

Property Examination - 92H/10E 826693
- Sadim Property
KERR ADDISON MINES LIMITED
(FOR INTER-OFFICE USE ONLY)

To R. A. Dujardin From F. Daley
Subject SADIM Property; Ivor Watson, NTS 92 H/10E Date May 18, 1988
Aspen Grove Area

Subsequent to our meeting with Ivor on May 13, I reviewed the most recent reports and maps on the Sadim Exploration Program.

Prior to Ivor's work some of the ground was previously worked by Amax and Cominco (among others) in the 1970-1980 period. The work included several drill programs in an area 2-3 km north of the present area of interest. Evidently no significant mineralization was encountered as claims were let lapse.

I like the geological setting on the Sadim Claims. Situated in Preto's "Central Belt" of alkaline and calc-alkaline volcanics and intrusions, the property is traversed by a series of major N-S trending, easterly dipping structures (faults, shears and thrusts), probably related to the easterly adjacent Summers Creek Fault. Locally intense silicification and carbonatization has been developed in the hanging wall tuffs.

Low grade gold mineralization is associated with quartz veining/fracturing and sulphide content (pyrite, chalcopryite, galena) in a fracture controlled quartz vein stockwork in the altered tuffs. Ivor proposes a high level alkaline intrusive as the gold source.

To date there are 15 drill holes into the best part of the property. In ballpark estimates there is a maximum area of 100 m strike by 50 m thickness that averages 0.03 oz/t Au. Gold grades vary drastically, as shown on the attached sections, from very low values (200-500 pb) to "highs" of 1-2 g/t.

I don't think .03 oz/t is economic, especially when there are large sections of very low grade material. To date there is no indication of a focus of mineralization, or high grade core; apparently the altered tuffs are just geochemically anomolous in gold.

Ivor's proposed program is to "drill off" this low grade Gold Zone, down dip to the east. His first Phase of drilling has apparently put north and south limits on the target zone.

Aside from the Summers Creek Fault to the east, there is no immediate indication in Ivor's drilling of either grade or thicknesses increasing in that direction.

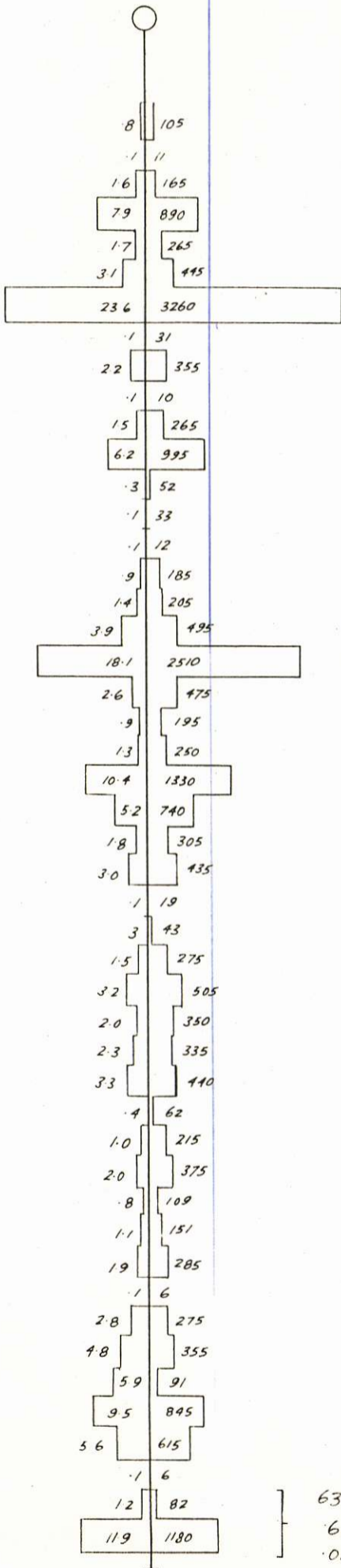
RECOMMENDATION. There is no present indication of significant economic grade and no priority drill targets that warrant Kerr's immediate involvement.

