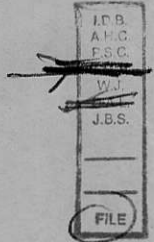


KERR ADDISON MINES LIMITED
P.O. BOX 91
COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1C7

COPY

820258



June 8, 1982

Mr. E. C. Burgan
Exploration Manager,
Eastern Division
Hudbay Mining Ltd.
10 King Street East
Toronto, Ontario
M5C 1C3

Dear Mr. Burgan:

Re: Cirque Brochure

Enclosed please find Copy #48 of the Cirque
Brochure, Volume 2.

Yours very truly,

KERR ADDISON MINES LIMITED

D. A. Lowrie
Vice-President, Exploration

DAL/sm
Encl.
cc: Mr. D. B. Agnew
Dome Petroleum Limited

94 F
HUDBAY/DOME PETE'S CIRQUE
DEPOSIT, NEAR WARE, B.C.

JUNE 1982

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

T.O.S.
A.H.C.
D.S.C.
D.M.H.
W.J.
D.A.L.
J.B.S.
PB
FILE

To I. D. Bayer

From D. A. Lowrie

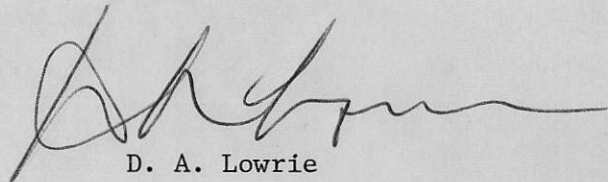
Subject Dome Pete - Cirque Deposit

Date June 1, 1982

Tom Doyle phoned to say that bids would be accepted on the Cirque area separately from Cyprus Anvil.

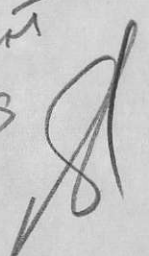
Also, Tom said that Dome plans trips into the property by Dome aircraft during the weeks of June 14 and June 21. The tours would be one day in and out with data presentations on site. Each trip would be for a separate group, so Kerr could send possibly 4 - 5 people if considered advisable.

Let me know if we are interested so that I can fix a date with Tom.



D. A. Lowrie

DAL/sm

*NOT INTERESTED
CURRENT
CONDITIONS*


*Let's
discuss with
Phil or
Mandy*

*Unless we are
interested
Jan.*

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

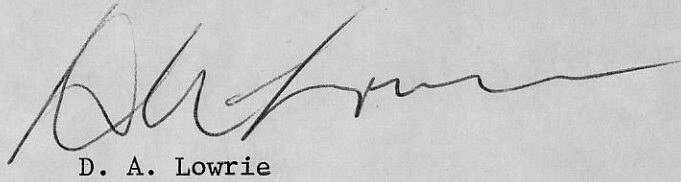
<input checked="" type="checkbox"/>	A.H.C.
<input checked="" type="checkbox"/>	P.S.C.
<input checked="" type="checkbox"/>	D.M.H.
<input checked="" type="checkbox"/>	W.J.
<input checked="" type="checkbox"/>	D.A.L.
<input checked="" type="checkbox"/>	J.B.S.
<input checked="" type="checkbox"/>	PB
<input type="checkbox"/>	FILE

To P. Bojtos/I. D. Bayer From D. A. Lowrie

Subject Cirque Deposit, B.C., Dome Petroleum Date May 28, 1982

Dome will call for bids before June 30th, 1982 on Cirque
alone on Cirque and Cyprus Anvil together.

I do not believe that prospective bidders will include
Cyprus Anvil even at very low increments over the Cirque bidding
prices.



D. A. Lowrie

DAL/sm

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

~~FILE~~
A.H.C.
P.S.C.
D.M.H.
W.J.
D.M.E.
J.B.S.
~~FILE~~

To..... P.S. Cross/I.D. Bayer From..... D.A. Lowrie
Subject..... Cirque Deposit and Environs
Zinc-Lead ± 100 million tonnes Date..... May 17, 1982
Grade = 2.2% Pb, 8.0% Zinc, 47 gms/tonne silver

TARD CAN'T MAKE A GOT 14.00%

(Signature)

Dome Pete is in desperate need of cash. This deposit is saleable at some front end cash price plus retained interest, royalty etc. in the future. I believe Dome will sell at a distress price. This deposit will be a profitable mine in the future at some point on the economic cycle curve.

