

860641

MEMO TO: G.S.W. Bruce

DATE: January 2, 1975

FROM: A. Morris

SUBJECT: Luc Syndicate - Lennac Lake Property

Data pertaining to drilling of the West Zone of the Lennac Lake property has been examined.

As you will see on the accompanying xerox print, grade contours delineating 0.30% or better material indicate a restricted zone. It would be difficult to build<sup>it</sup> up to any reasonable tonnage that would average better than 0.30% Cu (or Cu equivalent.)

Material averaging from 0.20% Cu to 0.30% Cu is much more widespread.

The possibility of outlining a substantial tonnage averaging between 0.20% Cu and 0.30% Cu appears to be fairly good.

Unfortunately, this grade is considered to be too low at this time for the property to be of economic interest, i.e. at today's price of Cu, this would be less than \$4.50/ton.

Mining costs even for an open pit operation would possibly be in this range, or perhaps more.

Consequently, the enclosed offer to participate in a Work Plan for this property in 1975 should be declined.

AM/ib



Note: Average of assays of 0.20% Cu or higher, shown on print, is 0.23% Cu.

PROSPECT 1975  
 ECONOMIC ZONE

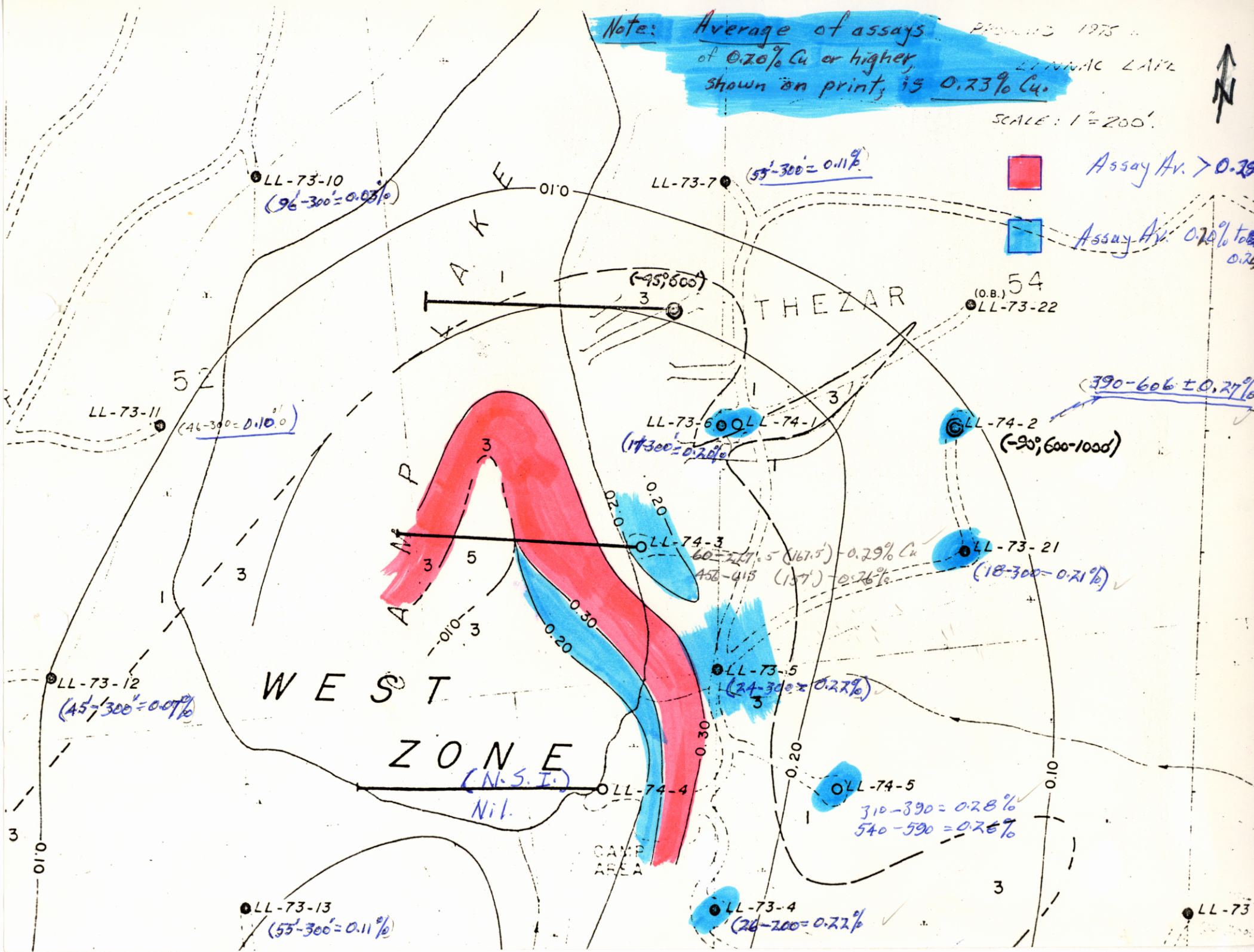
SCALE: 1" = 200'



