

1 1963 104 P

K

File 104 P/5

check to
March P. '63
March '63

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

To..... P. M. KAVAI

Hanna Gold Mines Ltd

Subject..... HANNA GOLD

Bassias B.C.

March 29th, 1963

820254

May 16 1963

On Saturday, March 23rd, following the Convention, Al Kulan and I drove to Hanna Gold Mines and we sampled some of the veins the following day.

There were a number of Indians that Al wanted to see in the Watson Lake vicinity and it made it very convenient from a schedule standpoint for us to be able to go together.

I will send a map, within a few days, showing the results of the sampling but would advise that as a result of the sampling and examination of the core from drill hole #4, there is no change in the general picture. In other words, it is my opinion that the gold values are concentrated essentially in the veins and not in the so-called Dolomitic zones, or green stones. There was nothing in the core in drill hole #4 that would suggest that an entirely new type of zone had been encountered which would provide potential for large-scale mining.

In the face of this, I have advised Bill Hood that the only thing I would advocate to Kerr-Addison would be a Geophysical Survey of the property, the purpose of which would be to locate the pyritic zones in some of the larger vein systems, and then to investigate these by bulldozer trenching or by diamond drilling. I am convinced, after my examination of the underground workings, that there is adequate pyrite in some parts of the veins to be easily detectable by geophysical methods. Hood has agreed, in principle, to such an approach and presumably some kind of agreement could be worked out whereby we would increase our equity in proportion to funds expended. We did not attempt to go into the details of such an agreement because I wanted to know whether or not you were even remotely interested in such an approach.

There are some large veins (one of them is 20' in width) and if such a vein carried any amount of pyrite, then some tonnage could be built-up rather quickly. This makes a relatively straight forward exploration program since the gold values always appear to occur with the pyrite.

Hood is returning to Eastern Canada within a few days and he will probably telephone you on his arrival in Toronto. Since you may well be somewhere else when he calls, I would like to know whether or not this proposal is at all interesting to you.

RR.

William M. Sirola.

*Am talking Sirola
that his proposal is of
interest.
Mmk
April 1/63*

APR 1 1963 104 P

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

*attach to
cover p. 1
March 63*

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

To P. M. KAVANAGH

From W. M. SIROLA

Subject HANNA GOLD MINES (104-P)

Date March 29th, 1963

820254

On Saturday, March 23rd, following the Convention, Al Kulan and I drove to Hanna Gold Mines and we sampled some of the veins the following day.

There were a number of Indians that Al wanted to see in the Watson Lake vicinity and it made it very convenient from a schedule standpoint for us to be able to go together.

I will send a map, within a few days, showing the results of the sampling but would advise that as a result of the sampling and examination of the core from drill hole #4, there is no change in the general picture. In other words, it is my opinion that the gold values are concentrated essentially in the veins and not in the so-called Dolomitic zones, or green stones. There was nothing in the core in drill hole #4 that would suggest that an entirely new type of zone had been encountered which would provide potential for large-scale mining.

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Hood is returning to Eastern Canada within a few days and he will probably telephone you on his arrival in Toronto. Since you may well be somewhere else when he calls, I would like to know whether or not this proposal is at all interesting to you.

RR.

William M. Sirola.

*Am telling Sirola
that his proposal is of
interest.
PMK
Apr 1/63*

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY) MAR 18 1963

To..... P. M. KAVANAGH

From..... W. M. SIROLA

Subject..... HANNA GOLD MINES (104-P/5)

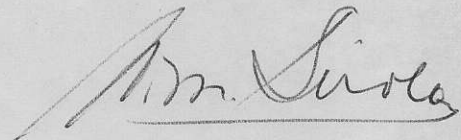
Date..... March 14th, 1963

WSR	
KCG	
CHM	
RDS	
GCB	
PMR	✓
CRN	
FAC	
HAP	
IRS	
EPS	
EID	
JLB	
ECJ	
DVB	

*104 P
attach to corresp
JLB Jan 62*

Angus learned a few days' ago that the Anaconda Company were looking over the Hanna Gold Mines situation. Hood has not yet returned from his visit so I have nothing further to add at this time.

I did talk briefly with Henry Howard who said he believed the core recovery in #4 drill hole was better than 20%, but he was not sure just what it was. He feels very strongly that the so-called Dolomitic zones encountered in the Drill Hole are zones of sericitic alteration and that they could be host rocks for large, gold-bearing structures.



William M. Sirola.

I told Sirola by phone Mar 18/63 to plan on visiting this property after the Yukon Conference in Whitehorse, & that I would do nothing more about it until hearing from him about his visit.

WMS:rl

*PK
Mar 19/63.*

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

~~MAR 1 2 1963~~

MAR 1 3 1963

To..... P. M. KAVANAGH

From..... W. M. SIROLA

Subject..... HANNA GOLD MINES (104-P)

Date..... March 7th, 1963.

