

Vancouver, B. C.
July 6, 1970.

Directors,
Silver City Mines Ltd.
Vancouver, B. C.

Gentlemen;

I wish to submit the following brief progress report to June 30, 1970, on your White River Property.

GENERAL SUMMARY:

Subsequent to freighting supplies and equipment to the property in March and early April, I visited the property from April 18 to 22 to discuss plans for adit development with Dr. Hanna and Bill Zenuic, who was to be in charge of the camp during the planned operation.

The adit site was located on section line 105 N and at an elevation of approximately 2900 ft. The portal site and tunnel line were marked out approximately on the surface for guidance in the initial work.

Considerable time and expense were saved by using existing roads and locating the compressors and servicing equipment adjacent to section line 105 N some 80 ft. above the portal. The mucking machine and scootcrete were let down by cable after preparation of the portal site which was prepared by May 1st..

Between May 1st and June 24, 1124 ft of tunnelling were completed; the direct cost of this work is not at present available. For the detail location of this work see Map 1 and sections 1-8, which give the positioning relative to past drill development.

The initial examination (1967) indicated the chalcocite - Copper mineralization was controlled by a shearing or fracturing trending $N10^{\circ} - 20^{\circ} E$. Initial drilling in early 1968, laid out on this basis, substantiated this general assumption and also indicated faulting of the zone. Subsequently an Induced Polarization survey indicated the faulted section of the main zone north of section line 104 N and also indicated a continuation northward for some 2000 ft. (see Seigel survey plates 2, 3 & 5). This survey also indicated the initial drilling was in a broken and faulted area of ground. In Nov. 1968 a hole - N^o 12 - was drilled adjacent to section line 107 N to check the anomaly shown by the I.P. survey. Some 68 ft of good chalcocite mineralization was intersected by the drill, which added considerable encouragement in the interpretation of the other anomalies indicated by the survey.

Continued

Report 091323 was
submitted for work
done in 1974 -
This report was
submitted in 1970

091323

The drilling program of 1969 was undertaken to check the various anomalies indicated, mainly Axis "A1" (the main zone) "A2" and "A3". The results on axis "A2" suggested a pyrite mineralization with no copper values; the drilling on axis "A3" was not properly located on section line 102N and only partially crossed the indicated anomaly on section line 98N.

The drilling on area adjacent to Axis "A1", the main zone, was somewhat conflicting, but sufficient intersections were made to warrant an evaluation of the area, delineated by drilling, by adit development.

The limited underground program just completed has indicated :

(a) There is a zone of copper mineralization trending generally north to slightly east of north, which appears to be controlled by an indistinct (at present) member of the volcanic rocks, rather than a shearing or fracturing as originally indicated.

(b) The mineralization as exposed is mainly native copper, (Cu) with minor chalcocite (Cu_2S). This copper mineralization is occurring in fractures striking generally easterly, across the member. The native copper occurs in irregularly spaced veinlets varying in thickness from knife edge to 1/2" to 3/4"; as nuggets or small plates; and some sparsely scattered in the volcanic rock. Chalcocite occurs as veinlets and lenses up to 2" thick or along with the copper but on the whole is quite irregular and sparingly present.

(c) The mineral zone, in the area exposed, has been subjected to considerable faulting and displacement as previously indicated. Local faulting, as exposed in the workings about section 107N (DDH No. 12) has apparently cut off the surface projection of the mineral zone exposed in DDH No. 12. See map 1.

SAMPLING :

As the main value in the exposed mineralization is native copper, occurring in irregular form and amount, the sampling to establish an acceptable average value, becomes quite difficult unless relatively large volumes of material are treated for the recovery of the copper, occurring as it does in slabs, nuggets and plates of various sizes. Such facilities are not available on the property now.

An attempt was made to obtain some indicated value by taking four or more double handfuls of the finer material (up to 2"±) from different places on top of each load of muck prior to dumping. Any piece of muck with noticeable copper in it was not included as it was considered such inclusion would likely overweight the sample. This method of sampling resulted in an overall sample of 50 lbs plus from each round (average 5.5' advance by 7' by 7' roughly). This sample was then manually broken down to 1/2" to 3/4" (maximum) size and then quartered down to a final sample of roughly 5 to 8 lbs and sent in for assay.

Continued

The results are plotted on the "assay plan" map 2. The values vary widely from one sample to the next, and except for the extreme southerly exposed zone, are on the whole of sub ore grade. However, in considering the amount of copper observed in most of the rounds, as mucked, it is felt the results are low, — but how much low is an open question.

FUTURE WORK :

(a) As a check on copper values, as well as indicating the possible width and depth of the mineral zone, consideration should be given to a program of close drilling from selected sites along the underground workings. These holes should be at approx. right angles to the easterly fractures as noted above. A minimum of 2000 ft should be considered with adjustments as results are obtained.

(b) In considering further work it should be noted that all work to date has been in an area of much faulting and fracturing. No work of any consequence has been done to evaluate the I.P. anomalies on section lines 111 N to 124 N.

In this regard attention is called to the plotting of results by Seigel & Assoc. on Base lines "A" and "O" as furnished to them. As plotted by them the I.P. results appear irregular along this northern extension — see plate 2 Seigel & Assoc. This is due, I believe, to Base Line "A" not being plotted as the line actually exists. A check measurement along section line 113N from Base Line "A" to Base Line "O" indicates that Base Line "A" should be plotted some 250 ft further west than it is now shown on their plate 2.

On map 3 I have plotted Base Line "A" relative to Base Line "O" as my compass and chain survey has indicated and then replotted the "chargeability values" of Seigel and Assoc. on their respective sections. This corrected plotting indicates a marked indicated favourable zone of I.P. anomalies extending in a general N20° E direction.

It should also be noted that in the area of section lines 100 N to 105 N their magnetic and I.P. anomalies more or less overlap, but from section line 111N to line 124N the magnetic anomalies lie to the east of the I.P. anomalies. This suggests to me that the I.P. chargeability readings are indicating a metal content other than that caused by any magnetite-ilmenite that is probably causing the magnetic anomaly. As far as the I.P. results indicate, this northern section appears to be relatively free of faulting and dislocation.

