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KERR-ADDISON GOLD MINES LIMITED
SUITE 1600-BANK OF NOVA SCOTIA BUILDING
44 KING STREET WEST
TORONTO 1, ONTARIO

820492

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

March 27, 1962

MEMORANDUM:

To: Mr. W. S. Row

From: P. M. Kavanagh

Macdonald Property, Merritt Area, B. C.

All of the attached data concern a 38 claim property in the Merritt, B. C. area, eight miles south of Craigmont submitted by Angus Macdonald through Bill Sirola who recommends we option it. Macdonald wants \$500 cash and 15 to 20% of the vendor shares of a new company.

A month ago I advised Sirola that I could not recommend the property because 1) more than half of the property is indicated to have other than the favorable Nicola bedrock, 2) Granby who had the ground several years ago found no magnetic anomalies and only weak conductors in a doolimeter E-M survey, 3) the expiry dates for the claims are May 4th and June 9th this year.

What has made me reconsider the matter is a recent article on Craigmont geology in the February 1962 Western Miner by Craigmont's senior geologist. He draws attention to the fact that the Craigmont ore body was completely covered by a variable thickness of overburden and was capped at its western end by the young Kingsvale volcanics, and he stresses these facts to illustrate the need for thorough examination of any area covered by overburden or covered by what may prove to be a thin capping of younger rocks. He also mentions that although parts of the orebody responded magnetically there is mixed hematite-chalcopyrite ore at the west end that is non-magnetic. He stresses the idea that an extensive programme may be required to exhaust the possibilities in an area of favorable geology.

In light of the above I am now inclined to recommend that we option Macdonald's ground on the following terms: \$500 upon completion of his escrow deposit, and 112,500 shares of a 3 million share company to be formed no later than December 31, 1964.

Sirola has advised that a self-potential survey could be satisfactorily carried out prior to the May 4th and June 9th expiry dates.

Paul M. Kavanagh
Paul M. Kavanagh
Chief Geologist - Exploration

PMK:ry

*copy sent to Sirola asking him to advise if Angus Macdonald accepts our terms.
PMK Mar-28/62.*

KERR-ADDISON GOLD MINES LIMITED

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M.B.	

To..... W. M. Sirola From..... P. M. Kavanagh

Subject..... MacDonald Prospect, Merritt Area, B. C. Date..... February 27, 1962

I have finally been able to take a close look at all of the data you have sent me on this prospect, and I must admit I can't get too excited about it. The main disappointment comes from the fact that even by the G. S. C. Map 886A over half of the property is indicated to have other than Nicola bedrock; large parts of the area of Nicola bedrock which that map indicates, are indicated by Granby to have Tertiary lava bedrock.

The Granby magnetic work yielded nothing of interest and the E-M conductors - even the relatively best - were all very weak. By the way, the EM conductors shown in Claims 19 and 24 on Angus' map you sent me attached to your January 16th memorandum are wrongly located. I assume Granby tried to strip the southern EM anomalous area.

I note also that the expiry dates for the claims are May 4th and June 9th of this year - certainly early in the normal field season.

Although Angus' terms are reasonable ones, I just consider that we can devote our attention to better potential situations and I am not going to recommend this one. I do appreciate your submission of it.

Attached is the Granby report.

Paul M. Kavanagh
Chief Geologist - Exploration

PMK:ry
Enc.

FEB 15 1962

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	J.W.P.
	G.P.R.
	E.L.D.
	H.B.
	<u>E.C.T.</u>

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

Subject..... MACDONALD PROSPECT, MERRITT AREA, B.C. 92-I..... Date..... February 8th, 1962.....

Please find enclosed the Granby Assessment Report on the Art group of claims and a map showing the relationship between the MacDonald Group and the Granby Group. This map also indicates the extent of the geophysical coverage on the Art Group and shows the expiry dates of Angus's ground.

On the enclosed Nicola geological sheet we have indicated the position of a number of the properties. There appears to be a definite line of weakness in a North to North West direction extending from Craigmont through to the Trojan property in the Highland Valley. There are breccia pipes on the Trojan, Bethlehem and Sheba properties. It is conceivable that this line of weakness would extend into the general area of the MacDonald claims. The geological map of the State of Washington indicates the same 'break'.

I think that this is a good area in which to do S.P. and possibly geochemical work, and I am not at all convinced that the E.M. Survey done by Granby rules out the likelihood of mineralization on the property.

The geological map produced by Granby is not very helpful in that they found no outcrops of Nicola series or of the Coast Intrusives. Consequently, the geology shown on our map had to be duplicated from the 'Geological Survey' mapping and may not be too accurate.

I think that we should consider the McGuire ground to take precedent over the Angus No. 1 and No. 3 claims.