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

Accompanying this memorandum are a plan and cross-section of the underground workings at Hanna Gold Mines. The plan shows the channel sampling done by Hanna (in red) and the bulk sampling done under the guidance of Professor Henry Howard (in black).

The sludges from diamond drill hole #4 are, of course, quite spectacular but it is very possible that most of these sludges were contaminated by the occurrences of free gold at the top of the high-grade intersection. Since, according to Hood, core recovery was only 20%, little will be gained by splitting and assaying this remnant of core. At the top of this drill hole there are 4 interesting 10' sludge samples which would imply that contamination has again occurred here, or that many of the rather numerous quartz stringers are carrying fair values in gold. In the cross-cut above the hole, one 5' sample was taken which averaged somewhere between 0.62 - 0.7 ozs.

If the sludge assays in the hole are at all accurate, then Professor Howard's impressions about the merit of the numerous quartz stringer zones may be fairly accurate. Howard, in his latest report on this property, stresses the growing importance of these zones on the property. He describes diamond drill hole #4 as "...possibly being one of the most important drill holes ever drilled in Canada". I know, from talking to him at the C.I.M.M. Convention here, that he is quite impressed with the possibilities of this property.

In view of the numerous encouraging sludge samples in this drill hole, it seems strange that no systematic program of muck sampling was ever instigated. Please notice that in the 350 XCN, wherever 2 prominent faults form a wedge shape, the veins within that wedge appear to carry good values.

It seems that drill hole #4 was completed shortly before Bill Hood took off on his recent vacation and there appeared to be no urgency about having the sludge assayed. Having discovered that the sludge results are rather formidable, they have decided to re-open the property which they closed down at the time Hood left on his vacation.

I do not know who the Drill Contractor is, nor do I know ^{why} the core recovery was only 20%, but Hood may be able to shed some light on this situation when he returns from the property one week hence.

Cont'd.....

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

~~MAR 12 1963~~

MAR 13 1963

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

To..... P. M. KAVANAGH *From*..... W. M. SIROLA

Subject..... HANNA GOLD MINES.....Page 2..... *Date*..... March 7th, 1963.....

Hood mentioned two possible deals, which are as follows:-

PLAN NO. 1:

Kerr-Addison to match expenditure of \$400,000. spent by Hanna to date. Of this, \$110,000. went for properties and \$290,000. in development and equipment. In addition to matching Hanna's \$400,000. expenditure, Kerr-Addison would have to pay \$150,000. in the first year in quarterly payments. This would earn Kerr-Addison operating control to a 40% equity. A larger position could be gained if more than \$400,000. were expended. During the period when Kerr-Addison would be recovering it's pre-production expenditures, Hanna would want a 5% royalty.

PLAN NO. 2:

This would be an Option Agreement whereby Kerr-Addison would pay Hanna \$150,000. the first year in quarterly payments and would agree to expend the sum of \$400,000. over a five-year period. Kerr-Addison would guarantee to spend \$250,000. the first year. This would give Kerr a 60% equity in the property. Again, Hanna would want a 5% royalty during the pay-back period. Hanna would either match, dollar for dollar, after \$550,000. had been expended or Kerr could increase it's 60% equity by putting up all of the remaining required funds. A new company could be formed any time within the five-year period.

Needless to say, Hanna Gold Mines is open to other proposals. I would suggest that we should give consideration to some form of Option Agreement where we could do some underground drilling from 350 XCN to check the validity of the information in drill hole #4. One obvious approach would be to drill a horizontal hole west from the end of 350 XCN. Such a hole would, of course, be 200' above the high-grade intersection and might prove only that the mineralization is not continuous. The feasibility of such a program would depend, of course, on the amenability of the Hanna Directorate to some kind of reasonable deal.

Cont'd....

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

MAR 13 1963

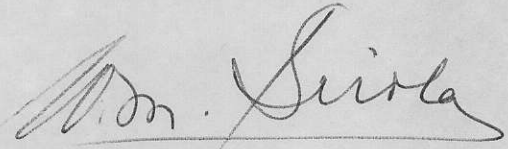
~~MAR 12 1963~~

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

To P. M. KAVANAGH From W. M. SIROLA
Subject HANNA GOLD MINES.....Page 3. Date March 7th, 1963.

By comparing the 20-Scale Plan which I have enclosed with the small sketch, sent to you previously, you will see that some of the stringer zones have been improved by the recent bulk sampling but there is still no formidable tonnage if we discount the fabulous intersection in #4.

Hood will be going to Toronto in about two weeks' time and you could see him then if you wished to do so.



William M. Sirola.

Encls.
WMS:rl

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

104 P.

attach to previous correspondence.

To P. M. Kavanagh From C. K. Wilton

Subject Hanna Gold Mines, Northern B.C. (104/P) Date February 5, 1963.

