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FINAL REPORT  
for 1985  
on the

HART PROPERTY  
Sheslay River

Omineca Mining Division

MARCH 1986

H.D. CLENDENAN

FINAL REPORT  
on the  
HART PROPERTY  
Sheslay River  
British Columbia  
OMINECA MINING DIVISION

NTS: 104 K 9E  
Latitude: 58°36' North  
Longitude: 132°03' West  
Claims Hart 1 to 6  
Owners: Kerr Addison Mines Limited and  
Newmont Exploration of Canada Ltd.  
Operator: Kerr Addison Mines Limited  
Author: A. D. Clendenan  
Date: March, 1986.

## HART CLAIMS

### Summary

No mineral exploration was carried out on the Hart 1 to 6 Claims during 1985.

At the May budget meeting between Kerr and Newmont, it was decided in light of the other budget priorities by both Kerr and Newmont to demobilize the camp and equipment, sell our fuel cache and put the project "on hold" with 10 years assessment work applied. The demobilization of camp, fuel and barrels was completed on August 23, 1985 using a Frontier 212 helicopter.

### Programme Outline

The Connor's camp was left on the claims at the end of the 1984 season when the drill was moved to Chevron's Muddy Lake camp and rather than demobilize the camp only, we decided to leave the camp on the claims in preparation for the 1985 season.

At the May budget meeting between Kerr Addison and Newmont we decided not to actively explore this project during 1985, but rather to remove all equipment and materials from the site, sell our fuel cache, return the camp to Connors and essentially reduce the project to a zero base. We were considerably under budget in 1984 partly due to the postponement of this demobilization so the 1985 demobilization cost is, strictly speaking, a deferred expenditure from 1984. The wind-up costs included filing fees for recording assessment work to keep the property in good standing for several years in the hope that improved gold prices and/or access to the area may inspire someone to test the undrilled showings or the deeper parts of the auriferous Quartz Hill Zone.

Placer Development reviewed our data in June and declined participation due to budgetary restrictions.

## Hart Claims

We planned to demobilize the camp equipment and fuel in June 1985.

On 31 May, 1985 we received a fixed price bid of \$25,000 plus fuel from Okanagan using an S61 helicopter to demobilize in June; (1) the camp (32,000 lbs), the 148 empty fuel drums (6,808 lbs) and the 10 empty propane bottles (750 lbs) to Dease Lake and (2) the 48 full drums of diesel (21,600 lbs) and 10 full propane bottles (2275 lbs) to the Sheslay airstrip or the equivalent distance. The 28 barrels of JP4 then at the Hart fuel cache would be used by the S61 and in addition we would have required 225 gallons of bulk (cheaper) fuel from Dease Lake. The estimated cost of helicopter time was \$32,450, so the fixed price of \$25,000 was obviously attractive and we agreed to use Okanagan.

The estimated total cost (Clendenan 22 April, 85) of this plan was about \$40,000 of which Newmont's share would have been \$20,000.

The planned late June - early July demobilization when the S61 was in the area was cancelled because the snow was too deep to get at the fuel cache. Frequent delays during the summer due to forest fires and the late snow melt negated the plan to use the Okanagan helicopter S61.

In mid-August, the guide-outfitter from the Heart Peaks area, (Fletcher Day of Telegraph Creek) approached Connors and offered them \$5,000 for their camp, including the generator, if Kerr Addison would take the camp to Camp Island Lake.

As of 10 April, 1985 Connor's wanted \$14,500 for their camp, less their generator. On 16 August, 1985 I talked them into lowering the price to \$10,000. Their estimate of replacement was \$22,000.

## Hart Claims

There was an estimated saving of approximately \$12,000 plus fuel in helicopter charges to demobilize the camp to Camp Island Lake rather than to the nearest road, which is the Tuya gravel pit on the Telegraph-Dease road.

By mid-August Fletcher Day had already purchased the bed frames, foam mattresses and some dishes from Connors for \$315 and moved them to Camp Island Lake. Day offered to supply 4 men for 2 days to demobilize and clean up the Hart camp if Kerr would pay Connors the \$315 he owes Connors. We agreed to this offer.

