

C. D. J. Jones  
March 28/82

CANADIAN SUPERIOR EXPLORATION LIMITED

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MAR 29 1982

KERR ADDISON MINES LTD.

PER .....

March 22, 1982

Kerr Addison Mines Ltd.,  
#703 - 1112 W. Pender Street,  
Vancouver, B.C. V6E 2S1

Attention: W.M. Sirola

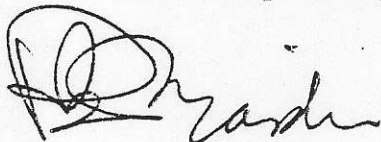
Dear Sirs:

As you know, our company is winding up its affairs and is in the process of disposing of its mineral properties. All of our properties in the U.S.A. have been assigned to The Superior Oil Company and Falconbridge Nickel has made its choice of our Canadian properties.

Since you have expressed interest in possibly acquiring properties from us we enclose herewith summary descriptions of the properties available. After reviewing this list, you may examine reports on any or all of the properties at our offices here, after first signifying in writing the properties you are interested in and executing a simple confidentiality agreement.

If you have any further interest, please let me know in writing and arrange with Lyn Jones or myself for a suitable time to carry out your review of the data here.

Yours very truly,



R.A. Dujardin

RAD:ms

Encl.

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("C.S.E.")

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SUMMARY DESCRIPTIONS OF PROPERTIES AVAILABLE

1. Poison Mountain, Lillooet, B.C.

Long Lac Mineral Exploration Ltd. acquired this property from Homestake Mineral Development Company and C.S.E. C.S.E. can buy back 1/3 of a 5% Net Profits Royalty for \$8,000 and is willing to sell said royalty.

Published reserves are 165 million tonnes to 100 metres depth, averaging 0.27% copper, 0.007% molybdenum and 0.149 grams/tonne gold based on 0.25% copper equivalent cut-off.

Included in these reserves is a higher grade block of 72 million tonnes (to 100 metres depth) averaging 0.30% copper, 0.008% molybdenum and 0.189 grams gold/tonne.

This is a porphyry copper deposit well described in the literature e.g. C.I.M.M. Special Volume 15.

2. Red Claims, B.C.

This property lies 100 miles north of Smithers near the mouth of the Squingula River and 12 miles NNW of Bear Lake.

Disseminated copper sulphides are present in fossiliferous carbonate rocks occurring in dislocated fault bound blocks. A mineralized body, 1300 feet long, 400 to 500 feet wide and 50 to 170 feet thick has been defined by 4000 feet of drilling and contains 5 million tons averaging 0.50% copper and 0.35 ounces silver per ton.

The claims are owned 100% by C.S.E. and the critical ones are in good standing until 1985. Falconbridge has deferred its decision regarding this property pending a field examination during 1982 but if other parties are interested it is suggested they also carry out an examination in the event Falconbridge decides not to acquire the claims.

3. The "IN" Claims, B.C.

This group is near the Red Claims on the west side of the Squingula River and is 100% owned by C.S.E. The key claims are good until 1983.

A large pyritised intrusive complex contains irregular bodies of "Babine-type" felspar porphyry associated with smaller zones of sericitization, silicification, secondary biotite and potassic flooding. Twelve holes have been drilled to test various copper showings within the porphyry bodies. The best intersection was 90 feet averaging 0.39% copper and 0.85 ounces silver per ton.

4. Big Onion Property, Smithers, B.C.

The claims are located 10 miles east of Smithers and are accessible by road. Annual option payments total \$4,000 and a 10% net profits interest is retained by another company.

Copper-molybdenum mineralization occurs in quartz diorite porphyry cut by northeast trending structures. Twenty three diamond drill holes totalling 10,208 feet and sixty six percussion holes totalling 15,810 feet have outlined a zone extending 6600 feet in length and up to 800 feet wide.

The property was recently used as a test case for various computer programmes including pit design and mineable ore reserve calculations. At a copper price range up to \$1.20 per lb., pit reserves are 60 million tons averaging 0.42% copper equivalent or 0.292% copper and 0.0187% molybdenite. These figures make no allowance for additional reserves in the "geologically inferred" category.

5. Ruth Claims, B.C.

The Ruth Claims cover an old Kennco prospect on the east flank of Mount Bodine, 10 miles northeast of Takla Landing, B.C.

Minor zinc and copper showings occur in felsic volcanic rocks in proximity to a sedimentary unit. Geophysics and prospecting have so far failed to locate a massive sulphide target.

