

93L018-07

DELBROOK MINES LIMITED

PROPERTY FILE

GENERAL:

The bank balance of Delbrook at Oct. 31/72 amounts to \$2.80. Glen E. White has been paid in full for work done on the Dennis Lake property. As you recall, Delbrook was to receive a loan from Summit to cover this work. Funds will have to be advanced to Delbrook to cover the few bills outstanding for telephone, accounting, etc. and for the upcoming annual meeting, audit and legal expenses.

DENNIS LAKE PROPERTY

The Dennis Lake property consists of 14 claims and fractions in one group.

<u>Claim Name</u>	<u>Record No.</u>	<u>No. Claims</u>	<u>Expiry Date</u>
Guy No. 23	79313	1	Sept. 4/73
Guy 25, 26	79315, 16	2	Sept. 4/73
Guy Fr. 4	79324	1	Sept. 4/73
Guy No. 8	68396	1	Apr. 14/74
Guy 10-14	68398-402	5	Apr. 14/74
Guy 24	79314	1	Sept. 4/74
Guy 5, 7, 9	68393, 95, 97	3	Apr. 14/75

Prior to the September 4th expiry date an IP program was conducted by Glen E. White, at a total cost of \$1800. and assessment work was applied to the 14 claims in Guy Group No. 1. The IP program was done to determine whether a chargeable zone would turn up associated with the weak geochemical trends in Silver, lead, zinc and copper.

A weak and narrow NW-SE chargeability trend which rises to a high of 5.3 milliseconds above a background of 2.0 msec. was found.

Cont'd..

In Whites conclusions (page 4) he is not too optimistic of the potential here, since it appears the resistivity data indicates shallow overburden, and the geochemical values are too low in silver to be of great significance.

No further money should be spent on this property.

DUCK LAKE PROPERTY

The Duck Lake property consists of 32 claims. These claims are still held in 2 groups, and if any further work is to be done on these they should be regrouped into one group after doing the work. If we cannot get someone else to perform work they should be dropped.

The following claims will expire on May 12, 1973.

<u>Claim Name</u>	<u>Record No.</u>	<u>No.</u>	<u>Expiry Date</u>
Jim 4-8	71530 - 34	5	May 12, 1973
Jim 17-21	71543-47	5	May 12, 1973
Jim 23	71549	1	May 12, 1973
Jim 25-32	71551-58	8	May 12, 1973
Jim 34-46	71560-72	13	May 12, 1973

This property has been explored by reconnaissance geochemical surveys and a small amount of induced polarization work. A strong IP anomaly lies close to an area with weak anomalous copper values in the soil. These anomalous geochemical and geophysical features may be important, however in the light of developments on the Spook claims nearby to the northeast, where an IP anomaly found with the Hewitt IP unit, failed to produce sulphides on drilling, we think that a check of the IP anomaly should be made with a higher powered unit (such as the Huntex 2.5 KW) before further work is undertaken.

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Since cash was paid in lieu of work last year and unless additional exploration on these claims can be obtained by others to earn an interest, it is recommended that the claims be allowed to lapse.

GOOSLY LAKE PROPERTY

The Goosly Lake property consists of the following 20 claims which are held in good standing until May 12, 1973 by our having paid money in lieu of work.

<u>Claim Name</u>	<u>Record No.</u>	<u>No.</u>	<u>Expiry Date</u>
Dev No. 41-50	74653-62	10	May 12, 1973
Dev No. 71-80	74683-92	10	May 12, 1973

These claims lie on an aeromagnetic feature southeast of Kennco's Goosly Silver Copper deposit. In the area where reconnaissance copper and silver anomalies were located in the northwest corner of the block, detailed magnetometer and geochemical surveys were made during 1970. These are weak copper and silver anomalies and since the overburden thickness is unknown, they may or may not be of significance.

Since the claims expire before ground conditions are suitable for exploration, there are very few options open to retaining claims on this prospect.

