

MEMO TO: Harold Field
FROM: C. R. Jonsson

21st October, 1970.

re: Dusty Mac Mines Ltd. (NPL)

I advised you earlier that I had made contact with Mr. Caldwell the Assistant Manager of the Western Exploration Division of Cominco relative to the Dusty Mac Property. He has called to state that they are interested in examining our technical material as a result of his having checked with the smelter and ascertained that the values in one of our shipments was very attractive. I am, therefore, sending all of the Noranda and Cannon-Hicks material to Caldwell's office and he hopes that he will have some thoughts within a couple of weeks. He said that the smelter had indicated that it was improving its credit schedule for Cominco slightly so that our material would be slightly more valuable or saleable for a slightly higher price than might have been the case when we did our two shipments.

He asked me if they could consider the property from two different points of view: Firstly, a possible acquisition on some terms and secondly, possibly a contract to simply purchase the material that's available and ship it to the smelter for the value of the gold, silver and silica. I told him that we were open to suggestions in either direction.

CRJ/ds

c.c. I. Shulman

MEMO TO: MR. HAROLD FIELD
FROM: MR. JONSSON
WITH A COPY TO MR. SHULMAN
DATE: OCTOBER 19, 1970.

Re: Dusty Mac Mines Ltd. (N.P.L.)

I have made contact with Cominco. I have talked on the telephone with E.H. Caldwell, the Assistant Manager of the Western Exploration Division. He knew about Dusty Mac from Don Cannon's work on it when Don was our Consultant. He indicated that they were always interested in deposits that contained good Silica content and said they would like to look into the thing further.

I agreed to get the reports from Cannon & Noranda back from Fred Hemsworth and make them available for him or his people within the next couple of days.

I was called a few days ago by the local geologist who has been retained to keep his ears open here by an Eastern Company, Little Long Lac. He had seen in the George Cross Newsletter the report about Noranda dropping the property. I arranged for him to get in touch with Fred Hemsworth to discuss some questions he had and agreed with him that if he was encouraged by Fred Hemsworth's answers I would make the technical material about the property available for him to do an analysis and a report for his client.

C R J/jr

MEMORANDUM TO: MR. SHULMAN
COPY TO MR. FIELD
FROM: MR. JONSSON
DATE: NOVEMBER 20th, 1969

Stu Thompson telephoned me from the Stock Exchange on Wednesday afternoon and said that he did not think that the material presently in on Dusty Mac was enough to get it Full Listed. As he was hinting pretty broadly that it would not go ahead if we insisted on putting it on the Agenda, I agreed to have it held off for another week at least.

It seems that the Exchange is not reading much optimism into Don Cannon's composite progress report done on October 16th, 1969. The Exchange also knows that a number of additional drillholes have been put down which have not yet been reported on. The Exchange is therefore requesting that the information be up-dated.

Thompson said that he and the Exchange felt they had to be concerned about the possibility of the results from the 50 or 60 drillholes that we have not yet had assayed being so poor that we drop the property or do a major revision of our appraisal of it. They also read Cannon's report as being very conservative as to possible value in the deposits we have probably already established to exist. They are concerned also about the economic results of the metallurgy in view of cannon's description of the substantial alumina content which will carry a smelter penalty.

Hence, I must attempt to get an up-dated, optimistic progress report for the Company from Cannon & Company with the next few days, if we want the thing on the Agenda next Thursday.

CRJ/jr

CANNON-HICKS ASSOCIATES LTD.

D. M. CANNON, P.Eng. (Geological)
H. BRODIE HICKS, P.Eng. (Mining)
M. GUIGUET, Geologist

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7th October, 1969.

Mr. C. Jonsson,
1710 - 1177 W.Hastings St.,
VANCOUVER, B.C.

Dear Carl:

Re: DUSTY MAC.

The assay results of the No.1 diamond drill hole at the Dusty Mac property at Okanagan Falls have been received. The first seven samples from the collar of the hole to a depth of 35 ft. average \$50.45 if a value of \$40/oz. for gold and \$2/oz. for silver is used. The balance of the hole from 35 ft. to the bottom (75 ft.) was not in the breccian formation and contained only negligible values.

Returns from the 26 tons of surface material that were shipped to Trail have also been received. Results confirm the bulk sampling that were done in that particular trench and show only 1.1 ozs. of silver and no recovery of gold. The shipment contained 75.5% silica and 11.4% aluminium. As the material was treated as a silicious ore rather than flux, the total silica credit amounted to \$3.50 while the total debits, including \$1.71 for the aluminium content were \$2.98. Further shipments will be made to try and establish a value so that the possibility of shipping as a silica flux will be given full consideration.

Yours very truly,

CANNON-HICKS ASSOCIATES LIMITED.

M. Clark
for D.M. CANNON, P.ENG.

DMC:mdc.