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W PETROLEUM

1175 - IBM BLDG.
CALGARY 2, ALBERTA.

OF CANADA, LTD.

PHONE: 403 - 264-7173

April 18, 1973

Mr. W.M. Sirola
Kerr Addison Mines Ltd.
Suite 405
1112 West Pender Street
Vancouver 1, B.C.

Dear Bill:

Re: Proposed Nahanni Project

Yesterday I heard from friends at Wainoco Oil Ltd. that they, unfortunately, are unable to express interest in your proposed Nahanni Project. Reason is lack of funds this year for this type of exploration. In principle, however, Wainoco like Woods, is interested generally in having a look at attractive mining deals so keep us in mind, in the future, if or when Kerr Addison is looking for partners.

I am returning the data you sent us.

Yours very truly,

WOODS PETROLEUM OF CANADA, LTD.

T. Davies

TD:pf
encl.

WAINOCO OIL LTD.

312 FOURTH AVENUE S.W.
CALGARY, ALBERTA, CANADA
T2P 0H7
TELEPHONE 403-264-1841

April 12, 1973

RECEIVED APR 17 1973

Mr. Tudor Davies,
Woods Petroleum of Canada, Ltd.
1175 IBM Building,
CALGARY, Alberta

Dear Tudor:

Sorry I didn't return this sooner. It is very interesting and we would like to be able to participate in an exploration program of this kind, however, we are just not going to have funds available for this type of project this year. Keep us in mind for anything else that might come along.

Yours truly,



R. J. Leslie

RJL:pn

Enclosures

KERR ADDISON MINES LIMITED

SUITE 405 - 1112 WEST PENDER STREET
VANCOUVER 1, B.C.
PHONE 682-7401

*Hospital 988-3131
Room 529*

February 14, 1973

RECEIVED FEB 16 1973

Mr. Tudor Davies,
Woods Petroleum of Canada,
1175 IBM Building,
Calgary, Alberta.

Dear Tudor:

Pursuant to our recent telephone conversation, I now enclose a description of our proposed Nahanni Project (1973).

This area received considerable attention at the recent G.A.C. Symposium in Vancouver and I think many people have become intrigued by the mineral potential of this flank of the Selwyn Basin. Stuart Blusson gave the paper on the Sekwi Sheet and made it sound very attractive to exploration people.

I understand that considerable staking has already begun in the Sekwi Sheet and I can only hope they have not covered all of the important structures before we can get to it.

I hope you find the material interesting and I would appreciate hearing from you within the next two weeks if at all possible.

Best regards.

Yours very truly,



W. M. Sirola

WMS/ah

cc: Mr. G. M. Hogg

KERR ADDISON MINES LIMITED

SUITE 405 - 1112 WEST PENDER STREET

VANCOUVER 1, B.C.

PHONE 682-7401

PROPOSED NAHANNI JOINT VENTURE (1973)

Introduction:

Kerr Addison is planning a primary exploration project in the McMillan Pass area located 215 miles north-west of Watson Lake on the Yukon-North West Territories border. The programme will consist of geochemical sampling, prospecting and some geological mapping performed by six men headed by a geologist and possibly an assistant geologist. The programme would begin about June 1st and terminate at the end of August. The estimated cost would be in the \$95,000 to \$100,000 range.

The purpose of the project would be to locate strata-bound lead-zinc deposits in Lower Paleozoic rocks on the south-east flank of the Selwyn Basin. Because of known important tungsten deposits in the area, our samples would also be checked for tungsten content.

Project Area:

The project is designed to explore the east flank of the Selwyn Basin and would cover the south-west corner of the Sekwi sheet (105-P) and the north-east corner of the Nahanni sheet (105-I). These areas would total approximately 1,500 square miles. The attached portion of a geological map indicates these areas in relation to known mineral occurrences.

Exploration Concept:

The areas were chosen because of known occurrences of lead-zinc mineralization in the Selwyn Basin. In the Vangorda area lead-zinc-silver deposits occur in metamorphosed Lower Cambrian rocks. At the headwaters of the Pelly River, the new Canex find is in Devonian-Ordovician rocks and the Hudson Bay "Tom" deposit near McMillan Pass is also in Devonian-Ordovician sediments. Thus far no important lead-zinc deposits have been found in Devonian-Mississippian rocks, but reef structures have been mapped in the Sekwi sheet and these structures certainly deserve investigation. The role of Cretaceous plutons with respect to lead-zinc deposits is relatively unknown in these areas but they have given rise to important tungsten mineralization as at the Amax deposit near McMillan Pass and the Cantung deposit 90 miles to the south-east.