Fred Daley

ppm Ag 50 40 30 20 10 0 1000 2000 3000 4000 5000 ppb Au



87-1



1853 ppb/2m (8-10)
1.85 g/t
.054 opt

1215 ppb/4m (6-10)
1.22 g/t
.035 opt

618 ppb/21m (6-27)
.619 g/t
.018 opt

1503 ppb/2m (20-22)
150 g/t
.044 opt

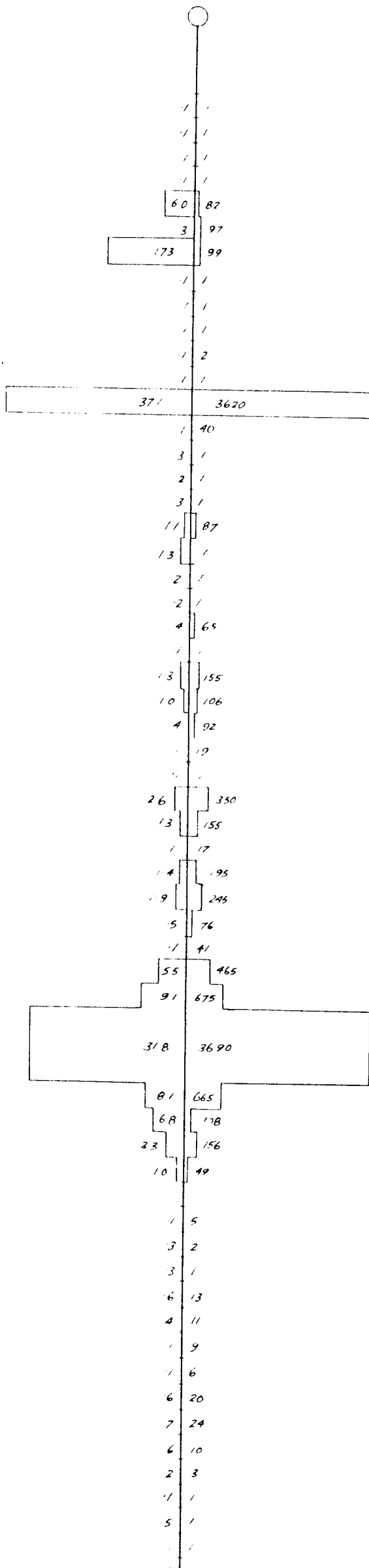
856 ppb/7m (20-27)
.860 g/t
.025 opt

434 ppb/31m (20-51)
.434 g/t
.013 opt

631 ppb/2m (49-51)
631 g/t
.018 opt

546 ppb/5m (46-51)
546 g/t
.016 opt

87-3

