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J.C. STEPHEN EXPLORATIONS LTD.

1124 West 15th Street, North Vancouver, B.C. V7P 1M9

(604) 988-1545

December 8, 1978

Mr. G.S.W. Bruce,
Dome Exploration (Canada) Ltd.
600 - 365 Bay Street,
Toronto, Ontario.

Entered

GSWB	LBH	DRS	EAP
PROJECT			
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<input type="checkbox"/> PROJECT	<input type="checkbox"/> DRILLING		
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<input type="checkbox"/> TECHNICAL	<input type="checkbox"/> MISC.		
<input type="checkbox"/> OTHER			

Dear Wally:

The enclosed is the proposal sent to Norcen after conversation with them. Our original information on the area is outlined in the D.C. Syndicate Exploration Report 1976, Area III, Pages 2, 5 - 9, 13, 14. Figures III, IV and X - XIII in the pocket of that report.

I had taken Bill Bacon in to see the quartz sericite schist but he did not agree to recommend further work.

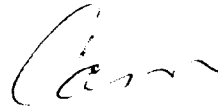
Ballantynes paper at Whitehorse indicates anomalous results which will soon be published. These are within Atlin sheet where we have the most information. The apparently favourable formations extend east and I spent part of a day in that area, separate from the D.C. Syndicate work, but have no geochemical data. The GSC reconnaissance geochem should be available in June and if initial surveys in this area obtain interesting anomalies I would recommend extension of the survey area to the east.

The concept of base metals exploration in the Jennings River Area, incorporated in a proposal early in 1977, stemmed in part from the work done to the west in 1976.

If you would like to participate in this venture I would be very pleased. If not, however, I would appreciate a letter indicating release of any claim to interest in this area. Legally it is out of the D.C. Syndicate area but it is a bit of a grey area.

Yours very truly,

J.C. Stephen Explorations Ltd.

A handwritten signature in cursive script, appearing to read 'J.C. Stephen', written in black ink.

J.C. Stephen

JCS/ms

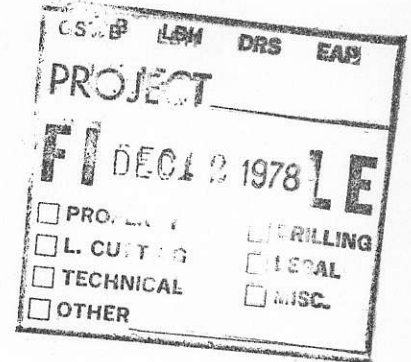
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Toronto, Ontario.



Dear Mr. Bruce;

We are proposing, in confidence, a joint venture to explore a specific target area for massive sulphides. We became interested in the potential of the area following discovery of an outcrop of quartz sericite schist, with pyrite mineralization, during reconnaissance of granitic bodies for possible uranium mineralization. A copy of the description of the outcrop is included with this letter.

Presentation of a paper "Geochemical Studies in the Atlin - Cassiar Area, Northern B.C." by Bruce Ballantyne at the Whitehorse Geoscience Forum indicated coincident Cu, Zn, Mo, Fe anomalies in part of the area of interest. These results will be published early in 1979 and I suspect further anomalies will be indicated to the east when the results of the CSG survey in Jennings River sheet are published early next summer.

The following is an outline of the proposed joint venture program and organization.

AREA

The enclosed map shows the area suggested for exploration. The project would be confined to maps 104N/9 and 16; and 104'0'/12. Within this area is a grid representing a proposed air

EM and magnetometer survey. The topography is relatively low and rolling, suitable for a helicopter survey.

BUDGET

Budgets for each succeeding stage of the program would be dependant on results of prior stages. First firm commitment would be \$40,000 for the air survey and land acquisition. Figures for Stage II are an estimate only and depend on results of Stage I. However, if survey work commenced this winter it is desirable that line-cutting and ground geophysics be done during the winter to adequately cover swamp areas and small lakes.

