

NORANDA EXPLORATION COMPANY, LIMITED

(NO PERSONAL LIABILITY)

1050 DAVIE STREET • VANCOUVER 5, B.C.



*Harold Ford
has seen there J.*

April 7, 1970

825174

Mr. Carl Jonsson
Shulman, Tupper, Worrall, Jonsson and Laxton
1710 - 1177 West Hastings St.
Vancouver 1, B.C.

Dear Mr. Jonsson:

re: Dusty Mac
Progress Report - March 1970

Diamond drilling progressed in March. Nineteen holes were drilled for a total of 3,098 feet as per the attached list. Assays have been returned for most of these holes and drill logs with assays are enclosed for holes ND 25 through 45. The mineralized zone has been extended to the north but weakens considerably in this direction.

Diamond drilling is continuing.

Yours very truly,

Arthur E. Soregaroli
Regional Geologist

AES/pc

Encl.

Drill logs ND-25 - ND-45
List of Drill holes
Plan of Drill holes

7645

NORANDA EXPLORATION COMPANY, LIMITED

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1050 DAVIE STREET • VANCOUVER 5, B.C.



May 26, 1970

Mr. Carl Jonsson
Shulman, Tupper, Worrall, Jonsson & Laxton
1710 - 1177 West Hastings Street
Vancouver 1, B.C.

Dear Mr. Jonsson:

re: Dusty Mac - Progress Report
April and May 1970

Twenty-two diamond drill holes were drilled in April for a total of 4,157 feet. Drilling was suspended on April 30, 1970. Detailed geological studies are continuing. Geochemical surveys (soil and rock chip) have been completed, but analyses are not completed. Diamond drilling may resume after completion of these surveys.

Yours very truly,

Arthur E. Sorégaroli
Regional Geologist

AES/pc

encl: Drill Logs ND-46/ND-67
List of Drill Holes
Plan of Drill Holes

MEMORANDUM FOR FILE: DUSTY MAC MINES LTD. (NPL) (Corporate)
FROM: MR. JONSSON
DATE: June 22, 1970.

I phoned Camsell at Noranda on Monday to ask for an up-to-date report for our shareholders meeting on Thursday. He advised that they have carried on work since discontinuing the diamond drilling which has consisted of some blasting, geochemical soil sampling for Silver, general prospecting and general examination of the ground and the results to date by a Geologist. The Geologist has apparently spent the last 3 weeks on the ground examining it and the core, etc. He said that they had located some high Silver areas aside from our main zone and 2 of them at least they are going to test by diamond drilling. There are sending the diamond drill back on shortly.

As to expenditures he said that he calculated to the end of May they had expended \$73,611.00 which would not have included all of the bills accumulated to that date so that by this time they would be well over the \$80,000 mark. He may have a letter confirming these comments down to us by the date of the meeting. If not, these verbal notes will have to do.

CC: Mr. Shulman
cc: Mr. Harold Field.

Carl R. Jonsson

CRJ/jr

NORANDA EXPLORATION COMPANY, LIMITED

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1050 DAVIE STREET • VANCOUVER 6, B.C.



July 10, 1970

Mr. Carl R. Jonsson
Shulman, Tupper, Worrall, Jonsson & Laxton
1710 - 1177 West Hastings Street
Vancouver 1, B.C.

Dear Mr. Jonsson:

re: Dusty Mac - Progress Report
June, 1970

Geological studies continued and two new areas of interest were found. Additional soil sampling was completed to the west. Forty-one (41) pits were blasted in bedrock in all areas of geochemical and/or geological interest. Samples from these pits will be assayed.

Diamond drilling will resume in about two weeks.

Yours very truly,

Arthur E. Soregaroli
Regional Geologist

AES/pc

encl: Soil Survey
Rock Geochemistry (Ag)
Rock Geochemistry (Cu/Zn)

NORANDA EXPLORATION COMPANY, LIMITED

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1050 DAVIE STREET • VANCOUVER 5, B.C.



