

INTER OFFICE MEMO

CYPRUS EXPLORATION CORPORATION LTD.

VANCOUVER OFFICE

810411

Date: May 18, 1972

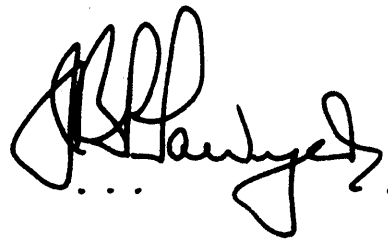
To: C. A. Mark Ref. 1751-CVL
From: J.B.P. Sawyer
Subject: JOINT VENTURE, NORTHERN VANCOUVER ISLAND, QUINTANA MINERALS -
MARSHALL CREEK/ALTAIR

We have now received word from F. Michael P. Warren, Solicitor, acting on behalf of Marshall Creek Copper Mines Ltd. and Altair Mining that they will accept the proposal which was outlined in my letter to Warren of May 10th, a copy of which you have already. At a meeting in this office yesterday with Dennis Milburn of Quintana, he indicated that Quintana are still prepared to go along on this basis. If all of this is acceptable to you, I would request that our Legal Department begin drafting of a joint venture agreement between Garnet Exploration Corporation Ltd. (presumably that's the company that will be used) and Altair/Marshall Creek. I would imagine the arrangement between Garnet and Quintana should be the subject of a separate agreement, and if so, perhaps a start on this agreement would be possible also.

We will need to clarify details of the actual claim names and numbers, etc. held by Marshall Creek/Altair and it will also be necessary to resolve the nature of the arrangement between Marshall Creek Copper Mines Ltd. and Altair. For our purposes they have agreed to treat all of their properties as one package so that only one agreement will be required between Garnet and Marshall Creek/Altair combined. I note in this morning's George Cross News Letter (May 18th, 1972, No. 96) that Altair Mining Corporation Ltd. has been re-named Consolidated Altair Developments Limited. Perhaps for the purposes of our agreement, we can just refer to them as Altair/Marshall Creek and describe in detail the two companies to which this name refers in the agreement. I will obtain an up-to-date list of claims with legal descriptions, etc. which can be used to form an Exhibit for the purposes of the agreement, and will forward this later.

As far as the deal with ourselves and Quintana is concerned, the joint venture will cover all of the Altair/Marshall Creek claims plus our ADI claims, Nos. 1 through 42. We anticipate a 50-50 split in interests and a 50-50 sharing in expenses. In this connection we will have to come up with a figure for expenditures which we have already made in acquiring the ADI claims and any subsequent work thereupon.

Earlier I had forwarded a copy of another Quintana agreement for information purposes only. I assume that this has been reviewed by the Legal Department so that they are familiar with the style of document that Quintana uses. As you probably know, they always make their agreements between Corbin J. Robertson rather than with Quintana Minerals. If any other points arise, maybe our legal people can clarify them directly with the Quintana solicitors, whom they no doubt know!

A handwritten signature in black ink, appearing to read "J. Robertson". The signature is written in a cursive style with a large initial "J" and "R". Below the signature, there are three dots "....".

JBPS/jel

Encl.

CYPRUS EXPLORATION CORPORATION, LTD.

**510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304**

May 10, 1972

Mr. F. Michael P. Warren,
Owen, Bird
Barristers & Solicitors,
Fourth Floor,
#2 Bentall Centre,
555 Burrard Street,
VANCOUVER 1, B.C.

Dear Mr. Warren:

**Re: Proposed Joint Venture Between
Cyprus, Altair & Marshall Creek,
Northern Vancouver Island**

Further to our discussions of yesterday, and after confirming this with my principals in Los Angeles, the following describes the terms of our proposed joint venture with Altair and Marshall Creek on those claims which your two companies still hold in the Port Hardy area on Vancouver Island:-

1. Cyprus could earn a 70% interest in the Marshall Creek/Altair claims by spending \$400,000 before the 1976 anniversary of this agreement, say June 1st, 1976, in work on the properties. Minimum work commitments in these four years would be as follows:-

1972-73	\$ 40,000
1973-74	80,000
1974-75	120,000
1975-76	160,000

To realize this interest Cyprus must put the property into production.

As I discussed with you, we prefer to have smaller work commitments in the second year and by insisting on the \$80,000 commitment, you are simply increasing the chances of our having to abandon this joint venture at an earlier date than we might otherwise have done, however, since this appears to be of importance to you, we are willing to go along with it.

