

SILVER SPRING MINES, LTD. (N.P.L.)

PADDY-CAROL CLAIM GROUP

MAYO M.D., 105-M-14

LAT. 63° 57'N., LONG. 135° 24'W.

SUMMARY OF UNDERGROUND DEVELOPMENT PROGRAM

February 25, 1971 to April 1, 1971

by

ARTHUR W. GORING
Manager, Reg. Prof. Engr.

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ILLUSTRATION

Figure 1	Paddy Carol Adit	-	1" = 40' (in pocket)
Figure 2	2501 Raise	-	1" = 40' (in pocket)
Photographs as titled			(pages 3 and 4)

SILVER SPRING MINES, LTD. (N.P.L.)

PADDY-CAROL CLAIM GROUP

Mayo M.D., 105-M-14
Lat. 63° 54'N., Long. 135° 24'W.

SUMMARY OF UNDERGROUND WORK
February 25, 1971 to April 1, 1971

1. Introduction

This report summarized the underground exploration work conducted by Silver Spring Mines, Ltd., (N.P.L.) for the period from February 25, 1971 to April 1, 1971.

The development program was supervised by the undersigned, and the underground work was done by M. Boyles Mining Contractors, Vancouver, B.C.

Camp construction, road repair work and management of the camp was directed by Mr. Fred Tokar, Camp Manager.

2. Work Completed

Approximately one mile of winter road was bulldozed to eliminate the steep grades of the regular road, and the road to the mine and the portal site were worked on. At the portal site a rented compressor was installed. Also near the portal is a small lunch room for the mining personnel. The powder magazine is located some 500 feet east of the portal.

During 1969, 447 feet of drifting and 200 feet of raising were completed (please refer to Figure 1 - attached to this report). This previous work was done under the supervision of P.H. Sevensma Consultants, Ltd., Vancouver, B.C. As the previous work was done using trackless equipment, rails and ties were laid from the dump at the portal site into the prior workings on the 2500 foot level. In addition, four full timber sets were installed starting at 30 feet in from the portal due to the schist. Drifting was commenced at the SW extremity of the 2500 foot level for a distance of 151 feet, where a chamber was blasted for the purposes of future possible diamond drilling. This drift is labeled "A" on Figure 1 - Paddy Carol Adit - attached to this report.

2. Work Completed (Cont'd.)

Drifting was started on drift labeled "B" for a distance of 194 feet in an attempt to intersect the projected extension of the south vein that was found in the raise. No downtime was incurred and there were no injuries to any of the workmen employed on the job.

3. Geology

The rocks present in the underground workings are all in the lower schist formation of the Yukon Group. The rocks encountered were of essentially three different types. These are schist which varies from the grey micaceous to the black graphitic type, also an altered basic intrusive rock locally termed greenstones.

The greenstones intruded the metamorphosed sediments, as plunging sill-like masses with an indicated thickness in the area of interest of about 80 feet.

The third type of rock encountered was grey argillite.

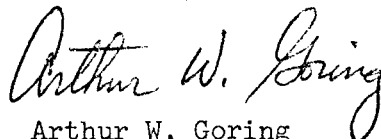
4. Summary

No mineralization was evident in the southwest drift, labeled "A" on attached Figure 1 - Paddy Carol Adit after the first three feet until the chambered area was reached. This was at 151 feet from the start of the drift. At this point two samples were taken of a mineralized zone about two feet wide in the center of the face. Each sample represents about one foot in width and was composed of galena, sphalerite, calcite, quartz and minor pyrite. A copy of the assay certificate from the Whitehorse Assay Office for these two samples is attached to this report. The southwest drift, which was driven to intersect the south vein in the raise encountered no mineralization. This drift changed to greenstone about 45 feet from the start, after being in schist.

5. Recommendations

As this report is an interim report, and covers the period to April 1, 1971, and as work was continued after that date, recommendations as to future work will be forthcoming in the later report.

