

INTER OFFICE MEMO

CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE

812669

Date: November 27, 1972

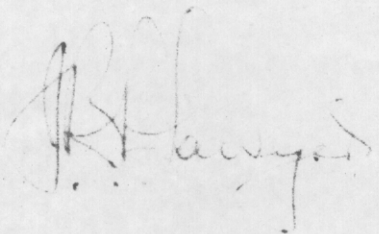
To: C. A. Mark Ref. 2083-CVL
From: J.B.P. Sawyer
Subject: J. R. WOODCOCK - EUTSUK PROJECT AND RELATED PROPOSAL

I enclose herewith for your information and files, a copy of a report by Dick Woodcock on the Eutsuk Moly Project, Omineca Mining Division, British Columbia. You may recall this is the moly prospect I have discussed verbally with you which Woodcock has looked after for a small group and on which he has mapped what he considers to be significant alteration including strong silicification and development of topaz. The further exploration of this group really resolves into drilling one or two fairly deep holes through the area of best developed alteration to see whether Woodcock is right. Some additional exploration could be justified to the south and southwest of the present claim group to investigate anomalous copper in stream sediments which showed on the regional work which lead up to staking the Eutsuk Prospect, but which have never really been followed up.

Woodcock's estimate of the cost of drilling two 1,000 foot holes is in the order of \$100,000 on the basis that he would run the project for a management fee. Location and topography indicate that drill and equipment would have to be flown in which inflates the costs. The same group which controls Eutsuk has a number of potential gold prospects which Woodcock has done some very limited preliminary work on. There are apparently a number of prominent gossan zones which would have to be investigated and Woodcock estimates for a first program, would involve approximately \$50,000. He wants to combine these two projects and have someone finance both for about \$150,000 in 1973. These figures involve a down-payment of about \$20,000 which Woodcock wants to get to finance some further exploration work he has recommended. He would be willing to make a first refusal position available on this further work to whoever financed the Eutsuk plus the gold project. What it amounts to basically is a crack at two prospects and first refusal on a potential third for a \$150,000 commitment in 1973. On the Eutsuk alone I am not sure that I would want to recommend a \$100,000 worth of work although if the first drill hole gave positive results, that figure would certainly be fairly close to the actual cost of two deep holes plus further follow-up of the geochem. Combining it with the gold prospect idea probably makes it more attractive.

Knowing our probable budget limitations, I discussed the possibility of joint venturing this proposal with another group and such an arrangement probably would be acceptable to both Woodcock and the people he is representing. Among possible partners are Conwest (for whom Woodcock does quite a bit of work) and an outfit which is new to me called Exploran Minerals Ltd. which has recently opened an office in Vancouver with Carl Kamm, formerly of Kennco, in charge. Apparently this latter group are an industrial and/or construction group who are now embarking on a program of spending tax money in mineral exploration. I will follow up on their possible interest.

Basically what we need from Cyprus at this time is an indication of the extent of their interest in getting involved in this program. We could probably split the cost at least in two or could take an even smaller position. On a joint venture basis tailored to fit whatever funds might be available (within reason), I would recommend serious consideration largely on the basis of Woodcock's ability and experience. Upon receipt from us of some indication of serious interest, Woodcock will provide more information on the gold project. May I have your comments on this, please and an indication of the extent of Cyprus's interest?



JBPS/jel

Encl.

J.R. Woodcock
Management Contract.

J. Brink. - Taurus Resources

Eutsuk / Gold Project.

Say \$100,000 - Say \$50,000

\$150,000 for 1973.

D.P. \$20,000 - (to finance further exploration project on which refusal would be available.)

Work commits. as above.

Payments in lieu (royalty or?) if held without production

Carried interest - (net profits) say 25%

+ opportunity to participate up to say 5%.

