

File 105 M 007465

Alex Smith & Associates Claims

Group Keno Hill Area

Nov 27 1958



# INTER-OFFICE CORRESPONDENCE

105M

FROM Mr. E. O. Chisholm  
TO Mr. R. Macrae

DATE Nov. 20th, 1958.  
SUBJECT .....

A		N
✓	W.S.R.	✓
	R.J.B.	
✓	E.O.C.	✓
✓	R.S.	✓
	B.C.B.	
	G.P.R.	
	E.L.D.	
	J.I.K.	
	(E.C.)	

### MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

Dear Rod:

Regarding my letter of October 10th in reply to yours of October 3rd, Sept. 24th and 26th, attached I think the EM work done with the Wedge, so far in the Keno district has failed to indicate the presence of underlying lead-silver veins. Crone did not think the curves over the Duff group detailed in your PIF form of October 21st were significant. The failure of the tests may be due to the peculiarities of the mineralogy and conditons existing in this camp listed below:

- (1) Poor conductance of lead-zinc veins.
- (2) Deep oxidation of veins (up to 750 feet).
- (3) Narrow width of mineralization (5-20 ft.).
- (4) Short lengths (rarely over 200 ft).
- (5) Presence of many interfering graphitic horizons.
- (6) Permafrost condition.
- (7) Rugged and variable topography.

In view of the above, I think any exploration here based on the Wedge, machine at this stage would be premature.

EOC/sb

E. O. Chisholm.

(TO BE COMPLETED IN TRIPLICATE)

rcb/A

TO .....

SUBJECT .....

FROM .....

DATE .....

# INTER-OFFICE CORRESPONDENCE

Mine

Duff + 1  
shaft

Date

Oct 19/58

Hole No.

See no

Sample

No

836

From

28

To

40 lbs

Sample Length

12 lbs

Remarks

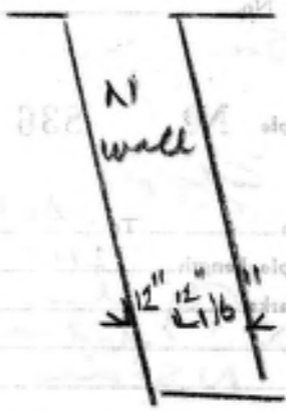
qtz floor  
in 1st round  
N side

Assay for

Ag Pb Zn

N.M.P. No. 503

Signed



230

Sample

Area for

N.W. 1/4 Sec. 20

Signed

Mine

Duff #1  
sluff

Date

OCT 19/58

Hole No.

Sample

NO

835

N wall shear

From

0

To

16ms

Sample Length

16ms

Remarks

low grade

streak  
fracture

Assay for

Ag Pb Zn

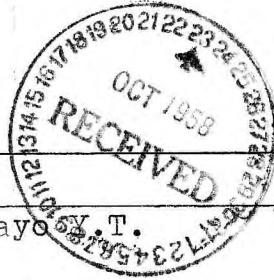
N.M.P. NO. 803

Signed

PM

**PROPERTY INFORMATION FORM**

Area 105 M.



Date... Oct 21st, 1958.....

Name of Property Duff Gp of 20 M.C.S

Presented by (with address) Alex Smith, Mayo, Y.T.

Date Oct 12th, 1958

Location 135- 25: 563-56-30

Access Via govt rd Elsa- Keno City to site

Claims Duff Gp of Mcs

Ownership A. Smith and assoc of Mayo, YT

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R.J.B.	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
E.O.C.	
H.A.P.	
R.D.S.	
E.C.B.	
G.P.R.	
E.L.D.	
I.I.K.	
<input checked="" type="checkbox"/>	<input type="checkbox"/>
E.C.J.	

Summary of Outstanding Features Strong fracture str 335 Az on or near contact of greenstone band, masked on surface by 25 ft depth of Yukon schists. This may be NNW str fault similiar to Calumet fault system.

Opinions, Suggestions or Recommendations of Present Holder

Shaft sinking at present to test for mineral at depth

Option Terms Not discussed

Information is Based on Preliminary exam. Oct 6th: exam dated Oct 19-20, 1958

Nature of Deposit fracture or fault vein on contact of ~~xxx~~ typical Galena Hill greenstone lense. predominantly sphalerite mineralization to present depth: some galena. some ~~sphalerite~~ assoc.

