QUEENSTAKE RESOURCES LTD. 800287

MEMORANDUM

TO: Mr. L. F. Farris

FROM: G. Gutrath

DATE: July 30, 1979

RE: PRIME GROUP - Princeton, B. C.

The Prime Claim was abandoned on July 27 and restaked on July 28. The attached letter to the Gold Commissioner outlines the reasons for abandoning the claim.

The terms of an option agreement for the Prime Claim were discussed with Mullin & Burr.

- M & B are basically interested in purchasing the 4 most southerly units of the Prime claims for $2,000.

- An alternate agreement was discussed on the following terms:

  a. If Piper would include the Prime claim (16 units) with the 28 claims staked by M & B, Piper would retain a 10% carried interest in the entire claim block. (10% Piper - 90% M & B if optioned & Piper =- M. & B. retain a 20% carried net revenue interest. Piper would have 2% and M. & B. 18% of net revenues.

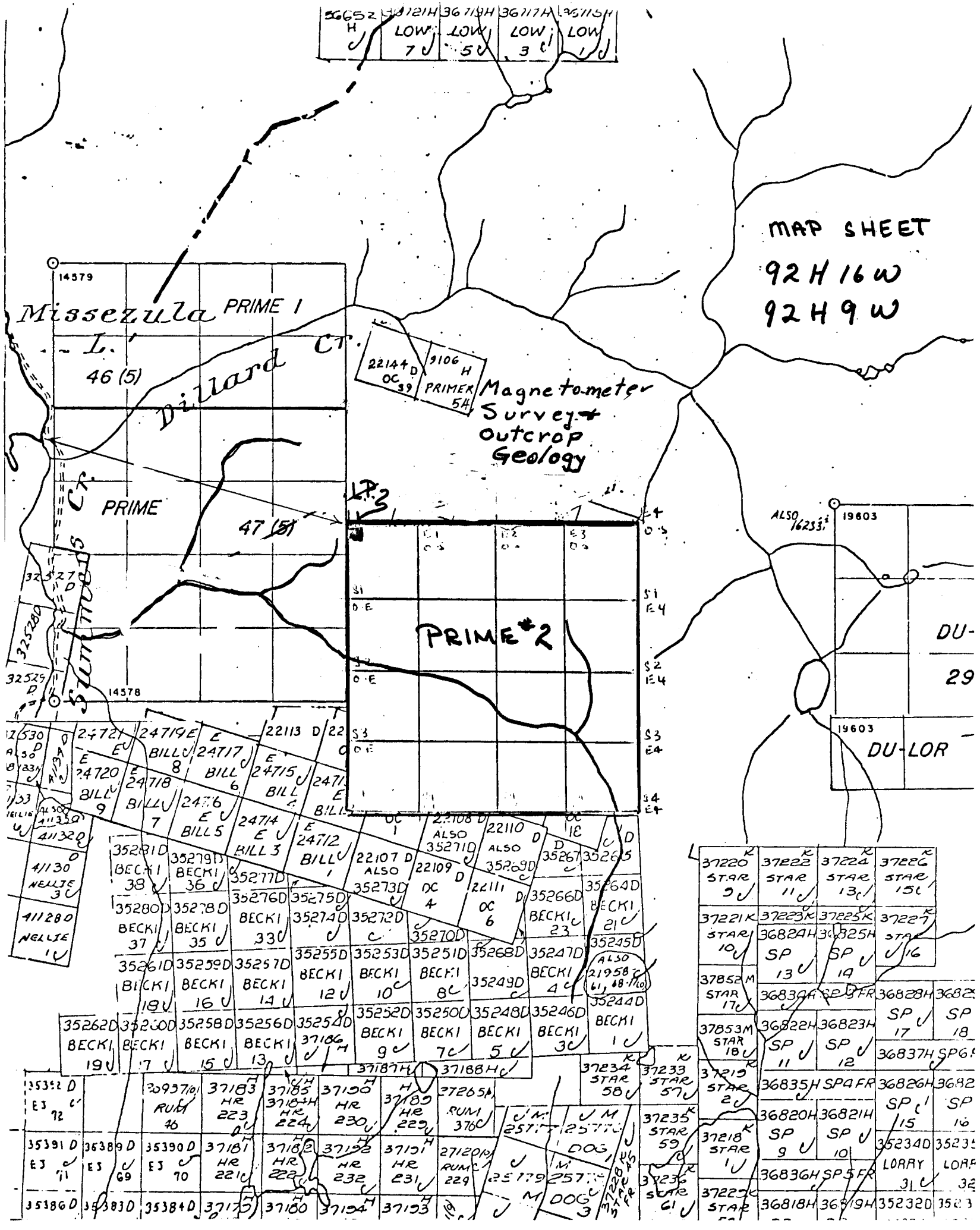
  b. However, Piper would only receive 5% of cash payments and M. & B. 95% of cash payments.

