

105 B14
007643

FILE COPY

6415 - 64th Street, Delta, B.C.

INTER-OFFICE MEMORANDUM

DATE: February 18, 1983.

TO: David H. Watkins

COPIES TO:

FROM: Alex J. Davidson

SUBJECT: Logjam Ag - Au Property - Yukon

The Logjam Ag - Au property, brought to our attention by FL is located 13 km north of the Alaska Highway 240 km west of Watson Lake Y. T. The property is accessible by road and adjoins Amax's Logtung property to the north.

The property consists of eight Ag-Au-Pb-Zn veins which occur in and at the margins of a diorite dyke cutting the surrounding sediments. Thirty four full and twelve fractional Yukon claim blocks make up the property. Two of the claims however are under dispute by Amax.

HISTORY - Hudson Bay drilled 1256 m on the property in 1945 and let the claims lapse. Macassa Gold did 206 m of crosscutting and 800 m of u/g diamond drilling in 1965 and dropped the option. Pure Silver Mines (connected with the present owners) did more drifting and crosscutting in 1967. In 1979 Rebel Developments optioned the property but later dropped it.

REGIONAL GEOLOGY - The Logjam Creek district lies on the southwest flank of Cassiar Batholith which consists of at least four intrusive phases which cut a Devono-Mississippian sedimentary sequence. The sediments are chert, argillites qtzites and minor limestone. Some skarnification has gone on.

As mentioned above the mineralization consists of 8 Ag - Au veins which occur within a 450 m wide zone and trends NE across a NW striking diorite dyke. This dyke is 400 m wide. Best grades occur where the veins are in the dyke. The only intersection of two veins seen is not mineralized. The veins themselves are up to 1 metre thick and dip vertically. They occur in two distinctive sets; one strikes 060/SE and the other strikes 030/NW.

A vast amount of sampling has been done over the years. The following lists some of it:

SURFACE CHIP SAMPLING

<u>Vein</u>	<u>No. Samples</u>	<u>Slope Length (m)</u>	<u>Average Thickness (m)</u>	<u>Au(o/t)</u>	<u>Ag(o/t)</u>	<u>Pb(%)</u>	<u>Zn(%)</u>
5	8	176.8	0.71	0.20	25.4	3.7	5.5
6	6	140.2	0.94	0.11	20.2	2.7	1.0

SURFACE DRILL CORE INTERSECTIONS

<u>Intersections</u>		<u>Elev.(ft)</u>	<u>Core</u>				
<u>Hole</u>	<u>Vein</u>		<u>Length(m)</u>	<u>Au(oz/t)</u>	<u>Ag(oz/t)</u>	<u>Pb(%)</u>	<u>Zn(%)</u>
1	5	4870	0.40	0.18	74.7	22.1	4.7
3	5(?)	4840	0.34	0.04	12.6	4.0	2.0
5	4	5020	0.91	0.03	10.8	3.6	2.3

AVERAGE GRADES OF DRIFTED MINERALIZATION

<u>Level</u>	<u>Vein</u>	<u>Length(m)</u>	<u>Width(m)</u>	<u>Au(oz/t)</u>	<u>Ag(oz/t)</u>	<u>Pb(%)</u>	<u>Zn(%)</u>
5150	6	12.2	0.73	0.16	21.9	2.5	3.1
		35.1	0.85	0.13	15.4	4.8	3.4
5600	5	13.7	0.94	0.14	17.8	2.5	3.5
		15.2	0.88	0.11	8.1	1.4	4.8
		12.2	0.71	0.12	12.0	1.2	2.1
	6	3.0	0.76	0.09	16.5	2.7	1.3
		3.0	0.76	0.09	17.0	1.9	0.3

<u>Vein No.</u>	<u>Length (m)</u>	<u>Width (m)</u>	<u>Au (oz/t)</u>	<u>Ag (oz/t)</u>
6	74.0	0.50	0.12	13.4

SAMPLES COLLECTED IN AUGUST 1982

	<u>Thickness</u>	<u>Au(oz/t)</u>	<u>Ag(oz/t)</u>	<u>%Pb</u>	<u>%Zn</u>	<u>%Co</u>
JBGL1	2.5'	.026	5.53	4.12	3.69	0.85
JBGL2	1.5'	.076	9.60	3.21	1.04	0.22
JBGL3	Grab	.528	11.56	9.98	4.91	0.11
JBGL4	Grab	.098	14.82	7.50	8.38	0.16
JBGL5	3'	.296	7.83	7.74	6.54	0.14
JBGL6	Grab	.032	3.31	1.32	3.05	.066

During road construction in 1980 six more veins were discovered on the property.

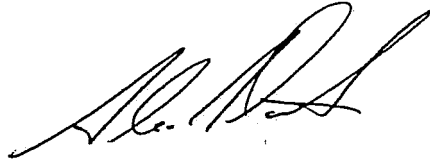
UNDERGROUND DEVELOPMENT - There are two adits presently on the property; one at 5150 level and the other at 5600 level. The lower adit has been driven 478.5 m. while the upper has only been driven 219 m. Only two of the eight known veins have been explored.

TONNAGE AND GRADES - An ore reserve calculation by W. Phrendler in 1979 established "probable" reserves at 77,000 tons grading 0.088 oz/ton Au and 11.44 oz/ton Ag.

DISCUSSION - RECOMMENDATIONS

J. B. Gammon in his report on the property in November 1982 recommended acquiring it. I recommend no action be taken on the property for the following reasons.

- 1) The property is quite remote and not in our immediate area of interest.
- 2) Vein Ag - Au properties are not our highest priority at this time.
- 3) Legal matters complicate the property and the property may have liens against it.
- 4) Presently grade and tonnages are not adequately defined and potential would seem to be limited in this type of deposit.

A handwritten signature in black ink, appearing to read 'Alex J. Davidson', written in a cursive style.

Alex J. Davidson

AJD/ik