

812109

November 3, 1966.

Mr. D. P. Simpson,  
P. O. Box 321,  
OSOYOOS, B. C.

Dear Mr. Simpson:

Thank you for the opportunity of examining your ground. I regret that we are not further interested at this time and I am sending under separate cover the maps and reports you loaned me.

Yours very truly,

ATLAS EXPLORATIONS LIMITED,

EOC:dh

E. O. Chisholm,  
Exploration Manager.

**ATLAS EXPLORATIONS LIMITED**  
(N. P. L.)

330 MARINE BUILDING  
355 BURRARD STREET  
VANCOUVER 1, B. C.

October 25, 1966.

Mr. R. Chaplin,  
Professional Geologic Services,  
742 Denman Street,  
VANCOUVER, 5, B. C.

Dear Bob:

Further to our conversation on Simpson's Osoyoos property, Torbrit optioned the property in 1965 and spent \$35,000 on the ground and gave it up. I am not sure whether they drilled four shallow holes or not; this might be a point to check. Jim Mitchell apparently consulted on the property. He was working for Duncan Derry at the time. A man called Butler owned the adjoining ground but he has no interest in the deal now. Simpson's son, Darryl P. Simpson, of 520 North Michigan Avenue, Chicago, Illinois, owns the adjoining claims cross hatched on the map. Simpson also mentioned that Doug Campbell may know something about the property. Boyles Bros. apparently left a drill on the property and you might enquire further about the holes. Simpson said no work had been done at the main property since 1943 when it was shut down by the government due to wartime emergencies. A Dr. Caulfield apparently spent some time on the property also.

On reading this over, it looks like we should establish whether drilling had been done recently or not. Simpson certainly didn't stress this. If the project looks feasible, it looks like drilling would be the next logical step, so you might enquire what the contract prices might be in the area. Probably Boyles Bros. would give a good price if their machine is already on the ground.

Yours very truly,



E. O. Chisholm,  
Exploration Manager.

EOC:dh

FILE

Osoyoos, B. C.  
Box 321,  
October 19th., 1966

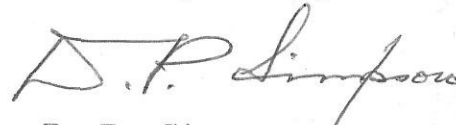
Mr. Edward O. Chisholm,  
Exploration Manager,  
Atlas Explorations Ltd.,  
330 Marine Building,  
355 Burrard Street,  
Vancouver 1, B. C.

Dear Mr. Chisholm:                      Re: Lakeview-Dividend Mine.

Not having heard from you since leaving your office on the 14th instant, I assume that you no longer are interested in my mining property at Osoyoos.

If this is the case, I would request that you please return to me at the above address the I. P. Survey, maps, and other documents left with you for your perusal. Thank you.

Yours very truly,



D. P. Simpson.

SCHEDULE OF PAYMENTS  
Re: OSOYDOS MINERAL CLAIMS

JULY 10/65

	<u>K. BUTLER</u>	<u>P. SIMPSON</u>
JULY 10/65	\$ 100	\$ 100
ON SIGNING	900	900
JAN. 15/66	1000	1000
JULY 15/66	2500 5000	2500 5000
JULY 15/67	5000 10,000	5000 10,000
JULY 15/68	7500 12,500	7500 12,500
JULY 15/69	12500	12500
JULY 15/70	20000	20000
JULY 15/71	<u>25500</u>	<u>25500</u>
	<u>\$ 75000</u>	<u>\$ 75000</u>

1% OF NET  
 SMELTER RETURNS \$ 75000 \$ 75000  
 WITH EACH GUARANTEED  
 A MINIMUM OF  
 \$10000 PER YEAR

TOTAL TO EACH \$150000 \$150000  
 \$ 175,000 \$ 175,000

MEMORANDUM OF OPTION AGREEMENT

1. In consideration of the covenant herein contained of the Optionee with respect to the performance of assessment work or payment of money on or before the 26th day of February, 1966, DUNCAN PERLEY SIMPSON, of Box 321, Osoyoos, in the Province of British Columbia, holder of Free Miner's Certificate No. 7982 issued at Penticton, British Columbia, on the 27th day of May, 1965 (hereinafter called the "Optionor") doth hereby give and grant unto TORBRIT SILVER MINES LIMITED (N.P.L.) of 309 - 675 West Hastings Street, in the City of Vancouver, Province of British Columbia (hereinafter called the "Optionee") the sole and exclusive right and option to purchase the mining property set forth in the schedule attached hereto (hereinafter called "the mining property") which the Optionor represents that he owns free of encumbrances.

