

INTER OFFICE MEMO

CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE

File 92410
811584

Date: February 3, 1971

To: C. A. Mark

Ref. 948-CVL

From: J.B.P. Sawyer

Subject: TULAMEEN PROJECT

The enclosed project description by C.C. McFall describes the general area which includes some claims offered to us by R. Chapman of Penticton. This is one of the six areas which McFall is interested in on the basis of his general structural studies in southern British Columbia.

As you will see from this, our minimum dollar commitment would be around \$16,000 if we took on the Chapman deal. To take a first look at the area as a whole, we are probably looking at a minimum of \$30,000.

This area is one of some interest, but probably not of first priority, however, I would be prepared to go along with McFall's ideas to have a look at it if the funds can be made available. I will ask McFall to make up a tentative budget for a 1971 program and submit it for consideration. Would you please advise as to whether we can proceed with this. In view of the approaching claim anniversaries (March 16th), we need to convey a decision to Chapman as soon as possible.

J. B. P. Sawyer

per:

JBPS/jel

Encl.

[Handwritten signature]
Feb 11

DESCRIPTION OF PROPOSED TULAMEEN PROJECT

Regional studies carried on at this office recently selected six areas of particular interest in Southern British Columbia (besides Highland Valley) likely to be mineralized, deep-seated fracture junctions. These six are shown in Figure 1 and are called here:

1. Hedley Area
2. Copper Mountain Area
3. Tulameen Area
4. Merritt Area
5. Pimainus Creek Area
6. Ashcroft-Cache Creek area.

Mineralizing intrusives in the first three of these areas seem related either by alkalinity (Tulameen and Copper Mountain) or by being quite basic (Tulameen and Hedley) and all three have been productive. At present prices Hedley has produced \$48 million in gold and some copper; Copper Mountain, \$69 million in copper, \$1.3 million in gold and about \$2 million in silver and is presently going into large-scale production; and the Tulameen placers have produced over \$500,000 in gold and \$1,000,000 in platinum.

Our interest at Tulameen is principally in copper in wide mineralized shear zones on the east and west sides of the north end of the Tulameen ultrabasic intrusion (see accompanying maps 888A and 889A). This area contains numerous shows of copper, gold and platinum and is one of the principal sources of the placer values. In his 1960 G.S.C. Memoir 243 (p. 101) H. M. A. Rice said of these areas:

"Near the northern end of the ultrabasic body shear or breccia zones that have involved both the intrusive rock and the intruded members of the Nicola group follow both east and west contacts. Both zones carry deposits of pyrite and chalcopyrite, but none of the deposits shows much high-grade copper ore, and precious metal values are uniformly low. Further exploration, however, might prove them to be of considerable size."

After we became interested in this ground, it was coincidentally submitted to us. Richard Chapman of Penticton and several of his acquaintances are willing to option to Cyprus the 77 claims and one mineral lease outlined in black in Figure 2, on the following terms:

1. 1st year - two year's assessment work on all 77 claims (\$15,400)
2. 2nd through 6th years \$50,000 minimum annual work commitments (which can be accelerated)
3. By expending \$500,000 by December 1977
 - (a) Cyprus could earn 90% interest and carry Chapman et al for 10%
 - or
 - (b) Chapman et al could participate financially up to 30% with Cyprus retaining 70%.

Unfortunately, Chapman's 49 claims come open on March 16, 1971 so we would have to do some work on them before that date. In spite of the snow it seems feasible to bulldoze some needed roads on these claims prior to this deadline.

The platinum occurs as very small, discrete grains locally in the ultra-basic rocks on these claims. Recently it has been shown to be feasible to search for platinum geochemically at reasonable costs, so, while the copper prospects of the area are primary, the lode platinum potential should at least be investigated. Chapman's four random samples have averaged .008 ounces of platinum (\$1) per ton. His two samples from old workings 800 feet apart averaged .083 (\$10) per ton. These assays were by Johnson Matthey Chemicals Ltd. in London who are Assayers and Melters to the Bank of England. Practically no palladium is present in the platinum of this area.

A recommendation to proceed with this prospect through option agreement as outlined is made.

