

M. B. ...
From: PESO SILVER MINES

Contact:
Frank Walden, MU 4-6221

007485

105 M.

*attach to
of May 1963*

W.S.R.
K.O.B.
P.F.
R.D.S.
B.O.B.
P.M.K. ✓
G.W.M.
H.A.P.
C.R.W.
J.B.S.
G.P.R.
K.F.L.
J.P.
E.S.J. (circled)

Peso Silver Mines has become the major shareholder of Mayo Silver Mines Limited as a result of a court judgment in Vancouver last week.

Mayo Silver has 366 claims in the Yukon Territories near Mayo. The claims are east of Peso's major holdings and north of the Silver Titan group where Peso is exploring the Shanghai property.

In two seasons' work on the Mayo Silver claims, bulldozer trenching and geochemical surveys have pointed up two interesting anomalies.

Peso's shares in Mayo Silver Mines result from negotiations begun in April, 1964.

At that time, control of Mayo was exercised by Cross Bow Mines Limited which held 527,500 vendor shares. Three Cross Bow directors -- Dr. Aaro E. Aho, C. S. Walker, and Roger Verity -- agreed to transfer this vendor stock to Peso. The fourth director, Stanley Cropper, objected, and sought a court order preventing this transfer.

Cropper contented in B. C. Supreme Court that there was an agreement among directors that no director would dispose of his shares without the unanimous consent of all. The other three directors said no such agreement existed, and Mr. Justice J. E. Aitkins dismissed Cropper's claim.

As of today, there were 1,374,630 shares of Mayo Silver Mines outstanding. (Feb. 23, 1965)

KERR-ADDISON GOLD MINES LIMITED
44 KING STREET WEST
TORONTO 1, ONTARIO

105.M

attach to previous
corresp. May '63
MAY 13 1963

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

May 10th, 1963.

Mr. Roger Verity,
Mayo Silver Mines Ltd.,
633 Hornby Street,
VANCOUVER, B. C.

Dear Roger:

Thank you very much for submitting the data
on Mayo Silver Mines properties in the Haggart-Lynx Creek area,
Yukon Territory.

Our commitments in the Yukon this year are
so heavy that we feel we cannot take on additional work for the
coming season.

We enclose the well documented information
which you so kindly submitted to us.

With best regards,

Yours sincerely,

KERR-ADDISON GOLD MINES LIMITED

William M. Sirola.

c.c. Dr. P. M. Kavanagh

Encl.
WMS:xl

C
O
P
Y

105 M.

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

W.S.R.	
K.C.G.	
G.H.M.	
R.D.S.	
B.C.B.	
PMK.	<input checked="" type="checkbox"/>
C.M.W.	
E.D.C.	
H.A.P.	
J.B.S.	
G.P.R.	
E.L.D.	
J.H.B.	
E.C.J.	
D.V.B.	

To.....W. M. Sirola.....From...P. M. Kavanagh.....

Subject.....Mayo Silver Mines Properties, Haggart-Lynx Creek.....Date.....May 1, 1963.....
Area, Mayo District, Yukon Territory.

This is to confirm our verbal understanding of yesterday afternoon that we should decline to take any interest, at least at present, in these Mayo Silver Mines' properties in the Mayo district.

Attached is the report which you sent attached to your April 5th memorandum.



Paul M. Kavanagh,
 Chief Geologist - Exploration.

PMK:dt
 Attach.

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

APR 8 1963

To..... P. M. KAVANAGH..... From..... W. M. SIROLA.....

Subject..... MAYO SILVER MINES PROPERTIES,..... Date..... April 5th, 1963.....
HAGGART-LYNX CREEK AREA, MAYO DISTRICT,
YUKON TERRITORY.

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

Roger Verity of the Peso organization brought L. G. White's report to this office about one week ago. Peso would like to have Kerr-Addison participate with them in the continued exploration of these claims.