<input checked="" type="checkbox"/>	W.S.R.	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	K.C.G.	<input checked="" type="checkbox"/>
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<input type="checkbox"/>	H.A.P.	<input type="checkbox"/>
<input type="checkbox"/>	J.B.S.	<input type="checkbox"/>
<input type="checkbox"/>	G.P.R.	<input type="checkbox"/>
<input type="checkbox"/>	E.L.D.	<input type="checkbox"/>
<input type="checkbox"/>	J.I.R.	<input type="checkbox"/>
<input type="checkbox"/>	E.C.I.	<input type="checkbox"/>
<input type="checkbox"/>	D.V.B.	<input type="checkbox"/>

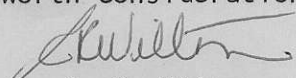
On February 1st, Mr. Row told me of a phone call from Mr. J.B. Frosst, president of Frosst Pharmaceutical Co., handed me the attached notes, and said that Mr. Craigie Hood Jr., would get in touch with me to show me their data. Mr. Hood called at this office today and briefly showed me their maps and reports. The maps show an adit, approximately 700 feet in length, which started in a quartz vein which pinched out or was faulted off after a length of about 200 feet. The vein is said to have averaged 1.19 ounces cut in gold per ton across an averaged width of 4 feet along a length of 172 feet. From the adit cross-cuts were run north and south at 150' intervals (see sketch attached to Bill Sirola's memo of Dec. 19th, 1962). I was not aware before talking to Hood that this property had previously been submitted to Kerr.

Three holes were drilled below the central cross-cut and two flat holes drilled southerly from the ends of two of the cross-cuts as shown on Sirola's sketches. Although the assay results from the veins cut by the cross-cuts and drilling are rather too low to be of interest Hood claims that these veins might, if they were drifted, give lengths of ore similar to that in the vein on which the adit was driven. Hood claims that cross-cuts and drill holes do not adequately test these veins due to the erratic nature of the free gold in them.

The data appeared to be of sufficient interest to study more closely but Mr. Hood had only one copy which he was unwilling to leave with me even for a short time. Mr. Hood had ore reserve figures (obviously premature) based only on the adit, a few cross-cuts, and a few drill holes, he talked of driving a lower adit before the present adit level has been adequately explored, he had figures (obviously premature) showing profit calculations at 100 tons per day and at 500 tons per day and he did not seem to know what terms he wanted for a deal. Since he could not leave his data and said he was going back to B.C. in about one months' time I suggested that he might have definite terms in mind at that time and that he talk to Sirola again at that time.

Our files on this property show that Bill Sirola and you were agreed as late as Jan. 3rd of this year that Kerr should let Hanna proceed with their own plans at least for the present. I agree. It does appear however that they have run out of funds and that those who have been financing Hanna are not prepared to advance more funds. Therefore they may now decide to submit the property under terms worth consideration.

CKW:jm
cc: W. M. Sirola


C. K. Wilton
Senior Geologist - Exploration

~~Jan. 1/63~~ Feb. 1/63

John E. Frost Pres.

\$300,000

1¹/₂ mi. Pharmaceutical Co
— 5 sq mi.

1.19 oz/Tm etc.

692 ft. in ~~the~~ Adit

3 X-Cuts.

D.D. 340 ft below.

Tonnage 80,000 proven. 1 oz a better

400,000

.4 a better

Closed down now.

Hanna Gold Mines.

Mr. Hood • Geologist.

Prof. Howard - U. B.C.

Scope & Co - Toronto.

KERR-ADDISON GOLD MINES LIMITED


(FOR INTER-OFFICE USE ONLY)

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

To..... W. M. Sirola..... From..... P. M. Kavanagh.....
Subject..... Hanna Gold Mines, Northern B. C. Date..... January 3, 1963.....

With reference to your memorandum of December 19th, 1962 on this property, I agree with you that we should let the Hanna people proceed with their own plans at least for the present.

PMK:ry



Paul M. Kavanagh
Chief Geologist - Exploration

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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

To..... P. M. KAVANAGH DEC 26 1962 From..... W. M. SIROLA

Subject..... HANNA GOLD MINES, NORTHERN B.C., 104-P Date..... December 19th, 1962

Bill Hood came in to see us yesterday and advised that he was on his way to Montreal and Florida. He will sojourn in Florida with the daughter of Drug Manufacturer, Frosst, of Montreal who is currently financing the Hanna Gold Prospect. He threatens also to marry the girl shortly after the New Year. This sounds a little anti-climatic, but such are his plans.

I have enclosed a little sketch on which I have shown such assay data as Hood was able to impart. The assay data comes from a report prepared by Henry Howard of the U.B.C. It would appear that Professor Howard is attempting to bulk sample the veins together with what are described as dolomitic alteration zones which sometimes extend between the veins: For example, on the 220 xcn North, a zone between veins E and D was sampled to produce 14.5' of 0.056 Au. On 350 xcn North, the same zone gave 25' of 0.24 Au. He did not have the results of this zone on the 500 xcn North. The sketch also shows some sampling of the veins themselves.