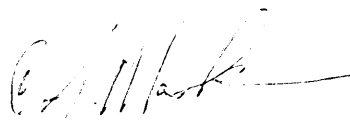
December 4, 1972

CLV-631

TO: J. B. P. Sawyer
FROM: C. A. Mark
SUBJECT: Eutsuk Moly Prospect and Related Gold Prospects

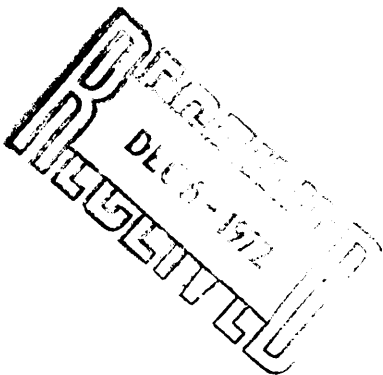
The proposed subject program, as related in your letter of November 27, 1972, appears to have considerable merit, although the moly prospect does look to be a long shot. If the program could be set up as a joint venture with suitable partners, as you suggested, we might be able to include it in the budget for \$50,000. Would you please proceed with negotiations, and if both the proposed partners and the proposed agreement could be worked out satisfactorily, we would include the item in the budget.

As you realize, we do not yet have the level of the 1973 budget set and until we do, we have to continue negotiations and reviews to select those highest priority items for next year. Priorities might be changed once we get the budget limits set, but you will be asked to rate those priorities when the time comes again.



C. A. Mark

CAM/sc



December 4, 1972

CLV-631

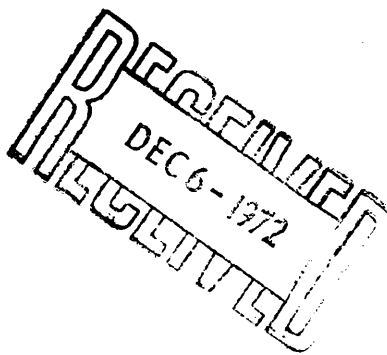
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C. A. Mark

CAM/sc



October 17, 1972

From: D. Brabec
To: J.R. Woodcock

R E P O R T

on mineral identification
in two mineralized specimens.

Minerals in the specimens submitted were identified using reflected-light microscopy and X-ray diffraction techniques.

Specimen W 72 367

Contains arsenopyrite, galena, pyrite, sphalerite and rare covellite. A microprobe check for any fine-grained silver minerals was negative.

Specimen W 72 360

This specimen is very oxidized and contains only remnants of galena, sphalerite and arsenopyrite in a matrix which was identified in a X-ray diffractometer as cerussite, possibly with some anglesite. Yellow and greenish crusts on this specimen give an X-ray pattern of jarosite.

It is possible that high silver assays of this material are due to a secondary concentration of Ag in jarosite following the breakdown of galena or other silver-bearing sulphides. (Argentojarosite contains Ag instead of K to the amount of 18-20% of Ag_2O)

WHEATON PROJECT - TABLE 1

| <u>SAMPLE NO.</u> | <u>COPPER (%)</u> | <u>LEAD (%)</u> | <u>ZINC (%)</u> | <u>SILVER</u> | <u>GOLD</u> |
|-------------------|-------------------|-----------------|-----------------|------------------|--------------------|
| WT2-360* | 1.16 | 40.80 | 0.33 | 1192 oz/ton | 1.42 oz/ton |
| WT2-362 | 0.005 | 0.03 | 0.02 | 9.5 ppm (0.3 oz) | 10 ppb (tr) |
| WT2-364* | 0.10 | 1.37 | 0.04 | 62.24 oz. | 0.10 oz |
| WT2-366 | 0.005 | 0.25 | 0.02 | 90 ppm (2.8 oz) | 210 ppb (.007 oz) |
| WT2-367* | 0.06 | 0.68 | 0.34 | 3.54 oz | 0.06 oz |
| WT2-374 | 0.7 | 0.20 | 0.05 | 193 ppm (6 oz) | 95 ppb (tr) |
| WT2-376 | 0.009 | 0.29 | .01 | 220 ppm (6.9 oz) | 335 ppb (.01 oz) |
| WT2-377 | tr | .02 | .01 | 6.5 ppm (0.2 oz) | 20 ppb (tr) |
| WT2-277 | .27 | 8.6 | .17 | 160 ppm (5 oz) | 1560 ppb (0.05 oz) |

N. B. *analyzed in assay laboratory, remainder done in geochemical laboratory.

ppb = parts per billion

ppm = parts per million
32 ppm is approximately one oz per ton.