

**KERR-ADDISON GOLD MINES LIMITED**

(FOR INTER-OFFICE USE ONLY)

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To.....W..M..Sirola.....From.....P..M..Kavanagh.....

Subject.....Dynasty Syndicate.....Date.....Feb..17/64.....

This is formal notice to you that we have decided to decline participation in this syndicate. Would you please advise Aho accordingly.

We have made a copy of the syndicate proposal, the original of which is attached.



Paul M. Kavanagh  
Chief Geologist - Exploration

PMK:dh  
Encl

JAN 21 1964

COPY P.M.K.

RECEIVED  
JAN 20 1964

KERR ADDISON GOLD MINES LTD.

W.S.R.
K.G.G.
R.D.S.
G.C.B.
P.M.K.
J.W.M.
H.A.F.
C.K.W.
J.P.S.
G.P.R.
E.L.D.
H.B.
F.C.I.
D.V.S.

January 16, 1964

Mr. Wm. Sirola  
Kerr-Addison Gold Mines Ltd.  
402 - 1112 W. Pender St.  
Vancouver 1, B.C.

Dear Bill:

Enclosed for your consideration is a proposal for a new syndicate which I am submitting to our other associates.

I would appreciate a discussion on this whenever convenient to you since there are certain aspects of it that will require clarification.

Best personal regards.

Yours very truly,

Dr. A.E. Aho

Encl.

cc: Dr. P.M. Kavanagh

DYNASTY SYNDICATE

A PROPOSAL FOR PROSPECTING  
THE UPPER STEWART AND HESS  
RIVER AREA OF YUKON

by

A.E. AHO  
December, 1963

MERITS OF THE AREA

Regional Setting

Many of the largest mineral deposits in western North America occur toward the northeast flank of the cordillera and, similarly, the deposits of largest potential in Yukon will likely be found northeast of the Tintina Trench.

The broadest regional feature of this part of Yukon is the arc of granitic stocks and mineral deposits that extends from Watson Lake through Canada Tungsten and MacMillan Pass to the Mayo district. These granitic stocks and the associated metallogenic arc is thought to be Mid-to Late Cretaceous in age similar to many of the major U.S. mining camps.

The Watson Lake section of this arc contains sizeable lead-zinc prospects (Lucky Lake, Quartz Lake, Mt. Hundere), the Canada Tungsten section is well mineralized with tungsten and other metals, the MacMillan Pass section contains several prospects including the Tom Group of over 11 million tons of 6% combined lead and zinc, and the Mayo district has produced rich silver-lead-zinc and cadmium ores valued at over \$250 million at present prices, with additional new possibilities.

Lack of Previous Work

The only part of this well mineralized arc that has not been prospected by several companies or syndicates is the Upper Stewart and Hess River area covered by the Lansing and Middery Lake sheets. The main reasons why this area has been neglected is that (a) the area has not been geologically mapped, (b) only a few residents of Mayo know anything about mineralization in the area and (c) Mayo has not been used as a float plane base until 1962 and therefore the area has been too remote from bases for any recent reconnaissance prospecting. This is now the only major metalliferous part of Yukon that has remained unexplored and unmapped in recent years.

### Indications of Mineral Possibilities

Structurally this area lies on the eastward projection of two favourable transverse E-W structural trends, the McQuesten mineral belt (Silver-lead-zinc, gold, tin tungsten, antimony, copper, etc.) and the Kalzas disturbed belt.

Known or reported mineralization in the area is broadly associated with granitic stocks as elsewhere in this arc, and includes gold and copper in the Lansing Range, placer gold in several creeks on the Lansing sheet, silver-lead mineralization in two or three localities, placer and lode gold up Hess River, copper mineralization around Hess River, Arrowhead Pass, and Cathedral Peak, silver around Arrowhead Pass, tungsten and lead - zinc at MacMillan Pass, and other possibilities such as tin and tungsten. Most of this has been encountered since the first world war during sporadic trapping and occasional local prospecting. These metals are all attractive at present and most have the high merit value necessary for this location.

In 1963 during a short prospecting trip, a party financed by Dynasty Syndicate discovered a copper showing while checking for the silver showing at Arrowhead Pass. Chalcopyrite mineralization from this discovery assayed 10.2% copper and 6.46 oz/ton silver, supporting the silver possibilities with this higher than usual silver-copper ratio. Gold was also reported in the assays.

In the event of development, the area would be easily accessible from Mayo or the Canol Road.

