

**ASHLAND OIL & REFINING COMPANY**

736 Eighth Avenue S.W., Calgary 2, Alberta

CONFIDENTIAL

August 13, 1969

Dr. W. R. Bacon
Bacon & Crowhurst, Consulting Engineers
102 - 1111 West Georgia Street
Vancouver 5, British Columbia

Dear Bill:

Re: Mt. Haskin Area, British Columbia

The purpose of this letter is to review for your information a joint venture project between R & P Metals, Iso Explorations and Ashland Oil. The venture is an outgrowth that developed from an original R & P - Iso program in 1968 consisting of 15 diamond drill holes in which a significant molybdenum occurrence was discovered at Mt. Haskin, 12 miles east of Cassiar, British Columbia.

To date in 1969, holes 16 through 32 and G-1 through G-9 have been drilled, the results of which are as follows:

1. A molybdenum deposit on the order of 5 - 10 million tons of 0.1% to 0.15% MoS₂ and possibly 5 million tons of potential MoS₂ grade of about 0.1%, has been indicated. (A discrepancy in MoS₂ assays has been uncovered and this will be discussed in a following section).

2. In addition, several sulphide lenses or zones have been delineated that lie peripheral to the outer parts of the moly zone. That is, the idealized cross section from the central porphyry outward is barren porphyry, altered and moly bearing porphyry, moly bearing cherty rocks and sulphide bearing chert and skarn rocks. It is within these sulphide zones that we have discovered a discrepancy in antimony assay results. Holes 17, 18 and 25 as reported by Andy Robertson and assayed by Williams contain several intersections that contain in excess of 1% Sb.

Re-checks of assays by Loring Laboratories and Bondar-Clegg show that these cores do not contain antimony at the levels indicated by Williams. In addition, spectrographic analysis, electron probe studies and poly section studies of selected high sulphide samples show no antimony present. A review of pertinent data is as follows:

Sample No.	Hole	Interval	Williams	Loring	Bondar-Clegg
901	25	34-44		.12	Trace
902	25	44-54	Assayed	.06	Trace
903	25	54-64	but		Trace
904	25	64-74	not		.05
905	25	74-84	reported		Trace
906	25	84-94	to us.		Trace
907	25	94-104			Trace
908	25	104-114	_____		Trace
909	25	224-234	.34		Trace
910	25	234-244	.35		Trace
911	25	244-254	.30		Trace
912	25	254-264	.53		Trace
913	25	324-334	not reported		Trace
500	17	435-445	1.20	.12	
921	17	445-455	.80	.12	

Hole 17 - In the 510-520 interval. 2" of core with considerable sulphide assayed by Williams at 1.7% Sb. Spectrographic analysis showed no antimony - note high Arsenic.

Hole 17 - 2" of core from 357' polished section study showed arsenopyrite and other related sulphide (355-365' interval) - no antimony mineral identified - see appendix document by Dr. Gower.

Rock from road cut near camp (at base of hill leading to camp) shows 3 or 4% sulphides, principally white acicular mineral; micro-probe study shows high arsenic and no antimony (Colorado School of Mines).

Moly discrepancy - One hundred and two rejects from Williams were rechecked by Loring, Skyline, Bondar-Clegg and Warnock Hersey. Well over 50% of the rechecks show poor correlation with Williams assays. That is, fifty-nine samples out of 102 are 20% to well over 100% higher or lower than Loring, Skyline, Warnock Hersey or Bondar-Clegg. Checks between the latter four assayers are all, except for one or two instances, within 20% of each other, and in most instances, within 10% of each other.

I have laid out the material facts on this case, Bill, and expect you to assess all available data, cores, assays, etc., and place it in perspective relative to the potential of the area and more specifically relative to the Della claims.

Geologist George Lamont in the property has everything you will need at the camp to facilitate review of cores, logs, etc. I am sure Brady or Robertson will provide you with instructions on how to find your way to the camp.

Best regards.

