

Orion
093L/01

821266

R.R. # 1
Sicamous, B.C.
VOE 2VO
July 5, 1985

RECEIVED
JUL-9-1985
KERR-ADDISON MINES LTD.
PER

Kerr Addison Mines Limited
#703 - 1112 West Pender Street
Vancouver, B.C.
V6E 2S1

Attention: A.D. Clendenan, Project Geologist

Dear Mr. Clendenan:

~~Re: Mines~~ Re: Mineral Claims - 93L/1W

Thank you for your letter of June 27th requesting more information on my claims near Equity Silver's mine.

Since my original letter, I have staked some additional ground in the area and have received a decision from the Chief Gold Commissioner concerning my section 50 challenge of adjacent claims. The attached map shows the approximate current status of claims in the area. The eight ORION claims are immediately available for option but the title to the MET00 and ALSO claims will not be secure until the 30 day appeal period has passed.

A new discovery of sulfide mineralisation has been made by a private company on the SAM claim which is to the northeast of the Orion claims. Details of the discovery are not yet public but are expected to be released in the near future. A Mr. Lorne Warren of Smithers, B.C. is one of the principals in this claim and you may want to contact him for information (847-3612).

The 8 Orion claims totalling 142 units cover ground previously held by several different companies. You will note from the enclosed map that the area is easily accessible by good gravel roads from Houston, B.C.. Major portions of the claim areas have been recently clear cut logged and the logging access roads are still passible by 4x4. The claims are underlain by the same sequence of volcanic rocks as are found at Equity and the claims lie on a prominent linear feature which has been described by the Ministry of Mines as being a radial fracture of a large caldera structure (reference given later). Portions of the claims have good exposure of bedrock but large areas are covered by drift of unknown thickness. There are no known exposures of mineralisation (other than pyrite) although Gillian Mines has reported finding massive sulfide float in the vicinity of the gabbro intrusive (NW corner of MET00 claim).

.../2

The Orion 1-4 claims cover ground originally held by North Pacific Mines Limited. They did a fluxgate magnetometer survey and took a few geochemical samples on the property in 1967. Assessment reports #2565, 2566 contain the results of these surveys. The magnetometer survey appears to have located two definite anomalies. One possible interpretation of these magnetic highs is that they are due to intrusive stocks underlying the surface volcanic flows. At Equity, the mineralisation appears to be intimately associated with such intrusives. The geochemical survey on the property was of such limited extent as to be virtually of no worth except to indicate that several soil samples gave over 1ppm silver which is considered anomalous by comparison to the data for the adjacent claims. In my opinion this claim area is worthy of more detailed geophysical and geochemical prospecting even though no mineralised outcrop has yet been found on it.

The Orion 5-8 claims cover ground which has been held by several different companies in the past. They have conducted a significant amount of exploration including some percussion and diamond drilling in the NE corner of Orion 5. Please refer to Assessment Reports 2863, 3011, 6148, 6151, and 10851 for details of the work reported to date. Additional geophysical surveys (shootback EM or pulse EM) and more percussion drilling and diamond drilling have been recommended in these reports.

A regional rock geochemical survey by the Dept. of Mines Geological Branch has also been published as Preliminary Map 13. This work indicates a coincident copper/silver anomaly is located in the vicinity of the boundary between Orion 5 and Metoo claims and a coincident zinc/manganese/arsenic/mercury anomaly appears near the border of Orion 6 and Orion 8 claims. These anomalies are however based on limited outcrop exposure in these areas and the interpretation of the data may not be straight forward.

I would also refer you to the following references which describe the regional geology in detail:

1. Geology and Mineralisation at Equity Silver Mine, by J.B. Cyr, R.B. Pease and T.G. Schroeter in Economic Geology 79, 947-965, 1984.
2. Update on the Geology and Mineralisation in the Buck Creek Area, by B.N. Church, in Geological Fieldwork 1984, Paper 1985-1, 175-189.

