

116 B

CODY HAWK RESOURCES' AJ-JA

PROPERTY, NR. DAWSON CITY, Y.T.

005702

AUGUST 1983

KERR ADDISON MINES LIMITED
P.O. BOX 91
COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1C7

COPY

August 23, 1983

Mr. G. W. Grant
6 Monarch Park Avenue
Toronto, Ontario
M4J 4P8

Dear Mr. Grant:

As promised, enclosed please find your data
on the AJ-JA property of Cody Hawk Resources Inc.,
Dawson Mining District, Yukon Territory.

Yours very truly,

KERR ADDISON MINES LIMITED

D. M. Hendrick
Chief Geologist, Exploration

DMH/sm
Enclosures

1.0 SUMMARY

The following report describes the geology, gold mineralization and results of previous exploration on the AJ and JA claims of Cody Hawk Resources Inc., located in the Dawson Mining District, Yukon Territory.

The property consists of 42 contiguous ^{QUARTZ} patented mining claims numbered AJ 3 to 6 (inclusive), 15 and 16, and JA 1 to 36 (inclusive), and are recorded on Claim Sheet No. 116 B 8 of the Department of Northern Affairs and Natural Resources.

The property is located on the east slope of Antimony Mountain in the Ogilvie Mountain range, approximately 40 miles east northeast of Dawson City. Access is by helicopter from Dawson City, or for approximately sixty miles by road from Dawson City, and hence by helicopter for nine miles to the property.

The area is rugged with property elevations ranging from 3,500 to 6,000 feet above sea level. A north east flowing tributary of O'Brien Creek bisects the property.

The property lies approximately 20 miles north of the Tintina Trench, a major northwest trending fault which separates Proterozoic to Mesozoic sedimentary, volcanic and intrusive rocks on the northeast from metamorphic rocks of uncertain age on the southwest. The claims straddle a northwesterly trending contact between syenite and sedimentary rocks, chiefly quartzite with minor argillite. The sedimentary rocks strike generally east west and dip to the south at shallow to steep angles. Locally the bedding has been moderately deformed.

Gold is the principal mineral of economic interest. Copper and antimony bearing sulphides also occur on the property and in the adjacent area.

Gold was first discovered on the property in 1966 by Conwest Exploration Company during a regional prospecting program under the direction of G.W. Grant. A program of geological mapping, trenching, surface sampling, limited geophysics and geochemical sampling, and 659 feet of diamond drilling in four holes was carried out during 1966. In 1975, Acheron Mines Ltd. optioned the property and conducted an exploration program consisting of geological mapping, resampling of trenches, limited geochemical sampling, and 545 feet of diamond drilling in three holes. In 1980, Riocanex carried out limited electromagnetic surveys over the showings during an examination of the property.

Gold occurs in three roughly parallel zones exposed along the banks of the creek. The zones, known as the NORTH, SOUTH and RIDGE ZONES, consist of massive to semi-massive veins of sulphides, predominantly arsenopyrite, with minor pyrrhotite and pyrite, within zones of shearing and fracturing. These zones, which occur within quartzite, strike slightly north of west, and dip steeply south. The veins have been exposed in trenches and partially explored to shallow depth by diamond drilling, totalling 1,204 feet in seven holes, essentially in one cross section.

The NORTH ZONE consists of four separate sulphide veins of arsenopyrite within a 50 foot wide shear zone. Assays on representative samples taken from surface trenches are as follows;

0.11 ounces gold and 0.31 ounces silver per ton across 0.5 feet.

0.31 ounces gold and 0.21 ounces silver per ton across 0.6 feet.

3.50 ounces gold and 1.24 ounces silver per ton across 4.3 feet.

0.38 ounces gold and 0.02 ounces silver per ton across an undisclosed width.

Diamond drilling on this zone consisted of two holes put down below the trenches. These holes intersected the zone approximately 50 and 100 feet below surface. In the upper intersection, 20 feet of core assayed 0.04 ounces gold and 0.39 ounces silver per ton, and in the lower section low gold assays were intersected over seven feet. Core recoveries were very low. Sludge Samples taken over these core lengths assayed 0.43 ounces gold in the upper section, and low values in the deeper section.

