

Q-84-264

Nov. 30, 1925

George W. Lee, Esq.,  
Chairman,  
T. & E.C. Railway Commission,  
N O R T H B A Y, Ont.

Dear sir

Report on Proposed Railway to serve  
Matachewan and Gowganda Mining Areas.

In response to your letter of 19th instant I  
beg to make the following report on the Matachewan &  
Gowganda Mining Areas.

Matachewan Mining Area.

Gold was discovered in the Matachewan area  
many years ago but it was only within the last few  
years that any considerable work has been done. The  
two principal properties are the Otisse and the  
Young-Davidson. Some spectacular finds were made on  
the surface and much diamond drilling was done to test  
values at depth.

The Porcupine Goldfields Development and  
Finance Company (an English company) took an option on  
the Young-Davidson property and spent a large amount of

money on it. A shaft was sunk and over 1000 feet of drifting was done on the 100 and 200 foot levels besides much diamond drilling. While a considerable quantity of material was located which carried gold values, the grade was too low to be commercially worked. The company has now ceased all operations and the whole camp is practically closed down.

Gowganda Silver Mining Area.

Silver was discovered in 1909 and one of the biggest mining rushes ever seen in Ontario resulted. At one time during that winter there were 1500 teams on the roads to the new camp. After that rush much prospecting was done but gradually interest flagged and for a number of years the only shipper was the Miller-Lake-O'Brien.

Within the last two years the Castle-Trethewey has also become a regular shipper and is keeping its ore reserves well in advance of its shipments.

This year the Tonopah Canadian Mines Limited, a subsidiary of the Tonopah Mining Company of Nevada, developed high grade ore on the Walsh property. Two small shipments have already been made and quite recently a further rich find was made so that we may count on this property soon becoming a regular shipper.

The following statistics show the progress of the camp:

Gowganda Silver Production

1909 to end of 1923 .....	6,467,296	oz.
1924 .....	544,576	"
1925 (6 months) .....	605,753	"

In addition to the three above mentioned properties, there are a number of prospects being developed. Of these the leaders are;

Capitol Silver Mines Limited.

Coleroy Silver Mines

Haultain

Hillcrest

Huronian Belt

Keora Calcite Lake

Wigwam.

Most of these properties are grouped around Miller Lake on or near the diabase contact. A little activity is also shown on the Mann Ridge near the west shore of Gowganda Lake.

Transportation.

A good wagon and motor road connects the camp with Elk Lake, the present nearest point on the T. & N.O. Railway. In the summer time when the roads were dry, the

trip from Gowganda to Cobalt was frequently made in  $2\frac{1}{2}$  - 3 hours. Much of the freight is handled in the summer time by motor truck and in winter heavy loads are hauled on sleighs.

Power.

Two small power developments, the O'Brien and the South Bay, supply power to two of the mines. The O'Brien plant supplies the Miller-Lake-O'Brien mine and mill and the South Bay supplies part of the needs of the Castle. The Great Northern Power Company with plant at Indian Chutes on the Montreal River, is building a power line into Gowganda and expects to be delivering power early in February 1926. This will give ample power for any of the companies requiring it and I understand the charge will be somewhat similar to that charged at Cobalt, which is \$50.00 per h.p. per annum. In the early stages of development, wood cut locally has supplied the fuel for power generation, but this has proved very expensive. Most of the country around Gowganda Mines has been fire swept so now the wood usually has to be hauled long distances. Then again, as the area is covered by a Booth Limit, the mining companies have to pay toll for every stick of wood used. In small installations with poor mechanical supervision and poor wood for fuel, costs must often have run up to \$400.00 per h.p. A certain amount of coal has been going into the camp from Elk Lake and this is doubtless cheaper now than wood. The electric power for mining plants and mills will take the place of some of the coal

now going in. When electric power was first brought into Cobalt, the consumption of coal was cut down to one third the volume it was previously.

Figures received from North Bay office on the business of Elk Lake for the year ending August 1925 were as follows;

Freight shipments.

Ore	505	tons
Lumber	235	"
Hay & Oats	447	"
Merchandise	330	"
Pulp Wood	24	"
Mill Products	17	"
Fresh Fruit	10	"
Refined Oil	5	"
Miscellaneous	109	"
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	1682	

Freight Receipts.

Coal	2067	tons
Refined Oil	594	"
Machinery	141	"
Hay	880	"
Oats	186	"
Mill Products	168	"
Crude Petroleum	136	"
Merchandise	2536	"
Flour	61	"
Miscellaneous	731	"
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	7500	"

The total business for the year thus amounts to 9182 tons, but obviously some of the outgoing freight was simply a reshipment back over the line, Elk Lake acting as

the distributing point. Mr. Clement I understand has allotted 6000 tons of business to Gowganda and in this I think he is very liberal. Assuming this figure, it must all be credited to mining, as there is no lumbering business in Gowganda.

Estimated Freight Business for 1926.

Due to successful recent developments on the Miller-Lake-O'Brien, the Castle and the Tonopah, public interest is keen. This will bring new capital into the camp for the development of raw prospects and the further exploration of partially developed properties, as well as the expansion of the already established mines. All these factors will mean increased freight. The advent of ample electric power will be a tremendous boon to the camp as a whole, but as a freight tonnage producer, it is not so great as would be expected as it may cut down present coal shipments somewhat. On the whole however, I think the general result will be an increase in freight. I would therefore estimate that the year 1926 should show an increase in freight business for Gowganda of about 1500 tons.

Possible Extension of T. & N.O.Ry.  
into Matachewan or Gowganda.

Matachewan. Developments in this area have been so discouraging that no railway extension is warranted here. If it should come in the future, the natural extension would be up the Montreal river from Elk Lake. This would have the

additional advantage of serving a good lumbering area. The only other alternative is an extension from Swastika. This would be over a more difficult country to build through besides covering a country that is practically valueless from a mineral standpoint.

Gowganda. After 16 years of development this camp is in much better physical condition for further production than ever before. Notwithstanding this fact, there are only two regular producers as yet, with two other likely producers in the coming year. Taking into account the stimulation that is bound to come from plenty of cheap electric power, it is hardly likely that more than one new property per year will be brought into regular production. With this assumption it would take at least four years to double the present freight tonnage. If all this freight were put together one train could handle it in two weeks. This cannot be considered justification for the extension of the railway. If it should be warranted in the future the natural point to start from would be Elk Lake.

Yours very truly,

AAC/McL

Mining Engineer.