

Amarc's IKE project excites mine builder Robert Dickinson



AMARC RESOURCES

A helicopter delivers supplies at Amarc Resources' IKE copper-moly-silver project in south-central B.C.

BY TRISH SAYWELL

When Canadian Mining Hall of Famer Robert Dickinson says he's never been as enthusiastic about a project as he has been about **Amarc Resources'** (TSXV: AHR; US-OTC: AXREF) porphyry copper-moly-silver IKE discovery in south-central B.C., people sit up and take notice.

Dickinson, who with Robert Hunter created Hunter Dickinson, an exploration and development group that has developed a series of important porphyry deposits — notably Mount Milligan, Kemess and Prosperity in B.C., Pebble in Alaska and Xietongmen in China — knows a porphyry deposit

when he sees one.

"I don't think I've ever been more excited," the mine builder says in a lengthy telephone interview from his Vancouver office. "This isn't just one deposit, it's a whole entire district that's going to come to the fore, and it doesn't get any better."

Amarc's executive chairman has also put some of his own money behind the company, with a personal loan of \$1 million last November that will give the junior some breathing room to raise more money for further exploration.

"We wanted to make sure we talked to all the majors, retail investors, stock-brokers and to our network around the

world," Dickinson explains, "and these funds will allow us to do it without diluting shareholders."

As part of the loan agreement, Dickinson received as a bonus, 2.5 million common shares in Amarc valued at about \$237,500. Management owns 19% of the junior's issued and outstanding shares, which over the last year have traded in a range of 5¢ and 13¢.

The project is 40 km northwest of the town of Gold Bridge in the heartland of B.C.'s producing porphyry copper mines. It is about 170 km northwest of **Teck Resources'** (TSX: TCK.B; NYSE: TCK) Highland Valley copper mine and about 60 km south of New Prosperity,

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Drill rods at Amarc Resources' IKE copper-moly-silver property, 40 km northwest Gold Bridge, B.C.

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Taseko Mines' (TSX: TKO; NYSE-MKT: TGB) stalled open-pit copper-gold project.

Last year, Amarc drilled nine discovery holes (5,400 metres) into IKE. All of the holes intersected chalcopyrite and molybdenite mineralization from surface and over a broad area measuring 1,200 metres east-west by 600 metres north-south and to depths of 500 metres. The mineralization remains open in all lateral directions and to depth.

Highlights from the drilling include 247 metres of 0.4% copper equivalent grading 0.3% copper, 0.03% moly, and 2 grams silver per tonne; 234 metres of 0.4% copper equivalent grading 0.3% copper, 0.04% moly and 1.7 grams silver; 194 metres of 0.5% copper equivalent grading 0.3% copper, 0.1% moly and 0.8 gram silver; and 308 metres of 0.4% copper equivalent, measuring 0.3% copper, 0.03% moly and 1.8 grams silver.

"The first hole was a barn burner so

we started stepping out very rapidly," Dickinson recalls of the two-rig drill program in August, September and October of last year. "We framed up a large volume of rock and every hole was mineralized, although not necessarily ore grade, but mineralized from top to bottom. These nine holes indicate an important and significant mineral system and some of it is definitely of a grade that is in line with those mined and milled in B.C."

Amarc actually stopped drilling because the system was seemingly so large and open-ended that they didn't know where to go next — apart from doing more step-out holes. So the team immediately followed up with a magnetic airborne survey over the drilled ground, which found a 6 sq. km porphyry system and clearly defined 2 km by 1 km wide magnetite destruction zone, at the north end of where the initial nine holes had been drilled.

The hydrothermal fluids, or the ore-forming fluids, that brought the copper, molybdenum and silver into the IKE area, also destroyed the magnetite in the rock, Amarc's geologists believe. And subsequent airborne magnetic surveys found another two sizeable magnetite destruction zones in the surrounding area, which according to the company suggests there is potential to find one or two more deposits.

"We have three magnetite destruction zones and we know one of them is very pregnant and is very large at 2 by 1 km and the drilling we've done shows its well-mineralized," Dickinson says. "We don't have a resource to announce because nothing would be 43-101, but any geologist worth his salt would say there's a significant resource that is framed out by those nine holes of drilling."