Respectfully Submitted

C. Carew McFall

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C. Carew McFall

PROPOSED BUDGET
TULAMEEN PROJECT

Salaries

Geologist-supervisor, one month	900
Two silt collectors, one month each	1,000
Living expenses, three man-months @ \$250	750
Bulldozer (D-8), 145 hours @ \$35/hr.	5,075
Auto rental, one month @ \$300	300
Gas and oil	100
Line-cutting, 17 line miles @ \$125/mi.	2,125
Battery-powered IP-EM-Mag-Soil team, 14 days @ \$200 (incl. expenses)	2,800
Detail EM surveys	615

Assays

Soil samples

Copper 800 @ \$1.50	\$1,200
platinum 100 @ \$6.50	650

Silt samples

Copper 200 @ \$2.00	400
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Core samples

Copper 75 @ \$3.00	225
platinum 10 @ \$6.50	<u>65</u>

TOTAL ASSAYS

2,540

Filing assessment work	800
Acquisition (lawyer fees)	500
Drafting	600
Drilling 1,450' @ \$8'	<u>11,600</u>
	\$30,000

Estimated cost without drilling

\$16,000

→ 195 → CCM →
File Copy

CYPRUS EXPLORATION CORPORATION, LTD.

510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304

February 22, 1971

Mr. Richard Chapman,
15 Sage Mesa,
PENTICTON, B.C.

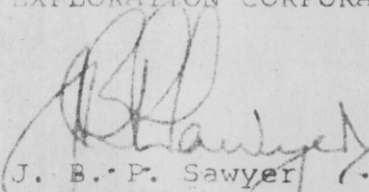
Dear Mr. Chapman:

With reference to our earlier discussions regarding a possible joint venture on your claims in the Tulameen area, I must now advise you that we will be unable to complete this arrangement. I had hoped to be able to convey a decision to you earlier, however, I have only just today received word from my Head Office that we are unable to commit funds in this area at this particular time.

We wish to thank you for giving us the opportunity to consider your property and trust that our delay in reaching a decision does not inconvenience you too greatly.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.


J. B. P. Sawyer
Manager - Canadian Exploration

JBPS/jel

c.c. Messrs. C. A. Mark
W. O. Irish

15 Sage Mesa,
Penticton, B.C.

December 5th. 1970.

Cyprus Exploration Corporation, Ltd.
510 West Hastings Street,
Vancouver 2, B.C.

Phone: 492-5362 res
492-5903 off

Attention: Mr. C.C. McFall,
Geologist.

Dear Mr. McFall,

Thank you for your letter of December 1st. re the Z Claims west of Tulameen.

I enclose for your information a copy of the current Certificate of Work which will give you the record numbers and anniversary dates of the Claims. Mineral lease 79 is in good standing till next November. Due to pressure of work elsewhere and the fact our geologist was in Mexico most of the year no work was done on the property this summer. I was however contemplating some road work before the weather got too bad, both to keep up the work requirements and to facilitate exploration work next year.

Copies of various reports relating to the property are enclosed as are the platinum assays mentioned earlier. The latter are surface samples taken over an area of about one square mile on both sides of the valley. Prospects for the property are referred to in U.S. Geol. Survey Paper #630, (1969), 'Economic Geology of Platinum Metals'.

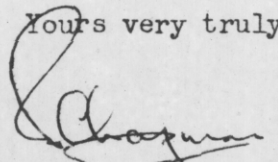
I am likewise more interested in a work commitment, with an initial cash payment of \$5,000 intended for keeping the property in good standing. The terms I have in mind are:-

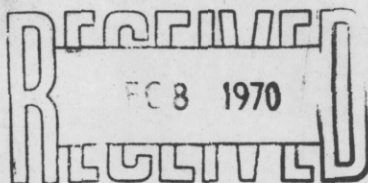
1st year	Exploration expenditure of \$50,000
2nd and each succeeding year	Exploration expenditure of \$75,000
(or holding payment in lieu any year, payable April 30th, of \$7,500)	

Option to acquire 70% interest in property after total exploration expenditures to December 1977 of \$500,000 and bringing property into production by December 31st. 1980.

