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Morrisburg, Ontario

January 6, 1972

Mr. J.B.P. Sawyer,
Cyprus Exploration Corporation Limited,
510 West Hastings Street,
Vancouver, B.C.

Dear Paul,

Re: Trifaux (Quesnel) Nickel Prospect

I have now had a chance to look at some thin and polished sections from samples collected from this property. I had two thin sections and two polished sections made in Montreal and Roger Eckstrand had three polished sections made at the Geological Survey, from samples shipped to him by Trifaux. We looked at them the other day in the Survey Ore Microscopy lab.

The sections confirm our original supposition that this could be an interesting prospect. The two thin sections (one from a specimen from the margin of the exposed ultramafic; the other from presumably the interior part of the ultramafic) show that the rock was originally a dunite, now totally serpentinized to a mat^{te} of serpentine intergrowth minerals. The only other mineral present ^{is} a few grains of chromite, and secondary magnetite. There is no evidence of relict structure that would indicate original pyroxene, although of course no one would want to draw a definite conclusion on this from examination of two sections. However, it is fair to say (as I stated in my report) that it does not really look like a typical alpine-type Cordilleran ultramafic.

The polished sections show the presence of a finely dispersed sulphide phase. The mineral is probably Heazlewoodite (Ni₁₂Sn₂) although this identification is not positive. Roger is going to dig some of the material out for positive X-ray identification. In the samples that

Mr Sawyer 2

were submitted to Eckstrand by Trifaux (which were presumably hand-picked by Trifaux for maximum visible sulphide content - probably assaying .25% Ni) the sulphide phase is common, well-dispersed and certainly significant. The grains are small, discrete, and probably easily separated by grinding. This probably explains the good results obtained in the grinding tests that Trifaux had done in Montreal.

In the sections from samples that I collected (which were deliberately chosen to underemphasize visible sulphide content) the sulphide phase is still present, but in much smaller and more widely dispersed amounts. You could not see this with the naked eye.

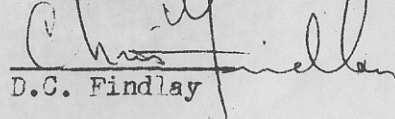
In one of the five sections, there is evidence of a second metallic phase. It is minor, and too small to identify either under the microscope or by X-Ray. Identification would require Electron Probe work, which is, for the present, behind our capability. Roger Eckstrand says that it could be Ni-Fe alloy, but he would not like to commit himself. I am of no help here, because I do not know what the stuff looks like under the microscope. For the time being it had to remain unknown. In any event, if the dominant sulphide phase is heazlewoodite, it is probably enough to account for the Ni in the assays.

Roger agrees with me that this mineralization is interesting. It is not something you are going to see every day in the Cordillera. I would think that the Proterozoic(?) - Mesozoic (Cariboo Series - Quesnel River Group) contact environment deserves exploration.

Best wishes for the New Year.

Yours sincerely,

FINDLAY CONSULTANTS LIMITED


D.C. Findlay

RECEIVED
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INTER OFFICE MEMO

Received 10/18/71

CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE

Date: October 14, 1971

Ref. 1388-CVL

To: C. A. Mark
From: J. B. P. Sawyer
Subject: Quesnel Nickel Prospect and low grade nickel prospects in general

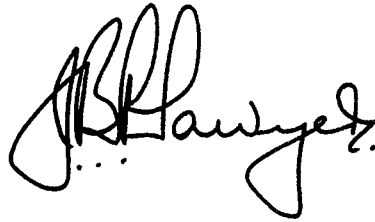
Earlier this year a Mr. Trifaux of Calgary submitted for our consideration a property he owns near Quesnel on which there are occurrences of ultrabasic intrusions carrying low values in nickel. Late in August I asked Chris Findlay to make a field examination of this for us and I am enclosing herewith a copy of his report on this prospect. Ultrabasics, of course, is one of Findlay's specialties and in this case, I think he has picked out some important points regarding this particular prospect. I have not as yet made any further contact with Trifaux, and before doing so would like to have some clarification as to Cyprus's interest in this kind of thing, and the benefit of the latest work and investigation which Gene Allan has presumably been conducting in connection with the earlier submission from Timiskaming Nickel Ltd.

As you will recall, Timiskaming Nickel looked at a large number of ultrabasic bodies right across Canada as part of their nickel programme, before selecting the occurrences in the Timmins area as being the most prospective. Whether or not they looked at this particular one I do not know at this time, however, it would seem probable that they did not since they obviously have not included it in their most recent plans. I hesitate to enquire directly from Joe Chamberlain in this regard since he has recently formed an association with Placer Development and is devoting approximately fifty percent of his time to nickel studies for them. Undoubtedly sooner or later he will get to see it, or hear of it, and if we have any further interest, we should try to keep ahead of them.

When J. G. Hansen turned the Timiskaming Nickel proposal over to Technical Services I thought, in fact I even hoped, that we would be kept advised of their further work and any findings or conclusions arrived at in connection with Timiskaming Nickel in particular and this type of mineral occurrence in general. So far all I've got are copies of several letters from Coolidge to E. S. Allan which don't provide any new information and a brief telephone conversation with Joe Chamberlain saying that he was going to spend some more time in Minneapolis working on the

Timiskaming Nickel material; nothing at all from Tech. Services!
Obviously our Corporation's feelings about the viability of this type of occurrence will be important in considering other similar occurrences, such as the Trifaux one. I would be inclined to follow up on Chris Findlay's recommendations, however, I would appreciate receiving your comments and an indication of the possible extent of our interest, together with your instructions as to whether we should follow it up or should turn it over to Tech. Services, before doing so.

JBPS:JF
Enc.

A handwritten signature in black ink, appearing to read "J. B. Lawry". The signature is written in a cursive style with a large, stylized initial "J" and "B".