019321

Y 4/2

Vangorda Creek, Y.T.
July 24, 1956

Managing Director,
Prospectors Airways Company Ltd.,
1616-44 King St., West
Toronto, Ont.

Dear Sir: SITUATION REPORT L-2

DIAMOND DRILLING

Two drill holes have been completed and a third, NO.163 is being collared now. The logs for the first two holes are enclosed.

These holes are part of the exploration of a gravity anomaly on Magnetic Sheet 10 and include magnetic anomaly 74. The first hole -161, intersected some 60 feet of sulphides. The samples will follow in a few days. We cannot expect very high values; sphalerite, galena and chalcopyrite are present, probably in that order of abundance but nowhere in quantities that indicate ore grade. The second hole ,162 intersected only the graphitic schists found below the suphides in hole 161. The reason for this is indicated in the enclosed sketck(sketch 1) We anticipate that hole 163 will be back in sulphides on the other flank of the indicated anticline. The disappearance of the magnetic anomaly can be explained by the erosion of the pyrrhotite-rich layer that was cut at bedrock on hole 161.

We intend to drill two more hole along this line. Hole 164 will come on Line 58 at 520 South, Hole 165 will come on Line 60 at 460 South.

When we receive the assey results from hole 161 and any subsequent intersection we can add cross-section holes. In the meantime further footage on the zone is not warranted.

PACKSACK DRILLING

753?

We are attempting to put down a pack sack hole, P.D.H.9 on sheet 5, ~~100 feet~~ Line 153 West at 780 North. This hole is an attempt to prove sulphides in an area including magnetic anomallies 61,62 and 63 over which gravity checks have been obtained on lines 52,56, and 60. Lines 54 and 58 will be run for fill-ins. Proof of sulphides here would justify moving the big machine on this zone.

GRAVITY PROGRESS

We have already reported briefly on a new anomaly along the base line on Sheet 6. This anomaly extends from 66 West to 84 West and is about 600 feet wide. It has an average value of about 0.25 milligal. We expect this will provide about 25 feet of sulphides. The sulphides are probably immediately under the overburden and only short holes will be needed to outline the body. The drill is moving this way and probably hole 166 will be on this zone.

On sheet 5 two magnetic anomalies on line 23 West have gravity anomalies associated. A 0.15 milligal rise occurs from 400 to 800 North and from 1300 to 1600 North a 0.01milligal rise was found but there is no co-responding magnetic here. It is possible that 10-15 feet of sulphides will be found here but the zone is not one of any great importance.

Only one gravimeter operator is on the property now. This will not any disadvantage since sufficient drilling is outlined and the anticipated amount of work will be done by the end of the field season.

CLAIMS STAKING

We have acquired by staking 35 mineral claims in two blocks. See sketch 2 & 3 enclosed. These claims have been emergency recorded and will be held until after the field season before presenting them to the Mining Recorder.

Block 1 is tied on to the southwest corner of the property and consists of 14 claims.

Block 2 is tied on the northwest end of the property and consists of 21 claims.

No more grpund is open along our boudaries but more claims could be staked over favourable schists to the northeast and northwest.

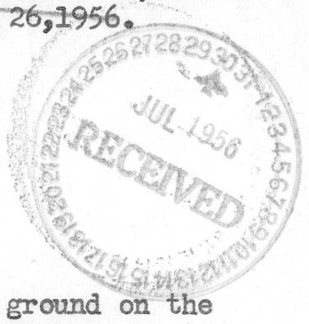
Respectfully submitted,

S.Leaming

S.Leaming

Y 4/2

Vangorda Creek, Y.T.
July 26, 1956.



Managing Director,
Prospectors Airways Company Limited,
1616-44 King St., West.
Toronto, Ont.

Dear Sir: SITUATION REPORT L-3

We have recently been acquiring additional ground on the border of the Vangorda and P.A. ground based on the premise that the sericite and graphitic schist is the favourable rock type.

I have been doing some field work and today looking around the northwest corner of the property and just beyond into the ground formerly the Gran group. There are several different rock types here and our geological map shows garnet - and staurolite schist. I had assumed this was the edge of the favourable ground and we did not plan on staking here. However there is a considerable amount of oxidation and some mineralization north and east of our Art No.8 claim.

