

STUMP MINES LTD.

SILVER KEY MINES LTD.

PROGRESS REPORT

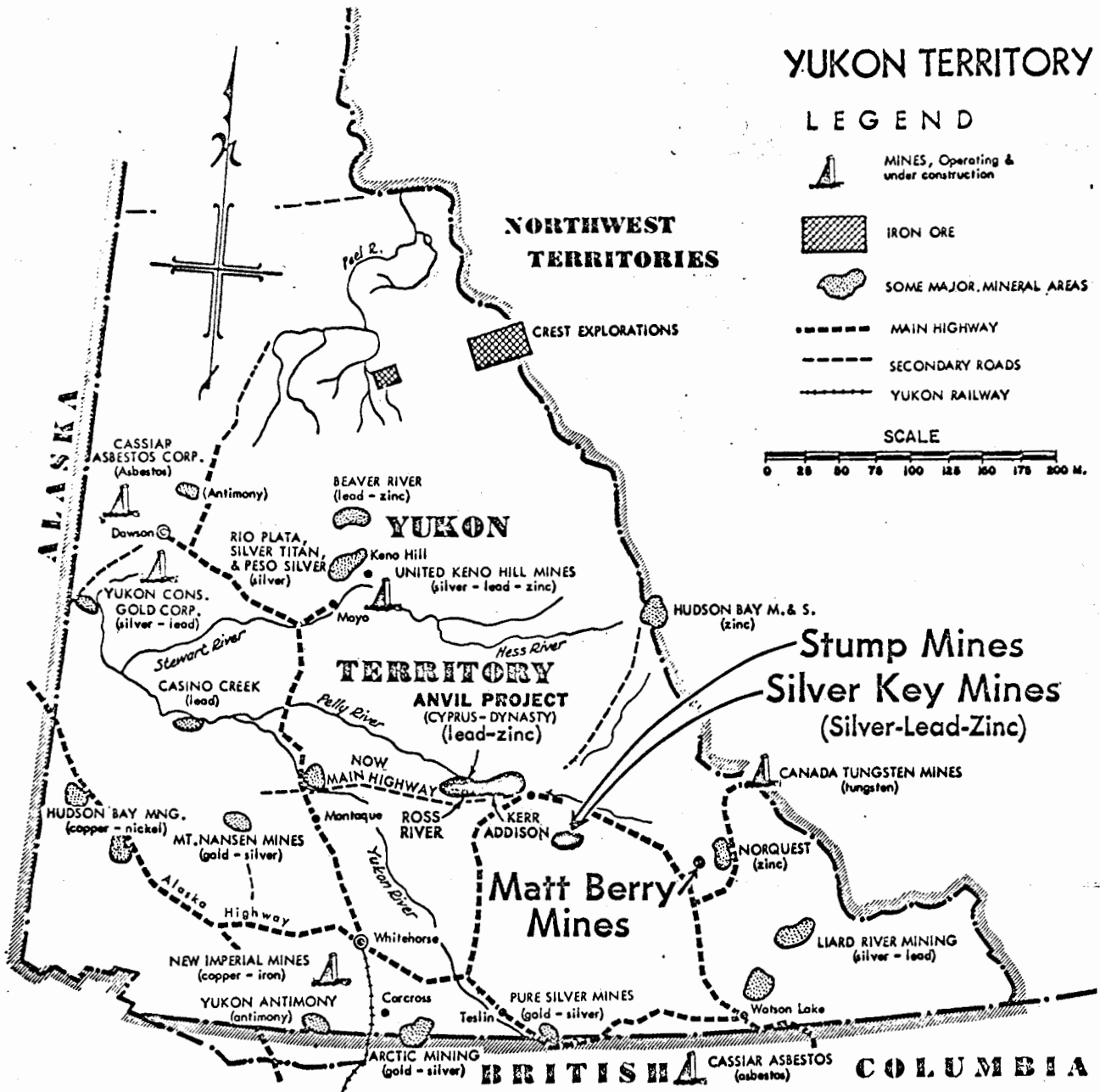
June 30th, 1968

Leon La Prairie, P. Eng.,
Managing Director

For informational purposes

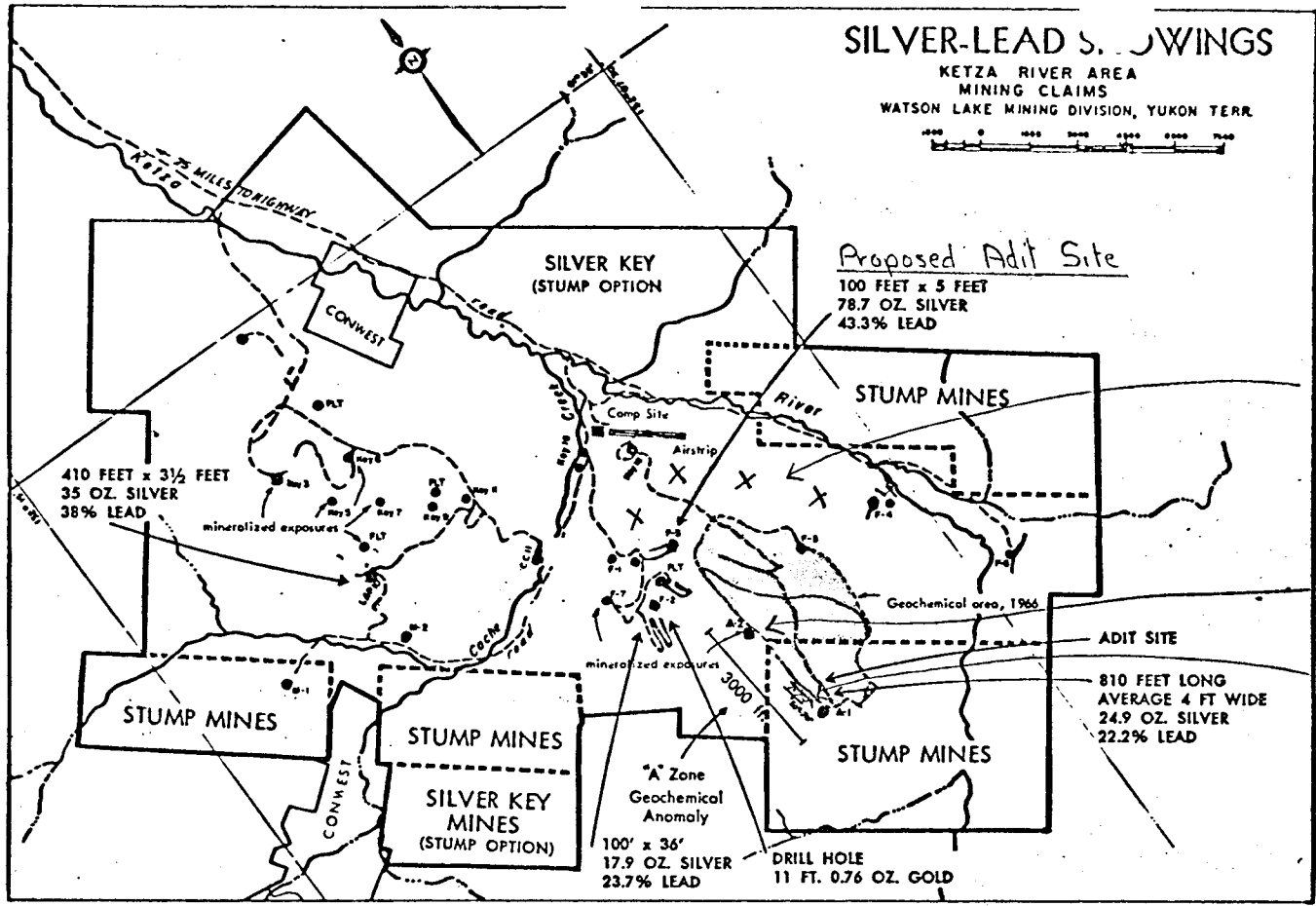
SILVER KEY MINES—STUMP MINES

(SILVER - LEAD DEVELOPMENT)

