

KERR ADDISON MINES LIMITED
P.O. BOX 91
COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1C7

92 I

Brian McDonough - Tony
Arnold - placer Lillooet
Lillooet R B C

May 27 1975

820322

COPY

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

92 I

May 27, 1975

Mr. Brian McDonough
Suite 100
12 Richmond St. East
Toronto, Ontario
M5C 1N1

Dear Brian:

Please find enclosed an Analysis Certificate from X-Ray Laboratories Ltd. reporting assay results on the sample that Tony Arnold left with me on Friday, May 16.

I guess the sample left with me was actually a tailings sample which Tony Arnold took by mistake, and I understand that he is going to send us a sample of the concentrate from the Lillooet placer in due course.

I don't think there is much point in retaining this sample of tails, but I will hold it until I hear from you on its disposal.

Yours very truly,

KERR ADDISON MINES LIMITED

✓

G. M. Hogg
Vice-President, Exploration

/js
Enclosure

Asu - 0.00902/tan
Ag - 0.0302/tan
Pt. nil
Pd - 0.000102/tan

X-RAY ASSAY LABORATORIES

LIMITED

45 LESMILL ROAD

DON MILLS ONTARIO M3B 2T8

445-5755

Certificate of Analysis

MAY 26 1975

NO. 1400 PAGE 1 of 1

TO. Kerr Addison Mines Limited,
P.O. Box 91, Commerce Court West,
TORONTO, Ontario.

Attn: E.C. Jacka

M5L 1C7

RECEIVED May 20, 1975

INVOICE NO. 1400

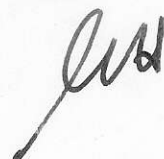
SAMPLE(S) OF 1 concentrate SUBMITTED TO US SHOW RESULTS AS FOLLOWS:

Sample	Au oz./ton	Ag oz./ton	Pt oz./ton	Pd oz./ton
No Tag	0.009	0.03	Nil	0.0001

Note: Detection Limit Pt = 0.0005 oz./ton

Sample used - 9 assay ton. Pt, Pd
2 " " Au, Ag

*Concentrate Sample submitted by
T. Arnold + Brian McDougall. Later
advised that this was "tails".
From Killooche R. Power. BC.*

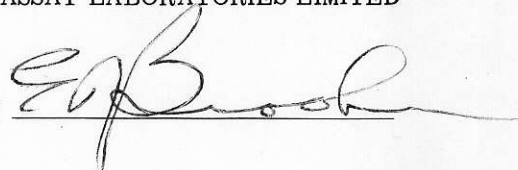


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X-RAY ASSAY LABORATORIES LIMITED

DATE May 22, 1975

CERTIFIED BY



KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

Reading E.C.J.

To..... M. D. Rowswell From..... G. M. Hogg

Subject..... A. M. Arnold -- B.C. Placer Date..... May 20, 1975

Mr. Anthony M. Arnold (4698 62nd Street, Delta, B.C. Ph. 604-946-4577) visited this office with Mr. Brian McDonough today. A group headed by Mr. Arnold holds a placer lease on the Lillooet River on the Fraser system in southern B.C. The lease is described as covering a favourable area a mile wide and four miles downstream. They have tested only $\frac{1}{2}$ mile downstream by pitting and some drilling. The gold content is estimated at about \$18.00/cubic yd. at \$150.00 gold with an average thickness of 8 feet. This would equate to an immediate potential of 1.7 million yards with a possible potential of 8 million yards.

The group is presently mining on a very limited scale with a loader and riffle system, producing about one ton of concentrate per day. To expand the operation, capital will be needed, but this is not their immediate concern.

Mr. Arnold would like to ship the concentrate to Kerr Addison for refining, and I expect he would agree to having us refine his concentrate F.O.B. Virginiatown at cost plus a small percentage (providing, of course, there are no objectionable constituents in his concentrate). This in effect could provide a bulk sample record of his product which would allow us to make a pretty good evaluation of the property keeping the possibility of acquisition in mind.

An 11-pound sample of concentrate estimated to contain about 1 lb. of gold was left with me. I have arranged to have X-Ray Laboratories run a series of assays on a portion of this sample for gold, silver, platinum group metals, iron and titanium. E. Brooker of X-Ray Labs may suggest other elements. This information will be passed on to Mr. Arnold, and we should shortly thereafter advise him as to whether we would be willing to refine his concentrate for him. The assaying will be done in a manner to give us some feel for reliability of sampling, by the way, and this would indicate what sampling procedure might be necessary in handling Mr. Arnold's concentrate.

Mr. Arnold did mention that he did not wish to deal with Cominco, nor an available small refining firm in Vancouver. He indicated that Cominco's terms were too stiff, and he felt the other group was cheating him. It should be borne in mind that such criticism could easily apply to Kerr Addison in due course, since these comments are really in the realm of opinion. However, he does seem to have a great deal of faith in Brian McDonough, who in turn, has a great deal of faith in Kerr Addison.

KERR ADDISON MINES LIMITED

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To..... M. D. Rowswell From..... G. M. Hogg

Subject..... A. M. Arnold -- B.C. Placer Date..... May 20, 1975

- 2 -

I would recommend that, providing no really objectionable qualities become apparent in the concentrate, we consider the proposal favourably.

G. M. Hogg

/js
cc: S. Pataran