

R.H.Strange/M

Y418

Y 2/8

HUDSON BAY MINING.
 HUDSON BAY MINING & SMELTING CO. LTD. IN A
 REPORT ON ITS WELLGREEN NICKEL-COPPER PROS-
 PECT IN THE KLUANE LAKE DISTRICT OF THE YUKON
 SAYS THAT 257,600 TONS OF ORE HAD BEEN
 REMOVED TO THE END OF 1953 WITH AN AVERAGED.
 CONTENT OF 1.83-100 PC NICKEL 1.14-100 PC
 COPPER PLUS COBALT PLATINUM AND PALADIUM
 VALUES

A	M
☒	☒
☒	☒
☒	☒
☒	☒
☒	☒
☒	☒
☒	☒
☒	☒
☒	☒

GROSS VALUE OF THE ORE AT PRESENT METAL
 PRICES IS 40 DLS A TON THE COMPANY STATED
 DEVELOPMENT TO DATE BOTH AS TO LENGTH AND
 DEPTH HAS COVERED BUT A LIMITED PORTION OF THE
 KNOWN MINERALIZED AREA IT WAS ADDED

\$4,000,000+

full
Yukon
y 2/8

WHITEHORSE STAR

August 28, 1953

A		N
✓	AD.	✓
✓	JL	✓
✓	GCA	✓
✓	GE	✓
✓	CLC	✓
	M.H.F.	
	R.D.S.	

Y48

Yukon Mining Holds Annual Meeting

The Yukon Mining Company Limited (non-personal liability) held their annual general meeting of shareholders at the I.O.D.E. Hall in Whitehorse on Thursday, August 6, 1953, at 2 p.m. Mr. W. A. Green, who is vice-president of Hudson Bay Exploration and Development Company Ltd. of Flin Flon, Manitoba, and president of the company, acted as chairman of the meeting, at which the following shareholders were elected as directors for the next ensuing year: Mr. W. A. Green, Mr. Harold Koffman, Mr. A. R. Blake, Mr. J. E. Grasser, Mr. Kenneth Gamey, Mr. Ronald L. Price, Mr. Erik H. Nielsen.

Mr. Green presented the members present at the meeting with a summary of the activities of the company having particular regard to the recent nickel discovery in the Burwash area.

At the close of the meeting of shareholders a meeting of the directors of the company was held at which the following members of the Board were elected to the offices set after their respective names: Mr. W. A. Green, president; Mr. Harold Koffman, vice-president; Mr. A. R. Blake, secretary-treasurer; Mr. J. E. Grasser, assistant secretary-treasurer.

The Royal Trust Company (Edmonton office) is the transfer agent for the company, which is now registered to do business in the Province of British Columbia.

M E M O

June 22nd, 1953.

Re: Quill Creek

Y 2/8

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

Y 4/10

Mr. Norman Pearce phoned me this afternoon and said he had been talking to Mr. Channing of Hudson Bay M. & S. in connection with the Quill Creek operations.

Mr. Channing informed Mr. Pearce that they now have 150 men employed on the property and that he is pleased with results to date. The last drill hole produced a 14' width of ore which Mr. Channing stated went better than 5% Nickel. Mr. Channing said they have 12 miles of mineralization and are employing an eight man helicopter to assist in exploring their ground and is finding it a terrific advantage.

J.I:ED

J. Ingram

COPY
1 cc

Quill Creek Camp,
September 4th /52

Mr. C. L. Coleman,
Managing Director,
Prospectors Airways Co. Ltd.,
Suite 1616, 44 King Street West,
Toronto, Ont.

Dear Charlie:

The following progress report will bring you up to date on the developments in this area.

Charlie Gennis, one of our prospectors discovered a narrow nickel-copper vein on our claims a few days ago. Marchbank and party have opened it up for a few feet and I have taken a chip sample and a grab of the best looking mineralization and am forwarding them to Eldridge tomorrow for assay with instructions to send copies of the assay to you. The samples are numbered 29 and 30. No. 29 is a chip-channel sample across 27 inches of almost massive sulphides. No. 30 is a grab sample of the best looking mineralization. All samples gave a good positive test for nickel and contain considerable chalcopyrite. I would estimate the copper content to be in the neighborhood of 4% and judging from the test the nickel should run somewhat the same as the Hudson Bay stuff. I am also forwarding a hand specimen of the best looking mineralization for inspection.

The showing is located on the southeast boundary of Smith #5 mining claim midway. It appears to be on strike of the peridotite dike on which the Hudson Bay main showing is located.

The showing may be described briefly as follows. A two foot wide vein of almost massive sulphides, lying at the contact of a 100 foot wide peridotite dike to the south and a wide belt of slaty sediments to the north. Conditions are geologically similar to the main showing at the Hudson Bay main showing which lies about three mile to the southeast.

The showing lies on the west side of a gully about 100 feet up from the gully floor. It bears at about 260 degrees into the hillside and dips at 60 degrees to the south. It is exposed for approximately 20 feet in length and disappears into the shallow overburden to the west. The eastern extension is cut off by the gully. The east side of the gully lies about 200 feet east of the showing and is covered with overburden. Similar sulphides were noted about 300 feet to the west of the showing up the hillside in the overburden.

The peridotite dike or sill is around 100 feet in width and carries scattered pyrrhotite and chalcopyrite for about 50 feet south of the showing. The sulphides give a faint test for nickel showing that the mineralization is related to the peridotite intrusive. South of the peridotite dike is a diorite intrusive at least 300 feet in width. This is cut by a 20 foot porphyry dike at the diorite-peridotite contact.

It appears that the entire length of this peridotite dike on our property will have to be thoroughly prospected for similar occurrences in the future. Geophysical methods would appear to be the most expeditious method of locating the sulphide bodies, due to the extensive mantle of talus material on the slopes.

I have run a bulldozer road approximately two miles in from the end of the Hudson Bay property to our camp so that an early start may be made with the work next year. The cost of the road will be less than \$500 I estimate and can be applied against assessment work on our claims.

We have staked 62 claims in the group and Baranowski is taking the records in tomorrow.