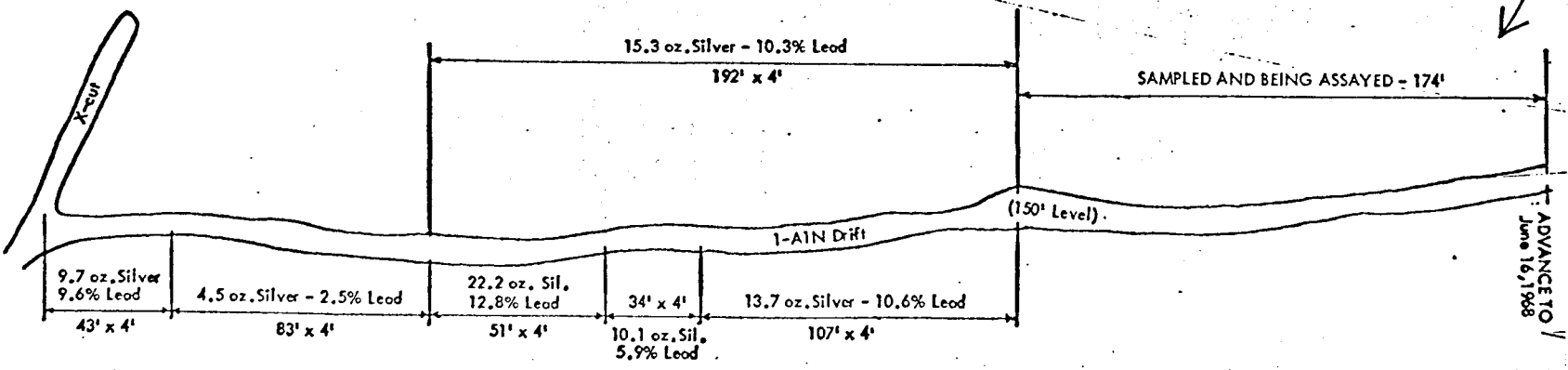


The Yukon is a Territory of Canada with an area of 207,000 square miles. While it is largely undeveloped, many highly mineralized areas are known to exist. One of the recently discovered lead, silver and zinc deposits in the ROSS RIVER Area is being developed into a large tonnage mining complex of major economic importance to the YUKON. The Silver Key Mine-Stump Mine underground operation is in this general area.