2. Upon completion of expenditures totalling \$400,000 Cyprus will have a period of two years in which to reach a decision regarding production. We anticipate that at this stage we will be in a position to make a firm decision in this regard, and it is our Company's practice in this type of situation either to go to production or to abandon the property. We do not anticipate any change in this policy in this instance, however, you did speak of having some kind of penalty clause in the agreement and although it is unlikely that we would put ourselves into this situation we could, if you insist, add an annual cash payment of \$50,000 to Marshall Creek/Altair to be paid for each year after June 1st, 1978 Cyprus retains the property without making a decision to go to production.
3. Cyprus would have the right to abandon the joint venture at the end of the first agreement year or at any subsequent time provided that if Cyprus elects to abandon the joint venture after the first anniversary, but before the second, or any subsequent anniversary, the assessment and/or other work commitments for the agreement year in which this election is made shall be fulfilled.
4. Cyprus would maintain all of the Marshall Creek/Altair claims in good standing during the currency of the joint venture and would file the maximum available assessment work resulting from our work programs.
5. Upon completion of expenditures to the value of \$400,000 as outlined above, respective interests in the joint venture properties would be Cyprus 70%, Marshall Creek/Altair 30%. Further expenditures, to continue exploration, for engineering and feasibility studies, and putting the property into production if warranted, shall be split 80% to Cyprus, 20% to Marshall Creek/Altair, i.e., Marshall Creek/Altair will get a 10% wholly carried interest in the property. If Marshall Creek/Altair elect not to participate or are unable to participate in respect of their 20% of further pre-production costs, the interest of Marshall Creek/Altair shall be reduced in proportion to the value of monies supplied by them, provided that the Marshall Creek/Altair interest shall not be reduced below 10%.
6. Cyprus will have management of the joint venture.
7. The decision to put the property into production and to form an operating entity, and the form of the operating entity, will be at the discretion of Cyprus.
8. Marshall Creek/Altair shall have reasonable access to the property. We would interpret this to mean that one representative of Marshall Creek/Altair will be allowed to visit the property and to review maps and data on the property or in our office upon receipt of reasonable notice. Cyprus will provide quarterly reports outlining the work program and available results. This report will have been approved by Cyprus for public release before it is provided to Marshall Creek/Altair. In addition, Cyprus will

require that all public announcements concerning our work program on the property be cleared with our Legal Department before it is released. In this connection we will undertake not to impose unnecessary delays in granting approval which may adversely affect Marshall Creek/Altair. The only exception to this will be information releases required by the Stock Exchange or Securities Commission or other official regulatory bodies, and we will insist that when such information is given to these bodies without prior specific approval by Cyprus, this same information will not be released to the public without first obtaining such approval.

As I have indicated to you, our people regard this matter as being of extreme importance, for obvious reasons. Since your group is interested only in proper release of information, having regard for the best interests of the public and of your own shareholders, we do not anticipate that there will be any difficulties in connection with this requirement.

As I believe you are aware, Cyprus will assign this joint venture agreement to one of its wholly-owned subsidiary corporations, probably Garnet Exploration Corporation Ltd. We have no objection to this corporation being identified as a wholly-owned subsidiary of Cyprus Mines Corporation of Los Angeles.

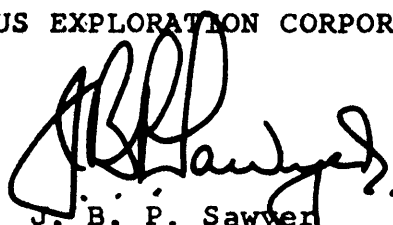
We plan to joint venture our interest in the properties which will be the subject of this agreement with another major company. This will not affect the interests of Marshall Creek/Altair in any way (except perhaps in making even more substantial resources available in exploration and development on the properties).

If the above terms are acceptable, would you please indicate this to us at your earliest convenience since we are anxious to conclude the agreement in order that our field crews may take full advantage of the field season. Upon receipt of acceptance from you, our Legal Department will be requested to prepare a draft agreement incorporating the above terms, copies of which will be forwarded to you for approval and signature as soon as they are available.

We trust that the above will form the basis for a cordial and successful association, and we look forward to working with you.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.



J. B. P. Sawyer
Manager - Canadian Exploration

JBPS/jel

c.c. Mr. C. A. Mark, C.M.C., Los Angeles

OWEN, BIRD

BARRISTERS & SOLICITORS

TELEPHONE 688-0401
CABLE "OWENCO"

WALTER S. OWEN, Q.C.	JOHN I. BIRD, Q.C.
WM. O'MALLEY FORBES	DAVID S. OWEN
D. ALEXANDER FARAC	DERRIL T. WARREN
WILLIAM E. IRELAND	F. MICHAEL P. WARREN
TERRENCE E. WOLFE	D. BARRY KIRKHAM
E. P. GRAHAM MOSELEY	WILLIAM K. HANLIN

ASSOCIATE COUNSEL
JOHN G. McDONALD

FOURTH FLOOR
BENTALL CENTRE TWO
555 BURRARD STREET
VANCOUVER 1, B. C.

OUR FILE

May 11, 1972

Cyprus Exploration Corporation Ltd.,
510 West Hastings Street,
VANCOUVER 2, B. C.

Attention: Mr. J.B.P. Sawyer,
Manager - Canadian Exploration

Dear Paul:

Re: Proposed Joint Venture Between Cyprus,
Altair & Marshall Creek, Northern Vancouver Island

I acknowledge receipt of your letter of May 10, 1972 and enclose a copy of my letter to the Board of Directors of both companies which is self-explanatory. I expect that I will give you a firm answer Monday noon, May 15, 1972.

With kind personal regards.

