

File

MEMORANDUM

811580

January 21, 1972

TO: J. G. Hansen
FROM: C. A. Mark
SUBJECT: Storie Molybdenum Project - Canada

A review of all of the New Jersey Zinc Reports and Data Compilations covering the period 1964-1971, indicates that there still remains a potential for a commercial orebody. The main reason that this potential has not been evaluated is due to the low core recovery in the initial drilling programs of New Jersey Zinc. After drilling Bx standard size for several years and working on the sludge recovery system to get adequate sample volume, it became apparent that the sampling was not representative.

The Bx size core recovery averaged 33% with ranges of 27% to 63% in the various ore zones. The sludge recovery system was very sophisticated and possibly would have worked in anything but moly minerals. Due to the flakes of moly and to the clay fractions, the moly was concentrated to an unknown degree giving extremely high moly assays for the sludge. New Jersey Zinc personnel did not believe the sludge assays, and therefore did not use them to combine with the core sample assays.

Our present thinking is to spend this year in drilling the low core recovery zone which is also the near outcrop portion of the orebody. The drilling accomplished last year was in the thickest and deeper portion of the mineralized zone and not only confirmed the projections but upgraded the orebody.

In addition to drilling and upgrading the moly content of the near-surface portion of the zone, there is a substantial silver credit available as demonstrated from the first drilling assays which has never been followed up. Silver and gold credits must be evaluated by going back to splits of the samples as well as making up composites for concentrations tests, then checking for additional metal credits in the concentrates.

The potential of this higher grade mineralized zone is 20-40 million tons of 0.12-0.14 range of Mo content with at least 100 million tons of 0.10 with a 1 to 1 stripping ratio.

J. G. Hansen

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1/21/72

The British Columbia government is now constructing a railroad to Dease Lake that is scheduled for completion by 1974. In addition, funds to push the railroad on into Cassiar are being budgeted for possible completion by 1976, which would pass within a few miles of Storie.

Further to our planning on Storie, we feel that New Jersey Zinc is already considering pulling out of mining completely due to their poor recent performance in the U. S. mining area. They have sold all of their Silver City, New Mexico properties to U. S. Smelting including the Hanover Zinc Mine; and have closed and offered for sale the Gilman, Colorado zinc mine. Gulf Western announced a concentration of New Jersey's mining operations to the East Coast to cut down on losses during 1971-72. At the same time, they have cut out all major exploration programs and let all but a few of their staff go. These facts indicate that very shortly we may have the opportunity to take all of the Storie Property over if New Jersey follows the same pattern as most other American companies are doing right now.

We have to make a decision by January 31, 1972, as to exercising the option for an additional year's work commitment for \$50,000 in order to continue this project. I recommend that the AFE be approved as soon as possible, and New Jersey Zinc advised of our intention to proceed.

C. A. Mark

CAM:mp

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

June 21, 1971

APPLY	
REPLY	
RETURN TO	COMMENT
RETURN TO	
JUN 24 1971	
1	5
2	6
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4	8

Mr. D. W. Coates, President,
D. W. Coates Enterprises Ltd.,
1668 West 1st Avenue,
VANCOUVER 9, B.C.

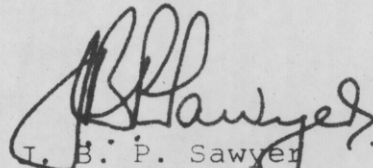
Dear Mr. Coates:

This will confirm that your tender on the Storie Molybdenum job near Cassiar, B.C. has not been accepted, it being the highest of all the bids received.

We wish to thank you for tendering on this job and look forward to working together on other occasions.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.



I. B. P. Sawyer
Manager - Canadian Exploration

JBPS/jel

c.c. Messrs. C. A. Mark, C.M.C., Los Angeles ✓
W. O. Irish, C.M.C., Los Angeles ✓

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

June 21, 1971

E. Caron Diamond Drilling Ltd.,
Box 983,
WHITEHORSE, Yukon

Attention: Mr. A. Caron

Dear Mr. Caron:

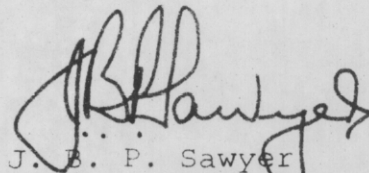
This is to advise that after careful consideration, we have accepted an alternative bid on the Storie job near Cassiar, as indicated to Mr. Gene Caron on June 18th.