In view of the low level of mining activity in the Goosly area, the uncertain conditions with respect to governmental policies for mining and our lack of strong encouragement for a large tonnage prospect, we recommend no further expenditure on this prospect.

REDTOP PROSPECT (Topley Joint Venture) 93L018-07

Delbrook shareholders were informed by letter on Oct. 5/72 (report to shareholders file) of the progress made by Ducanex in exploration of the Topley Joint Venture claims. An outline of the agreement with Ducanex was also reviewed.

By letter of Oct. 27/72 (reading file) we agreed to the surrender of 61 claims recommended for surrender by Westervelt and Ducanex thereby enabling ²³⁵ Ducanex to apply assessment work to claims considered of more potential value.

Delbrook holds a 1.75% beneficial interest in the Topley Joint Venture lands.

SUMMIT OILS LIMITED

West Babine, Ling Creek and Redtop prospects were written up in some detail for the Calgary Stock Exchange and these summaries are up to date and are attached here for easy reference.

REDTOP PROSPECT

The 103 extra claims staked by Ducanex are shown on the attached list dated October 6, 1972.

For easy reference the 61 claims and fractions recommended for surrender by Ducanex and approved by the Joint Venture manager and the parties thereto shown on Schedule A dated Oct. 10/72 is also attached.

REDTOP PROPERTY:

Summit Oils Limited acquired 49 claims and fractions in the Redtop Creek area in 1969 following a Federal Provincial release of aeromagnetic maps. The claims are all located in the Omineca Mining Division at 54° 36' N. Latitude and 126° 19' W. Longitude in the Province of British Columbia. They are positioned between Redtop and Tachek Creeks, eight miles by road north of Topley B.C. on the Yellowhead Highway (No. 16). Passing through the property is a 200 foot right of way for a new highway under construction, to facilitate the transportation of concentrates from the Granisle and Newman Mines located approximately 20 miles to the north in Babine Lake, to Topley, a station on the Canadian National Railroad.

During 1969, the company carried out a chain and compass survey of the claims and completed a program of geochemical geological and geophysical surveying at a cost of approximately \$7,000. Further detailed geophysical exploratory work was carried out by the company during 1970 at a cost of approximately \$14,500. Diamond drilling operations were undertaken in 1970 by Delbrook Mines Limited at a maximum cost of \$18,000. to earn a 5% interest in the property with a further \$3,000. of drilling costs being borne by Summit Oils Limited.

As a result of overstaking of Summit's claims, during the rush that took place in this area following the aeromagnetic map release, this property was the subject of costly litigation procedures in order that Summit should maintain legal title to its claims.

An out of court settlement was agreed upon early in 1972, the terms of which are covered in the Topley Joint Venture Agreement dated March 22, 1972. The parties to this

agreement are Summit Oils Limited, Delbrook Mines Limited and the Prospectors who became associated in a syndicate known as the R.J.R. Syndicate for the purposes of staking the Redtop prospect.

Under the Topley Joint Venture Agreement, the Redtop property comprises a total of 106 mineral claims and fractions held by the venture partners and within a defined "Area of Interest" any other claims later acquired by either of the venture partners or a subsequent purchaser of the claims by way of an option agreement. The "Area of Interest" has been defined as that area covered by a circle having a radius of 4 miles with its centre at 54° 37' 30" N. Latitude and 126° 19' 30" W. Longitude.

Under the Venture Agreement legal title in the property was transferred to the Manager, Ralph D. Westervelt who holds all beneficial interest in the property in trust for the Prospectors and Summit-Delbrook in the following proportions. The Prospectors 65%, Summit 33.25% and Delbrook Mines Limited 1.75%. Provision is made in the agreement that neither Summit nor Delbrook shall bear any further expenses through to production.

Immediately following the execution of the Topley Joint Venture Agreement, the Manager was successful in optioning the Redtop property to Ducanex Resources Limited. An optional sale agreement was executed as of June 1, 1972.

