

The Cariboo Gold District – The History of Forgotten Riches

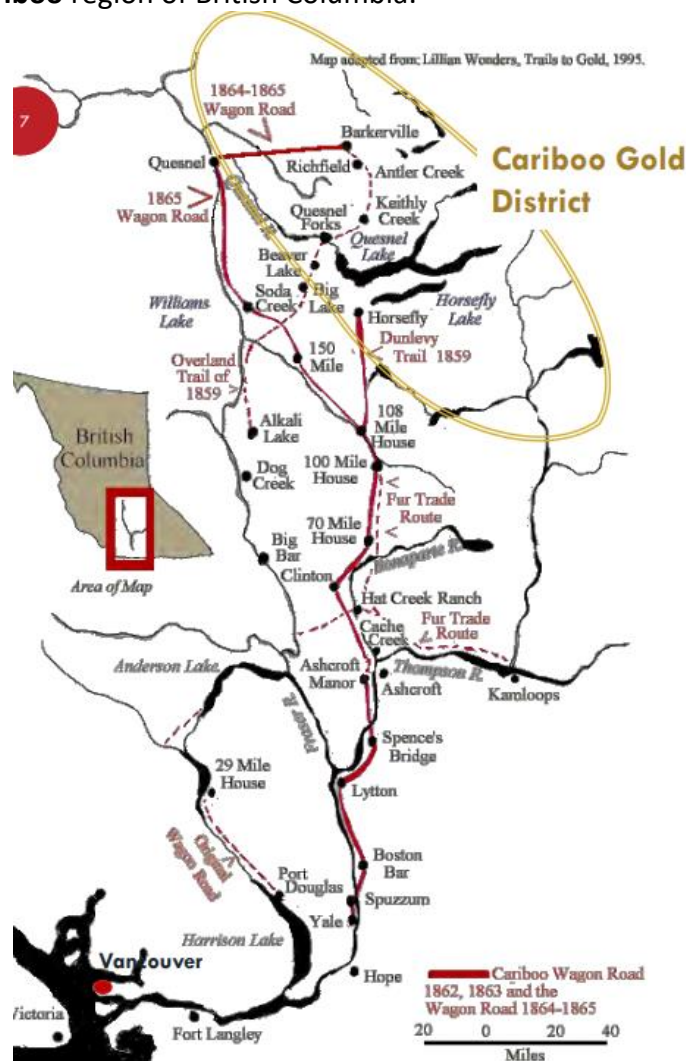
Ask anybody over the age of 30 who walks by to name some old-time gold rushes and they will likely answer California and the Klondike. And yes, those were major events. California was the first gold rush wave, attracting a quarter million fortune seekers to the gold fields near the Sacramento River from 1849 to 1853.

Then there was a huge gold rush in Australia. After that came the Yukon gold rush in northern Canada, which pulled hundreds of thousands of miners to the bitter cold of the Klondike to pan for riches in the dying years of the 1800s.

These storied gold rushes spawned characters and tales almost too dramatic to believe. And there's only so much room in the world of historic folklore for gold stories. So, it's no surprise that gold rushes outside of these top three get forgotten.

But there were others. And they were also intense and exciting and wildly profitable. And central British Columbia hosted two of them.

Gold was discovered in the gravels of the upper Fraser River in 1858. Three years later, just as out-of-luck miners from both California and the Fraser needed another opportunity, gold was discovered in the **Cariboo** region of British Columbia.



The Cariboo gold rush offers all the same incredible stories of fame and fortune as these other famous gold rushes. Within a few years there was a saloon with dancing girls, in this case a troupe of Dutch and German girls called the Hurdy Gurdies. There were gun fights over claims. Some miners made hundreds of dollars a day; others made nothing.



But there was gold. A lot of gold. In 1861, it's estimated the Cariboo produced \$2.6 million worth of gold. 1862 was about the same. In 1863, miners pulled \$4 million worth of gold from the river gravels of the Cariboo. (Collectively, the riches totalled about ~\$340 million in today's dollars.)

By 1867, the gold rush was all but over. Most of the towns that had sprung up disappeared. The deposits around the town of Barkerville were so rich that mining continued for another 60 years, spitting out gold consistently enough that miners-built sluice boxes and hydraulic monitors to separate the golden flakes from old riverbeds.

These gold rushes tapped placer gold, which is pure flakes and nuggets of gold mixed with sand and gravel. But think about it: Placer gold has to come from somewhere. Geology doesn't put bits of gold in gravel. Geology brought the gold, to be sure, but as part of a hard rock setup: within an intrusion or deposited along fractures within a rock or interfaces between different rock types or precipitated out in a happy kind of host rock. Later, erosion pulled that hard rock apart, turning the rocks into sand and gravel and bringing the gold along for the ride.

This genesis raises the same two questions around every rich placer area, every gold rush destination: where did the gold come from? And is there *more*???

It's near impossible to answer the 'where' question definitively. For each gold rush, there are lots of ideas. The thing is – it doesn't really matter.

It's the 'more' question that matters. Why? An old adage captures the answer: the best place to look for a new gold discovery is in the shadow of a headframe. This is true because rich gold deposits rarely occur alone.