### PROPOSED PROSPECTING PROGRAMME

It is proposed that the area be prospected by three two-man prospecting teams headed by a geologist and aided by photogeology and systematic stream-silt geochemistry and study of panned concentrates.

Prospecting personnel would consist of four top-notch prospectors, a very competent trapper-pro prospector who is familiar with part of the area, and another competent woodsman-trapper who is familiar with another part of the area and has reported finding silver-lead and other types of mineralization.

The field season in the area would be from about May 30 to Sept. 15.

Transportation should be chiefly by fixed wing aircraft and pack dogs, with partial use of a helicopter later in the season for the area devoid of lakes.

Although this area is less accessible than some others, the greater possibility of major mineral discovery is in proportion so that a larger exploration expenditure is well justified.

PROPOSED BUDGET

Based on three two-man prospecting parties and geologist in charge (total of 7 men) operating to a mean distance of 132° longitude east of Mayo with fixed wing service from Mayo, and helicopter for a short period in August, the budget for 1964 would be as follows:

## 1. Aircraft Charters

(a) Fixed Wing

13 return service trips with Beaver @ \$210.00 plus 50% extra for moving parties around @ \$315.00 per trip	\$4,095.00	
Ferrying helicopter gas 5 trips @ \$210.00	1,050.00	
Two Cessna 180 inspections @ \$400.00	<u>800.00</u>	
		\$5,945.00

(b) Helicopter

Including ferry 50 hrs. @ \$103.00	5,150.00	
		5,150.00

## 2. Salaries

4 prospectors @ \$500/mo. 4 mo.	8,000.00	
2 prospectors @ \$450/mo. 4 mo.	3,600.00	
G. Davis 7 mo. @ \$600	4,200.00	
Miscellaneous	200.00	
Benefits @ 7 1/2%	<u>1,200.00</u>	
		17,200.00

## 3. Camp Costs

7 men @ \$5/day 4 mo.	4,200.00	
6 tents, flys, etc. @ \$150.00	900.00	
3 radio rentals 4 mo. @ \$40.00	480.00	
Misc. field and office equipment	<u>500.00</u>	
		6,080.00

4. Assaying		1,000.00
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## 5. Geochemical testing

500 samples @ \$1.25		625.00
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6. Pack Dog Rental			
	6 dogs @ \$25/mo x 4 mo.	\$ 600.00	
	Dog Food, packs, etc.	<u>200.00</u>	\$ 800.00
7. Travel Expense			
	8 returns Vancouver - Mayo	\$1,600.00	
	Hotel Expense	<u>400.00</u>	2,000.00
8.	Air Photos and photo interpretation		1,500.00
9.	Consulting Fees (management)		2,500.00
10.	Accounting and administration		
	15% of salaries		2,400.00
11.	Freight and Misc.		500.00
12.	Property staking and recording		5,000.00
			<hr/>
			\$ 50,700.00
	Plus Contingencies		<u>5,300.00</u>
			\$ 56,000.00

2 participants @ \$28,000 each  
3 participants @ \$18,500 each  
4 participants @ \$14,000 each

SYNDICATE SETUP

Dynasty Syndicate (1963) has already spent about \$10,000 in 1963 in prospecting two areas - Dip Creek southwest of Yukon River and the Arrowhead Pass area in which the copper showing was discovered. This work has provided the Syndicate with encouraging knowledge of the Upper Stewart and Hess River area on which exploration is proposed for the 1964 season, and has also provided a lead on a reported silver-lead discovery to be followed up in 1964.

The new Syndicate Setup would be financed by one or more companies (preferably not more than four) for a total of \$56,000 to gain 75% control, and Dynasty Syndicate (1963) would retain a 25% interest in the project.

The syndicate agreement can be drafted along lines similar to that of other syndicates and can be administered from my office or from any other agreed office.

Key personnel and top-notch prospectors are already available for the 1964 season.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "A. E. Aho".

Dr. A. E. Aho

Dynasty Syndicate

Assay results from specimens  
brought in by Skonseng and Mervyn  
July, 1963

	<u>Gold</u> <u>oz/ton</u>	<u>Silver</u> <u>oz/ton</u>	<u>Copper</u> <u>%</u>
Arsenopyrite in skarn near granitic contact	0.14	1.48	
Chalcopyrite and arsenopyrite below canyon ("large zone")	.06	6.46	10.2
Arsenopyrite, chalcopyrite, bornite	.01	1.76	
Bornite from cross-veins	.01	4.06	