

CORANEX LIMITED

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NORTH VANCOUVER, B.C.
988-2171

September 14, 1967

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Mr. J. J. Rankin
Suite 904, 85 Richmond Street W
Toronto 1, Ontario

Dear Joe:

Enclosed are five copies of Dick Janes' report on the Peach Lake Project. The last two figures are preliminary maps of the I.P. survey. A separate geophysical report will be made by Mr. W. Schuur of Canadian Aero Mineral Surveys Limited.

The I.P. maps show three general areas of interest:

- (1) The North Peach area which strikes about 100° and includes three copper showings, some geochemical anomalies and some I.P. anomalies.
- (2) The East Peach area, near the end of the road. The I.P. survey, which was not complete at the time of your visit, shows a general ring of anomalies surrounding a hill that is largely geochemically anomalous.
- (3) The Tim area, near the east part of our claims, shows a north-south I.P. anomaly which is open to the north. It is coincident with a geochemical anomaly (Cu, Mo, Hg) which appears to extend another 2800 feet to the north-northwest.

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Thus the more easterly areas, which were not geophysically surveyed at the time of your visit, have some targets which are as good or better than the targets of the Peach North area.

The proposed drill holes on the I.P. maps include some targets of lower priority (E, I) which will not be drilled unless we get encouraging results on the better targets. However, it would take about 3000 feet to merely explore the four best targets (O, N, A, F). The 3000 feet of drilling that I suggested at the time of your visit will not be adequate to investigate all of the good targets.

In order to reduce the necessary drill footage, I recommend some bulldozer trenching in an attempt to reach some bedrock on several targets. In this way we might be able to determine if any copper is associated with targets such as C, G, L, J, I. We might also determine whether the I.P. peak or the flanking copper anomaly is the best part of target N before drilling it.

In addition to the trenching, 5000 feet of drilling is warranted to explore the best showing (target A) and investigate the best geophysical-

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geochemical targets, especially those in areas of little or no outcrop where the overburden could be too deep for effective trenching.

I recommend a budget of \$50,000 to complete the present phase of the Peach Lake Project. The budget estimate is as follows:

Drill Estimate

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| Drill costs (5000 feet @ \$7.00/ft.) | \$ 35,000 |
| Cookhouse (wages and food) | 2,500 |
| Transportation and haulage | 1,000 |
| Wages for core splitting, slashing brush along access road, etc. | 1,000 |
| Travel | 200 |
| Assays | 1,000 |
| Camp supplies, etc. | 1,000 |
| Bulldozer cost for burning slash, building drill roads and trenching | 5,000 |
| Miscellaneous costs | 3,300 |
| Total - | <u>\$ 50,000</u> |

According to my latest estimates, \$30,000 of this drill budget could come out of our present annual budget of \$160,000. A supplementary budget of \$20,000 will be needed.

Yours very truly,

J. R. Woodcock

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