REPORT ON

72H/11W 92H/NW- 369

#### AURUM MINE

AURUM SIDING, B. C.

#### FOREWORD:

Very narrow, extremely high-grade seams carrying free gold first attracted attention to this property and resulted in 1400 feet of tunneling. After development proved discouraging attention was diverted to the possibility of certain wide, low-grade shear zones. Open cuts on these zones are the only showings visited by the undersigned. They were examined by lamp light in a hurried trip.

#### SUMMARY & CONCLUSION:

Summary: A shear zone 6 to 22 feet wide has been explored over a length of 300 feet by 4 open cuts and a shallow tunnel. The wallrock is mainly slate and the mineralization, which conforms with the formation, consists of quartz stringers and bands with small amounts of pyrite and arsenopyrite.

Six hundred feet to the south a second zone, 25 feet wide, consisting of silicified greenstones has been exposed in one open cut.

Eight samples varied from 0.03 to 0.47 ounces of gold. The higher samples are probably due to residual enrichment as they consisted of highly oxidized surface material.

Conclusions: The development accomplished has not indicated mineralization of sufficient strength and grade to warrant the expectation that profitable ore bodies may be expected as a result of further exploration.

LOCATION:

Aurum mine is located at an elevation of 3400 feet
on the south fork of Aurum creek, 4 miles by road
from Aurum Siding, a flag station on the Kettle Valley Line, 20 miles
north-west of Hope, B.C.

OWNERSHIP & TERMS: A. E. Rabb and Angus Beaton, of Hope, B.C., are the principal owners. Terms as suggested by Mr. Beaton were: \$10,000.00 cash, a 20% interest and an additional \$40,000.00 out of production.

Histoty:

The Aurum now includes most of the ground originally occupied by both the Idaho and Snowstorm groups.

In 1927 astonishingly rich pockets of free gold were encountered in tiny talcose seams at a slate-serpentine contact, which resulted in 1400 feet of tunneling in a futile endeavour to encounter more rich pockets. This work has now been discontinued and during the past year the wide shear zones, showing weak quartz and pyrite mineralization, have been explored.

PROPERTY FILE 924NW003-07

MINE WORKINGS AND DEVELOPMENT: In the south-east corner of the Idaho claim there are 4 open cuts exposing the shear zone for 300 feet and at the south-east end a short tunnel has crosscut the zone. The O'Connell open cut, on another shear, is 600 feet to the south.

GEOLOGY:

It was not possible to study the geology away from the opencuts as they were examined at night.

In the south-east sarner of the Idaho the showing s are on a shear zone 6 to 20 feet wide, which has been exposed for 300 feet by 4 open cuts. Mineralization consists of quartz stringers and partially silicified areas with small amounts of pyrite and arsenopyrite conforming with the structure of the enclosing slates. The quartz content would range up to 50% and the sulphides up to 8% of the mineralized area. Six samples varied from 0.03 to 0.47 ounces of gold. The higher values appear to be due to residual surface enrichment.

The O'Connell cut, about 600 feet to the south, is one parallel zone. Here, silicified greenstone with sparsely spaced quartz stringers, and very little sulphide, has been exposed over a width of 15 to 25 feet. Two samples averaged 0106 ounces of gold.

#### POSSIBILITIES:

So far nothing of sufficient strength to indicate profitable mineralization has been exposed. Judging from the results of the accomplished development, the chances of discovering commercial ore bodies are not sufficient to warrant development.

"P.G. DOBSON."

Vancouver, B.C. January, 1935.

ASSAY SHEET

# AURUM MINE

1	* * * * * * * * * * * * * * * * * * * *		1. A	
Sample number	Wiath Feet	Gold Ounces	Location	Description
446	7.5	0.15	The northwesterly or Upper Idaho out	Soft, iron-stained, decomposed slate and soil
447	3.2	0.13	Ward out, 75° SE of Upper Idaho.H.W.Side	Mainly shattered, oxidized iron-stained quartz.
448	3.2	0.06	F.W. of 447	Hard, partly oxidized green- atone.
449	28.0	0.47	Lower Idaho cut, 180° S.E. of Upper Idaho	Soft, decomposed rock and soil, iron-stained.
450	13.0	0.20	In tunnel, H.W. side	Fairly fresh dark slate, with impregnations of pyr ite and arsenopyrite; very little quartz.
451	13.7	0.03	F.W. of 450	Same as above, but less quartz
452	20.0	0.04	O'Connell Cut.H.W.Side	Greenstone with considerable silicification. Generally fresh but oxidized in spots
453	16.0	0.07	F.W. of 452	A kidney of silicified greenstone. 70% quartz
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January 1935.

With report of P.G.Dobson.

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Aurum This property, in the Yale Mining Division,

and Monitor Crown-granted mineral claims together with the Annex held by location. It covers much of the ground originally occupied by the Idaho and Snowstorm groups. The consolidated properties, controlled by A. E. Raab of Hope, are under option to the recently incorporated Cardinal Mining and Development Company, Ltd.

As shown on Geological Survey of Canada Publication No. 1988. "Coquihalla River Area", the groups, under the names specified, are situated on the South fork of Ladner creek 21 miles (camp) north-west of the Kettle Valley railway, from a point now known as Verona, or Aurum siding. This map also shows the topography in 100-foot contours. The Aurum property lies on both sides of the small valley of the South fork of Ladner creek, the camp being on a bench 30 feet above and south-east of the stream. The workings are from 180 to 930 feet above the creek and on the north-western side of it. The side-hill is well-wooded and is covered with overburden, slopes being generally uniform at angles of about 30 degrees towards the creek. Elevations in the developed area range between 2,600 and 3.350 feet, summits of the rounded hills in this locality being at about 4.000 feet elevation. The camp, at 2.450 feet elevation, is connected by a road, about 4.125 miles in length, mostly on a well-surveyed grade, with the siding at about 1,350 feet elevation. The road, fallen into disuse in recent years, was in need of repair at the time of the writer's visit.

The geology of the district has been described in the following publications of the Geological Survey of Canada: - Summary Reports 1919, Bart B; 1920, Part A; Memoir 139 "Coquihalla River Area" published in 1924, and Summary Report, 1929, Part A. ) Quoting from the last-mentioned under "Geological Relationships of the Serpentine belt", page 147-A:- "The volcanic and sedimentary members of the serpentine belt form the uppermost members of the Cache Creek series as developed in Coquinalla area. This series, from correlation with Dawson's Cache Creek series to the northwest and Daly's Hozameen series to the south-east, is thought to be late Palaeozoic, probably Pennsylvanian, in age. formed of a succession of greenish volcanic rocks intervalated with much banded and massive chert. considerable slaty argillaceous rocks, and some limestone. To the north-east the Cache Creek rocks of Coquihalla area are overlain by a series of dominantly black, slaty rocks referred to in andearlier report as the Ladner State belt. These rocks are thought to be of Jurassic and probably Upper Jurassic age. The contact between the

two series is consequently regarded as unconformable. though there is but little structural evidence to indicate such an important time interval. The two series have suffered about equal deformation during periods of batholithic intrusion in Late Jurassic. Cretaceous, and Tertiary times. Intrusives related to, probably, the Cretaceous period are represented in the serpentine belt by peridotitic rocks from which the serpentine developed; by numerous smaller intrusions of diorite and, less commonly, gabbra; and by occasional more acid dykes." This is followed, pages 148-A to 157-A, by a detailed description of the Aurum workings. discussion of future possibilities, including reference to the possible discovery of large, low-grade deposits in silicified zones such as the Idaho in the Ladner Slates to the north-east of the serpentine contact, these formations being mapped on Publication 1988 previously referred to.

The history of the property is outlined in the publications of the Geological Survey of Canada previously referred to and also in the Report of the Minister of Mines for the years 1922 and 1926 (Idaho). and 1927 to 1932 inclusive. The present group was consolidated in 1926 and was optioned to the Aurum Gold Mines, Ltd., most of the development having been done by this company. Some shipments are reported to have

Note for Dr. Walker:

Could this be verified.

been made from the Aurum in 1927.

In Geological Survey of Canada Summary Report, 1929, part A. the Aurum mine workings are shown on Figure 11, opposite page 150-A. These then comprised Nos. 1, 2, 2-A, 3, and 4 adits at respective elevations of 2,920, 28830, 2,790, 2,705, and 2,600 feet, aggregating about 2,500 lineal feet of work. Two small shoots of auriferous talc were stoped above the No. 1 level, and another small shoot (corresponding to the south-easterly shoot, near the portal, in No. 1 adit) stoped above No. 2. There is also a small stope on the No. 3 level where some gold values were encountered in a siliceous zone. stoping was done on the No. 4 level. Subsequent work in the mine is as follows:- At 2,898 feet elevation or about 35 feet below No. 1 level on the dip of the tale seam, an adit, 49 feet long, has been driven to exploit the small area left between the portal shoot on No. 1 level and the stopeput up below it from No. 2 level. The new working shows tale in the face, and adjoining hanging-wall, 24 inches wide. In No. 4 level, 20 feet back from the face of the fork to the north (see figure 11, previously mentioned). a winze, full of water when inspected, has been sunk about 5 feet adjoining a tale shear in greenstone near the contact with sediments. At the collar of the winze there is a showing of quartz mixed with calcite 6 to 9 inches wide,

which apparently widens to about 18 inches below the water-level. Continuity of the showing, from which picked specimens have shown visible gold, is not apparent in the drift above the winze. Superficial exploration in the Ladner Slate belt to the north-east of the north-westerly-trending serpentine contact has exposed several parallel zones of quartz stringers or silicified zones in metamorphosed sediments, and greenstones. In this type of deposit low gold values are associated with pyrite, with, in places, accompanying arsenopyrite, the sulphides occurring as irregular disseminations or fine streaks through the country-rock in the vicinity of quartz stringers or silicified phases. The mineralization in general conforms to the attitude of the enclosing formation, prevailing strikes being westerly or a little north of west with dips ranging from 40 to 80 degrees to the north. The better gold assays are obtainable in areas of oxidation which, while intense in places, is shallow. The approximate position of the principal workings is described with reference to the portal of the No. 3 Aurum adit which is the nearest of the old mine workings and, in general extends along the serpentine contact.

From the point specified the Queen (formerly McConnel) trench (south-west end) is distant 530 feet along a bearing of North 5 degrees West, the elevation here being 2,885 feet. This trench, about 100 feet long, is dug approximately at right angles to the zone which strikes about north 70 degrees west and dips at from 70 to 80 degrees to the north-east. Towards the hanging-wall-side the showing consists of a width of 20 feet of massive, greenish altered rock containing widely separated quartz stringers paralleling the attitude of the formation, sulphide mineralization being very light. Adjoining this section on the foot-wall-side there is a lens, 16 feet wide, of similar rock, largely composed of quartz. The exposures are generally fresh with a little oxidation in places. A selected sample of pyritized silicified rock assayed: Gold, 0.03 oz. to the ton; silver. trace. Just west of this trench and at 2,905 feet elevation, a curving adit, containing short branches, has been driven north-westerly for 60 feet. These workings expose quartz stringers at widely separated points, with no appreciable sulphide mineralization, in rock of similar character to that in the trench below. On the Idaho zone the highest point exposed is 1,350 feet measured along a bearing of north 25 degrees west fromt he portal of the No. 3 Aurum adit. The distance between the Idaho zone and the serpentine contact, measured at right angles to the trend of the latter. is estimated at about 480 feet. Surface workings here, distributed over a length of 250 feet between elevations of 3,200 and 3,326 feet, consist of extensive stripping by ground-sluiding together with open-outs and a long trench. These indicate a shear zone, striking north 85 degrees west and dipping at from 60 to 80 degrees to the north-east, in dark slate and schist. The rocks, which are generally weathered, containing rusty seams and streaks, are in places decomposed and intensely oxidized. Where exposures are fairly fresh the mineralization, conforming in general with the structure of the enclosing strata, consists of quartz stringers and irregularly silicified areas with small amounts of pyrite and arsenopyrite, the sulphides impregnating the rock but not the quartz to any noticeable extent. The area uncovered by ground-sluicing and open-cuts, over a length of 100 feet between elevations 3,330 and 3,266, is of irregular outline up to 25 feet wide.

