

A PRELIMINARY
GEOLOGICAL AND ENGINEERING EVALUATION
of the
Susie, Hope and Pete Groups of Claims
owned by

NATIVE MINERALS LTD.

Yukon Territory

Claim Sheet No. 105 B - 1

Latitude $60^{\circ} 08'$
Longitude $130^{\circ} 26'$

by

MAURICE F. TESKEY, P.Geol. (Alta.) P.Eng. (Ont.)

August 26 and 27, 1961
July 26 and 27, 1962
September 25 to 29, 1962
inclusive

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YUKON PROPERTIES OF NATIVE MINERALS LTD.

Introduction

On August 26th and 27th 1961 the writer, at the request of Native Minerals Ltd., examined a property consisting of six claims about four miles north of Mile 703 on the Alaska Highway. During this examination the adjacent Yukon Tungsten Corporation Ltd. Property was visited and the writer made a limited examination of the main vein. Native Minerals Ltd. purchased the group of six claims (Pete 1 to 6) shortly after this examination, and on January 30th 1962 acquired four claims (Susie 1 and 2, Hope 1 and 2) containing the workings of Yukon Tungsten Corporation Ltd. The ten claims form a contiguous group. Two maps attached to this report (Figures 1 and 2) show the general and particular location of this group of claims.

Access

Access to the ten claim group is by the Alaska Highway to Mile 701.5 and thence by a five mile truck road to the site of the Yukon Tungsten operation.

History

In July 1943 five claims called the Fiddler Group were staked on behalf of the Consolidated Mining and Smelting Company of Canada. Some surface work was done by that Company but, since the veins were relatively narrow and the Alaska Highway was not built at that time, the claims were abandoned.

In 1951, after the highway was constructed, a Vancouver group headed by Mr. W. J. Asseltine formed Yukon Tungsten Corporation Ltd. to take over the property. This company constructed a truck road from the highway to the property, drove an adit and raised to surface. It also shipped in a small crusher which later was burned. About the time the raise was completed, the price of tungsten dropped, and no further work was done. Little or no ore was removed except for some mill tests.

On May 18th 1961 four claims encompassing the old workings of Yukon Tungsten Corporation Ltd. were staked by Mr. A. Clarence Bochon. Mr. Emil Brandt and partners staked six adjoining claims to the south of this group on July 19th 1961. These claims were staked on the strength of a high grade silver showing. All were acquired by Native Minerals Ltd.

Geology

The rock in the area is mostly grey, crystalline, micaceous limestone and soft sericite schists. These rocks are intruded by the Cassiar batholith, a biotite quartz monzonite, about two miles west of the property.

Mineralized vein quartz may be seen on the top of a rounded peak and on an adjacent cirque wall. The veins trend in a general north to northeast direction. Their widths vary from less than an inch to as much as three feet. Some of the veins contain abundant dark brown wolframite, an iron manganese tungstate. Associated minerals are galena, sphalerite, fluorite, scheelite and others. Assays have shown the presence of tin and scandium.

About a mile to the south of the tungsten occurrence two narrow shear zones, which contained nodules and stringers of silver bearing galena, were discovered by Emil Brandt and partners. These were said to assay as high as 900 ounces of silver to the ton.

Previous work

The Consolidated Mining and Smelting Company of Canada trenched and stripped the surface in a number of places.

The Yukon Tungsten Corporation Ltd. constructed a truck road five miles in length from the Highway at Mile 701.5 to a point on top of the mountain at an elevation of 5000 feet above sea level.

Upon completion of the road an adit was driven 530 feet into the mountain in order to intersect a vein called the Main Vein which had assays averaging 8% tungsten across one foot for a length of 100 feet. This vein has a dip of 36 degrees to the east. A raise, driven from the adit, reached surface 25 feet east of the showing, apparently without intersecting the vein. Either another raise from the adit, or a branch from the first raise, we have been unable to ascertain

which, did intersect the vein and follow it to surface. At this point the ore shoot seen in the surface vein has a twenty foot extension down the dip.

Mr. Brandt and partners found two narrow shear zones containing silver bearing galena and striking roughly east and west. They dug Trench No. 3 (Figure 3) to a depth of six feet and Trench No. 6 to a depth of three feet.

Present Work

During the visit to the claims on August 26th and 27th 1961 the writer had further trenching done and also had Trench No. 3 deepened to nine feet (Figure 3).

Trench No. 3 showed a shear zone one and one-half feet wide bounded by very sharp walls. The dip of the shear varies from 60 to 70 degrees to the north. There was a rusty zone on the foot wall which contained occasional nodules of galena about six inches in diameter and about two inches thick. The hanging wall had a two inch quartz vein with some pyrite and sparse galena mineralization. A sample across the shear zone in the west wall of the trench, about five feet below the surface, assayed 27.56 ounces of silver to the ton.

Trench No. 6 had a single shear zone with a similar rusty zone and similar galena nodules. The nodules were more abundant than in Trench No. 3.

A picked composite sample of the nodules from Trenches 3 and 6, taken by the writer, assayed 193.04 ounces of silver to the ton.

In order to ascertain the length of the zone, the writer had cross trenches run at intervals of 25 feet each way from Trench No. 3.

Trench No. 3 was deepened to nine feet and, while there was no galena, half-inch rusty streaks persisted on the hanging and foot walls. A sample across two feet, including the two rusty streaks, assayed 6.74 ounces of silver to the ton.

Trench No. 1 showed a very faint rusty streak about one-quarter inch wide which was on strike with the shear zone in Trench No. 3.

Trench No. 2 showed two half-inch rusty streaks. The north wall had a one-half inch quartz stringer. One small nodule of galena was found on the west wall at a depth of four feet.

Trench No. 4 was dug to a depth of three feet. At this point a one inch stringer of galena was found across the bottom of the trench.

Nothing could be found in Trench No. 5 down to a depth of four feet.

On July 26th and 27th 1962 the writer and Mr. Murdo McLeod of Calgary visited the property. At that time we were interested in a showing of galena reported to the north of the Susie claims. We found this show to have a north-south strike and suspected that its extension might be found within the properties of Native Minerals Ltd. Accordingly we hired a bulldozer and had a trench dug in an east-west direction for a distance of about 300 feet (Figure 4) in order to see if this were so. No extension of the vein could be found.

Also, at the same time, we had the bulldozer strip about 1000 feet to open up the southward extension of the Main Vein to see whether any new ore shoots would be exposed. While fluorite was abundant, no

wolframite could be found.

The amount of stripping was measured by pacing.

On September 25th to 29th 1962 the writer again visited the properties of Native Minerals Ltd. At this time he was assisted by Mr. William Howden of Vancouver, British Columbia.