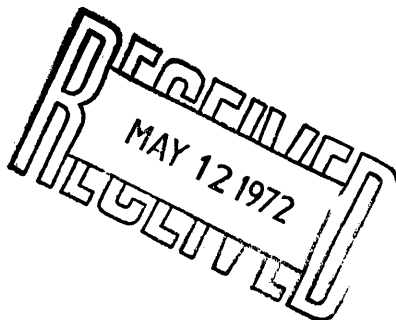
Yours sincerely,

OWEN, BIRD



F. Michael P. Warren

FMPW/gc
Encl.



OWEN, BIRD

BARRISTERS & SOLICITORS

TELEPHONE 688-0401
CABLE "OWENCO"

WALTER S. OWEN, O.C.	JOHN I. BIRD, O.C.
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E. P. GRAHAM MOSELEY	WILLIAM K. HANLIN

ASSOCIATE COUNSEL
JOHN G. McDONALD

FOURTH FLOOR
BENTALL CENTRE TWO
555 BURRARD STREET
VANCOUVER 1, B. C.

OUR FILE

May 11, 1972

The Directors of
Marshall Creek Copper Co. Ltd.,
(Non-Personal Liability), and
Consolidated Altair Developments Ltd.
Vancouver, B. C.

Re: Port Hardy Area Claims

Dear Sirs:


We enclose a copy of the letter dated May 10, 1972 from Cyprus Exploration Corporation, Ltd. which is self-explanatory. This letter arose as a result of negotiations between the writer and Mr. Sawyer representing Cyprus.

It is imperative that the Directors of both companies consider this proposal immediately in order that I will be in a position to reply to Mr. Sawyer. The exploration season is well under way now and Cyprus having other work commitments firm and contemplated would appreciate hearing word from us immediately.

With kind personal regards.

Yours truly,

OWEN, BIRD


F. Michael P. Warren

FMPW/gc

c.c. Cyprus Exploration Corpn. Ltd.

Marshall Creek/Altair file

March 21, 1972

C. A. Mark

Ref. 1631-CVL

J.B.P. Sawyer

MARSHALL CREEK-ALTAIR GROUP, NORTHERN VANCOUVER ISLAND

I enclose for your information a copy of the letter from F.M.P. Warren in response to our letter proposal of March 1st, 1972. To date we have received no further word from these Companies.

JBS/jel

Encl.

OWEN, BIRD

BARRISTERS & SOLICITORS

TELEPHONE 688-0401
CABLE "OWENCO"

WALTER S. OWEN, Q.C. JOHN I. BIRD, Q.C.
WM. O'MALLEY FORBES DAVID S. OWEN
D. ALEXANDER FARAC DERRIL T. WARREN
WILLIAM E. IRELAND PETER JAMES GORDON
D. BARRY KIRKHAM

FOURTH FLOOR
BENTALL CENTRE TWO
555 BURRARD STREET
VANCOUVER 1, B. C.

ASSOCIATE COUNSEL
JOHN G. McDONALD

OUR FILE

March 7, 1972

Cyprus Exploration Corporation Ltd.
510 West Hastings Street
Vancouver 2, B. C.

Attention: Mr. J. B. P. Sawyer, Manager
Canadian Exploration

Dear Sirs:


Re: Marshall Creek Copper Co. Ltd. - Altair
Mining Corporation Ltd. - Port Hardy
Area Claims

On behalf of both companies, we acknowledge receipt of your letter of March 1, 1972 concerning this matter.

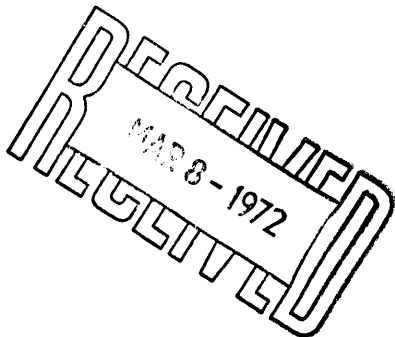
We are instructed to advise you that your proposal is currently being considered by both companies and that both companies expect to be in touch with you again some time within the next two weeks.

