

TAPE

673867  
Kispidoux  
Moly 93m/6

Box 39,  
New Hazelton, B. C.  
VOJ 2J0  
January 22nd, 1975.

Conwest Exploration Company Limited,  
1055 West Hastings Street,  
Vancouver, B. C.

Dear Sirs,

I am writing to see if you would be interested in a mineral prospect which my son and I hold.

This is a new discovery which we found in 1971 when doing geo-chemical reconnaissance work for Hazelton Joint Venture. (An exploration group under the management of L. B. Gatenby.)

A large copper-molybdenum geo-chemical soil anomalous area was found on a topographic bump with a steep north slope. A program of line cutting and detailed soil sampling was initiated in the 1972 season.

In our opinion many of the lines could be extended as the anomaly is not delimited, especially to the east.

In June of 1973, one diamond drill hole was put down on the strength of the soil anomaly. It was terminated at around 300 feet as difficulties with water were encountered at that depth. We do not have the assays, but think we are correct in saying that the core ran .04% Mo. for the entire length. We have the drill core here.

Mineralization is mostly MoS<sub>2</sub> in stringers and along fractures. A little Chalcopyrite was noted in some places, but the main mineral appears to be molybdenum. Mineralization is best noted on the 1600' north line, west of the base line, where the ground slopes steeply to the north and rock is well exposed.

A geological map of the area was compiled by a third year geological student in 1972. Mr. Gatenby may have this and we will attempt to obtain it.

No geo-physical work was done on this property at all, and no other work than mentioned herein, except for a bit of hand stripping.

Conwest Expor. (2) January 22nd, 1975.

We feel that more diamond drilling could be warranted if some geo-physical work was carried out in order to isolate drilling targets. The soil values here indicate a pretty good source somewhere, but drilling without any geo-physical work, to us, is a bit presumptuous.

The property is about 10 miles north of New Hazelton and you can drive to within  $1\frac{1}{2}$  miles of the property. A tote road was constructed from that point to bring in the diamond drill.

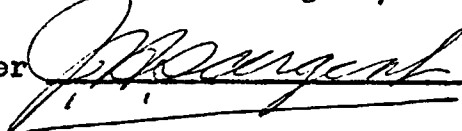
We are enclosing a map which we have compiled from the grid sampling (100' intervals) with the laboratory results entered.

We are the sole owners of the property. We feel it does have merit and would appreciate hearing from you.

Yours very truly,

J. H. and Earl Sargent,

per

A handwritten signature in cursive script, appearing to read 'J. H. Sargent', written over a horizontal line.

J. H. Sargent.

January 31st, 1975.

Conwest Exploration Company Limited,  
Tenth Floor - 85 Richmond St. W.,  
Toronto, Ont.  
M5H 2G1

Attention: Mr. Kelly O'Connor

Dear Kelly:

Re: Molybdenum Prospect - Hazelton, B.C.

I couldn't agree more with you about what you say in the final sentence of the first paragraph of your letter of January 28th; however, I want to make some other comments first.

- (1) Some years ago, I was convinced that readings of 20 ppm Mo in central B.C. justified investigation - and I still do but I have a more mature outlook since drilling the large anomalous (40+ ppm Mo) area that our LUC Syndicate obtained on the BURN property. I thought we had a good chance to find a major deposit here (Conwest participated in LUC) and was subsequently completely mystified by the very low drill results. We are going to drill BURN again this summer (with Dome) because, for one thing, we are thinking in terms of "down slope dispersion".
- (2) The Hazelton area is geologically favourable for moly - in fact, Mount Tomlinson, which is about 20 miles north of Hazelton, has some good moly showings on it. Unfortunately, they are at 8000' and are never really free of snow. Nevertheless, a moly prospect in the Hazelton area should be treated with respect.

I am not contacting Sargent for a few days, hoping you will call me in the meantime. On the basis of his geochemical map, I think I should go and examine the core and give you my opinion on it so that a decision may be possible before the field season. He mentions getting some information from Lyle Gatenby, specifically a geological map. I am very much in favour of letting him contact Gatenby because I think he can get the information more readily than I.

With regard to the one drill hole, my thought is identical to yours - the hole is too short and this could be because of the equipment used. Confidentially, nobody in the exploration business does anything cheaper than Gatenby.

Best regards,

Sincerely,

BACON & CROWHURST LTD.

W.R. Bacon

WRB/ic



April 11th, 1975.

Conwest Exploration Company Limited,  
1010 - 85 Richmond St. W.,  
Toronto, Ont.  
M5H 2G1

Attention: Mr. C.K. O'Connor

Dear Kelly:

Re: Molybdenum Prospect, Hazelton, B.C.

