

KERR ADDISON MINES LIMITED

SUITE 703 - 1112 WEST PENDER STREET
VANCOUVER, B.C. V6E 2S1
PHONE 682-7401

File

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November 15, 1983

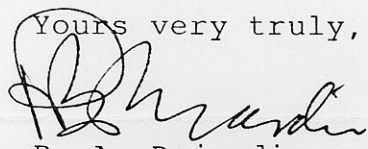
F. L. Berry
#19 - 1555 Summit Drive
Kamloops, B.C.
VOE 2E0

Dear Sir:

This is in response to your letter to our Toronto office regarding the 20 unit Au-1 claim in the Horsefly area.

We have not yet decided whether to get involved in the Eureka situation and are awaiting the outcome of all of the current drilling results. We are therefore not interested in bidding on the claims at the present time but thank you for bringing the matter to our attention.

Yours very truly,



R. A. Dujardin
Regional Exploration Manager

RAD/lk
c.c. - D. Lowrie ✓
- F. Chow
- A. Clendenan

93A

F. L. BERRY SUBMISSION - CLAIMS

IN QUESNEL AREA, B.C.

NOVEMBER 1983

NOV 7 1983

cc [unclear] [unclear]

I.D.B.
P.B.
J.K.C.
A.H.C.
P.S.C.
D.M.H.
D.A.T.
J.B.S.
FILE

F.L. Berry
#19 1555 Summit Drive
Kamloops, BC
VOE 2E0
November 4, 1983

Kerr Addison Mines Ltd.
P.O. Box 91,
Commerce Court W.
Toronto, Ontario
M5L 1C7

Attention: Exploration Department:

Dear Sirs:

Enclosed is a rough map outlining a 20 unit claim (AU-1/4908 map 93A-7E). This claim is adjacent to and immediately NORTH of the active EUREKA/AMOCO drilling where significant gold values have been reported.

This claim appears to be in the same geological formation and some surface samples closely resemble those found on Eureka claims.

Holders of this claim are soliciting bids at this time and would be willing to discuss any reasonable offer to carry out an exploratory program.

Please contact me at either of these numbers for further information:

WORK 374 4494
HOME 372 1687

Yours truly,

F.L. Berry

F.L. Berry

FLB/dac

GG 6
4630(2)
(104-081807330)

ADD I
4699(3)
(104-081)

Creek

Howley

HAWK

PERSEUS

Creek

MAC 8
3084(12)
(104-081)

ALPHA I
847(19)
ALPHA 2
515
9/22/85

MAC 7
3078(12)
(104-081)

AU-1
4908(6)
(104-081)

MAC 9
3079(12)
(104-081)

MAC 8
3078(10)
(104-081)

MAC
1286(10)
(104-081)

MAC 5
3076(12)
(104-081)

EM
3367(4)
(104-081)

EM 2B
3047
(104-081)

MAC 6
3077(12)
(104-081)

MAC 3
3074(12)
(104-081)

KAY 11
1962(9)
(104-081)

AU 4
4911(6)
AU 5
4912(6)
AU 6
4909(6)
AU 3
4910(6)

EM 3
337(4)
REDUCED
(104-081)

EM 4
3372(4)
REDUCED
(104-081)

KAY 10
1961(9)
(104-081)

PEGASUS 3
4791(4)
(104-081)

PEGASUS 4
4792(4)
(104-081)

PEGASUS 5
4793(4)
(104-081)

KAY 12
463(11)
(104-081)

KAY 9
1810(8)
(104-081)
KAY 2
1183(9)
KAY 4
1185(9)
KAY 3
1184(9)
KAY 6
1187(9)
KAY 5
1186(9)
KAY 7
1188(9)

PEGASUS 8 FR.
4796(4)
(104-081)

PEGASUS 6
4794(4)
(104-081)

KUSK 5
4145(11)
(104-081)

KUSK 3
4143(11)
(104-081)

PEGASUS 1
4789(4)
(104-081)

ROCK 1
4629(11)
(104-081)

KUSK 6
4146(11)
(104-081)

KUSK 4
4144(11)
(104-081)

4188(11)

LAKE 1
4187(11)
(104-081)

PEGASUS 7
4795(4)
(104-081)

KUSK 7
4147(11)
(104-081)

93A/7E

Ray is interested
in the Kusk
claim

The juniors

Eureka find creates a stir on the VSE

By Jade Hemeon

VANCOUVER — Eureka Resources Inc. has been one of the hottest topics of conversation on the Vancouver Stock Exchange in the past few weeks. First the stock soared to new heights when extremely high gold content was found in its first drill hole, then it lost some ground when a second hole gave less exciting results.

Eureka, which has been listed on the VSE since Sept. 9, struck it lucky when its first drill hole near the town of Horsefly in British Columbia's Cariboo district assayed 0.18 of an ounce of gold per ton over 14.5 feet, including a five-foot section assaying 0.477 of an ounce a ton. The news sent the shares flying to a high of \$3.20 from their low of 40 cents; the warrants soared to \$1.25 from a low of three cents. The shares have since fallen back to \$1.80 and the warrants to 70 cents.

The first-hole assays were released on Oct. 14 and results from the second diamond drill hole located 1,600 feet northwest of the discovery hole were issued Oct. 19. Although the drill core from the second hole had shown visible gold, which fuelled frantic stock trading prior to the release of results, assays from an initial 15-foot section returned an average of 0.13 of an ounce of gold per ton including a five-foot section grading 0.265 of an ounce a ton. Although these values are encouraging, they are lower than some speculators had been led to expect by the visible gold.



Additional assays are also being awaited from other core sections in the discovery hole and from a third hole drilled mid-way between the first two holes. A fourth hole is being drilled just north of hole two.

Reg Ogden, a broker at Canarim Investment Corp. Ltd. in Vancouver, says he is "intrigued by the property. The rock formations in the area are unusually uniform and predictable, which implies that the deposit could extend over a large area. There is the potential for very high tonnage."

Although Eureka was only recently listed on the VSE when it did a \$300,000 underwriting in September, the confidence of speculators has been won by its association with Amoco Canada Petroleum Co. Ltd., which is participating in the development. Amoco has an option to acquire a 50% interest by spending \$900,000 on the property before Dec. 31, 1985, and paying Eureka annual cash option payments totalling \$500,000 to Dec. 31, 1987.

Eureka can retain its 50% interest after 1986 by paying 40% of development costs. Or it can elect to hold a 15% profit interest at no cost.

Work on the property will cease when winter sets in, but Ogden says the area could be an exciting mining play next year. Other companies with ground in the area include Nirvana Oil and Gas Ltd., Monte Christo Resources Ltd. and Roddy Resources Ltd.

The juniors is a weekly column on high risk speculative stocks trading on Canadian stock exchanges. Jade Hemeon is the *Times* Vancouver bureau editor.