Assay Av. > 0.29%



Assay Av. 0.20% to 0.29%



WRB

# AMAX POTASH LIMITED

A SUBSIDIARY OF AMERICAN METAL CLIMAX, INC.

PHONE (AREA CODE 604) 683-0474

TELEX 0454387

#601 - 535 THURLOW STREET

VANCOUVER, BRITISH COLUMBIA

V6E 3L6

November 25, 1974

Mr. W.R. Bacon,  
LUC Syndicate,  
1720 - 1055 W Hastings Street,  
Vancouver, B.C.  
V6E 2E9

Mr. E. Dodson,  
Standard Oil of B.C. Ltd.,  
833-355 Burrard Street,  
Vancouver, B.C.  
V6C 2G8

Gentlemen:

Re: Lennac Lake 1975 Work Plan

The following outlines a Work Plan proposed for the Lennac Lake Property during 1975:

The proposed 1975 Lennac Lake program consists of 1500 feet of BQWL diamond drilling. One 600-foot inclined hole (see plan attached) will test the northern extent of the > 0.3% Cu zone indicated by 1974 drilling. Drill hole LL-74-2, which entered the > 0.3% Cu zone at depth, will be extended to transect the full width of the zone. The remaining footage is reserved as contingency drilling if results warrant, and will be used in an inclined hole further north along Camp Lake if a re-interpretation of the location of the 0.3% outline is suggested by the inclined hole recommended above. Alternately, the presence of deeper zones of + 0.3% Cu will be tested for between 73-22, 74-2, 73-21, and 74-1 if the deepening of LL-74-2 yields encouraging results.

The program is estimated to cost a total of \$33,000.00 based on a minimum of 1,500 feet of drilling. A cost breakdown

is given below:

Administrative Costs (includes 1 months salary for one staff geologist and one helper)		\$ 3,900
Field Expense		\$29,100
Shipping	\$ 500	
Drilling (1500' @ \$15/ft)	22,500	
D-6 Cat rental	1,800	
Materials & Supplies	700	
Operation & Maintenance of equipment	1,000	
Assay 150 @ \$5/sample	750	
Camp Accommodation & Board 60 man days @ \$15/day)	900	
Project Travel	350	
Claim Rental Fees	<u>600</u>	
	TOTAL	<u>\$33,000</u>

Approximately one month will be required to complete the program as outlined above. The program could be carried out during the winter or the summer field season.

Please consider the proposed Work Plan and notify Amax Potash Limited as per article IV of the agreement. If you have any questions, or comments concerning any aspects of the plan, please do not hesitate to call Mr. C. Hodgson or myself.

Sincerely,

AMAX POTASH LIMITED

*H. W. Sellmer*

H.W. Sellmer  
Regional Manager  
Western Canada

HWS/b  
Enclosures