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FEBRUARY 8, 1968

DEAR DIK:

MANY THANK FOR LETTER OF FEB. 2ND. IN WHICH YOU OUTLINE YOUR RECENT PROGRESS ON YOUR DEAL WITH NIPPON. ALSO SORRY WE DIDN'T GET TOGETHER FOR EVEN A BRIEF TALK DURING YOUR RECENT VISIT. I SUPPOSE I WAS JUST RETURNING FROM A JOB IN N.E. MANITOBA ABOUT THE TIME YOU WERE IN, OR JUST LEAVING TOWN.

YOUR SOIL SAMPLING RESULTS WITH REGARD TO THE AREA BELOW THE GRAVEL BED SOUND VERY ENCOURAGING. THIS APPEARS TO BE A PRIME AREA FOR FURTHER WORK, SO AM GLAD TO NOTE THAT NIPPON PLANS TO CARRY ON HERE. HOWEVER, I HOPE THEY DON'T LIMIT THEIR EFFORTS TO A MINIMUM PROGRAM OF CHECK, AND SUPPLEMENTARY SOIL SAMPLING. I FEEL THAT OUR I.P. COVERAGE IS A MUST, REGARDLESS OF WHAT OTHER, OR COROLLARY INFORMATION IS OBTAINED.

HAVING HAD CONSIDERABLE FIELD EXPERIENCE WITH HG (MERCURY) GEOCHEM. DURING THE PAST YEAR, I FEEL THAT I SHOULD CAUTION AGAINST HOLDING TOO-STRONG EXPECTATIONS FOR POSITIVE RESULTS FROM SUCH A PROGRAM. IN SEVERAL CASES, HG HALOS, OR FRINGES DO NOT APPEAR WHERE EXPECTED, EVEN IN AREAS

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OF ESTABLISHED MINERALIZATION AND HYDROTHERMAL ALTERATION. IT SEEMS TO BE OF VERY ERRATIC OCCURRENCE. AS A PRELIMINARY TEST OF ITS ACTUAL PRESENCE OR ABSENCE, AND HENCE ITS APPLICABILITY, I SUGGEST THAT YOU ~~RUN~~ SAMPLE ONE OR MORE CROSS-SECTIONS OF THE (PROSUS MINERALIZATION), CARRYING YOUR SAMPLING WELL BEYOND (500'-1000') THE PRESENTLY INFERRED LIMITS OF THE MINERALIZED SECTION. ALSO, AS YOU PROBABLY KNOW, YOUR SAMPLES SHOULD BE FROM THE GENERAL C-SOIL HORIZON; THAT IS AT LEAST A FOOT BELOW THE OBSERVED ~~LOWER~~ RANGE OF WEATHERING & OXIDATION. IT IS VERY IMPERATIVE THAT NO ORGANIC MATERIAL BE CONTAINED IN THESE SAMPLES. NORMAL PROCEDURES FOR PREPARING THE SAMPLES FOR LAB. ANALYSIS INCLUDE DRYING AT TEMPERATURES BELOW 100° FAHR. AND SCREENING THROUGH NON-METALLIC SCREENS FOR A MINUS 80 MESH SAMPLE. ALSO, DO NOT STORE ^{DRY} SAMPLES FOR ANY APPRECIABLE TIME IN PLASTIC BAGS - THIS APPEARS TO INHIBIT NORMAL DRYING AND Hg RETENTION. TO MY KNOWLEDGE THE BEST EQUIPPED AND STAFFED OUTFIT FOR RUNNING Hg'S IS BARRINGER RESEARCH LIMITED, 304 (ARLINGTON DRIVE) REXDALE, TORONTO - ATTENTION MR. TONY ROBERTSON, LAB. MANAGER. I HAVE ^{HAD} A CONSIDERABLE AMOUNT OF MY PROJECT SAMPLING RUN BY THEM AND FIND THEM HIGHLY SATISFACTORY.

I WOULD ALSO ADVISE AGAINST MAKING FIELD DETERMINATIONS BY THE SO-CALLED 'SNIFFER' (LE MAIRE DETECTOR), OR BY THE OLDER WILLEMITE (TINTED GLASS) SCREEN METHOD UNTIL LAB. ANALYSES HAVE PROVIDED SUFFICIENT ACCURATE DATA FOR EVALUATION & CALIBRATION OF THE ABOVE EQUIPMENT. ALSO DICK, I HAVEN'T SEEN THE WILLEMITE SCREEN USED ON ANYTHING BUT ACTUAL

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MERCURY PROSPECTS.

