

KERR ADDISON MINES LIMITED
44 KING STREET WEST
TORONTO 1, ONTARIO

820233

104.5.

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C.K.W.
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K.F.L.
E.C.J.

May 13th, 1968.

Mr. K. Johnson,
430 Merritt Avenue,
Oakland,
California 94618,
U. S. A.

Dear Keith:

Thank you very much for your letters of May 1st and May 7th. It is good to know that a person of your experience is available if and when we would become involved in a placer situation.

With kindest regards,

Yours sincerely,



Paul M. Kavanagh
Vice-President - Exploration.

PMK:sw

MAY 7, 1968

MAY 9 1968

W.S.R.
K.C.G.
J.H.S.
E.F.
R.D.S.
B.C.B.
P.M.K. ✓
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E.C.J.

MR. PAUL KAVANAGH, PH.D., P.ENG.
 VICE PRESIDENT, EXPLORATION
 KERR ADDISON MINES LTD.
 SUITE 1600
 44 KINGS STREET WEST
 TORONTO 1, ONTARIO.

DEAR PAUL:

FOR THE LAST SEVERAL YEARS I
 HAVE BEEN DOING CONSULTING ENGINEERING
 WORK SPECIALIZING IN PLACER MINING. AS YOU
 KNOW, I GREW UP IN THE BUSINESS, GOING TO
 KINDERGARTEN IN NOME, ALASKA AND HAVE
 FOLLOWED PLACER MINING FOR FORTY YEARS.

MY EXPERIENCE, WHICH COVERS ALL
 PHASES OF THIS TYPE OF MINING, HAS TAKEN
 ME FROM NOME TO THE JUNGLES OF SOUTH
 AMERICA.

I WOULD APPRECIATE THE OPPORTUNITY
 TO WORK WITH OR FOR YOU AND YOUR
 COMPANY, PARTICULARLY IN PLACER WORK FROM
 EXAMINATION TO OPERATION.

SUBJECT TO PRIOR COMMITMENT
 I AM FREE TO LEAVE HERE ON VERY SHORT
 NOTICE. MY SHOTS HAVE ALL EXPIRED AS HAS
 MY PASSPORT SO TIME MUST BE ALLOWED
 FOR THESE ITEMS BEFORE A TRIP TO FOREIGN
 LANDS.

I WILL APPRECIATE HEARING FROM
 YOU AT YOUR CONVENIENCE.

SINCERELY,
 J. Keith Johnson

430 MERRITT AVE.
 OAKLAND, CALIF. 94610
 TELEPHONE 415 832-6095

MAY 1, 1968

MAY 6 1968

MR. PAUL KAVANAGH, PH.D., P.ENG.
VICE PRESIDENT, EXPLORATION
KERR ADISON MINES, LTD.
SUITE 1600
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J.B.
L.C.J.

DEAR PAUL:

THIS WILL ACKNOWLEDGE RECEIPT OF YOUR TELEGRAM OF APRIL 19th ADVISING OF YOUR DECISION TO TAKE NO FURTHER INTEREST IN OUR ATLIN PLACER PROPERTIES. THIS DECISION CAME AS NO PARTICULAR SURPRISE TO ME BUT TO SAY THAT I WAS NOT DISAPPOINTED WOULD NOT BE THE TRUTH.

I AM QUITE A STICKLER FOR TELLING THE TRUTH - OFTEN TO MY OWN DISADVANTAGE.

IT WOULD HAVE BEEN A PLEASURE TO HAVE WORKED WITH YOU ON WHAT I FELT COULD AND WOULD HAVE BEEN A LONG AND PROFITABLE OPERATION.

NEITHER MY FATHER OR I ARE PROMOTERS. TOGETHER WE REPRESENT ABOUT ONE HUNDRED YEARS OF EXPERIENCE IN ALL PHASES OF PLACER MINING. WHILE WE OFTEN DISAGREE ON VARIOUS MATTERS WE ARE IN COMPLETE ACCORD IN OUR BELIEF AND FAITH IN THE PINE-OTTER CREEKS PROJECT.

MY FATHER FIRST WENT INTO THE ATLIN DISTRICT AND SAW OTTER CREEK IN 1937. WHAT HE SAW CONVINCED HIM THAT THERE WAS ONE OF THE RICHEST CREEKS, IF NOT THE RICHEST, HE HAD EVER SEEN. AS HE TOLD YOU, AND AS STATED IN THE BROCHURE, THE DRIFTS WERE OPEN AT THAT TIME AND HE WAS ABLE TO OBSERVE BOTH THE CHANNEL GRAVEL AND BED ROCK CONDITIONS.

