

014308

REPORT ON

KEY GROUP

KETSA RIVER, YUKON - 105 F 9

REPORT ON

KEY GROUP

KETSA RIVER, YUKON -105 F 9

INTRODUCTION:

The examination of the KEY group was carried out between Aug. 9 and Aug. 15, - 1959. Several of the interesting showings, namely those on claims 1, 6, 7, and 9 shown on the accompanying plan provided by Mr. Don Retheram, Conwest Engineer, were not seen due to time limitations and the fact their exact location was not known to the writer.

DESCRIPTION OF PROPERTY:

The property consists of 37 full claims and 5 fractions. These are located approximately 150 miles northwest of Watson Lake or 110 miles northeast of Whitehorse. The closest lakes from which aircraft can operate are BRUCE and GREYLING, both about 18 miles from the camp on Ketsa River. The trip to the property was made on foot from GREYLING LAKE following a pack trail used by Conwest Exploration Co. This trail, if followed religiously, crosses the creeks 18 times and takes a full days travel for an estimated distance of 20 miles.

A road is presently being surveyed by the Federal Government, between Ross River and Watson Lake which when completed will pass within 8 to 10 miles of the KEY camp. Mr. Don Retheram intimated that future plans of his company were a road to their camp, very likely from the Canal Highway passing through the KEY claims. This could be in 1960.

Although the area is rugged with peaks rising to 7000 feet the many "U" shaped valleys would present no difficulty to road building to within a short distance of these mineral occurrences. Thus road construction of 8 to 10 miles would provide access to government built roads and a haul of 240 miles to the inland terminus of the White Pass & Yukon Railway at Whitehorse, Y.T.

Snow conditions vary with the elevation, where most prospecting is carried out - above timberline or the 5000 foot elevation - a snow free period can be expected ONLY between June 1st. and September 15th.

HISTORY:

The original discovery of galena in this area was made nearly 10 years ago by prospectors working for Hudson Bay Mining & Smelting Co. The massive high grade deposit now located on claim KEY 3, was entirely missed by them.

The present showing comprising the KEY group was staked as a follow up of the earlier finds. These claims were staked by Mr. Erick Erickson of Whitehorse as leader of the party, with 4 Indians and a Mr. George Fairclough. The names of the four Indians are - 1. Reddy Black Jack, 2. Field Johnny, 3. Pat Bill, and 4. Jim Sherty of Carmacks & Whitehorse. In 1955 the group of claims were optioned to Cenwest Exploration Company, for \$75,000.00 payable in 3 years, with 300,000 shares fully paid and non-assessable, in the share structure of the subsidiary company Cenwest would incorporate to develop and operate the property.

After the Cenwest people had ^{driven} drove 3 adits on claim # 3, built the present camp & a winter airstrip, they dropped their option. In 1957 Cenwest approached the group with a final cash offer of \$36,000.00 payable in 2 years, and no shares offered.

Mr. Kirwan has shown me a copy of the registered original option from Cenwest Exploration Co. to the optioners, and a copy of the notice of surrender of this option. In this same year 1957 Mr. R.R. Kirwan and Mr. H.H. Regehr took up the option with Mr. Erick Erickson retaining his original interest.

Mr. Kirwan has the present registered option which shows he paid \$12,000.00 cash to the original optioners and has agreed to pay the balance of \$24,000.00 on or before December - 1959.

Mr. Kirwan has receipts showing he spent \$4,300.00 in 1958 on assessment work, development work, and attorney's fees.

So far in 1959 Mr. Kirwan has spent approximately \$8,000.00 in diamond drilling, wages, horses, helicopter expenses etc.

This puts a price tag - of \$48,300.00 - on the property, of which \$24,300.00 is actual cash outlay by Mr. Kirwan. All the cash to date spent on the property is his own money.

I checked while in Whitehorse with Mr. Victor Wylie, of WYLIE & BATES, attorneys in Whitehorse, who is Mr. Kirwan's attorney, who also drew up the present option, and who paid the money supplied by Kirwan, to the original optioners. There is no question as to the legality of this option held by, Kirwan - Erickson - & -Regehr. Mr. Kirwan's associates have assured me personally, that Mr. Kirwan having supplied all the money to date has full power to transact any sale or disposal of this property, and any agreement entered into by him, will be deemed legal & binding, by all parties concerned.

