

006602

PROPOSAL

MT. NANSEN CAMP, Y.T.

1157/03

This camp has an extent of mineralization and alteration rivalling Freegold Mtn and Casino for first place in the Dawson Range.

A compilation of geological data from 3 sources (Dickinson, Dolmage and Campbell, and Kerr) provides some clue as to where new epithermal veins may be located, but suffers from inconsistency and a lack of coordinated field work.

An opportunity now emerges to pull this together and give the camp a serious going-over. A week ago Chevron, after protracted negotiations (6 months) took control of the central camp from the B.Y.G. group (Don Donaldson, Joe Chamberlain, et al.) Concurrently Archer-Cathro staked a large group of peripheral claims, almost certainly on Chevron's behalf. The stated plan (according to Al Archer) is to evaluate the camps open-pit potential and work in the form of deep, long backhoe trenching, has already begun downhill from the Brown-McDade vein. Whatever the intent, I do not think Chevron would have entertained what sounds like an expensive deal without strong confidence. It is probable that the central camp will have a thorough examination over several years.

Meanwhile, a sizeable portion of the district, totalling 217 claims, remains in the hands of Gordon Dickson, the original founder of the Mt. Nansen syndicate, which included Kerr.

These claims include the J BILL, VIC, and ETZEL, details of which are in accompanying reports.

If we could tie up this ground and cooperate with Chevron (technically, not necessarily financially) the entire district, then largely controlled by 2 serious companies, would get the treatment it deserves. As an additional stimulus, the Dept. of Indian & Northern Affairs is planning a regional program for this area this year.

Two difficulties are in our way.

1. Competition. The district is now warm, if not hot. Several companies (Asamera, Hudson Bay, Archer-Cathro) are familiar with at least some of Dickson's showings. In fact Hudson Bay just came back for a third look at the J BILL while I was there.

Also Donaldson expressed an interest in Dickson's ground last Fall, but claimed to have no money. His financial position may now improve directly or indirectly, from Chevron's involvement and he may soon return with a bag full of promises. Dickson may be tempted, despite mixed experience with promoters. He has also thought of contacting Glen McDonald. Archer-Cathro have made an offer on the J BILL claims alone, including terms of \$2000 down, \$5000 cash after one year, and a \$1 M buyout which Dickson rejected.

2. The Deal. Dickson is probably not unreasonable but is in a fairly strong bargaining position since a) there are other interested and probably more munificent parties in the wings and b) he can continue trenching his ground ad infinitum with his D-3, a function he rather enjoys. (He has been prospecting in this district since 1946). Despite this enjoyment he is old enough to want to simplify his life and might just accept a deal less handsome than a promoter might offer in return for fewer headaches, such as trying to ride a market with such promoter while still living in the bush.

It is difficult to pin him down to exact terms but his major requirement is a deal in which he earns stock that would be treated as capital gains rather than normal income. One figure mentioned was a 30% carried interest with a \$2 to 3 million buyout somewhere along the line.

RECOMMENDATION

Subject to forthcoming sample returns we should make Mr. Dickson an offer covering all 217 claims. It should

- a) be simply structured
- b) comply as nearly as possible with his non-cash requirement
- c) include an option for him to do some of the field work if he so wishes.

Our work program (and commitment) should include:

1. District mapping, 1:2000, (preferably in conjunction with Chevron.
2. Widespread soil sampling.
3. Geophysics in topographically selected areas to delineate the major structures.
4. Photo interpretation of structure.

ADDENDUM

It should be clear from the above comments that structural sythesis is considered of paramount importance in this district. Supporting evidence lies in

- a) our preliminary compilation, November 1984, showing the main Mt. Nansen veins to lie at the edge of a strongly downdropped fault block
- b) the massive shearing and fracturing on the J BILL
- c) correlation with some of our regional geochemical highs with a mapped strong fault within this district.