Trusting we can work out an agreement on this basis in the event you are interested in taking up the option on the property.

Yours very truly,


Richard Chapman.



15 Sassa Mesa,
Pentagon, B.C.

November 25th. 1970.

Cyprus Exploration Corporation Ltd.,
510 West Hastings Street,
Vancouver 2, B.C.

Dear Sirs,

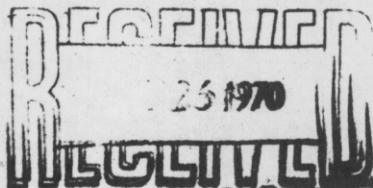
I am enclosing a sketch plan showing a block of 49 mineral claims and 1 mineral lease situated about 15 miles northwest of Princeton in the Similkameen Mining Division, British Columbia.

They cover the north end of an ultrabasic intrusion centred on Grasshopper Mountain, and include an area of the contact Nicola rocks on the west, north and east sides. The ultrabasic body carries low but persistent values in platinum associated with magnetite and/or chromite, with higher values being found in the outer pyroxenite zone. This information is based on scattered samples which I have had assayed for platinum over the past two years. The surrounding Nicola rocks appear to have had sporadic work done on them in the past, with some small high-grade copper-gold production being recorded.

Copper Range Exploration Co. Inc. has been carrying out a field programme this year on the area adjoining to the north (Skwum Creek-Britco Syndicate), but it is likely no comprehensive exploration programme has ever been undertaken on the area covered by the Z mineral claims.

I would be glad to hear from you if you should be interested in carrying out an exploration programme on this property. This consists of two adjoining groups 'Z west' and 'Z east'. An additional group of 22 'Monica' claims is also available through an associate.

