HONEY PRINTING SERVICE, TORONTO STOCK FORM NO. 3001

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INTER-OFFICE CORRESPONDENCE

E. O. Chisholm

	Ture.	
	July 15th,	1060
TE	any isen,	1900

DA

Rod Macrae

SUBJECT Haines JunctionCopper Showings

MESSAGE

Dear Rod:

(TO BE COMPLETED IN TRIPLICATE)

eno

Following my telephone conversation last week on the Cierra de Pasco activity in the Haines Junction area, Alaska Highway, I am referring you to the following extracts from my Summary report on Yukon Exploration 1953.

(40) Copper Showing, Mush Lake

Rusty zone associated with intrusive dike 10 to 15 ft. wide containing disseminated chalcopyrite and arsenopyrite. Shown on E. D. Kindle's Dezadeash Map 49-24A, approximately 8 miles southeast of Mush Lake. Our prospectors examined the location and report the showing to be of no economic significance.

Report by G. D. Wilson, June 25th, 1953 No further action recommended.

(42) Shorty Creek Copper Showing, Dezadeash Lake

Narrow quartz veins containing disseminated pyrite and chalcopyrite in a grandiorite stock 7 miles west of Beloud's Post, Dezadeash Lake. Our prospectors report nothing of economic interest.

Report by G. Wilson, M. Romanuck, August 11th, 1953 No further action recommended.

(43) Dalton Creek, Copper Showing, Mush Lake

A 100-ft. wide zone of disseminated pyrite with a 1-ft. zone of chalcopyrite in an andesite flow located on Mush Lake Road 1 mile west of Dalton Creek. Our prospectors report nothing of economic interest.

Report by J. Wise, August 1st, 1953 No further action recommended.

The Dalton Creek showing, Mush Lake appears to have the better potential of the three. Further investigation of these leads is warranted in the light of the development in the area. More details may be on file at the Whitehorse office.

Archie Freakes, Cierra de Pasca consultant said you are welcome to examine their showing if you are in the area. He said that one of Cierra's geologists is at present in Whitehorse and you could contact him there. They have staked 40 claims surrounding the showing and as far as he knows there is no other staking activity at present. Enclosed is a memo on the results of Cierra's sampling. Telephone GArden 4-2427

AD ASTRA MINERALS LTD.

526 Northern Hardware Building EDMONTON, ALBERTA

Dr. Paul M. Kavanagh, Kerr-Addison Gold Mines Limited. Ste 1600, 44 King St. West, Toronto 1, Ontario.

Dear Dr. Kavanagh:

Thank you for your letter, and for your mention of the drilling done by Yukon Consolidated. Although we had no report on the results, we had been advised by O.D.Frith, M.E. (prior to our taking over the properties) that four holes had been drilled near the Muncaster cabins at freeze-up time. Our consultants have seen the sites of these four holes, lying to the south of the present creek bed and east of the junction with the Old Channel, in an area of glacial till that does not appear to have been disturbed by stream action at any time. In fact we have planned to use that section as a "spoil area" for the piling of tailings from all work in the apex zone, which will probably involve several million cubic yards.

I am compelled to say that it does seem a very great shame that a property of such size and increasing promise should be IGNORED by a large mining firm, such as you represent, BECAUSE of the meagre and hurried testing done eight years ago. I am sure that testing program would have been carried out in different manner and locations if the B.C. Air Photo's (taken in 1959) had then been available, and perhaps if it had been started earlier in the season.

Our recommendations from Dr. Godfrey, after his visit to the property last Jul, call for a large bulk test for production, to be taken from surface to bed-rock within the apex area of the alluvial fan, visualizing the processing of about One Million cubic yards. Based on gold recovery from the small amounts processed from surface and near surface gravels in this general area, such a major test should be commercially profitable and should provide much useful information on the bedrock channels, gold runs, etc.

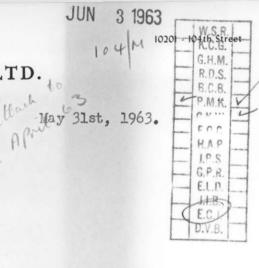
We are most concerned with the prospect of such a program, and feel that action at this time is even more important than quick returns and that our Company interests can be well provided for out of future profits.

If you should revise your last expressed opinion, and care to examine Dr. Godfrey's reports and maps I will be pleased to forward them to you.

Yours sincere.

RM/b

Ray G. McPhiel Ad Astra Minerals Ltd. a copy of this letter was forwarded to PMK addressed to Vorenuer office on Jane 3/63 lkw



JUN

KERR-ADDISON GOLD MINES LIMITED 44 KING STREET WEST TORONTO 1, ONTARIO 104 M



W.S.# K.C.G. G.H.M. R.D.S. B.C.B. P.M.K. V F.M.K. E.O.C. H.A.P. J.B.S. G.P.R. E.L.D. I.B.S. G.P.R. E.L.D. I.B.S. E.C.J. D.V.B.

April 30, 1963.

Mr. R. G. McPhie, Managing Director, Ad Astra Minerals Ltd., 526 Northern Hardware Bldg., EDMONTON, Alberta.

Dear Mr. McPhie:

With respect to your submission earlier this month of your Squaw Creek Placer Gold Property on the B.C.-Yukon border, I wish first of all to express regret that we have taken so long in letting you know our position. The delay has been caused by my being away from Toronto for most of this month.

While I was with the Yukon Consolidated Gold Corporation several years ago, this property first came to my attention. As you probably know, the Yukon Consolidated at one time carried out some exploration work on the property with generally disappointing results.

I wish to advise you that we do not want to take any interest in the property, but wish to thank you for bringing it to our attention. We hope you will be successful in making some arrangement for its further development.

Yours sincerely,

KERR-ADDISON GOLD MINES LIMITED.

Paul M. Kavanagh, Chief Geologist - Exploration.