Yours truly,



E. A. Schiller
Director, Mineral Exploration

EAS:jcs
Encl.

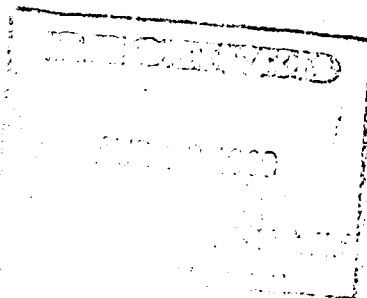
SKYLINE LABS, INC.

SPECIALISTS IN GEOCHEMICAL EXPLORATION

12090 WEST 50TH PLACE, WHEAT RIDGE, COLORADO 80033 TEL.: (303) 424-7718

August 11, 1969

Mr. E. A. Schiller
Director, Mineral Exploration
Ashland Oil & Refining Company
736 Eighth Avenue S.W.
Calgary 2, Alberta
Canada



Dear Mr. Schiller:

We received your letter concerning comparison of various methods of analysis of molybdenum recently. Since Mr. Post is out of town, I will attempt to answer your letter.

There are certain difficulties with the atomic absorption of molybdenum, which makes it of limited usefulness. Molybdenum is one of the elements of a refractory nature in which a stoichiometric flame of acetylene and air cannot be used. A very fuel-rich flame must be used which is not nearly as stable as the stoichiometric flame. In a fuel-rich flame, the chemical interferences also increase greatly. Some of these problems can be eliminated by using nitrous oxide-acetylene flames, but not all.

The colorimetric methods have been very satisfactory for the determination of molybdenum in the low ranges, say up to 1 to 2% molybdenum. The gravimetric method should give excellent results except perhaps in the lower ranges of values. Below .5%, the colorimetric methods are probably a little more reliable.

If an X-ray fluorescence instrument is operated specifically for molybdenum, reliable figures should be obtained.

Probably more important than the method of estimation, is the method of sample preparation and sample solution. The method of preparation is not so important on soils, but is very important on rocks.

It is possible that when one requests an assay for MoS_2 that one lab might think you were interested in the sulfide-molybdenum content and another lab would think that you wanted total molybdenum content of the sample. This could lead to some variable discrepancies from lab to lab. I hope that this is some of the information you wanted. We are pleased to be of service to you any way we can.

Sincerely,

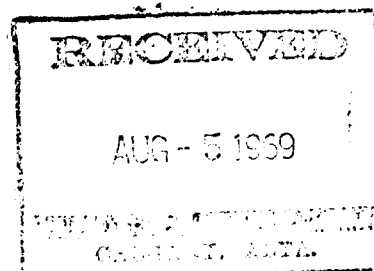
Charles E. Thompson
Charles E. Thompson, Chief Chemist

CET/bh

J. R. Woodcock Consultants Ltd.

1521 PEMBERTON AVENUE, NORTH VANCOUVER, B.C., CANADA PHONE: 604-988-2171

July 31, 1969



Mr. Ed Schiller
Ashland Oil & Refining Company
Room 400, 736 - 8th Avenue South West
Calgary, Alberta

Dear Ed:

Re Antimony core from Della Mines

With reference to the copy of a letter I sent to you last week, Dr. Gower at University of British Columbia had a graduate student examine the three pieces of core from footages 357, 418 and 509 of Hole 17.

As indicated in my letter of July 21st to Mr. Terry Gordon (copy sent to you) a polished section was made for the piece from 357 footage. In addition to examining this polished section under the microscope and taking an X-ray of some of the material, the geologist examined the other two pieces of core with a binocular microscope. The metallic minerals identified are -- pyrrhotite, arseno-pyrite, pyrite and sphalerite. No trace of any antimony mineral was found.

I will send you a copy of the report when I receive it.

Yours very truly,

Dick

J. R. Woodcock

1.90 56.

JRW:mb

TO:

Ashland Oil & Refining Co

400 - 736 - 8th Avenue, S.W.