We wish to thank you for tendering on this project, and regret that you were not the successful bidder on this occasion.

We still have your tender on the Top Copper project under consideration and expect to be able to advise you in the very near future regarding this.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.



J. B. P. Sawyer
Manager - Canadian Exploration

JBPS/jel

c.c. Messrs. C. A. Mark, C.M.C., Los Angeles
W. O. Irish, C.M.C., Los Angeles ✓
E. Caron, #3, 425 Howe St., Vancouver

TO		REPLY
RETURN TO		COMMENT
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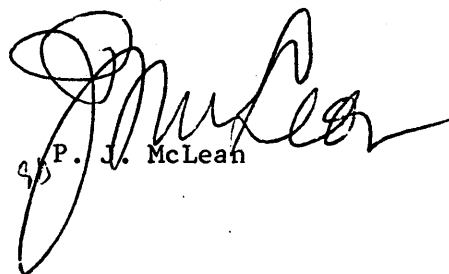
M E M O R A N D U M

May 24, 1971

TO: Gerald G. Kelly
FROM: P. J. McLean
RE: New exploration prospect Storie Molybdenite, B. C.

The exploration department is negotiating a joint-venture agreement with New Jersey Zinc Exploration Co. (Canada) Ltd. for the above referenced prospect. This joint-venture will be on properties located in northern British Columbia.

Please place this prospect in Levana Exploration Corporation. By our memorandum of May 5, 1971, we assigned the Jennings River prospect to this same corporation and requested it be qualified in British Columbia. The two prospects are sufficiently far enough apart to avoid any conflict of interest.


P. J. McLean

PJM/eb

cc: P. J. McLean
J. G. Hansen
C. A. Mark
✓ W. O. Irish
J. B. P. Sawyer
E. A. Radies

To: Paul Sawyer - J. D. Simpson
From: C. A. Mark
Subject: Storie Molybdenite Prospect

In reviewing the status of the Storie prospect ~~also to that~~ ^{to the Cyprus} ~~mine~~ ^{mine} we have not yet received a reply ~~to the~~ ^{to the Cyprus} ~~mine~~ ^{mine} April 19th letter asking for an indication of ~~the~~ ^{of} ~~reaction~~ ^{reaction} to our suggestions ~~and~~ ^{and} proceeding with the prospect in 1971-72 budget years. Would you check on this & let us know what progress is being made if any?

It is suggested that you ask ^{New Jersey} ~~New Jersey~~ ^{mine} ~~mine~~ for a composite ^{pulp} of one or more drill holes in order to ~~run~~ ^{run} check assays for moly on these samples. In absence of composites try to get ~~the~~ ^{the} pulps of samples from individual holes so we could composite for check assays. Before sending these out please check with me and we will furnish a list of elements to have assayed for.

C. A. Mark

Storie Moly

Jim,

May 11, 1971

Even though the grades shown on this project look fairly low, I do not consider the Bx (33% ore recovery) as sampling at all. In addition the BQ with 70-80% ore recovery in fractured moly mineralization would not yield a representative sample.

I feel that it is worth the gamble to drill at least a few drill holes in this property with either NC or NQ machine (the largest size possible) in the best mineralization to find out. My guess is they missed the boat and this looks like an ore body. New Jersey management people are ready to give it away & I think we can get it by an agreement to spend at least \$50,000 this year & next. If we can get it for this minimum 1st year exp., I am sure we can determine our answers either this year or next, whenever we can get the money for a few holes.

Approved
5-11
Cif

TELEX

TO: J. B. P. SAWYER
VANCOUVER

FROM: G. S. BRANSON

RE: STORIE MOLYBDENITE PROSPECT

WOULD YOU HAVE ANY OBJECTIONS TO PUTTING STORIE INTO LEVANA
WITH THE JENNINGS RIVER PROSPECT OR BOLIVAR WITH THE TOP PROSPECT
SINCE THESE ARE ALL IN THE SAME GENERAL AREA.

PLEASE ADVISE WITH ANY COMMENTS YOU MAY CARE TO ADD.

G. S. BRANSON

cc: ✓ W. O. Irish 