Work on the ground will cease tomorrow due to weather conditions. Six inches of snow fell last night and further effort would be a waste of time this season. Reservations have been made for Marchbank, MacMillan, and Sabovitch for September 15th out of Whitehorse to Winnipeg. They shall be employed in the meantime in general prospecting in the area if weather permits or if not they may be able to get away sooner. MacMillan has expressed his willingness to continue prospecting as late as possible as has Gennis the lad from Vancouver, and I will keep them in the field as late as possible.

It is my present plan personally to make a field trip into the Sixty Mile road area back of Mayo to look at a gold discovery made by Enger last year. It is not staked and I have been promised first chance at it. If the roads are not snowed up, I should be away for about 1 week from this date, and then return to Whitehorse to conclude the company business for this season.

I have recorded 56 claims in the White River area and made out transfers for all but 8 claims which by agreement belong to Enger. I will get an option from him for this group along the terms outlined in my last. The records will be filed with our lawyer on my return from the field.

The three lads sent up from Newlund, Charles Gennis from Vancouver and Andrew Baranowski have been excellent workers and good men to work with in the field. I recommend all of them for future employment.

With personal regards,

Yours sincerely,

E. O. Chisholm

NICKEL-COPPER YUKON FIND LOOKS VERY IMPRESSIVE

Hudson Bay Drilling Soon on Optioned Discovery — Area and Showings Described — Values Run \$70 — Prospectors Airways in Second Place

Described by an engineer who has seen it as "a major discovery of first importance", and "one of the best surface exposures I have ever seen", a nickel-copper-platinum-cobalt-zinc find in the Yukon has been taken up by the Hudson Bay Mining and Smelting Company and will shortly be undergoing diamond drilling. There are several showings already.

R. H. Channing, president of Hudson Bay Mining and Smelting, added to this independent observation by telling The Northern Miner that it looked like a really good find and they were quite hopeful it would turn into something valuable.

In order to clarify reports current in wide mining circles across the continent, Mr. Channing put out a statement late last week confirming that Hudson Bay had taken an option on a group of claims and stated that the most important showing had a width of 48 ft. running 3.2% nickel, 2.2% copper, 0.14% cobalt, and small amounts of precious metals, including platinum. There is, of course, no tonnage there yet and because of the mountainous nature of the area drilling will have to be resorted to. The find itself occurs in the bottom of a deep straight-walled canyon. Hudson Bay has tied up 76 claims in the discovery block, and a total of 194; the rest adjoining on strike, southeast.

Prospectors Airways Company Limited, Toronto, has staked ground adjoining the discovery group on strike to the northwest for a known total of 28 claims in a block. Nearest claim is 9,000 feet from the discovery. Prospectors Airways and Hudson Bay fought it out as to who would get the option on the discovery group. The latter had the advantage of personal connections with the discoverers. PA has traced the favorable geology extending into its ground and is readying a program of work, which will probably include drilling.

This week The Northern Miner had reports that a rush was beginning. While the area is quite close to the Alaska Highway, the terrain is not easy. However, engineers and prospectors for several of the big outfits as well as private parties were fired by the impressive nature of the discovery, the widths and the very fine assays.

Values Gross \$70

The man who made the personal observations quoted in the first paragraph is Charles L. Coleman, managing director of Prospectors Airways Company Limited. He said the surface showing was 110 ft. long, and he got the following results from chip samples:

Width	Cu%	Ni%	Co	Zn	Pt
40 ft.	1.20	3.30	.03	4.2	.08
40 ft.	2.06	0.93		6.8	.33
30 ft.	2.81	1.67		6.5	.28

The second sampling is 20 ft. away from the first; the third 75 ft. still further away.

Gross dollar values of the above are: first sampling, \$72; second, \$72; third, \$70.

Stakings now extend for 20 - 25 miles on strike. Included in those participating are Kennecott (whose original copper mine lies about 100 miles away in Alaska), Conwest, AS&R. The Northern Miner hears of other parties but has no confirmation. It also has word that PA men have found copper mineralization in talus material on its stakings. This could lead to ore being found in place.

The location of the discovery is at the headwater of Quill Creek, near mileage 111.6 on the Alaska Highway, and about ten miles from the road. It is west of Whitehorse, near Klauke Lake, and about one hundred miles from the Pacific, and comparatively accessible.

The find was made by a group of prospectors headed by Walter Green and working for a local company called **Yukon Mining Co. Ltd.** In traversing the area they observed a large gossan and staked it on June 13th, 1952. They identified the copper but not the nickel content. E. O. Chisolm, field engineer for Prospectors Airways, who had just started his Yukon work, found on examination that the gossan also contained important values in nickel. He and Coleman tried to get the discovery and bid rather high in cash and shares. However, Hudson Bay had the inside track through Green's friendship with one of the Hudson Bay people. They undertook to make cash payments to the finders over a period of three years and provide stock in a three million share company. Yukon Mining Co. was formed last winter by Whitehorse people for the purpose of assembling a number of mining syndicates under one roof. Stock was issued for units. Total capital is 300,000 shares. Albert Coy, Whitehorse, is managing director; he is secretary of the local Chamber of Commerce. While the figures have not been officially confirmed it is understood that the company's deal with Hudson Bay M. & S. was \$15,000 cash down on a total of \$250,000 cash over three years, and 200,000 shares in a 3,000,000 share company to be formed; this applies to the discovery group of 76 claims. On an adjoining block of 118 claims the deal was the same except the cash payment was \$10,000.

Showing Described

The showing is briefly described as a replacement of massive sulphides, lying at the contact of an altered limestone and a peridotite. There is a considerable zone of alteration bordering

Y418

6016

FILE No.

CABLE ADDRESS: "ELDRICO"

HEAD OFFICE AND LABORATORIES:

633 HORNBY STREET

VANCOUVER 1, B.C.