PMK:dt c.c. C. Vaydik

REFERENCE MEMORANDUM

ápil 26 ...63 DATE

- --- --

THE ATTACHED PAPERS ARE REFERRED

TO_ BY____ PLEASE REPLY DIRECT PLEASE HANDLE YOUR COMMENTS PLEASE SEE ME RE THIS FOR YOUR INFORMATION FOR APPROVAL PLEASE RETURN PLEASE RETAIN Because of the reference to Progrators atimorp in Methie's letter I soked EOC about this and their attached file on it suggested that you would not bibly be interested so I mode w PLEASE RETAIN to Mcphie Chu

HONEY PRINTING SERVICE 1444

Telephone GArden 4-2427

APR 25 1963

10201 - 104th Street

AD ASTRA MINERALS LTD.

526 Northern Hardware Building EDMONTON, ALBERTA

April 24th, 1963.

The Manager, Exploration Dept., Ste. 1600, 44 King St. West, Toronto, Ontario.

Dear Sir:

Perhaps Dr. Kavanagh is absent and my letter to him dated Apl 9th may be awaiting his return. I am not suggesting that either Kerr-Addison or Prospectors Airways should grab a "pig in a poke", but, because of our Company Directors meeting this week-end, I am hoping that you can advise me, by return, that you are interested in a full discussion of the potential and the possibilities of some form of development or production deal for our Dollis Creek property.

If Kerr-Addison is interested in a new source of One Hundred Million Dollars, plus, in raw gold, this placer property looks like the spot. 98% of the property is unworked and enough testing has been done to warrant a large scale bulk test, about one million cubic yards, by dragger or slusher and sluice boxes.

I enclose a copy of the memo that your field man, Chuck Vaybik, was forwarding to Mr. Kawanagh, just in case that information went astray. I also refer you to me earlier letter addressed to Dr. Kavanagh.

Each of the geologists who have examined this ground for us, during our period of testing and consolidating the area, has recommended large scale bulk testing to commence in the apex area of the alluvial fan; as preferable to a program of pattern drilling, and much more profitable.

Certainly the known quantity of "pay-dirt" is large enough, and the operating cost by slack line dragger and sluice is low enough, to make this compare favorably with any hard rock gold mine. Unfortunately, our Directors, who are not experienced in mining, had visions of taking out enough gold while testing to pay for the necessary equipment- but bed-rock was never reached, due to water level.

The opportunity now exists -with quick action- for an experienced mining group to take over control of the Company, and take a contract to operate the placer property, for both a Capital Gain and a working profit. We do have some other properties worthy of some attention.

May I be advised if there is any possibility of an early discussion.

Yours very truly,

Ray G. McPhie, Managing Director.

RM/b

Telephone GArden 4-2427

AD ASTRA MINERALS LTD.

526 Northern Hardware Building EDMONTON, ALBERTA

Dr. Paul Kavanagh, P.Geol: Ste. 1600, 44 King St. West, Toronto, Ontario.

Dear Sir:

You will probably have, by concurrent mail, a letter from your field^{D.V.S.} man, Charles Vaybik, who spent some time talking over our reports and possibilities.

We hold a block of more than 2,000 acres, covering all of an alluvial fan on Bollis Creek, More commonly known as Squaw Creek, located about 15 miles west of the Haines Highway and on the B.C.-Yukon border. The memo given Mr. Vaybik covers the origin as a gold discovery. We have paid opinions from W.H.Myers, P.Geol., from Calgary, and a Seismic Profile by the same party, several years ago. The most recent examination was by Dr. John Godfrey, Geologist (of the Research Council here) who visited the property with the working party in July 1962. Most of the Annual Geological Surveys -both Federal and Province of B.C.- since the early 30's have given some mention of Squaw Creek. Probably the most enlightening was that by E.D.Kindle, Geological Survey of Canada, 1953 (p 50-52).

During our several seasons of testing we have taken out some coarse gold and small nuggets, without reaching any bedrock. Our attempts to reach bedrock by bulldozing and hydraulicking have ended each season at water level, and in consequence we have put in several other test pits for our own information. There is a large amount of black sand at every point we have tested, with some platinum content in an amount not yet determined. The gravel varies in depth to 155', there is very little overburden; and the seismic profile and aerial photo's both show what seems to have been a large trap zone. This zone was reached by only one drill hole, out of ten drilled by our predecessors, and showed very high values, bedrock at 80'.

We are in the awkward position of being unable to SELL the property, because of the earlier option agreement under which we acquired much of the ground and which obliges us to work it (or contract the work) and pay a Gross Royalty on a sliding scale of 5% to 15%. Since our average gold recovery, before reaching bedrock, seems to be about \$1.50 per cu. yd., it appears that 15% will prevail.

Presuming that your company might be interested in the large gold potential of this ground and the low cost of a Slack-line Dragger operation, I would earnestly suggestyour personal discussion here with both Dr. Godfrey and myself, and a general check of the situation, rather than sending you a couple of reports & maps.

We now feel that a production test, commencing in the apex of the alluvial fan, by a dragger bucket capable of 1 to 2 thousand yards per day and taking all of the gravel down to bedrock at a probable 40^t to 50^t depth, is likely to be much more productive of both gold and information than a series of drill holes.

If you are interested in discussing the possibilities would you please advise me by next mail, so that I may more easily fend off some would be contractors of the amateur type, with whom we have already had two sad seasons.

Yours very bruly, May terfaire Ray G. McPhie, (Red).

RM/b

April 9th, 1963.

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W.S.R. K.C.G.

R.D.S.

9.C.B. P.M.K.

FOC

HAP

J.R.S.

G.P.R.

E.L.D. J.I.B. E.C.J.

Edmonton, Alberta, Canada.

526 Northern Hardware Bldg.

A BRIEF HISTORY OF THE SQUAW CREEK PLACER GOLD PROPERTY.

ONE HUNDRED MILLION CUBIC YARDS OF AURIFEROUS GRAVELS.

LOCATION AND AREA.

