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92/0

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To P. M. KAVANAGH

From W. M. SIROLA

Subject COPPER RIDGE - TASEKO LAKE PROPOSAL (92-0/4 & 5)

Date June 3rd, 1963.

→ B.C.

W.S.R.	
K.C.G.	
C.H.M.	
R.D.S.	
B.C.B.	
P.M.K.	✓
F.O.C.	
H.A.P.	
J.R.S.	
G.P.R.	
E.L.D.	
J.R.B.	
E.C.J.	
D.V.B.	

On May 31st, I discussed this situation with E. Scholz of Canex and obtained from him a review, or summary, of the work done in the Taseko Lake area by Canex in 1956.

The terms of the deal between Copper Ridge and Canex are tentatively as follows:

- (1) Canex to commit to \$30,000. firm for the first year and can maintain Agreement in good standing by spending an equivalent amount of money for an additional 5 years.
- (2) Copper Ridge to do own assessment work.
- (3) In the event that the project becomes a mine, if the operation is less than 3,000 tons per day or if the capital cost is less than \$10,000,000. Canex is entitled to 60% of the net profits and Copper Ridge to 40%. If either the tonnage or the capital cost exceeds the above figures, Canex earns a 70% interest and Copper Ridge 30%. The money is to be retrieved at 6% simple interest out of 80% of cash flow.
- (4) Canex will have the right to assign an interest to companies like Kerr, Noranda and possibly Phelps Dodge. We do not yet know if Phelps Dodge will enter the picture.

It is important to realize that the intent is for Canex, Noranda and possibly Phelps Dodge to put their holdings into the Joint Venture but that the Joint Venture does not include Copper Ridge. The \$30,000 annual commitment does not have to be spent on the Copper Ridge ground, nor is there any figure stipulated as yet which must be spent on Copper Ridge claims.

Basically, the reason for handling the Agreement in this manner is that the key ground in the area is really held by Canex, Noranda and Phelps Dodge and not by Copper Ridge.

William M. Sirola.

CANEX AERIAL EXPLORATION LTD.

DIVISION OF CANADIAN EXPLORATION LIMITED

700 BARRARD BUILDING

VANCOUVER 5, B. C. CANADA

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MEMORANDUM:

TO: J. D. Little DATE: 27 May 1963

FROM: C. W. Ball LOCATION: Vancouver, B. C.

RE: COPPER SHOWINGS - TASEKO RIVER. ^{Lake} (92-0) Grid file: 92-0-3

Following upon examination by C. W. Ball and J. Crowe from July 17 to 19, 1956 and based on their report of July 20, 1956, an agreement was entered into between Gadara Copper Syndicate and Canadian Exploration Limited on July 24, 1956. This agreement involved the optioning of 255 mineral claims from Gadara including the main showings known as the Spokane, Granite Creek and Empress. One showing known as the Taseko Mohawk was optioned directly by Canadian Exploration Limited from the owner G. Beattie.

Assessment by Canex consisted of detailed mapping and sampling of the Spokane and Taseko-Mohawk showings, drilling one EX size D.D. hole on the Granite Creek showing, one on the Empress and three x-ray holes on the Spokane. This work was carried out between July and October of 1956. Total expenditure including property payments of \$25,777 was approximately \$73,000.00.

Diamond drill costs included in the above totalled \$9,400.00.

GEOLOGY

The copper showings occur in grano-diorite country-rock which is intruded by dykes of quartz felspar porphyry and diabase. The larger known copper showings occur in the grano-diorite country rock.

The Taseko River follows the contact between the grano-diorite and the (?) Triassic Denain volcanics comprising flows, tuffs and agglomerates of andesitic composition. Copper showings are known in the Denain formation but these have not received the attention which they warrant. The proposal by Mr. T. Williamson refers directly to the latter formation and the writer considers that the contact between the volcanics and the grano-diorite warrants detailed testing.

PREVIOUS WORK

Consolidated Mining and Smelting Company carried out considerable surface trenching and tunnelling in the period 1927 to 1935 when a snow-slide swept away the camp with the loss of seven lives. A limited amount of diamond drilling was carried out by Canex between July and November 1956 on the Spokane, Empress and Granite Creek showings.