*OPEN PIT POTENTIAL?
NO*

Debt financing of a project of the magnitude required will place a severe downside on the profitability.

I suggest that Kerr should calculate a fair price, bid to acquire the property, and if successful, form a new public company, to be financed by private placement and share takedown by Kerr. Kerr's position should be large enough to retain control of the company.

Debt financing would no doubt, be required at some point after development start.

If timing of the development period was made to coincide with the upswing of the economic curve, Kerr could presumably retain control of the new company for a relatively small contribution to the equity financing and avoid most of the potentially high pre-production interest charges associated with debt financing.

D. A. Lowrie

DAL/sm

I think full development is necessary I would guess that high grade, if possible, would reduce the permanent damage done as then a high grade mine which can be mined initially?
Tom

Guess they had the sense not to believe their own cash flows!

Montreal, and specializes in mine finance and feasibility education, is teaching third and fourth year students, and Dr Michael L. Jeremic, with doctorates from the universities of Belgrade and Sarajevo, Yugoslavia, and experience both in the industry and academic environments, is giving courses pertaining to rock mechanics.

The engineering school has also appointed Dr Shailendra Kishore Sharan, with a doctorate from the University of Waterloo, to teach mechanics and strength of materials, on a sessional basis.

Manitoba

IMC shelves Manitoba potash mine

International Mineral and Chemical Corp (IMC), of Northbrook, IL, has put a \$640 million potash mine near McCauley, in southwestern Manitoba, on hold.

"I don't think anything is happening," reported a spokesman for IMC, whose memorandum of agreement, signed with the Manitoba government, expired Dec 15, 1981.

IMC said that it was informed by provincial officials in February that it would no longer be the only company considered for potash development.

Sherritt Gordon slates summer shutdowns in northern Manitoba

Sherritt Gordon Mines Ltd has scheduled vacation shutdowns at its two mining operations and divisional headquarters in northern Manitoba, this year.

A shutdown at the Ruttan mine, to last four weeks, beginning July 10, follows an earlier announcement that operations at the Fox mine will halt on June 26 for six weeks.

About 650 employees in the division will be affected, but the major portion of the vacation period will be covered by earned employee holidays.

Loss of production from the shutdown is estimated to be 6.5 million lb of copper and 2.0 million lb of zinc.

SMDC, Suneva pursue gold near Flin Flon, Man

Saskatchewan Mining Development Corp (SMDC) and Suneva Resources Ltd are forming an agreement to develop the mineral leases and claims,

about 33 km west of Flin Flon, Man, where Suneva explored gold occurrences last year.

Among the returns from drill intersections were 0.05 oz per ton over 180 ft, 0.11 oz per ton over 19 ft, and 0.70 oz per ton over 2.75 ft.

Under the agreement with Suneva, SMDC will earn a 50 per cent interest in the project by providing exploration expenditures amounting to \$212,000, and will make option payments of \$10,000 to Morley Minerals, in 1982 and 1983.

SMDC will also reimburse Suneva about \$37,500, one-half of the expenditures it made on five mineral claims last year.

British Columbia

Inca eyes gold, silver on Kem property, BC

Inca Resources Inc has assay results as high as 0.83 oz per ton of gold, and 24.7 oz per ton of silver, from a newly discovered quartz specularite vein system on its Kem property, about 15 miles southeast of Chappelle Creek, BC.

Field work conducted last season by Kidd Creek Mines Ltd, which has an option on the property, included prospecting, mapping and rock sampling over the western portion of the claims, where little exploration had been done.

Results from eight samples ranged from 0.75 oz per ton Au, with 18.45 oz per ton Ag, at No. 70569, to 0.002 oz per ton Au, with 0.04 oz per ton Ag, at No. 70567.

The mineralized zone is about 50 ft long, 3 to 5 ft wide, and of unknown depth. Trenching and drilling are planned for this year.

