014275

PELLY MINERALS PROJECT

Canex Aerial Exploration Ltd.,
700 Burrard Building,
Vancouver 5, B.C.

Attention: Mr. L. Adie

Noranda Exploration Co. Ltd.,
2256 West 12th Avenue,
Vancouver 9, B.C.

Attention: Mr. B.O. Brynelson

Kerr-Addison Gold Mines Limited,
Anglo Huronian Limited,
409 Granville Street,
Vancouver, B.C.

Attention: Mr. Wm. Sirola

Homestake Mining Company,
100 Bush Street,
San Francisco 4, Calif.
USA.

Attention: Mr. D.C. Sharpstone

Gentlemen:

I examined the Pelly Minerals Syndicate showings on July 12, 13 and 14 in the company of L. Adie and R. McKamey of Canex Aerial Exploration.

Since the last examination with Sirola and Sharpstone on June 19, hand trenching had been under the capable direction of Dean Crossland of Homestake Mining Company. Difficulties were experienced in getting a Copco Cobra plugger and supplies in and getting the drill operating, but considerable hand trenching had been done and a shallow trench has been blasted across the main showing.

Prospecting in the vicinity of the claims had revealed a second zone of sulfide showings about 3/4 mile to the west, crossing over the top of the ridge, and another zone along strike to the south of the above.

Sixteen claims were staked to cover these discoveries which were on open ground, but due to low assays, these claims will not be recorded.

No sign of mineralization has been found on the adjoining claims held by John McIsaac and Pete Versluce. Prospecting is now being extended to the north.

Cone No. 1 Showings (See Figure 1)

Mineralization in Cone No. 1 Showing consists of massive pyrrhotite, pyrite and galena with lesser dark sphalerite and arsenopyrite and minor chalcopyrite. Wall rocks have now been exposed and the formerly

large sulfide exposure appears to be a replacement body localized along a lens of limestone which strikes NNE and dips about 40-50° NW into the hill with a general section of tuffaceous shales and tuffs. The upper contact of the sulphide body may be a fault zone but was not yet sufficiently exposed to be certain.

The sulfide body appears to be downwardly convex (or to have a roll) with an apparent true width of no more than about 10 to perhaps 15 feet, apparently terminating in limestone downhill to the northeast and probably terminating a short distance uphill to the southwest. The length may be in the order of 40 to 80 feet. Float indications and the magnetic anomaly associated with this showing appear to terminate within this distance.

The original sampling done by Ray Wesemann for Pelly Minerals Syndicate appears to have been approximately across strike and consisted of five 5-foot channels which showed about 12 oz/ton silver and 18% lead with a 15-foot section carrying 0.3 - 0.5 oz/ton gold. Sampling on June 19 by Sirola and Sharpstone, with the showing largely scraped clear of snow, gave the following results in channel samples taken uphill to downhill as shown on a sketch by Sirola:

Sample No.	Gold oz/ton	Silver oz/ton	Lead
C-1	0.20	10.4	16.1
2	.02	20.1	28.2
3	.03	35.4	54.3
4	.50	23.6	36.1
5	.22	11.7	18.6
6	.08	8.4	12.0
7	.08	5.5	8.0
8	.05	13.6	21.0
9	.12	20.6	38.0

Subsequent trenching showed that the downhill portion of the showing was merely an oxidized capping of limonite and pieces of float, underlain by sparsely mineralized limestone on the footwall side. Three vertical channel samples taken by L. Adie across the remaining fresh sulfide section, exposed by a trench blasted through the showing, assayed as follows:

Sample No.	Gold oz/ton	Silver oz/ton	Lead
3380	.01	7.12	11.2
3381	.02	8.40	12.6
3382	.14	11.2	19.1

The lower gold content supports Sirola's verbal suggestion that the former values may be superficially enriched.

A limited amount of further trenching, test pitting, and magnetometer work is being done to eliminate any possibility of concealed extensions.

The two other float areas (See Figure 1) appear to be similar but separate smaller replacement lenses that have become dislodged and frost heaved in nearly their original positions. No further work is warranted on these unless magnetic work suggests much greater continuity.

About 800 feet south of the main showing, a gossan zone extends N-S for about 150 feet over the nose of the slope. Two trenches show the gossan to be 10 to 20 feet wide, with some galena in the limonite, suggesting a zone of mineralization similar to the others. Altered (dolomitized?) limestone is exposed on both sides of the zone with argillite beyond on both sides. A small pit on the south end of the zone showed some arsenopyrite which carried only .01 oz/ton gold. A single trench deepened to solid mineralization at the brow of the showing on its north end should be sufficient to test it. It appears to extend only short distances north and south.

Cone No. 20 Showings

Two sulfide showings were recently found on Cone No. 20 claim by Harry Versluce.