THE INCLINE SHAFT AND THE DRIFTS ON

MAY 1, 1968

ALL THREE LEVELS WERE OPEN THROUGH THE 1939 SEASON ENABLING OUR CREW TO TAKE THE LARGE UNDERGROUND SAMPLES AS SHOWN ON THE COLORED MAPS WHICH YOU TOOK BACK TO TORONTO.

THIS WORK WAS DONE BY CLARENCE DORFLINGER, A MAN OF MANY YEARS EXPERIENCE IN BOTH MINING AND PROSPECTING.

AS YEARS PASSED AND OUR FAMILY FUNDS BECAME DEPLETED I BECAME MORE OR LESS DISENCHANTED WITH THE POSSIBILITY OF INTERESTING EITHER A COMPANY OR A GROUP IN FINANCING THE PLACING OF A DREDGE ON OTTER CREEK.

IT WAS NOT UNTIL THE FALL OF 1964 THAT THE PROPERTY ON THE GOLD RUN CHANNEL OF PINE CREEK BECAME AVAILABLE THAT MY INTEREST IN THE PROJECT BECAME REKINDLED.

UNFORTUNATELY BY THAT TIME WE WERE UNABLE TO FINANCE ANY FURTHER DEVELOPMENT WORK OURSELVES AND WERE FORCED TO SEEK OUTSIDE HELP.

I AM CONVINCED THAT THE VALUES ARE THERE, BOTH IN OTTER CREEK AND THE GOLD RUN CHANNEL OF PINE CREEK. THE BIG QUESTION IN MY MIND IS "HOW FAR TO THE WEST DID THE SURPRISE LAKE GLACIER TRAVEL, SCOURING, OUT THE OLD CHANNEL GRAVELS AHEAD OF IT."

PERHAPS YOU WONDERED WHY I SAID, IN THE FIRST PARAGRAPH OF THIS LETTER, THAT I WAS NOT SURPRISED AT YOUR DECISION TO TAKE NO FURTHER INTEREST IN OUR ATLID PROPERTIES. AMONG MY REASONS FOR MAKING THIS STATEMENT ARE THE FOLLOWING:

1- THE INFORMATION AND KNOWLEDGE WE HAVE OF THE AREA HAS BEEN GAINED OVER A PERIOD OF A NUMBER OF YEARS. IT IS IMPOSSIBLE TO IMPART THIS KNOWLEDGE AND INFORMATION IN A MATTER OF A FEW HOURS

MAY 1, 1968

AS WE TRIED TO DO DURING YOUR RECENT VISIT TO THE BAY AREA.

2. NEVER HAVE I HEARD WALTER JOHNSON PRESENT SUCH A POORLY ORGANIZED STORY OF OUR ATLIN PROPERTIES. WHEN I REMARKED AS THIS TO HIM AFTER YOUR DEPARTURE HIS REPLY WAS THAT HE HAD ONLY HAD THREE DAYS IN WHICH TO PREPARE FOR YOUR ARRIVAL AND THIS WAS NOT ENOUGH TIME. FRANKLY, SUCH A STATEMENT COMING FROM A MAN WHO HAS SPENT MANY YEARS PLUGGING OTTER CREEK DOES NOT RING TRUE AND LEAVES ME COLD.

3. THE COPY OF DR. MANDY'S 1936 REPORT SHOULD NOT HAVE BEEN SENT TO YOU WITHOUT A SPECIAL COVERING LETTER. I BELIEVE IT WAS SENT TO YOU ONLY TO SHOW WHAT OTHERS THOUGHT ABOUT THE NORTH SIDE OF THE PINE CREEK VALLEY AND THE POSSIBILITY OF DEVELOPING ADDITIONAL DREDGING GROUND THERE.

THE FACT THAT DR. MANDY'S THEORIES HAVE BEEN LARGELY DISPROVEN BY BOTH DRILLING AND MINING IN RECENT YEARS WAS DISCUSSED TO SOME EXTENT, I BELIEVE, IN THE BROCHURE. NOT HAVING EITHER A COPY OF DR. MANDY'S REPORT OR THE BROCHURE AT MY IMMEDIATE DISPOSAL I CAN ONLY SPEAK FROM MEMORY.

