

826895 **KERR-ADDISON GOLD MINES LIMITED**

(FOR INTER-OFFICE USE ONLY)

92 I

92 I
attach to
Sarge
March 62

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

To..... W. M. Sirola..... From..... P. M. Kavanagh.....
 Subject..... General Resources Wade-Sarge-Major Contiguous..... Date..... October 24, 1962.....
Claim Groups, Merritt Area, B. C. 92 I

Attached are copies of data given to me yesterday by (A1) W. E. Simpson, a director of General Resources. The data concern that company's property 4 miles southwest of Craigmont and consisting of a total of 59 claims made up of the Wade, Sarge, and Major claim groups.

He reported that they had Hunting do an I. P. survey over the claims originally, then Asarco did an I. P. survey and concluded that pyritic mineralization was causing anomalies found. Being advised that Asarco's conclusions might not be correct, General Resources have recently had McPhar do an I. P. survey. Simpson did not have McPhar's complete results in hand but did have a preliminary letter from McPhar (copy attached) which includes a recommendation for one drill hole to be drilled. That is where the property sits at the moment.

Simpson claims that General Resources have spent approximately \$50,000 on the property. They apparently would want Kerr to make a firm initial work committment of \$30,000 for which we would receive 200,000 shares of General Resources (15¢ per share equivalent). In the final analysis of any type of deal made, they would want to have 40% of the profit; I left him in no doubt that I considered that a very tough deal.

He said that General Resources is selling for 14-15¢ on the Vancouver listed exchange.

He advised that Ron Stokes is their group's fully employed engineer, and I said that I would ask you to contact him to obtain full particulars. Stokes is in their office at 213 - 678 Howe Street, Vancouver; telephone Mutual 2-2751. Stokes may have McPhar's complete report in hand by the time you contact him.

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

Simpson left me a copy of their Second Annual Report which I am keeping here as you will undoubtedly be able to obtain one in Vancouver.

PMK
 Paul M. Kavanagh
 Chief Geologist - Exploration

PMK:ry

Highland Valley

Clyff Dixon with DeWarty

W.E. Simpson (A.L.)

& Carl Otts, Pres. of

listed on Van

Earliest Resources

General Resources - 14th - 15th

Vanmetals Exploration

Otts is a director of Craigmont

Simpson is an alt.

General Resources? 4 mis. SW of Craigmont; just n. of
- on Wade group - McPhar did I.P. &

& recommends 1 hole

- 30 Wade } some
- 6 claims } ~~not~~ expired Feb/63
+ Sarge & Majors } - total is 59

- + 2 mining concessions in Ireland.
- dealt to Placer Dev.

- deal on Wade:

- a firm commitment of \$30,000
by way of taking down a couple of
hundred thousand shares at 15¢.

- General Resources ^{wants to} end up with
40% of the profit.

- can phone Dr. Bell of McPhar

- can contact Ron Stokes - ^{eng. for} Gen'l Resources
213 - 678 ^{Acacia St.}

MU 22751

- Gen'l Res. has spent \$50,000 on
property

McPHAR GEOPHYSICS LIMITED

PHONE: TORONTO
HICKORY 4-4451

139 BOND AVENUE. DON MILLS. ONTARIO

DOWNTOWN BRANCH:
ROOM 1502 - 330 BAY ST.
TORONTO, ONTARIO
PHONE: EMPIRE 3-7437

October 19, 1962.

MEMO TO : Mr. W. E. Simpson, General Resources Limited
FROM : McPhar Geophysics Limited
SUBJECT : I. P. Survey - WADE Group, Merritt District, B. C.

A preliminary study has been made of the I. P. results on parts of claims WADE Nos. 7, 9, and 15. A series of weak to moderate Induced Polarization indications suggests that a zone of anomalous metal factor material extends more or less continuously from 48N to 64N. This zone appears to coincide with an inferred fault at or near the contact of the Nicala Series and the porphyry intrusive.

The Induced Polarization indicates variation in both the intensity and depth of the source. In our opinion, further investigation should be made of these anomalies. The following test drill hole is recommended to test the most favourable results.

Line 60N at 12W; to be drilled east along picket line at -45° to intersect the contact.

A detailed report and discussion of the results will be prepared in the near future.

Yours very truly,

DBS:sr

D. B. Sutherland,
Geophysicist.

MAR 26 1962

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	G.P.M.	
	E.L.D.	
	J.I.B.	
	(C.C.I.)	

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

Subject..... GENERAL RESOURCES - WADE GROUP..... Date..... March 22nd, 1962.....

The terms of the Agreement between General Resources and A. S. & R. for the Wade group, 1½ miles southwest of the Craigmont Mine, are covered in the March 22nd George Cross Newsletter.

Briefly, the Agreement gives A. S. & R. an option for 2½ years, during which \$110,000.00' worth of exploration must be carried out if the Agreement is to be maintained in force for the full 2½ year period. A. S. & R. has until September 15th, 1964, in which to place the property into production, but the production date may be increased by 4 years by payment to General Resources of \$100,000.00 per year. A. S. & R. is not entitled to recover the first \$250,000.00 of advances. If the property is placed in production the division of profits would be on the basis of 60% to A. S. & R. and 40% to General Resources.

I send this information to you largely to indicate that the 60% - 40% type of deal is not at all uncommon in British Columbia, even amongst the relatively staid organizations.

R.L.

for William M. Sirola.

WMS:rl

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MAR 21 1962

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	ELD.	
	J.P.	
	E.C.I.	

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

Subject..... GENERAL RESOURCES LIMITED,..... Date..... March 16th, 1962.
CRAIGMONT AREA,
92-I

March 16, 1962 edition

Herewith George Cross Newsletter¹ outlining the
optioning by A. S. & R. of the Wade group of claims on
Promontory Hill.



William M. Sirola

Enc.
WMS:rl