

INTER OFFICE MEMO

CYPRUS EXPLORATION CORPORATION LTD.

812715

VANCOUVER OFFICE

Date: December 8, 1972

To: C. A. Mark

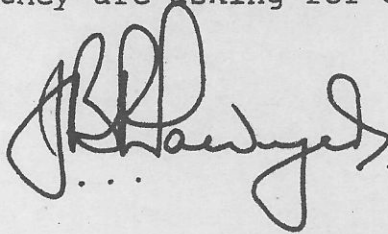
Ref. 2106-CVL

From: J.B.P. Sawyer

Subject: VESTOR EXPLORATIONS - ROBB LAKE AREA

Earlier this year Tony Rich, President of Vestor Explorations submitted a report on Vestor's holdings in the Robb Lake area of B.C. and on one of these, the Redfern Lake property, in particular. This is virtually the only one of their several claim blocks in the area on which they have done any amount of detailed work. We responded that we were interested in general terms in the area and arranged a tentative meeting to discuss a possible arrangement with them. Later in telephone conversations with John Greig, one of Rich's partners, we were advised that Vestor had not yet decided whether they would carry out a continuing program themselves or would farm out the Redfern Lake property at this stage. A meeting with them in Edmonton last Saturday, December 2nd, fell through because Rich was still away in the Eastern Yukon where Vestor have also picked up some ground in the "hot" Canex area. I asked Glenn Simpson to meet with the Vestor people in Edmonton on Wednesday, December 6th and from this meeting it is apparent that a deal is available on the Redfern Lake property.

I enclose herewith Glenn Simpson's memo and a copy of Vestor's report which sets out the situation as it now stands. As you will see, if Cyprus wants to get in on this, we will probably have to make some fairly definite noises, if not a firm commitment, within a couple of weeks. On the basis of the data they have provided, I would support Glenn Simpson's recommendation to proceed on the Redfern Lake prospect. With the exception of the one block on which they are already negotiating with Brinco (and on which they seem to have some kind of a boundary problem with the Brinco claims), I think we should press for and can almost certainly get a first refusal on their other blocks. They have programs lined up for these other claim groups for 1973 which will be partly financed by the cash payments they are asking for on Redfern Lake.



JBPS/jel

Encl.

December 8, 1972

C. A. Mark

Ref. 2101-CVL

J. G. Simpson

VESTOR - REDFERN LAKE PROPERTY - ROBB LAKE AREA, B.C.

I enclose a report on Vestor's Redfern Lake property for your consideration. As discussed in the monthly report for November, this would appear to represent an ideal situation within the scope of our present budget and policy controls. The geochemical anomaly is intense and extensive enough to be indicative of zinc mineralization of mineable potential. The relationship of the anomaly to topography and the close spatial relationship between the zinc, lead and cadmium values would in my opinion establish the anomaly as a true rather than a transported one, at least insofar as chemical transport and concentration are concerned. However, we have requested and Vestor have agreed that we be allowed to rerun the samples over the main anomaly for cold extractable zinc as a further test of its validity.

A deal has been discussed with the vendors in which Cyprus may earn 70% by expenditure of \$250,000 and payments totalling \$65,000 over a 3 year period broken down as follows:

	Payment	Accumulative Work Commitment
On signing joint venture agreement	\$15,000	-
On or before 12 month anniversary	15,000	\$40,000
On or before 24 month anniversary	35,000	100,000
On or before 36 month anniversary		250,000

Cyprus would then be responsible for 80% of expenditures to production and Vestor 20%. If Vestor cannot or do not wish to take up 20% of the costs they would revert to a 10% wholly carried interest. In either event Cyprus would retain the right to recoup all pre-production costs expended by them, from net profits, provided that Vestor received at least 50% of their share of net profits in any given year.

The initial down payment is equivalent to actual costs incurred by Vestor in staking and carrying out geological and geochemical surveys on the Redfern Lake ground and is therefore regarded as justifiable. It might be possible to retain a right of first refusal on other Vestor properties in the general Robb Lake area as a condition of the payment. This is negotiable and in the case of at least one of the other claim groups, is subject to the outcome of negotiations at present underway between Brinco and Vestor.

