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MAY 25 1973

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KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To G. M. Hogg

From

W. M. Sirola

Subject BC GROUP, SWIM LAKES, YUKON TERRITORY

Date May 23, 1973

J.H.S.
P.M.K.
G.M.H.
R.D.S.
B.C.B.
I.D.B.
M.D.R.
J.H.F.
E.C.J.

In reviewing all of the information we had accumulated on the BC group we reached the conclusion that the 6 claims, BS 19 to 24 which are located on the south shore of Finger Lake 4,000 feet east of Swim Lakes, had not been completely tested. The 18 other claims of the BC group which were staked over Swim Lakes proper had been diamond drilled to a point where additional targets were not evident and head office directive was to allow the claims to lapse on April 15, 1973.

Sulphide mineralization with low values of lead-zinc-copper occurs in the form of two or more bands 25 to 50 feet thick on the south boundary of BS 20 and BS 22 MCs, and this mineralization appears to dip gently northward beneath these 2 claims. Our geophysical work indicates very strongly that both BS 20 and 22 are underlain by the same sulphide bands and we felt that it was in our best interests to drill 2 holes for the purpose of determining whether or not the lead-zinc content of these replacement sulphides increases down dip. Accordingly we have laid out 2 diamond drill holes as follows :

- BC 73-1 line 23 west 10 + 00 north - 60° due south depth 750 feet ✓
- BC 73-2 line 24 west 6 + 00 north - 60° due south depth 750 feet ✓

We have contacted Arctic Diamond Drilling of Whitehorse and they have agreed to do this work for \$17.50 per foot. The total cost would, therefore, be \$17.50 x 1500 feet = \$26,300. The drill will be brought in via the Swim Lakes road which does not dry out properly until July, so we do not anticipate work to commence prior to that time.

We had discussed the possibility of joint venturing work on the BC group with Aldous Jansens who is Chief Geologist for Anvil Mining Company. Jansens expressed definite interest in a joint venture but I believe it is your intent that we finance this work from our own budget. There is still time to conclude a legal agreement with Anvil should you be interested in so doing.

We have previously mailed in maps and cross sections showing the location of the holes with respect to our geophysical information and prior drilling by Dynasty.

OK - This project to complete evaluation of the Swiss BC group authorized by Mr. Stovel May 29/73.

WMS/ah

Bill
W. M. Sirola

WMS