**ASSESSMENT REPORT**

# 106D-04-1

# PESO

**PREPARED BY**

**DIAND TECHNICAL SERVICES**

MARCH, 1994

# 106D-04-1

# PESO

## LOCATION

Latitude: 64° 00'38"N
Longitude: 135° 57'56"W

The exploration site is located approximately 48km north of the community of Mayo in the Dublin Gulch area. The site can be reached by travelling from Mayo to the Dublin Gulch area and is located about 4km west of Dublin Gulch.

The site is between 1100-1150m above sea level.

Site maps showing the location of the site are attached as Appendix A to this report.

## WORK HISTORY

A work history has been compiled from the Department of Indian Affairs and Northern Development Yukon Minfile record 106D 021. This work history follows.

1910-1916 - Staked as Independence 1-8 by J. Alverson and G. Huffman, who sank a 4.9m shaft in 1912 and trenched until 1916.
June, 1949 - Restaked as Peso claims by Alverson and C.D. Poll.
1950 - Dozer trenching was completed.
1951-1952 - The claims were optioned by A.W. Johnston and J.W. Powelson.
1960 - The claims were optioned by Tanar Gold Mining Ltd. which transferred the claims to a new company, Peso Silver Mines Ltd. in 1961.
1961-1962 - Peso completed 381m of drifting and cross-cutting and 874.8m of drilling from 16 holes, extensive trenching and 11.3m of cross-cutting on the Rex vein.
1963 - Charter Oil Co. Ltd. purchased a major interest in Peso and completed about 1067m of underground development and 1067m of underground drilling from 35 holes.
1972 - 36 claims on the north side of the Peso property were optioned to Alaskex Mining Corp. Ltd. which drilled 2 holes (127.4m) on the No.1 vein.
1977 - Peso partially restaked the No.1 Vein as MIC claims, and dozer trenched the Rex and Peso groups.
1978 - H claims were added.
1979 - Alaskex Mining Corp. Ltd. was changed to Rex Silver Mines Ltd.
1980 - Partly restaked as Mole claims by a joint venture between Canada Tungsten Mining Corp. and Queenstake Resources Ltd.

June, 1981 - P. Howard staked Colleen claims to the north of the old workings and optioned them briefly to Mattagami Lake Mines Ltd. which performed preliminary mapping and sampling.
August, 1985 - M.J. Moreau tied on Pierre claims.
1986 - The Pierre claims were explored with hand trenching and the Peso and Rex claims were purchased at a sheriff's sale.
1988-1989 - More Pierre claims were added.
August, 1990 - Moreau restaked the Mole, Peso, Rex, and Pierre claims.
June, 1991 - Aurum Geological Consultants Inc. conducted a small sampling and evaluation program.
August, 1991 - B. Harris surrounded the property with a large block of West claims.

## CLAIMS STATUS

The status of mineral claims including claim names and numbers, claim expiry dates, and current owners in the vicinity of the Peso site are noted as of 1992/03/31 as follows;

| CLAIM NAME/NUMBER | EXPIRY DATE | OWNER |
|---|---|---|
| Mole 1-18 | 1993/10/01 | Queenstake Resources Ltd. |
| Rex 1-8 | 1992/08/03 | M.J. Moreau |
| Peso 1-2, 11-12 | 1992/08/21 | M.J. Moreau |
| Pierre 1-12, 13-22 | 1992/08/21&9 | M.J. Moreau |
| West 1-370 | 1992/08/29 &09/13 | H6000 Holdings Ltd. |

The major commodities identified at this site are silver, lead, and zinc. Antimony was identified as a minor commodity.

Geologic conditions include veins cutting quartzite and schist of the late Proterozoic - Early Cambrian Hyland Group. They are typically, highly sheared, chloritic, narrow many branching vein-faults. Mineralized sections contain quartz, carbonates, pyrite, jamesonite, tetrahedrite, galena, and sphalerite.

## CURRENT SITE CONDITIONS

The Peso exploration site is in a remote location approximately 48km north of the community of Mayo in the Dublin Gulch area. This area can be reached by road by travelling an all weather road towards Elsa, turning left at the south end of the Elsa airstrip onto a road open during the summer season to the Dublin Gulch area. A significant amount of placer mining is taking place in the Dublin Gulch area. A trail is in place from Dublin Gulch to the old Peso site.

