KERR-ADDISON GOLD MINES LIMITED

DEC 23 1963

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K.C.G. R.D.S. B.C.B. P.M.K. G.W.M

H.A.P. C.K.W.

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(FOR INTER-OFFICE USE ONLY)

826903 From W.M. SIROL

To.....P.M. KAVANAGH

Subject JERICHO MINES, HIGHLAND VALLEY DISTRICT, B.C. Date December 20th, 1963. (92-I-11)

> I have gone over the results obtained from diamond drill holes 13 ; 18 and wish to advise that the rather sketchy information supplied would suggest that very little more is known about the attitude and grade of the mineralized zone in diamond drill hole No. 6, which was the best hole of the previous drilling programme. My estimate of the mineralization in drill hole No. 6, was 59 ft. of 1.5% copper. The grade reported by H.B. Hatch was 69 ft. of 2.25%.

At the completion of holes 13 ; 18, Jericho Mines has launched an adit directed towards the No. 6 drill hole intersection. In talking to Mr. Hatch, he stated that this was being done largely because he could not think of any other way of determining the size and shape of the "ore". I would add that driving the adit serves to keep the pot boiling during the long, cold winter months.

William M. Sirola.

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Kerr-Addison Gold Mines Limited

(FOR INTER-OFFICE USE ONLY)

To P.M. KAVANAGH From W.M. SIROLA

Subject JERICHO PROPERTY - HIGHLAND VALLEY AREA, B.C. Date August 22nd, 1963. (92 - I - 11)

> Because of persistant rumours to the effect that Jericho Mines had encountered important mineralization in their recent drilling programme (see George Cross News Letters 130,135 136 and 147). I visited the property last Saturday.

The drilling programme, which consisted of 12 holes aggregating 3,036' was designed (and I use the term loosely) to explore the merits of an I.P. survey conducted by Hunting Surveys in the fall of 1962.

The accompanying tracing of Hunting's map indicated that anomalies were found on lines 1,2,2a,2b, and 2c. Based on previous experience, it seems reasonable to assume that only one good anomaly was found. The location of that anomaly is 17+50 N on L - 2. Evidently Hamlin B_{\bullet}^{Hat} felt that way too since he drilled holes 1,2,3,4 and 6 into the same jackpot. I did not get to see what surface expressions there were, if any, because the jeep on the property was non-functional but I did examine all the core and found this to be in something of a shambles. However, three holes did contain mineralization worth noting and two others had very low values. I have tabulated the drilling data on the map sheet.

Since there are shallow indications of mineralization in holes 1, 3, 9 and 10, it could be assumed that there is an east-west trend to the mineralization. This trend, however, does not persist easterly to hole No. 4. Drill hole No. 6 suggests a nearly vertical dip on the mineralization encountered in hole No.1 and a very considerable broadening at depth. This broadening, however, does not persist to hole No. 12 which was drilled beneath hole No. 10. There is some chance that if the mineralization in hole No. 10 flattened northward, it would have been missed in hole No. 12, so that despite the clusters of drill holes in this area, a structure apexing about 75' from the bedrock surface and widening with depth, could still be essentially unexplored. However, before giving this possibility further thought, we should consider for a moment the I.P. results themselves.

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contd. ...

If a chargeability of 9 milliseconds was found to indicate a grade of 1.5% + Cu. in holes 1 and 6, then chargeabilities of less than 5 milliseconds would theoretically indicate non-economic mineralization. Pyrite is absent or occurs in minor amounts in the core and therefore can be essentially discounted as a confusing element in interpretation.

