

092K/03

KERR ADDISON MINES LIMITED

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June 14, 1984

Greenwich Resources Inc.,  
Suite 3174 - 1055 Dunsmuir Street  
P.O. Box 49336, Four Bentall Centre  
Vancouver, B.C.  
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Attention: Mr. James Robertson

Dear Mr. Robertson:

Re: Quadra Claim, Quadra Island

I want to thank you for bringing the Quadra Island situation to our attention and for arranging my trip to the property in company with Dr. David Evans. I enjoyed the visit and was intrigued enough to spend some time on my return researching the literature and assessing my own sampling result.

My conclusion, for what it's worth, is that the gold values are confined to very small pods of either massive vein quartz or massive pyrite and/or arsenopyrite which are located in siliceous skarn zones proximal to limestone/andesite contacts. It appeared to me that the favourable contact is duplicated several times across strike and the limestone appears to occur in several elongated, narrow bands in the eroded remnants of isoclinal troughs. Consequently I think the tonnage potential of gold ore in this environment is very small and must decline your invitation to participate.

Many thanks for introducing us to this situation and although it seems we will not get together on this one perhaps you will think of us next time you are looking for a partner in some other project.

Yours sincerely,  


R. A. Dujardin  
Regional Exploration Manager

RAD/lk

EXAMINATION REPORT

NTS 92 K/3  
Lat 50°10'  
Long 125°15'

Quad Claims, Quadra Island, B.C.

Greenwich Resources, Inc.

INTRODUCTION

The background data (access, topography etc) for this property are given in the following filed reports:

- "Assessment Report - - -" by John Hand, February 1982
- "Exploration Report - - -" by C.J. Westerman, April 25, 1984
- "Report on the Geology of the Jawbreaker - - -" by  
A. Strasser, August 19, 1975

I visited the property on May 19, 1984 with David Evans, a Director of Greenwich Resources. My initial contact and discussions were with C.J. Westerman, (Senior Geologist) and James Robertson (President) in Vancouver.

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DETAILS OF ACCESS [See 1:50,000 92K/3 Latest Edition ]

1. Quadra Island car ferry, Campbell River to Quathiaski Cove - takes about 20 minutes.
2. Take highway N towards Heriot Bay.
3. Turn left at the sign posted road to Hyacinthe Bay/ Granite Bay/Village Bay, 8 kms from Quathiaski Cove. This is a short unpaved road bi-passing Heriot Bay joining the paved highway after less than 1 km, proceeding north but which in turn becomes unpaved again in about 1 km.

4. After another 10 kms come to fork in road, left branch leading to Granite Bay (posted) and right branch to Village Bay/Bold Point. Take right branch for 1 km. Muddy road to right leads to main area of trenching, accessed on foot less than 1 km, to north of road (watch for abundant flagging).

5. For the sulphide boulder train, double back to the Granite Bay road and take it for 4½ kms before turning right to SSE into rough road leading to west side of Stramberg Lake. Take two left forks into area of post found along the old road in vicinity of the lake.

#### OVERVIEW

In spite of previous extensive sampling, Greenwich acquired the claims with the idea of finding a large disseminated gold deposit. The reasoning was that the prospective Vancouver Group (Karmutsen volcanics, Quatsino limestone) is in close proximity to the western contact of the Coast Range batholith which might be at shallow depths below the Vancouver Group within the property providing a receptive geological/structural setting. With this objective in mind, survey lines were no closer than 400 metres. Although the work was unsuccessful a recent reassessment by Westerman suggested that the potential exists for a higher grade, relatively narrow, stratiform gold horizon which intrigued me into examining the property.

My examination was limited to the area of mineralised boulders referred to by Westerman on the last page of his report and the September Lake trenches. This covered the main aspects alluded to in Westerman's report. I was unable to confirm the stratiform theory - rather I affirmed Strasser's

description of poddy quartz-bearing sulphide mineralisation within a highly silicified skarn setting.