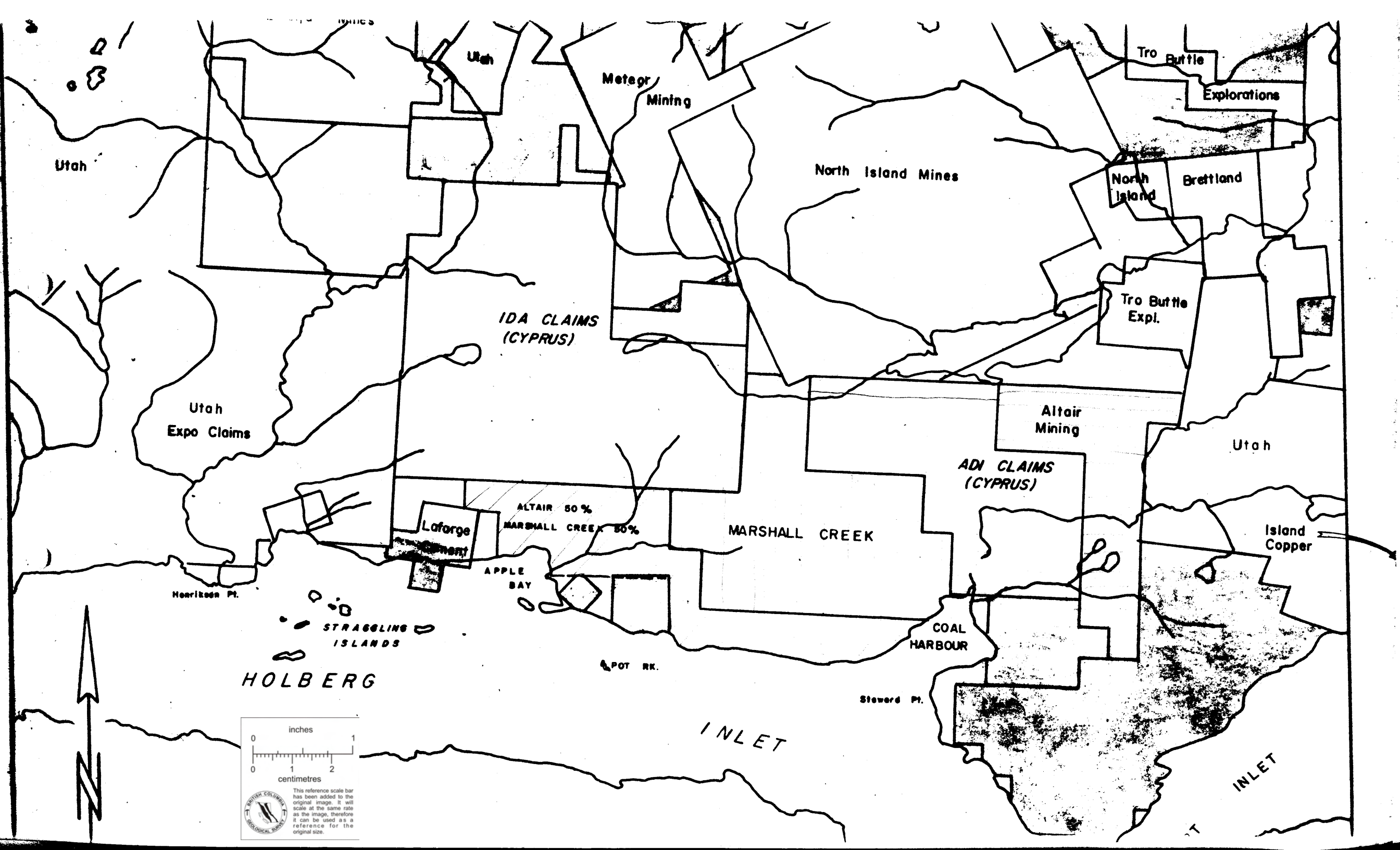
Yours truly,

OWEN, BIRD


F. Michael P. Warren

FMPW:ja





Utah

Utah

Metegr Mining

North Island Mines

Tro Butte

Explorations

North Island

Brettland

Tro Butte Expl.

Utah Expo Claims

IDA CLAIMS (CYPRUS)

Altair Mining

Utah

ADI CLAIMS (CYPRUS)

Laforge

ALTAIR 50%
MARSHALL CREEK 50%

MARSHALL CREEK

Island Copper

Henriksen Pt.

APPLE BAY

COAL HARBOUR

STRAGGLING ISLANDS

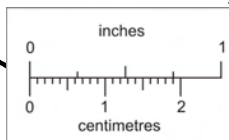
POT RK.

Steward Pt.