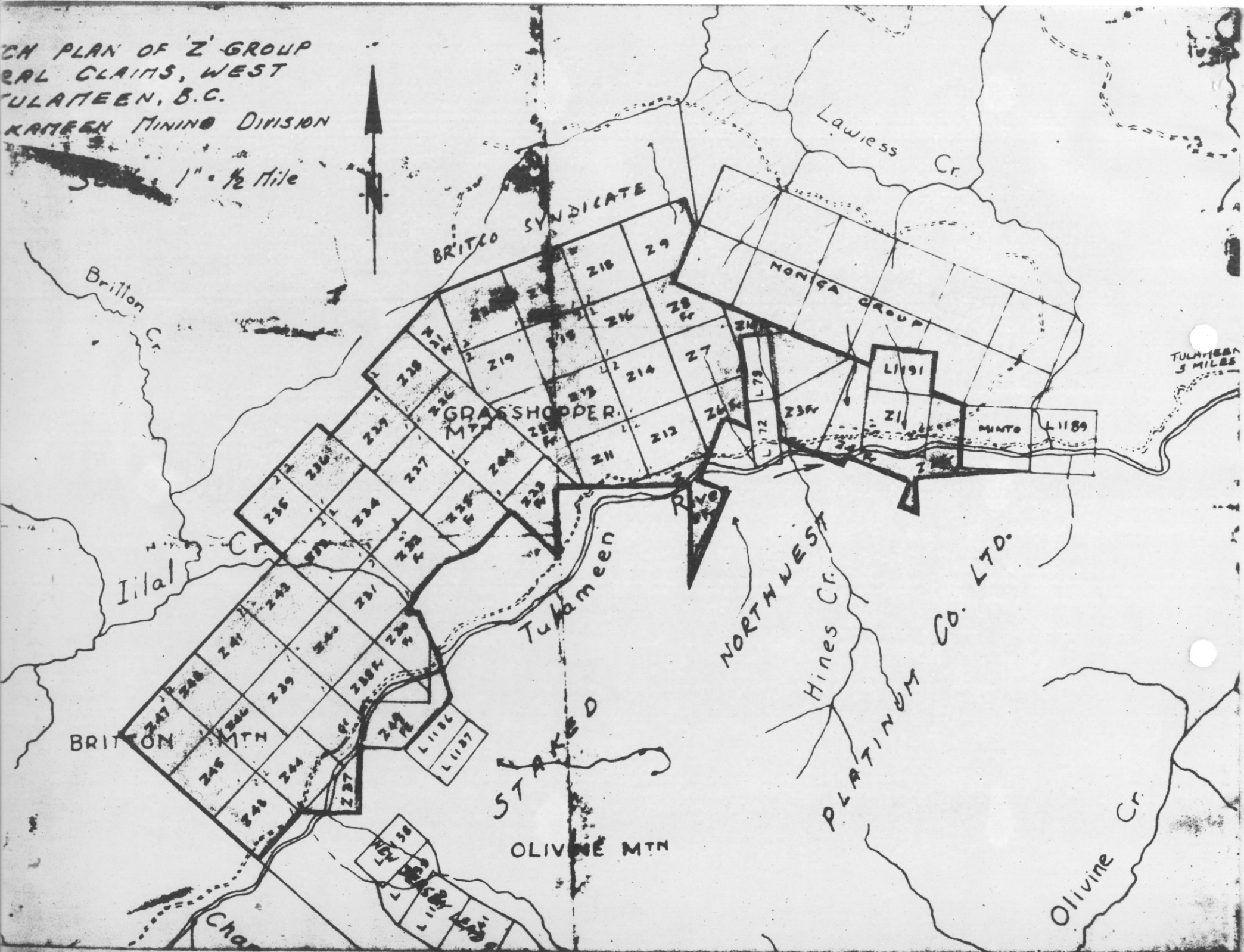
Yours truly,



Richard Chapman.

CH PLAN OF 'Z' GROUP
REAL CLAIMS, WEST
TULATEEN, B.C.
KATEEN MINING DIVISION

1" = 1/2 Mile



Re: Z Group

File C Chapma
Tulameen data

Want to include 492 + lease (L1191)

December 5th. 1970.

+ 22 Monica cls.

1. First commitment 2yrs assessment on all claims. March 16/71 is first deadline.
2. Option to earn 70% by expenditure of \$500,000 over before Dec. 1977.
3. Work commitments on annual basis after first year to min. 50,000 - with ability to do more than 1 y's commitment in any one year.
4. Owners to have option to carry up to 30% after first \$500,000. Failure to participate would result - 90%-10% split & 10% wholly carried.
5. Trusting we can work out an agreement on this basis in the event you are interested in taking up the option on the property.

Yours very truly,

Richard Chapman.

RECEIVED
FEB 1970
RECEIVED

15 Sage Mesa,
Penticton, B.C.

November 25th. 1970.

Cyprus Exploration Corporation Ltd.,
510 West Hastings Street,
Vancouver 2, B.C.