AS I RECALL, DR. MANDY THOUGHT RATHER HIGHLY OF TWO CHANNELS HE PROJECTED UP THE NORTH SIDE OF THE PINE CREEK VALLEY. DRILLING, BY OTHERS, FAILED TO LOCATE EITHER OF THESE CHANNELS.

DR. MANDY APPARENTLY DID NOT THINK MUCH OF THE GOLD RUN CHANNEL. IN FACT HE CONSIDERED IT TO BE VERY WEAK AND OF MINOR

MAY 1, 1968

IMPORTANCE. THE OPEN CUT WORK DONE IN 1963 AND 1964 WOULD SEEM TO INDICATE THAT HERE AGAIN DR. MAUDY WAS IN ERROR.

I AM NOT WRITING TO TRY TO GET YOU TO CHANGE YOUR DECISION ALTHOUGH I WOULD BE HAPPY IF YOU DID SO. I FEEL CERTAIN THAT YOU WOULD BE PLEASED WITH THE RESULTS OF A FURTHER INVESTIGATION.

AGAIN LET ME SAY THAT IT WAS A PLEASURE TO MEET YOU AND TO HAVE THE OPPORTUNITY TO SPEND SOME TIME WITH YOU.

SINCERELY,



430 MERRITT AVE.
OAKLAND, CALIF. 94610

APRIL 12, 1968 104N/11

MR. PAUL KAVANAGH, PND. P. ENG.
VICE PRESIDENT, EXPLORATION
KERR ADISON MINES, LTD.
SUITE 1600
44 KINGS STREET WEST
TORONTO 1, ONTARIO

APR 15 1968

W.S.R.
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H.B.
E.C.J.

DEAR PAUL -

IT WAS INDEED A PLEASURE TO MEET YOU ON YOUR RECENT TRIP TO CALIFORNIA AND THE BAY AREA AND TO DISCUSS THE PINE-OTTER CREEKS VENTURE WITH YOU. I ALSO ENJOYED OUR TRIP TO LAGRANGE TO INSPECT THE TUCUMNE DREDGE.

NOT HAVING BEEN PRESENT AT ALL TIMES DURING YOUR MEETINGS WITH MY FATHER I AM NOT THOROUGHLY CONVERSANT WITH ALL THE POINTS THAT WERE DISCUSSED. THERE ARE, THEREFORE, SEVERAL THINGS THAT I WOULD LIKE TO BRING TO YOUR ATTENTION.

THE LARGE COMPANIES, SUCH AS YOUR OWN, ALL SEEM TO BE LOOKING FOR A GOLD DREDGING FIELD OF VERY LARGE SIZE. SUCH DEPOSITS SIMPLY DO NOT EXIST TODAY, AT LEAST ON THIS CONTINENT.

TO THE BEST OF MY KNOWLEDGE THE PINE-OTTER COMBINATION PRESENTS THE LARGEST AND BEST POTENTIAL DREDGING OPERATION IN NORTH AMERICA.

IT IS UNIQUE IN MY EXPERIENCE TO FIND TWO CREEKS WHERE THE PRESENCE OF GOOD GOLD VALUES HAS BEEN PROVEN SO CONCLUSIVELY BY ACTUAL MINING. I AM REFERRING HERE TO THE DRIFTING ON OTTER CREEK AND THE OPEN CUT MINING ON PINE CREEK.

WE HAVE, I BELIEVE, BEEN QUITE

APRIL 12, 1968

CONSERVATIVE IN OUR CALCULATION OF VALUES ON OTTER CREEK AND OUR ASSUMPTION OF BOTH YARDAGE AND VALUES ON THE GOLD RUN CHANNEL OF PINE CREEK.

THE DRIFTED AREA ON OTTER CREEK WAS FIGURED AS A SOLID BLOCK FROM THE RECOVERY AND THE LARGE UNDERGROUND SAMPLES WE WERE ABLE TO TAKE UNDERGROUND IN 1939. THE RECOVERY WAS SUBTRACTED FROM THE TOTAL GIVING AN ACCURATE VALUE FOR THAT AREA.