Outland's Valemount mica agreement with Brinco terminated

Outland Resources Corp and Brinco Mining Ltd have terminated an agreement, made on April 1, 1981, for commercial production from Outland's Valemount mica deposit in British Columbia.

The property contains 2.29 million tonnes of mica schist, with an average grade of 60.5 per cent muscovite, and has one million more tons fairly assured with potential for extensions.

Outland is continuing negotiations for commercial production on the property as soon as possible.

Cyprus Anvil postpones Cirque mine development

Cyprus Anvil mining Corp has curtailed development of the Cirque lead-zinc-silver property, 300 km north of Prince George, BC, because of high interest rates and poor market prices.

The mine, which would have employed 600 to 700, will not be developed until the economy improves.

Cyprus Anvil has spent about \$17 million exploring four mining properties, north of Williston Lake, BC, during the past three years.

Craigmont closes copper mine near Merritt, BC

Craigmont Mines Ltd is closing its 20-year-old copper mine, near Merritt, BC, because of dwindling copper reserves.

The last ore came out of the ground around the end of February, 1982, but the amount shareholders will receive is undetermined, and depends on how much is realized from the sale of assets, which could take up to two years, according to Craigmont president A.J. Petrina.

Brinco to shut Cassiar mill for 35 days

Brinco Ltd will close the mill at its Cassiar asbestos mine, in northern British Columbia, from June 29 to Aug 3, 1982, with the shutdown at the open pit operations lasting about 30 days longer, for experimental production.

Approximately 600 employees will be affected.

BC Coal inks 10-year coal contract with Elkraft Power

BC Coal Ltd has a 10-year contract to ship 3.8 million tonnes of thermal coal to Elkraft Power Co, a Danish consortium.

The agreement, subject to periodic price renegotiation, calls for supply of 300,000 t of thermal coal in 1982 and 1983, and 400,000 t for each of the remaining eight years.

BC Coal has also given its 1,600 United Mineworkers of America members a 38 per cent wage and benefit increase, and a \$200 no-strike bonus.

Under the two-year agreement, ratified by the union earlier this year, the hourly rate for laborers rose from

40 =

$$\begin{array}{r} 53 \\ 14 \\ \hline 31 \end{array}$$

$$NSR = 39/ha.$$

	Life	Cap.	PV @ 15.	/yr	profit/ha	\therefore op cost less than
1000	114 yrs.	128	7	18.3	\$ 52.24	(13.24)
2000	57	194	6.7	29.00	41.36	(2.36)
3000	38 yrs.	248	6.6	37.6	35.79	3.21
4000	28 yrs.	294	6.53	45.0	32.16	6.84
5000	23 yrs.	336	6.4	52.5	30.00	9.00
6000	19 yrs.	374	6.2	60.5	28.80	10.20
7000	16 yrs.	411	5.95	69.1	28.19	10.81
8000	14 yrs.	446	5.72	78.0	27.85	11.15

$$10 \text{ of } 22 = + 9.00/ha$$

\therefore High grade @ 4000 t/ha.

Low grade @ 3000 t/ha.

12 = tons.

$$\begin{array}{r} 74 \\ - 66 \\ \hline \text{\$ } 8 / \text{ton.} \end{array}$$

250,000/yr.

$$= \frac{250,000}{12} / \text{yr.} = 20,833.33 / \text{yr.}$$

$$= \frac{20,833.33}{10} \text{ cap.} = 2,083.33$$

1000 ft.	24 yrs.	101 m	+ 70	171	128 m	-
2000 ft.	17 yrs.	154 m	-	224	194 m	-
3000	11 yrs.	196 m	"	266	248 m	-
4000	8 1/2 yrs.	233 m	"	303	294 m	✓
5000	7 yrs.	266 m	"	336	336 m	✓
6000	6 yrs.	297 m	"	367	375 m	✓
7000	5 yrs.	326 m	"	396	411 m	

