

December 10, 1976

Mr. James F. Allan,
 Exploration Manager,
 Minerals Department,
 Union Oil Company of Canada Limited,
 335 - 8th Avenue, S.W.,
 Calgary, Alberta T2P 2K6.

Re: Arrow Joint Venture - Proposed
 1977 Exploration Programme

Dear Jim:

Dick Cunningham-Dunlop and I got together for an hour or so on December 8th. I told him that I had spoken to you on the evening of December 7th. The purpose of our getting together was to attempt to suggest a compromise programme which would be satisfactory to Union, Salsigne and Dome and would also have Dick Woodcock's support.

Dick and I thought that after you had received this letter that the three of us could talk together on a conference call to discuss the proposal contained in this letter. Summing up, we are suggesting a programme that would involve the following:

1)	Slide Group	\$ 30,000
2)	Boyd Group	20,000
3)	Cherry Group	5,000
4)	Reconnaissance	<u>100,000</u>
	Total -	\$155,000

Should we adopt a programme like this, the total Syndicate expenditure for 1977 would be approximately \$155,000, of which Dome's share would be approximately \$73,000 and each of Salsigne and Union would make contributions of approximately \$41,000. Details of our discussions follow:

LBH	DRS	EAP
PROJECT		
FLOEDEC 13 1976 LE		
<input type="checkbox"/> PROPERTY	<input type="checkbox"/> DRILLING	
<input type="checkbox"/> L. CUTTING	<input type="checkbox"/> LEGAL	
<input type="checkbox"/> TECHNICAL	<input type="checkbox"/> MISC.	
<input type="checkbox"/> OTHER		

Mr. James F. Allan
December 10, 1976
Page Two

SLIDE GROUP

We both feel that about 1000 feet of drilling will be necessary on the Slide Group. As a result of some studies carried out by Dick Cunningham-Dunlop, it would appear logical to do a bit more detailed work in order that the drilling we carry out is done in the best place.

We suggest that some additional E.M. and Mag should be done on the existing north and south grids. Particularly on the south grid, we feel that further E.M. should probably be carried out for approximately 3000 feet up-hill from the base-line. We also suggest some additional geology to clarify the geologic picture on both the north and south groups. We feel that determining the dip of the possible sulphide zone is particularly important.

Even if we find no further conductors, we feel that perhaps two 300-foot holes should be drilled on the south conductor near the float and perhaps one hole across the strongest conducting section on the north conductor.

BOYD

We do not disagree greatly with discussions we have previously had on the Boyd Group. I feel that it would be very worthwhile for Dick Woodcock to extend stream geochemical work on the Carbonate-King Creek and also on Copper Creek. Further, I believe that we should ask Dick to work up-hill above the axis of the geochemical anomaly in an attempt to determine whether or not it could be a transported anomaly.

Woodcock has suggested an I.P. survey over the geochem anomaly. Dick Cunningham-Dunlop and I feel that even if we do not get an I.P. response here, this should not discourage us and that we should then consider either trenching or Winkie drilling the geochemical (or geophysical) target. We suggest that of the proposed \$20,000 on this programme, perhaps \$10,000 should be set aside for possible drilling.

Mr. James F. Allan
December 10, 1976
Page Three

CHERRY GROUP

Dick Woodcock did not seem particularly enthusiastic about the Cherry Group, presumably because of the proximity of black conductive shales to the E.M. anomaly and soil sampling highs. Dick Cunningham-Dunlop has pointed out that on the geophysical survey here, the positive peaks are the actual anomalies but geophysical results suggest "build-ups" down-hill from the E.M. anomalies already found, i.e. there may be another anomaly system just down-hill from the present grid.

It is possible that outcrops will rule out further interest on the main anomaly axis. However, we feel that Dick's proposed investigation should involve enough further work to clearly indicate whether or not a drilling programme might be warranted at a later date.