2. The purchase price payable for the said mining property shall be the sum of ONE HUNDRED AND SEVENTY-FIVE THOUSAND DOLLARS (\$175,000.00) payable as follows:

- See paragraph 12.*
- (a) the sum of Two Thousand Dollars (\$2,000.00) payable on the 1st day of September, 1966; G
  - (b) the sum of Three Thousand Dollars (\$3,000.00) payable on the 1st day of March, 1967; G
  - (c) the sum of Five Thousand Dollars (\$5,000.00) payable on the 1st day of September, 1967; G
  - (d) the sum of Thirty Thousand Dollars (\$30,000.00) payable on the 1st day of September, 1968, subject as herein-after provided; G
  - (e) the sum of Thirty-five Thousand Dollars (\$35,000.00) payable on the 1st day of September, 1969, subject as hereinafter provided; G
  - (f) the sum of Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) payable on the 1st day of September, 1970, subject as hereinafter provided; G
  - (g) the sum of Forty-two Thousand Five Hundred Dollars (\$42,500.00) payable on the 1st day of September, 1971, subject as hereinafter provided; G

(h) the balance thereof on the 1st day of September, 1972; 142

PROVIDED HOWEVER that it is understood and agreed between the parties hereto that of the respective sums of each of Thirty Thousand Dollars (\$30,000.00), Thirty-five Thousand Dollars (\$35,000.00), Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) and Forty-two Thousand Five Hundred Dollars (\$42,500.00), the sum of Twenty Thousand Dollars (\$20,000.00) is to be considered as an advance on account of two per centum (2%) of net smelter returns to the Company which, if the option herein contained is exercised, puts the property into commercial production. If two per centum (2%) of the net smelter returns as aforesaid to and including the following 31st day of August exceeds the said advance of Twenty Thousand Dollars (\$20,000.00), such excess shall be due and payable to the Optionor on the following 1st day of October. Any such excess so paid shall be deemed to be a payment on account of the purchase price of One Hundred and Seventy-five Thousand Dollars (\$175,000.00). Any entitlement of the Optionor to payment of net smelter returns shall cease upon payment of the balance of the purchase price in the manner herein provided. PROVIDED FURTHER that if the option herein is exercised and the property is put into commercial production as hereinafter provided, the Optionor may within ninety (90) days of the property being put into commercial production elect to acquire one-third (1/3) of the number of shares which form the maximum vendor's consideration allowed by the Securities Regulatory body having jurisdiction, in any public mining company formed to put the mining property into commercial production, which company would be authorized to issue not less than three million (3,000,000) shares. If such election is made by the Optionor, the sum of One Hundred Thousand Dollars (\$100,000.00) shall be credited to the purchase price and each of the payments due on the 1st days of September, 1968, 1969, 1970, 1971, 1972 shall each be reduced by the sum of Twenty Thousand Dollars (\$20,000.00) and provision hereinbefore set forth with respect to the payment to the Optionor of two per centum (2%) of the net smelter returns shall not be applicable. PROVIDED FURTHER that if the Optionor does not make the election of acquiring such shares as hereinbefore provided the Optionee may elect to prepay the balance of the purchase



price owing as of the 1st day of September, 1968, namely, One Hundred and Sixty-five Thousand Dollars (\$165,000.00) at a discount of Twenty-five Thousand Dollars (\$25,000.00). Such election by the Optionee may be made within ninety (90) days after the last date upon which the Optionor could have elected to acquire shares as aforesaid.

3. All payments to the Optionor shall be made to the Bank of Montreal, Osoyoos, Province of British Columbia, for the account of the Optionor.

4. The option herein contained may be exercised by the Optionee:

(a) making each of the following payments hereinbefore referred to:

(i) Two Thousand Dollars (\$2,000.00) on the 1st day of September, 1966;

(ii) Three Thousand Dollars (\$3,000.00) on the 1st day of March, 1967;

(iii) Five Thousand Dollars (\$5,000.00) on the 1st day of September, 1967;

(b) giving notice in writing on or before the 1st day of September, 1968 of intention to exercise the option and undertaking to proceed with all due diligence to put or cause to be put the mining property into commercial production and giving particulars of the name and capitalization of the company then formed or about to be formed for the purpose of putting the mining property into commercial production.

5. The Optionor will forthwith execute transfers of the said mining property to an unnamed transferee and deposit the same, together with title documents, in escrow with The Guaranty Trust Company of Canada with instructions to deliver the same to the Optionee upon payment of the purchase price mentioned in paragraph 2 above.