As soon as the Amarc team knew where the three magnetite destruction zones were located, they then moved in

with induced polarization, which measures the sulphide content of the ground. Results from the IP survey indicated extensive sulphide mineralization that was almost 100% correlated with all three of the magnetite destruction zones, Dickinson says.

The next step was to do rock sampling on 50-metre centres. The results served up grades of between 0.1% and 0.4% copper in areas that extended 800 metres to the southwest and 800 metres to the southeast of the drilled area.

major magnetite destruction zones in and around the copper soil anomalies.

That, emphasizes Dickinson, is within the dimensions of a mining camp, and could one day rival the most valuable porphyry districts in Canada — Highland Valley and Kerr Sulphurets Mitchell — both found in B.C.

The company notes in its literature that the Highland Valley porphyry copper-moly deposit has a geological setting within the interior of a felsic batholith, which is similar to IKE's, as

“It's not every day — and hardly ever — that an opportunity appears early of acquiring something of the scale of Highland Valley, so there is a lot of energy and it builds quickly,” Dickinson continues. “For Hunter Dickinson and Amarc to come up with this in this day and age is almost unheard of.”

Under the company's deal with Gerry Carlson and John Chapman, the two prospector-geologists who picked up the IKE property in 2004 and sold it to Amarc last year, Amarc will acquire 100% of the project by spending \$1.86 million on exploration, issuing 100,000 shares and paying \$40,000 in cash before June 6, 2015.

An underlying 2% net smelter return royalty to the vendors can also be bought for either \$4 million in cash, or \$2 million in shares. Amarc can also purchase an underlying 1% NSR held by a former operator for \$2 million in cash or shares at any time.

Nicolson notes that the timing couldn't have been better for an acquisition of this sort and emphasizes that Amarc is one of the few juniors today that is drilling at all.

“There was intermittent exploration between the late 1960s and 2011 by a series of small exploration juniors and individuals who picked up the property but either the timing wasn't right for this type of play, or sometimes people didn't actually recognize what they drilled into,” she explains. “We were looking for a project that had been drilled with good results that had gone unrecognized for some reason and that is exactly the kind of opportunity that was presented to us at IKE.”

As for Dickinson, he still has some items to check off his professional to-do list before he retires.

“I still want to find a few more mines and we're going to find a bunch of others here all at once.”

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— ROBERT DICKINSON, EXECUTIVE CHAIRMAN, AMARC RESOURCES

“Just to make a discovery at this time is great, but to make a discovery where we are very confident we have the potential to drill off a resource, is something quite special,” president and CEO Diane Nicolson says.

What's more, she says, Amarc has secured additional mineral claims in the area surrounding IKE and now has a series of top targets within 56 km of the drilled area that have interesting historical data showing copper-moly or copper-gold porphyry potential.

At the Rowbottom target, for instance, 5 km north of IKE, eight of 11 holes drilled in the 1960s hit copper porphyry mineralization similar to IKE's, and three or four of the historical holes ran copper equivalent grades typical for B.C. mines.

At its Mad Major target, meanwhile, 6 km to the east of IKE, a historical 2 km wide geochemical survey returned exceptional copper values. Amarc completed an airborne magnetic survey of its own at Mad Major that showed two

well as comparable metal assemblage and grades.

In addition, the regional structural setting at IKE includes major north-west-trending structures and dykes, which were active in the Tertiary period during formation of the IKE deposit and the overall setting is similar to that of many important porphyry belts along the Cordillera in North and South America, the company says.

“We think we have the good fortune to unravel and discover another district of that scale,” Dickinson says. “The exciting part about our district is we are in the heartland of the porphyry centre of B.C. down near Lillooet, where all the infrastructure is, so we have a district that has a very good chance of being mined.”

For now, however, Amarc is concentrating on the ground at IKE and is applying for a fifty drill-hole permit this year. It also plans to raise money before the end of May, a task Dickinson doesn't think will be too challenging, given the exciting results achieved so far.