Previously I have indicated this northern zone warrants checking and surface drilling was suggested. Considering the results obtained from this years program to date, it seems advisable to change any such work to an adit development supported by lateral underground drilling. This would embrace approximately 2000 ft of drive plus roughly 4000 ft of underground drilling.

Continued

If such a combined (a and b) operation is considered this year, prior to freeze up, I would make a preliminary estimate of approximately 4 months at a cost of \$175,000.00. More detailed figures can be given after decisions are made.

INVENTORY :

Presently at the property are approximately 560 gals of gasoline and 8177 gals of diesel fuel. A varied assortment of cookhouse stables are also on hand.

Respectfully submitted,

A handwritten signature in cursive script that reads "Wm. V. Smitheringale".

Wm. V. Smitheringale.

Vancouver, B. C.
July 6, 1970.

CERTIFICATE

I, Wm. V. Smitheringale, Professional Engineer, do hereby declare that :

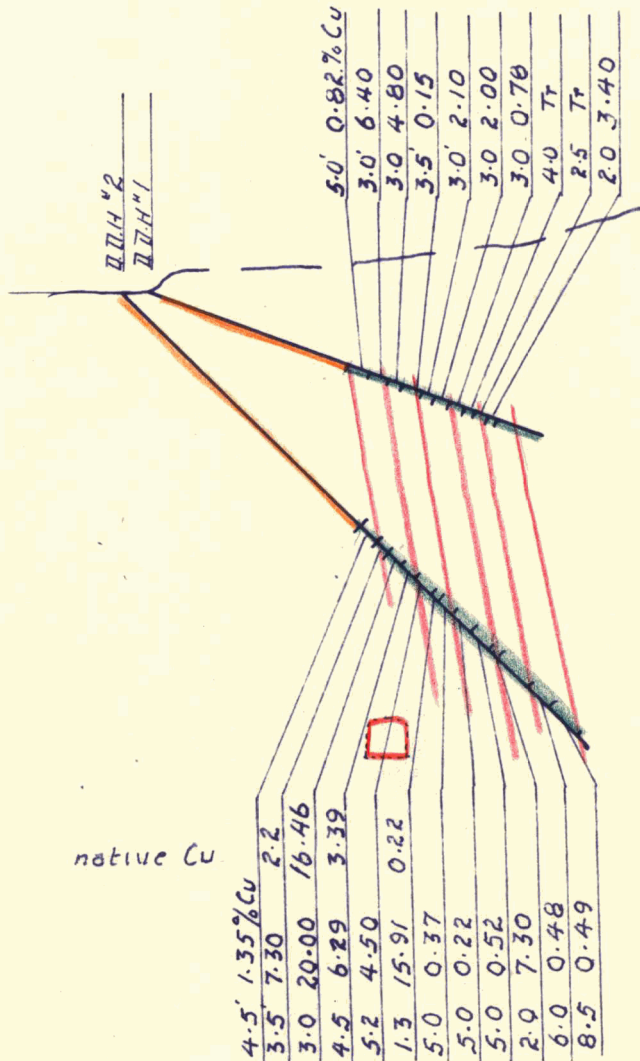
1. I am a graduate of the University of British Columbia App. Sc. 1924
M. A.Sc., Geol. Eng. 1925, PhD. M.I.T. 1928.
2. I am a registered member of the Association of Mining Engineers of
British Columbia.
3. I am practising as a consulting engineer in mineral exploration in
British Columbia.
4. I do not now have nor do I expect to have either directly or indirectly
any financial interest in Silver City Mines Ltd. or in any of its securities.
5. This report is based on a personal examination of the property during the
period from April 18th to June 24, 1970 and previous periods in 1968
and 1969.

Wm. V. Smitheringale,



July 6, 1970.

Elev 2998



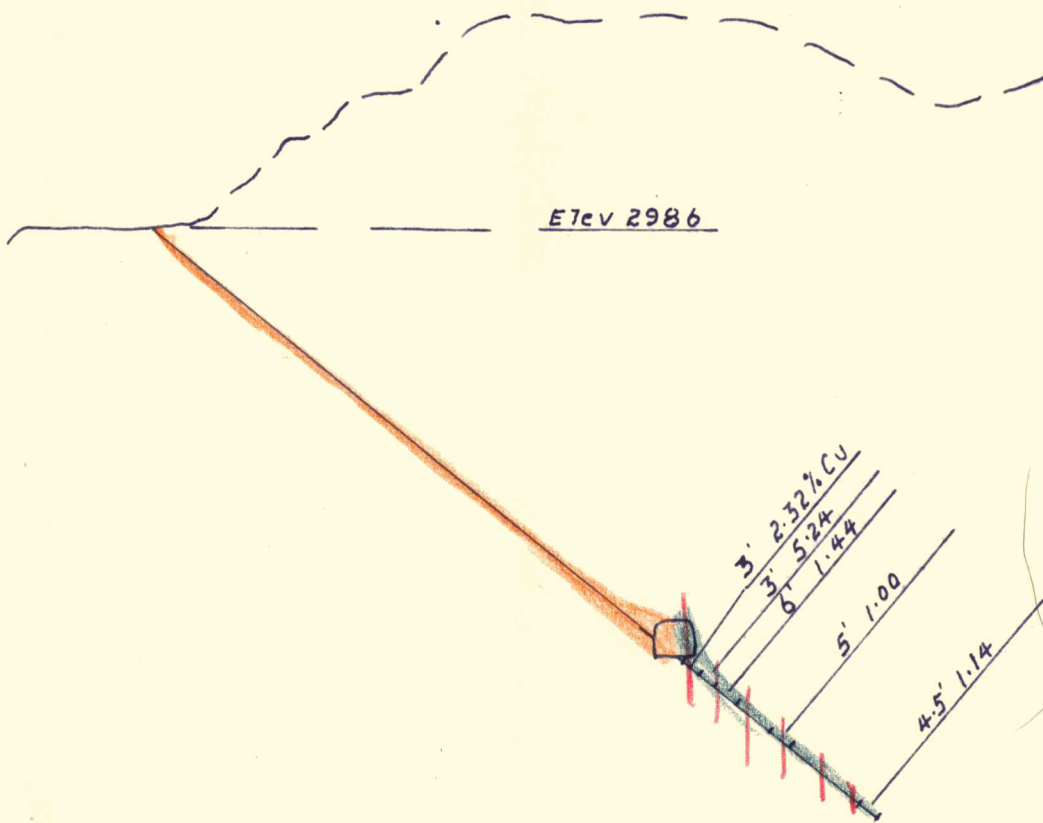
native Cu

SECTION B B H "1 & 2.

