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PELLY MINERALS SYNDICATE

Report on Progress of Exploration

August 5, 1963 A.E. Aho

- TO: L. Adie - Canex Aerial Exploration Ltd.
- B.O. Brynelson - Noranda Exploration Company Ltd.
- Wm. Sirola - Kerr Addison Gold Mines Ltd.
- D.C. Sharpstone - Homestake Mining Company
- A.E. Aho - Pelly Minerals Syndicate

Gentlemen:

Since my last progress report on July 14, Ray McKamey had finished running a rough magnetometer grid over the main Pelly Minerals showing area, and had not discovered any apparently significant anomalies of any size. Between the lowest showing (120 feet below station 6400) and the showing on the nose of the ridge, a zone of low magnetic readings was defined, apparently corresponding to a limestone band in which these showings are localized.

Below the main showing about 200 feet NE of station 5 + 50 on the base line a new showing was discovered, described by McKamey as being about five feet thick, from which a 4" x 10" chip sample by McKamey assayed as follows:

oz/ton Gold	oz/ton Silver	% Lead	Ag/Pb
.06	3.80	5.4	.70

Mineralization from 5 + 00 on the base line assayed .02 oz/ton gold, 7.32 oz/ton silver and 11.3% lead.

The showings all appear to be podlike replacements in limestone and no further continuity has been established. A trench across the showing on the nose of the spur is reported by McKamey to have exposed a width of 18 feet of oxidized mineralization which assayed .04 oz/ton gold and 7.12 oz/ton silver.

H. Verslucce had sent in two other grab samples of galena apparently from smaller veins which he discovered to the north of the claims which assayed as follows:

oz/ton Gold	oz/ton Silver	% Lead	% Zinc
.02	9.10	30.8	14.6
	8.42	74.0	

No further work is warranted on any of the present showings except that probably a more accurate magnetometer survey should be run over the area in the small creek valley below the main showings and to the north of them. This area has not yet been covered, nor was the small instrument used by McKamey quite accurate enough to detect all the sulfide

bodies, or to indicate the possible extent of significant anomalies.

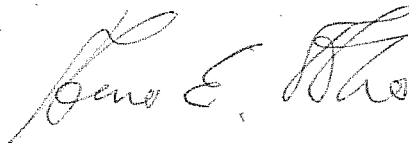
On July 24 McKamey returned to Mayo, discussed his results with me, and I advised him to return and stop any further work. James Cox would join Harry Verslucce to continue prospecting farther to the north and to the southeast in the heart of the Ketzia district. Howard Ball would return to Mayo and the pack horses and wrangler were to be laid off and the Conwest helicopter used in the area if possible.

RECOMMENDATIONS

Three or four days' magnetometer work with a Jalander magnetometer should be done in the main showing area as proposed above, and the main white Creek showings should be re-evaluated with the aid of similar limited magnetic work.

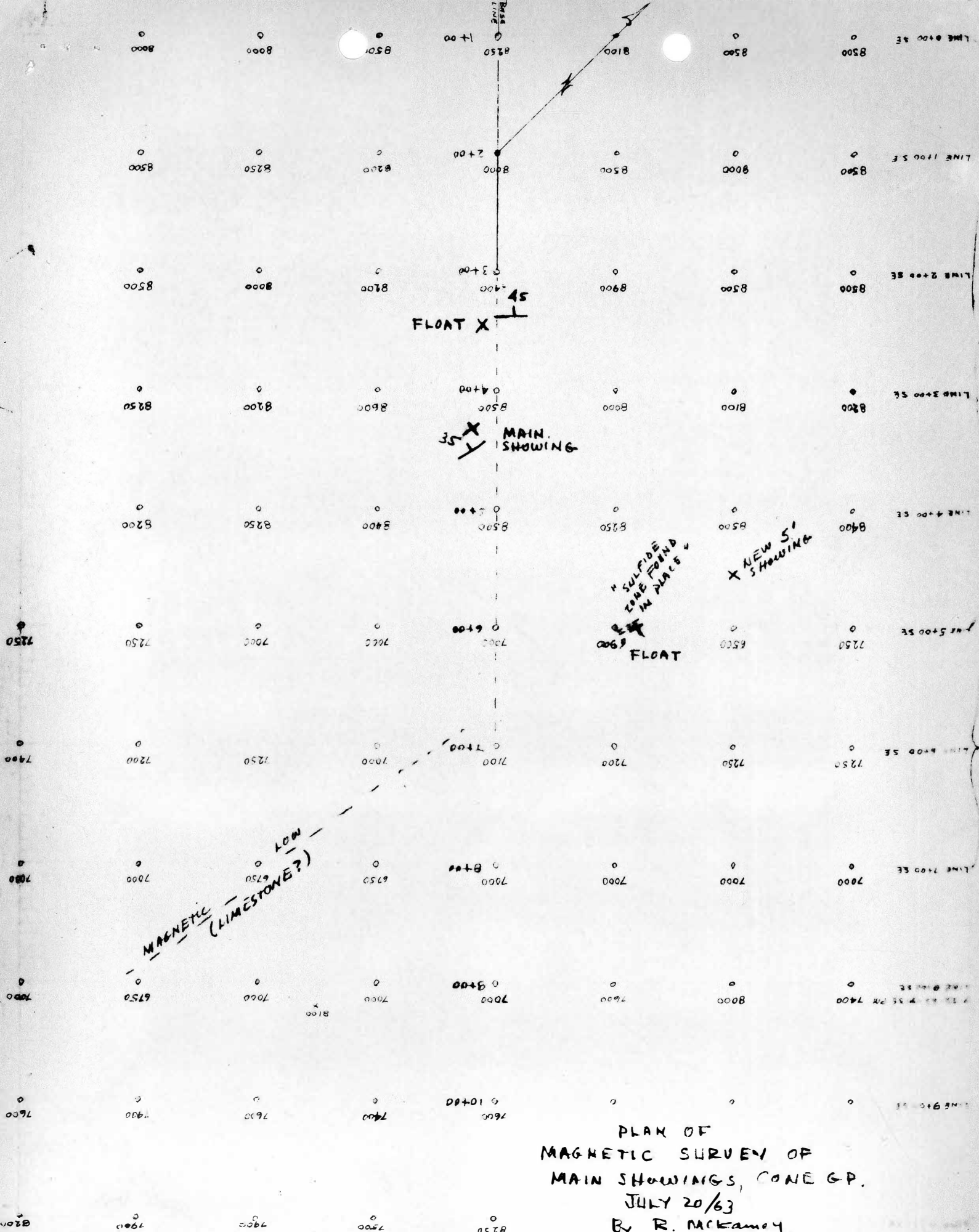
Prospecting should be continued in the district.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "A. E. Aho".

A. E. Aho

RECORDED JULY 19-63
RECORDED JULY 20-63



PLAN OF
MAGNETIC SURVEY OF
MAIN SHOWINGS, CONE G.P.
JULY 20/63
By R. McKamey