

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

826894

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R.D.S.	
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P.M.K.	✓
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E.R.C.	
H.A.P.	
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G.P.R.	
E.I.D.	
I.L.B.	
E.C.I.	✓
D.V.B.	

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

Subject..... Vanmetals Justice Property, Merritt Area, B. C. ..... Date..... December 21, 1962 .....

I spent a very interesting hour this morning at the Hunting offices with Norm Patterson and a couple of his assistants. Based on Hunting's experience with their I.P. equipment in general, and on their large volume of I.P. experience in the Craigmont - Bethlehem region in particular, Patterson ably defended the Hunting results and interpretation contained in Faessler's Vanmetal property report. In doing so he of course didn't agree with several of Crone's thoughts and opinions, but I think it is safe to say that because of Hunting's considerable I.P. experience in that region Patterson is better able than Crone to speak with authority about I.P. work in that region.

However, the potential grade to be expected remains the same. In fact, I got the impression that the Hunting people consider that their best anomalies are probably indicating 3% sulphides, and that if the sulphides were all chalcopyrite then the expected copper grade would be around 1%; actually, they used the figure .8% copper fairly frequently in their conversations.

I just want to let you know that I am going to present this situation to Mr. Row during the week of January 1st, and that on the basis that although the expected grade is low there may be very large tonnages of porphyry-type copper mineralization, I am going to recommend that we try to make a deal similar re equity positions to the Skeena one.

PMK:ry

Paul M. Kavanagh  
Chief Geologist - Exploration

DEC 17 1962

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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

Subject..... VANMETALS PROPERTY, MERRITT AREA, B. C. .... Date..... December 12th, 1962.....

This will reply to your December 10th memo on the above subject.

An I.P. Survey would cost \$500.00 per claim, or \$10,000.00 for 20 claims: Line Cutting would cost \$66.00 per claim for a total of \$1,320.00: Magnetic Surveys would cost about \$60.00 per claim for a total of \$1,200.00. However, my prime interest was the monzonite stock which I consider to be the only real target at the moment. I would not, therefore, consider doing additional I.P. work except perhaps to the extent of making sure that adequate data were available on the intrusive and it's immediate porphyries. I feel that it is essential to drill at least one hole to provide a calibration for the existing I.P. results. If these results are even mildly encouraging, then possibly more geophysics would be justified.

If Crone is correct in his belief that the anomaly is caused by an East/West structure, then this is, to some extent, a favourable sign in that this direction corresponds to the strike of the Craigmont rocks. I have talked to the Hunting people here about the amplitude of the anomalies they would expect over the porphyry coppers, but apparently these figures have to come from Norman Patterson in Toronto. I might point out, however, that the East fringe of the Bethlehem Jersey zone had a maximum anomaly of 14 mv's per volt while the East Jersey zone was encompassed by the 8 m.v. contour. I do not know how the A. S. & R. I.P. equipment with which the Bethlehem work was done correlates with Hunting's I.P. equipment, but I do know that the 14 m.v. figure was in the pyritic fringe of the Jersey zone and probably represents something like 5% total sulphides. Since 5% total sulphides would be fairly typical of the average porphyry copper, I would think that Crone's figure of 20 - 30 milli-seconds for a porphyry copper could be somewhat on the high side but perhaps, by picking up the telephone, you can get some figures from McPhar or from Patterson.

My recommendation remains that we try to make a deal with Vanmetals and that we agree to spend at least part of the money on diamond drilling.

*RL*

*pos* William M. Sirola.

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

10.  
ECJ.

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

Subject..... Vanmetals Property, Merritt Area, B. C. .... Date December 10, 1962.....

92-I

Attached is a copy of Duncan Crone's report on his study of the Hunting I.P. survey data. The paper by Faessler which he refers to in the first paragraph on page 2 is 'Geophysical Exploration in the Princeton, Merritt, Kamloops Area' which Faessler gave at the B. C. & Yukon Chamber of Mines' prospecting and exploration conference in Vancouver on February 16 of this year.

