

APR 26 1965

KERR-ADDISON GOLD MINES LIMITED

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

Subject... SHANGHAI PROPERTY, Y.T. - ASSAY RESULTS..... Date... April 22nd, 1965.....

I make reference now to the report by Douglas Campbell dated April 9th, 1965, which is titled "Summary of Peso Silver Mines Interests in the Yukon." You enquired as to what new results Campbell refers in this report.

As you are no doubt aware, the entire report is written in a highly promotional vein, and the only assay results I know about are those encountered in hole SU5, which, apparently, had a weighted average of 99.2 ozs. Ag, 22.7% Pb, and 2% Zn across 4.5 ft. Another drill hole, 1,100 feet away, gave sludge assays of 45.9 ozs. Ag, 1.34% Pb, and 1.52% Zn.

I presume these holes were drilled early in the year, since the property was closed down in early February. Needless to say, I am somewhat astonished at the calibre of Campbell's report, and, I might add, he is writing in this manner for most of the projects with which he has been connected.

I have just talked to Aaro Aho on the phone, and he states that the drift faces are not in ore, and that the only ore indications are in the two drill holes mentioned. He confirms the fact that the property is closed down for the time being.

W.M. Sirola
 pp. William M. Sirola.

WMS/iw.