Reference 2 gives the first published reference to the area as being a large caldera structure. A prominent 30km long lineament is described as being a radial fracture coinciding with the eruptive axis of the Tip Top Hill volcanics and a line of syenomonzonite stocks and feeder dykes. This lineament extends from the Equity Mine property through the Orion claims to the Nadina Mine property at Owen Lake.

I have copies of all of the reference materials and Assessment Reports available for loan to you if you require them. I also have a copy of a report done for Gillian Mines by Bema Industries on the diamond drilling work done on the area now covered by the Orion 5 and Metoo claims. A portion of this report is included in Assessment Report 10,851.

In regard to option terms required for the property, I am looking for a commitment to do at least the \$12,000 assessment work prior to October 24, 1985. I would also require a cash downpayment in the \$10-50,000 range depending on which claims are optioned. Due to a partnership agreement, the METOO and ALSO claims must be optioned separately. I am open to any and all offers for the property as I am anxious to have someone start work this season. Several other companies are currently considering similar submissions, but as of today's date I have had no firm offers.

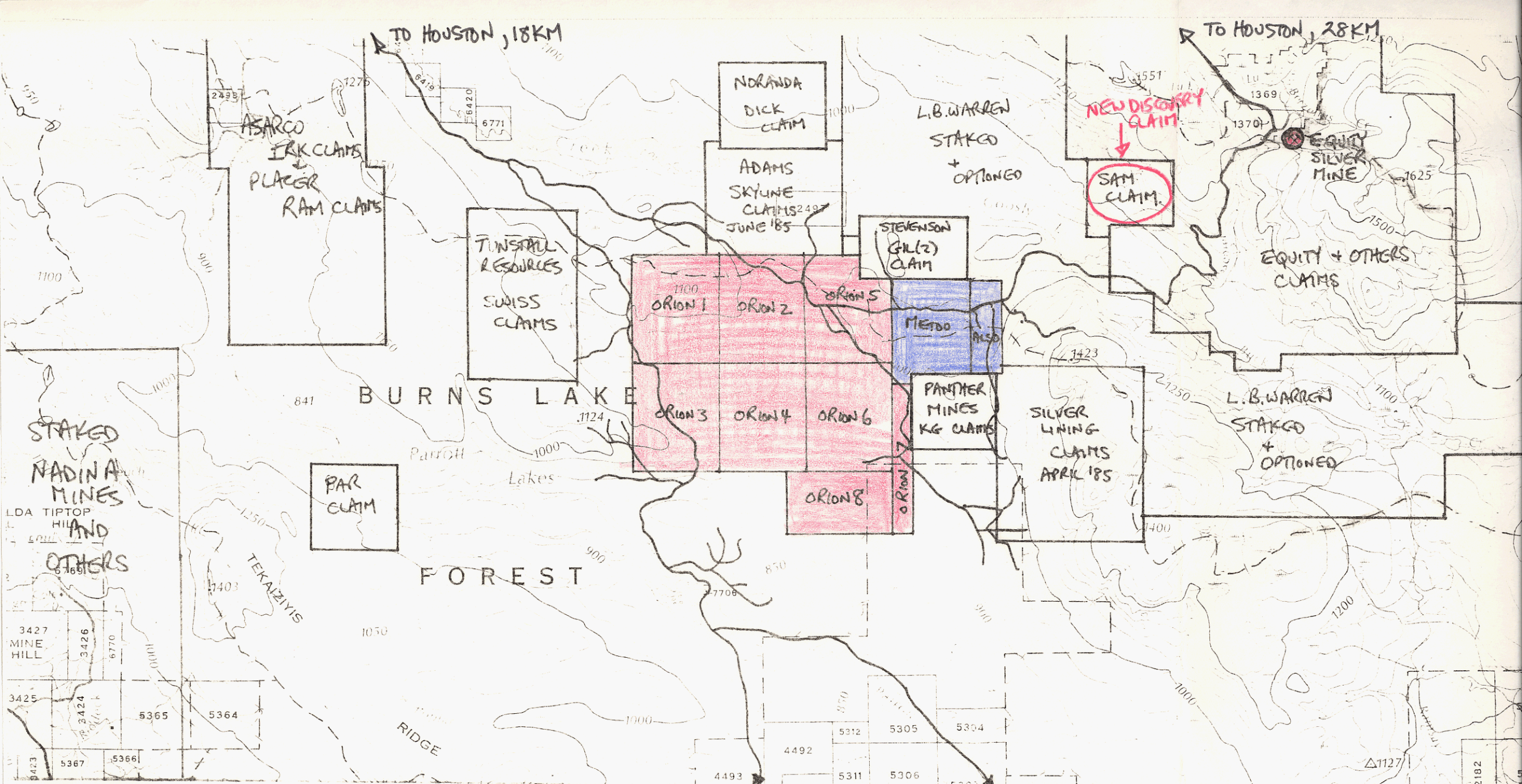
Please feel free to contact me at 836-2125 if you require additional information. I expect to be in the Houston area during late July and early August if you wish to visit the claim site.