On August 19, 1985 a new plan and budget was prepared, which involved purchasing the Connors camp, transporting it to a handier location, selling it there to a local guide and selling the fuel to Chevron F.O.B. their Muddy Lake camp. This new plan was estimated to result in a total saving of \$9,000 over the original plan which involved transporting the camp and fuel to the Telegraph road and then to Dease Lake. See Appendix I.

The actual cost of the 1985 camp demobilization programme was \$28,051. including 10% direct and indirect overhead charges. See Appendix II.

The actual cost was therefore \$12,000 less than the April budget estimate.

The demobilization of the camp, fuel and barrels was completed on August 23, 1985 using a Frontier 212 helicopter.

Sufficient assessment work has been filed to keep the claims valid until 1995.

Respectfully submitted,

A. D. Clendenan  
Project Geologist.

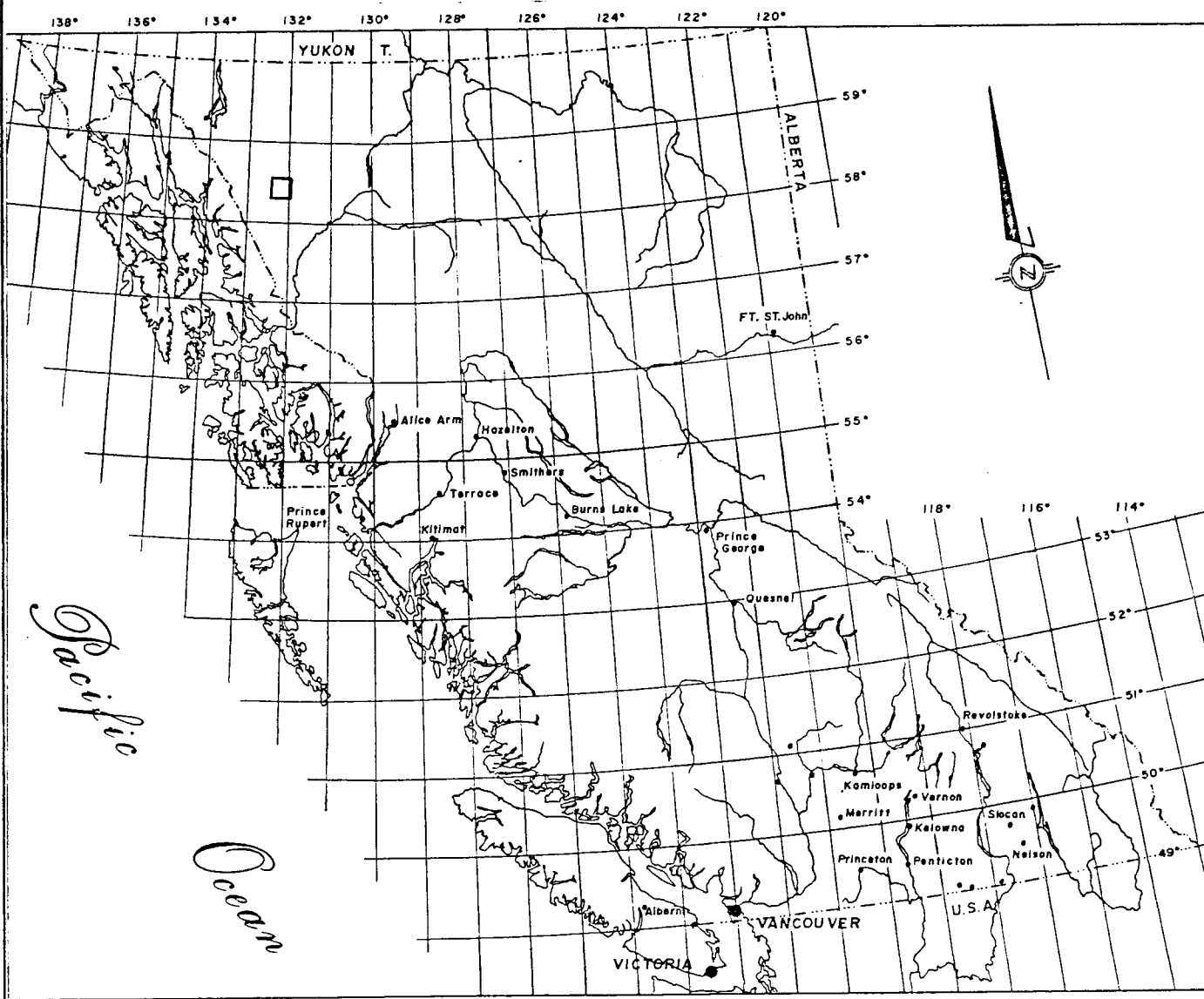
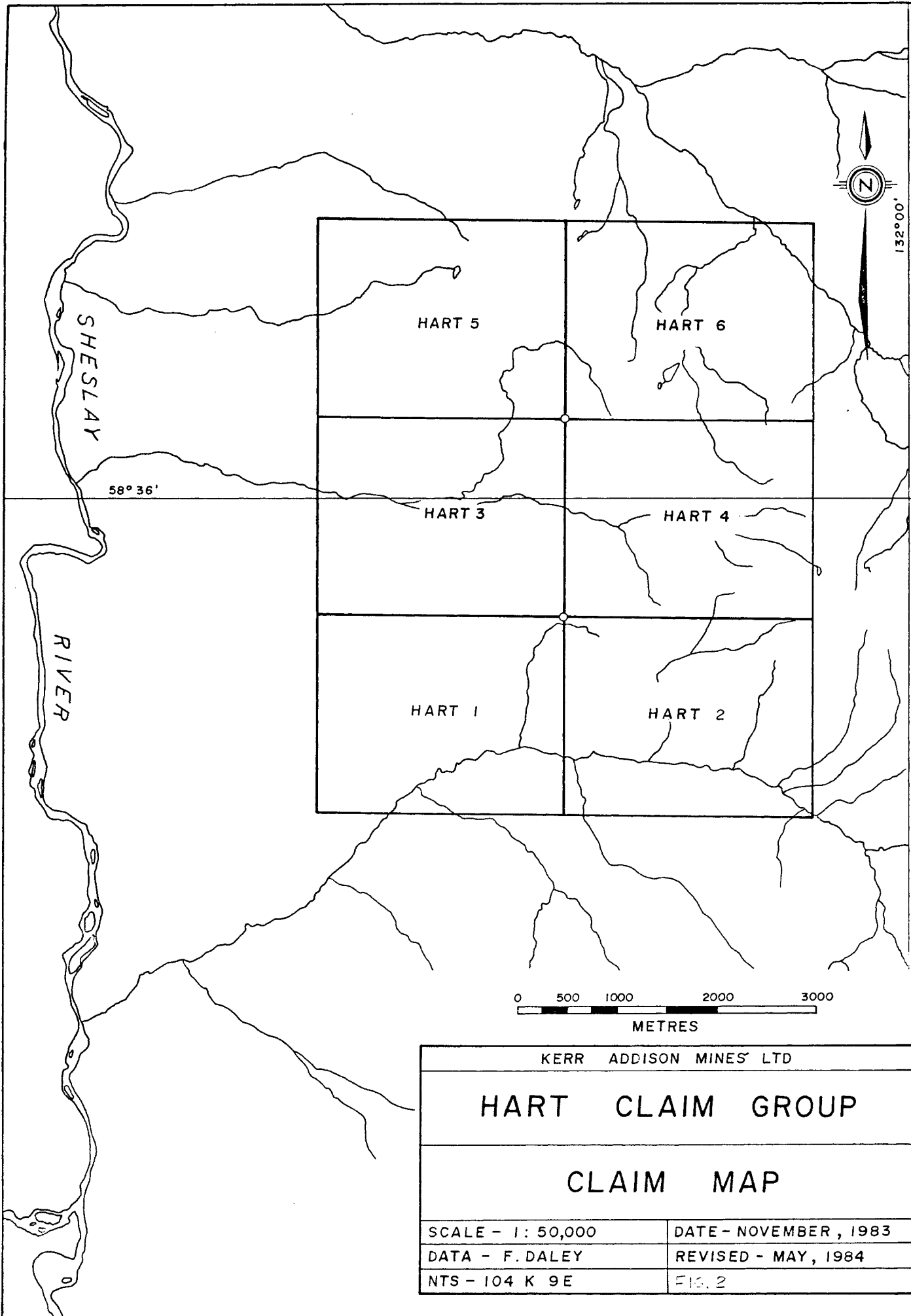


FIG. 1

0 25 50 100 200 miles

□ PROPERTY LOCATION

KERR ADDISON MINES LTD	
<b>HART CLAIMS</b>	
BRITISH COLUMBIA	
<b>LOCATION MAP</b>	
Scale - 1:1,000,000 approx	Date: Sept. - Oct., 1984
Drawn by - P.HAILLOT	Data: F. CHOW, G.W.



