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PELLY RIVER PROPERTIES - DR. AHO (105-F)

MARCH 19TH, 1963.

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Apparently, an organization called the Pelly River Syndicate has been formed on these properties, which consist of one group of 16 claims on a discovery made last year and a group of 18 claims acquired from The British Yukon Exploration people, who retain a 10% carrying interest.

The most impressive showing would appear to be the discovery made last year in which a 25' true width channel sample yielded 12 ozs. of Ag and 18% lead. A 10' width in the middle of this sample ran 0.5 ozs. of gold. Presumably, the gold is associated with pyrite and pyrrhotite. Judging from float in the vicinity of this showing, there would appear to be a possibility of at least a 275' length on this showing, but Dr. Aho considers it open on both ends. This showing is located at a height of 5500' and the exploration season would be limited to three months.

The White Creek showing acquired from British Yukon Exploration consists largely of a few hundred tons of siderite float. A sample of this float averaged 9 ozs. of Ag and 12% lead. One chunk of float carried 500 ozs. of silver in the form of tetrahedrite. There are, apparently, other showings in the area which gave similar assays.

The Pelly River Syndicate members were represented at a meeting on March 18th by Mr. Cecil Walker and by Dr. Aho. They would agree to give the participants in the proposed Silver Titan program a 75% position in these properties, retaining 25% for themselves. They are asking for a commitment of approximately \$24,000.00, the Budget for which is enclosed.

After \$500,000.00 had been expended on the properties, the Pelly River people would have to contribute pro rata to any further expenditures.

Dr. Aho feels there is an area roughly 30 x 15 miles which is worthy of prospecting. The mining companies involved would have no equity in the properties until the sum of \$100,000.00 had been expended in, say, a three year program. Dr. Aho would agree to be Syndicate Manager and, again, Canex would look after the bookkeeping.

Since a Group headed by Joe Rankin have seemingly made a very attractive offer to the Pelly River Group, both Dr. Aho and Mr. Walker seem to feel that the Budget of \$23,842.00 submitted is about a minimum for any season's work in this area. In other words, this is a basic and minimum commitment.

There would appear to be concurrence on the part of Canex and Homestake with this type of program and expenditure, but I do not know Noranda's attitude since they did not attend this portion of the meeting.

Encl.
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William M. Sirola.