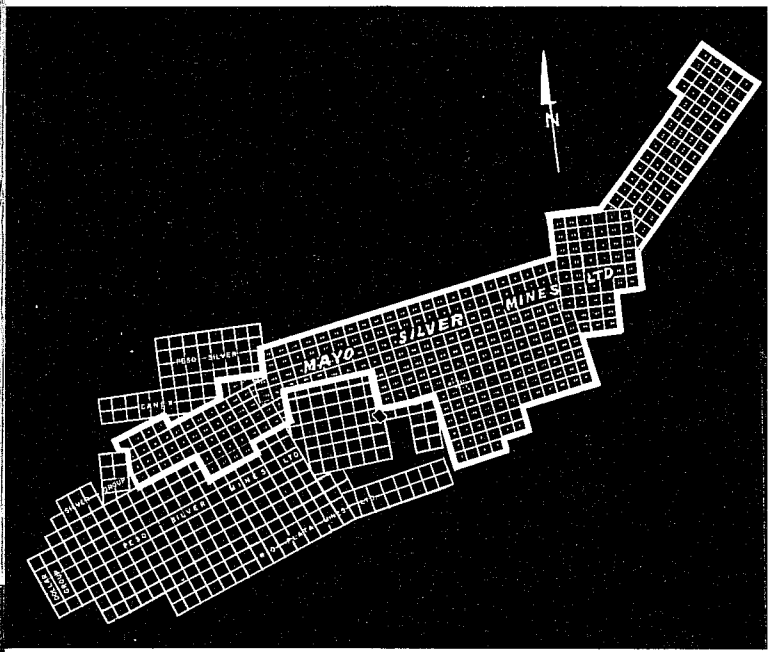
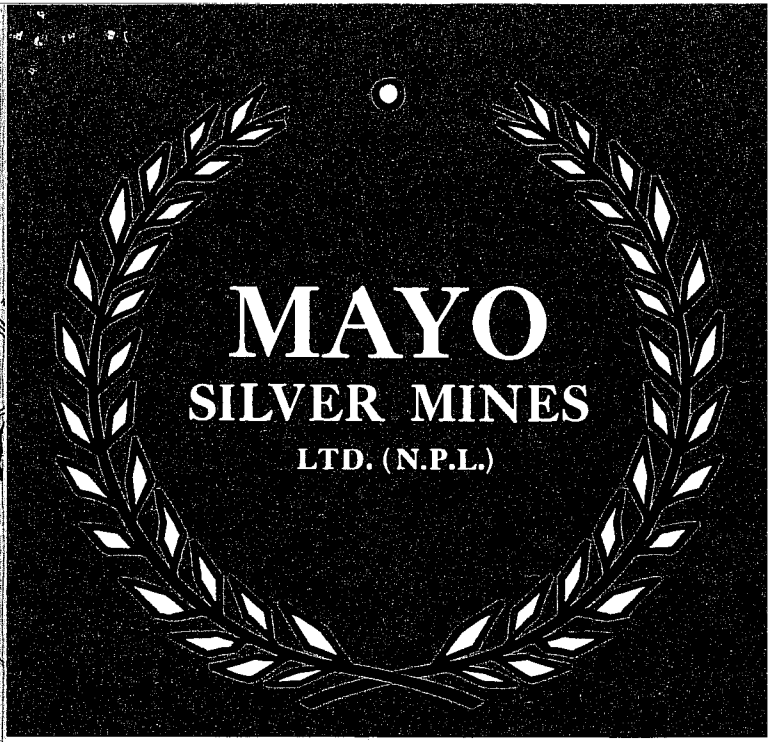
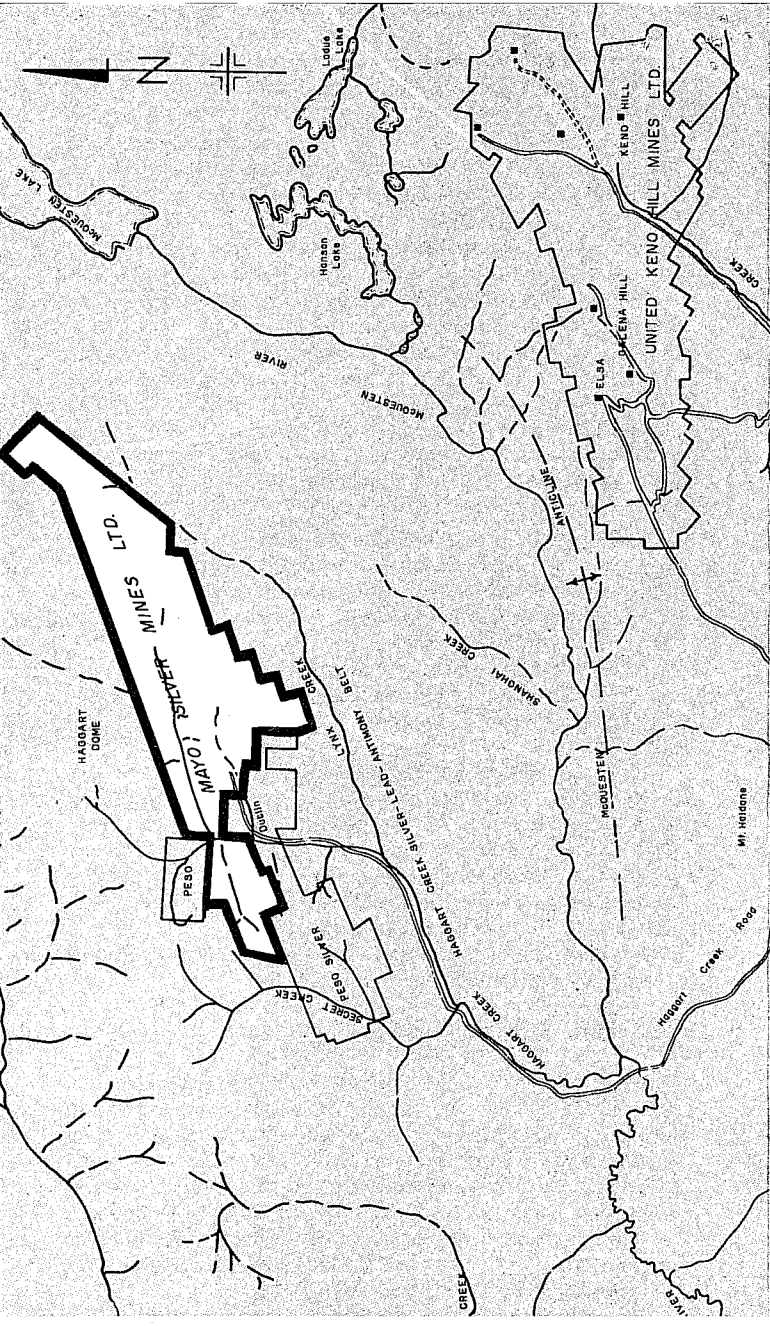
While I do not doubt that these are worthwhile properties, I feel that we are sufficiently involved in the Yukon for the coming season to obviate any additional programs.

