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RUSSELL & DUMOULIN

BARRISTERS AND SOLICITORS

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TENTH FLOOR, CREDIT FONCIER BUILDING
850 WEST HASTINGS STREET
VANCOUVER 1, B. C.

ASSOCIATE COUNSEL: A. BRUCE ROBERTSON, Q. C.

April 8th, 1965

SPECIAL DELIVERY

55 129565

Dr. H. Sargent,
Department of Mines & Petroleum Resources,
Parliament Buildings,
Victoria, B.C.

1908

Dear Dr. Sargent:

Re: Sileurian Chieftain Mining Co. Ltd.
(N.P.L.) - Alice Arm properties

We are solicitors to the above Company and we understand that its President, Mr. Walter Eilers, has been in touch with you regarding the acquisition of a copy of the Government Report on the Alice Arm area. We further understand that you have asked Mr. Eilers for a copy of the agreement with Gunnlaug Fiva whereby the Company obtained an option to purchase mineral claims in the area, and we are now pleased to enclose a copy of the agreement herewith for your perusal.

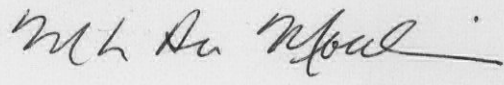
We would be pleased if you would forward a copy of the Government Report to:

Walter Eilers, Esq.,
President,
Sileurian Chieftain Mining Co. Ltd. (N.P.L.)
6020 East Boulevard,
Vancouver 13, B.C.

Yours very truly,

RUSSELL & DuMOULIN

Per:



M. L. DuMoulin

DEPT. OF MINES AND PETROLEUM RESOURCES		
Rec'd APR 9 1965		

MLDM:edl
Enc.

MEMORANDUM OF AGREEMENT dated for reference
this 30th day of March, A.D. 1965.

BETWEEN:

GUNNLAUG FIVA of Alice Arm,
in the Province of British
Columbia,
(hereinafter called "the Optionor")

OF THE FIRST PART

AND:

SILEURIAN CHIEFTAIN MINING
CO. LTD. (N.P.L.) a company
duly incorporated under the
laws of the Province of
British Columbia and having
its registered office at 10th
floor, 850 West Hastings
Street, in the City of Vancouver,
Province aforesaid,
(hereinafter called "the Optionee")

OF THE SECOND PART

WHEREAS the Optionor is the recorded owner
of the mineral claims more particularly described in Schedule
"A" attached hereto, all in the Skeena Mining Division, near
Alice Arm in the Province of British Columbia, (hereinafter
called "the said claims");

AND WHEREAS the Optionor desires to grant
an option to purchase the said claims to the Optionee and the
Optionee is desirous of obtaining an option to purchase the
said claims upon the terms and conditions hereinafter contained;

NOW THEREFORE THIS AGREEMENT WITNESSETH
that in consideration of the covenants, agreements and provisos
hereinafter contained, the parties hereto agree as follows:

1. The Optionor hereby gives and grants to the
Optionee the sole and exclusive option to purchase the said
claims for the sum of One Hundred Thousand Dollars (\$100,000.00)
(hereinafter called "the purchase price") to be paid as hereinafter
described and the allotment and issue of One Hundred Thousand
Shares (100,000) as described in paragraph 3 herein.

2. The purchase price of \$100,000.00 shall be

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paid as follows:

- (a) The sum of \$5,000.00 upon execution of this agreement (the receipt whereof by the Optionor is hereby acknowledged);
- (b) The sum of \$10,000.00 on or before the expiry of one year from the date hereof;
- (c) The sum of \$15,000.00 on or before the expiry of two years from the date hereof;
- (d) The sum of \$20,000.00 on or before the expiry of three years from the date hereof;
- (e) The sum of \$25,000.00 on or before the expiry of four years from the date hereof;
- (f) The sum of \$25,000.00 on or before the expiry of five years from the date hereof.

3. The allotment and issue of shares in the capital stock of the Optionee to the Optionor shall be made as follows:

- (a) 20,000 shares on or before the expiry of one year from the date hereof;
- (b) 20,000 shares on or before the expiry of two years from the date hereof;
- (c) 20,000 shares on or before the expiry of three years from the date hereof;
- (d) 20,000 shares on or before the expiry of four years from the date hereof;
- (e) 20,000 shares on or before the expiry of five years from the date hereof.

There will be an extra issue of shares to a maximum of 100,000 shares at the rate of 25,000 shares for each 5 million tons of ore that

4. All payments shall be made to the Optionor at Alice Arm, British Columbia, or at such other place as the Optionor may direct to the Optionee in writing from time to time.

5. It is hereby provided that the Optionee its servants, agents and workmen shall have exclusive right forthwith of access to and from and to enter upon and take possession of and prospect, develop and mine the said claims in such manner

coverage 0.5 g MoS₂ or for each 10 million tons averaging 0.25 g MoS₂.

