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Memorandum

~~① JST~~  
② EDD

~~① CD~~  
② ~~JST~~  
~~RED~~ → ~~JHS~~

CHEVRON RESOURCES

MAR 24 1980

Vancouver, B. C.  
1980-03-13

RECOMMENDATION FOR SURRENDER  
PORPHYRY CREEK - M494

Memo - #41/80-58

~~R. E. DANIEL:~~

Teck is, at present, delaying formal proposal of a 1980 program to allow us sufficient time to consider our position with respect to further work. Teck's exploration manager would like to continue fairly active work in 1980 including construction of about 10 miles of bush road, cat trenching on the property, more detailed mapping and sampling. My cost estimate for this work is of the order \$150,000.

In order for Chevron to earn a 50% interest in the J.V. we must spend 75% of the 1980 costs. The J.V. terminates if we do not participate in the 1980 program.

During 1979 we drilled two -45<sup>0</sup> core holes each about 800' long into the most favorable parts of the granitic stock. Both holes had continuous mineralization which averages about 0.03% MoS<sub>2</sub> (there are very few assays above .06% MoS<sub>2</sub>). For a large open pit Mo mine in B.C. we would require grades in range of 0.25% MoS<sub>2</sub> or 8 times that indicated by our drilling. Core recovery was very good and we penetrated beneath the oxidized rock layers.

Thin section study from core samples indicates hydrothermal alteration is generally weak and not well if at all zoned. These facts together are most discouraging from an exploration point of view suggesting a simple, low grade, weak porphyry system.

A well known independent consultant, Stu Wallace - Denver, was retained to review our data and to comment on exploration potential of the prospect. In particular he was asked to judge whether or not a significant deposit was indicated by the hydrothermal alteration and mineralization at some reasonable depth beneath the surface showings. He concluded that "you are looking at it" meaning the grades indicated are all we should expect to find in this system.

We, therefore, recommend no further work be done on the prospect. *Prospect surrendered.*

*JHS - do you concur  
- I've seen a note from Ishong  
but can't locate it - do you  
have it?*

*Earl D. Dodson*  
EARL D. DODSON

JWS:am

*I sent IWS comments &  
JWS reviewed. JWS & EDD  
still feel (like Wallace) that they are  
not near a major por Mo deposit.*

*Concur  
JHS  
4/2/80*

*RED  
4/2/80*