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TO FOLLOW**

ROSSLAND, B.C., July 2, 1919.

REPORT ON THE MCCARTHY - WEBB GROUP.

GOODREAU, ONTARIO.

PROPERTY:

There are seven claims in the group, -- Nos. 2048, 2049, 2050, 2051, 2053, 2102, 2052.

LOCATION:

The claims are situated in the Algoma District, Sault Ste. Marie, Mining division, Province of Ontario, and are about one mile east from the Nicholas Chemical Company's property at Goodreau. A standard gauge spur operated by the Chemical Company has been built from the main line of the Algoma Central Railway at Goodreau to within half a mile of the property.

GEOLOGY & VEINS:

The rock formation consists largely of light gray quartz felspar porphyry. The porphyry varies from a massive structure to a schistose one, and can be traced along the strike east and west for several claims. The dip is north at probably 60°. On claim 2050 there are three distinct parallel ridges and on these ridges, stringers of quartz are found, varying from a few inches to eight feet wide, and it is in these stringers the values appear to be carried.

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East and west from this group there are very large deposits

of iron pyrites and there is strong evidence that similar deposits exist on this group.

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WORK:

Trenching and stripping has been carried on at various places on the group and has demonstrated that stringers of quartz and bunches of pyrites are spread over a great width.

TIMBER & POWER:

There is no timber on the claims for mining purposes and provided an option be obtained on the group electrical power could probably be transmitted from the Algoma Power Company plant about fourteen miles from Goodreau.

CONCLUSION:

In view of the favourable location of this group as regards transportation and power, together with the values obtained over fair width, I would recommend that an option be taken, provided satisfactory arrangements can be made and if such can be accomplished I suggest that claims 2048, 2052, 2053 and 2102 be dropped as I do not consider they have anything to merit them other than probable pyrite bodies, and include along with the three remaining claims of the group numbers 2062, 2063 owned by Webb and associate. I would further suggest that three diamond drill holes be bored at a minus angle to cross cut the three ridges on claim 2050, one of these holes to be bored under the section showing the highest values and the other two, say, 500 feet

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apart. These holes should cross cut the three ridges 200 feet below the surface.

It is just probable that low values may be obtained for considerable widths on these ridges, therefore it would be advisable in the event of diamond drilling to assay all the core in, say, three foot sections.

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J. B. Raw

JKC/CC

REPORT ON OPERATIONS AT THE
MCCARTHY-WEBB PROPERTY FOR
MONTH OF AUG., 1931.

REPLICATE CO.
POOR QUALITY ORIGINAL
TO FOLLOW

Goudreau, Ontario, Sept. 14th, 1931.

G.H. Kilburn, Esq.,
Trail, B.C.

Dear Sir:

I beg to submit the following report on our operations at the McCarthy-Webb Property, Goudreau, Ontario, during the month of August.

Under separate cover I am mailing a tracing of the assay plan, a general plan and tracings of the sections showing the diamond drill holes (those for which we have records).

Sampling was continued throughout the month on the same scale as before. A much greater amount of trenching was found necessary as trenching proceeded so that progress was slow. However we have found it impossible to lay out much work in advance of day to day assay returns without running a great chance of performing a lot of useless work so we have not attempted to increase our crew.

Sampling on the so-called high grade vein was extended as assay returns encouraged us and some results are yet to come but pick it up on the east side of the diabase dike without success. There is an unknown amount of displacement due to faulting on the dike but apparently it is not great. However the country to the east of it is generally heavy overburdened and any further surface work there would be very expensive.

There is now no doubt that the high vein is continuous across the draw between departures 3200 and 3300 but assay results are pretty low. However there are more to come and I would prefer to withhold further discussion until these are received.

At the present moment we are engaged in exposing and sampling a very promising appearing quartz vein which we have just discovered. Pannings from it are encouraging but no results are available yet. It is about 122 in width and lies parallel to the northernmost of the two andesite dikes shown on the plan and about 30 feet south of it.

About ten day's work will accomplish all that can be done on this vein without undue expense.

Yours truly

H. O'R. Dyer.

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There is now no doubt that the high vein is continuous across the draw between departures 3200 and 3300 but assay results are pretty low. However there are more to come and I would prefer to withhold further discussion until these are received.

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**GEOLOGICAL AND GENERAL REPORT ON
OPERATIONS TO DATE SEPT. 14, 1931.
ON THE MCCARTHY-WEBB PROPERTY.**

Goudreau, Ontario, Sept. 14th, 1931.

G.H. Kilburn, Esq.,
Trail, B.C.

