

NORTHERN MOUNTAINS (1954) PROSPECTING SYNDICATE

REPORT OF OPERATIONS FOR 1954 SEASON

INTRODUCTION

The field activities of the Northern Mountains (1954) Syndicate were under the direction of Dr. W. H. Gross. Prior to his arrival in the Yukon from a previous assignment two prospectors had been sent in with Mr. G.A. Dalziel, pilot, to further explore an area near the Yukon-N.W.T. boundary, on the borders of the Nahanni Batholith, where prospecting had been carried on the previous year and the "Duncan Group" of eight claims staked. Dr. Gross' first trip was to examine this area and to advise on further prospecting there. In general the area did not show sufficient promise to justify further action in such an inaccessible spot.

For the remainder of the season Gross carried on scouting and prospecting with an assistant field man, S. Presunka, and from 2 to 5 prospectors. The prospectors were placed in area that appeared, from previous information, to have the best promise, and were moved from time to time. While the prospecting was in progress Gross carried out investigations of a number of properties and showings as described below.

None of the properties examined was considered to warrant acquisition. Some time was spent examining and sampling a magnesite deposit near Atlin, B.C., since there seemed a possibility that magnesite might be of value in connection with the proposed hydro development and related metallurgical projects planned by North West Power Industries Ltd. (Ventures controlled). However an industrial survey on the potentialities of magnesite did not show a very encouraging picture and the project was dropped. The samples taken have been stored for possible analysis should the conditions warrant later re-assessment.

None of the original prospecting by our parties resulted in discoveries of importance. Near the end of the summer, however, a new find was reported by prospectors connected with Conwest Exploration, in the Ketza River area (approximately 61° 40N 132 20W), midway between two areas prospected by our own crews. A group of independent prospectors, lead by Hans Gloslee, offered a 50% interest in any claims staked to our Syndicate in return for financing their air transportation and supplies. Although a 50-50 partnership is not desirable in such a case there was no time for argument, and, by quick action, Gross managed to get them into the area so that they were the first to tie on to the original group. Three groups by claims under the name "Will" were staked on the borders of the Conwest group, totalling 31 claims in all. While details of the

Conwest discovery have not been released it appears that the ore is of a high grade character, carrying high silver values in galena, and that it is probably the only discovery of promise made in the Yukon during 1954. The Syndicate may be considered fortunate in obtaining claims as close to a discovery of promise.

Maps

Five maps accompany this report. The key map shows the approximate location of the summer's activity. Three maps, marked Nos. 1, 2 and 3, show the outline of the magnesite deposits at Atlin and give the location of samples. There is also a map showing the location of recent staking at Ketza River.

AREAS PROSPECTED

Area No. 1.

Although the mineralization on the Duncan Group (see below) appeared to be sparse, it was believed to be sufficiently interesting, in such an area where little prospecting had been done to cause further work to be done along the south and east contacts of the batholith. Smith and Zinchuck, therefore, spent 28 days prospecting the south contact. This prospecting was not financed by the present syndicate but we have an understanding with the prospectors that if anything were discovered we would have first chance at it. Nothing of interest was found.

Area No. 2.

Oil geologists working in the Nahanni River area had circulated rumours that lead-zinc mineralization occurred along the east contact of the Nahanni batholith. Two prospectors, Dan McLellan and Alec Thompson, were employed by the syndicate to prospect this area. The prospectors spent 28 days working along the batholith contact but were unable to find any mineralization of interest.

Area No. 3.

Dan McLellan and Alec Thompson spent the month of July prospecting in the area marked No. 3 on the accompanying map. The object of this work was to prospect around the Cassier batholith that trends roughly east-west in this area and also to examine the gneisses and pegmatites for the occurrence of beryl. C.G.S. geologists working in the area had found beryl scattered through this Wolfe Lake district and suggested that there may be a concentration of this mineral somewhere in Area 3. Nothing of interest was found.

Area No. 4.

Steve Presunka, Marcel Emard and Walter Randall spent the month of July prospecting in Area No. 4. Only very slight signs of lead-zinc mineralization were found in this area. A shale giving four to five times background count on the geiger was found by Presunka. It has no value as a source of radioactive minerals.

Area No. 5.

The parties from Areas 3 and 4 were combined and spent the first three weeks of August prospecting Area No. 6. Although mineralization was known to occur to the north and immediately to the south of the area prospected the men working in Area 6 were unable to find anything of interest to the syndicate.

Area No. 6.

Smith and Zinchuck spent the last half of July and the first two weeks of August prospecting in the Area that is marked No. 5 on the accompanying map. These men prospected this area under the same arrangements as they prospected Area No. 1. They were unable to find any mineralization of interest and abandoned their prospecting for the summer.