PHONE TATLOW 1267

Certificate of Assay

G. S. ELDRIDGE & CO. LTD.

PROVINCIAL ASSAYERS, ANALYTICAL AND CONSULTING CHEMISTS
METALLURGICAL AND CEMENT INSPECTORS

G. S. ELDRIDGE, B.Sc.

MEMBER OF

CHEMICAL INSTITUTE OF CANADA
CANADIAN INSTITUTE OF MINING AND
METALLURGY

AMERICAN SOCIETY FOR TESTING
MATERIALS

AMERICAN CHEMICAL SOCIETY
AMERICAN SOCIETY OF METALS

We Hereby Certify that the following are the results of assays made by us upon samples of ORE
herein described and received from PROSPECTORS AIRWAYS July 22nd 1952

MARKED	GOLD		SILVER		LEAD		ZINC		COPPER		TOTAL VALUE PER TON (2000 LBS.)
	OUNCES PER TON	VALUE PER TON	OUNCES PER TON	VALUE PER TON	PER CENT.	VALUE PER TON	PER CENT.	VALUE PER TON		VALUE PER TON	
#13	Trace	\$	0.1	0.08	12.9	38.70	2.0	6.00	0.5	2.70	47.48
#14	Trace		Trace				0.1		Trace		
#15	Trace						0.1		Trace		
#13									<u>NICKEL</u>		
#14									0.13		
#15									Trace		
									Trace		

3M. 3-52, C. & W.

Gold calculated at \$..... per ounce.

Silver calculated at 85¢..... per ounce.

Lead

Calculated at 15¢..... cents per lb.

Zinc

Calculated at 15¢..... cents per lb.

Copper

" 27¢ " "

NOTE.—Samples only retained 3 months unless otherwise specified.....
G. S. Eldridge Provincial Assayer

J. W. N. BELL LABORATORIES

ASSAYERS AND ANALYTICAL CHEMISTS

HAILEYBURY, ONT.

July 22, 1952

2/19A

Y4/8

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



Propector Airways
Suite 1616
44 King St. W.,
TORONTO
Ontario

ATTENTION OF MR. CHARLES COLEMAN

Dear Mr. Coleman:

The certificates on the two samples of rock numbered 9 and 10 got away from this office before I had a chance to enclose this letter with them.

With reference to the zinc percentages they are quite correct in as much as I ran a personal check on them. As regards the cobalt analysis, it is possible for small percentages to remain undetected by ordinary electrolytic method where the Ni-Co ratio is high. Usually we determine low cobalts by the "Nitroso" method, but to effect quicker returns to you, we settled for the quicker method.

I will send on this further analysis on the Cobalts as soon as completed.

Yours very truly,

JHW/VG

J. W. N. Bell Laboratories,
J. H. White

lcc July 2nd, 1952

2/19A

YUKON CLAIMS

Y4/8 ✓ ✓ ✓ ✓

Mr. Ormond of Thomson & McKinnon phoned me this afternoon to say that Newkirk had heard through his United Keno representative that the claims staked by Prospectors Airways had some excellent showings and that the Hudson Bay showing was the biggest thing in Canada. A little later Norman Pearce phoned me and I asked him to check up and see if Newkirk's man had been on our property. Newkirk however, stated he had only heard through his Yukon representative that we had staked some ground and had some showings on it.

He did tell Mr. Pearce, however, that the deal made by Hudson Bay on 76 claims was \$15,000 cash and \$250,000 in three years, plus 200,000 shares of a new company. Hudson Bay had made a similar deal on a group of 115 claims, the down payment being \$10,000 but the other terms the same. Mr. A. Coy, the Managing Director of Yukon Mining Company, is Mr. Newkirk's representative in Whitehorse and I believes acts as a broker for Newkirk.

Newkirk owns some shares in Yukon Mining which he obtained from that company for turning in some claims to one of their groups, but not apparently in the vicinity of the discovery.

JI:JK

J. INGRAM

July 17th, 1952
1 cc

2/19A

RE: YUKON

7/4/8

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

Charlie Coleman told me this morning that Fred Burton had phoned him for information regarding the ground optioned by Hudson Bay Mining & Smelting and much to Coleman's surprise Burton gave him our assay results from the discovery in complete detail. Charlie told Burton that if he would tell him where he got the assays, he would tell Burton what he knew about the showing.

After some hesitation Burton said he had received the information from Pat Patterson of Mining Corporation while in Timmins. As Pat Patterson had been at Kerr-Addison the previous day attending the Directors luncheon, it was assumed he had obtained the information there.

Later when speaking on the phone to Mr. Dorfman at Kerr-Addison I told him Burton had quoted the assays to Coleman. Mr. Dorfman seemed annoyed and made some references to our men talking too much. I told Mr. Dorfman there had positively been no leak from here and that Chisholm was in the mountains. I then told Mr. Dorfman where the information came from. He expressed surprise and said Patterson must have obtained the information from Mr. Urquhart, who had also attended the Kerr-Addison luncheon.

JJ:JK

J. INGRAM

Light
overburden



Scale: 1" = 20'

#6 - 40' Chip
Massive sulphides

Cu. Ni. Co. Zn. Pt. Gross \$ value
1.2% 33% 0.3% 4.2% .0803 72.00

#9 - 40' Chip
Massive sulphides

2.06 0.93 Nil 6.80 .33 72.00

To Quill Cr. →

Cu. Ni. Zn. Pt. Gross \$ value
0.9 0.8 0.5 .07 20.00

#7 - 20' Chip
Dissem. sulphides

#10 - 30' Chip
Massive sulphides

2.81 1.67 Nil 6.50 .28 78.00

10' obscured by talus

Limestone cap

G. S. ELDRIDGE & CO. LTD.
AND
STANDARD TESTING LABORATORIES

MONTREAL, TORONTO, WINNIPEG, VICTORIA, VANCOUVER

INSPECTING AND TESTING ENGINEERS

INDUSTRIAL CHEMISTS

**REGISTERED CHEMICAL AND
METALLURGICAL ENGINEERS**

PROVINCIAL ASSAYERS

WE TEST ALL ARTICLES OF COMMERCE

OFFICE AND LABORATORIES

633 HORNBY STREET

VANCOUVER 1, B.C.

MEMBERS OF
CANADIAN INSTITUTE CHEMISTRY
CANADIAN INSTITUTE MINING AND METALLURGY
AMERICAN SOCIETY TESTING MATERIALS
AMERICAN SOCIETY FOR METALS
AMERICAN CHEMICAL SOCIETY

Mr. E. O. Chisholm,
Prospectors Airways,
Whitehorse Inn,
WHITEHORSE, Y.T.

