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KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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

Subject.....Trans-Columbia Explorations Properties, Casino Area, Date.....March 20, 1970.....
Y.T.

<input checked="" type="checkbox"/>	J.H.S.
<input checked="" type="checkbox"/>	P.M.K.
<input type="checkbox"/>	G.M.H.
<input type="checkbox"/>	R.D.S.
<input type="checkbox"/>	B.C.B.
<input type="checkbox"/>	T.D.B.
<input type="checkbox"/>	M.D.R.
<input type="checkbox"/>	J.H.F.
(E.C.J.)	

This is just to record the results arising from John Godfrey's call to me on March 10th, which results I told you about when I visited your home last Sunday.

Between our talk with Godfrey in Vancouver on February 16th and his call on March 10th, I had visited the Casino property on February 27th with a Noranda head office group. We formed a rather hesitant impression of Casino. Also, Casino consulting geologist Bob Cathro told me that he and his associates and/or others had reconnaissance silt-sampled all creeks in the general vicinity of the Casino property with negative results. I had altogether therefore lost my enthusiasm for dealing on the Trans-Columbia ground.

When Godfrey called I told him of my visit to Casino and of my opinion that although Casino may well be a mine some day, it would probably not be soon, and as a result I had lost my enthusiasm for dealing with Trans-Columbia, but felt somewhat obligated to deal because we had made an offer, unless he would relieve us of whatever commitment he felt we were under. He in the meantime had generated even more enthusiasm for his property, citing an improved magnetic survey interpretation. He felt that our \$35,000 work commitment was too small, also that we should make a \$25,000 payment at October 1, 1970, and he said that they would want a 70-30 deal rather than our offered 75-25 one.

When I stated that if he felt we were obligated to deal because of our having made an offer previously we would certainly only reluctantly do so under the terms we had stated, he stated that they were not good enough, that they had received better offers, and that he was only phoning me because of our previous contact with him. I said that he should take one of the better offers. Although he didn't mention them, he probably also had in mind other cash payments through the option period.

Mr. Stovel supports the resulting conclusion of this matter.



Paul M. Kavanagh

PMK:lfr