projected to common plane 075°

Scale 1" = 40' 30" June '70

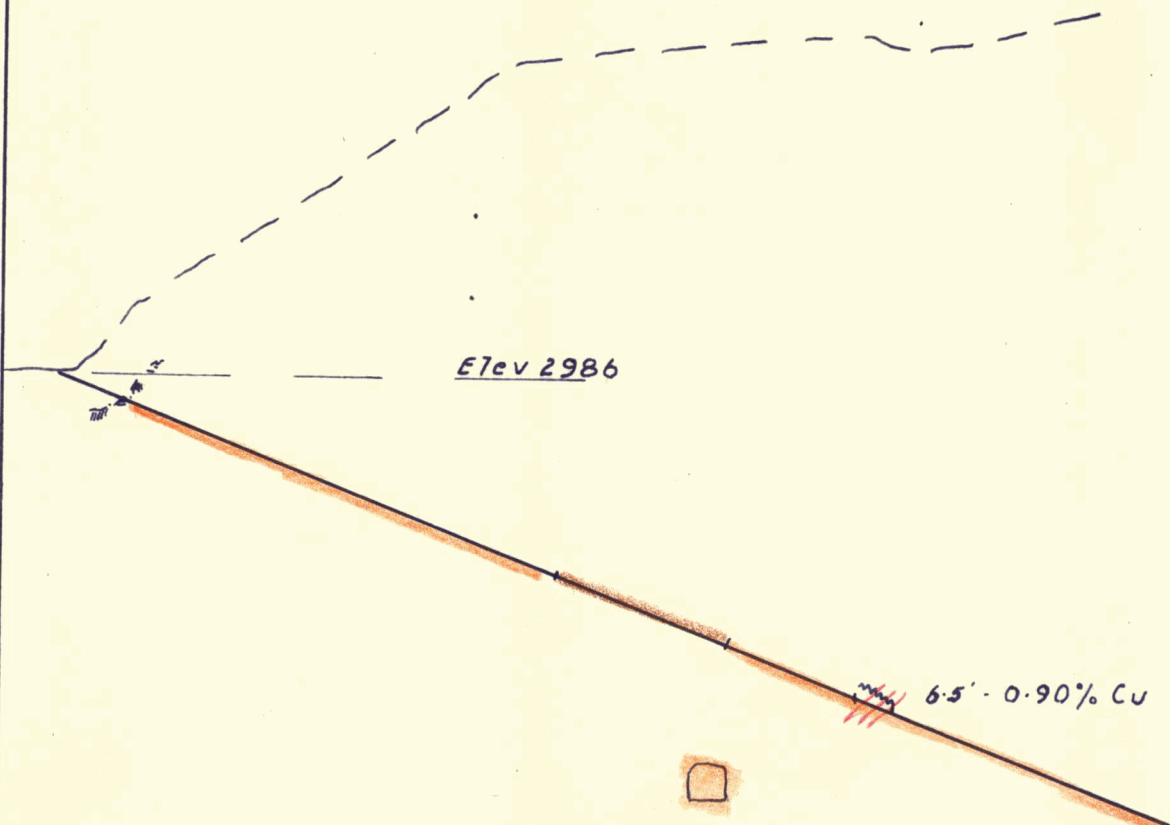
Section "1



SECTION D.D.H #6

Scale 1"=40' 30th June '70

Section #2