Crone does not consider that they have turned up anything very significant with their geophysics to date. I agree, considering that the most you were able to hope for is a porphyry-type copper deposit with probably a very low copper content. Crone particularly feels that the geophysical results don't indicate much of a porphyry-type copper deposit.

How much do you think an I.P. and magnetometer survey over the rest of the property would cost, and do you even think that such a further investigation would be a reasonable thing to do?

I will await your comments on Crone's report and your answers to the above questions, but regardless of what they are I think I would now be inclined to offer Vanmetals no more than 10% of a new company free as a vendor position, and with the option of acquiring any further interest in the company by putting up expense money pro rata along with us in a manner such as provided for in our deal with Skeena.



Paul M. Kavanagh  
Chief Geologist - Exploration

PMK:ry

DEC 7 1962

CRONE GEOPHYSICS

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	W.S.R.	
	K.C.G.	
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	E.L.D.	
	J.L.B.	
	E.C.J.	

December 5th, 1962.

Mr. Paul Kavanaugh,  
Kerr-Addison Gold Mines Ltd.,  
44 King Street, West,  
TORONTO 1, Ontario.

Report on Geophysical work over the Vanmetal Property, Merritt B.C.

Other than some minor mag profiles the main geophysical work on this property consisted of a partial coverage by Hunting Survey Corp., using their DC-IP equipment. In all only 3.67 miles of line were surveyed consisting of 6 N-S profiles roughly 3200' long and 800' apart (except for one 400' line interval). Their equipment supplies 10,000 watts of power which is essential in this type of survey with the result that the readings are probably of good quality. The profiles were run with electrode spacings of 200', 400' and 800' with occasional 100' and 1600' profiles. Thus although the mileage is limited what has been covered has been done in considerable detail.

Hunting's interpretation of the results are based on taking the field readings and from them calculating out zones of varying "Chargeability" factors. The composite of these calculations are presented in both plan and profile form. The basic assumption employed in these calculations is that of a layered earth. They realize there is some weakness in this assumption and thus have compensated for it by selecting a minimum "M" or chargeability factor. This approach is entirely unwarranted under the circumstances and produces "M" factors on line 48/00 W with values of 10 and 15 which are probably too high.

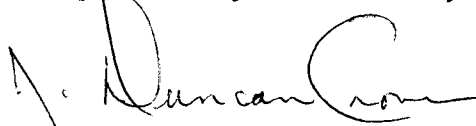
I would interpret the results as due to an East-West striking zone, lying roughly between 113/00 N and 117/00 N, coming to within 50 to 100' of surface and dipping at approximately 45 degrees to the south. I would estimate the "M" factor of this tabular body to be approximately 7 or 8 milliseconds. Another such zone with the same dip and strike approaches surface at the northern ends of lines 60 and 68E. between 126/00 N and 130/00 N.

*Copy sent to Seida*

The importance of these anomalies in terms of sulphide mineralization is the dominant question irregardless of the geometrical form of the body. An "M" factor of 10 is not uncommon and can often be considered normal for many rock types, depending on clay content, porosity and normal sulphide or magnetite content. The results obtained on this property will undoubtedly be compared to the case histories run by Hunting over other mineralized zones in the Merritt area. In both cases presented in Faessler's paper the anomalies produce maximum measured "M" factors of 6 and 7. The anomalies are however sharp being up and down in 400', they are also largest on the small electrode spacings--decreasing rapidly as the spacing is increased. This anomaly extends over a wide area and is still open to the north, east and west, and downward. This to me indicates that the anomaly is due to a formational high normal value rather than copper mineralization. In view of the volume of the anomaly I consider it to be small in magnitude-if a porphyry copper type body is considered as the target. An economic deposit of this magnitude and depth should produce "M" values in the order of 20 to 30 milliseconds.

