

830268

EX 1
Buss
KATHRYN VAIL
June 13/91CONSULTING ENGINEER'S REPORT

March 5th, 1946.

The President and Directors,
Cangold Mines Limited,
850 West Hastings Street,
Vancouver, B.C.;

Gentlemen:-

While, during the year 1945, operations at the Cangold property were chiefly concerned with making detailed surveys for hydro-electric power, mill, aerial tramway, mining plant and camp installations and with making official mineral claim surveys, some little attention was given to the study of the geological structure of that portion of the property on and in the immediate neighbourhood of the Sherwood Knob, and included in the Patullo Nos. 1, 2, 3 and 4 mineral claims. A reconnaissance was also made of the Black Bear No. 5, Louise, and other claims which are situated on the opposite side of Drinkwater valley from the Patullo claims.

The Sherwood vein, on which all the underground work effected on the property has been done, and which has been partly developed to a depth of more than 750 feet below the outcrop, is traceable on the surface for a distance of more than 1,500 feet beyond the limits of the present workings, and it is believed that the possibilities for further ore shoots in this large undeveloped vein area are promising. Some 200 feet easterly from the face of the No. 1 level another and intersecting vein has been discovered. The surface trace of this vein can be followed for a distance of more than 2,000 feet on the Patullo Nos. 1 and 4 claims, and it is believed that it persists to the Septimus fault, which is a regional feature of the area and which, for the most part, lies

immediately beyond the northerly limits of the property. Gold assays up to a maximum amount of nearly one ounce to the ton have been returned from near-surface samples. Two other narrow vein fractures, more or less parallel to the first, have also been found, and these, too, show gold-bearing mineralization though very little prospecting work has yet been done on them. On the Patullo No. 2 claim five more vein fractures have been found and from one of these an assay of 1.5 ounces to the ton in gold has been obtained.

Due to the exposed positions of these several vein fractures oxidation has been severe, and this is also the case with the Sherwood vein outcrop. For this reason it is, for the most part, impractical to determine true average values by ordinary pitting and open-cutting. The outcrops of the newly-found vein fractures are from about 1,000 to more than 1,500 feet higher than the No. 7 drift adit on the Sherwood vein, and they can be explored to good advantage by extending this working. They are also well situated for exploration by diamond drilling from the surface or from extensions of any of the existing adits.

The claims situated on the northerly side of the valley, being decidedly precipitous in places, are more difficult to explore, though vein occurrences can be developed at great depth by adits from the valley floor. Two or three narrow veins carrying attractive values in gold have been found and, in due course, this area will warrant aggressive exploration attention.

The several discoveries made during the year just concluded thus provide exploration and development objectives of definite promise in territory which is within reasonable reach of the present underground workings and from which such ore bodies as may be found may be mined and milled by means of the same facilities now being planned for exploiting the ore body already developed in the Sherwood vein.

Respectfully submitted,

"B.W.W. McDOUGALL"