

File 93

Proposal by C Riley re

Plateau Metals Limited

Dec 31 1963

822332

THE POTENTIALS OF PLATEAU METALS LTD.

Christopher Riley, P. Eng.

DEC 13 1963

KERR-ADDISON GOLD MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

W.S.R.
K.C.G.
G.H.M.
R.D.S.
B.C.B.
P.M.K.
C.K.W.
E.O.C.
H.A.P.
J.B.S.
G.P.R.
E.L.D.
J.I.B.
E.C.J.
D.V.B.

To..... P.M. KAVANAGH From..... W.M. SIROLA

Subject..... PLATEAU METALS PROPOSAL Date..... December 11th, 1963.

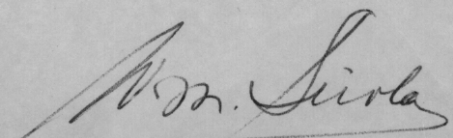
I talked with Chris Riley yesterday afternoon and again today regarding your question about the type and cost of prospecting programme he would carry out for \$7,500. per year and he replied that he would put the information on paper and submit it to us. He, apparently, has a gold prospect and another copper prospect in mind, in addition to some primary prospecting.

He would like to know whether or not it would be our intent to work on the two properties he has described in his report. One of these is a copper prospect near Princeton on which he has a strong geochemical anomaly. Normally we would, of course, examine this property before arriving at any decision but it seems to me that in this case, with snow on the ground, we would have to give him a decision based on the information he has already supplied. It would not cost a great deal to bulldoze this anomaly and, since there are no cash settlements involved other than what we have to pay for the bulldozer work, I think we should give the matter serious consideration. I recognize, however, that you should have an opportunity to properly assess his proposal as a whole.

Regarding the Vancouver Island property, I would not consider optioning this group without an examination which, again, would have to wait till the snow goes. I believe that this occurrence is in rugged terrain and is much more difficult to cope with than the Princeton property.

I had not contemplated putting out a prospecting crew in British Columbia in 1964 such as we had in 1963 because I have not been satisfied with the results obtained. However, I would be prepared to attempt the type of thing Riley proposes, largely because Lovang is a more versatile type of individual than the average prospector and because Riley has a great deal of time to devote to the programme.

I am fully aware that Riley is attempting to aid and abet the cause of Plateau Metals, but this is understandable and should not be a detriment to us in any way. I think it is worth a try !


William M. Sirola.

DEC 9 1963
KERR-ADDISON GOLD MINES LIMITED

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	W.S.R.
	K.C.G.
	G.H.M.
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	E.L.D.
	I.B.
	E.C.J.
	D.V.B.

To..... P.M. KAVANAGH From..... W.M. SIROLA

Subject..... PROSPECTING PROPOSAL SUBMITTED BY Date December 6th, 1963

DR. CHRISTOPHER RILEY

Chris Riley has made the suggestion that Kerr Addison underwrite 120,000 shares of Plateau Metals at $12\frac{1}{2}\phi$. * Plateau Metals is a public company with a capitalization of 3,500,000 shares, of which 1,625,000 are issued. Of the issued shares, 1,150,000 are held by the directors in trust. In return for this underwriting, Riley would supervise the activities of a prospecting team for a period of two years. The team would consist of a prospector-technician by the name of Kolbjørn Lovang and a partner. If a new company were formed by Kerr Addison on any finds or properties submitted by Riley, Plateau Metals would receive one third of the vendors shares. Plateau Metals would also option existing properties (of which they have two) on the same (one third of the vendors shares) basis. I have enclosed Riley's report in which he discusses the properties which Plateau Metals now hold. One of these properties is known as the K.R. property, located 20 miles north of Princeton. On this property they have located a strong geochemical anomaly approximately 2,500' long. The second property is in the Tofino vicinity on Vancouver Island. Riley describes this as a disseminated chalcopyrite/pyrrhotite deposit.

