

INTER OFFICE MEMO

CYPRUS EXPLORATION CORPORATION LTD.  
VANCOUVER OFFICE

811579

Date: October 11, 1968

To: Mr. D. W. Tully  
From: Mr. J. B. Paul Sawyer  
Subject: RAPID RIVER RESOURCES LTD.

1. Re: Kirk Claim Group, McDame Creek, B.C.

As you are aware, we had earlier received a submission on this property and had requested that a field trip to the property be arranged. Owen Woods advised me by phone this morning that there is now too much snow on the property, and that it will be next Spring before it is possible to do anything about this prospect. He is aware that we are interested in making a field examination, and I believe this property will still be available next Spring.

2. Re: Silver Lee Mines Ltd.

I was speaking with Owen Woods this morning and requested further information regarding the Silver Lee property. He advises that Rapid River are looking for a major partner, and would be glad to entertain any proposals from Cyprus. I have tentatively arranged a luncheon meeting for Tuesday, October 15th at the Engineers Club with Howard Travis and Owen Woods, and hope that you will be able to attend also.

*J. B. Paul Sawyer*

*Thanks*

*Will go if I can - Fred Perry will be here sometime during the day on his way to Victoria and Spokane.*

JBPS/jel

*Oct 13/68*

*DWS*

*J. B. Paul Sawyer  
15/10/68*

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## George Cross News Letter

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SEPTEMBER 26,1968

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SEPTEMBER 26,1968

WESTERN CANADIAN INVESTMENTS

RILEY'S DATASHARE INTERNATIONAL LTD.

- + First Public Offering of 340,700 Shares at \$8.00 Made by Richardson Securities
- + Riley's Developed A Process to Adapt Oil Well Log Data to Computer Use

Riley's DataShare International Ltd. is the continuation of Riley's Reproductions Ltd. and Minor Holdings Ltd. which were merged in May 1968. The company has its head office and operation in Calgary with a plant and office in Vancouver where the company is engaged primarily in the business of operating an oilwell log library and providing related reproduction services. In addition, the company and its subsidiary offer commercial reproduction services and market a complete line of engineering and drafting instruments and supplies.

Richardson Securities of Canada has underwritten and is offering to the public 340,700 shares of Riley's DataShare International Ltd. at \$8.00 per share under a prospectus dated September 17, 1968, and accepted for filing by the B.C. Securities Commission on September 23, 1968. Of the shares being offered by the prospectus, approximately 75,000 shares are previously issued shares and are offered for resale by the underwriter who purchased them from principal shareholders of the company.

Proceeds of the 270,000 treasury shares being offered total \$1,961,500 which will be used \$503,300 to debts and mortgages and the balance of approximately \$1,400,000 will be used for general corporate purposes including the cost of bringing the digitized log program to fully operational level.

The company's main business is described as follows: An oil well log is a chart displaying measurements taken beneath the earth's surface of various rock properties. Electronic measuring instruments are lowered into a well on the end of a cable and as the instruments are drawn out of the well, the measurements are recorded in chart form at the surface. The measurements that are made include: resistivity, natural radioactivity, induced radioactivity, sound velocity, temperature, hole diameter and vertical deviation. From these measurements, porosity, water salinity, presence or absence of oil, rock type percentage and formation dip can be calculated.

The original log which is made at the well site is reproduced on a strip of film. The company photographically reduces the logs to half size and stores them in its library which contains virtually all logs of Canadian oil wells. The Canadian oil industry adds 7,000 to 9,000 new logs to the company's library each year. Because of the company's excellent reputation for security, most oil companies send their confidential logs to the company before release dates required by legislation in order to receive a reduced copy for their own use. Upon release, these logs immediately become part of the company's library. Multiple copies of each oilwell log are purchased by many oil companies both initially and through the years. At all times, each log in the file must be immediately available to provide a total service. There are some 120,000 logs in the library.

Riley's offers a complete reproduction service using xerigraphy, white printing, blue printing, microfilm, industry film, off-set printing and an art department.