Site photographs showing existing site conditions at the time of inspection on 1993/07/25 are attached as Appendix B of this report.

The site is surrounded by thick vegetation made up predominantly of alder, willow, and black spruce to 8m. The surface material is a silt and gravel till. No surface water features are near the exploration site.

An open adit is located at this site with the resulting waste rock dumped below this adit. The waste rock pile measures about 50m wide and is approximately 100m long. A strong smell of sulphur was noticed. A line of vegetation below the waste rock pile was dying or at least appeared stressed. This vegetation stress appeared for several hundred metres downslope.

Remaining infrastructure and material is quite old, likely from the period 1961-1963 when the majority of the underground exploration took place. Remaining pieces of infrastructure left from the exploration activity includes;

- one intact open adit,
- 6.1x9.8m wood frame wood clad residence,
- 4.9x7.3m collapsed wood frame building and plywood roof,
- 6.1x9.8m collapsing metal quonset complete with rock core, old engine blocks, several oil pails, and miscellaneous debris,
- 5x7m collapsing wood frame wood clad office building with a number of chemical bottles and broken jars. These chemicals appear to have been from a portable laboratory used during the exploration activity in the early 1960's.
- 2 ore cars, and
- approximately 10 old 204 litre barrels scattered around the site.

The old buildings at this site have either collapsed or are collapsing. Vegetation has already grown in close to the buildings and the site around the buildings is recovering from any past activity.

The adit is still open and can be accessed by anyone coming into the area. The waste rock has been dumped down the slope outside the adit and covers an area approximately 50x100m. The waste rock is giving off a strong odour of sulphur. The vegetation downslope of the waste rock pile appears to be a lighter colour than vegetation away from the waste rock.

Trails from some old trenching are still visible, but work from this activity does not appear to have caused any instability problems in the area. Vegetation is slowly encroaching over the cleared and stripped areas.

Material left in the buildings has been left scattered throughout the buildings. This consists of old chemical bottles with some chemicals and old books in the old office building, and core along with metal waste in the quonset shed.

The rock core is scattered around the quonset and does not appear to have any value.

## RECOMMENDATIONS

The most significant environmental impact appears to be from the waste rock pile below the adit. Some vegetation stress appeared to be occurring downslope of the waste rock pile in this very remote location. If there is concern from any potential contamination of the vegetation below this site then it is recommended that the vegetation be sampled and tested for any contamination. It is recommended that sampling be completed progressively downslope to verify the extent of any contamination that could be occurring.

It is recommended that the areas of trenching not be disturbed as vegetation has established itself over most of the once disturbed areas.

The open adit is considered a safety hazard and it is recommended that it be sealed off to prevent anyone from entering it. Even though this site is in a remote location this should be considered a **HIGH** priority.

The buildings, barrels, and metal waste do not appear to be causing any significant long term environmental hazard and clean-up of these materials is considered a **LOW** priority. However, if a general clean-up program is initiated in the area, it is recommended that the barrels and other metal waste (including the metal quonset shed) be gathered and removed from the site. The wooden buildings could be demolished, piled and burned in a safe location.

## SUMMARY

The main concern at this site is considered to be the open adit accessible to the public. For safety reasons this adit should be sealed from the public to eliminate any risk of an accident occurring by anyone that could enter it.