KERR ADDISON MINES LTD

# HART CLAIM GROUP

## CLAIM MAP

SCALE - 1: 50,000

DATE - NOVEMBER, 1983

DATA - F. DALEY

REVISED - MAY, 1984

NTS - 104 K 9 E

FIG. 2

APPENDIX I

Comparison of Camp Demobilization Costs

by A. D. Clendenan

19 - 23 August 1985



Comparison of Camp Demobilization Costs

1. Helicopter

1.1 Demob camp to Camp Island Lake.

9 trips with camp, 20 minutes each = 3.0 hrs

1 trip with generator to Tuya = 1.5 hr

4.5 x \$1150/hr \$5175.

(Note - The total helicopter bill for this option is estimated at 15.9 hr x \$1150/hr = \$18,285).

OR

1.2 Demob camp to Telegraph Road, Tuya gravel pit.

10 trips 1.5 hrs each = 15 hours.

15 hours x \$1150/hr \$17,250.

(Note - The total helicopter bill for this option is estimated at 26.4 hrs x \$1150/hr = \$30,360).

Saving in helicopter time \$12,000.  
if demob to Camp Island Lake.

2. Fuel

2.1.1 Camp to Camp Island Lake 3.0 hours

Generator to Tuya 1.5 hours

2.1.2 48 diesel fuel; 13 full, 5 empty; propane;  
4 pails GS550, .

.5 hr x 6 trips to Chevron 4.4 hours

2.1.3 Empty barrels to Tuya

148 at 46/net = 3 trips

3 trips x 2 hours = 6.0 hours

2.1.4 Ferry Dease-Camp

Total 14.9 hours

1.49 hours x 85 gph = 1267 gal = 28 barrels JP4

We have 28 barrels at Hart fuel cache.

OR

2.2.1	Camp to Tuya gravel pit	15.0	hours
2.2.2	Diesel fuel to Samotua strip	4.4	hours
2.2.3	Empty barrels to Tuya	6.0	hours
	Total	25.4	hours

25.4 hours x 85 gph = 2159 gal = 48 barrels JP4  
We have 28 barrels at Hart cache so would require  
20 barrels more at \$190 each = \$3,990.

Saving in helicopter fuel if demob to Camp Island Lake = \$4,000.

Total saving in helicopter demobilization costs if Camp is demobed to Camp Island Lake -

Helicopter	\$12,000
Fuel	4,000
Total	<u>\$16,000</u>

As discussed with and approved by D.A. Lowrie and Terry MacAuley, if we buy the camp from Connors for \$10,000 and resell it to Fletcher Day for \$3,000 after moving it to his camp at Camp Island Lake we will save

Helicopter and fuel demob saving	\$16,000
Cost to purchase camp from Connors	<u>\$10,000</u>
Net saving to Kerr/Newmont	\$ 6,000
plus recovery on sale of camp to Day	<u>\$ 3,000</u>
Total Saving	<u>\$ 9,000</u>

The fuel remaining at the Air Claim fuel cache will be sold to Chevron - f.o.b. their Sumotua air strip, Chevron P.O. # 4965. 46 diesel at \$120 each; 13 full, 10 empty propane for \$1,000, 4 pails GS 550 at \$175 each.

The fuel at the Dease Lake air strip was sold to the B.C. Forest Service in June, (55 barrels JP4 at \$190 each = \$10,450).