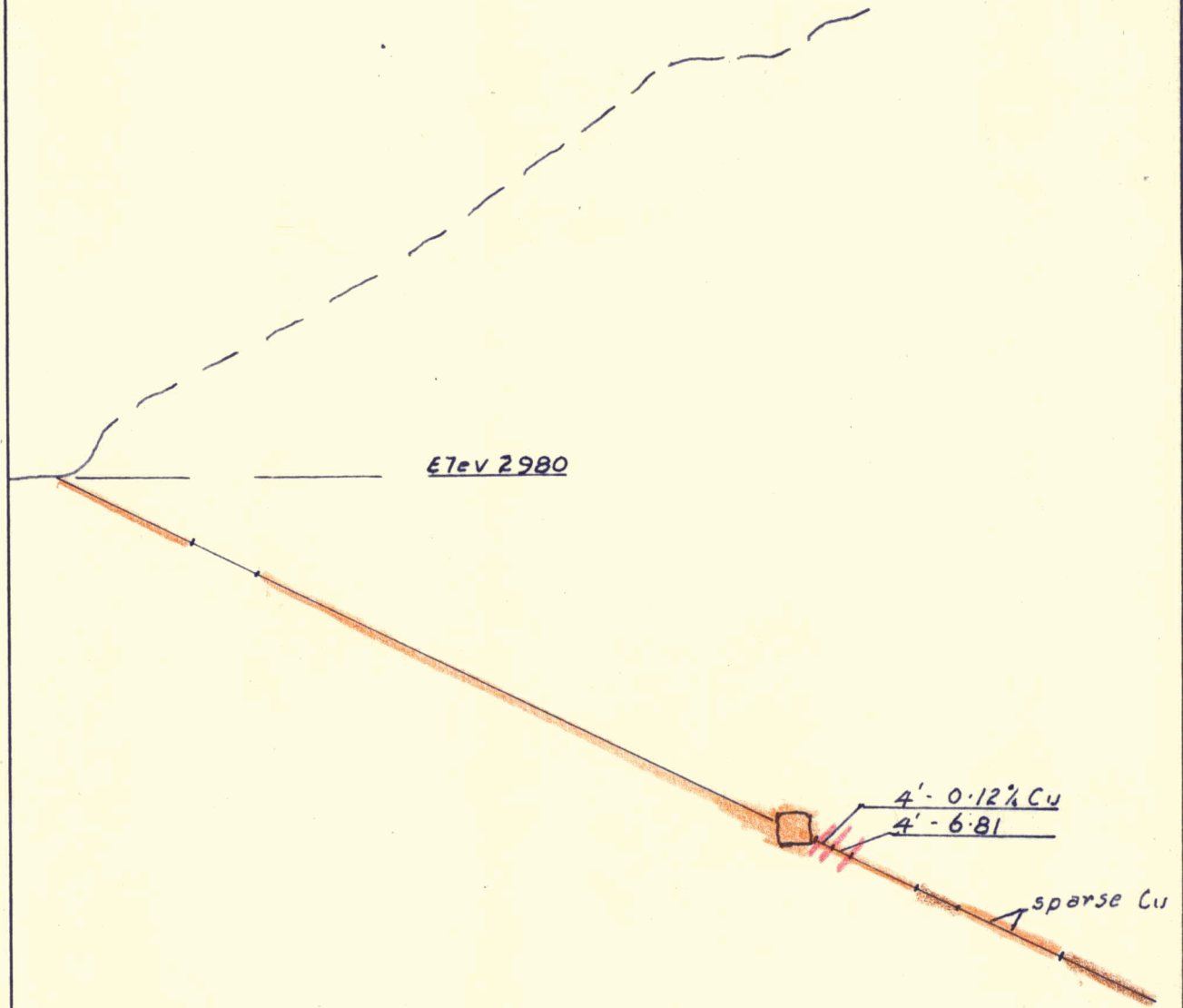
Elev 2986

6.5' - 0.90% Cu

SECTION I.D.H. #7

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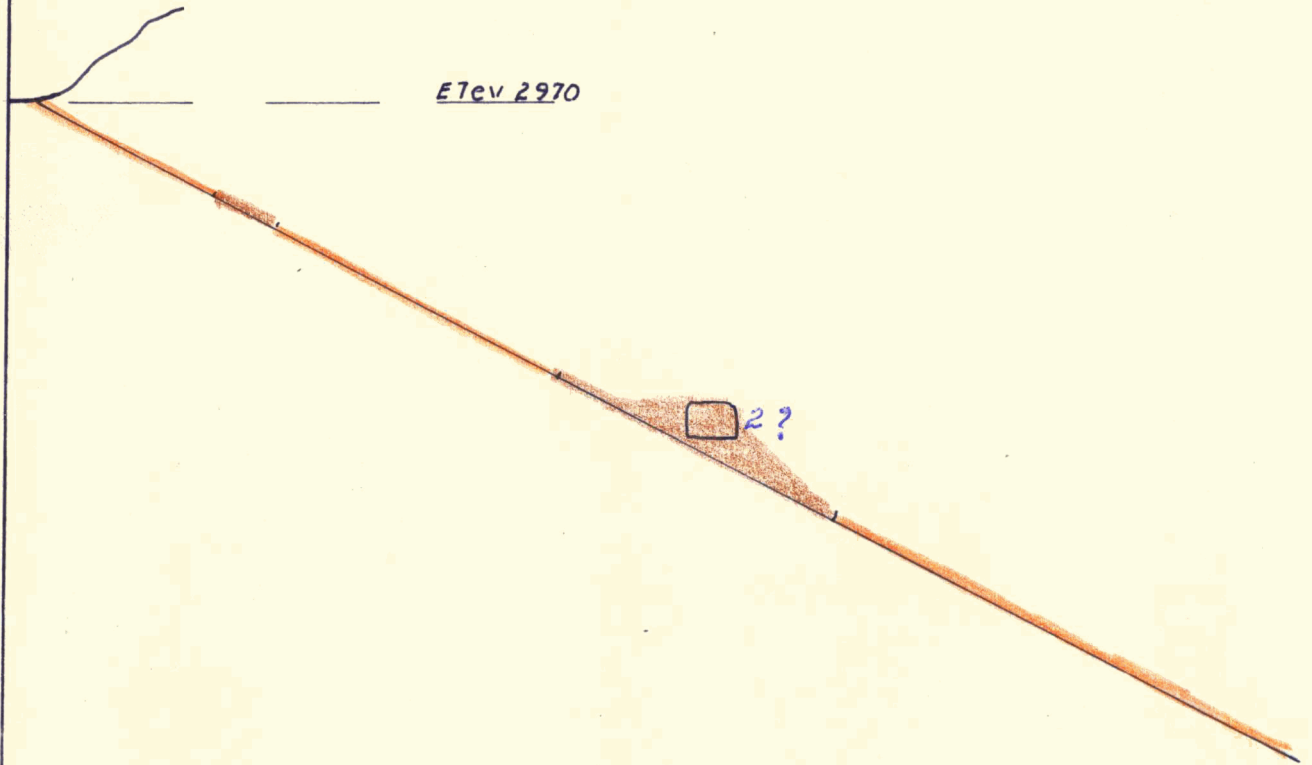
Section #3



