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GOLDEN, COLORADOA REPORT
ON
THE JUNE GROUP.

At QUATSINO SOUND, B.C.

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Denver, Colo.

GENERAL REMARKS.

This property is an enormous outcrop of magnetite and pyrite showing some copper at slight depth in the magnetite portion. It is owned by the Copper Mountain Mining and Development Co., of Tacoma, Wash. (Office 516 Fidelity Bldg)

LOCATION.

The properties of the June Group lie on the North end of Vancouver Island, 5 miles east of the East shore of the Southeast arm. of Quatsino Sound, in the Rupert Mining district of British Columbia. (N. Lat. $50^{\circ} 25'$ Long. $127^{\circ} 27'$ W.)

The nearest wharf is at the Yreka mine, 3 miles across the Sound from the end of the June trail. From this wharf to Victoria (the present supply point) the distance is 370 miles and there is a boat twice a month.

The Southeast arm of Quatsino Sound and its connection with the sea provide an ideal inland water way and harbor,

(1) the water being extremely deep, right to the shore, and

the channel being free from narrows.

The properties are connected with the shore by a trail 5.3 miles long.

CLAIMS.

There are five claims, namely IRON KING, OLGA, and JUNE, HELEN, AMAZON, covering 199 acres.

The vein has little or no dip and the claims amply cover all the outcrop. They were mostly located in 1900 and were surveyed for crown grant in June 1904.

The title is probably perfect. There was some question about a narrow strip crossing the pyrite end of the outcrop, but I understand that has been settled.

THE GENERAL CONDITIONS.

The north end of Vancouver Island is a virgin forest of hemlock, balsam, fir, spruce, and cedar, named in the order of their preponderance. The climate is excessively wet, the rain fall being 70 inches per annum. There is little frost and the snow does not get excessively deep.

There is no labor at hand except a small settlement of Norwegians but there are a great many Japanese in B.C. who work for \$1.50 and up, and white labor is not scarce, the prevalent mining wage being \$3.50 per ten hours.

There is a saw mill at Yreka and while its charges excessive rates for small lots, a big order could probably be contracted for at \$9.00 to 10.00 per M. If not, one could put up a private mill for timber is abundant to an extreme.

Freight rates from Victoria are \$6.00 per ton for shipments of a ton or more, and higher for smaller shipments. Water transportation costs are susceptible to considerable modification, however, if the volume of business warrants it.

Comox coke can be delivered in large quantities for \$6.00 per ton. This is a good smelting cke.

X There is a coal field on the Sound. My samples showed it to be a coking coal carrying considerable ash, which would not be a draw back in smelting heavy base ores requiring silica anyway. The field is comparatively undeveloped and all the openings are full of water. It is claimed that the veins are 3 to 4 ft wide. A large part X of the field is owned by the Halladie Wire Rope Co., of San Francisco.

TRANSPORTATION.

If this property developes into a copper mine of any magnitude it will be necessary to construct a tram road to tide water. The road could follow the present trail to "Beaver Swamp" in a general way. This point would be the top of the divide and is 560 ft. above ~~the~~ Sea level and three miles from shore. The road would then go around the North side of the "Big Butte". This route would be probably 6-1/2 miles long and would be an expensive road to build on account of the nature of the country. A very light, poorly graded road could probably be built and equipped for \$15,000.00 per mile. (\$96,500.)

WORKING CONDITIONS.

There are ample accomodations for 20 men on the grounds of the June claim. There is a splendid water power on the Amazon claim. The stream was flowing 36000 cubic ft. per min. on June 25th, which is probably an average flow and as the stream issues from Victoria Lake, which has a superficial area of 12 square miles and a narrow outlet, it would be a simple matter to maintain a uniform flow the year round by utilizing this excellent reservoir.

There is a fall of 100 ft. within a half miles from

the outlet and with the volume of water at hand 5000 H.P. c could be generated.

At the Tacoma smelter I am told the following rate is quoted on a neutral ore. \$1.50 smelting charge. 3 cents off market price per lb. is paid for the copper dry. Dry copper is 1.3 less than electro~~lytic~~ determination. It is estimated that a freight rate of 1.00 per ton could be made from the Sound to Puget Sound if sufficient tonnage could be assured.

The Canadian government makes a tax of 2% on the value of the output after frt. and treatment charges have been deducted. In case a mine owns its own reduction works they figure their own treatment charges.

Crude copper bullion, matte or raw ores are admitted free of duty into the U.S.

THE DEPOSIT.