Mineralization Sphalerite, siderite, galena. siderite

Widths and Values best width of oxidized material 16 inch assays not reced yet

Strike and Dip 335-345 deg Az: 55-65 east dip

Country Rock capping: light brown schist: footwall greenstone

Present Known Extent and Possible Extensions None known

Limiting Features minor amount of galena showing in fracture

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

Surface stripping at several locations on claims: approx 1000 yds stripping completed

Lengths and Frequency of Exposures three exposures of fracture systems, probably unrelated over 1500 ft

Known Commercial Sections Nil

Known Non-Commercial Sections Nil

Number, Dimensions and Grade of Ore Shoots Indicated  
one

Possibilities of Developing Ore  
fair at shaft site

Past Production, If Any Nil

Dividends, If Any

Other Significant Features in History of Property Claims were orig staked by UKH: restaked and worked by present owner.

Previous Examinations preliminary examination of stripping and shaft Oct 6th.

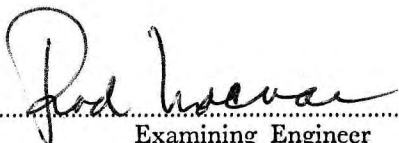
Reports, Plans or Other Sources of Information R.W Boyle's 57-1 preliminary GSC report and geol. map refers

Reasons for Property Lying Idle Not

Relation to or Comparison with Other Properties in the District Outcrops of hematite oxide on surface in fracture similiar to surface expression of other mineral showings on Galena Hill.

New Development (Since Last Examination) Shaft deepend 15 ft

Other Remarks Wedge EM survey attached

  
.....  
Examining Engineer

R. Macrae

.....  
Date of Examination  
Oct 19-20, 1958

# INTER-OFFICE CORRESPONDENCE

FROM E.O. Chisholm

DATE October 10th, 1958.

TO Rod Macras

SUBJECT .....

## MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

	W.S.R.	✓
	R.J.B.	
	E.O.C.	
	H.A.P.	
	R.D.S.	✓
	S.C.R.	
	G.P.R.	
	E.L.D.	
	H.K.	
	E.C.I.	

Dear Rod:

Thank you for the data on the Keno Hill claims. Your assessment indicates that it would be a rather lengthy and probably expensive proposition to put together the whole group of claims on Keno Hill mentioned in your proposal.

The amount of money mentioned here would be a major commitment either in cash payments or work guaranteed.

My original thought on the matter was that if the Wedge machine worked over known Keno Hill type of veins then it might be possible with a limited amount of work, to pick up similar veins under the light overburden existing there. To date this test has apparently been a failure with the Crone equipment. Where this type of survey is effective then you are faced with the normal expensive and slow process of tracing float by test shafts, bulldozing and driving adits.

At this range I would say, as you pointed out in your proposal of September 24th, that it all depends on the test with the EM unit. Perhaps the additional work you are doing with the machine will give a clear indication if it is possible to use it there.

  
Regards,

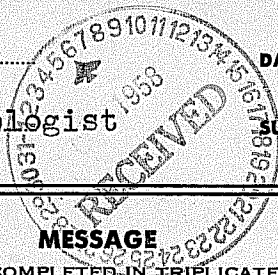
(TO BE COMPLETED IN TRIPLICATE)  
gshp

TO .....  
FROM .....

# INTER-OFFICE CORRESPONDENCE

# INTER-OFFICE CORRESPONDENCE

FROM..... Rod Macrae..... DATE Oct. 3rd., 1958.....  
 TO..... E.O. Chisholm, Chief Geologist..... SUBJECT Keno Hill Claims.....



A		N
	W.S.R.	<input checked="" type="checkbox"/>
	R.J.B.	
	E.O.C.	
	H.A.P.	
	R.D.S.	
	E.C.B.	
	G.F.R.	
	E.L.D.	
	J.I.K.	
	E.C.J.	

Dear Ted:

Enclosed is an outline of a group of claims on Keno Hill, equal to approx. 26 full claims which might make an interesting study for possible option and development.

The outline shows the relation to United Keno Hill Mines Ltd ground: the detail on the map indicates the showings adits, trenches, shafts etc, which generally are locations of silver-lead mineralization. Boyles interpretation of the structure of the veins and vein faults are on the map and recent work in the area by UKH is bearing out this interpretation.