The occurrences are not particularly impressive but there is copper carbonate staining in one small shear, with chalcopyrite galena and sphalerite. The other oxidized zones are larger but I have no particular details at this time. It looks attractive enough to me to warrant staking a block of 16 claims here and the plans are to do this tomorrow.

The interesting thing about this discovery is the fact that mineralization occurs in a different,(although closely related) rock type than the main ore zone. It seems to me to open up possibilities for a good deal of more work in the immediate vicinity of the Mye stock. Also it puts a new light on the Van and Hodg claims at the northwest end of the property. There a considerable area is underlain by what has been mapped as biotite gneiss. I suspect these rocks are paragneisses and a part of the old sedimentary series which includes the sericite-, graphitic-, garnet- and staurolite schists. These claims cannot be considered a poor bet because they are not the favourable type schist. I consider them worth keeping and this can be done easily by re-grouping and using current drilling.

DIAMOND DRILLING

Hole 163 on Sheet 6, line 56 West at 570 South is down to 84 feet. There was 38 feet of overburden. From 38 on the hole is in graphitic schist. This is not what we predicted and we are at a loss to explain the gravity anomaly over this spot. The anticlinal structure indicated may be broader than we think and this would explain the lack of sulphides. There is a possibility of a lower horizon and I feel it is necessary to run this hole to about 200 feet

In any case this gravity anomaly is not coming up to our expectations.

GRAVITY

The gravity work is proceeding satisfactorily and nothing new has shown up. The most important anomaly is that on the Firth claims. It covers an area of about 1600 by 600 feet.

PROSPECTING

The Kulan party is now working northwest of camp about 10 miles. They intend to prospect northwest of the projected strke of the Vangorda zone. Three men are going back up north of the Tay river were a 1200 foot gossan was found. A slight geochemical anomaly was detected and the conditions seem to warrant a little more work before we should make an examination. They will do a geochemical survey and some further prospecting.

LIARD RIVER

Bruce Thompson is back from the Liard groups. Apparently there is nothing of interest on these claims and he felt that no further time was needed. His report will be sent under separate cover from the Whitehorse office.

EXAMINATIONS

There is little of interest developing in the Whitehorse area. In the meantime Thompson is going to go into the Little Salmon property and attempt to get down another hole. Before this is done however I am having him check a few large gossan zones about 30 miles south of here. These rusty areas have been seen by nearly everyone who has ever been to the property since they are on the route from Whitehorse but to the best of my knowledge they have not been checked.

Respectfully submitted,

S.Leaming

S.Leaming

Y 4/2a

Vangorda Creek,
August 16,1956

Managing Director,
Prospectors Airways Company Limited,
1616-44 King St., West
Toronto,Ont.

Dear Sir. SITUATION REPORT L-4

DIAMOND DRILLING

We are now off the anomalous area on magnetic Sheet 6 where 936 feet of drilling was done in a rather abortive effort to find su sulphides. The first hole,161 did intersect some massive pyrite with associated lead and zinc mineralization in a zone which extended from bedrock at 31 feet to a depth of 105 feet. The best assay however was 6.6% combined; most were less than 3%. The other holes intersected only weak sulphide zones or none at all. so the net results were very discouraging. We have not yet accounted for the anomalies on lines 56 and 60 This might be done with deep holes but the indications are that this area is not too important and no further footage can be expended from the present contract.

The drill is now set up on hole 167, on line 54 at 600 North in Sheet 5. This location is covered by a magnetic and gravity anomaly of modest proportions. The hole is presently done 172 feet in graphitic schists with no mineralized zone as yet cut. We will have to push this hole for whatever depth is required (and reasonable) to find an explanation for the gravity and magnetic anomalies. The situation is analogous to the condition on Sheet 6 where holes may not have been deep enough.

LITTLE SALMON

I haye had radio cntact with the crew on this job which is now finished and awaiting transportation out. Two holes were put down but apparently no long intersections were obtained. Further report on this will be submitted by Thompson.

GRAVITY SURVEY

Sheet 4 has been read and the field work on sheet 10 is continuing. No new profiles have been submitted so no new anomalies can be reported at this time.