In summary, the Selwyn Basin is host to the strata-bound massive sulphide deposits of the Vangorda area, to the Canex lead-zinc deposits near the headwaters of the Pelly River and the Hudson Bay (Tom) lead-zinc-silver deposit near McMillan Pass, and to the Amax tungsten deposit in the same vicinity. In addition there exists the possibility of Mississippi Valley type lead-zinc deposits in the reef structures in the Devonian-Mississippian carbonate rocks.

The areas chosen have not to the best of our knowledge been subjected to intensive exploration in the past. Our intention would be to concentrate on stream silt sampling, prospecting and reconnaissance geology.

SUMMARY OF EXPLORATION PROCEDURES

Pre-Season Planning:

Our planning begins with the purchase of air photos, preparation of base maps, a thorough literature search, outlining all drainage patterns to be silted, a study of camp site locations and fuel caches and interviews with university students.

Field Techniques:

- a) The project will be helicopter supported and will consist of six men with geological training, supervised by a geologist and an assistant geologist. The six men will be flown from a base camp each day and will collect stream silt samples from designated drainages, observe and make notations on the rock types and geomorphology encountered. In the course of this work each man will prepare a standardized sheet showing the number and location of the samples collected as well as any geological information obtained.
- b) All drainages in geologically favourable areas will be silted and if anomalies are found, soil sampling will be undertaken to pin down the source of the anomalies.
- c) Investigation of anomalies will be done by the geologist in charge and the mapping will be done by the assistant geologist where justified.
- d) To minimize helicopter costs the base camp will be moved twice in the course of the project. We hope to keep crews within a radius of 15 to 20 miles from the base camp.
- e) Base camps will be located on lakes or rivers accessible by fixed wing aircraft.
- f) Accumulated samples will be sent to the nearest competent geochemical laboratory each time a service aircraft arrives in camp. These samples will have been pre-tested for fluorescence.
- g) Communication with Vancouver will be via SSB radio telephone.

January 3, 1972
F. Chow

ESTIMATE OF EXPENDITURES - 1973 YUKON PRIMARY PROJECT (NAHANNI)

Work Period - June 1st to August 31st (3 months)

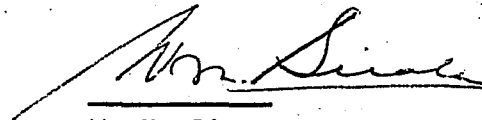
Crew - 11 men total (1 Project Chief, 3 Junior Geologists,
4 Assistant Geologists, 1 Cook, 1 Helicopter
Pilot and 1 Helicopter Engineer)

I - <u>Wages</u>				\$20,780
II - <u>Helicopter:</u>				
	Rental	\$33,150		
	Av. Gas	2,830		
	Trucking Fuel	<u>1,300</u>		37,280
III - <u>Fixed Wing Aircraft:</u>				
	Weekly Flights (13)	\$2,860		
	Special (2)	<u>440</u>		3,300
IV - <u>Camp Supplies:</u>				
	(Tent frames, Stove Oil, Groceries etc)			7,840
V - <u>Prospecting Supplies:</u>				
	(Geochem, Geol., Air Photos, etc)			1,090
VI - <u>Communication:</u>				150
VII - <u>Assaying:</u>				
	(3000 geochem samples) Cu, Zn, Pb, W			11,100
VIII - <u>Mobilization & Demobilization:</u>				
	(a) Freighting	\$1,720		
	(b) Transportation of Personnel	<u>2,986</u>	<u>4,710</u>	\$86,250
IX - <u>Contingencies:</u>	Plus 10%			<u>8,625</u>
			GRAND TOTAL	<u>\$94,875</u>

FORM OF AGREEMENT FOR NAHANNI JOINT VENTURE

The estimated \$95,000 to \$100,000 cost of the venture will be shared equally by Kerr Addison and one participant. Kerr Addison will manage the venture on a basis of 51% interest to Kerr Addison - 49% interest to participant.

Should the 1973 venture result in a discovery, the programme would be continued in 1974 on same basis except that should the participant wish to withdraw, then the participant would retain no interest. Should the participant wish to reduce his interest, then Kerr Addison would have first refusal on that portion of interest dropped by the participant. The decreased interest of the participant would be in direct proportion to the total expenditure on the project.



W. M. Sirola

February 13, 1973

CALGARY HERALD

FEB. 13/73

Amax reports tungsten deposit

VANCOUVER — Amax Exploration Inc., a wholly-owned subsidiary of Amax (American Metals Climax Inc.) of New York, reports it has identified a huge tungsten deposit on the Yukon-Northwest territories border about 240 miles northeast of Whitehorse.

Company officials said here the deposit is about five miles northwest of the Canol Road in the MacMillan Pass area. The company said more than 30 million tons of tungsten-bearing rock have been outlined with an average grade of 0.9 per cent tungsten trioxide.

Amax plans additional drilling and bulk sampling in an effort to determine true tonnage and grades.