The glamorous phase of the Riley operation presently is the use of computers to transfer the information in the oilwell logs to a digitized form which is then used to construct maps of the subsurface of the area of the wells. One of the major activities of the oil man is the plotting and mapping of the sub-surface rock layers to show the area, thickness and topography of the prospective oil bearing rocks. From these maps, it is then possible to select the location of the most likely geologic structures in which oil might accumulate. Without the aid of computer, it is virtually impossible to fully utilize this volume of information for comparative analysis. The information in the logs is not easily converted to a form useable in a computer and to July 31, 1968, Riley's in cooperation with a number of major oil companies has spent \$1,200,000 to develop a method of transfer. The research work has resulted in a new electronic device known as Riley's Scanagraph which does the translation. The digital oil well log data bank that Riley's is building will allow its clients to combine available computer programs, such as those capable of drawing contour maps with the retrieval of information from the log library. The result will be the ability to prepare maps at lower cost and make evaluations more quickly with a greater volume of data. It is expected that this program will be operative in late 1969 and will contribute a little income in that year.

On completion of the financing, Riley's will have 5,000,000 shares authorized of which 1,132,188 shares will be issued and term liabilities will be \$78,000.

On July 31, 1968, the directors and senior officers of the company as a group owned 66.8% of the outstanding shares of the company.

Officers and directors of the company are: A.D. Minor, chairman and president; F.C. Brechtel, vice-president; D. MacLachlan, vice-president; Terry Sparks, vice-president and general manager; C.R.C. Brown, W.A. Friley, D'A.L. Sinclair. (CONTINUED ON PAGE TWO)  
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RILEY'S DATASHARE INTERNATIONAL LTD.

(CONTINUED FROM PAGE ONE.)

Potential applications of the company's process include digitizing of oilwell logs from other oil producing areas such as the United States, Australia, Africa, Europe, and South America. Riley's Scanagraph is adaptable to automatically digitizing recorded wiggly and crossing lines which could lead to the creation of other banks in fields such as medicine, oceanography, astronomy, and geophysics.

In the years since 1964, the company has paid dividends to the total extent of \$45,000 to \$62,000 per year and presently has no restrictions on future dividend payments but states that, because of the costs necessary to bring the digitized log program to a fully operational level, it is probable that dividends will not be paid to shareholders in the near future.

Sales and other revenues are reported for the past five years as follows: 1964 \$1,697,000; 1965 \$1,877,600; 1966 \$2,382,000; 1967 \$2,545,800; and 1968 \$2,551,300. These figures are for the fiscal year ended May 31, in each year. Net earnings are reported for the same period as: 1964 \$85,900; 1965 \$86,100; 1966 \$129,100; 1967 \$150,700; and 1968 \$141,800.

ACKLANDS LIMITED

LONDON, ONT. WHOLESALER ACQUIRED - Acklands Limited has acquired, for cash, Thames Industrial Supplies Limited, a successful wholesaler and distributor located in London, Ontario. Thames Industrial Supplies was founded in 1952 and currently has annual sales ranging between \$2,000,000 and \$2,500,000. The company markets industrial supplies, materials handling equipment and machine tools, serving the Sarnia, Woodstock, Chatham and London areas of southwestern Ontario.

The agreement provides for the continuing services of James M. Currie, former president of Thames Industrial Supplies, as manager.

RAPID RIVER RESOURCES LTD.SILVER-LEE MINES LTD.SHERITT-LEE MINES LTD.

EXTRAORDINARY MEETING CALLED TO CONSIDER A FINANCING MANAGEMENT CONTROL CHANGE - Silver Lee Mines Ltd. has called an extraordinary general meeting for 4:00 p.m. in the Devonshire Hotel, Vancouver on Sept. 27, 1968, to consider a series of agreements which, if passed, will result in financing and management control changes.

The agreements provide for the purchase of 400,000 treasury shares of Sheritt-Lee Mines Ltd. at 35¢ per share by Rapid River Resources Ltd. plus the purchase of a further 400,000 treasury shares of Sheritt-Lee Mines Ltd. at 41¢ per share. The total consideration for these 800,000 shares is \$304,000 and is payable in a lump sum on the effective date of the agreement.

Karl E. Wickstrom has agreed to sell 512,502 shares of Sheritt-Lee Mines Ltd. to Rapid River Resources Ltd.