The SOUTH ZONE consists of three separate veins of sulphides, similar to the NORTH ZONE, within a 30 foot wide shear zone. Assays on representative samples from surface trenches are as follows:

0.30 ounces gold and 0.04 ounces silver per ton across 2.0 feet.

1.92 ounces gold and 0.59 ounces silver per ton across 5.8 feet.

0.71 ounces gold and 0.61 ounces silver per ton across 7.0 feet.

Diamond drilling consisted of three holes underneath the trenches and two holes to intersect the zone approximately 100 feet to the west. The trench section intersected roughly 15 feet of mineralized zone in all three holes which

averaged .32 ounces gold per ton over 6.0 feet, .83 ounces gold per ton over 9.3 feet, and .60 ounces per ton gold over 10.0 feet. The holes to the west encountered minor mineralization with low gold values. The intervening quartzite apparently carries low to negligible values in gold.

The RIDGE ZONE is located one quarter mile to the south of the SOUTH ZONE and consists of three narrow, northeasterly trending, veins of pyrrhotite, arsenopyrite and pyrite. The best assay from surface sampling was 1.28 ounces per ton gold in a grab sample. No drilling was carried out on this zone.

Limited electromagnetic surveys were carried out over the mineralized zones with mixed results. The NORTH ZONE is conductive, and is indicated to be at least 600 feet long. A parallel conductive zone occurs 200 feet to the north of the NORTH ZONE, and probably represents an unexposed sulphide zone, similar to the NORTH ZONE.

Geochemical sampling was carried out over the showings, and results were largely inconclusive. Soil development is very poor and the thickness and nature of the soils (colluvium, talus) may make geochemical soil sampling impracticable.

In summary, the gold zones are very high grade and relatively unexplored. Previous surface work and limited diamond drilling indicate erratic but persistent gold values and the zones are open both along strike and down dip. In addition, at least one new sulphide zone is indicated to occur to the north.

In the opinion of the writer, this property offers good potential for high grade vein type economic gold deposits.

A program of exploration is recommended to further evaluate the known showings and investigate the remainder of the property for additional gold bearing zones.

Stage I of this program should consist of bulk sampling of the showings for metallurgical testing; VLF EM, magnetic, and self potential surveys over a control grid covering the showings and adjacent areas; orientation geochemical soil sampling surveys over the showings; detailed geological mapping; and 6,000 feet of diamond drilling to investigate the known gold zones at 100 foot spacing for a strike length of 600 feet. In addition the north electromagnetic conductor should be investigated either by trenching or drilling.

Stage II will be contingent upon the results of Stage I, but will probably consist of more extensive diamond drilling and/or possible underground exploration of the zones.

The estimated cost of Stage I is \$351,600.

G. W. GRANT

EXPLORATION GEOLOGIST

**6 MONARCH PARK AVENUE
TORONTO, ONTARIO M4J 4P8
CANADA**

TELEPHONE (416) 466-3832

AUG 23 1983

KERR ADDISON MINES LIMITED

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|-------------------|
| I.D.B. |
| P.B. |
| J.K.C. |
| A.H.C. |
| P.S.C. |
| D.M.M. |
| J.A.L. |
| J.B.S. |
| <u>S.K.</u> |
| FILE |

To... D.M. Hendrick From... R.K. Germundson

Subject... AJ-JA property of Cody Hawk Resources, Dawson Mining District, Yukon Territory Date... August 16, 1983

The veins show characteristic pinch and swell features both for dimensions and metal content. The concentration of veins is not great enough to yield the tonnage needed for mining in this part of the Yukon.

The area is isolated, has no infrastructure, and lies in rugged topography.

Profitable situations would be related to discovering so-called "world class" deposits where the value of metal in the ground approaches 1 billion to 1.5 billion dollars.

I do not consider the property a good bet for exploration. I recommend no action at this time.

Yours truly,

R. K. Germundson

Dr. R.K. Germundson,
District Geologist.

RKG:pl

Gerry Bunt wants the data returned to him when we are finished

D.M.H.

I suggest we return his data

[Signature]

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To.....K. Germundson.....From.....D. M. Hendrick.....