August 13, 1970

Mr. Carl R. Jonsson
Shulman, Tupper, Worrall, Jonsson & Laxton
1710-1177 West Hastings Street
Vancouver 1, B.C.

Dear Mr. Jonsson:

RE: Dusty Mac-Progress Report
July, 1970

Diamond drilling commenced on July 22.
Nine holes were drilled for a total of 1175 feet. Drilling
terminated on August 7. Assay results are not available at
this time. Further drilling will depend upon assay results.

Ore reserve calculations by Dr. R. C. Heim
are enclosed.

Yours very truly,

Arthur Soregaroli
District Geologist

Encl: DD Location Map
List of Drill holes
Drill Logs ND68-70

Ore Reserve Calculations-RC Heim

MEMO TO: MR. HAROLD FIELD

FROM: MR. JONSSON

DATE: AUG. 21/70

Herewith the latest progress report from Noranda. They seem to have come up with some ore reserve figures which are no better than those which existed before they started drilling. I have not time to take the time to compare their calculations with Cannon's. Perhaps you could see where the discrepancies lie. I do not have another copy of this report so could you please return it to me in due course.

CRJ/jr

*Page 17 & 18 Cannon final report Dec 69
no reference to Silica
skipped for some improvement however can't
put it there. Guess we will have to discuss
program soon*

NORANDA EXPLORATION COMPANY, LIMITED

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1050 DAVIE STREET • VANCOUVER 5, B.C.



October 1, 1970

Mr. Carl R. Jonsson
Shulman, Tupper, Worrall, Jonsson & Laxton
Suite 1710
1177 West Hastings Street
Vancouver, B.C.

Dear Mr. Jonsson:

re: Dusty Mac

With completion of our work on the Dusty Mac property, I am enclosing all additional information that you have not received. It is unfortunate that we could not expand the tonnage to mineable dimensions. The deposit is just too small for our requirements.

Thank you for the opportunity to work on this very interesting deposit.

Yours very truly,

Arthur E. Soregaroli
District Geologist

AES/sc

Encl. Geological Map
Surface Map
Trench Map
DD Logs ND71-76 incl.
Sections 9800 N
9825 N
9850 N
9875 N
9900 N
9925 N
9950 N
9975 N
10000 N (map A)
10000 N (map B)
10025 N
10050 N
10075 N

10100 N
10125 N
10150 N
10175 N
10200 N
10300 N
10500 N
10600 N
10400 N

NORANDA EXPLORATION COMPANY, LIMITED

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1050 DAVIE STREET • VANCOUVER 5, B.C.



October 5, 1970

Mr. Carl R. Jonsson
Shulman, Tupper, Jonsson, Laxton, Page,
Shortt & Dickerson
1710 - 1177 West Hastings Street
Vancouver 1, B.C.

Dear Mr. Jonsson:

Copies of our work on the Dusty Mac property will by now have been received by you. Regarding our talks with Cominco, Mr. Brynelsen unfortunately is in the hospital and I do not have a complete record of the whole conversation with Cominco's buyer but essentially he outlined for us the minimum silica grade required to receive a bonus price and the formula for arriving at smelter and crushing charges. The minimum silica grade quoted was 85%. I realize that the previous shipment from the property was slightly in excess of this figure but we feel that the overall silica grade would be approximately 75% and therefore would not qualify for a bonus price. Thank you very much for the opportunity to participate with you on this project. If we can be of any further assistance to you please do not hesitate to contact us.

Yours very truly,

G.C. Camsell
Assistant Manager - Western Division

GCC/pg

FRED J. HEMSWORTH
MINING ENGINEER

TELEPHONE 684-7734

616 CREDIT FONCIER BLDG.
850 WEST HASTINGS STREET
VANCOUVER 1, B.C.

October 9, 1970.

