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105 F.

attach to  
Silver Key mine  
Oct 65  
& update

# KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

- W.S.R.
- K.C.G.
- J.H.S.
- E.F.
- R.D.S.
- B.C.B.
- PMK. ✓
- G.W.M.
- R.U.M.
- C.K.W.
- J.B.S.
- G.P.R.
- K.F.L.
- J.L.B.
- (E.C.I.)

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

Subject..... Silver Key Silver-Lead Property,..... Date..... February 28th, 1967.....  
Kitza River Area, Yukon (105/G).

Attached is a copy of a report which Leon La Prairie gave me when I visited him on January 26th at his invitation.

At that time he said that Hecla was actively considering entering the picture. I have since been told that Hecla's suggested terms were considered too rough by Silver Key.

As the report points out, a geochemical survey last summer turned up new mineralization, mainly on adjoining Hunch ground (another La Prairie company). The silver-lead ratio of little better than 1 to 1 remains in my mind quite a detriment to the property being economic in the near term.

I didn't express any active interest in our part. Their ideas of a deal, having done quite a bit of initial work, are probably more than we would consider justified for a sub-marginal situation in this rather stringent budget year.

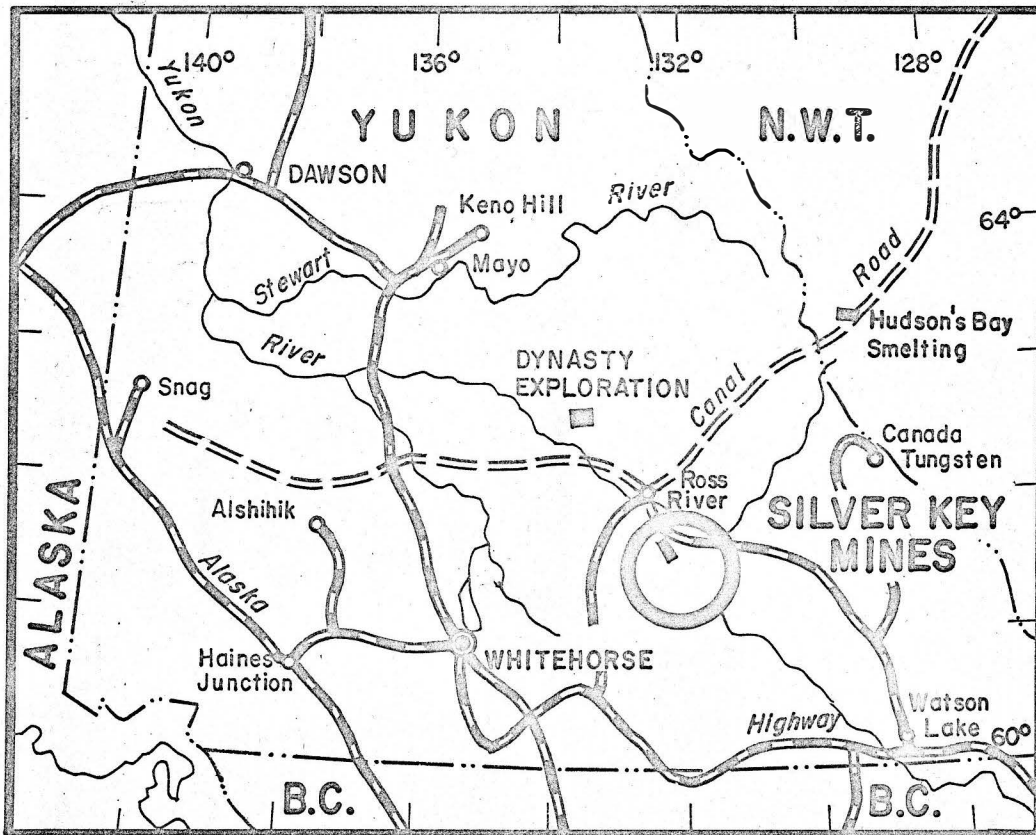
You can look over the report and comment on it at your convenience.

Paul M. Kavanagh  
Chief Geologist - Exploration.