THE BALANCE OF THE PROSPECTED AREA ON OTTER CREEK WAS EVALUED IN BLOCKS FROM THE DRILL RESULTS. THIS AREA WILL OVERRUN THE VALUES GIVEN TO IT. I FEEL CERTAIN OF THIS FOR THE FOLLOWING REASONS:

1. ASSISTED BY AN ENGINEER BY THE NAME OF MORRISON I SCREENED THE GOLD FROM OUR TWO BEST SAMPLES IN THE DRIFTED AREA AND TWO OF OUR BEST DRILL HOLES. A COUNT OF THE COLORS CAUGHT ON THE DIFFERENT SIZED SCREENS AND A CAREFUL STUDY AND COMPARISON OF THE RESULTS INDICATED THAT WE COULD USE A CORRECTION FACTOR OF 2-1 ON THE VALUES OBTAINED BY DRILLING.

2. IT HAS BEEN MY EXPERIENCE THAT ACTUAL RECOVERY WILL OVERRUN DRILL RESULTS ON A PROPERTY WHERE COARSE GOLD IS PRESENT.

NO CORRECTION FACTOR WAS USED ON ANY PART OF OTTER CREEK.

THE LAST CLEANUP ON THE GOLD RUN CHANNEL OF PINE CREEK SHOWED A RECOVERY OF BETTER THAN 80% PER CU. YD. THIS RECOVERY WAS MADE IN A STEEL SLUICE LAID ON BEDROCK. I DID NOT SEE THIS OPERATION BUT UNDERSTAND THAT THE OPERATORS DUMPED DIRECTLY INTO THE BOX CAUSING LARGE SURGES

APRIL 12, 1968

OF GRAVEL OVER THE RIFLES - TOTALLY UNLIKE THE EVEN FLOW OF FEED ON A BUCKET LIKE GOLD DRENCHER OR ANY WASHING PLANT UTILIZING A REVOLVING SCREEN AND DISTRIBUTOR.

PANNING THE TAILINGS OF THIS OPERATION INDICATED THE OPERATION WAS LOSING 25¢ PER CW. YD.

DRILL HOLES IN THIS AREA AVERAGED APPROXIMATELY 55¢ PER CW. YD. WHILE ACTUAL RECOVERY PLUS THE LOSS DUE TO THE INEFFICIENCY OF THE RECOVERY SYSTEM GIVES A VALUE OF OVER \$1.00 PER CW. YD. IN THIS AREA.

WE HAVE ASSUMED AN AVERAGE VALUE OF 70¢ PER CW. YD. ON GOLD RUN. THIS WOULD SEEM TO BE BOTH A FAIR AND CONSERVATIVE VALUE.

OF COURSE WE KNOW THAT A GLACIER CAME DOWN THE PINE CREEK VALLEY SCOURING OUT THE MOUTHS OF GOLD BEARING CREEKS ON BOTH SIDES OF THE VALLEY AS WELL AS THE ORIGINAL PINE CREEK CHANNEL AS FAR AS THE GLACIER TRAVELLED TO THE WEST. THIS WAS THE GLACIER THAT FORMED SURPRISE LAKE WHEN IT DIED.

IT IS OUR BELIEF, AFTER STUDYING CONTOUR MAPS, AERIAL PHOTOGRAPHS ETC THAT THE GLACIER TRAVELLED LITTLE ~~IF~~ ANY FURTHER WEST THAN THE FOOT OF SURPRISE LAKE LEAVING 3½ MILES OR MORE OF THE GOLD RUN CHANNEL INTACT.

THIS IS THE REASON WHY WE FEEL IT IS SO IMPORTANT TO DRILL TWO LINES OF HOLES ON THE UPPER TWO MILES OF THE GOLD RUN CHANNEL. THIS, OF COURSE, WILL NOT BE ALL THE DRILLING REQUIRED BUT WILL DEMONSTRATE IF PINE & OTTER CREEKS CAN BE COMBINED INTO ONE OPERATION AS WE BELIEVE.

THE ESTIMATES OF DRILL REPAIRS AND DRILLING COSTS WHICH WERE INCLUDED IN MY FATHER'S LETTER OF APRIL 10th WERE MADE

APRIL 12, 1968

LAST JULY AND SHOULD BE REASONABLY ACCURATE. AT THAT TIME IT WAS CONTEMPLATED THAT I WOULD ACT AS SUPERVISING ENGINEER. SUBJECT TO PRIOR COMMITMENT I AM WILLING TO SPEND A MINIMUM OF THREE MONTHS IN THAT CAPACITY AT ATLID THIS YEAR.