PROPERTIES AND SHOWINGS INVESTIGATED

Duncan Group

Eight claims were staked by G.W. Smith and L. Zinchuck, near the south contact of the Nahanni Batholith. Mineralization was discovered by these prospectors while working for the syndicate during the 1953 season. The syndicate at that time considered the showings to be unimportant. However, Smith, Zinchuck and Dalziel of Watson Lake staked the eight claims and reported new finds of value and interested the syndicate to examine the area again. The week between June 17th and 23rd was spent by Presunka and Gross looking over the claims and the surrounding country.

The mineralization on the claims consists of a number of small and isolated bodies of quartz that contain small quantities of arsenopyrite with still less pyrite and very occasional galena. The country rock is altered for a few feet around the quartz (alteration composed of silicification and carbonitization) and contains a small percentage of sulphides. The mineralization is in the form of isolated and widely separated lenses which have a general trend in a NW direction. The lenses, including the mineralized country rock, are all small with maximum dimensions being something like 5 feet wide by 300 feet long.

The early samples taken from the lenses within this zone by Smith and Zinchuck returned encouraging silver values. For this reason the syndicate returned to the Nahanni area to see if follow-up work on these claims should be done, and to see if further claims should be staked in the area.

Additional samples taken from the mineralized zones only returned very low values in silver and gold and panning showed no gold in the quartz. The low assay returns plus the small size and lack in continuity of the mineralized zones indicated that they are of no commercial interest.

Ox Claims, Marain Lake Area

Mr. Eric Ericson and partners hold a group of 54 claims covering a copper-molybdenite showing that is located 5 miles north of Marain Lake (N.E. Haines Junction, Yukon). The property was said to have a showing that contained 3% copper and better than 2% molybdenite over a width of 40 feet.

This property was visited on June 29th. The 40-foot width of mineralization turned out to be the length of the deposit and the combined copper-molybdenum was estimated to be less than 1% over mining width. The showing appeared to be of the contact metamorphic type with carbonate, garnet, epidote, diopside, etc. as gangue. It occurs near a granite contact in altered limey rocks and mica schist. The area is heavily drift-covered but a search of the drift revealed no mineralized float which might be expected if a sizeable body of ore occurred in the area.

The deposit is of no interest to the syndicate.

Gem Group (Fluorspar)

The Conwest Exploration Company had taken an option on a group of claims located two miles north of the Alaska Highway at Mile 497. It had been suggested that there was a large deposit of good-grade fluorspar as well as the possibility of uranium deposits occurring in the area. July 6th to 9th were spent looking over the area with the possibility of picking up claims for the syndicate.

The fluorspar deposits were found to be somewhat lower grade than expected and it was decided that the area was uninteresting from the syndicate's point of view.

Radioactivity, Liard River Area

Three days were spent prospecting for radioactive bodies around the Hot Springs at Mile 497 and a group of claims held by Gus Halverson, 10 miles east of the highway (497) down the Liard River. A few "warm" specimens were found around the springs but nothing of commercial interest was found.

Contact Group

This group is located on the west side of the valley opposite the Cassier Asbestos mine. The property was optioned from two prospectors, Messrs. Perch and Davis, by the American Grain and Manufacturing Company of Plains-view, Texas. Mr. Dan Tidsbury, of the Grain Company, was enthusiastic about the deposit and suggested that if they pulled some good holes in a current drilling program they might be interested in some mining partners. However, examination of the property indicated that it had no commercial possibilities and that the drilling, as being done by the company, would not hit values of interest.

Tecumseh Mines Limited

This company had staked, had under option or lease, about 40 miles of placer ground along the Liard River, where it crossed the Alaska Highway a few miles west of Watson Lake.

The company had a pilot plant set up which consisted of trommels, screens and two Wilfley tables and was making a heavy mineral concentrate. They estimated that they were recovering about 18 pounds of concentrate per yard (about 3,000 lbs.). The concentrate was said to contain gold, zirconium, titanium, columbite-tantalite and various other rare earth minerals, aggregating several hundred dollars per ton.

A sample of concentrate was sent to Quebec Metallurgical Industries and although we have not received a formal report from this company, they have indicated during a discussion on this deposit that it is of no commercial interest.

Black Sands - Flat River (July 14th)

Mr. Dalziel, the pilot at Watson Lake, has spent considerable time in the Flat River area and suggested that he knew of a bar that contained about 25% black sands. A trip was made into this area to see if the black sands contained anything of value such as uranium or the rare earth metals. It was found that they were composed mainly of shale and were of no interest.

Prospecting Possibilities of the Kluane Lake Area (July 24th to 27th)

This area was examined to see whether it was worthwhile doing further prospecting in the district for copper-nickel deposits. It was decided against putting prospectors into the area because it was found that the more accessible sections of the country had already been quite well explored.

