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TORONTO 1, ONTARIO

Telephone:
366-0705

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July 12, 1967

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Mr. Paul Kavanagh,
Chief Geologist,
Kerr Addison Mines Ltd.,
1600 - 44 King St. W.,
Toronto 1, Ontario.

Dear Paul:

This is a follow-up to bring you to date with the program on the Ketz claims in the Ross River area.

Stump Mines have resumed work on the 'A' zone. The present plans are to strip by bulldozing the known 3,000 foot length of the 'A' zone in a joint program with Silver Key Mines - see attached for outline of 'A' zone.

Yours very truly,

STUMP MINES LTD.

Leon

Leon La Prairie

LL/tm
Encl.

INFORMATION FOR SHAREHOLDERS

SILVER KEY MINES LIMITED

1102 - 347 Bay St.
TORONTO 1, Ontario.

TELEPHONE
366-0705

LETTER NO. 5
March, 1967

COMPANY'S HOLDINGS:

The Silver Key Mines' mineral holdings in the Ross River area of the Yukon Territory consist of 130 wholly-owned and 38 optional claims. A 10% interest in the 18 Tip Claims staked by Stump Mines Ltd., adjacent to the southeast boundary of Silver Key is retained.

ACCESSIBILITY:

The Silver Key Mines' campsite and main working areas are connected by mine road to the Ross River Highway. The distance to Ross River is approximately 40 miles.

EXPENDITURES:

Since its incorporation the Company has received \$511,750.00 from the sale of 1,613,500 shares. Operating costs to November 30, 1966 amounted to approximately \$478,000.00 (including the cost of fixed assets at the Ketz River property having an approximate value of \$121,580.00).

WORK COMPLETED:

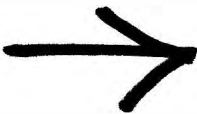
At the Ross River property 53½ miles of roads were constructed, which includes 25 miles of access road to the property and 141,000 cubic yards of trenching completed. Diamond drilling amounted to 1,885 feet and a geochemical survey was made on an area of 400 acres; 27 Silver-Lead Zones were exposed.

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.

"A" ZONE



This zone is contained in an anomaly determined by a geochemical survey conducted in late fall of 1966 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. 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. The remaining 440 feet stripped is also mineralized but requires further trenching to be systematically sampled.

"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 3½ 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 100 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.

"KEY 3" ZONE

The known zone length is 600 feet. A mineralized sector of 175 feet with an average width of 3 feet 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 as follows:

<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. ADDITIONAL STRIPPING:

The undermentioned zones by preliminary exploration indicate that they merit further work and stripping by bulldozing has been recommended.

<u>ZONE</u>	<u>GOLD</u>	<u>SILVER</u>	<u>LEAD</u>
KEY 6		63.7 oz.	70.06%
KEY 9		135.0 oz.	75.8
KEY 11	.02 oz.	15.1 oz.	31.0
F-5		42.3 oz.	36.1
F-6		144.9 oz.	71.4
F-7		66.2 oz.	78.6
F-4		77.2 oz.	45.2

The above assays are from selected specimens to ascertain the presence of Silver. The cost of additional stripping and trenching is estimated to be \$155,000.00.

3. GEOCHEMICAL SURVEY:

A geochemical survey covering the remainder of the claim holdings is warranted and such a program is to be followed by bulldozing of any favourable targets revealed, if recommended. The estimated cost of the geochemical survey is \$40,000.00.

FINANCING:

In the opinion of the directors it would be advantageous to conduct the above recommended program as part of a joint exploration effort with Stump Mines Ltd. and an agreement to such effect has been concluded with that company. Negotiations to obtain the necessary financing are at present underway and it is hoped that an early start on the work will be possible.

The total cost of all the work recommended herein is estimated at \$870,000.00.

