

W.H. Stav
Lt. 4/168

M N I N G R E P O R T S

PEMETEX YUKON COPPER

Further results of the current diamond drilling program by United Pemetex Limited, (owned by Central-Del Rio Oils Limited and Silver City Mines Limited) on the White River copper properties are announced as follows:

1. Hole No. 3, located 100' North of Holes No. 1 and 2, was abandoned at a depth of 93 ft because of mechanical difficulties.

2. Hole No. 4 also located 100' North of Holes No. 1 and 2, was drilled at 317 ft at an angle of -55 without encountering the main ore zone. Since there is considerable faulting in the area, it is possible that failure to encounter the main zone indicates a lateral offset by faulting.

3. Hole No. 5 is located 300' North of Holes 1 and 2, was drilled to 282 ft at an angle of -25. An ore zone with a drilled width of 9 ft was encountered. Of this 9 ft., 5 1/2 ft graded 6.81% copper. This zone was encountered at 192 - 201 ft. Attitude, and therefore true width of this zone is not presently known nor is it certain that it is a faulted extension of the main ore body.

4. Hole No. 6 was drilled at - 39 to intersect the main zone at about 50' North of Holes 1 and 2. Ore intersection was obtained over the interval of 142 - 153 ft., ore intersection from 190 - 194 1/2 ft. Assays from Hole No. 6 are not yet available.

5. Hole No. 7 was drilled at - 21 to intersect th main zone some 100' North of Holes 1 and 2 and clarify the possible faulting. The fault was cut by this hole approximately as expected and mineralization was encountered below the fault. Information on the width and grade of copper contained in this mineralization is not yet available.

6. Hole No. 8 is presently drilling from a location 75' South of Holes No. 1 and 2 and is intended to intersect the main zone approximately 50 ft South of these holes.

Further drilling to the North will probably be deferred pending results of an induced polarization survey which is presently being planned.

013028

→ Silver City.
~~MINES LTD~~
1

29/Feb/68

20'	6 - 5.06 % Cu	} 3.3 25' T.W.
	6 - 2.05	
	2 - 2.4	
	15 - 2.9	
	<hr/>	
60'	29	
	# 2	
80'	17.5 - 9.01	} 4.97 27'
	22.5 - 7.84	
	2. - 7.3	
	<hr/>	
100'	41	
	# 3	

Stacking

For Inter-office Correspondence Only

File

TO SILVER CITY MINES LTD

FROM _____

ADDRESS _____

ADDRESS _____

IN REPLY TO YOURS OF _____

DATE 24 May/66

SUBJECT _____

Cap - 5,000,000 S

ISS - 989,005 S

J.A. HANNA - Whitehorse holds 200,000
Shares

as of July 9, 1965

200,005 @ .10	
20,000 @ .15	
19,000 @ .25	
<hr/>	
239,005	\$ 27,750.00
<hr/>	
750,000 @ .10	\$ 75,000.00
<hr/>	
	\$ 102,750.00 (dis)

Solicitors - Hogan, Webber, Woodliffe VCR

Private Coy - expected to go public

DIRECTOR

↳ Cy Keyes of Pacific D.D. said on evening June 9th his Coy would d.d. White River claims this summer

INITIALS OF ADDRESSEE _____ DATE _____ INITIALS OF SENDER _____

Firms join in ore quest

Silver City Mines Ltd. of Vancouver and Central Del Rio Oils Ltd. have formed a joint venture to explore 224 mineral claims and a prospecting lease in the Donjek valley of the west-central Yukon.

The property is 15 square miles situated 20 miles by tote road southwest of mile 1168 on the Alaska highway.

A private company will be incorporated under the name of United Pemetex Ltd. to carry out the program. Central Del Rio will subscribe for slightly more than 50 per cent of the initial issue of shares of the new company at a price sufficient to cover the estimated cost of the first phase of the work and Silver City will receive slightly

less than 50 per cent of the shares for the property.

Preliminary work over the last few months has shown copper values, says a company report, and a diamond-drilling program will start in February.

On execution of the agreement, Central Del Rio paid Silver City \$20,000 and purchased 10,000 Silver City shares at 50 cents. Central De Rio is under firm commitment to pay \$250,002.50 for 100,001 shares of Pemetex of which 75,001 shares will be placed in trust. To proceed with phase two Central Del Rio has the option to purchase a further 100,000 shares of Pemetex for \$250,000. Further phases involve options including production.

SILVER CITY MINES, LTD.