STAGE I

Air EM - magnetometer survey -	
350 miles at \$65/ line-mile (563 km. at \$40.50/line km)	\$22,750
Land acquisition -	
200 units at \$50/ unit	10,000
Associated supervision, travel expense, truck rental, etc.	7,250
Stage I Total	<u>\$40,000</u>

1/4 mi intervals ?

STAGE II

Line cutting -	
150 miles at \$200/mile	30,000
Geophysics - (magnetometer, EM, IP)	
150 miles at \$150/mile	22,500
Associated supervision, rentals vehicles, contingencies, etc.	7,500
Stage II Total	<u>\$60,000</u>

STAGE III

Mapping, diamond drilling etc., dependant entirely on previous results.

*Not as good a bet as
a volcanic belt in the shield*

ORGANIZATION

J.C. Stephen Explorations Ltd. would act as Manager and Operator of the Joint Venture, reporting to a Management Committee appointed to represent the Participants.

We suggest three or four companies, as Participants, should share the cost of the Program. In this regard we have had conversations with J.J. McDougall of the Falconbridge office here in Vancouver, They have been interested in this type of exploration and had conducted exploration east and west of Dease Lake. The north-west limit of their exploration lies just east of the area proposed. Mr. McDougall noted Ballantyne's coincident geochem results in this area and indicated interest in the venture. Due to budget restrictions they would be limited to a minority position and he indicated to me they could probably contribute in the order of \$15,000.

The operation would be conducted at cost, plus the following charges and fees:-

CHARGES - to cover cost of contract administration, payroll, office, etc.,

15% of payroll for employees hired directly on behalf of the joint venture.

3% of gross contract cost for diamond drill or other contracts administered through this office.

FEES -

\$100 per day of J.C. Stephen time spent directly on the project.

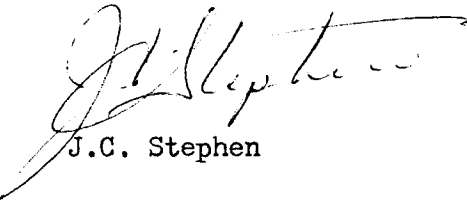
INTERESTS - J.C. Stephen Explorations Ltd. would retain the following interests:-

- (1) 10% of the net profit resulting from the operation of a Mining Property; or
- (2) 10% of the net proceeds received from sale or option of a Mining Property.

These interests would be subject to a cash buy out clause.

Yours very truly,

J.C. Stephen Explorations Ltd.



