

007481

attach to
previous
comms p.
date. Oct 61

105 M

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

JUL 6 1962

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

Subject HOMESTAKE PROPERTY, BUNKER HILL AREA, YUKON Date July 5th, 1962.

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

Enclosed is a self-explanatory letter on the above property.

It would appear that someone in the United Keno Hill organization has changed his mind.

William M. Sirola.

Enc.
WMS:rl

105M

931 Clarke Road
Brentwood Bay
Vancouver Island, B. C.
June 20th. 1962

William M. Sirola
Kerr-Addison Gold Mines Ltd.
Room 506
U. K. Building
Granville and Hastings
Vancouver, B. C.

Dear Mr. Sirola;

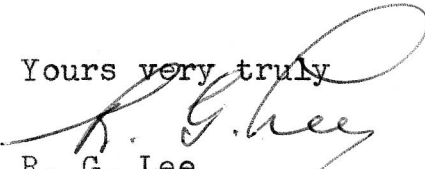
I have been a long time answering your letter of January 8th., in the matter of the Homestake group of 19 mineral claims in the Keno Hill area of the Yukon Territory, and the kind offer of your company to undertake a systematic sampling of the property.

Shortly after receiving your letter, I had a letter from Mr. Pike of United Keno Hill Mines Ltd., suggesting that his company were prepared to option the property and would undertake a definite development programme as soon as the snow was off the ground, around July 1st.

I wish to inform you that last week I granted to United Keno Hill Mines Ltd. an option to be exercised by that company on or before October 31st. 1962. It is possible that the option will not be exercised following their development programme and in which case I will be pleased to advise you.

Again thanking you for the kind offer of your company,

Yours very truly


R. G. Lee

Attach to previous correspondence

105 M.

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

JAN 25 1962

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

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

Subject...HOME...STAKE...PROPERTY,...KENO...HILL...DISTRICT...Yukon...Territory...Date.....January...23rd...1962.....

Attached is a copy of a recent letter from Mr. R.G. Lee for your files.

Like yourself I would not be prepared to start a program here without a further study of the ground.

William M. Sirola.

Encl.

WMS:nb

931 Clarke Road
Brentwood Bay
Vancouver Island, B. C.
January 15th. 1962

William M. Sirola Esq.,
Kerr-Addison Gold Mines Ltd.
Room 506
U. K. Building,
Vancouver, B. C.

Dear Mr. Sirola;

Many thanks indeed for your letter of the 8th. inst., in the matter of the "Homestake" property in the Keno Hill district of the Yukon Territory.

I must agree that the thoughts of your Company's chief geologist in Toronto is very reasonable; that a systematic sampling of the property should be undertaken before entering into any arrangements for the property, to be undertaken in the Spring.

However, it should be brought to your attention that such sampling cannot be undertaken in the Spring, due to snow and ice conditions, and in my opinion cannot be undertaken before June 30th. While the snow is usually gone from this area by early June, depressions, prospect pits etc. are usually glaciated and are usually not free from this condition till very early in July.

Another difficulty also presents itself; the hiring of satisfactory equipment for stripping should be undertaken before May 1st., when Government Road contracts are awarded. To my knowledge there are only two firms in Yukon with D-8 or D-9 dozers fitted with frost rippers and both of these firms could well be engaged for that entire period, July 15th. to August 30th., when it is possible to undertake stripping of overburden in the Keno Hill area. It is understood that sizeable contracts will be awarded for 1961 by the Yukon Government, particularly in new areas in the Southern part of Yukon.

Perhaps your Company may be helped in their decision with the following assay returns, taken from our sampling of the 100 ft. exposure of the newly-discovered longitudinal vein. As stated originally to you, we only have 100 ft. of the possible length of this vein 6,000 or more ft. in length on the Homestake property, exposed, and our object naturally is to strip the entire length of this vein, where values at

present are entirely unknown. Also, it should be borne in mind, that in the Keno Hill area, the history of it's 40 years of mining Silver-Lead ores, that the longitudinal veins do not generally provide in themselves the ore-bodies, but are the main carriers of ore, and the commercial ore-bodies occur where a transverse vein intersects a longitudinal vein. We have one transverse vein known and our present efforts, 1961 and hoping to complete in 1962, the intersection of this transverse vein with the longitudinal vein. Also siderite float on the surface found by us in 1961 at a location 1500 ft. NE. of our exposure indicates another possible intersection, and we feel there is every possibility of further transverse veins intersecting the longitudinal vein over it's 6000 ft. or better length.

