

895019

Report #3

To Andre Pontolaymer - Victoria

Bob Wilms

Oct. 14/82

1981 REPORT

1000-MILLION CUBIC YARDS

OF

PLACER GOLD-BEARING GRAVELS IN THE MCDAME VALLEY
NORTHERN BRITISH COLUMBIA - AND REPRESENTING MANY
MILLIONS OF DOLLARS! A TRUE AND VERY CONSERVATIVE
REPORT. By Bob Wilms, veteran prospector in that
District - since 1923.

CAN "YOU" HANDLE IT?

"WILMS --- 1981 REPORT --- ON MCDAME CREEK VALLEY"

RICH GOLD QUARTZ * PLACER GOLD * AND BASE METALS

FIRST A VERY BRIEF HISTORY - From 1923 to 1981: This is a REPORT on the "Potential Mineral Wealth of the McDame Creek Valley in Northern British Columbia - both in Hard-Rock and in "Huge Placer Gold Reserves" - as observed, and intensely studied, tested and analysed - by BOB WILMS - veteran prospector in that vast area - since 1923. As one "Old Time Prospector" puts it -- "It is a veritable *TREASURE TROVE* of mineral wealth". This I truly know, after spending almost my entire life, in this fascinating Area - studying enriched "Placer Gold Deposits", my forte, and blasting with dynamite into the extensive Gold Quartz Zones - located in the headwaters of this Valley - and known as the "Mother-Lode" extending N.E.X. S.W. across the valley for - 12 miles in extent and fully 3 miles in width - just loaded with quartz-veins, in many of which beautiful particles of crystalline Gold and even nuggets sometimes can be observed. This occurs at different elevations from the Valley Floor at 3,000 ft. to 6,000 ft. up the mountains - on both sides of this Valley - which is heavily endowed with Natural Resources by "Mother Nature" in GOLD and many other types of Minerals.

From 1923 to 1947: This Valley represented a very "VAST WILDERNESS" - serviced only by Dog-Team in the winter - and horses and boats in the summer! No roads, no airplanes, no bulldozers - nothing, you might say! (But a very great difference today). This mountainous area was only inhabited by Indian Families, and a minor number of white people - trappers mostly - and serviced by the Hudson Bay Fur Company, Traders at Telegraph Creek, on the Stikine River, McDame Post and Liard Post - later at Dease Lake Post. It was very apparent that the "Total Cassiar District" had reverted into a state of "Deep Slumber" - since the "Gold Discoveries" of the "Early 1870's" - the days of the "Hand Miner & Intrepid Explorers."

But in the 1940 DECADE: This ALL began to change - Airplanes began to come in - Alaska Highway pushed through from Dawson Creek to Whitehorse, Y.T. as a War Measure by the U.S. following close to the B.C. & Yukon Border. The Canadian Government established the Watson Lake, Y.T. busy Airport -- and this whole country began to take on a New Complexion!

IN 1934 - GOLD WAS DISCOVERED IN THE "MOTHER-LODE":

by the "Collison Family" of Ft. St. John, B.C. - in a vein in Troutline Creek, in the Southern Zoning System. A plane-load of very rich high-grade gold quartz - was flown to Juneau, Alaska, by Bill Strong of Tulsequah, B.C. (on the Taku River) - and causing considerable excitement! Shortly thereafter "Table Mountain Ore" was discovered - a major vein - 4 feet to 12 feet in width, and extending East & West for 9,000 feet - rich in Gold. In 1936 "Consolidated Mining Co." drilled on this vein and disclosed drill holes up to 2½ ounces per ton in Gold - but everything was "air-freight" those days - so they took over the "Con" mine in Yellowknife instead of pursuing that rich "Table Mountain Ore".

MCDAME VALLEY WAS STILL ISOLATED UNTIL 1947: When this writer was to interest the "MOCCASIN MINES LTD." of Sacramento, California to come in and mine our

numerous "Gold Placer Mining Lease" in this McDame Creek Valley which were 14 miles downstream from the "Mother Lode" area, with a fairly large "Doodle-Bug Operation" during the years of 1948-9. In two summers of operation they produced nearly \$500,000.00 in Placer Gold from the Creek-Bed, until the Valley widened-out and values per cu. yd. thereby deleted because of this spread - at \$35.00 Gold. BUT the "most important part of our contract with them" was that they were to build a road into McDame Valley from the "Alaska Highway" 60 odd miles. This highway was the "key" that opened up this whole "Cassiar District" - eventually. When there was "non-available" this writer obtained the first surveyor and first engineer for this project, with the co-operation of the B.C. Mines Department, Victoria, B.C. This "road" is now known as "Highway #37" was constructed by the Government on further south to connect with "Highway #16" at "Kitawanga". It has been, and is being greatly improved, some sections being paved - because it is the shortest routing through this vast country to all of the Yukon and Alaska!

Over this primary "Jeep Road" - this writer - hauled many Mining-Engineers into this Cassiar Area. By boat first - up the Dease River 110 miles to McDame - then by jeep over the road - with no great encouragement - due to lack of good roads between 1936 and 1950.

In 1950: "Cassiar Asbestos Corporation" - was established at the headwaters of this McDame Valley - and a "town-site" built in order to mine one of the most outstanding deposits of "Chrysotile Asbestos Fibre" found in this "world". This company has produced millions of dollars worth of hi-grade asbestos fibre - and is still operating successfully today - and for many future years!

TRANSPORTATION, and its effect on MINE DEVELOPMENT - 1950 to 1980:

Due to the improved transportation into this Cassiar District, creating increased interest -- many things began to happen: In 1953 - this writer - sold to "Silver Standard Mines" of Vancouver, B.C. the "Voullage Vein", and they formed the "Table Mountain Mines Ltd." - to develop the only recognized "Gold Quartz Mine" to that date. They did some cursory exploration work - proved up to 0.70 oz per ton in gold for 2,000 feet of this vein - BUT never got into production - yet? Probably never will - until stronger companies take over? But the most important incident on this Table Mountain - was the entry of Mr. Ross & Son, of Vancouver, B.C. known as "Erickson Creek Mining Co." and "Nu-Energy Mines Ltd." - in active development starting about 1978-9 - and still going strong - on the southern slope of Table Mountain - and including some Mineral Claims from the Table Mountain Company. Mr. Ross & Son did a lot of Diamond Drilling - with most encouraging results on the "Erickson-Vein", assaying from 1 oz. to 10 oz. in GOLD per ton - with some BULK assays running as high as 20 ounces of gold per ton! This "writer" knows this to be correct - because in my personal prospecting on this mountain for 10 years, I have had similar and even better Assay Results! But in the last year of climbing this mountain, I became a bit discouraged with Mining Engineers - so, I began to "blast a bit heavy" - resulting in scattering "gold samples" as well as "base ore samples" - all over the area - just to encourage "Engineers - and incidentally Working Capital" -- I think it did! Because - 4 new gold mills - have been constructed in this "Mother Lode Area" NOW - and should be producing BIG - in 1981!