HOLBERG

INLET

INLET



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



PR. Wassen 11/4/72

Altair - change in control
in Friday

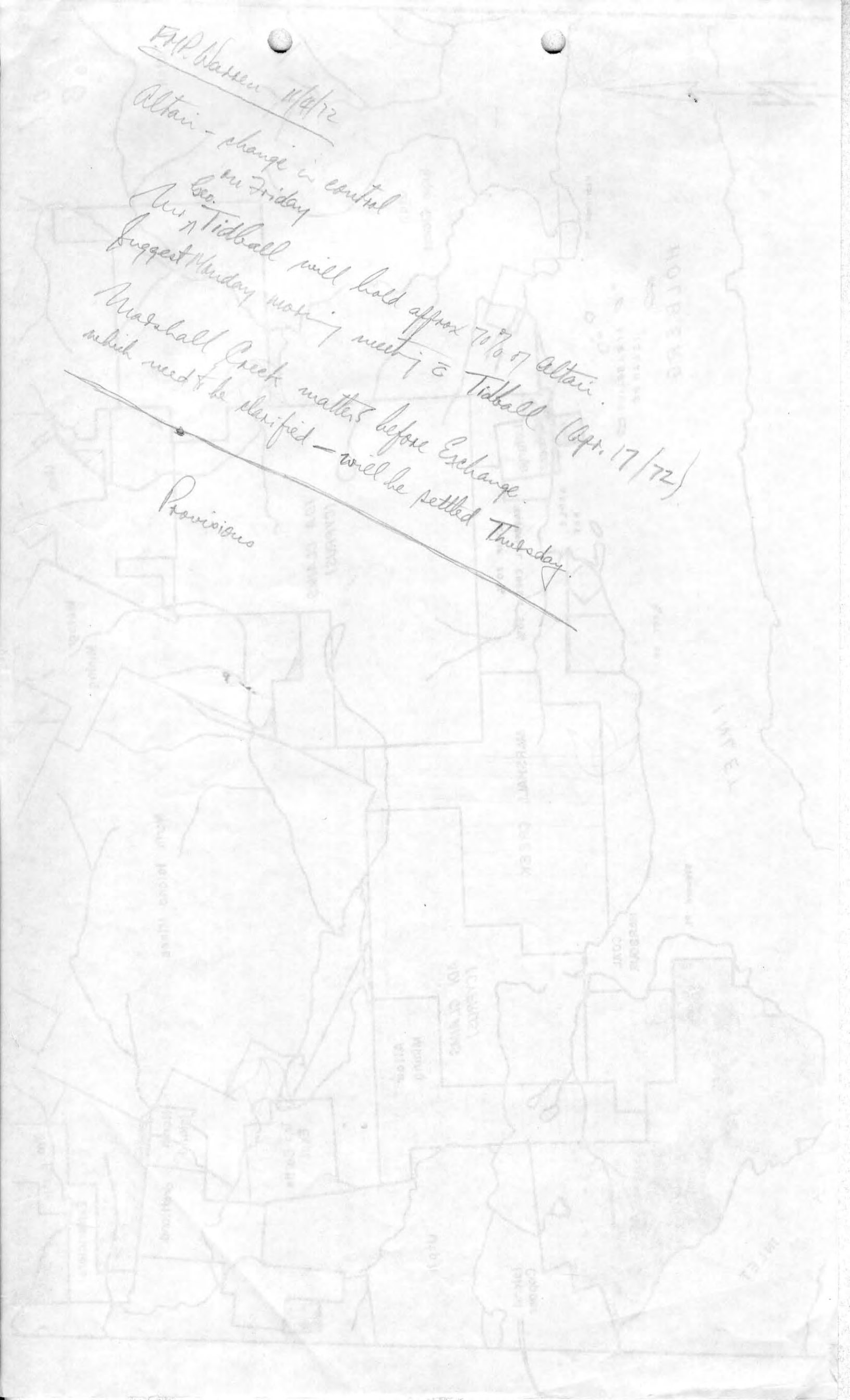
beg. Tidball will hold approx 70% of Altair.

Suggest Monday meeting to Tidball (Apr. 17/72)

Marshall Creek matters before Exchange.

which need to be clarified - will be settled Thursday.

Provincios



Cost of Sales	14,009,000	14,182,000
Total Admin., Gen. & Sell. Exp.	857,000	1,812,000
Interest	89,000	1,761,000
Deprec'n, Depl'n & Amort. Exp.	3,383,000	2,986,000
NET EARNINGS (Loss)	\$(3,771,000)	\$(6,377,000)
Net Earnings P/Share	(38¢)	(64¢)

38¢ p/s for first quarter 1972 on sales of \$17,484,000. In 1971, the first quarter loss was \$6,377,000 or 64¢ p/s on sales of \$14,300,000. The 1972 figures reflect special pricing assistance by Japanese customers comprising an interim increase of \$2.80 p/long ton, and increase by way of special assist. of \$2.07 (US) p/long ton effective 11Jun71 under interim adjustments to the sales contract. Under current agrt., price for coal delivered after 30Jun72 will be adjusted to compensate Mitsubishi for all costs it incurred by Mitsubishi respecting the special cost assistance.

S.A. Girard, president said that disrupted rail transport to the port and the after-effects of the December shut down due to a fire resulted in coal shipments of 862,500 tons to Japan being 22% below the quarterly average needed to meet the 4,400,000 ton annual rate of delivery. Modifications to the processing plant have improved production capability. Current production indicates contract requirements for ash content can be met.

Discussions will start in the second quarter for renegotiation of long-term contracts with Japanese customers.

WELDWOOD OF CANADA LIMITED

YEAR TO DEC 31	1971	1970
Sales	\$151,395,000	\$119,748,000
Cash fr. Operations	10,156,000	6,132,000
*Per Share	\$2.87	\$2.02
NET INCOME (Loss)	\$ 2,604,000	\$ (930,000)
Earned aft. Pref. Div.	1,985,000	(1,399,000)
*P/Comm. & Ordinary Sh.	56¢	(46¢)

Recovering from the severe recession and crippling strikes of towboatmen and longshoremen in 1970. Weldwood of Canada achieved record sales in 1971 and turned a loss of 46¢ p/s in 1970 into a profit of 56¢ per common and ordinary share in 1971 (see table). At the annual meeting 18Apr72, Gdn. Bowell, president, reported that the improvement continued through the current first quarter ending 31Mar72 with sales of \$41,132,000 (up 44% from 1970's first quarter) and net earnings of \$1,149,000 (vs a loss of \$44,000) or 24¢ per share (vs a loss of 1¢).