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Dear Sir :

I beg to submit the following report dealing with the Geology of and our operations to date on the McCarthy-Webb Property, Goudreau, Ontario.

The country rocks of the Goudreau Area are largely Keewatin volcanics. These are intruded by dikes, bosses etc. of quartz felspar porphyry and other acid intrusives. Intruding all of these is a series of olivine and quartz diabase dikes and a series of smaller dikes of mica diorite.

The country rocks outcropping on the McCarthy-Webb are greenstones and what is generally thought to be a quartz felspar porphyry although it is to be noted that Ellis Thompson identified this rock from a thin section, made from a specimen selected by ourselves, as an acid volcanic tuff. The contact of these two rocks passes through the centre of the property in a northwesterly direction and dips at a steep angle to the north. The greenstone at the contact has been altered to a chlorite schist for some distance back from it. It is scantily mineralized with pyrite but sampling results from the greenstone side have been low. Neither do good values appear to occur in that portion of the porphyry which is is close to the contact although our results do not indicate this

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conclusively. Porphyry and greenstones extend respectively to north and south of the contact for unknown distances although it would appear that this particular body of porphyry is about a thousand feet in width. The south contact can be traced for more than two miles to the east but its westerly extent is unknown.

A pyrite deposit, believed commercially important, lies in the greenstone south of the south shore of Webb Lake on the south boundary of the McCarthy-Webb and probably dips into the latter at depth.

A large diabase dike around 50 feet wide cuts across the east end of the area covered by the assay plan in a direction about N 30 W. It is very persistent and can be traced across country in either direction for several miles. Some displacement northward due to faulting on this dike has been noted on its east side but it is probably not over 200 feet.

Through the centre of the assay map area two dikes (or branches of the same one) determined by Thompson as andesite porphyrite, have been intruded. They are from a few inches to 10 feet in width. The appearance of their weathered surface is almost identical with that of the porphyry and their existence was only discovered a few weeks ago. Another of these has been noted on claim 2051 near the government road.

Numbers of shear zones traverse greenstones and porphyry in a direction varying from N 60 E to S60 E. The intensity of shearing in the porphyry is in general not great and individuals are poorly defined and rarely over 3 feet wide. Along planes of foliation and shearing the porphyry has been partially altered to sericite schist containing very minor amounts of ankerite. These shears vary greatly in dip locally but average to about 70 north.

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Numbers of shear zones traverse greenstones and porphyry in a direction varying from N 60 E to S 50 E. The intensity of shearing in the porphyry is in general not great and individuals are but poorly defined and rarely over 3 feet wide. Along planes of foliation and shearing the porphyry has been partially altered to sericite schist containing very minor amounts of ankerite. These shears vary greatly in dip locally but average to about 70 north.

Along and within these shears quartz veinlets from mere "knife-edges" to 12" in width have been developed. Narrow stringers of finely crystallizing tourmaline accompany the quartz, lying within it or alongside it. That is to say this is very frequently the case. Very often the quartz in a given shear dies out in a short distance but the tourmaline stringer with it may persist for a considerable distance and serve as the only guide in following it till it opens up again into a definite quartz veinlet. Very frequently such weak appearing spots are found to carry undiminished values/although our work shows clearly that no gold values in excess of 40 cents are found in the schist outside of the quartz-tourmaline stringers except in odd spots where the schist have been partially silicified. The quartz of these veinlets is of the dense finely crystallizing variety generally mottled and stained which is commonly considered as "live". Showings of coarse visible gold are very frequent in almost any of the stringers. Pyrite mineralization is scanty and the greater part of the gold at least appears to be free. The whole surface of porphyry exposed is almost completely unoxidized so that we believe it unnecessary to shoot into the weathered surface to obtain reliable sampling results so that very little blasting has been done and that where extraordinary conditions were encountered.

Besides the series of veinlets described above with which we are chiefly concerned there is a second and younger series. These cut through the older ones in a direction close to due north and south. These contain masses and stringers of tourmaline to a much greater extent than the others and contain some showings of coarse visible gold but do not carry anything approaching commercial values and are apparently unimportant. They are older than the

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andesite dikes, being cut and displaced by the latter. They vary in width from tiny veinlets to 24" wide but are of but short lateral extent, pinching out at either end in short distances. There seems to be a rather definite relation between their maximum width and their length. The quartz is glassy in appearance, stained in spots with iron.