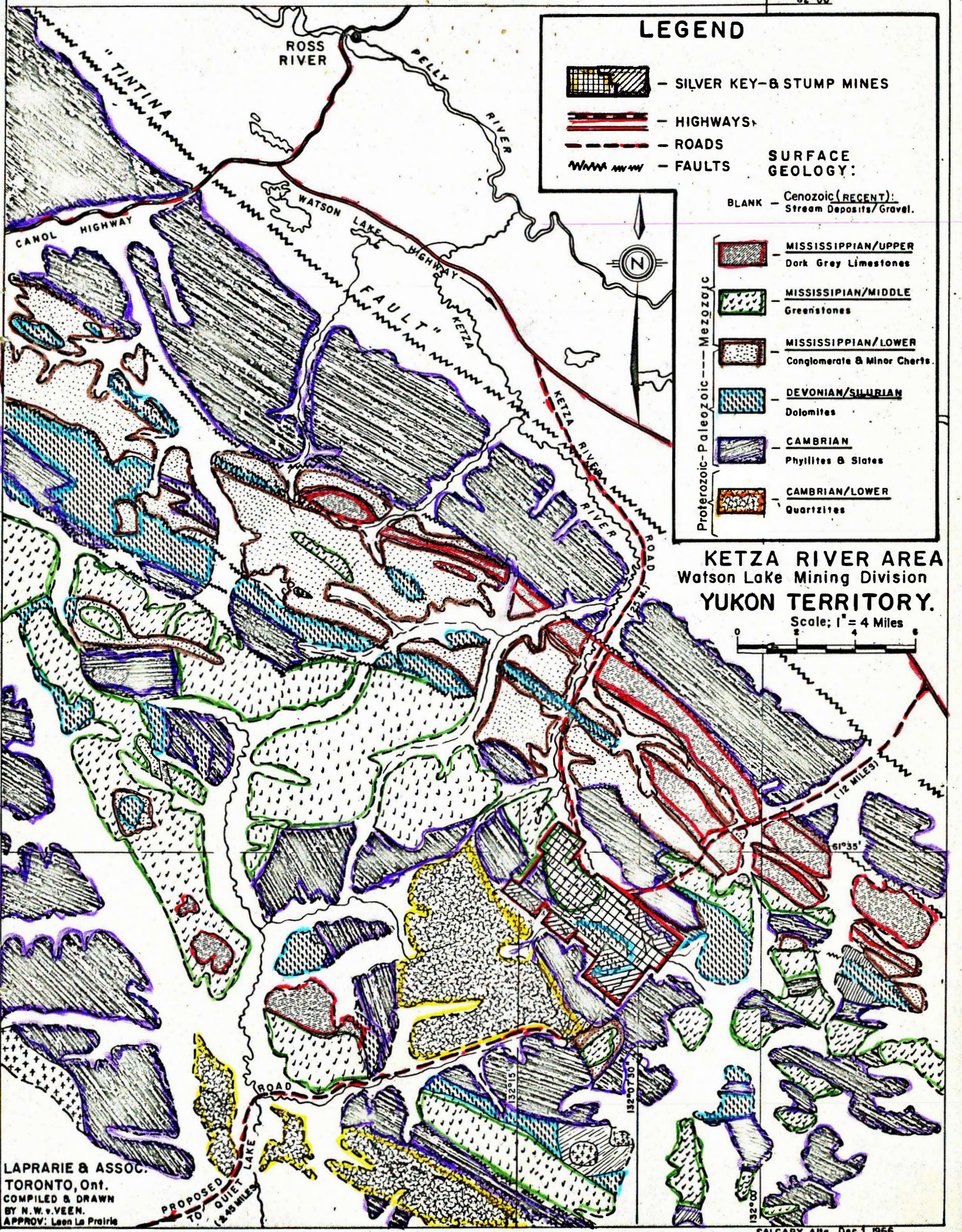
PMK:sw

Enc.




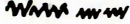
SILVER KEY MINES LIMITED







COMBINED PROGRESS REPORTS  
FOR  
NOVEMBER AND DECEMBER, 1966.



# LEGEND

-  - SILVER KEY-& STUMP MINES
-  - HIGHWAYS
-  - ROADS
-  - FAULTS

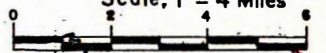
## SURFACE GEOLOGY:

- BLANK - Cenozoic (RECENT):  
Stream Deposits/Gravel.
  -  - MISSISSIPPIAN/UPPER  
Dark Gray Limestones
  -  - MISSISSIPPIAN/MIDDLE  
Greenstones
  -  - MISSISSIPPIAN/LOWER  
Conglomerate & Minor Cherts.
  -  - DEVONIAN/SILURIAN  
Dolomites
  -  - CAMBRIAN  
Phyllites & Slates
  -  - CAMBRIAN/LOWER  
Quartzites
- Proterozoic - Paleozoic - Mesozoic

### KETZÁ RIVER AREA

Watson Lake Mining Division  
YUKON TERRITORY.

