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KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

NOV 13 1979



To W. M. Sirola From F. Chow

Subject PROPERTY SUBMISSION - COX AND MAX CLAIMS 92G-10E Date October 18, 1979

INTRODUCTION

On or about October 1, 1979 Mr. Mel de Quadros submitted a proposal to Kerr Addison Mines to provide funds to conduct a preliminary prospecting and geo-chemical sampling on the Cox and Max mineral claims which he and his partners have staked in the area of a molybdenum prospect reported in the B.C. Minister of Mines 1928 Annual Report. For this participation Kerr Addison Mines will be granted a first refusal option on the property, including any mineral claims caused to be staked within a radius of three miles.

PROPERTY AND OWNERSHIP

The property consists of Cox 1 M.C. (12 units), Cox 2 M.C. (12 units), Max 1 M.C. (6 units), and Max 2 (6 units), totalling thirty-six (36 units), and forming a 6 x 6 unit square area, located in the New Westminster Mining Division of British Columbia. The claims were staked by Mel de Quadros, recorded in April 1979 in his name.

ELEVATION - 1050 meters

LOCATION AND ACCESS - To Recently Staked Cox And Max Claims

The claims straddle Corbold Creek, about 5.5 km from its confluence with upper Pitt River.

Access to the property is by helicopter from Vancouver, B.C., a distance of 55 kilometers. A ferry provides water access from Port Coquitlam to the north end of Pitt Lake. From this latter point, logging roads go up the Pitt River Valley with branching roads going up both sides of Corbold Creek.

LOCATION OF COX CLAIMS - 1928 BCMM Report

The Cox claims described in the B.C. Minister of Mines 1928 Annual Report are said to be located 5 miles (8km) by trail up Canyon Creek (Corbold Creek) from its confluence with upper Pitt River at a point 9 miles (15 km) up the valley at the head of Pitt Lake. The mouth of Canyon Creek is actually 5.5 miles by straight line measurement to the head of Pitt Lake. Using a correction of 5.5 / 9 x 5 miles then the distance from the mouth of Corbold Creek to the Cox claims becomes 3 miles. The old report does not mention on which side of Corbold Creek the claims and showings are located. It does state that a tunnel and an open cut is on the bank of Corbold Creek.

De Quadros a partner will examine the area before the snow conditions prevent travel Nov 13/79 D/L

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On the B.C. Mineral Inventory Map the Cox claims are plotted on the west side of Corbold Creek, but the accuracy is designated as between 2000 feet to 2 miles. The writer believes, as does Mel de Quadros, that the old Cox claims were located on the east side of Corbold Creek and within the roof pendant, 3-5 miles (5-8 km) from the creek mouth.

GEOLOGICAL SETTING

In the latest (1963) geological publication (GSC Memoir 335) on the Pitt Lake Map Area, Mr. J. A. Roddick writes that Corbold Creek is underlain by a 2 mile by 6 mile roof pendant of porphyritic meta-andesite/dacite (Harrison Lake Fm.). The principal rock is greenish-grey, highly porphyritic, with phenocrysts of plagioclase and quartz. Metamorphism has thoroughly recrystallized the matrix. The north end of the body along the southern slopes of Corbold Creek is light coloured due to intense albitization. In the eastern part of the body, silification has altered the porphyry to a peculiar, mottled light grey and light green rock. Within the pendant are scattered small areas where the porphyry has been partly dioritized.

The surrounding plutonic rocks include diorite, granodiorite and migmatite, hornblende and/or biotite rich varieties. One contact of the pendant with the surrounding plutonic rocks is exposed on the high ridge south of the south branch of Corbold Creek, where it is a gradational zone about 300 feet wide. From a medium to coarse-grained biotite quartz diorite that is rich in both biotite + quartz, the plutonic rock grades through a medium to fine-grained chlorite quartz diorite in which there has been a marked decrease in the amount and size of biotite, and a fine-grained, quartz-rich, mafic-poor rock that has lost most of its granitic characteristics, to a sugary-textured granulite.

