

KERR ADDISON MINES LIMITED

820896

EXPLORATION KERR ADDISON INC.

KERADAMEX INC.SUBMISSION BY: Ivor WatsonDATE SUBMITTED/EXAMINED: August 1985PROPERTY NAME: SnowflakeCOMMODITY: AuPROVINCE/STATE: Ontario British ColumbiaMINING DIVISION: Nicola M.D.TOWNSHIP/AREA: 20 miles south of Merritt B.C.N.T.S./LAT.-LONG.: 92 H-15

REFERENCE MAP: _____

REVIEWED BY: Fred Chow + C. W. WiltonDATE REVIEWED: Aug 15/85 Sept 20/85SUMMARY & CONCLUSIONS: See Fred Chow's recommendations
and report.

RECOMMENDATIONS: _____

File

KERR ADDISON MINES LIMITED

M E M O R A N D U M

TO: D. A. Lowrie

DATE: September 20, 1985

FROM: C. K. Wilton

SUBJECT: Snowflake Gold Property, Aspen Grove Area, B.C.

Chow's report describes a mineralized geochemically anomalous gold zone 30m thick on one section with a hanging wall band of economic grade material in 2 holes, over 3 metres, 30m apart on dip. The high assays in these holes have been found to be due to electrum.

Work done has included mag, I.P., rock geochem., prospecting and drilling of 12 holes (on an I.P. anomaly) in 1983 plus others at an earlier date. The veining is very narrow (hairline) with some better mineralized veining 1-8mm in width.

This zone is obviously very low grade in gold with occasional free gold which accounts for the occasional high assays.

I would not think this property attractive. Fred Chow has recommended negotiating a working option. I wonder what further work he would suggest.

C. K. Wilton

C. K. Wilton

CKW:s1

Sept 23 Fred chow is re-examining data JCT

SEP 18 1985

Report On The SNOWFLAKE Gold Property
Aspen Grove Area, B.C.

92 H-15

August 15, 1985

I.D.B.
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D.M.H.
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INTRODUCTION

The Snowflake property was brought to our attention by private communication to R. Dujardin from Ivor Watson who directed the latest work and conducted a study for Laramide Resources, a private B.C. company.

HISTORY

Mineral exploration around the Snowflake property dates back to the turn of century. Intense work by major and smaller companies were conducted during the late 50's, through the 70's in the search for porphyry copper, concentrating around granitic intrusions within the Nicola belt. In 1983, the Snowflake property was obtained by Laramide Resources, prompted by their review of copper-gold-porphyry deposits and study of old assessment reports and George Cross Newsletters, in which Merritt Copper Co. reported an intersection of 0.15 oz Au/T over 60 ft. in a diamond drill hole located 400 ft. from a percussion hole which assayed 0.21 oz Au/T over 20 feet. During 1983 Laramide conducted a ground magnetic and I.P. surveys, followed by diamond drilling 12 holes on the I.P. anomaly. In 1984, a reconnaissance programme of rock geochemical sampling and prospecting was carried out by I. Watson for Laramide.

PROPERTY

The property consists of 9 mineral claims totalling about 62 units within the Nicola M.D., NTS 92 H-15E and 92 I-2E.

LOCATION and ACCESS

The property is located just east of HWY 5, west of Quilchena Cr.; is 20 km south of Merritt, B.C. and is 6 km northeast of Aspen Grove. Access is via dirt roads from HWY 5. Elevation is around 1000 m (3300')ASL and the terrain is a rolling plateau, open range land.

GEOLOGY

The property lies within the NW-SE trending Nicola Belt of Upper Triassic volcanic and sedimentary rocks, composed of a mixed alkaline and calc-alkaline sequence of basalts and derived monolithic and polyolithic breccias and tuffs plus minor sediments. These rocks are intruded by alkaline plutons ranging from synogabbro to alkaline syenites.