In his report, Riley mentions possible revenue to Plateau Metals from a molybdenite property, located 40 miles from Huston, B.C., which he has optioned to Southwest Potash and on which he claims the Potash Company has found a silicified breccia pipe, surrounded by a halo-like mass of molybdenite bearing rock. On checking this situation further, I learned that Plateau Metals would not receive any payments for a period of four years, in as much as the Potash Company has that period of time in which to pay Plateau Metals' commitments to the original owners of the molybdenite property. It would appear that Plateau Metals agreed to pay the vendors \$100,000. over a period of four years. Until these payments are completed, Plateau does not receive any funds from the Potash Company.

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* 120,000 shares @ $12\frac{1}{2}\phi$ = \$15,000.

KERR-ADDISON GOLD MINES LIMITED

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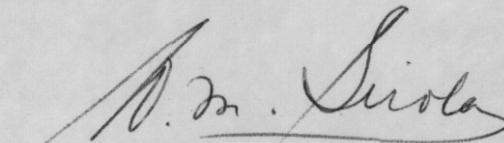
To.....From.....

Subject.....Date.....

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Regardless of the above, however, the merit in this situation arises from the fact that we would be benefiting from Riley's very extensive background in B.C. and the fact that he has a great deal of time for scrounging information. In addition, of course, we would have the services of Lovang, who first started geophysical work with me in the Highland Valley in 1956. He has been working more or less continuously at this type of thing ever since. I know that he has worked for A.S. & R. and Wenner Gren, and Riley maintains that Lovang is the best man he has ever had for this type of work.

It may well be that the Plateau Metals stock would never represent much real value to Kerr Addison, but it seems to me that for the direct cost of keeping the usual type of prospecting team in the field, we would be getting a potentially useful ally in Chris Riley. I sometimes joke about Riley's descriptions of mineral deposits (Riley's First Law), but he, none the less, has a vast knowledge of British Columbia and I am not unaware that he has been the vendor of situations like Endako. I concede that there is some difference between the number of shares a prospector would receive if he made a find and the number of shares Plateau Metals would receive in the form of one third of the vendors stock, but I believe we would be obtaining a better combination of talent, and I would ask that you give serious consideration to Riley's proposal.



William M. Sirola.

WMS/iw.

Encl: Potentials of Plateau Metals by Christopher Riley, P.Eng.

THE POTENTIALS OF PLATEAU METALS LIMITED

Christopher Riley, P. Eng.

INTRODUCTION:

Plateau Metals Limited is a company engaged in the search for and the preliminary development of mining properties in British Columbia, under the direct management of Christopher Riley. In 1963, working on a modest scale, and advised by H. T. James and Riley at no cost, Lovang, a prospector-technician, able to use geophysical and geochemical tools, located and staked two new copper prospects and optioned a molybdenite prospect. This was shortly sold to Southwest Potash Company, a subsidiary of American Metals Climax Company of New York.

Plateau Metals proposes to carry on a similar program of exploration in 1964 having at present in mind the staking of a gold prospect and another copper prospect, provided they stand up to expectations on examination. In addition, it will do preliminary development work on present holdings or attempt to option them to mining companies on advantageous terms or both.

LUCKY SHIP MOLYBDENITE PROSPECT:

The Lucky Ship molybdenite prospect is situated on Morice Lake some 40 miles by road from Huston, B. C., which is on the main line of the C. N. R. and about 100 miles west of Endako. A few claims were optioned and a large group staked to protect the overall structure and a soil sampling program undertaken. When this turned out favorably the property was optioned to Southwest Potash for the sum of five million dollars payable over a period of years.

The Potash Company has done geological mapping, soil sampling and some surface stripping, of which the preliminary results have been most encouraging. These results have suggested that the controlling structure may be that of a central, silicified breccia pipe, having a surrounding ring or halo-like mass of ore bearing material. If this turns out to be the case, it will be similar to the great Climax Mine in Colorado, and, in addition, recent trenching on the Lucky Ship has revealed material precisely similar to the ore from the

Climax Mine. However, the overburden, though shallow, is widespread and more work will have to be done to reveal the extent of both ore potential and structure. Development closed for the winter season but will be vigorously pursued as early as possible in the spring, including drilling. If present favorable results continue this property will have an eventual value of five million dollars to Plateau.