J.F.

as it in its sole discretion may deem advisable and shall have the right to ^{At 12L} remove and ship therefrom all ores, bullions, concentrates and minerals recovered in any manner therefrom and to dispose of the same as it shall think fit, *but shall have no right to ship crude ore for the first two years except for sampling and mill test purposes.*

6. The Optionor covenants and agrees with the Optionee as follows:

- (a) That the said claims are in good standing and that he has good title to the said claims and that he has a right to enter into this agreement and dispose of the said claims;
- (b) That the said claims are free and clear of encumbrances;
- (c) That neither the Optionor, nor any of his predecessors in any interest or title have done anything whereby the said claims may become encumbered.

7. The Optionee covenants and agrees with the Optionor that during the term of this option:

- (a) It will duly record and pay such assessment work as may be required to keep the said claims in good standing;
- (b) It shall keep the said claims clear of liens and any other charges arising from its operations;
- (c) It will allow the Optionor or any duly authorized agent of the Optionor to inspect the said claims at reasonable times and intervals.

8. On payment of all the purchase price herein and upon completion of the allotment of shares in paragraph 3 herein, all right, title and interest of the Optionor in the said claims shall pass to the Optionee or its assignee absolutely.

9. Prior to the payment in full of the purchase price herein:

- (a) If the Optionee fails to comply with any of its obligations hereunder the Optionor may give to the Optionee thirty (30) days' notice in writing of

such failure, specifying the same and demanding that such failure be remedied and if upon the expiration of the said thirty days such failure shall continue, then this agreement shall become null and void;

(b) The Optionee shall be at liberty upon giving notice to the Optionor to surrender all its rights, hereunder whereupon this agreement shall terminate and be of no further force or effect.

10. Prior to the payment in full of the purchase price herein no provision of this agreement, nor the granting of any postponement for the doing of anything provided for in this agreement shall be construed as a covenant on the part of the Optionee obligating the Optionee to pay the purchase price or any part thereof or take possession of the said claims, or to carry out any operations herein, the Optionee's obligations hereunder being simply those of an Optionee.

11. Any notice required to be given to either party by the other hereunder shall be well and sufficiently given if sent by registered mail, postage prepaid, if to the Optionor addressed as follows:

Gunnlaug Fiva,
Alice Arm, B.C.

and if to the Optionee addressed as follows:

Sileurian Chieftain Mining Co. Ltd. (N.P.L.),
10th floor, Credit Foncier Building,
850 West Hastings Street,
Vancouver 1, B.C.

Either party may change its address for notice by advising the other party in writing. Such notice shall be deemed received five days after posting in a post office box in the Province of British Columbia.


This agreement shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns, as the case may be.

IN WITNESS WHEREOF this agreement has been

executed by the parties hereto on the day and year first above written.

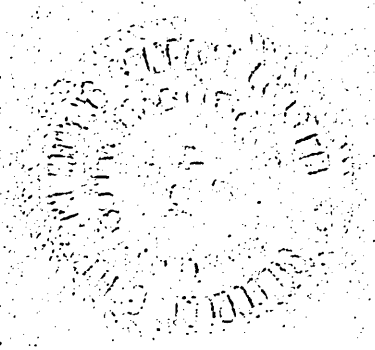
SIGNED, SEALED AND DELIVERED)
by GUNNLAUG FIVA in the)
presence of:)

H. Alan Hamling
1742 W. King Edward
Vancouver 9, B.C.

Gunnlaug Fiva 

The Corporate Seal of SILEURIAN)
CHIEFTAIN MINING CO. LTD. (N.P.L.))
was hereunto affixed in the)
presence of:)

Walter Eilers
and



THIS IS SCHEDULE "A" TO AN AGREEMENT
DATED FOR REFERENCE THE 30th DAY OF
MARCH, A.D. 1965.

I, Gunnlaug Fiva, certify that I am the owner of thirty eight claims and two fractions in the Roundy Creek area, Alice Arm, B.C.

2 claims in the name of Gunn Fiva,
2 claims in the name of Oscar Flint and now registered in the name of Gunn Fiva, balance of claims in the name of Southwest Potash Corporation.

Gunn Fiva and ~~Oscar Flint~~ Oscar Flint have a Bill of Sale from the Southwest Potash Corporation.

Gunn Fiva has a cheque in the Imperial Bank of Commerce in Prince Rupert which states on the back that Oscar Flint has sold his half interest to Gunn Fiva.

Gunnlaug Fiva

DATED the 30th March, A.D. 1965

GUNNLAUG FIVA

- and -

SILEURIAN CHIEFTAIN MINING
CO. LTD. (N.P.L.)

OPTION AGREEMENT

RUSSELL & DUMOULIN
BARRISTERS & SOLICITORS
850 WEST HASTINGS STREET
VANCOUVER 1, B. C.

April 12th 1965

Mr. M. L. DuMoulin,
Messrs. Russell & DuMoulin,
Barristers and Solicitors,
Credit Foncier Building,
850 West Hastings Street,
VANCOUVER 1, B. C.

Dear Sir:

In response to your letter of April 8th we are sending to Mr. Walter Eiliers an advance copy of our report on the Roundy Creek property.

Advance reports are subject to the reservation that they may not be published, quoted or reproduced in advance of our publishing the item.

Yours truly,

H. SARGENT
Chief, Mineralogical Branch

HS:bg