January 25, 1972

Mr Percy S Church, Sultana Silver Mines Ltd. (N.P.L.), #801, Bank of Canada Building, 900 West Hastings Street, VANCOUVER. B.C.

Dear Mr Church:

This is to acknowledge your letter of recent date regarding the <u>Silver Basin prospect</u> near Usk, B.C. We are looking into this in relation to regional geological considerations, and will advise you shortly as to any further interest on our part.

We thank you for giving us the opportunity to consider this prospect.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.

J. B. P. Sawyer Manager - Canadian Exploration

JBPS/jel

PAUX. I should make a hip to Terrace this spring to cleck out Toe Bells Cer shows etc. I carlid terbe a look at this situation at the same time Memoir descriptions gurly I dente dy hes. The lutto are apparently fresh & Q.V.; so it chesn't source too premising. No May. B.

CYPRUS EXPLORATION CORPORATION LIMITED From: J.B.P. SAWYER 24/1/72 Slem, Re Silver Basin - Aubunission from Sultana. The Veins are obviously of no dielet ruteset to us but I wonder of these may be indicative of some posphyay type occurrence nearby. Might be worth finding out how the scheelite ours on the geology of the general area, to the magneticis of They'd available. Can die of anything of further interest on these - P. SULTANA SILVER MINES LTD. (N.P.L.)

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Vaneaver. B.C.

Cypress Exploration Ild Exploration Manager.

DearLis

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This properly in the report is now recorded as the Red group and is a scholer owned subsiduced of Sullana Silon mines, the restaked in 1970 and did some assissment with The work mentioned in the report was never done according to Me Joe Bell of resk, and the property lapsed and nothing has been don't since 1924, Le also mentioned that the discovered scheelite when he was uptture in 1923 and 1924 but it was no intenst to them at that lime, tae are interested in getting a major involved on this properly I have advised forces Truly Second - Elisable

SILVER BASIN

Extracts from Mr. Elmendorf P. Eng. Reports.

"Silver Basin: A glacial cirque of horseshoe form and about two miles in diameter, lying above the head of Chimdemash Creek, has been appropriately named "Silver Basin".

The inclined floor of the basin rises from an altitude of 4000 A.S.L. to 4500 A.S.L. The surrounding peaks of the Bornite Range rise more than 2000 feet higher. The scene is one of simple grandeur not easily forgotten.

"Location": Chimdemash Creek empties into the Skeena River about one mile north-east of Usk, B.C.

"Geology": The rocks of Silver Basin are all igneous, so far as observed but of great variety and difficult of classification owing to their altered condition. Flows of rhyolite and trachyte have been cut by later intrusions which form dykes; hhese are usually very siliceous but some alteration products of basic intrusives are also present. Many of the rocks are so altered that their original character is obscured. The area deserves careful study by a competent Geologist who can give the needed time for a careful classification and correlation of the rock formations. "The SILVER BASIN area is in many ways similar to the SAN JUAN Mining District of Colorado where the writer did his first mining and with which he is quite familiar.

"Silver Basin Group! The Silver Basin, Argentite, Silver Barrier, and Silverton mineral claims form the "Silver Basin Group". They are all full sized claims 1500 feet square. The first three named claims extend up Chimdemash creek in a generally easterly direction and from an altitude of 3600 feet to 4500 feet A.S.L. The Silverton claim, which lies north-east of the others, extends up the steep slope of the cirque from an altitude of 4800 feet to 5500 feet A.S.L.

"Silver Grown Group": This group, which was formerly called the Silver Horde, includes the Silver Shield, Silver Grown, Groesus, and Empress claims. This group adjoins the Silver Basin Group on the West and extends in a south-easterly direction from an altitude of 4500 feet across the divide, where the highest showing is about 5000 feet A.S.L.

All of the mineral claims on the property except the two lower claims, are above timber line.

"Veins": The ore bearing veins in Silver Basin follow fissures in the volcanic flows of rhyolite and tachyte. The ore-seams themselves, where exposed are narrow, but the width of the accompanying fissuring is considerable, possibly 5 to 6 feet. The veins are well defined and persist for considerable length, the Silver Basin vein having been traced through at least three claims. In fact, the vein exposed on the Silverton claim, another claim-length away, may well be its extension. The strike of the veins is from North-west to South-east and they dip to the south. Within the width of the veins, which show a banded structure mineralized seams or veinlets with quartz and calcite gangue alternate with bands of altered country rock, also somewhat mineralized.

