

KERR ALJISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

019308

E.C.S.

To..... M. D. Rowswell From..... G. M. Hogg
Subject..... Grum Project (Kerr-AEX), Date..... September 10, 1974
Vangorda Creek, Y.T.

019 17-96A'

To July 7, 1974, the AEX Minerals Corporation completed 13 holes on the Grum deposit area as partial fulfillment of their commitment as per the terms of the Kerr-AEX agreement. At that time, insofar as AEX had completed its required \$225,000 expenditure, it was agreed that Kerr would take over management of the project. Since then, we have had three machines active more or less continuously on the zone.

To date September 10, 1974, thirty-two holes have been completed on the zone, and significant mineralization has been delimited over a strike length of 4,000 feet. A very rough estimate of the tonnage and grade indicated to this time would be 20 million tons running 3% Pb, 6% Zn, and 1.5 oz. Ag. The average depth would be in the order of 500 feet, but at the southeast end, mineralization occurs at a depth of 150 feet from surface. There is a very good possibility that another 3,000 feet of strike length will prove productive. The best intersection thus far is in hole A-26, which returned 4.64% Pb, 9.20% Zn, and 2.30 oz. Ag. over a core length of 162.5 feet.

Since Kerr took over management of the project, a programme to roughly delimit the extent of mineralization and grade in the central and southeast portion of the mineralized area has been in progress. Drilling has also been located to give as much information on the configuration of the mineralized zone as possible. This programme, just being completed, involves 20 holes for a total 20,000 feet at a cost of \$300,000 (60% Kerr, 40% AEX).

We feel that the results to date warrant an additional drilling programme which is estimated to include 26 holes at a total cost of \$390,000 (Kerr cost - \$234,000). This will complete drilling on 400-foot line spacing at 200-foot centers from 60W to 96W (3,600-foot strike length), and allow for a small amount of exploratory work. This programme can be completed by early December, and will afford enough data to permit a reasonably good assessment of mining potential and the formulation of plans for development procedures.

The AEX group has been contacted on this matter and is agreeable to the programme as set forth on the attached plan.


G. M. Hogg

GMH:js
Atts.

SEPT 5/74

FUTURE VERT AEX DRILL PROGRAMME:

84W - 8+50N

BL.

88W - 0

2N

4N

6N

8N

10N

92W - 0

4N

6N

8N

10N A-15?

12N

96W - 0

2N

4N

6N

8N

10N

12N

72W 6N

8N

68W 4N

64W 4N.

Note Hole A-34 104W 8N.

A-35 80W 2S.

A-33 56W 2S.

WEST END - hole 34 in progress.

- possibly one more if results warrant

EAST END - 164 location

166 location

1 hole 200' S A-33

Approx 25000' - \$300,000 +

+ 1 program \$300,000

Total \$1 \$2 \$600,000

Aug 29/74

Kerr/AEX - Current Drill Results

A-29 1360' depth. 1209-1329 4-5% Combined PbZn
1333-1345 8-9% Combined "

A-31 705' depth 0-182 Overburden.
378.5-380.5 12% Combined Pb-Zn
404.5-408 2% "
438.3-446.3 4-6% "
553.2-571.0 8% "

High melanophane zone @ 654'.

Aug 26/74

Current Vancouver Area Drilling

A. 27 104W 600N

- Holes:
- A. 28^v 64W ✓
 - A. 29 108W at 4N ✓
 - A. 30^v 76W at 4+60N ✓
 - A. 31 60W at Bl. ✓

64W ✓
ECO

A. 28 / A. 31 Area - deep overburden with upper mineralized zones eroded off. Possible EW fault in area.

A. 29 - long step-out. Hole at 1000' w/ no sulph mineralization to date. Zones should be at 1200' +

Results:

A. 28	}	281-289	10%	Combined Pb Zn.	
or		293-295.6	10%	"	
		301-303.5	10%	"	
		383-387	5%	"	
		702-703	2%	"	
		705-706	1'	9%	"
		708-712	4'	7%	"
		714-716	2'	5%	"
		717-727	10'	4-6%	"
		727-737	10'	3-5%	"
	737-744	7'	2%	"	
	744-749	5'	6%	"	
	}	829-834	4.5%	"	
		849-854	4-6%	"	

186.45 / 39 = 4.78

Comb. Zn Pb. 4.78 / 39

Note: - 383 to 737 largely massive sulphides, in great part magnetic

A-29

at 1000' - no significant mineralization.
Dilling.

A-30^v

ore {	474-477	10% Combined Pb-Zn.	
	479-487	8-9%	"
	487-498	5-6%	"
	498-519	2-4%	"
	521-529	8-9%	" 77'
	545-550	4%	"
	550-551	10%	"
ore (551-552	1/2%	"
	552-561	11%	"
	561-582	low grade - Core loss.	
ore {	582-599	8% Combined Pb-Zn	
	599-645	3-5%	" "
	645-664	1-3%	" "
ore (702-741	14%	" "

A-31^v

114' Overburden. - dilling.

Aug 19/74

Current Kerr - AEX Drilling

↓
A-25 96W-1800N Completed to 1034'

No Significant Mineralization

↓
A-26 64W 2N Completed to 897'

(248-315	67'	15% Combined PbZn.
(473-482	9'	6-8% " "

↓
A-27 80W 4+08N Completed to 1147'
~~NO~~

(525.8-563.9	38.1'	3% Pb 10% Zn
(563.9-587.5		20-5% Combined PbZn
(587.5-608.7		2-4% Combined "
(608.7-620.3		1% Combined "
(620.3-625.4		4-6% Combined "
(625.4-640.5		2% Combined "
(653-658		3% Pb 10% Zn
(676-681.8		8% Combined PbZn
(720-733		2.5% Pb 9% Zn
(1070-1090		low grade
(1090-1134.5		6-8% Combined PbZn

↓
A-28 64W BL 745'

See later page

163.0-166.0	Glaciated - Remnants Sulph.
281-289	10% Combined PbZn
293-295.6	10% " "
301-303.5	10% " "
383-387	5% " "

New locations A-29 108W 4N ✓

A-30 60W BL.

Check Loc^N A-24 80W-4N or 80W-2N.