Dear Sirs,

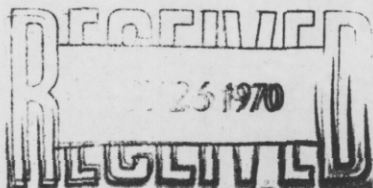
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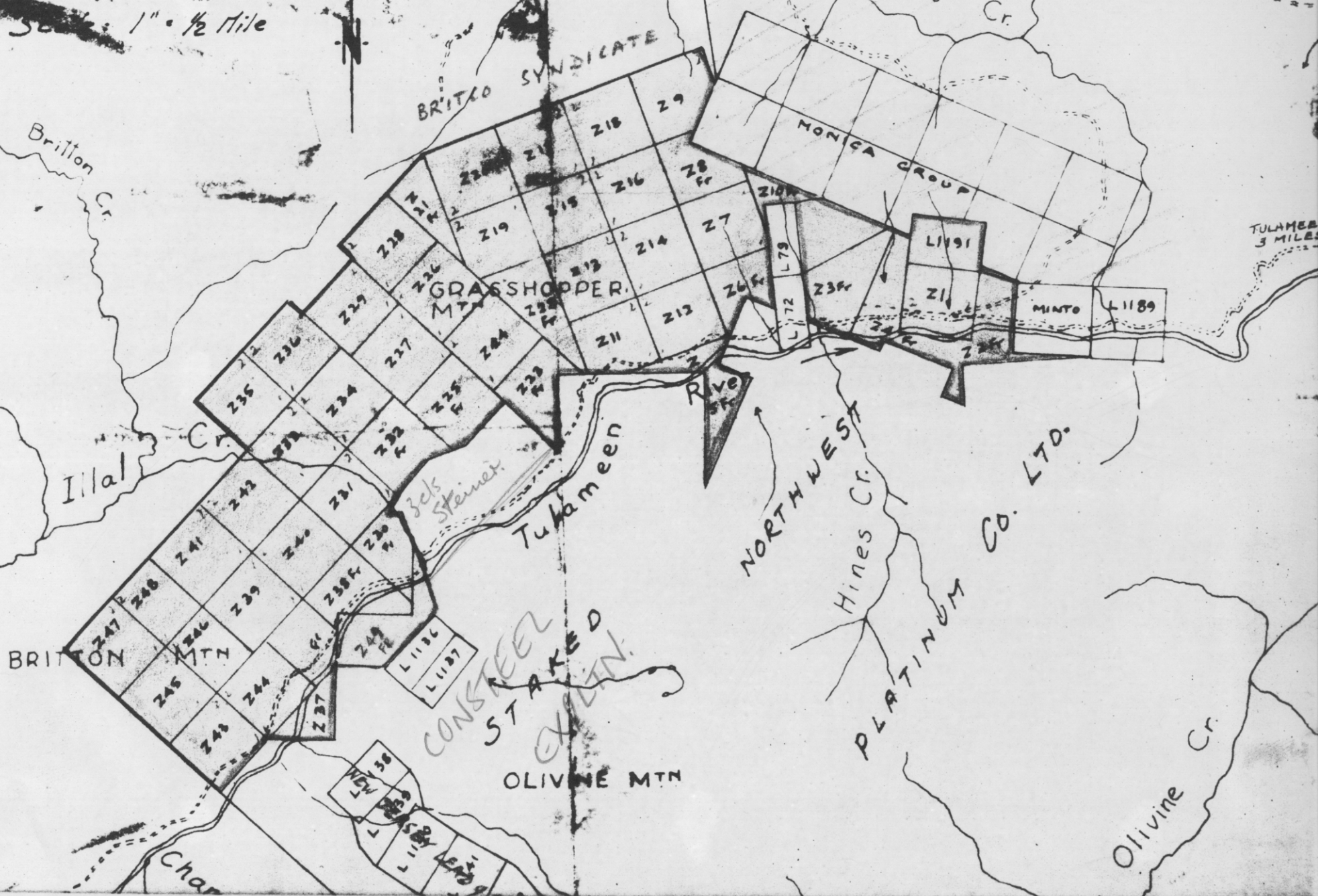
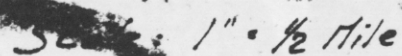
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Yours truly,