I FEEL CERTAIN THAT, AFTER VISITING ATLID AND INSPECTING THE PROPERTIES NEXT MONTH, YOU WILL AGREE THAT THE PINE-OTTER CREEK PLACERS PRESENT A SOLID OPPORTUNITY TO DEVELOP A GOOD SIZED AND QUITE PROFITABLE DRIBBING VENTURE.

KINDEST REGARDS.

SINCERELY,

T. Keith Johnson

T. KEITH JOHNSON

430 MERRITT AVE.
OAKLAND, CALIF. 94610

104N/11
APR 15 1968

WALTER W. JOHNSON COMPANY

DESIGNERS AND BUILDERS
BUCKET DREDGES • SUCTION DREDGES • PLACER MINING MACHINERY

5295 BROADWAY TERRACE
OAKLAND, CALIFORNIA 94618

TELEPHONE 653-6789

CABLE ADDRESS: RETLAW

April 12, 1968

Mr. Paul M. Kavanagh
Vice President - Exploration
Kerr Addison Mines Limited
Suite 1600 - 44 King Street West
Toronto 1, Ontario

Dear Mr. Kavanagh;

I am in receipt of your letter of April 10th advising you hope to arrive at a decision regarding our Atlin property by the end of next week.

I feel the time was too short while you were in Oakland to acquaint you with the possibility of increasing the dredging area on Otter Creek and Gold Run, particularly on Otter Creek. There are high values on Line five and the values apparently will extend out into the lateral moraine gravels of the Surprise Lake Glacier. Turri Mattson reported red gravel with good values in Hole 7, Line 5, which apparently came from a low gravel ridge on the left limit of Pine Creek between Wright Creek and Otter Creek.

The successful operation of a suitable dredge on the property is assured for the following reasons:

1. No perma frost
2. Good roads, open all year, no maintenance
3. 12 miles to town of Atlin
4. Ample water available for power plant four miles from dredge
5. High banks, 60' above dredge pond are no longer a problem.

Enclosed are three photographs showing first gold dredge working with bank 50'-60' above dredge pond.

Please call me if any questions arise. Telephone: 653-6789 (Club)
652-2244 (Private)

Sincerely,


Walter W. Johnson
WWJ:h

Enclosures: Three photographs - Gold Hill 9' cu. ft. Dredge
1961 Brochure on Otter Creek Open Cut Operation

W.S.R.
K.C.G.
J.H.S.
E.F.
R.D.S.
B.C.B. ✓
P.M.K.
G.W.M.
R.O.M.
C.K.W.
L.B.S.
T.R.L.
K.F.L.
T.B.
L.C.I.

KERR ADDISON MINES LIMITED
44 KING STREET WEST
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K.F.L.
J.L.B.
E.C.J.

April 10th, 1968.

Mr. W. W. Johnson,
Walter W. Johnson Company,
5295 Broadway Terrace,
Oakland, California 94618,
U. S. A.

Dear Mr. Johnson:

This is just to let you know that I have received your letter of April 5th with attachments and that I hope to be able to let you know before the end of next week whether or not we will want to pursue any further interest in your Atlin situation.

Yours sincerely,



Paul M. Kavanagh
Vice-President - Exploration.

PMK:sw

APR 15 1968

WALTER W. JOHNSON COMPANYDESIGNERS AND BUILDERS
BUCKET DREDGES • SUCTION DREDGES • PLACER MINING MACHINERY5295 BROADWAY TERRACE
OAKLAND, CALIFORNIA 94618

TELEPHONE 653-6789

CABLE ADDRESS: RETLAW

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E.C.J.

April 10, 1968

Mr. Paul M. Kavanagh, Phd., P.Eng.
Vice President - Exploration
Kerr Addison Mines L. T. D.
Suite 1600
44 Kings Street West
Toronto 1, Ontario

Dear Paul:

Among the papers I enclosed in my previous letter was a B. C. Bulletin of 1936 containing an article by Dr. Mandy of the British Columbia Bureau of Mines, pages 41 to 49.

In 1963 a group from Calgary, using a Becker Hopkins drill, drilled the Birch Creek flats, and a number of scattered drill holes west of Birch Creek and North of the present Pine Creek. As I recall, they did not find any red or tertiary gravel in the area drilled, or any evidence of the buried channel as sketched on Mandy's Map. They did recover some nice looking Birch Creek gold in the area where Birch Creek breaks out of the hills.