*MARK ON GALENA HILL*

Enclosed also, is a claim map of the area, from which the claim outlines were transposed to the geo-chemical map.

There are a number of problems involved in securing an option on these claims: however, both Alex Smith, and Harry Ewing, who, are promoting this deal, think that reasonable terms could be secured on most of the claims.

It appears that a good starting point, if we wanted to initiate a discussion with the owners, would be to sound out Comstock Keno Mines on the subject. I understand George Webster, is the prime mover in that company, although he is not listed on the board in the Handbook. Within the group, eleven of the claims are owned by Comstock Keno and they are rather well located.

Possibly you might give me an opinion on this before I go much further on a research project on it. I have quite a lot of information on parts of the area, concerned in these claims and the following appears to be a preliminary assessment:

(TO BE COMPLETED IN TRIPLICATE)

1) There is a good possibility of developing sufficient milling ore to support a small mill from existing known showings, provided the economics of mining from and providing mill feed from 4 or 5 locations could be shown to be favorable.

2) A number of the owners are estates: in those cases,

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FROM.....

DATE.....

TO.....

SUBJECT.....

### MESSAGE

..2..

(TO BE COMPLETED IN TRIPLICATE)

a cash value would, I understand, have to be placed on the claim and the option secured on that basis. I think it would be reasonable to propose a down payment in such cases and some form of terms of payment at stated intervals. This would then mean, assuming that the group warranted immediate production, that the first profits would have to go to paying off the claim owners involved in cash deals. Any such deals should therefore be tied in with production from the mineral on the claim concerned, i.e a form of net smelter return.

3) Access to the area is good: water for drilling can be secured provided right to dam Hope creek basin could be secured.

4) UKH's assessment of the claims they own in the area is evidently favorable since they are preparing two drives for ore haulage. The structure of the veins and vein faults appears to be similar on the eastern block of 16 claims in this group.

5) A preliminary study of the history of Keno and Galena Hills suggests that generally, the silver values are higher on Keno than on Galena Hill, and I think that the assessment of any showing in this group should be based on the silver content alone to see if it could stand up to a costing estimate.

Larry & I have done some preliminary work on the Tango with the Wedge EM. I ran a North south line crossing the No 6 Vein, the Comstock Porcupine vein to the NW corner of the Tango. The test was a flat failure since I was unable to secure anything nearly resembling a null on either instruments. Noise level in the earphones was very high.

Later the same day, I ran a test line on a vein on the North side of Galena Hill about due north of the Comstock and found the null was quite sharp although the test did not indicate a cross-over.

I understand Moreau did some EM work with a Turan on Keno Hill ground and the net results were not too good. I plan further tests at Mayo, starting next week: the test on Keno Hill is certainly puzzling, in fact the noise level in

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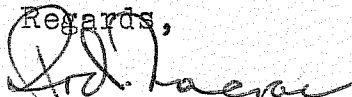
SUBJECT.....

## MESSAGE

(TO BE COMPLETED IN TRIPPLICATE)

the earphones was so high that it could be heard one hundred feet away. Other than that the instruments are working OK.

Please give me your opinion and comments on the claim groups referred to here,

Regards,  
  
Roderick Macrae

Encl: Two claim maps

(TO BE COMPLETED IN TRIPPLICATE)

gch/A

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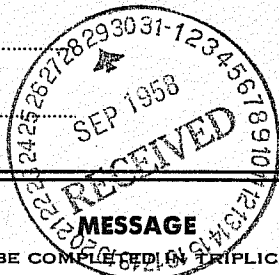
105 M South/Tango  
Pencil

# INTER-OFFICE CORRESPONDENCE

FROM Rod Macrae  
TO Ted Chisholm

DATE Sept 26th, 1958

SUBJECT



A	W.S.R.	N
	R.J.B.	
	E.O.C.	
	H.A.P.	
	R.D.S.	
	G.P.R.	
	E.L.D.	
	J.I.K.	
	E.C.J.	

Dear Ted: Enclosed is a summary on a group of 18 M.C.s on the south side of keno Hill, Mayo M.D. that may be attractive as a development proposition. Emil Forrest brought the Tango Claim- which he owns- to our attention, and I went up there with Larry to examine it and to test the Wedge EM over the vein type lead silver deposits in the area.

Information we picked up suggests UKH are short of ore, at Calumet particularly. Stope miners are on bonus for one thing and they are shipping development rock from the Porcupine to the Elsa mill for another.