Chaining easterly down the slope from elevation 3,330 the showings are briefly as follows:— At the top there is a width of 7.5 feet of soft, iron-stained decomposed rock and soil: at chainage 9, a width of 25 feet of high altered sedimentary rock with, in places where silicification is more intense, as in the 6-foot central section, finely divided sulphides in bands paralleling the strike; between

chainages 9 and 100, widths of from 5 to 11.5 feet of irregularly pyritized silicified rock with rusty zones and iron-stained decomposed streaks. The following samples of fairly fresh pyritized, silicified rock were taken:

Chainage frelevation 3		Description	Gold Oz. to the ton	Silver Oz. to the ton	
20 44 85	1	Selected Grab Selected	0.01 0.01 0.26	Trace Trace O:15	
89	3	Selected	0.18	Trace	

These were taken to get an idea of values in primary material free from oxidation.

rifty feet southerly from the upper part of the exposure described and opposite the section between chainages 8 and 52, an open-cut, up to 17 feet wide, exposes a rusty zone in schistose argillaceous rock. This working and a smaller out 65 feet east of it (opposite chainage 117) indicate a zone of indefinite mineralization paralleling the main <u>Idaho</u> showings. Reverting to the latter there is at chainage 195, and elevation 3,200 feet, a long trench across the strike of the zone. Here there is exposed a width up to 55 feet, of rusty, decomposed slaty rock and soil.

Selected
Here a sample of intensely oxidized material assayed: Gold.

1.10 oz. to the ton; silver, 0.1 oz. to the ton, and a sample across 6 feet where oxidation, pronounced, gave: Gold, 0.52 oz. to the ton; and silver, 0.1 oz. to the ton. At 3,172

feet elevation and just east of the trench there is a meandering adit, comprising 188 lineal feet of work. It crosscuts the mineralized zone in irregular manner but does not afford a proper section at right angles to the strike. Its main course is from south 70 degrees west to south 80 degrees west for 110 feet. At 30 feet in from the portal a branch extends north 65 degrees west for 30 feet, then turns north-east for 48 feet. The last-mentioned course, directly under the 55-foot trench, crosscuts the ground diagonally. Appreciable mineralization in the adit workings is apparently limited to the 16- or 20-foot section adjoining the face in the last course mentioned, where there is scattered light sulphide mineralization with some irregular silicification. Fifty feet north of the adit portal a trench, at 3,170 feet elevation, exposes rusty slates, this being outside the Idaho zone strike.

When the property was examined late in October 1935, development had not reached the stage where tonnage estimates of specific value could be made. / Judging from the results of several large sampling operations and the few check samples taken by the writer, interesting gold values are evidently present in patches in the <u>Idaho</u> showings, the higher assays being obtained from oxidized, decomposed, residual material as in the 55-foot trench. The zone is very imperfectly exposed in the superficial workings.

Underground work including drifting with crossouts at regular intervals, followed by large sampling operations, would be necessary before average values in primary material could be gauged. Between the <u>Idaho</u> and <u>Queen (McConnel)</u> workings there are widely separated cuts and trenches indicating other rusty zones of quartz veinlets or silicified areas but these are insufficiently exposed for detailed description or appraisal. There was no activity at the

property when visited by the writer.

To Viet 11/2/36

92H/NW-3,6,7, J-90-13

## AURUM MINES LIMITED.

The property of this Company is situated on the south fork of Ladner Creek in the Coquihalla river area, Yale Mining Division.

A variable gold content is found in relation to a system of mineralization that is identified with a diorite intrusion in proximity to the contact between greenstone and slate. Tongues of this intrusive and dyke rocks associated with it are found on either side of the contact and both greenstones and slates have been subjected to alteration, and shearing.

A pronounced shearing has been developed along the contact itself and it is in this zone that the principal workings are located.

In addition to the general alteration above referred to, there are two features that have a bearing upon the mineralization of the contact shear zone.

Upon the slate side of the contact, gold-hearing quartz veins are found in zones of shearing; and on the greenstone side, bodies of serpentine have been developed in close association with the tongues of intrasive.

Some of these tongues of intrusive and associated bodies of serpentine are found abutting on to the contact shear zone, and the continuation of the above conditions has given rise to the several features of the mineralization that have been observed in the workings.

These features may be classed under three headings:

a. Gold-bearing quartz veins and bodies in sheared slate.

PROPERTY FILE

- b. Silicification and mineralization of zones of sheared and altered greenstone.
- c. Deposition of free gold in serpentine.

The inter-relation of these conditions may be gathered from a study of a sketch of the occurrences in the No.1.tunnel which has been driven for a distance of 201 feet along the contact shear zone.

The economic value of the property depends upon:

- 1. Continuation of a general mineralization along the contact shear zone embracing the several features enumerated above.
- 2. Development of one or other of these conditions as the frime source of ore.

Discussing (2) it may be said that up to the present time, the gold content in the quartz has been found to be erratic; high values are reported to have been obtained in a seam of silicified greenstone that extends for about 60 feet and is about 2',6" wide;

the occurrence of free gold in serpentine, is in any case to be considered as adventitious, (as in the case of the pocket mines of the southern end of the Motherlode belt of California) while in this particular instance, the serpentine does not constitute a continuous belt related to the contact.

The greatest possibility would appear to lie in relation to the silicified and mineralized belts of sheared greenstone, within the contact shear zone, but the amount of work that has been done so far, is inadequate to the formulation of any estimate in this regard and the same remark applies to the consideration under No.1. above.

A second tunnel (No.2.) has been driven for a distance of about 100 feet, at a vertical depth below No.1.tunnel of about 85 feet, and some spectacular specimens of flakey gold have been found in serpentine on the east side near the face. This tunnel also affords evidence of the fortuitous association with the contact zone of the serpentine which cuts across the tunnel from the west where it is exposed in a draw alongside a tongue of diorite.

inches

centimetres

altered she greenstone (tale Behinie face 19 July 1928. alfered slates eralized) quart1

talfered greenstone

chlorite schist



92H/11W PERSONAL. July 10, 1931. Robert Dunn, Esq., Deputy Minister of Mines.

Victoria, B.C.

Dear Mr. Dunn:

With further reference to the matter of the Aurum Mine developments, and Confirming our conversation. I would say that I visited the property recently and append the following notes:

There have been no major developments recently byt some interesting prospects have been outlined.

In the Aurum workings proper, they have been groping around in the serpentine where the high values were encountered in the upper levels, no definite system of development has been followed the work being guided by the results of panning. An amount of about 100 tons has been sacked up and this is calculated to have an average value of about \$25 per ton. This value is undoubtedly due to the inclusions of small amounts of highgrade material, the bulk of the decomposed muck being valueless. These workings look more like mud holes than stopes.

From one of these workings a hole has been broken through into the body of quartz which lies between the serpentine and the slates. This quartz has only been penetrated previously at two points in the lo.1 tunnel and did not there carry any appreciable values. The point where it has been broken into recently is about 25 feet above the No.1 tunnel and there is here a width of about 6 fect of quartz carrying some arseno-pyrite, one sample is reported to have yielded an assay of PROPERTY FILE 1.60 per ton in gold but it is probable that higher values may be obtained. The appearance of this quartz is encouraging to its further development and this work is calculated to be more profitable than that which has been

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J.90-1588 R.D. 2. carried out in the serpentine. In the Idaho workings a crosscut tunnel has been driven for a distance of 115 feet at a vertical destance of about 130 feet below the quartz out-crop from which values in gold have been obtained in the past. No particular body of quartz has been cut in this tunnel but there is a wide silicified zone in the slates including many small stringers of quartz. It is stated that an average value of from \$4 to \$5 is obtained over a considerable width of this zone but it is probable that this average results from the inclusion of certain stringers: the bulk of the slate cut in the tunnel does not look like ore. There is a possibility of considerable tonnage of low-grade ore but a great deal more work will have to be done before this possibility can be proved and a great deal of systematic sampling. From 3 to 4 men are working on the property. Future plans appear to be indefinite. I trust these notes may be of some use to you. Yours truly. Resident Mining Engineer. HGN/N

J-90-15 PERSONAL. July 2, 1931. Robert Dunn, Esq., Deputy Minister of Mines. Victoria, B.C. Dear Mr. Dunn: Replying to your letter of the 29th June. I do not know of any important developments at the Aurum Mine. They shipped some ore resulting from "high-grading" around the spot where the rich ore was originally discovered and for the rest work has been devoted to surface prospecting. However, I am making a trip down there in the immediate future and will write you again in the course

of a few days so please take this as an acknowledgment of your letter in the meantime.

Yours very truly,

Resident Mining Engineer.

HGN/N

DEPARTMENT OF MINES



J-13-13-13-15

# OFFICE OF THE DEPUTY MINISTER VICTORIA

Personal.

29th June, 1931.

H. G. Nichols, Esq. Resident Engineer, Kamloops, B. C.

Dear Mr. Nichols:

Have you any information regarding recent developments at the Aurum Mine. I have an enquiry from a friend who is anxious to know whether there has been any important developments.

Yours very truly,

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J-90-15

Sept. 26th, 1929.

Robert Dunn, Esq.,
Deputy Minister of Mines,
VICTORIA, B. C.

Sir:

re--Aurum Mines, Limited.

I beg to report that having had my attention drawn to certain statements in the press regarding developments at the above property. I made another trip of inspection with a view to obtaining conformation thereon. I found that the facts were not as implied in the said statements. I beg to quote the statements referred to with my observations.

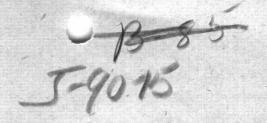
## Statement: the "Financial News", August 7th, 1929.

"Outlining the development work which has been accomplished at the Aurum, Mr. Anderson pointed out that four tunnels have been driven, the lengths varying from 325 to 413 feet. A fifth tunnel is now progressing and is now 16 feet long. A crew of 15 men is at present at work on tunnels 3.4 and 5. In No. 5 tunnel, reports Mr. Anderson, a large body of talc containing high gold values has been encountered in a ledge five feet wide. Assays from this ledge run from \$15 to \$15,000 a ton, he said."

#### Observations:

The implication of the above statement is that No. 5 tunnel is being driven to still further continue the development in depth of a ledge. The fifth tunnel that has been started on the property is, no more than 40 feet below the No. 2 tunnel, and the work has no value from the point of depth development. There is no 5 foot ledge developed in the fifth tunnel. There is a body of tale representing

Robert Dunn--2.



a folded section of the same seam in which the high values were encountered in the No. 2 tunnel. Practically no values were found in this talc seam in the 5th tunnel or below it as shown by the assay results following:-

Sample across shear exposed in No. 4 tunnel, - gold, none; silver, none.

Sample from mineralized greenstone on foot wall in No. 4 tunnel, - gold, trace; silver, trace.

Sample from shear exposed in No. 3 tunnel, - gold, trace; silver, 0.3 oz. per ton; copper, 1.4 per cent.

Sample from "High Grade" seam across 6 inches in 5th tunnel, - gold, 0.18; silver, 0.4 oz. per ton.

Sample across 4 ft. in 5th tunnel, - gold, trace; silver, trace.

Sample across 4 ft. 6 inches in another section of 5th tunnel, - gold, trace; silver, trace.