The Frontier 205 (actually a 212 at 205 price) is in Dease Lake now. We plan to sell the camp to Fletcher Day and use 4 of his men for 2 days (at a cost of \$315 to be paid to Connor's for the beds Day purchased from Connors) to demob the camp to Camp Island Lake, the empties to the Tuya and the full (diesel and propane) to Chevron starting 21 August, 1985. Peter Kwan, the Frontier Helicopters Dease Lake manager/pilot, (phone 771 3541) has been very helpful in setting up this demob. Peter will act as demob co-ordinator so Frontier can use the big helicopter when it is in Dease rather than absorb 2 hours bringing it back to Dease Lake next week when Fred Daley would be available to act as Kerr's on site co-ordinator.



A. D. Clendenan  
19/8/85

P.S. 21/8/85

Fletcher Day agreed to purchase the camp, less the generator and plywood, f.o.b. his camp at Camp Island Lake for \$3,000 to be paid in two instalments, the first at the end of August and the second at the end of September. Day's billing address is

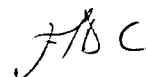
Fletcher Day  
Taltan Outfitters  
General Delivery  
Telegraph Creek, B.C.  
V0J 2W0

The negotiations with Day regarding the camp were very kindly relayed by Jan Bruns of Tel Air, Telegraph Creek, B.C., phone 235-3296 using Tel Air's radios and frequencies.

A.D.C.

23/8/85 - Vancouver B.C.

Frontier have completed the demobilization and used 16.3 hours of helicopter time, .4 hours over my estimate of 15.9 hours.



APPENDIX II

STATEMENT OF EXPLORATION EXPENDITURES



**KERR ADDISON MINES LIMITED**

P.O. BOX 91 - COMMERCE COURT WEST  
TORONTO, ONTARIO M5L 1C7  
TELEPHONE 982-7270

Kerr Addison Mines Vancouver	
Rec'd 6/03/86.	
To	RAD ✓
✓	ADC JDC
	DA
	FC
	File LEGAL
	C.c.

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February 26, 1986

Newmont Mines Limited  
900 - 808 West Hastings Street  
Vancouver, B.C. V6C 3A4

Gentlemen:

Re: Agreement dated February 4, 1983 among J. C. Stephen  
Explorations Ltd., Newmont Mines Ltd. and Kerr Addison  
Mines Ltd.

Further to my letter dated February 17, 1986 and the enclosed certified statement of exploration expenditures on the Hart Claims, I neglected to indicate the 10% overhead charge. Please find enclosed a revised statement of expenditure which reflects the 10% overhead charge pursuant to paragraph 1.1 (g) page 3 of the above mentioned agreement.

If you concur with this attached statement of expenditure, please notify us at your earliest convenience.

Yours very truly  
KERR ADDISON MINES LIMITED

N. W. Rayner  
Mining Claims Controller

cc: Ray Dujardin

Encl.  
/ig.-

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KERR ADDISON MINES LIMITED

Statement of Exploration Expenditure

Incurred pursuant to Agreement dated February 4, 1983 among J. C. Stephen Explorations Ltd., Newmont Mines Ltd. and Kerr Addison Mines Ltd.

Direct exploration cost for the year ending December 31, 1985 as per certified statement attached	\$25,501.00
Overhead charges	
re: indirect and direct charges at 10% of exploration expenditures of \$25,501.00	<u>2,550.00</u>
Total expenditure per definition 1.1(g)	\$28,051.00 =====

certified correct  
KERR ADDISON MINES LIMITED

  
A. H. Cross, Treasurer.

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KERR ADDISON MINES LIMITED

HART CLAIMS (B03)