As a result of the transactions, 60.88% of Sheritt-Lee Mines Ltd. will be held by Rapid River Resources Ltd. Sheritt-Lee Mines Ltd. will hold 42.4% of the issued shares of Silver-Lee Mines Ltd. Rapid River Resources Ltd. will hold 8.3% of the issued shares of Silver-Lee Mines Ltd.

The final result of which is that the directors of Rapid River Resources Ltd. will assume control of the exploration and development program of the Silver-Lee Mines Ltd. property in the Beaverdell, B.C., area. A \$273,000 underground and drilling program is recommended.

In addition to the above, Sheritt-Lee Mines Ltd. has agreed to buy 300,000 treasury shares of Silver-Lee Mines Ltd. at \$1.00 per share. Karl W. Wickstrom has agreed to sell 126,000 shares of Silver-Lee Mines Ltd. to Rapid River Resources Ltd.

Silver-Lee Mines Ltd. will also be used for a preliminary exploration program on its Stein property consisting of 26 claims on Cottonwood Creek, northwest of Lytton, B.C.

On completion of the transactions, officers and directors of Silver-Lee Mines will be: Owen V. Woods, president; Howard E. Travis, vice-president; Andrew J. Finneran, secretary; Karl E. Wickstrom, Allan H. Ainsworth.

MOLY-WIN MINING LTD.

I.P. SURVEY UNDERWAY ON SECOND PROPERTY - Aser Harowitz, president of Moly-Win Mining Ltd., has reported that, in view of the activity in the White River district of the Yukon, the company has let a contract for an induced polarization survey over 24 claims in the area. The claims are within one mile of the Silver City Mines Ltd. property. The survey is now being run by Eagle Geophysics Ltd. with preliminary results expected shortly.

Two prominent Vancouver business men have been appointed to the Moly-Win board. They are William Whittaker successful in the construction industry and Samuel Gold, vice-president of Admiral Hotel and a director of Universal Patent and Development Ltd.

JERSEY CONSOLIDATED MINES LTD.

I.P. SURVEY UNDERWAY - D.G. Gordon, president of Jersey Consolidated Mines Ltd., has reported the contract has been let to Eagle Geophysics Ltd. for an induced polarization survey over the 24 claim block held adjoining the Silver City Mines Ltd. property in the White River area of the Yukon. Line cutting for the program has been completed and the survey is now being run, Mr. Gordon stated.

FORT ST. JOHN PETROLEUM LTD.

**GROWTH POTENTIAL ENHANCED BY AQUISITION OF PROPANE MARKETING OUTLETS ON ISLAND**

Subsequent to the June 30,1968 date of the latest financial statements of Fort St. John Petroleums (see box) the growth potential of the company has been enhanced. M.J.Walton, president, says in a report accompanying notice of shareholders' meeting Sept.30,1968, that the aquisition of propane marketing outlets by its subsidiary, Vancouver Island Gas Company Ltd. from Canadian Hydrocarbons Limited will bring Fort St. John gross revenue in the first full year of operations to a figure in the order of \$1,500,000, with net earnings of about \$119,000. He adds that the company plans \$2,000,000 of capital investment for expansion over the next 3 years.

SUMMARY OF NEWLY ISSUED STATEMENT

Years to Dec. 31,	1967	1966
Revenue	\$ 371,980	310,148
Net from Oper'n.	84,772	53,555
Net income	63,450	38,533
Working capital	133,212	158,137
Invest'mts at cost	182,621	122,979
Funded debt	378,000	427,500
Minority int. in sub.	67,809	66,779
Shares issued	2055,141	2,055,141

Six months to June 30,1968

Revenue	\$ 205,231
Net from oper'n	32,628
Net income	23,626
Working capital	118,679
Invest'mts at cost	200,386
Funded debt,net	376,000
Min.int. in subsid.	67,974
Shares issued	2,055,141

Fort St. John currently has 2,055,141 of its 3,000,000 authorized shares issued. Shareholders are advised that they will be asked to approve an increase to 4,000,000 shares authorized. This will permit meeting obligations under an agreement with Hydrocarbons, dated Aug.16, and the raising of funds for planned capital expansion. For \$1,250,868 of propane marketing facilities, Fort is now to issue 950,000 shares and a note for \$300,868 which is convertible into common shares of Fort at \$1 per/share to Dec.31 1968. The 548,843 shares previously held by Hydrocarbons and the shares to be obtained by this agreement, will represent 49% of Fort's outstanding shares. Conversion of the note would give Hydrocarbons 54% in Fort.