SUMMARY:

NOW, this writer has given you a very brief synopsis of the true history of the mining development in the upper "McDame Valley Mother-Lode Area" that took so many years to accomplish. I did this for the express purpose - mainly to illustrate the profound "Effect" the "Mother-Lode District" had on the occurrence of the "Huge Placer Gold Potential" in this entire McDame Creek Valley" as here-in-after reported. Have not included the very many and rich "Base Metal" deposits also in this valley - they are being now developed by major companies, such as "Shell Canada Resources Ltd." of Calgary, Alberta - and many other companies - resulting in rather a "BOOM" Area in Mineral Development in the CASSIAR MINING DISTRICT -- this year of 1981."

(Please see my following Report and map).

"A HUGE OPPORTUNITY TO DIG PLACER GOLD - TODAY"

"A HUGE OPPORTUNITY TO DIG *PLACER GOLD* - TODAY!"

"BOB WILMS - - 1981 - - REPORT"

THIS IS A REPORT on the tremendous capacity for "PLACER GOLD MINING" in the MCDAME CREEK VALLEY located in Northern British Columbia, Liard Mining Division - - as observed and studied by "Bob Wilms, Veteran Prospector" in this vast District for 58 years -- 43 years were vigorously spent in Placer Gold Exploration by Bulk-Testing, and 13 summers in blasting with dynamite into the rich gold veins in the extensive and rich "Mother-Lode Area" - and also into several "Base Metal Deposits". This report is based truthfully upon a personal intensive study, and comprehensive bulk-testing in Placer Gold Areas, and can be verified by visual inspection, and my own assays obtained from Gold Quartz, and Base Metal Deposits, also by B.C. Government Reports, and available history of the "McDame Creek Valley" and total Cassiar Mining District.

This Report - covering my "Lifes Work", as an "active prospector" is an unusual presentation of factual and visible evidence - open for ALL to see today - that most ably substantiates these "Huge Placer Gold Mining Opportunities" laying "DORMANT" in the total "McDame Valley" today - and can be easily proven by a proper "Keystone Placer Drill" highly recommended to substantiate - ALL the True Facts contained herein.

FROM THE "MOTHER LODE GOLD QUARTZ AREA" - which is known to be approximately 12 miles long and 3 miles wide, which comprises the North-South and Central Zoning Systems - at the headwaters of this McDame Valley -- VISIBLE GOLD - can be seen in the quartz veins at the 3,000 ft. elevation, and up Table Mountain on Erickson Creek at 4,000 elevation - and at the top of Table Mountain at 5,780 elevation - and across the valley about 6 miles at Snow Creek - up to 6,000 ft. elevations - demonstrating a 3,000 ft. surface depth within which "Gold was precipitated" in the innumerable quartz-veins, and very likely goes to considerable Depth - when Diamond Drills can be made available to probe for it!

FOUR GOLD QUARTZ MILLS - are under construction "RIGHT NOW" - and one mill has produced a few million dollars already - with diamond-drill holes running very rich in grade!

THIS "MOTHER LODE" - is the undisputed "Source" of rich "Placer Gold" which has been flowing down this McDame Valley - for countless centuries, this writer, hereinafter, attempts to establish and reveal points for very viable and profitable "Placer Gold Mining" throughout this total McDame Creek Valley, as an almost continuous mining operation - for many future years - because of the very "Massive Yardage of Auriferous Gravels" contained therein - especially in the "High Channels" now resting peacefully - on its NORTHERN FLANK!

WHEN THE "GLACIER OF THE ICE PERIOD" - moved down this total "McDame Creek Valley" - from west to east - countless years ago - it intruded upon and blocked the rivers flowing into this Valley from the north, i.e. Lang Creek; Troutline and Quartzrock Creeks; Snow Creek; 3rd, 2nd, 1st. North Forks - thereby creating and concentrating a very massive flow of waters along its northern flank - which certainly increased in volume, as this glacier melted and receded -

resulting in a terrific erosive cutting of the "Mother-Lode Area" - and transporting fine gold and coarse gold nuggets - far down this Valley. However, this does NOT preclude the possibility of a "Primary Flow of Gold" - down this Valley for countless years - from the natural erosion of this Mother-Lode - PRIOR - to this Glacial Period, and also the possibility of altered and displaced - original channel flows - which, in turn, may have been displaced, or buried, in Morainic Materials?

"Big Nuggets of Gold" - the fact is that Big Nuggets in the sizes of $\frac{1}{4}$ & $\frac{1}{2}$ and ounces - have been, and are being recovered today in the "Centerville Area" - which is 14 miles downstream from the "Mother-Lode Area" this is also known as the McDame Canyon Area - and is presumed to be the recovery place - of three large nuggets - found in the very early days of mining: i.e.

1. Henderson Nugget 73 ounces worth \$1,200.00 in 1975 - Today \$36,500.00
2. Another Nugget 33 ounces worth \$ 600.00 in 1975 - Today \$16,000.00
3. Another Nugget 39 ounces worth \$ 700.00 in 1975 - Today \$19,500.00

(Besides the higher intrinsic value - today as souvenirs?) Today all values are based on \$500.00 per one ounce of gold, and in this report. Personally, I do not care too much for large nuggets - but am greatly intrigued - by the prolific distribution of "Fine Gold Flakes" throughout this entire Valley - from which you can make the biggest nuggets - if you so desire? Of Course, the heavy flow of Glacial Waters, ice movement and morainic-push - ALL had a lot to do in this sort of - Gold Transportation, and also leaving behind, as it did, huge remnants of the 500 ft. and 250 ft. and 90 ft. bench levels - visible today in this Centerville area - remaining indicators of the great flow of waters - at that time - and causing the resorting and re-concentration of "Gold-Paystreaks" in them of considerable widths!

