signs of post schist igneous activity, other than the quartz and pyrite deposits, were noted in the area studied. Davis notes a granitic sill crolling Hobson Lake near the northerly end, and large masses of granite are found near Murtle Lake to the south of the property. No dykes have been uncovered, nor were any seen when travelling on foot from Gosnell to the claims. The indications are, then that the granite a possible source of the silicious and metallic mineralizations, is a considerable distance below the passent surface.

GENERAL GEOLOGY

Generally thinly foliated sericite schists underlay the northeasterly part of the ground included in the Azure River Group of claims. Those rocks predominate at the Horne Tunnel and northwesterly through the more northerly Oldham Claims. To the southwest thickly bedded brown spotted quartz sericite schist predominates. Locally this is called "Quartzite".

MINERALIZATION

Both the sericite schist and the "Quartzite" have been intensely mineralized by quartz veinlets, veins and masses, sometimes cutting the foliation of the schist at various angles, again following the foliation.

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MINERALIZATION (continued)

In many cases, the quartz is accompanied by pyrite, occasionally by galena and in the odd case, by some copper mineral, probably chalcopyrite. Wherever tested, the pyrite proved to be gold bearing, and it is believed that throughout the examined area, the pyrite is a sure indication of mineralization by gold.

For the purpose of clarity and in order to make comparison with other reports, I shall discuss the property as divided into two sections, namely the Western and Central section, in which the Stewart Tunnel is located, and the Eastern section, in which the Horne Tunnel is located, in that order.

WESTERN CENTRAL In the band of sericite achist, which crossed the mountain in a generally northwesterly direction, no showings of consequence were noted between the Eastern section and the No. 4 Oldham claim. There has been but a small amount of work done in the Central area, probably due to the fact that though the surface appearance is impressive, the values have been higher in the Eastern section.

Rising out of the north slope of the pass is a large quartz vein, impressive in width and length. The natural surface is dead white in color and shows little pitting due to oxidation Immediately under the surface the color is white with browbish patches. The brownish color results from alteration of iron. carbonate (aiderite) and possible anchorite. Very little pyrite is to be seen. The vein as at the outcrop is in places upto 25 feet wide and will probably average over 15ft. It is broken 25 feet wide and will probably average over 15ft. It is broken into three sections (by faulting) (?) or the separate bodies may be enschelon lenses. The highest and most northwesterly lense splite and makes two branches, each twenty or more feet in width. The total length of the outcropping lenses or faulted blocks is 600 feet. To the southeast the quartz disappears under the wash, and may continue some distance, but does not definitely reappear on the south slope of the pass. To the northwest, the quartz outcrop ends abruptly and is not known to show again, though quartz outcrops more or less in line are remorted. reported.

WESTERN AND CENTRAL

The general trend of the quartz ledge is S. 30 degrees E. The dip appears to be about 60 degrees to the east. The enclosing schist varies in dip and strike, but the general trend is S. 70 degrees East to east and west, so the vein cuts across the schistosity. The dip of the schist is at a high angle to the north. The putcropping quartz "comb" has been broken into in two of three places and more of less fresh surfaces thereby exposed. Chip samples were taken at-four different places. One of them, S.4. assayed:-

> Ag. Oz. Au. Oz. 0.14 0.12

This sample was taken across 16 feet, and the westerly or footwall was not definitely exposed. Another sample, S.5, was taken of what appeared to be the best six feet of the 16 feet at the west side of the excosure. It assayed:-

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Au. Oz 0.04

AF. Oz. 0.04

The other samples of the outcropping quartz, S. 6, S.7, S.8, and 5.9, failed to show interesting values.

At a point on a small stream, which flows along the west-erly side of the outcrop and cuts across the crotch of the "Y" formed by the splitting of the ledge into two branches, the Stewart Tunnel has been driven into the easterly wall. Schist fills the angle between the two branches and the 40 foot adit is entirely in this schist. The inner and shows considerable more quarts but has not yet reached the massive quarts that would be expected from the outcrop above. The schist in the adit is cut by many small quartz veinlets and carries considerable cube pyrite, cubes with 1/8" sides having been noted. The schist was moil sampled and showed .Ol oz. sold. Values have been reported as coming from samples taken in this adit, but

this sampling is not confirmative.

