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KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

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To M. D. Rowswell From G. M. Hogg

Subject Grum Project - Continuity, Tonnage, Grade Date September 16, 1974

W.J.	✓
D.M.H.	✓
M.M.H.	
M.D.R.	
I.D.B.	
R.D.S.	
G.R.	
T.W.B.	✓
<u>View</u>	
<u>E.C.J.</u>	

From the attached highly interpretive sections, it will be apparent that much more drilling data will be required before we will be able to produce a reasonably accurate tonnage and grade estimate on the Grum deposit. However, certain features are apparent at this stage which add up to an encouraging picture. They are as follows:

1. The main ore-bearing structure appears to be a monoclinial fold striking N⁴⁵°W. Along this axis mineralization extends across a width of up to 500 feet, and a maximum vertical distance of up to 500 feet. Within this zone of mineralization, ore grade material (10% PbZn +) occurs in more or less continuous concentrations, the largest of which is Zone A.

2. Zone A averages approximately 11% combined Pb, Zn with 2 oz. Ag/ton over an 80-foot thickness, a width of 350 feet, and a confirmed length of 2,800 feet. At least another 2,000 feet of strike length is probable. It appears that Zone A contains 9.8 million tons probable ore at the noted grade, and 7.0 million tons of possible ore at this grade between sections 54W and 100W. Further extension is possible.

3. Because of irregularities on strike, cross faulting of the ore structure is postulated at 58W and 84W. Between these sections, the A zone plunges northwest at 10° (17% grade).

4. Other zones of considerable extent containing combined lead-zinc in the 10% + range seem to show good continuity. They are as follows:

- (a) Zone B - Underlying Zone A, and possibly continuous in part with it. It is likely that this zone would supply an additional 1.5 million tons of ore in any mining operation on the A Zone (58W to 84W). Grade similar to A.
- (b) Zone C - High lead zone averaging 15 to 20 feet in thickness. It overlies the A Zone, 100 feet or so on the average. It grades 11% to 12% combined lead-zinc at a 1:1 ratio. No tonnage estimate is possible.
- (c) Zone D - The southwest extension of the A zone structure to depth. Data is limited, but it appears to have very good areal extent and good grade. Thickness is variable but in excess of 10 feet.
- (d) Zone E - Little known about this zone which appears southwest of the A zone and above the D zone. If the monoclinial fold theory is factual, the E Zone may be the extension of the C zone to depth.

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- (e) Zone A Extension - Mineralization extends to the northeast up-dip from the A zone. Little is known of the extent of mineralization, but one hole (A-9) intersected a substantial thickness of good grade ore.

As part of the 1974 programme, it is recommended that the following holes be drilled:

<u>Location</u>	<u>Approx. Depth</u>
Section 60W 200N	600'
Section 64W 400N (presently included)	500'
Section 68W 400N (presently included)	500'
Section 72W 300N	800'
Section 76W 300N	800'
Section 80W 300N	900'
Section 84W 500N	1000'

Perhaps some of the peripheral holes of the present programme can be deleted to provide the 4,100 feet required for this work.


G. M. Hogg

GMH/js

cc: W. M. Sirola