SECTION DDH#5

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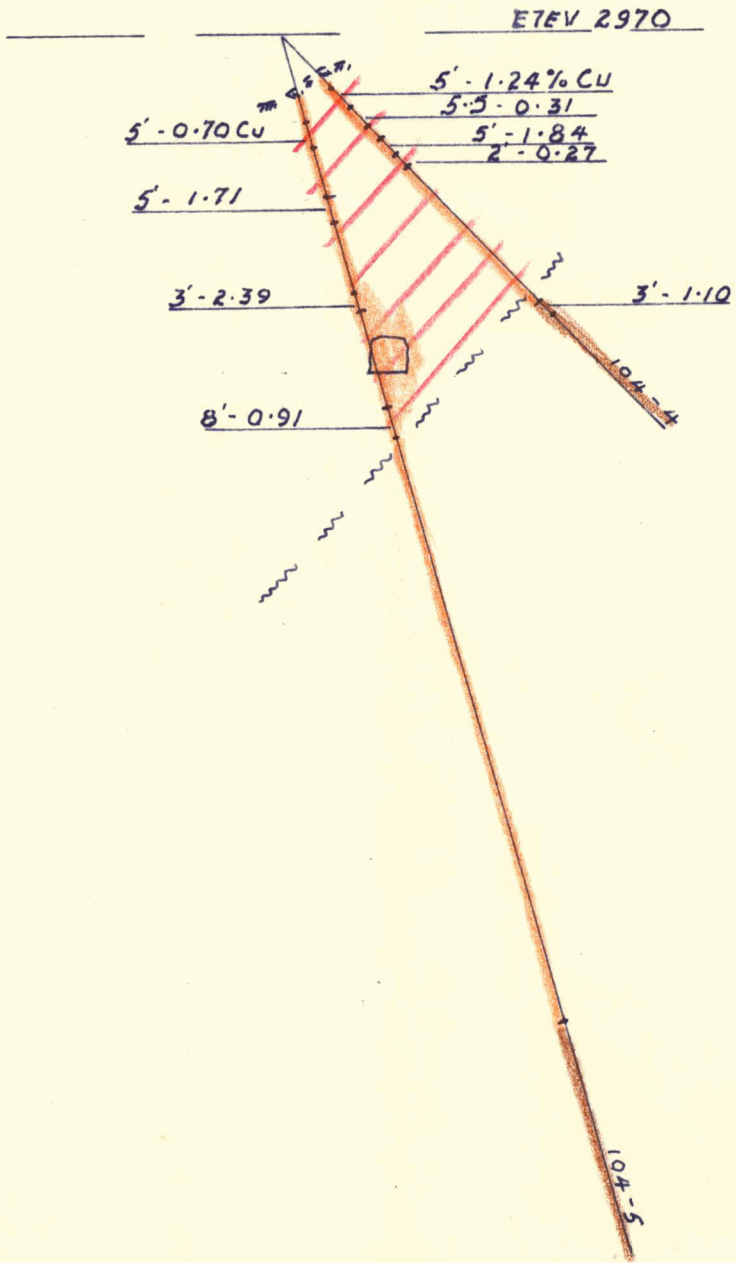
Section #4



SECTION D.D.H. #11

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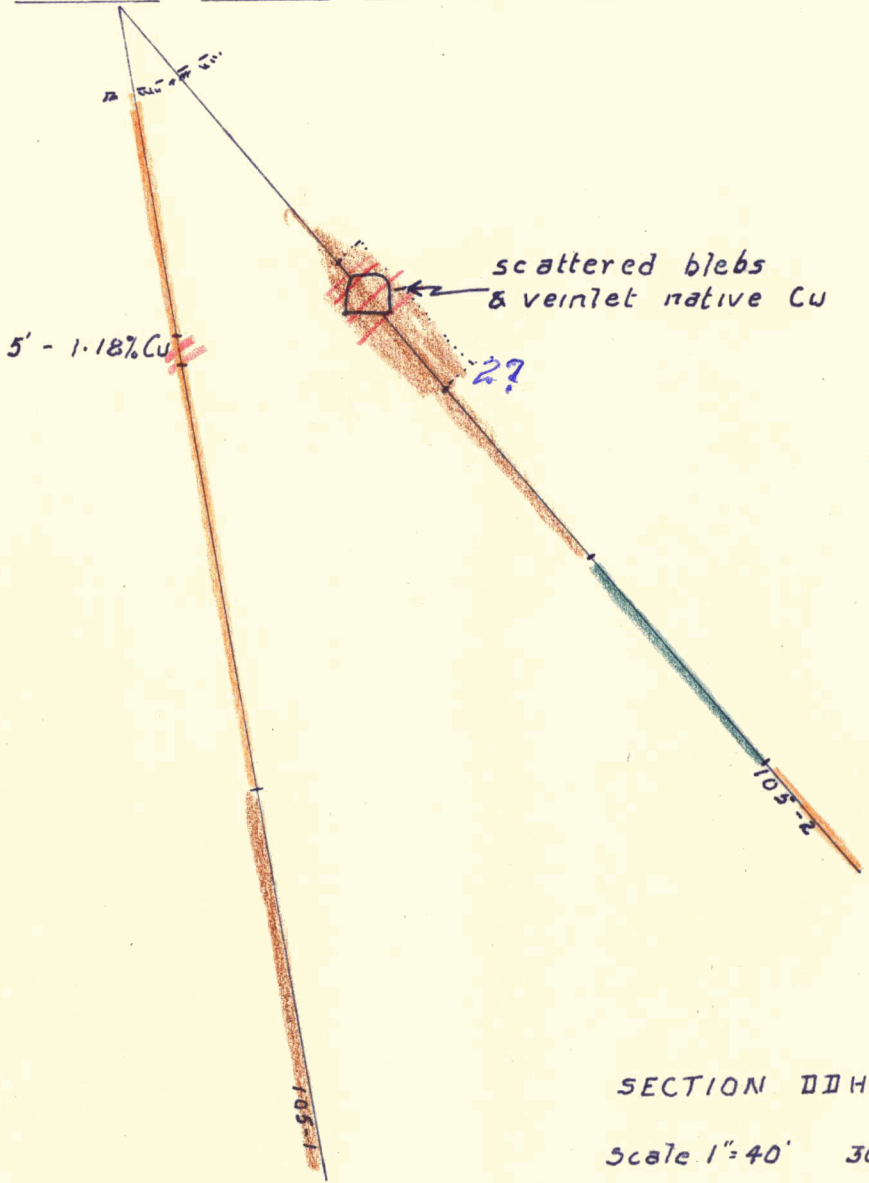
Section #5



