

CC
Extract from letter from E. O. Chisholm to C. L. Coleman.
Dated September 2, 1954

105M

007343

ABLE GROUP

NEAR CLARKE PEAK MAYO DISTRICT

Forty claims have been staked recorded and transferred to the company. The transfers have been registered with the Mayo Mining Recorder and the recorded transfers will be returned to me here when the grants are issued.

You will find enclosed a group map of these claims with pertinent staking data for Mr. Erhlic's files. I will require 6 copies for my files here for future assessment work purposes etc. Under separate cover I am mailing a geological and claim map of this group completed by L. D'Aigle. Please have Mr. Finch draught this on linen and supply three prints to this office.

No sulphides were located on these claims but there is abundant evidence of heavy metal content in the gossan and swamp water there and the presence of a blind orebody underneath the rusty conglomerate is indicated. Hugh Bostock is very interested in this section and would like to be advised of our progress there. He tells me that he has a crew in the Wernecke area doing geo-chemical work on the streams and lakes there. I plan to visit there before long and see what kind of results he is getting. It may be something to check into further this winter in Ottawa.

105M

CLARKE MOUNTAIN SHOWING

Kulan and Daigle and additional prospectors in our employ are at present on the ground staking claims for the company. At least 40 claims have been staked and possibly more by now. I will meet Daigle tomorrow in Mayo for recording. Kulan will return to the area with Green to look for extensions. Daigle will proceed to the Donald group. We do not seem to have any competition yet.

I have gone over some of the samples of rusty conglomerate from this area and find they are identical to the material encountered at Vangorda overlying the sulphide bodies. One piece of very rusty material has a matrix of moss and sticks cemented together with the rock material by iron oxides. There must be oxidizing sulphides close by to cause this. The conglomerate is considerably leached and does not react to the heavy metals test. However the rusty soil adjacent to the conglomerate gives a good positive test for heavy metals, probably zinc. The water in at least four locations to date on the claims gives a pronounced positive test for heavy metals with the dithizone test.

At this stage I would like to point out for the record that any credit due for this discovery should be placed at the door of applied geology. Bostock drew our attention to the similarity of the conglomerate to our Vangorda conglomerate and I relocated the conglomerate and identified the heavy metals in the gossan and creeks by the application in the field of the technique perfected by me 1950 (see CIMM BULLETIN vol. 43 pp 64-68, 1950). Now if we can outline it with the magnetometer it will be a complete victory for the technicians.

It does point out the importance of getting simple tools in the prospectors that roam the bush so that they can identify trace elements of the economic minerals in gossans and investigate on the spot in more detail. There are now available plenty of good techniques for the identification of these trace elements but the people that publish on them are specialists that cannot write for the laymen like the prospectors. Consequently the method never gets into the bush until after a discovery has been made. I have tried to simplify these methods so any non technical man can apply the method as easily as the gold pan and I think I am getting somewhere. The Quill Creek nickel discovery and this one are cases in point. The Quill one would probably be still lying there if I had not used the dimethyl test on the ore. This one has no doubt been walked over before, certainly by the geologists of GSC and dismissed as "just another rusty zone". There are so many of them in this country that unless some sulphides are staring them in the face the average prospector will not bother with them.

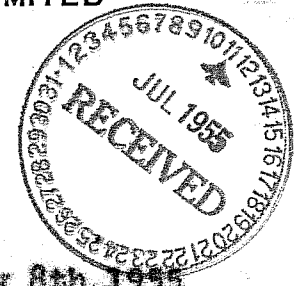
SEELEY

105M

PROSPECTORS AIRWAYS COMPANY, LIMITED

SUITE 1616
44 KING STREET WEST
TORONTO 1
EMPIRE 6-7951

J 2/21



A	✓	C.L.C.	✓
	✓	G.C.A.	
	✓	G.E.	
		E.O.C.	
	✓	R.O.S.	✓
	✓	J.K.	✓
		E.L.D.	

July 8th, 1955

Mr. Alexander Seeley Jr.
Whitehorse, Y.T.

Dear Sir:

We beg to refer to the agreement of December 14th, 1954 between you and this company regarding Rex Claims 1 to 24 inclusive situated in the Peel River Area of the Mayo District one quarter mile west of Worm Lake, Yukon Territory.

