

Some note

attach to prospectus  
correspondence

105.F.

# SILVER KEY MINES LTD

( Silver - Lead - Zinc - Copper )

## ROSS RIVER AREA Watson Lake Mining Division. YUKON TERRITORY

The Yukon is a Territory of Canada with an area of 207,000 square miles.

While it is largely undeveloped, many highly mineralized areas are known to exist. The recently, additionally, discovered lead, silver and zinc deposits in the ROSS RIVER Area are developing into a large tonnage mining complex of major economic importance to the YUKON.

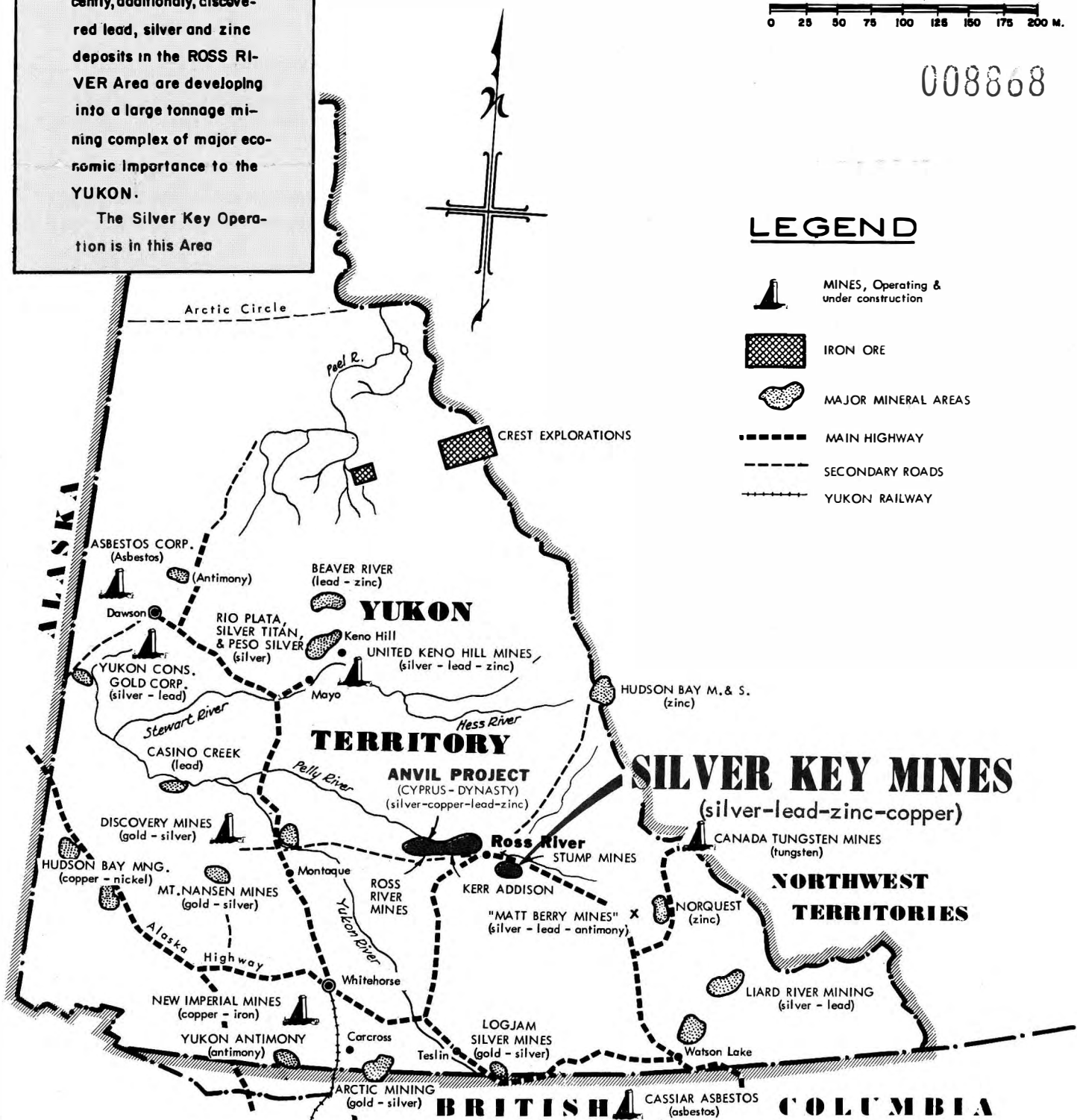
The Silver Key Operation is in this Area



008868

### LEGEND

- MINES, Operating & under construction
- IRON ORE
- MAJOR MINERAL AREAS
- MAIN HIGHWAY
- SECONDARY ROADS
- YUKON RAILWAY



## SILVER KEY MINES (silver-lead-zinc-copper)

CANADA TUNGSTEN MINES (tungsten)  
NORTHWEST TERRITORIES  
NORQUEST (zinc)

LIARD RIVER MINING (silver - lead)  
CASSIAR ASBESTOS (asbestos)  
BRITISH COLUMBIA

## INFORMATION FOR SHAREHOLDERS

# SILVER KEY MINES LIMITED

Telephone:  
366-0705

801-347 Bay Street,  
Toronto 1, Ontario.

Letter No. 4  
February 24th, 1966

## *Progress Report*

1965 was a record year for Yukon mining and exploration. By the middle of June some 45 mining companies, 3 large exploration syndicates and many prospectors were active in the field.

The Silver Key Mines Limited Ketz River silver-lead-zinc-copper project is located in the Ross River area, the focal point of this activity, where interest is concentrated on development of a large base metal complex and the possible erection of a smelter. In this area diamond drilling to date has indicated the presence of 40 million tons of mineralization grading between 8% and 11% lead-zinc and containing over one oz. silver per ton, and which can initially be mined by an open pit operation.

### **KETZA RIVER PROJECT**

During 1965 some 30 miles of mine and work roads were built and an airstrip was constructed adjacent to the main camp. The Silver Ridge Key 3 showing, made accessible by road, was stripped and appreciable quantities of high grade silver-lead mineralization were uncovered.

The South Fault Zone, a newly-found structure lying 3½ miles south of the Silver Ridge showing was uncovered, disclosing silver-lead-zinc-copper mineralization along a 1350 foot strike length. Work on this zone will be resumed this Spring. The initial program will be stripping by bulldozer.

The Galena Vein Zones are steeply dipping mineralized contacts between quartzites and dolomitic limestones. Trenching on the Upper Galena Vein during 1965 disclosed mineralization assaying 17.9 oz. Silver and 23.7% Lead across a width of 36 feet. This mineralization was traced for 450 feet.

The Lower Galena Vein consists of a series of parallel mineralized veins over a width of 30 feet. Initial stripping across a 4 foot sulphide face assayed 22.38 oz. Silver and 13.38% Lead. The zone appears to be continuous along strike.

Eleven other Silver-Base Metal bearing veins and fault zones are known to occur and will be explored during the coming field season.

### **CURRENT PROGRAM**

The field crew is currently engaged in an aggressive surface exploration and development program on the Galena Vein Zones. The horizontal strike distance between the Upper and Lower Galena Veins is over 1600 feet, with an apparent vertical range of 600 feet. The immediate program will consist of rock trenching across both the Upper and Lower Veins to establish the full mineralized widths and to determine the structural trends of the zones in preparation for diamond drilling and eventual underground adit development.

### **OTHER PROPERTY INTERESTS**

Adjoining the Company's Ketz Valley holdings, Silver Key retains a 10% interest in 18 mineral claims recently staked by Stump Mines Ltd. The Company also retains a 15% interest in 16 mineral claims recently acquired by Ross River Mines Ltd.

Silver Key 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 7 miles. It is known to have favourable reef structure over this strike length. The ground warrants careful exploration for lead-zinc-copper mineralization.