"Ores": The prevailing ore is grey copper of high silver content. The gold values in the ore is low but by no means negligible. Other high-grade silver-bearing minerals are doubtlessly present and native silver is to be seen in fine flakes in many of the better pieces of ore. The native silver is of secondary origin and too much importance must not be attached to its presence. However, it usually takes high-grade primary ore to produce any considerable quantity of native. The associated minerals are galena, pyrite,, chalcopyrite, bornite and possibly, chalcocite. Many of these minerals are silver-bearing and their presence is important, not for the base metal content itself, but for the silver that they contain. It is most probable that the deposits will develop into silver mines if the development is satisfactory.

"Development": On the Silver Basin claim, about 600 feet up the creek from the cabin, a cut has been made into the wall of the little canyon through which Chimdemash creek flows at this point. Just above the cut is a little waterfall. Here the vein shows about five feet in width, with mineralized bands of ore forming, perhaps, one third of its width. From this point this vein has been traced, and opened at several points, down the creek through the Argentite and Silver Barrier claims, a distance of 3000 feet, and up the creek into the Silver Shield claim, a further distance of 1500 feet. A vein has been opened on the Silverton claim beyond this point and up the steep side of the cirque which shows similar mineralization and may well be the extension of this vein.

What appears to be still another vein has been opened on the south side of the pass on the Silver Shield and the Silver Crown claims. Still what appears to be kki another vein has been opened up to the south-east on the Croesus and Empress claims. Along all these outcrops, there are numerous open cuts, but no serious underground work has yet been attempted. This is as it should be. As most of the outcrops are above timber-line and the rocks are bare, the tracing of the veins is not a difficult matter. It is important that the most likely point for undergorund development should be determined before such work is initiated, and this can only be done by careful exploration, sampling and assaying of the surface showings. As development, and with its exploration proceeds, it is probable that other veins will be exposed. The area gives good promise of extensive mineralization.

"Gre Values": Three samples from the showings described. Two samples from the ground were later sent to him and assayed. In none of these samples was any attempt made to obtain the best of ore. Rough hand sorting would raise perhaps double, the grade of any of these. The descriptions and results of assays on these follow:

"Silver basin sample No. 1, Silver basin claim, average width of 10 inch streak in vein in cut below falls: Gold .02oz., Silver 161 ozs. to the ton.

"Silver basin, sample No. 2, Silver Shield claim average ten inch streak in vein in the creek bed : Gold .06 oz., Silver 50.1 oz. per ton.

"Silver basin, sample No. 3, Silver shield claim, average 6 - inch streak in vein at elevation of pass: Gold .01 oz., Silver 54.2 oz per ton. This sample was also assayed for copper and carried 20.66%.

"Silver Crown claim, sample from vein: Gold, .20 oz., Silver 151 oz. to the ton;

"Croesus claim, sample from vein, Gold .08 oz., Silver 68 oz. to the ton.

"The results of many assays on the Silver basin ores have been submitted to me and two sets are worth recording here as confirming the values taken from my own sampling.

Mr. John D. Galloway reports results of three samples taken by J.D. Wells and assayed in the Government assay office. The average of these three is: Gold 0.59 oz., Silver 250.2 oz. to the ton, Copper 2.8 %.

The highest of these ran Silver 597 oz., Gold 1.36 oz. per ton, and Copper 5 percent.

Mr. Galloway reports the results of what is supposed to be a more general and average sampling by Mr. Wells. The average of eight samples Gold .03 oz., Silver 58.9 oz., Copper 2.2%. The highest of these ran Gold .04 oz., Silver 142 oz., Copper 5.6%.

"Opinion": The Silver Basin and Silver Crown groups of mineral claims are in the initial stages of development. They are prospects in every sense of the word. But they are very promising prospects and I beleive will make "pay" mines if properly handled. The veins, so far seen, are not wide and only a portion of their width is ore. This ore, however, is of excellent grade and may be easily mined and easily sorted. The properties should be developed with the idea of obtaining quality grade rather than quantity tonnage. Located as they are, a comparatively small expenditure should accomplish much in the way of stripping and open-cutting. When good showings of ore are opened by these means— and there are several such already exposed-drifting and if necessary sinking will be the logical further means of dex development.

"The installation of power or extensive and expensive improvements in the means of transportation need not be considered now. The trail up Chimdemash creek must be completed; that is of prime importance and must be done. This trail should be built so that pack-animals can carry good loads over it in both directions. This should not be difficult as the nature of the topography is favourable to this end.

"Hand-mining, sorting, sacking, and packing ore out to the railway are not the general idea of what constitutes up-to-date mining methods. They are, however, just the methods by which many small profitable mines - and some of the large ones too - have operated since mining was first known. And they will always be the methods by which many of operation under certain conditions. If large enough and rich enough ore-bodies are opened up later - and this is entirely possible - then will be the time for improvement in transportation facilities and power installations.

"I heartily recommend the Silver Basin to prospective investors as an area of great promise where heavy expenditure is not needed to accomplish results".

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