P.O. BOX 878

WHITEHORSE, YUKON TERRITORY

PROGRESS REPORT ON WHITE RIVER COPPER PROPERTY
OF SILVER CITY MINES LTD. (N.P.L.)
SUBMITTED JUNE 5th, 1967, BY CONSULT-
ING GEOLOGICAL ENGINEERS -- ARCHER,
CATHRO & ASSOCIATES LTD.

Geological mapping and a geochemical survey was commenced on May 19th by Archer, Cathro & Associates Ltd., Consulting Engineers, on the White River property of Silver City Mines Ltd.

The main effort is being directed towards detailed mapping around the discovery showings found in 1905. Reopening and sampling of two old adits and a number of pits is in progress. Outcrop is very limited in the vicinity of the old workings and detailed soil sampling will be used to explore the extent of the mineralized zone. As well, a small test EM survey is being run over the old showings to determine the response of the known mineralization to this exploration tool.

A hand-picked specimen of amygdaloidal volcanic rock containing veinlets of chalcocite and bornite taken from the dump at the portal of an old adit assayed 11.4% copper, trace gold, and 0.44 ozs./ton silver.

The results of this initial program are expected to be available by late June and will permit a decision on the exploration methods applicable to determining the open-pit potential of the various mineralized areas.

FARRIS, FARRIS, VAUGHAN, TAGGART, WILLS & MURPHY

BARRISTERS & SOLICITORS

HON. J. W. DEB. FARRIS, O.C. JOHN L. FARRIS, O.C. D. L. VAUGHAN
J. D. TAGGART, O.C. C. H. WILLS C. FRANCIS MURPHY
BRICE S. EVANS A. D. POOL G. S. HUGH-JONES
JOHN D. McALPINE BRIAN S. LOWE P. W. BUTLER
JACK M. GILES E. P. GRAHAM MOSELEY J. HAIG DEB. FARRIS
K. A. L. HILLMAN

TELEPHONE 681-7111
AREA CODE 604
CABLE ADDRESS "FAREM"

15TH FLOOR
510 WEST HASTINGS STREET
VANCOUVER 2, B.C.

REPLY ATTENTION OF Mr. Keith A.L. Hillman

24th August, 1966.

Anvil Mining Corporation Ltd.,
510 West Hastings Street,
VANCOUVER 2, B.C.

Dear Sirs,

Re: Yukon Quartz Mining Act

You have asked the writer to give you a written Opinion with respect to certain aspects of the above legislation.

1. Facts:

The facts upon which our Opinion is based are the following:

The recorded holder of certain mineral claims is presumed to have committed perjury in that he has sworn that he has performed certain work on certain claims, whereas in fact no such work has been done. The claims are located on Crown lands, i.e. where the surface rights have not been Crown granted, and further that the owner of the mineral claims has not, as yet, obtained a release of mineral claims, or a certificate of improvement, but has merely filed an application for a claim and an application for a certificate of work.

2. Legislation:

The Act is imprecisely worded, and it is therefore impossible to be certain as to the intention of Parliament, and the interpretation which the Courts would place upon the statute. We shall, however, discuss the relevant sections and give you our interpretation of such sections where we feel our opinion is required.

Broadly speaking, under the Act the standard procedure appears to be that a Locator, upon locating and staking his claim, may go through the following steps:

1. He may make application for a mineral claim.
2. He may make application for a certificate of work.
3. He may make a survey.
4. He may make application for a certificate of improvement.
5. He may then obtain a Twenty-one year Lease, with a right of renewal.

The Act provides in Section 38 (1) and (5) that any person having located a mineral claim must record same within fifteen days of location, or such claim shall be deemed to have been abandoned and forfeited without any declaration of cancellation or abandonment on the part of the Crown. Under Section 44 (2) the date upon which the application and fee are received by the Mining Recorder governs, and is considered to be the date of the application. Section 32 provides that failure to have complied in every respect with the regulations and the Act governing location is deemed not to invalidate location or the record of title, if there has been an approximate and substantial compliance with the mining regulations or law, and the non-compliance is not of a character calculated to mislead others desiring to locate claims in the vicinity.

In disputes as to location of any claim Title under Section 59 is recognised according to priority of location, subject to:

- a) The validity of the record itself, and
- b) the locator having complied with the Act.

In a dispute over title to any claim under Section 60, no irregularity happening previous to the date of the record of the last certificate of work affects the title thereto. There is a presumption that up to the date of the record of the last certificate of work, title to every claim was perfect. This presumption may only be overcome upon suit by the Attorney General of Canada based upon fraud. A certificate of improvements, however, under Section 66 may be impeached in Court by anyone, but again only on the ground of fraud. Anyone having an adverse right must, under Section 69, commence legal action to determine the question of right of possession, and enforce his claim within sixty days after the first publication in a newspaper of a notice given under the Act:

- a) When an application for a certificate of improvement is made under Section 64 (1) (e), or,
- b) when a survey is ordered under Section 80.