Comments

The Prime covers the original North Zone intensively explored by Prince Minerals. Mineralization is erratic and there is no established reserves, although considerable drilling was done. The Prime also covers the "flashy" copper showing discovered by J. Lerner for Bellcara and later optioned to Rio Tinto. Rio I. P. the western portion of the Prime claim and drilled the "flashy" showing to depthswithout any encouragement.

M. & B. have discovered chalcocite float & possibly some showings 2000' to the south of the south border of the Prime Claims. They plan to build a road through the Prime claims to the new showing area. They will trench the mineralized area and if it looks interesting will offer it to Newmont before going to other majors.

I do not think Piper should sell the 4 units, although the deal discussed with M. & B. is not overly attractive it is betternthan the 2% Mullin wanted to give Piper.


MAP SHEET
92 H 16 W
92 H 9 W
Missezula
PRIME 1
L.
46 (5)
Dillard Cr.
Magnetometer
Survey +
Outcrop
Geology
PRIME
47 (5)
PRIME #2
14579
14578
19603
DU-LOR
DU-
29
LOW 7
LOW 5
LOW 3
LOW 1
PRIMER 54
BILL 1
BILL 3
BILL 4
BILL 5
BILL 6
BILL 7
BILL 8
BILL 9
BECKI 38
BECKI 36
BECKI 37
BECKI 35
BECKI 33
BECKI 19
BECKI 16
BECKI 14
BECKI 12
BECKI 10
BECKI 8
BECKI 4
BECKI 1
BECKI 9
BECKI 7
BECKI 5
BECKI 3
BECKI 21
BECKI 23
BECKI 15
BECKI 13
NELLIE 3
NELLIE 1
STAR 9
STAR 11
STAR 13
STAR 15
STAR 10
STAR 16
STAR 17
STAR 18
STAR 2
STAR 1
STAR 58
STAR 57
STAR 59
STAR 61
SP 13
SP 14
SP 17
SP 18
SP 11
SP 12
SP 9
SP 10
SP 15
SP 16
LORRY 31
HR 223
HR 224
HR 230
HR 229
HR 221
HR 222
HR 232
HR 231
RUM 46
RUM 376
RUM 229
EJ 72
EJ 71
EJ 69
EJ 70