We are informing you herewith that in view of a recent examination made of this ground we do not intend to carry out any further work on the claims and the above mentioned agreement is now terminated. We will instruct the Whitehorse Branch of the Canadian Bank of Commerce to deliver to you, the transfer for the above claims which is being held in escrow there in accordance with the terms of the agreement.

Yours very truly,

PROSPECTORS AIRWAYS COMPANY LIMITED

E.O. Chisholm
Chief Geologist.

cc. Bank of Commerce
Whitehorse, Y.T.
Wylie and Bates
Whitehorse, Y.T.
C.L. Coleman,
Prospectors Airways Co. Ltd.
Suite 1616-44 King St. W.
Toronto, Ont.

105 M

INTER-OFFICE CORRESPONDENCE

FROM..... E.O. Chisholm

DATE..... July 8/55

TO..... C.L. Coleman

SUBJECT..... Ilene and Jessie Gps. Mayo
Rex Gp. Worm Lake

MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

Dear Charlie:

Enclosed find examination reports on Ilene and Jessie Groups on Mayo Lake and Rex Group, Worm Lake. It is recommended that we drop the Worm and Jessie Group and make an EM survey of the Ilene showing. This could be done in the fall as it is quite accessible to Mayo Lake.

I have served Seeley with a termination notice and forwarded a copy to you.

Please return a copy of Ilene and Jessie groups for my files and copies of attached maps.

Best regards,

E.O. Chisholm

file y 3/27

(TO BE COMPLETED IN TRIPLICATE)

FILED

INTER-OFFICE CORRESPONDENCE

PROPERTY INFORMATION FORM

Date July 8/55

Name of Property REX GROUP, HART RIVER, Y.T.

Presented by (with address)

Date

Alexander Seeley Jr. Whitehorse, Y.T.

December 14/54

Location One quarter of a mile west of Worm Lake, Peel River Area 60/30N 136/00W

Access Float plane to Worm Lake

Claims Rex 1-24 No.6265-6288

Ownership 50% Prospectors Airways Co. Ltd.-50% Alexander Seeley Jr. et al per agreement dated December 14th 1954

Summary of Outstanding Features

Boulder train of white quartz containing erratically distributed chalcopyrite mineralization approx. 600 feet long 12 feet wide in argillite. Erratically distributed chalcopyrite and quartz float in talus over horizontal distance of 3000 feet approx.

Opinions, Suggestions or Recommendations of Present Holder

Option Terms Company owns 50% and options 80% of Seeleys 50% for sum of \$98,000.00 No down payment, \$3,000 end of first year, \$15,000 end of second balance third yr.

Information is Based on Personal examination

Nature of Deposit Quartz tension vein in sedimentary formation containing erratically distributed chalcopyrite mineralization

Mineralization Coarse chalcopyrite mineralization containing low silver values.

Widths and Values Dimensions of quartz vein indicated by boulder train only at one location 600 feet long 12 feet wide. Grab sample of massive chalcopyrite mineralization with less 5% quartz assayed 25% Copper no nickel. Similar grab assayed by prospectors assayed about the same with 9 oz. silver per ton no gold. These represent hand picked specimens of the best mineralization and are not representative. The mineral in the float is very spotty.

Strike and Dip North 70 west Dip 80 south

Country Rock Interbanded argillite and shale

Present Known Extent and Possible Extensions There is a possibility of similar en echelon quartz veins containing chalcopyrite over a strike distance of 3000 feet. The float thrown by these possible veins is erratically distributed along the centre line of the north claims and does not appear very plentiful. The extension to the west is not apparent beyond a canyon wall on claim 8 and the veins appear to pinch out in this direction. To the east no float is apparent in the talus beyond the boundaries of claim 14.

Limiting Features The most apparent limiting feature is the type of quartz vein. Chalcopyrite-quartz veins are usually quite erratic and unless high gold assays are obtained are not economic. Such would appear to be the case here.

Workings, Kind, Amount, Location and/or Diamond Drilling

Nil

Lengths and Frequency of Exposures

See above

Known Commercial Sections

Nil

Known Non-Commercial Sections

Number, Dimensions and Grade of Ore Shoots Indicated

Nil

Possibilities of Developing Ore

Very doubtful.

