

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

826094

To R. A. Dujardin From A. D. Clendenan

Subject Chalice Property Submission 92F 16E, G 13W Date January 8, 1985

The Chalice property is located on the north end of the Sechelt Peninsula near Earls Cove, B.C., see Figures 1, 2, 5 and 6.

The property was submitted to R.A. Dujardin on 28 Dec, 1984 by Diatar Schindelbauer, director of Chalice Mining Inc. of 1500 - 1176 W. Georgia St., Vancouver, B.C. Phone 688 3940 or 885 5016 Sechelt.

E.W. Grove's June 1, 1983 report, 4 sampling maps and an EDS study by Vancouver Petrographics dated Feb . 12, 1983 were reviewed and I met A.D. Drummond who examined the property for Pegasus Gold in April 1982.

Summary

The mineralization, which trends 060/75W, along the shore line has been explored since 1913 and consists of discontinuous narrow quartz- marcasite veinlets and pods which locally yield high gold values where associated with marcasite.

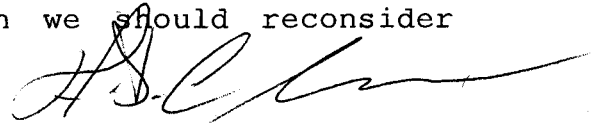
The mineralization in the "newly discovered" (pre 1982) North Lake Zone has the same trend and discontinuous nature as the shore zone. See Figure 3.

Given the narrow, discontinuous, lensey nature of the mineralization reported by previous examiners I am surprised that the property is going to be drilled.

Conclusion

Not worth a visit at this time.

If the drilling indicates the Au mineralization is more continuous and thicker at depth then we should reconsider this property.



Attached -
4 maps.

A. D. Clendenan



Nanaimo, 1852
 About 1849, an Indian produced evidence of coal in the vicinity of Nanaimo. Active development was started by the Hudson's Bay Company in 1852 and a bastion was erected. Large coal shipments were made to California.

