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KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To..... P. M. Kavanagh..... From..... G. M. Hogg.....
 Subject..... Trapper Lake Molybdenum Property, Stikine Area,..... Date..... August 27, 1971.....
 B.C.

<input checked="" type="checkbox"/>	J.H.S.
<input checked="" type="checkbox"/>	P.M.K.
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<input type="checkbox"/>	E.C.J.

On August 18th W. Sirola and myself visited the offices of Stikine Resources Ltd. in Vancouver as arranged by Ross Munro of Sciminex. We discussed the property with Jim Snell and I. Livgaard, and were given data relevant to the property including a report by D. Campbell of Dolmage, Campbell and Associates Ltd. dated July, 1971. This report amounted to essentially a copy of his report of December 10, 1970, which we already have in our possession.

On August 21, 1971, in company with Mr. E. Bazinet representing Sciminex, W. Sirola and I left Whitehorse by Beaver aircraft, meeting a helicopter at Trapper Lake. The helicopter was ferried in from Atlin, B.C., and used for access to the prospect area. No difficulty was encountered finding the property, nor locating ourselves on the various mineralized zones.

The West Zone was examined first, particularly to determine the potential of reported copper mineralization, and of course to check T. J. Godfrey's sample locations. We subsequently examined the East Zone and Central Zone, with particular reference to the reported increase in molybdenite mineralization in the East Zone.

Our findings were as follows:

1. The molybdenite mineralization occurs closely associated with Alaskite plugs intrusive into granodiorite. Molybdenite mineralization occurs in east-west trending quartz veins, in subsidiary fractures, and weakly disseminated in the Alaskite. Very minor chalcopyrite mineralization is sometimes present in the granodiorite close to the Alaskite contact.
2. The east-west trending quartz veins contain substantial molybdenite and pyrite mineralization with lesser chalcopyrite. They are widely spaced (20-30 feet apart) in the peripheral areas of the Alaskite plugs, and very widely spaced to absent elsewhere.
3. Fracturing, both east-west and north-south trending is present in the Alaskite plugs, and contains sporadic molybdenite mineralization. Again, the peripheral areas of the Alaskite plugs are favoured.
4. A very light pervasive molybdenite mineralization is present in the Alaskite accompanied by some pyrite and traces of chalcopyrite.
5. T. R. Godfrey's sampling of the Alaskite plugs (West and Central Zones) appears to be reasonably representative. Thus in the northern portion of the West Zone (the best mineralized area examined) an average of 0.05 to 0.10% MoS₂ with a trace of copper would be expected. In the central portions of the Alaskite plugs an average of less than 0.05% MoS₂ is estimated and the copper content is negligible.

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6. No extensive fracture system nor well-developed stockwork of quartz-veining was noted in any of the exposures examined. In addition, surface leaching does not appear to be developed to an extent which would materially depress values in the sampling procedure used by T. R. Godfrey.
7. The East Zone is essentially similar in character to the Central and West Zones, and of no greater economic potential.
8. The suggestion that the East, Central, and West Zones are actually interconnected at a shallow depth is a distinct possibility. It is also a possibility that the north-flowing stream between the West and Central Zones reflects a fault or shear zone which may be relatively well-mineralized. There is, however, absolutely no evidence to support this supposition.
9. D. Campbell's references to the accessibility of the property are misleading. The construction of an all-season road from the property to existing facilities would be an expensive undertaking, and would likely involve considerable rock work.

On the basis of this examination no further interest is recommended in the Trapper Lake Molybdenum property. Mr. J. Snell was advised of this decision verbally by the writer on August 23rd on behalf of Kerr Addison Mines Limited, and the data supplied by him was returned at that time.

GMH:lfr


G. M. Hogg

cc: W. M. Sirola
R. E. Munro

KERR ADDISON MINES LIMITED
44 KING STREET WEST
TORONTO 1, ONTARIO

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attach to
COPY

Trapped lake hol.

August 9, 1971

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<input type="checkbox"/>	J.H.F.
<input checked="" type="checkbox"/>	E.C.J.

Mr. R. E. Munro,
T. A. Richardson & Co. Ltd.,
4 King Street West,
TORONTO 105, Ontario.

Dear Ross:


Many thanks for your very kind letter of August 6th. We are happy to know that Sciminex is "back on base" and that you think we had a contribution to make. We would never have considered doing otherwise.

Enclosed is a copy of a memorandum dated August 4th from Glen Hogg to myself listing the substance of the meeting you all had in the afternoon of that day. We trust that you will agree that it is a correct summation of the meeting.

I am looking forward to your martini (double) invitation.

With kindest regards,

Yours sincerely,



Paul M. Kavanagh
Vice-President

PMK:lfr
Encl.

AUG -9 1971

TELEPHONE 860-4860
TELEX 02-2346

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August 6, 1971

Dr. Paul M. Kavanagh,
Vice-President,
Kerr Addison,
Suite 1600,
44 King Street,
TORONTO, Ontario.

J.H.S.
P.M.K.
G.M.H.
R.D.S.
S.C.B.
W.D.B.
M.D.R.
J.H.F.
E.C.K.

Dear Paul:

I want to thank you for your efforts and also those of Glen Hogg regarding our discussions with the Stikine Resources Limited.

As Glen may or may not have told you, Stikine have handed over to us a cheque for \$10,000.

As you no doubt aware, in my opinion your efforts have had a great deal to do with getting Sciminex "back on base". It is a pleasure to know that ethics are still of major importance in business dealings as you could have undoubtedly by-passed Sciminex regarding the Trappers Lake property during the past few weeks.

Once again, thank you for your efforts and those of Glens' in this regard and no doubt we will be in contact shortly if only to have martini (double).

Yours sincerely,

Ross E. Munro.

REM/pnm

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To..... P. M. Kavanagh..... From..... G. M. Hogg.....
Subject..... Trapper Lake Molybdenum Property..... Date..... August 4, 1971.....

I met with Ross Munro and George Disler of Sciminex, and Jim Snell and Dick Newson of Stikine Resources this afternoon regarding the Trapper Lake property.

Of interest are the following facts:

1. The \$10,000 payment by Sciminex to Stikine Resources has been returned.
2. Stikine Resources is still a private company, and I was assured they have full control of the Trapper Lake property.
3. Cerro and UMEX are interested in the Trapper Lake property.

I indicated to Snell and Newson that the molybdenum market situation was poor, and that consequently the Trapper Lake property would have to be a very good one. However, we would like to take a look at it on the following bases:

- (a) We, with Sciminex, would complete an examination by August 31, 1971.
- (b) Allowing 15 days for assay results, etc., we would indicate by September 15, 1971, if we were interested in negotiating a deal on the property.
- (c) That in essence, if we liked the property, we would use our previous agreement as a guide to drawing up a new one.
- (d) That we would have to take into account in a new agreement first that no work of consequence could be done until next summer, and second that Stikine Resources would have to do their own assessment work and renewal of claims, etc. (due late in August).
- (e) That we were aware that Stikine could take in other groups during the examination period - although Jim Snell indicated that he would not.
- (f) No letter of intent or agreement would be necessary for the present.
- (g) That prior to visiting the property all data would be available to us at the Stikine Resources office in Vancouver (arrangements through Ross Munro), and that such results as would be available from assessment drilling completed by our examination date will be available to us.

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Hoping the foregoing is found satisfactory, and we can schedule a visit to the property on your return. As noted, we can arrange it through Ross Munro, and I hope he will be able to make the trip.

GMH:lfr


G. M. Hogg