Northerly trending major faults divide the Nicola rocks into three belts; namely, the Western, Central and Eastern Belts. The Snowflake property straddles the Quilchena/Kentucky-Alleyne Faults; covers the Central Belt of alkaline and calc-alkalinic volcanics and intrusions with minor sediments plus the Eastern Belt of westerly dipping volcanic sediments, tuffs and flows. The more notable copper occurrences are located in the Central Belt where porphyry copper exploration has been concentrated.

The Snowflake gold zone lies just east of the Alleyne Fault system, in the Eastern Belt along a volcanic-sedimentary contact. A black, pyritic, often graphitic unit of calcareous argillite is layered between, in simple terms, a H.W. volcanic breccias/agglomerates and F.W. tuffs and flows. The formation dips SW, approximated at 60 degrees. Noted in the drill core is moderate to intense propylitic alteration, epidote is abundant and calcium carbonate is locally high. Epidote and calcite also fill fractures along with quartz. Sections of the drill core show bleaching of the green volcanic rocks to a buff color.

QUARTZ - CALCITE VEINS

The rocks are fractured, more so in the brittle volcanics than in soft, limey sediments. Intensity of the fractures varies from low to moderate. Most of the fractures exhibited in the drill core are hair-line fractures with varying attitudes, generally 20-60° to bedding in the argillites, 5-45° with banding in the volcanics.

In general, the fractures appear to plot between a 20° to a 90° dip, with most of them in the 35-60° range, thus appear to be 10 - 30° to the volcanic-sedimentary contact. Fractures are infilled with quartz and calcite, less often by quartz alone, and sometimes by epidote. Pyrite is not commonly associated with the hairline quartz calcite veinlets but, often with the thicker ones which range from 1 mm to about 8 mm in width. It was noted in one or more instances that the pyritic veinlets cut the simple quartz-filled fractures, suggesting more than one pulse of fluid movement and late stage of gold-silver deposition.

DIAMOND DRILLING and MINERALIZATION

Of the 12 diamond drill holes drilled by Laramide in 1983, 5 holes intersected geochemically anomalous to near economic gold values, and of these 5 holes only three drilled vertically cross-cut the mineralized structure or zone. The other seven holes were either collared in the wrong location or, drilled with the wrong bearing or, not drilled deep enough to intersect the mineralized zone.

Drill hole results indicate numerous bands of geochemically anomalous gold values of 200-400 ppb Au over 1.5-4.5 m along a strike length of 100 m, from 204+75N to 205+75N and open along strike. Thickness of the mineralized zone is at least 30 m on cross-section 205+25N. A H.W. band of economic grade material was intersected in D.D. Holes 83-8 and 83-9, assaying 1.05 oz Au and 12 oz Ag per ton and 0.46 oz Au plus 2.7 oz Ag per ton respectively, on cross-section 205+25N. D.D. Hole 83-8 intersection has a assay(hanging) wall of 0.066 oz Au plus 1.66 oz Ag/T over 1.6 m thus giving a d.d. core length of 3 m with a weighted average of 0.525 oz Au plus 6.49 oz Ag/T (est. true width is 1.76 m). The two intercepts are about 30 m apart down dip.

A.L. Littlejohn of Vancouver Petrographics reported that the H.G. sample in D.D. Hole 83-8 contain gold in the form of electrum and associated with argentite. Most of the electrum occurs in thin fractures in pyrite and is associated with the chalcopyrite-spalerite stage of mineralization.

EXPLORATION POTENTIAL

Results to date show a geologically favourable environment - carbonate alteration zone in a volcanic-sedimentary package which has a graphitic wall, an ideal situation for the deposition of gold-silver and sulphide mineralization.

I.P. results over the discovery zone indicate that the volcanic-argillite contact to extend 1500 m on strike.

In addition, I. Watson preliminary reconnaissance work has indicated several other environments which contain anomalous gold-silver, worthy of follow-up work.

SUMMARY AND CONCLUSION

The Snowflake property contains a promising target for further exploraiton of gold-silver mineralization. The geographic location could not be better, with power, transporation, manpower, etc. closeby, plus terrain and weather suitable for year round work.

It is recommended that Kerr Addison negotiate a working option with Laramide Resources to explore this new discovery.



Fred Chow
August 15, 1985