The pits on the Pete claims were found to be partially filled in due to wash from recent rains. The old trenches of the Yukon Tungsten Corporation were in reasonably good condition and we found wolframite in two locations other than the Main Vein.

At this time, with the aid of a bulldozer and three men employed by Mr. Howden, we carried out about 4500 feet of stripping (Figure 5) and, in addition, enlarged the old Trench No. 6 (Figures 3 and 6) and excavated three new trenches. The amount of stripping was measured by pacing and by tying in to claim posts, with bearings being measured with a Brunton compass.

Although a number of quartz veins were uncovered by the new stripping, none appeared to be silver bearing. Nevertheless, these should be carefully stripped by hand for further examination. Some shear zones were found and it will be necessary to examine these by hand trenching in order to properly evaluate their potentialities.

The area under examination has not been glaciated and, as a result, the surface is covered by a mantle of weathered rock. This makes for easy trenching but, on the other hand, its friable nature prevents obtaining a clean hard surface on which smaller features may be discerned readily. As a result, we are not likely to find by this method narrow stringers or rusty zones such as were seen in the original pits

on the Pete claims. These will be found only by careful hand trenching of the exposed rock.

As mentioned above, the old Trench No. 6 was enlarged and three new trenches were dug (Figure 6) in order to follow the extension of a stringer of galena which carried high silver values. We were unable to find any continuation of this stringer either laterally or vertically. We did find three rusty streaks within a sheared zone and this zone contained some disseminated galena. The locations of the samples taken, and their results, are shown in Figure 6 as well as in Table No. 1.

Examination of the results shown in Figure 6 shows that silver values are found for a length of about 40 feet across a width of five to ten feet. The average assay is calculated to be 1.4 ounces of silver per ton across a width of 7.5 feet. While the silver does not occur in commercial quantities, an interesting accumulation is indicated. More work is warranted in order to investigate the source of the mineralization.

As can be seen from Figure 6, there is a lack of continuity to the zones. Part of this may be due to the difficulty of following them through the weathered friable material. It is our opinion that some faults are present and these contribute to the general discontinuity.

There is a shallow gully or ravine running in a general north-south direction about 185 feet east of these trenches. A small piece of float containing galena was picked up in this gully, and it is the opinion of the writer that the gully may be the site of a fault or shear zone which could carry silver values. In fact, it might well be the source of the presently known mineralized zones. It certainly should be prospected thoroughly, probably by means of a diamond drill.

Recommendations

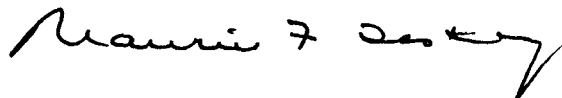
1. All present stripping should be examined for sheared and mineralized zones. All such should be hand trenched.

2. Three diamond drill programs are indicated:

- (a) The ore shoot on the Main Vein of the tungsten property may have a rake to the south and this should be investigated.
- (b) The two silver zones (Zones 1 and 2 in Figure 6) may open up and carry commercial silver values at depth or along their strike. This possibility should be investigated.
- (c) A diamond drill hole or holes should be drilled under the gully mentioned above to see whether, in fact, it is a mineralized shear or fault.

Respectfully submitted,

M. F. TESKEY AND ASSOCIATES LIMITED



Calgary, Alberta
May 20, 1963

Table No. 1

<u>Sample Number</u>	<u>Silver oz. per ton</u>	<u>Tungsten %</u>
1201	15.8	Trace
1202	5.4	
1203	3.4	
1204	7.2	
1205	1.3	
1206	1.9	
1207	Trace	
1208	Trace	
1209	Trace	
1210	Trace	
1211	1.7	
1213	0.44	

A spectrographic analysis of Sample Number 1212, a green resinous to glassy mineral, showed it to be an iron, aluminium, magnesium silicate, with a trace of strontium.

CERTIFICATE

I, Maurice Forgie Teskey, of the City of Calgary in the Province of Alberta, hereby certify as follows:

1. That I graduated from the University of Manitoba in 1929 with the degree of Bachelor of Science (Honours) in Geology and Chemistry. That I received the degree of Master of Science from the University of Alberta in 1931, and the degree of Doctor of Philosophy from the University of Toronto in 1934.
2. That I have been practicing my profession as a geologist for the past twenty-nine years.
3. That I am a Registered Professional Geologist in the Province of Alberta and a Registered Professional Engineer in the Province of Ontario.
4. That I am a Fellow of the Geological Association of Canada, and a Member of the Canadian Institute of Mining and Metallurgy, the Alberta Society of Petroleum Geologists, and the American Association of Petroleum Geologists.
5. That except for 100 shares of the Capital Stock of Native Minerals Ltd., I have no interest either directly or indirectly, financially or otherwise, and I do not expect to receive any interest either directly or indirectly, financially or otherwise, in the properties covered by this report.
6. That I made personal examinations of the property on

August 26 and 27, 1961, July 26 and 27, 1962, and September 26, 27 and 28, 1962.

That on September 25, 1962, discussions were held with the Mining Recorder in Watson Lake, Yukon Territory, and arrangements made to carry out the work of the following three days.

That August 28, 1961, and September 29, 1962, were spent travelling from Watson Lake to Calgary, Alberta.

That in the accompanying report the history of the properties, the summary of the previous work performed and the general geology of the area are based on reports and maps of the Geological Survey of Canada and personal communications from Mr. D. C. McKechnie, P. Eng., of Sudbury, Ontario.

DATED at Calgary this 20th day of May 1963.