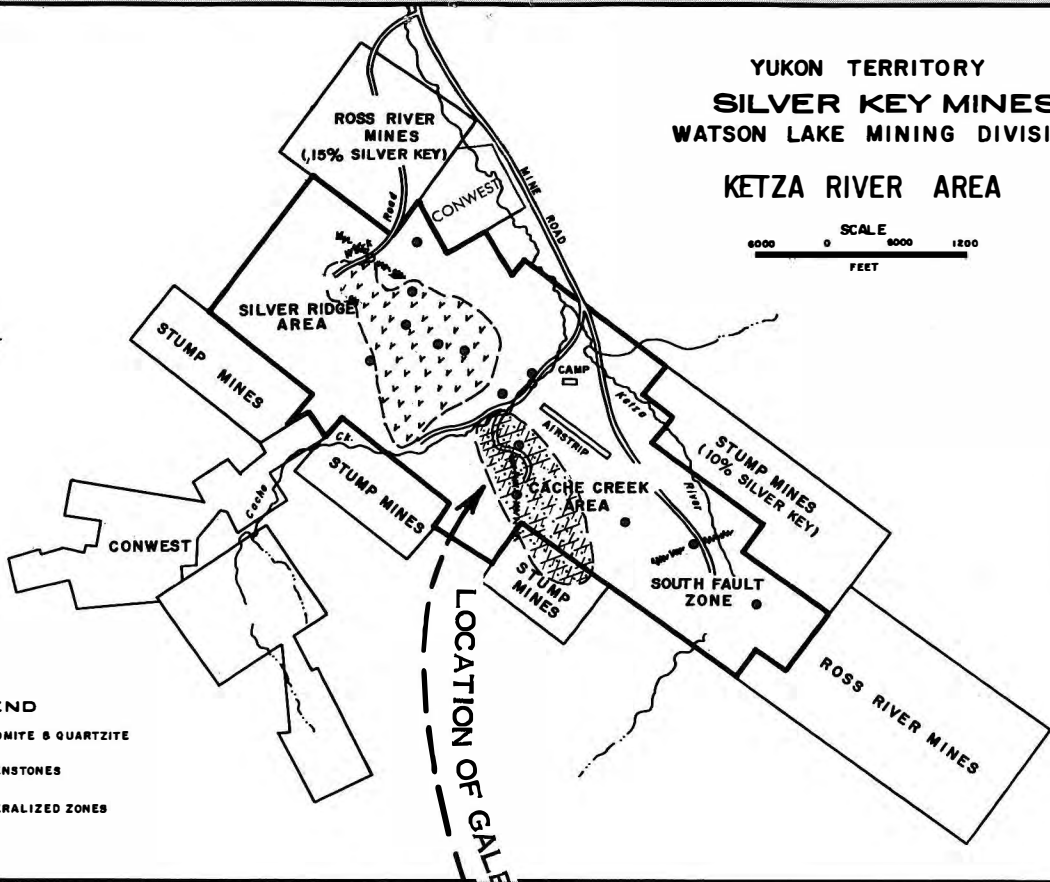
### **FINANCES**

To date \$435,625.00 has been received through the sale of treasury shares, including \$295,000.00 obtained through a recent underwriting and option agreement with J. R. Mooney & Co. After expenses to date there remains in the treasury approximately \$270,000.00.

### **MANAGEMENT**

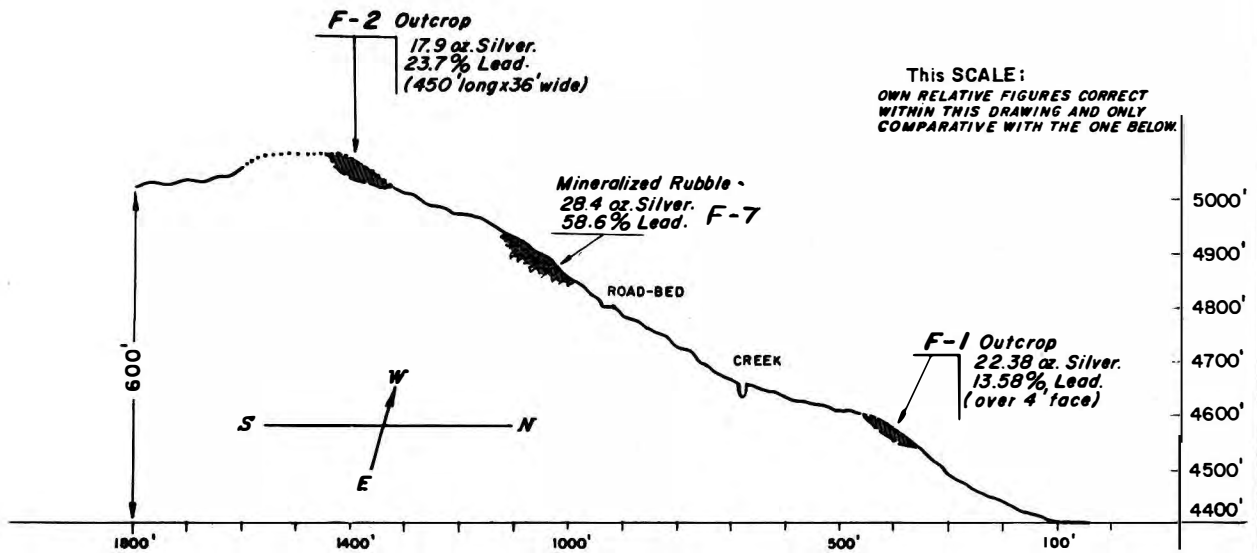
President .....	Dr. Garnet McCartney, Toronto	Geologist
Vice-President .....	W. J. Hay, Oshkosh, Wisc.	Industrialist
Managing-Director .....	Leon F. La Prairie, Toronto	Mining Engineer
Secretary-Treasurer .....	Charles Salter, Toronto	Lawyer
Directors .....	C. E. Case, Edmonton	Rancher
	J. P. Mosling, Oshkosh, Wisc.	Executive

# YUKON TERRITORY SILVER KEY MINES WATSON LAKE MINING DIVISION KETZA RIVER AREA



- LEGEND**
- DOLOMITE & QUARTZITE
  - GREENSTONES
  - MINERALIZED ZONES

## GALENA VEIN SECTION



# Silver Key Samples Highly Encouraging

Chip samples taken from 11 of the known mineralized exposures returned highly encouraging values, L. La Prairie, Silver Key Mines managing director, told *The Northern Miner*. The company holds a 112-claim property on the Kenza River 110 miles northeast of Whitehorse in the Yukon.

The most encouraging of the samples taken assayed 53.82 ozs. silver per ton over a 13-ft. channel; another gave 55.3 ozs. over a 3-ft. section. Four samples taken from a fault traceable over 1,200 ft. all gave good silver values.

To date, over \$60,000 has been spent on exploring the property and, in view of the high silver values returned by the preliminary sampling, program of trenching and stripping is currently being carried out. The known showings are being further sampled and the next stage will be geological mapping followed by either surface drilling or underground exploration using an adit already driven.

A 24-mile bush road has been constructed and a trailer camp established with accommodation for a 14-man crew. Tote roads have been cut to four of the silver showings and trails cut to other occurrences.

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issue of September 9th, 1965

INFORMATION FOR SHAREHOLDERS

105 F  
OCT 13 1965

# SILVER KEY MINES LTD.

801-347 Bay Street  
TORONTO 1, ONTARIO

Telephone:  
EM 6-0705

W.S.R.
K.C.G.
J.H.S.
E.F.
R.D.S.
R.C.B.
P.M.K. ✓
G.W.M.
R.O.M.
C.K.W.
J.B.S.
G.P.R.
K.F.L.
J.R.
<u>E.L.</u>

LETTER No. 3

October 12th, 1965.

## Progress Report

The Ketz River property of Silver Key Mines Limited is located in the Pelly Mountains of South Central Yukon. It consists of 108 contiguous mineral claims and 6 mineral fractions. Access to the property is by gravel road to Ross River and from there by government and mine road. The newly constructed Ross River-Watson Lake Road passes within 20 miles of the property.

Active exploration in the area is also being conducted by Kerr Addison Mines Ltd., Vangorda Explorations and Dynasty Exploration.

### Exploration and Development: June-September 1965

During the period from June to August a 24-mile access road to the property was completed, and subsequently a camp was established in a central location. Roads were then constructed to the Silver Ridge Key 3 Area and to the South Fault Zone. On both these zones bulldozer stripping and surface sampling was conducted in the areas of mineralization.

Surface stripping was then carried out on the upper Cache Creek showings which, as yet, are not accessible by road.

### Results:

1. Recent assays from a 160-foot strike length on the SILVER RIDGE KEY 3 ZONE were:

Silver	.....	9.94	16.44	51.93	110.88	59.60	93.60
Lead	.....	2.12%	8.70	15.01	32.09	23.03	34.79
Width	.....	9 feet	2 feet	8 feet	5 feet	6 feet	6 feet

indicating the presence of high grade silver and lead in such appreciable quantities as to warrant further development.

