

J.C. STEPHEN EXPLORATION LTD.

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March 16, 1978

Mr. R.A. Dickinson
United Mineral Services Limited
1326-510 West Hastings St.
Vancouver B.C.
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Dear Mr. Dickinson

During operation of a joint venture with Canada Tungsten as funding partner in 1977 we encountered a zinc anomaly in silt samples taken east of the Cassiar batholith in Northern B.C.

This anomaly shows values of 310 to 4000 ppm zinc (arithmetic average 717 ppm) in several creeks over a distance of about four miles in a sequence designated by the GSC as Middle and Upper Devonian sediments. Samples were run for copper and tungsten but there are no anomalous values for those elements. It might be useful to run these samples for Ba and Mo before conducting other work. Twenty four silt samples over 300 ppm zinc occur within the anomaly.

The few silt samples we have in the region outside the anomaly ran 40 to 265 ppm zinc. Our prospecting crew did not observe any mineralization.

We would like you to consider a joint venture on this anomaly and suggest the following to start discussion:-

- (a) We will supply the map with silt sample results so that you may research the basic geology as a first step.
- (b) We would ask that you undertake not to stake all, or part, of the proposed joint venture area, as described below, during 1978 if you do not proceed with the proposed joint venture program.
- (c) If you think the geology favourable you would examine the area on the ground early in the 1978 season and make your own decision as to staking on behalf of the joint venture.

- (d) If the examination results are positive you would finance staking of the anomaly on behalf of the joint venture.
- (e) On completion of staking you would undertake to finance the initial \$15,000 worth of property exploration.
- (f) Canada Tungsten would have the option of continued participation as to 40% in exploration and development of the claim group after expenditure of \$15,000 on the claim group by yourselves.
- (g) The joint venture exploration, from inception, would be subject to the agreement between JCS Exploration and Canada Tungsten as to exploration management and interests. The JCS Exploration interest would be paid pro rata by all joint venture participants.
- (h) This joint venture is proposed for the "Zinc Anomaly" only and would pertain to approximately 25 square miles within latitudes ___ and ___; longitudes ___ and ___.

We will have a 3B-2 helicopter based at Pine Lake airstrip commencing about June 1. During the second half of June this machine has been subcontracted to another company and will be very busy. If you can arrange your examination for the first half of June the helicopter and fuel would be available at cost out of our base. Accomodation and meals can be provided by us -bring your own sleeping bags.

Yours very truly

J.C. STEPHEN EXPLORATION LTD.

J.C. Stephen

cc. Mr. A. Born, Canada Tungsten

JCS

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