D. Arscott
2 July 1985

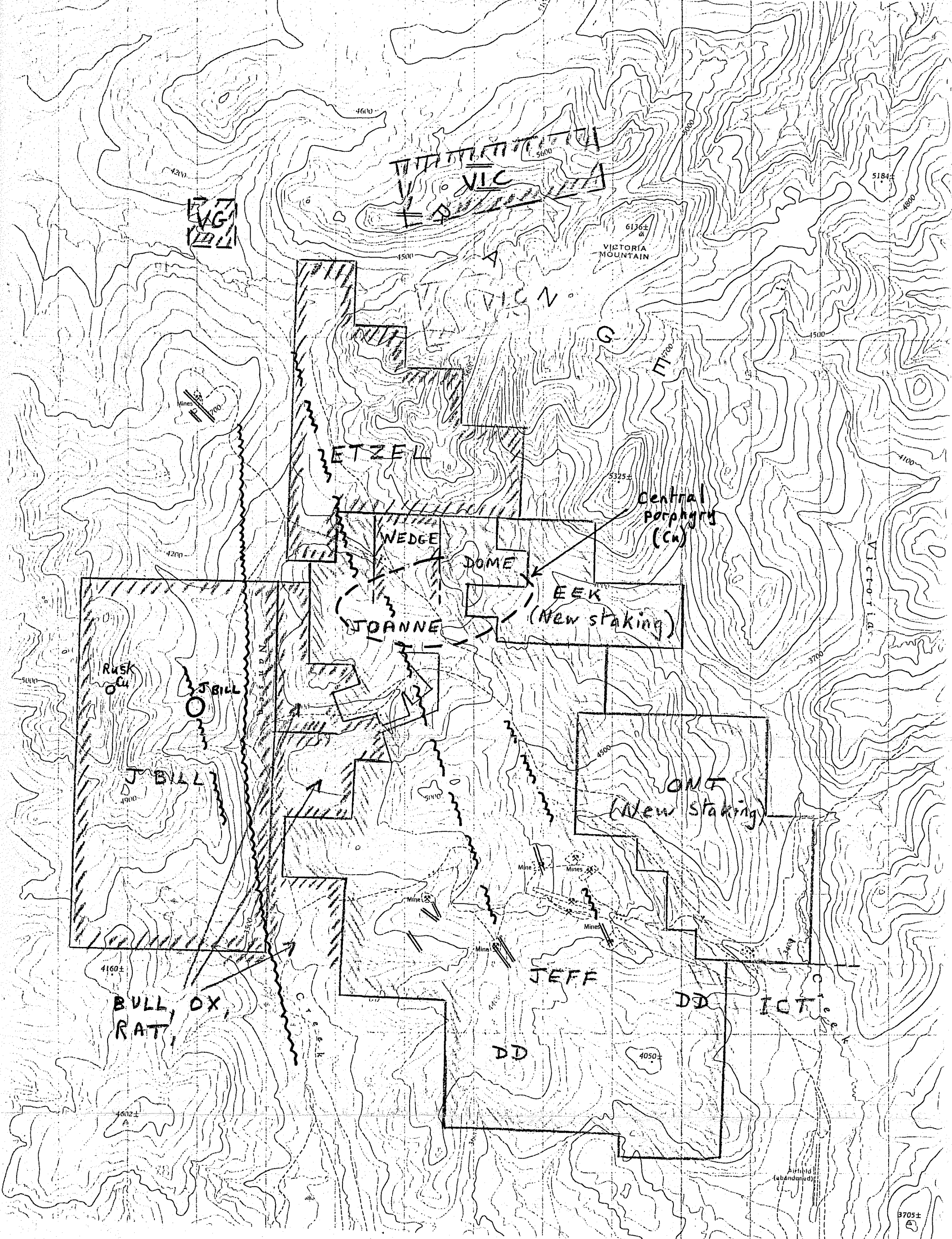
GORDON DICKSONS CLAIMS



MT. NANSEN DISTRICT

21 June '85

VG 1 to 8	8
VIC 1 to 32	32
J BILL 1 to 32	32
RAT 1 to 40	40
OX 1 to 24	24
ETZEL 1 to 50	50
WEDGE 1 to 15?	15
BULL 1 to 16	16
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	217

These claims cover a substantial proportion of the N and W sides of the Mt. Nansen district (see claims map).



-  G. Dickson holdings
-  Land now Chevron controlled

115-1-3
 ROUGH CLAIMS SKETCH
 (To be replaced)
 D. A. 1:50,000. JUN. 85