Under the terms of this agreement, Ducanex made an initial payment of \$6500. A working option period is extendable until Dec. 31/74 in stages of a year at a time by cash

payments of \$7500. on or before Dec. 31/72, and \$10,000 on or before Dec. 31/73. Prior to expiration of the working option period, Ducanex may exercise the following provisions of the purchase option portion of this agreement. A payment is to be made, of an amount equal to the difference between \$24,000. and the aggregate of the sums paid prior to the date of the exercising of the Purchase Option, together with written notice, specifying the mineral claims in respect of which the Purchase Option is being exercised.

In the event Ducanex exercises the Purchase Option, all right, title and interest in the Redtop Property automatically is transferred to Ducanex subject only to the following obligations of Ducanex:

1. In the event that commercial production has not commenced on or prior to Dec. 31/74 an advance royalty of \$25,000. will be payable on that date unless commercial production has begun or advice has been given of termination of the agreement.
2. In the event that commercial production has been obtained from the property, Ducanex shall pay a fixed royalty on the Dec. 31st next following the commencement of commercial production, and on the same date of each subsequent year during which such commercial production continues until the earlier to occur of:
 - (a) 15% of Net Profits is realized in any calendar year from commercial production of the Redtop property or any part thereof exceeds the sum of \$50,000. or,
 - (b) Payment by Ducanex of an aggregate of \$500,000. including the advance royalty as well as the fixed royalty, the sum of \$50,000. and,

- (c) For so long as commercial production continues on the Redtop property or any part thereof Ducanex shall pay, commencing on the 31st day of March next, following the year in which Ducanex shall have first ceased to pay the fixed royalty and thereafter on the 31st day of March in each subsequent year, a royalty equal to 15% of net profits realized during the preceeding calendar year.

Within the "Area of Interest" of the Redtop property, the parties to the Topley Joint Venture pooled the 106 mineral claims as described below:

<u>Claim Name</u>	<u>Rec. No.</u>	<u>No. Claims</u>	<u>Expiry Date</u>
Summit 1-6 incl.	68553-68560 incl.	8	April 14/73
Summit 9	68561	1	April 14/74
Summit 10	68562	1	April 14/73
Summit 11	68563	1	April 14/74
Summit 12	68564	1	April 14/73
Summit 13	68565	1	April 14/74
Summit 14	68566	1	April 14/73
Summit 21-29 incl.	68567-68575 incl.	9	April 14/73
Summit 30	68576	1	April 14/74
Summit 31-33 incl.	68584-68586 incl.	3	April 14/73
Summit 34	68587	1	April 14/74
Summit 35-40 incl.	68588-68593 incl.	6	April 14/73
Summit 41-47 incl.	68577-68583 incl.	7	April 14/73
Lana 11-20 incl.	69115-69124 incl.	10	April 21/73
Lana 23-26 incl.	69125-69128 incl.	4	April 21/73
Lana 36	69136	1	April 21/73
Lana 77	69165	1	April 21/73
Lana 78	69166	1	April 21/73
Cleo 1-4 incl.	69298-69301 incl.	4	April 21/73
Cleo 9-14 incl.	69306-69311 incl.	6	April 21/73
Cleo 19-22 incl.	69316-69319 incl.	4	April 21/73
Summit Fr 1-8 incl.	77572-77579 incl.	8	June 25/73
Lana 159	75900	1	July 15/73
Lana 161	75902	1	July 15/73
Lana 165-173	77881-77889 incl.	9	Aug. 1/73
Zig 1-10 incl.	105951-105960 incl.	10	Nov. 17/72
Zag 1-5 incl.	105961-105965 incl.	5	Nov. 17/72

Following execution of the option agreement with Ralph D. Westervelt, Manager of the Topley Joint Venture, Ducanex performed additional geophysical work and staked approximately ninety additional claims to cover targets not previously held by the Joint Venture Group within the Area of Interest. Details concerning these claims are not yet available, however Summit's beneficial interest in these claims is provided for in the agreement.

