

SILVER SPRING MINES LTD.
LADIE CLAIM
Mayo M.D. 105-M-14
63° 57'N., 135° 12'W.

PRELIMINARY EVALUATION REPORT

by

H.S. Aikins

Prepared under the supervision of

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P.H. Sevensma Consultants Ltd.

December 16, 1968.

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Fig. 1. Location and Geology 1" = 2,000'

Fig. 2. Ladie Claim 1" = 600'

SILVER SPRING MINES LTD.

LADIE CLAIM

Mayo M.D. 105-M-14

63° 57'N., 135° 12'W.

PRELIMINARY EVALUATION REPORT

1. INTRODUCTION

The Ladie claim, prospected and acquired by staking by Mr. J. Strebchuck, was transferred to Silver Spring Mines Ltd. together with other mineral holdings during 1968. The property was visited by two students in the company of Mr. Strebchuck for the purpose of confirming the location of boundary lines and to obtain specimens from any mineral occurrence. Survey pins located on the north boundary of the property provided confirmation of the general location as plotted on the enclosed maps. Several samples of galena float were obtained on or near the southwest boundary of the claim. Work commitments on the company's other holdings precluded further work during the 1968 field season.

2. PROPERTY and LOCATION

The Ladie claim, Record No. Y 6627, is estimated to cover some 35 acres in an area adjacent to a series of small high-grade ore bodies. The property is located on Keno Hill near the head of Faro Gulch at an elevation of between 5,000 and 5,600 feet. A good road extends to within a few thousand feet of the property. The Community of Keno City, some five miles distance provides communications and other essential services for the support of the work envisioned.

Snow and general climatic conditions restrict surface exploration activities to the period between June and October.

3. HISTORY

The adjacent Nabob claim and the nearby Reco and Keno claims were extensively explored following a discovery of high grade silver ore prior to 1920. While the ore bodies located proved small, they produced ore of exceedingly high grade, i.e. 200 oz. Ag./t. and 60 % Pb. Lower grade material was not recovered due to prevailing economic conditions. Later efforts to reactivate this zone resulted in the proving of mineralized zones not profitable at the prices which prevailed in the early fifties. Several lease mining operations over the years have succeeded in showing the widespread location of small pockets of ore. Present metal prices virtually insure a new period of activity as evidenced by the reopening of other mines in the Keno Hill camp, which have been inactive for the past 30 years.

4. GEOLOGY

From a review of maps and publications which pertain to this property and the adjacent claims it is possible to construct a general picture of the geology and to draw several inferences as to its economic potential.

Figure 1. shows the position assumed for all the known vein faults. The vein faults are of two types, longitudinal faults, and transverse faults. A system of post-ore faults also exists. Bedding and schistosity provide an additional planar control feature. The average orientation of these features is given in the following table:-

	<u>Strike</u>	<u>Dip</u>
Longitudinal faults	N60°E to N90°E	50°S to 80°S
Transverse faults	N15°E to N35°E	50°E to 85°E
Post-ore faults	N60°W to N70°W	60°SW
Bedding and/or schistosity	N60°W to N90°W	25°S to 35°S

It may be assumed with reasonable certainty that the Nabob-Main (Longitudinal) Fault crosses the southern part of the claim. On the adjoining Nabob claim extensive development has revealed "late stage" mineralization characteristic of the silver lode deposits, however no ore-bodies were located. This vein has also been traced to the northeast where workings on the Ladue fraction have explored the zone with similar results.

The No. 1 Vein (Longitudinal) Fault has been explored to the southwest where one small ore shoot was developed. This vein could not be traced along its northeastern extension due to extensive talus cover, but it is likely present on the Ladie claim at a point some 300 to 600 feet north of the Nabob-Main Fault.

Other known Longitudinal faults may extend onto Ladie ground but would in all probability cut schist formations not generally regarded as a favourable environment for ore deposits.