RL

PP. William M. Sirola.

KERR-ADDISON GOLD MINES LIMITED

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	E.L.D.	

To..... W. M. Sirola From..... P. M. Kavanagh.....
Subject..... Macdonald Prospect, Merritt Area, B. C. (92 1) Date..... February 5, 1962.....


I have your memorandum of January 30th on this property, in addition to your January 16th memorandum.

Please forward the Granby assessment report when possible. I would also appreciate having from you a geological map including the Craigmont area and the Macdonald property.

For how long are Angus' claims in good standing? Do his Nos. 1 and 3 claims take precedence over the claims which they overlap?

I am returning Angus' map herewith, having made a couple of copies of it.

PMK:ry
Encl.


Paul M. Kavanagh
Chief Geologist - Exploration

FEB 1 1962

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To..... P. M. KAVANAGH..... From..... W. M. SIROLA.....
Subject..... THE MACDONALD PROSPECT, MERRITT AREA, 92-I..... Date..... January 30th, 1962.....

W.S.A.	
H.C.A.	
P.N.T.	✓
S.H.M.	
D.W.P.	
G.P.P.	
L.L.D.	
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In response to your telephone request that I forward more information on this property, I would advise that I talked to Larry Postle this morning in the absence of Keith Fahrni. Postle is quite prepared to let us have the assessment report, but states that it will have to come from Allenby. In consequence, we will not get this report for several days. In any case, I know the contents of this report fairly well and, as I have already mentioned in my January 16th memorandum, no magnetic anomalies of any consequence were found. The only other type of survey made was an E.M. survey made with an instrument called the Dooleymeter with which you are familiar. Granby did not manage to strip through the overburden to ascertain the cause of the E.M. anomalies they obtained and they assumed that these anomalies were caused by clay deposits.

I would propose that we do a comprehensive S.P. survey of the property and determine for certain whether the anomalies are caused by mineralization or overburden. I do not yet know whether geochemistry would be helpful on the property, but it would not take long to determine this in the Spring.

I guess we did not outline Angus's claims on the sketch forwarded to you. The claims are the Faults 1 - 40.

Of considerable importance, I think, is the fact that the MacDonald Group lies on a North-South line which can be carried from the Bethlehem Copper Property, through Craigmont, and as far South as Wenatchee. This would appear to be a definite line of weakness on which at least four breccia pipes have been found.

William M. Sirola.

KERR-ADDISON GOLD MINES LIMITED

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J.I.B.	
E.C.J.	

To..... P. M. KAVANAGH..... From..... W. M. SIROLA.....
Subject..... THE MACDONALD PROSPECT, MERRITT AREA, 92-1..... Date..... January 16th, 1962.....

Angus advises that he would accept \$500.00 in cash and 15% - 20% of the Vendor's shares for his property South of Craigmont.

You may recall that this ground was at one time held by Granby Mining Company who carried out magnetic and electromagnetic surveys thereon. The magnetic surveys would certainly suggest that no contact metamorphic deposits occur on the claims, but there is always the possibility of a Copper Mountain type occurrence. Granby did pick up four separate areas of E.M. anomalies, two of which were in the Kingsvale rocks. Others, however, were in the Nicola series and the cause of the anomalies remains unknown. In talking to Keith Fahrni of Granby, I learned that they did try stripping one of these and did not get through the overburden. He did say, however, that they assumed that the anomalies were caused by a clay layer in the overburden.

If we had this ground, I would suggest that we carry out self-potential and possibly geochemical surveys. These could be carried out quickly and inexpensively in this area and I look upon it as a feasible exploration project despite the negative results achieved by Granby.

I enclose Angus's map of the property which he would like returned.

R.L.

pp William M. Sirola.

Enc.

WMS:rl

MEMORANDUM

April 30, 1962

*File
MacDonald
Option*

KERR-ADDISON GOLD MINES LIMITED

To: P. M. Kavanagh
R. D. Stewart
W. M. Sirola

From: E. C. Jacka

Re: MacDonald Option Agreement

Date: April 10, 1962

Claims: Fault 1 to 24 (14206 - 14229)
Fault 25 to 40 (14740 - 14755) - Total 40 claims

Location: Near Merritt in the Nicola Mining Division, British Columbia

Terms: (I) \$500.00 payable when the escrow deposit is completed
(II) 112,500 shares of the capital stock of a new company to be formed if the option is exercised

Exercising Date: On or before December 31, 1964

Escrow Agent: Bank of Montreal
West Point Grey Branch
4502 - West 10th Avenue
Vancouver, British Columbia

Lapsing of Claims: Claims may be lapsed on giving MacDonald 30 days notice of intent

Reimbursement of Expenditures: If the New Company is formed it will reimburse Kerr-Addison for all expenditures made in connection with the Mining Claims

Address: Angus MacDonald
2568 Trimble Street
Vancouver 8, British Columbia

E. C. Jacka

E. C. Jacka

ECJ:LY
4cc

June 26, 1962.