Calgary 2, Alberta



Certificate of Assay
COAST ELDRIDGE
PROFESSIONAL SERVICES DIVISION
WARNOCK HERSEY INTERNATIONAL LIMITED
 125 EAST 4TH AVE. VANCOUVER 10, B.C., CANADA



PHONE: (604) 876-4111
 TELEX: 04-50353
 CABLE ADDRESS:
 ELDRICO

FILE NO. 7521

DATE Aug 12, 1969

We Hereby Certify that the following are the results of assays made by us upon submitted Control Pulps samples

MARKED	GOLD		SILVER	Molybdenite	PER CENT.	PER CENT.	PER CENT.	PER CENT.	PER CENT.
	OUNCES PER TON	VALUE PER TON	OUNCES PER TON	PER CENT. (MoS ₂)					
1928 - 605		\$		0.013					
606				0.010					
607				0.009					

/jm Gold calculated at \$ per ounce

Note. Rejects retained one week.
 Pulps retained one month.
 Pulps and rejects may be stored for a maximum of one year by special arrangement.

Unless it is specifically stated otherwise, gold and silver values reported on these sheets have not been adjusted to compensate for losses and gains inherent in the fire assay process.

H. Stange

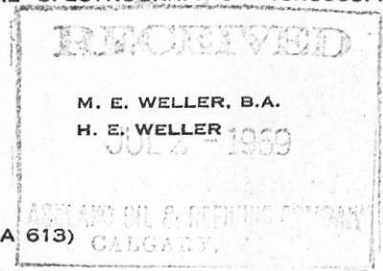
Provincial Assayer



WM. GERRIE, M.A.
D. KERR-LAWSON, B.A., PH. D.

**CORRELATION
LABORATORIES LTD.**

R.R. 6 COBDEN, ONTARIO PHONE 646-7448 (AREA 613)



CERTIFICATE OF ANALYSIS No. 9909... June 24, 1969.

We have analysed **three** samples of **pulp**
Received **yesterday** and submitted by **Loring Labs. Ltd.**
with the following results:

Ref: 1811

SPECTROGRAPHIC SEMI-QUANTITATIVE ANALYSIS

ELEMENTS SOUGHT: Antimony, Arsenic, Barium, Beryllium, Bismuth, Cadmium, Chromium, Cobalt, Copper, Gallium, Germanium, Indium, Lead, Iron, Lithium, Manganese, Mercury, Molybdenum, Nickel, Niobium (Columbium), Rare Earths, Silver, Thorium, Tin, Titanium, Tungsten, Uranium, Vanadium, Zinc, Zirconium.

ELEMENTS FOUND:

Approx. Amount	# H-16	# H-76	# 132'
Over 10%			
5 to 30%			
2 to 10%			
1 to 5%	Iron Molybdenum	Molybdenum	Iron
.5 to 3%		Iron	
.2 to 1%			Molybdenum
.1 to .5%			Titanium
.05 to .3%	Manganese Titanium Tungsten Lead	Tungsten	Manganese
.02 to .1%			Barium Tungsten
.01 to .05%	Barium	Lead	
.005 to .03%			
Less than .01%	Copper Nickel	Copper	Copper Lead Nickel, Zirconium

H. Weller



WM. GERRIE, M.A.
D. KERR-LAWSON, B.A., PH.D.

CORRELATION LABORATORIES LTD.

M. E. WELLER, B.A.
H. E. WELLER

R.R. 6 COBDEN, ONTARIO PHONE 646-7448 (AREA 613)

CERTIFICATE OF ANALYSIS No. 9975 B July 30, 1969.

We have analysed **1 of 2** samples of **pulp**
Received **July 26** and submitted by **Loring Labs. Ltd.**
with the following results:

SPECTROGRAPHIC SEMI-QUANTITATIVE ANALYSIS

ELEMENTS SOUGHT: Antimony, Arsenic, Barium, Beryllium, Bismuth, Cadmium, Chromium, Cobalt, Copper, Gallium, Germanium, Indium, Lead, Iron, Lithium, Manganese, Mercury, Molybdenum, Nickel, Niobium (Columbium), Rare Earths, Silver, Thorium, Tin, Titanium, Tungsten, Uranium, Vanadium, Zinc, Zirconium.