PIPER / PRIME GROUP
May / 80

Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources

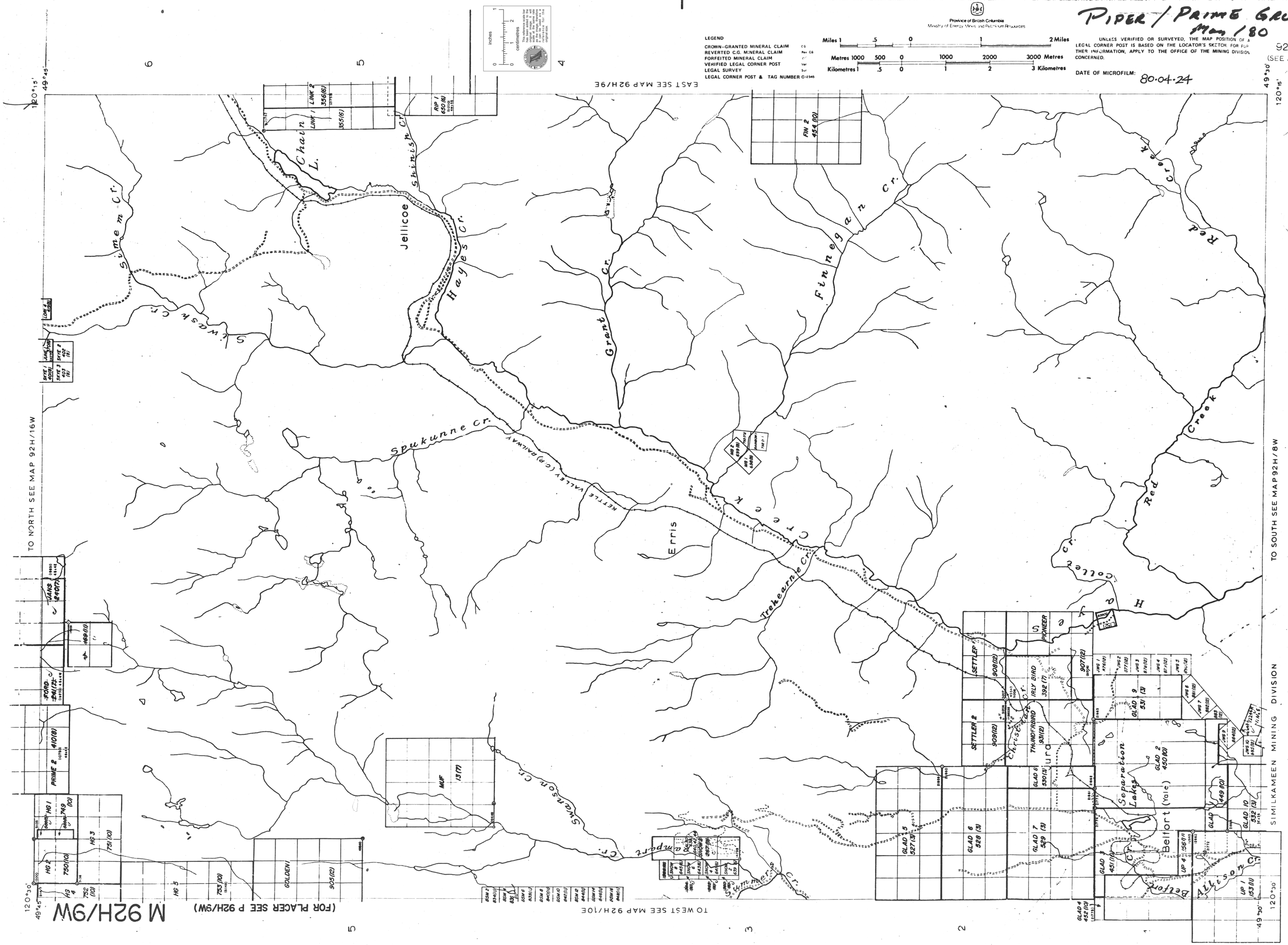
LEGEND

CROWN-GRANTED MINERAL CLAIM	CG
REVERTED C.G. MINERAL CLAIM	Rev. CG
FORFEITED MINERAL CLAIM	FC
VERIFIED LEGAL CORNER POST	Ver
LEGAL SURVEY	Sur
LEGAL CORNER POST & TAG NUMBER	12345

Miles 1 .5 0 1 2 Miles
Metres 1000 500 0 1000 2000 3000 Metres
Kilometres 1 .5 0 1 2 3 Kilometres

UNLESS VERIFIED OR SURVEYED, THE MAP POSITION OF A LEGAL CORNER POST IS BASED ON THE LOCATOR'S SKETCH. FOR FURTHER INFORMATION, APPLY TO THE OFFICE OF THE MINING DIVISION CONCERNED.

DATE OF MICROFILM: 80·04·24


TO NORTH SEE MAP 92H/16W
TO SOUTH SEE MAP 92H/8W
EAST SEE MAP 92H/9E
TO WEST SEE MAP 92H/10E
(FOR PLACER SEE P 92H/9W)
M 92H/9W
92H/
(SEE ALS
120°15'
49°45'
120°30'
49°30'
Chain L.
Jellicoe
Shinish Cr.
Hayes Cr.
Simeon Cr.
Swash Cr.
Grant Cr.
Finnegan Cr.
Red Creek
Spukunne Cr.
KETTLE VALLEY (C.P.) RAILWAY
Erris
Creek
Trehearne Cr.
College Cr.
Hayes
Swanson Cr.
Summers Cr.
Chris Creek
Aurora
Separation Lakes
Belfort (Vale)
Belfort Cr.
Allison Cr.
LINK 1
LINK 2
3556(6)
3551(6)
RIP 1
650(6)
FIN 2
454(10)
SETTLER 1
SETTLER 2
PIONEER
THUNDERBIRD
IRLY BIRD
GLAD 1
GLAD 2
GLAD 3
GLAD 4
GLAD 5
GLAD 6
GLAD 7
GLAD 8
GLAD 9
GLAD 10
PRIME 2
HG 1
HG 2
HG 3
HG 4
HG 5
GOLDEN
MUF
13(7)
905(12)
908(12)
907(12)
909(12)
392(7)
931(12)
530(3)
531(3)
450(10)
449(10)
532(3)
451(10)
528(3)
529(3)
527(3)
452(10)
UP 1
UP 4
153(1)
155(1)
JWS 1
JWS 2
JWS 3
JWS 4
JWS 5
JWS 6
JWS 7
JWS 8
JWS 9
JWS 10
SWK 1
SWK 2
SWK 3
SWK 4
SWK 5
SWK 6
SWK 7
SWK 8
SWK 9
SWK 10
SWK 11
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SWK 14
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SWK 18
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SWK 20
SWK