"HUGE DEPOSITS OF PLACER GOLD MINING AREAS" - the "writer" prefers to discuss these "valley placer gold areas" in three sections: 1 "A" is the Western Section (Mother-Lode Area); 2. "B" the larger Central Section; and #3 the Eastern Section. Since McDame Creek runs from west to east - I will try and render a very "CONSERVATIVE" estimate of the "Volume" in cubic yards - of "Auriferous Gravels" in each section - in which "Keystone Drilling" is highly recommended - in order to segregate the richer commercial areas - from the more marginal pay-areas! The "CHANNEL" chosen - is evident $\frac{1}{2}$ mile up the 1st North Fork of McDame Creek - it is clean-cut and represents "ONLY" - $\frac{1}{2}$ the FULL Channel Gold Gravel Flow - down this McDame Valley - both split-channels - leaving very rich-gold-diggings behind them - so you can plainly see that I am being very "Conservative" in my estimates! ALL sections have two types of "Placer Gold" #1, the Primary, or Nugget Type; #2. the "Post-Glacial" or "Flat Flakey Type", which is much more prolific! The "writer" prefers to start with "B" Section FIRST - because it has the Greater Volume of Gravels: #1. "B" CENTRAL SECTION - CENTERVILLE AREA: (see attached Map) - this is roughly a 10 Mile Section of the "Old-Channel" - situated on the "North-Flank" of this Valley. Starting from the "First North Fork" and going west (upstream) for - 10 miles. This "High-Channel" (actually $\frac{1}{2}$ total Valley-Flow) was cleanly "CUT" by the transverse First North Fork, and is evident $\frac{1}{2}$ mile upstream from McDame Creek proper, and is on the WEST-SIDE, and measures 450 ft. in depth x 600 ft. wide - exposing flanking rims

on the west side. On the East side of this rather narrow stream is a sheer-mountain-wall, causing this hi-channel to turn south across the "Centreville Area" and depositing RICH HAND WORKINGS. But, the results from this cutting transverse 1st. North Fork, was \$400,000.00 (government report) from 400 feet of tunnel - which means TODAY 20,000 ounces of GOLD @ \$500.00 per ounce - - or - - \$10,000,000.00 - ! Unfortunately, we think of a "tunnel" - as just a hole in the bank - but in this creek it was mined from - rim-to-rim - approximately 10 yards average. Most the gold was concentrated on, and in, the bedrock - even today - coarse flat heavy nuggets can be found in the bedrock - after 100 years of rotting. The above is recited as an out-standing illustration of the great richness in the "Hi-Back Channel in McDame Valley" - I personally believe that this total area - could have been mined TODAY - in two months time with a D-8 Bull-dozer! If they had only been available - then!

NOW WE TRAVEL UPSTREAM APPROXIMATELY 10 MILES TO SNOW CREEK": This is a "Break" out of the "OLD Hi-Channel" - which caused extremely "RICH Hand-Workings" - "Government records show" - \$300.00 per day per man - shovelling into the sluice-box - or 15 ounces of GOLD per day! or \$7,500.00 @ \$500.00 gold price today - - and 300 ounces of Gold per week for 6 men, shovelling-in - pick and shovel work - this is used as a practical ILLUSTRATION - does it not make you wonder - WHAT CAN BE DONE WITH MODERN MACHINERY - TODAY?

NOTE: 300 ounces per week - by hand methods - is equivalent to \$150,000.00 @ \$500.00 gold today! We know that this condition of heavy gold enrichment - resulted from cutting the "Hi-Back Channel" - which remains "Un-worked" to bedrock today! Now - going downstream, following this "Hi-Channel" - Gold can be panned on the shores of "Deep Lake" - a small lake - with a small creek outlet - some old workings occur about ½ mile up this stream, probably on the southern margin of this hi-channel - it then continues on to the 3rd North Fork of McDame Creek.

THIRD NORTH FORK OF MCDAME CREEK: this is rather a large stream - and extends some 2 miles to the mountains - almost a direct transverse cutting of the path of this hi-channel - but quite deep - and should be RICHER than the narrow cutting of this ½ channel - at the 1st. North Fork. This "writer" controls 7 full placer mining leases - known as the "Placer Gold Group" - with a road bulldozed upstream about 1,000 ft. to an ideal Keystone-Drill site - where the "OLD-HIGH-CHANNEL" is logically presumed to have CROSSED! We know from former drilling - that no gold was spewed out - at the mouth of this creek - therefore it is a "Key Location" to check the total flow width - of ALL this "MAJOR HIGH BACK CHANNEL" - right down to bedrock! In past years - many unsuccessful attempts have been made - by "Old Timers" to reach bedrock - evident! The formation of gravels indicate as having their origin - from the "Mother Lode" sector - and some fine gold can be panned in the stream-bed.

FURTHER - VERY STRONG EVIDENCE - OF THIS "HI-CHANNEL GOLD FLOW": occurs at about ¼ mile EAST of this 3rd. North Fork, at which point - a major slide-path is in evidence - that extended clear across McDame Creek - carrying millions of cubic yards - and gold - with it, completely blocking the channel of McDame Creek proper! In this writer's opinion - the cutting of this major slide is what created the rich "Holloway Bar" immediately below - it is reputed that this "bar" produced a \$1,000,000.00 recovered by the "Old Time Workings" - the writer controls 5 Placer Mining Leases in this section - which could produce with aid

of machinery considerable "PLACER GOLD IN 1981" - if desired. Not too large a property, but contains a lot of gold - some drill holes ran \$1.50 and \$2.00 per yard @ \$35.00 gold price. This writer - also believes - that the 3rd. North Fork marks the END of commercial Placer Gold Mining - insofar - as the "Main McDame Creek Bed" is concerned! Drilling has pretty well verified this point. So, therefore, the "High Back Channel" is the main source of Placer Gold Supply down this McDame Valley.