Dear Sir:

Confirming our wire of yesterdays date, it is with great regret that we have to inform you that the platinum result shown on our report of July 7th (#5885) is in gross error. The figure on sample #6 for platinum should be 0.08 ounces per ton.

The error was due to a combination of faulty judgment on our part and low line voltage to our electric "parting" plate. When the result was obtained in the first instance we immediately decided to hold the report until checks were run, which was done on the following day, since such assays are almost unheard of in this country. Duplicate assays were then made and the results were in reasonable agreement with the first one. After checking over each step of the procedure with the assayer, we decided everything had been in order and sent the report.

The "beads" were examined under the microscope and had the appearance of platinum beads. At this stage the beads should consist of platinum plus gold (gold if any in the sample and that added for parting purposes). In short, further investigation has shown that these beads contained large amounts of silver not properly removed in the parting process. On our check runs made yesterday gas burners were used for parting and all traces of silver were dissolved easily. This difficulty by the way is peculiar to the platinum assay and is not encountered in ordinary gold and silver work.

The assay on sample #7 has been checked at 0.07 ounces Platinum.

We realize the inconvenience this ~~may~~ have caused you and can only say we deeply regret this mistake.

We enclose herewith our credit note for \$10.00 which is to cover our charge for \$6.00 for platinum assay, plus the cost of telegrams exchanged.

Yours very truly,

G. S. ELDRIDGE & CO. LTD.

Per *R.H. McIntosh*

July 11th, 1952



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

FILE No. 5885

VANCOUVER 1, B.C.

PHONE TATLOW 1267

Certificate of Assay

G. S. ELDRIDGE & CO. LTD.

**PROVINCIAL ASSAYERS, ANALYTICAL AND CONSULTING CHEMISTS
METALLURGICAL AND CEMENT INSPECTORS**

AMERICAN SOCIETY OF METALS

We Hereby Certify *that the following are the results of assays made by us upon samples of*..... **O R ES**.....

herein described and received from PROSPECTORS AIRWAYS July 11th 1952

MARKED	GOLD		<u>PLATINUM SILVER</u>		ZINC		COPPER		<u>NICKEL</u>		TOTAL VALUE
	OUNCES PER TON	VALUE PER TON	OUNCES PER TON	VALUE PER TON	PER CENT.	VALUE PER TON	PER CENT.	VALUE PER TON	%	VALUE PER TON	PER TON (2000 LBS.)
#6	Trace	\$	0.08	\$	4.2	\$	1.2	\$	3.3	\$	
#7					0.5		0.9		0.8		
#8	Trace		(present)				5.6				
#6			<u>PLATINOIDS</u>		<u>COBALT</u>						
#7			0.07		0.3%						

A							
AD.	GCA	GL	CLG	MNF.	RDS.		

3M, S-52, C, & W.

Gold calculated at \$.....per ounce.

Calculated at.....cents per lb.

Silver calculated at per ounce.

Calculated at.....cents per lb.

NOTE.—Samples only retained 3 months unless otherwise specified.

RH McIntosh

DEPARTMENT OF TRANSPORT
TELECOMMUNICATIONS DIVISION

2706
(OLD NO. 2 XX)

The following message was received by the Government, for transmission, subject to the terms and conditions printed on the blank form No. 2701 which terms and conditions have been agreed to by the sender.

293
G. C. W. BROWNE, *Controller.*

9 DI

37/35 COLLECT D.L., CPR
K VANCOUVER BC JULY 154PM 5 1952

E O CHISHOLM
"INN", WHITEHORSE YT.

SAMPLE NUMBER SIX GOLD TRACE PLATINUM EIGHT POINT EIGHT OUNCES
ZINC FOUR POINT TWO COBALT POINT THREE SAMPLE N07 PLATINOIDS
POINT ZERO SEVEN ZINC POINT FIVE SAMPLE N08 GOLD TRACE
COPPER FIVE POINT SIX.

44/8

G S ELDRIDGE & CO

844A 7

N06. ORIGINAL CHIP SAMPLE
ACROSS 40 FT. AT DISCOVERY POST.
N07. MINED WALL ROCK.
(Pendolite)

WIRE AGAIN IMMEDIATELY
PLATINUM VALVES
SAMPLE NO. 6.

STOP. RECHECK. PLATINUM.

C. CHISHOLM

WIMM WHITEHORSE YT.
C O CHISHOLM

3 01

23/35 COLLECT D.F. CH
K VANCOUVER, BC JULY 15 4PM 5 1955

No. 301 which terms and conditions have been agreed to by the sender.

The following message was received by the Government, for transmission, subject to the terms and conditions printed on the blank form

COMMUNICATIONS DIVISION
DEPARTMENT OF TRANSPORT

C. C. W. BROWNIE, Collector.

(OFF. NO. 2 XX)
2008

5885

FILE NO.

CABLE ADDRESS: "ELDRICO"

HEAD OFFICE AND LABORATORIES:
633 HORNBY STREET
VANCOUVER 1, B.C.

PHONE TATLOW 1267

Certificate of Assay

G. S. ELDRIDGE & CO. LTD.

PROVINCIAL ASSAYERS, ANALYTICAL AND CONSULTING CHEMISTS
METALLURGICAL AND CEMENT INSPECTORS

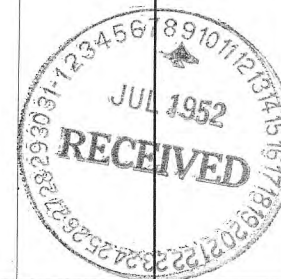
G. S. ELDRIDGE, B.Sc.

