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ADDENDA to A.D. CLENDENAN'S
REPORT ON ABO OIL CORPORATION
RN GOLD PROPERTY
HARRISON HOT SPRINGS, B.C.

NTS 92-H-5

November 8, 1984

R.J. FRASER

KERR ADDISON MINES LTD.

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INTRODUCTION

Since the writing of a report by A.D. Clendenan recommending acquisition of Abo Oil Corporations, RN Gold Property details and logistics of the proposed work program have been investigated. In addition re-assaying of the coarse reject from drilling by Abo was undertaken using a different laboratory and analytical procedure.

The purpose of this report is to update our present knowledge of the property with suggestions for diamond drill hole locations.

GENERAL STATEMENT

The property is situated approximately 4.5 km north of Harrison Hot Springs on the east side of Harrison Lake.

Exploration work on the property is well described in previous reports by Chow (1983), Allen and Allen (1983) and Clendenan (1984).

Briefly, gold values approaching economic grades and widths occur in a quartz diorite intrusion cut by a myriad of younger quartz stringers and veinlets containing numerous specks of visible free gold, and variable pyrite and pyrrhotite sulphide mineralization.

ASSAYING TECHNIQUES

As a check on the reliability of assay results quoted by Abo Oil using Rossbacher Labs, Burnaby, B.C., seventeen coarse reject samples and two pulps selected from drill holes 84-28, 29 and 30 were re-assayed. The samples were selected to cover the entire range of values from 0.003 oz/ton Au to 2.84 oz/ton Au. Sampling such a range would assist in determining the reproducibilty of the Rossbacher Lab results and if any sampling or sample preparation problems existed due to the presence of abundant free gold.

The original samples were of split drill core (NWG 54.7 mm) and were analyzed by Rossbacher Labs for gold using an aqua regia digestion and MIBK extraction by atomic absorption. A 30 gram sample (1 assay ton) was used after pulverizing to minus 100 mesh. The complete assay procedure is appended to this report.

The coarse reject and pulps obtained from Rossbacher were re-analyzed by Chemex labs for gold and silver by fire assay procedures with a gravimetric finish.

Comparative results are shown in Table 1.

Table 1

Comparative Assay Results

Rossbacher vs. Chemex Labs

DDH	FOOTAGE (FEET)	SAMPLE TYPE	ROSSBACHER Au oz/ton	CHEMEX Au oz/ton
84-28	0.0 - 2.0	Reject	0.026	0.040
"	2.0 - 2.8	Pulp	1.060	1.014
"	2.8 - 3.3	Pulp	1.900	1.860
"	3.3 - 4.0	Reject	0.010	0.014
"	4.0 - 6.0	Reject	0.003	0.008
"	6.0 - 8.0	Reject	0.230	0.082
"	8.0 - 9.7	Reject	0.204	0.200
"	9.7 - 10.1	Reject	0.014	0.020
"	11.2 - 12.2	Reject	0.064	0.088
"	16.0 - 18.0	Reject	0.038	0.038
84-29	0.0 - 2.0	Reject	0.009	0.018
"	2.0 - 4.0	Reject	0.035	0.022
"	4.0 - 6.0	Reject	0.026	0.108
"	6.0 - 8.0	Reject	0.006	0.020
84-30 "	0.0 - 0.7 0.9 - 2.0	Reject	0.098	0.150
"	0.7 - 0.9	Small Reject	1.390	1.630
"	2.0 - 4.0	Reject	0.012	0.322
"	6.14 - 6.45	Small Reject	0.800	0.708
"	24.8 - 25.0	Small Reject	2.840	2.110

As can be seen there is excellent correlation between the results from the two labs despite the fact two different sample preparation and assaying techniques were employed. This suggests that the gold results are in fact real although the possibility that the rejects were contaminated during crushing and grinding can not be totally discounted.

The fact that the gold assay results can be reproduced quite closely despite the presence of free gold in the samples suggests that there is little problem due to sample representivity and that it may be possible to obtain an accurate indication of grade solely by diamond drilling.

As a further check on grade and to attempt to determine the true value of gold present, the samples should be re-analyzed after pulverizing to minus 200 mesh to see if additional fine gold is liberated.

BULK SAMPLING

Although perhaps not necessary due to the high precision and accuracy of drill core assay results, consideration has been given to the collection of a 75 tonne bulk sample from the vicinity of DDH's 84-28, 29 and 30. This would give a better estimate of grade than that indicated by drilling.