Above the adit portal, perhaps 30 feet, in the steep slope, a quartz vein up to twelve inches wide shows cutting the schist. It carries considerable pyrite in spots. Its length has not been definitely determined, but it does not show for over thirty feet. A sample of selected pyrite hearing quartz assayed:-

> Au. Oz. 2.20

Ag. 02.0 7.8

"QUARTZITE" VEIN:

West of the Stewart Tunnel and on the Oldham No. 3 Claim is a large irregular outcrop of quarts in quarts sericite schist, locally quartzite. While most of the quartz is barren of sulphides, as shown by the surface stripping, there are spots showing both pyrite and galena. The quartzite zone is at least 60 feet long in a general north-south direction, and 15 feet wide. Unless the proportion of sulphides increase with the depth, the area is uninteresting, as selected pyrite-galena bearing quartz assayed only:-

No.	Au. 02.	Ago 020	%
8.15	0.16	2.9	9.1

A sample from the face of a cut at the south end at the break-over into a dry gulch, chipped across 6 feet, assayed:-

No.	Au.	Oz.	ARO O	E o
S.10	0.	04	0.0	6

The "Quartzite" schist extends up the side of the mountain on the Oldham and Oldham No. 1 claims. Literally hundreds of quartz veins varying in size from minute veinlets to silicified zones 15 feet wide (as above noted) cut this schist. Some of the quartz is pyrite bearing and accasionally galena shows, but in general it is barren of sulphides.

On the Oldham No. 1 claim, a fairly clean-cut vein, called the "True Fissure" vein, is exposed and has two open cuts in it. The lower is at the intersection of two sets of narrow veins, none of which appears important. The upper cut shows a better dieined vein up to 3 feet wide, carrying some pyrite. A chip sample taken here a sayed:-

No.1	Au. Oz.	Ag. Oz
s.11	0.01	0.08

From the amount of pyrite exposed here, this sample should have assayed better, judging from other samples showing pyrite.

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In order to determine the general tendency of the quartz and "Quartzite" to carry values, samples were taken from many small veins, sometimes pyritic, sometimes not, and from the "quartzite" itself where exposed for several hundred feet along bluffs on the Oldham claim.

The sample of quartz veinlets assayed:-

	Noo	Au. 02.	Ar. Oz.
	S.16	0.03	0.70
The "quar	trite" assa	yed:-	

No.	Au. 02.	Ag. 03.	Pieces from same	
9.17	0.02	0.08	places as S.10	
S.18	Tr.	80.0	Along face of bluff	2

West of the"Quartzits" showings, and overlooking upper Hobson Creek from the South, is a patch of huge boulders of quartz, broken down from what must be a great mass of quartz. Little or no sulphide shows, but the quartz carries some side-rite which weathers to a brownish tinge. A sample was taken of the material carrying siderite, which showed on assay:-

Au. Os	Ag.	Oz.
0.005	0.	10

On the Oldham No. 4 Claim is a knoll called Galena Hill. On the westerly and northerly slopes of it, two exposures of quartz have been open-cutted. The one on the south slope is about 6 x 6 feet and seems to have no horizontal extensions. The quartz shows little or no sulphides and is not pitted by oxidation.

The showing on the northerly slope is more defined, showing 18" to 2 feet wide for 25 feet, striking with the schist at 5. 75 degrees East. Some galena and considerable pyrite can be picked here. A selected sample assayed:-

No.	Au. Oz.	Ago Ozo	Pb%
5.20	0.24	12.5	24.3

No work of importance, with the exception of the Big Lodge or Stewart Tunnel, has been done in this area. The Big Lodge is impressive, although sampling did not come up to expectations, but if the adit now being driven ahead to crosscut the expected downward extension of the exposed quarts carries pyrite, the outlook is promising.

HORNE TUNNEL or EASTERN SECTION:

The Horne Tunnel was driven to prospect one of the first found masses of pyrite bearing quarts. The tunnel, then in 26ft. was the principal showing seen by Morrison on the Summit Group in 1926.

in 1926. An outcropping knob of pyrite-bearing quartz has been prospected by the Horne Tunnel, driven North 27 degrees Easterly and roughly cross-cutting a well mineralized some of altered schist and quartz pyrite. The floor of this tunnel is about 40 feet below the apex of the quartz outcrop. Mineralization occurs throughout a body of altered schist having a general strike of South 55 to 65 degrees East, dipping to the North-east 65 to 75 degrees. This zone is upward of 50 ft. wide, as shown by the Horne Tunnel. For 41 feet the Horne Tunnel crosscuts the formation slightly diagonally, from whence it swings to the left and cuts diagonally across an additional 6 or 7 feet

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of "strata", well mineralized with quartz and pyrite on the right hand side, blending into altered schist on the left. The schist appears to be the host of the pyritic quartz, most prominent about the nose of a wedge-shaped mass of schist. (see sketch).