The uppermost consist of boulders of float up to 2 feet thick and 4 to 6 feet across totalling several tons of pyrrhotite with some arsenopyrite and pyrite and minor galena, sphalerite and chalcopyrite. A general chip sample of the float assayed only .005 oz/ton gold, 1.44 oz/ton silver and 0.15% copper. The float, on a 35° talus slope, appears to represent an isolated pod with no extensions.

The lower showings, 250 feet to the northeast, consists of a north-south striking, steeply dipping zone of pyrrhotite, arsenopyrite, pyrite and minor chalcopyrite up to perhaps 15 or 20 feet wide, which is localized along a zone of altered limestone faulted between relatively gently-dipping argillite, quartzite, and tuffaceous rocks. Sulfide exposures, gossans and abundant float occur for at least 200 to 300 feet down to the talus at the foot of the slope. Samples taken from this zone assayed as follows:

	Oz/ton Gold	Oz/ton Silver
Oxidized pyrrhotite, uppermost float	Tr	Tr
Pyrrhotite 80' to NE (downhill)	.01	.34
Arsenopyrite 80' to NE	Tr	.04
Chips from minor zone to NW	.005	.74
Chips of general float on talus	.01	.08

No further work is warranted nor should the newly staked claims be recorded. It may extend north to the zone described below on Cone No. 11 claim.

Cone No. 11 Showings

On the summit of the ridge on Cone No. 11 claim is a barren-looking gossan and breccia zone a few feet wide. About 300 feet down the steep slope to the north is a shear zone a few feet wide with a lens of pyrite, pyrrhotite, arsenopyrite, fine grained galena and sphalerite about 100 feet long and up to 3 feet wide. About 100 feet further down is a similar 2 foot wide lens of sulfide 10 feet long, and another 100 feet further down is a 1-foot wide lens 20 feet long. Assays of the sulfides were as follows:

	oz/ton Gold	oz/ton Silver	% Lead
Chips across 3' maximum width, upper lens	.02	4.26	13.8
Chips, middle lens	.01	3.32	
Chips, lower lens	.01	2.58	

No further work is warranted nor should the claims be recorded.

Prospecting

Several gossans east of McConnell River that were checked by helicopter on June 19 by Aho showed no significant content of precious or base metals.

Versluce has discovered small amounts of float in several localities adjoining the Cone claims, a brief description of which is attached. These occurrences are considered by him to be minor and not worth examination.

Conclusions

1. The showings appear to be small replacements of limestone probably adjacent to fault zones, as in other parts of the Ketza River district.

2. Unless the magnetic survey and prospecting presently being done indicates sizeable or continuous anomalous zones suggesting much larger sulfide bodies like the main showing, all further work on the Cone group of claims should be discontinued and the claims allowed to lapse after advising Harry Versluce of intent to let them lapse, or be transferred back to Versluce.

3. The White Creek property should be examined with a view as to what further work, if any, would be justified in the light of the type of mineral occurrences in the district.

4. The Tet claims should be allowed to lapse and British Yukon Exploration and Versluce should be informed of this intent.

5. Prospecting should be continued for the season in the district by Versluce and Cox, principally in two areas:

(a) North of the Cone discoveries, and
(b) Within the central quartzite section or other competent rocks (such as volcanics) at the headwaters of Ketza River (e.g. Cache Creek) in the heart of the mineral district.

Respectfully submitted,

A.E. AHO.

Note: Typewritten copies of this report have not been proof-read by the writer.

AEA:jhw
Vancouver, B.C.
30 July, 1963.

H. VERSLUCE - NOTES

Cone No. 1: Small stringer copper directly above main showing on ridge of mountain.
Galena as float at ridge.

Cone No. 2: Galena as float on slope of mountain.

Cone No. 8 & 9: Mineralized zone, galena

Cone No. 10 & 11: Galena, sphalerite, pyrrhotite, float

Cone No. 17: Galena float.

Cone No. 20: Vein pyrite, pyrrhotite, arsenopyrite, chalcopyrite, sphalerite, galena.

Cone No. 25: Pyrite, arsenopyrite, galena, sphalerite; assay return - low values.

N.W. at head of creek, chalcopyrite, sphalerite as float.

J3 M.C. Some sphalerite, chalcopyrite in quartz stringer. In general some arsenopyrite, pyrite, sphalerite is seen on J M.C.

J 13 M.C. Zone of dolomite containing sphalerite with bands of green volcanic rock containing some galena.

Alice No. 1: 3' decomposed quartz containing galena appears to be syenite on both sides. Slightly above this a massive galena boulder 4" x 5" was finegrained and thought to contain antimony.
Assay was high Ag. - 64.7, Pb - 79.3
This mineral may be on Alice No. 5: Float on Alice No. 2 was not so well mineralized.