As it may not be practical to bench test the material or run all of it through a smelter, one possible sampling technique is outlined below. The method is designed to eliminate as much as possible inhomogeneities due to the presence of free gold.

1. A 3.0m x 3.0m x 3.0m cube of rock is to be excavated in 1.0m lifts. (approximately 25 tonnes).
2. Each 1.0m lift is to be crushed separately to minus 1/4 inch, preferably on the property.

3. The crushed rock is then spread out uniformly on a 25' x 25' concrete pad.

4. The crushed rock is then divided into 25, 5' x 5' cells.

5. One bag of crushed rock, approximately 5 to 7 lbs., is then collected randomly from each cell. (25 samples)

6. Analysis for Au and Ag by fire assaying after ring grinding to minus 200 mesh.

7. Steps 2 through 6 are repeated for each successive lift.

8. Weighted average of all 75 samples calculated as representative grade of material.

The availability of portable rock crushers, on a rental basis, capable of crushing material less than 12" diameter to minus 1/4 inch was investigated. Numerous mine equipment supply houses, rental agencies and contractors were contacted. At the present time portable rock crushers are not available on a rental basis in the Lower Mainland area, apparently due to the high level of road construction activity in the area. A few crushers are available for short-term use by Goodbrand Construction in Aldergrove, but they are permanently set-up at their business site. This would necessitate removal of the material from the claim group and transportation to the crushers. Storage of the crushed material may be a problem. A complete list of businesses contacted and relevant comments is appended to this report.

EXPLORATION POTENTIAL

The assay results to date, suggest the possibilty of developing the property as a low grade bulk mineable situation.

As recommended by Clendenan (1984) this would require a preliminary program of exploration involving:

1. Re-logging of all drill core and splitting and assaying of all unsplit core.
2. Re-mapping and sampling of the underground workings.
3. Bulk sampling of surface material from the collars of DDH's 84-28, 29, and 30.
4. Geological studies of all previous work to check on the relationship of grade to position in the quartz diorite apophysis and vein attitude.
5. Examination of other quartz diorite plugs to determine their gold potential.
6. Drilling of the northwest quartz diorite body to determine its size and geometry as well as continuity of the gold mineralization.

Some preliminary geological studies have already been completed related to the geometry of the northwest quartz diorite plug and the spatial distribution of the gold mineralization. This has enabled selection of possible diamond drill sites to assist in further evaluation.

The quartz diorite appears to plunge steeply to the east at approximately 80°. Auriferous quartz veins appear to be confined to a crescent or half moon shaped area on the western extremeties of the plug. The mineralized area has an apparent thickness of 25 to 30 meters. The mineralization is open along strike and the possibility of other mineralized areas within the plug can not be discounted.

Without taking into consideration the plunge of the plug, it would be extremely easy to plan a drill program that could return negative results, let alone even intersect the quartz diorite itself.

To assist in planning drill holes, proposed holes were drawn on pseudo-structure contour plans of the western contact of the quartz diorite plug, when not drilled due east or west. This required the following three assumptions:

1. Quartz diorite maintains constant shape.
2. Uniform plunge of 80° due east.
3. Mineralized zone is half moon shaped.

Each section prepared will be discussed in turn below:

FIGURE 1

This section was prepared to illustrate the pipe in true cross section. As can be readily seen, DDH 18-34 drilled by Abo Oil may have stopped just short of the mineralized pipe. As a test of the theorized plunge of the plug and to test for continuity of the mineralization at a vertical depth of approximately 200 meters, this hole should be extended an additional 150 meters. Ironically this hole had been deepened to its present depth by Abo during the past year after originally drilling a short hole during 1983. The drill contractor's (Drilcor) Hydrawink drill is still set-up on this site and could easily and economically be used to extend this hole at the present time. Two other holes are proposed along this section, one at 45° to intersect the target area at a vertical depth of 125 meters and a flat hole (dip 0°) to test the zone at 45 to 50 meters vertical.

FIGURE 2

One drill hole is proposed trending 045° @ -45° to intersect the mineralized area at a depth varying from 80 to 150 meters vertical. Structure contours indicate that the hole should intersect the zone within 30 meters of the western contact of the quartz diorite. The hole can be collared at the site of drill hole 83-20 and drilled to a depth of 250 meters, down hole.

FIGURE 3

The northern contact area of the quartz diorite can be easily tested using an established drill site, DDH 84-31. Two holes are proposed, bearing 210° @ -60° and -70°. These holes would intersect the plug over a vertical range of 200 meters and provide invaluable information on the plug geometry and spatial distribution of gold. When in the intrusive the holes are projected never to be greater than 35 meters from the western contact.