DESCRIPTION OF SHOWINGS

1. Taseko Mohawk.

Large surface cuts and a 438 foot adit were completed by CM&S Coy in 1935. Surface assays in 1927 ran from 0.31 oz. gold per ton up to 1.20 ozs. gold per ton with 0.65 oz. silver per ton up to 1.06 ozs. silver per ton.

The zone strikes north-easterly and dips at 76° south-easterly. Width of the zone varies from 60 feet to 120 feet with an exposed length of 450 feet. The adit intersected a zone of mineralization 60 feet wide which is estimated to run 0.8% Cu, 0.08 ozs. gold per ton, and 1.4 ozs. silver per ton. Assays of samples taken by the writer on surface run from 0.45% Cu up to 1.38% Cu with appreciable gold and silver. (Max. 0.24 ozs. gold per ton and 2.0 ozs. silver per ton.)

The ore occurrence is interpreted as occurring in a strong shear zone in greisenized quartz monzonite porphyry. Alternatively, the structure may be a steeply dipping chimney or breccia pipe.

Mineralization consists of pyrite, chalcopyrite, galena, sphalerite and molybdenite.

2. Empress

Boulders of cherty rock carry magnetite, pyrite and chalcopyrite. A number of shallow cuts and excavations occur over an area of about 300 feet by 600 feet.

One D.D. hole size EX was drilled by Canex in 1956. It was drilled at 45° West to a total depth of 457 feet. The drill core showed primarily pyrite in rhyolite tuff, only minor magnetite and very rare chalcopyrite and molybdenite. Only one sample was taken from one of the best mineralized zones and this sample over 2.5 feet ran Trace gold, 0.3 ozs. silver per ton. No assay for copper was warranted.

3. Spokane

A series of trenches were cut by CM&S Co. in 1927-28. These were sampled by the writer.

Three x-ray D.D. holes completed in 1956 gave results as follows:-

Hole No.	Angle	Azimuth	Intersection	Cu%	A S S A Y	
					Gold oz/ton	Silver oz/ton
S-1	- 45°	West	120'	0.82	0.01	0.10
S-2	- 45°	East	75'	1.39	0.01	0.34
S-3	- 30°	West	29'	1.35	0.13	0.25
			Total footage drilled =			<u>228'</u>

The interesting part is that each hole bottomed in ore and that ore was found between the surface cuts where the surface was covered by talus.

On the basis of x-ray diamond drilling in conjunction with surface sampling, the writer estimates a potential of 1,700,000 tons of ore grading 1.2% Cu, 0.02 oz. gold per ton, and 0.2 ozs. silver per ton.

4. Granite Creek

These showings are exposed in the banks of Rowbottom Creek, a tributary of Granite Creek. The mineralization is estimated to occur over a zone 1,000 feet wide. Throughout the grano-diorite is mineralized with chalcopyrite and molybdenite as splashes and specks. Overall grade is estimated at 0.25% Cu. One chip sample taken by the writer over a width of 85 feet assayed 0.38% Cu, 0.1 oz. gold per ton and 0.7 oz. silver per ton. The writer estimated 0.07% MoS₂ in this sector.

Quartz felspar porphyry and felspar porphyry dykes follow the direction of sheet joints in the grano-diorite.

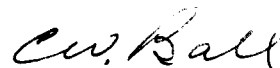
D.D. hole G-1 drilled at -45° West was terminated at a depth of 507 feet. The hole started in felspar porphyry but at 12.5 feet passed into grano-diorite. Pyrite and chalcopyrite are fairly uniformly disseminated throughout and rare specks of molybdenite were observed in the drill core. Drill hole G-1 averaged 0.18% Cu over 494.5' from the base of the felspar porphyry dyke to the end of the hole. No assay was made for molybdenite. Rogers Peale estimated that the hole would probably average less than 0.01% MoS₂.

CONCLUSION

The writer concludes that further work in the nature of diamond drilling is justified on the Spokane, Taseko Mohawk, and Granite Creek showings.

Geochemical and I. P. work are recommended in order to test the contact zone between the Empress and Buzzer showings on the Taseko River.

CWB:mg


C. W. BALL.

cc: E. A. Scholz
L. Adie
J. A. Mitchell
C. W. Ball