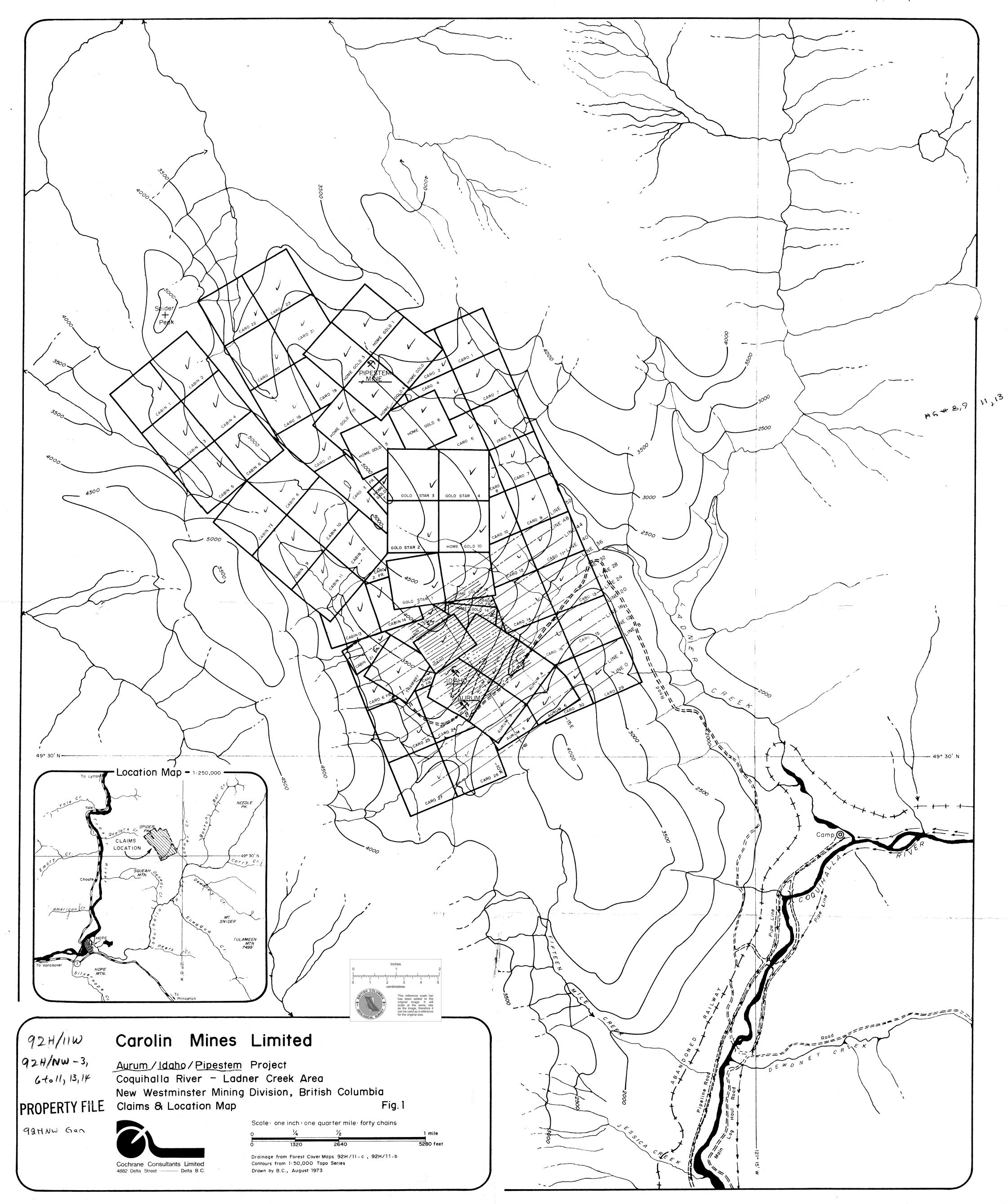
Sample across 4 ft. in another section of 5th tunnel, gold, trace; silver, trace.

Sample of shear exposed in No. 3 tunnel, - gold, trace; silver, trace.

I have the honour to be, Sir, Your obedient servant,

Resident Mining

Mining Monineer.



Salmon River District, the report says: "All the properties situated north of the Sebawke and Bush-Cobalt, including Bush Consolidated, Big Missouri and Unicorn, are over 2,800 feet above sea level. The Bush Consolidated outcrops are all above 3,200 feet above sea level, making shaft sinking to get down to the Premier, B. C. Silver and Sebakwe ore horizon an expensive operation. Consequently, it was thought advisable by the Bush Consolidated to acquire the Bush-Cobalt property, which is on the same level as the Premier, containing tunnel sites, water, roads, mill sites, etc. The property of the

Bush Consolidated can be worked through the Bush Cobalt property.

"The Bush-Cobalt property consists of a number of claims and fractions situated on the largest quartz-porphyry ore zone in the district."

Referring to the ore zone, the report says: "The high-grade zone runs through a number of properties, including the B. C. Silver, Sebakwe, and Bush Consolidated Gold Mines. The Premier property contains 5,000 feet on this famous zone; B. C. Silver, 2,200 feet; Sebakwe, 5,500 feet, and Bush Consolidated, 8,000 feet."

#### Board of Directors

#### President and General Manager:

R. K. Neill, Mining Operator, Spokane, Washington, President and General Manager of Spokane Portland Cement Co., Inc.; also original developer of the Premier Gold Mine, at Stewart, B. C.

#### Vice-President:

Col. W. S. Buell, C.B.E., Barrister, member of the firm of Buell, Lawrence & Co., Vancouver, B. C.

#### Secretary-Treasurer:

J. G. CAMPBELL, Fieldman, Hotel Georgia, Vancouver, B. C.

#### Directors:

CAPT. WM. G. R. GOEDON, M.C., Vancouver, B. C., associated with Dominion Textiles Co. Ltd.

George E. Irwin, Assayer and Research Metallurgist, Vancouver, B. C. Employed with Premier Gold Mine for 13 years.

50,000 Shares of this issue have already been subscribed, and when sale is completed application will be made immediately for listing of this stock on the Toronto Exchange.

For further information phone or write: The Cardinal Mining & Development Co. Ltd. (N.P.L.), 310 Rogers Building, Vancouver, B. C. Phone Trinity 1847.

#### Application

THE CARDINAL MINING & DEVELOPMENT CO. LTD. (N.P.L.)
310 Rogers Building, Vancouver, B. C.

I, the undersigned, do hereby subscribe for	7% Cumulative
Preference Shares in The Cardinal Mining & Development Co	. Ltd (N.P.L.), at \$1.00 per share, for which
a cheque or money order for the amount of \$	is herewith enclosed. It is
understood that I am to receive a bonus of two Ordinary Share	es for each Preference Share purchased by me.

Full Name of Applicant.

Mr. O'Doady: At is the other riverlar I mentioned.

- Brysdoly.

# THE CARDINAL MINING & DEVELOPMENT

CO. LTD. (N.P.L.)

92H/NW 92H/NW-3,67 PROPERTIES:

AURUM
BUSH CONSOLIDATED
BUSH-COBALT

310 Rogers Building VANCOUVER, B. C. Phone Trinity 1847

Pursuant to the Securities Act, no statement made herein is endorsed by nor any offering of the Company's shares or securities recommended by

A Prospectus of this Company has been issued and filed with the Registrar of Companies at Victoria, B. C., and will be furnished to ever person who subscribes or applies for any such shares.

# Power Dispute Between Big Companies in B. C. is Ended

The long-standing power rate dis-place of the former scale of charges pute between the West Kootenay Power and Light Company and the spring price of copper and ranged from Granby Consolidated Mining and hour to 105 hundredths, a new flat Smelting Company, which convulsed rate of 58 hundredths has been estabthe interior last year and led to the lished. passage of public utility legislation at the last session of the legislature, has been finally settled.

This may foreshadow the return of Allenby's copper concentrates to Trail, absent since the dispute between Granby and Consolidated reached an open break.

According to official information received from the West Kootenay company, it has agreed to an entirely new toll for the Granby operations at Allenby and Copper Mountain. In

#### STRIKE AT PORTLAND CANAL CAUSES STIR

(Continued from Page 1)

veloped there, despite bullish reports in Vancouver. Cascade No. 5 group, it appears, was optioned to protect the possible dip of a Premier oreshoot in that direction. No new ore of importance has been found below the No. 5 level, according to D. L. Pitt, manager. The mill is making an excellent recovery on a lower grade of ore and the "mopping up" in the mine, under direction of Superintendent Hector MacDonald, and increased milling efficiency as obtained by William Asseltine, mill superintendent, are promising to make Premier's exploitation a longer affair than might earlier have been ex-

Big Missouri remains about as stated several months ago. Capt. Duncan MacVichie's reported statement that 7,343,000 tons of ore valued at \$50,000,000 had been developed at Big Missouri could not be even partially confirmed and it appears that the crew has actually developed at depth no mineable tonnage but is still prosprospecting. Free milling gold occurs so far, in erratic shoots which say that it is these deposits of sulcannot be followed.

Unicorn is doing some work and it | cording to Mr. Anderson. is understood that Hercules is being put on the market for a publicity play in the early future. The finan-cing of the latter will be watched with interest.

B. C. Silver has opened its ore shoot on the No. 6 level for a distance of 155 feet, with a stoping width of 10 to 11 feet and an average of \$22 ore. Recently, it may be said, B.C. Silver has added at least \$1,000,000 to its well indicated ore re-

the property after much uneventful divided into 1,000,000 shares at \$1 work. It is opened by the No. 6 par.

The property of the Aurum con-

about 280 feet to open the Sebakwe ore shoot at that depth. The results Yale mining division. A tractor road are awaited with great interest.

Northern Light (Premier Border) is driving a long tunnel, now in more than 525 feet, to come into the Prezona at a depth of feet to go and will explore an interesting territory. It is hoped to pick up Sebekwe, Premier or B. C. Silver ore bodies or offshoots either on their dip or striking into Northern Light ground. It is a "long shot" but an interesting one.

## BRODER CAN. INSURES PLANT & STOCK 95 p.c.

Recent destruction by fire of the Westminster Paper Company's plant has given rise in investment circles to speculation as to how other New Westminster waterfront industries would be affected by fire. In the case of the Broder Canning Company, which recently placed a \$150,000 is sue of 7 per cent cumulative redeemable preferred shares on the market, it is pointed out that a similar catastrophe would occasion but a momen ary setback to the business. This is because the manufactured stock and fixed assets are reported to be insured to the extent of 95 per cent of their replaceable value, adjustments being made weekly.

Reports from New Westminster are to the effect that this season the Broder company will have the largest pack in its history, 25 to 35 per cent ahead of any previous year. It is anticipated the value of the pack will be \$1,500,000 compared with \$1,200,000 last year. In connection with the marketing of the new issue the principle of customer-ownership is being encouraged, subscribers for small blocks of stock being given the preference. The issue is being handled by Reed, Henderson Ltd.

## LADYSMITH TIDEWATER IS IN METALS MARKET

Ladysmith Tidewater Smelters Ltd. have moved their offices from Victoria to 801-05 Vancouver Block. This company is now controlled by the British Metals Corporation, the largest metal firm in the British Empire, with Canadian offices in Mont-

The Ladysmith Tidewater Smelters are in the market for mining properties and are open to purchase lead, zinc and copper concentrates. Alfred J. Coulls is manager and R. E. Legg is field engineer.

65 hundredths of a cent per kilowatt

This rate was officially filed by the power company with the water board this week, and on submission to the Granby company was not pro-

It is expected a similar settlement will be reached in the dispute between the West Kootenay company and the city of Grand Forks, which launched the first protest against the company's rates. The water board thus will have no occasion for the present to use its new powers.

## **VENTURES MAY TAKE** INTEREST IN AURUM

(Continued from Page 1)

worth Anderson, president; W. J. Blake Wilson, vice-president; Col. Victor Spencer, A. H. Douglas, E. H. Adams, vice-president B.C.E.R. company; James Whitcomb, president B.C. Broom Company, and W. H. Wil-son, superintendent B.C.E.R. Fraser Valley lines. Following re-organization, Fred Bradley was appointed superintendent of mining operations. Outlining the development work which has been accomplished at the Aurum, Mr. Anderson pointed out that four tunnels have been driven, the lengths varying from 325 to 413 feet. A fifth tunnel is now progress ing and is now 16 feet long. A crew of 15 men is at present at work on tunnels 3, 4 and 5. In No. 5 tunnel, reports Mr. Anderson, a large body of tale containing high gold values has been encountered in a ledge five feet wide. Assays from this ledge run from \$15 to \$15,000 a ton, he said.

In No. 4 tunnel sulphides running es high as \$42 a ton have been encountered at 400 feet. Mining men phides which will make the mine, ac

"Unfortunately, not enough crosscutting has been done to determine what body of ore we have," stated Mr. Anderson. "This work is now proceeding."

"The first objective will be to lo cate the contact in No. 3 tunnel and to follow it in No. 4. Meanwhile the necessary crosscutting will be done," added Mr. Anderson.

The Aurum president stated that the company is in first class finanserves, although upraises have yet to cial position, having liquid assets in be driven.

A five-foot body of \$8 ore is being developed on the northeast end of The authorized capital is \$1,000,000

Sebekwe has sunk another shaft sists of eight full claims and three 150 feet below No. 5 level and will fractional claims covering approxidrive in a southwesterly direction mately 500 acres. It is located on Yale mining division. A tractor road four and a half miles long connects

The values are principally in gold ian, of Montreal, whom I met "on and platinum. Platinum has been the job" beside the fast-running 900 to 1000 feet. It has about 1275 assayed as high as \$250, while gold stream whose banks barely show the assays range from \$4 to \$37,998 per axe marks of first construction steps, ton. Some of the best ore specimens is intensely interested in the country from the mine are on exhibit at the and in his forthcoming fight to keep Vancouver Exhibition.

accommodation for 16 men, a 500foot compressor, a 95-h.p. Deisel engine, five drilling machines with equipment, automatic sharpeners and unlimited timber.