FIGURE 4

To test for continuity of the mineralization throughout the plug, one drill hole is proposed to cross-section the plug normal to its presumed easterly plunge. This hole would require construction of a drill site in the bush, accessible only by helicopter. The hole is to be drilled due west @ -70° for 250 meters.

As additional information on the plug geometry and gold distribution is known, the proposed holes will have to be adjusted accordingly.

Figure 5 illustrates the northwest plug area and proposed drillholes in plan view.

CONCLUSIONS

The Abo property is a high priority situation that should be acquired by Kerr Addison if possible.

Re-assaying of rejects and pulps from this past year's drill program by Abo using a different sample preparation and analytical technique returned near identical results, confirming the presence of near economic grades over considerable widths.

The feasibility of bulk sampling has been investigated and problems in obtaining appropriate crushing equipment are apparent. This now appears to be of less concern due to the high reproducibility of the drill core samples.

The problems in drilling the quartz diorite plug have been addressed and several drill holes proposed taking into consideration the possible plunge of the plug and the spatial distribution of the mineralization outlined to date.

APPENDIX A

GOLD ASSAY PROCEDURE

ROSSBACHER LABORATORY LTD.

ROSSBACHER LABORATORY LTD.

GOLD ASSAY PROCEDURE (KETZA)   JULY 1984.

SAMPLE PREPARATION:

1. RECEIVED SAMPLES ARE SORTED IN NUMERICAL ORDER , PULP BAGS ARE WRITTEN.

2. SAMPLES ARE DOUBLE CRUSHED USING JAW CRUSHER TO - 1/8 TO - 1/4 INCH.

3. CRUSHED SAMPLE IS SPLIT ON JONES RIFFLE TO OBTAIN AN ASSAY PORTION OF 200 TO 400 GRAM , WHICH IS DRIED.

4. ASSAY PORTION IS PULVERIZED USING AN IMPACT RING GRINDER TO MINUS 100 MESH.

ANALYSIS:

1. 30 GRAM SAMPLE (1 A.T.) IS ROASTED AT 550 C. FOR 5 HOURS TO OXIDIZE SULFIDES.

2. ROASTED SAMPLE IS DIGESTED WITH 75 ML. OF CONC. AQUA REGIA FOR [illegible] MIN. AND IS TAKEN SLOWLY TO ALMOST DRY (PROCEDURE REPEATED IF UNDISSOLVED SULFIDES PRESENT).

3. RESULTING SLURRY IS TAKEN INTO SOLUTION BY BOILING WITH HYDROCHLORIC ACID , DILUTED TO 200 ML. WITH WATER, AND BROUGHT TO A BOIL AGAIN.

4. THE SOLUTION IS THEN DILUTED TO 300 ML., STIRRED TO FORM A HOMOGENOUS LIQUID, AND LEFT TO SETTLE OVERNIGHT.

5. 50 ML. OF THE RESULTING " GOLD CHLORIDE " SOLUTION IS EXTRACTED INTO AN ORGANIC SOLVENT (M.I.B.K.), AND THIS EXTRACT IS ANALYZED FOR GOLD CONTENT BY ATOMIC ABSORPTION.