MEMBER OF
CHEMICAL INSTITUTE OF CANADA
CANADIAN INSTITUTE OF MINING AND
METALLURGY
AMERICAN SOCIETY FOR TESTING
MATERIALS
AMERICAN CHEMICAL SOCIETY
AMERICAN SOCIETY OF METALS

We Herby Certify that the following are the results of assays made by us upon samples of ORES
herein described and received from PROSPECTORS AIRWAYS July 7th 1952

MARKED	GOLD		~~SILVER~~ PLATINUM		ZINC		COPPER		NICKEL		TOTAL VALUE
	OUNCES PER TON	VALUE PER TON	OUNCES PER TON	VALUE PER TON	PER CENT.	VALUE PER TON	PER CENT.	VALUE PER TON	%	VALUE PER TON	PER TON (2000 LBS.)
#6	Trace	\$	8.80	\$	4.2	\$	1.2	\$	3.3	\$	
#7					0.5		0.9		0.8		
#8	Trace		(present)				5.6				
			<u>PLATINOIDS</u>		<u>COBALT</u>						
#6					0.3%						
#7			0.07								

A		B
	A.D.	
✓	M.	✓
✓	G.C.A.	✓
✓	G.E.	✓
✓	C.L.C.	
	M.H.F.	
	R.D.S.	



SM. 3-52. G. & W.

Gold calculated at \$.....per ounce.

Calculated at.....cents per lb.

Silver calculated at.....per ounce.

Calculated at.....cents per lb.

NOTE.—Samples only retained 3 months unless otherwise specified.....
R. N. McIntosh..... Provincial Assayer

7418 FORM 309

ONTARIO NORTHLAND COMMUNICATIONS

TELEGRAM

A. FREEMAN,
General Manager, North Bay.

E. A. FRITH
Manager

RECEIVER'S NO.

TIME FILED

CHECK

Send the following message, subject to the conditions on the back thereof, which are hereby agreed to.

Whitehorse
July 8th

19 52

To: Andre' Dorfman,
Kerr-Addison Gold Mines,
Virginiatown, Ontario.

HUDSON BAY OFFER ACCEPTED STOP STRONGLY ADVISE NEGOTIATION FOR PARTICIPATION
WITH THEIR HEAD OFFICE STOP MAY BE ABLE TO GET PLANE OUT TOMORROW.

C. Coleman.

Sender's address or telephone number.

File
Y418

July 8, 1952.

MEMO RE TELEPHONE CONVERSATION OF MR. DORFMAN
AND ROW WITH C. L. COLEMAN (WHITE HORSE) at
9:30 P.M., JULY 7TH, 1952.

C.L.C. said that the assays for the 40 ft. sample were as follows: Cu 1.2%, Ni 3.3%, Zn 4.2%, Co. 0.3% and Pt 8.8 oz., but says he does not believe the Pt assay and is having it checked. Says wall rock assayed 0.07 oz. Pt.

He also says P.A. offered for the 76 claims \$25,000.00 down payment on a price of \$200,000.00 payable in 6 months, plus 200,000 shares in a 3,000,000 share company.

Hudson Bay offered \$15,000.00 cash and 250,000 shares, and later on July 5th offered \$25,000.00 cash. C.L.C. thinks the prospectors want \$25,000 cash, total price of \$250,000.00 and 250,000 shares.

C.L.C. wants authority to make either or both of two offers:

- (1) \$50,000 cash, \$25,000 in 18 months, both part of total price of \$250,000.00, all payable in 3 years and 200,000 shares in a 3,000,000 share company.
- (2) Offer \$100,000.00 cash & 200,000 shares in a 3,000,000 share company to be formed immediately.

After talking with J.Y.M., Mr. Dorfman authorized C.L.C. to make offer No. 1. In this second conversation C.L.C. stated that it is the best looking showing he has seen for a long time - 110 ft. long across a creek bed - 40 ft. wide. He says that in every place they chemically tested the exposure they got Ni indicated. One claim away on strike there is similar mineralization across two feet. The ore occurs at the contact of limestone and peridotite.

Albert Kaufman, Geological Director for Hudson Bay Co. is negotiating on behalf of H.B.

Mr. Murdoch, when informed of the above negotiations, thought we may raise the firm commitment to \$35,000.00, but later agreed to the following maximum terms:

\$50,000 cash payment now.
\$25,000 " in 18 months.
\$125,000 " in another 18 months.

and 200,000 shares in a 3,000,000 share company to be formed.

C
O
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CANADIAN NATIONAL TELEGRAPHS

1952 JUL 5 PM 7 20

RXDA 164 34 VIA EDMONTON - WHITEHORSE YUKON 5 NPT -

JAMES INGRAM

40 DUNCANNON DRIVE TOR -

SPENT THREE DAYS NEGOTIATING BUT FAMILY RELATIONSHIP BETWEEN
HANOI REPRESENTATIVE AND PRESIDENT LOCAL COMPANY MAKES SITUATION
APPARENTLY IMPOSSIBLE STOP LEAVING TO EXAMINE SHOWING TODAY STOP
ALTHOUGH OUR OFFER EXCEEDS HANOI VERY DOUBTFUL OF ACCEPTANCE

CHARLES COLEMAN

HANOI - Code for Hudson Bay Mining & Smelting Co.

July 4th, 52
4 cc

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YUKON EXPLORATION - BURWASH LANDING PROPERTY

Yesterday Mr. Dorfman dictated a memo over the telephone from Kerr-Addison Gold Mines in connection with a conversation he had with Mr. Coleman regarding the Burwash Landing property. Mr. Coleman has advised Mr. Dorfman that the president of the company owning the ground examined by Chisholm is also the brother of the Field Engineer of Hudson Bay Mining & Smelting, and that it appeared that Hudson Bay would have the first chance of a deal on the property. In the circumstances, Mr. Dorfman stated that if Coleman finally advised that he was unable to get any kind of a deal on the ground, that I consult Noranda and endeavour to see if anything could be done through a Noranda approach to the Hudson Bay people with a view to participation.

I saw Mr. Bradfield around noon and gave him a copy of Mr. Dorfman's memo and explained the general situation. Mr. Bradfield stated that Mr. Norman Urquhart was a director of Hudson Bay and he thought the best plan would be to discuss the matter with Mr. Urquhart and see what his recommendations would be. I suggested perhaps Mr. Urquhart might possibly wish for participation of some sort for Mining Corporation, but Mr. Bradfield did not think this would be the case. It was therefore arranged that Mr. Bradfield would endeavour to get Mr. Urquhart down to the Noranda office in the afternoon, when we would lay the situation before him with a view to him approaching Hudson Bay in the event that Mr. Coleman did not succeed.

Later in the afternoon, Mr. Bradfield advised me that Mr. Urquhart could not come to town, but suggested to Mr.