Scale: 1" = 4 Miles












LAPRARIE & ASSOC.  
TORONTO, Ont.  
COMPILED & DRAWN  
BY N. W. v. VEEN.  
APPROV: Leon La Prairie

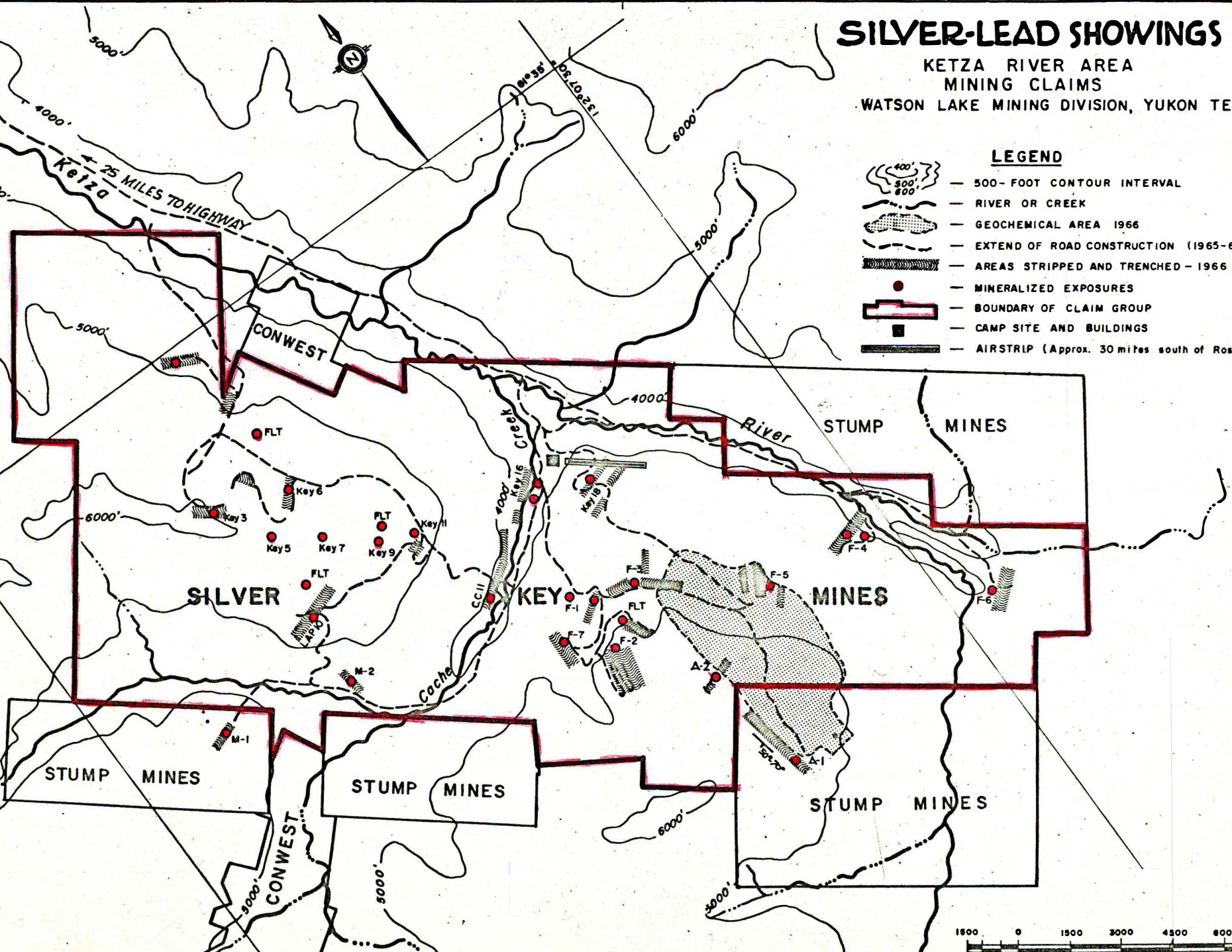
# SILVER-LEAD SHOWINGS

KETZA RIVER AREA  
MINING CLAIMS

WATSON LAKE MINING DIVISION, YUKON TERR.