Respectfully submitted,



Arthur W. Goring
Manager



PICTURE #1 - Mine Dump & Compressor House
from road below mine portal
- looking southeast



PICTURE #2 - Outside mine portal showing
dump, track 8, Compressor
House - looking west



PICTURE #3 - Mine Portal - looking south



PICTURE #4 - On mine dump - (L) Fred
Tokar, Camp Mgr. & Len
Aantonen, Labourer - looking
northwest



PICTURES #5 and #6

MINERALIZED ZONE
(Refer to Figure 1)

Two assays were taken as shown on left photo. Assay results for samples No. 1 and 2 were as follows:

	<u>Sample #1</u>	<u>Sample #2</u>
Silver (oz. per ton)	11.86	1.72
Lead (%)	4.92	0.34
Zinc (%)	5.76	3.90
Cadmium (%)	0.09	0.06

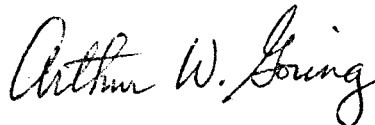
The white streaks in the pictures are mainly calcite, with minor amounts of quartz.

CERTIFICATE

I, Arthur W. Goring, of 739 - Willard Rd. S.E., in the city of Calgary, province of Alberta, DO HEREBY CERTIFY:

1. THAT I am the Senior Mining Engineer for Canadian Reserve Oil and Gas Ltd. with business address located at 1600, 639 - 5th Avenue S.W., Calgary 1, Alberta.
2. THAT I am a graduate of the University of Washington, Seattle, Washington where I obtained my B. Sc. and M. Sc. in Mining Engineering.
3. THAT I am a Registered Professional Engineer in Mining Engineering in the states of Colorado and Nevada, U.S.A.
4. THAT I have practiced my profession as a Mining Engineer for the past 25 years.
5. THAT I was on the property and supervised the work presented and described in this report.
6. THAT Canadian Reserve Oil and Gas Ltd. has no interest in the securities or properties of Silver Spring Mines, Ltd. at this time.

Dated this 8th day of November, 1971.



Arthur W. Goring, P. Eng.

DATE March 22, 1957.

ASSAY CERTIFICATE

FILE NO. 4472-80

WHITEHORSE ASSAY OFFICE

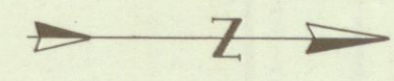
P.O. BOX 346, WHITEHORSE, YUKON

RECEIVED FROM William F. ...

SAMPLE NO.	GOLD OZ PER TON	SILVER OZ PER TON	COPPER	ZINC	OTHER			
1		11.08	4.02	5.76	.09			
2		1.78	.04	3.90	.03			

ASSAYER K. Heyland for G. Spalding

50 400W



Samples #1 & #2
per Assay sheet
taken here

"A"

LEGEND

- Drift outline
- Vein Fault, Mineralized fracture

Rock Types, Keno Hill "lower schist" Unit

- Schist, Carbonaceous, Micaceous part limey
- Argillite, thin bedded, some foliation development
- Greenstone, Massive to foliated mg. diorite

50,200 W

2501 Raise
See Figure 2

50,000 W

"B"