YUKON TERRITORY  
**SILVER KEY MINES**

WATSON LAKE MINING DIVISION

KETZA RIVER AREA

**CLAIM HOLDINGS SHOWING SILVER  
 AND MINERALIZED EXPOSURE**

(140 FOOT LENGTH)  
**GOLD SILVER LEAD ZINC SAMPLE**

Au-oz.	Ag-oz.	Pb-%	Zn-%	TYPE
—	9.94	2.12	—	9'
—	16.44	8.70	—	2'
—	51.93	15.01	—	8'
—	35.52	57.0	—	GRAB
—	110.88	32.09	—	5'
—	93.90	34.79	—	6'
—	59.60	23.03	—	6'

CONWEST

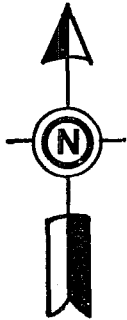
MINE ROAD

SILVER RIDGE ZONE

SCALE



○ OTHER MINERALIZED ZONES



Cache Creek

CACHE CREEK AREA

□ Camp

**GOLD SILVER LEAD ZINC SAMPLE**

Au-oz.	Ag-oz.	Pb-%	Zn-%	TYPE
0.01	53.82	71.2	—	13' CHIP

Galena Vein

(KNOWN LENGTH 450 FT.)

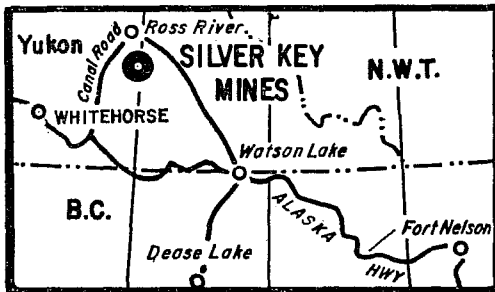
**GOLD SILVER LEAD ZINC SAMPLE**

Au-oz.	Ag-oz.	Pb-%	Zn-%	TYPE
Tr	38.76	26.0	5.85	6' CHIP
Tr	225.3	76.2	1.55	GRAB
Tr	19.9	36.7	1.65	GRAB
0.01	84.53	74.4	1.5	7' CHIP
Tr	77.22	45.2	3.95	GRAB
—	12.82	42.05	—	RUBBLE

22.700 FEET

EXPOSED LENGTH of ZONE - 1350 FEET

SOUTH FAULT ZONE



J.H. PRIEST - drafting services.

# ROSS RIVER: New economy for Yukon



## AREA EXPLORATION:

Your company's Silver-Lead deposits are located in the Ross River district of the Yukon Territory. Other mining companies have indicated by drilling in the immediate area Lead-Zinc ore worth in the vicinity of \$1.5 billion on the basis of current prices. The Canadian Federal Government, vitally interested in seeing a new economy established in the Yukon, is prepared to co-operate in the building of a large tonnage mining operation on the strength of these deposits.

## 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.



APR 10 1968

# The Canadian Silver Mines

APR 10 1968  
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EXCERPTS ONLY

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## *Silver: Truly A Noble Metal*

Silver served man well as a valued monetary medium for 3,000 years. Its aesthetic quality has been prized by artists and artisans through the centuries and the metal's beauty in many art forms finds constant expression.

Although its predominance as a monetary metal is a thing of the past, silver remains a coveted metal with varied uses in industry, the arts and, to a diminishing degree, in coinage. It also remains one of the world's great value hedges as we have seen in recent weeks of international monetary turmoil.

Today, silver draws its strength from industry. Annually, industry is consuming about 140,000,000 more ounces than are produced from the world's mines. It says something for the metal that some governments now find it necessary to plan for the wholesale melting down of whatever silver coinage they can recall in order to help meet essential industry needs. Indeed, one of the ironies of the silver situation today is that never in the metal's long history as a trusted monetary medium has it attracted so much attention as during its recent passage into relative obscurity as a currency metal.

Silver's progress in the past year hardly needs retelling. The period saw the lifting of an artificially maintained U.S. ceiling of \$1.29 an oz., further shrinkage of government holdings, a race by governments — our own included — to switch to cheaper forms of metal currencies, steady industrial consumption, speculation in and hoarding of the metal on an unprecedented scale. Through all this and in highly volatile moves, world silver prices have risen by some 80%.

In any discussion of silver, acknowledgement must be made of speculation associated with highly volatile market price moves. Much of this speculation

has resulted from mistrust in paper currency and concern before and after the devaluation of sterling. The distinction between what is speculation and what is hoarding becomes fairly blurred.

But it's well to remember that market prices largely swayed by speculative sentiment which in turn is influenced by aberrations in the international monetary system, and by peripheral developments, provide a vulnerable basis for a producing industry's prosperity. We are confident that silver, with its strong industrial consumption base, will emerge from future fluctuations to find price levels sufficiently high and stable to encourage expanded mine output and steadily increasing industrial usage.

In the final analysis, the world's mines provide the best — indeed the only — guarantee of supply constancy to markets. In a period of 80 years, Canadian mines have produced a cumulative total of 1.5 billion ounces. Cobalt-Gowganda, one of the world's great silver camps, produced almost 500,000,000 ounces in its 50 odd years of existence. And it's still turning out the metal at a rate of about five million ounces annually.

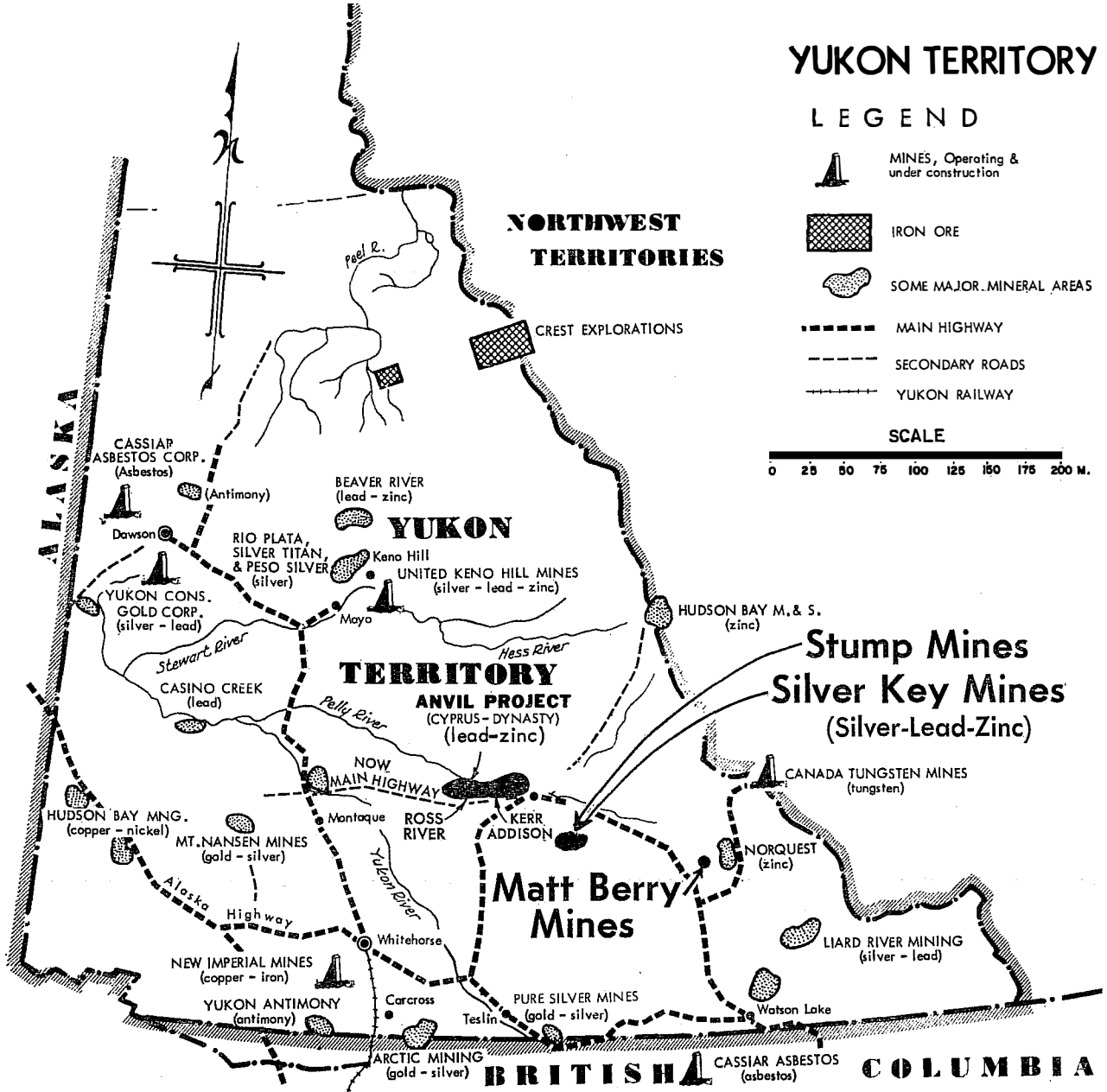
Last year, Canadian producers won a record output of 37.2 million ounces, placing this country in the forefront of world producing nations. Largely, this record was achieved as a result of the 7.8 million ounces produced at the new Texas Gulf Sulphur mine in the Timmins area. But there is more to come. Elsewhere in this newspaper is evidence of a groundswell of exploration and development in silver.