MINERALIZATION

In the 1928 BCMM Annual Report, the mineralization on the Cox claims is described as: "occurring in a wide belt, 4000 feet or more, of light-coloured, pyritized feldspathic rock, schistose in places, enclosed in the Coast Range granodiorite. The minerals are pyrite and molybdenite, occurring both separately and in combination in small quartz veins, which strike in all directions, and also in small veinlets of pure sulphides. Chalcopyrite is conspic-

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uous by its absence. A sample taken of mineralized quartz exposed on the bank of Canyon Creek (now Corbold) by a short tunnel and some open-cutting gave traces of gold and silver and 0.35% molybdenum. On a small tributary creek about a quarter of a mile from the main creek, a sample was taken from a number of small pyritized quartz seams and gave \$4 (0.194 oz/T) gold, 0.43 oz/T silver, and 0.16% molybdenum. A sample of solid pyrite assayed only a trace in gold and silver."

This mineral occurrence has not been mentioned in the BCMM Annual Report since 1928-1929, except for a summary by J. A. Roddick in 1963 of the BCMM 1928 Report. Exploration work in the immediate area during the past 12 years was directed on the molybdenite-pyrite-pyrrhotite-chalcopyrite showings in quartz diorite at Boise Creek, 10 km southwest, and on the pyrite-chalcopyrite bornite showings in feldspar porphyry (Max property) on the northwest bank of Corbold Creek. The descriptions of these two properties do not resemble the mineral occurrence on the Cox claims as described in the old report.

WORK DONE ON MAX CLAIMS

During the period between 1965 - 1972, the Max property was explored by prospecting, silt and soil geochemistry, aerial magnetic survey, and geological mapping. None of the surveys produce significant findings. Stream silt samples gave a few erratic, slightly anomalous values in MoS₂. Stream silt and soil samples indicated small, local, slightly to moderately values in copper. The only economic minerals found were chalcopyrite and bornite in a one foot wide shear assaying 1.95% Cu, 1.45 oz Ag and 0.02 oz Au.

CONCLUSIONS

The Max claims have been adequately explored and the results are not encouraging enough for further testing. A search through past records and reports did not show any work on the Cox claims. Also, no work has been reported on the type of mineral occurrence - molybdenite in quartz veins, conspicuous by absence of chalcopyrite, as described in the 1928 BCMM Annual Report.

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The description in the old report of pyrite and molybdenite occurring in small quartz veins which strike in all directions, fits that of a quartz stockwork. Pyrite mineralization appears to be widespread and may be an original constituent of the volcanic rocks. Concentration of pyrite in shear zones is likely the result of re-mobilization from the surrounding rocks. Pyrite occurring both separately and in combination with molybdenite in quartz veins is probably deposited from mineralized fluids emanating from intrusive activity in the underlying igneous rocks. The presence of appreciable amounts of gold (0.2 oz/T) and minor silver (0.4 oz/T) with molybdenite (0.16% Mo) in one sample of pyritized quartz seams, about a quarter of a mile from the main showing, may represent a different type of mineralization - gold quartz veins with molybdenite as an accessory mineral.

The description of the mineralization on the Cox claims suggests later stages of crustal disturbance; maybe involving another phase of intrusive activity, also shearing, fracturing and then deposition of sulphide mineralization. This mineral occurrence is a worthy target, therefore, warrants a search, prospecting and exploring.

TERMS OF ACQUISITION

1. Funding of prospecting trip for 4-7 days by Kerr Addison Mines.
2. Examination of property by Kerr Addison Mines to determine whether or not to option the property.
3. To acquire, option and hold the property, Kerr Addison Mines is required to make the following payments:

- (a) down payment of \$2,500 cash
- (b) yearly cash payments on anniversary date of signing agreement, starting at \$5,000 and doubling each year thereafter; i.e. \$5,000 at the end of the first year, \$10,000 at the end of the second year, \$20,000 at the end of the third year, etc.

2,500	
5,000	1st Ann
10,000	2
20,000	3
40,000	4

Why not earn in to a joint venture - if we are successful ok Quakers will be able to finance his plan

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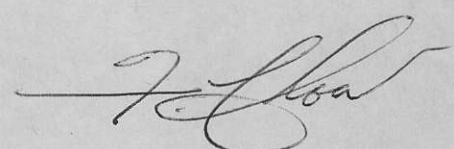
- 40,000
4. Should Kerr Addison Mines elect to hold onto the property and temporarily suspend exploration or postpone production decision, then Kerr Addison must pay holding fee in the sum of \$50,000 per year.
 5. When Kerr Addison Mines resumes exploration work on the property, then the yearly cash payments begin to double again starting at \$100,000 on the anniversary date.
 6. Kerr Addison Mines has the right to buy the property at any time by payment of \$1,000,000 to the vendors.