KULAN PROSPECTING

Kulan reports some interesting float from the old Rust claims about 14 miles northwest of Vangorda. He has submitted a geochemical map, a copy of which has been sent to head office. There is some question that one occurrence is bedrock. He has staked 20 claims on this area. We will investigate.

Respectfully submitted,

S.Leaming.

LEAMING. AUG. 1956

area we have some biotite gneiss mapped. I haven't actually seen it but the gneiss probably is a paragneiss and part of the sedimentary series is now probably metamorphosed schists of one kind or another. So that until we have a good look over those things, I'm against writing them off and we can with very little effort keep those for another year. The claims we have staked I think are worth recording and the actual amount is not going to be too much. We have I think forty or fifty claims and we may have $500 worth of recording on the thing, but in my opinion all the ground we have staked is worth holding, and if we can get some work done on them next year--we can't do too much this year, the only thing we could do might be a little Packsack drilling or take the plugger up to the new group on the northeast. We could get a little work done there for assessment purposes and to have a little preliminary look. So much for that.

The one comment you made regarding new schedule the Mining Recorder is cooking up here for general consumption is still not ready yet. He's making quite a momumental effort apparently and is going to submit it to various people before it is official. It's going to be of no use to us this year and maybe not next.

not of any use to us this year. Present recorder in any event

The next thing I would like to discuss is the general Vangorda situation. I find this a very interesting property and I think it's got a lot of possibilities, although at the present time we can see no particular indication of another main orebody type of thing--another nine million tons all in one block. There could still be that much there in smaller pieces spread out over the rest of the property. There is still a possibility of another big zone too on the ground and is going to require I think two or three more years work out there, especially if we get another string of short seasons like this year. With any kind of a good start we are still going to need a couple of years to

finish off the job. I have been studying up Papezik's geology and Doal's magnetics and I have put together kind of a little structural picture which seems to me to have some significance, based perhaps on too premature knowledge of the general situation but it looks to me at least, that at least three year's looking around before we can say "Well, that's it!" and cut it off. I am going to--I don't know whether it will be done this winter or not--I have been getting up a kind of a little thesis on this thing, as I see the general situation and I have now, not before me but back at the camp, this map where I had coloured in all the high readings on Doal's sheets. I have taken some for instance about sixteen or seventeen hundred gammas in a background of fifteen, I would colour in all the outstanding trends. It helped to show up the thing a lot better. It would be nice actually if we had all these magnetic sheets reduced about a quarter and tied all together. I believe such a thing has been done and it might be at head office. When I had finished colouring in these high trends on the thing, certain features seemed to stand out. These features were a series of northeast trends, as I recall it now, and they extend all the way from the Firth, is one of them and there are numerous of these northeast trends right from the Firth, down to about opposite or northeast of the main orebody. These trends seem to stop on a line through the main orebody in the direction of its long axis and parallel to that fault Papezik shows on his thousand scale, so I have kind of put little limits on this northwest trend and called this the "Main Northwest Structure". Exactly what the structure is I am not sure. In part it may be a fault through weakness--it may be the axial plane of a large anticline or syncline--perhaps a synclinorium would be a better term--because I have seen one cross-section through the drill holes which indicated the main orebody is lying along one limb of a synclinal structure. Now this main northwest structure can be defined a little further by some gravity and magnetic anomalies lying on the strike to the northwest.

Only about 1-4 reduced. Send them to you today when I'll see how if more required

The things on Sheet 6 that are presently would come into this northwest structure. At the Firth end it gets a little weak and I'm not too sure that it really goes that far. In any case if you take Papezik's thousand scale and just project your fault that is shown on the main orebody right across the property both ways, then all of the magnetic trends that I have indicated come on the granite contact side, on the northeast side of this long structure and these little smaller, minor magnetics, and as we shown now, some of them contain gravity highs, these trends are definitely--seem to stop--right at this northwest structure. Now on the so-called northeast structure are our small things. They may be partly faults but also they may be in part small folds. We had hoped we could prove just exactly what these minor northeast structure are in our drilling on Sheet 6 and in our current drilling on holes 161, 162, 163, etc. Now the initial indications are that they are small anticlines or small folds, anticlines and synclines too no doubt, and quite possibly we could explain these sulphides in the things is due to a saddle reef type of structure and therefore they could belong now in small bodies. To account for the main orebody we have to make certain assumptions and guesses and I do not propose to do that right now. I would like to work a little further on the idea. At the same time we are going to find some useful information in the current drilling and also the work to be done on Sheet 5 on the proposed hole on Line 54 on the road. I think it's 800 feet north not having the map on hand I can't be sure. In any case these little structures seem to have some significance. If they are any kind of fault feeders or zones leading out from the granite contacts they seem to stop at the northwest structure.