Last year they drove a development heading on the Shamrock claim which is NW of the claim block we are considering, Results were good and I believe the lower production adit now underway will tap that area as well as the No 6 and No 9 veins (outlined on the enclosed map,)

As you know, by now the EM refused to operate and Crone are shipping us another Helper coil. Plan to return to Mayo and do some further testing at two or three different places,

Regards,

(TO BE COMPLETED IN TRIPLICATE)

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105 M

South Group

# INTER-OFFICE CORRESPONDENCE

FROM Rod Macrae

DATE Sept. 24th, 1958

TO Toronto- file

SUBJECT Claim group - Keno Hill  
Mayo M.D. Y.T.



W.S.R.	
R.J.B.	
E.C.C.	
H.A.P.	
H.D.S.	
E.C.B.	
E.L.D.	
J.I.K.	
E.C.J.	

## MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

Attached are sketches, claim layouts, summaries of existing information on the subject of a series of 18 mineral claims comprizing approx 12 full mineral claims that have been offered to Prospectors Airways for examination and option to purchase.

### Claims:

Tango No 43 Owner Emil Forrest, Whitehorse Y.T.

17 mineral claims and fractions owned by Alex Smith and associates of Mayo, Y.T.

References: Various geol reports and reports of current development from 1904 to 1938 summarized as follows

1938- On the south west side of Keno Hill, Corp and Ryan owned mineral claims, did some trenching, and uncovered vein or veins. Claim names not known but probably in Hope Ck gulch.

1936- Treadwell Yukon worked their Hope Gulch property. a head frame and shaft to 125 feet were completed, 1000 tons of milling ore was stored on dump and 100 tons of shipping ore was exported. Genreally, the grade of shipping ore was 250 ozs silver and 60 % lead, The claims are not identified but were probably the Porcupine or the Wolverine adjoining the Tango.

1935- Referring to the Porcupine claims: a camp and access rd to this claim was under construction. On the Gold Star (Lone Star?) a showing of galena and Grey copper was found. The Gold Star is located one claim NE of the Tango and adjoins the Porcupine, north of the Tango M.C.

1932- Development work was going on on the Porcupine M.C. ore was found near surface, the first level being driven at 40 ft below surface

Andrew Johnson worked his Hope Gulch property. No claim is identified. At unnel was driven a short distance some ore was encountered.

1930- In this year the first references is made to the 70-60 deg az trending longitudinal fault systems and the transvers e vein faults. Cockfield report Postulate d the theory that the intersections of the Long. faults and the transverse vein faults might be the only place where mineral concentrations could be expected.

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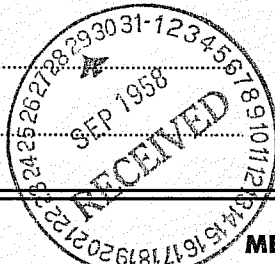
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FROM.....

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## MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

On Keno Hill development work was recorded on the Porcupine Cl. Work was also done on the Nabob by Beauvette, consisting of a shallow shaft and a series of opencuts tracing a NE trending vein from the bdry with Keno Hill Mines Ltd ground. On the Stone claims Matt Butyer drove a tunnel in unconsolidated material (later extended in the same material for over 250 ft before bedrock was reached.) On the Dorothy at the head of Charity Gulch two fifty ft shafts were sunk. Only mineral encountered was specks of grey copper.

1929 Cockfield- At the head of Charity Gulch Teressa claim owned by Smith was prospected and the extension of the Kinman vein was located which vein had been previously located on the Porcupine M.C.

On the Apex claim an open cut and winze were driven on a N 45 deg E vein which contained principally calcite and sphalerite. On the Vanguard D Fergusson and assoc found heavy galena float.

1923 - Cockfield- Silver lead discovered by L Beauvette in July 1919. 500 claims staked Yukon Gold Co formed and aquired Roulette, Keno, Scotty, Solo #2, Pinochle, Wolverine and Reco. Veins Nos 1,6,9,3,4,5, were located and labelled. No 9 was the principal producing vein between 1919 and 1923. Up to 1923 No 9 produced 80000 tons of 200 oz Ag from parts of the veins confined between schist walls.