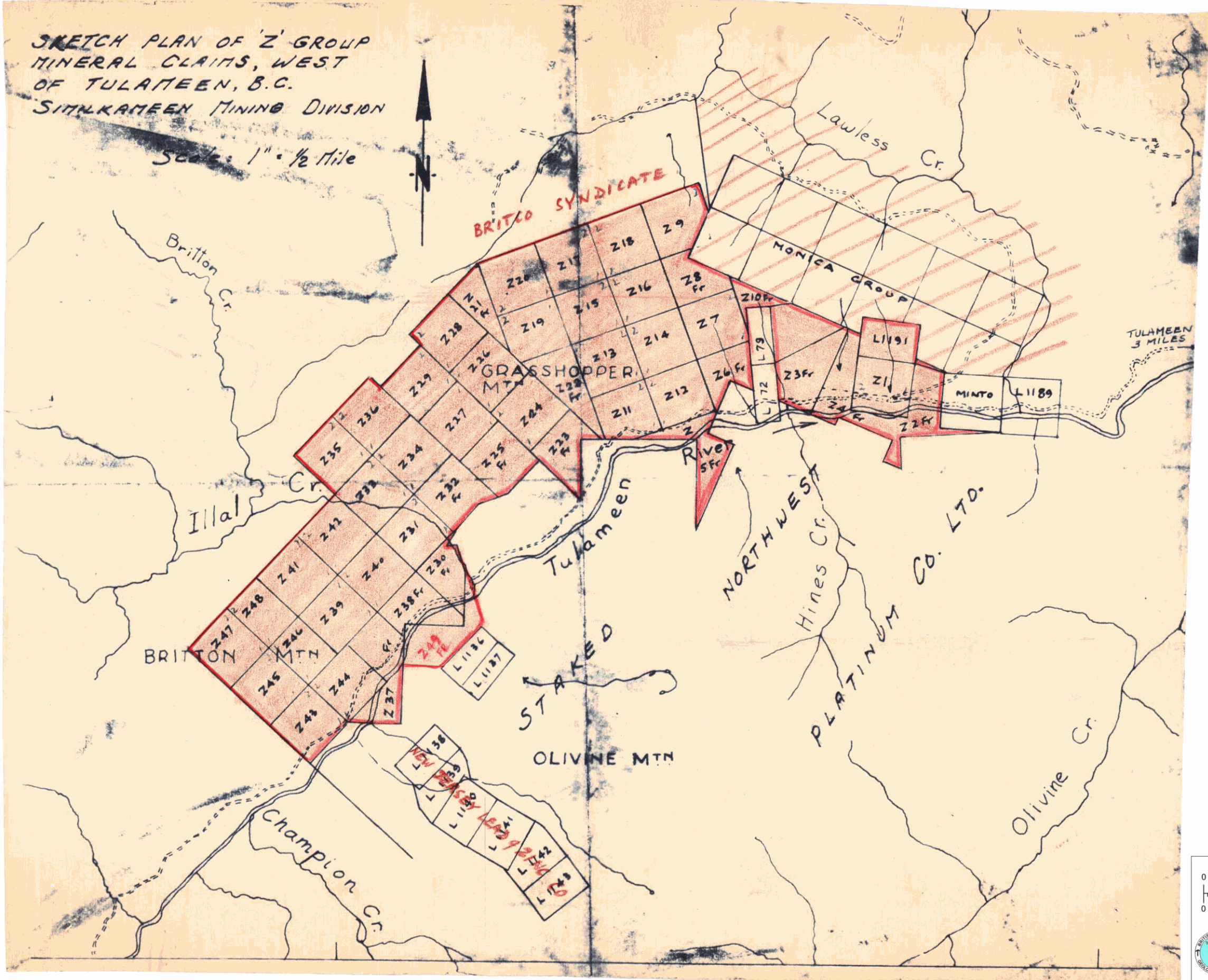
Richard Chapman.

South: 1" - $\frac{1}{2}$ Mile



**SKETCH PLAN OF 'Z' GROUP
MINERAL CLAIMS, WEST
OF TULAMEEN, B.C.
SIMILKAMEEN MINING DIVISION**

Scale: 1" = 1/2 Mile



955 -> CCMcFall -> File
JB *com*
CYPRUS EXPLORATION CORPORATION, LTD.
510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 689-9304

December 21, 1970

Mr. Richard Chapman,
15 Sage Mesa,
PENTICTON, B.C.

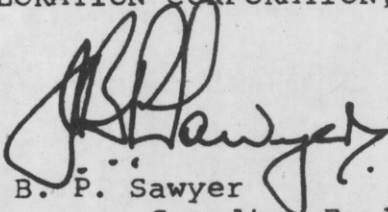
Dear Mr. Chapman:

Since Dr. McFall will be away from Vancouver until early in January, I am writing to acknowledge your letter of December 12th addressed to him.

Since your schedule is pretty full for early January, I am sure that we could make a trip and meet you in Penticton to discuss further a proposal on your claims in the Tulameen area. Perhaps the best thing would be for us to contact you by telephone in January, and arrange to meet you at some mutually convenient time in Penticton.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.


J. B. P. Sawyer
Manager - Canadian Exploration

JBPS/jel

15 Sage Mesa,
Penticton, B.C.

December 12th. 1970.

Cyprus Exploration Corporation, Ltd.,
510 West Hastings Street,
Vancouver 2, B.C.

Attention: Mr. C.C. McFall,
Geologist.

Dear Mr. McFall,

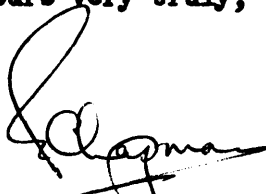
Many thanks for your letter of December 10th.