Chennel samples moiled along the right hand wall of the adit revealed substantial mineralization but indifferent values for the first 32 feet. However, the entire 50 feet showed assayed values of \$10.97 per ton, out of which 16 feet of heavy sulphides assayed \$24.24. (Since of the above mentioned work, part cuts the formation diagonally, the true thickness of this zone cannot be known until further development discloses the true thickness of this mineralized zone, but a width of approximately 50 feet is indicated.)

On the surface, the northwesterly end of the quartz outcrop is only about 20 feet northwest of a vertical plane on the adit axis. To the southeast a deep trench is said to have not, and probable did not, reach bedrock, and no estimate can be made as to the southeasterly extension.

Certainly the southeasterly side of the adit is more highly pyritized than the northwesterly, but until more work is done, a clearcut idea of the importance of this showing cannot be had. The body appeard stronger, as for width, where cut in the adit than as naturally exposed only 40 feet above, and further work is warranted.

Up the slope of the mountain to the worthwest are several outcrops of quartz that have not been protected. From ouward appearances, they are not pyrite bearing, though this has not been definitely determined. Several hundred feet northwest of the Horne adit and 250 to 350 feet above it, is a series of quartz outcrops occuring in an area roughly 350 x 100 feet, the northwesterly end being near the No. 1 post of the No. 2 Summit claim. Except for the pinnacles of quartz near the post and the ass at the southwest and containing a narrow pyrite vein, the quartz is in veins which cross the schistosity. The "pinnacle" is irregular in shape but in general lies "with " the schistosity. It has been broken into and shows considerable pyrite. A sample across the freshened surface, eight feet wide, showing considerable pyrite, a little galena and very little chalcopyrite, assyed

AU.	OZ.	1	IG.	oz.
0.4	7		0	.82

This sample was chipped and contained some oxidized material. Fifty feet southeast on the supposed strike, a trench shows only 12 inches of quartz and no pyrite. To the northwest the mass ends suddenly against the ends of the schistose "beds". In general appearance, though on a smaller scale, this pinnacle resembles the outcrop above the Horne adit. Whether it is the exposed part of a large mass remains to be proven.

The other quartz veins and masses in the area to the southwest of the "pinnacle" show little pyrite at the surface and in general have been but little broken into. However, two "spot" samples taken showing pyrite carried important amounts of gold. One was from the pyrite vein cutting the large mass of quartz. The vein, about ten feet long and up to 12 inches wide, is practically unaltered at the surface. The surrounding quartz shows little pyrite (See S. 3 and S. 21).

This zone of quarts mineralization deserves more work, especially at moderate depth, 25-50 feet, to determine the absence or presence of enough gold bearing pyrite to wake it of interest.

TENER

About 100 feet mortheast of the "pinnacle" is a zone of silicified schist up to 15 feet wide, and at least 150 feet long. No pyrite shows .

CONCLUSION:

Due to the wide distribution of gold bearing pyrite, the area encompassed by the Azure River Group is distinctly promising. The Summit group, on which the Horne Tunnel is located, with its various outcrops of quartz and pyrite, is particularly interesting and should be further developed. The surface showings indicate a zone in which may be developed enough of the pyrite-quartz masses to become a producer of medium grade commercial ore. I believe these possibilities warrant thorough prospecting to medium depths by diamond drilling. If the results of such a program verify the present surface indications and sub-surface developments, this portion of the property alone would warrant a commercial development program similar to that set out in the budget and schedule of Mr. Lee, deceased. In the central area, in the vicinity of the Stewart Tunnel, are impressive surface indications and I would recommend a further diamond drilling program which, should it disclose the values found in some surface samples, would develope a large tonnage of good grade commercial ore.

Without reservation, I recommend the appropriation of a sufficient sum to prosecute development of the Azure River Group of claims.

JOHN F. TENER

(Signed) "Ned E. Nelson"

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REPORT OF N.E. NELSON. B. Sc., E.M. DATED 14 OCTOBER, 1936.