Apparently, Henry Howard is postulating a situation whereby zones like the one described above would be mined and the material sorted by some unknown process to provide a higher grade millhead. Seemingly, they hope to kick out 46% of the mined product and feed the balance into the mill.

Hood quotes the following ore reserves:-

- 1) Vein-type 27,000 tons
- 2) Stringer Zone-type 55,000 tons

The 55,000 tons would presumably include the veins themselves but since, from our discussion above, half of this would have to be discarded as waste, it would mean that his present reserve would be 27,500 tons.

The intended program for the property is to drift on the more promising zones and to start a new 1500' adit 200' vertically below the existing workings. It is hard for me to see the justification of this lower adit until the continuity of the upper mineralization in plan has been established or disproved. The picture, if anything, is somewhat worse than when I sampled the property before.

Cont'd.....

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To..... P. M. KAVANAGH..... From..... W. M. SIROLA.....

Subject..... HANNA GOLD MINES..... Date..... December 19th, 1962.....

- 2 -

In the accompanying cross-section, Hood shows diamond drill holes #3 and #4. When I asked him about the results in #3 drill hole he was rather vague but said that two 10' widths averaging 0.22 Au had been encountered. He also said that it was almost impossible to core in the pyritic portions of the quartz veins and they were forced to rely on sludge collection. He said further that in the drill holes, the greenstone which was prevalent in the upper workings was giving way to dolomite. This, he regarded as a favourable sign in that he hoped that larger mineralized zones would be encountered.

From the evidence thus far, the picture does not appear very rosey. In general, the veins in themselves are too erratic to provide much tonnage and the zones between the veins, and including the veins themselves, are too low grade. If we assume that these zones will average 0.20 ozs, the material would definitely have to be sorted to provide a suitable millhead. There may well be some type of mechanical or electronic process, or a combination of these, which would eliminate hand-sorting, but I know nothing about this and could not predict their value.

Hood states that he would like to make a deal with some major company but wants that company to make them an offer. I could not, at the moment, advocate any offer which they would consider suitable because their thinking, in view of the results to date, is along altogether different lines than I would consider. My suggestion is that they be permitted to carry on with their own plans for the immediate future.

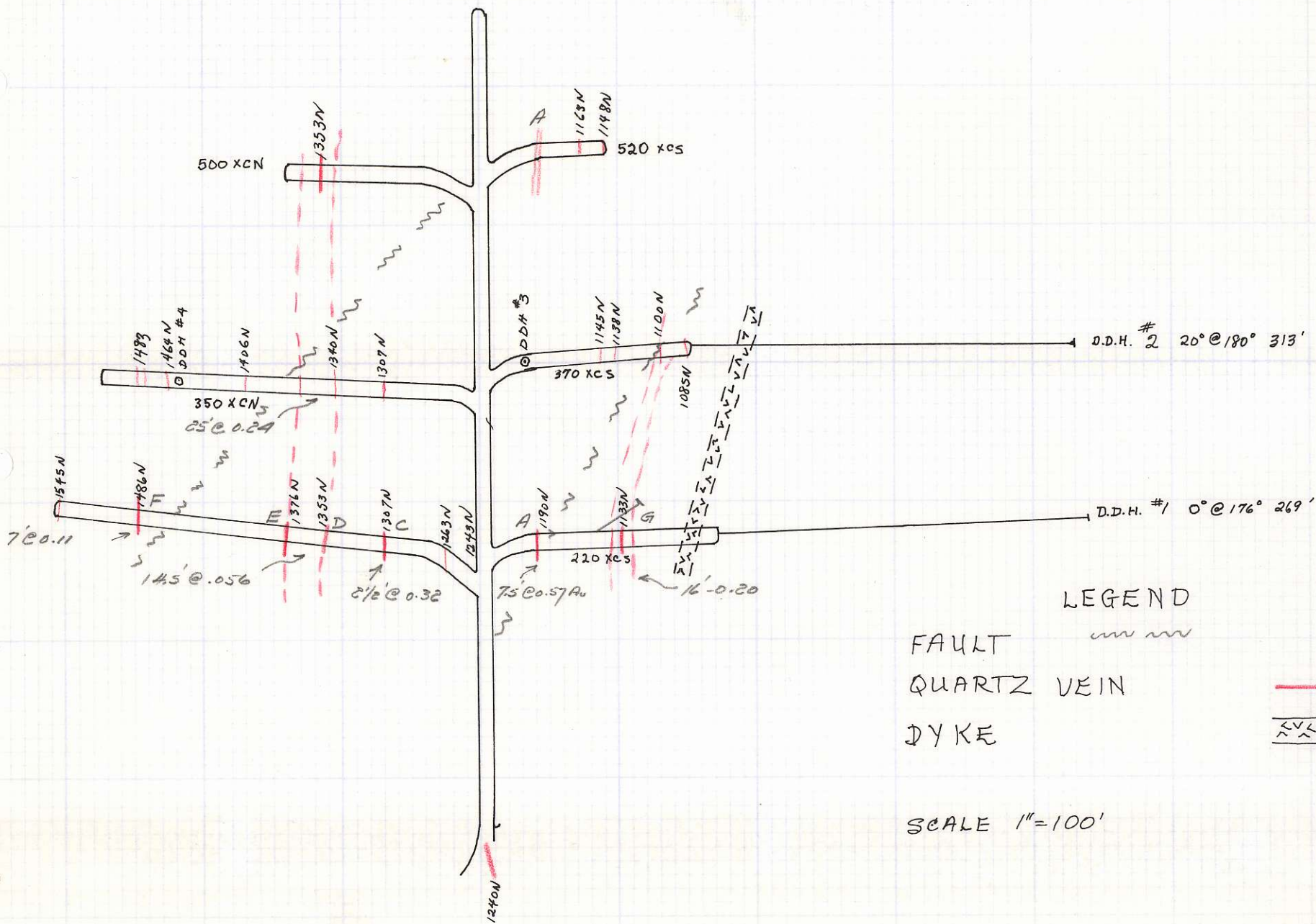
RL.