Past Production, If Any

Nil

Dividends, If Any

Nil

Other Significant Features in History of Property

Previous Examinations

Nil

Reports, Plans or Other Sources of Information Attached plan of geology by F.A.Campbell shows location of vein and float w.r.t.claims.

Reasons for Property Lying Idle

Relation to or Comparison with Other Properties in the District

New Development (Since Last Examination)

Other Remarks The location from a production standpoint is fairly inaccessible and unless a showing of major importance was evident or indicated no further work would be warranted. For this reason the option with Seeley was lapsed and the claims will be dropped.

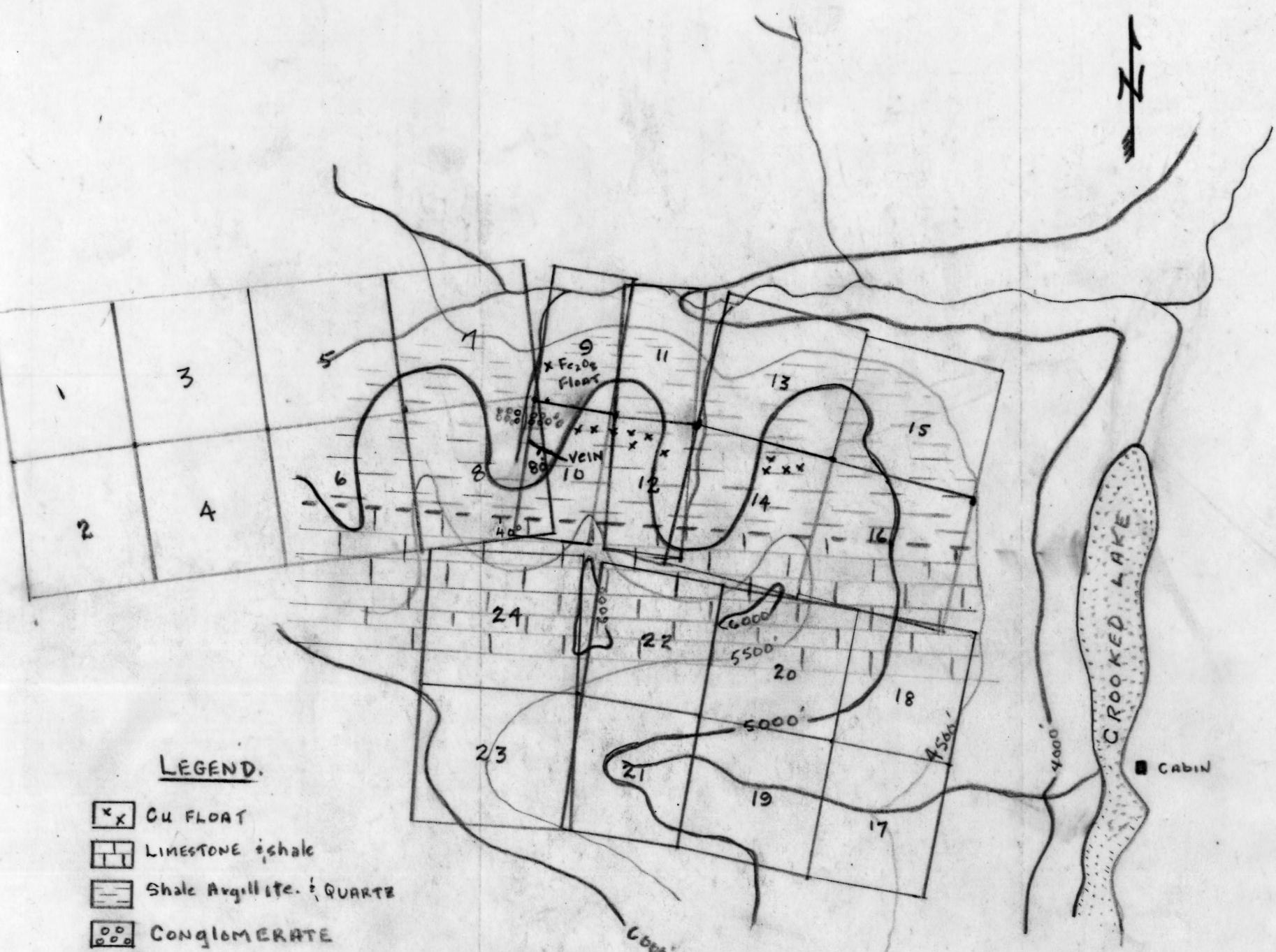
.....
Examining Engineer

E.O.Chisholm

Chief Geologist
.....

