

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

Diary

826156
Fire Creek

To.....A. D. Clendenan.....From.....T. Bruland.....

Subject.....Monthly Report - September 1986.....Date.....September 29, 1986.....

B-02

→ Mount Pierce - 92 H/4

Property examination of Mount Pierce Property owned by Pierce Mountain Exploration Comp. The property is located in the Chilliwack Valley and was a property submission. Previous work which is limited, has located high gold values in quartz veins on the property. The property examination showed that there are two major quartz veins associated with a major fault. The quartz veins pinch and swell and mineralization varies along strike from barren to pyrrhotite-quartz veins. The mineralization seems to be associated with pyrrhotite mineralization. There is no tonnage potential on this property and no follow-up is recommended.

→ Fire Creek 92 G/16

Property examination of Fire Creek Property owned by Hycroft Resources and Development Corp. This property submission is located at the north end of Harrison Lake. Previous work has outlined gold mineralization in the rusty bluff along Fire Creek and two anomalous soil areas of 100 by 1000m and 50 by 300m respectively, have been located. The rocks along Fire Creek have been intensely altered, alteration is in the form of jasperoid, intense silicification with black chalcedonic silica pods and lenses, bleaching and secondary sericite, clay minerals and talc.

The extent of bleached and silicified schist is in excess of 250 by 250m. The presence of bleached silicified schist with local black chalcedony, talc, sericite and clay minerals as well as jasperoid on the edge of the bleached area indicate that this could be the silica cap of an epithermal deposit. This was further confirmed by assays from samples collected on the property which returned anomalous values for Au, As, Hg, Sb and Ba.

This property needs follow-up work and Kerr Addison should try to acquire an option on the property from Hycroft Resources and Development Corp. for follow-up work.