Silver production contributed \$60 million to the Canadian economy in 1967. This year, the total is likely to approximate \$80 million. It adds up to a fresh ascendancy for a truly noble metal.

For informational purposes

# SILVER KEY MINES—STUMP MINES

(SILVER - LEAD DEVELOPMENT)



The Yukon is a Territory of Canada with an area of 207,000 square miles. While it is largely undeveloped, many highly mineralized areas are known to exist. One of the recently discovered lead, silver and zinc deposits in the ROSS RIVER Area is being developed into a large tonnage mining complex of major economic importance to the YUKON. The Silver Key Mine - Stump Mine underground operation is in this general area.

SUITE 1102 - 347 BAY ST., TORONTO 1, ONTARIO

# SILVER: Record Prices Breathing New Life Into Old Industry, Big Benefits Accrue

## These Mines Gaining From Better Prices

For Canadian producers of silver, record metal prices are reflected in higher revenues for ounces produced, longer operating lives for the 'straight' silver mines, and a powerful incentive to explore, develop and mine new sources of the coveted metal.

Silver symbolizes an industry on the move. It's an industry that encroaches on lead, zinc, copper and gold mining as well as silver. In 100 years, 1.5 billion ounces have been won from Canadian mines. From the fabled Cobalt camp alone almost half-a-billion ozs. have been wrested in 50 odd years. And it's still a resilient camp with annual silver output of around five million ozs.

Canada's record 1967 silver output of 37.2 million ozs. was spurred by the new **Texas Gulf Sulphur** base metals-silver mine—world's largest mine source of silver—which produced a remarkable 7,800,000 ozs. in its first year. The Texas Gulf total reflects a major part of the reality that is silver mining in Canada; more than 80% of this country's silver is extracted as a byproduct of base metals and gold mining.

Even so, Canada's modest 'straight' silver mining industry is pulsating with new life after decades of boom and bust and boom again.

Although not Canadian mines, several Irish producers are included in this survey because Canadian capital and engineering skills have been prominent in their development.

## Output At New High — Canada Heads For Top

When annual production value of a metal leaps from \$47 million to \$60 million in one year and is heading for an indicated \$80 million in the next year, you sit up and take notice.

Silver justifies the mounting attention it has attracted in the past year. In 10 months, the metal's Canadian buying price has careened from \$1.40 an oz. to a recent record of \$2.60 an oz. This week, the price was \$2.44 an oz.

Domestic output is headed higher in 1968 after racing to an all-time high of 37.2 million ozs. in 1967. Rising production has lifted Canada's position among leading world producing countries from fourth to second in two years. At present, Canada

is running neck-and-neck with Mexico for the top spot.

Domestic output value in 1968 should approximate \$80 million based on projected production of 38-40 million ozs. and an average 1968 silver price of over \$2 an oz. Average price in 1967 was \$1.75 an oz.

Demand is burgeoning under the twin impact of two forces—industry and private buying. World industry usage of silver jumped by 35% in the past five years. World mine output has been at a virtual standstill. Annually, world industry is using more silver than is produced from primary sources.

The current estimated annual deficit of 140 million ozs. is being met from secondary sources. Silver coins are being melted down to meet a demand that has been getting as much, or more, of an impetus from private and speculative buying as from industry.

Largely demonetized now, silver still remains one of the world's most coveted 'hedge' commodities.

The rise in world silver prices through 1967 and in 1968 to date got its start on May 18, 1967, when the U.S. Treasury announced changes in its silver sales policy. By a policy of unrestricted sales from a steadily shrinking stockpile of metal, the Treasury had previously held world silver prices below a ceiling equivalent to \$US1.29 an oz. Silver price control, needed to protect circulating U.S. silver coinage, was abandoned after a short-lived 'two-tiered' price system—one, official; the other, free market—collapsed.

By November, the Canadian buying price had risen to a record \$2.35 an oz. In extremely volatile moves, the Canadian price fluctuated at higher levels into 1968 as world silver prices gyrated in response to growing unease over the stability of the international monetary system. On Mar. 14, the Canadian price surged to an all-time high of \$2.602 an oz. and at \$2.44 an oz. this week was holding most of its recent advance.

From all mine sources, Canada's cumulative production of silver in the past 100 years was 1.5 billion ozs. Perhaps even more impressive is the fact that of the cumulative output of 1.5 billion ozs., a total of 491,693,546 ozs. was won from the fabled Cobalt-Gowganda silver camp in 50 odd years to Dec. 31 last.

Though reduced in production volume, the Cobalt camp is still a constant and significant silver producing area with four mines mainly accounting for annual output of approximately five million ozs.

### Who Buys Silver?

The big buyers of silver are: Industry, some government mints, private individuals—speculators and hoarders—and at times corporations seeking a hedge in times of international monetary unease.

The photographic industry is by far the largest single industrial outlet. Annually, the North American photographic industry uses about one-third of all the silver consumed in commercial applications.

But the fastest growing usage area is the electrical and electronics field. Since 1960, applications in electrical contacts, batteries, electronic components and other electrical uses have doubled to around 40 million ozs. in the U.S. alone.

The silverware and jewelry industry remains a major consumer taking about 25 million ozs. annually in North America. About 17.5 million ozs. go into brazing alloys and solders. Silver uses extend to missiles, dental and medical applications, mirrors, and many miscellaneous outlets.

Western world mints used 78.2 million ozs. for coinage in 1967, a sharp drop from 380.6 million ozs. two years earlier and before the U.S. switched over to non-silver coinage. It still retains a reduced silver content in its half-dollars.