Ducanex is exploring the Redtop Prospect for its porphyry copper potential and are proceeding with additional detailed induced polarization and magnetic surveys as well as the drilling of a series of core holes to determine rock and mineralization distribution. Some copper and molybdenum of ore grade has been reportedly encountered, however it is too premature to determine the significance of these encouraging developments at this time.

REDTOP PROSPECT
October 6, 1972

Ralph Westervelt phoned the details on the extra claims staked by Ducanex within the area of interest defined in the Topley Joint Venture Agreement.

<u>Claim Name</u>	<u>Record No.</u>	<u>No. Claims</u>	<u>Expiry Date</u>
Mike 1-10 incl.	Not yet available	10	Aug. 3/73
Pete 1 & 2	NYA	2	Sept. 15/73
Cris 1-51 incl.	109617-109667	51	May 12/73
Cris 1-4 Fr. incl	109668-109671	4	May 12/73
Cris 52-79	NYA	28	Sept. 15/73
Cris 5 & 6 Fr.	NYA	2	Sept. 15/73
Mike 11-16 incl.	NYA	<u>6</u>	Sept. 15/73
		<u>103</u>	

SCHEDULE A

RED TOP PROPERTY

CLAIMS TO BE ALLOWED TO LAPSE

<u>CLAIM NAME</u>	<u>RECORD NO.</u>	<u>NO. OF CLAIMS</u>	<u>EXPIRY DATE</u>	
Zig	3-10 incl.	105953 - 105960 incl.	8	November 17, 1972
Summit	3	68555	1	April 14, 1973
Summit	5	68557	1	April 14, 1973
Summit	7	68559	1	April 14, 1973
Summit	9	68561	1	April 14, 1974
Summit	11	68563	1	April 14, 1974
Summit	12	68564	1	April 14, 1973
Summit	14	68566	1	April 14, 1973
Summit	21-24 incl.	68567 - 68570 incl.	4	April 14, 1973
Summit	26-29 incl.	68572 - 68575 incl.	4	April 14, 1973
Summit	30	68576	1	April 14, 1974
Summit	31-33 incl.	68584 - 68586 incl.	3	April 14, 1973
Summit	34	68587	1	April 14, 1974
Summit	35-40 incl.	68588 - 68593	6	April 14, 1973
Summit	41	68577	1	April 14, 1973
Summit Fr.	1-6 incl.	77572 - 77577 incl.	6	June 25, 1973
Cleo	1-4 incl.	69298 - 69301 incl.	4	April 21, 1973
Cleo	13 & 14	69310, 69311	2	April 21, 1973
Zag	1-4 incl.	105961 - 105964 incl.	4	November 17, 1972
Iana	15-20 incl.	69119 - 69124	6	April 21, 1973
Mike	1-4 incl.	not yet assigned	4	August 3, 1973
Total Claims and Fractions			<u>61</u>	

Vancouver, B.C.
October 10, 1972

WEST BABINE PROPERTY (W.B. CLAIMS)

93L16W Gen

Summit Oils Limited is the sole beneficial and recorded owner of the mineral claims hereinafter described comprising:

<u>Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
W.B. 9-16 inc.	93455 - 93462	Sept. 16/73
W.B. 25-32 incl.	93471 - 93478	Sept. 16/73

all located in the Omineca Mining Division at 54° 56' N. Latitude and 126° 27' W. Longitude in the Province of British Columbia. They are positioned some 30 miles northeast of Smithers, B.C. three miles due east of Tangle Chain Lake and eight miles due west of Noranda's 10,000 TPD Bell Mine on the Newman Peninsula, in Babine Lake. See N.T.S. 93L/16W.

Access to the property can be gained from Smithers, B.C. by road for 35 miles and by helicopter for 5 miles.