SECOND NORTH FORK: it is not evident that this stream cut the Back-Channel, because it tumbles over a "Falls" just before entering McDame Creek, so the back-channel lays too deep. However, shortly below this stream - there has been a major "slide" from the "back-channel" a portion of which created a small amount of hand-workings called "Porcupine Bar" on the 150 ft. bench level. But "MOST IMPORTANT" this slide disclosed "SPLIT-CHANNELS" $\frac{1}{2}$ a channel continuing on to the First North Fork -- the other $\frac{1}{2}$ dumping into and paralleling the McDame Creek channel. NOTE: it is worthy to note at this point - that both these "Channels" caused very extensive and rich "hand-workings" for the "Old-Timers" - it is evident, both above and below Centerville.

AURIFEROUS - GRAVELS - IN THIS 10 MILE SECTION: it is safe (in my opinion) to be conservative in estimating yardage over miles of country. Now we can see and measure the clean-cutting of that portion of Back-Channel in the First North fork. We also know that this is a split Channel - so using this as a criterion of measurement - both up and downstream - I think is perfectly logical. So, this renders the following:

600 ft. wide x 450 ft. depth x 10 miles long
or 200 yds. wide x 150 yds. depth x 1760 yds. per mile x 10 miles:

"B" - CENTRAL SECTION - AURIFEROUS GRAVEL "VOLUME" -- 528,000,000 cu. yds.

"A" - WESTERN SECTION OF THIS "OLD CHANNEL": covers approximately 4 miles - from Snow Creek to Quartz Creek - right into the "Central Zoning System of the Mother-Lode." This back-channel continues West from Snow Creek (which, incidentally is not completely worked) for a distance of about 4 miles to "Quartz-rock Creek" - which also produced a considerable amount of Placer Gold - "I contend that this is where the Gold 'GROWS'" - I know because I have seen most the clean-ups over a period of 13 years - and helped in their last clean-up of some \$6,000.00 @ the "old price" - gold "literally-speaking" seemed to "grow" right here - because, at times, I had to hammer some nuggets - right out of the bedrock! This was a small un-efficient Hydraulic Operation - prior to 1950. There is a lot of Gold here - if the Government would let you work in the Creek - as well as the benches. This 4 Mile area is owned by a number of "Placer Mining Lease Holders" and is "unworked" as yet - and rich I think - and probably extends another mile upstream - maybe more!

THIS AREA GIVES "GOLD GRAVEL VOLUME CONTENT" of approximately:

"A" WESTERN SECTION: 52,800,000 cu. yds. per mile of very rich gravels X 4 Miles:
or, a TOTAL of * 211,200,000 cu yds.

"C" - EASTERN SECTION: downstream EAST from Centerville: the "Back Channel"

extends downstream about 4 miles on the SOUTH side, and about 2 miles on the NORTH side - a total of 6 miles (possibly more): This "Centerville Section" 14 miles below the "Mother Lode Area" is probably the most interesting section in the whole Valley because it is readily accessible, and was the home of a very lot of "Old Timers" shallow workings - it boasted a "store" and even a "saloon" - and was the meeting place for a lot of "Old Time Prospectors and Miners" - and very good diggings for gold - both nugget type and post-glacial type. Some "paystreaks" running from 300 feet to 500 feet and 800 feet wide - evident and running as much as \$100.00 per day per man - shoveling-in - \$18. Gold. (In Government Report of 1931.) About 40,000 ounces of Gold was re-covered in the "China Bar" section alone - which today at \$500.00 Gold represents a value of some \$20,000,000.00 ! The "Writer" has sold 6 - Placer Mining Leases in this Section to an Alberta Company - who are on our "Home Property" today with heavy equipment and a "washing plant" that will handle 500 cu. yds. per HOUR. They plan to handle 1,000,000 cu. yds. THIS SUMMER - this should prove to be a very interesting "Placer Gold Mining Operation" for all people concerned. I contend that the "Old Timers" only just prospected this total area - for the "Mechanical Gold Miner of Today"!

"C" Section TOTAL VOLUME, ESTIMATE: 6 MILES - 316,800,000 cubic yards.

SUMMARY OF ALL SECTIONS - AURIFEROUS - VOLUME:

"A" WESTERN SECTION	* VOLUME	- 211,200,000 Cubic Yards
"B" CENTRAL SECTION	VOLUME	- 528,000,000 Cubic Yards
"C" EASTERN SECTION	VOLUME	- <u>316,000,000 Cubic Yards</u>
TOTAL GOLD BEARING "VOLUME"		<u>1,045,200,000 CUBIC YARDS</u>

Over 1000-Million Cubic Yards of possible "PLACER GOLD BEARING VOLUME" in the "HIGH BENCHES" of this fabulous and rich "McDame Creek Valley" - right into the huge "Mother Lode" at it's headwaters - a fantastic situation - in Placer Gold Mining History!

It is generally accepted by the public that - where the "Old Timers" and the "Chinese Miners Worked" - it is worked out! This is a "VERY ERRONEOUS IMPRESSION" - and is "NOT TRUE"! Can you afford to hand-pick-and shovel one cubic yard of heavy GRAVEL - day-in and day-out for ONE DOLLAR - NO -- they could not either! BUT - that \$1.00 per yard today @ \$500.00 Gold is worth \$25.00 - and is handled with D-8 Cat Bulldozer or a 10 cu. yd. loader!

It is my profound opinion that there are many millions of dollars in "Placer Gold" to be recovered AT A PROFIT from the intelligent mining of the "many millions of yards of Auriferous Gravels" as outlined in this Report on 20 miles of this McDame Creek Hi-Bench Valley - clear into the "Mother-Lode Sector" - today! But Keystone Placer Drilling is essential to not only trace the channel - but to segregate RICH PAY from POOR PAY!

Let us again recite the "RICH" recoveries of the "Old Timers" as now reflected @ \$500.00 per ounce for Placer Gold today -- along this 20 Mile

routing as reflected in this 1981 Gold Report on "McDame Creek Valley":

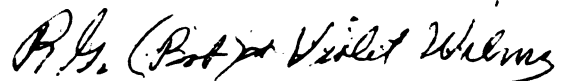
1. SNOW CREEK (based on \$20.67 per ounce of Gold):
 One man shoveling - in \$300.00 per day or 15 ounces - \$ 7,500.00 today.
 Six men shoveling - in 300 ounces per week - \$150,000.00 today.
2. "Holloway Bar" - quite extensive hand workings,
 reputed to have recovered - \$1,000,000.00 - or - \$25,000,000.00 today.
3. "First North Fork Centerville Area", extensive
 handworkings, total recovery unknown - but \$400,000.00
 reported from 400 ft. of tunnel - \$10,000,000.00 today.
4. Discovery of McDame - reputed to be one
 million - \$25,000,000.00 today.
 (McDame Canyon Area - believed to be very rich) unworked.
5. China Bar - 40,000 ounces recovered from stream-bed
 (authentic) - or - \$20,000,000.00 today

IT IS NO WONDER "THAT OUR GOVERNMENT" SITES McDAME CREEK AS BEING THE "RICHEST" PLACER GOLD CREEK IN ALL OF BRITISH COLUMBIA! AND THE HOME OF THE "LARGEST ALL GOLD NUGGET", "THE HENDERSON 73 ounce NUGGET" (Centerville)! And in the "writer's" opinion - the McDame "Mother Lode" as it is developed "History will Prove" it one of the "Richest" Gold Quartz deposits in ALL OF CANADA!

