

094C/05

# KERR-ADDISON GOLD MINES LIMITED

822065

(FOR INTER-OFFICE USE ONLY)

To..... P.M. KAVANAGH ..... From..... W.M. SIROLA .....

Subject..... LAY GROUP - AIKEN LAKE AREA ( 94 - c ) ..... Date August 2nd, 1963. ....

I have made copies of two maps which I received from Ted Caldwell of C.M. & S. on the above property. These copies, however, show only the sampling done in the underground workings and in the area East of Bronlund's No. 2 zone. They show no sampling whatsoever in the controversial No. 2 zone area. Be that as it may, I think that we have sufficient evidence to arrive at certain conclusions :

Referring for the moment to the mineralization in the No. 1 zone, it would appear that in cut No. 1 + 12,, the values are in the hanging wall of a 50' wide feldspar dyke. In 1 + 14 cross cut, the values appear to be in the centre of the dyke. The direction of the values in 1 + 14 cross cut is unknown, but I do not think they correlate with the values in 1 + 12 cut, nor do they appear to have any horizontal continuity ( see assay plan of adits),

Cut No. 2 + 80, at elevation 5460' gave 10' of 0.275 Au and 12.8 ounces of Ag. These values were on the foot wall side of a steeply dipping porphyry dyke. Apparently no other sampling was done, perhaps because of the inaccessability or talus on this zone, and it must, however be regarded as a potential target.

On C.M. & S's 30 scale assay plan, there was shown a zone No. 3 which has a length of 150' averaging a width of 4.5' and an average grade of 0.36 Au and 0.96 Ag. In other words, this would be an average grade of about \$ 30.50 across 4.75'. This grade is interesting but not economical in this environment.

In the case of No. 2 zone, my sampling does not corroborate that of Emile Bronlund. Out of a total of 18 samples, only one, No. 740, taken at the West end of No. 2 zone, gave reasonably encouraging values. That is of 0.22 Au and 7.9 Ag.

The almost inevitable conclusion to be drawn from both C.M. & S.' sampling and our own, is that while locally encouraging assays do occur, they are either marginal or too erratic to produce any sizeable tonnage. There appears to be a considerable variation in the Gold, Silver ratios, perhaps depending on the amount of tetrahedrite which occurs in the sample. For example, in No. 3 zone, one assay of 0.27 Au contained 0.97 Ag, or a ratio of 1 : 3.6. In 2+ 80 cut, an assay of 0.27 Au and 19.5 Ag. gives a ratio of 1 : 74. In the main, however, the Silver assays are less than 1 ounce per ton.

AUG 6 1963

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To.....From.....

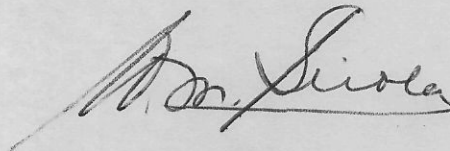
Subject.....Date.....

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The Silver assays obtained in the cuts above the 5200' elevation adit are less than 1 ounce, and it cannot, therefore, be assumed that in the adit itself, appreciable Silver values will occur. It thus becomes unnecessary, in my opinion, for us to consider cleaning out the portal of this adit for the purpose of check sampling.

Under more favourable circumstances ( and I am referring now to the terms of the agreement) I would be prone to do some additional sampling or investigation by short diamond drill holes on some of the mineralized areas, but do not recommend further work under the terms of the existing agreement.



William Sirola.

WS/iw.