We are suggesting that perhaps \$5,000 should be spent on the Cherry Group.

RECONNAISSANCE PROGRAMME

In previous correspondence, Dick Woodcock had suggested a reconnaissance programme amounting to about \$165,000, involving the use of fairly extensive geophysical traversing. As I understand it, both you and Dick Cunningham-Dunlop would prefer to reduce the amount of reconnaissance work.

Tentatively, we are suggesting that if we were to cut the reconnaissance programme to a more manageable figure, say \$100,000, we could carry out a fairly worthwhile programme.

This might involve being somewhat more selective in picking out smaller areas of prime interest. We suggest that in such areas the reconnaissance work should be guided by geology and geochemistry. When we find geochemical anomalies we should probably detail them by geophysics. In effect, we are proposing reducing the geophysics to a secondary role. Otherwise we feel that we will end up with dozens of unexplained E.M. anomalies.

Mr. James F. Allan
December 10, 1976
Page Four

I think perhaps both you and Salsigne would like to see a reconnaissance programme in which the anomalies, as they are found, would be detailed in such a way that, at the end of the prospecting season, we would know which ones are of definite ongoing interest.

When you have read this, I suggest that you and Dick Dunlop and I have a conference 'phone call in order to see if we can compromise on a programme such as the one suggested above. When we have succeeded in reaching a satisfactory compromise, I suggest that we then discuss our compromise proposals with Dick Woodcock.

With kindest personal regards,

Yours sincerely,

DOMEX EXPLORATION (CANADA) LIMITED

GSWB/db

G.S.W. Bruce
Vice-President

MEMO TO: File

DATE: January 13, 1977

FROM: G.S.W. Bruce

SUBJECT: Arrow Joint Venture - Conversation
with J. F. Allan, Union Oil,
January 13th, 1977.

tech.

Further to my letter to Jim Allan of December 10, 1976, I spoke to him on the 'phone this afternoon. Our conversation involved a discussion of the programme proposed in my letter to him.

(1) Slide Group

Generally speaking, Allan agrees with the proposed \$30,000 job but feels that it should include, before drilling, about two weeks of detailed prospecting over the entire claim group to check for other targets. If no other targets are found, we should carry on and do the 1000 feet of drilling this year.

(2) Boyd Group

I find that Jim Allan thinks very much as I do on the Boyd, i.e. he feels that a good deal of digging, geochemical profiling, float searching and possible trenching, should be carried out before undertaking an I.P. survey. He does feel that an I.P. survey might be appropriate. He also feels that if we can define a specific target that Winkie drilling would be appropriate this year. He agrees with the proposed \$20,000 expenditure.

(3) Cherry Group

Jim Allan agrees with my proposal of December 10th.

(4) Reconnaissance Programme

Provided that exploration targets can be defined, Allan is in favour of the \$100,000

proposed reconnaissance expenditure. He feels that the reconnaissance should include the follow-up to any anomalies found in the 1976 reconnaissance as well as reconnaissance work on carefully-researched discreet areas of suitable environment within the area of influence. Like Dick Dunlop and I, Jim Allan does not feel that E.M. should be used as a primary search tool.

CONCLUSIONS

I asked Jim Allan if he could call Dick Woodcock and, further, if he could put his impressions in a letter and circulate to Woodcock, Salsigne and Dome. It seems that he is not averse to the amounts of money suggested in my letter of December 10th, providing he feels assured that the reconnaissance programme is properly geologically controlled.

GSWB/db

File

November 26, 1976

G.S.W. Bruce

Meeting - Arrow Joint-Venture]

GENERAL

A meeting of participants' representatives of the Arrow Joint-Venture was held in the office of Dome Exploration (Canada) Limited on November 24th, 1976. The following were present: Jim Allen, Al Taylor (Union Oil), J. J. Rankin, Dick Cunningham-Dunlop (Salsigne), Dick Woodcock (Syndicate Manager), J. B. Redpath, W. Bruce (Dome).