DESCRIPTION OF SHOWINGS:

KEY NO. 3

This showing is located $1\frac{1}{2}$ miles southwest of the camp. A pack trail leads from the camp at elevation 3700 to the showing at elevation 5600 to 5700. There is considerable highly mineralized float on the talus in the vicinity of the showings and the work to date has been to prospect for veins in place. In this regard Cenwest Exploration Co. drove three adits.

The adit No. 1 is partially caved but was being re-opened and timbered by Mr. Tony Riba and crew. This adit has

intersected a lens of galena in the floor. It would appear this is a continuation of the large deposit since located by the diamond drilling, situated between adits #1 and #3. A winze several feet deep was required to locate this contact and appears to be some of the last work by the Cenwest Exploration Co.

The No. 2 adit follows a narrow well mineralized zone for approximately 40 feet. It then intersects another narrow mineralized gouge zone. A sample taken at the face of the adit and including the gouge assayed 69.4 oz. Ag. and 34.8 % Pb. over 2.5 feet.

The adit No. 3 is between 35 & 40 feet long, is situated 40 feet due west of adit No. 1 and did not intersect any mineralization.

Recent stripping this year, between adits No. 1 & No. 3 has uncovered excellent galena mineralization. One clearly defined lens 2 to 3 feet wide strikes southeast and dips to the west but further stripping will have to be carried out to determine the attitude of the wider mineralization from which peices 4' to 5' wide have been removed. A sample taken across 3 feet of the massive galena assayed 69.8 oz. Ag. and 48.6 % Pb. The various drill holes done in this area are of little value, core recovered amounts to about 25 feet all of which came from 3 holes. It was thrown into boxes without proper markings. I would suggest a larger core would give us more data, as the 5/8" core from the X-Ray drill is very hard to save. This high grade galena is difficult to core even with the larger drills. Mr. Tony Riba and the driller both insist this vein is 8 feet wide according to their sludge samples. I can accept only what I could see for myself.

Outcrop is good above the adits consisting of buff colored slates, this area requires more work to give us the information required. For about 100 feet below the adits there is little outcrop and below this talus covered section there lies a band of black slates. The general trend of the rocks is N 70 W with low dips to the southwest. The local variation as shown on the accompanying sketch is due to gentle roll in the formations. Several pits have put down over a distance of 300 feet northwest of the No. 2 adit in the overburdened section between the buff and black slates. These pits are all in leached oxidized material with one 100 feet northwest of adit No. 2 probably on the upper margin of the zone containing quartz with good galena mineralization.

The numerous individual occurrences of galena as seen by the writer, do not indicate sufficient tennage potential at this time to warrant a mill, especially considering the transportation problems. However, I believe if the area was thoroughly stripped with a dozer, and prospected for further

similar occurrences and determination of attitude of these excellent known lenses. I suggest this stripping be carried across the talus covered area between the buff and black slates, where the oxidized zone may be found quite extensive. If more work was done on this property it could conceivably enhance the present value of the claims many times. My personal opinion is, a dozer should be utilized for some time before setting up a diamond drilling program.

KEY No. 16

Where Cache Creek cuts through claims 13 and 16 outcrops are very good since here it crosses the trend of the formation. This is in contrast with most of the area below timberline where outcrop is generally sparse. The cutbanks expose mainly highly contorted buff slates with well developed cleavage which can easily be mistaken for bedding.

About 500 feet down the creek from the southwest corner of claim 16 a shear zone is located on the south bank of the creek. Two sections have been stripped across the shear which strikes N S and dips 68 degrees to the west. About 16 feet of zone has been uncovered but the east wall has not been exposed. A sample across 6 feet of the grey green gouge containing many small chunks of quartz assayed 0.18 Au. and 6.5 Ag. A two foot section close to the hanging wall containing mainly quartz and pyrite assayed 0.20 Au. and 1.9 Ag. A drill hole, bearing S 50 E, dip 40, and reportedly 85 feet long was drilled under this zone, only 22 feet of core was found. This core was comprised of 60% quartz-carbonate and several buttons of massive pyrite were recovered.

