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Extra copy

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To the Subscribers
Dickson-Tukon Prospecting Syndicate

Dear Sirs:

We cannot yet give the syndicate members a complete report on the 1964 activities. We are still waiting for a final report from Dr. Skerl. We are still in dispute with Boyles Bros. on the matter of certain charges in their bill.

Roughly we estimate there will be left in the account after paying all the bills \$12,000. There is a small amount left at the bank at Whitehorse. I am expecting a statement from Gordon Dickson on the money and shares received for claims sold in the Mt. Mansson area. We have postponed finalizing the incorporation of a company to take over the syndicate's holdings until we receive the final report from Dr. Skerl and can give syndicate members an accounting of the money spent. It would be advisable then to hold a meeting of the syndicate.

In my office there are copies of the reports filed by Dr. Skerl and Laif Ostensson with the Mining Recorder at Whitehorse for assessment work credit. These reports are available for study.

There is a report on the magnetic work and geochemical survey done on the Ross Creek group. There is also a geological report on the same group.

The following conclusions are taken from these reports, -

Magnetometer Survey

"The results of the magnetometer survey so far have been disappointing but it should be continued. The next area that should be investigated in detail is the southeast end of the claims where a continuation of the geological conditions of the Firth zone might be expected." (The Firth zone refers to the Vangorda ore deposit on the Firth claims belonging to Kerr-Addison Mines.)

Recommendation

"Make a detail survey of the claims on the southeast end of the group."

Geochemical Report

"No definite geochemical anomaly was found in the area prospected but the survey should be extended to cover all the claims. In particular it could be of value in conjunction with a magnetometer survey of the southeast end of the group."

Recommendation

"Continue the geochemical survey using a hand auger to obtain samples from a depth of say 4 feet which should be compared with those taken closer to the surface."

Geological Report

This report does not give a firm conclusion but makes the following statement under the heading "Discussion" -

"It is possible that the nose of granite noted above was

"responsible for the mineralization in the Firth No. 6 claims in the Vangorda Mine. It was hoped that detail prospecting on the Dickson-Tukon ground would be indicative of further mineralization but the lack of outcrops proved discouraging. Much of the area is swampy so that geochemical sampling is of doubtful value.

Basic rock was encountered in the exploration of the Firth zone so that magnetic surveying would be complicated by this rock which is known to contain appreciable magnetite. However, a detailed magnetometer survey is still warranted here. An electrical method of prospecting that would distinguish the effect of graphite from that of sulphide is needed. The new geoging method may be the answer and the recent surveys with it in other areas should be studied."

Recommendations

1. "Continue the magnetic and geochemical surveys of the claims."
2. "Consider a geoging survey".

A magnetic and geochemical anomaly on the syndicate's south block of claims, tied on to the south boundary of Vangorda Mines Limited, was diamond drilled with disappointing results. Subsequently to diamond drilling it was discovered that the magnetic and geochemical anomalies did not coincide. It is possible that the magnetic anomaly was related to a gabbroic or basic band of rock and the geochemical anomaly to copper mineralization carried in the glacial drift. Three holes in all were put down, totalling

about 600 feet of diamond drilling, the basic rock cut in the hole carried low copper-nickel values, specks of pyrrhotite and chalcopyrite were visible in the core. The core was assayed from drill hole No. 1 by taking a small piece of core every 5 feet with the following results:

"80' - 150' Tr.copper, 0.17% nickel
150' - 297' 0.02% copper, 0.30% nickel"

The work done on the syndicate claims in 1964 failed to throw new light on the geology of the Vangorda deposits whereby the possibility for extensions of the Vangorda ore zone into the syndicate's ground might be assessed.

In my opinion the Vangorda deposits are probably conformable with the overlying black slates, if this interpretation is correct, and a marker bed can be found reasonably close to the ore, more ore would probably be found quickly by diamond drilling on a wide spaced grid and much ground eliminated as near hopeless. The deposits, I believe, are likely to prove extensive and the area a major one for base metals. For these reasons I believe the syndicate holds ground with major ore potentialities.

In the absence of a marker bed exploration will be quite blind and the discovery of further deposits mainly fortuitous. Geophysics

and geochemistry have been used for some miles around the deposits and is of doubtful value except in outlying sections of the area where little is known.

The Vangorda deposits appear to outcrop because of local conditions, either due to a horst block here or doming of the near flat-lying formations possibly due to a projection or swelling of the underlying granite. Overthrusting of the sediments northeastward towards and onto the granite appears to have been severe so that the ore horizon, even near the granite, could be deeply buried under repeated thrust slices of the hanging wall slates.

Dr. Shari has not yet expressed an opinion on the origin of the deposit. The features which provide strong evidence in my opinion for a conformable type deposit is the presence of banded silica now altered to pure quartz in places, between the sulphides and the black slate hanging wall. The strong wide development of sericite schist in the footwall side of the sulphides is further but less strong evidence for a conformable deposit.

Yours truly,


W. C. Martin