A system of transverse faults exist which appear to be a series of cross faults between the Nabob-Main Fault and the No. 6 fault. Numerous small ore shoots were localized along these faults near the upper contact of the No. 9 Quartzite or where these veins intersected greenstone. This system appears to terminate some distance west of the Ladie claim.

A greenstone outcrop in the northwest corner of the claim appears to be an area warranting close investigation as a vein system on the Fox claim strikes in this direction.

5. SUMMARY

The Ladie claim clearly warrants further exploration, particularly along the inferred extension of the Nabob-Main vein and

the No. 1 vein. Encouragement in this area would suggest that efforts be made to acquire an interest in the Diamond, Toledo and possibly the Silver Queen claims.

6. RECOMMENDATION

A two phase program of work is indicated for this claim. The first stage would entail an assessment of the potential for any vein structures located on the property. Favourable results obtained at this stage would likely suggest that an attempt be made to secure additional ground from parties holding contiguous ground.

Stage 1.

Geological mapping and boundary survey	\$750.00
Geochemical survey (soil sampling) 100 samples @ \$5.00 per sample	500.00
Bulldozer trenching, 3 days	1,000.00
Contingency allowance	<u>250.00</u>
Stage 1. TOTAL ALLOWANCE	<u>\$2,500.00</u>

Stage 2. (subject to results of Stage 1.)

Bulldozer trenching, 150 hours @ \$40.00 per hr.	\$6,000.00
Drilling, percussion and/or diamond drilling	10,000.00
Support costs; camp, transportation, communications, etc.	2,500.00
Consulting fees and expenses	2,500.00
Supervision and overhead	1,500.00
Contingency allowance	<u>2,500.00</u>
Stage 2. TOTAL ALLOWANCE	<u>\$25,000.00</u>

To the allowance for this latter stage would be added the cost of obtaining the initial option on adjacent claims. The provision for up to \$10,000.00 in the event that several claims are involved, is suggested at this stage, but would be subject to review after careful examination of the data provided by the first stage of the program.

Respectfully submitted,

H.S. Aikins.



Approved:



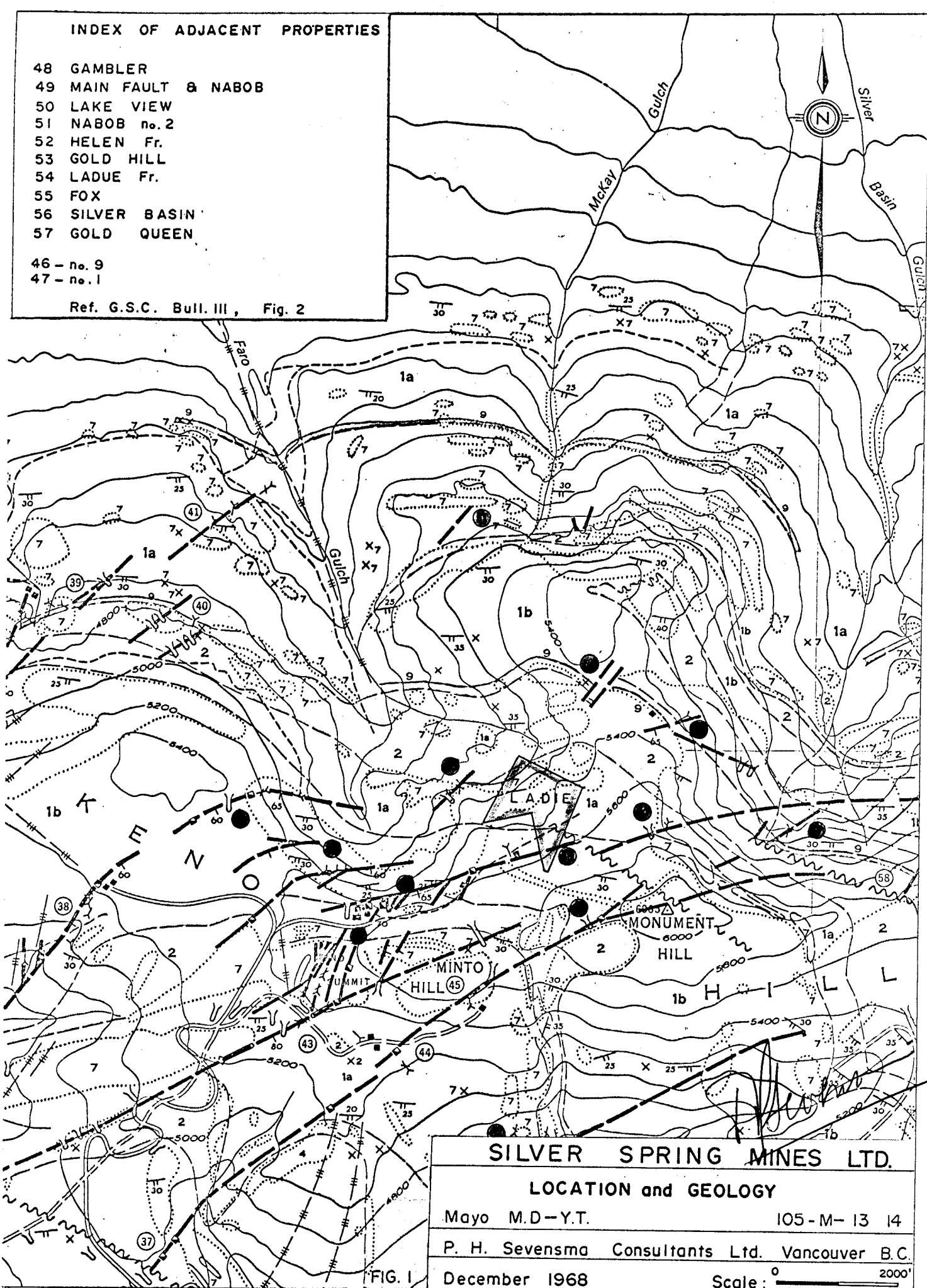
P.H. Sevensma, Ph.D., P.Eng.

INDEX OF ADJACENT PROPERTIES

- 48 GAMBLER
- 49 MAIN FAULT & NABOB
- 50 LAKE VIEW
- 51 NABOB no. 2
- 52 HELEN Fr.
- 53 GOLD HILL
- 54 LADUE Fr.
- 55 FOX
- 56 SILVER BASIN
- 57 GOLD QUEEN