## STEWART DEVELOPMENT BREEDS CONFIDENCE

(Continued from Page 6)

River traffic to and from the Pacific People in Stewart do not expect all this to come at once. They have waited for twenty years or so for this development and they have lost the keen edge of their enthusiasm in this long period of anticipation. The sud denness with which events have transpired this season has found some of them still skeptical of the truth of it all. Not a few will believe that the railway is to be built when they see the construction cars unloaded at Stewart—and not until then.

Railway construction will probably not start until spring of 1930. Then the 12 miles of the old Portland Canal short-line railway, laid by Sir Donald Mann, wi'l be reconditioned and the road will be pushed over the Bear is in good shape but grades and ties will have to be renewed.

Two railway engineers, McCullough and MacMillan, employed by Consoli dated, have gone into the Naas district and are engaged in reconnaisance and survey work in advance of construction. They will have the distinction of laying out the easiest railway gradient across the Rockies in North America, forth at is the dis-side. The Stewart Land Co., whose tinet davantage already assured for shares recently have been bid for the short rail route from Stewart around \$8 in Victoria, holds about 805 eastward to hte grain growing coun-

Power Corporation of Canada is the second big company in the district. It owns the power service in Stewart and when Stewart si incorporated—as it probably will be within a year-that company will no doubt

have the city franchise. It is building, not a 1500 h.p. development above Stewart, as gener-lly reported, but a 4000 h.p. dam. The si e has been chosen, a good wagon road is being built by the company of this newspaper.

# **IMMIGRATION ON BROAD SCALE NOT FAVORED IN WEST**

Present Situation Calls For Careful Selection of Settlers

#### POLICY MODIFIED

OTTAWA—The West has put a "standing room only" sign on im-migration and Canada's immigration policy will undergo some modification because of it.

Hon. Robert Forke, minister of immigration, has returned from Western Canada. He conferred with the governments of Manitoba, Saskatchewan and Alberta and ascertained case was there any demand for an active immigration policy.

In his conferences Mr. Forke found no complaint as to the immigration policy generally, and no real objection to continental immigration. It was felt, however, that the present situation in the West calls for a careful selection of such immigration as might offer.

To Consult West

As a result, the prairie provinces will be continuously consulted with respect to ther requirements. The ban against unmarried continentals will remain and no encouragement will be given to others to come out just now, save as and when the prov-

One definite change will probably be the dropping of the family scheme and, in fact, of practically all forms of assisted passage. Formerly government assistance in the matter of passage money was given to British families coming to Canada to go on to farms. Hereafter they must come on their own funds.

There will be no change, however, n the tripartite agreements, the setlement schemes entered into jointly by the British, Dominion and provinial governments. As a fatter of fact, the only tripartite agreement in effect at the present time is that with the province of New Brunswick.

#### Aid for Domestics

The assisted passages for domestic servants will be continued but the inspections will probably be made a ittle stricter in order to bring the right type of domestic to the Domin-

The boy scheme proved to be most popular, and in fact the only assisted scheme really approved by the provincial governments, and selected boys will be assisted to come to Can-

will be entered under the same conditions as before, the West being satisfied with things in this respect.

from American Creek to the location chosen for the power house, and preliminary work for a 60-ft. dam is under way.

This work will be carried on throughout the present winter, if pessible, and it is hoped that a year the mine with Vernon on the Kettle will see the project near completion.
Valley Railway.

The company's engineer, J. I. Boulthe work going all winter. Talking Equipment at the mine includes with him, it was not hard to envision the completed dem and below it, a

mile or so, the new power house. Just two days before my trip up American Creek, I learned, another engineer of Power Corporation of Canada, named Hollowey, had flown by plane into Meziadin Lake where he was left to investigate and stake power sites on the Naas river for power corporation.

In view of the fact that the company's present programme is about our or five times the present requirements of Stewart, and since the sites on the Naas river vary from 20,000 to 100,000 h.p. of potential power, according to government estimates, it would seem that this far-sighted and well-informwed company is confident or at least expectant of big developments in the district and is ensuring adequate power. It is admittedly a fact that Stewart will have to draw its power some day from the Naas slope, for the watershed westward is short and the winter run-off is small.

An amalgamation has been effected between the Stewart & Hyder telephone systems and the wireless service at Hyder to bring the whole under the Portland Canal Telephone & Telegraph Ltd. of which Ernest Love is vice-president and managing-direcriver pass toward the Peace. Steel tor. J. A. Hall of Vancouver is presi

> The town of Stewart has grown considerably in recent years and is spreading to the north. Canadian Paeific Railway controls about 50 per ent. of Stewart's waterfront and practically all of that part of the townsite which lies east of the railway as well as a substantial block of land, recently acquired, on the west lots in Stewart and some acreage which should eventually be of real value. That company once paid dividends to the total of \$86,000. Its

> future is rendered interesting again. Stewart will be the subject of a special number of The Financial News in the early future.

Readers will confer a favor on The way to action in getting a connec-Financial News if, in answering tion from the Peace River country

# Coast Mills Operating at 77p.c. of Rated Capacity

week ending July 27 when compared with the week previous, and orders declined in volume 16,000,000 feet, and production at the close of the week 31,000,000 feet, or approximately 16 per cent. The reports of 112 identical mills whose records are complete weekly since January 1, 1928, show that orders so far this year are 4.7 per cent in excess of

production. Inventories at the close of the current week are 13.8 per cent below those of January 1. Prices are firm and unfilled orders reported by 140 Domestic cargo ...... mills represent 48 per cent of their inventories. With August usually the quietest month in the year for lumtheir views on immigration. In no ber buying, the present smaller volcase was there any demand for an ume of new business is believed by the industry to be normal for this

season.
Production reported by 278 mills for the week-the largest group reporting to the association-was 216,-100,545, or 77 per cent of their rated

SEATTLE-Production at 209 mills weekly capacities. Since January 1 ncreased 4,000,000 feet during the these mills have operated at 70 per cent of their normal weekly capaci-

Production, orders and shipments at 209 mills for the week ending July making the spread between orders 27 were reported in board feet as

Mills, 209; production, 191,192,656; orders, 160,617,892; shipments, 182,-804,269.

Orders were 16.0 per cent below production and shipments 4.4 per cent over the output.

Details of orders and shipments as reported by these 209 mills follow: Orders-71,590,006 Rail50.710.427 Export ... Local 160,617,890 Shipments—

Feet 72,461,960 Rail 59,963,180 Domestic cargo ... Export 11,836,901 ..182,804,269

# SYNDICATE BUYS WATERFRONT SITE

Old North Pacific Mill Site Transferred at \$325,000

The outstanding announcement in real estate circles during the past week was that concerning the purchase by a Vancouver syndicate of the old North Pacific Mills property on Coal Harbor for \$325,000. The vendor was the Great Western Timber Holdings Inc., of New York, represented in the negotiations by Howard Cole, of New York, president.

Among those to be associated with the purchasers in development of the property are John Boyd, president an expenditure in the neighborhood General Construction Co. Ltd.; Rus- of \$1,000,000. A cold storage plant sell Barker, manager of the National Paper Box Co. Ltd., and Karl P. Fletcher of Sutton & Fletcher, financial agents.

The property lies on the north side of Georgia Street between Bidwell and Cardero Streets. It has about 610 feet frontage on Coal Har-It is understood that Mr. Cole will

## Immigrants from the United States PEACE RIVER CROP LEADING ALL PRAIRIE

(Continued from Page 1)

average in per acre yield while more southerly and older areas have varied fortunes, that area must sooner or later attract to itself much favorable attention. That, in brief, is the verdict of the members of Premier Brownlee's party on their return to Edmonton after a three-day motor trip over a 400-mile route. They had interviewed hundreds of farmers along the way and had addressed meetings and met settlers and business men.

One to two inches of rain have allen over a large area of northern Alberta, according to a report from Sexsmith. At the same time the evenings have been cool. This makes an excellent combination for the filling of heads and if another week or two of such weather prevails, the Peace River country will add several millions to the weelth already in sight.

Passing Pioneer Stage

Large new areas are being broken this summer by new and old settlers. Unquestionably next year will see a very great increase in the acreage sown to wheat in the territory served by the former E.D. & B.C. Railway. Many of the older areas of the Peace River district are this year passing from the pioneer to the well settled stage of development, with comfortable homes replacing homestead shacks and labor-saving devices

revolutionizing farm routine. While this year Peace River is elatively more prosperous than the rest of Alberts, it would appear that the argument that Peace River should have better railway facilities might seem to be not so forcefully applicable. It is probably a fact, however, that the passing of this supreme test by Peace River, indicating as it does to the railways the possibility of a heavy tonnage of wheat, year after vear, from this northern wheat belt, whatever may be the fortunes or other parts of the prairie provinces, is the best argument that has ever been advanced for the opening of the Peace by adequate transportation facilities.

#### West Route Welcomed Much interest is being displayed

throughout the Peace Valley in the announcement that a C.P.R. subsidiary, Consolidated Mining & Smelting Co. Ltd., has acquired the charter for the Canadian Northeastern Railway and is to build east to the Finlay River, opening the way for a longdesired short-haul from the Peace River country to the Pacific at Stewart. There is a tendency to regard this as a development that may be completed in about five years or so, and it is thought that meanwhile this possibility of completion from C.P.R. will spur the Canadian National Rail-

# CAN. WEST. LBR. SALES ARE HIGHER IN MAY

While production and sales figures of Canadian Western Lumber Company show a decrease for the first five months of the year the totals for May showed increases in both directions, indicating the possibility of a change in the trend. In May, 15,-818,000 feet of lumber was manufac tured, an increase of 4,710,872. Sales in May totalled 20.395,000 feet, an increase of 4,277,129 feet. The price realized was \$462,000, an increase of \$111,196.

For the five-month period the total output was  $50,114,57\hat{2}$  feet, a decrease of 4,102,273 feet. Sales amounted to 52,914,724 feet, a decrease of 4,196,724 feet. The price realized was \$1,247,142, a decrease of

and terminal wharfage facilities may form part of the development.

Another realty deal during the past week involved the sale to a Van couver investor of the northwest corner of Seymour and Robson Streets for \$100,000. This property has a frontage of 100 feet on Robson Street and 60 feet on Seymour Street and is occupied by a frame store buildbe interested financially in the plans ing. MacGregor, Creery & Farmer for development, involving possibly Ltd. acted for both parties in the transaction.

OTTAWA.—Canadian government statistics show that following the active year in land settlement in Western Canada in 1928, there is no letup this year and that in fact the number of free federal government homesteads filed on in the first half of 1929 considerably exceeds the number taken up in the corresponding period of last year.

# Robson Street Corner

120 ft. Frontage on Robson St. 50 ft. Frontage on Homer St., with six dwellings.

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> > \$35,000 On Easy Terms

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# "KNOW FIRST AID AND SAVE A LIFE"

"INOW first aid and save a life" will be I the slogan of the Vancouver Sun in its campaign against preventable fatalities at Vancouver beaches and those of adjacent summer resorts, during August.

Feeling that the enjoyment of the finest bathing beaches on this continent is marred each season by fatal accidents that might have been prevented through knowledge, of even the first principles of first aid, on the part of someone witnessing the accident, The Vancouver Sun is arranging a series of lecture demonstra-

The services of two teaching members of the St. John Ambulance association, which is the only official body in Canada giving first aid courses, have been enlisted for this work.

The Vancouver Sun's course, which will be given at the various beaches and resorts, will include among other things, artificial respiration, treatment of wounds and the application of splints.

## SCHEDULE OF **DEMONSTRATIONS**

English Bay-Aug. 9 at 7:30 p.m. Kitsilano-Aug. 7 at 7:30 p.m. Locarno Beach—Aug. 12 at 7:30 p.m. English Bay-Aug. 13 at 7:30 p.m. Kitsilano-Aug. 14 at 7:30 p.m. English Bay—Aug. 16 at 7:30 p.m. Ceperley Playground—Aug. 17 at 3

Locarno-Aug. 19 at 7:30 p.m. English Bay—Aug. 20 at 7:30 p.m. Kitsilano—Aug. 21 at 7:30 p.m. English Bay-Aug. 23 at 7:30 p.m. Ceperley Playgrounds-Aug. 3 p.m.