WHS
JTL
PRV

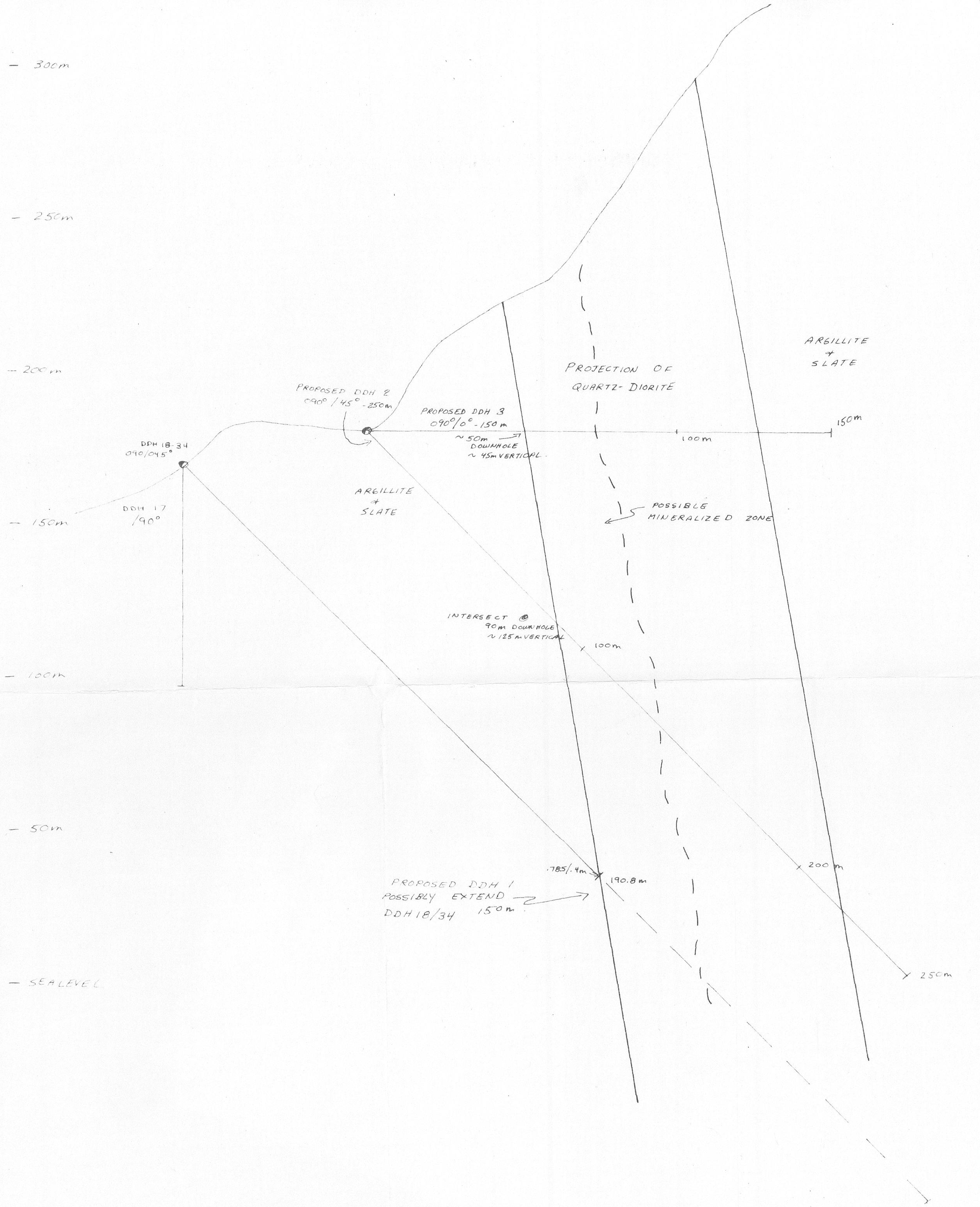
APPENDIX B

PORTABLE ROCK CRUSHERS

FIRMS CONTACTED

FIRM	PHONE NO.	COMMENTS
Goodbrand Construction Aldergrove, B.C.	856-5111	- Could handle both blasting and crushing. - Crusher and screen set-up in gravel pit in Aldergrove. - Crush up to 30 tons/hour to -1/4". - Contact John Gregson.
B.C. Forest Products Vancouver, B.C.	656-6196	- Nothing.
Pacific Blasting Co. Vancouver, B.C.	291-1255	- Nothing.
M & M Mine and Mill Fabricators Ltd. Richmond, B.C.	270-2217	- Nothing.
Nelson Machinery North Vancouver, B.C.	985-5331	- Numerous crushers but none portable.
Forsythe Rentals North Vancouver, B.C.	985-8751	- Nothing.

FIRM	PHONE NO.	COMMENTS
B.C. Rentals Vancouver, B.C.	254-5188	- Nothing.
B.C. Dept. of Highways Burnaby Testing Lab Burnaby, B.C.	433-8266	- Contact Barry Eastman. - All crushing done under contra by road construction forms. - Figures none available due to active construetion on Coquihalla Highway. - Very helpful.
R.F. Fry and Assoc. (Pacific) Ltd. Surrey, B.C.	888-5522	- Contact Milo Filgas - has crusher in yard but would require too much work to make portable.
West Coast Rock Contractors Langley, B.C.	530-7070	- Nothing.
Hyde Rentals Ltd.	270-6434	- Nothing.
Case Power and Equipment Vancouver, B.C.	941-9644	- Nothing.