SAMPLING

The following sampling results were obtained:

SAMPLE NO.		ASSAYS			
		Au ozs/ ton	Ag ozs/ ton	As ppm	Cu ppm
Q1	Heavy sulphides (pyrrhotite, pyrite, chalcopyrite) in float	<.004	.09	23	2820
Q2	" " " " " "	.008	.10	2	2280
Q3	1 foot silicified skarn in Trench 14-05-H	.010	.04	7200	115
Q4	Composite sample silicified skarn in old core - Trench 14-05-A	<.003	.03	85	51
Q5	Sulphide bearing dump material, composite Trench 14-05-A	.130	.07	61	460
Q6	3' of quartz veined silicified skarn, Trench 14-05-A	.009	.07	12	770
Q7	2' of silicified skarn next to Q6, Trench 14-05-A	.010	.07	27	900
Q8	Quartz vein blowout, 2 feet thick, Trench 14-05-A	.076	.03	640	500
Q9	Foetid, gray limestone, Trench 14-05-A	<.003	.03	12	27
Q10	10-very hard silicified skarn, Trench 14-05-A	<.004	.06	14	375
Q11	10' of silicified skarn, Trench 14-05-V	.042	.03	9100	455
Q12	3' of highly sulphidic, silic. skarn, Trench 14-05-V	.006	.03	880	510
Q13	Massive pyrrhotite and pyrite, grab, Trench 14-05-2A	.020	.16	3200	3750
Q14	Silicified skarn, composite, Trench 14-05-2A	<.003	.02	790	360
Q15	Massive arsenopyrite, Trench 1405-2I, grab	.130	.05	710,000	95

COMMENTARY

I researched the literature within easy reach and found in particular that the following are most illuminating:

1. Map 120 A (1914) Quadra Island (in file)
2. Dept. of Mines Memoir No.23 (1913)(in library)
3. B.C. Dept.Mines Annual Report 1913 page 284 et seq (on film)
4. Strasser's assessment work report (on file)

From all of this emerges a complex picture of strongly interbedded (interfolded) andesite and limestone from which erosion has produced long bands or shallow hills of alternating limestone and andesite trending north south in what has been called the "limebelt". An east-west section (not to scale) might be as follows.



The E-W width of a limestone band might be a 100 feet or so and 8 to 10 such bands might occur within a mile west of the granite contact. About 12 old prospects occur in the lime belt over a distance of 8 miles and invariably consist of siliceous skarn zones, proximal to limestone/andesite contacts, sometimes fault controlled, with variable amounts and types of sulphide mineralisation such as pyrite, chalcopyrite, pyrrhotite, arsenopyrite, etc. Prospects are variably described as Cu Au, Cu, Cu As types depending on the predominant sulphide. Where lensey quartz veining occurs so does gold, in native and telluride form. Veining is invariably narrow, up to 3 feet wide and the widest reported sulphide showing is 12 feet. The common denominator with all of the prospects is their poddy nature i.e. the strike extension of any individual quartz, quartz sulphide or sulphide showing within a siliceous skarn is measured in tens of feet. The best zone on Greenwich's claims is in the September Lake area. It has been drilled and trenched several times but sloughing obscures most of the trenches today. Butler Mountain Minerals is working on the only ex-producer in the belt, the Lucky Jim prospect. It produced just 480 tons averaging 0.3 to 0.5 ozs/ton Au, 0.3 to 0.6 ozs/ton Ag, over 2% Cu.

In contrast to the above, Westerman suggest that the mineralised zone at September Lake indicates a consistent stratigraphic relationship between hanging wall limestone, mineralized-silicified zone, porphyritic dacite and footwall andesite exposed over 1000 feet of strike that has not been adequately tested. The mineralised zone is said to be silicified quartz-sericite schist with local quartz veining and lenticular pods of quartz-pyrite-arsenopyrite-chalcopyrite.

This infers a strataform, strike continuity and a rhythmic geological section that neither the old reports or my observations could confirm. Armed with the above sampling results and additional knowledge of the area, another try might be worthwhile as a final check on Westermans ideas, particularly as the area is so accessible that an organized follow up program of say detailed Magnetometer plus backhoe/blasting renovation of old trenches would be easy. Such a basic program coupled with detailed mapping would get our "foot in the door" as far as getting a deal on the property is concerned since Greenwich seems to have lost interest and is very amenable to any kind of offers.

However at this stage in the current field season it is not worth diverting our attention to this property particularly as my sampling gave only disappointing results - in fact the only reasonable gold assays occur in either selected massive sulphide specimens (pyrite and/or arsenopyrite) or extremely localised quartz blowouts.

I will notify the Greenwich of our disinterest but will keep the area in mind for some follow up work - if we have a crew at loose ends for a few day or one of us is "in the area".

June 1984

R. A. Dujardin