The following assays were not the result of systematic sampling, but rather grab samples taken for general information, from the transverse vein.

		oz. ton	oz. ton	Lead %
		Gold	Silver	
1959				
July 14th.	Surface Rust	.02	1.08	
1960				
Aug. 4th.	White Iron	1.08	12.92	
	" "	1.88	21.22	
Sept. 26th.	White Iron and Quartz.	4.76	21.7	
1961	Galena	.02	170.6	77.1
Aug. 11	Assorted complete samples for season 1961	.48	14.0	
		.66	180.2	
		.74	13.9	
		.58	24.9	
		.46	20.4	
		.40	.70	
		.50	90.6	
		Trace	.30	

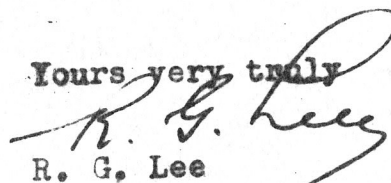
The original assay sheets can be forwarded to you if you desire them, and are from the Yukon Government licenced assayer.

As stated to you in our conversation in your office, I believe that there is an excellent chance to find substantial commercial ore by surface stripping of the entire length of this longitudinal vein. Moreover, it must be emphasized that this is totally unexplored territory, and the substantial gold values indicated from our sampling is actually something new in the Keno Hill area. By arranging for the hire of a D-8 dozer with frost rippers, in advance, for say 30 days use at a daily cost of \$270.00 (estimated cost for 10hr. operation) a very large amount of this vein can definitely be exposed, overburden varying between 8 to 12 feet with frost usually encountered at 3 feet, but by re-dozing every few days, bedrock can be reached by this method. It should also be emphasized that very high Silver values, generally unknown, have been found in float on bedrock from this "Homestake" property, ranging from 3,000 oz. to 7,000 oz. per ton, in the form of tetrahedrite in siderite gangue. I personally found this float in 1926, at a point some 300 feet downhill from the position of this longitudinal vein, where the known transverse vein should intersect

it, and which we expect even on our own efforts to expose this year. I cannot of course supply the assay sheets for these very high assays, being 35 years ago, but it is possible that they may be in the old records of the former Territorial Government Assay Office located at Keno, and which was abandoned in early 1940. These old records could be stored in WhiteHorse, but doubt if they are accessible.

I will appreciate any further enquiry by your company, in the hope that your company may take this offer to develop this vein during 1962, and decide to do so at an early date. I do have other interested sources, but definitely prefer to go along with a company such as yours, enjoying the very favorable international reputation.

Yours very truly

A handwritten signature in cursive script, appearing to read "R. G. Lee". The signature is written in dark ink and is positioned above the typed name "R. G. Lee".

R. G. Lee

105/M

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

REC'D DEC 22 1961

A		
	W.S.R.	
	K.C.G.	
	F.M.K.	
	C.K.W.	
	G.H.M.	
	R.D.S.	
	B.C.R.	
	D.W.Z.	
	G.P.H.	
	E.L.U.	
	J.H.B.	
	E.O.L.	

To..... P. M. KAVANAGH From..... WILLIAM M. SIROLA

Subject..... HOMESTAKE PROPERTY, BUNKER HILL, KEND HILL AREA, Date..... December 19th, 1961.....
YUKON TERRITORY.

Mr. R. G. Lee of 931 Clarke Road, Brentwood, B.C. visited this office last week. Mr. Lee is a partner in the Homestake property which we visited last September.

Mr. Lee implied that he and his partner were growing weary of expending their own funds on the property and would be prepared to make the following type of deal with Kerr-Addison. He mentioned that this was the same deal offered to Sheep Creek Mines last Fall:

Kerr-Addison to make firm commitment of \$7,500.00 for bulldozer stripping, the work to be done as soon as weather conditions permit. If satisfactory results are obtained the following option terms will apply;

\$ 18,000.00 to be paid on September 15th, 1962.

