

APPENDIX "A"  
STUMP MINES  
FEB. 11/69

SILVER KEY MINES LIMITED

STUMP MINES LTD.

PROGRESS REPORT

January 31, 1969

D. A. Campbell,

Mine Engineer

# SILVER KEY MINES LIMITED

## STUMP MINES LTD.

### PROGRESS REPORT

#### SUMMARY

Underground advance, after the Christmas holiday, was resumed on January 20. During the period to January 31st, drift advance development of 142.5 feet was made on the 800 foot level of the K-18B Zone structure.

A new drift was started in the west wall near station 11 where sampling has shown ore grade. In this new drift from 18 feet to 100 feet the assay value is 14.4 oz. Silver over an average width of 4.8 feet, a total of 82 feet. As subsequent values were lower a decision was made to stop further development here. A program of longhole test hole drilling was carried out to test for parallel structures within 50 feet east or west of the main drift. Results to date are negative.

#### FIELD ACTIVITIES

##### Work Completed

##### 800 K18B Zone

The character of the vein can be divided into three sections:

##### a) 0 - 30 feet

The vein was a 2 foot wide band of brecciated argillaceous limestone containing siderite and minor amounts of pyrite. No galena was observed in the vein.

##### b) 30 - 90 feet

The vein zone was a hangingwall and footwall structure separated by up to 6 feet of contorted, often crushed and brecciated argillaceous limestone. The Hangingwall structure was a 2 foot wide siderite vein containing abundant pyrite and up to 0.5 feet lenses of steel galena.

The Footwall structure which first appeared at 60 feet had the same characteristics as the Hanging wall structure except the lenses of galena was up to 1.5 feet wide. Toward the end of the section the structure was weakening and at the end was a 0.5 foot bank of siderite with abundant pyrite and minor amounts of galena.

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800 K18B Zone (con't)

c) 90 - 110 feet

The strong Hanging wall structure was cut off by a 2 foot wide siderite vein containing minor amounts of pyrite. This cross-structure was also intersected in the 8-18B South Hanging wall drift where it was a contorted and brecciated argillaceous limestone.

The cross-structure swung in to join the Foot wall structure where it gradually changed to a 2 foot band of pyritic brecciated argillaceous limestone with siderite and traces of galena. Silver values are expected to be low.

d) Conclusions

It is concluded that:

- 1) The vein on the 8-18B South F.W. Drift is the same vein that was drifted on the 7-18B South Drift.
- 2) The pattern of a cross structure cutting off the Hanging wall vein and swinging to join the Footwall vein was seen on the 7-18 B. South Drift near station U4. In 7-18B South Drift the oreshoot terminated on this cross structure.

Diamond Drilling 7-18B South Drift

68-1

The drill hole has been stopped at 625 feet. Nothing of importance was intersected. Fine clusters of pyrite for 8 inches at 404 feet returned low values.

Underground Development Summary

	<u>Drift</u>	<u>Slash</u>	<u>Timber</u>
January 1 - 31	138	4.5	184
Total Advance	X-Cut	812.8 feet	
	Drift	1705.9 feet	
	Raise	151.0 feet	
	Slash	43.5 feet	Total - 2713.2 feet

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Underground Development Summary (con't)

From Jan 16 to  
Jan 31

Waste Dump - tons            798

68-3

The drill hole was drilled to 134 feet in a south-east direction from the same location as 68-1. A blob of galena in a 6.5 foot quartz-siderite lense was intersected at 100 feet but is of no significance.

250 - A1 Adit

The road to the adit has been partially cleared out and some bulldozing of the snow has been carried out.