The marketing outlets aquired are located in Victoria, Duncan, Nanaimo, Courtney, Alberni, Campbell River, and Port McNeill.

Mr.Walton says consolidation of these LPG holdings will permit improved operating effi-

ciencies. Fort St. John Petroleums, he says, will benefit from strong financial backing and access to specialized management skills and will have the benefit of Hyrrocarbons' volume purchasing of LPG products and assurance of supply. He adds that it is anticipated natural gas will reach Vancouver Island within the next 2 to 3 years. With an established position on the Island, Fort St. John Petroleums will be in a favourable position to penetrate further its already broad marketing area.

Management nominees for directors of Fort St. John are 9 in number and include 4 directors of Canadian Hydrocarbons, viz., M.J.Walton, M.H.Finnell, R.A.Rich, and D.R.Williams, Jr.; and 3 directors of subsidiaries of Hydrocarbons, viz.: D.A.Anderson, G.M.Miller, and A.C.Rooney. Also nominated are H.Kenneth Hall and David P.Gray. Mr. Gray, a professional engineer, is the exploration and development manager of Fort St. John Petroleums.

SCINTREX LIMITED

**MARKETING FACILITIES INCREASED** - Scintrex Limited, whose Sharpe Instruments division manufactures headphones and headsets for home entertainment and educational use and for the general communications industry, is expanding its marketing facilities for these products. Effective October 1, Tri-Tel Associates Limited, of Downsview, Ontario, will become sole Canadian sales representative for the Sharpe line of headphones. Scintrex will continue to supply original equipment manufacturers from its own Downsview plant, while distribution to the aeronautical market is made via Standard Aero Engines Limited from depots across Canada.

The changeover will release storage space at the Scintrex plant and permit an increase in plant production capacity.

CALONA WINES LIMITED

**NEW WINE** - Calona Wines Limited has announced that a fourth fruit wine will appear on liquor vendors' shelves in September.

Grape Jack, a wine made from Canadian-type grapes, will join three other Jack wines-- Double Jack, an apple wine; Cheery Jack--made from Okanagan cherries; and Berry Jack--made from British Columbia loganberries.

The four Jack wines are manufactured in a different way to preserve the fresh fruit. Fruit is pressed and fermented slightly to about 3% alcohol. Then, the wine is fortified with pure grape spirit, manufactured in the company's new distillery, which started operations last year. The finished product has an alcoholic strength of 20%, which is the European and United States standard for Dessert Wines. About 250,000 gallons of Jack wine will be produced this year, a large increase over last year's initial production.

The company has also reported that \$100,000 has been spent in the past three years to ensure that fruit wastes will not cause a pollution problem in Okanagan Lake. A 3 point program to purify plant effluent has resulted in 98% removal of causes of pollution from company's waste products.

Calona uses 10,000,000 gallons of water a year for cooling & washing purposes in connection with its annual production of 2,000,000 gallons of wine. The problem has been to keep waste products out of this water before it is released in the lake.



RAPID RIVER RESOURCES LTD.

\$500,000 RAISED TO BUY AND EXPLORE - Proceeds of a new underwriting in total of \$500,000 SEVERAL TARGET AREAS AT BEAVERDELL will be used by Rapid River Resources Ltd. chiefly for acquisition and exploration of Beaverdell properties, control of which has been acquired from Karl Emil Wickstrom. Negotiated by Howard E. Travis, Rapid River Resources purchased from Wickstrom 512,502 shares of Sheritt-Lee Mines Ltd.,

Corporate Structure

Inc.: Alberta, May 5, 1966, as public company.  
Reg. Off.: 509 - 602 W. Hastings, Vancouver  
Head Off.: 509 - 602 W. Hastings, Vancouver.  
Auditor: Winspear, Higgins, Stevenson & Doane.  
Reg. & T.A.: Canada Permanent Trust, Calgary.  
Auth. Cap.: 5,000,000 shares, no par.  
Shares Issued:

For property (750,000 escrowed)	820,000
For cash of \$75,000	350,000
Outstanding, Dec. 17, 1968	<u>1,170,000</u>

Financial Position: Prior to new financing and new acquisitions, audited statement as at August 31, 1968 showed work. cap. deficit of \$31,534 and 1,170,000 issued shares.