HG SAMPLING OF SAND & GRAVEL IS VERY CHANCY; THE METAL IS ⁵⁰ VOLATILE AND WATER-SOLUBLE THAT IT MAY BE ENTIRELY REMOVED IN YOUR CLIMATE. I WOULD ADVISE THAT YOU MAKE PRELIMINARY TESTS, WHICH WOULD INCLUDE SAMPLES FROM BOTH THE GRAVEL DEPOSIT (2'-3' DEPTHS) AND IMMEDIATELY-ADJOINING SOIL AREAS (C-ZONE).

FURTHERMORE, I THINK IT WOULD BE BEST TO STANDARDIZE ON SUPPLEMENTARY B-ZONE SAMPLING FOR CU & MO, BUT DELETING ZN; THE LATTER METAL IS SO MOBILE AS TO MAKE SOURCE-IDENTIFICATION NEXT TO IMPOSSIBLE OR VERY TEDIOUS. 'TOTAL-METAL' ANALYSES ARE STANDARD FOR THIS WORK. ^{A SHOULD BE ORDERED FROM THE} LABORATORY.

IF NIPPON DO NOT WANT TO CARRY OUT THE RECOMMENDED I. P. PROGRAM (EOST?), PERHAPS THEY COULD BE PERSUADED TO SUBSTITUTE THIS WITH AN E.M. SURVEY. BUT, THE E.M. WOULD HAVE TO BE DONE AT LOW (800-1000 C.P.S.) AND HIGH (1800-3600 C.P.S.) FREQUENCIES FOR ADEQUATE TESTS OF THE GENERAL RANGE OF SULPHIDE CONDUCTORS.

HOPING YOU GET THE FINANCING YOU REQUIRE - THIS BEING A SORE POINT WITH LOTS OF THE MINOR COMPANIES IN VANCOUVER. PRESENTLY - I WILL LOOK FORWARD TO MORE NEWS FROM YOU. I ALSO HOPE NIPPONS WORK BRINGS OUT SOME SIGNIFICANT INDICATIONS OF ORE POTENTIALS; THIS, ALONE, WOULD MARKEDLY ASSIST IN RAISING EXPLORATION MONEY.

BEST REGARDS.

Bill.



KLEANZA MINES LTD. (N.P.L.)

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Mr. W.M. Sharp,
Room 1, 425 Howe Street,
Vancouver 1, B.C.

Terrace, B.C.
February 2nd, 1968

Dear Bill,

Re: Croesus property(etc.)

Having just returned some days ago from Vancouver to this cold, windy high humidity place, I'll fill in the details of the proceedings with Nippon Mining Co. and Kleanza.

^{Titan}
(Nippon) have agreed to conduct further geochemistry investigations in the vicinity of the Croesus zone and the gravel bed .

Late in October and beginning of November , in fact just a day or so ahead of the snow, I gathered several silts and soils from that area below the gravel beds for testing by 'Nippon' .

These silts returned values in copper from 20 to 200 ppm .

the highs were taken below the gravel bed both in silts and soils.

From this, it seems to me that the area of the bed deserves some attention. Perhaps a mercury method would show something even in the gravel itself.

Several anomalous silts were obtained from creeks further East and along the Copper River on the property and to the East of the property.

Molybdenum in all cases runs approx. 5 to 8 ppm.

Zinc - 50 to 300 ppm .

The tests were done by Coast Eldridge and bear the notation ;
"Total metal content "

^{Titan}
We should have a signed agreement with 'Nippon' within a few days .

Further, we have decided to sell 200,000 shares at 35 cents and cut off the primary distribution.

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Feb. 2, W.M. Sharp - (2)

It is to that end that I am now engaged .

When financing is provided, I plan to carry out some E-M work on the Taltapin property followed by diamond drilling.

We must drill for two reasons:

- 1) Option payments to Mr. Spillman are scheduled for April / 68
- 2) The Old Company report must be tested regarding the existance of high grade 7 ft. intersection in the old diamond drill hole.
I have the collar of the old hole marked.

We may drill during late February or early March .

In addition, I plan to turn in another Copper property in to the Company shortly . My earlier assays run .3% Cu. - 50 ft. width across a skarn zone. A second skarn zone exists which I have not tested. The assayed zone, I have traced on surface for 770 ft. up slope It is not exposed in its down slope extension.

Insofar as Hg methods as applied to the Croesus zone goes, I had submitted several soils to Dr. Sutherland Brown in 1966 for testing. They were of poor soil type (high humus content) for this test and results were inconclusive . I would imagine, however, that the Department may carry out Hg investigations if they were asked. I will, in fact, request that some study of the possibility of employing Hg - U.V. absorption methods on the property, in addition to some soil horizon study, is carried out during 1968 season. Provided of course, the Nippon Company concurs with the idea.

Best Regards,

Dick

R.H. Bates

PS .

Bill. If you know anyone who might want to purch 100,000/35¢ Kleanya shares and receive 50,000 vendors shares free as a bonus give me a shout. I'll meet him anywhere .

Rb