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PROGRESS REPORT

FORECAST OF EXPENDITURES

a) Operating Cost per day

I) Labour

1) Mining Crews

Paid by Contractor

2) Operating Personnel

1 mechanic

\$ 50

1 camp carpenter & maintenance man

32

1 compressor operator

27

1 compressor operator

32

\$141

3) Cookhouse

1 cook

27

1 bullcook

18

45

4) Timber

1 cutter

70

1 driver

32

102

5) Foreman

55

6) Geologist \$20 per day

20

7) Consultant \$20 per day

20

383

Fringe benefits approximately 25%

97

Subtotal

\$480

II) Overhead

1) Fuel

1. Compressor 100 gals @ .45

45.00

2. Heating 50 gals @ .45

22.50

3. Trucks 25 gals. @ .50

12.50

4. Power Plant 50 gals @ .45

22.50

102.50

2) Food

15 persons @ 6.50 per day

97.50

3) Machine Rental

1. Loader

40.

2. Bombardier

40.

3. Jack legs

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4. Compressor

50.

5. Mucking Machine

20.

6. Loc. & batteries

20.

7. Truck rental

25.

195.00

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PROGRESS REPORT

FORECAST OF EXPENDITURES (Con't)

4) Track and Pipe - nil		
5) Equipment repairs, servicing, maintenance etc.	50.00	
	Subtotal	445.00
	Total	<u>\$925.00</u>

b) Estimated Cost 250 A1 Underground Development Program

1) Move plant Key 18B to A1 - 5 days		
4 miners at cost + 10%	\$ 154	
camp costs	925	
	<u>1,079</u>	per day = \$5,395.00
		\$5,400.

2) Development

(1) Adit - 775 feet

(a) 200 ft - Contractor - 200 ft @ \$47.50 /ft	9,500.00
Operating, 8.3 days @ \$925/day	7,677.00

(b) 575 ft.- Contractor - 575 ft @ \$47.50 /ft	27,312.50
Operating - 35.2 ft. @\$925/day	32,560.00
	<u>\$77,049.50</u>

\$78,000.

(2) Drifiting - 1,320 feet

Contractor - 1,320 feet @ 47.50	62,600.00
120 days @ \$925 per day	111,000.00
	<u>173,600.00</u>

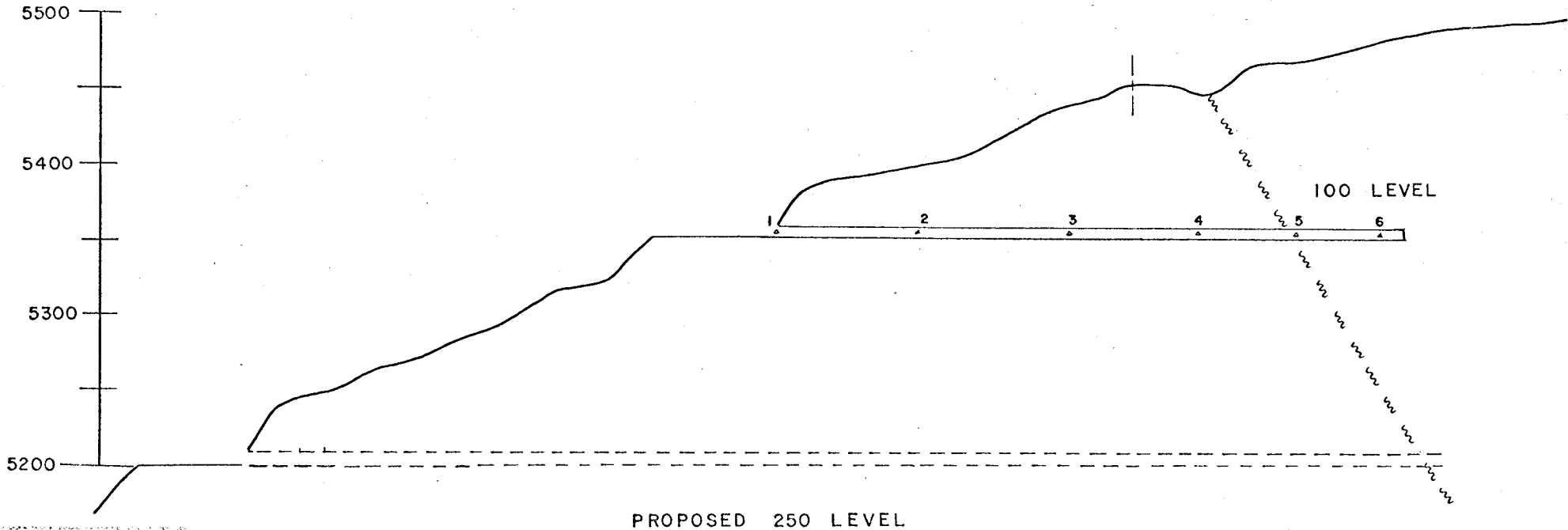
174,000.