**TWO COPPER PROSPECTS ON THE K.R.
GROUP OF MINERAL CLAIMS, PRINCETON AREA:**

The K.R. property consists of 40 claims situated 20 miles north of Princeton, B.C. and just east of the microwave station. This is at 5,000 feet and the showings at 4,500 feet. Access is by No. 5 Highway for 20 miles north of Princeton and thence 6 miles to the Plateau Metals sign on the microwave road and another 1,000 feet to the camp and one mile to the No. 1 showing and $\frac{1}{2}$ mile to the No. 2. All roads are all-weather and may be travelled by car.

There are two prospects. No. 1 was discovered late in October, 1962 when Plateau Metals was prospecting south of the original group and No. 2 in mid-October, 1963. This is 2,000 feet south of No. 1.

Geologically, the claim group is favorably situated in that it is in a copper province extending from Copper Mountain to Kamloops, is in the Nicola Series in which the important deposits are found, is close to a regional synclinal axis and to major north-south faulting, the most prominent of which is the Summers Creek Fault about one-half mile to the east.

The host rock of both prospects is greenstone, which appears to be a fine-grained tuff. Both are in a north-south shear zone associated with a strong lineament having a length of 5,000 feet and a width of 100 feet or more and in which are a few small swamps. The Plateau Metals road angles gently toward the shear zone and where cut into bedrock, exposes gossans which appear, in part at least, to form the western flank of the zone.

Work on Discovery No. 1 was not started till mid-August as the early part of the season was spent in the Endako-Huston area prospecting and soil sampling. First, a camp was established and a road bulldozed into the showing. A base line 4,500 feet long was cut and stations set at 500 foot intervals. Cross lines were cut from these, a total of 30,000 feet and soil samples taken every 100 feet, 310 in all. These were assayed in camp, using the rubenic method. When plotted,

two anomalies appeared, so five more lines were cut, 4,000 feet in all and samples taken at 50 foot intervals. All told, 439 samples were taken and assayed of which 140 were assayed in Vancouver for total copper. These confirmed the original anomalies.

This discovery consists of several small rock exposures cropping out from soil and moss overburden and some forming small scarps along the edge of the low, wet lineament area. In these exposures are small fractures carrying chalcopyrite or malachite which in itself is not plentiful enough to form ore but is considered to constitute indications of the proximity of such.

The two anomalies found are in the vicinity of the showings, one anomaly 1,200 feet long and over 100 feet wide and the second the same length and somewhat narrower. These could be tested by stripping or drilling and the swampy area within the break could be drilled in search of an ore body.

No. 2 discovery was not made till mid-October, as on completion of the above work, Lovang went to Vancouver Island to check on some old showings. By the time he returned, a study of aerial photos had suggested a structural possibility at the apex of a large fold north of the microwave station. Lovang checked this by prospecting and soil sampling but without encouragement. He therefore decided to carry on the work south of No. 1. The original base line was extended for three more claim lengths southward, cross lines were cut and soil samples taken, the best of which were checked by assay for total copper in Vancouver.

An anomaly appeared just east of the base line between line 3000S and 4500S and having a width of 100 feet or better. It lies adjacent to and on the west side of the lineament on which No. 1 is found. Topographically, it is on a steep slope rising out of the draw and in part of the draw there is a good sized swamp suggesting that under it there may be a wide zone of shearing or a mineralized area. The most interesting feature of the anomalous area is that it has corresponding with it a highly altered zone. It consists mostly of silicified and dolomitized rock carrying a good deal of ankerite and a few stringers of chalcopyrite. This grades outward into the greenstone through a sericitized zone carrying a little disseminated chalcopyrite and native copper and the whole is sheared. If an altered zone is sometimes the associate of a mineral deposit this then, forms a good indicator.

The ore bearing possibilities of both may be summarized in that No. 1 has two anomalies which, with the chalcopyrite stringers in the outcrops, and being adjacent to the line-

ament should be further explored. This could best be done by bulldozer stripping and geological mapping as the overburden seems not to be thick. This should determine whether or not the low area should be drilled.