Squaw Creek; also known as Dollis Creek, is located about 16 miles S.W. of Mine 106, Haines Road. This mile-post is 53 miles south of Haines Junction on the Alaska Highway in the Yukon Territory. The creek is only a few miles long and is glacier fed fast water. It flows westerly and then north-west, crossing the B.C.-Yukon border, into the Tatsenshini River, and thus becomes part of the Alsek River System in the St. Elias Mountain Range. The gold bearing gravel bed, covering a continuous area of more than Two Thousand Acres, is in two main sections. The first or Discovery section lies along some three miles of the present creek channel, in widths of several hundred feet and varying in depth to about 90 feet. The deeper sections are probably due to a series of ledges, fractures and faults in the bedrock, trending downst ream and completely gravel covered. The second section, known as the "Ancient Channel", runs southward from the present creek and Yukon Boller for a distance of about three miles in widths up to 3,500 feet. Selamic tests in this second section have shown depths of gravel in some places down to bedrock at 155 feet. Exceptional gold values have been reported from drill tests, and this old channel is calculated to contain more than One Hundred Million Cubic Yards of Pre-glacial and Post-glacial gravels. The present creek bed is estimated to contain nearly Ten Million cubic yards of gravels where all tests to date (before reaching bed-rock) indicate a probable average Cold Value of more than \$1.50 per cubic yard.

ACCESS.

The Company has improved the 3 miles of road from Mile 106 to the old Dalton Post site on the Tatsenshini River, and has constructed the 12 mile road between the River and the Squaw Creek camp site. Freighting of heavy equipment and supplies may be made by truck from either the American sea-port at Haines, a distance of about 121 miles from camp, or from the rail-head at Whitehorse, Yukon, a distance of about 170 miles.

HISTORY.

Gold was first discovered at Squaw Creek in 1927 by an Indian trapper, and a small area of shallow gravel was worked by hand methods at intervals for many summers. Access at that time was by pack horse. It is estimated that less than 300,000 yards of gravel was washed by these early workers, and it has been reported that more than 15,000 ounces of coarse gold was taken out. Depth of gravel, many large boulders, and flash floods, prevented any more extensive hand working. The Ancient Channel was not worked, and apparently not recognized, by the miners. The Squaw Creek Gold Discovery is referred to in many Government Geological Reports, both Federal and Provincial, from 1932 until the last known report in the Geological Survey of Canada, 1953, Dezadeash Area, by E.D.Kindle. Early reports quoted that many nuggets of 5 to 10 ounces were found, and one nugget of especial note reported at 46 oz 15 dwt. Various tests along the creek bed failed to reach bed-rock, at depths of more than 20 feet. though all showed interesting gold values.

The results of tests carried on by the Company over the past five years, by bull-dozer trenching, by hydraulic sluicing, and by gold pan, cover many stations of the creek and support all the early day reports, as well as the theory that the bedrock area must be much richer than the now tested upper gravel beds. These test represent many millions of yards of the gold bearing gravel. Six samples, taken by gold pan from different sections of a large pit, at water line, gave an average value of \$6.06 per cubic yard. Pan samples taken from dozer trenches onehalf mile and one mile downstream from the main pit varied from \$0.39 to \$3.55 per cubic yard. The water level in the gravel prevented working at depths of more than 20' although bed-rock was known to be at from 55' to 90' depth.

The average working season has been found to be from 120 to150 days, as sluicing operations must cease with the first freezing of the boxes. Water supply decreases in the latter part of the season and becomes dependent to some extent on the amount of rain-fall; however, this area is part of what is known as Rainy Hollow and there is seldom any lack of water supply. The average flow in the creek is considered ample for processing several thousand cubic yards of gravel per day. The latest examination, by an eminent geologist, in July of 1962 resulted in the conclusion that this area is a very large alluvial fan with a great gold-bearing potential, and large scale operations are recommended by use of slack-line dragger equipment.

Ad Astra Minerals Itd. Bay G. McPhie. Reyulle.

STOCK FORM NO. 3001		104	HM 1
IN	ITER-OFFICE COR	RESPONDENCE	S.R.
FROM R. Mac	rae	DATE June 30th, 1960 G.A	A.C.
то Е.О. С	hisholm	SUBJECT AdAstra/Datalakke	a.cors
	MESS/ (TO BE COMPLETED	AGE EL	C.B.
Dear T	ed.	L	.C.J

Enclosed is a summary of conclusions based on the drill information and other information yousent me last winter on this precer-prospect.

Barker's opinion of this property is that there is not enough gold per yard to pay mining costs which he estimates would be costly.

I made some inquiries on a recent trip at Dezadeash Lodge (Belouds) and found that the crew are due at the property on the 10 July. Clive Sissons, who is superintending the operation, has been in the area and is in Edmonton, for a meeting with McPhie, Manager of Adastra. Sissons is due here from Edmonton, on the 6th July. I'll connect with him and arrange a visit to Squaw Creek.

Roderick Macrae

Enci:

Ted:

Do you remember Simpson of Canadian Exploration telling you a couple of years ago, when in Vancouver, that he had on file fairly complete information on all placer deposits in Canada? Do you think Mr Row could get the results of YCGC drill-testing on Squaw Ck from Mr Simpson, or do you want me to try and get it from the gold-company's Dawson office?

031-123450 TR 00		R.M.	
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INSTRUCTIONS FOR USE OF THIS FORM

Form to be completed in triplicate by originator. Two copies - No. 1 and No. 2 - to be forwarded to addressee. Copy No. 3 to be retained in originator's file until reply received. Addressee to complete reply in duplicate on reverse side of sheets 1 and 2 and return No. 1 to originator. In following this procedure both parties have the complete message and reply on one sheet of paper.

HONEY PRINTING SERVICE, TORONTO STOCK FORM NO. 3001	104/M
INTER-OFFICE	CORRESPONDENCE
FROM	DATE
то	SUBJECT Datalaska Placers R.D.S.
(TO BE	MESSAGE COMPLETED IN TRIPLICATE)

Summary based on examination of 1955 test drilling by O.D. Frith, M.E. onn Squaw Ck placer leases:

Drill testing indicates a 5000 ft length of buried old channel with overburden, gravel, and blue clay cover to depths of 60 feet. Drill-testing indicated no serious boulder condition that would hamper eather hydraulic or dragline mining methods.