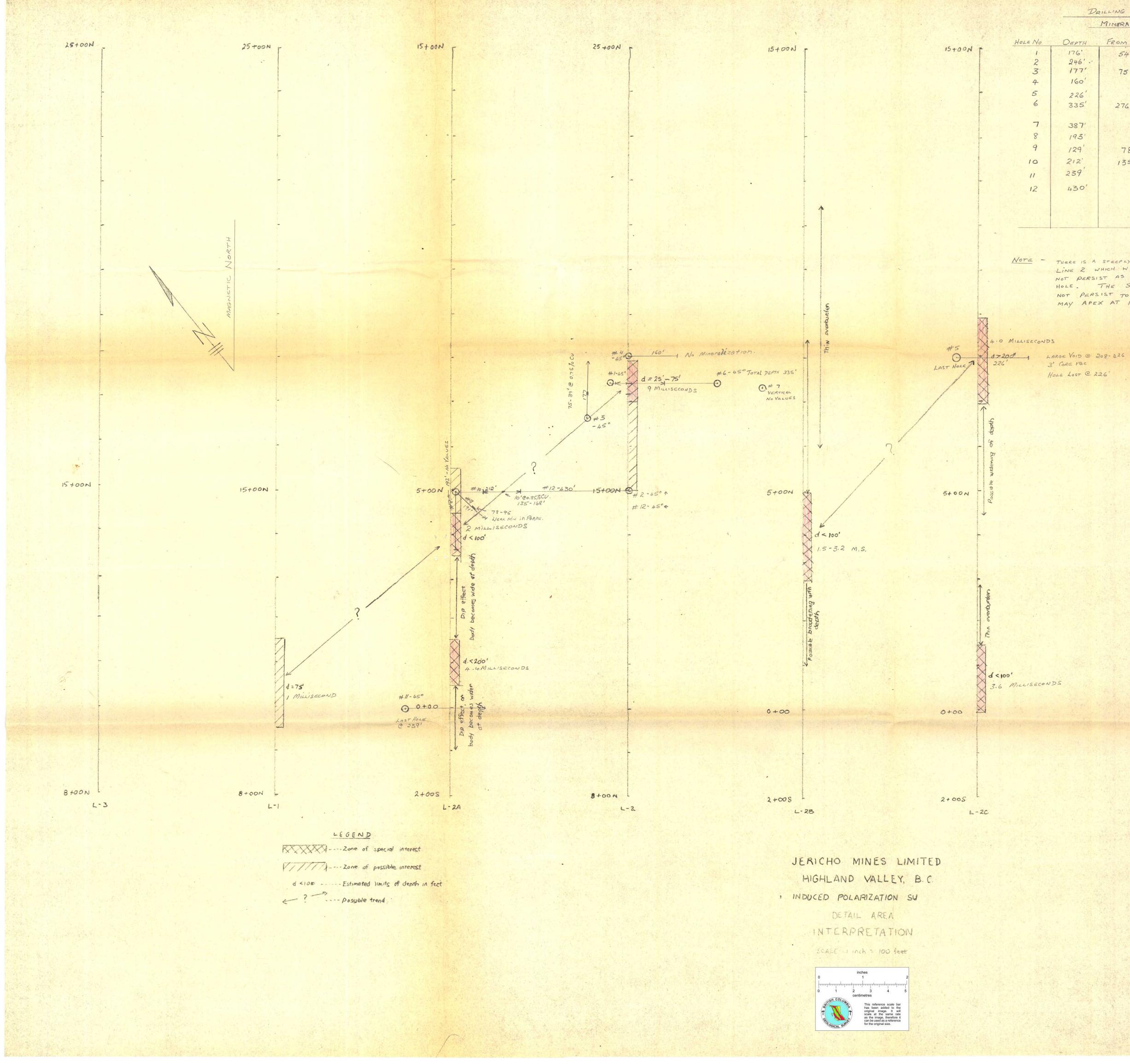
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Hamlin B. tells me that he intends to do 10,000° of additional dirlling before dealing with any major mining company. He will have to scratch pretty hard to raise that sort of money.

CONCLUSIONS

Drilling results to date indicate the presence of intruiging but spotty mineralization. The best intersection was 59' of 1.5% + Cu. occurring as disseminated bornite and chalcopyrite in an altered porphyry dyke. The dyke intrudes barren granodiorite. The strike of the mineralization is not known to any degree of certainty and could be either north-south or east-west, based on the I.P. survey or at some intermediate angle between these two directions. Since the adjacent lines show only weak anomalies, there is no indication of large tonnages of economic mineralization. For the moment, I would recommend only that we do not lose touch with any subsequent drilling that may be done. If we had the property, I would enlarge on the I.P. data before attempting further drilling.

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| PRILLING SUMMARY | | | | | | | | | |
|---|------|-----|-------------|---|--|--|--|--|--|
| MINERALIZATION | | | | | | | | | |
| ALL CAL | FROM | To | GRADE | REMARKS | | | | | |
| | 54 | 71 | 1.5% CU + | | | | | | |
| No. of the lot of the | 75 | 89 | 0:75% | No VALUES | | | | | |
| - Salar | 276 | 335 | 1.5%+ | LOST HOLE @ 226' CHALCO, + BORNITE IN ALT. PORPH. | | | | | |
| | 78 | 95 | Land Kunner | NO VALUES NO VALUES | | | | | |
| 1. 5 | 135 | 163 | LOW VALUES | ALT. PORPH ALT. PORPH | | | | | |
| | | | | LOST HOLE IN FAULT @ 239' | | | | | |
| | | | | No VALUES | | | | | |
| | | | | | | | | | |

NOTE - THERE IS A STEEPLY DIPPING 'MINERALIZED ZONE @ 17+50 N ON LINE 2 WHICH WIDENS AT DEPTH BUT THIS WIDENING DOES NOT PERSIST AS FAR AS HOLE # 12 WHICH WAS A BLANK DEEP HOLE. THE SHALLOW MINERALIZATION IN HOLE # 1 DOES NOT PERSIST TO HOLE # 4 SO THAT THE MINERALIZATION MAY APEX AT 17+50 N ON 6-2.

WS/IN Aug. 22/63