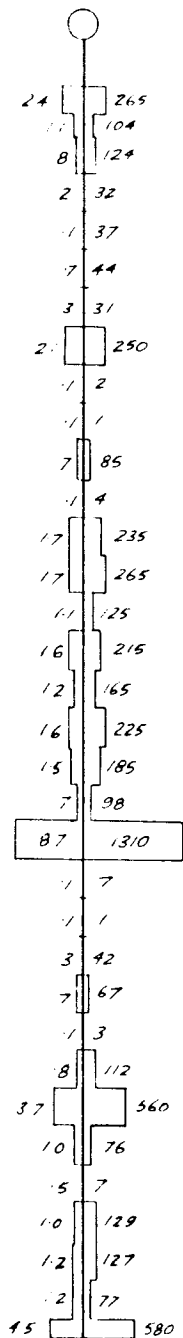


1830 ppb/2m (15-17)
 1.83 g/t
 .053 opt

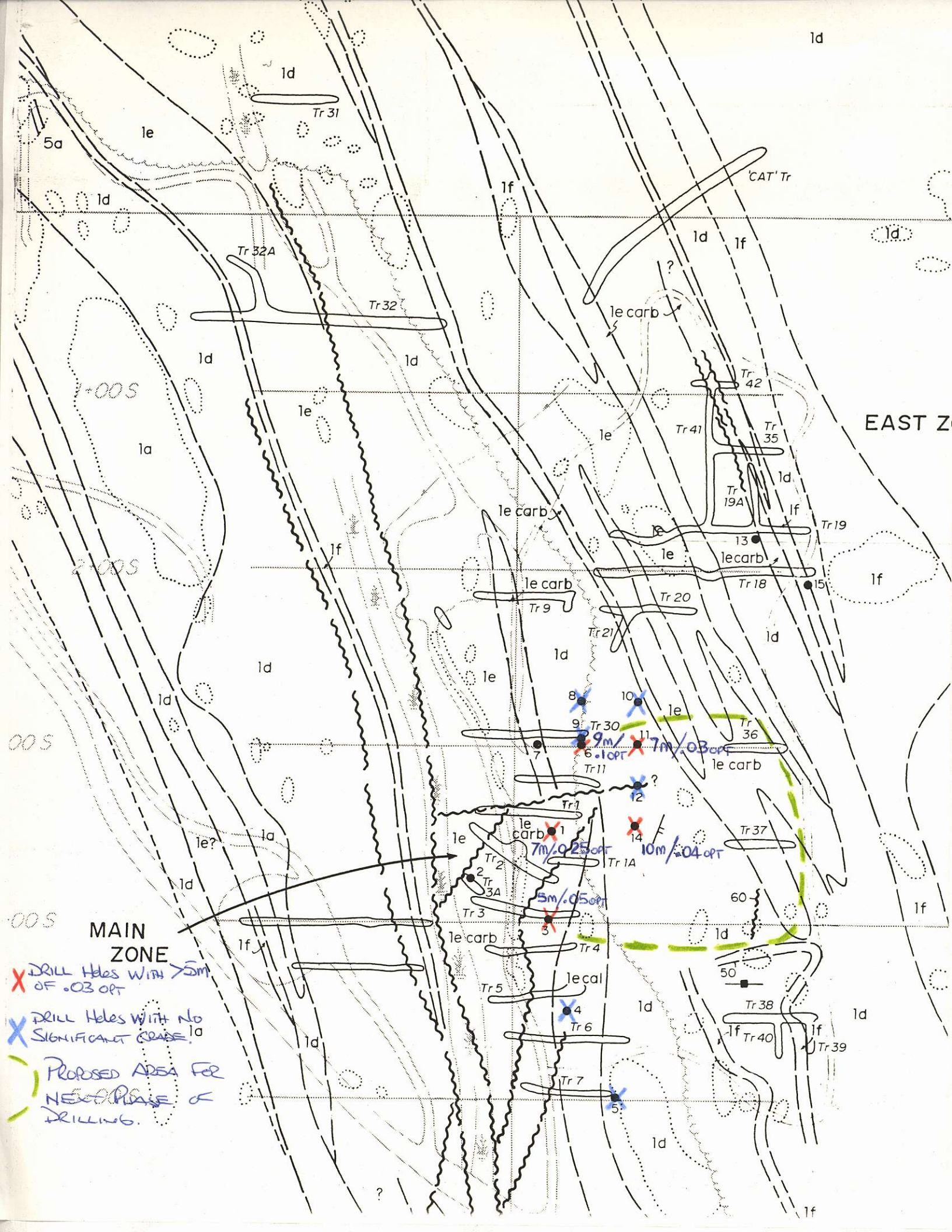
3690 ppb/3m (40-43)
 3.69 g/t
 .108 opt

1676 ppb/5m
 1.68 g/t
 .049 opt

87-4



} 70+ ppb/2m (20-22)
.70+ 9/4
.021 opt



MAIN ZONE

X DRILL HOLES WITH >5m OF .03 OPT

X DRILL HOLES WITH NO SIGNIFICANT CRABE

PROPOSED AREA FOR NEXT PHASE OF DRILLING

EAST ZONE

9m/.03 opt

7m/.03 opt

5m/.05 opt

10m/.04 opt

005

005

5a

005

005

?

?

