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CANADIAN EXPLORATION LIMITED

DEK

700 BURRARD BUILDING

VANCOUVER 5, B. C. CANADA

TO: L. Adie March 12, 1969.

FROM: J.R. Croll Our file: PDL-13-1

RE: Quintana Minerals Ltd. GRAD

MAR 12 1969
 [Handwritten initials and notes]

Quintana Minerals is the Canadian affiliate of Quintana Oils with whom we had some extensive discussions regarding participation in Marcopper. They seem to be very fine people and have expressed an interest to deal with us in anything they find in Canada. Mr. Dee Osborne, their Vice President of Finance, called in today and advised that they have a property in the Nanika Lake area of B.C. which shows promise. They have spent some \$300,000 to date and wish to have further development assumed by someone else.

I explained the variations on deals which Canex has negotiated in the past and indicated that, for a prospect at this stage of development, we would look to earn a 70% position in the property if it warranted any expenditures on our part. I indicated that the carried interest of the vendors could be negotiated but we would normally expect a higher participation by the vendors to carry with it obligations for pro rata financing.

Mr. Osborne is going to consider what type of proposal would be most suitable to them as they would have to consider their Canadian as well as their U.S. tax position. He will have Mr. Grant Huntley, their representative in Vancouver, contact us for further discussions.

The foregoing is provided by way of background in case Mr. Huntley contacts you directly.



JRC/pm