SUMMARY: this writer, Bob Wilms - has given you a "Panorama View" of the "Huge", extensive and rich 'McDame Creek Placer Gold Deposits' - laying dormant TODAY! I DO NOT attempt to ESTIMATE IT'S RICHNESS - based upon my own visual evidence, nor my personal conclusive "bulk-testing" which would not seem adequate for such a huge quantity of materials, as outlined in this Report - this is a job that must definitely be outlined by the "Technology of Keystone Drilling" - (and I hope you get a good reliable "Driller & Engineer" on this type of work)!

You can draw your own "conclusions" with regards to the above REPORT. ALL I will say, that even @ \$1.00 per cubic yard PROFIT * above and beyond your total operating costs - 1000-Million cubic yards - definitely infers considerable wealth - but it also requires considerable capital - the very best in management - and application of the most efficient mechanical equipment! 1981 - the year of the "Mechanical Gold Miner" - "What are we waiting for?"

Respectfully Submitted by,



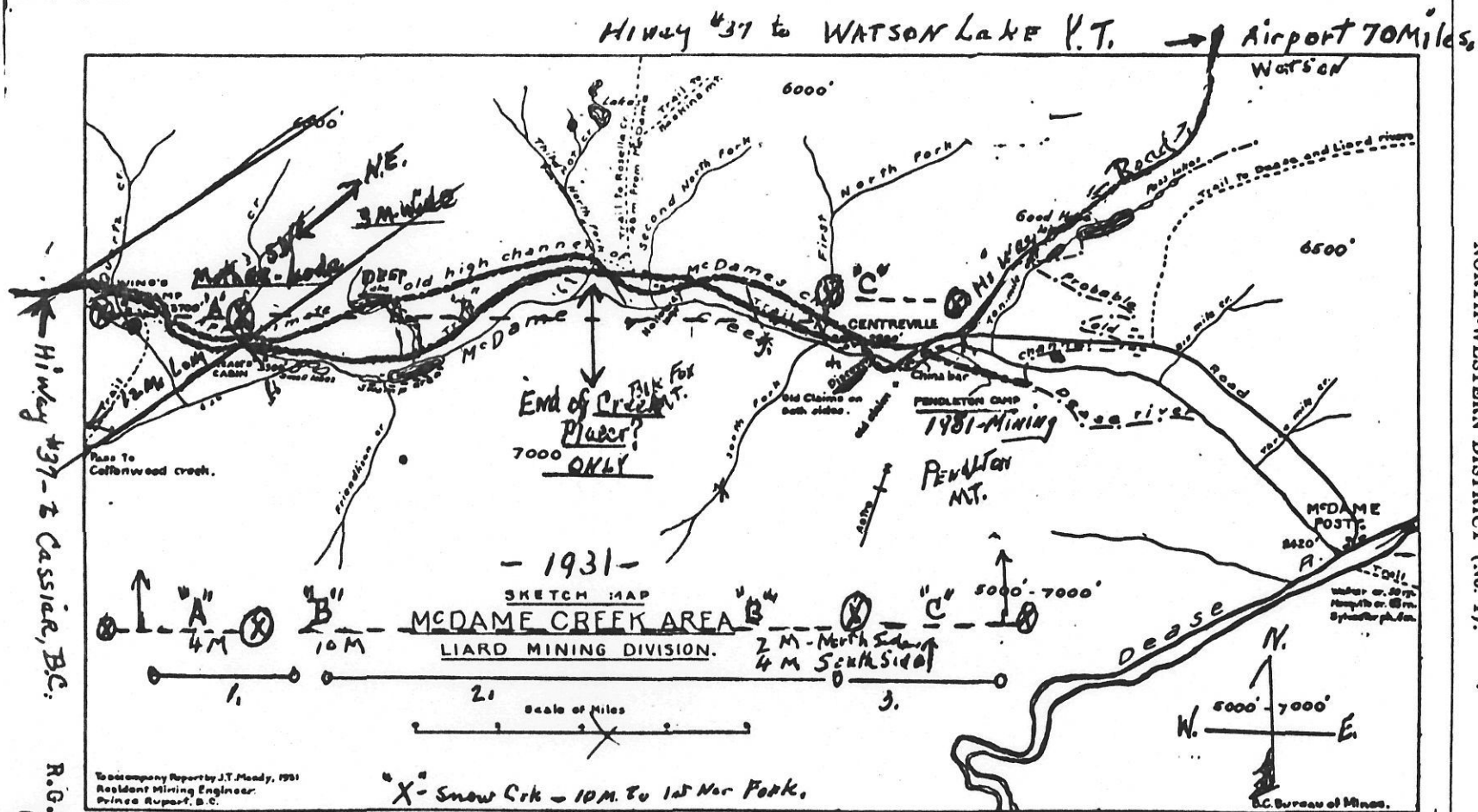
R.G. (Bob) and VIOLET WILMS.
 Veteran Prospectors.

Address:
 -2246 Northwood Pulp Road, *Summit Lake Park #116.*
 PRINCE GEORGE, B.C. *3730 Lansdowne Ave.*
 V2K 1K2- *V2K-285*
 Telephone: 562-6510

By - Joseph T. Mandry - Resident M.E. & Geologist.
 "Very Fine & Accurate"

NORTH-WESTERN DISTRICT (No. 1).

A 55



Companys Report by J.T. Mandry, 1931
 Resident Mining Engineer.
 Prince Rupert, B.C.

R.G. Williams
 R.M.P.