Contingencies approx. 20%

47,600.

Total cost -

\$305,000.



STAMP

A-1 VEIN

PROPOSED 250 LEVEL ADIT

W.M. SEPT-68

SCHEDULE OF EXPENDITURES FOR 1969 PROPOSED FIELD DEVELOPMENT

April 1, 1969 - March 31, 1970.

	<u>A-1 250</u> <u>Underground</u>	<u>F-3</u> <u>Underground</u>	<u>Bulldozer &amp;</u> <u>Geochemical</u>	<u>Surface</u> <u>D. Drilling</u>	<u>Underground</u> <u>D. Drilling</u>	<u>Overhead</u> <u>Supplies</u> <u>etc.</u>	<u>Total</u> <u>Monthly</u> <u>Expense</u>
April 1969	44,000.			30,000.		17,000.	91,000.
May	44,000.			30,000.		17,000.	91,000.
June	44,000.		12,000.	30,000.		17,000.	103,000.
July	44,000.		12,000.	30,000.		17,000.	103,000.
August	42,000.		13,000.	30,000.		17,000.	101,000.
September		28,000.	13,000.			17,000.	58,000.
October		28,000.				17,000.	45,000.
November		28,000.				16,000.	44,000.
December		29,000.			19,000.	16,000.	64,000.
January, 1970					19,000.	16,000.	35,000.
February					19,000.	16,000.	35,000.
March					18,000.	16,000.	35,000.
	<u>218,000</u>	<u>113,000.</u>	<u>50,000.</u>	<u>150,000.</u>	<u>75,000.</u>	<u>199,000.</u>	<u>805,000.</u>

Note: Total Exploration Expenditures for the period January 1, 1968 to Dec. 31, 1968 were \$758,637.45

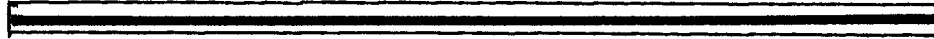


SCHEDULE OF WORK PROGRAM

April 1, 1969 - March 31, 1970

April  
1969   May   June   July   August   Sept.   Oct.   Nov.   Dec.   Jan.  
1970   Feb.   Mar.

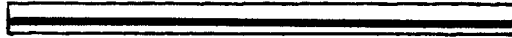
Underground  
A-1 250 & F-3



Bulldozer and  
Geochemical



Surface D. Drilling  
Key 18A & B, A-1



Underground D.  
Drilling  
A-1 and F-3



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PROGRESS REPORT

TONNAGE OBJECTIVE SCHEDULE

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
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3) Lap 10 Zone

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

100 foot level	10,000 inferred tons	20 oz. Silver
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5) K18 Zone

7 and 8 - 18B Dr.	10,000 inferred tons	17 oz. Silver
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TONNAGE SUMMARY

A-1 Zone	155,000 tons	15 oz. Silver
F-2 Zone	8,000 tons	15 oz. Silver
Lap 10 Zone	5,000 tons	12 oz. Silver
F-3 Zone	10,000 tons	20 oz. Silver
K-18 Zone	<u>10,000 tons</u>	17 oz. Silver
	188,000 tons	average 15 oz. Silver