Maurice F. Teskey

Figure 1



GENERAL LOCATION MAP

NATIVE MINERALS LTD.
YUKON PROPERTIES

Scale 1" = 140 miles

Figure 2

Susie 2	Susie 1
Hope 2	Hope 1
Pete 1	Pete 2
Pete 3	Pete 4
Pete 5	Pete 6

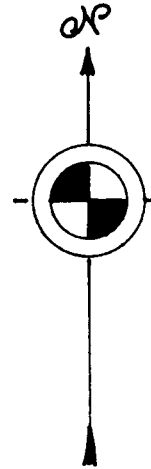
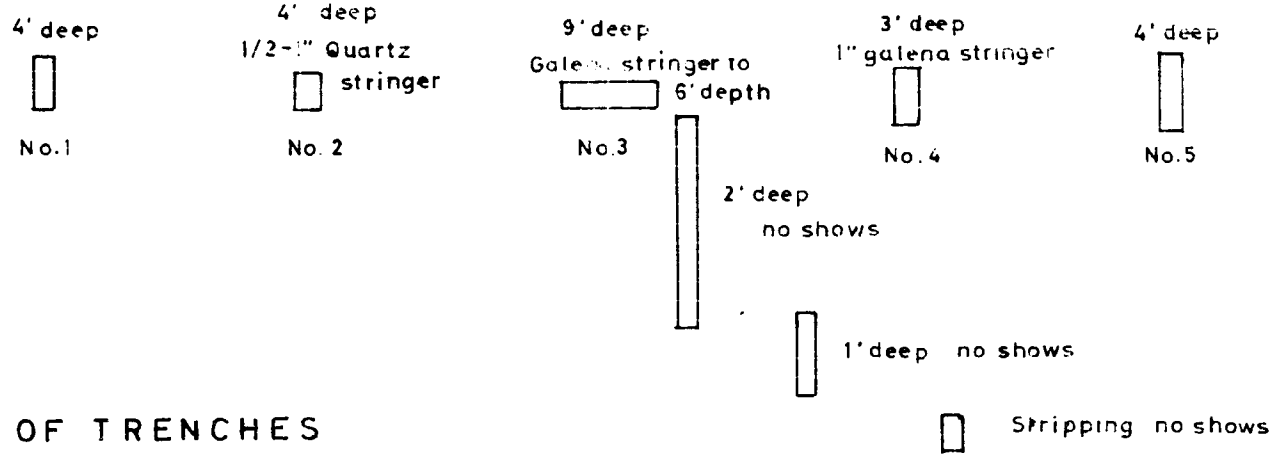
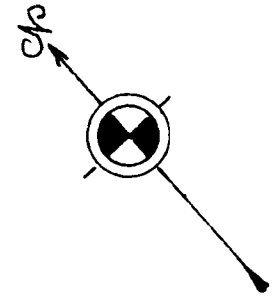


Figure 3



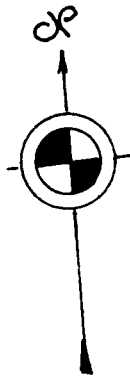
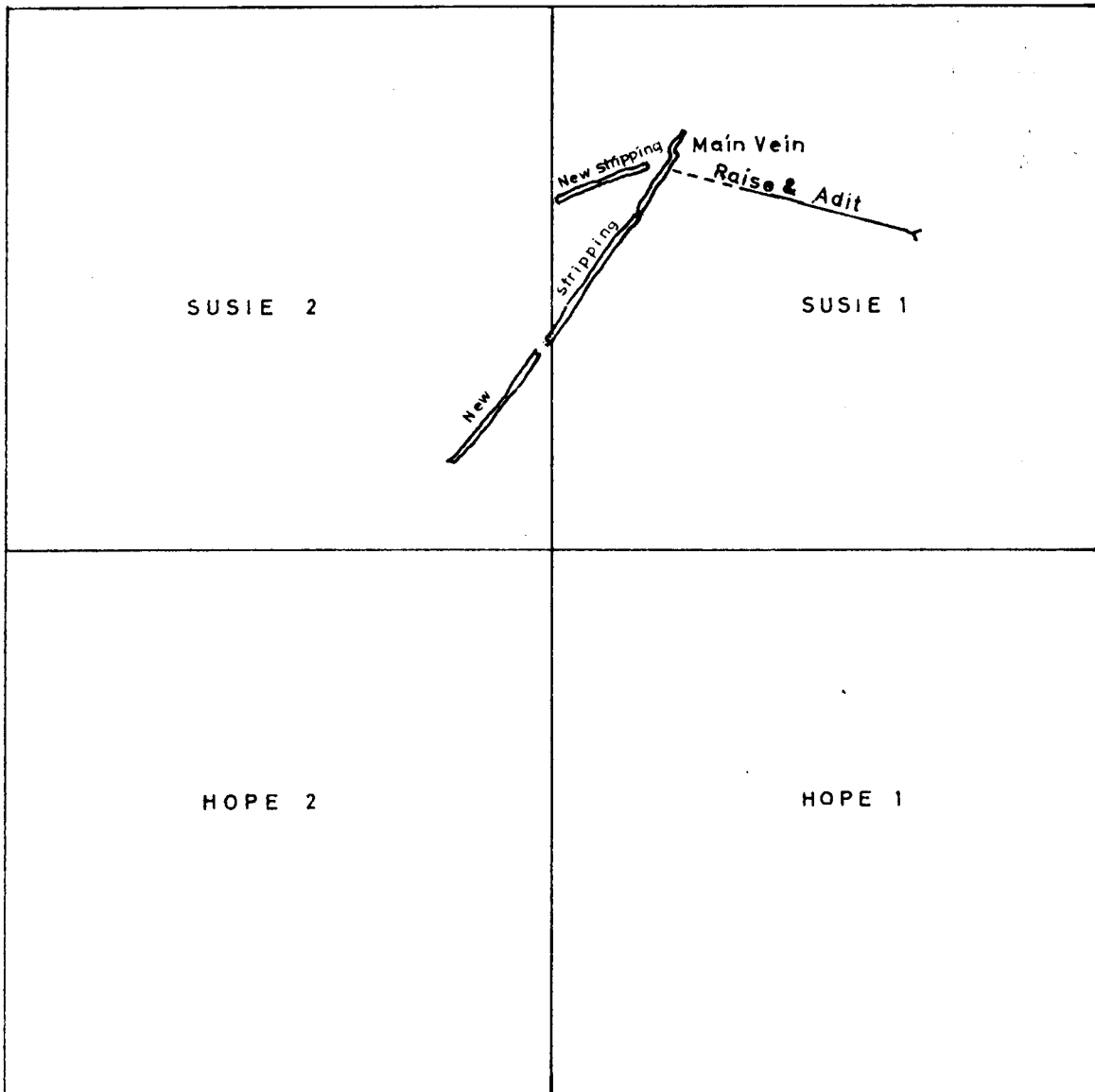
PLAN OF TRENCHES

NATIVE MINERALS LTD.
YUKON PROPERTIES

Scale 1" = 500'

Galena stringer
3' deep
No. 6

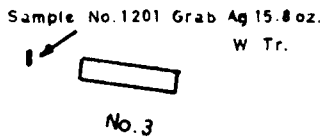
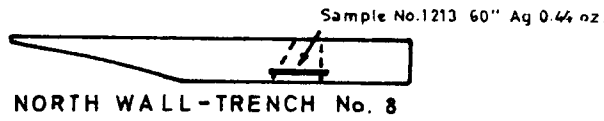
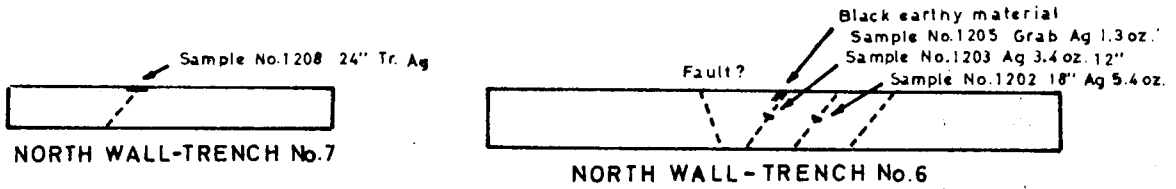
Figure 4