No. 2 has the large area of alteration rising out of the depression formed by the lineament which, taking a slight bend in this part, may account for its valley having a wider floor here. The swamp forms part of this and may represent a mineralized zone whose soft character renders it vulnerable to the erosive powers of weathering and glaciation. Exploration could commence with bulldozer stripping on the altered zone with concurrent geological mapping. This could well determine the best drilling sites.

NEW COPPER DISCOVERY, TOFINO VICINITY, VANCOUVER ISLAND:

On a trip during September to examine a gold vein on Vancouver Island, Lovang noticed copper stain in a dark rusty zone high on a cliff in the vicinity of the gold vein. After locating and sampling the gold vein he turned his attention to the copper. He was limited in time due to lack of food supplies but was able to climb part way up the talus slope at a point some 500 feet east of the stain. Here he found that the rusty area was caused by weathering of pyrrhotite which carried chalcopyrite. Samples from the talus assayed over 1% copper. The extent of the mineralization was suggested by the rusty zone which, with copper stain, continued along the cliff for at least 500 feet. Time prevented further examination by attempting an approach from the back but Lovang staked some claims and returned.

Nothing more is known of this find but it is within five miles of the sea and appears to have enough size to make a worthwhile prospect. This is the same district in which Falconbridge Mines has its Catface prospect which is good enough to have warranted two seasons of exploration thus far. It is likely that the new prospect can be got at from the rear and that sites for exploration and development of it could be found.

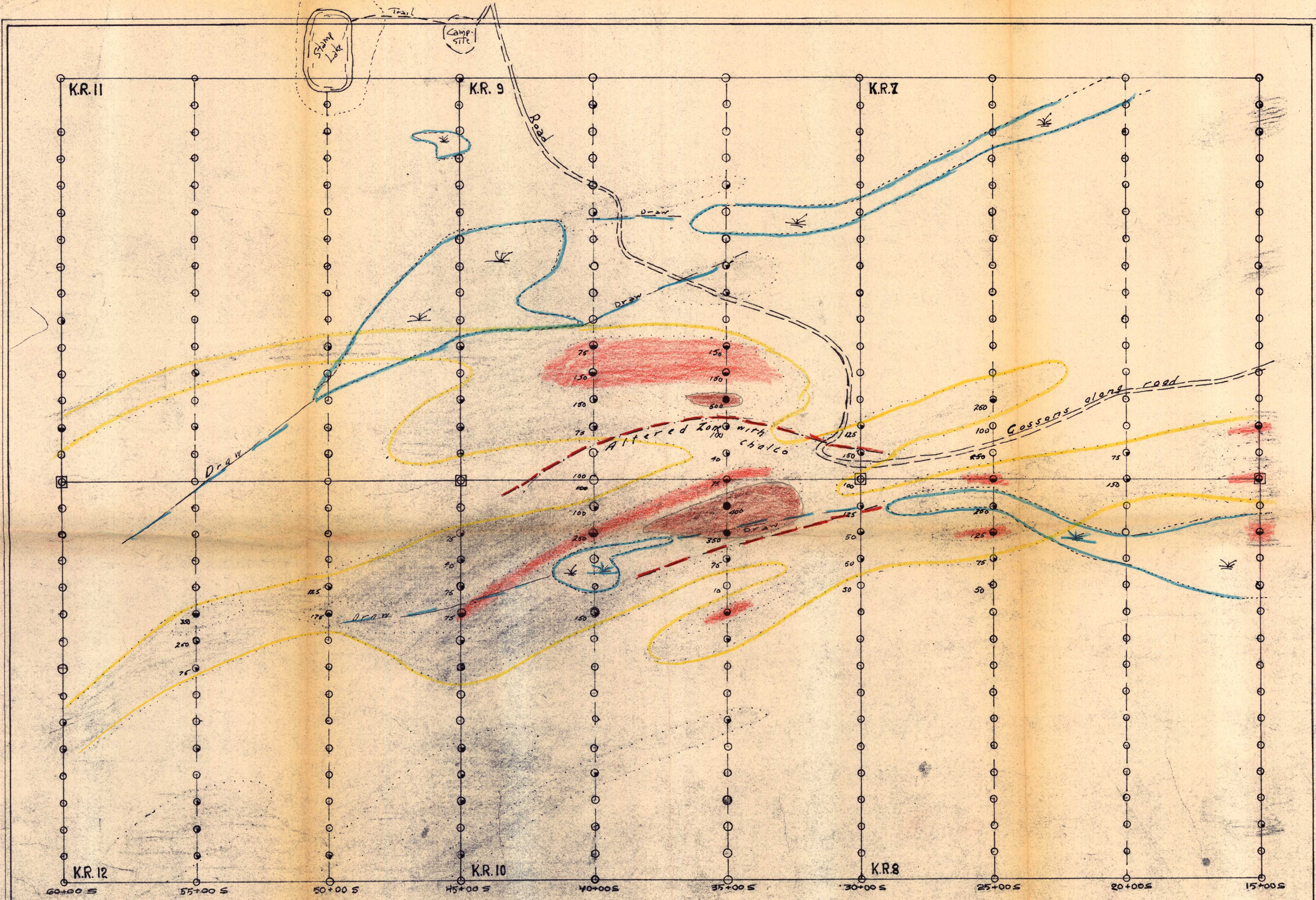
Christopher Riley, P. Eng.