The W.B. claims form part of a claim group which was a 1970 restaking of the Cole claims Nos. 1-32, staked during 1969 by Summit Oils Limited. During 1969 Summit carried out a chain and compass survey of the claims and completed a program of geochemical geological and geophysical surveying at a cost of approximately \$5,000. Further geophysical exploratory work was carried out by the company during 1970 at a cost of approximately \$7,000.

The claims were staked to claim ground covering an anomalous aeromagnetic feature in the vicinity of a known intrusive, upon the release of G.S.C. aeromagnetic map, 5317G. During 1969, Pacific Geochemical Services Ltd. under the supervision of W.G. Stevenson, P.Eng., conducted a program of reconnaissance geochemical sampling over the entire Cole claim group (later WG group). An analysis of the data suggested that 20 ppm

for copper, and 80 ppm for zinc is background. The high responses in copper coincided with those in silver and ranged from 5-67 ppm for copper, 0-2.5 ppm for silver and 22-172 ppm for zinc.

The geology of the area is taken from B.C. Dept. of Mines and Petroleum Resources map 69-1 and shows rocks of the Hazelton formation extending westerly from Babine Lake to the claim group, with a number of faults and lineaments extending through the area.

As a result of the reconnaissance survey accomplished during 1969, anomalous copper, zinc and silver values were indicated in a largely overburdened area. During 1970, Tri-Con Exploration Surveys Ltd. under the supervision of W.G. Stevenson, P.Eng., conducted a reconnaissance geophysical survey of induced polarization over the anomalous area. A strong chargeable anomaly of up to 10 times background was delineated, covering an area of 1200 feet long by 500 feet wide. This anomaly requires additional detailing with induced polarization surveys and diamond drilling. No field work was performed during 1971 or 1972.

LING CREEK PROPERTY: (Jim claims)

Summit Oils Limited is the sole beneficial and recorded owner of the mineral claims hereinafter described comprising:

<u>Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Jim 9-16 incl	68485 - 68492	Apr. 14/73
Jim 19-34 incl	69757 - 69772	Apr. 28/73
Jim 37-44	79440 - 79447	Sept. 10/73

all located in the Omineca Mining Division at 54° 18-20' N. Latitude and 125° 35-39' N. Longitude in the Province of British Columbia. They are positioned astride Ling Creek south of the South end of PinKut Lake and 11 miles northeast of Burns Lake. A good gravel road runs to the property from Burns Lake. See N.T.S. 93K/5E.

The listed claims form part of an original 72 claim block, all staked during 1969. Summit Oils Limited carried out a chain and compass survey of the claims and completed a program of geochemical geological and geophysical surveying during 1969 at a cost of approximately \$9,000. Further geochemical and geophysical exploratory work was carried out by the company during 1970 at a cost of approximately \$10,000.

The claims were staked following a Federal Provincial release of aeromagnetic data in 1969, (Map. 5306G) to claim ground in the vicinity of an anomalous geophysical feature, an inferred structural trend and a mapped and reported molybdenum showing. During 1969, Pacific Geochemical Services Ltd. under the supervision of W.G. Stevenson, P. Eng. conducted a program of reconnaissance geochemical sampling over the entire claim group. An analysis of the data suggested that 20 ppm for copper and 80 ppm for zinc is background. High responses for copper and zinc ranged up to 153 ppm for copper and 275 ppm for zinc while molybdenum values ranged from 0-10 ppm.

As a result of the reconnaissance survey accomplished during 1969, an additional program of exploration over a selected area was conducted in 1970. by Tri-Con Exploration Surveys Ltd. under the supervision of W.G. Stevenson, P.Eng.

Geophysical surveys comprising ground magnetics and electromagnetics, were completed together with a more detailed geochemical soil sampling survey. An anomalous soil anomaly in copper was located coincident with a magnetic and electromagnetic anomaly. Additional geophysical work in the form of an induced polarization survey has been recommended by consultant Glen E. White, geophysicist.

No field work was performed on this property during 1971 or 1972.