To get back to a discussion of the older set of veins it will be observed from the assay and geological plan that these shears and veinlets strike in various directions, diverging and converging somewhat in the manner of a stockworks. Sampling results are somewhat confusing but in general it would appear that the best values are found at and near the points of convergence of several converging veinlets. A most unfavourable feature in connection with these veins from the practical point of view is the difficulty which obviously would manifest itself if one attempted to follow them underground. Sampling would have to be exceedingly close indeed and even then it seems inevitable that a good deal of waste development must occur. Local irregularities in dip would further complicate the problem and how one would avoid a considerable amount of dilution in stoping is difficult to imagine. Of course conditions may be more favourable at depth but this seems to me most unlikely.

At the commencement of our sampling of this property two years ago our first step was to discover which of the various veins exposed carried attractive values and whether or not the values were chiefly contained in the quartz stringer. Results soon indicated that the values were almost altogether enclosed in them and it was thought advisable to confine our channeling to the

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The first few weeks work between Departure 3450 and 3750 and Latitude 2850 and 3000 following out the scheme suggested indicated that there is no hope of success along this line in this portion of the property at least. We still felt however that further work was justified and turned our attention to the merits of individual veins.

We resampled the system of parallel and converging veinlets in a well defined shear zone lying just to the north of the blacksmith's shop but results were absolutely disappointing. We then turned our attention to other portions of the map area and finally decided to resample and extend our sampling of what we now call the grade vein. It also turns out to be a system of parallel and converging veinlets. The eastern portion of this for a distance of 125 feet carries values averaging about \$15 over a width of about five feet. Extension of this westward was somewhat difficult owing to the amount of stripping and trenching necessary and the difficulty of tracing the vein at points where it narrows to tiny tourmaline stringers. However we have now sampled it pretty well for a distance of 600 feet except for an interval

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where it crosses under a draw and overburden is heavy. Results were at first very encouraging as far as values go but later sampling did not stand up as well. For a short distance west of the section first mentioned values are consistently good and then an interval of 100 feet follows where values are lean. From this point to the draw values are very poor but on the west side of it they improve greatly but the quartz stringers diverge rapidly here. Sampling of this latter section is not complete. This vein lies along the approximate centre of the mineralized area striking about east and west midway between the two andesite dikes.

Another persistent vein, better in appearance than the high grade vein, lies just to the north of the north andesite dike and practically parallel to it. It has been sampled at irregular intervals for 600 feet but while a few good assays have been obtained it does not seem hopeful. We are at the present moment exposing and sampling another one lying a few feet to the south of the latter which pans very well but no results are available yet.

All of the veins dip at varying degrees to the north but from a inspection of the diamond drill sections the general average dip is steep.

It would be as well here to say something about the diamond drilling. Two short holes were drilled several years ago. No records of these are available. The other five holes shown on the plan and sections were drilled later. At about the time this drilling was completed the late W.J. Webb, for some reason and in some manner prevented the Company from sampling the core or at least he gave orders to that effect and ostensibly he was obeyed. However I have heard it stated emphatically that the caretaker who

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From a consideration of all data now in our possession the high grade vein is the only one possessing very definitely attractive features. Many other stringers contain attractive values over 4 to 5 foot widths for a very short lengths but none of these are at all consistent in value for any length as the assay plan clearly shows. The shafts were unwatered and sampled but neither show good values nor do they reveal any other information of practical value. The No. 1 is 37 feet deep and the No. 2 is 18 feet deep.

Very little work has been done on those portions of the property which lie outside the assay plan. Overburden is generally heavy in these portions and outcrops very rare. A few samples were recently taken on some stringers outcropping near the west boundary of the property. Results were fair and more will be taken. Also the extension of the vein lying just north of the blacksmith shop was located by a deep trench at a distance of 370 feet to the west but this work was too expensive to carry on with. The vein at this point assayed \$12 over a width of 5 feet.

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I am unable to offer anything regarding the genesis of the ore. Gold enrichment in most cases in this country is believed to have been the result of emanations from acid dikes etc. and it is possible that enrichment of the shears on the McCarthy-Webb followed the intrusion of the andesite porphyrite dikes. It is certain that the -se are younger than the quartz veinlets since they cut through and displace the north and south veins.

According to present plans about ten days work will suffice to complete all surface work which can be done without going to great expense and in my opinion we should then decide whether we are to abandon the property or do some diamond drilling.

Any suggestions you may feel able to offer will be most welcome.

