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KERR ADDISON MINES LIMITED  
405 - 1112 WEST PENDER STREET  
VANCOUVER 1, B.C.

COPY

G. M. Hogg

W. M. Sirola

LIARD COPPER MINES LTD., STIKINE RIVER AREA, B.C. 104-G January 31, 1973

Enclosed is a short report on last year's work on the Liard property, written by Alec Ritchie of Silver Standard.

During 1972, Hecla drilled a total of 8,950 feet in 10 holes and apparently have a similar schedule lined up for the 1973 season.

The 1972 drilling has apparently provided a new concept of the shape of the main Liard zones but as usual we have not been provided with any maps or reports to indicate this concept, but we are welcome to look at the information in the Silver Standard office. Since the Paramount option has been maintained we will be called upon to put up our share of exploration costs at the next shareholders' meeting.

WMS/ah

W. M. Sirola

LIARD COPPER MINES LTD. (N.P.L.)

808-602 West Hastings Street  
Vancouver 2, B.C.

683-3093

January 25, 1973

Mr. Wm. Sirola  
Kerr Addison Mines Ltd.  
402 - 1112 West Pender Street  
VANCOUVER, B.C.

Dear Bill:

I enclose two copies of a short report on Liard Copper Mines which has gone out to all shareholders. As noted, we have from Hecla two bound volumes, one of text and one of up-dated maps. You are of course very welcome to examine the reports in this office.

Yours very truly,

LIARD COPPER MINES LTD. (N.P.L.)



A.C. Ritchie  
Executive Vice-President

ACR:dn  
Encls.

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JAN 26 1973

KERR ADDISON MINES LTD.

of .....

LIARD COPPER MINES LTD. (N.P.L.)

808-602 West Hastings Street  
Vancouver 2, B.C.

683-3093

January 25, 1973

To the Shareholders:

We have received recently the report of Hecla Operating Co. which describes the results of work carried out during the 1972 season. No significant changes were made to reserves and they will not be re-calculated this year. However, two holes drilled north of the Main Liard Zone strongly suggest the possibility of adding substantially to the mineral inventory at Schaft Creek.

Last year Hecla drilled a total of 8950 feet in 10 holes. The budget was approximately one-half that of the previous two years. Total diamond drilling at Schaft Creek is now 106,000 feet in 109 holes.

Two holes were drilled on a section 2000 feet south of any previous drilling, with the object of testing geophysical anomalies south of the Main Liard Zone. The holes produced minor chalcopyrite, but sufficient pyrite to account for the I.P. effects. Further holes are required to test completely the east-west section.

Five holes drilled on the West Breccia Zone generally confirmed tonnage and grade. The breccia has been shown to be remarkably persistent and may well be host to other bodies of good copper mineralization. It has been traced apparently for 9000 feet along the west side of the mineral zone, has widths of 100 to 500 feet, and is of course open to depth.

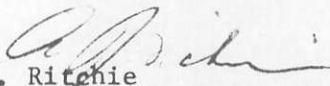
North of the Main Liard Zone, two deep vertical holes, Nos. 93 and 96, cut only minor copper mineralization until they reached depths in excess of 700 feet. The holes were bottomed in ore grade material, indicating an ore thickness of at least 800 feet at this section.

Based largely on Holes 93 and 96, Hecla geologists now favor a new geologic model, with the Main Liard Zone plunging north at a low angle to the area of Hole 93 and rising again to the north to join the Paramount Zone. To be consistent, the steep east dip formerly attributed to the Paramount Zone must be discarded, and it is theorized now that the zone extends easterly at a flat angle. This concept does appear to fit best all the evidence accumulated to date. It suggests a new target area, roughly 2500 feet by 4000 feet, lying north of the Main Liard Zone and extending east from the Paramount Zone as it is now outlined. Should the new concept be borne out by drilling, the mineral inventory at Schaft Creek could be doubled. The effect on mineable reserves would depend on the geometry of the new mineralization and its relation to the steeper topography at the north end of the property.

Contrary to what we were led to believe last fall, it now appears that Hecla will have a drill program at Schaft Creek in the 1973 season. I would guess they might drill 8000 to 10,000 feet, largely devoted to testing the new target area to the north and east.

Liard Copper has paid to Hecla Operating Co. the sum of \$4,417.83, being Liard's share of costs incurred in exploring the Paramount claims in 1972. In order to maintain the Paramount option, Hecla and Liard must expend approximately \$75,000 in 1973. Liard's share of such an expenditure would be \$22,500, and Liard has approximately \$10,500 on hand.

On Behalf of the Board of Directors,

  
A.C. Ritchie  
Executive Vice-President