Thank you for taking the time to consider this submission.

Yours truly,

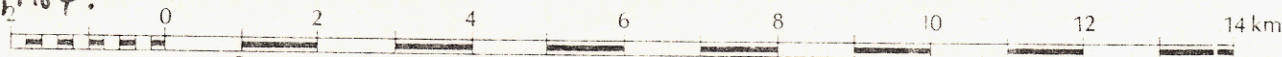


Eric A. Shaede, Ph.D.
Prospector



■ = CLAIMS AVAILABLE FOR OPTION. ORION (1) → (8) INCL. 142 UNITS LESS OVERSTAKED PORTION OF GIL(2). RECORD DATE = OCTOBER 24, 1984.

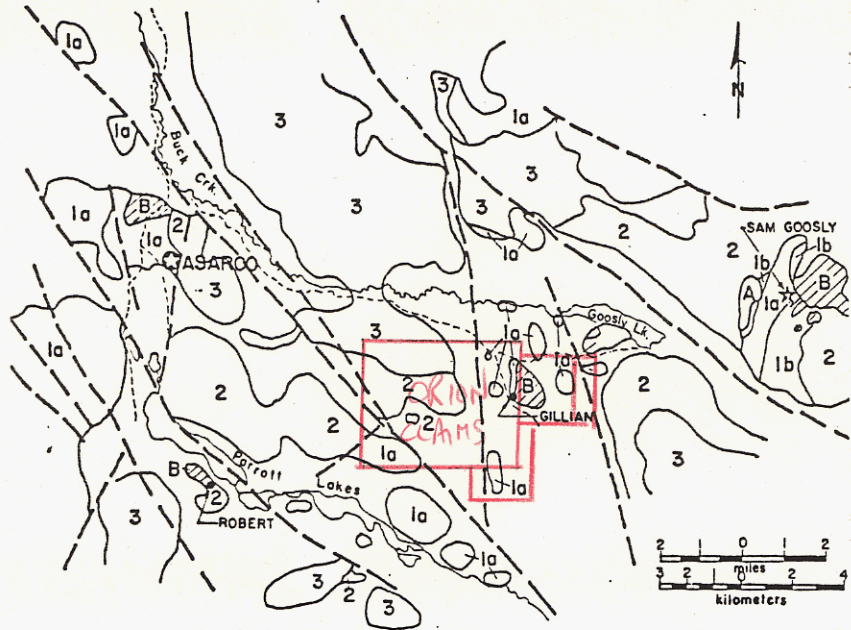
■ = CLAIMS WHICH PROBABLY WILL BE AVAILABLE AUGUST 15, 1985. METDO, ALSO ≈ 30 UNITS. CLAIM STATUS AWAITING POSSIBLE APPEAL OF SECTION 50 DISPUTE RULING.



CLAIM INFO. AS OF ABOUT JUNE 26^A/85

PORTION OF MAP 93L/SE "HOUSTON, B.C."

