

KERR ADDISON MINES LIMITED
44 KING STREET WEST
TORONTO 1, ONTARIO

COPY

Vancouver

March 28th, 1968.

Mr. F. R. Ballard,
Five Star Petroleum & Mines Ltd.,
9918 - 109 Street,
Edmonton, Alberta.

Dear Mr. Ballard:

With reference to your letter of March 20th to our
Vancouver office concerning various properties we wish to advise
that after due consideration we do not want to contemplate
participation in their development at present.

We appreciate your giving up an opportunity to consider
them.

Yours sincerely,



Paul M. Kavanagh
Vice-President - Exploration.

PMK:sw

cc: M. M. Sirola.

MAR 28 1968

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To P. M. Kavanagh From Lynda Krupp

Subject Five Star Petroleum & Mines Ltd. Date March 27, 1968

9918 - 109 Street,
Edmonton, Alberta.

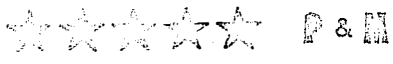
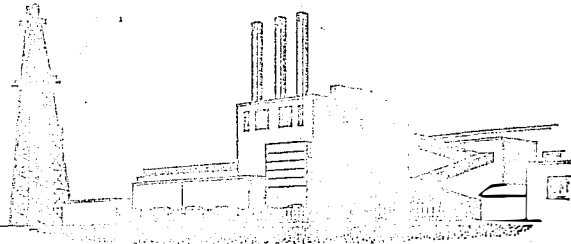
The enclosed submission which describes properties in the N. W. Territories, Yukon and Saskatchewan has been perused in this office and found to be of no interest.

If you come to the same conclusions, would you kindly so advise Five Star Petroleum.

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

W.M. Sirola
W. M. Sirola.

WMS/lk



FIVE STAR PETROLEUM & MINES LTD.

9918 - 109 STREET, EDMONTON, ALBERTA

TELEPHONE 424-3666

March 20, 1968

RECEIVED
MAR 22 1968
KERR ADDISON MINES LTD.

Kerr Addison Mines Ltd.
1112 West Pender Street
Vancouver, B.C.

Dear Sirs:

Attached is information re properties of Five Star Petroleum & Mines Ltd., 9918 - 109 Street, Edmonton, Alberta.

- 1.) O'Connor Lake, N.W.T. - Map and Geologists report attached.
- 2.) Vangorda, Yukon Territories - Map and Geologists report attached.
- 3.) Beaverlodge Lake, Saskatchewan - Map indicating our holdings and surrounding property.

Preliminary exploration work has been carried out on the first two properties as noted from the Geologists report.

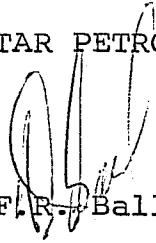
Uranium property at Beaverlodge Lake, Saskatchewan has just been acquired and no studies have been conducted.

We would welcome any farm-out arrangements or would be happy to discuss future developments of any of these properties.

Yours truly,

FIVE STAR PETROLEUM & MINES LTD.

Per:


F.R. Ballard

FRB/er

**ENGINEER'S REPORT ON THE JN-JR GROUP
WHITEHORSE MINING DISTRICT, Y.T.
by ACE R. PARKER, Consulting Engineer**

Dated April 14, 1967

Summary

The JN-JR GROUP currently consists of fifty-six (56) contiguous and granted mineral claims situated in the Anvil-Vangorda Division of the Whitehorse Mining District, Yukon Territory and on the Canol Road approximately 30 miles west of Ross River, Yukon.

Although these claims cover an area of favorable geology and known mineralization, essentially no technical exploration has been performed on the property since its discovery in the early 1940's during construction of the Canol Road.

A systematic program of exploration consisting primarily of geological mapping, geochemical and geophysical surveys, followed by bulldozer trenching and diamond drilling is recommended at this time to assess the potential of the property.

This program is outlined in the included report and is estimated to cost \$45,000 if conducted during 1967.