### History of Keno Hill with reference to the Charity- Hope Creek areas.

The original production in the 1920s of mineral came from the No 9 vein fault on the south side of the Keno Summit. Wernecke's production came mainly from the Sadie - Friendship area on the North side of the hill and from the Silver Queen-Highlander area on the North watershed. and apart from sporadic operations, these have been the only sizable producers.

The Onok Mining company- a fore runner of UKH- completed a n extensive and expensive and disastrous development of some claims on Erickson Gulch on the west slope of the hill. UKH carried on the development to completion and outlined a large sphalerite- pyrite mineralized zone , low in silver values.

The only record of production from the area of the claims involved in this proposal was 100 tons shipping ore and 1000 tons of milling ore plus 7000 tons mineral that

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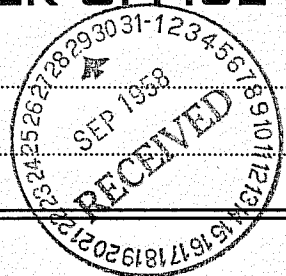
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	J.I.K.	
	E.C.J.	

FROM.....

DATE.....

TO.....

SUBJECT.....



3

## MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

is described as coming from No 9 vein fault. Location of the ore shoots in this fault is not identified and, of course some of the material probably came from the north side of Keno Hill.

The present status of claims on Keno Hill in terms of blocks of claims that might be subject to development is as follows:

UKH own a pannel of claims striking N-S from the old Wernecke camp to the head of Hope Gulch: plus the Onek property on Ericjksn Ck on the west slope: plus a block of claims on the north side of Hope Ck east of the Porcupine-Wolverine-Tango bdry. Bill Cathro owns a block of claims straddling Faith creek. Mount Keno owns a block of claims on the west side of Charity creek.

Emil Forrest, Alex Smith and assoc own a block of 18 claims and fractions on the north side of Lightning Creek between Hope and Charity Creeks. See sketch attached.

It is this latter block that concerns the above study.

Current history of the south side of Keno Hill- the vicinity of Hope and Charity Cks.

UKH- Completed one tunnel thru Keno Hill from Hope Gulch to Faro Gulch-(North side) using existing work done prior to this year. Cleaned out an existing winze that follows the No 9 vein fault down from the adit level to a point 300 ft vertically below the adit. Commenced a second entry 500 ft below the old top tunnel from the side of the ~~main~~ west fork of Hope Creek. This is a line drive which has been commenced recently and is 40 feet from the collar of the adit. Commenced a shipping road from the lower adit to Keno City along Lightning creek that is 75% completed. At present development muck from the top tunnel, (No 9 vein) is being transported to Elsa Mill.

Tango. No prospecting or work until recently. Some stripping by the owner has uncovered brown and blue interbanded schists and more stripping this season is contracted for.

Vanguard. No production reported: there may have been small hand mining operation. There has been recent trenching on this claim in at least two places.

Mount keno: This property adjoins the A, Smith and Assoc group on the west side. The property which has a development history since 1947, is under lease to Parry O'neill who has moved

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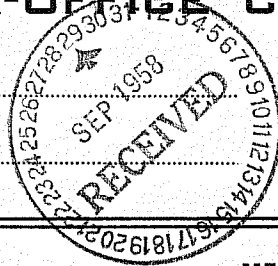
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	E.C.J.	

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## MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

small tonnages of shipping ore from this property.

Comstock Keno- This property has a shaft and adit on the principal claim. No production reported. The claims are located on the north side of Hope Gulch on strike of No 6 vein.

### Geology:

The claim group is underlain by the Central quartzite formation, according to Boyle (55-30: 1957) This formation in the area of the claims consists of Keno Hill Schist and Greenstone member which outcrops both east and west of Hope Creek and underlies the eastern third of the claim block. Boyle states it is composed of a lower sericite schist member, a central complex of phyllites and greenstone overlain by graphite schist and an upper member of sericite schist the western two-thirds of the claim group are underlain by Boyles Principal quartzite, composed of thick and thinbedded quartzites, with interbedded schists and a few greenstone lenses

### Transverse and longitudinal vein faults system:

No 6 system. Strike 65 deg Az, dip 75 deg SE., this system outcrops 2200 ft north of the claim block and is a typical longitudinal vein system

the Comstock Keno -Porcupine system outcrops 700 ft North of the claim block and dips 70 to 85 degs SE. A longitudinal vein fault.