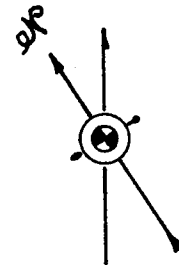
PLAN OF STRIPPING
NATIVE MINERALS LTD.
YUKON PROPERTIES

Scale 1" = 500'

Figure 6

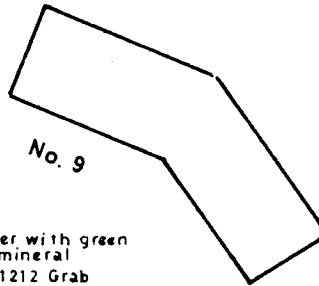


ZONE No. 1

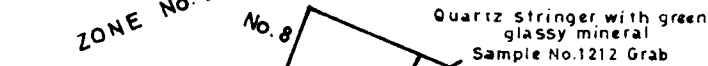


PLAN

No schistosity



ZONE No. 2



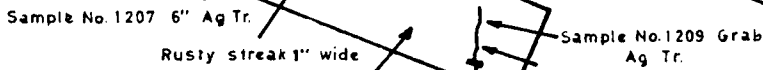
Sample No. 1211 36" Ag 1.7 oz.
Taken on ground surface before trenching

No schistosity



Quartz stringer with galena
Sample No. 1204 12" Ag 7.2 oz.

Black burned looking material
Sample No. 1206 6" Ag 1.9 oz.



It is 270 feet at a bearing of N 52° E from the NE corner of Trench No. 6 to the No. 1 post of Pete 6



**DETAIL OF NEW TRENCHES
NATIVE MINERALS LTD.
YUKON PROPERTIES**

Scale 1" = 20'

PROPERTIES OF NATIVE MINERALS LTD.

YUKON TERRITORY

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2. Sketch Map of Properties of Native Minerals Ltd.,
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3. Sketch of Trenches on Property North of Mile 703
Alaska Highway - Brandt Group
4. Copy of Letter from D. C. McKechnie dated December
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(Fiddler Group) by D. C. McKechnie - In Pocket
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PROPERTIES OF NATIVE MINERALS LTD.

YUKON TERRITORY

Introduction

On August 26th and 27th 1961 the writer, at the request of Native Minerals Ltd., examined a property consisting of six claims about four miles north of Mile 703 on the Alaska Highway. During this examination the old Yukon Tungsten Corporation Ltd. property on the top of the mountain was visited and the writer made a very limited examination of the main vein. Native Minerals Ltd. purchased the group of six claims shortly after the examination, and on January 30th 1962 acquired the claims containing the old workings of Yukon Tungsten Corporation Ltd. The ten claims form a contiguous group.

Access

Access to the ten claim group is by the Alaska Highway to Mile 701.5 and thence by a five mile truck road to the site of the Yukon Tungsten Corporation operation. An accompanying map shows the location of the claims in relation to the highway.

History

In July 1943 five claims called the Fiddler Group were staked on behalf of The Consolidated Mining and Smelting Company of Canada. Some surface work was done by this Company but, since the veins were relatively narrow and the Alaska Highway was not built at that time, the claims were abandoned.

In 1951, after the highway was constructed, a Vancouver group headed by Mr. W. J. Asseltine formed the Yukon Tungsten Corporation Ltd. to take over the property. This latter Company constructed a truck road from the highway to the property, drove an adit and raised to surface. It also shipped in a small crusher which later was burned. About the time the raise was completed the price of tungsten dropped and no further work was done. Little or no ore was removed except for some mill tests.

On May 18th 1961 four claims encompassing the old workings of the Yukon Tungsten Corporation Ltd. were staked by Mr. A. Clarence Bochen. Mr. Emil Brandt and partners staked six adjoining claims to the south of this group on July 19th 1961. These were staked on the strength of a high grade silver showing. Native Minerals Ltd. acquired the six Brandt claims during the early part of September 1961 and the four Bochen claims on January 30th 1962.

Geology

The rock in the area is mostly grey, crystalline, micaceous limestone and soft sericite schists. These rocks are intruded by the Cassiar batholith, a biotite quartz monzonite, about two miles west of the property.

Mineralised vein quartz may be seen on the top of a rounded peak and on an adjacent cirque wall. The veins trend in a general north to northeast direction and dip east to southeast. Their width varies from less than an inch to as much as three and one-half feet. Some of the veins contain abundant dark brown wolframite, an iron manganese tungstate. Associated minerals are galena, sphalerite, fluorite, scheelite and others. Assays have shown the presence of tin and scandium.

About three thousand feet to the south of the above occurrence (no survey has been made and the exact distance and direction is not known) Emil Brandt and partners discovered two narrow shear zones striking in a general east-west direction which contained nodules and stringers of silver bearing galena. They took grab samples which assayed as high as 900 ounces of silver to the ton.

Previous Work

Fiddler Group

The Consolidated Mining and Smelting Company of

Canada trenched and stripped the surface in a number of places.

The Yukon Tungsten Corporation Ltd. constructed a truck road five miles in length from the highway at Mile 701.5 to a point on top of the mountain at an elevation of 5,000 feet. This road is still in good condition except for two or three short sections and very little work will be required to put it in first class shape.

Upon completion of the road an adit was driven 530 feet into the mountain in order to intersect a vein called the Main Vein which had assays averaging 8% tungsten across one foot for a length of one hundred feet. This vein has a dip of 36 degrees to the east. The information we had at the time of our report of January 31st 1962 indicated that neither the adit nor a raise driven from its western extremity found the main vein. Subsequent information, received this month, indicates that, in fact, the raise did intersect the vein and followed it to surface. At this point the ore shoot seen in the surface vein has a twenty foot extension down the dip. Xerox copies of letters received from Mr. D. C. McKechnie of Sudbury, Ontario, who was the engineer in charge during part of the Yukon Tungsten Corporation Ltd. operations, and a plan and section of the adit and raise prepared by him are included with this report.

Brandt Group

Mr. Brandt and partners found two narrow shear zones striking in a general east-west direction. They dug

Trench No. 3 (see accompanying plan) to a depth of six feet and Trench No. 6 to a depth of three feet. The writer visited the claims on August 26th and 27th 1961 and during that time had other trenching done and also had Trench No. 3 deepened to a depth of nine feet.