SECTION DDH 104-5
 scale 1" = 40' 30" June '70

section #6

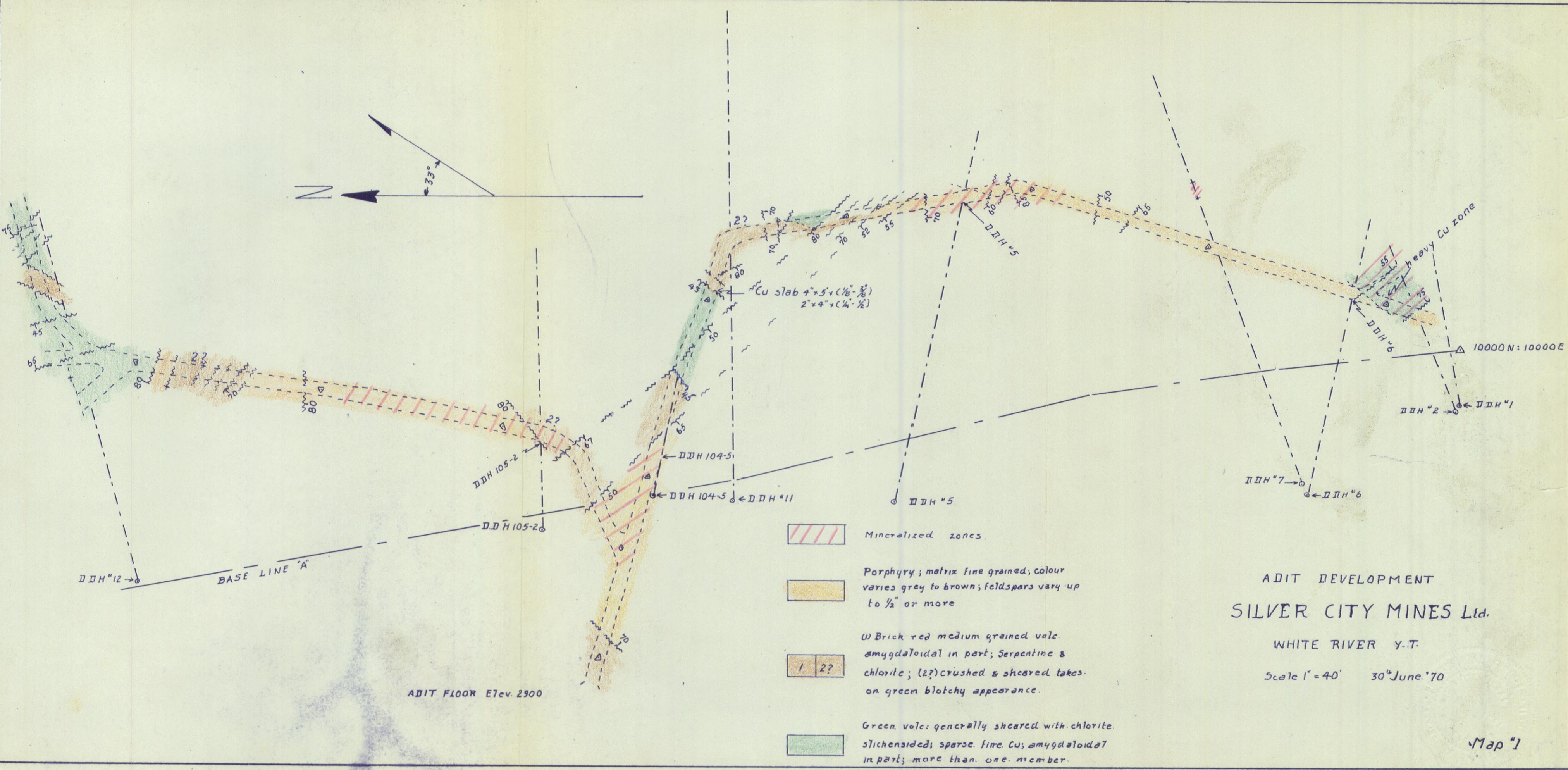
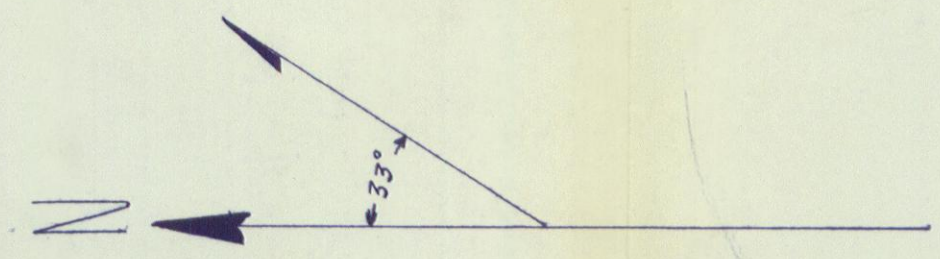
Elev 2965





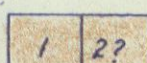
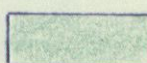
SECTION DPH 105-2.