On the basis of this it means that all ground south of this northwest structure is a very poor bet and we of course are not going to start dropping ground on the strength of a feeble theory like this but it does give us a certain kind of working hypothesis and suggests that the best ground, the most important ground, we can define now is between this northwest structure and

the granite contact. Now we have Sheet 3 to be checked and Sheet 4 and when those are finished we might find a good reason for having a Sheet beyond to the northeast end of Sheets 4 and 3 and perhaps even Sheet 2. I was out on that big ridge northeast of camp, or east of camp, a few days ago and you get quite a good view of the whole basin in there, and there is no doubt there is a good deal of ground that should be investigated from the slope of this ridge right down into the basin to our ground in the south part including our new claims to the southeast - the new ones we have just added recently so I am quite sure that we should consider another program next year of more gravity and magnetics in a couple of more blocks to the north and northeast of the present main showing. The theory on this discussion seems to eliminate a good many claims in the south and west part of the property which are definitely known to be underlain by a gabbro plug diorite and covered by a series of lava flows. It looks to me very much like we could afford to drop a good many claims along the south and west boundary. Now as long as they are covered by good standing there is no need to actually drop them. If they are covered for a couple of years, it will give us time to think and will give us time to get a little more information from our present studies, our gravity work, but adopting this as a working hypothesis for the time being, I would propose to concentrate along the strike of the main structure and to the northeast of the thing. In that way we could acquire more ground favourably related to the granite contact in the new structure, so that the new claims we have staked tying on to Art 7 and 8 to our northeast offer pretty good possibilities.

We will not have time this year for gravity survey. I think the original plans are pretty well laid down that we are do as much as we can in Blocks 2 and 3 and that will be it for now. In the meantime though I am keeping that in mind and trying to take advantage of this study and work that has gone on in the past and bring it all together. Mostly this is for my own benefit, being

new on the property and having to get the picture kind of fast, I have got most of the things from other people's work--their maps, etc. and as a result I would like to spend a little more time on the ground wondering around, learning a few checks here and there and I would like to do a little work on those new northeast claims but it may not be possible to get very much done. I would actually like to hold that ground and to me this emergency recording is not entirely satisfactory. It puts things off and in the meantime if I have to come to town for one reason or another, it's not too good to be in town and not do the recording as it is supposed to be done at the first opportunity, in spite of the four-month grace to do this actual work. It is supposed to be done at the earliest convenience. Some of the claims may possibly not be any good but as I said before, as far as we know all the claims we have staked are in favourable position and I would be prefer to sew them up now.

Record the claims you feel are necessary.

Now, in regard to the general camp improvements that I had recommended or suggested and your reply pointing out that current status of the Vangorda situation, I fully agree you are quite right in that we are not justified in any major expenditures at this time, however the property is advanced to a considerable degree and it is not like the initial phases where nobody knew there was nine or ten million tons of ore there. Undoubtedly this property will be a mine sometime in the future--we hope rather soon--but in any case it is a good property. It's one that will be kept, be looked after, be work done on there for I would think two or three years at least, and I would think working out of there would form a very nice base for working out a little farther afield. There is no question I guess about the old adage about the best place to find mines is near another mine, out at Vangorda, so these suggestions I have made I thought were not too high. They would run into a little money undoubtedly and I thought

I think your ideas sound and by fall we will have enough information to re-group our thinking. It certainly seems a long way from possible production right now due to grade but the exploration possibilities are excellent. We will re-study the economics when the mill tests are completed.