Following your request of February 21st, I went to Hazelton the afternoon of March 21st to examine the core, etc., and talk to John Sargent about his molybdenum property.

The property is just 5 miles northwest of Kispiox, on the northeast slope of a fairly steep hillside. Access by road is good - to within 1½ miles of the property.

I am sending you a copy of a log by D.J. Copeland who saw all the core as it came out of the hole. Sargent was able to show me core from 115' to 333'. Simply stated, the rock is hornfels to 163' followed by fine- to medium-grained 'granite' traversed by quartz veinlets to 318'. In addition to sparse molybdenite along fractures, there is pyrite, pyrrhotite and rare patches of chalcopyrite in the core as well as a very little graphite. The 'granite' is rather typical of the several granitic stocks between Hazelton and Alice Arm on the southern margin of the Bowser basin. From 318' to 333' the rock is a highly kaolinized, crowded granitic porphyry. Ore grade moly mineralization was intersected in the interval 313' to 323'.

I think a second visit to the property is warranted when the snow is off the ground. It should only require a day to evaluate the surface exposures.

I was not able to determine what other companies Sargent had contacted or the extent of their interest. I think he would be amenable to an extremely reasonable deal and I asked him point blank what he wanted. I have not, however, been able to get anything positive out of him - and this includes a telephone conversation of just 5 minutes ago. I think we are going to have to make the proposal (contingent on a favourable examination when the snow is off the ground). How about the following?

- (1) \$2000 down and \$40,000 work the first year.
- (2) \$10,000 down and \$100,000 work the second year.
- (3) \$25,000 down and \$200,000 work the third year.
- (4) \$400,000 payment to complete purchase of the property.

Nobody else has been up to visit the property thus far so I am sure we are in a favoured position at the moment. Please let me know how you want me to handle this now.

I am enclosing an invoice for two days professional services and expenses involved in the examination.

Yours very truly,

BACON & CROWHURST LTD.

W.R. Bacon

WRB/ic  
Encl's.

April 17, 1975.

Dr. W. R. Bacon,  
Bacon and Crowhurst Limited,  
Suite 1720,  
1055 West Hastings Street,  
Vancouver, B.C.,  
V6E 2E9.

Dear Bill:

Re: Molybdenum Prospect -  
Hazelton, B.C.

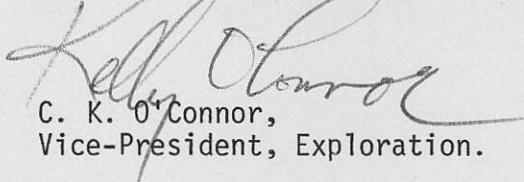
Thank you for your letter of April 11, 1975 and enclosures.

Based on your description of the topography, it appears as though most of the high geochemical values may be derived from the narrow zone of mineralization cut in the drill hole, and certainly a zone of that size is not of much interest to us. It still seems unusual to me, however, that many of the soil values would be equal to or greater than the lower grade sections of the core. If you have any reason to suspect that the anomalous soil results may be related to mineralization other than what was encountered in the drill hole, then I would agree that a further examination is warranted. If, however, you do not feel strongly about such additional possibilities, then we would not wish to follow up on this matter any further.

I will await your further reply prior to contacting Sargent.

Yours very truly,

CONWEST EXPLORATION COMPANY LIMITED

  
C. K. O'Connor,  
Vice-President, Exploration.

cko:hac.



April 22nd, 1975.

Conwest Exploration Company Limited,  
1010 - 85 Richmond St.W.,  
Toronto, Ont.  
M5H 2G1

Attention: Mr. C.K. O'Connor

Dear Kelly:

Re: Molybdenum Prospect - Hazelton, B.C.

Herewith my comments on your letter of April 17th:

1. You say "If you have any reason ....., then I would agree that a further examination is warranted."

I reply that if the drill hole is located approximately as shown on the 1" = 200' soil sampling map, that hole only explores the west margin of the 500+ ppm Mo anomaly.

2. The magnitude of the soil readings bothers me. Line 1600N has 6 consecutive soil sample stations where the Mo content is more than 500 ppm. Actually this entire line east of the creek is remarkably high in Mo.

Impressive, but less spectacular, results were obtained on Lines 1200N, 800N, 2000N and 2400N and it is easy to speculate about a NW trending zone that extends NW across the creek near its bend, 1700N.

Fill-in lines at 200 foot intervals in the anomalous area are the first thing that should be done, i.e. sampled, and some checking of the original sampling should also be done. As it stands, the grid is too coarse.