Locarno-Aug. 26 at 7:30 p.m.

English Bay-Aug. 27 at 7:30 p.m. Kitsilano—Aug. 28 at 7:30 p.m. English Bay—Aug. 30 at 7:30 p.m. Out-of-town lectures are as follows: Deep Cove-Aug. 5 at 7:30 p.m. Bowen Island-Aug. 8 at 8 p.m. Horseshoe Bay-Aug. 8 at 7:30 p.m. Crescent Beach-Aug. 10 at 3 p.m. White Rock—Aug. 10 at 7:30 p.m. Bowen Island—Aug. 15 at 3 p.m. Horseshoe Bay—Aug. 15 at 7:30 p.m. Bowen Island—Aug. 22 at 3 p.m. Horseshoe Bay-Aug. 22 at 7:30 p.m. White Rock—Aug. 29 at 3 p.m.

Crescent-Aug. 29 at 7:30 p.m. The dates for the lectures at Savary Island and surrounding summer resorts will be announced later.

# VANCOUVER

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J-90-15 13-95-

April lath, 1928.

The Secretary.
Aurum Mines &td., N.P.L..
701 Standard Bank Building,
Vancouver, B. C.

Dear Sir:

I have to acknowledge receipt of your letter of the 28th March, covering statement in lieu of prospectus.

Yours faithfully,

Resident Mining Engineer.

J-90-12 April Twenty fourth 1 9 3 4 T. D. Pickard, Esq., 1535 West 15th Avenue. VANCOUVER. B. C. Dear Mr. Pickard: Thanks for your letter of the 21st received on my return to Penticton. I do not know when I will be able to visit the Aurum but hope to do so before long. I would like to examine the condition of the trails in that vicinity before asking for any money. Where can I get in touch with you at short notice should I be able to go in? Yours respectfully, P. B. FREELAND PBF: JM RESIDENT ENGINEER.

J-90-15 1585 West 15th Avenue. Vancouver, B.C. April 21st 1934. Mr.F.B.Freeland. Penticton.B.C. Dear Mr. Freeland: Regret that you were away when I was in Penticton early in the week as I wanted to have a talk to you about the Aurum. Angus Beaton has been working on the Idaho claim with a couple of men this winter and has cut a mineralized zone about 20 feet wide averaging a little kett

better than \$3.00 per ton (\$20 gold). It looks to me like a mineralized dike but I am not sure and would like to have you make a trip in there when convenient.

We are going to do some stripping as soon as snow conditions permit as I think there may be two other mineralized zones between the sepentine and the Idaho.

If the mines department are giving out any money for trails this year I think abou \$300 could be well spent cleaning out trees and fixing bridges on the Aurum road and Home Gold trail.

I am going to the Aurum tomorrow as I think the snow will be pretty well gone on the slope where the mine workingsare.

Let me know if you can make a trip in there in the near future. With best regards, I am.

Yours truly.

IAT ichor

491



RESIDENT ENGINEER

Rec'd. DEC 1 3 1935

Ans'd.

December 12th, 1935.

B.T. O'Grady, Esq., Resident Mining Engineer, Workmen's Compensation Bldg., Vancouver, B.C.

Dear Mr. O'Grady:

I am now in receipt of copy of prospectus from The Cardinal Mining and Development Company Limited, and you have probably also received a copy.

In this document certain statements are made regarding the Aurum group in the Coquihalla area which we would like to have checked.

In acknowledging the receipt of this prospectus to the company, I shall remind them to file a copy with you. If you do not receive one, please let me know.

Yours very truly,

JOHN F. WALKER,

Provincial Mineralogist.

Per: P.B.F

PBF/B. 2481/35.

92H/NW -3,7,6

December 12th, 1935.

J.G. Campbell, Esq., Secretary-Treasurer, The Cardinal Mining and Development Company, Ltd., 470 Granville Street, Vancouver, B.C.

Dear Sir:

I am in receipt of you letter of the 6th instant and copy of prospectus for our files.

I would remind you that a copy of this document must also be filed with the Resident Engineer of the district in which you are operating, in this case, Mr. B.T. O'Grady, Workmen's Compensation Building, Vancouver, B.C.

Thanking you for your co-operation,

Yours very truly,

JOHN F. WALKER,

Provincial Mineralogist.

:Per:

/B. 2481/35.

Dr. John F. Walker. Provincial Mineralogist, Victoria, B. C.

Dear Dr. Walker:

I beg to acknowledge your letter of the 12th instant and enclosure therein with reference to the prospectus of the Cardinal Mining and Development Company Limited.

This document has not yet come to hand but when it is received I will forward my comment as desired.

I will advise if the prospectus is not received in a reasonable length of time.

Yours very truly,

Resident Mining Engineer.

897/35

Dr. John F. Walker, Provincial Mineralogist, Victoria, B. C.

Dear Dr. Walker: Re: Cardinal Mining & Development Co. Ltd. Yale Mining Division.

Replying to your letter of December 12th (per IIr. P. B. Freeland), I have received a copy of the prospectus of the above company and beg to submit as follows:

of the two properties referred to therein, the Aurum is in District No. 6 It is mentioned very briefly but I would direct attention to the following excerpt:- "It is now in an advanced stage of development, and large tonnage can be rapidly and economically blocked out".

While no value is placed on the "large tonnage" the inference is that commercial ore has been developed in quantity.

I have not yet written my Aurum report for publication but the facts are briefly as follows:-

In regard to the older mine workings, aggregating 2500 lineal feet or more, exploiting the peckety, high-grade gold occurrences in the talc seam formed along the periphery of the serpentine, only a very little work has been done since the report by Dr. C. E. Cairnes in G. S. C. Summary Report 1929, Part A. Conditions are summarized therein under "Future Possibilities", pages 156-A and 157-A.

Subsequent work in this old area has made no appreciable change in the situation from an economic standpoint. Therefore the statement quoted from the prospectus is taken to apply to recent work done to prospect mineralization associated with silicified zones in slates, schists, and highly altered rocks of the Ladner series, with particular reference to the following workings on the Idaho claim. Surface workings. distributed over a length of 250 feet and through a vertical range of 154 feet, consist of extensive stripping by groundsluicing together with two open-cuts and a long trench. These expose a zone of shearing in irregularly silicified dark slate in places and and schist, heavily oxidized for the most part. Pyrite and arsenopyrite occur in places where silification is intense or quartz stringers are more abundant but the quartz itself is not appreciable mineralized. The deposits apparently conform in general with the attitude of the country-rock, the local strike being about North 85 degrees West with dip of from 60 to 80 degrees to the north. Chaining easterly down the slope from the

top of the ground-sluiced area at elevation 3326 feet, assays and widths are given in the following table. These include independent sampling results, for use as a check on the writer's work, made available by examining engineers:

Location in feet from Zero at Elec ation 3326	in	GOLD Ozs. to the t	on / Rema	wka
Zero	7.5	0.15	Soft iron-stained deco rock and soil	mposed)
9 -	21	0.20	Finely divided sulphid bands paralleling stri occasional rusty strea	ko.
9	16	0.06	do do do	
14.5 20 26	Selected 5	trace 0.01 0.02	Pyritized silicited schestose without	wit # 6968 Ground- sluiced area.
29	9	0.13		
44 44 58	11.5 Grab	0.06	Ryutyw siliafus rock with	out ox #6767
60 85 89 89 89	Selected Selected Selected	0.42 0.26 0.22 0.18 0.37	Oxidation more pronoun  Ryplical Schafel rock without or  Section A. Southerly s  of trench.	cidation -# 6765
195	21.	0.05	Section B. Adjoining s A to the north.	section) 55-foot trench across strike, elevation 3200
195	4.	0.36	Section C. Adjoining s B to the north.	
195	27	0.38	Section A, check sampl	e ) posed rock and
195	28	0.47	do do do	Me # Call A
195	Grab -	0.52	do do do Section A, south end, inter Section A, selected "	16764 A

Immediately below the 55-foot trench, listed last in the above table, an adit, at chainage 250 and elevation 3172 feet, crossouts the mineralized zone at shallow depth. This adit, comprising 188 lineal feet of work, is meandering and not properly laid out to give a section at right angles to the strike. The main part of this working is driven South 70 degrees West for 110 feet. At 30 feet in from the portal a branch extends North 65 degrees West for 30 feet then turns North 40 degrees East for 48 feet. The last-mentioned course, directly under the 55-foot trench, is a diagonal cross-cut and sample widths given below should be reduced slightly to obtain widths at right angles to the strike. Appreciable mineralization in the adit workings is apparently limited to the section adjoining the face in the last course Worth 40 degrees East). Here, a sample across 16 feet assayed: gold, 0.14 oz. to the ton. A check sample across 14 feet of the same section gave: gold, 0.12 oz. to the ton. Other check samples, across 13 and 13.7 feet respectively assayed: gold, 0.20 and 0.03 oz. to the ton.

It will be noted that the underground samples, where exidation is absent or very light, are very low-grade. If, however, very large bodies, say 30 feet wide or more, of similar material could be proved, commercial possibilities might be considered seriously. While the Idaho occurrences

are very interesting it is at the present stage, in my opinion, very premature to assume the existence of a deposit which can be worked at a profit. The better values, as in the 55-feet trench, may be attributed to local concentration of gold through exidizing agencies or to gold in the seil.

In addition to the above-described <u>Idaho</u> showings there are some open-outs exposing similar material in parallel mineralized silicified rock zones, but these are very imperfectly exposed and values in general extremely low-grade.

Yours very truly,

Resident Mining Engineer.

BTO'G/KBB

# 92H/11W 92H/NW-3,7,6

January 6th, 1936.

897/35

Dr. John F. Walker. Provincial Hineralogist. Victoria. B. C.

Dear Dr. Walker: Re: Cardinal Mining & Development Co. Ltd. Ynle Mining Division.

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I have not yet written my Aurum report for publication but the facts are briefly as follows:-

In regard to the older mine workings, aggregating 2500 lineal feet or more, exploiting the pockety, high-grade gold occurrences in the tale seam formed along the periphery of the serpentine, only a very little work has been done since the report by Dr. C. E. Cairnes in G. S. C. Summary Report 1929. Part A. Conditions are summarized therein under "Future Possibilities", pages 156-A and 157-A.

Subsequent work in this old area has made no appreciable change in the situation from an economic standpoint. Therefore the statement quoted from the prospectus is taken to apply to recent work done to prospect mineralization associated with silicified zones in slates, schists, and highly altered rooks of the Ladner series, with particular reference to the following workings on the Idaho claim. Surface workings. distributed over a length of 250 feet and through a vertical range of 154 feet, consist of extensive stripping by groundcluicing together with two open-cuts and a long tronch. These expose a zone of shearing in irregularly silicified dark slate and schist, heavily oxidized for the most part. Pyrite and arsenopyrite occur in places where silification is intense or quartz stringers are more abundant but the quartz itself is not appreciable mineralized. The deposits apparently conform in general with the attitude of the country-rock, the local strike being about North 85 degrees West with dip of from 60 to 80 degrees to the north. Chaining easterly down the slope from the top of the ground-sluiced area at elevation 3326 feet, assays and widths are given in the following table. Those include independent sampling results, for use as a check on the writer's work, made available by examining engineers:

Location in feet from Zero at Elev- ation 3326	in	GOLD Oze. to the ton	Remarks	
Zoro	7.5	0.15	Soft iron-stained decomposed rook and soil	
	21	0.30	Fincly divided authorides in bonds paralleling strike, occasional rusty streams	
9	16	0.06	ob ob ob	
14.5	10	trace		
26	5	20.0		Ground-
29	9	0.13		sluiced area.
44	11.5	0.06		
52	Grab	0.06		
60	6	0.42	Oxidation more pronounced	
89	7	0.22		
195	26	0.87	Section A. Southerly section of trench.	
195	21	0.05	Section B. Adjoining section A to the north.	across strike,
195	4	0.86	Section C. Adjoining section B to the north.	Heavily iron-
195	27	0.38	Section A, check sample	posed rock and
195	28	0.47	ob ob ob	8011

Immediately below the 55-foot trench, listed last in the above table, an adit, at chainage 250 and elevation 3172 feet, crosscuts the mineralized zone at shallow depth. This adit, cooprising 188 lineal feet of work, is meandering and not properly laid out to give a section at right angles to the strike. The main part of this working is driven South 70 degrees West for 110 feet. At 30 feet in from the portal a branch extends North 65 degrees West for 30 feet then turns North 40 degrees East for 48 feet. The last-mentioned course, directly under the 55-foot trench: is a diagonal cross-out and comple widths given below should be reduced elightly to obtain widths at right angles to the strike. Approciable mineralization in the adit workings is apparently limited to the section adjoining the face in the last course florth 40 degrees East). Here. a sample across 16 feet asseyed: gold. 0.14 ox. to the ton. A check sample across 14 feet of the same section gave: gold. 0.12 oz. to the ton. Other check samples, across 13 and 13.7 feet respectively assayed: gold, 0.20 and 0.03 oz. to the ton-

It will be noted that the underground samples, where exidation is absent or very light, are very low-grade.

