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P. M. KAVANAGH

W. M. SIROLA

THE BROWN-McDADE PROPERTY, YUKON TERRITORY

August 14th, 1962.

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I meant to write you shortly after our return from Whitehorse to the effect that I did not think the Mount Nansen Syndicate should buy Carl Springer's stock in Brown-McDade. My reason for taking that stand was that I felt the property should be treated simply as a good exploration bet and not as a definitely minable situation.

Without having access to the reports on this property, I cannot comment intelligently on Smitheringale's impressions regarding the merit of Brown-McDade as an exploration bet, but I see from your letter to Don Cannon that you do not agree with Smitheringale's feelings. In any case, I simply wanted to say that I concur with the idea of not buying the spare stock, but that further work might be considered if a reasonable deal can be made for the property.

William M. Sirola.

WMS:rl

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COPY

KERR-ADDISON GOLD MINES LIMITED

SUITE 1600 - BANK OF NOVA SCOTIA BUILDING
44 KING STREET WEST
TORONTO 1, ONTARIO

August 9th, 1962.

Mr. D. M. Cannon,
Newmont Mining Corp. of Canada Ltd.,
604 - 744 West Hastings Street,
Vancouver, B.C.

Dear Don:

Since speaking to you briefly by telephone in Vancouver late last month with reference to the idea of the Mount Nansen Syndicate buying Karl Springer's 300,000 share holding of Brown-McDade stock at 15¢ per share, I wish to let you know that since returning to Toronto I have made a review of all the Brown-McDade data and maps available in Springer's Toronto office. I consider that the known Brown-McDade mineralized zone was well tested by the surface and underground programme which ended in the fall of 1947. The best zone encountered in the adit was a zone some 250 feet long, 5 to 6 feet wide, with an average cut (to 1 oz.) grade of 0.35 oz. Au and 2.5 - 3 oz. Ag. Smitheringale in a report dated August 5th, 1946 summarized the surface work as indicating a zone 1,000 feet long, 15 to 20 feet wide, with a grade of 0.4 oz. Au and 3.0 Ag - a grade very close to that of the best zone encountered underground. Underground lateral drilling and down-holes from the adit failed to enhance the situation by finding other parallel zones or downward extensions of the quality and quantity of mineralization found in the adit.

There is the persistent thought both in Hough's final report dated January, 1948 and in the minds of Noranda people and of Dr. W. F. James that secondary enrichment is present. Based on the close similarity between the indicated average surface grade and the grade indicated in the adit, I don't think that one can say the surface was enriched and the adit mineralization not enriched. If there is secondary enrichment then the whole zone tested - both surface and underground - is enriched, and the enrichment may be present throughout the whole oxidized zone, which Hough states goes down to 250 feet below the surface - i.e. to about 140 feet below the adit.

I cannot agree with Smitheringale that the known Brown-McDade mineralized zone remains a good exploration bet; Also, I was not very impressed with the exposures which Dickson showed me of the suggested northern extension of that zone. The local region remains one which could well contain one or more strong structures associated with which could be

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Mr. D. M. Cannon

August 9th, 1962.

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mineralized zones of ore-grade and size. In this respect I consider that the syndicate's present holdings are as full of potential as the Brown-McDade property is. The silver values in the samples you took from the syndicate's Webber vein are considerably better than Brown-McDade has ever had.

For all of the above reasons, it is Kerr-Addison's opinion that the syndicate should not purchase Springer's block of Brown-McDade stock. That is the opinion you had when I spoke with you in Vancouver, and I can say that it is also the opinion of Dr. Bell. Another idea would appear to be that the syndicate further explore the possibility of optioning the Brown-McDade property under reasonable terms.

I would appreciate a reply to this letter at your convenience.

kindest regards,

Yours sincerely,



Paul M. Kavanagh,
Chief Geologist - Exploration

PMK:db

cc: Noranda
Conwest
Rio Tinto
Faraday
J. Rankin
G. Dickson
W. M. Sirola ✓