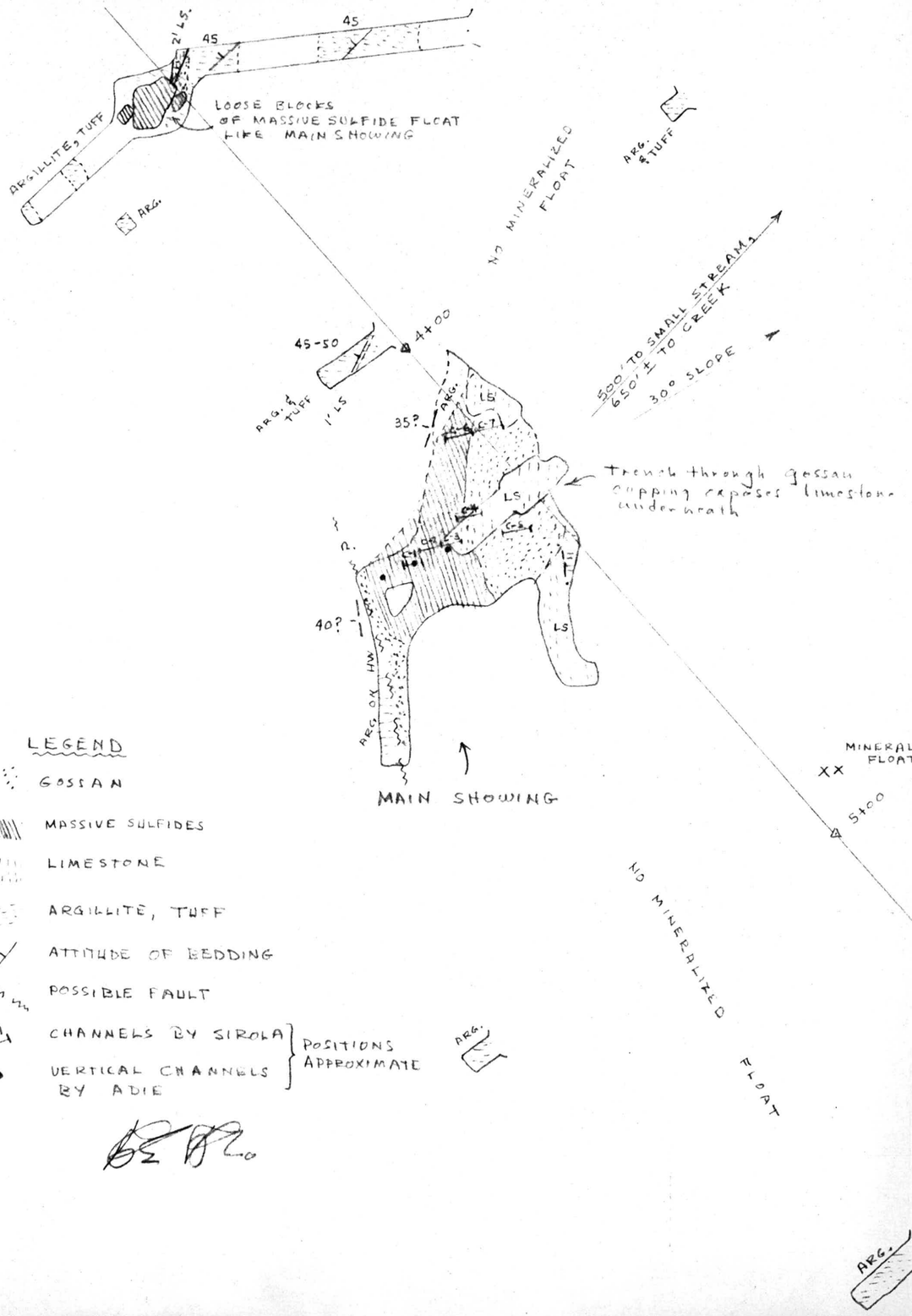
Pelly Minerals
July 14, 1963.

Typed Vancouver
1 August, 1963
/JHW

PLAN OF
MAIN SHOWING AREA
CONE #1 CLAIM
PELLY MINERALS PROJECT
WHITEHORSE MINING DISTRICT
YUKON

A.E. AHO JULY 17/63

SCALE 1 IN. = 20 FT.



LEGEND

- GOSSAN
- MASSIVE SULFIDES
- LIMESTONE
- ARGILLITE, TUFF
- 40 — ATTITUDE OF BEDDING
- POSSIBLE FAULT
- C-1 — CHANNELS BY SIROLA
- VERTICAL CHANNELS BY ADIE

} POSITIONS APPROXIMATE

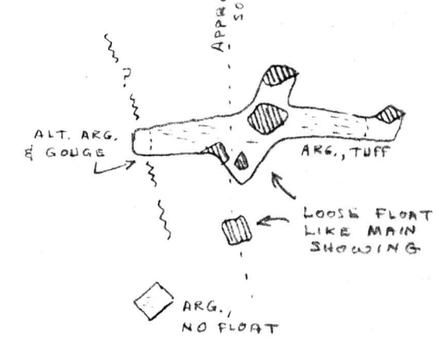


Figure 1