Mr. Harold Field,
Dusty Mac Mines Ltd.,
1700 West Hastings,
VANCOUVER, B.C.

Dear Sir:

After a cursory study of the data on your Okanagan Falls property compiled by Don Cannon and Noranda Mines, I submit the following synopsis:

Ore Reserves

Cannon Calculations:

<u>Tons</u>	<u>Au</u>	<u>Ag</u>
67,790	0.23	4.97

Noranda

76,400	0.20	4.2
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It is not known if Noranda calculations include the high-grade deeper intersections shown in the logs of holes ND 31 (40'-65'), ND 59 (105'-155'), ND 60 (95'-105').

The two ore reserve calculations are very similar in total ounces of gold and silver and are accepted as correct.

An average of the figures gives:

72,000 tons	Gold 0.21 ozs/t	Silver 4.5 ozs/t
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This ore has a gross value of \$16.00 per ton and a net smelter return of \$14.00 per ton.

FRED J. HEMSWORTH, P.Eng.

Costs

On a basis of shipping 100 tons per day of siliceous ore to the Trail smelter using rented equipment, mining and loading costs are estimated at \$5.00 per ton. This figure allows for no capital expenditures, little or no head office expenses and no exploration costs.

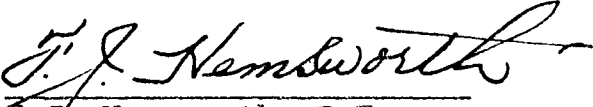
In addition to the \$5.00 per ton mining, the cost of shipping to the smelter must be considered. Two test shipments were made to Trail, the first, a low grade material by truck, the second, a high-grade ore shipment, was made by rail freight. The C.P.R. freight rate on the second shipment was \$13.08 per ton, which is prohibitive.

Negotiations must be carried out with Cominco and C.P.R. to determine what tonnage of siliceous ore will be accepted over the next two years and the freight rate. If freight charges can be arranged at \$5.00 per ton or less, a profit of \$4.00 per ton can be made from the Dusty Mac Mine.

This appears to be an over simplification but the problem is not complex. If a reasonable freight rate can be negotiated a profitable operation is envisaged.

Respectfully submitted,

FJH/db


F.J. Hemsworth, P.Eng.,
Consulting Mining Engineer.

Chris Armstrong, Geo Eng
consulting for Little Long Lac



November 25, 1970.

Mr. C. R. Jonsson,
Shulman, Tupper, Jonsson, Laxton,
Page, Shortt & Dickerson,
Barristers & Solicitors,
1710 - 1177 West Hastings St.,
Vancouver 1, B. C.

Dear Mr. Jonsson:

Noranda's 1970 program on the Dusty Mac effectively proved tonnage limitations. It would be difficult justifying any further development expenditures.

However, it is possible that the property could support a small tonnage limited life operation. To investigate this idea we would want to check the ore reserve calculations and to be familiarized with the metallurgy.

The ore reserve check requires the logs of the percussion drilling and diamond drilling done prior to Noranda's involvement. We have Noranda's logs. To check the ore reserve calculations requires the work sections from which the summaries were prepared. These calculations were done by both Noranda and Cannon-Hicks.

The Cannon-Hicks report includes a cyanidation test report to Newmont. The testing was done on a sixteen pound sample. The report contains no description of the sample. Was this material the split of a bulk sample that was representative of the property? Noranda makes mention of a September 1968 metallurgical report. I assume this is the same report.

Another important item is water supply. Do you have information on this? If not, we can check it out locally.

Yours very truly,

LEITCH MINES LIMITED


J. P. LaPrairie, P. Eng.

JPL/ged

Carl R. Jonsson

December 7th, 1970

Cannon-Hicks Associates Ltd.
744 West Hastings Street,
Vancouver, B.C.

Attention: Mr. Hicks

Dear Brodie:

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

We deliver to you herewith the technical material received from Noranda while it was working on the Dusty Mac property and after its termination of its Option. You requested this material to assist you in preparing for your discussions with the Cominco ore buyer.