POST William M. Sirola.

Encls.
WMS:rl

HANNA GOLD MINES

UNDERGROUND DEVELOPMENT



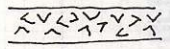
LEGEND

FAULT

QUARTZ VEIN

DYKE

1307 N

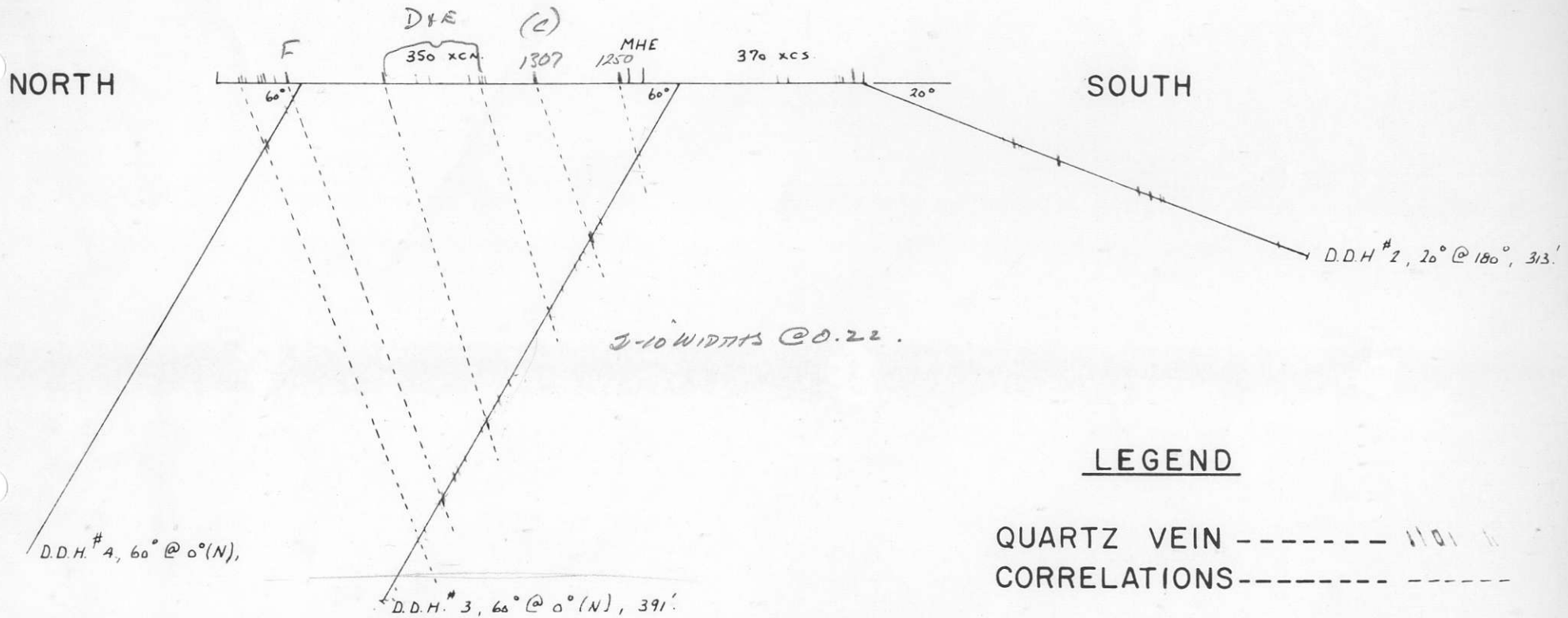


SCALE 1" = 100'

PRINTED ON RECYCLED PAPER 100% H

HANNA GOLD MINES

SECTION THRU CROSSCUTS
350 & 370
SHOWING D.D.H. NO. 2, 3, & 4.



