

file 106 F 004974

P. W. Taylor: Iron Exploration
Proposal Yukon Territory

Feb 14 1963

Gentlemen:

This letter concerns a proposed minerals exploration program in the Bonnet Plume - Snake Rivers area, Yukon and Northwest Territories. The area of interest surrounds the iron ore deposit discovered by the California Standard Company at the close of the 1961 field season and staked during the past summer. California Standard has staked 833 claims. The area of interest lies about 200 miles west of Norman Wells and 200 miles northeast of Dawson.

Indications of iron ore in the vicinity have been recorded and observed for many years. In 1906 Cansell, a noted geologist with the Geological Survey of Canada, recorded that iron ore is present "as float in the wash of both the Bonnet Plume and Snake Rivers". The ore was described as "magnetite and hematite associated with red jasper". He observed that the float was "widely spread over a great part of the Peel Basin and that a very extensive deposit of the ore must be situated in the mountain ranges toward the heads of these streams".

This iron ore float has been observed by many geologists working along the front of the Mackenzie Mountains during the past several years.

A geological firm has undertaken, on their own initiative, a preliminary photogeologic mapping program as indicated on the accompanying index map. It surrounds the iron ore deposit and the claims staked by California Standard. The work shows that the ore appears located in a clastic sequence of probable Cambrian age. The section is about 2,000 feet below the base of the Ordovician system. This zone can be traced for several miles on air photographs. However, whether or not it is mineralized can only be checked on the ground.

The proposed minerals exploration program can be divided into three stages:

Stage 1 Photogeologic Mapping and Outlining of Prospective Areas.

It is planned to extend the photogeologic mapping throughout the project area. Correlation of various beds will be aided and

augmented by a series of section measurements through the use of photogrammetric instruments. The project comprises more than 3,000 square miles and embraces the Bonnet Plume drainage basin in which iron float has been reported. The object of the photogeologic work is to outline areas where the productive section of the Snake River area probably crops out or is very near the surface. Thus, several prospective areas could be delineated. In addition to the preparation of the areal geology and structural interpretation map and the photogrammetric section measurements, a preliminary report would be prepared. Stage 1 should be completed February, 1963.

Stage 2. Aerial Magnetometer Survey and Geologic Field Check

Prospects outlined during Stage 1 could be investigated further by aerial magnetometer surveys and geologic field checks. This work could be initiated in May, 1963. Earlier magnetometer work could also be planned.

Stage 3. Staking of Claims

Those prospects considered to have potential after having been evaluated during stages 1 and 2 could be staked. The staking could be undertaken simultaneously with the field work or immediately following delineation and confirmation of potentially productive areas.

It is estimated that Stage 1 as outlined above could be accomplished for a total expenditure of \$9,500.00.

Stage 2 should cost approximately \$50,000.00

The cost of Stage 3 actually depends on the number of claims to be staked. Each iron claim in the Yukon Territory comprises 160 acres maximum, and the cost including recording, legal fees, etc. should not exceed \$100.00 per claim.

Taylor Management proposes that a participating client in the study only commit for one stage at a time. At the end of each stage, the participant could, after examination of the results, commit for the next stage or resign with no further interest in the project.

We also propose that the firm originating and conducting the study put up 30% of the costs until the end of stage 3, and then 50%. This is in return for 50% interest in the project.

Your firm would put up the remaining 70% until the end of Stage 3 or \$70,000 expenditure, whichever first occurs, for an undivided 50% in the project.

The foregoing proposal is quite flexible and open to suggestions on your part.

If you do not wish to pursue the matter further, I would appreciate the return of the attached map.

Yours very truly,

N. W. Taylor