FIGURE No. 1

PADDY GROUP
ADIT

SILVER SPRING MINES LTD

49,800W

	BY	DATE	SCALE: 1"= 40'
DRAWN	A. B. H.	27-3-71	
CHECKED	J. O. V.	27-3-71	DWG No

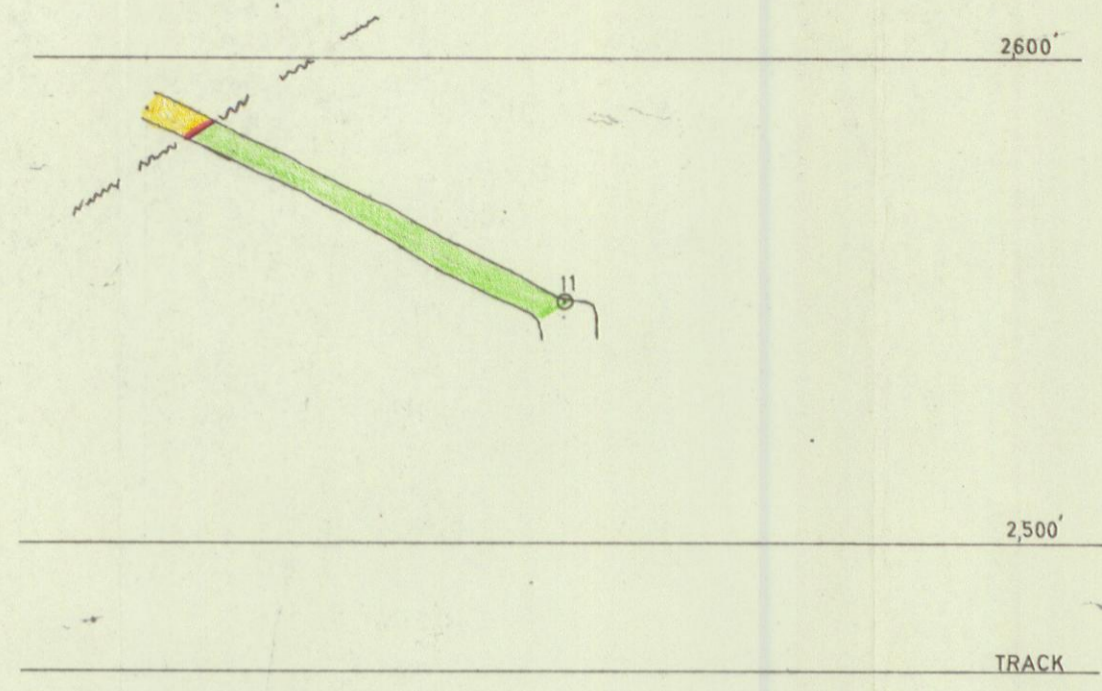
50,200 N

49,400 N

49,600 N

49,800 N

50,000 N



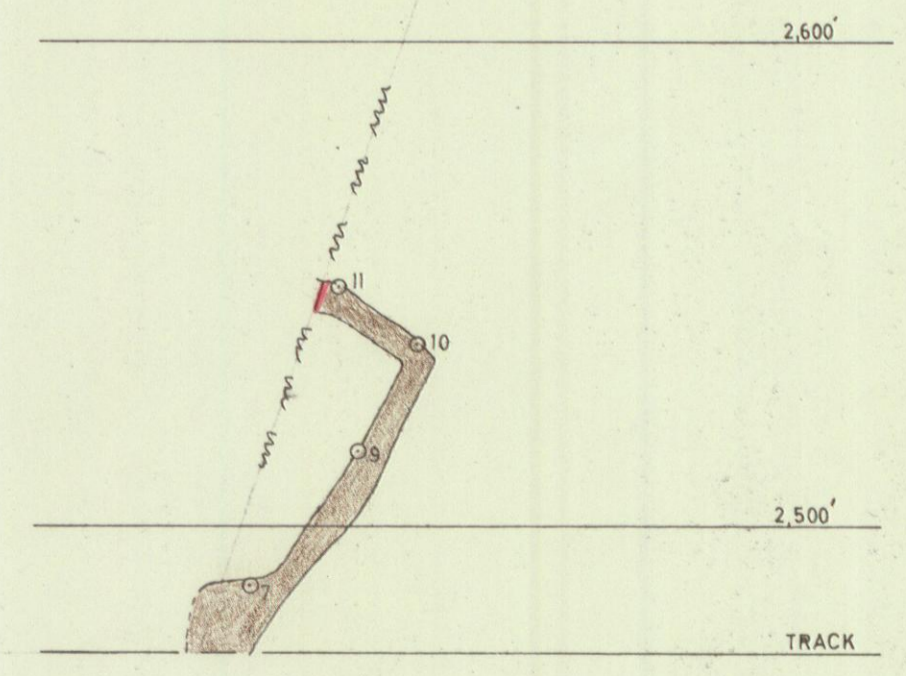
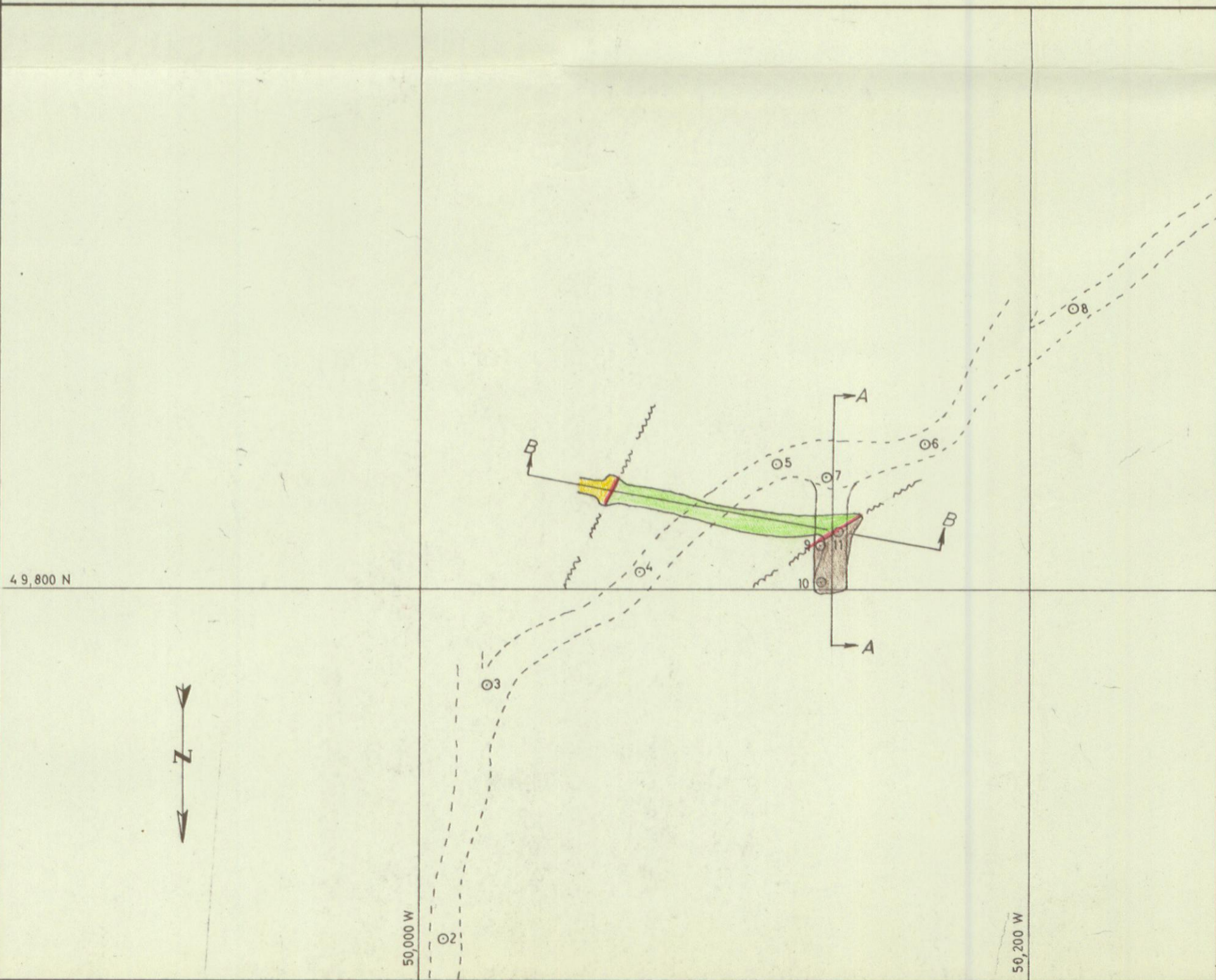
SECTION B-B

LEGEND

- Drift outline
- Vein Fault, Mineralized fracture

Rock Types, Keno Hill "lower schist" Unit

- Schist, Carbonaceous, Micaceous part limey
- Argillite, thin bedded, some foliation development
- Greenstone, Massive to foliated mg. diorite



SECTION A-A

FIGURE No. 2

2501 RAISE			
SILVER SPRING MINES LTD			
	BY	DATE	SCALE: 1" = 40'
DRAWN	A.B.H.	27-3-71	
CHECKED	O.V.	27-3-71	DWG No