\$162,000.00 to be paid over 5 years at the rate of 20% or \$32,800.00 per year or \$2,720.00 per month.

\$120,000.00 to be paid from Royalties.

\$300,000.00 = Total Purchase Price

Mr. Lee feels that the longitudinal vein from which we took some grab samples has had very little exploration and the best procedure would be to employ a D-9 with a Ripper. He states that he could hire one for \$25.00 per hour if the contract involved a considerable amount of work.

I agree that some additional bulldozer work is desirable, but would not approve the \$18,000.00 payment on September 15th. This is too much too soon.

R.L.

pp WILLIAM M. SIROLA.

KERR-ADDISON GOLD MINES LIMITED

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105/M

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W.S.R.	
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P.M.K.	✓
C.K.W.	
G.H.M.	
R.D.S.	
B.C.H.	
D.W.P.	
G.P.R.	
E.L.D.	
J.L.B.	
(E.C.)	

To.....A. Kulan.....From.....P. M. Kavanagh.....
Subject.....Homestake Property, Bunker Hill, Keno Area.....Date.....October 23, 1961.....
Yukon

It may be that Bun Kunze is wondering what our position is re. his property.

As you are no doubt aware, the 2 grab samples which we took from the upper - the longitudinal - vein assayed as follows:

No. 701 - grab specimen of galena - .01 oz. Au.
69.5 oz. Ag.
82.0% Pb.

No. 702 - grab specimen of arsenopyrite - .44 oz. Au.
and tetrahedrite(?) up against 4.42 oz. Ag.
southeast wall of the vein 18.2% Pb.

The notes which I took on the property describe that vein as consisting of 1 or 2 parallel narrow (1/2 foot wide) quartz - carbonate veins 5 or more feet apart in a zone consisting of completely oxidized material which was originally probably finely bedded sedimentary rocks and/or schists.

I remember Moose Manifold saying that because of his experience he was not very intrigued by that upper vein when he examined the property; its a longitudinal vein zone and in schists rather than quartzite.

Except for the interesting 0.44 oz. gold assay, I don't consider that the property has anything of significant interest. Although I don't think that that gold value is present over more that a very narrow width, I do think it might be worthwhile for you to take a chip sample or two across say a 5 foot width next summer just to make sure one way or the other. You could indicate to Kunze that you would like to do that.

Paul M. Kavanagh
Chief Geologist - Exploration

PMK:ry

cc:W.M. Sirola

Sept 10/61

Homestake Property, Bunker Hill

Kono Area, Utah

- shipped 5 tons from 1st shaft
- strike vein N60°E north going from shaft
- bedded beds N70°E - 35°SE
- above is all in the lower of 2 veins
- we then walked further up the hill to cuts in another vein zone; consists of 1 or 2 narrow 1' to 2' carb veins 5 or more feet apart - completely rusty brownish-red material - probably originally finely bedded beds & schists

KERR-ADDISON GOLD MINES

Mine Homestake
 Date _____
 Hole No. _____

Sample No. **702**

Crab

From _____ To _____

Sample Length _____

Remarks arsenic & talc in bed(?)
up against SE wall
longitudinal vein

Assay for Au Ag Pb

NORTHERN MINER PRESS - FORM 503

Signed _____

KERR-ADDISON GOLD MINES

Mine Kono & Lake
 Date _____
 Hole No. _____

Sample No. **701**

Crab

From _____ To _____

Sample Length _____

Remarks horizontal longitudinal
vein
galena

Assay for Ag Pb Au

NORTHERN MINER PRESS - FORM 503

Signed _____

FILE No.

1082-16

DATE

Sept 21st 1961

ASSAY CERTIFICATE

WHITEHORSE ASSAY OFFICE

P.O. BOX 346, WHITEHORSE, YUKON

Kerr-Addison Gold Mines Ltd., Mr. A. Kulan

RECEIVED FROM

SAMPLE No.	GOLD Oz. Per Ton	SILVER Oz. Per Ton	Lead					
701	.01	69.5	82.0					
702	.44	4.42	18.2					

ASSAYER

Geo Spalding