December 1963

POSSIBLE MEANS OF FINANCING:

Plateau Metals Limited is a public company having a capitalization of 3,500,000 shares of which 1,625,000 are issued and of the latter 415,000 are escrowed at Guaranty Trust. Of the issued stock 1,150,000 are held by the directors in trust and of these 395,000 are escrowed. Some 50,000 to 100,000 are lost or will remain dormant. Of the directors free stock some is available for bonus purposes and the rest may be pooled until such time as their issuance would have no effect on the market. Over and beyond the above shares, there are some that may be bought cheaply as a block from an individual.

A suggested means of financing would be to underwrite 400,000 shares at $12\frac{1}{2}$ cents with an option to purchase 200,000 directors free shares at 5 cents per share. The amount of \$50,000.00 would provide sufficient to do preliminary work on the present prospects and carry on further prospecting for two seasons. All future finds would be offered to underwriters for development by themselves if desired.

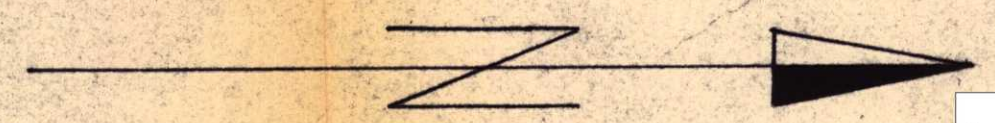


SOIL-TEST RESULTS
 on
 K.R. 7 to 12 MC²
 Similkameen M.D.

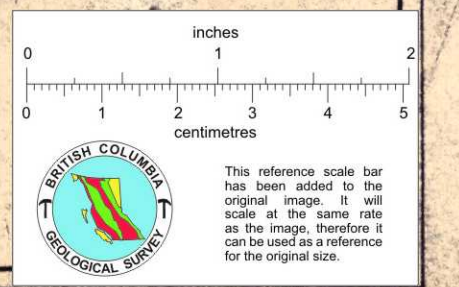
Legend:

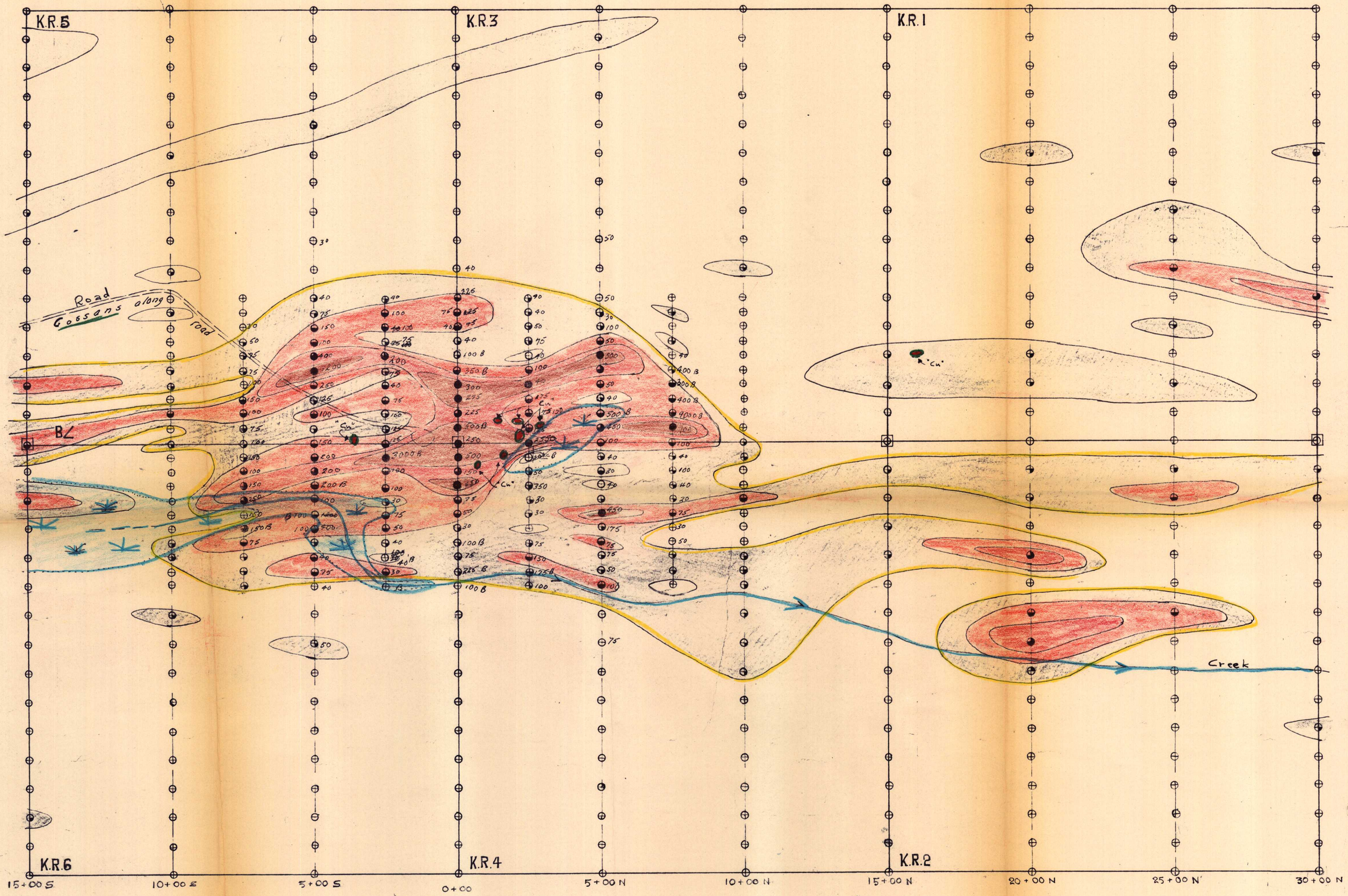
- nil
- little
- some
- much
- very much
- 250 Parts per million

--- altered zone with "chalcocite"



Scale: 1" = 200'

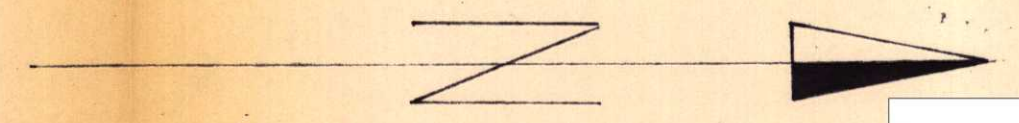




SOIL-TEST RESULTS
on
KR.1 to 6 M.C.
Similkameen M.D.

- Legend:
- ⊕ nil
 - ⊙ little
 - some - 250 - parts per million
 - much
 - very much
 - B indicates humus in sample

● - outcrop, with minor malachite



Scale: 1" = 200'

