SILVER KEY MINES LIMITED

STUMP MINES LTD.

PROGRESS REPORT

September, 1968

Leon La Prairie, P. Eng.
SUMMARY

During the month of September, a review was made of the results of the Silver Key Mines and Stump Mines exploration program carried out to date on the Ketza River claims, Yukon Territory.

An objective schedule was drawn up which, if completed, would outline a potential of 250,000 tons of 15 - 20 oz. Silver by late March of 1969. (Proven and inferred)

THE OBJECTIVE SCHEDULE (by March 31st, 1969)

1) A-1 Zone
   - 100 foot level 45,000 proven tons 15 oz. Silver
   - 250 foot level 55,000 proven tons 15 oz. Silver
   - 400 foot level 55,000 inferred tons 15 oz. Silver

   155,000 tons - 15 oz. Silver

2) F-2 Zone
   - 120 foot level 8,000 inferred tons 15 oz. Silver

3) Lap 10 Zone
   - 100 foot level 5,000 inferred tons 12 oz. Silver

4) F-3 Zone
   - 100 foot Proposed Level 10,000 inferred tons 20 oz. Silver

5) K-18 Zone
   - 7 - 18B Dr. 10,000 proven tons 20 oz. Silver
   - 8 - 18B Dr. 20,000 proven tons 20 oz. Silver
   - 9 - 18B Dr. 10,000 inferred tons 20 oz. Silver

OBJECTIVE - TONNAGE SUMMARY

<table>
<thead>
<tr>
<th>Zone</th>
<th>Tonnage</th>
<th>Silver Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1 Zone</td>
<td>155,000 tons</td>
<td>15 oz. Silver</td>
</tr>
<tr>
<td>F-2 Zone</td>
<td>8,000 &quot;</td>
<td>15 oz. Silver</td>
</tr>
<tr>
<td>Lap 10 Zone</td>
<td>5,000 &quot;</td>
<td>12 oz. Silver</td>
</tr>
<tr>
<td>F-3 Zone</td>
<td>10,000 &quot;</td>
<td>20 oz. Silver</td>
</tr>
<tr>
<td>K-18 Zone</td>
<td>40,000 &quot;</td>
<td>20 oz. Silver</td>
</tr>
</tbody>
</table>

218,000 tons - average 16 oz. Silver
FIELD ACTIVITIES

WorkCompleted

A-1 Zone (Eva Claim No. 22)

Work was completed on the 100 foot level and raise development of the A-1 zone during this period. The results of this work have outlined approximately 45,000 tons of 15 oz. Silver from the 100 foot level to surface.

Also during the month, the 250 foot level portal and some 35 feet of X-Cut advancement was completed. The portal has been winterized for later development.

Work Planned

A bulk sample from the A-1 100 foot stock pile will be collected for eventual metallurgical testing.
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P & A Vein Showing

PROPOSED 250 LEVEL ADIT

X-Cut showing A-I Vein

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SCALE IN FEET

Potential to be proven by
Mid March 1969

Proven 45,000 tons 15oz Silver

Potential to be inferred by
Mid March 1969

55,000 tons 15oz Silver

Objective Mid March 1969
From P & A Zone

Proven Ore 100,000 tons 15oz Silver

Inferred Ore 55,000

TOTAL TONS 155,000
NOTE: EXTENT OF No 1 RAISE 41'-0" BACK OF DRIFT.

VEIN MAINLY CO₃ WITH TR. Pbs. & Fe₂CO₃

ALTERED LIMESTONE HANGING WALL QUITE THINLY
BEDDED - BLOCKY & BROKEN.

FINE STEEL Pbs.

WASTE - ALT. LST.

14.5' BK.

22.5' BK.

UP TO 50% CRYSTALLIN
Pbs. IN CO₃ VEIN

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GEOLOGY
No. 1 RAISE

1" = 10' W.M. SEPT-68
NOTE: ASSAYS READ FROM H.W. - FW & READ oz./ton Ag & % Pb WHERE SAMPLE IS ASSAYED FOR Pb.

eg. 45.8 oz./ton Ag & 37.8% Pb over a Sample Width of 1.6 Feet.
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GEOLOGY No. 2 RAISE
(BOTTOM 67 FEET)

1" = 10' W.M. SEPT-68
LEGEND:

- FINE STEEL PbS
- M. ARG. LST. — MASSIVE ARGILLIOUS LIMESTONE
- CONT. ARG. LST. — CONTORTED

Plate No. 6
STUMP MINES LTD.
GEOLOGY OF I-A1 N. DRIFT

1" = 10'  W.M. JULY-68
LEGEND:

- FINE STEEL Pb S
- M. ARG. LST. = MASSIVE ARGILLIOUS LIMESTONE
- CONT. ARG. LST. - CONTORTED

GEOLOGY OF I-A1N. DRIFT

PLATE NO. 7

STUMP MINES LTD
LEGEND:

FINE STEEL PbS
M. ARG. LST. — MASSIVE ARGILLIOUS LIMESTONE
CONT ARG. LST. — CONTORTED

Plate N° 8
STUMP MINES LTD
GEOLOGY OF 1-A1 N. DRIFT
1" = 10' W.M. JULY 68
LEGEND:

- FINE STEEL Pb S
- M. ARG. LST. — MASSIVE ARGILLIUS LIMESTONE
- CONT. ARG. LST. — CONTORTED

Plate No9
STUMP MINES LTD
GEOLOGY OF I-AI.N. DRIFT
1" = 10'
W.M. JULY-68
LEGEND:

- FINE STEEL Pb S

- M. ARG. LST. - MASSIVE ARGILLIOUS LIMESTONE

- CONT. ARG. LST. - CONTORTED

Plate No. 10

STUMP MINES LTD.

GEOLOGY OF 1-A 1 N. DRIFT

1" = 10'  W.M.  JULY - 63
LAP 10 ZONE  (Lap 10 Claim)

Work Completed

The Lap 10 zone development was completed during the period for a total drift advancement of 185.5 and raise advancement of 55.0 feet.

The raise intersected narrow mineralization in limestone which is thought to be the extension of the surface mineralization.

Work Planned

No immediate work in planned for the Lap 10 zone. Follow-up work would consist of a break through to the surface mineralization.
FIELD ACTIVITIES (Con't)

F-2 Zone

Work Completed

The F-2 adit development was completed during September. The F-2 shear has been drifted along for a total distance of 185 feet and two small X-cuts were extended 12 feet into both the footwall and hangwall.

The downward extension of the massive galena exposure on surface has yet to be intersected. A 30 foot shear section with pyrite assayed .63 oz. Gold over 2.3 feet in the adit.

Work Planned

No immediate work is planned for the F-2 zone

Follow-up work will consist of extending the adit drive or raising to the extension of the surface mineralization.
HARD GREY QUARTZITE MASSIVE & BLOCKY HIGHLY FRAC. NEAR VEIN

ABUNDANT PYRITE IN FACE MAINLY ALONG F.W. BREAK

Tr. Fe₂CO₃ in QTE. FRAC.

Tr. PYRITE & VERY MINOR PbS IN QTE. FRACTURES

VEIN - BRECCIATED QUARTZITE WITH VEIN QUARTZ, WITH BROWN LIMONITE STRAINING TRACES OF PYRITE MAINLY ALONG F.W. BREAK OCCASIONAL MINOR TRACES OF GALENA & SOME SIDERITE.

HARD WHITE QUARTZITE MASSIVE & BLOCKY TURNING TO GREY BEYOND Δ3 HIGHLY FRAC. NEAR VEIN

TWO STRONG FAULTS RUNNING THROUGH VEIN WITH NO DISPLACEMENT TO EITHER FAULTS CONTAIN VEIN QTE.

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GEOLOGY OF F-2 ADDIT

1" = 20'  W.M.  SEPT-68
FIELD ACTIVITIES (Con't)

**K-18 Zone** (Key 18 and Pex 4 claims)

**Work Completed**

During the period the 7-18 B portal and approximately 100 feet of X-Cut were completed. The K-18 B vein was intersected with the south rib assaying 37.2 oz. Silver and 9.4 feet and north rib assaying 12.3 oz. Silver over 11.0 feet.

**Work Planned**

The K-18 B zone will be followed by drifting along the vein in both the south and north directions.
KEY 18-A
LOCATION OF TRENCHING
MINERALIZED EXPOSURE & ADIT

STUMP MINES LTD.
KEY 18 - A
LOCATION OF TRENCHING
MINERALIZED EXPOSURE & ADIT

1" = 50' W.M. SEPT-68
LENSES OF STEEL PbS
FeS₂ IN QUARTZ & SIDERITE
MATRIX BANDS OF THIN
BEDDED ARG. LST.

SIDERITE
WITH LENSES
FeS₂

STEEL PbS

0'-1' GOUGE

100' UI

--BLOCKY ARGILLACOUS
LIMESTONE

THIN BEDDED ARG. LST. WITH
SIDERITE, LENSES PbS, VEIN
QUARTZ & FeS₂

THIN BEDDED
ARG. LST. WITH VERTICAL
LENSES OF SIDERITE

0'-2' FT.
LENSES PbS

SIDERITE
WITH UP TO 50%
LENSES PbS &
FeS₂

--BLOCKY ARG. LST.

SOUTH RIB

PLAN

NORTH RIB

STUMP MINES LTD.

KEY 18-B VEIN
200 LEVEL ADIT

1" = 10' W.M. SEPT-68
FIELD ACTIVITIES (Con't)

SOIL SAMPLING

Work Completed

Soil sampling has been completed on approximately 4 square miles of the Silver Key - Stump property and the results plotted on base maps.