Values in gold recovered in testing gave a completely false impression of both the value per yard and the volume of pay-streak due to the method of open-hole drilling used in the largest part of the drilling programme. The information available does not show the location nor the vertical depth in each hole of the paystreak intersected.

There is probably an auriferous black sand horizon of unknown depth and location that contributed the gold content to the samples secured by drilling.

repeatedly in the drill report of most holes tested, there is reported a water seapage hhat at times filled the hole to or near the casing-collar. This action would provide a fine concentrating effect , probably accounting for the high gold content P.M.K. good indicated in the January report by Frith.

Ad Astra's 1959 report indicated a recovery of \$ 2.00/yd from operations in 1959, the gold being recovered with the black-sand concentrates. Apparently , gold was not found free in the gravel. The yardage mined in this operation would be open to question, in view of he me thod on mining that was practiced.

Conclusions: Both the value per yard and the estimated yardage of gold bearing gravels reported by Frith arex would require checking by re-drilling with equipment capable of testing the gravels the man approved manner.

acrae

INSTRUCTIONS FOR USE OF THIS FORM

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HONEY PRINTING SERVICE, TORONTO STOCK FORM No. 3001

INTER-OFFICE CORRESPONDENCE

Mr. E.C. Jacka 9 November 1959 FROM DATE AL N W.S.R. 1 Squaw Creek Placer Ground Mr. R.M. Macrae TO. SUBJECT. G.H.M E.O.C. L MESSAGE H.A.P. d L (TO BE COMPLETED IN TRIPLICATE) R.D.S. B.C.B. E.L.D. Dear Rod: J.I.B. Enclosed is copy of a letter from Mr. A.M. Berry, Datlasaka Mines Limited, E.C.J. dated November 4th and also a copy of Ad Astra Minerals Ltd. "A Report to the Shareholder" that was enclosed with Mr. Berry's letter. This is for

your information and files.

ECJ_dp Encl. E.C. Jacka

104 M

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DATLASAKA MINES LTD.

10023 - 103 STREET EDMONTON ALBERTA

November 4th. 1959.

Mr. E. O. Chisholm, Chief Geologist, Prospector's Airways Company, Limited, Toronto, Ontario.

Dear Ted:

Many thanks for your letter of October 26th., enclosing the plates and survey of the Squaw Creek placer ground. Hope the information has been of some interest to you.

I'm afraid I can't help much in clarifying the situation with Yukon Consolidated when they drilled the first holes near Squaw Creek. My personal opinion is that 0. D. Frith, our Engineer in charge of development, offended very seriously Mr. Nordale, the Engineer on the ground for Yukon. When they advised us they were dropping the option I flew into Whitehorse to meet Mr. Nordale when he told me they hadn't recovered any values in the holes put down so far and, anyhow, weren't interested in the property because it was much too limited in area for their Corporation to operate. That is actually all I know about it but still think Mr. Nordale never got a hole down to bed rock. Under the site he chose there was a horrible collection of boulders and he wouldn't listen to Frith when he suggested moving the drill further down the outwash area. I begged Mr. Nordale to lease his drill rig to us and we would continue drilling under the supervision of 0. D. Frith but this he said he couldn't do because they required the equipment elsewhere. It was after this that we employed Western Water Wells to take in equipment from Calgary and put down the ten holes, of which you have the copies of the logs.

For your information, and interpretation, I am enclosing a copy of the last progress report from Ad Astra Minerals. What it means I can only guess but am told they expect to announce a recovery of something in the neighborhood of \$6.00 per yard. When we get their final report I shall be glad to forward a copy to you and also keep you advised of any change in the status of the company.

With very best regards,

Yours since pelv.

AD ASTRA MINERALS LTD.

104 M

526 NORTHERN HARDWARE BUILDING EDMONTON - ALBERTA

October 26th, 1959

A REPORT TO THE SHAREHOLDER

Dear Shareholder:

My tour of duty this year was restricted to an examination, and supervision, of our Hydraulic Placer operation at Squaw Creek, on the B.C. - Yukon border, where I arrived July 30th. The results of my examination, and of completed tests from various sections of this large property, together with the visible gold and other minerals secured in the hydraulic operation, have left me thoroughly convinced that this property can equal the fabulous gold production of many of the historic gold discoveries of Atlin and the Klondyke rush. This concurs with the opinions expressed by Consulting Geologists and Engineers who have also examined this property on behalf of your Company.

Our 1959 operations were seriously delayed through damage caused by floods, by necessary rebuilding of the dam, water intake and pipeline, by mechanical break-downs, many crew changes, and a shortage of experienced hydraulic operators. Our plans for using two monitors had to be shelved when it was found that the terminal piping could not supply the double operation with full pressure. Some changes and improvements in the pipeline and other equipment will be necessary for a large scale operation.

Concentrates taken from the sluice boxes in September amounted to over 1/2 ton of heavy sands containing both fine and coarse gold, with other minerals. Due to the presence of other heavy minerals the ordinary methods of gold extraction (by gold pan and mercury amalgam) proved ineffective. Samples were dispatched for analysis and for advice as to methods of separation, while principal attention was directed to continuing the sluicing operations. Analysis showed a highly satisfactory percentage of gold in the concentrates. These concentrates were worked over, screened and reduced, at the property, to about 300 pounds weight, and were brought out last week for chemical treatment. The total value of the 1959 production will not be known until this shipment has been processed, and the gold content separated.

The first section of hydraulic sluicing covered part of the steep rim rock and reached the richer bed rock. This bed rock is irregular, with many breaks and ledges leading downstream. It was soon found that bedrock in the second section of the pit dipped steeply below the level of the sluice boxes. It was decided to DRY this section and to bull-doze the rich gravel up and over a dividing ridge into the wet part of the Pit in front of the sluice boxes, and so a Race with the Weather got under way. Because of visible gold and many gold pan tests our crew members nick-named this section the Million Dollar Pit.