Hiway #37 to WATSON LAKE V.T. → Airport 70 Miles

Hiway #37 - to Cassiar, B.C.

"AN EXTRACT FROM - BOB WILMS - 1980 REPORT" - VETERAN PROSPECTOR AND MINER - IN THE MCDAME CREEK VALLEY SINCE 1924 - NORTHERN BRITISH COLUMBIA, MORE PARTICULARLY IN RESPECT TO BASIC YARDAGE TO BE CONSERVATIVELY EXPECTED BASED ENTIRELY LONG FIELD EXPERIENCE AND SURFACE TESTS MADE, AND BACKED BY A FEW KEYSTONE-DRILL HOLES THAT RAN \$1.50 to \$2.00 per yard @ \$35.00 GOLD. THIS VALLEY-FLOOR AREA IS COVERED BY 13 PLACER GOLD MINE LEASES - GRANTED BY THE B.C. MINES DEPARTMENT, VICTORIA, B.C. AND KNOWN AS THE "HOLLOWAY BAR CONSOLIDATION GROUP" OF 5 P.M. LEASES, ON THE WEST (upstream end) AND "JEEP CONSOLIDATION GROUP" OF 6 P.M. LEASES ON THE EAST (downstream end), controlled by WILMS - THERE ARE 4 P.M. Leases roughly in the center of this 6½ mile section NOT owned by WILMS, BUT THIS REPORT INCLUDES THEM AS WELL.

There are 13 Placer Gold Mining Leases covering 6½ miles of the McDame Valley Floor - 9 of these leases controlled by WILMS - 3 of these leases are held by independent operators in the CENTREVILLE AREA, (AND PRODUCING GOLD) and 1 Lease held independently on the EAST (downstream) end (producing interesting Gold Values). LINEAL MEASUREMENT.

It has recently (1980) come to my attention, (Independent of the Shell Company Drilling Fiasco on the JEEP GROUP 1980) - that two operators were testing for GOLD VALUES - with small Back-hoes - at both EAST and WEST ENDS of our Lease Holdings - as follows:

1. Mr. Gunter Amman, (whom I know personally) had staked a Gold Placer Lease on our WEST END presumed to be an extension (upstream) of our final P.M. Lease #1598 (this was an error in location caused by incorrect Government Mapping). Unknowingly, he did his testing on our P.M. Lease #1598 - and got very good results in his "Back-Hoe" in fairly shallow digging - running an average of \$7.00 per cu. yd., both on a sizeable ISLAND and on the NORTH shore of the STREAM-bed. He is willing to verify these above statements, if needed. Also willing to buy this Lease this winter - if we will sell it?

2) Now immediately below our Leases on the EAST end (the Dredging area), Mr. Oliver Leckie (whom I know personally, and a foreman at Cassiar Asbestos) - did considerable testing with his Back-Hoe and a 3 yard steel Washing-Plant ALL SUMMER (but only on weekends) he ran a "DRAIN" into a 10 foot working-face - resulting in an AVERAGE of \$10.00 per cu. yard. This was verified by an Engineer, who estimates \$5,000,000.00 GOLD CONTENT on his lease. (This can be verified).

(See over-leaf - for Calculations and MAP - Wilms).

WILMS 1980 REPORT (in part) - Cont'd.

Knowing this 6¼ mile McDame Creek Area very well - I decided to do some EXTREMELY CONSERVATIVE CALCULATING, as follows:

1980 "TESTED & RECOVERED GOLD VALUES" - West End - - - - - \$ 7.00 per cu. yd.
 1980 "TESTED & RECOVERED GOLD VALUES" - East End - - - - - \$10.00 per cu. yd.
 \$17.00

Divide this testing recovery by 2 - gives Average of - - - - \$ 8.50 per cu. yd.

KNOWING THE RECOVERY ON THIS 6¼ mile area in the past - - THIS EVALUATION IS * EXTREMELY LOW *.

HOWEVER, ESTIMATING * VOLUME * OF PAY-GRAVELS IN THIS 6¼ mile Area: (see map attached) - as to wide areas, and narrow areas, are very conservatively estimated (from memory) - and "DEPTH" overall is calculated at "21 feet" which I know exists - as a happy average:

TOTAL GOLD BEARING GRAVELS in 6¼ miles (LOW) * 10,906,000 cubic yards.

ESTIMATED AVERAGE GOLD VALUE @ \$8.50 (LOW) gives - \$92,701,000.00

Calculations are based on GOLD value of \$600.00 - U.S.

(But REMEMBER that this includes 4 P.M. Leases - we do not OWN).

IT IS OF INTEREST TO NOTE THESE FACTS:

In 1940 period I was working on our "Jeep Placer Leases" and handling a full 45 foot FACE on the 90 foot Bench Level - handling 10 ft. of overburden and 15 ft. of underburden - effecting a DIRECT-CROSS-CUT. I handled 9,000 cu. yds. - it averaged 60¢ - top to bottom - - or today @ \$600.00 gold - this average would be \$12.00 per yard. Today - after continued operation the top 30 feet of this 90 ft. bench level averages - \$8.75 - per cubic yard - conservatively.

During the "MOCCASIN MINES OPERATION" in the McDame Creek bottom area in 1948 - DIGGING IN THE WATER - whereby the management estimated the recovery showed a 50% LOSS - Still their OVER-ALL recovery was - 46¢ - or \$9.20 per yard - their total recovery for 1948 and 1949 - was nearly ½ million dollars @ \$35.00 per ounce - or \$10,000,000.00 TODAY - So, it is very plausible to believe - that by re-working the "Moccasin Operations Tailings" - a further \$10,000,000.00 would result - IF THIS AREA WAS DRAINED * AND WORKED "DRY". OR BUCKET-LINE DREDGED?

ALL THE ABOVE CALCULATIONS ARE GIVEN SO THAT "YOU CAN SHARPEN YOUR PENCIL" and do some figuring too - IF YOU ARE INTERESTED?

FOR EXAMPLE: In the upper two Placer Gold Mining Leases #1598 and #780 - 80 acres each - there is approximately - 3,000,000 cubic yards @ my reduced evaluation of \$8.50 per cu. yd. - - - - - gives \$26,550,000.00.*

P.S. You can DIG GOLD HERE
in 1981 - if you want to!