PV 15%	24	6.6	17.4	/yr.	= 55.43 / ton.	∴ op cost less than (1.43)
	17	6.05	32.1	/yr.	= 45.86 / ton.	8.14
	11	5.2	47.7	/yr.	= 45.43 / ton.	8.57
	9 1/2	4.77	61.6	/yr.	= 49.00 / ton.	10.00
	7	4.16	80.8	/yr.	= 46.17 / ton.	7.83
	6	3.78	99.2	/yr.	= 47.29 / ton.	6.76
	5	3.35	123.0	/yr.	= 50.2 / ton.	3.80

$$\text{NSR} = 74 + 10 \times 2 = \text{\$ } 114$$

$$\text{-ft.} = \frac{20}{54} / \text{ton.}$$

$$3/4 \text{ of } 4000 \text{ ft.} + 12 \times = 57 \times$$

$$= 46 \times$$

40M

76. 2000 x .022 x .70 x .99 x .95 = 28.77 x .18 f = \$ 5.21

2m 2000 x .08 x .87 x .99 x .85 = 117.14 x .35 f = 41.00

Ag. 42.6kg x .97 = 41.36
196 3.50 x .99 x .95 = 3.29
→ 18.41 → 14.91 x .99 x .32 x .80 = 3.78
→ .555 = 22.75 x .85 = 19.51
= 26.58 6.83
= .854

NSR = \$ 53.04

@ 6700 tpd = 2.4 m/yr. @ PZ profit/ha = \$ 16.8 m/yr.

10 of 2m = \$ 22.5 m/yr.

PV = 6.254 = \$ 141 m over life.

\$ 17 m to labor

30 of 2m m needed for 415 cap cost over 20 yrs.

~~2.37~~ = 22.5 m/yr

Payable metal. 40%

Pb $2000 \times .822 \times .70 \times .99 \times .95 = 28.97 \text{ \#} \quad 5.21$

Zn $2000 \times .08 \times .87 \times .99 \times .85 = 117.14 \text{ \#} \quad 41.00$

Ag $70 \text{ gm.} \times .97 \times .99 = 67.22 \rightarrow 29.80 \rightarrow 6.85 \text{ Pb}$
 $\rightarrow 37.42 \times .85 = 31.81 \text{ bar.}$

$70 \times .97 = 67.90 \rightarrow 30.22 \rightarrow 5.62 \text{ Pb} \times .99 \times .95 = 5.34 \text{ g}$
 $\rightarrow 1.555 = 37.68 \times .85 = 32.03 \text{ bar.}$
 $\rightarrow 24.60 \text{ Zn} \times .32 \times .80 = 6.30$

wrong \uparrow

43.67 gm. 11.23
 1.40

NSR. 57.44

Payable 13.7%

Pb $3.2 \times .7 \times .99 \times .95 = 42.13/6 \quad 7.58$

Zn $11 \times .87 \times .99 \times .85 = 161.06 \times .35 = 56.37$

Ag $63.78 \text{ g} \times .97 = 61.87 \rightarrow 27.53 \rightarrow 19.7 = 5.23 \times .99 \times .95 = 4.92$
 $\rightarrow 1.555 = 34.34 \times .85 = 29.19$
 $\rightarrow 22.3 \times .80 = 5.65$

37.76 g. 10.23
 = 1.28 oz.

$10 + \text{Zn} = \$12.88/\text{ton}$

$1.54 \times 10^6 \text{ Tpy} \quad \$19.8/\text{yr.}$
 $= \$99.6/\text{life.}$

74.18.

1000 fpl.
= 1400 fpl.

117 mcs.

11.78

4.46

16.24.

21 @ GYM.
36.5 @ stall.

37 mcs.

4.60

1.87

2.47

Power

4.08

27.79.

<u>154</u>	grubs	
8	elec	
7	plat	
5	Bunk	
<u>14</u>	Adm + Expd.	
<u>188</u>		

816

557

375

1785

3533 = 4000

40%

1600

5000

1000

300

11900

= 11.70/ha.

39.69 = 40

Road = 6

46

13.09 = 17.31

29

26 @ sign.

at = 14

5.70

60.

1.45

4.72

10.

4400 tpd mill

6200 tpd mine

sig 60' steps

150 Mins.

Labor.	3.05	- 1.93	3.74.
Supplies.	<u>2.04</u>	<u>2.57</u>	<u>3.97</u>
	5.09	4.52	
	7.64	6.78.	<u>7.21</u>

73 Mins.

Labor.	2.10
Supply	<u>2.60</u>
	4.70

Power

2.62.

sub. 14.53.