Scale 1"=40' 30 June '70

section "7

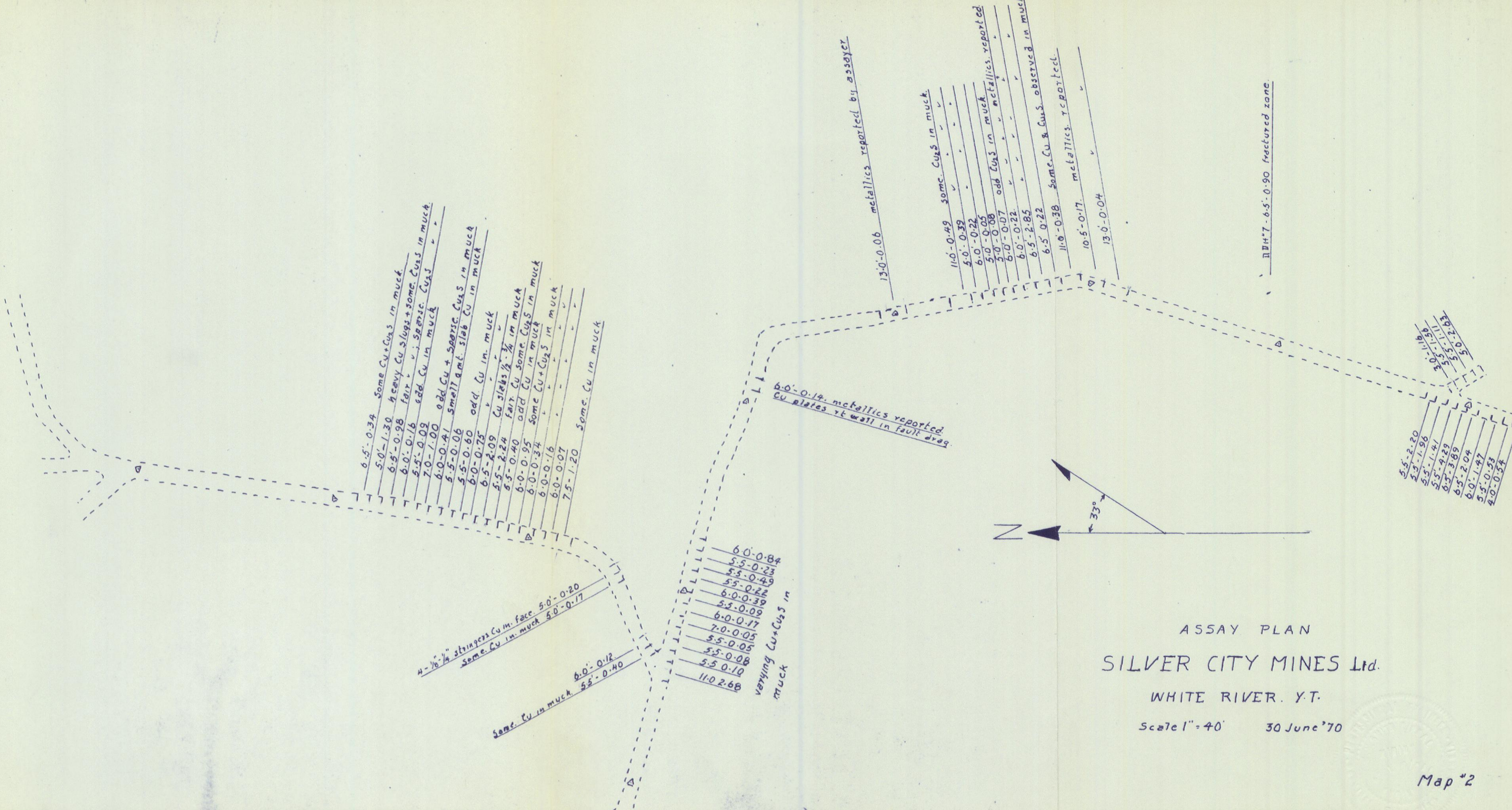


ADIT FLOOR Elev. 2900

-  Mineralized zones.
-  Porphyry; matrix fine grained; colour varies grey to brown; feldspars vary up to 1/2" or more
-  (1) Brick red medium grained volc. amygdaloidal in part; Serpentine & chlorite; (2?) crushed & sheared takes on green blotchy appearance.
-  Green volc: generally sheared with chlorite. Slichensided; sparse. fine Cu; amygdaloidal in part; more than one member.

ADIT DEVELOPMENT
SILVER CITY MINES Ltd.

WHITE RIVER Y.T.
Scale 1" = 40' 30" June '70



6.5'-0.34 Some Cu+Cu₂S in muck
 5.0'-1.30 heavy Cu slugs in muck
 6.5'-0.98 fair v. sparse Cu₂S in muck
 6.0'-0.16 odd Cu in muck
 5.5'-0.09 odd Cu + sparse Cu₂S in muck
 7.0'-1.00 smelt amt. slab Cu in muck
 6.0'-0.41 odd Cu in muck
 5.5'-0.06 odd Cu in muck
 5.5'-0.60 Cu slabs 1/2 - 3/4 in muck
 6.0'-0.75 fair Cu some Cu₂S in muck
 6.5'-2.24 odd Cu in muck
 6.0'-0.95 some Cu+Cu₂S in muck
 6.0'-0.34 Some Cu+Cu₂S in muck
 6.0'-0.16 Some Cu in muck
 6.0'-0.07 Some Cu in muck
 7.5'-1.20 Some Cu in muck

4-1/2" stringers Cu in face 5.0'-0.20
 Some Cu in muck 5.0'-0.17
 6.0'-0.12
 5.5'-0.40

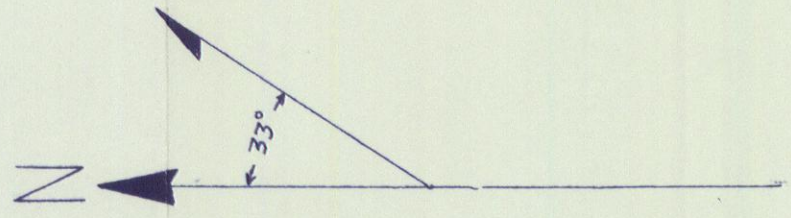
6.0'-0.84
 5.5'-0.23
 5.5'-0.49
 5.5'-0.22
 6.0'-0.39
 5.5'-0.09
 6.0'-0.17
 7.0'-0.05
 5.5'-0.05
 5.5'-0.08
 5.5'-0.10
 11.0-2.68
 varying Cu+Cu₂S in muck

6.0'-0.14. metallics reported
 Cu plates vt wall in fault drag

13.0'-0.06 metallics reported by assay

11.0'-0.49 some Cu₂S in muck
 5.0'-0.39
 6.0'-0.22
 5.0'-0.05
 5.0'-0.08 odd Cu₂S in muck
 6.0'-0.07 odd Cu₂S in muck
 6.0'-0.22
 6.5'-2.85
 6.5'-0.22
 11.0'-0.38 some Cu & Cu₂S observed in muck
 10.5'-0.17 metallics reported
 13.0'-0.04

