

## Aspen Property - Salms B.C.

Minimum tonnage  $\frac{300 \times 6 \times 200^{100}}{12} = 30,000$  tons @ 6¢

Maximum  $\frac{300 \times 30 \times 210}{12} = 150,000$  tons @ 2-3¢

likelihood of increasing tonnage - 25-30%

Terms of deal \$50,000 down (on paper)  
 100,000 1<sup>st</sup> anniversary  
 200,000 2<sup>nd</sup> "  
 200,000 3<sup>rd</sup> "

If production achieved, 200,000/yr or 10% of net  
 unknown is the factor.

Cominc has <sup>an 1100</sup> 500 ton H.B. Mill 2 miles south.  
 likelihood of leasing this mill unknown. Deal  
 for property would be o.k. if this mill available  
 John or sufficient ore to feed 100 ton mill for  
 5 yrs would be required. This would be  $33000 \times 5$   
 $= 165,000$  tons. Quarterly profit on 3¢ grade @ 25¢  
 Cg would be  $3 \times 100 \times 25 \times 330$  (tons of ore)  $\times 50 = \$25,000$   
 yr or 4,125,000 in 5 yrs. P.V. of that profit  
 would be  $4,125,000 \times 0.670 = 2,760,000$  when discounted  
 @ 15% Compound.

A 3yr reserve (90,000) tons would earn on ops profit of  
 $25 \times 100 \times 330 \times 3 = \$875,000$

If a 100/ton mill had to build Capital cost would  
 be 1,000,000. Payments to vendors = 650,000 and profit  
 would be net margin.

Aspen - Salmo

A 2g New grade would not be viable under  
then condition because @ 25¢. per volume would  
be 30 and this is approx equal to quality cost.

Feb 4.

It now appears that the H.B. mill is 1100 T.P.D. Capacity  
and as such it is too large.

That means that the property must stand on it now  
and it would be necessary to develop 250,000 tons  
of 3g ore.

It is <sup>now</sup> probable that positive reserves would not  
exceed 30,000 tons. In the 50's Company decided  
a cross section indicating that the <sup>depth to</sup> granite on  
average did not exceed 400' on average. Some fire  
values were determined but no assays for Pb.

Concl. 25,000 down - Man. deal & let them pay it  
and to Small Co for Cash & Shares & we will  
deal with Small Co.

- ② King Harold Iron as consultant on Pans  
Island claim.  
Iron Processing Plant is in Hawaii



TO:  
**KERR ADDISON MINES LTD.**  
 703 - 1112 West Pender Street  
 Vancouver, B.C.  
 V6E 2S1

**General Testing Laboratories**  
 A Division of SGS Supervision Services Inc.

1001 EAST PENDER ST., VANCOUVER, B.C., CANADA, V6A 1W2  
 PHONE (604) 254-1647 TELEX 04-507514 CABLE: SUPERVISE

**CERTIFICATE OF ASSAY**

No.: 8101-2954      DATE: Feb. 5/81

We hereby certify that the following are the results of assays on: **Ore**

| MARKED  | GOLD                                |       | SILVER | Lead   | Zinc   | Copper | EXTOTAL, DeQuadras Sampling<br>PANEL - CHIP SAMPLING |      |      |     |      | COMINCO'S <sup>PM</sup> / B.C. Dr.<br>SAMPLING |  |  |
|---|-------------------------------------|-------|--------|--------|--------|--------|--|------|------|-----|------|--|--|--|
|   | oz/st                               | oz/st |        | Pb (%) | Zn (%) | Cu (%) | XXX  |      | XXX  |     |      | XXX  |  |  |
|   |                                     |       |        |        |        |        | Au   | Ag   | PL   | Zn  | Cu   |  |  |  |
| <i>SAMPLED BY F. CHOW JAN. 24/81</i>            |                                     |       |        |        |        |        |  |      |      |     |      |  |  |  |
| Dr. Back Sample @<br>Rsc Collar 868             | 0.9 <sup>m</sup>                    | 0.044 | 3.22   | 0.21   | 1.30   | 0.03   | 0.03   | 5.31 |      |     |      |  |  |  |
| Winge. Back 869                                 | 0.4 <sup>m</sup><br><i>thickens</i> | 0.001 | trace  | 0.11   | 0.07   | 0.02   |  |      |      |     |      |  |  |  |
| Winge. East Rib 870                             | 2.0 <sup>m</sup>                    | 0.010 | 3.24   | 0.09   | 0.02   | 0.02   | 0.005  | 5.87 |      |     |      |  |  |  |
| 4. m. of #872 +<br>Rsc Collar 871               | 1.35 <sup>m</sup>                   | 0.008 | 0.53   | 0.06   | 0.03   | 0.01   |  |      |      |     |      |  |  |  |
| 1.0.6 @ Rsc Collar 872                          | 2.15 <sup>m</sup>                   | 0.008 | 5.65   | 0.57   | 3.49   | 0.07   | 0.01   | 5    |      |     |      |  |  |  |
| 1. Rib of X-C. 873                              | 1.45 <sup>m</sup>                   | 0.004 | 3.85   | 0.23   | 0.69   | 0.10   | 0.008  | 14.1 | 0.25 | 2.5 | 0.15 |  |  |  |
| W. of #873<br>specimens<br>South Dr.<br>#3 Adit | 0.80 <sup>m</sup><br>Au.            | 0.016 | 0.02   | 0.03   | 0.06   | 0.01   |  |      |      |     |      |  |  |  |
|   |                                     | 0.013 | -      | -      | 9.42   | -      | 0.037  |      |      |     |      |  |  |  |
|   |                                     | -     | -      | -      |        |        |  |      |      |     |      |  |  |  |