The Helan vein fault outcrops on the north side of the Hope Gulch and the projection of its strike westward would pass thru the Tango Claim.

The Runner vein fault on the Mount Keno claims and the Vanguard vein fault are transverse types striking North 45 deg east and dipping from 45 to 75 degs east. Its surface trace outcrops on the east bdy of the claim block

Two topographic lineaments that may be surface expressions of transverse vein faults are mapped on the west side of the claim block.

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SUBJECT .....



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	R.J.B.	
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	R.D.S.	
	E.C.J.	
	G.P.R.	
	E.L.D.	
	J.I.K.	
	E.C.J.	

..5..

## MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

### Assessment:-factors

With the exception of surface work on the Vanguard consisting of ntrenching, and some bulldozer stripping on the Tango, no work has been done on the claims. The practice has been to "represent" rthe claims, for five years and secure a survey and apply for a 2l yr lease, and this practice has been the norm on most of these claims. On the Vanguard, owners can show galena in one pit.

The possibility of finding both types of vein-fault systems similiar to that existing on the ~~work~~ north west side of the claim block is considered better than average. the host rocks are such that any strong vein fracture would intersect competent quartzites on the western 2/3 of the group with good possibilities of tonnage.

Recent developpment on the adjoining UKH ground indicates they have developed 500 ft of vertical continuity on the number 9 and number six vein systems. Grade of development rock must be such that a profit can be secured since it is being trucked to Elsa some 15 miles distant. The grade of stoping ore in the area would be considerably richer.

The claim block is accessible, at present via a switch-~~back~~ back road, 5 miles long that connects the north side of the block with existing govt-maintained roads at veno city. A new accessroad, currently under construction crosses the claim block from east to west and will make all the roads to service any development site, short ones.

Water in any quantity for drilling is not readily available. the north side of the block is at 5000 ft: the south side is at 3500 ft ASL on Lightning ck. Drilling water would have to be lifted 1000-1500 ft for the north half of the block.

Little is known of the depth of overburden although there are rock outcrops on the ridge between Hope and Charity Creeks. It is estimated by reliable sources that based on experience stripping in the area, the depth of overburden in the area would be less than 20 ft and in most places between 5 and ten ft.

Examinations: A route travers over the claims has been done and a test base-~~line~~ line for EM survey on the Tango has been prepared. Inconjunction with this, a test panel will be run

### 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.

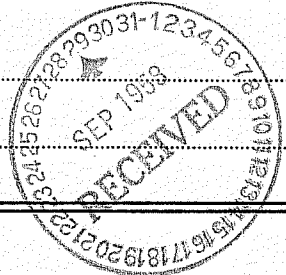
# INTER-OFFICE CORRESPONDENCE

FROM .....

DATE .....

TO .....

SUBJECT .....



A		N
	W.S.R.	
	R.J.B.	
	E.O.C.	
	H.A.F.	
	R.D.S.	
	D.C.B.	
	E.L.D.	
	L.K.	
	E.C.J.	

## MESSAGE

(TO BE COMPLETED IN TRIPLICATE)

over the surface-trace of the No 6 vein fault system. This vein has been stripped for some distance and can be tested.

### Proposal:

(1) Depending on the results of the preliminary tests, with the EM unit, and predicating the following proposal on the fact that the claim owners have offered the claims to us for purchase, some form of option along the following lines is estimated to be the best as an initial offer to option:

(2) Agree to form a four-million share company on the group and divide the vendor consideration equally between P.A. and the optionors, if preliminary development warrants.

(3) Agree to conduct a complete survey of the claims and support the cost of surface stripping and any sub-surface development, to a pre-determined cost estimate, which sum shall be by mutual agreement.

(4) The usual terms covering such agreements contained in our standard agreement to option would apply.

Encl: Claim sketch of 18 claim gp and adj. cls. Claim overlay on Boyles Geol Map.

Respectfully submitted,  
*Roderick Macrae*  
Roderick Macrae

(TO BE COMPLETED BY ADDRESSEE)

gubj)

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M 201

105 M

LINE 0+00

Hand Map

NORTH  
B.h.