NOV 7 1962

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

104 P
attach to letter
Aug 1961

A	N
	W.S.R.
	K.C.G.
	P.M.K. ✓
	C.K.W.
	G.H.M.
	R.D.S.
	B.C.B.
	D.W.P.
	G.P.R.
	E.L.D.
	J.I.B.
	<u>E.C.J.</u>

To..... P. M. KAVANAGH..... From..... W. M. SIROLA.....

Subject..... HANNA GOLD MINES: 104-P..... Date..... November 5th, 1962.....

Cassiar Area, B.C.

Bill Hood has advised me that he has written to Montreal to get their reaction on the subject of what type of deal they would be prepared to make on their property.

I believe it is their intention to drive along the low level adit this winter.

I should hear from him soon regarding the type of deal they would be prepared to make.

R.L.

pp. William M. Sirola.

WMS:rl

A	N
	W.S.R.
	P.M.K. ✓
	G.H.M.
	E.O.C.
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	E.C.B.
	D.W.P.
	G.P.R.
	E.L.D.
	H.B.
	E.C.J.

104/P

August 23, 1961.

Dr. James A. Hanna,
Whitehorse,
Yukon.

Dear Jim:

Our decision has been to take no further active interest in your gold property near Cassiar, B. C. We consider that the tonnage potential is not sufficient for our purposes.

I expect to be in Whitehorse during the first half of September and plan on visiting with you, at which time we can discuss your property further.

Thank you for submitting the property to us and for the courtesy which was extended to our Bill Sirola during his examination.

Best regards,

Yours sincerely,

KERR-ADDISON GOLD MINES LIMITED

Paul M. Kavanagh
Chief Geologist - Exploration

PMK:ry

C
O
P
Y

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

104/P

A	N
	W.S.R.
	P.M.K. ✓
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	E.C.C.
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	B.C.B.
	D.W.P.
	G.P.R.
	E.L.D.
	M.B.
	E.C.I.

To..... W. M. Sirola..... From..... P. M. Kavanagh.....
Subject..... Hanna Gold Mines Ltd's Gold Property, Cassiar, British Columbia..... Date..... August 23, 1961.....

Many thanks for your formal report dated August 15th which you submitted with a covering memorandum dated August 16th.

Our decision has been to take no further active interest in this property at present, other than to plan a visit with Dr. Hanna in Whitehorse when we are there. I am advising Dr. Hanna accordingly.

Paul M Kavanagh
Chief Geologist - Exploration

PMK:ry

KERR-ADDISON GOLD MINES LIMITED

SUITE 1600-BANK OF NOVA SCOTIA BUILDING
44 KING STREET WEST
TORONTO 1, ONTARIO

August 22, 1961.

MEMORANDUM:

To: Mr. W. S. Row

From: P. M. Kavanagh

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

104/P

Hanna Gold Mines Limited Gold Property, Cassiar, B. C.

Attached are Sirola's report and a covering memorandum on an examination of a gold property close to Cassiar, B. C. which first came to our attention by a phone call to me from James Hanna in Whitehorse on August 3rd. Hanna stated that they had a small crew drifting on 2 parallel veins 35 feet apart. He mentioned that a 5 foot wide chip sample from the No. 6 East vein had assayed 1.16 ozs. in gold, and that a 7 foot wide chip sample from the No. 4 East vein had assayed 0.46 oz. in gold; also that a grab sample of wallrock adjacent to the No. 6 East vein had assayed 2.70 ozs. in gold. Although he said that Hanna Gold Mines would want \$250,000 over a 3 year period, and that they had an offer of a \$50,000 down payment, I instructed Sirola to examine the property.

A summary of Sirola's sampling results is as follows:

- 1) 7 chip samples he took along a 55 foot length of the 69 foot long adit on the No. 6 East vein gave an average uncut grade of 0.66 ozs. Au (0.52 cut) across an average 15" vein width.
- 2) 4 chip samples he took of the wallrock adjacent to the No. 6 East vein gave an average value of only 0.06 oz. Au. across an average 18" width; this contradicts Hanna's statement that the wallrock carries ore values.
- 3) 2 chip samples taken from surface exposures of No. 6 East vein east of the adit all assayed less than 0.1 oz. Au.
- 4) 10 chip samples he took along the last 30 foot length of the 65 foot long adit on the No. 4 East vein gave an average uncut grade of 0.62 ozs. Au (0.50 cut) across an average 56" vein width. A detailed analysis of his sampling indicates that the western 15 foot half of the 30 foot length sampled assayed less than 0.1 ozs. Au.

- 5) 3 chip samples taken from surface exposures of No. 4 East vein east of the adit and 1 chip sample taken from a surface exposure of a possible west extension of the vein all assayed less than 0.1 oz. Au.
- 6) Of the other 18 veins exposed on the property, Sirola chip-sampled only those that had yielded some encouragement in the past, and obtained only negligible values; of 14 samples presently on record as having been taken from those other veins, only 4 have assayed in excess of 0.20 oz. Au.