I was keeping in mind the status of the thing but if we were going to have to sit on it for ten years, then certainly we wouldn't at this time want to spend too much. We can certainly get by quite easily. It makes for inefficiency and inconvenience the way we are going on now but for another six weeks I wouldn't advocate starting this program up now. I'm kind of looking ahead to next year and the year after and continue to foresee--for instance, going down to Shrimp Lake on the cat, we have to leave from our main camp the same time the aircraft leaves from Whitehorse and we get down there just about the same time; not only do you have to have the cat and cat-skinner, but you have to have the swamper go along to throw a log underneath if anything goes wrong. You have no brakes on the thing and he can't set the machine on a steep hill. If anything goes wrong he has to have a guy slip a log under the thing. So this takes up the time for two men for an hour an some going down--two hours to come back--so the whole operation to meet the plane requires about four man hours, possibly a little more. That's what I had in mind when I recommended a cat big enough to put a road down there so that we could see the plane from camp, jump in the jeep and go down and meet him by the time he got landed. It is only two miles--any decent grade(?) wouldn't be any longer than two or three miles. That's what I had in mind there. The same with the road down to the river--it's at present our main access and it would be very nice to go down at a reasonable grade in a vehicle that could go 25 or 30 miles an hour in most places. It cuts down a lot time spent--a whole day for a job that takes less than--that's just what I had in mind and I hope we can in the near future make some of these improvements.

I know after a while you get to accept things and they don't get any better they get worse. During my stay on the property and in future too I would like to make small changes that are not going to cost much money or effort but things I see down there that should be done.

For instance, when you land at Shrimp Lake there are four or five logs there on the side of the lake which is called a dock. It is kind of a poor effort I think after three or four years, and if you get there there is no shelter at all. You come down to wait for a plane, as often it is delayed and you don't know when it is coming in, there's a couple of men waiting and it's cold and raining perhaps and a little bit of a ten by twelve shack would take very little to throw up and would improve morale and convenience and I think we should do that.

The same with another small building we have up on the property. Every time it rains it's saturated. Now for some reason or other nobody found it necessary to get a little roofing or tar paper and make the thing dry. A lot of small little things like that which improve the camp situation and makes it all that much nicer for living. It's a pretty good camp. There are not too many that have showers and electric lights as we have and in that regard it is quite good. I have actually moved out of that old office tent. Apart from being small and darkit's kind of a dirty place and there's too much equipment stored in there. It's a little difficult to work with two or three chaps trying to use that draughting table. So I have got the new Hans Kraus hotel in operation as an office. I have a couple of slabs of plywood on sawhorses for a draughting table and at present there is just my bunk up there. Novak is going to move up a little later and we will probably have to make a little division in the thing to keep it warm. We have the back bunk for storage. It is a pretty good building actually and is nice and bright and clean and as far as I'm concerned it's a 700 per cent improvement on that old tent. It is awkward as it is now because every time I want to check with one of the other boys, I have to walk down. It takes five minutes to walk down and back and if I have to check three or four times for some information I haven't got on my own, it's inconvenient.

It's rather poor having that log cabin up there on the hill by itself away from the rest of the camp. I would like next year to have the camp organized around the new log camp and it would be nice if we could at that time see our way for another similar type of frame building for a cookhouse. I think we should be able to seat 25 men at a sitting in a cookhouse. As it is now we have 11 crowded in there and in order to avoid complications with cooks and second sittings, the Indians board themselves. It is not entirely satisfactory to have two cookhouses going on a camp but the way the situation is there, it seems to work out not too bad, but I would like to see those kind of improvements as time goes by.

We'll be able to decide at the end of this program how much work we want to do next spring but I have already mentioned the tents are in bad shape and it would be I think a shame to buy new tents if we could get something a little better if we are going ahead at all. There is a possibility of spending two or three seasons in there a little more permanent type of construction I think would be warranted. The present setup is quite satisfactory for an initial program and even last year when they had quite a crowd there and were doing something active and constructive, and were getting lots of intersections and things were looking pretty good and every hole was that much better, but this year we haven't the same aspect. We haven't found another zone that's coming up like that and the work is kind of patchy and slower and we don't have that same lift as seeing intersection hole after hole. I think that's kind of an important thing. We are having quite a share of bad weather and now the tents are pretty leaky things and I would like to at least have a good cookhouse for the future and I think it would be a good investment. The present one is inadequate actually, although nobody's complaining except me.

They are a pretty good bunch of the boys and we're getting along pretty fair.

