

From the desk of:
Bill Sirola

016212 on 12/78

Dave,

↓
MDR

DF

Alternative is to
pay cash in lieu of
200 to hold Fractions
Serial 36827 for one
year.

Bill

P.S. We could form the
B.C. Group out to Anvil
but I don't think we
should

I recommend that ~~we pay~~
in lieu of invoice \$200 bhl

KERR ADDISON MINES LIMITED

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1-7-78
brown folder
105K

pull folder
out

To D.A. Lowrie

From

W.M. Sirola

Subject B.C. GROUP SWIM LAKES AREA, Y.T.

Date

January 6, 1978

PROPOSED DRILLING PROGRAMME

Kerr Addison owns the B.C. claim block located at Finger Lake, one mile east of the east end of Swim Lake. At one time the B.C. Group covered most of Swim Lake, but through attrition, has been reduced to six claims and three fractions. Two of these fractions, Swim 26 and 27, are due for assessment work in October of 1978. We can either pay cash in lieu, or give consideration to a limited drilling programme.

Enclosed is a portion of Anvil's map of the Swim Lakes area on a scale of 1" = 4,000 ft. If this map is reasonably correct, then there is a limited structural basin surrounding Finger Lake and the B.C. Group is located on the south shore of that lake.

There are two pyrite deposits with low lead-zinc values located beneath the waters of Swim Lake and near the south boundary of the B.C. Group. These could be considered peripheral deposits much in the manner of the pyritic halos which surround porphyry copper deposits. ??

Our limited diamond drilling on the six claim block, which we now retain, has been directed toward exploring the down dip extension of the pyritic outcrop on the "C" claims near the south boundary of the B.C. Group. This drilling encountered varying amounts of pyrrhotite, magnetite, chalco-pyrite and minor lead-zinc mineralization which is usually peripheral to the main pyritic masses which house the more important lead-zinc deposits of the area.

Because the Dy deposit (south-east of Vangorda) was located in the calcareous phyllites, overlying the Vangorda graphitic horizon, it would seem reasonable that a similar situation could occur on the B.C. Group. It is also possible, of course, that mineralization could occur as it does at the Swim deposit and elsewhere, just below the main graphitic band. The Dy deposit, however, occurs off the nose of a plunging anticline and not in a syncline regardless of the fact that the Dy is bowl-shaped in longitudinal section.

In summary, the Finger Lake syncline is considered a good exploration target because of the stratigraphic sequence of calcareous phyllite, graphitic phyllite and quartz sericite phyllite located in a limited structural basin with peripheral pyrite deposits (Sea group and lake zone).

KERR ADDISON MINES LIMITED


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To.....From.....

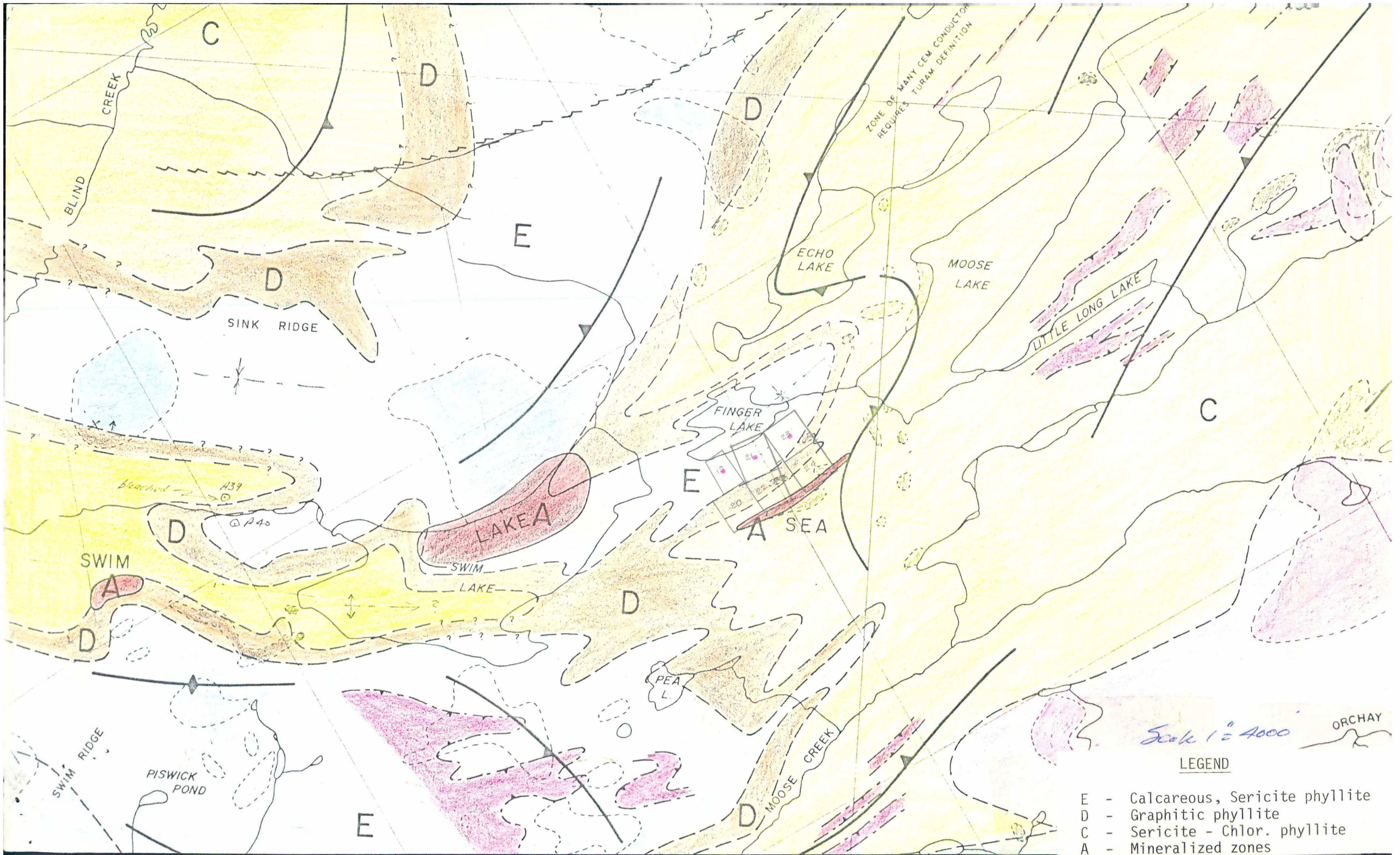
Subject.....Date.....

- 2 -

We recognize that money for lead-zinc exploration in the Yukon is difficult this year and it may be desirable to defer the drilling to a later time. If and when the drilling is done, two or three holes should be drilled to the depth of 1,000 ft. Today's cost for 3,000 ft. of drilling in that vicinity would be in the order of \$60,000.


W.M. Sirola

Encl.: Portion of Swim Lakes Area Geological Map (after Anvil)
Scale 1" = 4,000 ft



- Scale 1:4000
- LEGEND**
- E - Calcareous, Sericite phyllite
 - D - Graphitic phyllite
 - C - Sericite - Chlor. phyllite
 - A - Mineralized zones