Conclusions and Recommendations:

The Cassiar districts has yielded some placer gold production in the past, and there is little doubt that that placer gold was originally held in veins such as occur on the Hanna Gold Mines property. Similar free-gold bearing, narrow, irregular quartz veins are known to occur in the heart of the Klondike placer gold district, and have been explored without success.

The tonnage potential indicated on the Hanna Gold Mines property is a very limited one.

Although Sirola would recommend that Kerr undertake a programme of drifting on the two main veins together with some stripping and sampling if very favorable terms could be obtained from Hanna Gold Mines (and such does not appear likely as Hanna apparently has sufficient funds to carry on in a limited way indefinitely), I am inclined to consider that the possibility of ever finding a large enough ore tonnage for Kerr-Addison's purposes is extremely unlikely, and I recommend that Kerr should not seriously pursue the matter further.

In any event, while in Whitehorse early in September, I will probably pay a social visit to James Hanna and would then have an opportunity to talk about his gold property with him.

Paul M. Kavanagh

Paul M. Kavanagh
Chief Geologist - Exploration

PMK:ry

REC'D AUG 22 1961

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

104/P

A	N
<input checked="" type="checkbox"/>	W.S.R.
<input checked="" type="checkbox"/>	P.M.K.
<input type="checkbox"/>	G.H.M.
<input type="checkbox"/>	E.O.C.
<input type="checkbox"/>	H.A.P.
<input type="checkbox"/>	R.D.S.
<input type="checkbox"/>	B.C.B.
<input type="checkbox"/>	D.W.P.
<input type="checkbox"/>	G.P.R.
<input type="checkbox"/>	E.L.D.
<input type="checkbox"/>	H.B.
<input type="checkbox"/>	E.C.J.

To..... P. M. KAVANAGH..... From..... WILLIAM M. SIROLA.....

Subject..... HANNA GOLD MINES LTD., LIARD MINING DIVISION..... Date..... August 16th, 1961.....
104-P

In my Report ^(attached) on the above property, I have stated that consideration be given to doing a limited amount of work provided funds could go directly into work and not payments. My reason for recommending this work is that in the two cases where adits have been driven on veins, sampling results are encouraging compared to results obtained by surface sampling. Should this be true of a number of other veins, then the nucleus of a small producer would have been found. By a small producer, I mean something in the order of 50 - 100 tons per day. Another aspect of the situation is that mint returns from Vein No. 6 East suggest a much higher grade than is evident from my sampling. As mentioned in my Report, I have no way of knowing that all the gold came from 6 East, but it would appear to be a reasonable assumption.

I did not sample the dump at No. 6 East adit because a lot of waste has recently been dumped on top. Consequently I cannot question the sampling of this dump by Hood and Fawley. However, my sampling of the wall rock in situ gave only very low values.

Hanna Gold Mines Ltd. (according to Hood) is currently being financed by drug manufacturer Frost of Montreal and Hood claims that adequate funds are forthcoming to see the mine into production. Were this really the case, there would be little point in slicing the pie any smaller.

Hood has a young Swiss doing a lot of surface sampling now and he intends to do a lot of bulldozer stripping and additional sampling. Possibly the wise thing to do is let him proceed and see what happens. The operation is fully equipped to carry out additional drifting and surface work.

I am not really a small vein enthusiast because I do not like a hand to mouth type of operation. However, if Kerr-Addison is interested in something of the magnitude of this prospect, then a limited effort might well be justified.

William M. Sirola
WILLIAM M. SIROLA



Telecommunications

104/P

Telephoned

REC'D AUG 9 1961

local time

VA2 64

1961 AUG 8 PM 4 47

V LLA417 LONG 82/74 DL=FD VANCOUVER BC 8 133P PDT=

P M CAVANAGH=*Attn Dr Bell*

STE 1600 BANK OF NOVA SCOTIA BLDG 44 KING ST

WEST TOR=*44 King St. West*

HANNA GOLDMINES SAMPLES BEING ASSAYED TODAY IN VANCOUVER PROPERTY HAS TWO PRINCIPAL VAINS NUMBER 1 18 INCHES WIDE AND EXPOSED FOR 130 FEET. TOTAL LENGTH UNKNOWN. BUT CAN BE DETERMINED BY BULL DOZER NUMBER 2 VAIN IS 56 INCHES WIDE AND IS EXPOSED FOR 130 FEET. TOTAL LENGTH MIGHT BE 400 FEET OR MORE. BOTH VAINS SHOW CONSIDERABLE FREE GOLD OCCURRING WITH IRREGULAR PYRITE BUT CAN NOT MAKE RECOMMENDATION UNTIL ASSAY RESULTS RECEIVED REGARDS=
WILLIAM SIROLA==

Hi 4 92 12 / 915

TEL. NO. _____ TIME _____
 TO _____ BY _____
 CALLS LEFT _____
 ATTEMPTS _____
 FILE _____ MAR _____ DELIVER _____

mm

1 18 130 2 56 130 400.