Property - Ownership - Options

Claims of the JN-JR GROUP cover approximately 2,800 acres of Crown Land and are further described as follows:

Claim Name	Grant No.	Registered Owner	Expiry Date
JN # 1 to 8 incl.	Y12213 to Y12220 incl.	L. Modesto Whitehorse, Y.T.	16 Mar. 1968
JN # 9 to 16 incl.	Y12221 to Y12228 incl.	P. Poggenburg Whitehorse, Y.T.	16 Mar. 1968
JR # 1 to 4 incl.	Y12526 to Y12529 incl.	L. Smith Whitehorse, Y.T.	13 April 1968
JR # 5 to 6 incl.	Y12534 to Y12535 incl.	D. Smith Whitehorse, Y.T.	13 April 1968
JR # 7 to 14 incl.	Y12542 to Y12549 incl.	C. McLeod Ross River, Y.T.	13 April 1968
JR #15 to 12 incl.	Y12550 to Y12557 incl.	S. McLeod Ross River, Y.T.	13 April 1968
JR #23 to 30 incl.	Y12558 to Y12565 incl.	S. Atkinson Ross River, Y.T.	13 April 1968
JR #31 to 34 incl.	Y12530 to YET533 incl.	L. Smith Whitehorse, Y.T.	13 April 1968
JR #35 to 40 incl.	Y12536 to Y12541 incl.	D. Smith Whitehorse, Y.T.	13 April 1968

Silver Chief Minerals Ltd. holds an option to purchase the claims listed above and currently no mining or milling plant exists on the property.

Also to the best of my knowledge and belief no liens are registered against the property.

Location & Access

The JN-JR GROUP (61°52' N, 132° 53' W), is situated in the Anvil-Vangorda Area of the Whitehorse Mining District, Yukon Territory, 30 miles west of Ross River, Yukon and immediately adjacent to the Lapie River and the Canol Road at Mile Post 118.

These claims join the Fox Group of Mineral Claims which is currently being explored by Atlas Exploration.

The Canol Road and the Alaska Highway provide a 198 mile all-weather connection between the property and Whitehorse, Yukon which is 111 miles by rail from ocean transportation at Skagway, Alaska.

Ross River, Yukon is also served by chartered aircraft and helicopters are available in the area.

History & Development

"Employees" of the American Army first found mineralization in the area covered by the JN-JR GROUP in the early 1940's during the construction of the Canol Road.

This discovery attracted various prospectors to the area including representatives of the Consolidated Mining and Smelting Company of Canada who staked the known showings in 1945 and excavated several shallow trenches on the property immediately adjacent to the Canol Road.

Although these trenches confirmed the presence of mineralization no technical exploration was performed on the property and the area in general has remained essentially idle until the recent discovery of the Faro Orebody by Dynasty Exploration.

This significant discovery has stimulated large scale and intensified exploration in the Ross River area by numerous companies largely on claims covering favorable geology and structure but often containing very little outcrop and generally with no visible mineralization.

Physiography & General Geology

The JN-JR GROUP covers a section of the Yukon Plateau Province in the Pelly Mountains of south-central Yukon. These mountains rise to elevations of approximately 5,000 feet in the claims area and reflect the effect of continental glaciation.

Glacial overburden covers much of the claims area and vegetation generally consists of typical Yukon "black spruce" and poplar trees in conjunction with "buck" and alder brush.

Paleozoic sedimentary rocks including argillites, chert, dolomite, limestone, quartzite, sandstone, black shale, and slate underlie the claims of the JN-JR Group. These rocks trend northwest, generally dip approximately 35° northeast, and have been locally folded, faulted, and fractured in at least three different directions. A series of northwest-southeast trending faults appears to control most mineralization on the property.

The Lapie River on the southern boundary of the property traverses along a major east-west fault which is probably related to the Tintina Fault Zone which is located approximately 25 miles east of the property.

Minor intrusions of Mesozoic granitic rocks also occur in the area. The intrusion of these rocks was undoubtedly followed by the formation of mineral deposits.

Economic Geology

The favorable geologic unit underlying the claims area is several thousand feet thick and is mineralized primarily with silver, lead, zinc, and copper mineralization at several different localities. Although old trenches have caved and the known mineralization is currently concealed by overburden, existing records provide a reasonable description of the original showing which consists of a pyritized quartz vein contained in a shear zone developed in Paleozoic shale.

The vein where exposed in the road cut is 3 feet wide, strikes 310°, dips 50° east, and contains approximately 7% galena and 2% pyrite all associated with drusey and cellular quartz.

Assays of this material taken from channel samples show 5.2% lead, and 1.2 ounces of silver per ton in conjunction with minor amounts of copper, gold and zinc.

This vein and other mineralized structures is exposed in the walls of the Lapie River approximately 1,000 feet from the original discovery. None of these mineralized structures have been explored to date.

Exploration & Mining Considerations

Economic parameters relating to the development of a mine in the area present few problems providing a sufficient tonnage of ore can be developed on the property to justify installation of a mining and milling plant. This possibility is of course subject to the results of exploration.

