

CYPRUS EXPLORATION CORPORATION, LTD.
510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304

810590

January 13, 1971

Mr. R. Fisher,
Texacal Resources Ltd. (NPL),
717 W. Pender Street,
Vancouver, B.C.

Dear Sir:

Many thanks for allowing us the opportunity to scrutinize the report on your Babine Lake properties.


In the absence of supporting data, we feel that the I.P. anomalies on Newman Peninsula do not indicate the volume or percentage of metallic sulphides to constitute a primary drilling target. The remaining I.P. anomaly on Rum Island while appearing to be significant therefore becomes a single target of limited size and in a somewhat difficult location for open-pit mining. Again, it would be extremely useful to have some detailed geological mapping, soil geochemical profiles etc., before committing to an intensive drill program.

With these considerations in mind, we would therefore not be in a position to make a proposal on the properties at this time. Should the opportunity develop for us to inspect the property sometime in the coming spring, we would be interested to do so.

Again, we thank you for considering Cyprus as a potential partner, and hope that you will keep us in mind for suitable projects in the future.

Yours very truly,

CYPRUS EXPLORATION CORPORATION LTD.


J. Glenn Simpson
Regional Manager - Western Canada

JGS:rj


14/1/71

INTER OFFICE MEMO

9BPS → CCM → File
CCM

CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE

Date: January 5, 1971

To: T. Melancon
From: J. G. Simpson
Subject: TEXACAL RESOURCES

Ref. 905-CVL

I enclose copies of press releases, progress and annual reports, etc in respect of Texacal Resources Ltd. (N.P.L.), as requested.

The motive force behind the company is undoubtedly the President, Mr. E. Fisher, a senior partner in a local brokerage house. The company's aim in dealing off properties is to recoup its exploration costs as quickly as possible, thereby enabling it to acquire new ground; hence the somewhat steep initial payments.

It would seem that Humble are going for this one, but at least you have the whole story now.



JGS/jel

Attach.

PAUL.



- ① Talked to TOM BAIRD RE
TEXEVAL - BABINE LK. I.P.

He Feels

- (a) Newman Peninsula anomaly
too weak & too small to indicate
large quantities of even low volume
sulphides.
- (b) Rum Island anomaly more
interesting purely as an anomaly,
but he is loath to comment
much further due to complete
lack of knowledge re - geology.
- (c) I suggest we can sit this
one out per your original
thought. Perhaps we can get
a look at it on the ground
this spring and if interested
look for better terms. The
best of luck to P.D. if they take
it now as it would appear

to be a real gamba on
Rum Island only.

J.S.

MONTGOMERY RE. Geochem.

- ① They did take some soils with only very patchy low level anomalies.
- ② Biogeochem appears result from aerial pollution from Grenada. Contour effect builds up and peaks towards & down prevailing wind from mining activities.