Fig 1

Sea I.
 Vancouver International Airport
 Lulu
 Richmond
 Steveston

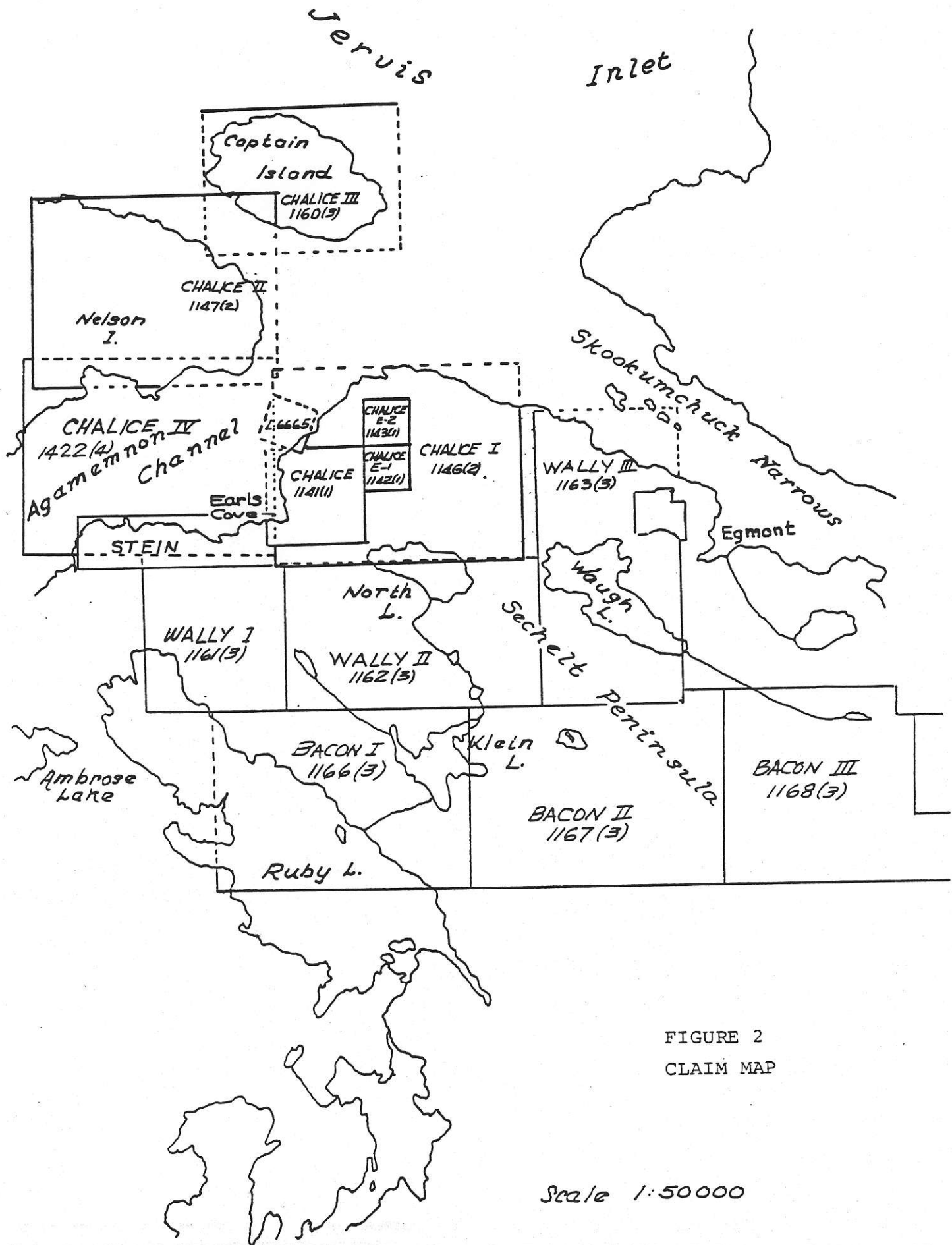
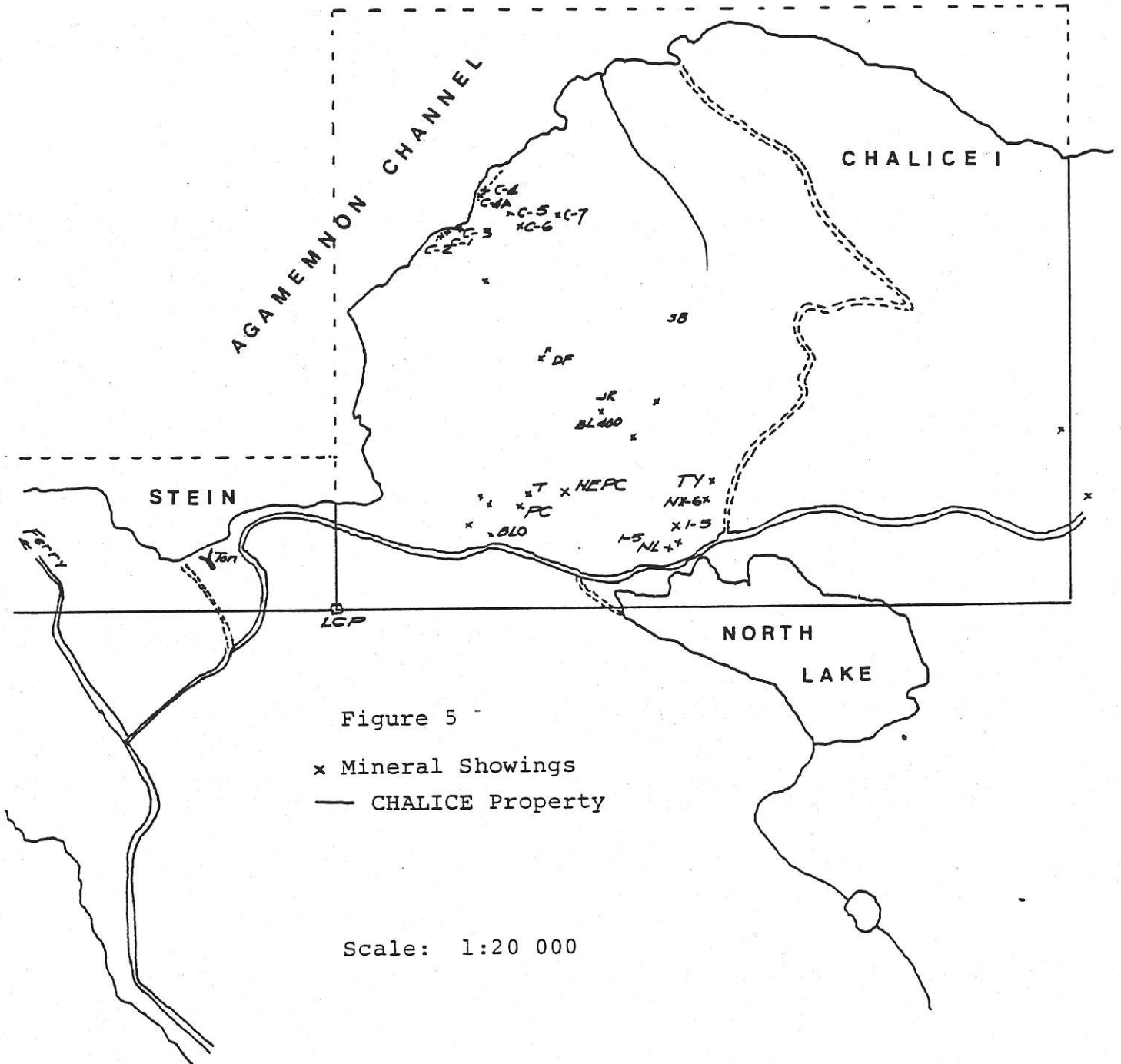


FIGURE 2
CLAIM MAP

Scale 1:50000



CHALICE MINING INC.