6. DEF Property, Minto, Y.T.

This property contains a copper deposit which extends into adjoining claims owned by Asarco and Silver Standard Mines. The DEF portion of the deposit is owned by a joint venture comprised of C.S.E., Falconbridge Nickel Mines and United Keno Hill Mines. Falconbridge is evaluating the worth of C.S.E.'s share of the asset at the present time so the data will NOT be available for inspection by other parties until the evaluation is completed. We will however be interested to hear from any companies wishing to be notified if Falconbridge elect not to acquire C.S.E.'s interest.

7. Craig Project, Y.T.

The Craig claims are located 100 miles northeast of Keno Hill and 95 miles north of Mayo, Y.T.

They are owned 56% by McIntyre Mines Ltd. and 44% by C.S.E. but C.S.E. has been managing and financing work done on the claims during the last three years.

Several silver-lead-zinc showings occur on the Selwyn basin margin where Proterozoic and early to mid Paleozoic clastics and carbonates

occur juxtaposed along the east-west extension of the so-called Dawson thrust system.

The mineralization is associated with Selwyn basin sediments, particularly in carbonates of Hadrynian or Cambrian age.

Drilling to date has failed to define appreciable tonnage of potential ore except in the case of the West Zone where current estimates are 875,000 tons averaging 8% lead, 13% zinc and 3 ozs. silver per ton.

8. Yellowknife Lithium Project, N.W.T.

C.S.E. holds extensive reserves of spodumene bearing pegmatite near Yellowknife which have been defined through drilling and trenching. Average grade is in the order of 1.4%  $\text{Li}_2\text{O}$ .

9. Cali Lithium Claims, N.W.T.

C.S.E. holds claims covering a massive lithium bearing pegmatite in an area 14 miles northwest of Cantung, near the Yukon-NWT boundary. One zone averages 200 feet in width and has been traced for 4000 feet.

10. Cornwallis Island, N.W.T.

C.S.E. holds several claim groups on Cornwallis Island, some of which are owned jointly with Home Oil and Brinex. The exploration effort was aimed at finding lead-zinc deposits in a carbonate environment similar to that at the Arvik orebody on nearby Little Cornwallis Island and in other prospective geological situations. A major company is reviewing the data but it would be helpful for us to know of any other interested companies in the event no agreement is reached within the next couple of weeks.

No reserves have been outlined but several showings and geo-chemical anomalies have been found.

11. Spi Lake, N.W.T.

C.S.E. owns 75 claims in the Spi Lake area, 250 miles north of Churchill, Manitoba. The geology of the area is favourable for volcanogenic massive sulphide deposits and the claims cover a small discovery with a drill intersection of 0.41% copper, 4.82% zinc, 0.33 ozs./ton silver and 0.05 ozs./ton gold over 10 feet.

Sulpetro Minerals have a right to earn 51% interest in this property and the surrounding area of joint interest but the remaining interest retained by C.S.E. is for sale.

12. Black Lake-MacFarlane River Project, Saskatchewan

Prospecting permits cover a large area within the north rim of the Athabasca Basin and are held as to 50% by the Saskatchewan Mining Development Corporation, 25% by Teck and 25% by C.S.E.

The current effort is focussed on the probable source area of several uraniferous sandstone boulders which contains a definite resistivity anomaly interpreted to represent an upthrown fault-bounded block of basement rocks. In the same general area are several geochemically anomalous lakes which seem unrelated to the geophysical target.

The project represents an opportunity for an interested party to acquire an equity in a uranium project close to the drill testing stage. The 1982 budget is very modest due to the current industry-wide slump in exploration activity.

13. Hatchet Lake Project, Saskatchewan

One prospecting permit and a large claim block are held in the Hatchet Lake area, immediately east of the Athabasca Basin. Several minor uranium showings occur in pelitic metasediments and granitic rocks of the Wollaston Fold Belt. A limited amount of drilling has been carried out with no success.

The holdings are owned 75% by C.S.E. and 25% SMDC but the latter will assume a more major role in the near future due to C.S.E.'s withdrawal from the mining scene.

14. Fin Group, N.W.T.

These claims are adjacent to the Echo Bay Mines Gold mine, Contwoyto Lake, N.W.T. C.S.E. drilled two self potential anomalies with no success and the property has been farmed out to another company which is conducting a regional program in the area. C.S.E.'s retained interest is available.

15. Overseas Properties

In Spain, C.S.E. holds a tin property with established reserves backed by a comprehensive feasibility study.

In Australia C.S.E. and McIntyre control a tungsten property again with proven reserves and supported by detailed feasibility studies.

Any companies with a real interest in the stated commodities and countries may apply to review the data.



R.A. Dujardin