46 - no. 9
47 - no. 1

Ref. G.S.C. Bull. III, Fig. 2



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LOCATION and GEOLOGY

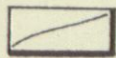
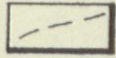
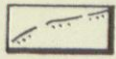
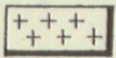
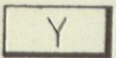
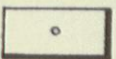
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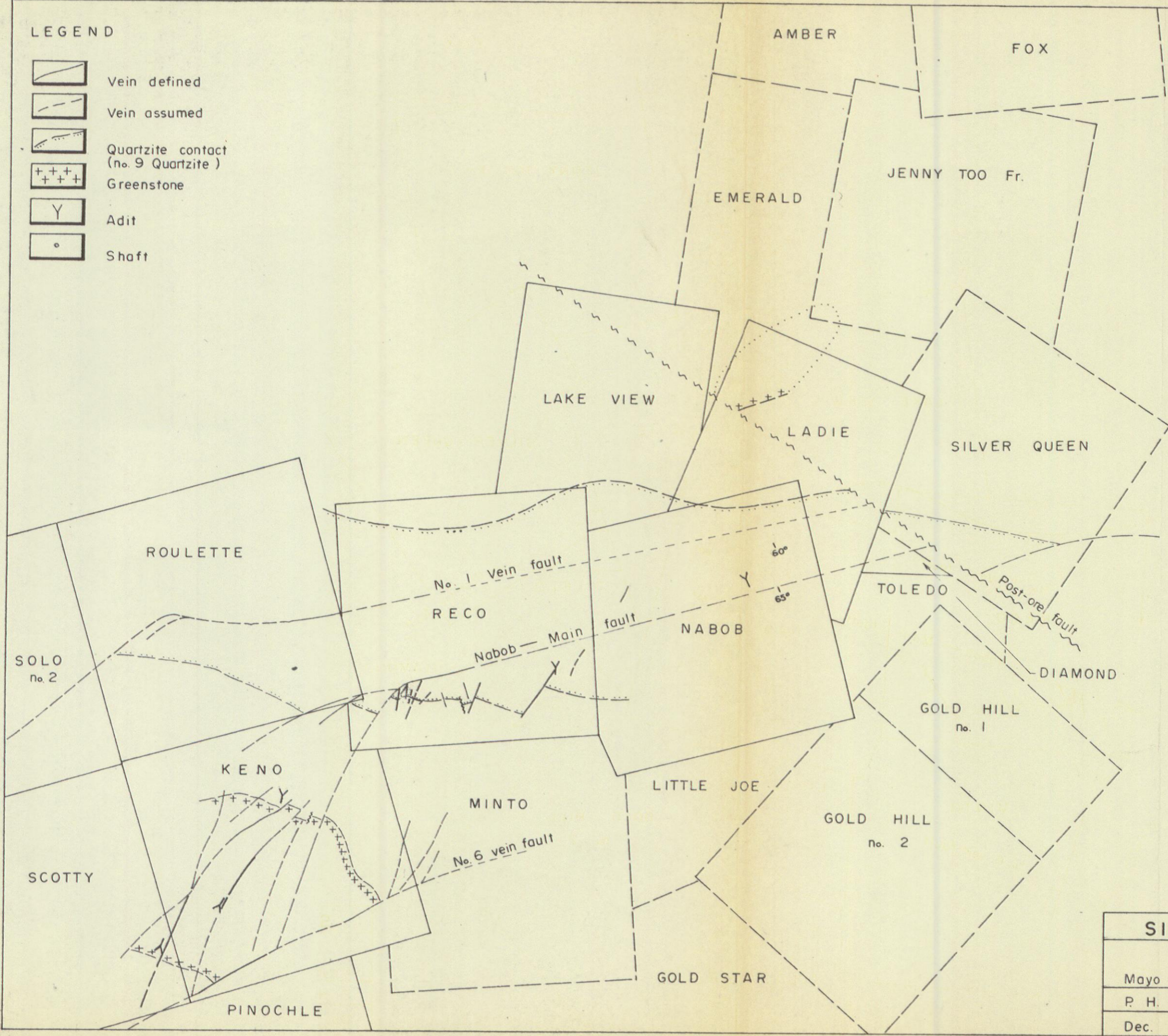
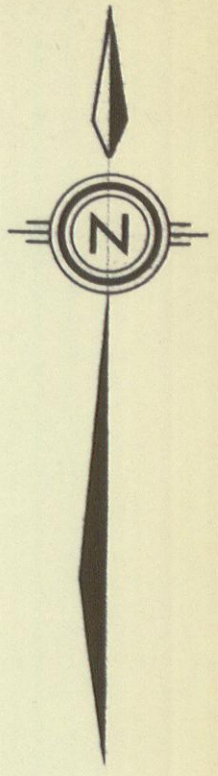
P. H. Sevensma Consultants Ltd. Vancouver B.C.

December 1968 Scale: 0 2000'

FIG. 1

LEGEND

-  Vein defined
-  Vein assumed
-  Quartzite contact (no. 9 Quartzite)
-  Greenstone
-  Adit
-  Shaft



P. H. Sevensma

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