Mr. Bowell said the high level of residential construction in Canada and the U.S. to which Weldwood's improved results are primarily attributable is expected to continue at least during the second and third quarters. However, despite last year's record housing starts (234,000 in Canada and 2,050,000 in the U.S.) he pointed out that 1971's net income as a proportion of sales equalled a return of only 1.7%. This year, if demand continues without further cost increases, management hopes for a profit margin of 2.3%. He said earnings of the forest industry in B.C. lags far behind those of its U.S. competitors because of higher labor costs, lower productivity and especially due to higher taxation, e.g. in 1971 Weyerhaeuser Company paid only 31% of its pre-tax income in U.S. income tax vs Weldwood's 50% in Canadian income tax.

He warned the meeting that possible labor difficulties could affect Weldwood's results this year. The contract with the construction unions is under negotiation now, the woodworkers' contract ends in June, the longshoremen's in August and the towboatmen's in September.

Mr. Bowell also pointed out that further strengthening of the construction and housing markets depends on the continued availability of mortgage funds, of a high level of general business activity in N. America and improvement in the economies of overseas markets.

FOR THE RECORD

- Glenlyon Mines Ltd. share trading suspension order by B.C. Securities Commission was rescinded on 18Apr72.
- By 29Mar72 agt., Glenlyon has received an underwriting of 350,000 shares at 10¢ each from T.K. Laidlaw & Co.
- Kamad Silver Co. Ltd. has concluded an agt. dated 30Mar72 whereby A.M.C. Construction Ltd. has agreed to provide interim financing of up to \$200,000 to assist in bringing to production Kamad's Homestake property on Adams Lake, 18 miles E of Barriere, B.C.
- Marshall Creek Copper Co. Ltd. option granted on 200,000 shares at 12½¢ each due 13Jun72 has been exercised by Carlisle, Douglas & Co. pursuant to an 11Apr72 agt., The subsequent option on 200,000 shs. of 15¢ each remains due 12Aug72.
- Pinnacle Mines Ltd. share trading suspension order of B.C. Securities Commission was rescinded on 12Apr72. The shares resumed trading on Vancouver Stock Exchange on 17Apr72.

Pinnacle by 5Apr72 agt., has received an underwriting of 200,000 shs. at 22½¢ each from Carlisle, Douglas & Co. and has granted them options on 200,000 shs. at 22½¢ each due 17Jun72 and on 200,000 shs. at 27½¢ each due 16Aug72.

70/30 60

~~72/3~~ 33 1/3

Work count, incr. to 40,000 in 1972-3

20%	80,000	50,000	3-4	
10	120,000	70,000	4-5	
	160,000	100,000	5-6	Fall
	400,000	140,000	6-7	
400,	400,000		2 yrs.	

400,000 - 4 yrs.

Fri

~~2500~~

Regd fee - 3 -

2500.

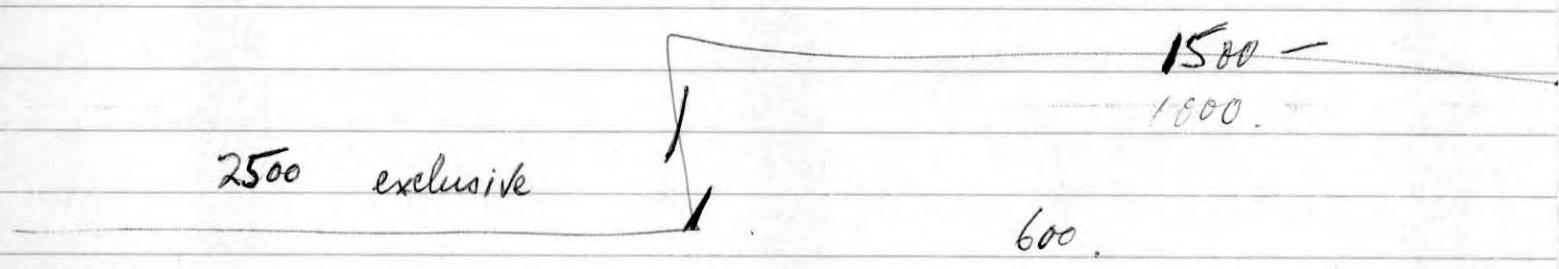
100. 5

MAR 1-14 Marsh Cr 40 + 1/2 = 25.

65

2

Altai - 50. 11,500



4-5%

Aveno Highpoint Eagle

7

CYPRUS EXPLORATION CORPORATION, LTD.

510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304

March 1, 1972

Mr. David J. Douglas,
c/o Carlisle Douglas & Co. Ltd.
890 West Pender Street,
VANCOUVER 1, B.C.

Dear Sir:

Some weeks ago I discussed with you, in the office of MacDonald Consultants Ltd., the possibility of a joint venture between Cyprus and Marshall Creek/Altair on the claims held by your Companies, in the Rupert Inlet-Island Copper area of northern Vancouver Island. I wish to apologize at this time for my delay in writing to you to confirm our interest in this type of arrangement and to offer our proposal. We have had some internal administrative and budget problems which it was necessary to resolve before making our proposal to you.

