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General Deliv.
Whitehorse, Y.Y.
SEPT.12/52

Mr.C.L.Coleman,
Managing Director,
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Suite 1616, 44 King St.W.,
TORONTO, Ont.



A		N
✓	A.D.	
✓	J.I.	
✓	G.C.A.	✓
✓	G.E.	✓
✓	C.L.G.	✓
	M.H.F.	
	R.D.S.	

Dear Charlie:

The following is a situation report on the activities up to date. Arrived in town Tuesday from a trip to the Dawson area where I took Enger and Bill to prospect for a gold vein Enger uncovered a couple of years ago and has promised me the first chance at. I am to go back there on Monday and if the showing is worth while option it and stake claims adjoining for the company.

Regarding the Enger interest in the White River claims. Enger promised to show me the main showing on the understanding that I would stake his eight claims for him and then option them if satisfactory. Unfortunately while in there our man Baranowski overstaked his ground with the Andre Group. I therefore transferred the Andre Group of 8 claims to Enger and optioned them from him in blank against further payments on the option. The option and transfers in blank are signed and deposited with our lawyer until the grants are given by the mining recorder. They will then be deposited in the bank of Commerce here against the further payments on the option. The option was as follows \$800.00 cash to Enger, \$1,200 in one years time, and \$3,000 in two years time. Making a total of \$5,000.00 for the 8 claims outright purchase with no interest. The showing was small and I am mainly interested in the claims as good prospecting ground for next year. As it turned out Samples 23 and 24, grabs of the best looking mineralization ran very high in nickel and gold. I just received the sample return from Eldridge and I presume you have copies. The samples ran: Sample 23 Gold-0.33 oz. ton; platinum-nil; silver-trace; copper-0.2%; nickel-24.1%; cobalt-0.04. Sample 23A; gold-0.4 oz./ton; silver-trace; platinum-nil; copper-trace; nickel-21.8%; cobalt- 0.04%. As stated in my last the showing is narrow about 2 or three feet and has only about 16 feet exposed in length. The location is fairly accesible and the showing would warrant further opeing up and. Enclosed is a map on the same scale as the photos.

We now have 54 claims on the group and these have been transferred to the company with the exception of the 8 claims optioned from Enger which are transferred in blank. I am sending MacMillan and Gennis in to stake an additional 16 claims along the strike. They left today.

Regarding the Mill Creek group. The snow is still about 1 foot thick on the ground and there can be no effective prospecting done this season. I am sending McMillan and Gennis in to straighten out the staking however as there is an untidy bit of staking on the Northwest corner we should have in the neighborhood of 60 claims. Hudson Bay Co. overstaked

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some of Conwest ground on this corner to the Northwest and we may have overstaked them for some of our claims. However we should have about 60 claims in good standing. Most of them are recorded at the time of writing and transferred to the company, but it will be some time before the grants are issued due to the heavy traffic at the recording office here. Wylie has all the documents for the claims on both groups and everything is in order legally.

We were unable to get the ground to the southeast of the Red #1 group of Hudson Bay as they had staked this some time ago. The boundaries were improperly posted and misled us into thinking it was open.

I have just received the assays from our showing on Smith #5 Mining Claim. The results are as follows. Sample #29. Described as massive sulphides. Chip-channel sample over 27 inches. Nickel-3.0%; copper-1.3%; cobalt-trace; gold-trace; platinum-tr.; zinc-6.3%.

Sample #30. Described as a grab of massive sulphides from the same vein representative of the best mineralization. Nickel-1.8%; copper-5.9%; cobalt-trace; platinum-trace; gold-trace; zinc-4.4%.

Sample #31. Described as a random grab sample of the peridotite dike approx. 50 feet to the south of the footwall contact of the above sulphide vein. Copper-0.3%; nickel-0.28%; platinum-nil.

Regarding the Miles Flynn group. I have talked to Mr. Flynn recently and I do not think their claims conflict with ours. They adjoin our ground to the northeast. As to the merits of the ground I cannot say as there is considerable rough country in there and was unable to make a quick examination. They have not found anything in place there yet. They do not appear to be on strike of any of the Hudson Bay peridotite sills, although there is a chance of parallel dikes I suppose. Flynn tells me that Bradley Streit is interested in forming a stock company on the ground. Flynn is more or less of a claim broker up here and has been successful in that respect around Keno. The float he found does not signify very much as it may have come down the creek from our own ground. Flynn is apparently acting as an agent for a fellow called Ed Bleiler from Mayo who staked 24 claims adjoining our ground to southwest. Some of our peridotite sills may eventually strike onto this ground towards the northwest corner of our group. I asked him what he wanted for his group, and he stated \$5,000 a claim, and \$10,000 down. I choked back a snort and asked what he had on it. He replied that he had found nothing yet but hoped to. It will be still available next spring ~~xxxxxxx~~ I think. Nobody would consider it at that price.

The S.H. gossip around Whitehorse is that Hudson Bay company now have control of the Yukon Mining Co. and have re-negotiated the deal at a lower figure. Sweet. One of their men has been appointed president. Young Al Kaufman, is a director, along with Litzenberger and brother Kaufman, senior. Coy has been kicked out. Reports are conflicting about the drilling. One report has it that they cut 8 feet of massive sulphides at 700 feet below the main show and that is the best hole they had. However nothing is reliable and all we do know is that there are four drills at work and they have built winter camps. They will work all winter if water conditions permit.

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I have arranged for Marchbank and Sobovitch to get back to Newlund as soon as the plane will take them. They were of great help during their stay here. I am keeping McMillan and Gennis on as long as weather permits. No word is received from Campbell yet although I expect him out of the bush on about the 15th of September. There is considerable snow on all the mts. above 4,000 feet now and I do not think it will go before freeze up.

Ronny Baker arrived in town today and I think would appreciate knowing what you want him to do when the season is over here. I have asked him to examine the Jack Shiell, showing at mileage 105 Alaska Highway during the next few days. He will then return to Whitehorse to be available for any staking I may want to do up on the prespective gold showing near Mayo.

I am going to see the showing tomorrow and will be away possibly a week if the snow is not too bad on the Dawson road. I have changed my redervations to Sept. 26th. Jim Baker and some of the other lads are leaving this week for Totonto, and Jim will probably be in to talk with you.

Regarding the Dry Creek showing I have received Eldriges assays of the channel samples. They are as follows. Sample B, #25. Copper-0.8%; Sample D, #26-copper, -1.4%; sample A, #27, copper-0.9%; sample C, #28, copper-3.1%. These are 10 foot channel samples across a total width of 40 feet. It appears to be too low for this country, and for the price of the option. Let me know if you think it would be worthwhile seeing Blair and asking him to extend further payments for a year or re-negotiating the deal at a lower figure.

I have prucured a storage place for our equipment and will make an inventory and insure the stuff.

Hope to hear from you on my return to Whitehorse. You may get in touch with Ron Baker, here at the Whitehorse Inn.

Regards for now.

Yours sincerely,



E.O. Chisholm

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PROSPECTORS AIRWAYS GROUP-WHITE RIVER
SCALE 2 IN = 1 MILE