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MEMO TO: Mr. J. B. Redpath
FROM: K. D. Watson
DATE: August 8th, 1969
RE: British Columbia properties of Norranco Mining and Refining Co. Ltd. submitted to C.S. Dunkley of Dome Petroleum Ltd.

1. Information submitted consisted of fairly detailed reports on the Big Onion prospect (11 miles east of Smithers), the D.N. group (12 miles southwest of Usilika Lake), and the David Minerals prospect (two miles northeast of Aspen Grove). Also included were brief accounts of the BAT and TAB groups (immediately adjoining David Minerals) and the DOT and FRAN groups (south of Radium) contained in a letter addressed to J. Allan, Amax Exploration, Vancouver from L. Stefansson, Calgary.
 2. Mr. Stefansson's letter outlines Norranco's work commitments and future option payments on the various properties and sets forth on pages 5 and 6 the deal sought by Norranco for the sale of its interest in these properties.
 3. The information on the D.N. group and the Big Onion and David Minerals prospects refers to maps and figures, but these did not accompany the reports submitted.
 4. Some additional information on the Big Onion and David Minerals prospects was found in recent Annual Reports of the B.C. Minister of Mines and Petroleum Resources
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5. Big Onion. This is an old property on which a considerable amount of work has been done by Noranda and Texas Gulf Sulphur in recent years. During 1963 - 64, Noranda did geochemistry, E.M., trenching, stripping, and some diamond drilling. In 1966 - 67, T.G.S. did geochemistry, detailed geology, E.P., mag., 3,000' of bulldozer stripping, and 4,000 feet of diamond drilling. "Assays of split core from drilling gave a high of 0.5 per cent copper and 0.02 per cent molybdenum..... Average Cu-Mo values from all Texas Gulf core holes drilled are not believed to exceed 0.2 per cent Cu and 0.02 per cent Mo." (p.2, 3). Although it is stated that there are some untested geochemical and geophysical anomalies on the property, exploration results to date have been very discouraging and further work cannot be recommended.

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6. David Minerals This property, and the adjacent BAT and TAB groups, are in the Aspen Grove copper belt which has been worked sporadically since 1898. In 1956 - 59, Noranda carried out geological mapping and considerable diamond drilling on David Minerals; in 1965 Friday Mines Ltd. did 1,600 feet of bulldozer trenching and 750 feet of diamond drilling; in 1966, David Minerals did 775 feet of diamond drilling. The report gives little definite information about the results of previous work. However, the results reported are somewhat discouraging; no doubt the unreported results were even less encouraging. Although it is stated that "... much of the previous work has been inconclusive." (p.12), I consider that the results were mainly negative and that the option terms summarized on page 4 of Stefansson's letter are onerous. The property is not attractive.

7. D.N. Group This group of 14 claims was staked in June 1968 to cover what is said to be a new discovery four miles north of the Duckling Creek property which has been explored extensively by Kennecott at times during the past 20 - 25 years.

Chalcopyrite, bornite, and pyrite occur disseminated and as thin veinlets in granitic rock exposed in a cirque (part of the Hogem batholith - a pluton of the Cassiar-Omineca batholith.) Character samples are reported to assay 0.9% Cu.

Although Kennecott's Duckling Creek property has not fulfilled initial expectations, although the assay from the D.N. group is rather low for a "character sample" and although the location of the group is remote, the fact that this is a new discovery on a claim group largely covered by overburden is of interest. I suggest that we request Norranco to furnish:

- a. the three figures (Claim Location Detail, Sample Location Sketch, Photo-Geological Interpretation) referred to in the report.
- b. samples of the mineralization.
- c. any additional information about the property acquired since the staking in June 1968.

8. DOT and FRAN Groups This group of 36 claims was staked for Ag, Pb, Zn, and Cu late in 1968. "Only a cursory examination of the property was made and staking was done rapidly before winter set in." Not enough information was submitted for determining whether or not the claims are of any interest.

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9. Norranco's Proposed Deal: The work commitments (\$150,000, acceptable to vendor, in 1969 and \$250,000 in 1970) and the payments (\$100,000 cash, assume all property commitments, 1/8 carried interest in any production, 10% of escrow shares) are far too high for these properties. Norranco has indicated to C. S. Dunkley that they would consider any reasonable counter offer. If, upon receipt of further information, the D. N. group seems to warrant an examination or some exploration, the counter offer should, of course, be drastically lower than Norranco's proposed deal.

K D Watson

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K. D. Watson.