The terms of a joint venture which we would be prepared to offer, subject to our senior management approval, are as follows:-

1. The division of interests between Cyprus and Marshall Creek/Altair would be 75% Cyprus, 25% Marshall Creek/Altair.
2. To earn its 75% interest in these claims Cyprus would have to spend \$400,000 over a maximum period of five years.
3. Cyprus would make a firm commitment to spend at least \$25,000 in 1972 on exploration work on the property. Not more than 10% of this figure would be allowable for overhead costs - i.e. legal fees, office costs (drafting, typing, etc.), and supervision. In 1972 field work would include some percussion drilling and/or diamond drilling.
4. Cyprus would have the right to abandon the Joint Venture at the end of the first year, or at any subsequent time, provided that if Cyprus elects to abandon the joint venture after the first anniversary, but before the second, or any subsequent annual anniversary, the assessment and/or other work commitments for the agreement year in which this election is made, shall be fulfilled.

5. Cyprus would maintain all of the Marshall Creek/Altair claims in good standing during the currency of the Joint Venture and would file ^{MAXIMUM AVAILABLE} one year's assessment work on each claim for each year or part year that the Joint Venture agreement is in effect.
6. Upon completion of expenditures to the value of \$400,000 respective interests in the Joint Venture properties would be Cyprus 75%, Marshall Creek/Altair 25%. Further expenditures, to continue exploration, for engineering & feasibility studies, and to put the property into production if warranted, shall be split 80% Cyprus ~~70%~~ 15% Marshall Creek/Altair, i.e., Marshall Creek/Altair will get a 10% wholly carried interest in the property. If Marshall Creek/Altair elect not to participate in respect of their 20% of further pre-production costs, the respective interests shall become Cyprus 85%, Marshall Creek/Altair 15%, and Cyprus will have the right to recover an additional 5% of pre-production costs from that proportion of profits from production which would accrue to Marshall Creek/Altair.
7. Cyprus will have management of the joint venture.
8. The decision to put the property into production and to form an operating entity, and the form of the operating entity, will be at the discretion of Cyprus.
9. Marshall Creek/Altair shall have reasonable access to the property, and to the results of the work program carried out by Cyprus. Cyprus will provide regular progress reports to Marshall Creek/Altair, however, all information releases to the public, other than those required by government, or Securites Commission, or other official regulatory bodies, shall only be with prior written approval by Cyprus.

Re-assign interest to property to share contribution

Actual quarterly report for release

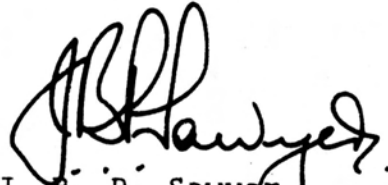
The above outlines the meat of our proposal and is, I believe, in general accord with the substance of our earlier discussions. I should point out here that Cyprus will operate through one of its wholly-owned subsidiaries, probably Garnet Exploration Corporation Limited. I should also mention that we have agreed in principle with another major company to joint venture our interest in these properties. This could be of importance to you in that it assures adequate funds for acceleration of the program if results are favourable. As I told you at our meeting in Mr. MacDonald's office, Cyprus is not interested in a promotional scheme and it is our intent to pursue the exploration of these properties as efficiently as possible, with the express intention of developing a viable mining operation as quickly as possible.

For convenience we would like to treat the Marshall Creek and Altair properties as one property and to deal with one entity only. I believe you agreed that some suitable arrangement between your two Companies would be possible.

We would appreciate receiving your reply and/or comments on this proposal at your early convenience.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.

A handwritten signature in dark ink, appearing to read 'J. B. P. Sawyer', written over the typed name below.

J. B. P. Sawyer
Manager - Canadian Exploration

JBPS/jel

c.c. Mr. C. A. Mark, C.M.C., Los Angeles

Item 12

A. BID-BON GROUP, Port Hardy Area, B.C.

The company is the recorded and beneficial owner of the following 40 Mineral claims, all of which are located in the Port Hardy area, Nanaimo Mining District, British Columbia:

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
BON 15 - 16	20797/20798	October 20, 1974
BON 21 - 32 incl.	20803/20814 incl.	October 20, 1974
BON 58 - 62 incl.	24619/24623 incl.	
BON 63 - 66 incl.	24624/24627 incl.	
BON 67 - 68	24628/24623 incl.	
BON 69 - 70 (Frs.)	25028/25029	June 5, 1974
BID 7 - 10 incl.	20167/20170 incl.	October 2, 1974
BID 17 - 20 incl.	20177/20180 incl.	October 2, 1974
BID 28 - 30	20188/20190	October 2, 1974
BID 35 - 40 incl.	20195/10200 incl.	October 20, 1974

The Company acquired the Bon 15, 16 and 21-32 claims, along with Bon 1-14, 17-36, 41-44 and 53-56 (these latter-mentioned claims have been allowed to lapse) from Thomas H. Cross, 4337 Greta Street, Burnaby, B.C., and Magnus Bratlien, 3475 West 34th Avenue, Vancouver, B.C., pursuant to an agreement dated December 21, 1967, and paid a total of \$26,000.00 and issued a total of 90,000 shares for the said claims.