I would say the work is getting done and no complaints. There is very little enmity that results between drillers and gravity and company men and one thing and another. Everybody seems to be getting along pretty well. It's a pretty fair camp and there is no need to improve it on account of any complaints now. I'm just looking ahead a little bit and would like to see things smartened up--a little different, a little more efficient operation and I think probably we will make it. We'll fill in the rest of the year as we are. It's quite good. We will have the log cabin organized a little better for the engineering office. It is in kind of an awkward spot sitting on the orebody but I don't suppose it will be in the road for two or three years anyway and will be no worse in the present situation.

Now I like this camp pretty much. I like this type of preproduction work and getting things organized and built up, preliminary surveys for roads. I like that phase of the operation quite as much as actual exploration. Of course it's a little tough to handle two jobs but fortunately, or perhaps unfortunately, there doesn't seem to be too much activity around here now but when I'm on the property I don't hear too much of what is going on. I keep my ears open all right and Ivor has his eyes and ears open and we would find out, but evidently there is not too much excitement here. Any time spent on the property is not going to jeopardize our chances in the exploration end. I feel quite sure though that we should have a little more detailed work around the Vangorda property. A lot of those people who tied on in the original staking did little or nothing, to actually prove or disprove occurrences on their ground. We certainly got the best of it but there is a little more potential that might extend all over to Swim Lake and across in the other direction up to Rose Creek. There are claims up through there that might be worth some work. I kind of like the idea of a magnetic survey or some type of

agreed

aerial work where we could get a fast reconnaissance. We can't very well stake up the whole country. It's pretty big but the ground immediately around Vangorda in the favourable positions, in the main sericite type of schist, along the strike of the main zone or between that and the granite is quite favourable and will require some looking into. The fact that Conwest and our other neighbors found nothing and more or less dropped the thing has no particular significance to me. I am quite sure they did very little work and what they did do was probably of no great significance. There were some lines cut for mag surveys but I am not at all sure they were completed. No drilling was done so much of this ground to the southeast especially is potential and if we can get a look over the stuff I think some of it might well kick through. The ground Dixon acquired I thought was quite favorable. I supposed we slipped up on the thing. We knew it was open for some time and we were going to acquire that but it is in the main underlain by a favorable type of schist. It is partly on the strike of this northwest structure and partly between the structure itself and the granite to the north is favorable ground, some detailed work was done. It is very largely drift covered and a geophysical survey will have to be done. The mag surveys alone are probably not enough. I think from our experience at Vangorda we now realize that we get nice magnetics over the diorite and have to make sure they are not little plugs of this material in the basin of the sediments of sericite schist. There is some in our ground to the southeast I believe the bottom end of the main orebody has a few little plugs of gabbro and diorite coming in, giving magnetic kicks and perhaps they might give a little gravity kick too, but I think we can differentiate between the magnetics on diorite plugs and magnetics on associated with pyrrhotite mineralization in the sericite schist. There is one little complication, of course, and that is those magnetite zones which we have found in one or two places in the sericite schist that gave quite high kicks. These

stand out on the mag sheets. The lines are so close together that you can only record them in one block mass, so I think with the experience we are gaining, we are going to be able to read these magnetics a lot better than we have in the past. We should probably have not been so enthusiastic on Sheet 10 and should have given it a little more consideration and perhaps also we would have given a little more weight to the magnetics on our anomaly on Sheet 6 in current drilling. The magnetics here don't indicate a very large body and in spite of the gravity, and the thing is obviously not as good as we hoped. We do intend to spread this drilling around as much as possible. We have extended it a little more than we would have done on the present drilling, had we had some proper intersections we could have spread it out a little. As it is we still have only maybe 500 feet expended so far and that's not too much for any one zone. We had to find the answer to these problems for future reference and I think the follow-up will not be quite so detailed. We will though in future make sure we get three holes in rather closely spaced so that we are not up against this type of problem again. I had thought 200 feet would probably be not too far away, but in the case of 162 it definitely was. Now we had originally planned to put three holes on the thing, and had the intersection in 161 been better we would have done so. Since it hasn't followed the expected pattern we kind of got off on the wrong foot and will have to use this as a good reason for three close holes on any major anomaly we check from now on.