11.0'-0.90 fractured zone



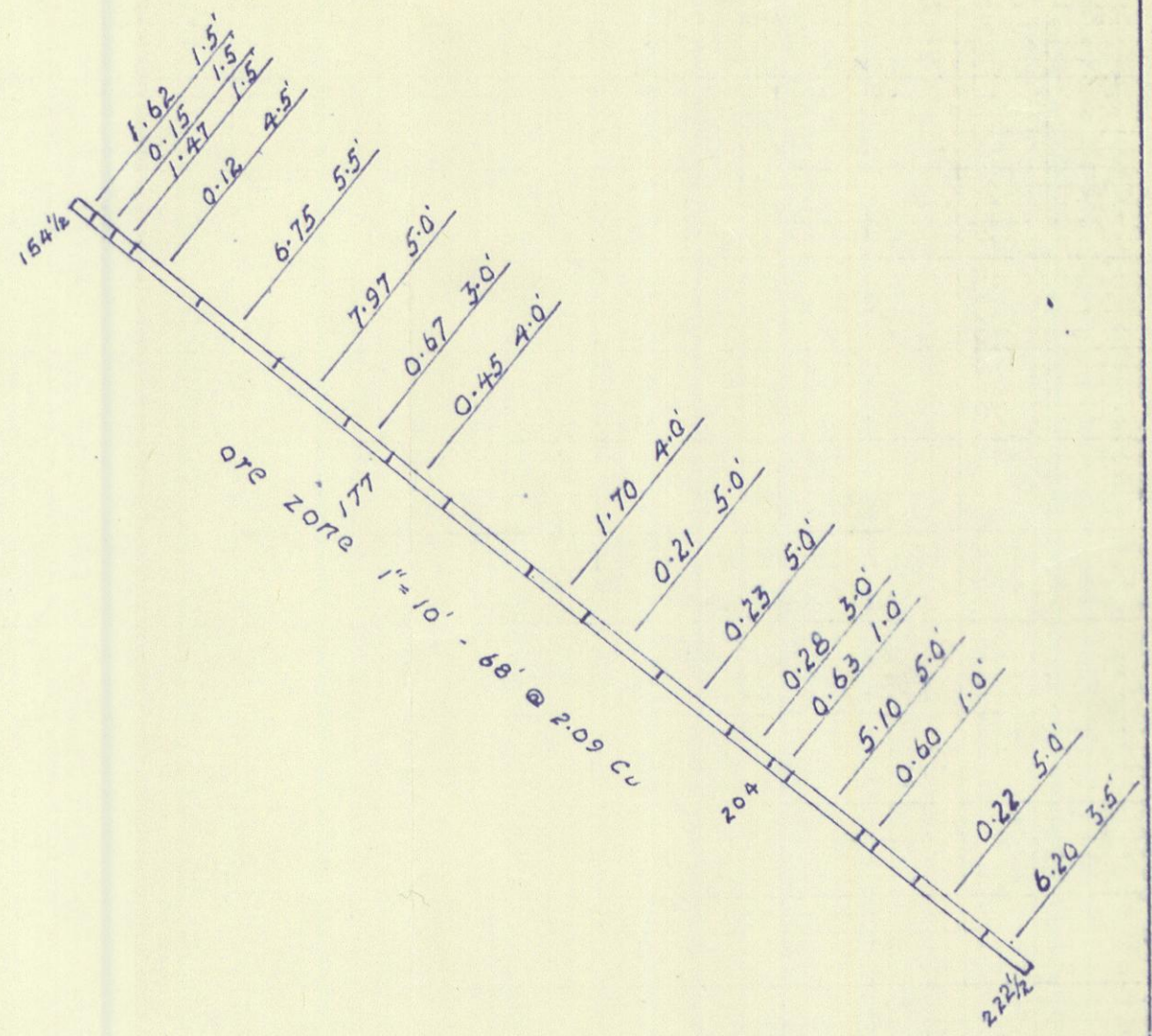
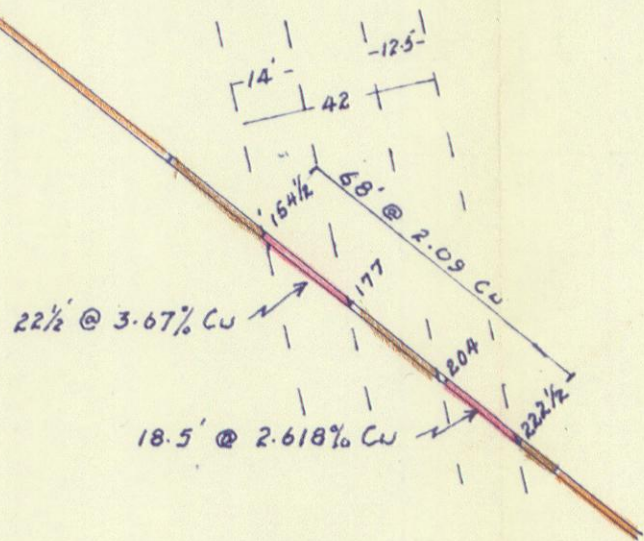
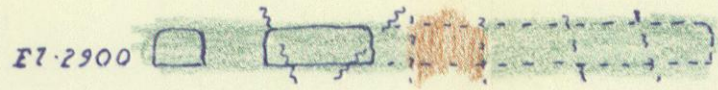
5.5'-2.20
 5.5'-1.96
 5.5'-1.41
 5.5'-4.29
 6.5'-3.89
 6.5'-2.04
 6.0'-1.47
 5.5'-0.53
 4.0'-0.54
 6.5'-0.3
 5.5'-0.5
 5.5'-2.05
 6.5'-2.05

ASSAY PLAN
 SILVER CITY MINES Ltd.
 WHITE RIVER, Y.T.
 Scale 1" = 40' 30 June '70

D.D.H. #12
 075°-39' 254'
 Elev. Collar 2921

BASE LINE "A"

zone of surface anomaly



SECTION D.D.H. #12
 Scale 1" = 40' 30th June '70

section "8"