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MEMORANDUM RE:  
CONE AND OTHER GROUPS

PELLY RIVER AREA

by

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MEMORANDUM RE: CONE AND OTHER GROUPS - PELLY RIVER AREA

At the request of Mr. D. Boyd, the writer has reviewed reports on properties as follows:-

- 1) Gold, silver, lead occurrences at McConnell River (Cone Group)
- 2) Silver, lead occurrences in the upper White Creek Area. (Rain & Grey Group)
- 3) Silver-lead occurrence at Segull Lake. (Tet and Rio Claims)

The material acquired from Mr. Aho does not describe the work which may have been done subsequent to 1962 when a group consisting of Canadian Exploration Ltd., Homestake, Noranda and Kerr Addison agreed to finance further work. It appears however, that certain recommendations made and agreed to by this group may not have been carried out and that these recommendations could be carried out now. The main argument in support of this is the marked increase in the price of silver since 1963. A secondary argument is that whereas the occurrences may not have appeared of sufficient size to warrant the expenditure of time by major company personnel, they may support a small but lucrative operation which may in time expand as new discoveries are made.

The reports seen by the writer indicate that further and possibly larger discoveries are probable at both the McConnell River and White Creek properties.

It is understood that Mayo Silver Mines Ltd., may acquire an option on these properties for a very modest work commitment which would keep them in good standing for the present. It is further understood that the terms of purchase are reasonable.

The writer also believes that the occurrences are sufficiently attractive to warrant such a commitment and it is, therefore, recommended that this commitment be made.

It moreover appears logical that the program outlined for the Cone Group by Dr. A. Aho be implemented as his knowledge of the area and his proven ability and good judgment

puts him in a preferred position to make recommendations.

He describes the property in these words: "Massive pyrrhotite, pyrite and galena with lesser dark sphalerite, arsenopyrite, and minor chalcopyrite occur in a replacement body localized along a lense of limestone which strikes NNE and dips about 40-50 degrees NW. The sulphide body is downwardly convex with a true width of from 10 to 15 feet and a length of from 40 to 80 feet. The general section is tuffaceous shale and tuff. An apparent 35 foot width across the oxidized zone on the surface yielded average values of 24.8% Lead, 16.5 oz/ton Silver and 0.17 oz/ton Gold. The average assays across the true width from 10 to 15 feet in fresh sulphides were 14.3% Lead, 8.91 oz/ton Silver, 0.06 oz/ton Gold. Several smaller showings of similar mineralogy occur nearby. Assays are generally lower than on the main zone and all appear to be podlike replacements with little continuity.

Since the economics of this type of deposit have changed to some degree with improved transportation, metal prices, and recent developments in Yukon a reassessment of this deposit is well warranted in view of its high unit value. The previous preliminary work on it was terminated because the initial showing did not appear to have the size and continuity that would warrant further work at the time, although geophysical work was recommended to detect any other possible deposits. No geophysics, geochemistry, drilling or any other intensified work was done other than preliminary prospecting and some hand trenching."

He recommended that a two-man party consisting of a geologist and prospector spend a month on this group of 4 claims to do:-

- a) trenching, mapping and sampling of any mineral zones that may be exposed.
- b) detailed magnetometer and electromagnetic surveys along the strike in the overburden areas to the North and South, and
- c) drilling any promising targets with a Winkie drill.

He further indicated that the equipment required for this program would consist of normal camp gear plus a sensitive magnetometer, small E. M. Unit and Winkie Drill, all of which would be rented at reasonable cost.

Because it may be difficult at this late date to acquire a competent team to do this work, and because the geophysical work may not be allowed as assessment work unless it is done by competent personnel, the writer would make the alternative suggestion that this work be given to a reputable geophysical firm to do on contract.

It appears that a minimum of six miles should be done along the strike of the occurrences. Lines 1,000 feet long, 500 feet on each side of a baseline, and 200 feet apart should be marked by pickets 100 feet apart for this survey. It is very likely that Dr. Aro could arrange for the services of a prospector or young geologist familiar with the area who would supervise the work and at the same time with one assistant do the other work recommended by Dr. Aho.

The cost of such a program should not exceed \$5,000.00, but in that country with its present lack of facilities, costly delays can be expected and the writer would recommend that the sum of \$7,500.00 be approved to cover the cost of this venture.

No recommendations have been made regarding the White Creek and Seagull Lake properties as the writer has seen nothing to indicate that these properties are being offered or that a work commitment is required on them. If, however, a work commitment is required on these properties at this time as part of the option agreement on the Cone Group, there is no reason why it should not be arranged for the amount necessary to keep the claims in good standing for one year.

The above recommendations have been made with the thought in mind that these properties are in a rather remote area, but one which can be easily opened up if valuable properties are found. It is not an area, however, where rapid development of new properties can be expected and the present program will merely pave the way for an expanded program next year should encouraging results be obtained.

Respectfully submitted,

  
J. A. Mitchell, P. Eng.