Samples from this rich section were taken, after freeze-up, from each side of the Pit and from the stock-pile. Assay results for the six samples follow:

Sample C	\$ 0.15 per cu. yd.	Sample G	\$ 0.32 per cu. yd.
Sample D	10.56 per cu. yd.	Sample H	4.32 per cu. yd.
Sample E	0.12 per cu. yd.	Sample I	20.90 per cu. yd.

These erratic results are as expected where small quantity samples are taken at regular intervals. Samples were one filled gold pan, (about 14 lbs) each. The average value

per cubic yard, for the above samples, is 6.06, however, the 20.90 result secured from the stock-pile is considered more representative of the bed-rock or "bottom of the pit" which was flooded and frozen when these samples were taken. Representative samples taken from trenches 1/2 mile and 1 mile distant downstream from the Pit ranged from $39 \$ to 3.55 per cubic yard and are considered highly satisfactory.

During my unavoidable absence at the end of September, some delays were caused by mechanical break-downs of the D8 Cat, and some by heavy rains and flooding. We finally lost the race, and our 1959 hydraulic operation was ended by the sudden freeze on the night of October 5th when temperatures dropped from 40 to 0 degrees. The combination of flood water and fast forming ice became a day and night problem. The dam had to be dynamited to divert the water, and the pipeline had to be dismantled while it was filling with slush ice. By the time these safety operations were completed, with zero weather continuing, the season was definitely ended and the camp was closed, during a heavy snowfall, on October 15th. A few more days of full operation and normal weather, in this second section of the Pit, would have been sufficient to clean out all the accessible portion of this rich gravel; however, the major part of it is now pushed up in a stockpile ready for first action in the spring.

Other tests completed to date have indicated the advisability and the necessity of a large volume operation, which involves the use of more pipeline and heavy equipment. Negotiations are already under way for several thousand feet of large diameter hydraulic pipe and some other equipment, and plans for a maximum hydraulic operation are now the principal concern of your management. In addition, plans for the sinking of a proper mining shaft to a depth of 80' must be considered, for the location of last winter's attempt that was abandoned by the contractors.

The sudden freeze-in occurred before arrangements were made for a visit by the Consulting Engineer for your Company, however, he is well acquainted with the property and with the current operation. In actual operation the D8 bull-dozer moved about 1,000 cu. yds. for dam and pipeline repairs, about 4,000 cu. yds. of overburden, and about 5,000 cu. yds. of boulders, to permit the sluicing of some 5,000 cu. yds. of pay-dirt. It is estimated that more than half of the tailings were also removed by the big Cat.

Another phase of the Company development program that has received very little notice is the contract for delivery of Uranium Ore from the RENO property, (for the almost wholly owned Atlas Uranium Corp. Ltd.). This contract calls for the mining and delivery of 250 tons, more or less, of ore to the Lorado Mill near Uranium City, during the 1959 season. At last report from the contractors some 30 tons was sacked and ready for shipment. Mining operations are being carried out at the original high grade discovery mapped by Dr. John Godfrey several years ago. Much useful information, and some cash income, should be realized from this operation.

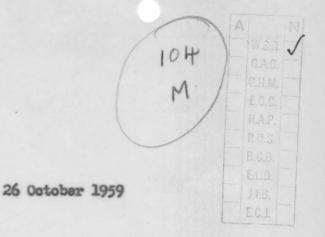
Although your Company has many "deals" presented to the office, and is continually aware of other discoveries and opportunities, your Directors and Management are principally concerned with the organization of a commercially profitable production.

Faithfully yours,

Ray G! McPhie Managing Director

104 M

PROSPECTORS AIRWAYS COMPANY, LIMITED SUITE 1616, 44 KING STREET WEST TORONTO 1, ONTARIO



Mr. A.M. Berry 10023 - 103rd Street Edmonton, Alberta

Dear Matt:

G

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P

V

Thank you for your letter of October 5th, enclosing the Datlaska Mines data. As requested, I am returning Plates 1, 2 and 3, and the survey of this area.

The remainder of the information I have forwarded to Rod Macrae, our Vancouver engineer, for his opinion.

One point could be clarified by you perhaps. I note that Yukon Consolidated drilled a series of 4 holes in Section G and a hole in Section F that showed no values. Have you any more information on this?

Kindest personal regards.

EOC_dp Encl. E.O. Chisholm Chief Geologist

20 October 1959

re: SQUAW CREEK

The attached data refers to the Squaw Creek placer deposit discussed with Matt Berry on our last trip to Edmonton. The property is now in the hands of an Edmonton company called Datlasaka Mines Limited, who are attempting to recover placer gold by hydraulicking and bull dozing at the entrance of Squaw Creek on the Haynes cut-off road on the B.C.-Yukon boundary. Berry's letter of October 5th says they have recovered \$2.00/yard in gold this year which is interesting, if true. Berry is the vendor of the property, but is not satisfied with the Ad Astra performance. He hopes to get the property back before long, but does not know when. Apparently legal steps are under way. He will advise if his negotiations are successful.

In the meantime, he sent, on request, the attached data to keep us informed.

The data attached indicates by seismic work, a total of 21,000,000 yards of combined stream and glacial gravel, where tested. The dimensions of the gravel deposit are roughly 10,000 feet long by 1,000 feet wide by 50 feet deep.

A series of 15 churn drill holes, drilled in 1956, by Berry and associates, indicated appreciable values in gold but no details are on hand as to the individual samples taken or the distribution of the gold in the holes. An attached drill plan by the engineer in charge, 0.D. Frith gives indicated 7,185,000 yards containing \$71,498,205.00, or approximately \$1000/yard; and a possible yardage of 13,600,000 containing \$17,650,000.00 worth of gold for a total yardage of 20,785,000 yards worth \$89,148,205.00. 10HM

C.DY Ros MACRAE

It is obvious from Frith's sampling plan attached, that he takes a very optimistic view and that insufficient drilling has been done to establish these values.

It is also noted that Yukon Consolidated drilled a line of holes on the north-end of the deposit and obtained no values.