This thing is strictly geochemical. I understand that there are no surface showings of consequence - just sufficient mineral, apparently, to warrant staking.

My feelings on what constitutes an Mo geochemical anomaly that warrants investigation (in central B.C.) were expressed under (1) in my letter of January 31st, 1975, to you.



I have a hunch that this property might (Sargent is a typical country boy) be optioned on even more reasonable terms than I suggested previously. I am suggesting now:

- (1) A 2-3 week free option period which would allow time to do the requisite additional soil sampling.
- (2) \$2000 down payment if results of (1) plus a one day geological "walkabout" confirmed favourability.
- (3) \$10,000 work commitment for the first year.

Yours very truly,

BACON & CROWHURST LTD.

W.R. Bacon

WRB/ic

P.S. Probably the upper part of the creek is a fault. Note the marked difference in Mo values on either side of the creek, particularly on Lines 1200N and 1600N. There is evidence of shearing in the hole, particularly at 137'-151'.

July 11th, 1975.

Conwest Exploration Company Limited,  
1010 - 85 Richmond St. W.,  
Toronto, Ont.  
M5H 2G1

Attention: Mr. C.K. O'Connor

Dear Sir:

Re: Kispiox Molybdenum Prospect -  
near Hazelton, B.C.

Our trip to the above prospect on June 25th, 1975 confirmed for me that we are dealing here with a porphyry molybdenum deposit that is characteristic of the southern margin of the Bowser basin.

The rock at the highest (southernmost) part of the 16 (4 x 4) claim property consists of typical brown hornfels, moderately fractured (and quartz filled) and containing very little moly mineralization. Fine pyrite is fairly common. Clearing of the shallow overburden near the southern boundary of the claims has uncovered considerable oxidation that has no apparent economic significance. In addition to hornfels, a number of andesite dykes are exposed that contain abundant pyrite which imparts a dark reddish appearance to some of the rock in the clearings. A spectrographic analysis of decomposed, oxidized material is appended.

Northward along the diamond drill access road on the west bank of the creek, there is very little outcrop. However, there is evidence that the main rock here is also hornfels. Across from the drill hole location, on the east side of

the creek (along Line 1200N), the ground rises sharply ( $38^{\circ}$ ) and the overburden is negligible. The rock is an altered granodiorite laced by quartz veinlets and stringers. All in all, this rock is a favourable one for molybdenite mineralization (exhibiting both argillic and phyllic alteration) but the mineralization noted on Line 1200N is actually sparse; it is comparable to that intersected in the drill hole.

Turning southward at the crest of the ridge on Line 1200N, and proceeding upward toward our starting point in the oxidized clearings, there is fair outcrop and a change in the character of the 'granite' occurs. It is darker and less siliceous (much drier looking) but some quartz stringers are nevertheless present and molybdenite, though sparse, can occasionally be spotted. Some moly-bearing quartz stringers were noted to strike E-W and dip steeply to vertical.

There is no question that the one drill hole was located with some thought but it is unfortunate that it was only possible to drill it a distance of 346 feet and, thus, it is a partial test at best. Although the ground north (downslope) of Line 1200N was not examined, it is probable that similar, favourable looking granitic rock laced with quartz stringers occurs on Line 1600N (where the highest geochemical results were obtained) and possibly still further north. I took six check soil samples along Line 1200N but do not anticipate that they will alter the picture significantly. (I was impressed by the quality of the preliminary work already done on the property - lines well cut out and, in some cases, 2 or 3 soil sample holes at 1 location.)



From a geological standpoint, I regard this prospect favourably. However, years and years of exploration could be required to bring a B.C. molybdenum prospect of this type to a decisive stage. It is entirely legitimate to recommend further work on this prospect but, by the same token, it would be quite wrong to disregard the fact that anything less than a major program would have little chance of success. This has to be taken into account in arriving at a decision whether or not to proceed with exploration.

Respectfully submitted,  
BACON & CROWHURST LTD.

W.R. Bacon, Ph.D., P.Eng.

WRB/ic

## APPENDIX

Soil samples taken by W.R. Bacon on Line 1200N - June 25, 1975.

<u>Location</u>	<u>ppm Mo</u>	<u>Character</u>
12W (West bank of creek)	4	Deep humus - virgin timber
11W (West bank of creek)	12	Deep humus - virgin timber
10W (East bank - near creek)	>500	Rock frags. Little actual soil
9W (East bank - near top of 38° slope)	320	Rock frags. Little actual soil
8W (On 15° slope)	86	Rock frags. Little actual soil
7W (40' W of summit of ridge)	290	Light brownish soil