Trench No. 3 showed a shear zone one and one-half feet wide bounded by very sharp walls. The dip of the shear varies from 60 to 70 degrees to the north. There was a rusty zone on the foot wall which contained occasional nodules of galena about six inches in diameter and about two inches thick. The hanging wall had a two inch quartz vein with some pyrite and sparse galena mineralisation. A sample across the shear zone in the west wall of the trench about five feet below the surface assayed as follows:

Gold	0.02 ounces per ton
Silver	27.56 ounces per ton

Trench No. 6, fifty feet to the south and fifty feet east of Trench No. 3, had a single shear zone with a similar rusty zone and similar galena nodules. The nodules were more abundant than in Trench No. 3.

A picked composite sample of the nodules from Trenches 3 and 6 assayed as follows:

Gold	0.02 ounces per ton
Silver	193.04 ounces per ton

In order to ascertain the length of the zone the writer had cross trenches run at intervals of twenty-five feet each way from Trench No. 3.

Trench No. 3 was deepened to nine feet and while

there was no galena, half-inch rusty streaks persisted on the hanging and foot walls. A sample across two feet, including the two rusty streaks, assayed:

Gold	0.01 ounces per ton
Silver	6.74 ounces per ton

Trench No. 1 showed a very faint rusty streak about one-quarter inch wide on strike with the shear zone in Trench No. 3.

Trench No. 2 showed two half-inch rusty streaks on strike with these in Trench No. 3. The north or hanging wall had a one-half inch quartz stringer. One small nodule of galena about two inches by two inches by one-half inch was found on the west wall at a depth of four feet.

Trench No. 4 was dug to a depth of three feet. At this point a one inch stringer of galena was found across the bottom of the trench.

Trench No. 5 was dug four feet deep but no sign of the shear zone could be found.

Present Work

Since all ten claims were acquired just previous to or after snowfall no work has been done by the current management.

Conclusions

This is a most interesting mineral occurrence.

Already the presence of tungsten, manganese, lead, silver, zinc, tin and scandium has been indicated. The price of silver is now at a peak and some of the old mines in Cobalt, Ontario, have been re-opened. Scandium is a metal belonging to the rare earth group which at the present time is in short supply. It is being sought as a possible metal for use in missiles. In recent years scandium oxide has sold at \$280.00 to \$1,200.00 per ounce depending on purity, supply and demand; mineral concentrates have sold from \$36.40 to \$75.60 per ounce, and metal is offered at \$4,480.00 per ounce. An analysis of a picked sample from the vein on the Fiddler Group showed 0.01% scandium or 3.2 ounces to the ton. Scandium could very well be a by-product of the production of tungsten. The association of minerals suggests the presence of beryllium which is expected to be in short supply in the near future.

While the small amount of trenching on the Brandt Group did not show continuation of the high silver-bearing galena, the shear with rusty streaks was found to persist for the ninety feet examined. Silver deposits in many areas are characterized by pinching and swelling so that there is a possibility that the occurrence may open up with increased strength at depth and along the strike.

Recommendations

The adit and raise should be thoroughly examined and sampled where ore is indicated.

The surface should be examined thoroughly in order

(1) to ascertain the relation between the tungsten veins on the Fiddler Group and the silver-lead veins on the Brandt Group, if any, and (2) to see whether other mineral occurrences are present between and to the south of the present ones. A vein which could be the continuation of the main vein on the Fiddler Group was seen on the Brandt Group. This vein should be stripped.

Upon completion of the surface work a diamond drilling program should be undertaken to (1) prove whether the shear zones on the Brandt Group persist to depth, (2) prove the extent of the ore shoot in the main vein of the Fiddler Group, (3) investigate the downward extent of other veins present on the Fiddler Group, and (4) investigate other ore occurrences which may be found during the course of the surface investigation.

It is expected that the preliminary work will cost a minimum of \$45,000.00 but the Company should plan its finances for an expenditure up to \$70,000.00. Further costs will of course depend on the results of this preliminary investigation.

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TESKEY AND BLUE CONSULTANTS LIMITED

Naomi F. Teskey

Calgary, Alberta
March 1, 1962

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7. Certificate

CERTIFICATE

I, Maurice Forgie Teskey, of the City of Calgary, in the Province of Alberta, hereby certify as follows:

1. That I am a Consulting Geologist, President of Teskey and Blue Consultants Limited, of Calgary.
2. That I graduated from the University of Manitoba in 1929 with the degree of Bachelor of Science (Honours) in Geology and Chemistry. That I received the degree of Master of Science from the University of Alberta in 1931, and the degree of Doctor of Philosophy from the University of Toronto in 1934.

That I have been practicing my profession as a geologist for the past twenty-eight years.

3. That I am a Registered Professional Geologist in the Province of Alberta and a Registered Professional Engineer in the Province of Ontario.
4. That I am a Fellow of the Geological Association of Canada, and a member The Canadian Institute of Mining and Metallurgy, the Alberta Society of Petroleum Geologists and The American Association of Petroleum Geologists.
5. That I have no interest either directly or indirectly, financially or otherwise, and I do not expect to receive any interest either directly or indirectly,

financially or otherwise, in the properties covered by this report.

6. That the accompanying report is based on reports and maps of the Geological Survey of Canada, on personal communications from Mr. L. Telfer of The Consolidated Mining and Smelting Company of Canada, and from Mr. D. C. McKechnie, a mining engineer and geologist residing in Sudbury, Ontario, who was the engineer in charge of the work for Yukon Tungsten Corporation Ltd., on other published reports, and on a personal examination of the property on August 26th and 27th 1961.

DATED at Calgary this 1st day of March, A. D. 1962.

Maurice F. Teskey

D. C. MCKECHNIE

PROFESSIONAL ENGINEER

MINING ENGINEER AND GEOLOGIST

174 Larch Street,
SUDBURY, ONTARIO

February 10, 1962

Maurice Teskey Esq.,
Teskey and Blue, Consultants.
718 - 8th. Ave S.W.
Calgary Alberta

Dear Mr. Teskeys: Re: Yukon Tungsten (Fiddler Group)

I have recently been able to obtain more information on this property, from an Engineer who was on the property after the raise had been driven. This information is shown on the enclosed plan and section through the adits.

The raise intersected the vein about 50 feet down dip from the outcrop. At the point of intersection the vein contained no ore. The raise then flattened to follow the vein. Ore was found about 20 feet down dip from the surface, and followed to the surface.

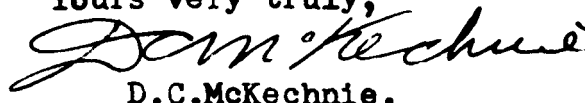
In addition to this work, the vein was followed to the south by trenching with a bulldozer. I understand that it was followed for about 500 feet, but that there was no ore of importance found in the sections south of where I have shown it to occur on the plan.