A complete set of bore hole records is attached, but with no assays. They only indicate to me that the drilling was not too difficult and that large boulders were not bothersome.

Conclusion:

Any further action on this property would require a careful check of all existing sampling data of the previous work and a visit to the property next year by Macrae. Yukon Consolidated could later be approached as to why their drilling failed to intersect values.

I met Frith, the engineer, in the Yukon three years ago and was not too impressed at the time.

A careful resampling job by churn drilling would eventually be needed to establish the potential of the property.

E.O. Chisholm

104 M

EOC-dp Encl.

20 October 1959

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104 M

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EOC-dp Encl.

E.O. Chisholm

10023 - 103 Street. Edmonton, Alberta, October 5th. 1959.

Mr. E. O. Chisholm. Prospectors Airways Company Limited. Suite 1616. 44 King Street West. Toronto. Ontario.

Dear Ted:

Your letter of Sept. 22nd. arrived while I was off on a goose hunt with Karl Springer, Joe Rankin and the boys from here, down in the Hay Lakes area, hence the delay in replying and getting the information on the Squaw Creek placer show down to you.

The latest news from Ad Astra, quite unofficial yet, is to the effect that they brought in 1000 lbs of black sand from the first cleanup of the season out of which they have recovered over 740 ounces of gold valued at close to \$22,000. On Saturday Ray McPhie was complaining about having an equal value in platinum which was causing a tremendous amount of trouble in separating from the gold. According to McPhie the recovery of gold represents \$2.00 per yd. so if the platinum is added it should be a very profitable operation. All their work has been confined to the present creek bottom and, to the best of my knowledge, nothing has been done on the outwash area which Howard Myers considered so highly.

To give you as complete a picture as possible of the property I am enclosing herewith the following:

1. Copies of the logs of the ten drill holes, by Datlasaka Mines in /55.

- 2. Seismic survey by W. H. Myers, with plates numbers 1, 2 and 3.
- 3. Plan of placer leases by 0. D. Frith, M.E., Datlasaka Engineer.
- 4. Copy of preliminary report by W. H. Myers, dated Nov. 29th. 1957.
- 5. Copy of final report by W. H. Myers, dated Feb. 1958.
- 6. Copy of report by W. H. Myers on an inspection trip to Squaw Creek, dated Oct. 15th. 1958.

We have no copies of the survey and plates listed as item #2 so should appreciate having you return these as soon as they have served your purpose.

We haven't had any further negotiations with Ad Astra regarding the operation of the property so, as of this date, the situation remains as it was when you were here. Should this change in the near future I shall be very glad to advise you immediately.

With very best regards, I am.

Yours sincerely, R. W. Gerry

W. Howard Myers Geophysical Consultant Calgary, Alberta

640 – 7th Avenue West, CALGARY, Alberta.

15th October, 1958.

Mr. A. M. Berry, Datlasaka Mines Ltd., 14 – Mercantile Building, EDMONTON, Alberta.

Re: Visit to Squaw Creek Property

Dear Mr. Berry,

A visit to the Squaw Creek property was made in the company of yourself and Mr. Kennedy on October 10th, 1958. The trip was made from Whitehorse in one day and ample time was allowed to examine the season's operations by Ad Astra Minerals Ltd. The following is a brief summary of what was observed:

Placer operations were carried out on the main part of Squaw Creek. The operations were in an area where the refraction seismic shooting indicated bedrock or basement minimum at a depth of 15 feet. An examination indicated that the operation was not on bedrock. The placer workings were approximately 12 feet below the present bed of Squaw Creek. In all probability the values obtained by the placering above bedrock were not too high. The majority of the placer work appears to have been done on the Robinson leases. An estimate of the values obtained per yard should be made so that the total gold content can be computed in these gravels above bedrock for future use. There is a good possibility that there is some basement faulting along the mountain front where Squaw Creek emerges from the mountains. This possible faulting was indicated on the seismic profiles in the form of steeper basement or bedrock profiles. If this is true, then significant traps for gold could exist in the bedrock.

From all appearances most of the time and effort of Ad Astra Minerals this past season has been spent on the placer operation along Squaw Creek. Very little effort or time has been spent in checking and testing the old tertiary stream channel as outlined by the refraction shooting to the south. A 13-foot cut was made with the cat in the vicinity of diamond drill hole #2L. At the bottom of this cut was a four or five foot shaft, approximately 3 x 5 feet in size. There was no evidence of a sample having been taken in either the cut or the shaft. A request should be made for these assays if it was tested. If no samples were taken

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Page 2.

Mr. A. M. Berry.

15th October, 1958.

then the area is not tested at all. Some very interested observations were made in the cut. Fine sands were observed on the south wall of the cut and were not present in the north face at all. These were apparently replaced by gravel. The gravel appeared to be cleaner lower in the cut and less of the larger boulders present. In other words, toward the bottom of the cut there was a fairly good degree of sorting in the gravels.

RECOMMENDATIONS:

- Assay values be obtained from Ad Astra on the sample (if any) taken on the cut near the diamond drill hole #2L.
- Determine why the shaft or cut was not deepened to get additional information on this old channel and the nature of bedrock in this area.
- Obtain an estimate of the gold content per yard in the gravel worked in Squaw Creek.
- 4. Place emphasis on obtaining an evaluation of the gold content in the old tertiary stream channel in the southern portion of the area.
- Secure detail relief on bedrock or basement in the main Squaw Creek area for possible traps.

Respectfully submitted,

ma Howard yes

Wm. Howard Myers, P. Eng., Geophysical-Geological Consultant.

WHM: BN

FINAL REPORT

on

REFRACTION SEISMIC SURVEY

SQUAW CREEK, BRITISH COLUMBIA & YUKON

for

AD ASTRA MINERALS LTD.,

Edmonton, Alberta.

by

Wm. HOWARD MYERS, P. Eng., Geophysical – Geological Consultant, Calgary, Alberta.

February 1958.