Date of Examination

June 30 July 1/55



LEGEND.

- x x CU FLOAT
- | | LIMESTONE & shale
- - - Shale Argillite & QUARTZ
- o o o CONGLOMERATE

REX GROUP HART R. Y.T.

LAT 64°30' N LONG 136° W.
1" = 1320'

F.A.C. JUNE 55

10513

Extract from letter written by J. E. Grasser to E. O Chisholm dated December 13th, 1954. 103M

Seely
Option

As I mentioned in my wire this morning, the agreement with Seely et al will be signed to-morrow. It is the terms you mentioned in your letter to Seely of November 1st with no cash payment until after a proper examination has been made in the Spring if you feel you wish to give them one. The actual date of the payment due is December 5, 1955 or one year from the date of staking. The recording forms have been complete and forwarded on to Mayo and I have given Wylie the signed transfers over to P.A. to be held in escrow with the option agreement. Trust this arrangement is completely satisfactory.

Dixon has gone in to stake some claims for Newkirk. The Teck-Hughes boys backed down at the last minute as their Toronto office was reluctant to spend the money when they didn't get first chance at the property.

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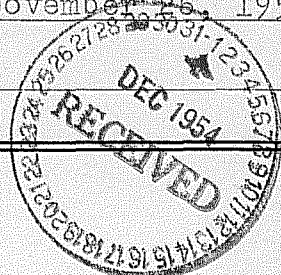
INTER-OFFICE CORRESPONDENCE

FROM J.E. Grasser

DATE November 26, 1954

TO E.O. Chisholm

SUBJECT _____



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

MESSAGE
(TO BE COMPLETED IN TRIPLICATE)

Dear Ted:

I have your letter of November 24th, but will only comment on the last paragraph at this time and bring you up to date on the Seely situation.

First of all, the "cat" is apparently out of the bag, but good, but I feel I have the situation well enough in hand that nobody is going to walk in on us. The plane is lined up for us the first available day for flying into that area. I have a grub order made up and it is just a matter of getting Al and the other two in there. It seems a couple of Bobby Auston's boys have been selling their interests high wide and handsome for a bottle here and there. They apparently approached a couple of the "sharp" boys around town and they in turn not knowing that Al was already employed for the deal went to him for financial assistance to go in and stake the ground. Al turned them down flat and will fulfill his part of the bargain to go in as our representative on the \$20.00 a day basis. Failing this they apparently wired somebody in Vancouver and it looks like it was Don Cannon, for last night Lil Dickson got a wire for Gordon from Don asking him to look into the matter of a new strike supposedly north of Mayo. Lil is making enquiries around as Gordon is still at the property (thank God) and Al and I are having quite a time making liars of ourselves. The Flying Service had a phone call from Vancouver this morning asking to have the plane reserved for a flight into the Mayo country, but Gordon Cameron assures me that ours comes first.

There is one thing that might cause complications that should the property turn out to be something worthwhile, I feel that Al wants to stake some claims for himself. I haven't discussed this matter with Al, but feel we are entitled to have at least 48 claims staked before he can do any staking himself. In this way at least the 6 men involved in the deal will have their 8 claims.

In talking to one of the young lads that made the original discovery, it would appear the mineralized zone is

INSTRUCTIONS FOR USE OF THIS FORM

Form to be completed in triplicate by originator. Two copies — No. 1 and No. 2 — to be forwarded to addressee. Copy No. 3 to be retained in originator's file until reply received. Addressee to complete reply in duplicate on reverse side of sheets 1 and 2 and return No. 1 to originator. In following this procedure both parties have the complete message and reply on one sheet of paper.

105 M 1

INTER-OFFICE CORRESPONDENCE



FROM _____

DATE _____

TO _____

SUBJECT _____

MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

six feet wide and could be traced for a distance of 1200 feet. Unfortunately, they were not well enough informed to be able to say what type of formation the zone is in.

Al plans on phoning you when they get back from the property, but will drop you another note just as soon as they get away.

Will give you the dope on the "frig" units in my next letter.

