

Property Submission

93M

File 93 M/6

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<u>E.C.J.</u>	<input type="checkbox"/>

To.....W.M.S

Pine Hill Mountain Property

Subject.....Hazlet

Hazleton (Sunrise Mines Ltd)

gh.....

February 26th, 1965

February 1965

I managed to get a file of the work done by A.S.&R. on the above property in 1920, but it does not include the results of the underground work. The accompanying copy of a letter dated March 13th, 1920, states that the underground results were essentially disappointing. Keith Whiting says that the underground results would be in New York, but that he does not have them here. In any case, it is apparent, from the map in the back of Mason's report, that the

With reference to your February 23rd memorandum, I am inclined to agree with you that we better not devote any more attention to this situation.

The pattern of silver distribution of the "pay streaks" at surface is a highly irregular one. For example, an assay of 39 ozs. of silver, in one case, was flanked by 1.26 ozs. and 0.6 ozs. I will concede that the silver-lead ratios are good (in the order of 3 - 1), but I regard this situation as essentially a very small hand-sorting type of operation, and, in consequence, I would not recommend it to Kerr Addison Mines.

Paul M. Kavanagh

Paul M. Kavanagh
Chief Geologist - Exploration.

William M. Sirola

pp William M. Sirola.

PMK:sw

WMS/iw.
Encls:

93 M

attach to previous
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KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

822201

- W.S.R.
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- C.K.W.
- G.P.R.
- K.F.L.
- J.I.B.
- E.C.J.

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

Subject.....Hazleton Sunrise Mines, Oninca Mining Division, Date.....February 26th, 1965.....
B.C.

I managed to get a file of the work done by A.S.&K. on the above property in 1920, but it does not include the results of the underground work. The accompanying copy of a letter dated March 13th, 1953, states that the underground results were essentially disappointing. Keith Whiting says that the underground results would be in New York, but that he does not have them here. In any case, it is apparent, from the map in the back of Mason's report, that the main vein, which dips at 30°, or less, into the hill. In

With reference to your February 23rd memorandum, I am inclined to agree with you that we better not devote any more attention to this disappointing situation.

The pattern of silver distribution of the "pay streaks" at surface is a highly irregular one. For example, an assay of 39 ozs. of silver, in one case, was flanked by 1.26 ozs. and 0.6 ozs. I will concede that the silver-lead ratios are good (in the order of 3 - 1), but I regard this situation as essentially a very small hand-sorting type of operation, and, in consequence, I would not recommend it to Kerr Addison Mines.

Paul M. Kavanagh
Chief Geologist - Exploration.

William N. Sirola.

PMK:sw

WHS/iw.
Encls:

March 13, 1953

British Columbia
Omineca M. D.
Hazelton District
Sunrise Exp
Au, Ag, Pb, Zn, Bi, Sb.

References:

B. C. M. of M. Reports:

1950, pp 97-98

1927, p 131

1920, pp 85-86

G. S. C. Memoirs

223, pp 11-16, 1940

110, p. 34, 1919

A. S. & R. explored upper zone at 5000 ft. elevation in 1920. Option dropped because only a low tonnage high grade operation was indicated. 1923 to 1927 the main adit was driven 445 feet. Results essentially disappointing. Further trenching and stripping exposed more narrow veins with good values, but the picture is still one of a low tonnage.

The property is ^{still} of interest to the company.

G. V. Meffer

KERR ADDISON MINES LIMITED

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93 M.
attach to Review
cost. Jan 65
Do not change date.

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

Subject..... Hazelton Sunrise Mines Limited's Sunrise Group, Date..... February 12th, 1965.
Hazelton Area, B.C. (93-M).

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With reference to your memorandum of February 4th with attached J. D. Mason report (being returned to you herewith), I consider that a property examination might be justified. However it might be very revealing if you could obtain information from A. S. & R. concerning underground assay results. I am a little suspicious that the surface mineralization may be enriched in silver either chemically or mechanically, and that poor underground assays were the dampening influence on further development.

Paul M. Kavanagh
Chief Geologist - Exploration.