SILVER KEY MINES LIMITED

PROGRESS REPORT

Nov. 1968

SUMMARY OF MINERAL HOLDINGS:

KETZA RIVER - YUKON:

<u>CLAIMS</u>	<u>FRACTIONS</u>	<u>NO. CLAIMS</u>	<u>EXPIRY DATES</u>
KEY 1-4		4	November 28, 1968
KEY 5-18		14	November 28, 1969
KEY 19-20		2	November 28, 1968
KEY 21-28		8	November 28, 1969
KEY 29-30		2	November 28, 1968
KEY 31-37		7	November 28, 1969
JAN 1 & 2		2	November 28, 1969
	KEY 1 (1)		November 28, 1968
	KEY 2-5 (4)		November 28, 1969
LAP 1-21		21	February 15, 1969
PEX 1-11		11	February 15, 1969
NORTH KEY 1-16	<i>allowed to lapse</i>	16	August 30, 1968
ANGEL - 1		1	October 16, 1968
	MONA 1 & 3 (2)		November 28, 1969
MONA 4-6		3	November 28, 1969
LUCKY 1-8		8	April 21, 1969
TOR 1-15		15	April 21, 1969
TOR 17-24		8	April 21, 1969
	TOR 16 (1)		
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TOTAL NO. OWNED:-	(8)	122	

SUMMARY OF MINERAL OPTIONS:

RUSTY 7 & 8		2	December 19, 1968
RUSTY 24 - 31		8	December 19, 1968
RUSTY 32 - 39		8	December 19, 1968
CAP 1 - 15		15	December 19, 1968
DON 6 & 8		2	December 19, 1968
DON 13 & 15		2	December 19, 1968
	CAP 1 (1)		
	<hr/>		
	1	37	
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COMPANY'S TOTAL PROPERTY HOLDINGS: 9 Fractions, 159 Claims

NOTE: 3 years work filed on October 10, 1968

Waiting work certificates from Mine Recorder's Office in Watson Lake.

STUMP MINES LTD.

PROGRESS REPORT

1968

SUMMARY OF MINERAL HOLDINGS:

KETZA RIVER - YUKON TERRITORY

<u>NAME</u>	<u>NO. OF CLAIMS</u>	<u>EXPIRY DATE</u>
EVA 1 to 24	24	March 10th, 1969
*TIP 1 to 15 (90% interest)	15	December 1st, 1968
*TIP 24 to 26 (90% interest)	3	December 1st, 1968
MARION 1 to 16.	16	November 16th, 1969
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Total:	58	
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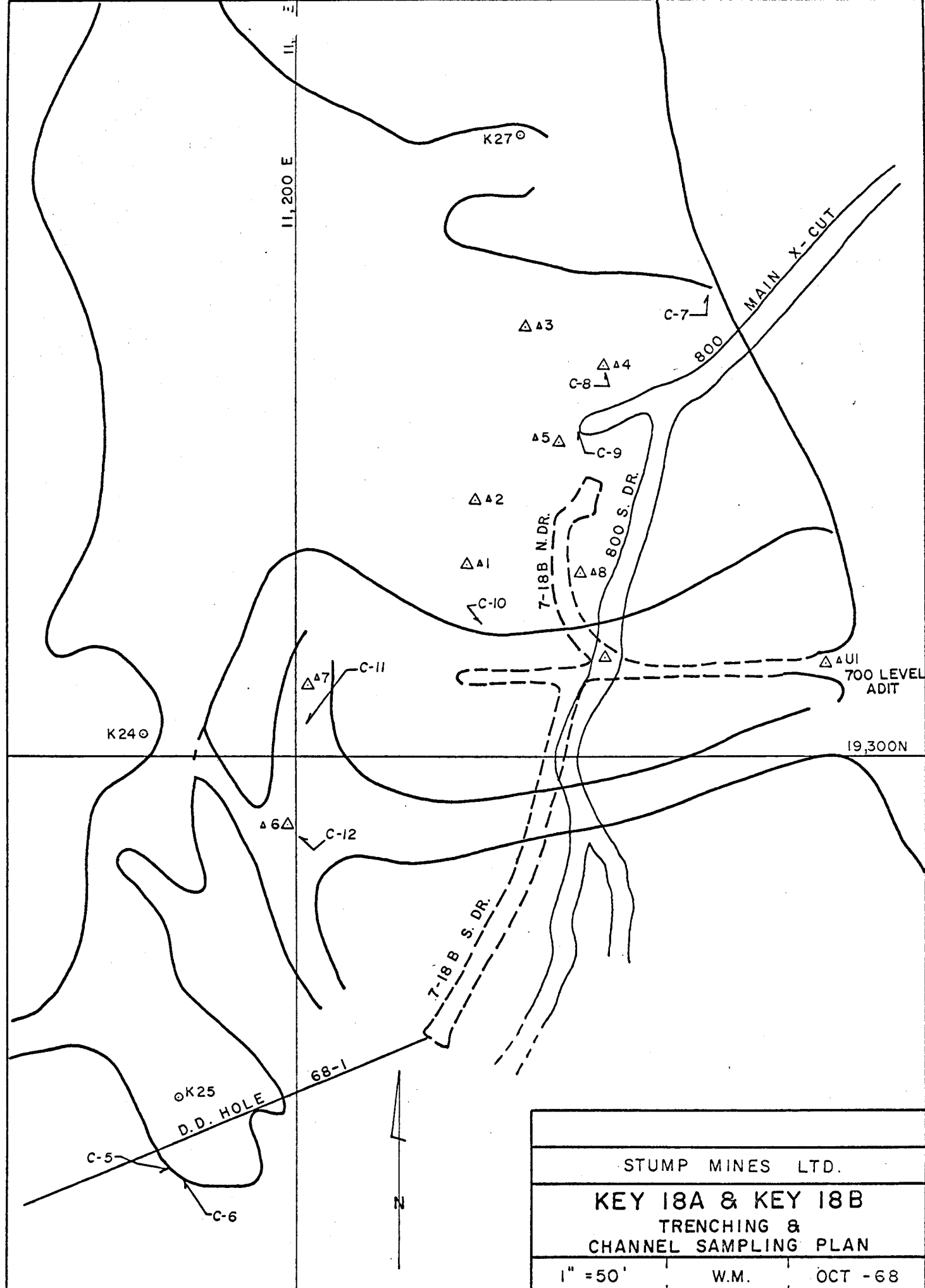
\*Silver Key has a 10% interest in these claims

PARSON COPPER - BRITISH COLUMBIA

LAPEX 2 to 9 8 October 7, 1969

NOTE: 3 years' worked filed on October 10th, 1968

Waiting work certificates from Mine Recorder's Office  
in Watson Lake.












STUMP MINES LTD.		
KEY 18A & KEY 18B		
TRENCHING &		
CHANNEL SAMPLING PLAN		
1" = 50'	W.M.	OCT - 68

# SILVER-LEAD SHOWINGS

KETZA RIVER AREA  
MINING CLAIMS  
WATSON LAKE MINING DIVISION, YUKON TERR.

## LEGEND

-  — 500-FOOT CONTOUR INTERVAL
-  — RIVER OR CREEK
-  — GEOCHEMICAL AREA 1966
-  — EXTEND OF ROAD CONSTRUCTION (1965-66)
-  — AREAS STRIPPED AND TRENCHED - 1966
-  — MINERALIZED EXPOSURES
-  — BOUNDARY OF CLAIM GROUP
-  — CAMP SITE AND BUILDINGS
-  — AIRSTRIP (Approx. 30 miles south of Ross River)