ELEMENTS FOUND:

Approx. Amount **File # 1949 512-H17**

510-520
1.7 58

Over 10%

5 to 30% **Iron**

2 to 10%

1 to 5% **Arsenic**

.5 to 3% **Zinc**

.2 to 1%

.1 to .5%

.05 to .3% **Lead, Barium
Manganese, Titanium**

.02 to .1%

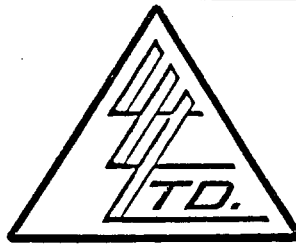
.01 to .05%

.005 to .03% **Tin, Zirconium**

Less than .01% **Copper, Gallium, Nickel
Silver**

H. Weller

To: Ashland Oil & Refining Co.
736 Eighth Avenue S.W.
Calgary 2, Alberta
ATTN: Dr. E. A. Schiller



File No. 1928
Date July 12, 1969
Samples Rejects

Certificate of
ASSAY OF
LORING LABORATORIES LTD.

629 BEAVERDAM RD., N.E., CALGARY 67
PHONE 277-6797

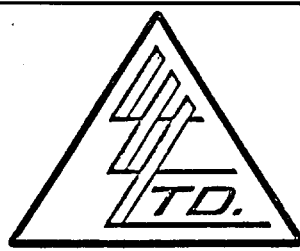
SAMPLE No.	MoS ₂ %
452	.054
485	.023
540	.018
543	.065
544	.042
552	.065
586	.062
587	.054
588	.010
589	.042
590	.054
591	.179
592	.010
593	.062
594	.046
595	.038
596	.112
597	.058
598	.042
599	.084
600	.077
601	.077
602	.058
603	.010
604	.069
605	.018
606	.018
607	.018
608	.018

I Hereby Certify THAT THE ABOVE RESULTS ARE THOSE
ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES

Rejects Retained one month.
Pulps Retained one month
unless specific arrangements
made in advance.

Provincial Assayer of British Columbia

To: Ashland Oil & Refining Co.
736 Eighth Avenue S. W.
Calgary 2, Alberta
ATTN: Dr. E. A. Schiller



File No. 1928
Date July 12, 1969
Samples Rejects

Certificate of
ASSAY of
LORING LABORATORIES LTD.

629 BEAVERDAM RD., N.E., CALGARY 67
PHONE 277-6797

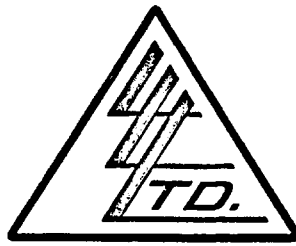
SAMPLE No.	MoS ₂ %
609	.023
610	.042
611	.031
612	.018
613	.018
614	.023
615	.027
616	.018
617	.015
618	.015
619	.015
620	.011
621	.015
622	.046
623	.027
624	.133
625	.069
718	.054
719	.056
723	.163
725	.084
728	.073
729	.065
730	.112
732	.084
733	.163

I Hereby Certify THAT THE ABOVE RESULTS ARE THOSE
ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES

Rejects Retained one month.
Pulps Retained one month
unless specific arrangements
made in advance.

C. L. McIsaac
Provincial Assayer of British Columbia

To: Ashland Oil & Refining Company
 736 Eighth Avenue S. W.
 Calgary, Alberta
 ATTN: Dr. E. A. Shiller



File No. 2010
 Date August 4, 1969
 Samples Core & Grab

Certificate of
ASSAY OF
LORING LABORATORIES LTD.