Yours truly,

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MAINO GOLD MINES LIMITED

Report by, D.C. McKechnie
January 24th. 1940

Note: This property was originally known as the McCarthy-Webb Property, and later as the Algoma Summit. It was examined by J.K. Cram in 1919 who recommended doing some work on it. In 1929 the Consolidated took an option on the property, and after some litigation, finally did a little drilling in 1931, and then abandoned the property. A few years later the Algoma Summit Company was formed, who sank an incline shaft down the strike of the vein to a vertical depth of 100 feet. They put up a 500 ton flotation mill, and proceeded to mine out by a surface glory hole a section of the property well to the north of the mineralized zone, and in a location where no one had found substantial gold value. As a consequence the mill treated 44,869 tons of rock in 1937 from which was recovered \$68,130 in gold or \$1.52 a ton. In 1938 Attempts were made to mine the better mineralized sections, and the mill treated 66,670 tons of ore from which was recovered \$204,875 in gold or \$3.07 a ton. While this was some improvement no profits were made. An examination of the mine maps showed that all this ore came from the first level and the stopes were carried to widths of from 18 to 20 feet. An examination of the early plans of Consolidated's work, both surface and drilling, and also assay plans of the present operators indicate that the gold content is confined to relatively narrow widths of from two to six feet, and that the adjoining wall rocks contain no gold.

About everything wrong that could be done was done at this property. The shaft has an incline down the strike of the vein at a dip of 35 degrees, and ties up a large part of the best ore shoot. The arrangement at the headframe allows for no waste disposal. The mill has a capacity of 500 tons a day, which is far too large. Flotation is used which involves expensive freight and smelter treatment of the concentrates. The present operators inform me the ore is suitable for straight cyanidation.

The mine needs a new vertical shaft sunk to a depth of at least 500 feet to open up two new levels with sufficient development work on these levels to get ahead of the mill.

One hundred and fifty tons a day is an adequate capacity for the mill. Cyanidation equipment would have to be installed, and a smaller ball mill substituted for the large one now installed.

The cost of doing the above would be between \$150,000 and \$200,000.

CONCLUSIONS - With the afore mentioned expenditure, I believe that this property can be made a profitable producer, and should be considered if an opportunity presents itself. At the present time the present operators who are proceeding on the above plan, have finances to continue work for the next month or so.

MAGINO GOLD MINES LTD.PROPERTY

There are seven patented mining claims in the property, viz: S.S.M. 2048, 49, 50, 51, 52, 53 and 2102. Registered in Sault Ste Marie Ont. These claims are shown on the attached plan. The vein dips to the north at from 65 to 70 degrees and is 500 south of the north boundary. The two claims, 2062 and 2063 to the north, should be taken up if a deal is made. At one time the Consolidated held an option on them for \$88,000. W.H. Mialar, Mining Recorder of Sault Ste Marie, represents the owners of these claims.

OWNERSHIP

The property at present is held by Magino Gold Mines Ltd. 67 Yonge Street, Toronto, O.C. Rathgeb, President.

The following information is taken from the Financial Post Survey of Mines 1939-1940 page 148.

*Capitalization, Authorized 3,000,000 shares, Outstanding, 1,316,696 shares, all of which are in escrow. Of this 1,000,000 shares issued to Algoma Summit for property; 300,718 shares as bonus for secured creditors of Algoma-Summit on basis of two shares for each \$1 of claims in consideration of secured creditors waiting three years for full payment; 15,978 shares as bonus for unsecured creditors on basis of one-half share for each \$1 of claims, in consideration of three years postponement.

*Options granted on 1,350,000 shares to net \$375,000 if fully exercised, further 150,000 shares set aside as bonus for full exercise of agreement. Initial payment of \$10,000 received"

LOCATION

The property is located in the Sault Ste Marie Mining Division of Ontario, on the road between Goudreau, on the Algoma Central R.R. and Localah on the C.P.R. about five miles from the former and ten miles from the latter station.

HISTORY

The property was staked some time before 1920 by W.J. Webb for himself and D.J. McCarthy. It was sampled by J.K. Gram in 1919 who attempted to make a deal with the owners, but without success. Later the property was optioned to the McCarthy-Webb Goudreau Mines Ltd. Apparently this option was allowed to lapse and the Consolidated later made a deal with McCarthy and Webb. Shortly after this the Goudreau company claimed that their option was still valid and litigation ensued. I do not know the exact results of this except to say that the Consolidated resumed work on the property, winding it up with a limited diamond drill program in 1931, after which the property was dropped.

In 1934 the Algoma Summit Gold Mines Ltd, was formed. This company raised a large amount of money and sunk an incline shaft to a vertical depth of 100 feet, built a 300 ton flotation mill, and then attempted to mine by a surface glory hole, a section of the ground to the north of the mineralized zone. The recovery from this operation was \$1.52 a ton.

Attempts were then made to mine some of the better sections, but large widths were taken and much dilution ensued. Apparently there is a debt of about \$150,000 against the property payment of which has been postponed for three years.