(a) Prospectors Airways did some prospecting in the vicinity of Quill Creek in 1952 and had six parties in 1953 checking the favourable zone from White River northwest to the Alaska boundary. They did no work in the belt during the 1954 season.

(b) Hudsons Bay have had parties in the area since 1952. In 1953 and '54 they have had four parties in the area that are being serviced by a Sikorsky helicopter.

(c) A number of other companies and private individuals have prospected the district over the past three years so that it seemed unlikely that the syndicate could pick up anything of interest in the district.

Peter Verslucce's Claims

Verslucce and partners have a block of claims on Congdon Creek in the Kluane district. Verslucce indicated that assays from the sulphides on the property went over 1% combined copper and nickel. The mineralized showings were examined and they were found to be too small and the sulphides too disseminated to make ore. The property was considered to be of no interest to the syndicate although the visit was a hasty one and unaccompanied by property owners.

Peace River Iron Ore

Low-grade iron ore deposits in the Peace River area are being promoted by D.B. MacDougal of 901-8th Avenue West in Calgary. The iron occurs in siderite in sedimentary beds of cretaceous age. The beds are flat-lying and apparently buried below 100 feet of overburden. MacDougal has done some drilling on the iron formation and is said to have outlined a billion tons of ore grading about 40% iron. It was concluded that the iron was too remote and too low-grade to be of interest to the syndicate.

Vangoida Creek Area (Pelly River)

Five days were spent in the Vangoida Creek area and a short examination was made of the Prospectors Airways showing. After looking over the area generally and after discussions with Ted Chisholm, P.A.'s Yukon manager, and others in the area it was concluded that the syndicate had little hope of picking up any ground of interest in the area.

Ross River-Carmacks Road Area

There was a good deal of prospecting along the proposed Ross River-Carmacks Road. Dr. Don Kidd had a party of five men working in the Little Salmon Lake district, although Kidd was working for a private syndicate in Toronto. Nevertheless he had made arrangements with Duncan Derry to give the Northern Mountains Syndicate first look at anything that he and his men might have turned

up. Dr. Kidd has staked a number of claims in the Little Salmon and Boswell River areas but as far as I know there is nothing on his claims to indicate a major discovery.

Atlin B.C. Magnesite

Magnesite deposits have been known to occur in the Atlin district for a great number of years. They were said to be very large and measured in millions of tons. In view of the possible power and industrial development of Frobisher in the district, it was decided to investigate these mineral occurrences.

The deposits were found to contain approximately 100,000 to 150,000 tons of magnesite that would contain upwards of 90% MgO.

Three maps, which accompany this report, show the outline of the deposits and location of samples.

During September a market survey of the west coast area was made by Wright Engineers Limited of Vancouver to determine if the magnesite had sufficient value under current and possible future market conditions to warrant expenditures for optioning or acquiring and holding the magnesite properties. Wright Engineers concluded that the deposits were too small and too remote to compete on the west coast market. They suggested that the exploitation of the deposits would depend on the development of industry in the general area of Atlin.

Mr. L. J. Lichty of Q.M.I. was not optimistic about the local demand for magnesite. He thought that there would certainly not be sufficient demand over any short period for magnesite or magnesite bricks resulting from metallurgical plant construction on the North West Power project. It therefore appears that these deposits are of no interest to the syndicate.

CLAIMS STAKED

Ketza River Area

The syndicate staked 31 claims (the "Will" groups) in the Ketza River area about 60° 40'N 132° 20'W which are tied on to the discoveries made in the district by Conwest Exploration Company. These claims were staked by the syndicate as a 50% partnership with Hans Gloslee, Owne Butcher, Robert Besner and Tommy Smarch. At present negotiations are underway to buy out the four partners for a small cash payment and a stock interest. These negotiations have not reached a satisfactory conclusion since the terms asked by Gloslee are quite impractical. The claims have, however, been transferred into the name of the syndicate and so registered, so it is in the power of the syndicate to make any further decision on their disposal. It would, however, be more satisfactory if an option

on the 50% held by Gloslee et al. can be arranged.

Due to the fact that the season was near its end and the syndicate's finances were almost expended Dr. Gross was not able to make the rather expensive trip in to carry out an examination of these claims. The stakers did report seeing some signs of galena mineralization during their staking but did not have time to do any detailed prospecting and nothing is known of the geology of these claims. A sketch showing the claims in relation to the main discoveries on Conwest accompanies this report. There seems to be a good deal of interest in the Ketza River area because of the high silver values related to lead mineralization. A number of high gold assays have also been reported from arsenopyrite-type mineralization on nearby claims.