Geological mapping, geochemistry, and modern geophysical tools such as the Sharpe S.E. 300 electromagnetic units employed in conjunction with bulldozer trenching, and diamond drilling if justified, should provide rapid and thorough assessment of the property's economic potential.

This work could be performed during the summer months of 1967 while utilizing the Canol Road for direct access to the property and utilizing existing domestic facilities at Ross River, Yukon for a base, if necessary.

Conclusions & Recommendations

The JN-JR GROUP represents a reasonable exploration "bet" when considering the property's relativity to favorable geologic and economic conditions and especially the presence of known and unexplored mineralization.

There is a possibility that the known mineralized zone may contain economic concentrations of mineralization. Also there is a possibility that replacement deposits of base metals may have developed in the immediate area.

Consequently, an initial exploration program consisting primarily of geological mapping, geochemical and geophysical surveys is recommended at this time to assess the economic potential of the property. This work could be augmented by bulldozer trenching and diamond drilling if justified. Such a program is outlined as follows and is estimated to cost \$45,000 if conducted during 1967:

4. Geochemical surveys	1,500
5. Ground geophysical surveys (E.M.)	2,000
6. Earthwork—bulldozer trenching and drillsite preparations	4,000
7. Diamond drilling—1500 feet of B.Q. wireline	15,000
8. General Assaying	700
9. Engineering and supervision	3,000
10. Administration, general wages, services and head office expense	5,000
11. Contingencies	5,300
Total	\$45,000

After this program has been completed a decision can be made regarding the future of the property.

Costing of Operations—Contract Basis

1. Claims work—stake 40 additional claims and file assessment	\$ 3,000
2. Geological mapping, prospecting and sampling	3,000
3. Line cutting and picketing	2,500

Respectfully submitted,

ACE R. PARKER, P. Eng.

