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INTER OFFICE MEMO

CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE

Date: November 24, 1970

Ref: 796-CVL

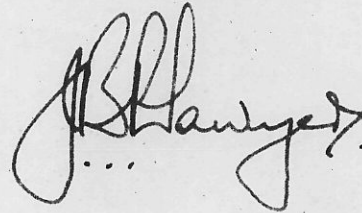
To: C.A. Mark
From: J.B.P. Sawyer
Subject: WHITESAIL MINES - TWIN PEAKS - New copper find Babine area

Enclosed please find a copy of the write-up in last week's Northern Miner on Roy Woolverton's new porphyry copper show in the Smithers Babine area. Drilling is presently in progress on this property. The property is located three miles south-east of the southern end of Lake Nakinilerak.

JBPS:ma

Encl.

cc: W.O. Irish



Ducanex Resources

copper discovery said significant

A porphyry copper discovery, which appears to be significant, has been made by Ducanex Resources, jointly owned by Lacanex Mining Co. and Du Pont of Canada, and Twin Peak Mines, 10 miles northeast of Hatchery Arm on Babine Lake, Omineca mining division, Northern British Columbia.

Several trenches along a total length of 1,600 ft. have exposed disseminated chalcopyrite at intervals, D. A. Lowrie, Lacanex vice-president, told *The Northern Miner*. He said that in one trench brecciated, silicified siltstone is exposed over an area of 10 ft. by 40 ft. and is mineralized throughout by disseminated chalcopyrite.

The find, he said, is the result of persistent work on the part of Roy Woolverton, Twin Peak president.

Drilling was started on the discovery on Monday with the plan to complete two holes before the

Christmas holidays. The drilling is in the neighborhood of the best exposed mineralization in the western portion of the mineralized area. The first hole is being drilled to the west at an angle of 45°. The second hole will be drilled to the east also at a 45° angle.

Under an agreement with Twin Peak, a private company controlled by Whitesail Mines, Ducanex through exploration expenditures exceeding \$30,000 has acquired a 90% interest in the discovery property consisting of 329 claims. Ducanex also is staking further claims in the area.

Ducanex and Twin Peak also have completed an exploration agreement whereby Twin Peak will conduct exploration in the Smithers-Babine Lake area with Ducanex obliged to spend at least \$20,000; claims acquired up to Dec. 31, 1973 by either party to be owned 90% by Ducanex and 10% by Twin Peak.

In the same area as the discovery property Ducanex has made an agreement with Whitesail Mines whereby it will earn a minimum of 10% interest and a maximum interest of 80% in 64 claims. Under the deal Ducanex will hold 51% interest in the claims and is committed to spend on exploration \$50,000 during 1970. Whitesail is required to spend \$32,000 before the end of 1970 or Ducanex's interest will increase to 80%. To maintain the 51% interest to Dec. 31, 1975, Ducanex must spend a total of \$183,000 and, if its interest goes to 80%, Ducanex must spend a total of \$305,000 to Dec. 31, 1975 to maintain that higher interest.

In assisting in the financing of Whitesail, Ducanex has purchased 100,000 shares of Whitesail at 32¢ a share.

Outside of this area Lacanex is busy

in exploration on a number of fronts. Still in British Columbia, though, Lacanex has negotiated an agreement with Ashcroft Estates, giving Lacanex the right to explore lands adjacent to what is called the Red Hill pyritic zone about three miles northwest of Ashcroft. Percussion drilling is slated to be started soon on this property. Meanwhile, negotiations are progressing with Cerro Mining Co. of Canada to expend a total of \$50,000 on exploration to earn a 49% interest in the rights acquired by Lacanex.

The company also has acquired an option on 304 claims in the Cariboo mining division from Tye Lake Resources.

Lacanex is committed to spend \$25,000 during 1970 and a further \$100,000 in 1971 to acquire a 20% interest. A further \$150,000 will be required in 1972 to acquire a 35% interest and \$200,000 in 1973 to acquire a 50% interest.

If the company decides to terminate the option at any time Tye Lake can purchase its interest for Lacanex's costs.