### LEGEND

-  — 500-FOOT CONTOUR INTERVAL
-  — RIVER OR CREEK
-  — GEOCHEMICAL AREA 1966
-  — EXTEND OF ROAD CONSTRUCTION (1965-66)
-  — AREAS STRIPPED AND TRENCHED - 1966
-  — MINERALIZED EXPOSURES
-  — BOUNDARY OF CLAIM GROUP
-  — CAMP SITE AND BUILDINGS
-  — AIRSTRIP (Approx. 30 miles south of Ross River)



SILVER KEY MINES LIMITED

PROGRESS REPORT

PERIOD ENDING DECEMBER 31st, 1966.

ACCESSIBILITY AND COMMUNICATION:

The campsite and main working areas are connected by tote and mine roads to the Ross River - Watson Lake Highway. The distance to Ross River is approximately 40 miles which takes three to four hours by a four-wheel drive vehicle.

The following is pertinent data covering the routes of the three mine roads:

KETZA RIVER ROAD - 25 miles to Ross River - Watson Lake Highway and 40 miles to a potential smelter site in the Dynasty area.

STAR CREEK ROAD - 12 miles to Ross River - Watson Lake Highway and then south 480 miles to railhead at Fort St. John in British Columbia.

QUIET LAKE ROAD - 45 miles to Quiet Lake Highway and then 40 miles to Alaska Highway at Johnson Crossing and then 80 miles to railhead at Whitehorse in the Yukon.

A bush airstrip is within 500 feet of the campsite and located in the mid-section of the property. The airstrip requires gravelling for everyday use.

Radio-telephone communications is available in the area either via Fort Nelson, B. C. or Whitehorse, Y. T.

KETZA CAMP:

The company owns a winterized camp to accommodate a crew of 12 which includes four (4) portable trailer units; a wash-house, two (2) living quarters and a cookery; these units are now stored at Ross River. A workshop, garage and powder house are located on the Ketz River property.

# SILVER KEY MINES LIMITED

## PROGRESS REPORT

December 31st, 1966.

### OTHER PROPERTY INTERESTS:

Adjoining the company's main Ketz Valley holdings, Silver Key Mines Limited retains a 10% interest in the 18 TIP Claims staked by Stump Mines Ltd.

Silver Key Mines has acquired a Concession covering 15 square miles in the County of Limerick, Ireland. This property lies on the carboniferous limestone-sandstone contact for a distance of seven (7) miles. It is known to have favourable reef structure over this strike length. The ground warrants careful exploration for Lead-Zinc-Copper mineralization. The property adjoins the holdings of Irish Base Metals, an associate of Northgate Exploration.

### WORK COMPLETED DURING PERIOD:

#### SURFACE EXPLORATION

1. A portal site was located for the development of the A-1 Zone. A transit survey has located a portal site which will allow some 150 feet of backs for mine workings.
2. The A-2 anomaly was initially bulldozed. A trench 24 feet wide, 8 feet deep and 80 feet long was worked during the period.

Galena float was found in the A-2 bulldozing which was similar in characteristics to the A-1 mineralization. Further work is required to get through the perma frost to bedrock.

3. The A-7 anomaly was stripped to bedrock by a trench 16 feet wide, 8 to 10 feet deep and 200 feet long. The stripping of the A-7 exposed a bedrock formation of shale and limestone. Two shear zones were uncovered with pyrite and a number of quartz veins; some galena float was found.

SILVER KEY MINES LIMITED

PROGRESS REPORT

December 31st, 1966.

SURFACE EXPLORATION (cont'd)

4. The A-5 anomaly was stripped for a length of 80 feet to a depth of 10 feet. Bedrock was not reached and no mineralization was encountered.

EQUIPMENT:

An inventory of all equipment was completed and the main equipment was moved to Ross River for storage.

FIELD PROGRAM TO DATE:

Some 20 mineralized zones have been made accessible to vehicular travel and exposed by surface stripping. A limited amount of diamond drilling has been used to examine the geological and structural trends of some zones.

The mineralized zones occur as open fractures that have been vein-filled and faulted. The main mineral is silver rich galena and tetrahedrite is present in lesser amounts. The zones generally strike North to Northeast and dip Westerly. The known veins have been found in an area six (6) miles long and two (2) miles along the West side of the upper reaches of the Ketza River; the campsite being in the centre of this area.

PROPOSED PROGRAM:

1. UNDERGROUND DEVELOPMENT:-

To further evaluate the economic potential of a number of the zones, underground exploration has been recommended for those which particularly lend themselves to adit development and which are described below, being listed in their order of program priority.

SILVER KEY MINES LIMITED

PROGRESS REPORT

December 31st, 1966.