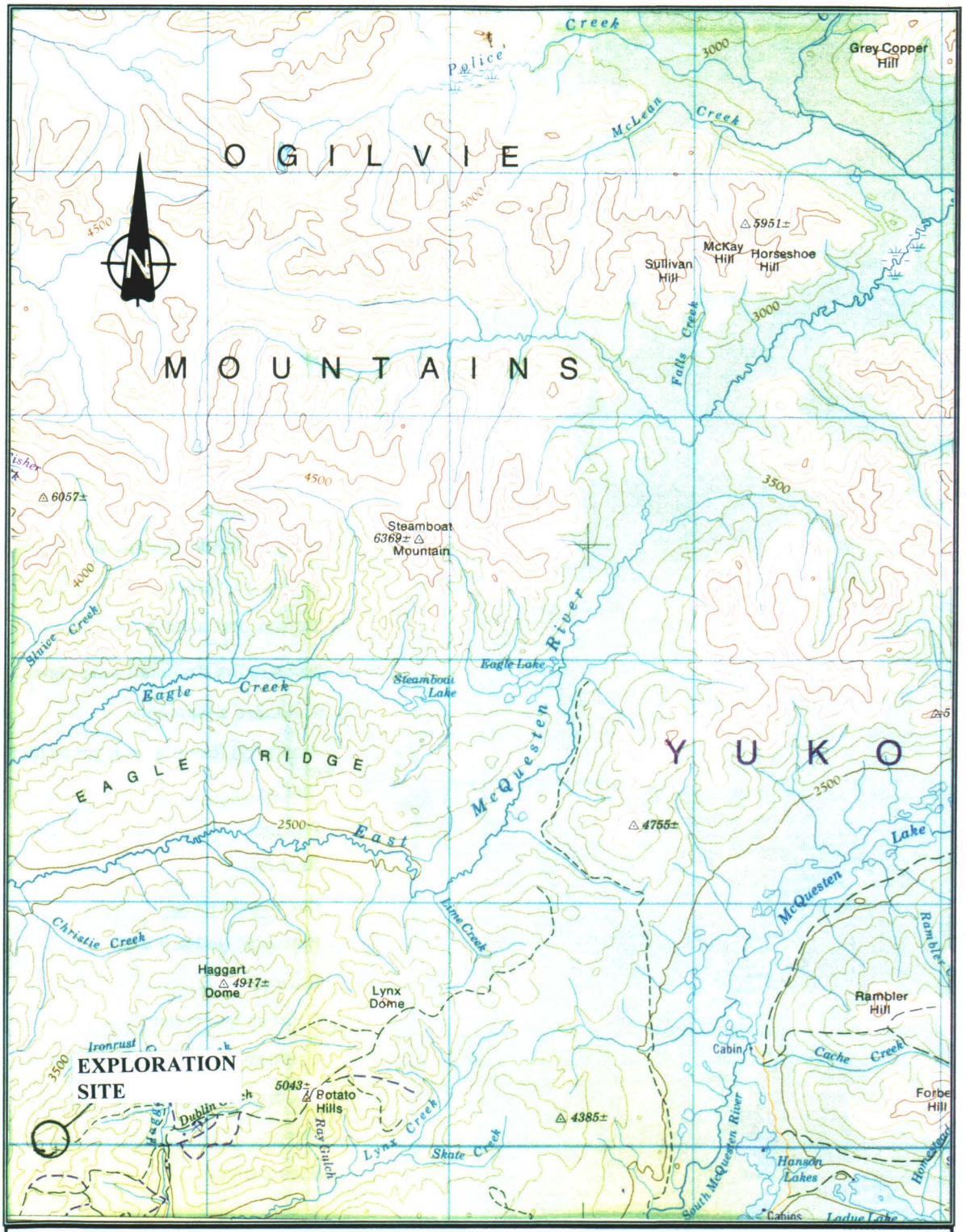
To properly clean-up the site all barrels, rail, ore cars, pipe, and any other metal waste or garbage should be removed from this site. However this work is considered to be a **LOW** priority at this time as this material does not appear to be causing additional or ongoing damage to the environment.

The areas where roads have been constructed and trenching has been completed is becoming revegetated and little evidence remains from past activity. Attempting to improve conditions that have been left will only cause additional damage in this northern environment that recovers very slowly. This is not recommended.

The vegetation stress that appears downslope of the waste rock pile should be assessed in more detail if there is concern with contamination of the vegetation and any water course downslope of the site. The site is very remote and potential remediation options should be considered before any further testing is considered.