Respectfully submitted by,
ROR WILMS (1981) *ROR*

December - 1980

ROUGH ESTIMATE OF GRAVEL * VOLUME *
IN * 6 1/2 LINEAL MILES * OF MCDAME
CREEK VALLEY * VERY CONSERVATIVELY

ESTIMATED AT * * 10,906,000 cu. yards.
VERY LOW.

TESTS MADE BY * AMMAN - WEST END - \$7.00
average - per cubic yard.

TESTS BY LECKIE * EAST END - - - - 10.00

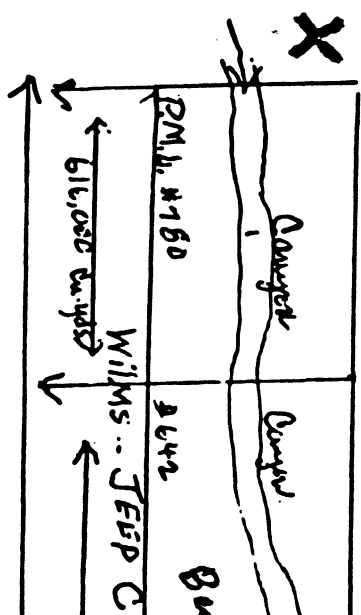
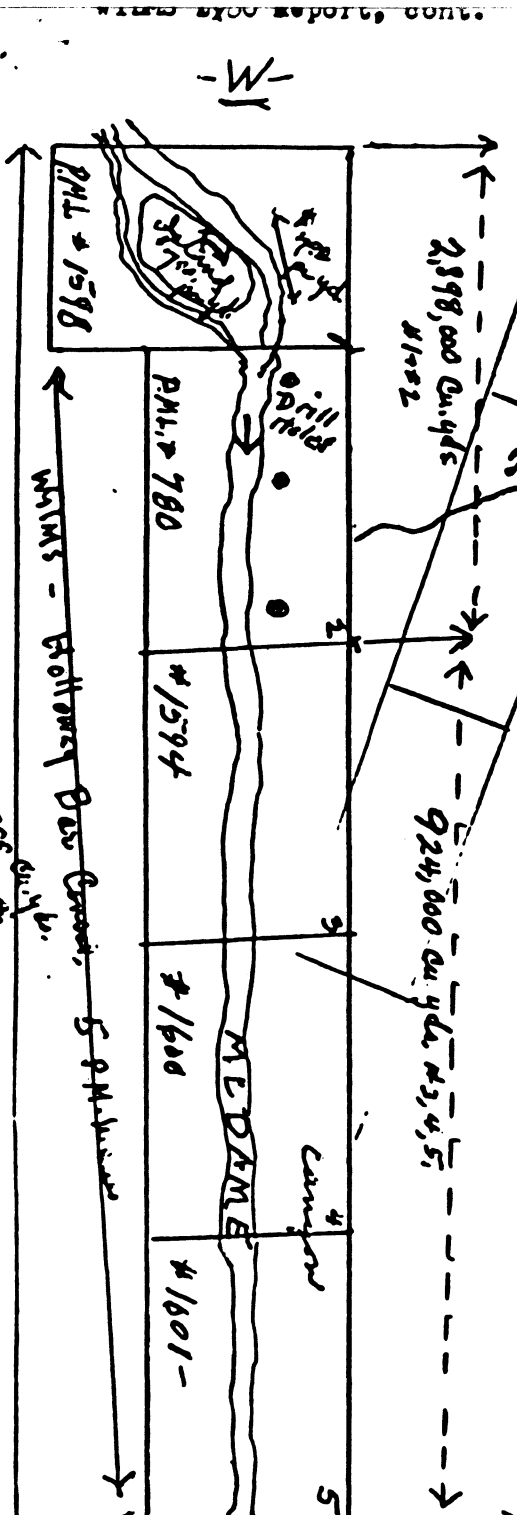
VERY CONSERVATIVE AVERAGE * * \$8.50 p.cu. yd.
VERY LOW.

ESTIMATED THE * TOTAL VALUE OF * GOLD PLACERS *
IN THIS * 6 1/2 Mile * SECTION * RIVER BOTTOM

AREA * ONLY * * AT: \$92,701,000.00 based on

U.S. \$600.00 per ounce.

Bob Wilms



August 1st, 1978 ✓
(By R.G. (Bob) Wilms)

RE: "PLACER GOLD - GOLD QUARTZ AND BASE METAL MINING IN
NORTHERN BRITISH COLUMBIA, CANADA

This is a personal "General Report" on the viability of many heavily enriched mineral deposits located in the particular area embracing the Eastern Flank of that great "Cassiar-Omineca Batholith" - more particularly, that section embracing the drainage systems of the "McDame Creek Valley" and including the various streams of Snow, Quartzrock, Troutline and Lang Creeks, draining into the McDame and flowing easterly; Simons Lake & Bass Creek drainage systems flowing westerly through the granite up-thrust; and includes Pooley Pass area to the south and the lower McDame Creek area to the east in the "Liard Mining Division - Northern B.C." (as observed by R.G. Wilms, veteran prospector, very active in pioneering this big area - since 1924). Please see reference map on 1959 "McDame".

At this date, August 1st, 1978, I am interested to submit the latest findings on the many mineral prospects located in or near, this McDame Valley Watershed and embracing the following minerals, i.e. Placer Gold (extensive); Gold Quartz (extensive); Silver-Lead (both hi-grade shipping & complex milling ore) (extensive); Molybdenum, Copper & Silver, Tungsten, Copper-Silver-Zinc and also Coal - some few miles from this valley. It is necessary to examine all these properties, if desired and submit reports on each one individually as soon as possible (summer).

Number one priority should be given to, and definitely requires immediate attention because it approximately covers an 8 mile or more section of the plotted "Old Channel" of Gold Alluvials trending down this McDame Valley. This "Old Channel" is very important because it has had at least "8" "Breaks", slides, or creek cuttings of its gold bearing materials, in each case spewing out gold values for rich shallow "hand workings" onto the Valley Sides, and onto the McDame Creek bottom areas into paystreaks up to 500 ft. widths in a distance of 15 miles, observable from its known source of supply, the great "Cassiar Mother-Lode" which is made up of countless gold-quartz veins, comprising three "Major Zoning Systems" in a Belt of over three miles in width and running north-east and south-west across the upper McDame Valley, in the vicinity of Snow, Quartzrock and Troutline Creeks, extending across McDame Lake and on up over Table Mt. - some 12 miles in extent.