ABO OIL CORPORATION
HARRISON LAKE GOLD PROP.
PROPOSED DDH'S 1,2,3

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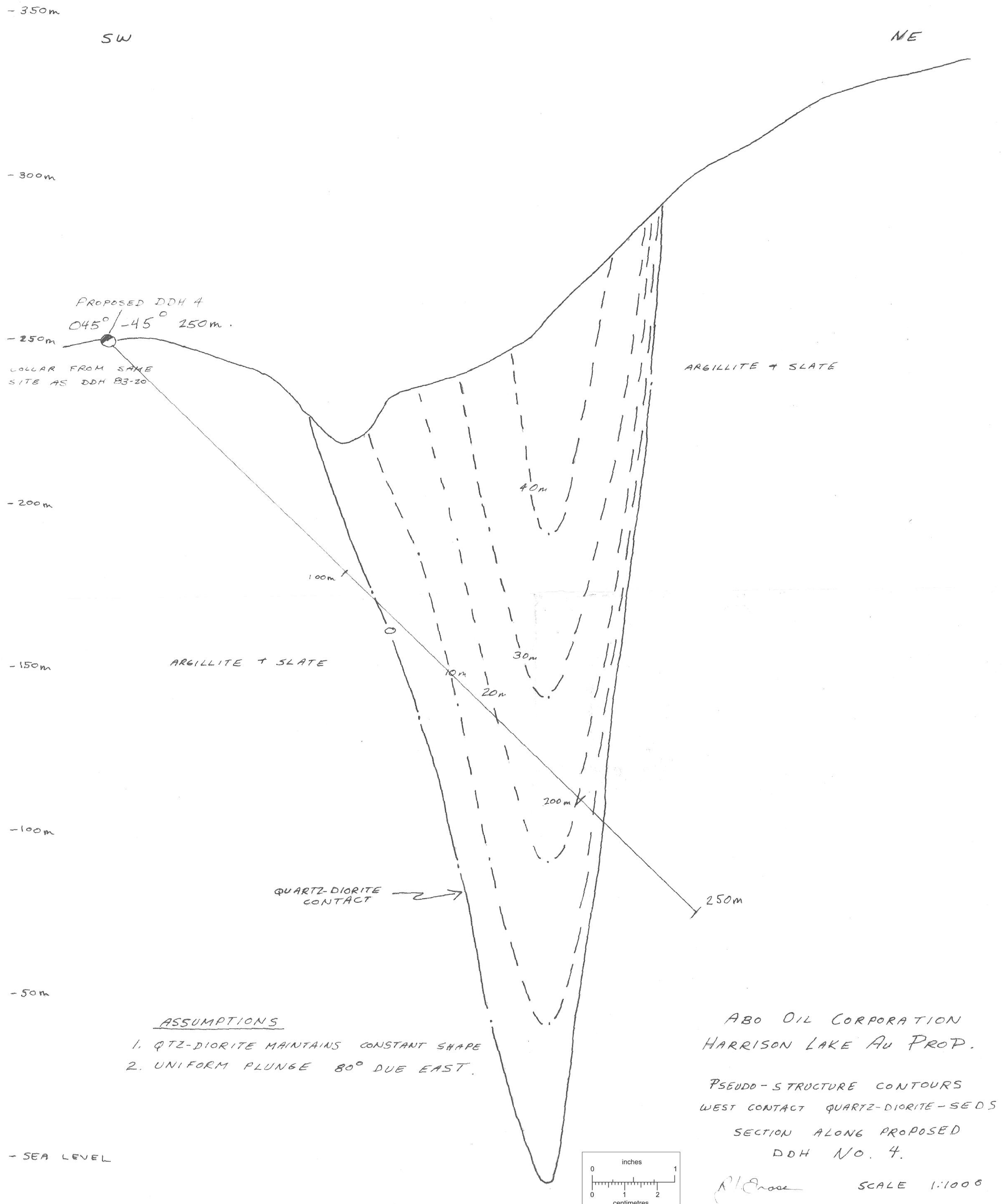
FIGURE 1



ASSUMPTIONS

1. QTZ-DIORITE MAINTAINS CONSTANT SHAPE
2. UNIFORM PLUNGE 80° DUE EAST.

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PSEUDO-STRUCTURE CONTOURS
WEST CONTACT QUARTZ-DIORITE-SEDS
SECTION ALONG PROPOSED
DDH NO. 4.