Thus I cannot see that this survey has turned up a significant target. Since the property is well situated geologically and the 3.67 miles of line surveyed certainly could miss mineralized pipes or even another Craigmont type occurrence I believe the Vanmetal people are pressing their luck by initiating a drill program at this stage. A thorough survey of their whole property on a 400' grid (Say IP with 200' spacing) and mag) would be more appropriate.

Respectfully submitted,

  
J. Duncan Crone,  
GEOPHYSICIST.

JDC/mw



KERR-ADDISON GOLD MINES LTD:

MEMO

VANCOUVER OFFICE

DATE NOV. 27/62

TO: PMK

FROM: NMS

SUBJECT: VANMETS PROPERTY, MERITT, B.C.

HERE WITH AUSTIN'S PROPOSAL. NOTE  
SECOND LAST PARAGRAPH.

W/S  
Max [unclear] [unclear]

NEMETZ AUSTIN CHRISTIE & BRUK

BARRISTERS & SOLICITORS

N. T. NEMETZ, O. C.  
J. AUSTIN  
N. B. CHRISTIE  
J. BRUK  
J. N. LYON

SUITE 212 INNS OF COURT  
678 HOWE STREET  
VANCOUVER 1, B. C.

TELEPHONE MUTUAL 5-0191  
CABLE ADDRESS NEMSON

REPLY ATTENTION OF J. Austin

November 23rd, 1962

Kerr-Addison Gold Mines Ltd.  
319 United Kingdom Building  
409 Granville Street  
VANCOUVER, B. C.

*Mark ✓*

Attention: Mr. W. Sirola

Dear Sirs:

Re: Vanmetals Exploration Limited (NPL)

We act for the above Company and have been requested by them, as a result of discussions with your representative W. Sirola, to outline briefly their proposals with respect to an agreement concerning the Justice Group of mineral claims in the Nicola Mining Division of the Province of British Columbia.

The proposals of the Company approximate an agreement which was entered into by an associated company, General Resources Ltd. (NPL), with American Smelting and Refining Company under date March 14th, 1962. As applied to the present situation, the terms of the agreement desired are along the following lines:

- (1) A first exploration period to commence from the date of execution of the agreement to June 30th, 1963, during which time the optionee is firmly committed to expend not less than \$25,000.00 in exploration on the property, the nature of such exploration to be in the discretion of the optionee.
- (2) In the event that the optionee wishes a second exploration period of one year from July 1st, 1963 to June 30th, 1964, the optionee shall be firmly committed to the expenditure of \$50,000.00 on the property, the nature of such exploration to be in the discretion of the optionee.
- (3) In the event that the optionee wishes a third exploration

---- Continued ----

Kerr-Addison Gold Mines Ltd.

November 23rd, 1962

period of one year from July 1st, 1964 to June 30th, 1965, the optionee shall be firmly committed to the expenditure of \$50,000.00 on the property, the nature of such exploration to be in the discretion of the optionee.

(4) On or before June 30th, 1965, the optionee shall give notice whether it elects to proceed to place the property upon a producing basis and if such notice is not given the agreement shall be terminated. In the event that notice is so given, then the optionee shall be obliged to place the property in production within three years of the giving of such notice and the property shall be equipped and production carried on on a basis commensurate with the best economic level of production and opportunity for sale of mineral from the property.

(5) After the property has been placed on a producing basis, 80% of the first net proceeds may be received by the optionee until such net proceeds equal all advances or expenditures by the optionee. From the balance of the 20% of the said first net proceeds, the optionee shall pay Vanmetals Exploration Limited 40% and retain for itself the remaining 60%. When the optionee has received from the 80% all repayment to it, then all of the net proceeds thereafter shall be divided 60% to the optionee and 40% to Vanmetals Exploration Limited.

(6) The optionee shall at all times be the managing partner of the joint venture on the property.

While the above terms outline in a very brief way the form and substance of the agreement which our clients desire on the Justice Group, we are also instructed to say that they would be prepared to consider any proposals which you may care to advance with respect to the property.

If you would like to have any further information or details or to carry on further discussions in this matter, would you kindly contact the writer.

