

ATLAS EXPLORATIONS LIMITED
(N. P. L.)

014237

330 MARINE BUILDING
355 BURRARD STREET
VANCOUVER 1, B.C.

No action at
present
R.E. Cow

MEMO TO: Dr. A. E. Aho

FROM: E. O. Chisholm

DATE: August 9, 1967.

Re: PINE LAKE MINING COMPANY LIMITED

Prospectus on this property is attached.

Ken Sanders, one of the principals, was interviewed at their office located at Suite 501, 615 West Pender Street, Vancouver, B. C. today and gave me the following information:

They have 72 unpatented claims, of which 42 claims are under option, located on the east shore of Lake Laberge opposite Richthofen Island. There is a 42 mile tote road, suitable for four-wheel drive, that connects the property to Whitehorse. They completed 8 holes, approximately 2500 feet of drilling recently, and have obtained in the last two holes indications of a porphyry copper type of occurrence. I examined specimens of core and surface rock and believe this is correct, although there have been no significant economic results encountered to date. The porphyry plug which is host rock is exposed for approximately 3000 feet in diameter. The stock intrudes Paleozoic limestone.

No. 8 hole was drilled at the contact of the limestone, went through several feet of skarn and approximately 100 feet of fractured porphyry containing scattered 1/4" quartz stringers in gray and altered silicious porphyry. One of the 1/4" stringers contained fine molybdenum mineralization. Scattered chalcopyrite was also encountered in association with the stringers. No results are of economic grade.

No. 7 hole also in the plug approximately 700 feet south of No. 8, encountered similar type of fracturing and scattered mineralization. The porphyry is well altered to a general fine grained silicious material with ghost relics of

the porphyry.

Hole No. 9, 300 feet from No. 8, appears to be the best hole to date. It encountered a brecciated quartz porphyry over 100 feet of drilled core length, several _____ were reported to be present containing up to 10% pyrite and pyrrhotite with speck of chalcopyrite in localized sections. A piece of this core examined by me was well mineralized: 10% fine pyrite and associated pyrrhotite plus 1% chalcopyrite.

Only big specimens from these holes were examined but they appeared to have the general characteristics of a silicified and brecciated porphyry copper type of occurrence with associated chalcopyrite and molybdenum. I agree with Ken Sanders that he has encountered a hitherto unknown porphyry copper type of occurrence that deserves follow up work to determine its potential. Sanders suggests that an IP survey be carried out over sections of the intrusive and some soil sampling. He also thinks an EM survey would be useful in the vicinity of Hole No. 8 to delineate the sulphide zones.

Pine Lake Mines Limited has sold 140,000 shares of stock at 50¢ to raise \$70,000, \$45,000 has been spent on the work to date, \$25,000 was left in the Treasury. They were authorized to sell 25,000 shares at 50¢ and have a period of one year to sell the balance. The market price of the stock is at present 30¢. Sanders suggests that we commit ourselves to \$5000 worth of work along the lines he suggested for which we would receive 10,000 shares of stock and would be given options on Treasury stock up to control of the Company. They would also consider alternative proposals and, if we wish, lift the property out of Pine Lake itself. He and Ray Hrkac are the principals to talk to. Sanders is preparing a detailed report on the property which will be ready on Friday and is mailing it up to the Whitehorse office for my consideration. I promised him that I would look at the property within the next ten days and keep him advised.

I would agree with you that this is the type of thing that would be attractive to Empress Mines and that we should immediately take steps to tie up the property pending my examination.