Twelve separate anomalous areas have been defined that are equal or greater in size and intensity to the soil anomaly found in 1966 that led to the discovery of the A-1 zone.

Bulldozing has found mineralization in place and considerable galena float in the area outlined by the K-18 anomalous area. The 7K18 B underground development is a result of the soil testing.

Work Planned

Bulldozing of the more favourable soil anomalies will continue to the end of October. Results of this work will determine the next phase of operation.
**SILVER KEY MINES LTD.**

**STUMP MINES LTD.**

**PROGRESS REPORT**

**UNDERGROUND DEVELOPMENT SUMMARY**

<table>
<thead>
<tr>
<th>Period</th>
<th>X-Cut</th>
<th>Drift</th>
<th>Raise</th>
<th>Slash</th>
<th>Timber</th>
<th>Inv. No.</th>
<th>Place</th>
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</thead>
<tbody>
<tr>
<td>Apr 9 - 15</td>
<td>51.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>A-100</td>
</tr>
<tr>
<td>15 - 30</td>
<td>251.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>66</td>
<td>2</td>
<td>A-100</td>
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<tr>
<td>May 1 - 15</td>
<td>111.6</td>
<td>134.4</td>
<td>A1</td>
<td>-</td>
<td>320#ft.</td>
<td>4</td>
<td>A-100</td>
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<tr>
<td>15 - 31</td>
<td></td>
<td>185.0</td>
<td>-</td>
<td>-</td>
<td>480#ft.</td>
<td>5</td>
<td>A-100</td>
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<tr>
<td>June 1 - 15</td>
<td>-</td>
<td>164.0</td>
<td>-</td>
<td>-</td>
<td>168</td>
<td>6</td>
<td>A-100</td>
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<tr>
<td>15 - 30</td>
<td>-</td>
<td>178.0</td>
<td>-</td>
<td>-</td>
<td>324#ft.</td>
<td>8</td>
<td>A-100</td>
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<tr>
<td>Jul. 1 - 15</td>
<td>-</td>
<td>183.0</td>
<td>-</td>
<td>-</td>
<td>112#ft.</td>
<td>9</td>
<td>A-100</td>
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<tr>
<td>15 - 31</td>
<td>-</td>
<td>130.5</td>
<td>29.0</td>
<td>-</td>
<td></td>
<td>11</td>
<td>A-100</td>
</tr>
<tr>
<td>Aug 1 - 15</td>
<td>-</td>
<td>69.5</td>
<td>12 R1</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>A-100</td>
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<tr>
<td>15 - 31</td>
<td>-</td>
<td>119.5</td>
<td>-</td>
<td>-</td>
<td>119.5</td>
<td>17</td>
<td>Lap 10</td>
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<tr>
<td>Oct 1 - 15</td>
<td>31.0</td>
<td>72.0</td>
<td></td>
<td></td>
<td></td>
<td>110.0</td>
<td>7-K18</td>
</tr>
</tbody>
</table>

| Total to end of period | 546.8 | 1163.9 | 151.0 | 123.60 | 1117.5 |

Total advancement

<table>
<thead>
<tr>
<th></th>
<th>X-Cut</th>
<th>Drift</th>
<th>Raise</th>
<th>Slash</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Aug. 15th</td>
<td>546.8</td>
<td>1163.9</td>
<td>151.0</td>
<td>22.0 (equivalent)</td>
<td>1883.7 feet</td>
</tr>
<tr>
<td>From Aug. 15th to Oct. 15th</td>
<td>2,044.0</td>
<td>602.0</td>
<td>2,646.0 tons</td>
<td>13,540.0 tons</td>
<td></td>
</tr>
<tr>
<td>To Oct. 15, 1968</td>
<td>5,230.0</td>
<td>8,310.0</td>
<td>13,540.0 tons</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FINE STEEL P/M VEN
OXIDATION QUITE APPARENT
AS RAISE NEARS SURFACE

FINE STEEL P/M VEN
REMAINS QUITE CONSTANT
IN WIDTH APPROX 1.0

PERMAFROST FROM
HERE TO SURFACE

CARBONATES (Fe, CO2)
IN Vesicating VEN MATERIAL
OFTEN SOME TETRAHEDRITE PRESENT

TRUE H.W. VERY
THINLY BEDDED
ARGILLICIOUS LIMESTONE

41.5'

GOUGE

26.0'

F.W. BLOCKY COMPETENT LIMESTONE

F.W. SIDE OF RAISE
FOLLOWS TRUE F.W. BREAK

1/4 NORTH DRIFT

GEOL0GY
No. 2 Raise
STUMP MINES LTD
ARCHER, CATHRO & ASSOC. LTD.
Consulting Geological Engineers

DATE  Sept 1968
DRAWN  W.M
SCALE  1/" = 10'