AJ-JA property of Cody Hawk Resources,
Subject ..Dawson Mining District, Yukon Territory.....Date.....August 4, 1983.....

Please return the enclosed data when you are through
with it.

D. M. Hendrick

DMH/sm
Encl.

TO

D.H. Hendrick

FROM

CK WILTON

DATE

July 29, 1983

PLEASE REPLY DIRECT

PLEASE HANDLE

PLEASE SEE ME

YOUR COMMENTS

FOR YOUR INFORMATION

FOR APPROVAL

PLEASE RETAIN

PLEASE RETURN

CODX HAWK RESOURCESRoma lake property

The main point of interest about these claims is that they are crossed by the Duster-Pocappine fault. Little or no work has been done. Overburden is about 150'.

McBennick (see attached report) recommends geophysics to be followed by drilling of significant anomalies.

The deal wanted is unknown but they probably want money in their company from Ken.

TO

DMH

FROM

CKW

DATE

July 28 19 83

PLEASE REPLY DIRECT

PLEASE HANDLE

PLEASE SEE ME

YOUR COMMENTS

FOR YOUR INFORMATION

FOR APPROVAL

PLEASE RETAIN

PLEASE RETURN

one of 3 holes cut 0.31 ozs.
air/fm across 9.4' on a property
in the NWT which can be purchased
for cash and Cody Hawk shares.

They propose to project along
strike.

I do not feel that this property
should be recommended for the
deal (terms unknown) proposed.

CKW

TO

July 8/83

FROM

DATE

19

PLEASE REPLY DIRECT

PLEASE HANDLE

PLEASE SEE ME

YOUR COMMENTS

FOR YOUR INFORMATION

FOR APPROVAL

PLEASE RETAIN

PLEASE RETURN

Convert will buy 100,000
Private Shares

\$1.00/share

1 million shares

Convert will receive

100,000 ~~shares~~ shares

+ cash

Abanda has been approached

Amount may eventually be
have 300,000.00

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| FOR YOUR INFORMATION <input type="checkbox"/> | FOR APPROVAL <input type="checkbox"/> |
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OR 96

Prohogan of Hight
1 Hawk Lake

TO

CKW

FROM

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PLEASE REPLY DIRECT

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PLEASE SEE ME

YOUR COMMENTS

FOR YOUR INFORMATION

FOR APPROVAL

PLEASE RETAIN

PLEASE RETURN

Please examine
and discuss with
D MIT

These people want us
to take a private
document of stock

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

I.D.B.
P.B.
J.K.C.
A.H.C.
P.S.C.
D.M.H.
D.A.L.
J.B.S.

To..... D. M. Hendrick From..... C. K. Wilton
Subject..... AJ-JA property of Cody Hawk Resources,
Dawson Mining District, Yukon Territory Date..... July 28, 1983

FILE

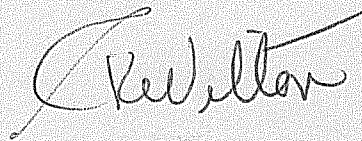
Access is 60 miles by road and 9 miles from the road by helicopter from Dawson City.

This gold discovery was made in 1966 by Conwest. Mapping, trenching, surface sampling, limited geophysics and geochemistry has been done. Drilling totalled 659' in four holes in 1966 and 545' in 3 holes in 1975. In 1980 Riocanex did limited EM over the showings during an examination. The north zone assayed from .11/0.5' to 3.50 ozs. Au/ton/4.3'. Two holes gave poor results.

The south zone has been drilled as shown on the section attached which is of some interest. Hole ACH-2 drilled 100' to the west was lost in overburden. Hole CEX-3 drilled under ACH-2 cut minor mineralization with low values. (See attached plan of the south zone.) For other details including Hodge's recommendations see the report.

Apparently Cody Hawk Resources want us to take a private placement of 100,000 shares of stock. I assume they would want to try to extend the south zone on strike. Noranda has been approached. Conwest would receive 100,000 shares plus cash.

I suggest your further consideration and can discuss it if you wish.



C. K. Wilton

CKW/sm
Attachments