If, however, very large bodies, say 30 feet wide or more, of similar material could be proved, commercial possibilities might be considered seriously. While the Idaho occurrences

are very interesting it is at the present stage, in my opinion, very premature to assume the existence of a deposit which can be worked at a profit. The better values, as in the 55-foot trench, may be attributed to local concentration of gold through oxidizing agencies or to gold in the soil.

In addition to the above-described <u>Idaho</u> showings there are some open-cuts exposing similar material in parallel mineralized silicified rock zones, but these are very imperfectly exposed and values in general extremely low-grade.

Yours very truly,

Resident Mining Engineer.

BTO G/KBB

897/35

Dr. John F. Walker, Provincial Mineralogist, Victoria, B. C.

Door Dr. Walker:

Ro: Cardinal Hining & Dovelopment Co. Ltd. Yale

Replying to your letter of Docombor 12th (por Er. P. B. Freeland). I have received a copy of the prospectus of the above company and beg to submit as follows:

of the two properties referred to therein, the Aurun is in District No. 6 It is mentioned very briefly but I would direct attention to the following excerpt:- "It is now in an advenced atage of development, and large tennage can be rapidly and economically blocked out".

tonnage" the inference is that commercial ore has been developed in quantity.

I have not yet written my Aurun report for publication but the facts are briefly as follows:- In regard to the older nine workings, aggregating 2500 lineal foot or more, exploiting the peckety, high-grade gold occurrences in the tale commiscioned along the periphery of the corpentine, only a very little work has been done since the report by Dr. C. E. Cairnes in G. S. C. Summary Report 1929. Part A. Conditions are summarized therein under "Future Possibilities", pages 156-A and 157-A.

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Location in foot from Zero at Elov- ation 3326	in	cold Ozs. to the ton	Remorks	
Zero	7.5	0.15	Soft iron-stained decomposed rock and soil	
<b>9</b>	21	0.30	Finoly divided sulphides in bonds paralloling strike, occasional rusty strocks	
9	16	0.06	do do do	
14.5	10	traco		
26	5	0.02		Ground-
29	9	0.13		pluiced area.
44	11.5	0.06		
52	Grab	0.06		
60	6	0.42	Oxidation more pronounced	
89	7	0.22		
195	26	0.87	Section A. Southorly section of treach.	
195	21	0.05	Bestion B. Adjoining section A to the north.	55-foot trench across strike. elevation 3200
195	4	0.36	Section C. Adjoining section B to the north.	
195	27	0.36	Soution A, check nample	popod rock and
195	28	0.47	do do do	

Impodiately below the 55-foot trongh, lipted last in the above table, an adit, at chainage 250 and clovation 3172 foot, cropposite the mineralized zone at phallen This adit, comprising 186 lineal fleet of work, is moundaring and not properly laid out to give a section at right angles to the strike. The main part of this working is driven South 70 degrees West for 110 feet. At 30 feet in from the portal a branch extends North 65 degrees West for 30 feet then turns Horth 40 degrees East for 48 feet. The last-mentioned course, directly unfor the 55-foot tronch, is a diagonal cross-out and cample widths given bolow chould be reduced alightly to obtain widths at right angles to the strike. Approciable mineralization in the adit workings is apparently limited to the section adjoining the face in the last course florth 40 degrees East). Herea sumple corose 16 feet assayed: gold. 0.14 oz. to the ton. A check sample across 14 foot of the same section gave: gold. 0.12 oz. to the ton. Other check samples, scross 15 and 13.7 feet respectively assayed: gold, 0.20 and 0.03 oz. to the ton.

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In addition to the above-described Idaho
chowings there are some open-outs exposing similar
material in parallel mineralized cilicitied reak cones,
but these are very imperfectly exposed and values in
general extremely low-grade.

Tours vory traly.

Resident lining Engineer.

DEO'C/EBB

Jan 11/36

Wear B. T. 921/1100 - 3, 6, 7 Jan . 11/36 On reading fru refeat upen the aurum (Cardinal II. Der. Co. Jule M. 7. dated Jan. 6/36, I notice four sæmble returns do not check with any of the samples around by this office under aurum (oct /35). Perhales there has been some unstalle in colenjong fru results and if so will for drop we If there is any other explanation you might let we Kum Best regards.

January 13th, 1936.

### Personal

P. B. Freeland, Esq., Senior Mining Engineer, Bureau of Mines, Victoria. B. C.

Dear "P.B."

Replying to your personal note of the 11th instant the situation regarding Aurum assays is as follows:

Before I went up there I found out that C. B. North, a very reliable man and close friend of mine, had made two very thorough examinations of the property. specifically in 1934 and 1935. I also knew that F. O. Orr. Dr. Schofield's partner, and Percy Dobson of Bralco Ltd. had done some sampling. I also knew that I could obtain copies of this information. When I saw the property I noted the very extensive oxidation in the exposures and also noted that gold colors could commonly be panned from the soil. Therefore, with the large amount of sampling done by reliable men being available, I decided to try and ascertain by selective sampling whether the pyritized silicified rock itself carried any values apart from oxidized material where gold values probably resulted from concentrations caused by oxidization agencies or contaminations with auriferous soil.

I enclose a revised list of samples to which I have added my Nos. 6761-A. 6764-A. 6765-A. 6766-A. 6767-A. and 6768-A. Nos. 6762-A and 6763-A do not apply to the Idaho deposits, the first mentioned being a sample taken in the old "talc" mine and the latter being a selected sample of pyritized rock from a zone paralleling the Idaho some distance away.

I note now that on my page 3 the wording is a little confusing since my samples had not been included. I showed Dr. Walker C. B. North's assay plan which was given me for my personal use.

Trusting this clears up the situation.

Yours sincerely,

Resident Mining Engineer.

BTO G /KBB

## Aurum Mine Yale Mining Division.

Location feet fro Zero at el ation 332	om in Lev- feet	Gold ozs. to the ton	Remarks	
Zero	7.5	0.15	Soft iron-stained decomposed rock and soil	}
9	21	0.30	Finely divided sulphides in bands paralleling strike. occasional rusty streaks	
9	16	0.06	do do do	
14.5	10	trace		
20	selected	0.01	Pyritized silicified schist- ose rock without oxidation	} #6768 <b>-</b> A
26`	5	-0.02		) Ground-
29	9	0.13		) sluiced ) area
44	11.5	0.06		
44	grab	0.01	Pyritized silicified rock without exidation	) #6767 <b>-</b> A
52	grab	0.06		
60	6	0.42	Oxidation more pronounced	
85	selected	0.26	Pyritized silicified rock without oxidation	) #6766-A
89	7	0.22		
89	Belocted	0.18	Silicified pyritized rock	#6765 <b>-</b> A
195	26	0.37	without oxidation Section A. Southerly section of trench	
195	21	0.05	Section B. Adjoining section A to the north	
195	4	0.36	Section C. Adjoining section B to the north	)across strike
195	27	0.38	Section A. check sample	lelevation 3200 leet.
195	28	0.47	do do do	) Heavily iron- ) stained decom-
195	6	0.52	Section A, south end, intense oxidation	Ann soor bason
195	grab	1.10	Section A, solected, intense oxidation	) )#67.64-A

# 92H-11W 92H/NW-3,4,4

Barch 23rd, 1936.

Dr. John F. Walker, Provincial Dineralogist, Victoria. E. C.

Dear Dr. Walker:

Me: Cardinal Mining & Development Company, Ltd. Yale Mining Division.

January 6th 1936 under the above heading, my criticizm contained therein had reference to the prospectus forwarded me by Mr. J. G. Campbell which I have described as No. 1 as attached, and which was received by me on December 16th, 1935.

I have now accidentally discovered the existence of another pamphlot which I have called No. 2 and also enclose herewith. This No. 2 has been loaned to me by Mr. Crysdale, assistant to Mr. Lamb of the B. C. Minor. He obtained it from the above company's office. He does not remember the exact date but thinks it was about the end of January or beginning of February. It was evidently published since No. 1 as it contains a letter of recommendation from Sidney Norman published in the Vancouver Sun on January 4th, 1936.

The failure of the Cardinal Mining and Development Company Ltd. to send me a copy of this No. 2 seems to me a serious breach of Section 15 of the Mineral Survey and Development Act especially as you had previously notified Mr. Campbell of the requirements under this Act. No. 2 pamphlet, from my point of view, is much werse than No. 1.

romotional literature is only issued to those applying for shares.

I will be glad to have both pamphlets returned when finished with.

Yours vory truly.

Rosident Mining Engineer.

DEPARTMENT OF MINES

THE GOVERNMENT OF THE PROVINCIAL MINERALOGIST VICTORIA

Western Mineral Survey District
RECIDENT ENGINEER
Rec'd. DEC 1 7 1935
Ans'd.

December 16th, 1935.

B.T. O'Grady, Esq., Resident Mining Engineer, Workmen's Compensation Bldg., Vancouver, B.C.

Dear Mr. O'Grady:

I am in receipt of your letter of the 14th instant with reference to the prospectus issued by Cardinal Mining and Development Company, and note that you will let me know if you do not receive this document in a reasonable length of time.

Thanking you for your letter,

Yours very truly,

Provincial Mineralogist.

/B. 2554/35.



RESIDENT ENCLUSED AND ACID MAR 26 1936

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OFFICE OF THE PROVINCIAL MINERALOGIST VICTORIA

March 25th, 1936.

B.T. O'Grady, Esq., Resident Mining Engineer, Workmen's Compensation Bldg., Vancouver, B.C.

Dear Mr. O'Grady:

I have your letter of the 23rd instant and copies of prospectus and circular issued by Cardinal Mining and Development Company Limited, which I am returning to you herewith.

I am writing to the above company asking them to send two copies of the circular immediately to this office, as called for under Section 16 of the Mineral Survey and Development Act.

Your comments on these pamphlets are noted and I appreciate your bringing them to my attention.

Thanking you,

Yours very truly,

Provincial Mineralogist.

/B. 674/36.

## Confidential Memo. re Aurum (Cardinal Mining & Development Company)

Towards the end of July work by the four contractor miners had been suspended due to alleged non-payment by the Neill-Campbell interests. I heard numerous complaints from others, local people, who had not been paid for services and others, local people, who had not been paid for services and could obtain no satisfaction. These include "Cap" J. D. Fulbrook, who had packed supplies (a meagre amount) to the property.

Payment could not be obtained for small items of equipment purchased from the Dawson mine. Campbell of the Cardinal Company has a good office in Vancouver and has been living at the Georgia Hotel but apparently money is lacking for other purposes.

# 92H/11W 92H/NW-3,7,4

# MEMO. RE AURUM (CARDINAL MINING & DEVELOPMENT COMPANY), MEAR JESSICA, YALE MINING DIVISION.

Conditions have not changed appreciable since the preliminary report published last March in the Special Bulletin by authority of the Hon. the Minister of Mines. This was reproduced in the Annual Report for 1935.

(Cardinal) on June 9th, 1936. Press reports had wrongly stated that work was started with a crew in February 1936. The new work, shown on the assay plans prepared by Mr. Cummins who assisted in my examination, consists of a drift-adit driven along the strike of the Queen (O'Connell) mineralized zone. This had been driven about 62 feet on July 12th but has since been driven a little farther. Sixty-one samples, mostly channel samples, from the Idaho, Queen, and Bradley zones, failed to show any commercial values or continuity along the strike of the spotty gold values of interest. Average values are extremely low and there are no very large widths of mineralization such as would warrant the assumption of a profitable large-scale, low-grade operation.