629 BEAVERDAM RD., N.E., CALGARY 67
 PHONE 277-6797

SAMPLE No.	OZ./TON GOLD	OZ./TON SILVER	Sb %	Pb %	Zn %	MoS ₂ %	WO ₃ %
6-29-1	trace	.84	.12	.23	.42	----	----
6-29-2	trace	.46	.06	.20	1.15	----	----
6-29-3	----	.30	.12	.08	.02	----	----
6-29-4	----	----	.15	----	----	.078	----
6-29-5	----	.26	.12	.19	.73	----	trace
6-29-6	----	trace	.12	trace	.07	----	----

I Hereby Certify THAT THE ABOVE RESULTS ARE THOSE
 ASSAYS MADE BY ME UPON THE HEREIN DESCRIBED SAMPLES

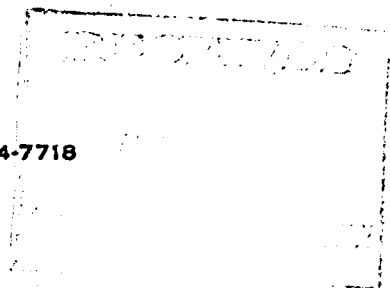
Rejects Retained one month.
 Pulps Retained one month
 unless specific arrangements
 made in advance.

E. L. McJannet
 Provincial Assayer of British Columbia

SKYLINE LABS, INC.

SPECIALISTS IN GEOCHEMICAL EXPLORATION

12090 WEST 50TH PLACE, WHEAT RIDGE, COLORADO 80033 TEL.: (303) 424-7718



REPORT OF ANALYSIS

Job No. M-249
August 6, 1969

Ashland Oil & Refining Company
736 8th Avenue
Calgary, Alberta
Canada

Attention: Mr. E. A. Schiller

10 Pulp Samples

Item	Sample No.	MoS ₂ (%)
1.	452	.0375
2.	540	.0026
3.	485	.0036
4.	543	.0575
5.	544	.026
6.	586	.052
7.	552	.047
8.	587	.047
9.	591	.165
10.	596	.080

Charles E. Thompson
Charles E. Thompson
Chief Chemist



BONDAR-CLEGG & COMPANY LTD.

geologists • geochemists • analysts • assayers

1500 PEMBERTON AVENUE, NORTH VANCOUVER. B.C.

Phone 988-5315

CERTIFICATE OF ASSAY

TO J. R. Woodcock Consultants

Report No.: A-29-164

1521 Pemberton Avenue

Date Rec'd: July 21, 1969

North Vancouver, B.C.

Date Compt'd: July 28, 1969

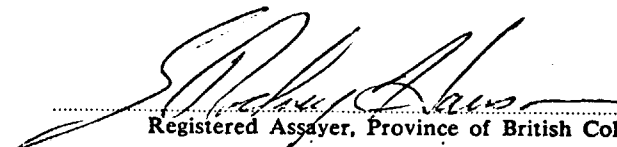
I hereby certify that the following are the results of assays made by us upon the herein described ore samples.

MARKED	GOLD		SILVER	Cu	Pb	Zn	As	Sn	Bi	Sb	TOTAL VALUE PER TON (2000 LBS.)
	Ounces per Ton	Value per Ton	Ounces per Ton	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
W69-216R				.32	.06	7.58	.07	<.02	.02	.08	

NOTE:
Rejects retained two weeks
Pulps retained three months
unless otherwise arranged.

Gold & Silver values reported on these sheets
have not been adjusted to compensate losses and
gains inherent in fire assay methods.

Gold calculated at \$.....per ounce


Registered Assayer, Province of British Columbia



BONDAR-CLEGG & COMPANY LTD.

geologists • geochemists • analysts • assayers

1500 PEMBERTON AVENUE, NORTH VANCOUVER, B.C.

Phone 988-5315

CERTIFICATE OF ASSAY

TO Dr. E. A. Schiller, Mineral Exploration Manager, Ashland Oil & Refining Company, #400 - 736 - 8th Avenue S.W., CALGARY 2, Alberta

Report No.: A-29-213
Date Rec'd: August 5, 1969.
Date Compt'd: August 12, 1969

I hereby certify that the following are the results of assays made by us upon the herein described pulp samples.

