

November 15, 1971.

824978

To: W.M. Sirola
From: John C. Lund

Re: GOLCONDA MINE, OLALLA, B.C.

McNeil Enterprises have the old Golconda Mine at Olalla, B.C. As you may be aware, the Golconda showings were originally discovered around 1900 and prior to 1961 had three development adits totalling 16,900 feet from which 1,544 tons of ore were extracted. This ore, which came from the number 2 level, contained 7 ozs. Au, 892 ozs. Ag, 74,280 lbs. Cu, 1,406 lbs. Pb and 1,771 lbs. of MoS_2 . Gross value per ton at today's prices would be about \$23.00.

Mineralization consists of chalcopyrite, and MoS_2 with some galena in quartz-filled tension fractures in the Olalla pyroxenite stock. The vein, which has an attitude of $\text{N}73^{\circ}\text{W}/63\text{NE}$, pinches and swells along strike. Widths range from less than 1 foot to 6 feet, but average slightly less than 3 feet. An unexplored vein lies to the south of the workings. It is exposed on the surface by trenching and can be traced for possibly 400 feet. It is a quartz vein carrying chalcopyrite and MoS_2 - width may reach a maximum of 10 feet over short distances. Attitude is $85^{\circ}/60^{\circ}\text{N}$. A third vein was reported but was not examined. The description given by the owners implies a similarity to those explored.

Cutting the pyroxenite are syenite and monzonite dykes as well as diorite and gabbro masses. The acidic rocks are likely related to a syenite intrusion that lies to the south of the property; the diorite-gabbro are projections from the larger mass on the northern peripheries of the pyroxenite. It is very likely that mineralization is related to these later intrusions that cut the pyroxenite.

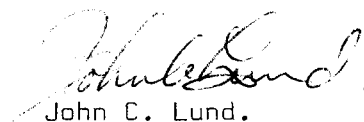
In conclusion, the vein widths and values obtained from early mining are insufficient to support an underground operation. Mining, milling and development costs along would run approximately \$20/ton mined. It is apparent that any newly developed ore must exceed the value of that previously shipped

Golconda Mine, Olalla, B.C.

Page 2

by at least 60% to make a viable operation. Evidence does not suggest that an increase of this magnitude is probable, hence, the development of an economic ore body unlikely.

I recommend that we advise McNeil Enterprises that we would not be interested in the Golconda property.


John C. Lund.

Note:

There is at present on the property a 200 tons/day mill and underground equipment. This machinery has been seized by the sheriff and is to be sold to satisfy creditors of Trent Resources Ltd. Trent Resources unsuccessfully attempted to rehabilitate the property in 1969 and went bankrupt. The property reverted to the original owners, however, the equipment was seized by the sheriff.