*(CMS)*  
 10 N (N sid. of Rsc Collar)  
 0.40 Au, 4.8.96 Ag,  
 0.78 Pb, 8.05 Zn, 0.22 Cu  
 over 160cm

*(CMS)* 5' N and West Rib  
 0.038 Au, 11.05 Ag, 1.5 m  
 0.25 Pb, 0.34 Zn, 0.04 Cu  
 (B.C.) 25' #870 but on W. Rib  
 13.0 Ag / 0.46 m

*(B.C.)* 6.1' up-dip, on West  
 rib of Dr.  
 7.5 Ag / 3.2 m

*Aspen Mine Deposit - check sampling*  
*[Signature]*

*[Signature]*  
**R. Nadeau, Chemist**

NOTE: REJECTS RETAINED ONE MONTH. PULPS RETAINED THREE MONTHS. ON REQUEST PULPS AND REJECTS WILL BE STORE FOR A MAXIMUM OF ONE YEAR.

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Analytical and Consulting Chemists, Bulk Cargo Specialists, Surveyors, Inspectors, Samplers, Weighers

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| MARKED  | GOLD                            |       | SILVER | Lead   | Zinc   | Copper | EXTOTAL, DeQuadros Sampling PANEL - CHIP SAMPLING |      |      |     |      | COMINCO'S <sup>(PMS)</sup> / B.C. <sup>(B.P.)</sup> SAMPLING                      |  |  |
|---|---------------------------------|-------|--------|--------|--------|--------|---|------|------|-----|------|---|--|--|
|   | oz/st                           | oz/st |        | Pb (%) | Zn (%) | Cu (%) | xxx   |      | xxx  |     |      | xxx   |  |  |
|   |                                 |       |        |        |        |        | Au  | Ag   | Pb   | Zn  | Cu   |   |  |  |
| <i>SAMPLED By F. CHOW Jan. 24/81</i><br><i>(39% lower than extotal's)</i> |                                 |       |        |        |        |        |   |      |      |     |      |   |  |  |
| Dr. Back Sample @ Esc Collar 868  | 0.9 <sup>m</sup>                | 0.044 | 3.22   | 0.21   | 1.30   | 0.03   | 5.31  |      |      |     |      |   | <i>(PMS)</i><br><i>10N (N side of Esc Collar)</i><br><i>0.40 Au, 48.96 Ag,</i><br><i>0.78 Pb, 8.05 Zn, 0.22 Cu</i><br><i>wt. 160 gm</i>                                  |  |
| Wing. Back (H.W) 869  | 0.4 <sup>m</sup> <i>Wickham</i> | 0.001 | trace  | 0.11   | 0.07   | 0.02   |   |      |      |     |      |   | <i>(PMS)</i> 5' N and West Rib<br><i>0.038 Au, 11.05 Ag, 1.5 m</i><br><i>0.25 Pb, 0.34 Zn, 0.04 Cu</i><br><i>(B.C.) 0.5 #870 below W. Rib</i><br><i>13.0 Ag / 0.46 m</i> |  |
| Wing. East Rib 870  | 2.0 <sup>m</sup>                | 0.010 | 3.24   | 0.09   | 0.02   | 0.005  | 5.87  |      |      |     |      |   |  |  |
| H.W. of #872 871  | 1.35 <sup>m</sup>               | 0.008 | 0.53   | 0.06   | 0.03   | 0.01   |   |      |      |     |      |   |  |  |
| N.E. @ Esc Collar 872   | 2.15 <sup>m</sup>               | 0.008 | 5.65   | 0.57   | 3.49   | 0.07   | 0.01  | 5    |      |     |      |   |  |  |
| N. Rib of X-C. 873  | 1.45 <sup>m</sup>               | 0.004 | 3.85   | 0.23   | 0.69   | 0.10   | 0.008   | 14.1 | 0.35 | 2.5 | 0.15 | <i>(B.C.) 6.1 m up dip, on west</i><br><i>rib of Dr.</i><br><i>7.5 Ag / 3.2 m</i> |  |  |
| F.W. of #873 874  | 0.80 <sup>m</sup>               | 0.016 | 0.02   | 0.03   | 0.06   | 0.01   |   |      |      |     |      |   |  |  |
| South Dr. #3 Adit   | 0.013                           | -     | -      | -      | 9.42   | 0.037  |   |      |      |     |      |   |  |  |
| <i>specimens</i><br><i>shipped by mistake</i>                             |                                 |       |        |        |        |        |   |      |      |     |      |   |  |  |

ASPEN MINE DEPOSIT  
 82-F3  
*[Signature]*

*[Signature]*  
 R. Nadeau, Chemist

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|----------------------|-------|--------|--------|--------|--------|-----|-----|-----|
|                      | oz/st | oz/st  | Pb (%) | Zn (%) | Cu (%) |     |     |     |
| 868                  | 0.044 | 3.22   | 0.21   | 1.30   | 0.03   |     |     |     |
| 869                  | 0.001 | trace  | 0.11   | 0.07   | 0.02   |     |     |     |
| 870                  | 0.010 | 3.24   | 0.09   | 0.02   | 0.02   |     |     |     |
| 871                  | 0.008 | 0.53   | 0.06   | 0.03   | 0.01   |     |     |     |
| 872                  | 0.008 | 5.65   | 0.57   | 3.49   | 0.07   |     |     |     |
| 873                  | 0.004 | 3.85   | 0.23   | 0.69   | 0.10   |     |     |     |
| 874                  | 0.016 | 0.02   | 0.03   | 0.06   | 0.01   |     |     |     |
| South Dr.<br>#3 Adit | -     | -      | -      | 9.42   | -      |     |     |     |

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*R. Nadeau*  
**R. Nadeau, Chemist**

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