The impression I have is that the tungsten ore occurs in the veins, in shoots with a possible flat pitch. I have had the idea that the vein structures were associated with a fault structure to the north, and with which is associated the steep cliff, immediately north of the showings. The suggestion is that the pitch will be to the north as one looks down the vein. This point could be substantiated by a few shallow drill holes both to the north and south of the line of the raise and 50 feet or so down dip from the outcrop.

This is all the information I have at present, but I have hopes of obtaining additional plans and sections which I will forward when available.

I will look forward with interest to the further exploration of this property.

Yours very truly,



D.C. McKechnie.

P.S. As far as I know there was no diamond drilling done on the property. DCM

The ore mined was entirely from the outcrop. I understand that any concentrate produced was not shipped and is still at the millsite.

D. C. MCKECHNIE

PROFESSIONAL ENGINEER

MINING ENGINEER AND GEOLOGIST

174 Larch Street,
SUDBURY, ONTARIO

December 1, 1961

Maurice Teskey Esq.,
Teskey and Blue
Consultants Ltd.
718- 8th. Ave. S.W.
Calgary, Alberta.

Dear Sir: Re: Fiddler Group, (Yukon Tungsten Corp.Ltd.)
Yukon Territory.

I have managed to dig up quite a little information on the property. There is still some information that I may be able to obtain, but am sending along what I have as it may be of interest to you and your principals now. This includes:

One Map- Scale 1"= 20' Plan and Section through adit
One Map " 1"=200' Locations of showings and adit and camp.
Interim report - Nov. 1951
Report of operations - to May 23/52
Letter (copy) - May 26/52.
Report on mill tests, 1, 2, and 3.
Plan showing layout of proposed 20 ton mill. (This had no relationship to the mill ultimately built.)

From memory the history of the operation was somewhat as follows:

I examined the property in September 1951 . Our company then took over the property and formed Yukon Tungsten Corp.. That fall we built a road and camp, and put in a compressor and prepared a place for the adit. Money ran out about this time and underground work was delayed. Early in 1952 we were able to raise enough for immediate purposes, and a contract was let with five miners to drive 400 feet. We had some trouble keeping men on the hill in winter, and we were not able to induce any one to stay after we had driven the 464 1/2. This was late in May and the road was bad so we closed up temporarily.

At this time dissension broke out in top management circles, and nothing was done for a few months. Later the adit was extended to 530 feet, and later I received the following letter from the man in charge: Quote. ... "they did not hit anything important in the tunnel nor in the raise. They went up vertical 88 feet from 530 feet, and then went on an angle of 50°, coming out about 25 feet east of the showing."

Fiddlers Group- Yukon Territory.

If you put these distances on the section (1-20) you will note that the raise would come out some 85 feet east of the showing. I was not there after the adit was at 464.5 feet, but I may be able to get a little more information on where the workings went to and what was found.

Although we did not find an orebody in the adit, there was a good deal of mineralization, with a little scheelite in the limestones. The structures at 285' and at 420-430 might ~~also~~ be orebearing, and these should be either drilled or drifted on. The following minerals were noted in the adit:

Pyrrhotite, (ordinary) Crystalline pyrrhotite (very magnetic)
 chalcopyrite, galena, sphalerite, pyrite (Sparse)
 Welframite (a few specks) scheelite, (not ore grade)
 Fluorite (quite common), quartz and crystalline calcite.

There are a few items of mineralogic interest.

Magnetic pyrrhotite- Fine disseminations- a piece the size of a pinhead would turn a Brunton needle around.
 (Sample at U.B.C. mineral collection)

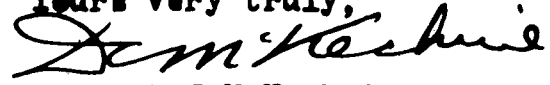
Cassiterite - in the vein system north of the adit and near the cliff there are narrow crenulated seams of a black hard mineral, later identified as cassiterite
 (specimens at U.B.C.)

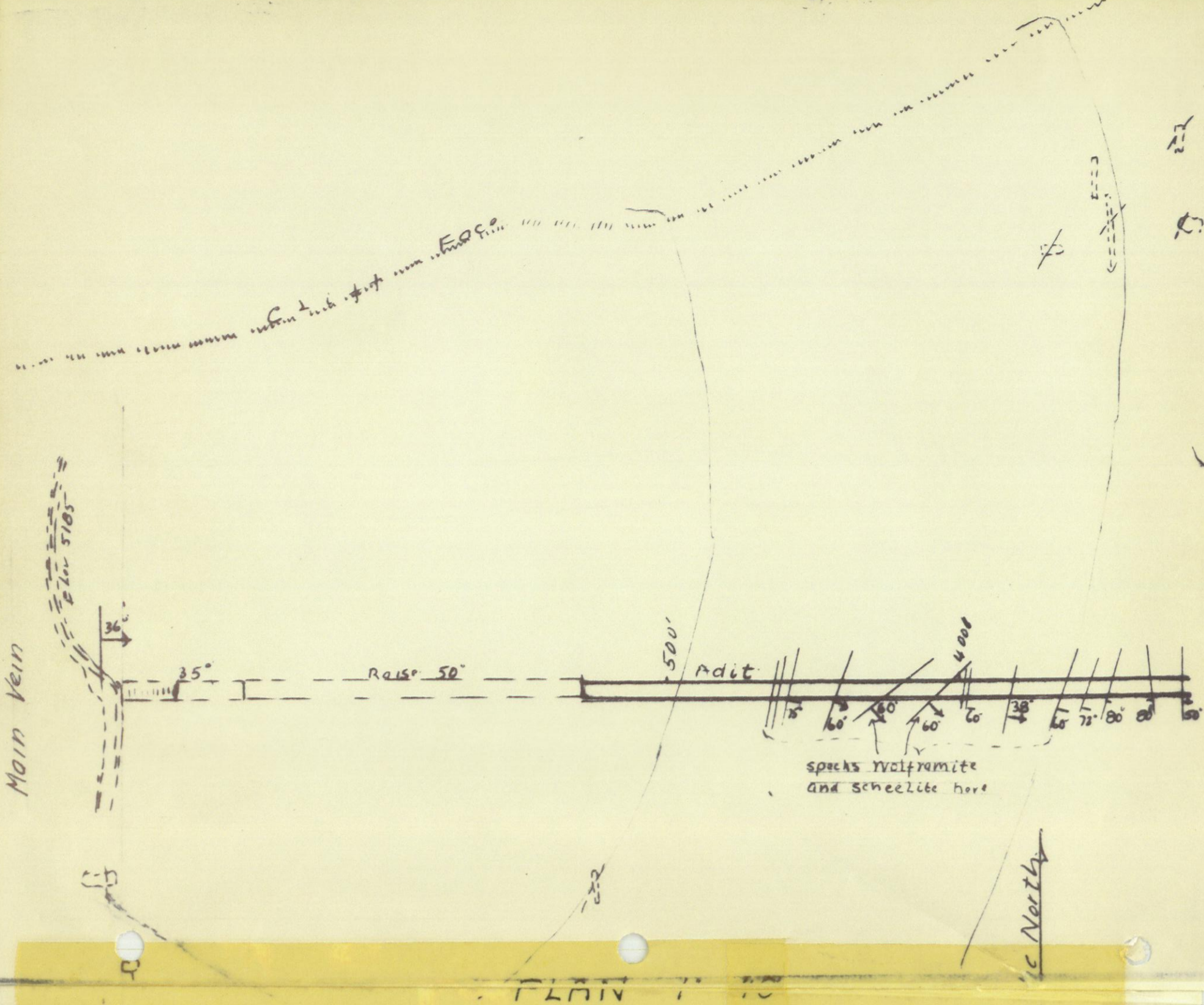
Vugs - On the north west slope of the hill, north and west of the main showing, I found loose boulders which on being broken into showed vugs lined with fine quartz crystals, in one case the entire vug was lined with quartz which also encrusted a large crystal of fluorite (purple). This was a very interesting specimen and is now at U.B.C.