SUITE 1102 - 347 BAY ST., TORONTO 1, ONTARIO

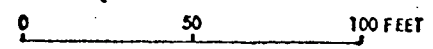


X X
Area of geochemical Survey
Proposed Drilling Sites
Underground workings

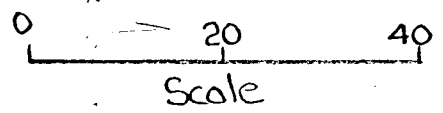


Continuous mineralization
from X-cut to drift
end as of June 30th

STUMP MINES LIMITED
 ASSAY PLAN OF 'A' ZONE
 RESULTS TO JUNE 27, 1968



Face June 16/68

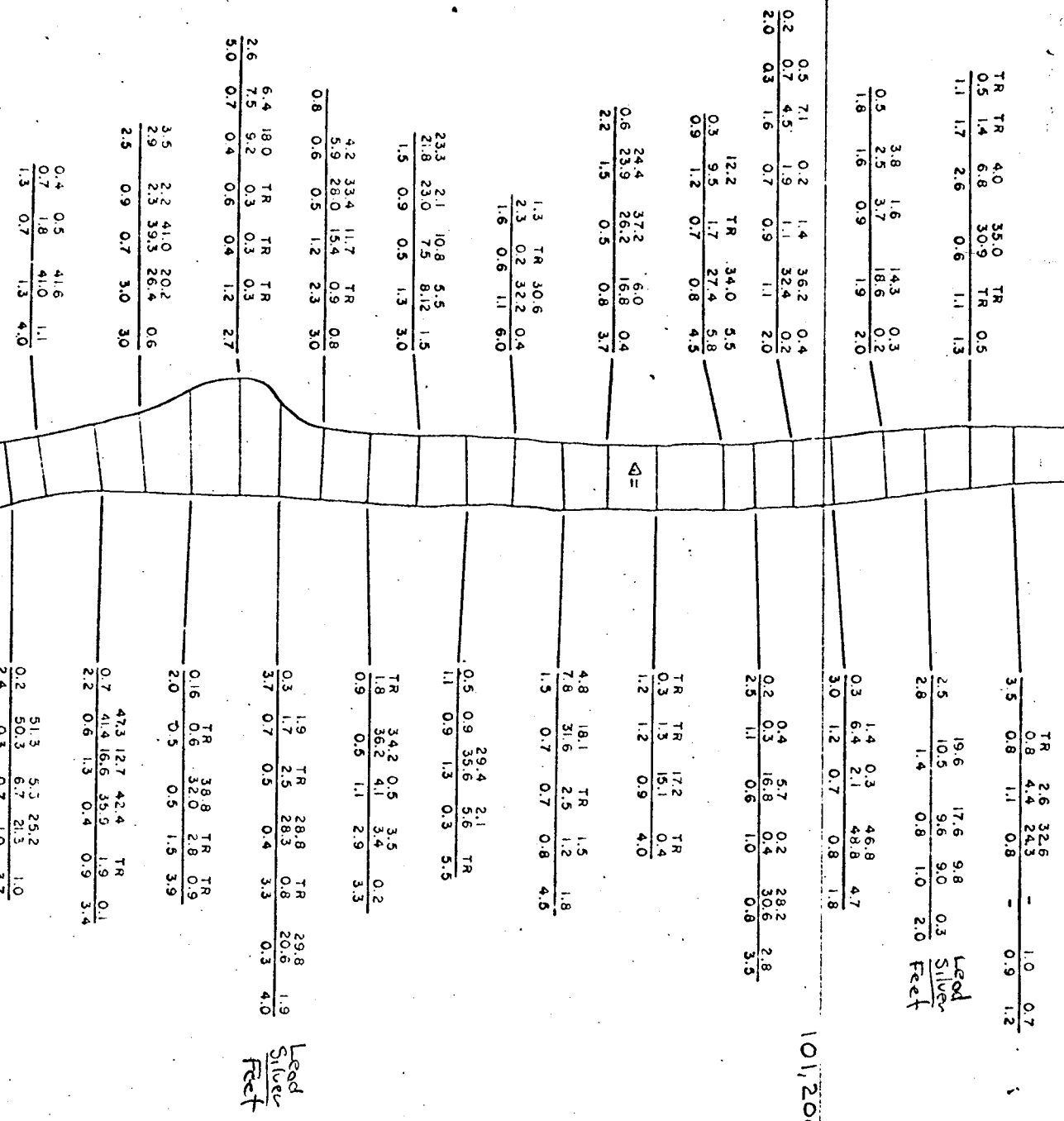


STUMP MINES LTD.
Advancement Plan

I-AI Dri St

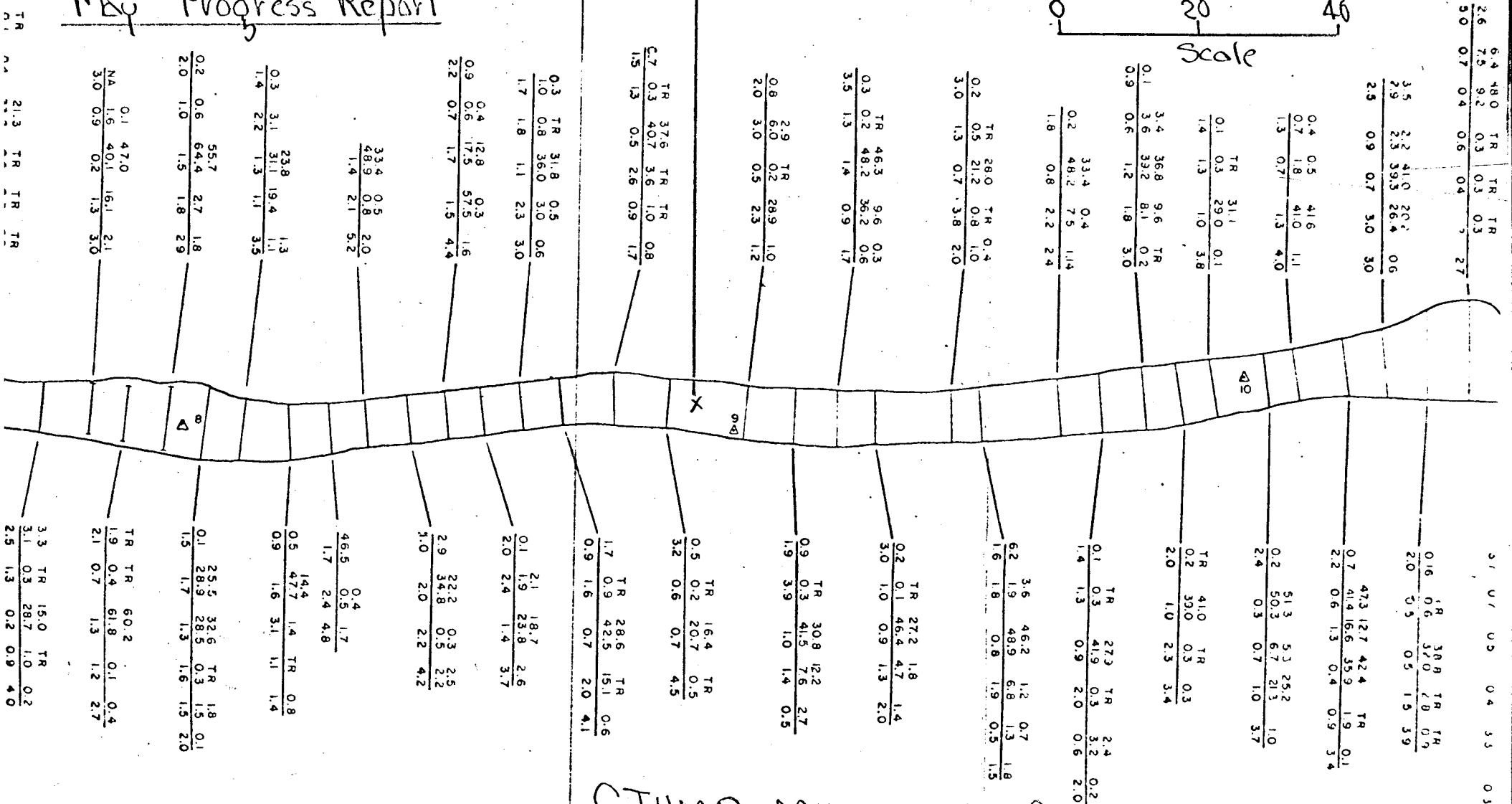
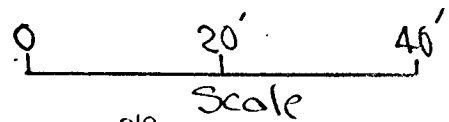
Available Assays to
June 30th /68