# APPENDIX A

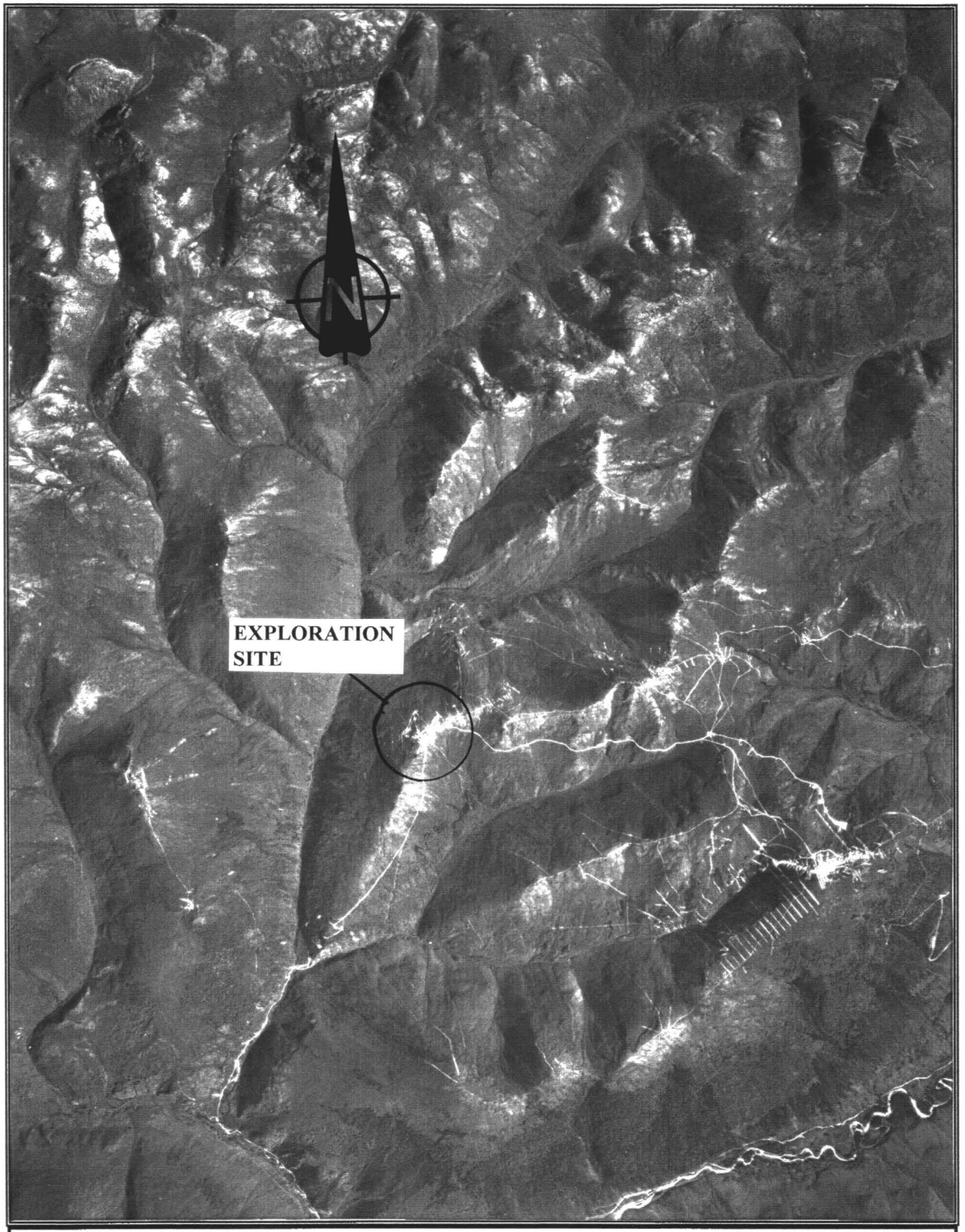
**SITE LOCATION MAPS**




SITE NAME: **PESO** SITE NUMBER: **106D-04-1**

MAP NUMBER: **106D** MAP NAME: **NASH CREEK** MAP SCALE: **1:250000**

SITE LOCATION: LATITUDE: **64° 00'38"** LONGITUDE: **135° 57'56"**




SITE NAME: **PESO** SITE NUMBER: **106D-04-1**

AIRPHOTO NUMBER: **A20687-116** YEAR: **1968** AIRPHOTO SCALE: **1:56000**

SITE LOCATION: LATITUDE: **64° 00'38"** LONGITUDE: **135° 57'56"**

# APPENDIX B

## SITE PHOTOGRAPHS

VIEW OF SITE. NOTE VEGETATION STRESS BELOW WASTE ROCK.

OPEN ADIT

OLD RESIDENCE

COLLAPSED BUILDING

INTERIOR OF OFFICE BUILDING

TRENCHING AREA

METAL CLAD QUONSET. NOTE ROCK CORE.

DOWNSLOPE OF WASTE ROCK DUMP SHOWING VEGETATION STRESS