SEE CLAIMS MAPS 93L-1W, 1E, 2 FOR EXACT CURRENT CLAIM STATUS



**REGIONAL GEOLOGIC SETTING
PARROTT LAKES PROSPECT**

QUATERNARY

□ Alluvium, till, gravel

EOCENE

3 Buck Creek Volcanics - andesite and dacite flows, minor basalt

2 Goosly Lake Volcanics - trachytic flows

B Goosly Lake Intrusions - syenomonzonite, gabbro

A Nanika Intrusions - quartz monzonite

CRETACEOUS

1 Tip Top Hill Volcanics - a. andesite to rhyolitic flows and pyroclastic rocks. b. sandstone, shale, conglomerate.

— Major Fault ● Mineral Prospect

PROPERTY GEOLOGY

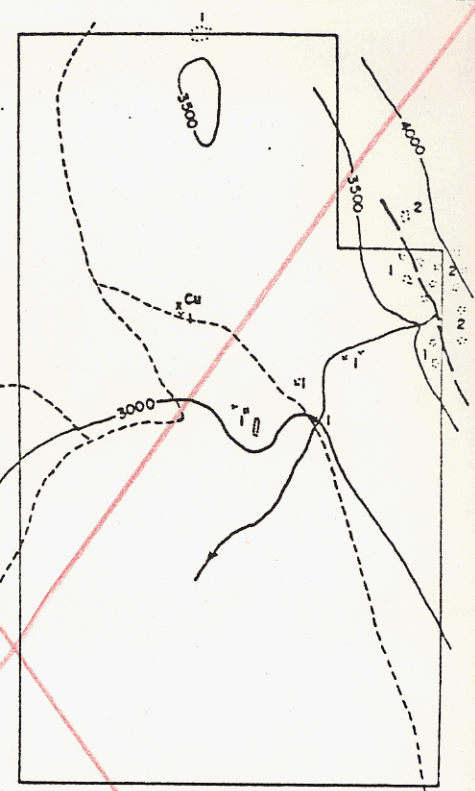
EOCENE

2 Buck Creek Volcanics - massive amygdaloidal to vesicular basalt, andesite and placcite plus related pyroclastic rocks.

CRETACEOUS

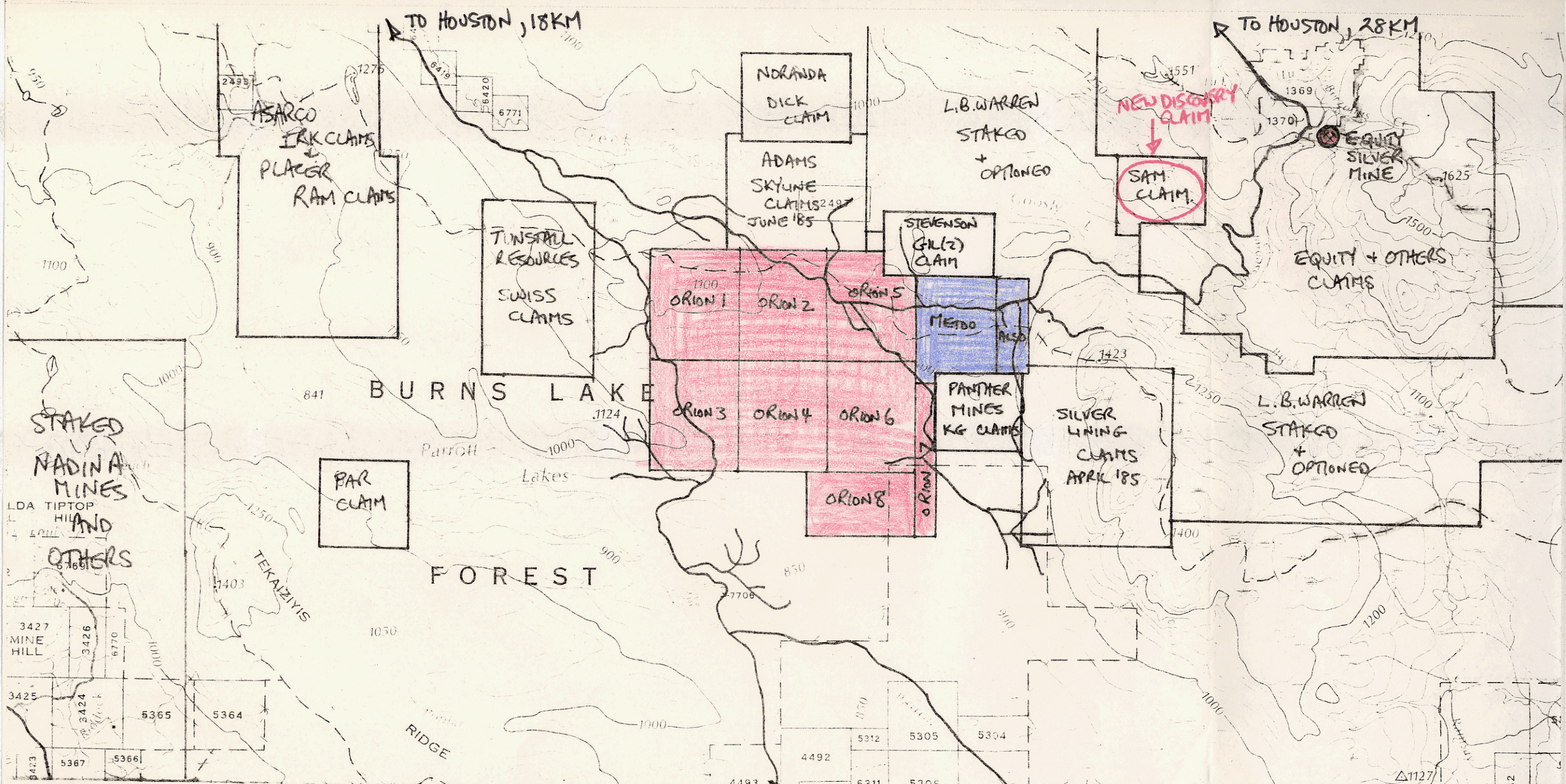
1 Tip Top Hill Volcanics - mainly red to dark grey crystal lithic-tuff lapilli-tuff, volcanic breccia and lahar.

- topographic contour
- outcrop
- - - access road
- limit of Zn anomaly
- claim boundary



ASARCO		Vancouver	
PARROTT LKS PROSPECT REGIONAL & PROPERTY GEOLOGY			
Drawn by	Date	N.T.S.	
D.G.M	9 Nov 78	93L/2E	Fig. 3