6. The Optionee shall be entitled to possession of and may examine and explore the said mining property during the currency of the said option.

7. Time shall be of the essence of the said option; provided nevertheless that if the Optionee should be delayed or hindered in examining and exploring the said mining property by Government regulations or other cause beyond the control of the Optionee, the time within which the said option may be exercised and the time for making each of said payments on account of the purchase price shall be extended for a period equal to the total of all such delays so encountered by the Optionee.

8. This is an Option Agreement only and until the option is exercised in the manner provided in paragraph 4 hereof, the Optionee is not obligated to make any payments or expenditures or do anything else hereunder (other than the obligation with respect to the performance of assessment work or payment of money on or before the 26th day of February, 1966) and the Optionee may at any time abandon the said option by giving notice to that effect to the Optionor. Non-payment of any option payment will constitute abandonment of the option whether notice is given or not. If the option herein is exercised as aforesaid, the Optionee covenants and agrees to pay the balance of the purchase price and otherwise to complete the purchase of the mining property as herein provided.

9. The Optionee will, during the currency of the said option, maintain the said mining property in good standing, provided that the Optionee may with the consent in writing of the Optionor permit any of the above described mining claims to lapse during the currency of the said option.

10. If the Optionee so requests, the Optionor to execute and deliver a more full and detailed option agreement incorporating the terms hereof and containing such other provisions usual and appropriate to mining options as the parties may agree upon.

11. The Optionee covenants that it will, during the currency of this option, maintain the said mineral claims in good standing and agrees that it will pay for any work done by it or its assigns in or upon the said claims and for any materials supplied in connection with the said work which might give a right under the provisions of the



Mechanics' Lien Act of British Columbia, to file a lien upon the said claims, and that upon receiving knowledge of any such lien being filed against the said claims by reason of any such work done or by reason of any such materials so furnished it will forthwith at its own expense have such lien removed (but nothing herein will prevent the Optionee from contesting the right of any third party to any such lien) and pay all current taxes, rentals or other charges necessary to keep the said claims in good standing during the currency of this Agreement.

12. The Optionee covenants and agrees with the Optionor to perform and cause to be recorded assessment work upon the mining property to the value of One Thousand Five Hundred Dollars (\$1,500.00) on or before the 26th day of February, 1966 or to pay cash on or before the 26th day of February, 1966 to the appropriate Mining Recorder in lieu of the whole or any part of such assessment work; Provided that the Optionee shall not be obliged to perform assessment work or pay cash in lieu thereof in an amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

13. For the purposes of this Agreement, the date of putting the mining property into commercial production shall mean the first day of the calendar month next succeeding the date upon which the mill to be established reaches sixty per centum (60%) of its rated capacity.

14. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, executors, successors and assigns.

Dated at the City of Vancouver, in the Province of British Columbia this 16th day of February, 1966.

SIGNED, SEALED AND DELIVERED by the said DUNCAN PERLEY SIMPSON in the presence of:

*Handwritten:* 25-725 W. Georgia St. Vancouver BC

*Handwritten signature:* D. P. Simpson

The Corporate Seal of TORBRIT SILVER MINES LIMITED (N.P.L.) was hereto affixed in the presence of:

TORBRIT SILVER MINES LIMITED (NON-PERSONAL LIABILITY)

*Handwritten signature:* Murray Smith

*Handwritten notes:* Keith Smith, 10 Main Street, Vancouver, B.C.

THIS IS THE SCHEDULE TO A MEMORANDUM  
OF OPTION AGREEMENT BETWEEN DUNCAN  
PERLEY SIMPSON AND TORBRIT SILVER  
MINES LIMITED (N.P.L.)

Crown Granted Mineral Claims:

<u>Lot No.</u>	<u>Name</u>	<u>Certificate of Title No.</u>
1589	Dividend	E72413
1590	Dividend Fraction	E72414
3558S	Manx	E72416
3559S	Little Manx Fraction	E72417
3573S	Osoyoos Heclar Fraction	E29648

All in the Kettle Valley Assessment District, Similkameen Land District, Province of British Columbia.

Mineral Leases:

<u>Lease No.</u>	<u>Name</u>	<u>Lot No.</u>
M26	Eagle Fraction	2395S
M27	Bulls Eye Fraction	1591
M27	California	1907
M27	Lakeview	1899
M27	Treasury	3556S
M32	Copper King	1078
M32	Bullfrog Fraction	3572S
M33	Ianto	3555S
M36	Orient	1898
M36	Lake View Extension	2468
M38	Gold Hill	1916

*Handwritten signatures and initials:*  
D.P.S.  
D.P.S.  
J.H.  
M.S.