RECOMMENDATIONS

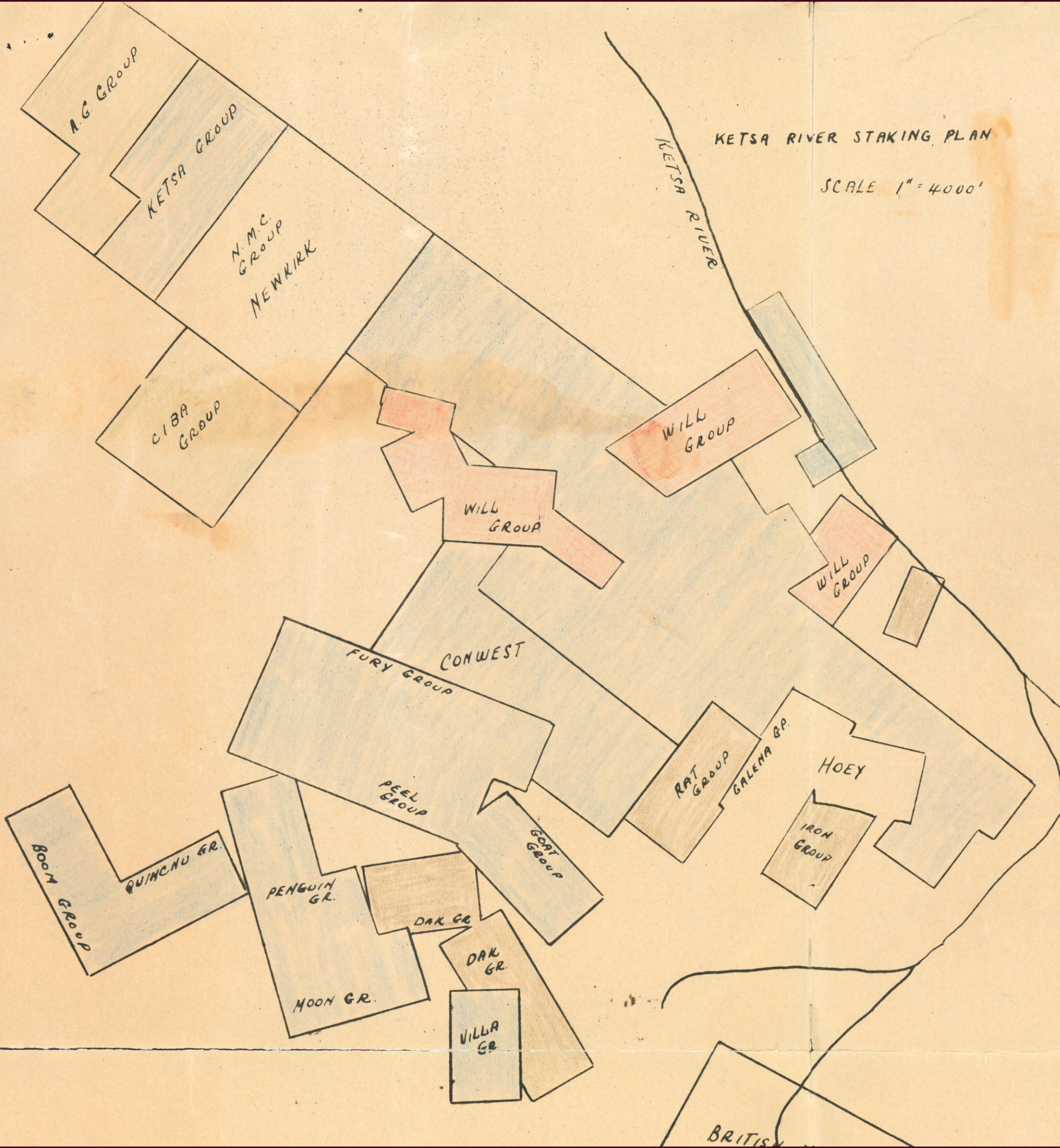
1. The "Will" group of 31 claims in the Ketza River area should be held and attempts continued to obtain an option on the remaining 50% interest at present held by the stakers (Gloslee et al.)
2. Plans should be made to prospect these claims early in the 1955 season and to carry out work on any showings found.
3. Further prospecting in this area should be carried out from the nearest convenient base to the above property.

"DUNCAN R. DERRY"

Duncan R. Derry,
Manager.

Toronto, Ontario.

January, 1955.



KETSA RIVER STAKING PLAN

SCALE 1" = 4000'

- CONWEST EXPL LTD
- HOEY GROUP
- GORDON DICKSON
- PROSPECTORS AIRWAYS
- VENTURES ET AL



- CONWEST EXPL LTD
- HOEY GROUP
- GORDON DICKSON
- PROSPECTORS AIRWAYS
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