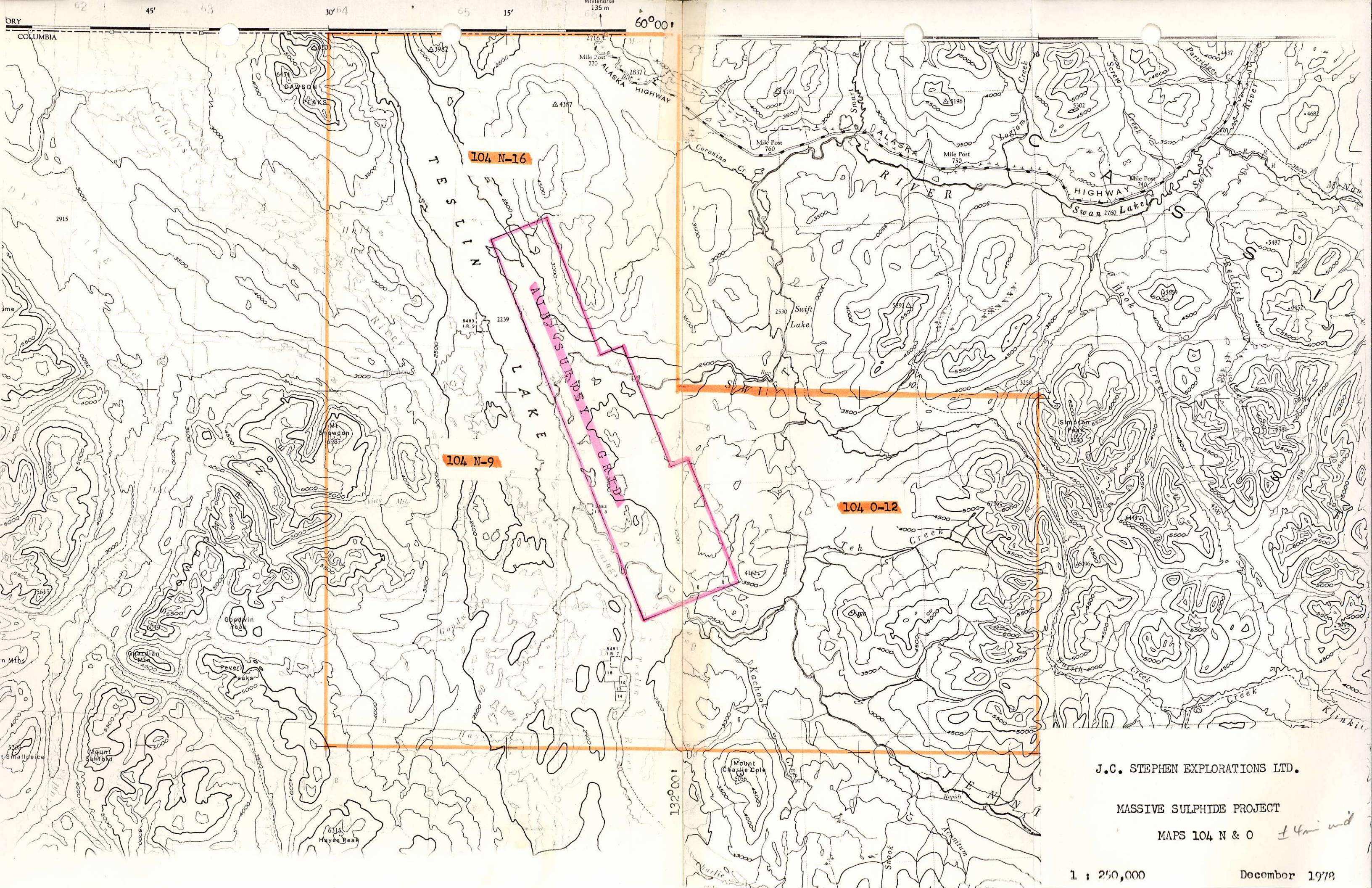
J.C. Stephen

JCS.ms

57 Quartz Sericite Schist, Chlorite Schist

Dark green epidotic volcanics are succeeded westerly by 15' argillite with white quartz masses, 20' dark green and grey siltstone and tuff with epidote, pyrite and white quartz, 100' (approx.) light grey to white highly schistose sericite schist and quartz sericite schist and 100' plus of sericitic chlorite schist much contorted. These formations strike northwesterly and dip to the west.

Pyrite mineralization occurs in the schistose zones.



J.C. STEPHEN EXPLORATIONS LTD.

MASSIVE SULPHIDE PROJECT

MAPS 104 N & O ± 4 mi and

1 : 250,000

December 1978

NUMERICAL FILING SYSTEM

LOCATION

- (1) TESLIN B.C.
- (2) JENNINGS RIVER B.C.

N.T.S. { 104 - N-9
 104 - N-16
 104 - O-12

NAME

- (1) J.C. Stephen Explorations Ltd.
- (2)
- (3)

REMARKS:

Proposal by Cam Stephen to carry out
 airborne geophysical programme in Teslin Lake area
 Turned down

N.T.S. FILING SYSTEM

N.T.S. # { 104 - N-9
 104 - N-16
 104 - O-12

FILE # 3168

LOCATION:

Lat 59° 45'
 Long 132°
 Prov B.C.
 Twp Teslin area

NAME:

Property _____
 Company J.C. Stephen
 B/F By Cam Stephen
 Date 8 Dec 1978

REMARKS

As above

TYPE:

Office Study _____
 Field Exam _____
 Co. Project _____

STATUS:

Recommended No _____
 For Record _____
 Other _____