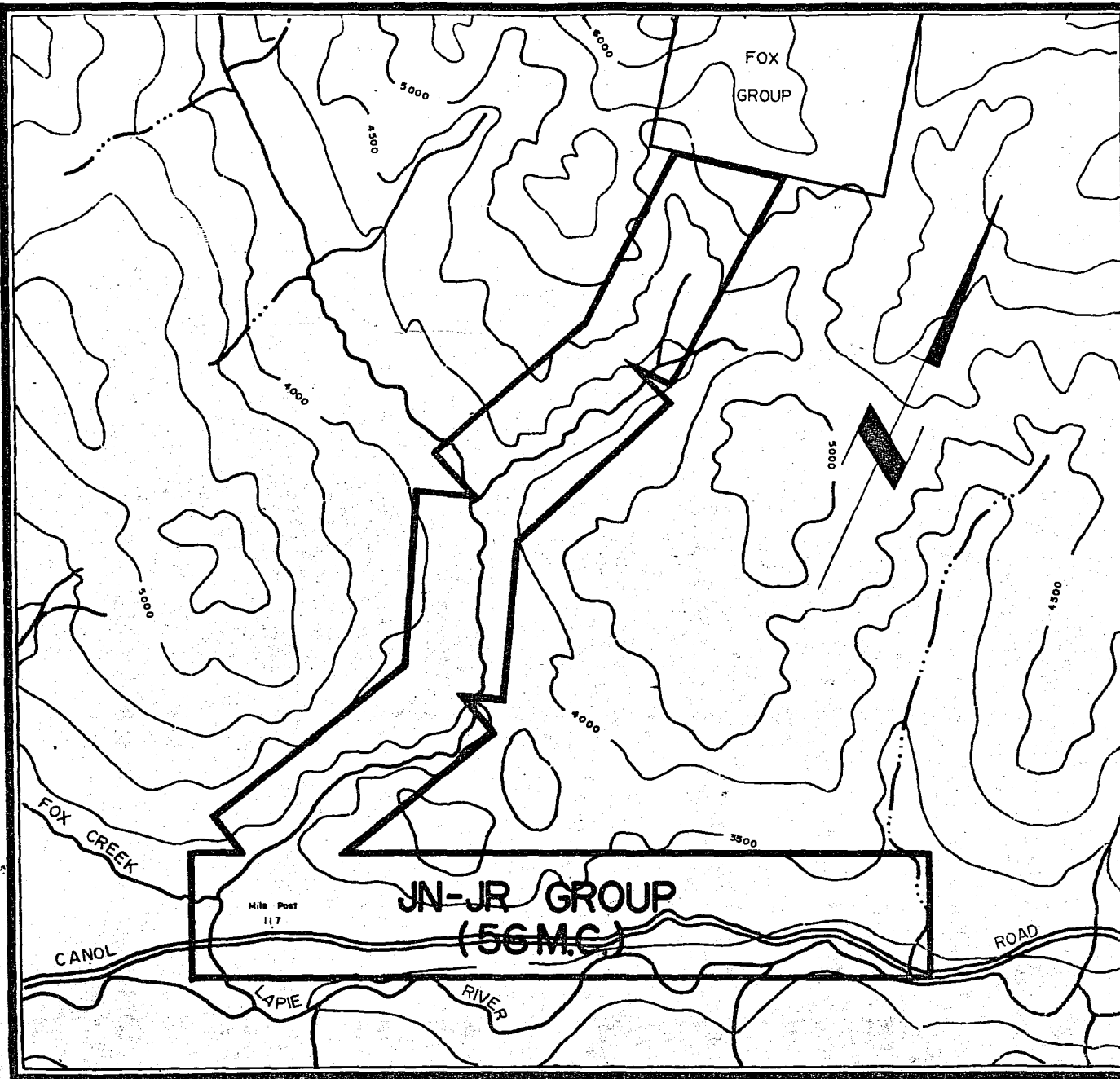
CERTIFICATE

I, Ace R. Parker, of the City of Whitehorse, Yukon Territory, do certify that:

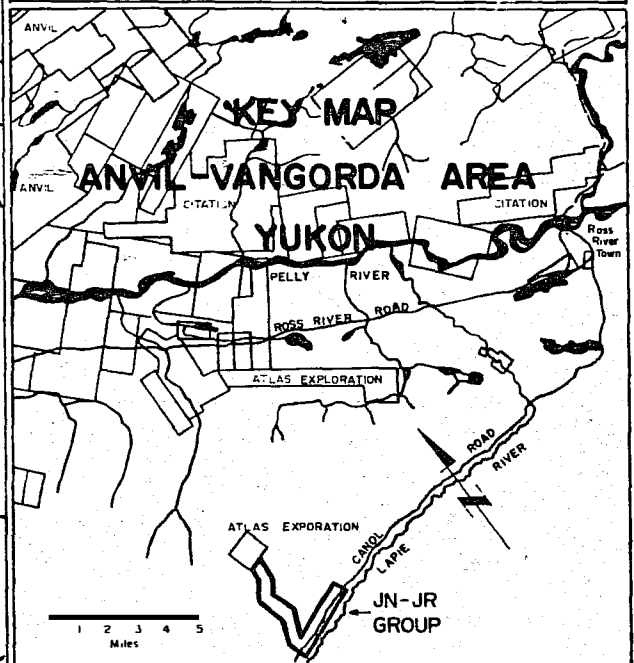
- 1—I am a Consulting Engineer practicing under the name and style of ACE R. PARKER & ASSOCIATES, with office at 407 Main Street, Whitehorse, Y.T.
- 2—I am a Bachelor of Science in Mining Engineering from the College of Earth Science and Mineral Industry, University of Alaska, College, Alaska — 1962. I hold a Diploma in Mineralogy from the Mineral Science Institute, Chicago, Illinois — 1959.
- 3—I am a member in good standing of the Association of Professional Engineers of Yukon, the Association of Professional Engineers of British Columbia, and the Association of Professional Engineers of Alberta. I have been a member of the American Institute of Mining, Metallurgical, and Petroleum Engineers since 1954.
- 4—I have formally practiced my profession for the past five years after working in the Mineral Industry since 1954.
- 5—I have no direct or indirect interest in the JN-JR GROUP described in the accompanying report or in any securities relating to said property.
- 6—This Certificate is part of the attached Engineer's Report on the JN-JR GROUP of mineral claims dated April 14, 1967. The attached property map shows the location of the claims group which, with their respective posts, have been located in compliance with the Yukon Quartz Mining Act.
- 7—This report is based on a comprehensive personal study of documents, maps, and reports relating to the property described herein, including reports of the Geological Survey of Canada and in conjunction with a personal examination of the property by myself during March, 1967.

Whitehorse, Yukon
April 14, 1967

ACE R. PARKER, P. Eng.



PROPERTY LOCATION MAP
JN-JR GROUP
SILVER CHIEF MINERALS LTD.



ACE R. PARKER & ASSOCIATES
 Mineral Industry Consultants & Contractors

KEY MAP BASED ON GOVERNMENT CLAIM MAPS. CLAIM LOCATION APPROXIMATE.

DATE 7 APRIL, 1967 SEAL

DRAWN *Samuel J. J.*

SCALE 1 in. = 1/2 mile

DWG. No. 1