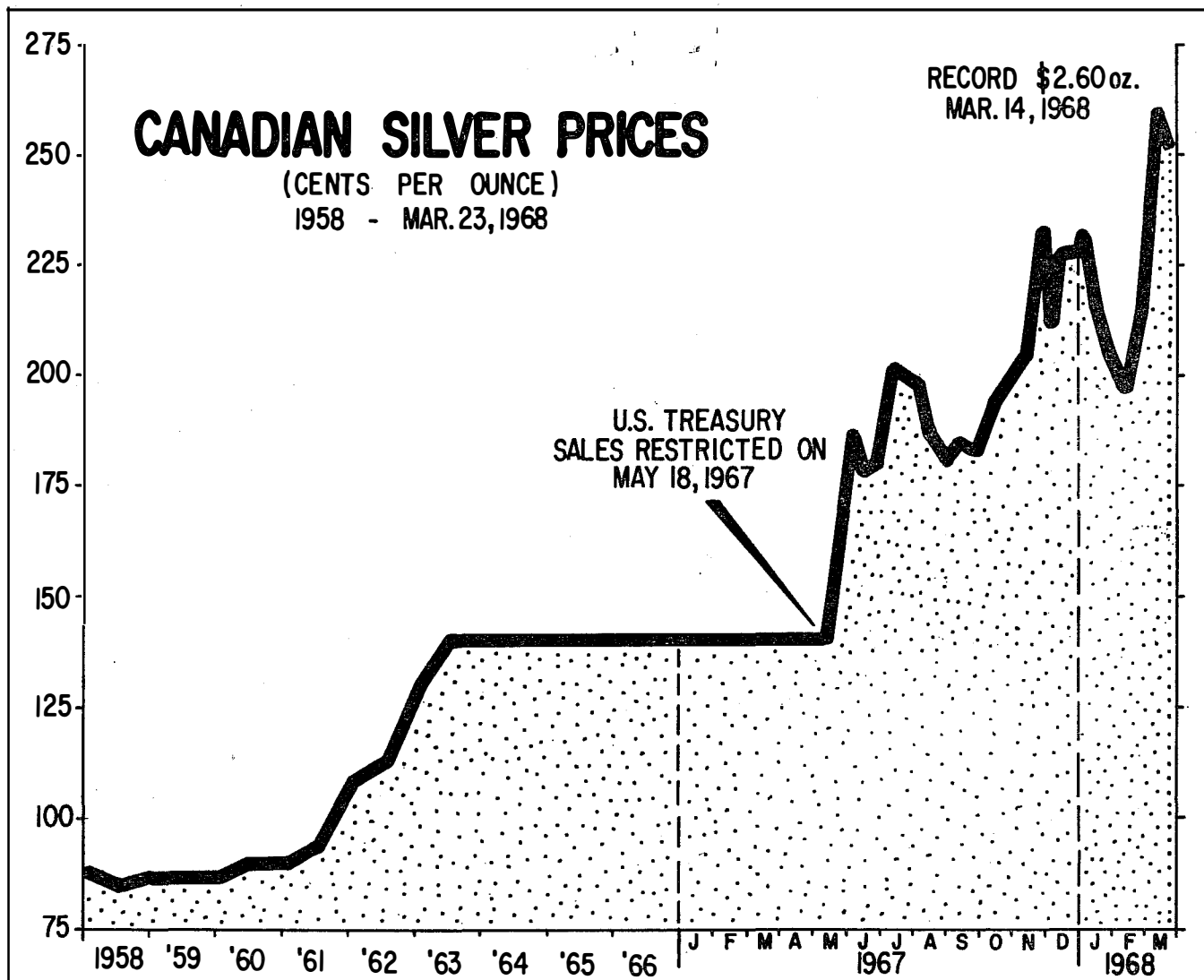
But recent interest has focussed on the speculator and hoarder—nameless and nebulous. But they exist and provide the main thrust for volatile price moves on markets like the New York Commodity Exchange where silver is traded in 10,000-oz. contracts. Dealings cover contracts for delivery in the future—ranging over 12 months ahead.

What volume is held by speculators? Leading bullion dealers estimate that 'speculators' hold from 250 to 300 million ozs. It's a sobering estimate when measured against world mine output annually of over 200 million ozs. But bullion houses allow no distinction between fast-moving speculators and cautious hoarders. The latter are normally loath to part with their hedge metal.

### Treasury Role

In mid-March, the U.S. Treasury held 293 million ozs. of silver of which 17.8 million ozs. were 'free'. The remainder is held as coverage for outstanding silver certificates which must be redeemed for metal before next June 24 after which the redemption commitment is rescinded. Additionally, the Treasury holds an estimated 250 million ozs. in 'recovered' silver coins. But it is also committed to reserving 165 million ozs. for a strategic U.S. silver stockpile. It's doubtful that anything like \$275 million in silver certificates will be redeemed for silver before the June 24 cut-off date; already the Treasury has indicated that 38 million ozs. will not be required for redemption purposes as covering certificates have been lost.

Most sources believe the Treasury will continue its restricted sales policy—maximum of 2,000,000 ozs. a week—to industrial users through this year, but it may have trouble in upgrading recovered silver from coinage to meet industrial needs. Expenses, too, are likely to be high. U.S. refineries already have a backlog of concentrates to deal with as a result of the long non-ferrous strike.



# Price Hike Stirs Hopes Many Silver Prospects

With silver now selling at record price levels, a sharp upsurge in exploration and development interest of silver prospects is at hand. Prospectors heading into the field are now being instructed to keep a close eye out for the white metal.

As pointed out elsewhere in this issue, much of Canada's silver output is derived as a by-product of this country's base metal operations. But nevertheless, it can be expected that there will be a growing number of 'straight' silver producers. This brings into focus the Cobalt and Gowganda areas of Ontario and the Keno Hill country, as well as large areas of British Columbia, Great Bear Lake and the Arctic.

One of the big difficulties of operating in the Cobalt-Gowganda area is the erratic nature of the silver mineralization, which makes estimation of ore reserves very difficult. Too, this tends to discourage investors. Nevertheless, this region has had a remarkable production record, is still producing at a rate of over 5,000,000 ozs. annually, and is still considered to hold much potential, especially along the 50 mile stretch between the two camps proper. But it is costly to find. But concentrations can be extremely rich and rewarding.

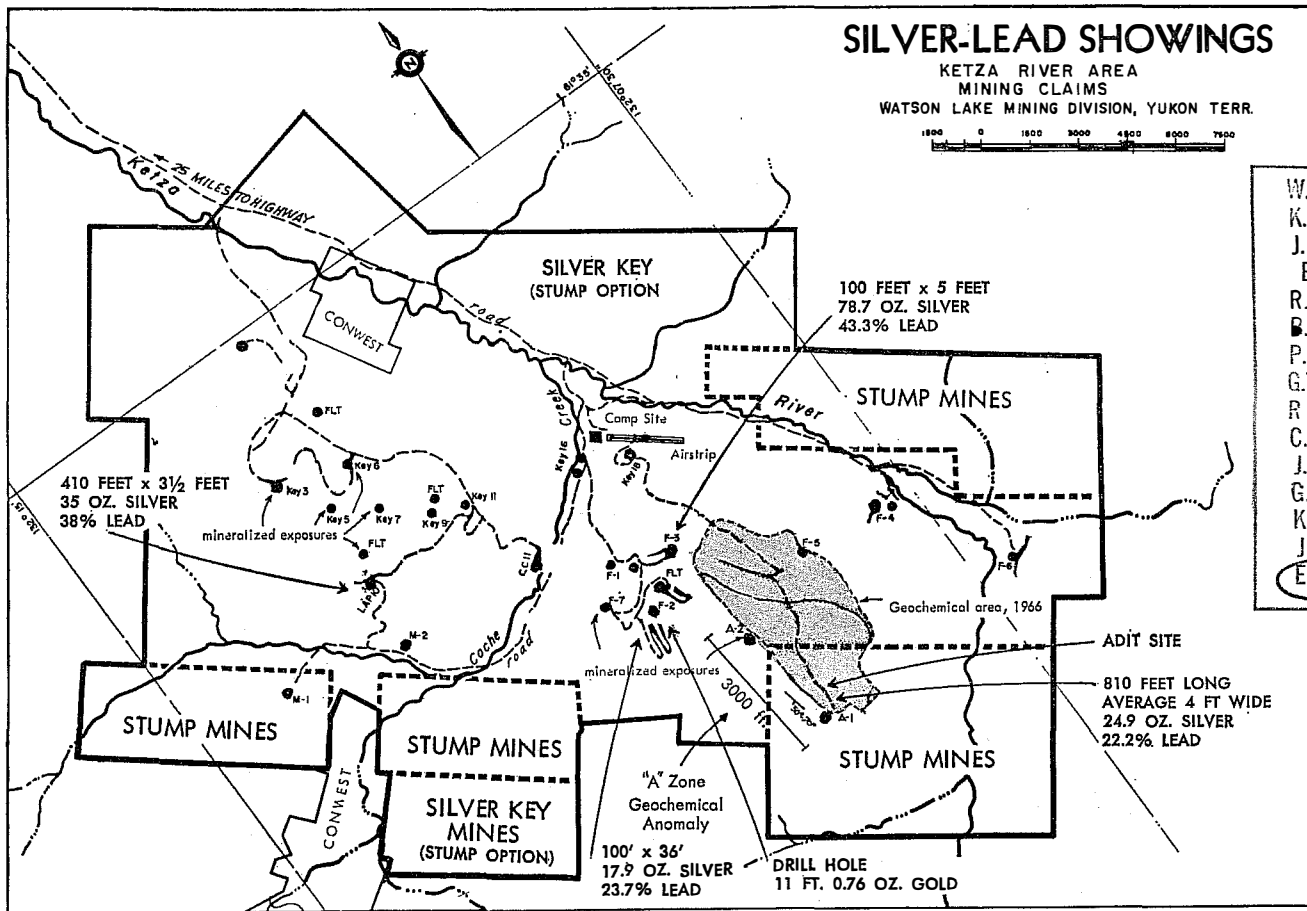
Unlike gold and many other metals, silver deposition is uniquely limited to the vertical range (i.e. temperature range), in which it has been deposited. In other words, it is highly unlikely that a silver vein could carry commercial values to any considerable depth. This is another reason why silver mines throughout the world generally prove to be relatively short lived.