Would you please return the report when you have finished with it.

RS.

per. William M. Sirola.

Encl.
WMS:rl



SILVER IN DEMAND

Silver is gaining increasing world interest, due in part to its scarcity and the large deficit of production as against consumption.

World consumption in 1962 reached an all time high of 366 million ounces, some 167 million ounces more than production.

Silver finds its greatest use in coinage and due to its excellent properties is highly suitable for silverware, jewelry, silverplate, photographic industries, goldening alloys, electronics industry, water purification, engine bearings, catalysis and many other uses.

Rising price, increasing demand and declining production assure a brilliant future for silver.

MAYO SILVER MINES LTD. (N.P.L.) is actively engaged in a major development programme in one of Canada's most productive silver regions.

This is a speculative issue of interest.

March 20, 1963.

EXPLORATION WORK TO DATE

The following information has been compiled to provide you with some of the interesting facts pertaining to Mayo Silver Mines Ltd. (N.P.L.) and to give you a more comprehensive picture of the development of this exciting enterprise.

The Company was incorporated on June 5, 1962 with an authorized capitalization of \$5,000,000.00 divided into 5,000,000 shares of a par value of \$1.00 each.

Location of the property is approximately 35 miles north of Mayo, Yukon Territory, and consists of 366 mineral claims in good standing. The ground is roughly 15 miles in length and varies in width from one mile to three and one half miles. Visualizing an area almost twenty times the size of Vancouver's Stanley Park (1000 acres) gives a fair indication of the magnitude of the property. The western half is bordered on both the north and south by the property of the very favourably known Peso Silver Mines Ltd. To our south-east lies the United Keno Hill Mines Ltd., Canada's number one silver producer, and the fourth largest in the world.

