

The Yukon Consolidated Gold Corporation, Limited

INTER-DEPARTMENT CORRESPONDENCE

Dawson, Y. T.

October 15th, 1962.

From: B. W. HESTER
To: J. A. SADLER, ESQ.

PESO SILVER MINES, LIMITED AND RIO PLATA MINES, LIMITED PROPERTIES

PESO - REX VEIN:

I visited this property on the 6th of October. At that time six diamond drill holes had been completed on the Rex vein. Holes Nos. 1 and 2 were drilled from a single setup to cut the vein at 50 and 100 feet vertically below surface, respectively. Hole No. 1 cut six feet of material which assayed 15.46 ounces of silver per ton. Hole No. 2 contained a core length of four feet, which assayed 14.11 ounces per ton silver and 2.7% antimony. Holes Nos. 3, 4 and 5 were drilled from a second setup, 150 feet away, along the strike of the vein. The best assay from these holes was 30 ounces silver for a core length of one foot. All the other assays are less than 15 ounces.

Mineralization in all three holes was restricted to a core length of four to five feet. Shearing was visible for about twenty feet in each hole. To date, the average core recovery from mineralized sections is in the order of 60% to 70%. Jamesonite is visible in all the core, but I could see no gray copper minerals or galena. Core is being taken only in the vicinity of the mineralization. The remainder of the hole is drilled with a bull nose bit.

Hole No. 6 has been completed at the third setup, but no assays were available. The core and intersection appear similar to the previous five.

At the first setup, the distance down dip from outcrop to the intersection by Hole No. 2 is 132 feet. When combined with the surface assays, the drill hole assays give an average of 30.37 ounces over 4.7 feet for this distance. The effect of the high surface samples on this average is very apparent.

About 1,500 feet of underground development work is planned to begin in December. A portal site has already been cleared. Surface mapping has disclosed a massive quartzite horizon, which should be cut by the Rex vein at depth. This sounds like an interesting structural situation, but Peso have no plans for investigating it at present.

PESO - GENERAL:

I was shown a new map of the property, on which all trenches and surveyed claims are shown. There is also an interpretation of the vein pattern and an attempt at correlation. I was also shown sections of the work on the Rex vein, and a geological map of both Peso and Barker Estate claims. All of this should be available at the Vancouver office of Peso within a matter of days.

The present programme is to continue drilling on the Rex vein for the next month or two, and complete 400 feet of drifting in the underground works on No. 1 vein. This should bring the development work under the downward projection of the shaft in which encouraging values were obtained.

I understand that three years' assessment work has been done on the Barker Estate group of claims. Read told me they have had grab samples from this ground which ran up to six ounces in gold.

RIO PLATA CLAIMS:

I could find nobody in the area who was associated with this company. Read told me that he thought they were finished for the season, and had not achieved very much. There is some ill feeling between the Rio Plata people and Strebchuk, who is the principal vendor, on account of the treatment he has received. I gathered from the Mining Recorder in Mayo that Rio Plata had been selling stock locally in a highly irregular manner. He did not elaborate on this.

DUNCAN PROPERTY:

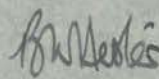
I met Ellis, who is in charge of this property, on the 7th of October. The vein which they have uncovered appears to be an extension of the Lake showing, which lies on United Keno Hill Mines, Limited ground immediately north of the property. In all, there is about 2,000 feet of potential ground on the Duncan group.

The surface was partially covered with snow, and we were not able to see the entire stripped area. At the portal site, which has been partly cleared, two stringers, each about two inches wide, of massive galena are visible. The country rock there is graphitic schist. Ellis, who was discoverer, and later, manager of the Comstock several years ago, was quite optimistic on the possibility of this vein developing into a substantial ore-bearing structure where it cuts the large area of greenstones which lies on the property between the showing and the Sadie-Ladue-Friendship veins.

DUNCAN PROPERTY (Cont'd.):

Stripping has now ceased, as has further work on the portal site, to permit the full crew of about eight men to work on the several buildings which are now being constructed.

Read told me that he and others had staked more claims near the Duncan property, but Ellis expressed no knowledge of this.



B. W. Hester,
Assistant Manager.

BWH:sw

cc: Exploration Committee
L.B. Gatenby



Library and Archives
Canada

395 Wellington Street
Ottawa, ON K1A 0N4

Bibliothèque et Archives
Canada

395, rue Wellington
Ottawa, ON K1A 0N4

For material still subject to legislative, contractual or institutional obligations, users warrant that they will respect those obligations and not use LAC collections in a manner that would infringe the rights of others. Liability that may arise in the use of a copy is assumed in full by the user. LAC accepts no responsibility for unauthorized use of collection material by users.

To ensure proper citation and to facilitate relocation of an item, the source of the material and its reference number should always accompany the copy.

Pour les documents faisant encore l'objet d'obligations législatives, contractuelles ou institutionnelles, les usagers s'engagent à respecter ces obligations et à ne pas utiliser les documents des collections de BAC de façon à nuire aux droits d'autrui. Ils doivent assumer entièrement toute responsabilité qui pourrait découler de l'utilisation d'une reproduction de document. BAC décline toute responsabilité quant à l'utilisation non autorisée de documents provenant de ses collections.

Afin de citer un document avec exactitude et d'en faciliter le repérage, sa source et son numéro de référence doivent toujours accompagner la reproduction.

TITLE/TITRE _____
RG _____ MG ²⁸ _____ R- _____ SERIES/SÉRIE ^{III, 43} _____
ACCESSION _____ VOL ³⁷ _____ PAGE(S) ³ _____
BOX/BOÎTE _____ REEL/BOBINE _____
FILE/DOSSIER Exploration Yukon Pt.3. to 1963 _____
DATE March, 2014 _____