

PELLEY MINERALS SYNDICATE**Report to Unit-Holders****August 30, 1962**

NEW PROSPECTING

Our prospectors, Harry Versluce and James Cox have covered several areas in the vicinity of Grayling Lake and have discovered some mineralization in several localities. The areas covered will be included in a summary map of the season's activity later this year. A 17-ounce silver assay was obtained from one new showing but the extent of this mineralization is not known.

Prospecting is being continued up Porcupine Creek to the northwest and it is planned to swing into the north part of the Katza River silver-lead area before the end of the season which will be finished September 15 or 20.

ACQUISITION OF RAIN AND TET CLAIMS (Confidential)

Charles J. Brown of the White Pass and Yukon Corporation has been authorized to turn over to us the key claims still held by them for a 10% non-assessible interest retained by them. I have accepted their offer since (a) it seems fair if they could retain some interest since they financed the previous prospecting and other work and (b) we do not have to spend additional weeks (and payroll) waiting until the expiry date with the possibility that someone else may be waiting also and try to out-stake us, or that the owners may elect to pay \$100 per claim in lieu of work and keep the ground.

As soon as the transfer of claims is confirmed and work is recorded to maintain them in good standing we will control the properties subject to our prospectors' agreement with Versluce.

Respectfully submitted,



Aaro E. Aho.