July 4th, 1952

- 2 -

74/8

Bradfield that he phone Mr. A. J. McNab, Vice-President in charge of Exploration of the Hudson Bay company. Mr. Bradfield found Mr. McNab was out of town and it was suggested that he call Mr. "Baldy" Green, General Manager of Hudson Bay at the mine at Flin Flon.

Mr. Bradfield advised me later that he had spoken to Mr. Green who was not certain about the Hudson Bay having secured an option on the claims but Mr. Green stated he gathered that they had already made a deal. Mr. Green stated he would try and contact his man to find out full particulars, if he could reach him at Whitehorse. Mr. Bradfield explained to Mr. Green that we had been first on the scene and had evidently been promised the first chance of a deal. He also explained to Mr. Green that the terms for securing an option appeared to be pretty rich for anybody's blood and no doubt Hudson Bay would find that out for themselves. He further suggested that as Dr. Bell of Noranda had stated that there was a possibility of deposits in that country being flat-lying, pancake-like bodies, that Hudson Bay might be glad to have others participate. Mr. Bradfield also explained to Mr. Green that Prospectors Airways had adjacent ground and Mr. Green seemed to be interested in this factor.

Mr. Bradfield anticipates that he will hear further from Mr. Green if he has been successful in contacting his field man. On conclusion of my conversation with Mr. Bradfield, I phoned Mr. Dorfman and gave him the above particulars.

JI:JK

J. INGRAM

July 3, 1952

5 cc

(Dictated by Mr. Dorfman by
telephone from Virginiatown)

YUKON EXPLORATION

Y 4/8

Last evening Coleman telephoned me from Whitehorse and had rather disturbing news.

(1) The claims with the showings belong to a company called the Yukon Mining Company, the President of which is a brother of the Exploration Engineer of the Hudson Bay Mining & Smelting Company. Apparently the Hudson Bay people were informed as soon as Chisholm started negotiations with them.

(2) It is not quite clear but Coleman infers that there is an arrangement between the two brothers that the Hudson Bay people have the first refusal.

(3) Coleman and I have agreed to raise our price to \$25,000 cash, \$200,000 paid over three years and 200,000 shares in a 3,000,000 share company, if such is formed.

(4) Even at that, Coleman did not think that our offer would be accepted, as apparently, he said, the Hudson Bay people are raising his bid. Therefore, Coleman and I have agreed that he discuss it with the Hudson Bay representative and see whether we could not take up this venture jointly, on a fifty-fifty basis, or the best he can make.

(5) Chisholm has taken a channel sample of the find and assayed the sample. The returns were 4% copper and 4% nickel. Coleman sounded very depressed because even the staking that Chisholm has done seemed to be under a cloud.

Should Coleman be unable to make a deal he intends re-staking ground around the showing.

AD:JK

ANDRÉ DORFMAN

June 30th, 1952

3 cc

MEMORANDUM RE: YUKON EXPLORATION

The Copy 74/8

A telegram was received from E. O. Chisholm at Destruction Bay, Yukon, dated June 26th, as follows:

"URGENT YOU COME TO WHITEHORSE IMMEDIATELY STOP CUNI
DEAL STOP CONTACT W. EMERY WHITEHORSE ON ARRIVAL STOP
REPLY."

At the same time an assay certificate was received in the mail dated June 24th, giving the result of sample No. 5 as 0.9% copper and 3.45% nickel.

I reached Mr. Emery at Whitehorse by telephone on June 27th. He told me that he was Mining Recorder and that Chisholm was then at Burwash Landing on Kluane Lake. He said that a few days previously Chisholm entered his office when two prospectors were recording claims. They showed Chisholm mineral specimens from their claims and Chisholm agreed to have them assayed. He was sufficiently impressed with the specimens that he left to examine their showing in the vicinity of Burwash Landing. While at the property he sent the wire to me from Destruction Bay, a telegraph station nearby.

I placed a telephone call to Chisholm at Destruction Bay and finally got through late in the evening of June 28th. The connection was very poor and I had difficulty in understanding portions of the conversation. However, he considered it imperative for me to come to the Yukon to negotiate a deal. He said representatives of Hudson Bay Mining & Smelting Co. were after the claims as well as others. I believe he said the prospectors had promised him the right to make the first bid which did not sound very firm. Again, he said they were asking a down payment of \$100 to \$200

June 30th, 1952

YUKON EXPLORATION

PAGE 2.

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per claim for 32 claims. I repeated several times for him to make a payment to hold the property until I got there at least.

During one clear spell on the wire, he said the showing was 40 feet wide and exposed for 100 feet on strike consisting of massive sulphides and considered it a major discovery.

Chisholm has staked 8 claims and will arrange to stake more. He was leaving immediately for Whitehorse to negotiate a deal.

I am leaving for Edmonton tonight where I have a reservation for Whitehorse on July 4th. I am hopeful that I may get a cancellation on my arrival in Edmonton, July 1st.

CLC:JK

CHAS. L. COLEMAN

Toronto, Ont.

MEMORANDUM: RE COPPER - NICKEL DISCOVERY NEAR BURWASH LANDING,
YUKON TERRITORY

7418

On or about June 22nd, E. O. Chisholm called on Mr. W. Emery, mining recorder, at Whitehorse. In the course of conversation, Chisholm was introduced to W. Green, prospector, who was present in the recorder's office. It appeared that Green was obtaining the necessary forms to record eight claims covering what he believed to be essentially a copper discovery. He showed to Chisholm a specimen of sulphides from this discovery and asked him if he thought any precious metals were present. Although a certain amount of chalcopyrite was in evidence in the specimen, it was dominantly pyrrhotite and Chisholm suspected the presence of nickel. He had the necessary reagents in Whitehorse and a quick qualitative test gave a strong nickel reaction. So far as we know, this was the first recognition of a nickel discovery in the Yukon.

Chisholm at once requested permission to examine the showing from which the specimen had been obtained. However, he was informed that although Green had made the discovery, he was in the employ of a local organization called Yukon Mining Co. Ltd. Green's principals were withholding the recording of claims pending the results from samples sent to an assay office in Juneau and additional staking if the results were satisfactory.

