

FRAGMENTS OF HISTORY PERTAINING TO
UPPER SALMON RIVER REGION
PORTLAND CANAL AREA

888402

circa 1958

File → Premier / Number of Mines

Tom Schroeter
(from Dave Savorsky
July 2/40)

This report is for the purpose of showing the origin of the Mineral Claim Groups which constitute the mining property now owned by Mammoth Silver Mines Limited and, also, to show some of the reasons for the writer's firm belief in the gold and silver production probabilities of these recently-assembled Mineral Claim Groups under Mammoth Silver ownership.

The outstanding commercial mining event of the Upper Salmon River region, indeed of the entire Portland Canal area, from its discovery in 1898, down to the present time, is, of course, the life-history of the Premier Gold Mine. This history commenced about the year 1910. Mining operations at this property were conducted under American Smelting & Refining Company management continuously from about 1919 to 1945 at which time the Company was reorganized from Premier Gold Mines Ltd. to Silbak Premier Mines Ltd.. The mill was constructed in 1921 and during the next 25 years the Premier Gold Mines Company produced ore aggregating approximately 2,084,275 tons containing approximately 1,400,000 ounces gold and 36,700,000 ounces silver along with minor amounts of base metals. Besides paying back the Company's \$ 5,000,000 capital, dividends aggregating \$19,358,000 were disbursed to the shareholders. The Silbak Mines Limited has enjoyed a production of 1,579,528 tons of ore containing, besides gold and silver, minor amounts of lead, zinc and cadmium, from which dividends amounting to \$2,425,000 have been paid. With only one minor property exception, the original Premier Gold Mine along with the B.C. Silver and Sebakwe properties have had a net profit from production of more than \$ 24,000,000.

Now, at one time or another, it so happened that I owned, either by direct purchase or by staking, almost all of the mineral claims from which this profitable production was taken. At this point I might state that the claims which I once owned and controlled included the ore-producing ones of the original Premier Gold Group, those of B.C. Silver and Sebakwe Companies and that these claims represented a total outlay of \$64,000, for the payment or liquidation of which amount I was responsible. It will thus be understood that I followed underground developments at Premier Gold, particularly in the earlier stages, with the utmost attention.

It is not my intention at this time to present any involved geological descriptions of the Premier orebodies and of the geological structures in which they occurred. I wish, however, to note that I did very carefully observe and confirm that the richest and most massive clean orebodies occurred at the intersection of a NW-SE shear at its junction with a N-S trending vein. I considered this observed circumstance a key fact and, most probably, one applicable not only to Premier Gold but, in all likelihood, to the entire Upper Salmon River region. It is of interest to note that at least three well-authenticated cross-vein junctions occur on Mammoth Silver property and that one of these cross veins, showing abundant sulphides, has an exposed width of more than 25 feet.

The writer's mining experience in the Upper Salmon River region of the Portland Canal district commenced in 1910 - nearly half a century ago. In that year I acquired by purchase the ore-producing of the original Premier Gold Group. In 1916 these claims and, to a less exhaustive degree, the adjacent terrain, was examined

by Mr. R. K. Neill, an experienced mine operator, who acquired these claims for his principals in 1917 and, within a very short time was developing high-grade gold-silver ore under very difficult access and mining conditions. The first shipments by Premier Gold Mines Limited were made in 1918.

When it became obvious that the Premier orebodies were extending northerly, the writer acquired, by bonding, a group of claims situated across the northerly boundary of Premier Gold holdings and, on these, formed the B. C. Silver Mines Limited organization to develop it. Somewhat later I optioned control of this Company to Mr. C. A. Banks and Associates and later sold the remaining interest to Premier Gold Mines. I also acquired by purchase a number of mineral claims situated northerly from the B. C. Silver Company's holdings. I transferred ownership of these claims to a newly-formed Company known as Bush Mines Limited. Shortly after this Company was formed, there appeared a statement in an Official Publication to the effect that the strike direction of the Premier Gold vein was N 80° E and that the Premier Gold vein, accordingly, could not extend to anywhere near Bush Mines Limited claims. Having previously prospected this area most thoroughly, I was well aware that Premier's shear structure turned to a northerly direction and did persist to Bush Mines Limited claims. But the incorrect and unfavorable publicity quite ~~quite~~ effectively prevented ~~my~~ obtaining adequate capital for exploration work at that time. Pending clarification of the all-important geological information affecting the knowledge of the location of the extension of Premier's ore-bearing structure, it became necessary for me to form the National Silver Mines Limited to supercede Bush Mines Limited. Not

long afterwards the Sebakwe Company of London acquired control of and developed an important orebody on, claims situated immediately to the north of B. C. Silver's north boundary. Bush Mines Limited was then liquidated.