While your original instructions were only to initiate negotiations with the Cominco ore buyer we would also like your comments on the possibility of the mineral claims referred to us by one of our shareholders, Mr. L.A. McDonald in the enclosed material, known as Falls 1 - 4 inclusive. A quick examination of the claim map would indicate these claims were formerly known as the Osprey claims. Would it appear to you that they might be of any interest to the Company, considering their location.

Yours truly,
SHULMAN, TUPPER & COMPANY

Per: Carl R. Jonsson

CRJ/jr
Encls.

Post Script: In addition to the material referred to above, we are enclosing, in a rubber band, a letter from Noranda dated October 15th with all of the attached material referred to in that letter. We had missed the fact that claims PT 1 - 36 were to come due on December 5th. We also note that further claims are due on the 16th and 17th of this month. We would like you

to consider what should be done about filing Assessment work to the credit of the claims, both those due this month and the others which will be due at various times in 1971. We would presume that the present grouping of the claims will either allow the filing of work on the claims due this month or the claims can be regrouped to allow it. We do not know whether you would suggest that all or any of the PT claims be kept in good standing. Perhaps some of the more Southerly ones could be abandoned. We want your advice on this. Those which should be kept we would like to have work filed on even though we realize that there will be a penalty because of the late filing. Perhaps you could prepare, from the enclosed material, ~~and other~~ records that you might have to consult, a calendar indicating the due dates of the various claims.

After you have had a look at the material, give me a telephone call please to confirm your suggestions.

S.T. & CO.

CRJ/jr

Carl R. Jonsson

December 7th, 1970

Cannon Hicks Associates Ltd.,
744 West Hastings Street,
Vancouver, B.C.

Attention: Mr. Brodie Hicks

Dear Brodie:

Re: Dusty Mac Mines Ltd. (NPL)

We have mentioned to you that we have been in discussions with Leitch Mines Limited. We turned over to them the technical material received from Noranda as well as all of the material in the writer's files from the work done by your office. You will see from the copy of the letter enclosed from Leitch that they are seeking some further information. In particular, they are seeking the logs for the percussion and diamond drilling done while you were supervising the work. These were apparently not in the material which we turned over to them. Perhaps we have received these logs but do not know where they can now be found. Is it possible for you to supply copies of the logs from your files for us to turn over to them for them to look at.

In telephone conversations with Mr. La Prairie ~~he~~ also mentioned that they would like to obtain copies of your working papers containing the particulars of the methods of calculating the ore reserves. We presume he refers to some papers on which you would have done your arithmetic. Do you have such working papers available

and could we get copies for Leitch to look at.

You will note that the 4th paragraph of the enclosed letter asks for information on the sample. Could you supply the information necessary to answer the enquiry on this point.

We do not believe that any check was done of the water supply in any detail. However, if you have any information please pass that along too.

As discussed with Mr. Cannon on Friday we want to pursue the discussions with Leitch. Simultaneously, of course, we want to know what deal can be obtained from Cominco with respect to the sale of the ore. This will be of use to us in negotiations that we might carry on with Leitch. You are not, of course, to commit Dusty Mac to Cominco as we cannot be sure at this time exactly what the future action of the Company will be with respect to further work on the property.

Yours truly,

SHULMAN, TUPPER & COMPANY

Per: Carl R. Jonsson

CRJ/jr

NORANDA EXPLORATION COMPANY, LIMITED

(NO PERSONAL LIABILITY)

1050 DAVIE STREET • VANCOUVER 5, B.C.



December 9, 1970

Mr. C.R. Jonsson
Shulman, Tupper, et.al.
1710-1177 West Hastings Street
Vancouver 1, B.C.

Dear Mr. Jonsson:

Re: Dusty Mac-Ore reserve calculations

On August 13th, 1970, we sent you a copy of ore reserve calculations by R. Heim, which included a brief comment on the method of calculation. In the calculations, separate sets of figures were given for waste and ore.