Visible free gold in the Quartz can be observed on the Valley floor at McDame Lake, 3000 ft. elevation, and on Erickson Cree, at 4000 ft. elevation, and on top of Table Mt. at 5780 ft. elevation - proving a 3000 ft. depth of visible "Gold Precipitation", recent drill holes (incomplete) prove it much deeper -- similar visible gold can be seen on quartz veins - across the valley to the North - as high as 6000 ft. elevation on Snow Creek.

The great richness of this "Cassiar Mother-Lode" has now become public information with many "D. Drill Holes" bored into the north slope of Table Mountain - yielding 2 and 4 ounces of Gold per ton and as high as 18 ounces - with some bulk assays running as high as \$20,000.00 per ton. This writer can truly verify these evaluations based on the results of my many years work, in the past, on these Table Mountain Veins - some of my assays were even higher than those quoted above - based on today's Gold prices, per ounce!

Such an ideal geological condition is seldom found, wherein all the above data ably demonstrates the richness of the "Mill-Feed" - grinding down this McDame Valley during our "Ancient Glacial Ice Period" - a spur of which extended down the McDame Valley - travelling easterly, leaving in its wake this extreme large volume of "river flows" leaving its evidence in the flanking benches - at the 500 ft. levels, 250 ft., 90 ft., and 60 ft. levels - and finally down to its Canyon "Bedrock" levels depositing "major Wealth Thereon" - which can be truly termed "Nature's Own Sluice-Box" plus the resorting of wide, rich Hi-level "paystreaks" into these Bench-areas.

ALL the above phenomena is today very evident and wide open to observation, inspection, study and severe testing on the "Wilms-Jeep Consolidation of the Gold Placer Mining Leases" - located at Mile #66, on the Cassiar-Stewart - Vancouver Highway #37 (which I started in 1947) and also at "Reed's Hill" at Mile #72 on the "Holloway Bar Consolidation of Placer Gold Mining Leases".

The "old-timers workings" on these properties (Wilms) show very wide (but shallow) pay-streak areas - in the river-bottoms -- from which - 44,000 ounces of Placer Gold have been recovered in the past, mostly by hand-shovel methods - which represents a value today of \$8,600,000.00 -- taken only from about 1½ miles of river bottom - with millions of yards of Pay-Gravels, ahead of us yet to be mined - clear to the "Mother-Lode" 15 miles upstream!

Of particular interest at this point is the Government Report - that \$400,000.00 was recovered from 400 ft. of tunnel on the "First North Fork" located at "Centerville" by the "Old-Timers" -- the gold value at that time was valued at \$20.67 per ounce, and mostly sold for \$18.00 per ounce, giving us an evaluation of \$4,000,000.00 today! - All concentrated down to bed rock by the cutting down of this old and ancient "Hi-old Channel". Also it was reported that \$1,000,000.00 was recovered in those early days, from "Holloway Bar" - four miles upstream (this report has not been verified by Government record) but the gold there recovered had as its source, the same "Old Hi-Channel".

The Total Extent of the "Old Channel" routing down this McDame Creek Valley is indicated and mapped in Minister of Mines Annual Report of the Year Ending in 1931, page A-55, by Dr. Joseph T. Mandy, Resident Engineer and Doctor of Geology. This "Old Channel" flow runs for approximately 15 miles (likely much farther easterly in the "Pass-Lakes") and/or down the McDame Valley or both - from the "Y" - just below our Camp here.

Along this 15 mile route of this "Ancient Old Channel" there has occurred at least "8 Breaks or cross cuttings", i.e. at Quartz Creek, Snow Creek, Deep Creek, Holloway Bar, Porcupine Bar, First North Fork, Discovering Canyon, and at Wilms-China Bar, all caused by cross cutting or displacement by slips and slides down into the McDame stream areas - resulting into highly enriched and shallow "Hand-Diggings" for the "Old Timers" in wide pay areas. Of interest in this respect, it is proclaimed that at the "Snow Creek Break" it caused the "richest hand-diggings" in all this Province of British Columbia!

Re: That 8 Mile Section of McDame Valley - why it is number one. This area embraces the "Third North Fork" - one of the larger side streams flowing into McDame Creek, ideal for prospecting because of cross-cuts the hi-bench for some 2½ miles and definitely has to cut the "Major Old Channel Flow".

But to find the proper location has been a sort of "nemesis" greatly troubling the cursory efforts of our prospectors for the past 100 years, its depth and heavy timbered slopes do not render clear indications. There is Gold there - as is evidenced by the hard labours expended in the past - endeavouring to get down to the rich-pay on bedrock similar to that found on the First North Fork. To the best of my knowledge, no one has yet succeeded, although one shaft was sunk down for 40 feet. A Keystone Drilling Programme is definitely needed at this ideal point of attack to tap the Placer Gold Richness - we all believe to be therein - locked tightly.

The Gravel Wash formation is ideal - representing direct cutting of the Mother-Lode formations, mainly greenstone, granite and dyke rocks, well-rounded and worn - this stream presents the lowest point of access and right close to the Main Highway #37 - for a quick exploration - by Keystone Drilling. In order to protect this ideal point of entry, I have staked (with associates) 3 Full sized Placer Mining Leases, as of July 22nd, 1978. Drill results should pave the way into many millions of yards of "Gold Enriched Gravels". Other points of interest support this Third North Fork Venture is, that we know, from Drill results done in many past years this stream DID NOT spew its riches upon the Delta entrance into the McDame Creek proper - also that drilling below this point proved it. So the gold is still there!

Summary

ALL the above data can be definitely "Proven" by the minor expense of an intensive "Keystone Drilling Programme". Plus the preliminary surveying of the more than ample supply of "Water" to the various "Points of Attack". To such a program, I dedicate my fullest knowledge of this area towards a most successful conclusion.

Respectfully Submitted By:

R.G. and Violet Wilms

R.G. (Bob) Wilms
August 1, 1978

Veteran Prospector in Cassiar Area -
Since 1923.

✓ New Address:

~~2246 Northwood Pulp Road #116~~ ^{#3790 -} *Lundstone An*
Prince George, B.C. ~~V2K 1K2~~ ^{V2N 2S5.}

Telephone: 562-6510