

93 H

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

APR 16 1962

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

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

Subject..... CARIBOO GOLD QUARTZ PROPERTY..... Date..... April 13th, 1962.....

As you may have heard, Huestis and Associates won their proxy fight against the former directorate of Cariboo Gold Quartz and, in consequence, I telephoned Herman Huestis this morning. He is not divulging very much at this stage of the game and states that they have not got very thoroughly into the situation themselves. I take this obviously with a grain of salt and would suggest that one definite possibility here is that Huestis et al plan to use the Cariboo Gold Quartz Company as a "tax loss" situation. In other words, money lost by the Cariboo operation during the past ten years or so could be deducted from Bethlehem taxes if the assets of Bethlehem were put into Cariboo Gold Quartz. You realize, of course, that this is conjecture on my part, but it seems reasonable conjecture to me.

Huestis had no immediate recollection of having discussed this situation with you in Toronto.

RL.

PP. William M. Sirola.

MAR 22 1962

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

Subject..... CARIBOO GOLD QUARTZ PROPERTY, BC. - 93-H..... Date..... March 20th, 1962.....

Messrs. Huestis, Hall and Reynolds are in New York city and unavailable for discussion on the Cariboo Gold Quartz situation, but I talked to Jack McLellan who is Chairman of Bethlehem. Jack advises that they have not gone very deeply into the thing as yet, but the general idea was to try to expand the operation as a whole. He implied that the first problem was to get to see the mine since Dr. Burnett seems ill disposed to have the opposition on the property.

I would assume that their interest would lie in the potential expansion of the Island Mountain mine in which there are replacement deposits of fairly massive sulphides in a particular horizon in the sediments. In addition, of course, there are auriferous quartz veins. I understand that the Huestis group will return to Vancouver on Monday and perhaps I can discuss it further with them at that time

RL.
for William M. Sirola.

WMS:rl