About 200 feet west of this zone on the north bank of the creek a small anticline is exposed controlling the disposition of massive pyrite. The width of mineralization between the limbs of the fold is 8 feet, a sample of which assayed - 0.04 Au. and 0.6 Ag. - 50 feet west of this zone digging into the bank has uncovered pieces of quartz-carbonated highly mineralized with pyrite and considerable arsenopyrite. A grab sample taken here ran 0.04 Au. and 0.6 Ag. Conwest Exploration Co. were drilling arsenopyrite approximately 3 miles from this showing and the gold content of their drilling results is the basis of the proposed road and future work in this area. I personally did not see any assays from the diamond drill hole put in under this zone, these results would be interesting, and no doubt can be obtained. Mr. Don Rotheram - Conwest's geologist told me he had several assays taken from this area, as well as from the massive galena deposit between adits No. 1 and No. 3. He assured me this could be obtained from Mr. H.H. Regehr's office in Whitehorse, as he had sent copies of the reports to Mr. Regehr for Mr. Kirwan's attention. To date I have not received this information from either Mr. Regehr or Kirwan.

KEY 13

On the north bank of the creek approximately midway in the section of the creek crossing claim No. 13 a 14 foot adit has been driven on a 8 foot zone of massive pyrite. A sample taken across 8 feet at the face assayed 0.05 Au. and 0.40 Ag.

On the pack trail just above this zone are found several tens of large quartz boulders sparsely mineralized with pyrite and the odd speck of chalce. In the same area there are also many boulders heavily mineralized with pyrite, galena, and chalce. Although some miles from this location it is of interest that the outcrop on ~~claim~~ ^{EDMONTON} claim is similar to the combination of boulders on claim No. 13.

KEY 11

At an elevation of 5200 on this claim a vein approximately 3 feet wide has been blasted into but not mucked out. This vein strikes N 10 W and dips at 90 degrees. A sample taken across the exposed section of this vein assayed 0.04 Au. - 4.86 Ag. and 9.5 % Pb. This vein occurs in diorite which at this point is silli like into the slates and phyllite with the main body of the intrusive lying quite some distance to the west.

EDWIN CASE,
10029 - 148 ST.,
EDMONTON, ALTA.

The mineral occurrence on this claim is located about 2 miles south of the mouth of a small creek which flows into ~~Creek~~ Creek midway between the two camps. The showing is on the summit of a saddle at an elevation of 5700 feet. One pit has been put down on a light gessan 30 feet wide and over 100 feet long. This vein strikes N 40 E, this pit exposed one wall of the zone and although the dip is indefinite, I believe this is probably the footwall. A sample taken across 12 feet of the massive sulfides in the pit assayed, 0.04 Au. - 12.8 Ag. - 16.2 % Cu. and 0.1% Zn.

Outcrop to the north of the pit and gessan is impure limestone, 40 feet to the southeast of the gessan light overburden obscures any evidence of the underlying rock, the next 20 odd feet would appear to be black slate, then there occurs a quartz vein which is well over 60 feet wide. The quartz is mostly barren but several spots are well mineralized with chalce. This vein strikes N S and dips to the east but the area so far exposed is not enough to determine for certain the extent of contact.

~~10029~~ 1st con't.

Just south of the quartz vein a small pit has put down on a 2 foot vein well mineralized with chalco. A sample taken across the 2 foot vein assayed 0.04 Au. - 4.5 Ag. and 12.4 Cu.

An X-Ray drill was setup close to the larger pit and one tray had 25 feet of core in it. I noticed that the first 8 feet of core was in vein material.

This is a very interesting copper showing, however if the zone is limited to the extent of the gossan that is, 100 feet by 30 feet, with transportation problems and remoteness of the area, its hardly large enough to get excited about. A small amount of stripping here again, would determine weather this zone extends under the overburden, beyond the gossan on net. I feel the money spent on diamond drilling by ~~J. Kirwan~~ Kirwan this year would of been better spent stripping the property with a small dozer. Its quite possible and also my firm belief that it does extend under the overburden and beyond the gossan particularly to the southwest.

If ~~James W. MacLeod~~ & his associates would leave their present investment lay for a year, then I would recommend my people to pay the option payment in December and properly prepare the ground with a dozer before attempting to set up any major drilling program. The area is highly mineralized and is well located. With the possibilities of the Conwest ~~Company Ltd.~~ Co. establishing a good service road in 1960, and the government road a certainty although somewhat later, I would advise the optionees to held on to this property until further work is done on it. I mean by this, if a working agreement cannot be reached with us, or anyone else this fall, the property has sufficient potential to held on to. I feel excessive money has been spent for the amount of good information that is available.

Respectfully submitted

James W. MacLeod

Vancouver, B. C.
September 2, 1959.