With very best regards.

Sincerely,

Jack

JEG/

(TO BE COMPLETED IN TRIPLICATE)

BELTA

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INTER-OFFICE CORRESPONDENCE

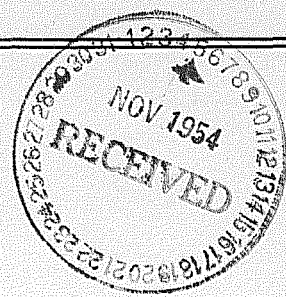
FROM J.E. Grasser

DATE November 2, 1954

TO E.O. Chisholm

SUBJECT _____

<input checked="" type="checkbox"/>	G.C.A.
<input checked="" type="checkbox"/>	G.E.
<input checked="" type="checkbox"/>	C.I.C.
<input type="checkbox"/>	M.H.F.
<input type="checkbox"/>	R.D.S.
<input checked="" type="checkbox"/>	ROC



MESSAGE
(TO BE COMPLETED IN TRIPLICATE)

CONFIDENTIAL

Dear Ted:

Further to what Ronnie has probably already told you re the possible copper find of Bobby Austin's, he contacted me again this morning and reiterated his first statement to me a few weeks ago that he would let P.A. have the first look and chance at his property. He is planning to go out again next week and do further prospecting on the ground with the hope of exposing further mineralization. The samples that have been brought in to-date have been fairly impressive looking massive chalcopyrite, but Bobby wants to expose as much as he can and do some channel sampling. When this has been done he will give me his samples and I will send them off to you for assay and appraising. Bobby is quite anxious to get as much work done on the property as long as the weather holds out, and he might even wish to have an examination made at this time if he has enough interest anybody. Please advise me what you think should be done should it come to this. It is going to be extremely difficult to keep this a secret if they do find anything of interest, as Bobby has a number of Indians that have a share in the property and he is having an increasingly difficult time to keep them from saying anything even now. It might be necessary to act fast when Bobby returns from his trip which will likely be in about two weeks time.

Nuff said for now. Best regards.

Sincerely

Jack

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105 M

A		
✓	A.D.	
✓	W.I.	
✓	C.A.	
✓	G.E.	
✓	C.L.C.	

November 1st, 1954

Mr. Alec Seeley,
Seeley's Pool Hall,
WHITEHORSE, Y. T.

Dear Alec,

Ronny Baker tells me the copper showing you were talking to me about is not staked and the discoverers could not be contacted before he left for Toronto. He understood that some of the Indians on the trip with Austen and Chambers were talking about going in to stake and were trying to get money to do so from T.C. Richards or Vic Wylie.

If this is the case it would be difficult to keep things quiet till Spring. We would be prepared to pay for the staking ourselves in return for an interest and if the showing stands up to an examination in the spring would make a cash payment as well. Let me know if you would be willing to look after this for us and what you consider would be fair terms.

It is the usual practice in matters of this kind for the company that puts up the expenses of staking, to take a 50% interest in the property. The remaining 50% is divided with the discoverers and the agent like yourself who brought it to our attention. The company also usually options back part of the prospectors' interest at fixed price. As an example, it would be as follows: Company provides all staking expenses and claims transferred to their name; prospectors receive a 50 per cent interest in the claims and the company takes a 50 per cent interest. The company options 40 per cent of the prospectors' half, leaving them 10 per cent free to dispose of as they see fit. For this 40 per cent, the prospectors ^{will} get \$3,000 at the end of the first year after staking, \$15,000 at the end of the second year and \$80,000 at the end of the third year. You would have to look after your own interest by arrangement with the prospectors on this sort of a deal. If the showing is good on examination in the spring, part of the \$3,000 first payment may be made on the spot.

TYPE OF

This is a good deal for all concerned when the merits of the ground are unknown as it does not cost the prospector anything to do the staking and if it turns out okay he gets good cash payments as well as 10 per cent to hold onto in case it eventually becomes a mine.

In any event let me know how things are going, Alec and your own ideas on the terms. If you cannot arrange the staking yourself, I can possibly get Al Kulan to do the job or Lofty Aird, but I have not mentioned this to them as you are the person I have been dealing with on the matter.

Best regards,

Yours sincerely,

E. O. Ghisholm,
Chief Geologist