Yours very truly,

NEMETZ AUSTIN CHRISTIE & BRUK

PER: 

J. Austin



# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

NOV 26 1962

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	E.L.D.
	J.H.E.
	E.C.J.

To..... P. M. KAVANAGH ..... From..... W. M. SIROLA .....  
Subject..... VANMETALS PROPERTY, MERRITT AREA, B. C. .... Date..... November 23rd, 1962 .....

This will reply to your memorandum of November 19th.

The Vanmetals' office does not answer today, but I have talked to Jack Austin at some length about the whole situation. Before answering your questions, I should say that Austin was talking a little bit out of school when he implied that Vanmetals would make the type of deal described to you in my previous memorandum of November 14th. He has since talked to Simpson and Olts and states now that these gentlemen do not agree with him. Simpson and Olts are still trying to obtain a 40% participation and would expect a work commitment of \$25,000.00 the first year, \$50,000.00 the second year and \$50,000.00 the third year. The major company would then have until 1968 to put the property into production. No new company would be formed until such time as it became apparent that the property would be a producer. In other words, it would be set-up just like the Craigmont deal where a separate corporate vehicle was formed some years after the property was optioned by Canex et al. My own opinion remains what it was before. In other words, while it may be entirely feasible to make a 60/40 deal under the circumstances which existed at Craigmont after drilling had commenced, I do not feel that this should be a 60/40 situation, and I would suggest to you again that you make them an offer on a 75/25 basis - but perhaps being prepared to give them as much as a 30% equity. I do not think that the work commitments are at all onerous.

I raised the question of the number of claims to be involved in this situation and Austin says that only the Justice Group, which is composed of 22 full sized claims and 3 fractional claims, is involved. He said he would telephone Simpson to see why the 100 claim proposition was put to you earlier. I have not yet heard back from him on this score. Austin said that he would try to locate a map today and outline in red the actual claims involved.

Here are the answers to your questions:-

- (1) Angus was impressed on his visit to the property, not so much with what he saw, but with what he was able to garner from his discussions with Herman Krause who worked on the I.P. Survey crew, and who also did the soil sampling. Krause was apparently very impressed by the soil samples and felt that the geophysicist in charge was quite impressed by the anomalies on the property. I do not attach too much significance to this personally.

Cont'd....

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

*WMS* ✓

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

Subject..... VANMETALS PROPERTY..... Date..... November 23rd, 1962.....

-2-

- (2) I think that Vanmetals has spent at least \$20,000.00 on the property because they have done magnetic, geological, geochemical, topographic and I.P. surveys. In any case, this is the figure they gave me and I have no reason to question it in the light of what has been done.
  
- (3) My estimate of \$10.00 per ft. arises from the fact that the drilling will be done in an intrusive rock, possibly much like the Bethlehem quartz-diorites in character. I have a fair amount of experience with drilling costs in this rock type from the Highland Valley and \$10.00 turned out to be a very good figure in that Camp. In general, drilling in the Nicola volcanics would be cheaper, possibly by \$2.00 or \$3.00 per foot.
  
- (4) In the light of what I have said above, it is now debatable that Vanmetals will accept 25% of the company, but it is still worth trying. I would still make the upper limit 30%.

I have just talked to Austin again and he and Simpson are agreed that the deal includes only the Justice Group of 25 claims. They would like to have an answer by Wednesday of next week, but I realize this may not be practical on your part and I would not worry too much about it.

I should state, however, that Austin advises that they have had a 60/40 offer from another company, but that they do not like some of the other terms to be involved in that offer.

*WMS*

*WMS* William M. Sirola.

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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To..... P. M. Kavanagh..... From..... C. K. Wilton.....  
Subject..... Vanmetals Property, Merritt Area, B. C...... Date..... November 19, 1962  
(92 1)

Thank you for your memorandum of November 14th on this property, and for the map tube containing a geologic and a location map.