There must have been some very nice gold deposits in Yukon and California – and in the Cariboo – that got eroded to put all that gold in the riverbeds. But erosion may or may not have depleted the entire deposit of its vast riches. And the fact that one deposit got eroded down doesn't mean its mates did. Other deposits may have sat deeper under the surface, protected

from erosion. Or been just geologically different enough that they were preserved, and the deposit remains to be discovered through modern exploration techniques.

Bottom line: the hills around gold-rich placer streams are a very good place to hunt for hard rock gold.

But for a range of reasons, some have seen very little attention. The hills of the Cariboo are a prime example.

Sixty years of mechanized placer mining around Barkerville certainly enticed geologists to head into the hills. They found lots of gold-bearing quartz pyrite veins upstream of the Barkerville placer deposits, with most veins being too small and the gold too fine to be recovered with technology of the time.

By 1930, a group of prospectors had found a swarm of veins that was worth mining. By 1932, miners were tunnelling into Cow Mountain and by 1933, they poured the first brick of gold. In the early years, a fire destroyed the power plant and a labour dispute shut down the mine for months, but Cariboo Gold Quartz Mining company carried on. World War II certainly got in the way, leaving them very short on manpower, as did rising costs without a rising gold price in the 1950s. But the company still added two more mines to its stable: The Island Mountain gold mine, which was close by, and the French mines to the south.

By 1967, these mines were shut down, but two others had sprung up nearby: the Cariboo-Hudson mine and the Mosquito Creek mine. All four Cariboo gold mines were similar, involving multiple levels of adits chasing rich, wide veins. All toll, there was approximately 4 million ounces of gold mined in the Cariboo over its rich history. In today's gold price, this is approximately US\$7.1 billion worth of gold!

That might sound like a lot...but given the size of the Cariboo, the number of rich placer streams, and the truth-be-told small scale of these operations, the Cariboo had actually only seen very modest mining and exploration until recently.

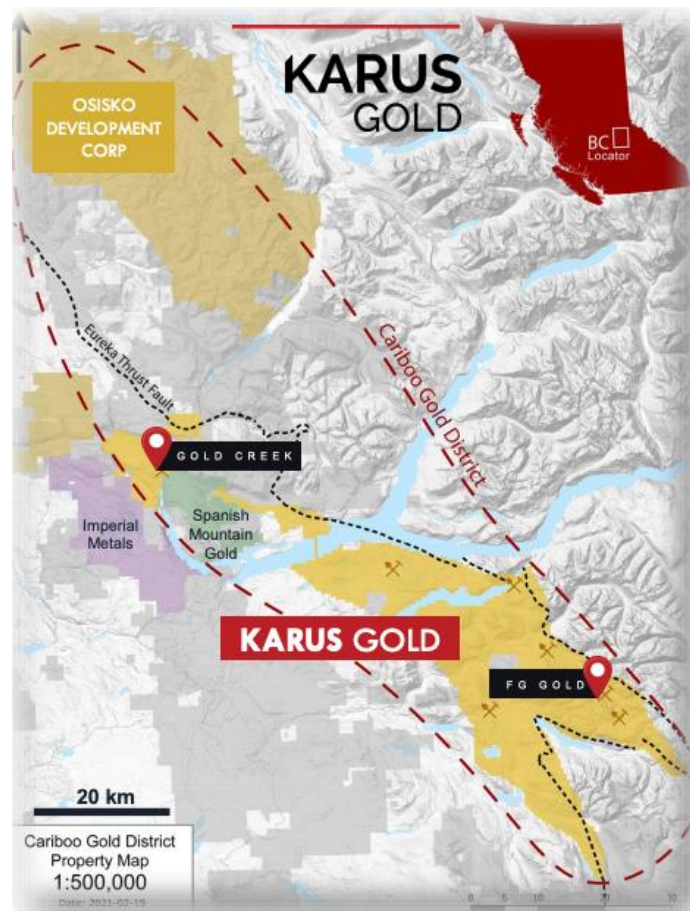
In the last decade, Barkerville returned to the spotlight. A company called Barkerville Gold Mines assembled a district scale land package in the Cariboo covering the old Cow and Island Mountain mines and over time, they proved up enough gold and exploration potential on what became the Cariboo Gold project that Osisko Royalties took over Barkerville Gold Mines in 2019. Osisko subsequently spun the Cariboo Gold project out into a separate company called Osisko Development (TSXV: ODV).

Osisko Development is now a \$900-million market cap company that should have two mines in operation on the Cariboo project in the next few years, tapping a resource count that totals 7 million oz. gold grading roughly 4 g/t gold.

In other words: the Cariboo district went from “historically interesting” to “major new gold camp” in not much more than 10 years. It could do so much, so quickly because the deposits are very large, high grade, and astute investors saw the potential of this district to finance this exploration.

The Cariboo district is rich in gold mining history but was largely overlooked for decades, for reasons ranging from access to metal market cycles. That is now changing. In the last ten years, the Cariboo region has seen over \$100 million spent on exploration, which proved up millions of ounces of gold in structurally controlled deposits. Two are now well on to the path towards commercial production.

But those dollars only touched parts of this vast and prospective district. Karus Gold holds a dominant land position in the southern Cariboo district, where work has been very limited until now despite abundant placer gold.



Karus Gold’s driving goal is to “Rediscover the Cariboo Region”. Karus intends to carry the historical torch, bringing economic benefit to the local communities and respecting the integral indigenous community, while creating value for its shareholders through the drill bit. Click [here](#) for the Company’s corporate presentation.