The drilling by the Calgary group in 1963 and the large scale open cut mining on Gold Run in 1963, 1964 and 1965 would seem to discredit Dr. Mandy's theory of a buried channel on the North side of the Pine Creek valley.

While drilling is under way on Gold Run a further study should be made of the area up stream from the old hydraulic workings - also down stream.

Keith and I believe that two lines of drill holes will prove or disprove the existence of gold values in the upper two miles of Gold Run.

I hope the following estimate of drilling costs will be helpful:

Estimated Overhauling Atlin Placers Keystone Drill for Season 1968

Purchase New Engine	1,350.00
Clutch Facings, etc.	250.00
300 Feet 6" Drill Pipe Delivered	1,200.00
Four Drive Shoes @ \$120.00 each	480.00
Two Drive Heads @ \$120.00 each	240.00
250 ' New Drill Cable	150.00
Tools for Cutting & Welding Pipe	750.00
Small Drill Tools	500.00
2 Days Rental Low Bed Truck	200.00
	<hr/>
	5,120.00

Mr. Paul M. Kavanagh
April 10, 1968


Page Two

<u>Operating Costs</u>	<u>Per Month</u>
Drill Rental	1,000.00
Supervising Engineer	1,800.00
Driller	1,200.00
Panner	1,000.00
Helper	600.00
Traveling	400.00
Room and Board	350.00
Rental, Gas Driven Welding Machine	400.00
Pick-Up Truck for Crew	300.00
Fuel for Drill, Truck, Welding Machine	450.00
Telephone and Telegraph	100.00
Surveyor	200.00
Contingencies	450.00
Insurance and Benefits	<u>600.00</u>
Total Operating Costs per Month	\$8,850.00

The drill on two occasions has been rented for \$1,000.00 per month for 90 days each time.

Drilling costs per foot will be less and faster by welding the pipe instead of using couplings.

Sincerely yours,


Walter W. Johnson

WWJ:h

WALTER W. JOHNSON COMPANY

DESIGNERS AND BUILDERS
BUCKET DREDGES • SUCTION DREDGES • PLACER MINING MACHINERY

TELEPHONE 653-6789

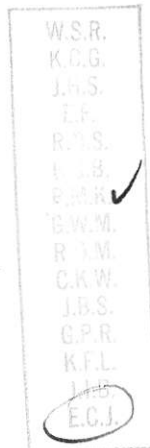
5295 BROADWAY TERRACE
OAKLAND, CALIFORNIA 94618

APR 8 1968

CABLE ADDRESS: RETLAW

April 5, 1968

Mr. Paul M. Kavanagh
Vice President, Exploration
Kerr Addison Mines Limited
44 King Street West
Toronto 1, Ontario



Dear Mr. Kavanagh:

I have received with thanks your letter of April 1st and in the same mail a letter from Allan Mattson enclosing the drill map and logs of the Gold Run Channel. Please note that the holes drilled by Mattson in 1954 are colored black.

Additional holes should be drilled to the south on lines K and KE.

Keith said you were somewhat disappointed at my reply to your question just before you left to catch your plane. The question was - "Did I think there was a chance to find more dredging ground?" I answered, "No", because I thought you were referring to other streams in the Atlin area. There will be some additional ground found on Otter below line #5 and upstream above line #4 and possibly on the left fork as the discovery of gold on Otter Creek was first made on the left fork, about 1904. Mining produced \$60,000 in coarse gold.

Otter Creek and Spruce both head in the same plane of coarse glacial wash and justify a closer examination at a later date.

North Side of Pine Creek. The last mining by Bill Atcheson and Sons in 1937 and 1938 near the R. L. of Pine Creek was 25' to 40' deep and, according to his statement to me, averaged about 25¢ per cubic yard. He hydrauliced a cut through old tailings that produced 7¢ per cu. yd.

Mandy speaks of the possibility of a buried Pine Creek channel on the north side of Pine Creek. If so, it would probably now be obliterated by the later Pine Creek glacier.

Sincerely,


Walter W. Johnson
hh

Enclosures: One small drill map of Gold Run
Profile map of drill lines
Letter of transmittal from Allan Mattson
B. C. 1936 Report by Joseph T. Mandy

APR 2 1968

WALTER W. JOHNSON COMPANY

DESIGNERS AND BUILDERS
BUCKET DREDGES • SUCTION DREDGES • PLACER MINING MACHINERY

5295 BROADWAY TERRACE
OAKLAND, CALIFORNIA 94618

TELEPHONE 653-6789

CABLE ADDRESS: RETLAW

March 29, 1968

Mr. Paul M. Cavanaugh
Suite 1600 - 44 Kings West
Toronto, Ontario
Canada

Dear Paul:

Enclosed is a small map that contains more prospecting data in the drifted area than any of the larger maps that you have.