PMK:sw

MADE IN CANADA
© 1965
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KERR-ADDISON GOLD MINES LIMITED

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FEB 8 1965

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

Subject..... HAZLETON SUNRISE MINES LIMITED (93-M-6). Date..... February 4th, 1965.

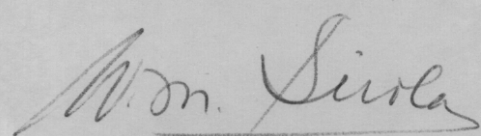
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Mr. and Mrs. Otto Schneider were good enough to bring the enclosed copy of J.D. Mason's report to my office last week.

I can visualize the following problems with this situation as it now exists :

- (1) Mason's sampling of the main vein is indicative only because of caved trenches and oxidized mineralization.
- (2) The veins dip flatly into the hill, and diamond drilling for extensions and grades would not be practical. Underground work would be necessary for proper evaluation.
- (3) Nothing is known about possible complexities in metallurgy. This could be important in view of the antimony and arsenic content.
- (4) Mining costs and dilution would be high, again because of the flat dip.
- (5) Considerable underground investigation of the main vein has already taken place.

The only move I would advocate on this property would be to do our own sampling when conditions permit, and, possibly, to submit a sample for metallurgical testing if our sampling results appear to warrant this.



William M. Sirola.

WMS/iw.
Encls:

JAN 22 1965

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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

Subject..... HAZLETON-SUNRISE MINES LIMITED. Date..... January 20th, 1965.

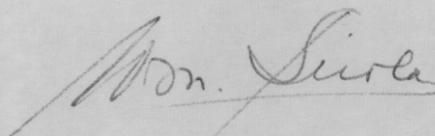
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In reply to your memorandum of January 14th on this subject, I must admit to a certain reticence about small-vein deposits in general.

In the case of Hazleton-Sunrise Mines the values would appear to be confined to a so-called "pay streak" on one wall of the vein, and these are very prone to be discontinuous both horizontally and vertically.

I understand that J.D. Mason is in Australia for Dundee Mines, and is, therefore, not available for discussion. We will try, however, to obtain Mason's report from Otto Schneider.

Perhaps this would be a good time to consider whether or not Kerr Addison Mines would be content to explore a situation which might culminate in, say, a 100 ton mill, and earn a profit of, say, \$5.00 per ton on ore milled. This would amount to approximately \$180,000. per year, which figure approaches our annual exploration budget. Viewed in this light, such an exploration bet would appear feasible, but much would depend on the cost of proving-up such a tonnage. Unfortunately, most of these small-vein situations do not lend themselves to diamond drilling, and, consequently, an expensive programme of underground development is usually required.



William M. Sirola.

WMS/iw.

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)


93 M

To..... W. M. Sirola From..... P. M. Kavanagh
Subject..... Hazelton-Sunrise Mines Limited Date..... January 14th, 1965

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I draw your attention to the write-up on this company and its Nine Mile Mountain property which takes up most of page two of the January 8th issue of the George Cross News Letter.

It has struck us here that the property and the proposed financing arrangements could be of some interest to us, and I wish that you would let me know your views.



Paul M. Kavanagh
Chief Geologist - Exploration.

PMK:sw

Enc.

HAZELTON-SUNRISE MINES LIMITED

EXPLORATION FINANCING SOUGHT - An unusual and different approach has been suggested for **FOR SILVER CLAIMS AT HAZELTON** the financing of exploration work on a group of claims held by Hazelton-Sunrise Mines Limited.

Hazelton-Sunrise Mines Limited is public company incorporated in 1911 and kept in good standing from a corporate standpoint and a property claim standpoint ever since. Of the authorized capital of 4,000,000 shares of 25¢ par value, 3,779,718 shares are issued. Of the issued shares, 2,840,151 shares were bought by Anne and Otto Schneider in October, 1962 from the Tretheway Estate where they had been owned since the original issue. There remain 220,282 shares in the treasury. The company has 87 registered shareholders of which approximately 40 representing approximately 300,000 shares have not been located as yet through the efforts of the Schneiders.