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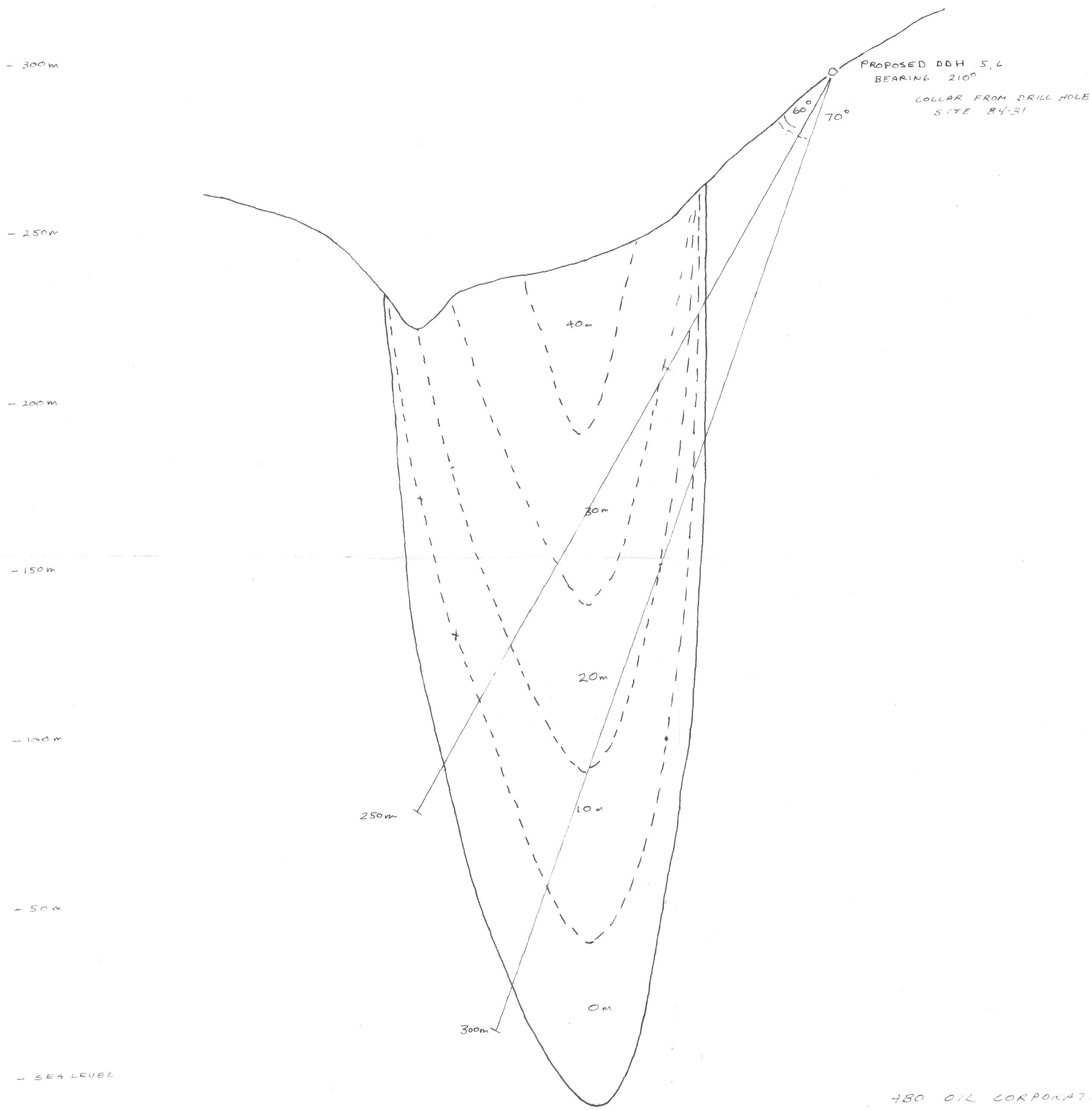
FIGURE 2.



ABO OIL CORPORATION
HARRISON LAKE GOLD PROP.