Lacanex will also purchase 50,000 treasury shares of Tye at 62¢ per share and will acquire 50,000 escrowed shares of Tye at 20¢ per share from Inter-Pacific Enterprises Ltd. There is also an option to purchase 70,000 escrowed Tye shares at 20¢ per share exercisable within one year.

In Winisk River area

On the east side of the Mistassini basin, north of Chibougamau, Que., Lacanex is participating in exploration on a group of mineral claims on which some drill targets have been defined.

In Ontario Ducanex has signed a letter of intent with Selco Exploration Co. whereby Selco participates to extent of 60% and Ducanex and Chimo Gold Mines to extent of 20% each in exploration of a concession in the Winisk River area where major mining companies have been acquiring ground for potential nickel-copper deposits.

George Cross News Letter

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LETTER NO.112(1970)
MAY 28, 1970

"Reliable Reporting"

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LETTER NO.112(1970)
MAY 28, 1970

WESTERN CANADIAN INVESTMENTS WHITESAIL MINES LTD.

OMINECA MOLY-COPPER PROSPECTS - In addition to retaining an interest in the Daisy 1 - 38 SCHEDULED FOR 1970 EXPLORATION mineral claims in north central British Columbia which were acquired for \$5,000 and sold to Twin Peak Mines Ltd. for 250,000 shares in that company, Whitesail Mines Ltd. plans work on two molybdenum-copper prospects also located in the Omineca Mining Division.

Corporate Structure

Inc.: B.C., 9Sep68; public 30Apr70.
Reg. Off.: 534-789 West Pender, Vancouver.
H.O.: 202-560 West Broadway, Vancouver.
Auditors: John C. Oswald & Co.
Reg. & T.A.: Canada Trust Co., Vancouver.
Auth. Shares: 5,000,000 shs., par 50¢
Shares Issued:

For mineral claims, escrowed, BCSC	750,000
For \$105,001 cash; pooled 30 days	<u>550,002</u>
Outstanding 1May70	1,300,002
Offered 1May70	<u>275,000</u>
To be outstanding if all sold	<u>1,575,002</u>

Financial Position: spent from incorporation 9Sep69 to 31Dec69, \$108,687 resulting in working capital deficit of \$3,686.

Public Share Offering: by prospectus, 1May70, the company offers 275,000 shs. at 60¢ p/s subj. to 10¢ p/s commission to net \$137,500.

Directors: Roy W. Woolverton, Burnaby, pres.; R.L. Johnson, N.Vancouver, sec-treas; L.G. White, P.Eng., vice-pres.

Promoters: R.W. Woolverton and R.L. Johnson

Principal Shareholders: Evergreen Explorations Ltd., Smithers, principal shareholders of which are Mr. Woolverton and his wife, 358,750 shs.; Noranda Exploration Co., 250,000 shares.

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proposed program consists of: soil survey, ground magnetic and E.M. surveys and a limited amount of diamond drilling.

From the anticipated proceeds of \$137,500, the company proposes to spend \$115,000 on the two recommended programs, giving priority to the Sunset Creek prospect.

None of the proceeds of the issue will be used for work on additional property interests which are reviewed as follows: "The company has formed the Red Top Syndicate with Mercury Explorations Ltd. for the purpose of equally sharing expenses of exploring the Lana, Joe, Hull, Cleo, Donna & Karen claim groups situated in the Smithers-Babine Lake area of B.C.

"A total of \$25,000 has been spent by the company to 1May70 on such exploration work. The Donna and Cleo claims were staked by the company. An undivided 80% interest in the Lana, Joe and Hull claims was optioned by the Red Top Syndicate from Messrs. O'Brien, Westervelt, Campbell and White for \$5,000 down and \$10,000 per annum until the claims are placed into production. Eighteen of the 141 claims which comprise the Lana group are subject to an action pursuant to Section 80 of the Mineral Act, wherein the Petitioner alleges that the claims were not staked in accordance with the Provisions of the B.C. Mineral Act, and that they were not staked over ground open for location. Since insufficient geological information is available on the Lana group of claims, the directors of the company do not know whether the claims subject to litigation are key claims.

