

COPY

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823683


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Enclosed please find a section looking north-west through drill holes C2, C1, C4, C6, C8 and C3.

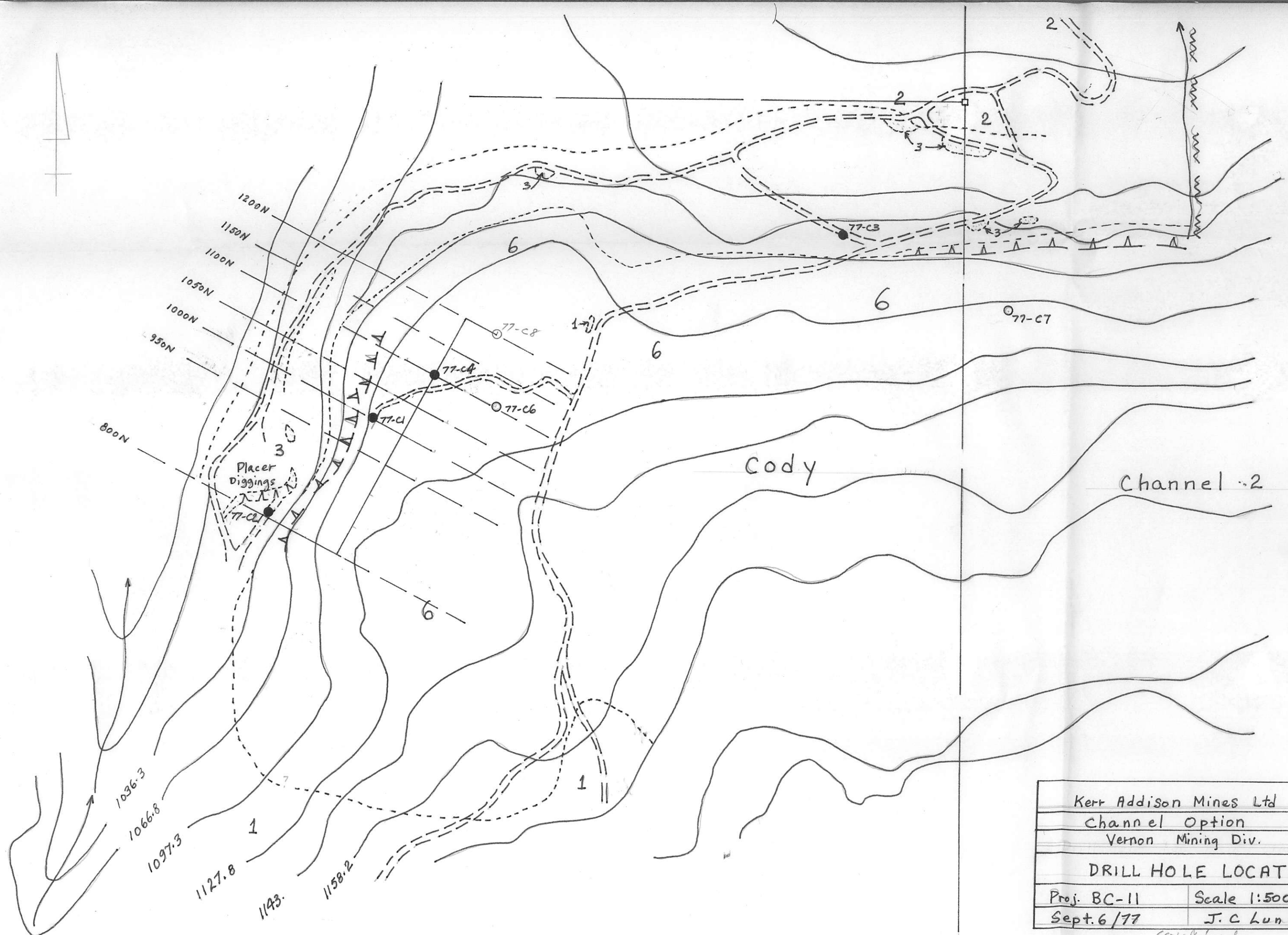
We do not know enough about the trend of the Miocene sediments to say whether this portrayal is a cross section, a longitudinal section or something in between, but what it does indicate is that the basement topography is much too uniform to provide for any meaningful trapping conditions. In other words, there does not appear to be a confined channel on this section or, if there is, we have not found it.

Despite some scattered radio-activity in outcrop on the Channel property and despite the presence of pyrite and coal in the sandstones and gravels, radio-activity in the Miocene sediments is negligible and, in some instances, it might even be called ephemeral in the sense that the Geiger probe was picking up some radio-activity which could not be confirmed by the use of the geometrics spectrometer.

It may well be that Monashee and Valhalla rocks alone are not necessarily good source rocks and it would seem important, in retrospect, to have more evidence of surface radio-activity than we have had to date prior to drilling a property.


W.M. Sirola

Encl.



Kerr Addison Mines Ltd	
Channel Option	
Vernon Mining Div.	
DRILL HOLE LOCATION	
Proj. BC-11	Scale 1:5000
Sept. 6/77	J. C. Lund.

J.C. Lund