It is encouraging to note that the principals have become more inclined to consider a reasonable deal.

One very important piece of additional data I want is a map showing in detail the claims (and their boundaries) which would be involved in a deal. Mr. Simpson told me that a 100-claim property would be involved. Please also put the boundary of the Indian Reserve which is referred to in a September 6, 1962 letter to Vanmetal directors by Stokes, a copy of which Simpson left with me. What is involved in the way of rights, ownership, etc. etc. concerning any of the 100 claims which lap over the Indian Reserve?

The north-south I.P. lines run by Hunting are shown in brown lines on the geologic map, but the few readings listed on the lines as being Hunting's must be some other organization's readings because none of them agree with the readings on Hunting's own interpretation map. The readings on the map are invariably lower than Hunting's. I plan on asking Crone for his opinions of the geophysical surveying.

Questions which I wish you would answer are:

- 1) What exactly impressed Angus about the property?
- 2) What is your estimate of what Vanmetals has actually spent on the property?
- 3) Why do you estimate drilling at \$10.00 per foot?
- 4) Concerning equities in a new company, is it your present feeling that Vanmetals would accept a deal in which they could ultimately obtain 25% of a company? I trust you realize that Skeena in its deal with us can ultimately obtain 20% of the company.



Paul M. Kavanagh  
Chief Geologist - Exploration

PMK:ry



# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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To..... DR. P. M. KAVANAGH..... From..... W. M. SIROLA.....  
Subject..... VANMETALS PROPERTY, MERRITT, B. C. (92-I)..... Date..... November 14th, 1962.....

Yesterday, I met with Ron Stokes, Engineer, and Jacob Austin, Solicitor for Vanmetals. The subject discussed was the Justice Group, located on Jesse Creek, 6 miles southeast of Craigmont. You had asked me to contact Stokes and you have some data on your files from a previous meeting with Mr. Simpson.

Geologically and geophysically, the situation is intriguing and, in my opinion, should be diamond drilled.

It is interesting geologically because the mineralization occurs in a quartz monzonite at the contact between the Guichon diorite and the Nicola volcanics. Perhaps it should be called a 'super' monzonite because of the high content of K feldspar. Kennco is drilling a similar rock-type in Northern B. C. and seemingly is meeting with considerable success. The monzonite on the Justice Group was either very rich in K feldspar originally or it has been heavily metasomitized. One exposure of explosion breccia mineralized with chalcopyrite suggests that conditions were right for breccia pipe formation and that such a pipe could exist somewhere on the property.

Occurrences of monzonite in this area are relatively rare and should be closely studied for their porphyry copper possibilities. Probably the nearest one to this occurrence would be at Copper Mountain.

The situation is interesting geophysically because the apparent chargeability in Hunting's Zone D is high enough (9 - 15 milliseconds) to suggest the existence of significant amounts of sulphide mineralization. Hunting's version is up to 5% or more sulphides.

The area of Zone D is such that if the thickness of the mineralization is 200', some 32 million tons of mineralized rock would be involved.

The gamble lies, of course, in the possibility that the mineralization is mostly pyrite, or that some other factor other than the sulphides is causing the anomaly. In the case of a monzonite, I do not, offhand, have any idea what this other factor might be. However, it might be wise to have an independent appraisal made of the I.P. results.

I have been able to improve at least the bases for a deal considerably beyond those outlined in your October 24th memo.

Cont'd.....

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

*PKV*

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

Subject..... VANMETALS PROPERTY..... Date..... November 14th, 1962.....

-2-

According to Austin, Vanmetals would accept an equal share of vendor's stock with Kerr on the basis that they would have expended an equivalent amount of money on exploration. (This supposes that Kerr would drill, say, 3 holes 500' or more in depth which would cost from \$15,000 - \$20,000). Like Skeena, they would want the right to subscribe to subsequent stock issues at some agreed price, but would want a greater percentage of stock than Skeena's 12%. I would suggest that the upper limit be 20% - 25%.

