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February 7, 1962

MEMORANDUM

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A	✓	W.S.R.	✓
	✓	P.M.K.	✓
		G.M.	
		(C.C.)	
		H.A.P.	
		R.D.S.	
		B.C.E.	
		B.W.P.	
		C.A.R.	
		E.L.D.	
		J.H.E.	
		E.C.J.	

PROSPECTORS AIRWAYS COMPANY LIMITED

R. A. McCANN PROPERTY

SCOTTSIMPSON MT. - STIKINE RIVER AREA, BRITISH COLUMBIA

A Vancouver prospector, R. A. McCann, Suite 4 - 423 Howe Street, Vancouver, presented a group of 48 claims containing several copper showings located on Scottsimpson Mt., British Columbia, 4 miles south of Kennecott's new copper find. McCann's terms were as follows:

\$5,000 following an examination in June and the balance of \$150,000 cash over a three or four year period, say: \$7,500 at the end of 6 months, \$7,500 at the end of 12 months, and the balance in payments to be negotiated over the following two years; plus 450,000 shares of stock in a 5,000,000 share company.

Half of the 450,000 shares can be optioned back on terms to be negotiated.

McCann has offered to hold the property for an exclusive examination in June on payment of \$500.00 cash by March 10th or thereabouts. He can not make definite terms on the negotiable items until he confers with his partner on the March 10th date.

The history of the area is as follows. The first major copper discovery was made on Hudson Bay Exploration's ground in 1956 (the ground now held by Kennecott). A large number of claims were staked in the area by Conwest, Triana, Highland Bell and others but were subsequently lapsed when Hudson Bay stopped drilling and dropped most of their claims. At this time, Highland Bell completed some prospecting on their ground which is now the McCann ground and mapped the property. It was examined by various engineers including Rod Macrae at this time but was not recommended. Two years ago Kennecott crews working in the area of Hudson Bay claims to the north made additional copper discoveries and optioned the Hudson Bay claims. An extensive drilling campaign is planned for the coming season. John Sullivan, Kennecott's chief geologist here, told me last year that he considers this find could be a large porphyry type copper deposit. Kennecott's work sparked more staking in the area and McCann staked ten of his present claims over the Highland Bell showing in 1959 and later in 1960, the balance of the 48 claims. He has done two years work on the group and put the olaims in good standing until 1963.

McCann claims he has extended two of the former Highland Bell showings in his recent work that has improved the value of the claims. The two showings he specifies are: (1) a copper bearing zone in sheared basic rocks approximately 50 feet in width and exposed for 100 feet on strike that he estimates would average better than 1% copper, (2) a quartz vein, 4 feet in width and approximately 1,000 feet in length containing galena and chalcopyrite.

Well mineralized grab samples of both showings were submitted, but no assays. Both specimens are well mineralized with chalcopyrite.

Maps and assays of the former owners, Highland Bell, were submitted. They show widespread but low grade copper mineralization on three creeks leading off Split Creek which crosses the claims.

The title of the 48 claims presented by McCann is owned as follows:

50% by a syndicate named Pacific Northwest Mining Syndicate and registered at the British Columbia Department of Mines under the name of Dr. Jan Blom.

25% by T. J. McQuillan, staker of the Granduc Mine.

25% by R. A. McCann himself.

McCann also owns 25% of the Pacific Northwest Mining Syndicate which gives him a total interest of $37\frac{1}{2}\%$ of the claim group. He and T. J. McQuillan, McCann's partner, thus control the property.

The group is favourably located and contains extensive copper showings on which a minimum of prospecting has been done. Activity in the area is increasing due to Kennecott's work.

An offer was made to McCann as per the attached letter. McCann agreed tentatively to the terms and will submit the offer to his partner, T. J. McQuillan, on or about March 10th.

If our offer is accepted, Kerr-Addison personnel will make a formal examination of the ground before the end of June, 1962. Meanwhile, a search of title is being made.



E. O. Chisholm
Chief Geologist

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