Chisholm secured a sample of the sulphides from the prospector, said to be representative of a 40' width, and sent it to the assayer at Vancouver. During the next few days, Chisholm made frequent calls on Mr. Coy, managing director of Yukon Mining Co., in attempts to arrange for an examination of the property or determine its location.

The returns from the sample sent to Vancouver were received at our Toronto office on June 26th, as 0.9% copper and 3.45% nickel. The following day a telegram was received from Destruction Bay, sent by Chisholm, stating that it was

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urgent for me to come to Whitehorse and contact W. Emery. The location of the showing had been revealed to Chisholm and permission given to examine same on the undertaking that he would not stake.

I telephoned W. Emery at Whitehorse on June 27th and he informed me that Chisholm had left for the property the day before and he did not know when he would return. He also said that a representative of Hudson Bay Mining and Smelting Company had arrived in Whitehorse and was leaving for the property by aeroplane. Emery did not know the precise location of the property as the discovery claims had not been recorded. However, he believed the find to be in the vicinity of Kluane Lake.

The earliest seat available by air transportation out of Toronto for Edmonton was June 30th which was promptly secured. A telegram was sent to Chisholm at Destruction Bay asking for additional details and a telephone call placed.

Late in the evening of June 28th, Chisholm got through to me by telephone from Destruction Bay. In spite of a poor connection he made it clear that he considered the showing a major discovery. He reported it as a body of massive sulphides continuously exposed for 110' in length and 40' in width. He said his discussion with the prospectors suggested the property could be optioned for a down payment of \$200. per claim or \$6,400. for the 32 claims staked at that time. I instructed him to offer this at once and in any event to try and get Yukon Mining Company to accept some cash until I got there.

I left Toronto at 9:30 p.m. June 30th and arrived in Whitehorse at 11:00 p.m. July 1st. The following morning I called on Mr. Coy in company with Chisholm. We were informed by Coy, that Mr. Albert Kaufman,

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chief geologist of H.B.M. & S. Co., had examined the showing and just returned to Whitehorse. He and his men had staked an additional 40 claims around the original group and were to transfer same to Yukon Mining Co. Inasmuch as Chisholm had been obliged to give his word that he would not stake, I asked why this staking concession had been given to H.B. It was explained that Chisholm and our company were unknown to the directors of Yukon Mining Co., whereas the H.B. representative was a brother of the president of Yukon Mining. I asked Coy if he and his fellow directors had decided on a price for the property. He said that H.B. had offered a down payment of \$15,000. but he personally thought a larger down payment was indicated. I asked if \$25,000. would be interesting and he thought it would but suggested I speak to the other directors. In turn, we called on Messrs. Litzenburger, Boyd, Macdonald, Neilson and Harold Kaufman all of whom appear interested except the latter.

Mr. Harold Kaufman is the local butcher in Whitehorse and, as previously mentioned, is a brother of Albert Kaufman. He told us that the proposal of his brother was almost certain of acceptance but if we submitted a bid it would be considered at a directors' meeting to be held that evening.

I then called on Mr. V. Wylie, barrister, and had him draw up the following proposal to option the property:

1. Down payment - \$25,000.
2. Cash purchase price \$200,000., payable at 6 month intervals and to be completed in 3 years.
3. A company of three million shares to be formed of which 200,000 shares to be allotted Yukon Mining Co.

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At 4 p.m. Yukon time, July 2nd, I reached Mr. Dorfman by telephone. He was informed of the negotiations and was surprised that such a large down payment might be necessary. I told him that a possible alternative was to try and secure the property jointly with H.B. He favored this and I at once called on Albert Kaufman, who I found filling out the recording forms covering the claims staked by his men. He was greatly excited and it was with some difficulty we were able to explain our proposition. It was obvious that he had heard from his brother that we had entered the field. He refused to consider any scheme for joint participation and insisted that the deal was closed although not yet signed.

Mr. Wylie delivered our proposal to Harold Kaufman in time for the directors' meeting to be held that night but was informed that the meeting had been postponed until the following evening, July 3rd.

Chisholm and I campaigned amongst the Yukon Mining directors on July 3rd and gained the impression that Messrs. Coy and Boyd were definitely favorable to us. In fact it was hinted that Albert Kaufman's offer for H.B. was conditional and that he was waiting on assay results from his sampling. As I had not yet seen the showing, I considered it advisable to try for a short examining option. Accordingly, Mr. Wylie was instructed to modify our proposal by offering \$1,500. for a ten days' option with the same payments previously suggested to follow if the examination was favorable. A time limit of 24 hours was given for acceptance.

The modified proposal was presented that evening at 7:00 p.m. and a few hours later we were informed that a deal had been closed with H.B. However, I was called at 7:00 a.m. on July 4th by Mr. Wylie who said he had just received a message from Mr. Neilson, a director of Yukon Mining, stating that our proposal was still under consideration.

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Shortly after this message I met Albert Kaufman on the street. He was greatly perturbed and said he had received a message from Mr. Green at Flin Flon regarding a call from Jack Bradfield of Noranda, who had suggested joint participation. He implied that his Head Office was considering this suggestion against his recommendation.

At Mr. Wylie's suggestion I had lunch with him and Mr. Neilson. Neilson acts as lawyer to Yukon Mining as well as being a director. He said he was distressed by the proceedings to date and particularly upset by the directors' meetings called without due notice. He did not think a meeting to be held that night would have a quorum. He was firm that no final decision had been reached by his company. He said the retraction of the decision reached the previous evening was caused because Albert Kaufman was not duly authorized to act for H.B. on the terms offered by him.

As predicted by Mr. Neilson, only four of seven directors appeared at a meeting that evening and we were told by Coy that the opinion was divided.

On Saturday morning, July 5th, I called on Mr. Neilson and told him I would reinstate the original offer to make a down payment of \$25,000. if a decision was forthcoming by noon. He called Coy and asked him to make a personal call on the other directors to poll their opinion. At 5:00 p.m. I was advised by Neilson that a meeting would be called on Monday, July 7th at 7:30 p.m. and a final decision would be made on bids tabled at that time. This gave me two days to get to the property, examine same and return to Whitehorse.