FINAL REPORT ON REFRACTION SEISMIC SURVEY

SQUAW CREEK, BRITISH COLUMBIA & YUKON

INTRODUCTION:

During the period October 10-13 inclusive, 1957, some 8900 feet of continuous refraction line were shot in the Squaw Creek Area, on the border of the British Columbia and the Yukon Territory. Each shot point was also shot reversed.

Over most of the area, a geophone interval of 50 feet was used, with 12 traces used per spread. A shot point interval of 550 feet was used over most of the area. A portion of the area, where basement appeared to be deepest, a geophone interval of 100 feet was used with a shot point spacing of 1100 feet.

Shot points were dug by hand to a depth of between three and four feet. The average charge size was approximately 1/2 pound of 40% gelatin. An average of two shots per profile were used.

Horizontal and vertical control for the survey was obtained by a plane table survey carried out at the same time. A starting elevation was taken from the Government topographic map at Station #2. Surface terrain, as well as shot point locations were plotted on a base map (enclosed) with a scale of 300 feet per inch. Existing diamond drill holes were also tied to the survey and plotted.

The survey was carried out under almost perfect weather conditions. In local areas some frost was encountered in digging shot holes. Lines for the survey were cut by the D-8 caterpillar on the job. The instruments were transported both by hand and by truck. Personnel for the survey included three technical men and two Indian labourers. The data was computed and plotted by the writer.

The quality and continuity of data are considered very good. Good breaks were observed over most of the area. The data obtained from each shot was plotted on a time – distance graph and velocities computed from these. The depth to the various velocity layers was obtained from the following formulae:

$$d_1 = \frac{X_{c1}}{2} \sqrt{\frac{V_2 - V_1}{V_2 + V_1}}$$

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$$d_{2} = d_{1} + \frac{X_{c2}}{2} \sqrt{\frac{\vee_{3} - \vee_{2}}{\vee_{3} + \vee_{2}}} + \frac{d_{1}}{\vee_{1} (\vee_{3})^{2} - (\vee_{2})^{2}} \left[\sqrt{3} \sqrt{(\vee_{2})^{2} - (\vee_{1})^{2}} - \sqrt{2} \sqrt{(\vee_{3})^{2} - (\vee_{1})^{2}} \right]$$

when

\vee_1	Velocity of the first layer
\vee_2	Valocity of the second layer
V ₃	Velocity of the third layer
V ₃	Depth to first layer
d2	Depth to second layer
X _{c1}	Distance to velocity break into V2
Xc2	Distance to velocity break into V3

Velocity in the lower velocity layer varied from 2000 to 3000 feet per second with an average of 2500 f.p.s. The second or intermediate velocity layer varied from 3100 to 5000 f.p.s. with an average of 3500 f.p.s. Basement velocities varied from 10,000 f.p.s. to as high as 26,000 f.p.s. in one instance. The majority of basement velocities were between 11,000 and 15,000 f.p.s. In most instances there was very little scattering of the plots and the drawing of average lines for each velocity were quite easy. On all spreads, several traces were in basement or high velocity layer. In most cases there were at least 5 to 6 traces recording the higher velocity so penetration in every case was very good.

The depth to the intermediate velocity interphase varied from 12 to 90 feet. The depth to the high velocity inerphase varied from 25 to 150 feet below the surface. In some places there did not appear to be any intermediate velocity present or too thin to be recorded. This happened on profile BB¹ where the low velocity layer appears to rest right on basement. In almost all cases the break into the high velocity layer was quite sharp and the velocity appeared to remain constant over the entire depth of penetration.

The refraction seismic survey in the Squaw Creek Area covers about one third of the placer leases reportedly held by Datlaska Mines Ltd. These leases were located along the old stream channel as outlined by O. D. Frith, E.M., in his report of November 20, 1955.

RESULTS:

Results obtained by the refraction survey are very interesting and give substantial information as to location of abandoned stream channels and relief on the old basement surface.

The survey indicates substantial relief on basement, both in an east-west and north-south direction (see plates 1, 11 and 111). On the east-west profile there appears to be quite a deep channel developed neat shot point #5, on

Page 3.

104 M

what is generally a "U" shaped profile. The channel is cut some 100 feet into the old basement surface. On the north-south profile CC' the basement deepens to the south another 35 feet and then comes up rather sharply further south near profile BB'. This rise on basement is over 65 feet. Other areas of sharp relief on basement are also indicated on the east-west profile AA'. The relief appears to be in the form of terraces with sharp relief over the edges.

There appears to be considerable relief on top of the intermediate velocity layer too. The intermediate layer rests directly on the old basement surface and fills in the low areas on basement. The lowest elevation on top of the intermediate velocity layer is in the vicinity of shot point #15 on profile BB'. This part is some 100 feet lower than the lowest elevation on top of this layer on profile AA' to the north. At this low point the intermediate layer is very thin or possibly non-existant with the low velocity layer resting directly on basement. (See Plate 11).

The low velocity layer (2500 f.p.s.) also indicates considerable variation in thickness, due to the relief on top of the intermediate layer described earlier. This layer varies in thickness from 12 to 90 feet. The greatest thickness appears to be just north of shot point #10 on profile CC'. This large amount of thickening appears to be due to the rather pronounced channel developed in the intermediate velocity layer at this point. This channel is cut some 50 feet deep into this intermediate velocity layer.

From the velocities obtained in the three different layers, the following conclusions can be made concerning the type of material comprising each layer. The lower velocity layer at the surface (2500 f.p.s.) was tied directly to unconsolidated stream gravel. This velocity fits very well this type of material. The variation in velocity within the layer is probably due to increasing sound content or possibly consolidation and water. The intermediate layer (3500 f.p.s.) in all probability represents glacial till or outwesh. There is considerable compaction in the sand and gravel with some clay lenses or stringers. The velocity variation in the layer probably is due to thinness of layer where the results are not too conclusive. The high velocity layer or basement is very representative of metamorphosed or partially metamorphosed sedimentary rocks found in the area. The higher velocity recorded in this layer is probably due to intrusives also found in the area.