1.

UNDERGROUND DEVELOPMENT:-(cont'd)

- "A" ZONE This zone is contained in an anomaly determined by a geochemical survey conducted as a joint program with Stump Mines. The anomaly has a length of 3,000 feet; 1,800 feet on the Stump property and 1,200 feet on Silver Key ground. 1,040 feet of the anomaly has been stripped and a galena vein exposed. 600 feet is of solid steel galena varying in width from one (1) to six and a half ( $6\frac{1}{2}$ ) feet. The remaining 440 feet is also mineralized but is weathered and fractured and will require further trenching before it can be evaluated. A length of 600 feet with an average width of 4 feet yielded channel sample assays averaging 32.6 oz. silver per ton and 27% lead.
- "LAP 10" ZONE This zone has been stripped, trenched and sampled along its known length of 410 feet. The average width of the vein is  $3\frac{1}{2}$  feet. The channel sampling yielded assays averaging 35 oz. silver per ton and 38% lead.
- "F - 3" ZONE This zone has been traced by stripping and trenching for a length of 500 feet. Channel sampling of a solidly mineralized section 120 feet long and of an average width of 5 feet yielded assays averaging 78.7 oz. silver per ton and 43.3% lead.
- "F - 2" ZONE The known length of this zone is 900 feet; the average width 12 feet. Channel sampling in a mineralized sector in the order of 100 feet long and over a width of 36 feet gave assays of 17.9 oz. silver per ton and 23.7% lead. An 11-foot diamond drill core section yielded a gold assay of .32 oz. per ton.
- "CACHE CREEK" ZONE This zone has been exposed for a length of 300 feet with widths varying from 4 to 30 feet. A 5 foot chip sample gave assays of .06 oz. gold and 11.46 oz. silver per ton and 10.7% lead.

SILVER KEY MINES LIMITED

PROGRESS REPORT

December 31st, 1966.

1.

UNDERGROUND DEVELOPMENT:- (cont'd)

"KEY 3"  
ZONE            The known zone length is 600 feet with a mineralized sector of 175 feet with an average width of 3 feet which has been sampled. Channel samples averaged 40 oz. silver per ton and 7.6% lead.

The footage involved and the estimated cost to explore the above zones by underground development would be approximately.

<u>ZONE</u>	<u>FOOTAGE</u>	<u>COST</u>	<u>TYPE OF DEVELOPMENT</u>
A	2,000	\$250,000.00	Cross-cut and drifting
LAP 10	500	62,500.00	Drifting
F-3	500	62,500.00	Cross-cut and drifting
F-2	1,000	125,000.00	Drifting
CACHE CREEK	1,000	125,000.00	Cross-cut and drifting
KEY 3	400	50,000.00	Cross-cut and drifting
	<u>5,400</u>	<u>\$675,000.00</u>	

2. SURFACE EXPLORATION:-

Initial examination of the undermentioned zones by preliminary exploration indicates that they merit further work.

<u>ZONE</u>	<u>ASSAYS</u>		<u>LEAD</u>	<u>TYPE OF SAMPLE</u>
	<u>GOLD</u>	<u>SILVER</u>		
	<u>ounces</u>	<u>per ton</u>	<u>%</u>	
KEY 6		63.7	70.06	Mineralized specimens to ascertain silver content.
KEY 9		135.0	75.8	
KEY 11	.02	15.1	31.0	
F-5		42.3	36.1	
F-6		144.9	71.4	
F-7		66.2	78.6	
SOUTH FAULT		77.2	45.2	

The cost of further exploration of these zones is estimated to be \$155,000.00.

SILVER KEY MINES LIMITED

PROGRESS REPORT

December 31st, 1966.

3. GEOCHEMICAL SURVEY:-

A geochemical survey covering other areas of the Silver Key Mines' property is warranted and such a program, to be followed by bulldozing of any favourable targets revealed, is recommended. The estimated cost of such a program is to be contracted.

The total cost of all the work recommended herein amounts to approximately \$870,000.00 (details below).