I am afraid my chances of getting down to Vancouver between now and the middle of January are not very good. We still have a considerable backlog of work to complete if the weather will hold and I am also involved in a Land Surveyor's convention in Kelowna during the second week of January.

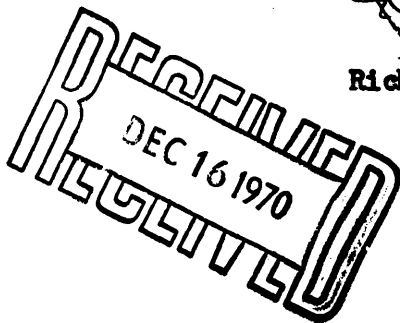
If there should be a possibility of your visiting Penticton during the week mentioned or sooner I would be most happy to arrange my schedule to suit the time and date most convenient to you.

I will of course phone you in the event of any change in my plans.

Yours very truly,



Richard Chapman.



CYPRUS EXPLORATION CORPORATION, LTD.

510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-8304

JBP → JG → FA
1/3

December 10, 1970

Mr. Richard Chapman
15 Sage Mesa
Penticton, B.C.

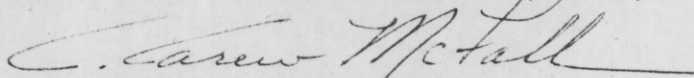
Dear Mr. Chapman:

Thank you for sending the platinum assays and other information on your Z claims west of Tulameen with your letter of December 5th. We are interested in reaching some mutual agreement on option terms that we could forward to our Los Angeles headquarters and would like to have a meeting with you after the first of the year. If you will be in Vancouver during the week January 4-8, please write suggesting when you could come by the office. I'll confirm this time by phone. Otherwise our manager, J.B.P. Sawyer, and I could drive out to Penticton.

Should an agreement work out, Cyprus will keep the claims in good standing as well as make work commitments. The company will not bind itself to a production date but is noted for proceeding quickly should a mine be feasible.

Yours truly,

CYPRUS EXPLORATION CORPORATION, LTD.,



C. Carew McFall,
Geologist.

CCMc:ma

CYPRUS EXPLORATION CORPORATION, LTD.

510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304

CBPS → JGS → 4/12
2/12/70
JK

December 1, 1970

Mr. Richard Chapman
15 Sage Mesa
Penticton, B.C.

Dear Mr. Chapman:

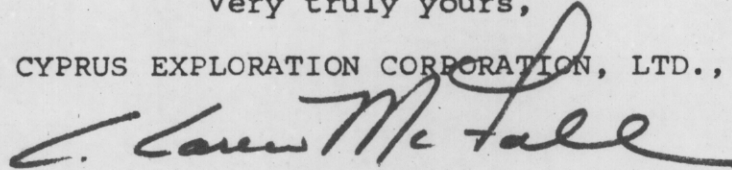
We are interested in the availability of your Z Claims and possibly of the Monica Claims in the Tulameen area for an option agreement, as mentioned in your letter of November 25th.

If you would furnish us with all of the available data on these claims and either in person or by letter let us know what terms you have in mind, we can then decide about recommending a deal to our Los Angeles headquarters. Please bear in mind that Cyprus likes to put its money into the ground; that is, a work commitment is preferred.

If you should come to Vancouver please call first as most of us have scheduled trips in the near future.

Very truly yours,

CYPRUS EXPLORATION CORPORATION, LTD.,



C.C. McFall,
Geologist.

CCMc:ma

15 Sage Mesa,
Penticton, B.C.

November 25th. 1970.

Cyprus Exploration Corporation Ltd.,
510 West Hastings Street,
Vancouver 2, B.C.

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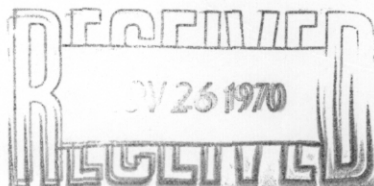
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Yours truly,



A handwritten signature in cursive script, appearing to read "Richard Chapman".

Richard Chapman.