During the past season, under the supervision of W. S. Ellis, mining engineer, an extensive exploration and prospecting programme was initiated. Fifteen miles of road were completed, to give greater accessibility to the eastern and western ends of the ground, also to our base camp, which was located in the vicinity of Potato Hills, in approximately the centre of the property. In conjunction with this work, considerable trenching was done by bulldozer and consequently several very favourable mineral showings were revealed. Assessment work was incorporated with this phase of the operation and as a result, one year's work was recorded on 286 claims, and 2 years work was completed on the remaining eighty.

A recent report to Mayo Silver Mines Ltd. submitted by L. G. White, Consulting Mining Engineer, included the following excerpts: "The main rock types observed were quartzites, schists, argillites and limestones intruded by numerous granite porphyry dykes and sills. In general the area has always been considered favourable from a geological viewpoint to contain potential mineral deposits.

Three mineral discoveries were exposed which require further work to assess their potential worth:

LYNX SILVER-LEAD SHOWING

The above showing was discovered by bulldozer stripping in the vicinity of an original prospect pit sunk by old-timers in early 1900 near the headwaters of Lime and Lynx Creeks.

Removal of overburden near the shaft exposed an oxidized shear zone in the thinly banded argillites, approximately 30 feet wide, containing a continuous band of massive galena for an exposed length of 30 feet.

The new zone appeared to be a parallel mineralized band to the one located in the original shaft 8 feet toward the footwall of the oxidized zone. Selected samples taken from the approximate ton of sulphide material stockpiled near the shaft returned 48.8 ounces of silver and 64.3% lead per ton.

NORTH POTATO HILL GOLD SHOWING

Prospecting in the vicinity of original caved trenches on the North slope of Potato Hill recovered large chunks of quartz float which returned assays of 1.38 ozs. gold; 9 ozs. silver per ton; and .58 ozs. gold; 4 ozs. silver per ton.

Bulldozer stripping followed by hand trenching was successful in exposing a definite quartz vein cutting across altered quartzite beds in an East-West direction with an average 80° dip to the South.

Two hand trenches across the vein exposed in place and 50 feet apart returned 0.24 ozs. gold and 0.1 ozs. silver per ton across 4 feet, and 0.86 ozs. gold and 2.5 ozs. silver across a sampled width of 5 feet.

RAY GULCH GOLD SHOWING

Bulldozer trenching in talus material on the Northeast edge of Ray Gulch disclosed a bedded replacement type of vein occurrence along a favourable horizon in the flat dipping quartzite-argillite sequence of rocks bordering the North side of Lynx Creek.

Mineralization consisted of massive bands of arsenopyrite up to 3 feet thick which pinched and swelled along the strike of the sediments for an exposed length of 80 feet along the side hill trench.

Grab samples of the massive sulphide assayed 0.38 ozs. gold per ton. Hand cleaning of the mineralized band and chip sampling across 2.5 feet gave values of 2.02 ozs. gold and 3.65 ozs. silver per ton.

Prospecting across the gulch and at the same horizon approximately 500 feet to the West located large float pieces of typical arsenopyrite mineralization.

Four additional target areas were selected for continued close prospecting and investigation."

FURTHER DEVELOPMENT

Plans for the approaching season, as recommended by Mr. White, include the further development of those previously mentioned zones, by several teams of competent prospectors. An intensive programme of trenching, sampling and mapping of the mineralized areas will be concentrated on, plus a continuation of the essential work by bulldozers. A minimum crew of ten men will be required for this surface work, and diamond drilling will commence when recommended by the consulting engineer.

This programme adds up to a very active forthcoming season, also considering the rapidly rising price of silver on the world markets, plus the mining industry's inability to supply the constantly increasing demand for this commodity, the future for this metal has never looked brighter.



For immediate information write or phone:

MAYO SILVER MINES LTD. (N.P.L.)

204-475 HOWE STREET, VANCOUVER 1, B.C.

TELEPHONE 685-8368