The center of the Otter Creek Channel lies to the right of the Moran adit and passes underneath the high bank shown in the Kodak picture - sheet one. Picture #4, is a part of the same high bank and shows a cut about 70' high that averaged 17.4¢ per cu. yard. All Glacial till gravel.

The drift connecting the incline shaft and the Moran level averaged \$1.65 per cu. yd. This work was done by Jack Ward and partner, members of the Walter-Sweet Crew, and was verified by me shortly before Jack Ward's death three years ago. #7 shaft line 5, drilled three years ago by the Mattson Bros., averaged 125¢ cu. yd. - 65' deep - 848 milligrams.

Sincerely yours,

Walter W. Johnson
Walter W. Johnson

WWJ:me
Encl.

W.S.R.
K.C.G.
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J.I.B.
E.C.I.

April 1st, 1968.

Mr. W. W. Johnson,
Walter W. Johnson Company,
5295 Broadway Terrace,
Oakland, California 94618,
U. S. A.

Dear Mr. Johnson:

Since returning to Toronto I have received your letter of March 26th and also your letter of March 27th with a replacement for your letter of March 26th attached.

As yet I have not received the maps, etc. from Mr. Mattson which you advised that he was mailing from Vancouver on March 26th. I presume that that data will include the drilling map you had of Pine-Gold Run Creek which I left with you. I want to let you know that I am delaying any further consideration of your Atlin situation until that data arrives.

It was indeed a great pleasure for me to spend several very enjoyable days with you in California.

Yours sincerely,



Paul M. Kavanagh
Vice-President - Exploration.

PMK:sw

APR 1 1968

WALTER W. JOHNSON COMPANY

DESIGNERS AND BUILDERS
BUCKET DREDGES • SUCTION DREDGES • PLACER MINING MACHINERY

TELEPHONE 653-6789

5295 BROADWAY TERRACE
OAKLAND, CALIFORNIA 94618

CABLE ADDRESS: RETLAW

March 27, 1968

Dear Paul:

Will you please substitute this letter for my March 26, 1968 letter which has the correction on it.

Sincerely,

Walter W. Johnson
Walter W. Johnson

WWJ:h

W.S.R.
K.C.G.
J.H.S.
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R.T.M.
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K.F.L.
H.B.
D.D.



APR 1 1968

WALTER W. JOHNSON COMPANY

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OAKLAND, CALIFORNIA 94618

TELEPHONE 653-6789

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G.P.R.
K.F.L.
J.S.
E.C.J.

March 26, 1968

Mr. Paul M. Kavanagh, Phd., P. Eng.
Vice President - Exploration
Kerr Addison Mines L. T. D.
Suite 1600
44 Kings Street West
Toronto 1, Ontario

Dear Paul:

I apologize for the poor condition of the enclosed specifications of the Tuolumne dredge.

During the design period we made one major change in the design of the main drive, substituting one large diameter (16 feet) bull gear driving the upper tumbler shaft from one side only and increasing the diameter of the shaft to twenty inches in the bearings.

We specified jigs and classifiers for the dredge but after tests the additional saving was less than 1-1/2 cents per cubic yard. The operating costs were estimated at 3/4¢ per cu. yd. It was then decided to use conventional tables.

Allen Mattson is mailing you maps, etc., today from Vancouver. In talking to his brother, Turrie, he obtained some additional information on Line KE. Turrie did the drilling on this line. The pay streak evidently swings to the south on this line. There was no pay in holes #1 & 2. #3 hole was 53' deep and averaged 40.3¢ per cu. yd. On the next hole they broke the casing at 36' and did not complete the hole as winter was setting in. Additional holes to the south should find the pay streak with values comparable to Line K.

The holes on Line L were drilled in 1940 by Carl Beal's men. The records of the holes on Line L apparently cannot be located.

Line K, 1300 feet up stream from Line J, is in equally good values as Line J. Line KE, when extended to the south, should be comparable to the values found on Line K.

I feel as strongly as ever that the Gold Run Channel will extend on up stream until eroded by ice.

Sincerely yours,

Walter W. Johnson

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WWJ:h
Encl.