The Bon 69 and 70 claims were acquired by staking. The remaining claims were acquired for a nominal consideration from F. Michael P. Warren, 2201, 2075 Comox Street, Vancouver, B.C., Terry H. Heard, 1020 Missonla Avenue, Butte, Montana, and Magnus Bratlien, 3475 West 34th Avenue, Vancouver, B.C. The Company also acquired, for the same consideration, an additional 48 claims (known as Bon 1-14, Bon 17-20, Bon 33-36, Bon 41-44, Bon 53-56, Bid 1-6, Bid 11-16 and Bid 21-26) from the three aforementioned individuals, but the company has since allowed these claims to lapse.

No work has been carried out on the properties during the past year. None of the properties are known to have a body of commercial ore.

No further work will be carried out on the properties by the company without an engineering report having been first filed with and accepted by the Vancouver Stock Exchange.

B. WIZ and EB GROUP, Port Hardy Area, British Columbia

The Company is the recorded and beneficial owner of an undivided 50% interest in the following 36 mineral claims located in the Port Hardy area, in the Nanaimo Mining Division, Province of British Columbia;-

<u>Claim Name</u>	<u>Record Number</u>	<u>Expiry Date</u>
WIZ 1-12 incl.	30997/31008 incl.	
WIZ 23-28 incl.	31017/31022 incl.	
EB 1-13 incl.	32890/32902 incl.	August 3, 1972
EB 15-17 incl.	32903/32905 incl.	August 3, 1972

The company acquired the said claims by staking in concert with Marshall Creek Copper Co. Ltd. (N.P.L.), of Vancouver, B.C., the owner of the remaining 50% interest, at a cost to the company of \$1,007.70. At the time of staking, 8 additional claims, known as ID 1-8, were also staked, and both parties have since allowed the ID claims to lapse.

To the knowledge of the Company there is no known body of commercial ore on any of the claims referred to in this group of claims.

NO WORK IS PLANNED ON THIS GROUP OF CLAIMS AT THE PRESENT TIME EXCEPT TO THE EXTENT OF THE PERFORMANCE OF MINIMAL ASSESSMENT WORK AS MAY BE NECESSARY TO MAINTAIN THE CLAIMS OR PROPERTIES IN GOOD STANDING.

(c) Port Hardy Area Mar Group

The Company is the recorded and beneficial owner of the following located mineral claims all situate in the Nanaimo Mining Division of the Province of British Columbia:

<u>Claim Name</u>	<u>Record Number</u>
MAR 1 - 14 incl.	20741 - 20754 incl.
MAR 17 - 36 incl.	20757 - 20776 incl.
MAR 39 - 44 incl.	20777 - 20782 incl.

All of these claims are situated at the North end of Vancouver Island in the general vicinity of the Town of Port Hardy. There is access to the claims by means of a good gravel road from the Town of Port Hardy.

The claims and fractional interests are held by location pursuant to the provisions of the "Mineral Act" of the Province of British Columbia and are held by the Company free and clear of all encumbrances.

To the knowledge of the Company there is no known body of commercial ore on any of the claims referred to in this group of claims.

Of this group, the Company owns the precious and base metal rights to the following claims:

MAR 1 - 14 inclusive, MAR 23 - 26 inclusive,
and MAR 39 - 44 inclusive.

The Company owns the precious metal rights to the following claims:

MAR 17 - 22 inclusive.

In addition to the foregoing, the company owns jointly with Altair Mining Corporation Ltd. (N.P.L.) (each as to an undivided one-half interest) the following full sized mineral claims which adjoin and/or lie near to the foregoing mineral claims:

<u>Claim Name</u>	<u>Record Number</u>
E.B. 1 - 13	32890 - 328902
E.B. 15 - 17	32903 - 32905
? I.D. 1 - 8	33064 - 33071 incl.

To the knowledge of the Company there is no known body of commercial ore on any of the claims referred to in this group of claims.

Since the acquisition of these claims by the company the Company has performed the following work:

MAR CLAIMS - 9 mile survey of Induced Polarization:
detailed geological mapping at a scale of 1" = 1,000 ft.
over the entire claim group and 1" = 200 ft. over selected
areas; two N.Q. Diamond drill holes - total footage 1,402 ft.

The foregoing programmes of work were carried out by Inspiration Development Company during the period of and under the terms of its Agreement with the Company whereby Inspiration acquired the right to the examination, management and control of the Company's Port Hardy area MAR group.

The Agreement with Inspiration was abandoned on December 2, 1970 after an expenditure by Inspiration of in excess of \$15,000 in the above work.

With respect to the diamond drilling, almost all of the mineralized core was assayed for both copper and molybdenum but none of the results were of economic significance.

In addition to the foregoing, the Company performed such assessment work as was required in order to keep all of its claim groups in good standing. This work included trenching, a modest amount of diamond drilling and general prospecting, at the cost of approximately \$2,000.

NO WORK IS PLANNED ON THIS GROUP OF CLAIMS AT THE PRESENT TIME EXCEPT TO THE EXTENT OF THE PERFORMANCE OF MINIMAL ASSESSMENT WORK AS MAY BE NECESSARY TO MAINTAIN CERTAIN OF THE CLAIMS WITHIN THE CLAIM GROUP IN GOOD STANDING.

92-L-12 - PROPERTY SUBMITTED
Marshall Creek-Altair Grd.
Northern Vancouver Island