Later I carefully prospected a number of claims situated immediately to the north of the Sebakwe property. I also had two independent geophysical surveys made of these claims. On the strength of information thus obtained and confirmed I acquired these claims at a cost of \$ 30,000 and transferred ownership of these to another Company known as Bush Consolidated Mines Limited. Next I transferred control of Bush Consolidated Mines Ltd. to the National Silver Mines Limited. These claims are largely above timberline and a considerable number of veins, including three East-West veins which form junctions with three strong North-South shears, are well exposed on the surface. Bush Consolidated Mines Ltd. contracted with a Mineral Lands surveyor to have these claims Officially surveyed and brought to Crown Grant status. On these claims, also, a crosscut adit was driven to intersect the foot-wall section of the Premier shear zone between the junction of two East-West fissure veins. This vein, where encountered, as well as the accompanying host rock, was seriously crushed and values, though present, were spotty. It is my opinion that this vein must be opened and explored at substantially greater depth at which horizons ores showing some important degree of supergene enrichment may be anticipated. In carrying forward this underground operation the drift from the entering crosscut was in course of being extended northerly on the crushed vein to explore its intersection with a known fissure vein when our sponsoring brokers, an important Eastern Concern, due to the

onset of the '29 financial depression, were no longer able to provide capital for the operation.

As there had been little or no warning of the approach of any such financial debacle, the Company, as was the case with many others, was left in an embarrassing position - there being numbers of unpaid accounts including those for the Official claim surveys and for the Crown Grant fees. Requests from the shareholders for limited financial assistance were, largely, unheeded and I, personally, along with assistance from the National Silver Mines Company, paid the outstanding accounts. At this point all Bush Consolidated Mines accounts were liquidated and the Company was indebted to National Silver Mines to the extent of \$25,000. Some considerable time later the National Silver Mines Company was wound up at a cost of \$2,500 and, as of this time, all property holdings of Bush Consolidated Mines Limited reverted to the Provincial Government for non-payment of mineral-lands taxes.

Meantime the large orebodies of Premier Gold Mines Ltd. appeared to be approaching exhaustion. In 1935 it was arranged and agreed among the several interests of the Company that, following the depletion of the known ore reserves, a new Company would be formed which would be known as Silbak Premier Mines Ltd. This was to be a 3,000,000 share organization, - Premier Gold Mines was to receive some 1,200,000 shares to cover properties and equipment, the London Interests would have approximately 1,100,000 shares and the shareholders of National Silver Mines approximately 100,000 shares. At the present time the National Silver interest has a market value of \$ 5,500.

In 1946 the ore reserves of Premier Gold were estimated as 58,810 tons of broken and unbroken ore, assaying 0.24 ozs. of gold

2.27 ozs. of silver to the ton and 1.85% of lead, so the American Smelting and Refining Company decided to liquidate Premier Gold Mines Limited and to transfer the management of the mine to the London Interests.

It had been my opinion that National Silver Mines should have paid the mineral-lands taxes, which had accumulated to the amount of \$1,750 on 11 selected claims, to protect the \$25,000 owed to them by Bush Consolidated Mines. With this in mind I had caused a small syndicate to be formed to acquire all these 11 claims. The actual cost to the syndicate was substantially more than the \$ 1,750 for the Crown Granting work since the Syndicate had to incur unexpected expense in sending a mining engineer to Stewart for an examination and report on the property.

I have recently purchased these 11 claims from the above-mentioned Syndicate and have transferred their ownership to Mammoth Silver Mines Limited, which Company already owned a large Group of Crown Granted claims adjoining the 11 claims acquired by me from the Syndicate. Now Mammoth Silver Mines Limited owns a substantially larger block of Crown Granted claims in the Upper Salmon River region. These are traversed and made accessible by a motor road. They are known to be traversed by a system of intersecting shear zones and fissure veins which geological feature, in this area, is known to result in geological structures favorable to the occurrences of gold-silver type orebodies. It is planned to begin active development work as early as possible in the spring of 1959. Subsequent plans, so far as these can be projected at this time, include a cyanide plant for the production of gold and silver bullion on the property and such

other metallurgical devices as will eliminate the major portion of otherwise-necessary freight and smelter treatment charges for the treatment of these ores.

The writer has maintained his interest in the ore occurrences of this Portland Canal region for nearly half a century because of his firm belief in its ultimate destiny as one of the important mining districts of British Columbia.



O. B. Bush

Dollie and Dave Fucsky

P.O. Box 806

Stewart

636-9186