In answer to your inquiry of December 7th, 1970, we are pleased to enclose partial copies of the geological working sections, showing the areas of ore and waste. These areas were measured with a planimeter, and the tonnage was then calculated using a factor of 12 cubic feet per ton of rock in place. The actual figuring was done on the same sections, and copies of these calculations are also enclosed.

In our judgment, development of the property never reached the stage where an examination of the available water supply was necessary, and we therefore did not carry out such an examination.

We hope that the above will be helpful to you.

Yours truly,

R. C. Heim

RCH/sc

Enclosures

cc: G.C. Camsell

CANNON-HICKS ASSOCIATES LTD.

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

STE. 713 - 744 WEST HASTINGS STREET, VANCOUVER 1, B.C.

TELEPHONE: 685-0181

December 30, 1970

Mr. Carl Jonsson
Secretary
Dusty Mac Mines Ltd.
1710-1177 West Hastings Street
Vancouver, B.C.

*This material delivered to
Versola of batch
Dec 31/*

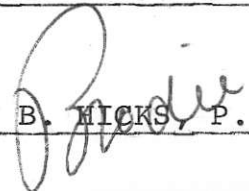
Dear Carl:

We return herewith the material received from Noranda
re Dusty Mac.

1. Progress Reports dated April 7, May 26 and Aug. 13, 1970.
2. Ore reserve calculation (2 pps) by R.C. Heim, Aug. 4, 1970.
3. Memo from C. Jonsson to H. Field re above.
4. Letter to Jonsson from Noranda (A.E. Soregaroli), Oct. 1, 1970, returning data.
5. Letter to Jonsson from Noranda (G.C. Camsell) re silica.
6. Logs of holes ND25 - ND76 inc. excepting ND69 which is missing.
7. Four sheets listing holes with co-ordinates, etc.
8. Sections 9800N to 10,200N @ 25' intervals, and sections 10,300, 10,400, 10,500 and 10,600; 1" = 200'.
9. Plan showing hand trench locations and assays; 1" = 200'.
10. Geology plan, 1" = 100'.
11. Surface plan, 1" = 200'.
12. Plan, rock geochemistry, 1" = 200".
13. Plan, soil survey, 1" = 200'.
14. McElhanney Claim Survey, 1" = 400'.
15. Cannon-Hicks Claim Map (reduced from above?) 1" = 1,000'. Two copies, Jan. 6, 1970.
16. Tape & Compass Survey Canex Aerial Explorations, September, 1968. 1" = 100'.

Yours very truly,

CANNON-HICKS ASSOCIATES LTD.


H. B. HICKS, P. ENG.

HBH/lce
Enclosures

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

KENNCO EXPLORATIONS,(WESTERN) LIMITED
ONE BENTALL CENTRE
SUITE 730-505 BURNARD STREET
VANCOUVER 1, B.C.

March 23rd, 1971

Mr. Carl Jonsson,
Shulman, Tupper, Worrall, Jonsson & Laxton,
1710 - 1177 West Hastings Street,
Vancouver 1, B.C.

Dear Mr. Jonsson:

Noranda file
We have studied the documents obtained from your office, on the Dusty Mac property. We would conclude, as Noranda did, that the deposit is much too small for us. A big company loaded with overhead would just lose money. It is unfortunate that the additional drilling did not produce any increase in tons.

We are, however, extremely interested in the overall potential, and are concerned that so far no root or source structure has been found. Since the deposit is of quite a unique kind we think it should be intensively studied from a geological and geochemical view before we conclude that we see the end of it. So far none of us except our consultant, Dr. Gower, have examined the area in the field. We would appreciate the opportunity to take a good look at the geological setting of the deposit with a view to getting some ideas as to where one might find more ore.