The Manager,
Bank of Montreal,
West Point Grey Branch,
4502 West Tenth Avenue,
Vancouver, British Columbia.

Dear Sir:

Enclosed please find a copy of a letter which has been forwarded to Mr. A. MacDonald. The contents of this letter are self explanatory.

Will you kindly hold all documents held in escrow, as per the option agreement dated April 10th 1962, to the order of Mr. A. MacDonald.

Yours truly,

E. C. Jacka

ECJ:dh
Enclosure

C
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Y

W/S
M/5A
Red file

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	K.C.G.	
	P.M.K.	✓
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	D.W.P.	
	G.T.R.	
	E.L.D.	
	J.L.B.	
	L.C.	

REGISTERED

June 22nd, 1962

C
O
P
Y

Mr. Angus MacDonald,
2568 Trimble Street,
Vancouver 8, B. C.

Dear Mr. MacDonald:

This is to advise you formally, in accordance with Clause 7 of our agreement dated April 10th, 1962 that we are abandoning our interest in your Fault Claim Group property near Merritt, British Columbia.

We are advising the escrow agent concerning our decision to abandon our option.

Having supervised our test work on the property yourself, you are fully aware that we received no encouragement from that work. If you do not already have copies of our reports and maps prepared in Vancouver, and if you would like to have copies, I suggest that you arrange with Bill Sirola to obtain some.

I understand that Bill Sirola has submitted the reports and maps in satisfaction of assessment work requirements for the property.

Yours sincerely,

Paul M. Kavanagh
Chief Geologist - Exploration

PMK:ry

cc:W.M.Sirola

copy to escrow agent.

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

April 25, 1962

C
O
P
Y

The Manager,
Bank of Montreal,
West Point Grey Branch,
4502 West Tenth Avenue,
Vancouver, B. C.

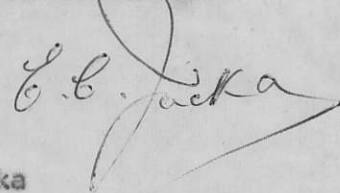
Dear Sir:

With reference to the option agreement dated April 10th, 1962 between this Company and Mr. A. MacDonald, enclosed herewith please find a copy of a letter which is being forwarded to Mr. MacDonald.

Will you kindly attach this copy to the documents which have already been placed into escrow by Mr. MacDonald.

Yours very truly,

KERR-ADDISON GOLD MINES LIMITED



E. C. Jacka

ECJ:ry
Encl.

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

April 25, 1962

Mr. Angus MacDonald,
2569 Trimble Street,
Vancouver 8, B. C.

Dear Mr. MacDonald:

We wish to refer to the option agreement between yourself and Kerr-Addison Gold Mines Limited, dated April 10th, 1962.

Mr. Sirola has informed us that the escrow deposit has been completed.

Complying with Clause 3(a) of the above mentioned agreement, enclosed herewith please find a cheque for \$500.00.

Will you kindly acknowledge receipt.

Yours very truly,

KERR-ADDISON GOLD MINES LIMITED

E. C. Jacka

ECJ:ry
Encl.

E. C. Jacka

cc: Bank Manager

C
O
P
Y

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

APR 19 1962

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

Subject..... MacDONALD COPPER AGREEMENT..... Date..... April 17th, 1962.....

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

Herewith your signed and witnessed copy of the Agreement. The escrow deposit has now been completed from this end and the crews have left for the property.

R.L.

for William M. Sirola.

Enc.

WMS:rl

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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✓	R.D.S. ✓
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	D.W.P.
	G.P.P.
	E.L.D.
	J.L.B.
	E.C.J.


To..... W. M. Sirola..... From..... P. M. Kavanagh.....
Subject..... MacDonald Agreement, Merritt Area, B. C. Date..... April 10, 1962

Attached are the original and three copies of our agreement with Angus MacDonald signed by Mr. Row and Mr. Stewart. Please have Angus sign them. Then return the original to me, give Angus one copy, forward one to the escrow agent and retain the other one yourself.

You will note that we have included all of the forty Fault claims in the agreement. We have done so because we have been advised by the B. C. Department of Mines that they have accepted the Fault claims one and three. They may also of course have accepted McGuire's two claims in question, and we of course are prepared to be told at a later date that the McGuire claims take precedence.

Please advise me when the escrow deposit has been completed and we will then make the \$500 payment to Angus.

PMK:ry
Encl.


Paul M. Kavanagh
Chief Geologist - Exploration