EXPLORATION COSTS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1985

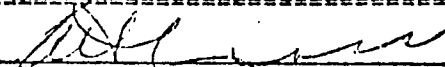
Kerr Addison Mines Vancouver 6/05/86 H.S.	EXP. HART CLAIM	CP
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Month of December	General	A Property Examination	Geology, Prospecting	B Geo- physical	C Geo- chemical	D Line Cutting	E Claim Staking	F Drilling	G Camp & Road Construct.	Total Cost Month
1. Field Office Overhead	-	-	-	-	-	-	-	-	-	-
2. Salaries & Wages	-	-	-	-	-	-	161.65	-	-	161.65
3. Meals & Accomodation	-	-	-	-	-	-	-	-	-	-
4. Shipping & Comm.	-	-	-	-	-	-	-	-	-	-
5. Ground Transportation	-	-	-	-	-	-	-	-	-	-
6. Air Transportation	-	-	-	-	-	-	-	-	-	-
7. Assaying	-	-	-	-	-	-	-	-	-	-
8. Tech. Equip. & Repairs	-	-	-	-	-	-	-	-	-	-
9. Camp Equip. & Suppl.	-	-	-	-	-	-	-	-	-2.00	-2.00
0. Food & Groceries	-	-	-	-	-	-	-	-	-	-
1. Equipment Rentals	-	-	-	-	-	-	-	-	-	-
2. Option Pymt. & Fees	-	-	-	-	-	-	-	-	-	-
3. Contract & Consulting	-	-	-	-	-	-	-	-	-	-
4. Legal	-	-	-	-	-	-	-	-	-	-
5. Sundry	-	-	-	-	-	-	-	-	-	-
<b>TOTAL MONTH</b>	-	-	-	-	-	-	161.65	-	-2.00	159.65

December Year-to-date	General	A Property Examination	Geology, Prospecting	B Geo- physical	C Geo- chemical	D Line Cutting	E Claim Staking	F Drilling	G Camp & Road Construct.	Total Cost Y.T.D.
1. Field Office Overhead	-	-	-	-	-	-	-	-	-	-
2. Salaries & Wages	608.32	-	1037.42	-	415.64	-	161.65	-	1613.43	3836.46
3. Meals & Accomodations	-	-	41.97	-	-	-	-	-	19.23	61.20
4. Shipping & Telephone	-	-	-94.34	-	-	-	-	-	301.07	206.73
5. Ground Transportation	1845.75	-	-	-	-	-	-	-	-	1845.75
6. Air Transportation	-10450.00	-	-	-	-	-	-	1650.00	19606.00	10806.00
7. Assaying	-	-	-	-	-	-	-	-	-	-
8. Tech. Equip. & Repairs	-	-	154.53	-	-	-	-	-	-	154.53
9. Camp Equip. & Suppl.	-	-	-	-	-	-	-	-5460.00	7313.00	1853.00
0. Food & Groceries	-	-	-	-	-	-	-	-	-	-
1. Equipment Rentals	-	-	-	-	-	-	-	-	-	-
2. Option Pymt. & Fees	-1346.25	-	7220.00	-	-	-	-	-	-	5873.75
3. Contract & Consulting	23.58	-	-	-	-	-	-	-	670.00	693.58
4. Legal	170.00	-	-	-	-	-	-	-	-	170.00
5. Sundry	-	-	-	-	-	-	-	-	-	-
<b>TOTAL YEAR-TO-DATE</b>	<b>-9148.60</b>	-	<b>8359.58</b>	-	<b>415.64</b>	-	<b>161.65</b>	<b>-3810.00</b>	<b>29522.73</b>	<b>25501.00</b>

DATE: 01/20/86

The above expenditures are certified to be correct by:

  
A.H. Cross  
Treasurer, Kerr Addison Mines Limited

KERR ADDISON MINES LIMITED

SUITE 703 - 1112 WEST PENDER STREET  
VANCOUVER, B.C. V6E 2S1  
PHONE 682-7401

March 13, 1986

Mr. T. Macauley  
Exploration Manager  
Newmont Mines Limited  
900 - 808 West Hastings Street  
Vancouver, B.C.  
V6C 3A4

Dear Sir:

Re: Agreement made as of the 4th day  
of February, 1983, among J.C. Stephen  
Explorations Ltd., Newmont Mines  
Limited and Kerr Addison Mines Limited.

In accordance with paragraph 17c of the above captioned agreement please find enclosed our report for field work carried out during 1985 together with a statement of expenditures.

By mutual agreement Kerr Addison and Newmont Mines have decided not to work on the property during 1986 and that a budget prepared in accordance with paragraph 18.2 is therefore unnecessary for the 1986 season. Consequently no meeting of the Management Committee has been called to review the budget for 1986.

We trust the above is acceptable.

Please indicate your concurrence by signing one copy of this letter and returning it to us.

Yours very truly,  
KERR ADDISON MINES LIMITED

Per \_\_\_\_\_  
A. D. Clendenan  
Project Geologist

Agreed:  
NEWMONT MINES LIMITED

Per \_\_\_\_\_