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VANCOUVER 1, CANADA

REPLY ATTENTION OF

MEMORANDUM TO: THE DIRECTORS
OF: DUSTY MAC MINES LTD. (NPL)
FROM: CARL R. JONSSON

Re: "POD" Claims

You will recall that we recently acquired the right to earn an interest in the small POD group of claims in the Highland Valley in consideration of doing a small IP survey. We enclose herewith a brief letter from Andrew Nevin, P.Eng., dated August 9th advising that the IP Survey has had negative results and that he does not consider the claims to be of further interest.

We also enclose a copy of a memorandum which Mr. Nevin has just supplied to us dated August 5th, 1971 dealing with the claims.

Under the circumstances it would appear that no further work on the claims is warranted. We should decide whether we wish to cause our interest in the claims to be recorded and file the IP survey as assessment work in favour of the claims, or whether we should abandon our interest in the claims and turn them back to the original owners. Your comments on this decision would be appreciated.

Carl R. Jonsson

Sent to:
Isaac Shulman
Harold Field
Harold Laycraft
Peter Brown
Don McDonald

August 5, 1971

Memorandum to: Mr. Carl R. Jonsson, Director,
Dusty Mac Mines Limited (N.P.L.)

From: Andrew E. Nevin, Ph.D., P. Eng.

RE: P.O.D. GROUP, HIGHLAND VALLEY AREA

SUMMARY AND CONCLUSION

The P.O.D. group has the following drawbacks:

1. It is a rather small claim group.
2. The rocks which are exposed could show a little more alteration and mineralization.

It has the following interesting points:

1. It is untested as of yet, and the first step of I. P. is a rather cheap one.
2. It has a good position with reference to the Guichon Creek batholith and the Highland Valley type of deposits.
3. Several areas have continuous blankets of post-mineral cover which could well conceal mineralization of interest.
4. The aeromagnetics show a round, shallow, negative anomaly at the north edge.
5. Presumably a reasonable deal would be offered by the owners.

If the I. P. obtains any significant responses I suggest they be followed up. If not, I suggest the property not be optioned.

INTRODUCTION

In July Dusty Mac entered into an agreement with the owners of the P. O. D. Claim group to do a limited amount of exploratory work on the P.O.D. claims in return for an opportunity to option them.

The P. O. D. Claims are located about 4 miles southwest of Tunkwa Lake and 8 miles northeast of the Bethlehem mine in the northeastern Highland Valley. There are about 30 claims, not all quite full-sized, as shown on the enclosed map. The first claims were staked by Max Martin in April, 1969, upon learning that a patch of open ground existed in this heavily staked region. A few additional claims were staked by Wally Bonin in May, 1971, upon expiration of pre-existing claims. The owners, I understand, are Martin, Bonin, and Don and Joe McDonald.

The claims were examined by several companies in 1969. One company engaged McElhanney to survey the claims. No significant exploratory work has been done.

INDUCED POLARIZATION SURVEY

An I. P. survey was started August 4th by Atled Exploration Management Ltd. They are running along two lines laid out by me, as shown on the attached map. They expect to be finished August 6th.

GEOLOGY AND MINERALIZATION

The claims are located on the northeast edge of the Guichon Creek batholith. The rocks exposed are quartz diorites of what is called the "border phase" of the batholith. The rocks grade, east to west, from a fine-grained diorite with about 5% hornblende and biotite, to a medium-grained quartz diorite, containing about 5 - 10% quartz and 5% biotite.

5/8/71

One small pit exposes two parallel veins of quartz and tetrahedrite, one about 2 inches and the other 1 inch. Weak disseminated pyrite is present locally (see map). Locally the quartz diorite is slightly chloritized and contains late crystalline epidote in the fracture planes.

Much of the ground is concealed by glacial gravels and outwash.

AEROMAGNETICS

The northern part of the claims lies partly on a closed magnetic low of 25 gammas magnitude and 1 mile diameter in an ambient of about 3200 gammas. A similar low and a high of 200 gammas are partly included in the southern part.

Respectfully submitted,



Andrew E. Nevin

AEN/lm

Encl. - Drawing 1 - Map of P.O.D. Group