At one time, I felt that this situation could be determined by drilling one 500' drill hole, but I feel now that since many porphyry copper-type deposits have pyritic halos, drilling the best I.P. anomaly would not necessarily produce the best results and, consequently, I feel that probably three drill holes would be necessary. Since the exact depth of the greatest mineralization is not known, we would have to figure out on a minimum of 500' of depth and the minimum cost at \$10.00 per foot would then be \$15,000. We should allow \$20,000 to take care of the possibility of a deeper hole and other exigencies which usually occur. Drilling, by the way, would not have to be started until next Spring.

Angus has been on the property and was impressed with what he saw. I talked with Mike Carr on the telephone today and he agrees that, geologically, it is a good bet.

Other than Vanmetals' explanation that Asarco would not make the type of deal Vanmetals wanted, I do not know what Asarco's reticence to drill the property might be. They made the geological map and, prior to that, had done limited I.P. work on flatter portions of the property. Perhaps it should be borne in mind that Asarco, at one time, had the Sullivan Mine and gave it up.

In summary then, I recommend the expenditure of \$15,000 - \$20,000 on this property if a suitable deal can be negotiated. I would guess that a 75/25 arrangement could be made.

Cont'd.....

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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

Subject..... VANMETALS PROPERTY ..... Date..... November 14th, 1962.....

-3-

Under separate cover, I enclose Vanmetals' location map, geological map and Hunting's I.P. Report. These should be returned quickly if you decide against doing anything on this property.

*W.M.S.*

*per* William M. Sirola.

Encl.  
WMS:rl

# KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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	J.I.R.	
	<u>E.C.J.</u>	

To.....W. M. Sirola.....From.....P. M. Kavanagh.....  
Subject.....Vanmetals Exploration Limited's Property in.....Date.....October 24, 1962  
Merritt Area, B. C. (92 1)

Attached are copies of data given to me yesterday by (A1) W. E. Simpson, a director of Vanmetals, when he submitted that company's 100 claim property six miles east-southeast of Craigmont. He says that Vanmetals has spent \$20,000 on the property.

He reported that both Canex and Asarco have been on the property but that both refuse to enter a stock deal with Vanmetals which would keep Vanmetals as the exploration and production vehicle. He claims that that is the only type of deal Vanmetals can make, and that they would want Kerr to make a firm initial committment to put \$50,000 into the Vanmetals treasury by taking down 200,000 shares at 25¢. Vanmetals would want to end up with 40% of the profit in the final analysis.

I told him the deal was very tough but that I would ask you to get in touch with their groups permanently employed engineer, Ron Stokes, to obtain full particulars about the present state of exploration efforts on the property. Stokes is in their group's office at 213 - 678 Howe Street, Vancouver, telephone Mutual 2-2751.

Please let me know your thoughts on the property after you have contacted Stokes.

Paul M. Kavanagh  
Chief Geologist - Exploration

PMK:ry



**VANMETALS EXPLORATION LIMITED**  
(N.P.L.)

TELEPHONE:  
MUTUAL 2-2751

213-678 HOWE STREET  
VANCOUVER 1, B. C.

October 10, 1962

This is to certify that at September 30, 1962,  
VANMETALS EXPLORATION LIMITED (N.P.L.) has issued  
990,005 shares, 650,000 of which are in Escrow,  
leaving 340,005 Free shares.

Total number of shares authorised is 4,000,000.

Re Issue of Free shares :

E. M. Olts	140,001
W. E. Simpson	86,001
N. Nemetz	20,000
J. Austin	20,003
W. Fry	6,000
R. Mackee	<u>5,000</u>
	<u>277,005</u>

Total number of Free shares 340,005

Less shares listed above 277,005

63,000 shares held by 122 shareholders

**VANMETALS EXPLORATION LIMITED**  
(N.P.L.)

TELEPHONE:  
MUTUAL 2-2751

213-678 HOWE STREET  
VANCOUVER 1. B. C.