But at \$2.50 per ounce, silver mines can be very profitable. Also, they can be brought into production at a much lower capital cost than most other types of mines because of their more limited size.

Following is a thumbnail sketch of numerous silver prospects in this country that will be giving serious consideration to resumption.

For informational Purposes:

# STUMP MINES HOLDINGS and SILVER KEY MINES OPTIONS



- W.S.P.
- K.C.C.
- J.H.S.
- E.F.
- R.D.S.
- B.C.H.
- P.M.L.
- G.W.M.
- R.H.H.
- C.H.M.
- J.H.S.
- G.P.
- K.F.
- J.E.
- E.C.

Averages taken from report by Archer and Cathro, Consulting Geologists.

## STUMP MINES LTD.

We act as principals in the underwriting of shares of Stump Mines Ltd. a speculative security.

## J. L. GOAD & CO. LTD.

7 King St. East, Toronto, Ontario

*This announcement is not an offer to sell or solicitation of an offer to buy these securities. The offering is made by prospectus only in the Province of Ontario and only from such of the undersigned and other dealers as may lawfully offer these securities in such province.*

### Has Arctic Program

**MATT BERRY MINES** holds 32 claims at the mouth of Thompson Creek on the east shore of Frances Lake in the Yukon. The group is about 2 miles due east of the Watson Lake-Ross River highway and some 80 miles south of Ross River.

A total of 2,120 ft. of surface drilling was completed before freezeup in 1966. Drilling and trenching indicated mineralization over a strike length of 800 ft. Drilling returned assays varying from 4.6 ozs. silver, 7.6% lead, and 13.3% zinc over 11.5 ft. to 8.6 ozs. silver, 13.7% lead, and 2.3% zinc over one foot. The best intersection was in hole 9 which assayed 20.6 ozs. silver, 32.8% lead, and 22.3% zinc over a width of 4.5 ft.

Negotiations are under way for the sale of 200,000 shares to net \$50,000, with options on an additional 800,000 shares

to raise an additional \$300,000. If this financing is approved, diamond drilling is to be resumed within the next six weeks.

### Stump Raises Funds For Yukon Projects

**SILVER KEY MINES** and **STUMP MINES** together control a contiguous block of 226 unpatented claims or approximately 16 square miles of property near the headwaters of the Ketz River, Yukon Territory. An access road 24 miles long connects with the main Watson Lake-Ross River highway.

Silver-lead mineralization occurs as galena veins cutting a variety of sedimentary rocks. Over 30 separate silver-lead veins have been found throughout the Silver Key and Stump claims and

many more are indicated by mineralized float in the road cuts. The 'A' zone, has been explored by bulldozer, trenching and diamond drilling. Trenching has indicated an 810-ft. length of mineralization grading 24.9 ozs. silver per ton and 22.2% lead over a 4.0-ft. width. Diamond drilling has confirmed continuity to at least 100 ft. below surface.

Stump Mines has been granted exclusive explorational rights to the Silver Key claims to June 15th. During this period, Stump has to spend a minimum of \$150,000, which will be spent in developing the 'A' zone. An adit portal is now being collared for underground development of the 'A' zone, 150 ft. below the trenched area. Stump has over \$275,000 in the treasury with options outstanding that would net an additional \$280,000.

## STUMP MINES LTD.

1102 — 347 Bay St.

Toronto 1, Ont.

April 4, 1968

### **Prospectus**

The Company's prospectus has been filed with the Ontario Securities Commission and its new share issue is qualified for over-the-counter trading.

### **Financing**

J. L. Goad & Co. Ltd., the Underwriter-Optionee, have firmly subscribed \$260,000.00 for 600,000 treasury shares of Stump Mines Ltd.

### **Working Agreement**

The Company has entered into a working agreement with SILVER KEY MINES LIMITED covering 226 claims owned by both companies in adjoining claim groups in the Yukon Territory. In essence, under the terms of the agreement Stump will have the right to acquire a 70% undivided interest in the claims owned and held under option by Silver Key, and, Silver Key will acquire a 30% undivided interest in the Stump claims. Further to make the agreement fully effective Stump must bring the properties into production at a milling rate of not less than 200 tons of ore per day.

### **Development Program**

Underground exploration is underway to examine the mining possibilities of the area in general and the 'A' zone in particular and to outline ore reserves to justify production at a minimum rate of 200 tons per day.

# SILVER KEY MINES LIMITED

1102 — 347 Bay St.

Toronto 1, Ont.

April 4, 1968

## **General Meeting**

At the Special General Meeting of Shareholders of SILVER KEY MINES LIMITED held on January 31st, 1968, approval was given to the Silver Key-Stump agreement for further development of the companies' claims in the Yukon Territory.

## **Working Arrangement**

The operative terms of the Silver Key-Stump agreement are summarized as follows:

### **Stage I**

Stump has been granted exclusive explorational rights to the Silver Key claims to June 15th, 1968. During this period Stump will carry out exploration work on the Silver Key and Stump claim group, and it is committed to spend not less than \$150,000.00.

### **Stage II**

Stump may elect to proceed to November 15th, 1968 by committing to spend an additional \$100,000.00.

### **Stage III**

Stump may then elect to proceed to November 19th, 1969, by committing to spend during this 12 month period an additional \$300,000.00.

### **Stage IV**

At any time during the exploration program, Stump may elect to bring the Silver Key-Stump claims into production at a milling rate of not less than 200 tons of ore per day.

### **Stage V**

When in production, Silver Key will hold a 30% undivided interest in the Silver Key and Stump claims.

On a pro rata basis for the monies expended on the exploration and development of the claims, Silver Key will be repaid \$540,000.00 from net profits.

After all exploration and development costs have been repaid, Silver Key will get 30% of further profits.

To Shareholders:

**SILVER KEY MINES LIMITED  
STUMP MINES LTD.**

1102 - 347 Bay St.  
Toronto 1, Ont.

July 2, 1968

The attached reprint from The Northern Miner issue of June 27th, 1968, outlines the development on the companies' joint venture on the Ketza claims in the Yukon Territory of Northern Canada.

**Commitment of Phase II**

Under the working arrangement between the two companies, Stump has elected to proceed into Stage II by committing to spend an additional \$100,000.00 to November 15th, 1968.

**Stump's Phase II Program**

- 1) The underground development will continue in order to evaluate the grade and tonnage potential of the 'A' zone.
- 2) A bulk sample will be taken of the Silver-Lead mineralization for milling and metallurgical testing from the 'A' Zone.
- 3) It is planned to explore beneath the present underground development for depth extension by diamond drilling of the 'A' Zone.
- 4) A geochemical program has started to outline other areas of known mineralization.
- 5) A total of 32 surface mineralized exposures are known on the property. The location of these showings are to be surveyed and as time permits sampled and mapped in detail.

**Progress Report**

On receipt of additional underground assays and results of surface work the data will be forwarded to the shareholders of Silver Key Mines and Stump Mines.

105 F

attach to JUL 5 1968

Revised

Reprinted from

**The Northern Miner**

Issue of June 27, 1968

**Stump Mines Opens  
Continuous Values**

An adit, advancing toward the north along the 'A' zone, has opened a continuous length of 491 ft. of silver-lead mineralization on Stump Mines' property in the Ketza River area, Yukon.

The most recent length of 192 ft. for which assays are available averages 15.3 ozs. silver per ton and 10.3% lead over a width of 4.0 ft.

Average grade of the drive to date has been calculated in five contiguous sections according to grade, commencing at the crosscut and extending northward. These are: 43 ft. grading 9.7 ozs. silver per ton and 9.6% lead; 83 ft. grading 4.5 ozs. silver and 2.5% lead; 51 ft. grading 22.2 ozs. silver and 12.8% lead; 31 ft. of 10.1 ozs. silver and 5.9% lead; and 109 ft. grading 13.7 ozs. silver per ton and 10.6% lead. All drift lengths are calculated over an average width of 4.0 ft.

Systematic sampling has been completed to the present face, covering the next 174 ft. (or to a distance of 491 ft. from the crosscut), but from which assays have not yet been completed.

