

A cross-cut to the west in the lower vein payshoot is in solid ore, and I would recommend continuing this until the hanging wall is encountered with a view to ascertaining the extent of the ore body at this point.

I recommend that the drift in the lower vein be continued to the point where the vein outcrops about 100 feet beyond the present face, or further if developments justify. The drift has evidently passed the boundary of the payshoot at this point, but from the appearance of the outcrop to the north I am disposed to believe an extension of the drift would open a new payshoot.

I also recommend that commencing at the point where the drifts in both veins cross from the foot wall into the hanging wall side, the drifts be extended in a southerly direction toward the original point of entry, but on the hanging wall side. This will demonstrate the extent of the payshoot in that direction, and indications lead me to believe it is quite possible the payshoot may extend all the way to the proposed new adit.

It is further important, in my opinion, that winzes be sunk on the payshoots in both veins to determine the downward continuation of the pay ore. Sinking, in conjunction with the northerly and southerly extensions of the drifts as suggested will open the payshoot on three sides. When this work is sufficiently advanced, the owners will have an adequate idea of their property, which will be of value in determining their policy with respect to equipment and operation.

It will be noted that in what is regarded as the main payshoot in the lower vein, Samples Nos. 3, 4, 5 and 7 (see Assay Sheet) are sufficiently encouraging to justify further development on this shoot.

Concurrent with the foregoing development, I recommend that surface work be done on the south side of the mountain with a view to exposing the outcrop in that direction. In my opinion, no difficulty will be encountered in finding this outcrop. Given satisfactory developments in the present center of activity, the Company would then be wise to consider tunneling from the south side and establishing its main working adit at this point. Additional depth can thus be secured on the vein or veins, a further area of the payshoot can be opened up if it proves to continue over the territory in question, and, decidedly important, a safe base of operations will be established. In my opinion the present drifts cannot be adopted as permanent working openings. The entrances are exposed to snow slides which would be a constant menace to permanent workings and plant and to men engaged therein. On the south side of the mountain these physical disabilities will not be encountered and the additional depth on the veins there obtainable is of importance.

A new drift from the south side of the mountain would also, in my opinion, be quite likely to open new payshoots before reaching those now partly developed. Conditions seem to point to the probability of this being the case, which is further justification for the plan suggested.

I endorse the statement that water power ample for the operation of the property and its reduction works is available.

The transportation problems presenting themselves are well known to your Company, but no doubt exists in my mind that a satisfactory solution can be evolved.

A. G. LARSON.

Vancouver, B. C., June 23rd, 1910.