That about covers the general situation to date and about all I have in mind. I believe everything is going satisfactorily, and where it is not the problems are foreseen and are being dealt with. I hope to be able to make these decisions and have them acceptable down there so that there is not too much questions on authority and responsibility. There are a few things I have noted in the paper work here that makes me wonder if I shouldn't depart from some of the

changes. For instance, I'm thinking now of the business of recording work. We have for instance a new group laid out to include sixteen claims. Some of these, the block I have in mind, includes three claims that are in good standing until 1965. The other 13 are in good standing until 1957. Now there is no reason or necessity for putting a year's work on each and every claim within a block of 16, therefore this group including the Wynn 2, Alice 1 and 2, Mike and Hall claims in our latest grouping can be applied against--five years against Mike, Hall and the other 13. We can apply five years against that 13. We don't have to distribute pro rata over the group. We could put it all on one--no, to the limit of five years of course. We can apply one year plus four excess, but we do not have to apply any work on the claims actually being done on it. For instance, the hole we shown on I think Wynn 2. Wynn 2 is part of a group of 16 but all of that work can be applied against any one or more of the other claims. It doesn't have to recorded against Wynn 2, so therefore these three claims which are good till 1965 I would propose leaving off the work for those three claims--that's another seven years. We need hardly to worry about those for seven years and the excess work can all be spread out over the remaining claims in the group, and that would bring them up to five years on top of '57--'62. We would still have four claim years left over. This could be applied against the Wynn and Alice claims--say two years on Wynn and one year each on Alice and in that way use up all the credit and still not take the Alice claims too far into the future.

We can apply assessment work on our Van and Hodge by regrouping. We could actually reach out there but I don't think it's necessary. We only want about another year's time to do a little work on those claims to look into the possibilities of those claims and we have already a certain amount of credit on the books for these claims. I think Mr. Ehrlich has pointed out about 110 feet

or so of Packsacking would fix them up, so we are not going to worry too much about those claims. We'll get another year on them and get a chance to look around a little bit and in all possibility we will be letting them drop but at the same time since I have kind of cooked up this theory I would like to make use of the thing and not go dropping claims that have not been given all the intention they might deserve.

Now regarding our fractional claims, Hazel 1, 2, 3. I have actually forgotten whether they were staked as fractions or full claims. They are actually designed to cover some open ground between two--they are actually fractional claims but I don't know they may have been staked as full claims. In any case we have dug pits on Hazel 1 and 2 and I think there was some question about ~~how fast~~ that - 1, 2 and 3 are not complete, but they are within a group and as we have done the work we are going to record that. We are going to fix up those Hazels anyway. They may be of very little importance. I wouldn't have staked them myself. They are right down on that basic rock around Shrimp Lake there and they are certainly of little value. I think in another year we will be able to drop some of those claims along that row on the south and west of Shrimp and these Hazels will go too, but we have got the work done so we will fix that up for another year. We don't actually know the regulations here concerning fractional claims. It's a little vague. It's another one of those things in the Yukon Quartz Mining Act that's unsatisfactory. It does state though that claims of half or fractional claims of less than so many acres only require half the amount of assessment work and that's how--it's in a memo there someplace that we might get two years out of the pits we have already done. We will check into all that here and from now on there will be no

need to worry too much about this assess-ment work. We will get it all straightened out right here. The Bix claims have actually a hole right on the small fraction; the Bix 3 is a very slight wedge actually but by chance drill hole 161 did come right in this open ground.

In this regard I am not at all sure whether or not you have to prove definitely that a hole on a fractional claim is on a fractional one. The way these things are staked it would appear that fractional claims were staked as full claims and we will know what's left after an official survey, and if that becomes the fractional claim. Until that's done it seems to me that any place on a block of ground defined by making right angles on the location line as for full claims, I think probably a hole anywhere on a fractional claim could be recorded against it, because after all the Mining Recorder doesn't recognize these independent surveys. There's got to be a Dominion Land Surveyor's certificate on the thing and otherwise it doesn't exist. He doesn't accept it as a fraction or he doesn't accept the acreage defined by company surveyors.