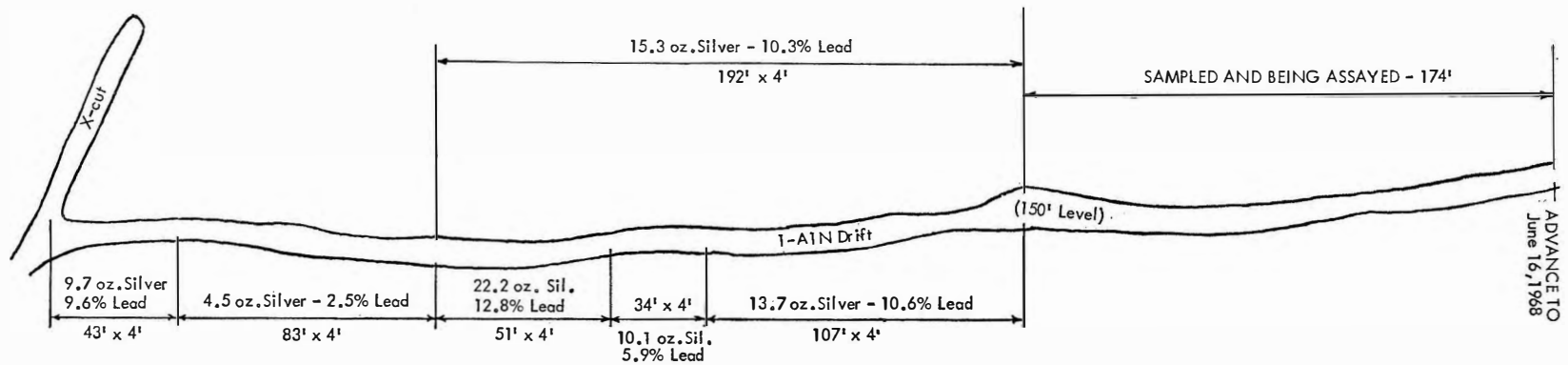
Current drift face is 150 ft. below the south end of No. 2 shoot on surface. There is a length of some 353 ft. of indicated mineralization in this shoot to be explored by the current underground program, L. La Prairie, managing director, advises. On surface, No. 2 shoot showed a total length of 510 ft. grading 25.6 ozs. silver per ton and 23.8% lead over an average width of 4.0 ft.

In addition, Stump is continuing a program of field mapping, surface sampling and geochemical surveying on the property. The company is well financed, with approximately \$450,000 in the treasury.

done by date

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## STUMP MINES LIMITED

ASSAY PLAN OF 'A' ZONE

RESULTS TO JUNE 27, 1968

0 50 100 FEET

SUITE 1102  
347 BAY STREET  
TORONTO 1, ONTARIO



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

DEC 12 1968

STUMP MINES LTD.  
and  
SILVER KEY MINES LTD.

Suite 1102, 347 Bay Street  
Toronto 1, Ontario  
Telephone: 366-9251

105 F  
attach to

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

December, 1968.

INFORMATION TO SHAREHOLDERS

SURFACE EXPLORATION

Over 28 separate Silver-Lead veins have been found throughout the claim holdings and more are indicated by mineralized float and geochemical surveys.

GEOCHEMICAL SURVEY

Soil sampling was completed during the 1968 field season on approximately four square miles of the Silver Key-Stump property.

Twelve separate anomalous silver-lead areas have been defined that are equal or greater in size and intensity to the soil anomaly found in 1966 that led to the discovery of the A-1 zone. Since the 1966 discovery of the A-1 zone underground development has proven up 45,000 tons of 15 oz. Silver per ton above the 100 foot level with a potential of 155,000 tons from the 400 foot level to surface.

Trenching by bulldozing on part of the 1968 anomalous area was started in September of this year. So far the bulldozing has uncovered bedrock mineralization on the K18B and Cache Creek zones. The K18B zone has also been further developed by underground exploration.

GEOLOGICAL MAPPING

An airborne and ground control survey has been completed over the claim holdings. From the surveys a master plan has been prepared on which geological mapping planned for 1969 will be plotted.

UNDERGROUND DEVELOPMENT

In 1968 to November 15th, a total underground advancement of 2,200 feet has been completed which includes development on the A-1, F-2, Lap 10 and K18B zones.

OBJECTIVE

A review has just been completed, by a firm of consultants, of the Silver Key Mines and Stump Mines exploration carried out on the Ketz River claims to the end of September, 1968.

From the findings of this review a time schedule has been prepared in which, if achieved by mid 1969, the work could outline an initial 238,000 tons of proven and inferred 15-20 oz. Silver per ton on the property that can be mined by adit developments.

ZONES OBJECTIVE — BY MID 1969

A-1 Zone	155,000 tons of 15 oz. Silver
F-2 Zone	8,000 tons of 15 oz. Silver
F-3 Zone	10,000 tons of 20 oz. Silver
Lap 10 Zone	5,000 tons of 12 oz. Silver
K18B Zone	60,000 tons of 20 oz. Silver

Initial objective 238,000 tons of better than 16 oz. Silver.

STUMP MINES LTD.  
and  
SILVER KEY MINES LTD.

Suite 1102, 347 Bay Street  
Toronto 1, Ontario  
Telephone: 366-9251

December, 1968.

INFORMATION TO SHAREHOLDERS

WORKING AGREEMENT

On December 1st, 1967 approval was given by Silver Key Mines Ltd. and Stump Mines Ltd. to an agreement for further development of the companies mineral claims in the Yukon Territory, Canada.

In essence, under the terms of the agreement Stump Mines Ltd. has the rights to earn a 70% undivided interest in the claims owned and held under option by Silver Key Mines and, Silver Key Mines will then acquire a 30% undivided interest in the Stump claims. Further, to make the agreement fully effective Stump Mines must bring the properties into production at a milling rate of not less than 200 tons of ore per day.

STAGE I AND II

In accordance with the terms of the agreement Stump Mines has fulfilled its obligation to November 15th, 1968 by spending in excess of \$500,000.00 on the development of the companies properties in 1968.

STAGE III

Stump Mines has elected to proceed into Stage III of the program to November 15th, 1969.

