

E. N. PENNEBAKER  
CONSULTANT GEOLOGIST  
P.O. BOX 817  
SCOTTSDALE, ARIZONA

000966

Office: 23 East First Street

March 4, 1966

Mr. R. E. Thurmond  
Project Manager  
Anvil Mining Corporation Limited  
523 Sixth Street - 12th Floor  
Los Angeles, California 90014

Dear Bob:

I have just received Mr. Adamson's "Exploration Plan Outline", and the following are my hurried remarks before leaving for Washington, D. C. and Toronto.

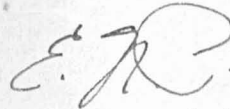
I am in general agreement with the program as presented but wish to make the following remarks:

1. West Area - Faro. Add a Zone 6 adjoining Zone 2 on the east and thence running southeasterly through the EM anomaly and the smaller coincident magnetic anomaly on the southeast. I recommend that this be drilled, starting at a location 400 feet east of D.D.H. 65-58, as we discussed in Vancouver.
2. West Area - Lake. I believe this ground on the far southeastern extension of the Vangorda ore body deserves more attention, but this can be deferred until assessment work is required.
3. East Area - PEA. I recommend that this ground be held and that a ground magnetic survey be conducted over Zones B and C.
4. East Area - BEA. I should like to review the ground magnetics, geological mapping and geochemistry on this block prior to giving approval that it be dropped.

Mr. R. E. Thurmond - 2 - March 4, 1966

I look forward to receiving the results of the ground magnetics and the EM done on the DEA claim block as well as the airborne geophysics done on the North Area.

Yours very truly



E. N. Pennebaker

ENP:mc

cc - Mr. R. E. Thurmond, Whitehorse  
cc - Mr. R. S. Adamson, Whitehorse

**E. N. PENNEBAKER**  
CONSULTANT GEOLOGIST  
P. O. BOX 817  
SCOTTSDALE, ARIZONA

*Office: 23 East First Street*

March 3, 1966

Mr. Mostyn Grant  
Anvil Mining Corporation Limited  
P. O. Box 2470  
Whitehorse, Y. T.  
CANADA

Dear Mostyn:

Many thanks for the maps recently received, which included a copy of 105K-6. If available, I should also like copies of 105K-2, 105K-3 and 105K-7, showing Anvil claims.

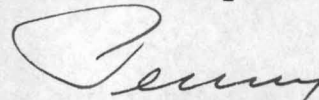
I can also use an additional copy of WA8 and 105K (Tay River Geology).

If any other geologic sheets adjacent to the Tay River sheet have been published, I would appreciate having copies.

It's turned cold here again, and even snowed around the edges of Scottsdale yesterday. Wish you would keep your Yukon weather up where it belongs.

Regards to you and Frances,

Sincerely



E. N. Pennebaker

*3/10/66.*

ENP:mc

**E. N. PENNEBAKER**  
CONSULTANT GEOLOGIST  
P. O. BOX 817  
SCOTTSDALE, ARIZONA

*Office: 23 East First Street*

March 2, 1966

Mr. R. E. Thurmond  
Project Manager  
Anvil Mining Corporation Limited  
P.O. Box 2470  
Whitehorse, Y. T.  
CANADA

Dear Bob:

In accordance with your instructions I am submitting herewith an interim report on zinc-lead-silver ore reserves for the No. 1 ore body at Faro camp, Yukon Territory. This reserve is based on drilling completed by December 31, 1965, although in some cases the assays only became available after January 1, 1966.

Also included are remarks concerning the exploration program proposed for the coming season.

Much more drilling must be done before a final reserve can be estimated, and hence the figures presented in this report are tentative. The holes at present are irregularly spaced and some are as far as 800 feet apart, whereas the completed grid will have holes at 200-foot intervals, both north-south and east-west. An estimate of this ore deposit is only warranted at this time because of the apparent regularity in its shape. Nevertheless it is not yet proper to call it "proved ore" because of the drilling that remains to be done. In my opinion most of the body as now known can be termed "probable ore", and a smaller amount is designated as "possible ore".

Core recovery from the nine diamond drill holes cutting the ore body ranges from 66 to 100%, the arithmetical average being 79%. In this estimate it is assumed that the core lost from an assay interval (generally of five feet) is of the same tenor as the core recovered from that interval. Also used in the estimate are the assay results from four rotary drill holes, their sampling being of unknown reliability.

A conversion factor of nine cubic feet of ore equals one short ton was employed. Although a few recent determinations of specific gravity indicate that the ore may be heavier, the use of the conservative figure of nine cubic feet is judged to be proper for the current estimate.

On January 1, 1966, in my opinion there were not enough drill holes through the ore body to determine its average grade by a weighted average of the grades of individual blocks constructed on cross-sections. Consequently an average grade was taken of the ore interval cut by each hole and weighted according to the lengths of the various intervals. The following results were obtained:

Weighted average, as above:	4.07% Pb
	6.30% Zn
	1.16 oz. Ag.
	0.12% Cu

The short tons of ore, derived from cross-sections at 400-foot intervals from west to east, are as follows:

PROBABLE ORE

<u>Section No.</u>	<u>Short Tons</u>
12,400 E	1,779,982
12,800 E	1,666,650
13,200 E	4,615,509
13,600 E	7,435,481
14,000 E	6,844,376
14,400 E	<u>6,893,264</u>
	29,235,263

POSSIBLE ORE

<u>Section No.</u>	<u>Short Tons</u>
13,600 E	1,068,878
14,000 E	477,773
14,400 E	1,999,980
	<hr/>
	3,546,631

TOTAL PROBABLE PLUS POSSIBLE ORE

32,800,000 short tons @ 4.07% lead  
6.30% zinc  
1.16 oz. silver  
0.12% copper

Future drilling will be for two purposes:

- (1) To fill in the grid and confirm the tonnage and grade indicated above, and
- (2) To extend the drilling outward and increase the above tonnage.

Drilling to date since January 1, 1966, is now serving these purposes, and the results achieved this year are encouraging.

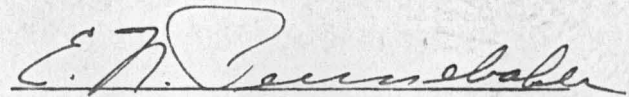
Check assays were not available for the above estimate, but such are being made and when they come in the estimate will be adjusted accordingly.

Diamond drilling is now being done by wire line to give NQ core with a diameter of  $1 \frac{23}{32}$  inches. This has improved the core recovery but not to the extent that sludge sampling can be eliminated. A better sludge recovery box is now being employed in order to improve such sampling.

Mr. R. E. Thurmond - 4 - March 2, 1966

On February 23, 1966, you and I reviewed the exploration program proposed for the coming season by Mr. Robert S. Adamson, Anvil's chief geologist. This will cover much of Anvil's extensive property holdings outside of the Faro No. 1 area. It comprises surveying, reconnaissance geological mapping, detailed geological mapping, line cutting, trenching, ground geophysics by several methods, geochemical testing, and exploration by drilling. Various of these activities are allocated to individual blocks of ground as determined by their apparent merit balanced against the requirement to perform assessment work this year. Mr. Adamson has presented a sound program, and I recommend that it be carried out.

”

  
E. N. Pennebaker

ENP:mc

cc - Mr. Thurmond, Los Angeles

cc - Mr. Kenneth Lieber