Underground Development	\$ 675,000.00
Surface Exploration	155,000.00
Soil sampling	<u>40,000.00</u>
	<u>\$ 870,000.00</u>

SILVER KEY MINES LIMITED

PROGRESS REPORT

SUMMARY OF MINERAL HOLDINGS:

1. KETZA RIVER - YUKON:

<u>CLAIMS</u>	<u>FRACTIONS</u>	<u>NO.</u> <u>CLAIMS</u>	<u>EXPIRY DATES</u>
KEY 1-4		4	November 28, 1966
KEY 11		1	November 28, 1966
KEY 13-20		8	November 28, 1966
KEY 29-37		9	November 28, 1966
KEY 5-9		5	November 28, 1967
KEY 21-24		4	November 28, 1967
KEY 26		1	November 28, 1967
KEY 28		1	November 28, 1967
KEY 10		1	November 28, 1968
KEY 12		1	November 28, 1968
KEY 25		1	November 28, 1968
KEY 27		1	November 28, 1968
JAN 1 & 2	KEY 1 - 4 (4)	2	November 28, 1967
	KEY 5 (1)		November 28, 1966
LAP 1-21		21	February 15, 1967
PEX 1-11		11	February 15, 1969
NORTH KEY 1-16		16	August 30, 1968
MONA 1	MONA 1 (1)	1	-----
TOTAL OWNED:		<u>6</u>	<u>88</u>

SUMMARY OF MINERAL OPTIONS:

RUSTY 7 & 8		2	December 19, 1968
RUSTY 24 - 31		8	December 19, 1967
RUSTY 32 - 39		8	December 19, 1968
CAP 1 - 15		15	December 19, 1968
DON 6 & 8		2	December 19, 1968
DON 13 & 15		2	December 19, 1968
	CAP 1 (1)	<u>1</u>	
TOTAL OPTIONS:		<u>37</u>	
GRAND TOTALS:		<u>7</u>	<u>125</u>

COMPANY'S TOTAL PROPERTY HOLDINGS: 7 Fractions; 125 Claims.

HOLDINGS IN IRELAND CONSISTS OF 15 SQUARE MILES.

All the above expiry dates in 1966 and 1967 have been extended to 1968. Assessment has been submitted to the Mining Recorder.

SILVER KEY MINES LIMITED

PROGRESS REPORT

December 31st, 1966.

WORK COMPLETED TO DATE:

<u>PREVIOUS WORK</u>	<u>WORK DURING PERIOD</u>	<u>WORK TO DATE</u>
Roads Constructed:- 53½ miles	nil.	53½ miles
Yards Trenched:- 141,000 cu. yds.	A-2, A-5, A-7, 12,000 cu. yds.	153,000 cu yds.
Diamond Drilling:- 1,855 ft. "A" Core	nil.	1,855 feet
Geochemical Survey:- 400 acres	nil.	400 acres
Mineralized Zones Exposed:	nil.	
27		27
Samples Taken		242
Assays of Samples		745
TOTAL COMPANY EXPENDITURES FROM DATE OF INCORPORATION:		<u>\$493,080.00</u>

EQUIPMENT ASSETS: (see Progress Report of October, 1966)

Approximate Value of fixed assets on property \$121,580.00.

SILVER KEY MINES LIMITED

PROGRESS REPORT

December 31st, 1966.

<u>COMPANY'S SHARE DATA</u>	<u>ISSUED</u>	<u>MONIES RECEIVED</u>
Directors' Shares	5	\$ 5.00
Vendor Shares	1,060,000	
Underwriter	1,613,500	511,750.00
		<hr/>
		<u>\$ 511,755.00</u>

# # # # #

EMPLOYEES' OPTIONS: 40,000

VENDOR OPTIONS FOR CLAIMS  
(expires June 15, 1967 -  
Applying for extension to  
December 15th, 1967). 400,000

TOTAL OPTIONS OUTSTANDING:- 440,000

SUMMARY:

CAPITALIZATION	5,000,000
UNDERWRITTEN	1,613,505
VENDORS	1,060,000
OPTIONS OUTSTANDING	440,000
OTHER TREASURY SHARES	1,886,495

SILVER KEY MINES LIMITED

PROGRESS REPORT

December 31, 1966.

ESTIMATED FIELD BUDGET FOR JANUARY, 1967.

PERSONNEL:

William Monea	\$ 1,150.00
Leon La Prairie	
Father Rigeault (re storage of equipment)	
Fairclough Option - Agreement dated November 1st, 1966.	800.00

OFFICE EXPENSES:

Secretarial, Supplies, Drafting, etc.	300.00
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Estimated Cost for January, 1967 -	<u>\$ 2,250.00</u>
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Operating Cost from date of incorporation October 1964 to December 31st, 1966.	\$493,080.00
Estimated cost for January, 1967.	<u>2,250.00</u>

TOTAL OPERATING COST TO JANUARY, 1967.	<u>\$495,330.00</u>
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