PROPERTIES

(a) Slide:

The Slide property, on the west side of the Columbia River, consists of 136 units (a unit is a claim, 1500 feet).

In the course of this year's reconnaissance programme, several pieces of mineralized float were found along an old logging road. This float ranged from 5 - 8% combined lead-zinc. Specimens which we saw were conductive and magnetic.

A picket-line system was laid out in the float area and soil geochemistry was done. Crone EM was also carried out. Soil geochemistry is weak but there is a rather strong-looking EM anomaly which correlates quite closely with the float. In addition to the EM anomaly which correlates with the float location, there is a strong and distinct EM anomaly to the north (the north anomaly). It is rather an indifferent geochemistry and it is nearby graphitic argillite outcrops. As outlined below, Dick suggests a certain amount of drilling which I think is justified.

(b) Boyd Property:

This property consists of 30 units in extremely rugged topographic south-east of Revelstoke.

Arrow
Tech

There is a strong near-coincident lead-zinc soil geochemical anomaly. This anomaly is up to 2000 feet long and contains lead values up to 550 p.p.m. and zinc values to 2780 p.p.m.

An EM survey was done on a restricted grade but no anomalies were found. Dick feels that this is not a hydromorphic anomaly and it is unlikely to be an anomaly due to down-hill soil creep.

As discussed, Dick would like to do some I.P.

(c) Cherry Group

On this property, there is a zinc-copper geochem anomaly which seems to correlate roughly with an area of graphitic slate.

Dick does not regard this highly and recommends only an examination by himself this coming year.

(d) Seymour Property

At this stage, this property's only merit is that it is a geochemical anomaly. Dick proposes a brief examination only.

WOODCOCK PROPOSALS FOR PROPERTIES

(a) Slide:

Dick Woodcock recommends about 1000 feet of drilling. I think this makes sense and I think that two of the three holes should probably be drilled into the float - EM anomaly and the third hole should probably be used to test the north anomaly (EM anomaly).

(b) Boyd Property

As stated above, Woodcock would like to carry out two or three days of I.P. surveys, followed by an examination by him and possibly some trenching.

My own reaction is that an examination by Woodcock first would be more sensible, but I can't really object to his proposal. Whether or not there is an I.P. anomaly, I would think that pits or trenches in, and uphill from, the geochem anomaly might be in order.

(c) Cherry Group:

Woodcock will make a brief field examination.

(d) Seymour Group:

Woodcock will make a brief field examination.

WOODCOCK 1977 BUDGET PROPOSAL

(a) Reconnaissance

Dick proposes continued reconnaissance over three areas (the Gneiss domes, the Gold-stream area and the Duncan Ranges) for a total expenditure of \$165,000.

Drilling, etc., on the Slide Group would probably cost in the order of \$30,000. Work proposed on the Boyd, Cherry and Seymour claims would probably cost \$20,000.

Woodcock is therefore suggesting a programme which would aggregate \$215,000. Our share of this, should we agree to continue, would be approximately \$102,000.

TENTATIVE RECOMMENDATIONS

I recommend that we carry out the drilling and other proposed work on the four claim groups (Slide, Cherry, Boyd and Seymour) as to our participation in the continuing reconnaissance (\$165,000). I would like to give this further study before making a recommendation.

ACTION REQUIRED

Dick Cunningham-Dunlop of Salsigne, will call me within the next week or two to indicate the course of action which his company would like to follow. At this stage, Dick and I will jointly call Union Oil on a conference call to decide on the recommended course of action.

We will then attempt to give Woodcock a firm answer before the end of December.

GSWB/db

KOW:

Specific

30,000

Slide ok

10,000

other 3 boyd seymour cher

40,000

Dome part = 16,000.

Rece

cut to 100,000

" " = 40,000

Dome Total 56,000

Dome Peto:

stay partic in Specific but not rece.

57 1/2 / 100