It appears to be open for anyone under Section 53 (6) to prove to the satisfaction of the Mining Recorder that the holder of a claim has been guilty of misrepresentation in any of the statements required under the Act to be made by him under oath, in which event the Mining Recorder may, in his discretion, order that any person be debarred from the right to obtain entry for, or a certificate of work in connection with, any mineral claim for such length of time as the Mining Recorder deems advisable.

3. Opinion:

The law is clear on one thing, and that is that a claim lapses by operation of law if the work required to be done under the Act, or the payment to be made in lieu thereof, is not done or made within the year, (see Section 55 (1)). The locator has 14 days after the end of the year to satisfy the Recorder that the work has been performed. It should be noted that there is no provision in the Act whereby a claim, once it has lapsed, may be revived. It would appear that once a claim has lapsed, the owner must re-apply for a claim, as the Act states that when a claim does lapse it shall forthwith be open for location. In our opinion, if an intervening location and staking were recorded, it would take priority.

*no formal
of grace/
full payment*

While it would appear clear that a lapse in title cannot be cured by late payment, and that payment in lieu of work can be readily ascertained by searching the Mining Recorder's records, serious problems arise if a recorded owner makes a false declaration as to the work allegedly performed by him and based upon his misrepresentation obtains a certificate of work.

- a) The first problem is the difficulty of proving that the work was not done. Proof of whether the work was or was not done is a question of fact. One would likely require independent experts to view the claim before, during and after the end of the year. It would be desirable if the experts made detailed maps, photographs and notes, and they would have to keep in mind the unusual provisions, such as those set forth in Section 53 (2) (3) and (4).

- b) The second problem would arise when one attempted to over-stake the claim, in that one would have to be careful to avoid confusion of over-staking and confusion in the work done by the person over-staking with the work allegedly done by the recorded owner.
- c) The third problem arises in respect of the legal proceedings to be taken. As has been seen, under the legislation there is a presumption that a certificate of work is valid, and it is also stated that the Attorney General of Canada is the only one who can upset a certificate of work. It would, however, appear to us, in our opinion, that if a certificate of work were obtained by misrepresentation, and if one were to so satisfy the Mining Recorder, the Mining Recorder could:

1) debar any person from entry, or,

2) refuse a certificate of work.

It does, however, appear clear that the Mining Recorder may only do those things, and he does not appear to have the power to cancel a certificate of work, or a certificate of improvements, or a Lease. Particular note should be made of the fact that the Mining Recorder appears to have an over-riding discretion whether he shall take any course of action at all.

A strong argument could be made out for the proposition, and it is our opinion that a certificate of work so obtained by misrepresentation with respect to the work allegedly performed by the owner, would be a nullity. It would not be a mere irregularity affecting title, and the fraud contemplated in Section 60 of the Act can apparently only be raised in a suit by the Attorney General of Canada. It may be argued Fraud here is as between conflicting claimants and would not include a misrepresentation by a recorded owner made in order to obtain a certificate of work.

4. Conclusion:

It would appear that there are three possible courses of action open:

1. A party wishing to acquire title to a claim where the recorded owner has obtained a certificate of work through misrepresentation as to the work performed, could firstly pin down the evidence and facts with regard to the misrepresentation as indicated above, and then attempt to induce the Mining Recorder to debar the recorded owner from entry or from obtaining a further certificate of work for the period of at least one or two years to enable such person to over-stake the claim and thereby acquire title, or,

2. A person desiring to obtain title to a claim where the certificate of work was obtained by misrepresentation, could again attempt to obtain sufficient evidence to clearly prove misrepresentation, and attempt to induce the Attorney General of Canada to sue for fraud and for a declaration that the certificate of work is a nullity, or,

3. One may upon obtaining sufficient evidence to prove beyond a reasonable doubt that the certificate of work was obtained by misrepresentation, then over-stake the claim and commence action for a declaration of title. One would argue that the certificate of work was a nullity, but in any event the question of whether a certificate of work was issued or not, and any irregularity exists, is irrelevant, if one can prove the amount of work or the payments in lieu thereof have not been done or made as required by Section 55 (1), and that the title of the recorded owner has accordingly lapsed.

We trust that this is the information you require, and if you wish any further information, please do not hesitate to call us.

Yours truly,

FARRIS, FARRIS, VAUGHAN, TAGGART, WILLS & MURPHY

Per:

KH/ejd