

KERR ADJISON MINES LIMITED

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823654

FILE: (NTS 82L/2E)

To R. A. Dujardin From F. Daley

Subject 'Top' Au Property, Brican Resources; Monashee Pass Date September 29, 1983
British Columbia

Accompanied by Ken Daughtry of Brican Resources, Art Clendenan, F. Daley and J. Nelson spent 2 days examining the 'Top' claim group.

The property was first examined in August 1983 by Ray Dujardin and Art Clendenan. The purpose of the second examination was to outline any significant gold potential associated with intensely carbonate and sericite altered, sulphide-bearing lamprophyre dykes intersected in drilling within a 2-40m wide north-north east trending shear zone in the Jurassic Nelson Batholith.

1982 trenches were re-examined, 325m of 1983 drill core was re-logged, 1.55 km of VLF EM 16 was surveyed across the shear zone structure and the 'Main Zone' of interest, approximately 125m x 400m, was mapped in detail.

GEOLOGY

Much of the property is underlain by relatively fresh, unaltered granite to granodiorite of the Jurassic Nelson Batholith. The intrusive is typically medium grained, biotite hornblende, massive to blocky fractured and non-pyritic. Minor alteration consists of clay (kaolin?) after feldspar, and chlorite rimming biotite and hornblende.

Exposed in trenches 1, 2, 3 and 7, over a strike length of approximately 125m, is a 2-10m wide intensely fractured and altered shear zone. The shear zone has a general north-north east trend with a 45-60° west dip, shallowing to 30° down dip. Alteration in the shear zone includes carbonate, sericite, clay (kaolinite and montmorillonite) chlorite, hematite and k-spar(?). 1983 drilling has shown the shear zone to have a true width of 25-40m. Semi-conformable within the shear zone is a series of variably altered biotite lamprophyre dykes. Sulphide content in the dykes, mainly pyrite and arsenopyrite, varies from trace to 15%. The dykes are not rooted in the footwall but do appear to extend, perhaps as splays, into the hangingwall. Gold assays of .1 - .6 oz/t are associated with the finer grained, intensely carbonate altered dykes. The highly altered and fractured intrusive shear zone material has a gold content of trace to .01, most in the .001 - .005 oz/t range.

The density of lamprophyre dykes appears to increase to the west and south west. As this area has not been trenched or drilled it represents a priority target in trying to outline down dip economic potential within the shear zone. Company reports by Brican suggest the shear zone may be indicative of a high level epithermal environment. Examination of surface and drill core lithologies, structure and alteration do not substantiate the suggestion, this is definitely a shear zone setting with no epithermal connotations.

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1983 Drilling

Eight holes totalling 325m have tested the main trenched zone. All holes are within an area of 50m x 25m. The best intersection was in Hole 83-6 which averaged .22 oz/t Au over 16m including a 4.7m intersection of .56 oz/t Au. However, this hole was drilled down-dip on one of the intensely altered lamprophyre dykes and does not represent a true cross-sectional assay of the dyke. This intersection was not encountered 7m away in Hole 83-5 and indicates the irregular shape and possible variation in orientation to the dykes. Correlation between drill hole sections 25m apart indicates a limited continuity to this dyke along strike to the north.

The shear zone footwall contact to 43m depth is well defined in 1983 drilling. To date no drilling has been done to test for deeper possible 'en echelon' shear zones. Again, the area of immediate potential would be down dip to the southwest in the exposed shear zone.

GEOPHYSICAL SURVEYS

A VLF Em 16 survey using Seattle as the primary frequency located no significant conductive trends. A survey by Brican using the Hawaii frequency had similarly flat response. The clay rich shear zone is not a strong conductor and VLF surveys would probably not outline potential away from the main trenched zone.

Brican ran a Proton Mag Survey across the main area of interest and delineated a north east trending 500 gamma mag low zone in the trenched and drilled area. This mag low extends off the eastern edge of the present grid. The mag low may represent the higher fracture density and alteration (destruction of mafics) in the shear zone. Brican plans further trenching and extended mag surveys to determine a possible positive correlation.

CONCLUSIONS

- i. Gold mineralization on Brican's 'Top' property appears to be restricted to irregularly shaped, highly altered lamprophyre dykes within an intensely altered and fractured north trending, west dipping shear zone. It is not an epithermal environment.
- ii. To date, substantial drilling in a limited area has shown that correlation of dykes and grades between closely spaced holes is still tenuous.

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- iii. The best grade intersection, drilled down dip on a mineralized dyke is .2-.6 oz/t Au, marginally economic for an underground mine. Gold assays in other holes are in the sub-economic range of 0.05 to 0.3 oz/t. Silver in all holes is insignificant.
- iv. Economic down dip potential to the west of the trenched and drilled area remains to be tested. The density of favourable lamprophyre dykes increases to the west. Alteration and fracture density decrease away from the main shear zone into the more competent hanging wall.
- v. An initial 4 to 6 hole drill program totalling approximately 315m is required to adequately assess the economic down dip potential of the lamprophyre dyke swarm within the shear zone.

The first set-up should be at grid station 2+22S, 1+50W and would involve a 70m hole drilled at -45° at a 070° bearing. This hole would test the true width and orientation and re-confirm the 'high' grade gold intersection in Hole 83-6. Conditional on the findings in this hole, the second set-up should be at grid station 2+22S, 1+75 west and involve a fan of 3 holes (-70° at 070° , -45° at 070° and vertical) to test depth continuity. The 3 holes would be 75-90m in depth.

- vi. A second phase drilling program of 4-6 holes should be considered still further to the west to extend any significant intersection and to test for larger potential.

Respectfully,

F. Daley