RECOMMENDATIONS

The writer recommends funding of the prospecting trip. Kerr Addison Mines can decide whether to option the property after an examination upon receiving promising results from the field work.

ATTACHMENTS

1. Page 274, BCMM 1972 - Bor M.C.
2. Page 191, Memoir 335 - Cox M.C.
3. Page C399, BCMM 1929 - Cox M.C.
4. Page C390, BCMM 1928 - Cox M.C.
5. Max and Bor Group Location Plan, 1965 - 1972
6. Max and Cox M.C. Location Plan, 1979
7. B.C. Mineral Inventory Map



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COST ESTIMATE OF FUNDING PROSPECTING TRIP AND ASSAYING

1. Two helicopter trips, Vancouver to Corbold Creek and return	\$430.00
2. Food and lodging - \$20/day x 7 days	140.00
3. Geochemical Assays - 100 samples x \$8/sample	<u>800.00</u>
	<u>\$1,370.00</u>



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To D. A. Lowrie

From W. M. Sirola

Subject COX AND MAX CLAIMS 92G - 10E

Date November 9, 1979

Fred Chow's Report describes two contiguous claim blocks, but examination is recommended on the Cox Claim only. The Max Claims have had sufficient work in the past to make an additional examination at this time unnecessary.

The Claims are at elevation 1050 meters and hence should be free of snow at the present time. The Garibaldi Provincial Park boundary is only 7 kilometers to the north but the park boundary is topographically higher than the claim block and therefore should not present a problem either from an access or pollution standpoint. Drainage is into the Pitt River system but we won't worry about that for the time being.

de Quadros is still in Oregon but presumably is due back in Vancouver any day.

In accordance with our telephone conversation on this subject on Thursday last, we will proceed with the examination as soon as possible.

OK
D.A.L.

W.M. Sirola

WMS/gc

encls.

REMOTE PK.

MAX 1 406 (3)				
			COX 2 409 (3)	
MAX 2 407 (3)			COX 1 408 (3)	

Carboild

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DAISY 2	DAISY 2	DAISY 2
227(9)	228	197

20600 K	20700 K	20702 K	20625 K	20621 K	20623 K	20703 K	20704 K	20706 K	20709 K	22131 K	22133 K	22135 K
TRF 2U	TRF 2U	TRF 6U	TRF 7U	TRF 3U	TRF 11C	TRF 13	TRF 16	TRF 19	TRF 19	TRFW 2	TRFW 2	TRFW 2
20637 K	20603 K	20701 K	20626 K	20628 K	20630 K	20704 K	20707 K	20710 K	20713 K	22130 K	22132 K	22134 K
TRF 1U	TRF 5	TRF 5U	TRF 8U	TRF 10	TRF 12	TRF 14	TRF 17	TRF 20	TRF 20	TRFW 1	TRFW 5	TRFW 5
20801 N	20802 K	20705 K	20708 K	20711 K	20712 K	20714 K	20717 K	20719 K	20721 K	21121 C	21113 C	21110 C
TRF 22	TRF 23	TRF 18	TRF 18	TRF 21	TRF 21	TRF 21	TRF 21	TRF 21	TRF 21	21120 C	21115 C	21117 C
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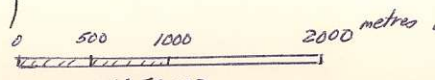
26721 K	26719 C	26717 K	26715 K	26713 K	26711 K	26709 K	26707 K	26705 K	26703 K	26701 K
PITT 11	PITT 11	PITT 15	PITT 13	PITT 13	PITT 13	PITT 14	PITT 14	PITT 14	PITT 14	PITT 12
26722 K	26720 K	26718 K	26716 K	26714 K	26712 K	26710 K	26708 K	26706 K	26704 K	26702 K
PITT 18	PITT 18	PITT 15	PITT 15	PITT 15	PITT 15	PITT 15	PITT 15	PITT 15	PITT 15	PITT 15

Fish Hatcher

Alvin (P.O.)

ROBERT

LOCATION OF COX & MAX M.I.G. 1979 STAKING



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OCT. 19/79

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