5100E 5100 4100 3100 2100 1100E 0 1700W 2700W 3700W 4100W 5100W

+20

+10

-20

-40

SHAFT  
VEIN  
SITE

SURFACE

15'  
VEIN FRACTURE

Traced on Boyles

63-57 C.S.C. 57-1

135-25

BASELINE 335° Az

KENO

ALT DIORITE, CABRIL  
(Greentone)

GRAPHITE SCHIST  
CHALCOPRITE

LOWER SLATE FORMATION

THICK BEDDED QUARTZITES

CALUMET

DUFF GP MCS  
GALENA HILLYT.  
LINE 0+00

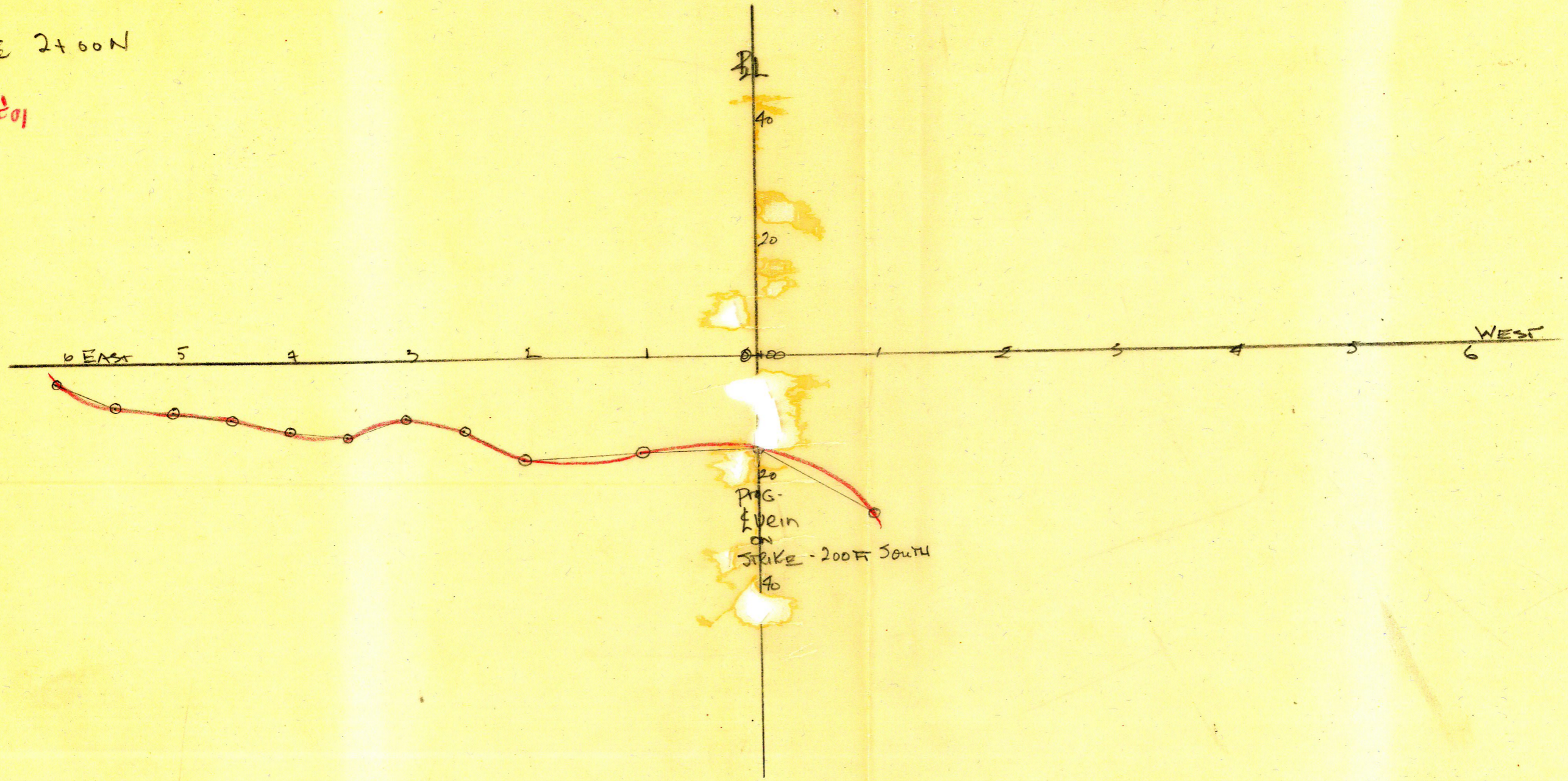
WEDGE EN SUY  
INTERVAL 300 FT  
OCT 19/58