We can of course find these things out here. We will probably have some ruling on these things and we can find them out here a lot easier than from Toronto. I am quite satisfied to look after the assessment work here. I think it is much the better plan but it is going to take a little delving into the records to get things straight. I think myself a claims book would be a handy thing to get up showing the complete information on claims. It wouldn't hurt for our purposes to have a page per claim, and we can have the staker's name, the date of recording and grouping it's in, when re-grouped the amonnt of work, when the claim's due. This data could be kept up and we would know exactly the history of each claim. As it is now our files here are such it is going to take quite a bit of research to get all this work in hand

Good idea

and I have done a little work on this already. It is quite confusing in places and some of the things that have been done--not having followed this work from the start--it is going to take a little bit of research but that's just a matter of a few days, and we will have all this in hand and have some kind of record drawn up with advanced information--a calendar type of thing which will tell us what's coming up each month, and in this way guard against the possibility of any slip up on titles.

That's the end of the tape and that's about all I have to say at this time.

Yours very truly,

SL:JK

Stanley Leaming

Y 4/2 A

Vangorda Creek
August 18,1956

Managing Director,
Prospectors Airways Company Limited,
1616-44 King St., West,
Toronto, Ont.

Dear Sir: SITUATION REPORT L-5

DIAMOND DRILLING

This is causing me some concern since the holes have not except for 161,164 and 165 cut sulphides in areas containing both magnetic and gravity anomalies.

The holes on the Champ anomaly on Sheet 6 did find some low-grade material but now on Sheet 5 the first hole,167 has not cut any sulphides to a depth of 385 feet. This of course is not a deep hole but by analogy with conditions on the rest of the property we should have had some indications as to the cause of the anomalies before this depth.

I feel that the hole must be continued until sulphides are found even though the hole must go to say 700 or 800 feet. If we stop short of an intersection will will have effectively drilled for nothing. I do not question the magnetic or gravity work; the anomalies are definite enough and the general appearance is similar to that found on Sheet 6. The gravity anomaly is about 600 feet wide but will probably represent a decreasingly narrow excess mass as the depth in increased. It would appear that the body would be a minor one and a hole 700 feet deep would be about the limit needed. If no orebody is found to this depth it would probably be too small to justify further drilling to find it or additional footage to delimit its size. This is only my opinion however and it would seem advisable to have some one more familiar with the applications of gravity work. Hence my telegram of this date asking for comments.

Until we know the answer in this hole there is no point in drilling a second in the immediate vicinity although a slightly higher gravity reading was obtained on line 52 at 300 north. Here the magnetic picture however is flat.

We may be anticipating difficulties that will be shortly dissapated with a good intersection so in the meantime we are continuing the hole. It will not have been deepened much by Monday morning since we have to cement or reduce to EX,and you should have received this letter by then.

I would appreciate some comments from head office on this situation but since the time is short this would have to be via telegram with its attendant limitations. I will continue to say 600 feet before stopping the hole but hope before then some explanation of the anomalous conditions will be found.

In the event that this hole is barren, the drill will be moved out to the Firth anomaly. We have a first hole spotted on Line 132West at 300 South Sheet 8. You have a copy of the total gravity map of the Firth area. This hole will be about 1000 feet from Packsack drill hole No.7 which had some good assays.

A		N
	W.K.R.	✓
	C.A.	✓
	G.E.	✓
	E.O.C.	✓
	R.D.S.	
	J.I.K.	
	E.L.D.	

KULAN PROSPECTING

Part of the Kulan crew went back to an earlier location about 27 miles north of Vangorda on the north side of the Tay river. The completed a more complete geochemical survey of the rusty overburden area previously reported. Paxton has completed a map of the results and a copy will be sent under separate cover. You will note that there are several areas of gossan but this is not to be thought of as the usual meaning of the term. They are rather areas of cemented overburden, mostly gravels, by limonite. No good mineralized material was found in place and no assayable samples were taken. I personally cannot plave too much importance on this location. Ted's comments would be appreciated.

Regarding the restaking of the old Rust claims about 14 miles northwest of Vangorda where 20 claims have been staked I would adde here that the geochemical map and some good looking float is all we have to go on. I understood at the time that some samples sent in where from bedrock and these were assayed. I learn now that this was only float. Kulan is working away from this area to the northwest. I am wondering whether or not this is worth recording. It is not a new find and the addition to our previous knowledge is not very great.

Respectfully submitted,

S. Leaming