PSEUDO - STRUCTURE CONTOURS
WEST CONTACT QTZ-DIORITE - SEDS

SECTION ALONG PROPOSED
DDH'S 5, 6

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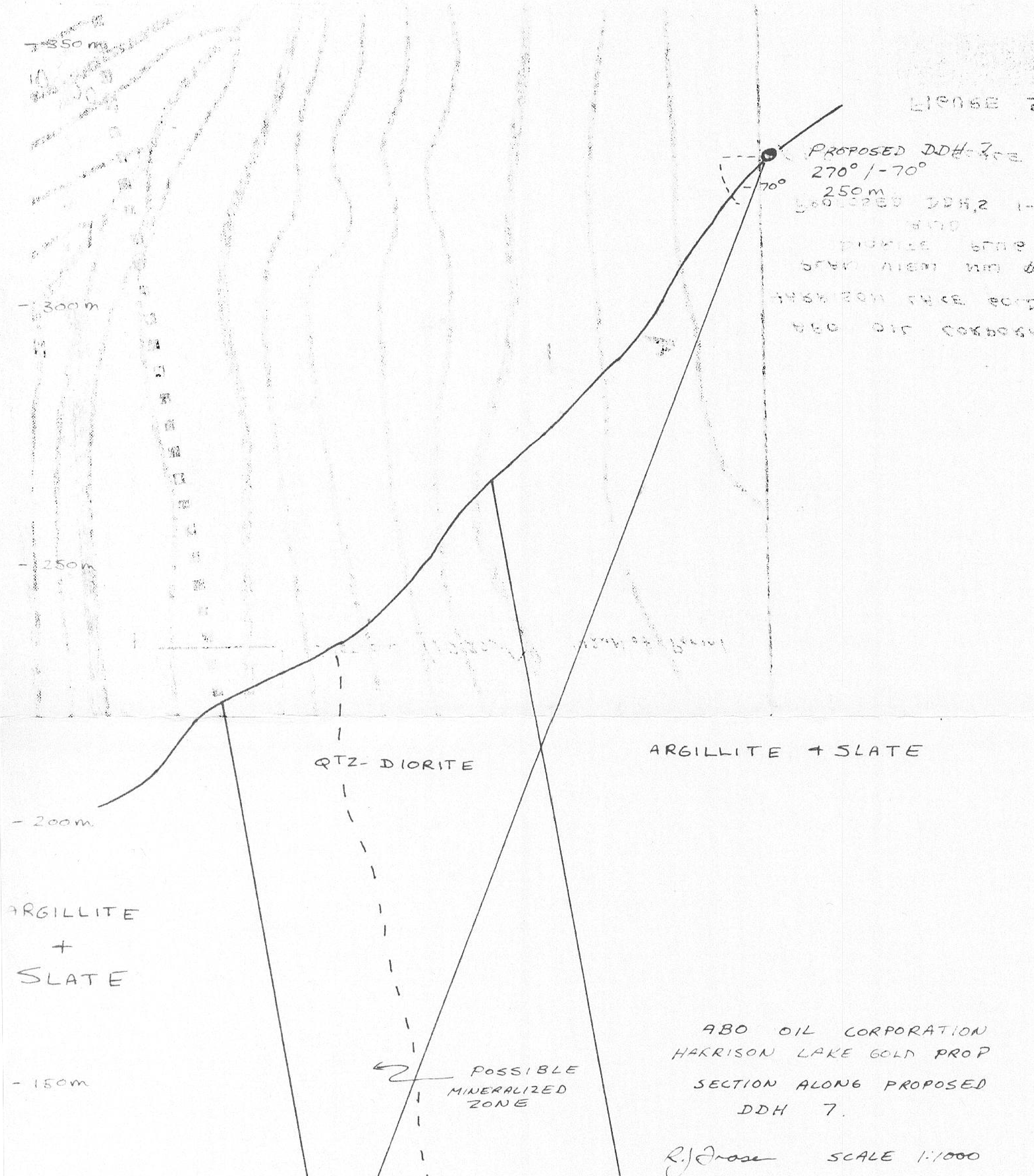
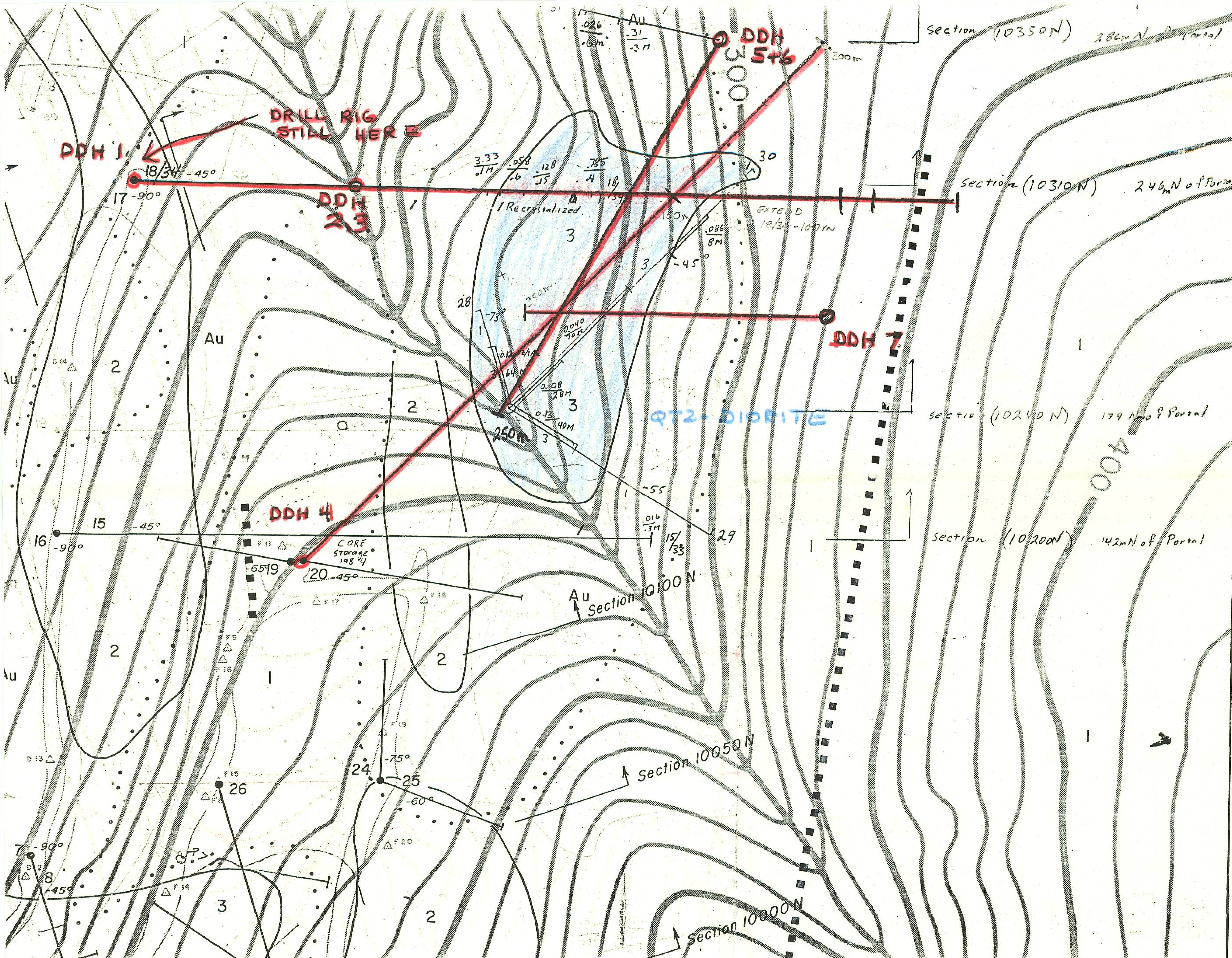
FIGURE 3