What the Schneiders suggest is that an underwriting be made on the shares remaining in the treasury with the proceeds to be spent on exploration and in consideration of this they (The Schneiders) will place up to 2,000,000 of the shares that they now own in a trust company to the option of the underwriter exercisable at various prices over a reasonable period and with the proceeds from the purchase of these shares to be spent on the further exploration and development of the property.

Offices of the company are at 174 West 11th Avenue, Vancouver, and directors are: Otto Schneider, Anna Schneider, Allen Benson and Tjietse Vandergaast.

PROPERTY INFORMATION - The following information on the property is taken from a report by J.D.Mason, P.Eng., dated December 4,1963 and from the Ministers of Mines Reports, 1920 and 1924.

The claims are located on Nine Mile Mountain and are accessible by 13 miles of, four wheel drive, road plus two miles of pack trail to the northeast of Hazelton, B.C.

The vein outcrops are at elevations 4800 feet through 5200 feet.

In summary Mr.Mason states, "The vein system on the property shows strong horizontal continuity and is well mineralized with silver bearing lead zinc sulphides. At least twelve veins are known to exist with similar looking mineral content. Little is known about the vertical characteristics of the vein system.

"Preliminary surface sampling of the main vein gave an average of 25.8 ounces silver, 7.5% lead and 9.6% zinc for a length of 345 feet over a width of 28 inches. The vein extensions are open to strike.

"Good possibility of profitably shipping hand sorted ore on a small scale during the development period exists.

"Systematic sampling, additional development and metallurgical testing of representative ore is required.

"An initial program of \$40,000 is recommended."

The veins range from a few inches to four feet in width and from 100 feet to 500 feet in length. They may be in an "en echelon" pattern. Many of the veins are composed of almost solid sulphides. The ore contains considerable amounts of silver, lead, antimony and bismuth.

Only the main vein was sampled by Mr.Mason and he reports a section of the vein 345 feet long averaged 25.81 ounces silver, 7.56% lead and 9.65% zinc over an average width of 28.8 inches. This is ore grade material and will give a net smelter return in excess of \$40.00 per ton.

The main vein contains a hanging wall band, averaging four inches wide, of massive steel galena. A representative sample from a stockpile sorted ore on the vein assayed 69.50 ounces silver, 48.5% lead and 10.5% zinc. It should be possible to maintain this grade in mining and sorting.

Mr.Otto Schneider stated that he spent the 1964 field season working on the property and by blasting trenches in the veins increased the stockpile of ore to 200 tons.

A length of 400 feet has been opened, by blasting at 10 foot intervals, on the Upper Level Vein showing it to have a width varying from 8 inches to 18 inches and grading 23 ounces silver, 5% lead, 8% zinc.

The six crown granted claims owned by Hazelton-Sunrise Mines Ltd. are: the Sunrise, Noon Day, Sunset, Hidden Treasure, Ethel and the Ethel fraction. In addition, there are 40 surrounding claims owned by the Schneiders and available for option to the company on reasonable terms. These 40 claims cover previously staked properties named the: Pole Star, Lead King (formerly held by Crown Silver), Slocan Creek, Silver Peak and Barber Bill.

Ore shipments from the property totalled about 74 tons of which 59,740 pounds had an average grade of 122.4 ounces silver per ton. These shipments were made in 1915.

FOR THE RECORD

Utica Mines Ltd. reports that West Coast Securities Limited, on behalf of Bayshore Investments Ltd., has exercised the option to purchase 100,000 treasury shares of the company at \$1.35 per share being the option due January 6,1965.

ROYDEN MORRIS & CO. LTD.

BRANCH OFFICE OPENED - Royden Morris, president, has announced that a branch office of Royden Morris & Co.Ltd. has been opened at 1033 Marine Drive, North Vancouver, under the management of Bill Miller. The office is equipped with Vancouver and Montreal Ticker Tape Service. NO.5(JANUARY 8,1965) GEORGE CROSS NEWS LETTER