By the time the management squabbles were over, the price of Tungsten dropped from \$65 a unit to below ~~the~~ \$20.

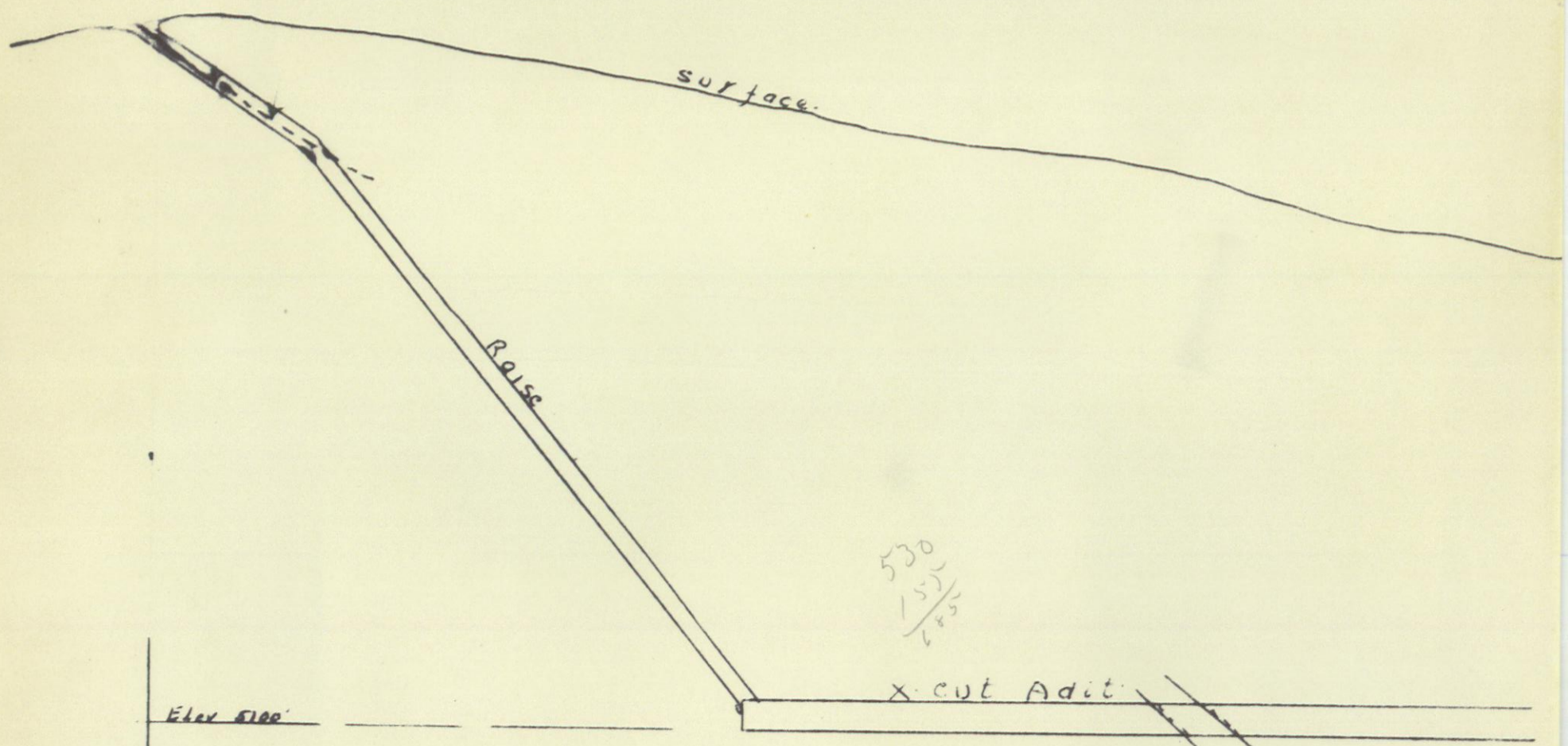
Just how much ore there might be available there now I do not know. As the veins are narrow the tonnage would not be high, but there was some very high grade ore in the main vein outcrop. I have always felt that there was the making of a small high grade mine on the hill. There might also be a low grade structure. I am fairly sure that no drilling was done at any time. A drilling program is probably in order. We took the property over in the winter, and we took a chance on finding some high grade ore while the price was high.