Exploration of the above-mentioned mineralized zones is in a very early prospecting stage and substantial expenditures will be necessary to determine if any deposits

of commercial interest exist on the ground.

There is no change in the old Aurum mine (talc seam) workings from which small pockets of high-grade gold ore were dug out in past years under other management.

Resident Mining Engineer.

#### R. K. NEILL

Original Developer of Premier Mine, and now President and General Manager of The Cardinal Mining & Development Co. Ltd. (N.P.L.).

The following unsolicited letter was written by Sidney Norman, Mining Editor of The Vancouver Sun, in response to request for information regarding Mr. Neill's history and mining experience, and published January 4, 1936:

My DEAR SIR:

Answering your query as to my knowledge of Mr. R. K. Neill, of Spokane, and his mining operations, I am able to say that I have known him well for over forty years, and have always considered him of the most experienced, capable, conservative and successful operators of the Northwest.

My acquaintance goes back to the early 90's, but he had been a prominent figure in development of the Coeur d'Alene district, Idaho, for at least ten years prior to that time.

In 1886 and 1887 he was with Bunker Hill & Sullivan Mining & Concentrating Co., which developed the greatest mine of its kind in the United States, employed in construction of the first 100-ton concentrator erected upon the property at Wardner, Idaho.

The following year he was in charge of construction of 100-ton mill for Last Chance mine, also at Wardner, and, having completed that job, moved on to Gem, Idaho, where he constructed a 100-ton mill for Frisco Mining Co.

Incidentally, Gem was the only mine bringing dividends into Spokane in the depression following repeal of the Sherman Silver Purchasing Act in 1893.

In 1889 Mr. Neill became associated with Finch & Campbell, one of the most successful operating firms in the history of the Northwest, representing capital largely drawn from Youngstown, Ohio, and took charge of construction of another 100-ton plant for Milwaukee Mining Co., remaining in charge of it until May of the following year.

The same year he constructed near Wallace a 150-ton mill for Custer Mining Co., then controlled by C. D. and Peter Porter and their associates, remaining in charge of both mine and mill until February, 1893.

He was then engaged as general manager of Milwaukee Mining Co., and as field investigator for the Finch & Campbell interests, and in pursuance of those duties made many examinations throughout the Northwest in search of likely prospects.

One of the big successes was development of the Standard-Mammoth mine, also in the Coeur d'Alenes, which first and last paid dividends of \$12,000,000 upon a total initial capital outlay of approximately \$90,000.

In 1894 Mr. Neill temporarily severed his connection with Finch & Campbell to look over the possibilities of the Slocan, Rossland and other camps in Southern British Columbia, then in the throes of the big boom.

It was in those days I first met him, and since then I have had a fairly close knowledge of his movements so far as mining

In July, 1894, he bonded the St. Eugene mine at Moyie, B. C., a property that made a cool million dollars for its original owners, and was subsequently taken over by Consolidated Mining & Smelting Co., owning the smelter at Trail.

The same year he bonded the Enterprise mine, Ten-mile Creek, near Slocan Lake, and it is my recollection that, through his efforts, it was subsequently sold to J. Roderick Robertson and British interests for \$375,000. The total investment on the part of Neill's associates had been somewhere around \$75,000.

In July, 1895, he bonded the Second Relief mine, near Erie, in the Nelson area, and shipped enough crude ore to build a small mill and 14 miles of road from the Great Northern branch line from Spokane to Nelson.

He managed to return the total investment there made, but in those days gold was selling at \$20.67 an ounce, and costs of operation and transportation were unduly high.

The property is now under control of Premier Gold Mining Co., subsidiary of American Smelting & Refining Co., the largest concern of its kind in the United States.

A new 75-ton flotation-cyanide plant has just been placed in operation, and the mine gives every promise of becoming one of the most important producers of its size in the province.

Two years later, or in 1897, Mr. Neill returned to association with the Finch & Campbell interests as general manager of Milwaukee Mining Co., in the Coeur d'Alenes, and as superintendent of all the firm's widespread interests throughout the

In December, 1899, Mr. Neill bonded the Kendall gold mine, about 20 miles from Lewistown, Montana, and during the next seven years, under his direction, the property returned close to \$3,000,000 in dividends.

In April, 1901, he bonded two side claims south of the Hecla mine, at Burke, Idaho, at a time when Hecla Mining Co. appeared to be upon its last legs, with shareholders refusing to meet assessments. Shares were then selling at around two cents, upon a capitalization of \$250,000, in 1,000,000 shares of par value of 25 cents.

The property bonded by Mr. Neill was known as the Van or property bonded by Mr. Nell was known as the Van Dorn claims, and was acquired on a bond of \$25,000, with ten per cent cash, balance in one year. He endeavored to induce Finch & Campbell to buy the Hecla mine before starting development of the Van Dorn ground, where he believed the extension of the Hecla workings of 125 feet at most from Hecla workings of 125 feet at most.

As a matter of fact, the orebody was found by cross-cut of 22 feet, and since that time Heela Milling Co. has become one of the greatest lead-silver mines in the United States, with dividends of over \$20,000,000 to its credit.

Neill remained for many years as the chief adviser of the Fineha. Campbell interests, in fact until near the death of both of the principals and consequent breaking up of one of the most successful combinations in contemporary mining

He then scouted the country for some years in many directions, and on March 7, 1917, bonded what is now known as the Premier mine, Portland Canal district, B. C., which has since become the greatest gold-silver dividend-payer on the North American continent, with over \$18,000,000 in dividends to its credit, and since 1919 under control of American Smelting &

At the time the property was bonded from O. B. Bush, of Vancouver, it had been abandoned by Col. W. B. Thompson, founder of Newmont Mining Corporation, who had expended close to \$100,000 in unsuccessful search for pay orebodies.

Mr. Neill enlisted the aid of W. R. Wilson, president of Crow's Nest Pass Coal Co., of Fernie; A. B. Trites and the late R. W. Wood, merchants of that town, and with an original investment of around \$5,000 blocked out ore worth several

The property was sold upon a basis of several million dollars to American Smelting & Refining Co., the four original partners retaining 49 per cent of the 5,000,000-share capital stock of Premier Gold Mining Co., which was organized to take

With the capital thus derived Mr. Neill retired from active ning and entered other lines of business, including Spokane Portland Cement Co., at Trent, just east of Spokane, which he founded, and which has had an uninterrupted history of

Other investments did not turn out so well, however, and in the panic of 1930 a large share of his wealth was wiped out in the failure of the department store business of Culbertson & Co., Spokane, in which Mr. Neill had invested largely, and had also become obligated for promissory notes in efforts to save

Nothing daunted, he started out again to find a mine, and for some time was heavily interested in Premier Silver Mining Co., operating east of Mazatlan, in Mexico. The disastrous fall in the price of silver prevented realization of expected profits in that direction, and for a few years Mr. Neill again remained

He has now re-entered British Columbia-scene of his greatest success—and with an experience as wide as any enjoyed by any mining man of the west, plus a natural conservatism and an unfailing "nose for ore," it is my sincere hope and belief that he will repeat the successes of the past. Certainly, the opportunities are here.

No man of my 40 years' acquaintance has covered more territory or been connected with more outstanding successes, many of which were taken over at the initial "grass roots" stage and brought to the status of producers and dividend-payers under

Sincerely yours,
SIDNEY NORMAN.

## The Cardinal Mining & Development Co. Ltd.

(Non-Personal Liability) 310 Rogers Building, Vancouver, B. C.

#### Capital Structure

500,000 7% Cumulative Preference Shares of \$1.00 each and 4,000,000 Ordinary Shares of no par value.

We are now offering to the public  $250,\!000$  only, 7% Cumulative Preference Shares at \$1.00. With each Preference Share the Purchaser receives a bonus of two Ordinary Shares. Preference Shares must be redeemed at \$1.05 per share before any dividends are paid on the Ordinary Shares. Consequently the investor, with his capital returned, holds a bonus of two Common Shares.

In asking the public to participate in this issue we are not in the least unmindful of their investment experiences of the past. Some have profited largely through mining investment, and many have not. The latter experience, however, should not be considered any reflection upon the mining industry - but to human limitations. It is difficult to foresee a period when man shall know all things-likewise it is equally as difficult to foresee a period when mistakes in mining shall be entirely eliminated. There is a crying need for improvement, and it is largely up to the investor.

The success of any business depends largely upon the judgment of the management, and mining is no exception. The saying goes, "No man can see into the ground very far." This is correct, but if similar business principles, which are applied to other industries, were applied to mining, we submit there would be far less mining failures, and consequently the public would have greater faith in the mining in-

In this industry, more than in any other line of business, we find the inexperienced operator at the helm, and very often his experience is paid for dearly by the stockholders. It is very seldom that the average investor questions the mining management. There are two questions usually asked:

First: "When is the stock going to be listed?" or "When is it going on the board?" They don't ask at what price level the stock shall remain while it is on the board, or how long it will remain there, which, after all, depends, or rather should depend, on the ore values in the property.

Second: In recent years the second question usually asked by the investor is, "When are you going to build a mill on the property?" This latter question is possibly prompted by high hopes of a stock play-consequently, recently there has been an epidemic of mill building, regardless of ore, mill capacity, or capital investment. No mining investment can be successful without commercial ore, and in determining commercial ore we must take into consideration tonnage, power, cost of breaking the ore, cost of transportation, grinding, milling, treating, freight, timber, as well as climate, etc. The entire processing must be considered, and, after deducting such costs, there must be sufficient profit to pay dividends and return on capital invested. If this cannot be done, the listing of stock or the building of a mill on the property will prove not an asset, but a liability.

#### **PROPERTIES**

#### Aurum

Located 14 miles east of Hope, B. C., four and one-half miles north of Aurum Siding, on the Kettle Valley Railroad, in the greenstone on the slate contact. This property has stood up well under examination, indicating large commercial tonnage, and has the earmarks of being one of the largest gold producers in Canada. Values, for example, across 21 feet assay \$8.75; across 23 feet \$13.65; across eight feet \$18.55; across five feet \$16.80; across six feet \$11.90, etc. Gold is free and in the sulphides. There are several veins on this property; the Queen Vein is over 100 feet wide, and the Idaho Vein is approximately 65 feet wide. On a daily capacity of 500 tons the mining and milling cost should not exceed \$3.00 per ton. It is reasonable to assume that in time this property will warrant a mill with a daily capacity of 2,000 tons.

After sampling the Aurum property we considered thoroughly its possibility of making a mine before taking the option to purchase. It is difficult to estimate tonnage before it is blocked out by drifting, cross-cutting, raising, sinking, etc. Nevertheless, you can form a fairly reasonable opinion as to the possible tonnage, values, etc., if you take the samples from the deep open cuts across the veins at the different elevations (the deeper the cuts the better, so as to eliminate surface enrichment), as we did on the Aurum property. Mr. Neill says in his letter of October 4, 1935, "I will say again, the Aurum Queen Cut is about as fine as any surface cut I have ever seen, and should make a mine of large commercial tonnage. The showing is much better than many I have developed in the past into good paying mines."

In a letter dated January 6, 1936, Mr. Neill says: "The more I think about my assay results from the Raab property (meaning the Aurum), I really believe in due course of time we will have a real mine with very large tonnage that will yield a fair profit. You remember the Queen cut was all in the sulphides, there was no oxidization. This means a great deal to me. If it had been oxidized I wouldn't be so sure that we are going to develop a mine."

Yes, the Aurum is a large tonnage proposition with a very cheap development cost, large commercial widths, a case of blocking out commercial ore from the start.

#### Bush Consolidated and Bush-Cobalt

Located interjacent to Premier Gold Mine and the Big Missouri, in the greenstone formation, at Stewart, B. C. These properties have real merit, and, with the benefit of R. K. Neill's management, with his experience in developing the Premier Gold Mine, intelligent development is assured.

Quoting in part from the Bush report on the

#### Investment Securities **Bonds** Stocks

## **GREATER FIELDS** FOR INSURANCE

Human Life May Be Valued as Highly as Property Security

Dr. S. S. Huebner, highly reputed professor of life insurance at the Wharton School University of Pennsylvania, forecasts that in 20 years as much credit will be outstanding, with the value of human lives as se curity, as now outstanding with property pledged in security.

"There is an increasing realization in commercial circles that the creator of wealth is himself the supreme factor in the estate concerned," Dr. Huebner says. "Soon the money value of human lives will be reckoned as about six times the national property value."

