019327

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

~~DC~~ ~~MDR~~ GRum Y-9

To D.A. Lowrie From W.M. Sirola

Subject DY PROJECT, VANGORDA CREEK AREA, Y.T. Date August 24, 1977

On August 16 I spent some time with Dave Jennings of Anvil, going over the core from the drilling on the Dy zone. Unfortunately, Jennings had many visitors and we were not able to spend as much time on the Dy project as I would have liked, but I can at least provide sufficient information to enable us to plan any drilling we might wish to do at some future date on the adjacent Mac and Tim claims which now are part of our joint venture with Canadian Natural Resources.

The Dy zone has now been drilled over a plunge length of 3600 ft., extending south eastward from the discovery hole 75 - 21. In this drill hole, massive sulphide intersections occur at depths of 1650 ft. and 1830 ft. The lowest intersection averaged 7.36% Pb Zn plus 1.28 ozs. Ag over 25.6 ft. From this drill hole the mineralization plunges south eastward for a distance of approximately 2000 ft. at an angle of -24°. At that point the plunge reverses and approaches the surface at approximately the same angle. Fortuitously, the topography falls off in the direction of plunge with the result that unless the plunge again reverses itself, the deposit could approach the surface some 5000 ft. from the discovery hole.

I haven't many figures on the average thickness or grade except to say that maximum thicknesses of 60 ft. of mineralization were encountered with grades approximating grades on the Grum. The Anvil people say they don't know the full width as yet, but it will in all probability exceed 1000 ft.

Structurally the deposit is probably an overturned anticline with westerly dipping limbs.

Some part of this structure would undoubtedly be found under the Mac 2 and possibly under the Mac 1 and Tim 6 mineral claims but gravity work covering these claims does not indicate anything approaching the surface. These claims were covered by gravity work done for CNR in 1976.

From a structural stand-point it would appear that the Dy mineralization is located on the same graphitic band which is in part host to the Vangorda mineralization, but mineralization could occur above or below the Vangorda graphitic horizon and the two zones (Dy and Vangorda) could be separated by the thickness of the graphite band.

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*To*_____ *From*_____

*Subject*_____ *Date*_____

The mineralization which I saw in the Dy drill holes very closely resembled the Grum mineralization both in grain size and in lead-zinc-barite content. Generally speaking, the higher grades on both properties tend to occur where the barite content is higher.

We will have an opportunity to have a better look at the whole Dy picture some time in September and we should be able to become well informed at that time.

W.M. Sirola

W.M. Sirola

Ly Zone

Long. Section

Scale 1" = 1000' or 1:12000

S.E.

N.W.

SHEET NO. ____ OF ____

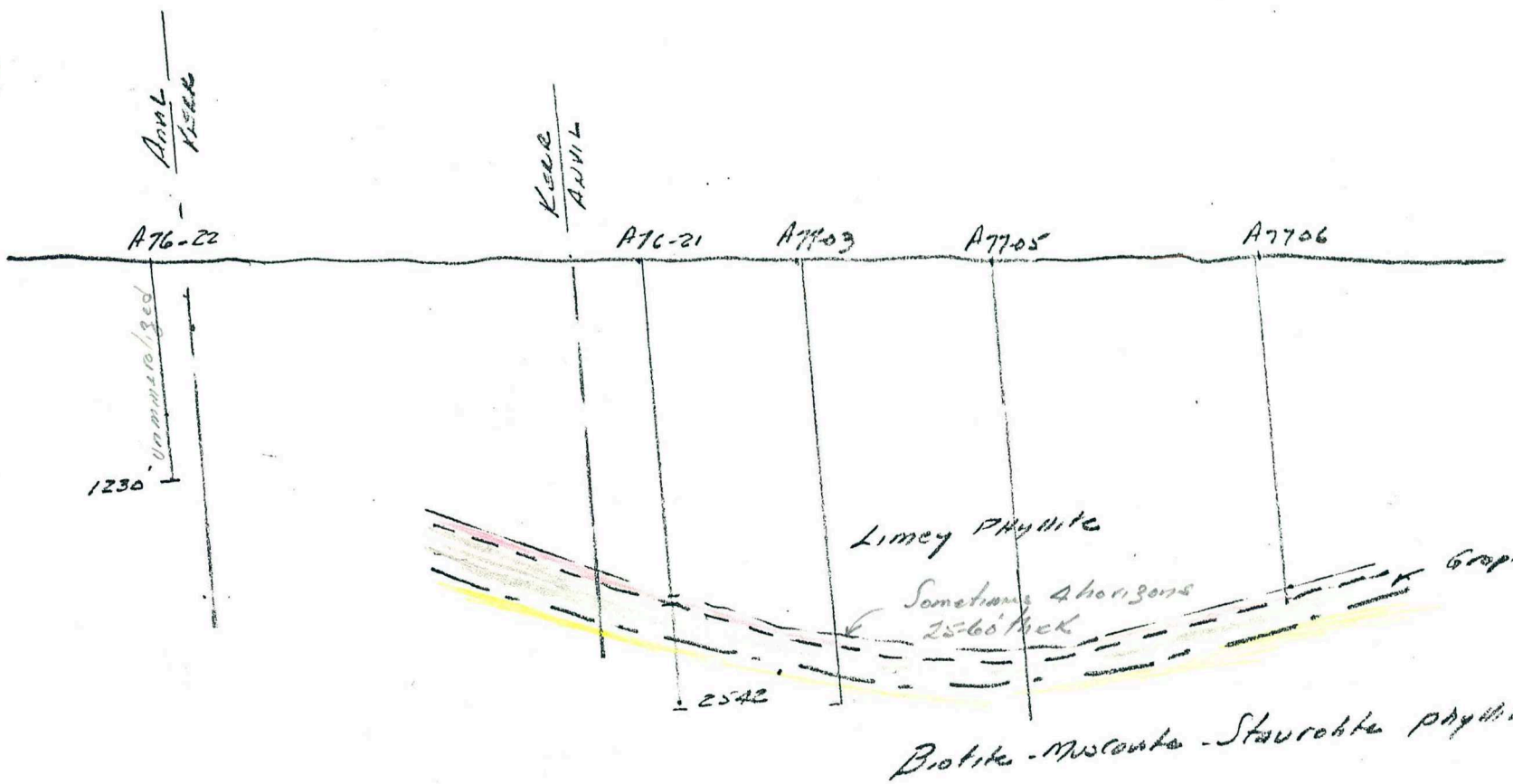
JOB NO. ____

SUBJECT ____

DATE ____

BY ____ DATE ____

CHKD. BY ____ DATE ____



Note: Diagramatic only
Not precise

W.S. Aug 25/77