Table with columns: MARKED, GOLD (Ounces per Ton, Value per Ton), SILVER (Ounces per Ton), Lead (Percent), Zinc (Percent), NO3 (Percent), Antimony (Percent), Bismuth (Percent), TOTAL VALUE PER TON (2000 LBS.). Rows 901-913.

NOTE: Rejects retained two weeks Pulps retained three months unless otherwise arranged.

Gold & Silver values reported on these sheets have not been adjusted to compensate losses and gains inherent in fire assay methods.

Gold calculated at \$..... per ounce

Peter Kempe (signature)

Registered Assayer, Province of British Columbia



BONDAR-CLEGG & COMPANY LTD.

geologists • geochemists • analysts • assayers

1500 PEMBERTON AVENUE, NORTH VANCOUVER, B.C.

Phone 988-5315

CERTIFICATE OF ASSAY

TO Mr. E. A. Schiller, Mineral Ex. Manager
Ashland Oil & Refining Co.
400 - 736 8th Ave. SW, Calgary 2, Alberta

Report Number: A29-161
 Date Rec'd: July 18/69
 Date Com'd: July 24/69

I hereby certify that the following are the results of assays made by us upon the herein described rejects samples.

MARKED	GOLD		SILVER	Cu	Pb	Zn	MoS ₂				TOTAL VALUE PER TON (2000 LBS.)
	Ounces per Ton	Value per Ton	Ounces per Ton	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
553							.264				
554							.140				
555							.620				
556							.224				
557							.152				
558							.142				
559							.141				
560							.102				
561							.095				
562							.248				
572			.92	.34	.50	13.80	.078				
573			.98	.05	.45	1.98	.007				
574			.74	.04	.05	.46	.023				
575							.095				
576							.021				

NOTE:
 Rejects retained two weeks
 Pulps retained three months
 unless otherwise arranged.

Gold & Silver values reported on these sheets
 have not been adjusted to compensate losses and
 gains inherent in fire assay methods.

Gold calculated at \$.....per ounce

Peter Kempe

Registered Assayer, Province of British Columbia

To: Mr. E. A. Schiller

• PAGE No. 2

BONDAR-CLEGG & COMPANY LTD.

REPORT No. A29-161

DATE: July 24/69

CERTIFICATE OF ASSAY

I hereby certify that the following are the results of assays made by us upon the herein described rejects samples.

MARKED	GOLD		SILVER	Cu	Pb	Zn	MoS ₂				TOTAL VALUE PER TON (2000 LBS.)
	Ounces per Ton	Value per Ton	Ounces per Ton	Percent	Percent	Percent	Percent	Percent	Percent		
577							.020				
578							.019				
579							.002				
580							.002				
581							.008				
582							.002				
583							.009				
584							.002				
585							.003				
702							.028				
704							.020				
706							.026				
708							.017				
710							.016				
720							.133				
721							.225				
722							.133				
724							.078				
726							.045				
727							.120				

Peter Kempe
 Registered Assayer, Province of British Columbia

To: Mr. E. A. Schiller

• PAGE No. 3

BONDAR-CLEGG & COMPANY LTD.

REPORT No. A29-161

DATE: July 24/69

CERTIFICATE OF ASSAY

I hereby certify that the following are the results of assays made by us upon the herein described rejects samples.

MARKED	GOLD		SILVER	Cu	Pb	Zn	MoS ₂				TOTAL VALUE PER TON (2000 LBS.)
	Ounces per Ton	Value per Ton	Ounces per Ton	Percent	Percent	Percent	Percent	Percent	Percent		
731							.080				
734							.033				
735							.040				
736							.043				
737							.034				
738							.023				
740							.018				
741							.017				
742							.018				
743							.011				
744							.079				
745							.040				

Peter Kempe
 Registered Assayer, Province of British Columbia