I left the original offer with Mr. Wylie to be presented at the meeting in case I could not get back in time. He was also told that I would rescind the offer by telephone from Destruction Bay if my

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examination was unfavorable. Chisholm and I then left for Burwash Landing by automobile.

THE SHOWING:

The property is situated on the headwaters of Quill Creek in the outlying mountains of the St. Elias Range. Access is from a point on the Alaska Highway 200 miles west of Whitehorse and 17 miles from Burwash Landing on Kluane Lake. The trail from the highway to the showing is 10 miles long and is a gradual ascent by way of gravel bars and benches over which a road could be quickly constructed. Abundant timber up to 18" diameter is found to within a short distance of the showing which is above timber line. At this elevation, adequate water for a year round supply would be a problem.

The main showing occurs in a canyon at the contact of a peridotite mass with limestone. Erosion in the canyon has exposed a mass of sulphides 110' long and 40' wide dipping at 75°. The strike extensions disappear under overburden on one valley slope and under limestone capping on the other. The oxidized surface of the sulphides is stained with nickel and cobalt bloom and has a very colorful and impressive appearance. During the course of the brief examination we made many tests everywhere on the outcrop with dimethylglyoxime and in every case a strong nickel reaction was obtained. Sulphide dissemination and copper staining was observed for 20' or more into both the footwall and hanging wall.

1000' to the southeast on the strike of the contact, sulphide mineralization containing copper and which reacted for nickel was seen in an outcropping by Chisholm. Similar sulphides but over narrow widths were reported by the prospectors about 1,500' north of the main

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showing but could not be inspected with the time at our disposal.

There was no doubt this was a very important discovery and after taking two more samples we returned to the highway without delay, arriving at Destruction Bay 10:00 a.m. Monday, July 6th.

I telephoned Mr. Wylie's secretary instructing her to revise our offer to include a down payment of \$50,000., against a total purchase price of \$250,000., with stock as before. I also telegraphed Mr. Dorfman to call me by telephone at Whitehorse that afternoon.

We reached Whitehorse at 3:00 p.m. where we received a telegram from the assayer in Vancouver reporting results from a chip sample taken by Chisholm across 40' of massive sulphides as follows:

<u>Copper</u>	<u>Nickel</u>	<u>Cobalt</u>	<u>Zinc</u>	<u>Platinum</u>
1.2%	3.3%	0.3%	4.2%	8.8 ozs.

A chip sample across 20' of the footwall rock carrying disseminated mineralization gave:

<u>Copper</u>	<u>Nickel</u>	<u>Zinc</u>	<u>Platinum</u>
0.9%	0.8%	0.5%	0.07 ozs.

Mr. Dorfman telephoned at 3:30 p.m. and had W.S. Row on an extension line. I told him I had just returned from the showing which I found very impressive and every bit as good as Chisholm had described it. I said there was reason to believe H.B. was increasing its offer and that I proposed to increase ours to include a down payment of \$50,000. on a purchase price of \$250,000. I also said I wanted to offer as an alternative \$100,000. cash and 200,000 shares of stock for the immediate purchase of the property. At that point the wire went dead and the connection was not restored for about 15 minutes. When Mr. Dorfman was again audible, he said he had been talking to Mr. Murdoch who was not disposed to go beyond

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\$35,000. for a down payment. He quoted Archie Bell as saying that small flat pods of sulphides were characteristic of the area. I told Mr. Dorfman there was no evidence to support Bell's opinion and that I considered it useless to offer \$35,000. Mr. Dorfman authorized me to offer \$50,000. cash but could not agree to \$100,000., after his talk with Mr. Murdoch.

The directors' meeting of Yukon Mining had been called at 7:30 p.m. About 7:00 p.m. I was informed it was deferred until 8:00 p.m. and shortly thereafter I received another telephone call from Mr. Dorfman. This was to advise me that Jack Bradfield of Noranda said Mr. Green of H.B. did not exclude the possibility of us working together and requested that I communicate this to Albert Kaufman. I again suggested the cash payment of \$100,000, but Mr. Dorfman could not sanction it.

I located Kaufman in the hotel immediately and when I requested him to step out for a few minutes talk he acted very hostile and said he would not speak until after the meeting. I said I had a message from his office and left him to simmer. He did this for about 15 minutes and then sought me out to apologize. He said he had been informed that we considered it impossible to deal for the property because of his relationship to the president of Yukon Mining and also thought we had managed to get his head office to call off his offer and proceed jointly with us. He claimed his company's offer was now so large that nobody could possibly compete with them.

The directors' meeting was convened in Mr. Nielson's office and Albert Kaufman and I were invited to present our proposals in person. The directors decided to hear me first and I presented my proposition to Messrs. Nielson, Coy, H. Kaufman, Litzenburger and McLean. I also outlined the capabilities of our company to pursue a diligent and thorough exploration of the property. The entire group sat like graven images with the exception

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of Coy who seemed to react strongly to the \$50,000. certified cheque which I presented.

I withdrew and Albert Kaufman entered the meeting. It is hard to say how long it took for Kaufman to complete his story but it is probable that the directors had an idea of his proposition before hand. At any rate within one hour Nielson telephoned Wylie and informed him that the offer of H.B. had been accepted.

I located Albert Kaufman some time later, who was in a very amiable and patronizing mood. He continued his apologies for his surly conduct before the meeting but left no doubt that he considered we were out of our class when competing with H.B.

After instructing Chisholm to return at once to the area and stake, I left Whitehorse the following morning and arrived in Toronto July 9th.

I reported to Mr. Dorfman by telephone and called on Mr. Murdoch. I suggested to Mr. Murdoch that he should call Mr. Channing of H.B. and try and secure a participation in the deal. However, he did not care to do this and instead had J. Bradfield call Mr. Green, General Manager of H.B. at Flin Flon. Bradfield reported that Green declined to offer us a participation and said his company preferred to operate alone. Bradfield also said that Mr. Dorfman must have misunderstood him when he quoted him as saying Green did not exclude the possibility of working with us.

Mr. Murdoch called in A. Bell, who after being shown the location of the discovery, said he had never been in the area.

Toronto, Ontario,
July 10th, 1952.

CHAS. L. COLEMAN.