

820379 FEB - 5 1971

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To Glen Hogg From W.M. Sirola

Subject PINE LAKE MINES LTD.
Owl Creek, Pemberton Area, B.C. Date February 4, 1971.

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

Herewith a Statement of Material Facts on Pine Lake Mining Co. Ltd. which contains a report by Dr. W.R. Bacon on the so-called Harrison Property of Pine Lake Mining Co. Ltd. I have also enclosed John Lund's assessment of this property which contains a recommendation for the expenditure of \$40,315 during the 1971 exploration season.

Basically the property contains one untested geochemical-geophysical target (the 'D' zone). This target has a length of 1,600' and an average width of 300'. As such it would contain 20,000,000 tons to a depth of 500'. Since all indications are that the mineralization would be low grade, such a tonnage would be inadequate.

In our original skirmish with the technical data we had been intrigued by the possibilities of working to the northwest of the 'D' zone because the structural lineaments appeared more numerous and the area was essentially unexplored. We have since found, however, that Jim Scott, who is one of the vendors of the Harrison Property, has done some stream silt geochemistry in the very area which we thought would be most favourable. More specifically, this area is one half mile north of the north end of Owl Lake and the geochemistry indicates that the drainage into Owl Creek north of the lake is essentially devoid of copper.

In the summary then, because of the tonnage limitations and probable low grade of the untested 'D' zone, and because of the negative copper content of the drainage northwest of the 'D' zone, I am unable, for the moment, to make a positive recommendation for work on this property.

Bill

W.M. Sirola.

Encls:

- (1) Statement of Material Facts.
- (2) Assessment of Harrison Property by John Lund
- (3) Geological map showing location of zones A,B,C and D.
- (4) Drilling plan of 'C' zone.
- (5) 'C' zone plan showing superimposed geochemistry & induced polarization.
- (6) 'D' zone plan showing superimposed geochemistry & induced polarization.
- (7) Owl Creek geochemistry map.

I agree with Bill Sirola's conclusion regarding the Pine Lake Mining property. Bill's original interest lay in the structural conditions to the north of the D zone (plus of course the D zone itself). Scott's work however, makes this area considerably less attractive. I will discuss the matter further with Bill to determine if a geochemical check is warranted. This may be possible through an examination agreement with Pine Lake Mines Ltd. low.