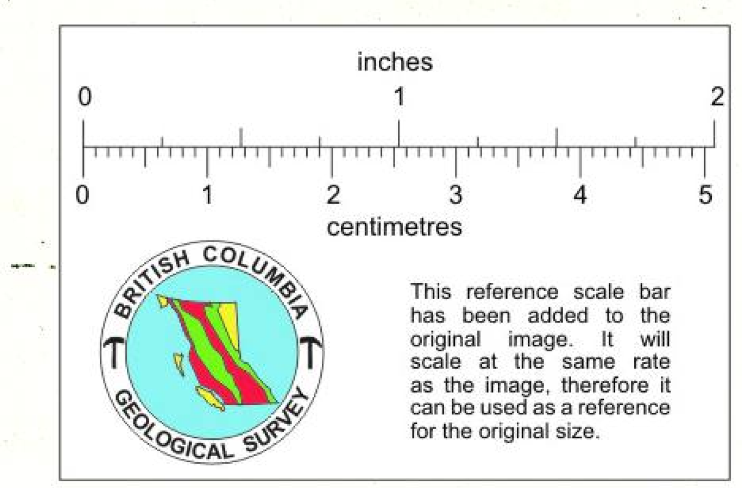


ABO OIL CORPORATION
HARRISON LAKE GOLD PROP
SECTION ALONG PROPOSED
DDH 7.

R.J. Drose SCALE 1:1000

FIGURE 4.





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HARRISON LAKE GOLD PROP.

PLAN VIEW NW QUARTZ
DIORITE PLUG
AND
PROPOSED DDH'S 1-7

R.J. Drose SCALE 1:1000

FIGURE 5