"The Karen group of claims were acquired by the Red Top Syndicate from Peter Frederick Bland for \$1,000 and a 10% non-assessable interest in the claims.

"The company has formed the Pan Syndicate with Mercury Explorations Ltd. to share the cost of prospecting various areas of B.C. The company and Mercury Explorations Ltd. will each have a 40% interest in any claims acquired by the Syndicate. Peter Frederick Bland and John M. Graham will have the remaining 20% interest in the claims for their prospecting efforts; \$8,000 has been spent by the company on prospecting to date.

"The company is not committed to advance further monies to the Pan Syndicate. Funds to meet commitments by the company to the Red Top Syndicate will be raised by future financing."

Lacanex Mining Co.Ltd., which is backed financially by Dupont of Canada, has acquired 60,000 shs. in Twin Peak Mines Ltd.

Whitesail Mines' 1970 program calls for carrying forward the recommendations of J.H.Montgomery, Ph.D., P.Eng. These call for expenditure of \$82,000 on the Sunset Creek 64 claims located 20 miles south of Smithers, B.C.; and for spending \$33,000 on the Jeanie 1-30 claims about 53 miles SE of Smithers.

On the Sunset Creek property, Dr.Montgomery reports it contains zones of intense hydro-thermal alteration with associated copper and molybdenum mineralization. Two copper-molybdenum geochemical soil anomalies are associated with the alteration zones.


The preliminary work has indicated the presence of a typical "porphyry copper" environment and, consequently, a program of detailed exploration is recommended, including mapping, geophysics and drilling. The program is estimated to cost \$82,000 and to take about two months to complete.

For the Jeanie property, at an elevation of about 2500 feet and straddling the pass between Rose Lake and Bulkley Lake, the consultant says the claims are underlain, in part, by rhyolite porphyries and tuffs. He adds that a combined airborne magnetic-electromagnetic survey of the property detected 3 anomalous conductive zones which warrant further investigation. The proposed program consists of: soil survey, ground magnetic and E.M. surveys and a limited amount of diamond drilling.

Apr 15/69

Paul

According to Archie Bell
Noranda do hold a 20-25%
interest (Archie said he would
need to check on the exact interest)
but did not feel Noranda
had any further interest
than protecting their
original expenditure
in this property.


17/4/69

Don

INTER OFFICE MEMO

**CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE**

Date: April 2, 1969

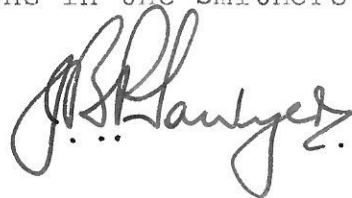
To: Mr. D. W. Tully
From: Mr. J. B. P. Sawyer
Subject: Re: Whitesail Prospect, Smithers Area

Roy Woolverton advised today that they have been forced to make some changes in their plans for the Whitesail Project. Apparently, the major with whom they had been negotiating has pulled out of the project. Noranda is still in, but with a reduced interest. The Whitesail principals are now looking to deal the property on a straight option basis. A 70-30 split would be probable. Whitesail and Noranda have to date put in about \$40,000. Woolverton would be looking for a substantial downpayment to offset in part this initial investment. He wanted to be sure that Cyprus have an opportunity to consider this situation and to participate if they so desire. I have indicated that we would be interested in reviewing all the data and considering this proposition. The main question at this time would seem to be whether or not we have sufficient funds left in this year's budget to handle a major project such as Whitesail.

In addition to the above, Woolverton is going to stake another porphyry situation and would be interested in dealing it on the basis of staking costs plus a work commitment, plus an eventual interest. I have indicated that we would be interested in giving consideration to this type of deal also.

The Smithers Babine area is, in general, a favourable environment for porphyry type ore deposits and will undoubtedly continue to attract considerable interest over the next few years. Whether or not we come up with anything on our BV project I think some careful consideration to any potential ore situations in the Smithers area would be well advised.

JBPS/lm



- 10 dips readings?
check with Ross Kidd