1d, 1e, 1f, 1a, 1b, 1c, 1g, 5a, 005

1d

1d

Tr 31

Tr 32A

Tr 32

CAT' Tr

Tr 42

Tr 41

Tr 35

Tr 19A

Tr 19

Tr 18

Tr 9

Tr 20

Tr 21

Tr 30

Tr 36

Tr 11

Tr 1

Tr 2

Tr 3A

Tr 3

Tr 4

Tr 5

Tr 6

Tr 7

Tr 37

Tr 1A

Tr 4

Tr 5

Tr 6

Tr 7

Tr 8

Tr 9

Tr 10

Tr 11

Tr 12

Tr 13

Tr 14

Tr 15

Tr 16

Tr 17

Tr 18

Tr 19

Tr 20

Tr 21

Tr 22

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Tr 29

Tr 30

Tr 31

Tr 32

Tr 33

Tr 34

Tr 35

Tr 36

Tr 37

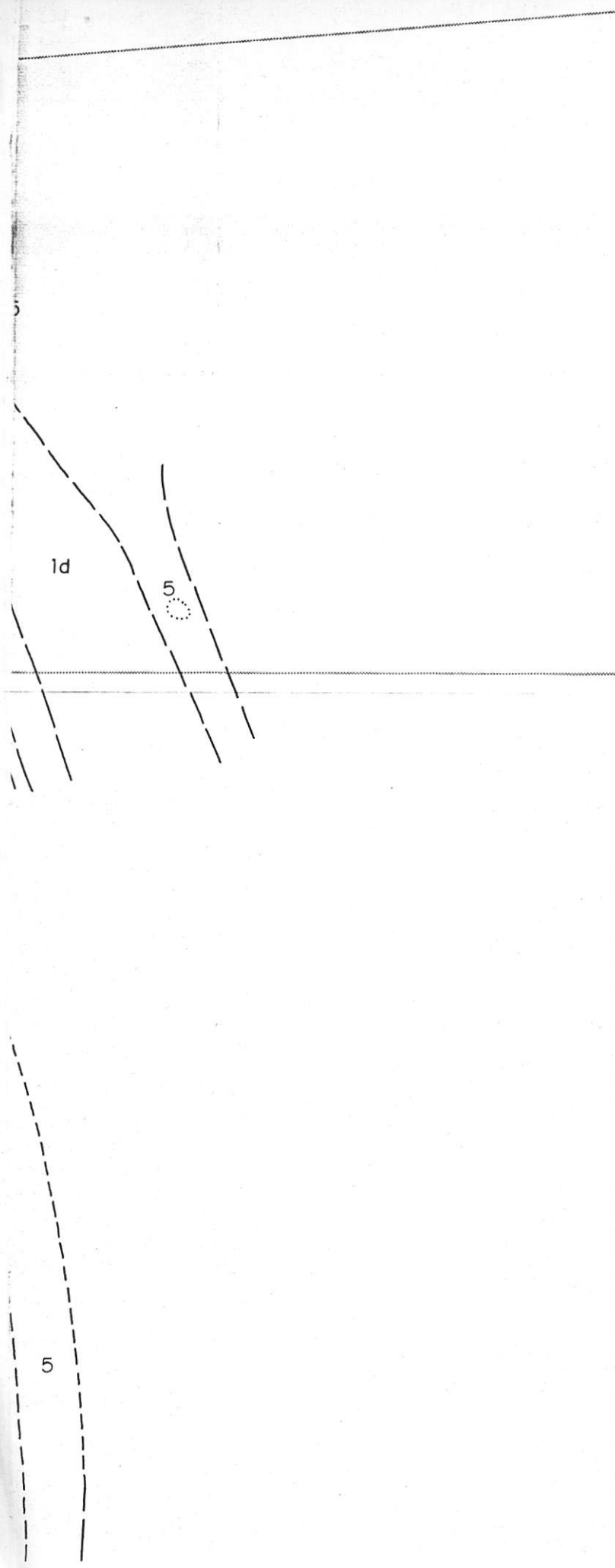
Tr 38

Tr 39

Tr 40

Tr 41

Tr 42



- 1a *Green-grey, green, fine- to medium-grained pyroxene andesite*
- 1a *Green and purple andesitic breccias and tuffs*
- 1df *Andesitic - limestone breccias*
- 1e *Purple-grey tuffs and breccias*
- 1ecal *Grey-purple limey tuffs containing narrow calcareous grit beds*
- 1e carb *Pale grey, rusty-weathering, fine-grained pyritic tuffs, moderately to strongly carbonatised (hosts sulphide bearing quartz vein stockwork)*
- 1f *Pale-grey, fine-grained, massive to finely-bedded limestone*
- 1d *Dark grey, finely-bedded argillites, in part possibly tuffaceous*
- 5 *Grey to grey-green, fine- to medium-grained pyroxene diorite*
- 5a *Green hornblende porphyry*

SADIM ASSAY SUMMARY

HOLE # 1	69'	.017 opt Au	20' OB
HOLE # 6	30'	.100 opt Au	71' OB
HOLE # 11	50'	.032 opt Au	49' OB
HOLE # 12	79'	.027 opt Au	59' OB
HOLE # 14	46'	.025 opt Au	153' OB

AVERAGE OVERBURDEN = 93'

AVERAGE THICKNESS = 55'

AVERAGE GRADE = .03 opt Au

OUTCROP (TRENCHES)

60' X 250' = .04 opt Au

TRENCH 19 (OUTSIDE OF L.G. ZONE)

3.3'/4.38 opt Au