FROM B.O. ASSESSMENT REPORT # 7072



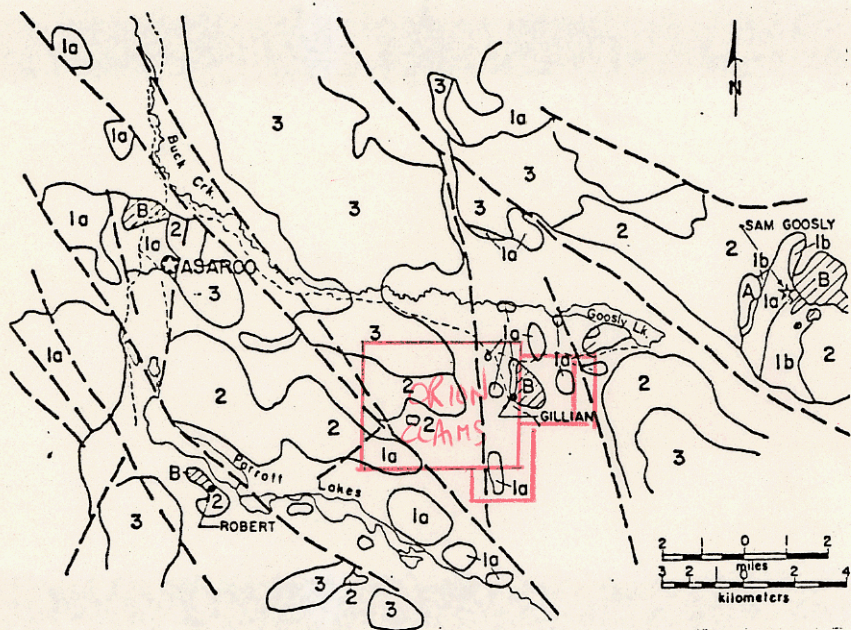
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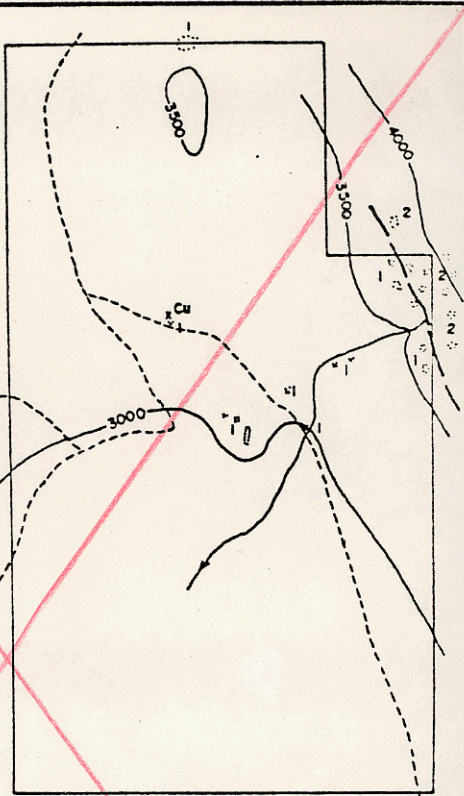
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ASARCO		Vancouver	
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D.G.M	9 Nov 78	93L/2E	Fig. 3

FROM B.C. ASSESSMENT REPORT # 7072

Figure 10

GEOLOGY OF THE OWEN LAKE, PARROTT LAKES, GOOSLY LAKE AREA

OMINECA MINING DIVISION B.C.

GEOLOGY BY N. CHURCH 1970

BEDDED ROCKS

- PLIOCENE**
 POPLAR BUTTES VOLCANICS, COLUMNAR OLIVINE BASALT.
- MIOCENE**
 BUCK CREEK VOLCANICS, INTERCALATED BASALTIC ANDESITE (locally feldspathic) AND / APHANITIC ANDESITE AND DACITE.
- EOCENE**
 GOOSLY LAKE VOLCANICS, MAINLY BIOTITE - PYROXENE - PLAGIOCLASE TRACHYANDESITE LAVAS / AND THICK SILLS OR LAVA FLOWS AND SMALL STOCKS OF SIMILAR ROCK.
- PALEOCENE OR UPPER CRETACEOUS**
 TIP TOP HILL VOLCANICS, MAINLY BIOTITE - HORNBLENDE ANDESITE AND ANDESITIC DACITE LAVAS AND PYROCLASTIC ROCKS.
- EARLY MESOZOIC**
 ACID AND INTERMEDIATE LAVAS AND PYROCLASTIC ROCKS, SOME ARGILLITE, SANDSTONE, AND CONGLOMERATE.