Au FA oz/to	Ag FA oz/to	Map No.	Name
0.796	1.18	1	Hoser I
0.816	1.00	2	Hoser II
0.356	0.34	3	Hoser III
0.342	0.46	4	"Y"
1.054	1.12	5	750N/750W
1.080	1.84	6	175N/150W
0.194	3.86	7	Wally III
0.220	0.34	8	Trench II
1.994	1.86	9	"3V" Qtz & Gd
1.726	3.45	9	"3V" Stockwork
5.344	10.14	9	"3V" Massive Py
2.650	3.65	C1	Pit 1
5.158	4.39	C2	Pit 2
0.750	-	C3	Stockwork 2M Chip
1.364	-	C3	Stockwork Grab
4.290	1.53	C4	C4 Stockwork
1.240	1.53	C4A	C4A
0.489	0.61	C5	C5
3.560	5.5	C6	C6
0.010	0.016	C7	C7 Gd
1.648	1.80	C8	C8
8.800	10.6	NL	NL
0.034	0.05	NLX1	Stockwork Vein
1.410	2.15	NLX2	Stockwork Vein
0.170	0.31	NLX3	Stockwork Vein
0.190	0.21	NLX4	Stockwork Vein
1.470	1.59	NLX5	Stockwork Vein
1.100	1.57	NLX6	Stockwork Vein
0.204	5.12	TY	TY
2.024	-	DF	DF
1.162	-	10	1400N/1460E

○ old showing
● new showing

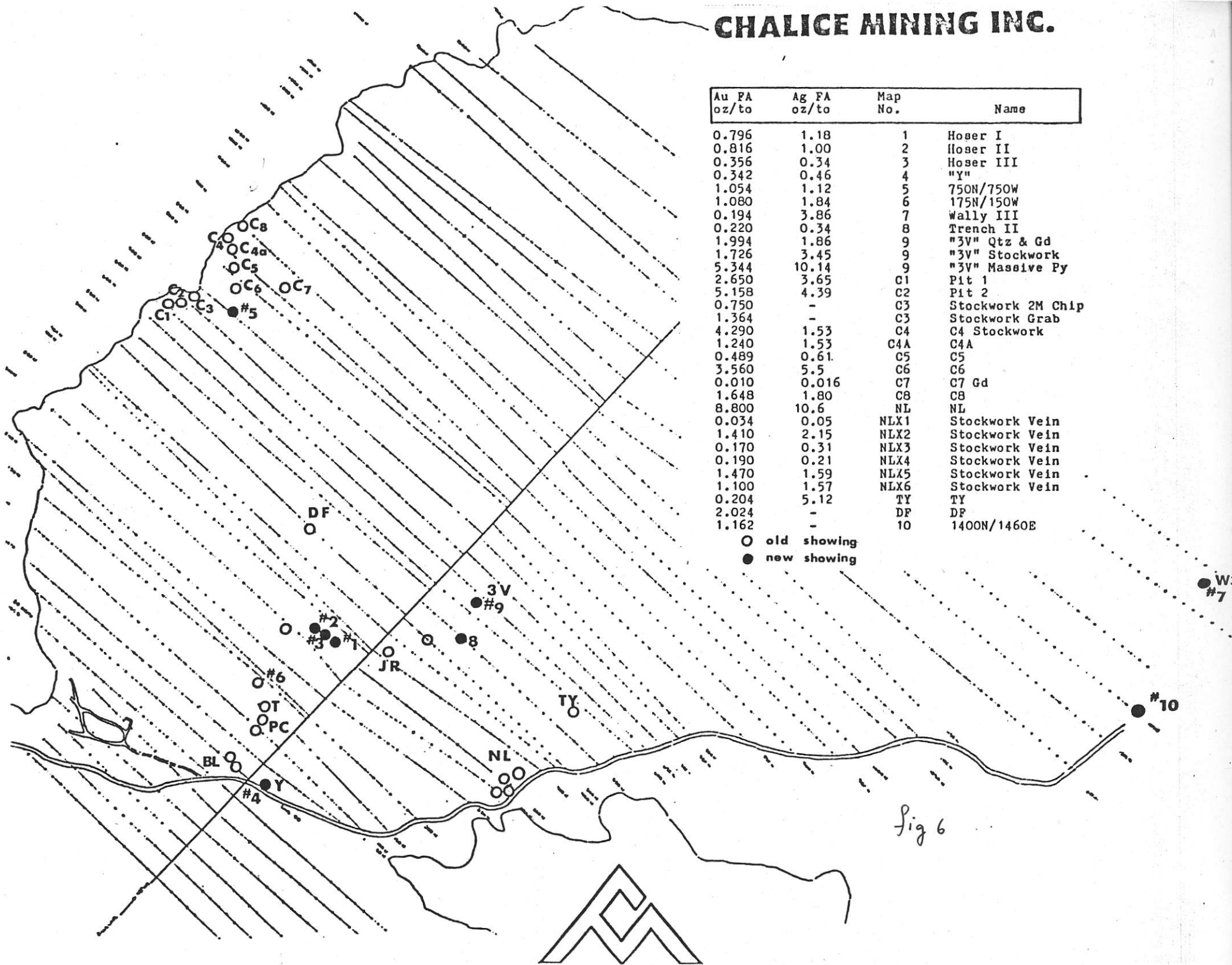


Fig 6

