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RESUME OF DUNCAN LADUE MINES PROPERTY

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LOCATION, ACCESS & GENERAL CONDITIONS:

The Duncan-Ladue property is situated on the north slope of Keno Hill on the extension of the well-known Sadie-Ladue Mine which was the site of the first successful milling operation on the Mayo Mining District of Yukon. The property can be reached by means of about 4 miles of good road from the main road at Keno and access can be maintained without any difficulty on a year-around basis.

Other operating conditions will be similar to those of the other successful mining operations carried on by United Keno Hill Mines in the same area.

Topography on the property slopes northward onto United Keno Hill Mines ground and therefore any lower level adit would have to be agreed to by United Keno or development would have to be done by means of an inclined shaft on the vein.

GEOLOGY AND ORE CONTROL:

Geology of the property is very similar to the adjoining Sadie-Ladue Mine, in that the rocks are mainly southerly-dipping schist with minor quartzite and also lenses of greenstone of various dimensions. Although the Duncan-Ladue property contains less favourable competent quartzite than parts of the Sadie-Ladue, it does contain an indeterminate amount of favourable greenstone and has the same type of mineralization.

Mineralized structures on the property consist of typical northeast-striking, southeast-dipping, vein-fault zones. These zones are locally displaced by right lateral cross faults which localize dilation or opening within the vein zones, giving rise to ore shoots near them, especially in the more competent greenstone or quartzite host rocks.

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Mineralization consists of a vein-fault filling of siderite with greater or lesser quantities of galena and silver-rich tetrahedrite, also zinc in certain sections. Although zinc is very common in some vein systems, it is not abundant in either the Sadie-Ladue or Duncan-Ladue veins which are characterized more by the presence of exceptionally silver-rich tetrahedrite. Silver content of the tetrahedrite may range up to 5000 oz/ton or more, thus a relatively small ore shoot may contain a very substantial profit potential. This is particularly important on the Duncan Ladue property where, due to the abundance of schist and lesser amount of competent rock types, the ore shoots tend to be smaller in dimensions than in the other mines of the district.

The previous owner of the property, Robert Greaves, mined a small quantity of high grade tetrahedrite ore on another vein at the northeast boundary of the main Ivan discovery and shipped 11 tons of ore of which 20 sacks gave 2092 oz/ton silver and the remainder yielded 566 ounces. Some float was also found which carried 23% lead and 800 oz/ton silver but its source was not found. On the United Keno Hill Mines property at the southwest boundary the Sadie-Ladue vein zone contains irregular lenses and pods of galena assaying 36% lead and 109 oz/ton silver. On the nearby North Star claim another separate vein has yielded a small amount of material assaying 30% lead, 10% zinc and 62 oz/ton silver and .38 oz/ton gold. It is therefore apparent that ore-bearing structures and values exist at both limits of the property and within the property.

MINERALIZATION:

On the IVAN claim a newly-discovered high grade vein was opened up by bulldozer trenching and a shallow adit in 1962. This vein is only part of the 2500 feet of Sadie-Ladue vein system that projects across the Duncan-Ladue mines property, but a small irregular shoot with exceptionally rich values in places occurs for a length of about 100 feet on this part of the vein system.

PROPOSED EXPLORATION:

Exploration to date has been done essentially in one dimension at the surface, without any work having been done on the downward extent of this rich ore. Ore shoots in the district are characteristically more continuous vertically rather than horizontally, therefore this shoot should be opened up by means of an inclined shaft which would follow the ore down the dip.

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Since the vein dips southeasterly into Duncan-Ladue ground there would be no problem with United Keno Hill Mines, and with the grade of ore indicated, it may be possible to pay for exploration by shipping development ore directly to a smelter.

Considering the indicated high silver values and the previous background of this particular vein system, such a venture may be considered attractive. A small shoot containing a few thousand tons could be fairly profitable at present prices of silver and lead.