October 10, 1962

This is to certify that at September 30, 1962, VANMETALS  
EXPLORATION LIMITED (N.P.L.) has the following nett assets.

Bank of Montreal - Current Account	\$85.75
Investments - at cost - Craigmont Mines Limited	6,870.00
Other Assets, Land Rover, Equipment, etc.	<u>1,585.00</u>
	<u>\$8,540.75</u>

Accounts Payable as at September 30, 1962      \$2,700.00

Total value of exploration and development work completed to  
September 30, 1962      \$14,276.70

**VANMETALS EXPLORATION LIMITED**  
(N.P.L.)

TELEPHONE:  
MUTUAL 2-2751

213-678 HOWE STREET  
VANCOUVER 1. B. C.

October 10, 1962

This is to certify that at September 30, 1962,  
VANMETALS EXPLORATION LIMITED (N.P.L.) holds 100  
Mineral Claims in the Nicola Mining Division, near  
Merritt, B.C.

# COPY

September 6, 1962

The Directors  
Vanmetals Exploration Limited (N.P.L.),  
213 - 678 Howe Street,  
Vancouver 1, B.C.

Gentlemen,

Progress Report to August 30, 1962, on the  
Justice Group, Merritt, B.C.

## Geologic Mapping

All geological mapping that can be justified has been completed following the minor road bulldozing and stripping program. Geologic maps have been prepared by Vanmetals and also ASARCO, who spent several days on the ground. The information has been interchanged. Correlation of the data as it became available has added considerably to our knowledge of what was considered a geologically blank area. Some factors observed are as follows:-

1. The area overlying the main anomaly shows no outcrop whatsoever.
2. The Nicola - batholith contact is further north than previously thought, close to the main anomaly's south margin.
3. A small zone of explosion breccia, similar to those in the Highland Valley and containing copper mineralization, occurs well to the north of the main anomaly.
4. Geological hypothesis suggests the possibility that the I.P. anomaly may be due to a fold of the Nicola rocks which has become detached from the main mass to the south, included in the batholith and subsequently mineralized. If this is not the case, the readings obtained by the I.P. survey are very high for mineralized granitic type rocks of this area.
5. The anomaly is contained in a granite - quartz monzonite rock differentiating from the coarse grey quartz diorite to the north of the claim block which is the usual Guichon batholith rock type.
6. The granite type rocks have been subjected to considerable alteration by epidote, chlorite and pinking of the feldspars, particularly to the northeast of the anomaly.
7. A strong fault cuts across the northeast anomalous area in a southeast direction. It is possible that the magnetic anomaly was truncated by this fault.
8. No attempt to project the surface geology to depth should be made as

Hunting's report indicates that there is a layering effect - overburden, non-mineralized country rock, mineralized rock, non-mineralized rock.

### Transit Survey

A transit survey has been completed in the field, linking the Indian Reserve with the Upper and Lower Justice lines and the Ivy and Metex claims. The survey indicates that Vanmetals holds most of a block 5,300 feet or 1 mile wide and 10,000 feet long. The south boundary of the Justice 1 - 12 claims will probably be cut off to the south of Jesse Creek by the Dark 41 - 52 claims which were staked by Merrill, agent for Falkins.

It was discovered when searching for the Indian Reserve corner pins that the Reserve was 2,400 feet further west than indicated by the earlier staking. Seven claims, the Law 7 - 12 and the Law fraction were staked. The Law fraction claims a block 800 feet by 2,400 feet lying south of the Law 7 and 8 and north of the Dark 41 - 44.

The calculations and plotting of the survey have to be completed.

A reconnaissance has been made well to the northeast of the Justice Group to see if any open ground exists.

### Visitors

Gavin Dirom and Roy Lammle of ASARCO spent 3 - 4 days on the property. Clive Ball and Bill Pentland of Canex spent 2 days on the ground and reviewed the reports.

### Future Program

No further field work is contemplated until drilling starts. The survey data will be compiled.

Respectfully submitted,

R. B. STOKES, Senior Engineer