2.65

17.18 / ton.

223 Employees.

12 Elec. 1224

9 plant 716

7 Bank 525

16 Admin. 1360

267.

3825

1530

597

4349

1378

11637

2.65/ton

Road rent

1.00

18.18.

Freight

19.36

CIF

37.54

Smelt.

Sansbury.

28-97#	P6	.26	7.53	=	+ 2.32
117.14#	Z	.43	50.37	-	+ 9.37
1.402	Ag	9	12.60	=	

42.13	.26	10.95	+ \$ 3.37
-------	-----	-------	-----------

161.06	.43	69.26	+ \$ 12.87
--------	-----	-------	------------

1.282	9	11.52	+ \$ 1.29
-------	---	-------	-----------

91.73.	+ 17.55.
--------	----------

= PV of \$106 m

10¢ Zn ≡ 38.2¢ P6 ≡ \$10 Ag.

10¢ Zn increase = PV of \$78 m over life.

11.36	time.	1982 =	15.00	/hr.	198	exp by
6.18	roll	=	8.00	/hr		
5.05			6.68			
				<hr/>		
				23.00	/hr.	<hr/>
						103 exp by

301

$\$25$
 Rad. 1.00
 sub. 20
 $\$46$

v. NSR \$74 = \$28.00

= \$33.60 / yr.

= \$168.64 PV @ 15%

For Radon \bar{x} = 5.30 roll.
 14.50 time.

 19.80

CIRQUE.

To end 81 Pizū spent.
D.D. ; road ; arrs Trip 1600 rebus.
87km

40 m tonnes

6250 Tt / day all. 2m Tt / yr. = 320 days.

metallyg = Mager & Ranchberg.

concehber. - transport truck a Gage to Madrasie.

1/4 acre / 3000.

Type B

42,220

1600 Kg Madrasie.

~~1600~~

1400

1600/15/17.

Fibre.

34160. fibres / hectare.
1600 kg

John Saper.

Ron Hones

CSM Richard Barth.

$$\begin{aligned} \text{Frty Lt} &= \$73 / \text{DMT} + 22 \text{ ocean} = 95 / \text{DMT} \\ &= 86.16 / \text{DMT} \\ &= \$93 / \text{SWT} \end{aligned}$$

Cone ratio			17.7	
			Hyg Lgn	40
76	$\frac{52}{.7 \times 3.2}$	$\frac{23.21}{33.77}$	4.01	
	2.2			2.75
27	$\frac{58}{.87 \times 11}$	$\frac{6.06}{9.33}$	15.85	
	8		<u>19.36 ft.</u>	$\frac{11.16}{13.41}$
			sy 20.00	sy 14%

WSR	=	24.18	MSR	53
Op Cost	=	37.54	-	14
		<u>54/ton.</u>	MSR	37/ton.
		36.64.		

for 12 m tons. = \$440 m

for 10 yrs. = \$44 m / yr.

PV @ 15% = $\times 5.019 = \$220.84 m$

cap cost. \$196.00 m. to \$221.00

1.68 Pb.

6-34 Zn.

Bone.

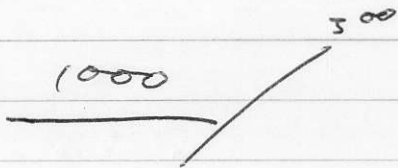
26-F.

34-34 Ag.

2,000,000 tpd.

$$6250. = 6870 \text{ tpd.} = 2,411,000 \text{ tpy.}$$

20 yrs.



$$1000 \times 300 \times 30$$

= 9.0 cubic mts.

16.01846.

$$277 \text{ lbs/ft.} = 7.2 \text{ tons.}$$

$$3280 \times 100 \times 6$$

$$= 41000 \text{ tpd.}$$

$$= 13653 \text{ p day.}$$

High core - 34 ft

$$= 13940 \text{ tpd.}$$

$$= 4600 \text{ tpd.}$$

$$= 1.4 \text{ yr.}$$

$$= 10 \text{ yr life.}$$

MAY 12 1982

DOME PETROLEUM LIMITED

BOX 200
CALGARY, ALBERTA, CANADA
T2P 2H8

(403) 260-5100

DL



(Handwritten initials in a circle)

LIS

May 11, 1982

Mr. D. A. Lowrie
Vice President, Exploration
Kerr Addison Mines Limited
P.O. Box 91
Commerce Court West
Toronto, Ontario
M5L 1C7

Dear Mr. Lowrie:

Re: CIRQUE/MINERAL PROPERTIES BROCHURES

As per the signed Confidentiality Agreement, please find enclosed Copy Number 48 of our Cirque Brochure, Volume Number 2, and also Copy Number 15 of our Mineral Properties Brochure, Volume Number 5.