Bil

105 m

LINE 2+00N

M 201

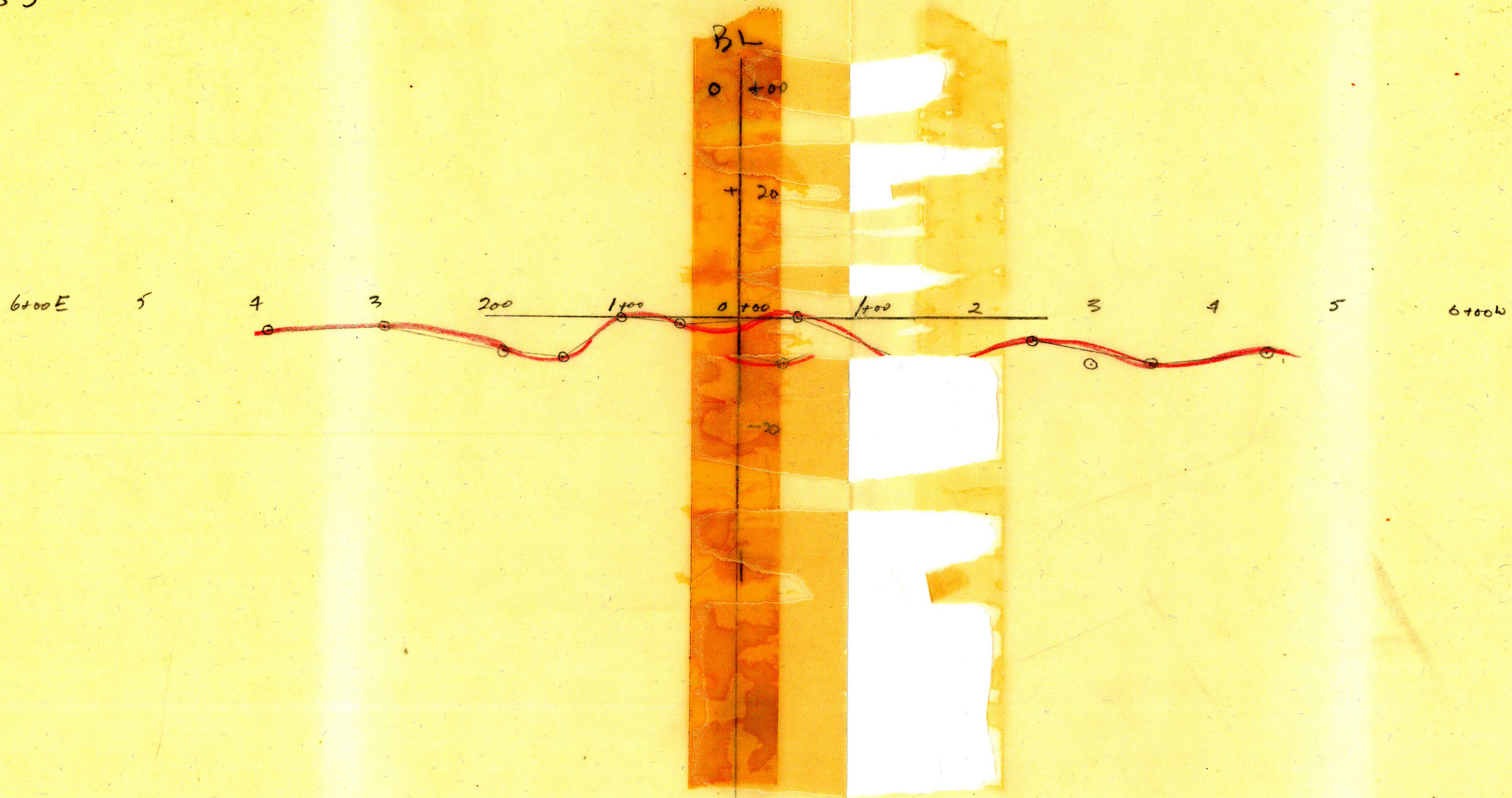


DUFF GP MS  
 GARLAND HILL  
 LINE 2+00N  
 WEDGE EM SWY  
 OCT 19/48  
 Pul

M 801

105 M

2105



Duff GP  
 Geneva Hill  
 Line 2105  
 Oct 19/58  
 P.M.