Magino Mines was formed in September 1939 to take over the property on the aforementioned basis.

Magino Gold Mines Ltd.GEOLOGY

The gold bearing veins occur in an intrusion of granite porphyry of Algonian Age. This rock grades into monzonite, quartz porphyry and feldspar porphyry. Most of the rock has been considerably altered by shearing, silicification and carbonatization.

The gold bearing ore shoots are lenticular and occur in shotted zones having a generally westerly strike and a dip of 65° to 70° north. The shoots occur in echelon and appear to be connected by links which are mineralized but which contain no commercial gold values.

The gold occurs free or in association with a small amount of pyrite, in seams of quartz or silicified rock.

Quartz seams occur throughout the mass of porphyry, and a casual inspection might lead one to believe that a large mass of low grade ore was available. This is not the case. The gold is confined to definite shears which are sometimes hard to identify.

Our company's sampling in 1931 showed definitely that the gold content of the rock away from the veins was practically nothing.

Gold bearing quartz lenses have been found along a strike length of 800 feet, and have been developed to a depth of 200 feet.

ORE

The surface of the property was sampled completely by H.O.R. Dyer in 1931. In a strike length of 850 feet the following results were obtained:

Length of shoot ft.	Width ft.	Gold Ounces at (20) oz
290	4.29	\$12.84
37	4.80	10.20
60	4.75	4.00
90	5.15	6.32
45	6.00	0.13

822 feet. 4.66 feet \$ 9.50 = 0.46 Oz.

A limited amount of diamond drilling was done. Five holes were drilled to intersect the zone at a shallow depth, the deepest point of intersection being 180 feet. Nine intersections of interest were obtained which average 0.35 oz. across 3.0 feet.

There is little or no information of the sampling results from the underground workings. All the plans seemed to have disappeared.

At the east end of the property on the 2nd. level. there is a shoot opened up ready for stoping along a length of 132 feet, with an average width of 4.5 feet. This was sampled by Newmont. Newmont's Engineer Kendall told me that this shoot averaged higher than 0.35 oz.

Milling results give little idea of the gold content as the old stopes have been taken out with widths up to 20 feet, taking at least twice as much waste as ore.

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Magino Gold Mines Ltd.

The ore shoots apparently can be expected to have a length of from 100 to 250 feet, with widths of from three to six feet.

Sufficient information is not available to estimate the grade, but a gold content of between 0.30 and 0.35 oz. can be reasonably expected.

Little or no work has been done outside of the original area sampled by us. There are some possibilities of an extension along the strike. Structural conditions are such that the veins and ore can be expected to continue to depth.

If the veins maintain their present angle of dip, they will dip out of the property into the Miller Group, at a depth of between 1,000 and 1,500 feet.

Development

The veins strike east and west and dip 65° to the north. The present shaft has been started on the east end of the main ore shoot and sunk at an angle of 35 degrees to the west, with levels at vertical depths of 100 and 200 feet. This has tied up considerable ore between the first level and the surface. With this exception a large part of the ore between the first level and the surface has been removed.

Some ore has been extracted from above the second level, but the ore zone has not yet been anywhere ~~nearly~~ fully explored.

The ore shoot mentioned at the bottom of Page 3 is the only one immediately available for stoping.

The present operators are confining their development to the second level in an attempt to open up sufficient ore to justify revamping the mill, and thereby obtaining enough ore to pay the cost of deeper development. Lateral diamond drilling is also being carried on.

Deeper development requires that a vertical winze be sunk from the second level at a point from where it can be raised through to a suitable location on the surface.

This work together with 1,200 feet of work on each level would probably put the mine in an ore position to feed a mill of 150 tons daily capacity.

The mill building is in good shape, and has plenty of room in it for the installation of a cyanide unit. The ball mill is in good shape but has too great a capacity for the mine.

The mine is supplied by power from the lines of the Great Lakes Power Co. A good road runs from the railroad through the property, and the property is adequately equipped with camp and office buildings.

Magino Gold Mines Ltd.Financial

The financial set up of the company has been given under "Ownership". There is evidently about \$180,000 in debts against the property. These have been stalled off for three years (from September 1939).

~~approximately \$180,000 in debts~~

Apparently the group behind Magino Mines have an option on a fifty per interest in the stock for the expenditure of \$375,000. This would be just about enough to develop the property and pay off the debts.

If a satisfactory deal could be agreed to, I think that this property is worth serious development.

If sufficient ore is found on the second level, it might be possible to cut down the amount of money required for deep development by running the mill concurrently with the development program.

Respectfully submitted,

D.O. McKechnie

Sudbury Ont.
February 16th. 1940 .