Dr. Huebner goes still further. He believes life insurance will come to be regarded as a callable sinking fund bond on the loss of life, with all thinking men estimating the economic loss their deaths necessarily will mean.

The result will be that men will begin insuring adequately-prodigiously, according to present standards -against such loss. This insurance expert has estimated that the actual business loss in needless adult deaths on this continent amounts to \$3.000,000,000 annually.

But another type of insurance is coming-not yet worked out, but soon to be. It is against price fluctuations. Therein is something on which to ponder. The financial depression of 1921, which caused thousands of bankruptcies, might have been alleviated to a large extent had these companies been adequately protected by price insurance in order to compensate their losses.

Operation of such a system suggests a higher code of business ethics, but it also indicates that the myriad lines of future insurance development cannot be counted.

## **GOODYEAR STOCK** SPLIT EXPECTED

Net Earnings Are Likely To Show Considerable Increase

(Special to The Financial News)

MONTREAL—On September 30 Goodyear Tire & Rubber Co. of Canada, Ltd., will bring its fiscal year to a close. The period to date has proven one fruitful of large increases in operations, sales and earnings.

There seems no doubt in the minds of shareholders and followers of the stock on the markets that the showing to be contained in the next annual report will create new historical records for this organization which has established such a notable recovery from its war-time years of depression.

There seems to be no doubt, says Financial Counsel, that total sales and operating and net earnings will show large increases over those revealed for preceding periods. It is now being quite popularly predicted that net earnings available against the company's outstanding common shares will be in the neighborhood of \$20 per share, if not higher.

In connection with the matter of a splitting-up in the common stock, nothing more definite than what has already been reported is yet available. However, the streets are discussing the probability that the directors may decide to take some action on the split before the current fiscal year comes to an end. Meantime, however, officials of the company refuse to make definite comment or otherwise say anything that might be construed as tacit confirmation of these expectations.

## MANITOBA BRIDGE TO PAY 50c A SHARE

MONTREAL-Manitoba Bridge & Iron Works, Limited, is sending out dividend cheques for the interim dividend of 50 cents a share payable sues nor do we doubt that they will on the new common stock and requiring in all \$62,500. It is stated that rapidity of their recent improvement the first half of the current year for the company has turned out even not be overlooked, and conservative better than did last year, which was a record period. The large bridge for gains should await fresh developthe Canadian National Railways on the main line near Uno is almost completed and several other large contracts have recently been finished up. The management, however, reports a good volume of work still on hand and in process of production. The dividend was declared some time ago to shareholders of record July 15 and is equivalent to \$5 a share on the old stock which was split 10 are supported by good earnings and for 1 into the present issue.

VANCOUVER-During one week certificates of registration were issued to 14 firms in British Columbia with a total authorized capitalization of \$2,184,300. Of this number 11 firms are located in Vancouver. Natural resource developments continue move persistently forward. Immedito lead the field in point of capitalization—there being five mining and lumber concerns included, with a total authorized capitalization of relaxation. Preparations for fin-\$1,590,000.

## Business Reports in Canada Are Better Than Satisfactory Despite Short Wheat Crop

Public Utilities Stocks Have POWER CORPORAT'N Advanced Very Rapidly

#### **OUTLOOK REVIEWED**

In its August letter, Craig, Luther & Irvine of Montreal makes some interesting comments on the market situation in Canada in a general way, and concludes with the advice to buy on recessions those securities which occupy a strong fundamental position.

It is impossible to appraise the current business situation in Canada without some consideration of crop conditions in the West. Unfortunately there are indications that the wheat yield owing to the prolonged drought will fall sharply below last year's record figures, and the influence of this untoward factor on general trade is not to closed. Taking into considerabe disregarded. The recent im- tion the one dollar cash diviprovement in the price of wheat, | dend paid December 20, divihowever should tend to main- | dend payments for the year on tain the purchasing power of the common stock have a value the community at a fairly satis- of nearly \$7 per share. factory level. Moreover, the effects of a poor harvest are like- dividend is in the nature of a formerly; a succession of excellent bursements of a similar nature may harvests has placed the farmers in be confidently expected, says a statea strong position to meet temporary ment issued by Nesbitt, Thomson & adversity, while the growing importance and prosperity of manufacturing industries renders the country as a whole less dependent on crop fluc-

Statistical records provide ample maintaining a high rate of activity. an increase of 50,106 compared with the corresponding previous figures; gross railway receipts to July year is substantially higher than it was in 1928. The operating ratio of newsprint mills in June was 86.7 per slightly lower than that reported in HYDRO-ELECTRIC the preceding month, is well above the average for the six-months per-iod. Exports of newsprint for the half year were valued at over \$72,-600,000, or nearly \$4,000,000 higher than for the same period in 1928. The value of building permits issued to June 30 was \$124,188,614, a record figure, and 21-8 per cent in excess of the aggregate for the period a quite large volume of turnover on and if allowance is made for seasonal slackness in certain lines, business reports continue to be better than satisfactory.

With the balance of the year likely to be productive of such results as will justify 1929 being recorded as a period of progressive prosperity, we see no reason for the adoption of an attitude of pessimism towards the stock market. At this season of the year public sentiment is not usually conducive to a buoyant market, and speculative enthusiasm is also temporarily restrained by the limitation of credit facilities. Nevertheless, selected issues should continue to give a good account of themselves as certain groups, notably the public utilities, have done in the past month, and even at present levels the pur-chase of sound stocks on the basis of long term investments has much to commend it.

From a strictly trading standpoint, of course, there is a measure of risk attached to commitments in stocks which have advanced appreciably within the past few weeks. We refer particularly to the public utility issues, which have registered advances ranging between 13 and 16 points. We do not wish to be interpreted as having turned bearish on these is-

ments. In the general list there are a number of sound stocks representative of companies whose volume of business during the remainder of the year and for some time to come promises to expand steadily. We have advocated the most careful selection in the matter of purchases, recommending only where the prospects for both the industry and the company concerned are entirely favorable. Stocks of this calibre are the leaders in a strong and active market and are the first to recover after a reactionary period. It is impossible to state definitely when the market will again begin to move persistently forward. Immediate future prospects are clouded with few weeks and recommend that ad-

# **BONUS EQUIVALENT** TO \$6 PER SHARE

dends Are Predicted

## 20,000 NEW SHARES

At the present market value of the stock, Power Corporation's recently announced stock bonus to common share holders of five shares of common for every 100 shares held is approximately equal to a dividend of \$6 of several old-established Win-

The fiscal year of Power Corporation ended June 30 and this bonus covers the year just

While this 5 per cent stock ly to be less adverse nowadays than bonus, it is understood that disbe confidently expected, says a state-

> A bonus of two shares for each 100 shares held was also declared on the second participating preferred

While this means a distribution of vidence that trade and industry are 20,000 new shares to the common share holders, only 2000 shares will In the elapsed period of the year to be required for the holders of the sec-July 13, car loadings totalled 1,843, ond participating preferred.

During the course of an interview recently, A. J. Nesbitt declared he felt that Power Corporation common 14 have advanced by \$12,093,648 to at \$150 would be an attractive se-\$244,406,287; production of pig iron curity. This statement is of particu-and steel for the first half of the lar interest and significance, as Mr. Nesbitt seldom publicly expresses his views on security values.

## CORP. STOCK HIGHER

Trading occurred in Montreal last week in several thousand shares of Hydro-Electric Securities Corp., Ltd., common stock labelled "Delayed de-livery." These trades went through the usual straight settlement terms

While it was not possible to obtain definite explanation of this delayed delivery trading, it was stated in certain quarters that this represented some readjustment dealings involving certain amounts of the shares which have previously rested in European hands, the transactions having been handled on the understanding that definite scrip would be delivered as quickly as possible but with neces-

sary delays.

It will be recalled that while this company was incorporated in 1927 with a province of Quebec charter, it was created chiefly by the late Capt. Alfred Loewenstein and associates and a large amount of the shares were both held and distributed overseas. Recent activity in the common stock, encouraged by reports that the company had made extensive profits through its holdings of certain Ameria can public utility shares, has carried the price up quite sharply and now the trading seems to be taking on something of an international complexion which many expect will be further accentuated as time goes

OTTAWA-"The latest available estimate places Canada's forest resources at 224,304 million cubic feet of standing timber which is capable ultimately attain higher levels. The of yielding 424,637 million feet board rapidity of their recent improvement measure of sawn lumber and 1,121, in an otherwise dull market should 993 thousand cords of pulpwood, ties, poles and other smaller materials. With the population of the Dominion estimated at 9,519,000 in 1927, this represents a per capita supply of 23,-564 cubic feet of standing timber to provide an annual per capita consumption for use alone of over 269 cubic feet," says a news letter of the Dominion Bureau of Statistics.

> Investors read The Financial News -"Western Canada's Only Financial Weekly."

shortly be under way and although requirements for this purpose may not be so heavy this year as last, they will nevertheless postpone for some little time a more plentiful supply of funds for stock market

We therefore anticipate a continuancing the new crop movement will sition.

## STATIONERY FIRM OFFERS \$100,000 PREFERRED ISSUE Recent Contracts Total

Willson Organization Has Long and Successful Record

## OWNS MITCHELL-FOLEY

Public participation is offered Further Similar Stock Divi- by Nesbitt, Thomson & Co. Ltd. in the business of Willson Stationers & Envelopes Ltd. which has stores in the principal western cities from Winnipeg to Vancouver. The offering consists of \$400,000 7 per cent. first cumulative redeemable preference stock, with a bonus of five shares of common with each 10 first preferred.

> Willson Stationers & Envelopes Ltd. is a new incorporation nipeg companies operating in the stationery business throughout Western Canada. These are as follows: Willson Stationery Company, incorporated in 1904, and successfully engaged in the retail stationery and office equipment business with stores in Winnipeg, Brandon, Regina, Moose Jaw, Sas katoon, Edmonton and Calgary; Win nipeg Envelopes Ltd. operating an envelope manufacturing plant in Winnipeg.

> Silvester-Willson Company which vns a five-storey building in Winnipeg, part of which is occupied by Willson Stationery, and part of which is rented.

Mitchell Foley Ltd., organized in 1914, handling a complete line of stationery and office equipment in Van-

consolidated net assets of these companies amount to \$1,057. 777.27 equal to \$264.44 per share of the first cumulative redeemable preference stock, at present being of-

Average earnings for last three ears is \$114,972.70 equivalent to \$28.74 per share on the first prefer-

ence stock.
Capitalization consists of 400,000 per cent. first cumulative redeemable preferred shares; 220,000 7 per cent. second cumulative redeemable convertible preference shares, and 32,-100 shares of common.

Nesbitt, Thomson & Company's Winnipeg office reports that the offering is meeting with an excellent reception throughout the West where the companies are well and favorably

It is understood that none of this issue is available for distribution in

WINNIPEG - In Manitoba last ear 63 new industries were lished, according to the report of the new industries committee submitted to the annual meeting of the Manitoba Industrial Development Board. Production during the year was estimated at a value of \$159,000,000, or an increase of \$17,000,000 over 1927.

## CANADA PAVING TO EARN \$5 A SHARE

**Ouarter Million** Dollars

TORONTO.—Canada Paving & Supply Corporation, Limited, has receive ed construction and supply contracts totalling \$250,000 during the past fortnight, including sewers and contracts in connection with the Canadian terminal of the Detroit-Windsor Bridge, according to Louis A. Merlo, president of the company.

Based on the volume of business al ready secured this year and the volume in prospect, it is estimated that net earnings after all charges, will probably exceed \$5 per share during the present fiscal year. During the month of July, one of the corpora-tion's sand and gravel boats "The Aragon," made twenty-eight complete trips, which set a new high record for this steamer. This vessel is engaged in carrying gravel from the extensive deposits at Point Edward, north of Sarnia, to the Border Cities. Demand for this gravel is particularly keen in the Border Cities area, on account of the fact that the quality is very fine, and it is especially adapted for construction work

With the anticipated opening of the new Detroit-Windsor bridge before the end of 1929, the Border Cities are looking forward to their biggest year on record. Undoubtedly, Canada Paving and Supply Corporation, will share materially in this prosperity.

# Investment Company

We offer the shares of Anglo - American Shares Inc. as a speculative opportunity of participating in the expansion of the Aeronautic industry. The Directors of the Company are such as should be in a good position to choose such investments wisely.

> PRICE, \$25.50 Per Share

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