Yours very truly,

DB Agnew

D. B. Agnew
Project Manager
Business Development

RDP
Attach.

VIA COURIER

Cirque material
Pls send Ed Buzgan
with letter enclosure
cc to D.B. Agnew
(Hudbay Toronto)

KERR ADDISON MINES LIMITED
P.O. BOX 91
COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1C7

COPY

May 10, 1982

Mr. D. B. Agnew
Project Manager
Business Development
Dome Petroleum Limited
Box 200
Calgary, Alberta
T2P 2H8

Dear Mr. Agnew:

Thank you for your letter of May 6, 1982. I am enclosing the signed confidentiality agreement re the Cirque and Mineral Property brochures. We would be most interested to examine these.

Yours truly,

KERR ADDISON MINES LIMITED

D. A. Lowrie
Vice-President, Exploration

DAL/sm

Encl.

VIA: Airvelop

MAY 10 1982

DOME PETROLEUM LIMITED

BOX 200
CALGARY, ALBERTA, CANADA
T2P 2H8

(403) 260-5100

100.
A.H.C.
P.S.C.
D.M.H.
W.J.
J.B.S.
FILE

May 6, 1982

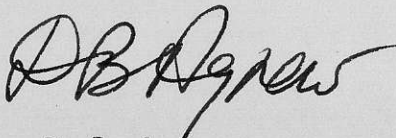
Mr. David A. Lowrie
Vice President - Exploration
Kerr Addison Mines Limited
P.O. Box 91, Commerce Court West
Toronto, Ontario
M5L 1C7

Dear Dave:

During our Selbaie discussions, it was mentioned that Kerr Addison would like to see our Cirque and Mineral Property brochures. If you would be kind enough to sign this confidentiality agreement and return it to me I will mail the brochures to you.

Thank you for your interest and cooperation in this regard. Please call me should you have any questions.

Yours very truly,



D. B. Agnew
Project Manager
Business Development

DBA/rdp
Attach.

cc. E. L. Forgues
H. M. Visagie
File CBA 08

DOME PETROLEUM LIMITED

BOX 200
CALGARY, ALBERTA, CANADA
T2P 2H8

(403) 260-5100

May 5, 1982

Mr. David A. Lowrie
Vice President - Exploration
Kerr Addison Mines Limited
P.O. Box 91, Commerce Court West
Toronto, Ontario
M5L 1C7

Dear Mr. Lowrie:

SUBJECT: CONFIDENTIALITY AGREEMENT - MINERAL PROPERTIES

All information whether factual or interpretative ("Confidential Information") concerning certain mineral properties described in the Dome Petroleum brochures entitled Cirque Vol. II, and Mineral Properties Vol. V, held by us and our affiliates and made available to you in connection with our discussions shall be kept confidential by you. Such Confidential Information may only be disclosed by you to your staff, consultants and agents on a need to know basis and only if you first obtain from them a confidentiality agreement similar in form and content to this agreement.

Any Confidential Information provided to you will not be developed or made available, reproduced, published, traded, sold, discussed or otherwise disclosed to any third party (which includes without limitation affiliates and subsidiaries) without our express written consent. Without in any way limiting the generality of the foregoing, any Confidential Information provided to you will not be developed or made available, reproduced, published, traded, sold or otherwise disclosed to any government or governmental authorities or such third parties.

All Confidential Information provided to you shall be returned to us immediately upon request in the event agreement is not concluded between us.

Yours very truly,

DOME PETROLEUM LIMITED,

Per: 

Vice President

Agreed and Accepted by:


Per: Kerr Addison Mines Limited

Title Vice President - Exploration