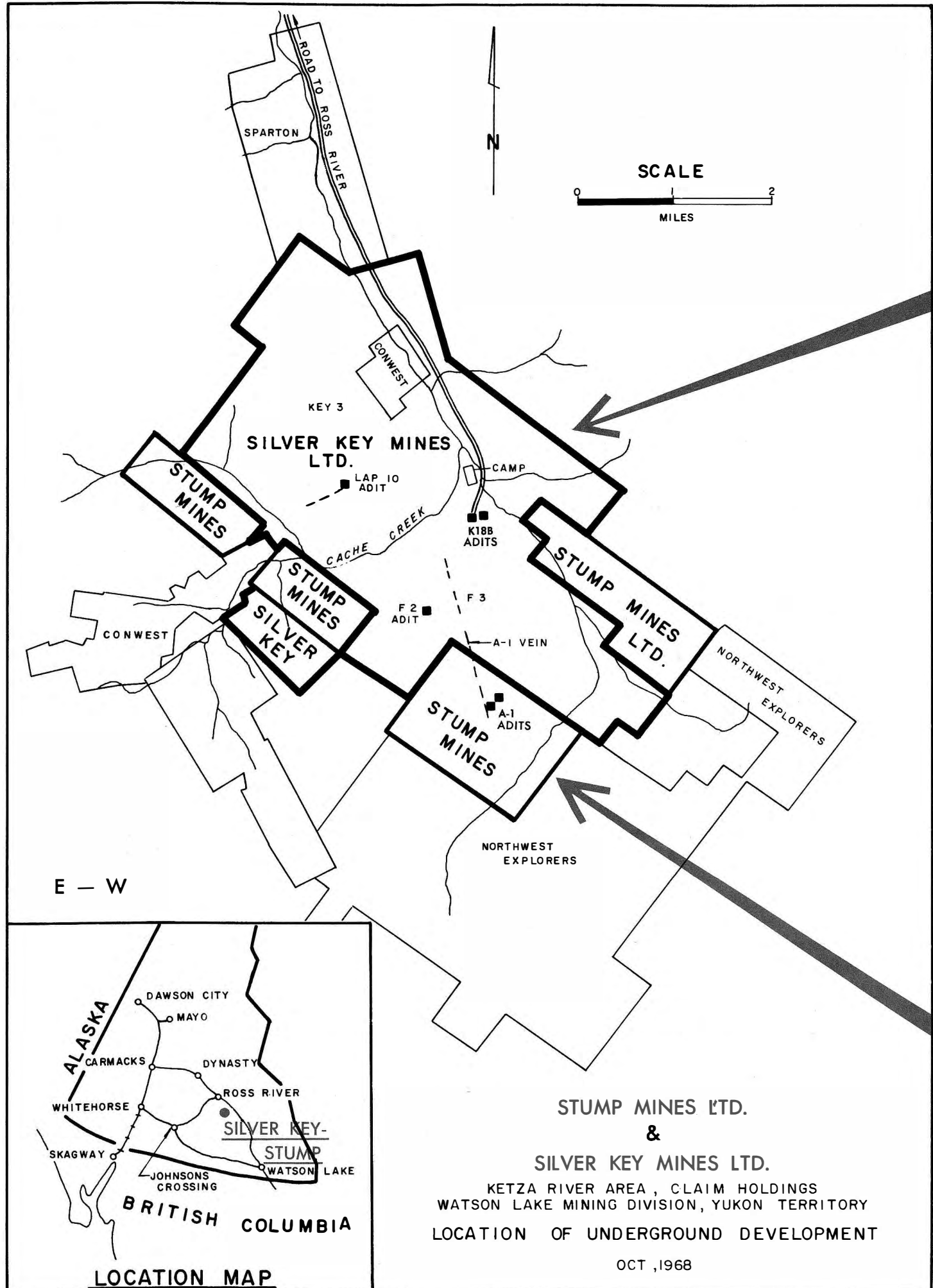
STAGE IV

At any time during the exploration program, Stump may elect to bring the Silver Key-Stump claims into production at the milling rate of not less than 200 tons of ore per day.

STAGE V

When in production, Silver Key will hold a 30% and Stump Mines will hold a 70% undivided interest in the Silver Key and Stump claims.

On a pro rata basis for the monies expended on the exploration and development of the claims, Silver Key (\$540,000.00) and Stump will be repaid from net profits. After all exploration and development costs have been repaid, Silver Key will get 30% and Stump Mines will get 70% of further profits.

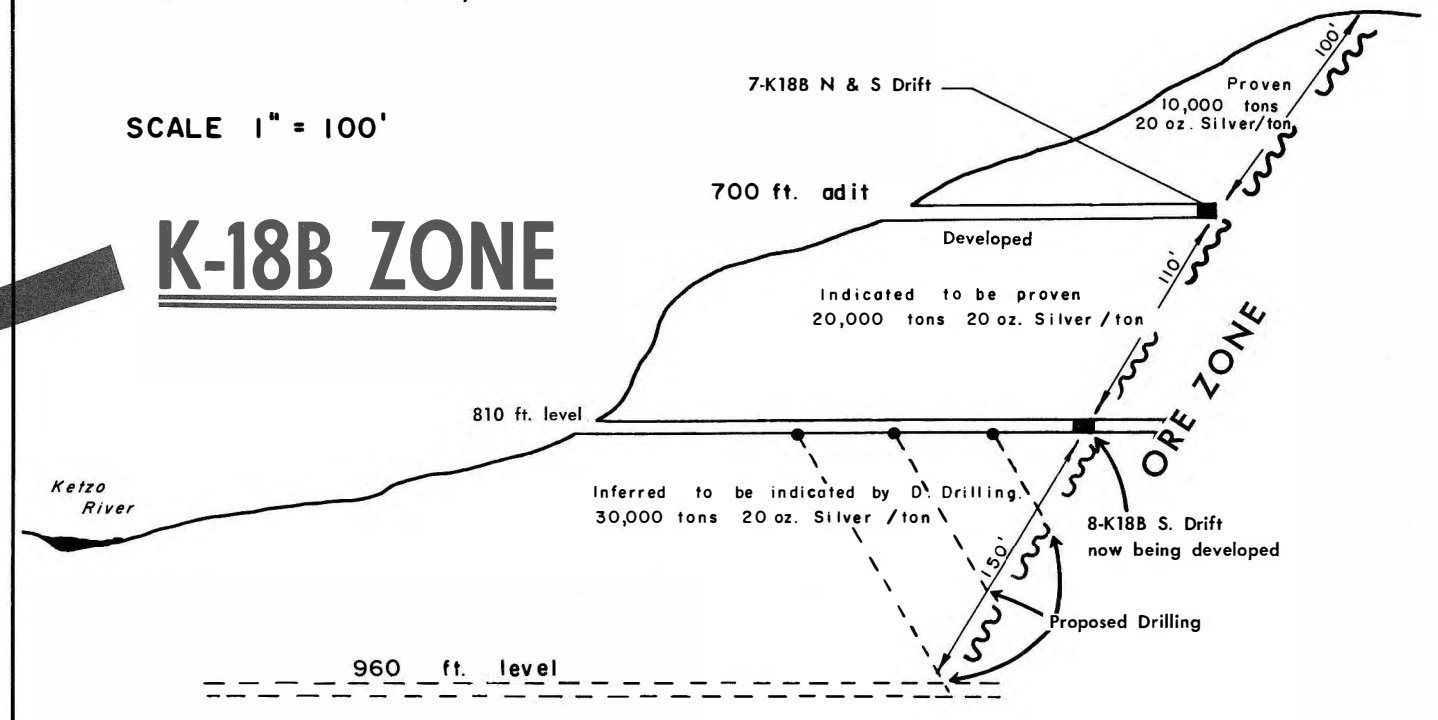


**OBJECTIVE OF K-18B ZONE**

60,000 tons of 20 oz. Silver/ton by mid 1969

SCALE 1" = 100'

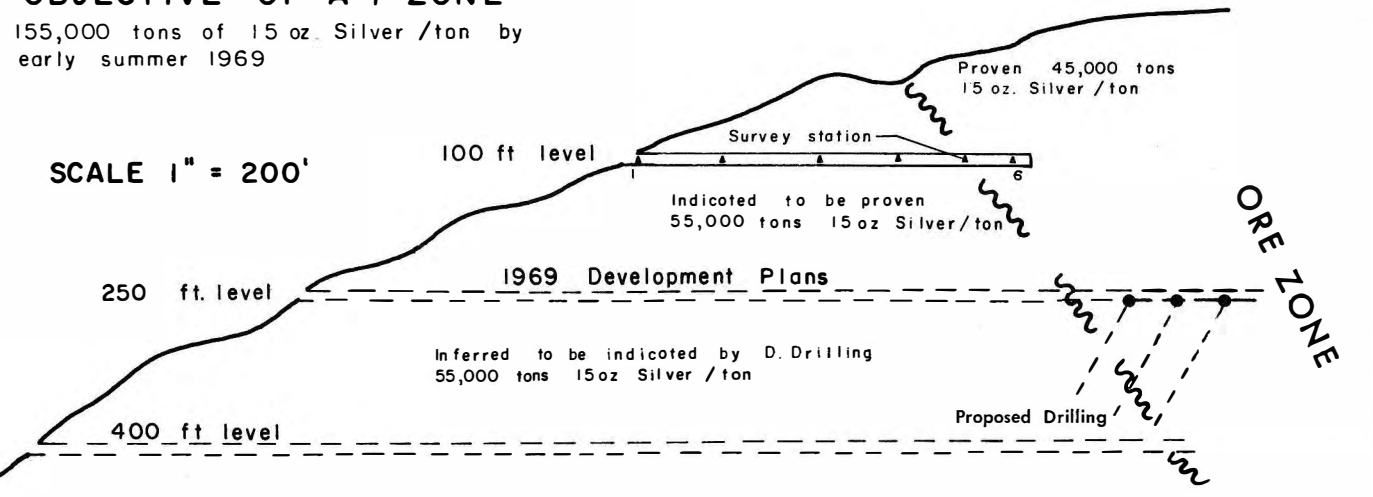
**K-18B ZONE**



**OBJECTIVE OF A-1 ZONE**

155,000 tons of 15 oz. Silver /ton by early summer 1969

SCALE 1" = 200'



**A-1 ZONE**

E - W

STUMP MINES LTD.
SILVER KEY MINES LTD.
ADIT DEVELOPMENT A-1 & K-18B ZONES
W.M. DEC. 68