I hope the above and the enclosed information may be of some value to you,

Yours very truly,

 D.C. McKechnie



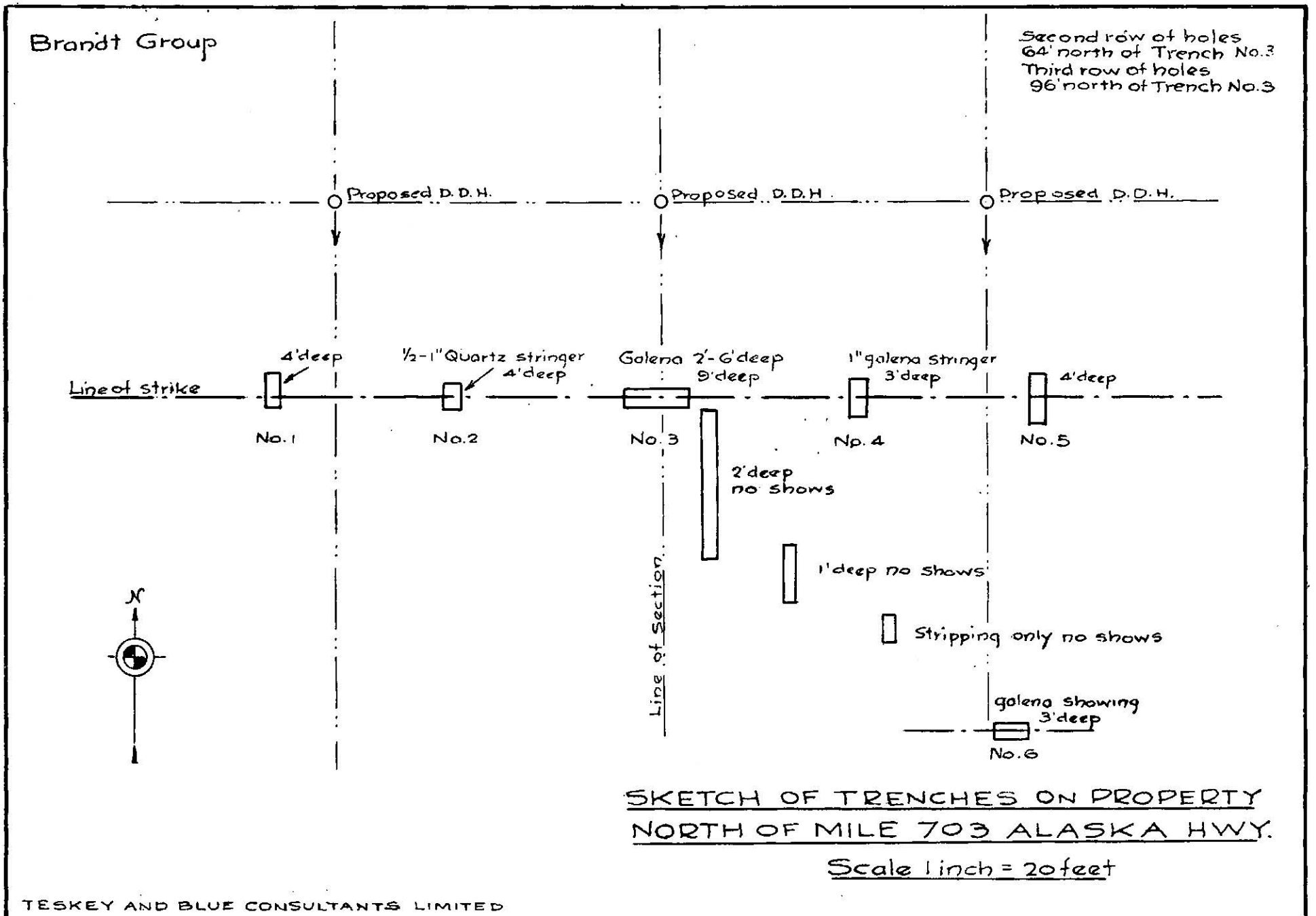
Tungsten ore to have
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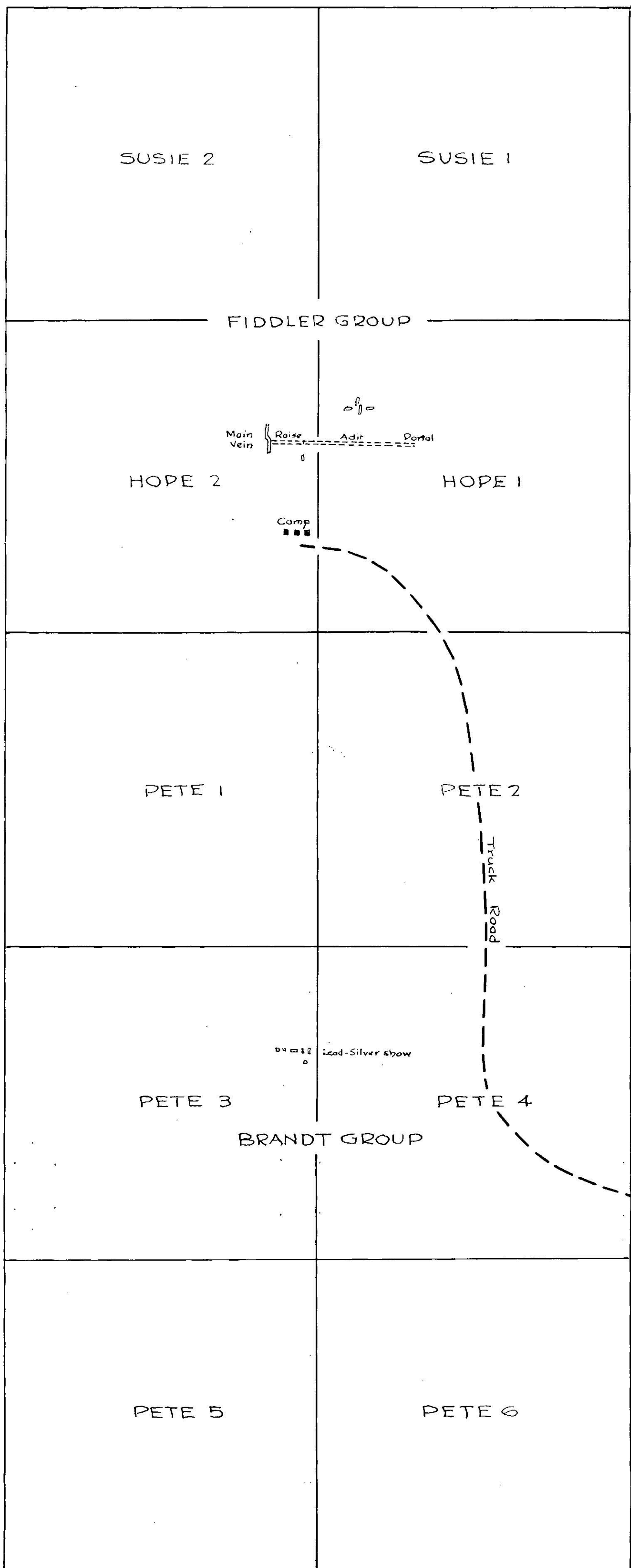


SECTION - 1" = 40'
 FACING NORTH.

DEM
 Feb 10/62

YUKON TUNGSTEN CORP
 (FIDDLER GROUP)
 MILE 701-ALASKA HIGHWAY Y7





SKETCH MAP OF
PROPERTIES OF
NATIVE MINERALS LTD.
YUKON TERRITORY
NOT TO SCALE