28 samples in all

104/P

Claim Vein No. 1

Sample length in adit 55'

Width in inches 15"

7 samples in vein

Av. Uncont Grade 0.66 g/s

hi cut to 2x Av.

Av. Cut Grade 0.52 g/s

3 samples in well
0.07

Total Exposed length 130'

0.03 - 24" - av. of sampling of 2 surface exps.

Vein No. 2

Sample length 25'

Sampled Width 56"

Av. Uncont Cut Grade 0.62

Cu Grade 0.50

Total Exposed length 130'

Possible length 400'

Av. Grade Surf. Ores 0.02 2'

— gold in freeb fine pyrite

— no poss. of repl. zones.

Phone call from Sirala Aug. 11 PM

re Hanna Hotel

BENROY PROPERTY, CASSIAR, B.C.

Aug. 3/61

- all of the following info. was supplied by Jim Hanna via long distance telephone call from Whitehorse on afternoon of Aug. 3/61
- 5 miles east of Cassiar, B.C.
- 57 claims now held by Hanna Gold Mines Ltd. - a 3 million share company - almost 1 million shares issued
 - 650,000 to Hanna & Craig Hood Jr. who bought out interest of Dick Kerwin, Cassiar Asst. engineer in charge of transportation
- vendors of property to Hanna Gold Mines Ltd are Messrs. Copeland and Couture who originally built a small makeshift mill by the Cassiar roadside - they have been given 250,000 shs of Hanna G.M. Ltd. in escrow & have option to buy 250,000 shs at 10¢ within 3 years.
- Hanna G.M. Ltd. recently bought Carol Mines camp at Johnson's Crossings on Mt. King
- the veins on the property are up hillside from the little mill
 - 2 crews have been drifting during the past month
 - have drifted 65 feet on a 5 ft. wide vein & 40' on a 7' wide vein 35' east of the 5' wide one; intention is to push 7' vein drift into 75' & then to X-cut over to 5' vein drift hoping to encounter other veins.
- mentioned a 1.16% Au 5' wide chip sample from 5' vein & a .46% Au 7' wide chip sample from 7' vein; indicated that same grades occurs through all the drifting on each vein.
 - a grab sample of sulphide bearing well rock right next to 5' vein gave 2.70% Au.
- N. Cold Asbestos wants to deal.
- Allan Farley examined property for Nicolet & also wrote a report for Hanna G.M. Ltd.
- Hanna Gold Mines Ltd. have spent \$75,000 to date acc. to Hanna
- they have ± \$25,000 in current liabilities
- they would want \$250,000 over 3 year period & he said that they could get \$50,000 down
- they would prefer to deal with Kerr rather than with Nicolet
- Hanna's Whitehorse phone is 2739
- tried to get Hanna to give permission to make examination in late August but he said he wouldn't wait, so I phoned Sirola & asked him to get up there soon as possible.

MAY 15 1963

104 P

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To..... P. M. KAVANAGH From..... W. M. SIROLA

Subject..... HANNA GOLD MINES (104-P) Date..... May 13th, 1963

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

Craigie Hood Jr. honoured us with a visit early this week and advised that Hanna Gold Mines had elected to go its own merry way, largely because none of the companies who sampled the property recently were prepared to make the sort of commitment the Hanna people were looking for.

Apparently they intend to drift on the veins which they have found in crosscuts in the hope that sufficient tonnage can be developed to warrant installation of a small mill. I believe that Craigie is now convinced that drill hole #4 may not be one of the most important ever drilled in North America.

Craigie has asked for the return of the maps which I sent you.

To

Bill Sirola

Mr William M. Sirola.

RL.

Enclosed please find maps re the Hanna Gold Mines property as requested in your letter dated May 13 1963

1-
E.C.J.

WMS:rl

REFERENCE MEMORANDUM

DATE May 16 19 63

THE ATTACHED PAPERS ARE REFERRED

TO ECJ

BY PMK

PLEASE REPLY DIRECT

PLEASE HANDLE

PLEASE SEE ME RE THIS

YOUR COMMENTS

FOR YOUR INFORMATION

FOR APPROVAL

PLEASE RETAIN

PLEASE RETURN

Would you please return ^{to Sirola} the maps Sirola refers to at the end of the attached memo & ask him to return them to Hood.

PMK.

104 P.

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

attach to previous cover p.

To..... W. M. Sirola From..... E. C. Jacka

Subject..... Hanna Gold Mines (104-P) Date..... May 16, 1963

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

Enclosed please find maps re the Hanna Gold Mines Property as requested in your letter dated May 13th, 1963.

E. C. Jacka.

ECJ:dt
Encls.