IGNEOUS INTRUSIONS

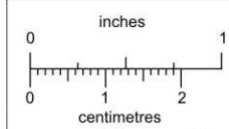
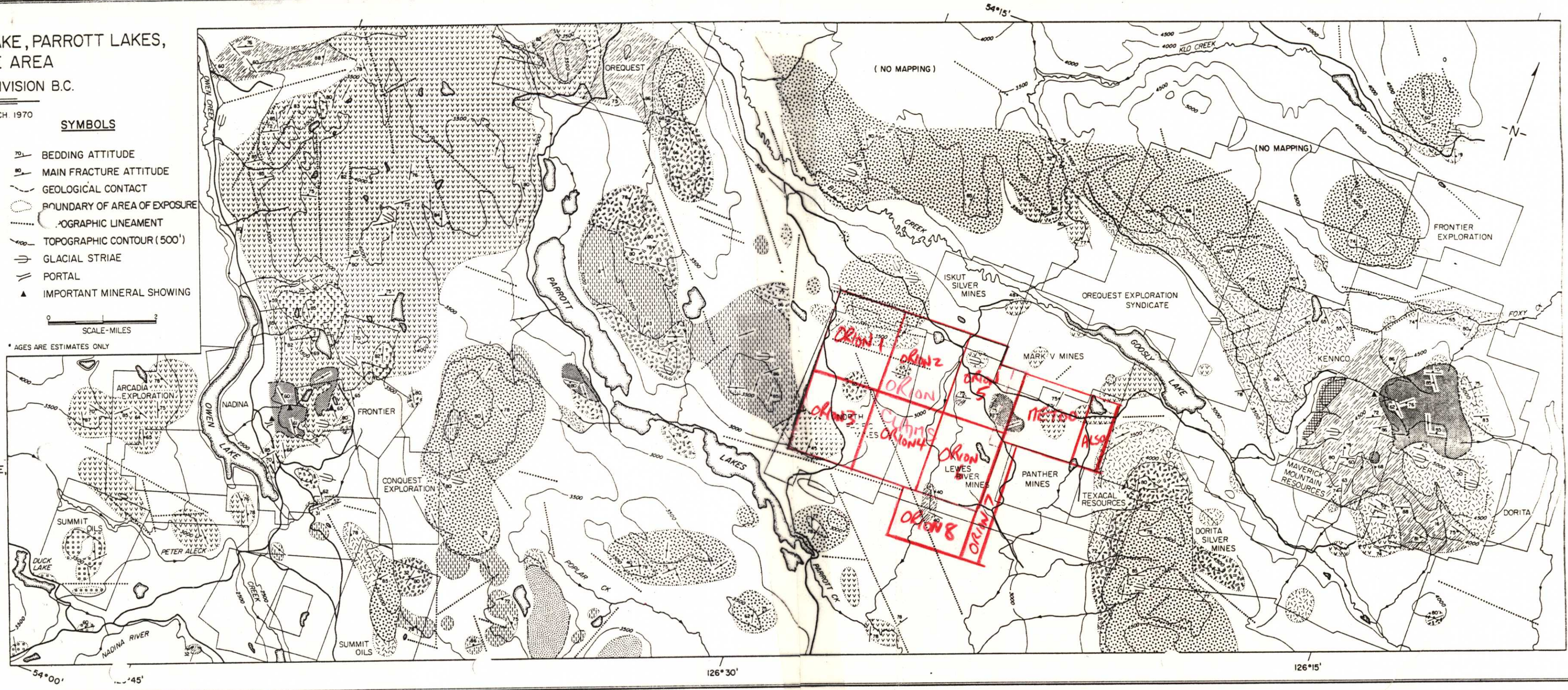
- SYENOMONZONITE - ALKALIC GABBRO STOCKS.
- GOOSLY BIOTITE GRANITIC STOCK
- DUCK LAKE BIOTITE - PLAGIOCLASE PORPHYRY STOCK.
- MINE HILL MICRODIORITE SILLS AND DYKES.
- OKUSYELDA HILL BIOTITE - QUARTZ PORPHYRY.

SYMBOLS

- 70° BEDDING ATTITUDE
- 80° MAIN FRACTURE ATTITUDE
- GEOLOGICAL CONTACT
- BOUNDARY OF AREA OF EXPOSURE
- TOPOGRAPHIC LINEAMENT
- TOPOGRAPHIC CONTOUR (500')
- GLACIAL STRIAE
- PORTAL
- ▲ IMPORTANT MINERAL SHOWING

SCALE - MILES

* AGES ARE ESTIMATES ONLY



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.