Yours sincerely,

Charles S. Ney
Charles S. Ney

CSN/fh

Carl R. Jonsson

April 5th, 1971

Mr. Isaac Shulman
c/o Mex Mining
57-59 York Street,
Sydney, N.S.W.
Australia.

Dear Ike:

Re: Dusty Mac Mines Ltd. (NPL)

I have finally succeeded in getting all of the pertinent reports on Dusty Mac together to have a complete extra set made up, to send to you as you have requested so often. I enclose:

1. Complete copy of Cannon final report dated December 1969 with maps in pouch. This is the "final" report produced by Cannon before we completed negotiating the Option with Noranda.
2. Two clips of drill logs on Noranda drill holes numbered 25 - 76 incl.
3. Three maps produced and supplied to us by Noranda.
4. Two page ore reserve calculation by Noranda dated August 4th, 1970 with attached 4 page sheet of drill hole co-ordinates.
5. Photocopies of working papers from Noranda showing drill hole sections and assay averaging calculations.
6. Copy of letter dated December 9th, 1970 from Noranda explaining ore reserve calculations.

7. Brief two page report on ore reserve calculations by Fred Hemsworth. This was prepared with our cooperation by Fred at the request of Harold Hemsworth and without any charge to Dusty Mac.
8. Feasibility Report from Cannon-Hicks dated February 24th, 1971.
9. Copy of letter dated February 15th, 1971 from Cannon-Hicks which preceded our receipt of the Feasibility Report.

The material enclosed from Noranda constitutes their Report to us. They did not prepare a composite report as such. They did earlier supply to us periodic progress reports which consisted only of letters advising of how many feet had been drilled and in how many holes. These letters would be of no use to you and I am not enclosing them.

The last Company that I have had look at this was Kenneco. Mr. Charles Ney has confirmed that for their Company the potential ore reserves appear too small but has indicated that they are intrigued with the source of the mineralization that we have. He said that they would like to look further at the geological situation to attempt to try to analyze where our small ore body came from. I have confirmed to him that Kenneco may consider the property further unless and until we make a deal with someone else or resolve to go ahead on our own.

I am simultaneously herewith sending a complete duplicate of the enclosures to Ed Scholz. I believe that I earlier advised you that he said that he would look at this material and comment on it to us as a helpful friend but that he could not see that his Company would have any interest in the property. I will let you know what his comments are when we get them from him. I am also enclosing a copy of a letter from Cannon dated March 19th, 1971 in which I questioned the reduction in his figures for our ore reserves and the designation of the reserves as "probable". Brodie Hicks is still awaiting completion of discussions with Cominco as to its willingness to purchase the ore if

Mr. Isaac Shulman

- 3 -

we proceeded to mine it as recommended in the Feasibility Report. There is some rumor that Cominco has improved its Silica supply and it may therefore be less willing to pay us a reasonable price for Silica content in our material.

Best Wishes,

Yours truly,

SHULMAN, TUPPER & COMPANY

Per: Carl R. Jonsson

CRJ7jr
Encls.

ANDREW E. NEVIN CONSULTANTS LTD.
426-470 GRANVILLE ST.
VANCOUVER 2, B.C.

(604) 683-3425

July 22, 1971

file re Noranda

Mr. Carl R. Jonsson, Director,
Dusty Mac Mines Ltd. (N.P.L.),
1710 - 1177 West Hastings St.,
Vancouver 1, B. C.

Dear Carl:


Re: Okanagan Falls Property

According to Mr. George Camsell, Noranda has only some assay pulps from your Okanagan Falls property in their Vancouver office. There are a few hundred small envelopes. The drill core and rejects are stored on the property.

Noranda will be cleaning out and discarding their old pulps some time within a few weeks, and we have made arrangements for the Dusty Mac pulps to be delivered to me for storage.

Yours very truly,

ANDREW E. NEVIN CONSULTANTS LTD.,



Andrew E. Nevin

AEN/lm