Share Underwriting: By agreement Nov. 19, 1968 S.H. Lennard & Co. Ltd. subscribed for 500,000 shs. at \$1 p/s and by prospectus Dec. 17, 1968 offers these shares to the public at market. The underwriter may realize a profit on resale of the shs. to the extent that the price p/s exceeds \$1 and selling costs. Net proceeds to Rapid River to be \$500,000.

Directors: H.E. Travis, Tsawassen, B.C., pres.; O.W. Woods, Vancouver, v-p.; A.J. Finneran, Van. sec'y; N.R. Tipman, Vancouver; R.B. Love, Calg.

Promoters: Messrs. Travis, Woods, Finneran. On May 30, 1968, they purchased 856,000 shs. of Rapid River from former shareholders of which 750,000 were subj. to escrow, divided: Travis 345,000, Woods 255,500, Finneran 255,500. Also, on May 30, 1968 Travis assigned in consideration of \$20,000 his interest in Wickstrom Agreement. Also Travis on May 30, 1968, transferred 90,000 shs. to N.R. Tipman and each of Travis, Woods and Finneran transferred 25,000 shs. to R.B. Love. Following these transfers, each of Travis, Woods, and Finneran held 255,000 shs. and each of Tipman and Love held 75,000 shs.

trenching, in case the first stage obtains encouraging results.

In his report on the Beaverdell property, after reviewing the silver occurrences found to date in the Wellington, Tiger, Bounty and Bellaclava target areas, Mr. MacLeod advised, in a report dated June 11, 1968, that the veins are broken up by faulting into relatively small segments. He advised that the successful exploration approach has been to follow veins from surface to where faulted and relocated beyond the fault, by diamond drilling. In some cases, he says, the probable location of the vein has been projected on the fault patterns a heading driven into the area, and the vein then located by diamond drilling. He concluded that an exploration program which will both develop mineable ore reserves as early as possible and yet fit into the most economic and logical approach for a long range mining and exploration program, should begin in the Wellington area. He added that there is a strong possibility that the long term development would take the same form as that followed by neighbouring companies, in that the exploration and mining will slowly but surely proceed easterly across Wallace Mountain. The initial work will, after a complete geological study, explore six possibilities of developing Wellington area ore by diamond drilling from surface and underground headings and by prospecting. Next would come work successively on the Tiger, Bounty, Bounty Fraction and Bellaclava target areas.

FOR THE RECORD

Dundee Mines Ltd. has reported that, West Coast Securities Ltd., acting on behalf of a client have failed to exercise the Dec. 14, 1968, option covering 200,000 shares of the company at 40¢ per share. There are no further options outstanding and the agreement is now cancelled.



File

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

March 4, 1969.

Mr. Howard E. Travis,  
Rapid River Resources,  
Suite #509,  
602 West Hastings Street,  
Vancouver 2, B.C.

Dear Mr. Travis:

We are returning herewith your maps and reports on the Eureka Mountain property in British Columbia and on your uranium prospect in north eastern Alberta. As I had indicated verbally to you earlier, we regret that we will not be able to undertake any work on these properties this year.

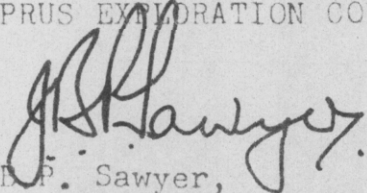
With regard to the uranium prospect, as you are aware, this metal does not rate very highly on Cyprus' list of priorities and its location is not one in which our Company has seen fit to venture. I understand that the results of your present work in this area are encouraging and we wish you continued success in your exploration there.

We have given a great deal of consideration to the Eureka Mountain property which presents several problems. Certainly, we would not be prepared at this point to say that there is no economic deposit in the general area. However, after studying the data and taking into consideration the opinions of others who have worked in the area, we feel unable to commit ourselves to any expenditures there at this time.

We wish to thank you for bringing these properties to our attention and for giving us the opportunity to consider them further.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.

  
J. B. P. Sawyer,  
Regional Manager,  
Western Canada.

JBPS/dh

c.c. Mr. D. W. Tully