

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

820475

To..... R. A. Dujardin..... From..... Fred Daley.....

Subject..... Proposed Exploration, Wayside Property..... Date..... November 25, 1986.....
NTS 92 J/15

If the Wayside Property is acquired by Kerr Addison a reasonable surface exploration and limited drilling program would involve expenditures of approximately \$225,000 (details attached). This would require a 4 man crew for a 3 month period and would include detailed mapping, sampling, trenching and a 7-hole drill program. Geophysical surveys (MAG, EM) may be required, however a major power line traverses the main area of interest and may preclude extensive geophysical coverage.

The main drill target is the possible depth extension of the main Wayside Vein, as intersected in drill hole 80/81-10 (3 m at 2.6 oz/t Au).

My feeling is that a significant amount of the property's exploration potential hinges on this one intersection. Consequently, I think we should

- a. Reproduce the drill intersection in the first hole and
- b. Use fairly close spaced patterns to stay on the structure in the initial drilling phase.

The first drill station is shown as "A" on the accompanying map. A fan of 2 or 3 holes will be drilled from this location, all along a 240° azimuth.

Hole 1, drilled at -56° will test the same "ore intersection" encountered in Hole 80-81/10. Hole 2, drilled at -75° will test the vein approximately 75 m further down dip. If Hole 2 is successful, Hole 4 should be drilled to test the vein at a depth of 150m below the ore intersection. (Hole 4 would be from location "B" on map). If Hole 2 doesn't intersect the mineralized vein, a shallower hole (No. 3 @ -65°) is warranted. Hole 5 is shown as location "C" on the map and is a 50 m step-out to the south east. It is also along a 240° azimuth and will be drilled at -70° (shown as dashes line projected onto drill section). This hole will test for a possible south east rake to the ore shoot, as opposed to the normal north east dip of the veins.

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To..... R. A. Dujardin..... From..... Fred Daley.....

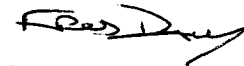
Subject..... Wayside Property..... Date..... November 25, 1986.....

- 2 -

I think there will be sufficient time and manpower to map the property at a 1:5000 scale.

A limited trenching program (using an excavator) is warranted in several locations on the claims, particularly in some of the gullies and road cuts to the west, in the area of the Cadwallader Shear.

My personal feeling is that a \$225,000 comprehensive exploration program does not warrant a \$100,000 property payment.



Fred Daley
Project Geologist