X The mineralization follows a contact between ^{limestone} ~~lime~~ and ~~stone~~ and diorite. There are some bands of an altered rock which the state minerologist calls felsite. Whether this is an altered diorite of contemporaneous ~~genesis~~ genesis with the main mass or a later intrusion along the contact I am unable to state. I am told this contact has been traced for miles and that it is mineralized throughout. On the June property the mineralization is very ~~extensive~~ extensive. The accompanying sketch map shows the development and what has been revealed. A careful study of the sketch will give a better idea of the thing than a lot of writing, so will omit the writing.

The magnitite ore is very hard and heavy and containing copper as a pyrite at a shallow depth.

CONCLUSION.

The magnitite ⁽³⁾ area which is probably 700 ft. long

by 40 ft. wide gives promise of being underlain with considerable bodies of low grade copper ore. I cannot see any hope for mineral wealth in those portions of the lode which exhibit barren iron pyrites on the surface. The map indicates that the developments are so sporadic, however, that very large bodies of ore may exist anywhere in the mineralized zone and still be missed by all the work thus far done.

A tunnel from the bottom of the gulch at the W. June center stake would develop a large part of the magnetite area to a depth of 120 feet at a comparatively small expense and I can heartily recommend this work to the owners. My terms however, call for the advancement of \$15,000.00 before doing any development and while my terms for the recovery of all that is advanced whether in cash, equipment or development are most liberal, I cannot see that the present showing at all warrants a man in advancing \$15,000.00 for the privilege of developing the ground.

The assays from cut No. 11 indicate that a streak of ore goes through there that ought to be followed.

The assays indicate that such ores as may be found will probably carry only \$5.00 to 10.00 in all values and the ore will probably be far on the basic side of a neutral ore so that the metallurgical problem will be a very difficult one if ~~it~~ a private plant should ever be erected.

June Group

May 24

Dear May: Pursuant to the suggestion contained in my letter of last night I have secured an amendment to the June proposition such that you may reimburse yourself at once for the 15,000⁰⁰ loan from the property. Now there is no doubt but that there is some good copper ore there and I can conceive that I might be quite ready to recommend the deal under these revised conditions. My information from Grant, Long and three of the owners is that there is an outcrop several hundred feet wide and 2500 ft long which shows

good copper values wherever
they have dug into it. Now
it is conceivable that the indica-
tions may be good enough
to justify one in thinking that
\$15000⁰⁰ and the price of a cheap
train may be skimmed out of
the surface pockets in an ore
body of that size, even if devel-
opments at depth were a failure.
I would ofcourse prefer to have
you see the property but am
not afraid of the responsibility
under the amended proposition.
The owners would expect
you to repay the \$15000⁰⁰ ~~in~~
by beginning dividends when
you got within \$15000⁰⁰ of
canceling the expenditures for
a smelter etc if you went
ahead. Geo J Bancroft

June Group Proposition

ample time will be given for examination but no work shall be done until Messrs Grant and Lippy are reimbursed for a loan of \$15000⁰⁰ they have made on the property and which runs one year from May 27th 04.

The property is to be developed by 1800 ft of development work, a railroad is to be built from tide water and a copper stack of 100 tons capacity is to be erected if the developments justify it. Distance from tide water is 6 miles in one direction and 12 miles in other direction.

A new company will be formed and one half the stock will

be given you and one half
given the Copper Mountain Co
as a holding Co.

All money which you spend
on development and equipment
is to be repaid from the
proceeds of operation before
any dividends are declared.

You are to have entire
control of the operation of
the mine under a contract
which they claim will be
made so broad that you
will have a free hand in everything
except such action as might
jeopardize the holdings of the
weaker half.

If after six months of develop-
ment work you decide not
to go ahead you are to
give the Copper Mtn. Co one

year from that time to repay
you the loan. after that you
can foreclose.

If at the end of six months
you decide to go ahead you
surrender the mortgage and
call the money a sole payment
of \$15000⁰⁰ and you are not
to be entitled to reimburse
yourself for this payment
from the proceeds of operation.
In case you go ahead you
have 18 months additional
to complete the developments
and equipment.

This is of course only a
skeleton of a proposition &
requires a lot of fixing, but
there are two points on
which I do not feel like

expressing any opinion; they are expressed in these two questions.

1st Would you loan \$15000⁰⁰ on a remarkably fine surface showing which is not ore; but a good indication of ore? In this connection it may be mentioned that probably a man could build a cheap tram road and ship enough ore from close to the surface to even up on the \$15000⁰⁰ providing the proposition was amended to permit this.

2nd Would a half of the stock to you and a contract for the control of operations satisfy your ideas of a control in view of the fact that the stock of the company holding the other half is much scattered and loosely held and could be gradually acquired in considerable amounts. G.P.