101,200 N



These Assays shown in
May Progress Report

Additional Assays



STUMP MINES LTD.

Advancement Plan

1-A1 Drift

Available Assays to
June 30th /68

100' 200 N

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SILVER KEY MINES LIMITED

PROGRESS REPORT

SUMMARY:

During the period the underground development advanced some 342 feet along continuous mineralization in the 1-A1-N drift. The total X-Cut and drift advancement to the end of the period was 1,075.0 feet plus 1,124 cu. feet of slashing.

To date the vein has been continuously mineralized for the total drift length of 661.4 feet. The solid galena mineralization varies in width from 3/4 of a foot to 3 1/2 feet with a silver content of better than 30 oz. Silver per ton. The remainder of the mineralized zone is generally siderite with fine crystalline galena that carries silver. The siderite and galena vein would be mined as a single zone.

At the end of the period one ore shoot had been calculated over a distance of 192 feet over a width of 4 feet that yielded assays of 15.3 oz Silver and 10.3% Lead. At the end of the month the solid galena vein appeared to be widening and containing up to three bands of steel galena. The month end drift face is the most interesting mineralization found in the underground development to date, which is now being sampled for assaying.

JULY EXPLORATION PLANS

1. Continue the adit development of the 1-A1N drift.
2. Consider a bulk sample of the 1-A1N drift mineralization for mill testing.
3. Prepare the F-3 zone for proposed adit exploration. This zone is on strike of the 1-A1N drift and has been traced by striping and trenching for a length of 500 feet. Channel sampling of a solidly mineralized section 100 feet long and varying in width from 1 to 10 feet wide yielded assays averaging 78.7 oz Silver per ton and 43.3% Lead.
4. Consider two diamond drill holes to test the north end of the A zone on the Silver Key ground in advance of the 1-A1N drift development.
5. Will start the geochemical program on the Fairclough and Key claim groups. Initial sample results will be available during July and as warranted the results will be further explored.

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PROGRESS REPORT

UNDERGROUND DEVELOPMENT

<u>Period</u>	<u>Contract Advancement</u>			
	<u>X-Cut</u>	<u>Drifting</u>	<u>Slashing</u>	<u>Timbering</u>
April 9th-15th Invoice #2	51.0 ft.	Nil	Nil	Nil
April 15-30th Invoice # 3	251.0 ft.	Nil	Nil	66 feet
May 1st-15th Invoice #4	111.6 ft.	134.4	320 cu ft	162 feet
May 15 - 30th Invoice #5	Nil	185.0	480 cu ft	192 feet
June 1st-15th Invoice #6	Nil	164	Nil	164
June 15th-30th Invoice # 8	<u>Nil</u>	<u>178</u>	<u>324 cu ft</u>	<u>158 feet</u>
Total to end of Period	<u>413.6</u>	<u>661.4</u>	<u>1,124 cu ft</u>	<u>742 feet</u>

SUMMARY

Total Advancement X-Cut 413.6
 Drift 661.4
 1,075.0 feet

	<u>To June 31st,</u> <u>1968</u>	<u>During June,</u> <u>1968</u>	<u>To Date</u>
Total Samples	162	311	473
Total Assays	302	439	741
Waste (1 ton car)	2,066.5	84	2,150
Ore (1 ton car)	<u>4,000.0</u>	<u>1,450</u>	<u>5,450</u>
	6,066.5	1,534	7,516