At least two other major companies, namely Phelps Dodge and Placer, are involved in discussions with Vestor on the Redfern Lake ground. In view of the potential indicated by Vestor's work, including the presence of high-grade zinc float in the vicinity of the main geochemical anomaly and other favourable geological factors, it is strongly recommended that a verbal reply to Vestor stating our intention to take up the joint-venture on the terms outlined, be given as soon as possible. In any event this should not be later than 20 December 1972 which is the latest date given by Vestor to other parties interested in dealing on the property.

JGS:JF  
Enc.

December 8, 1972

C. A. Mark

Ref. 2101-CVL

J. G. Simpson

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JGS:JF  
Enc.

CYPRUS EXPLORATION CORPORATION, LTD.  
510 WEST HASTINGS STREET  
VANCOUVER 2, BRITISH COLUMBIA  
TELEPHONE: 682-2224

November 7, 1972

Mr. A. Rich,  
President,  
Vestor Explorations Ltd.,  
1502, 11111 - 87th Avenue,  
EDMONTON, Alberta T6G 0X9

Dear Tony:

My apologies for the long delay in getting back to you on your Redfern Lake property in B.C. I have not been in the office very much for the last couple of months and I'm off again this morning for the rest of the week.

Regarding the Redfern Lake area, I suppose there is the distinct possibility that it is not even available anymore. However, we would be interested in reviewing it further and I will try to get in touch with you next week with a view to a trip up to Edmonton to meet with you on it.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.

(Miss) J. Lavigne  
for J.B.P. Sawyer

J. B. P. Sawyer  
Manager - Canadian Exploration

JBPS/jel

PROPERTIES

	<u>Property</u>	<u>Area and Province</u>	<u>Mining Division</u>	<u>Minerals</u>	<u>Interest</u>	<u>Claims</u>
1	Simpson Islands	East Arm, Great Slave Lake, N.W.T.	Mackenzie	Uranium	100% <sup>a</sup> 80% <sup>a</sup>	521 40
2	Snowdrift	East Arm, Great Slave Lake, N.W.T.	Mackenzie	Uranium	100%	130
3	Reliance	East Arm, Great Slave Lake, N.W.T.	Mackenzie	Uranium	100%	132
4	Myers Lake	Northeastern Alberta		Uranium	100%	Lease of 2,592 acres
5	Camsell River	Great Bear Lake, N.W.T.	Mackenzie	Ag, Bi	100%	20
6	Susu Lake	Near Indian Mountain mine, N.W.T.	Mackenzie	Zn, Pb	31.6% <sup>b</sup>	10
7	Robb Lake Area	Northeastern British Columbia	Liard	Zn, Pb	100% <sup>c</sup> 50% <sup>c</sup>	245 40
8	Liard River	Northeastern British Columbia	Liard	Zn, Pb	100%	139
9	Manson Creek	Manson Creek, British Columbia	Omineca	Pb, Zn, Cu	100%	58
10	Waterton	Waterton, Southwest Alberta		Pb, Zn, Ag, Cu	50% <sup>d</sup>	30,000 acres, 3 exp. permits
11	Princeton Area	Southern British Columbia	Similkameen	Cu	100%	111
12	Bonaparte Lake Area	Southern British Columbia	Clinton	Cu	100%	8
13	Bonaparte Lake Area	Southern British Columbia	Kamloops	Cu	100%	41
14	Merrit Area	Southern British Columbia	Nicola	Cu	100%	104
15	Ireland	Irish Republic		Zn, Pb	100%	30 (450 sq. mi.) Licence areas applied for in June & August, 1972.
16	Greenland	North of Vestgron - Marmorilik			3.75% <sup>e</sup>	1.5 million acres
17	Summit Lake	Nahanni Area, Yukon & N.W.T.	Watson Lake	Zn, Pb	100%	150

FOOTNOTES

- a Amok (an associate company of Mokta) is presently working on the property. An agreement has been signed whereby Amok may earn to a maximum of 50% interest in the property through the expenditure of \$460,000 over the period June, 1972 to December, 1974. Numac Oil and Gas owns 20% of the 40 claim block.
- b The balance of interest is held by Numac Oil & Gas and Shield Resources (31.6% apiece). Precambrian Mining Services of Yellowknife holds 5%.
- c Held equally with Matrix Explorations Ltd. of Edmonton, Alberta
- d Held equally with Kintla Explorations Ltd. of Edmonton, Alberta
- e Greenland Exploration and Mining A/S (Gemco) - 3.75% carried with option on additional 3.75%