CONCLUSIONS:

The seismic shooting was able to define and map two distinct gravel deposits in the Squaw Creek area. The relief on the old basement surface was also mapped. The more shallow and lower velocity layer is believed to be stream gravel. The intermediate velocity layer is considered to represent glacial

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till or outwash from the glaciers. The irregular relief on the old basement surface may be produced by stream cutting in addition to glaciation.

Results of the seismic shooting outline some very potential areas where placer gold may have been deposited in ancient stream channels which possessed restricted areas in the channel. Favourable areas in both the older and younger channels should be further tested for their gold content.

Over the area surveyed there appears to be a minimum of 7,576,203 cubic yards of stream gravel and 14,070,000 cubic yards of glacial till or outwash. This makes a total of some 21,646,203 yards of material within the area surveyed. The gold values and distribution of these values in the two deposits will have to be determined from further testing. The most favourable areas within both deposits can now be selected and tested for gold content. Diamond drill hole #2L put down by Datlaska Mines in 1955 appears to be very favourably located and it may possibly have the very high values reported.

RECOMMENDATIONS:

It is recommended that as soon as weather permits, further testing be carried out, based on the results of the seismic survey. Test holes should be put down at favourable locations to test gold content of gravel.

It is further recommended that placer operations be started in the main Squaw Creek channel as soon as weather permits.

The above recommendations for further testing are based on favourable results obtained from the seismic survey in reference to the amount of gravel present and distribution of the gravel in favourable traps.

Respectfully submitted,

Wm. Howard Myers, Geological-Geophysical Consultant.

WHM/mf

PRELIMINARY REPORT

SQUAW CREEK REFRACTION SURVEY

for

AD ASTRA MINERALS LTD.,

Edmonton, Alberta.

by

WM. HOWARD MYERS.

Calgary, Alberta, November 29, 1957. 104 M

PRELIMINARY REPORT

INTRODUCTION:

Three days (October 10-13) were spent shooting shallow refraction profiles in the Squaw Creek Area. Surface elevations and relief were obtained from a plane table survey run at the same time. All previously drilled diamond drill holes were tied into the survey.

A geophone interval of 50 feet was used over most of the area with a wider interval of 100 feet being used at times. A 25 foot interval was also used at local places. Twelve traces were used with a shot point spacing of 600 feet over most of the prospect.

The quality and continuity of data are very good. Good breaks were obtained with shallow hand dug holes of fram one to three feet deep. A maximum penetration was obtained on the longer spreads of approximately 400 feet. In most cases this penetration was well into the high velocity layer.

RESULTS:

A preliminary interpretation of the results of the refraction shooting indicates at least two separate velocity layers or types of gravel deposits lying on a basement. A low velocity layer was mapped throughout the area, having an average velocity of 2500 feet per second. Below this is a second layer with a velocity of some 6000 feet per second. A basement velocity below these two layers varied from 12,000 to 21,000 feet per second. The marked variation is believed to be due to the variation in composition of basement rocks, the weathered status and also variation in slope on basement.

In the northern portion of the area near Squaw Creek (see Cross Section "A") the second layer with an average velocity of some 6000 f.p.s. appears to be quite thick. The area where this layer is the thickest appears to be a few hundred feet east of the base of the mountain in the western portion of the area. It is felt that this is probably a glacial till containing quite a bit of clay and consolidated material. As can be seen this is quite thick in the northwestern portion of the area and appears to thin along the east-west line furthest south of Squaw Creek. On Cross Section "B" it also appears to be thickening to the west, up against the mountain front. Part of this thickness could be due to a deeper weathering of the rocks or a softer sedimentary rock, away from the main mountain range. Cross Section "B" shows a very much narrower channel with the shallower gravels quite thick.

104 M

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The shallower gravel appears to be thickest, approximately 1000 feet west of the main mountain range from which Squaw Creek emerges. The deepest part of the old channel, which appears to be filled with glacial alluvium, is quite a bit further west, approximately 2000 feet from the main mountain range. The same conditions appear to exist on Cross Section "B" where the older channel is almost 1000 feet west of a more shallow channel.

From Section "A" in the north to Section "B", some 2000 feet south, there is ever a 100 foot vertical relief at the base of both old channels. In the southern portion of the area the base of the channel containing more unconsolidated and cleaner sands and gravels, is some 300 feet below the present bed of Squaw Creek, where it cames out of the main mountain range. This is in contrast to a 100 foot drop on the base of the old channels between the same areas.

CONCLUSIONS:

From the data obtained by the refraction shooting it appears that Squaw Creek itself has had a different channel in the past. The channel appears to have swung to the south after it emerged from the main mountain range in its past history. It is very possible that at an older time the channel was even further to the west and much wider. This older channel may possibly be of glacial origin but in any event was filled with glacial drift or alluvium. After the filling a more recent channel was cut which is new filled with a more uncensolidated gravel and sand with a thin outwash cover.

Results of the seismic sheating indicates very favourable conditions exist for a possible deposition of rich gold bearing gravel in the Squaw Creek Area. The configuration of the old channel as autilined together with a rapid narrowing of the channel to the south and gradient change are all favourable for the concentration of gold in stream gravels. The lithology of the drill hole placed in the narrow part of the old channel to the south was quite different from that of other holes. This change can now be easily explained and the high gold values may also be present.

RECOMMENDATIONS:

It is highly recommended that further studies and testing be carried out in this area. Conditions appear favourable for the existence of very rich gold bearing gravels in the area.

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PROSPECTORS AIRWAYS COMPANY, LIMITED SUITE 1616, 44 KING STREET WEST TORONTO 1, ONTARIO



22 September 1959

Mr. Matt Berry 10023 - 103rd Street Edmonton, Alberta

Dear Matt:

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When last I saw you at Edmonton, I said I would enquire further about your Squaw Creek Placer operation and am wondering how the negotiations are proceeding with Ad Astra at this stage.

I was in such a rush last time, I didn't have time to jot down much data on the property and wonder if you could loan me the data for a few days to study further.

Hope this finds you in the best of health and I enjoyed renewing acquaintances with you in Edmonton.

Yours very truly

EOC-dp

E.O. Chisholm Chief Geologist

