

KERR ADDISON MINES LIMITED

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JUN 2 1980

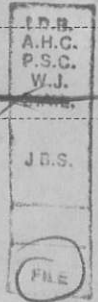
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To D. A. Lowrie

From W. M. Sirola

Subject Twist Lake Molybdenum-Copper Prospect (92N-11E)  
Clinton Mining District, B.C.

Date May 30, 1980



This property held by Cities Service Minerals Corporation in 1973 and 1974 was restaked on April 3, 1980 by Mel de Quadros and John Mirko.

The property is located in very rugged terrain 36 km SW of Tatla Lake. Molybdenite mineralization occurs in pyritic porphyritic granodiorite the dimensions of which are approximately 900 m x 100 m. The mineralized granodiorite is cut by 4 different dyke swarms of various age and composition. Many of the fractures are covered by a bright yellow ferrimolybdate.

Rock samples collected by Cities Service ranged from 19 ppm to 100 ppm Mo and 26 to 34 ppm Cu. These values are low compared to the soil sampling done by the Quadros and Mirko which, <sup>located in</sup> area 400 m x 400 m ~~was~~ contained in the 40 ppm Mo contour and the 200 ppm Cu contour. The highest molybdenum value was 375 ppm. De Quadros considers that the relatively low values in rock samples is the result of intensive leaching particularly in the presence of pyrite.

Mel is shopping this property in the Vancouver area and he claims to have the following offer from BP Minerals :

Year 1	\$ 20,000	5
Year 2	20,000	10
Year 3	80,000	30
Year 4	100,000	65
Year 5	120,000	250
	<u>\$360,000</u>	

BP would only spend \$ 10,000 in exploration the first year but would commit to \$600,000 in 5 years. In addition to the \$ 360,000 payment over 5 years the vendors would receive 15% of the net profit or could be bought out for \$ 1.25 million any time after the 5 years.

I do not personally like to make expensive offers without seeing the ground but obviously not everyone feels the same way. The property clearly has a certain appeal and the offer made by BP gives us some idea of the type of arrangements being made for drilling targets in B.C. I do not consider the \$ 20,000 unreasonable if we could see the ground and have a better idea of the merits of the property. Given that opportunity I would be in a position to make recommendations one way or the other.

Please let me know as quickly as you can how you view this situation.

P.S. Apparently there is a road within 4 miles of the property but that 4 miles is largely vertical.

WMS/tv  
Encl.