

CORPORATION FALCONBRIDGE COPPER

FILE MEMORANDUM

DATE: April 28, 1983
À TO: D. H. Watkins
COPIES À COPIES TO: M. J. Knuckey
DE FROM: A. J. Davidson
SUJET SUBJECT: POSTUK-FULTON OPTION, MT. SICKER NTS 92B/13W

827432
92B/13W

Summary

The Postuk-Fulton Option consists of 13 old crown grants located on the slopes of Mt. Sicker near Duncan, B. C. The property is adjacent to the Tye mine which produced 305787 tons of 3.31% Cu, 7.51% Zn, 2.75 oz/ton Ag and 0.13 oz/ton Au from 1949-1952.

CFC examinations of the property and core from recent drilling show excellent MS type stratigraphy (including exhalites), solvable structural problems, untested showings and a history of poor exploration work. In short the property has excellent potential for early discovery.

The owners are eager to deal with CFC and an offer has been sent to them. We should be willing to improve on this initial offer if necessary. The Postuk-Fulton Option would give us a good starting position in an excellent belt of Sicker volcanics.

Location and Access

The Postuk-Fulton Option is located 13 km north of Duncan, B. C. on the northwest slope of Big Sicker Mountain. Access is by 2 wheel drive vehicle (Fig. 1).

Property

The property consists of the following claims (Fig. 2):

Little Nugget	Queen Bees
Chemainus	Alliance Fraction
Belle	Patricia-Jane
Dunsmuir	Morley-Jane
Seattle	Peggy Fraction
Copper King	Beatrice
Copper Queen	

History

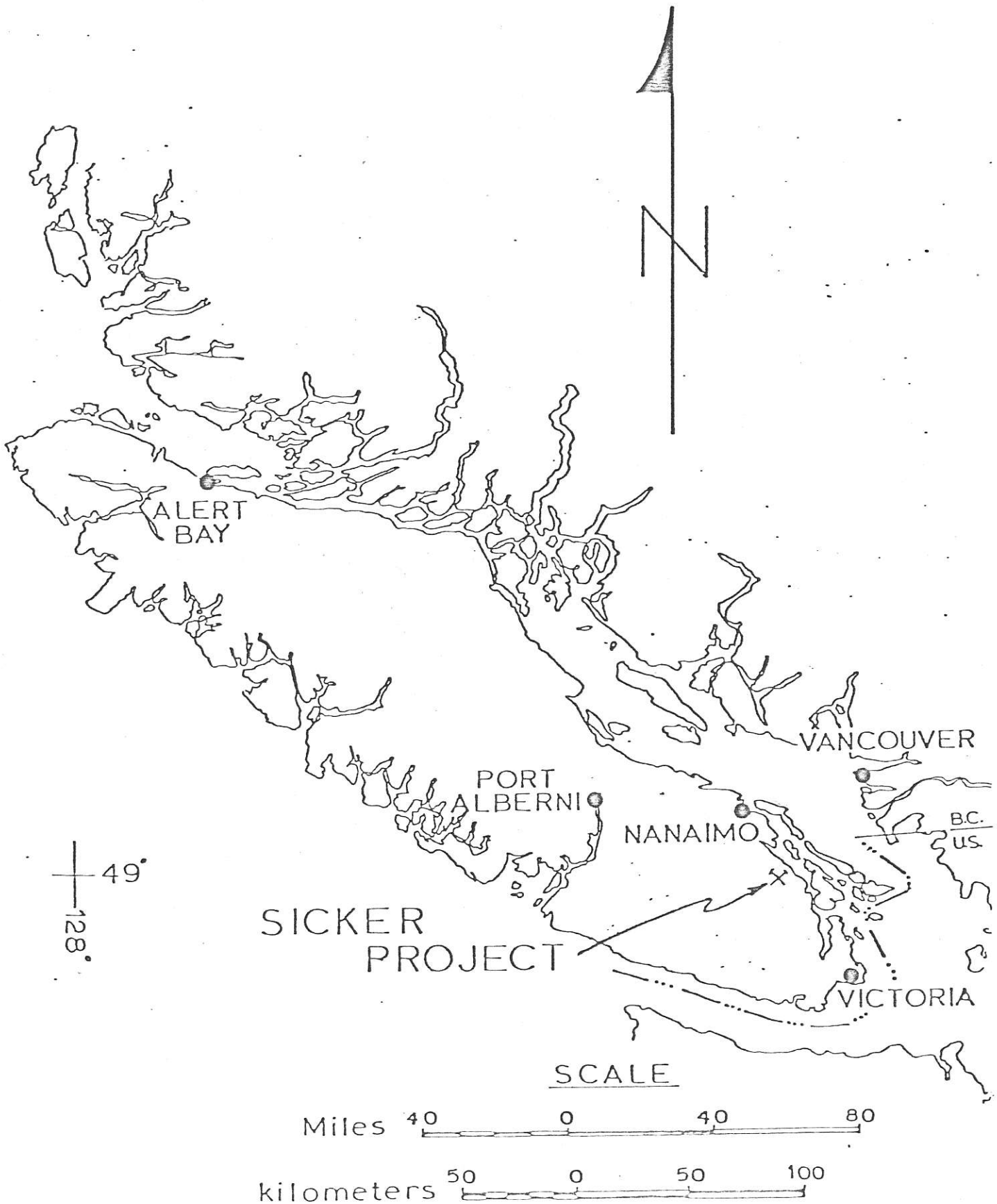
The property is part of the Mt. Sicker Camp which has had a history of sporadic mining activity since 1897. The Tyee mine adjacent to the Postuk-Fulton Option produced 305787 tons of 3.31% Cu, 7.51% Zn, 0.13 oz/ton Au and 2.75 oz/ton Ag from 1949-1952.

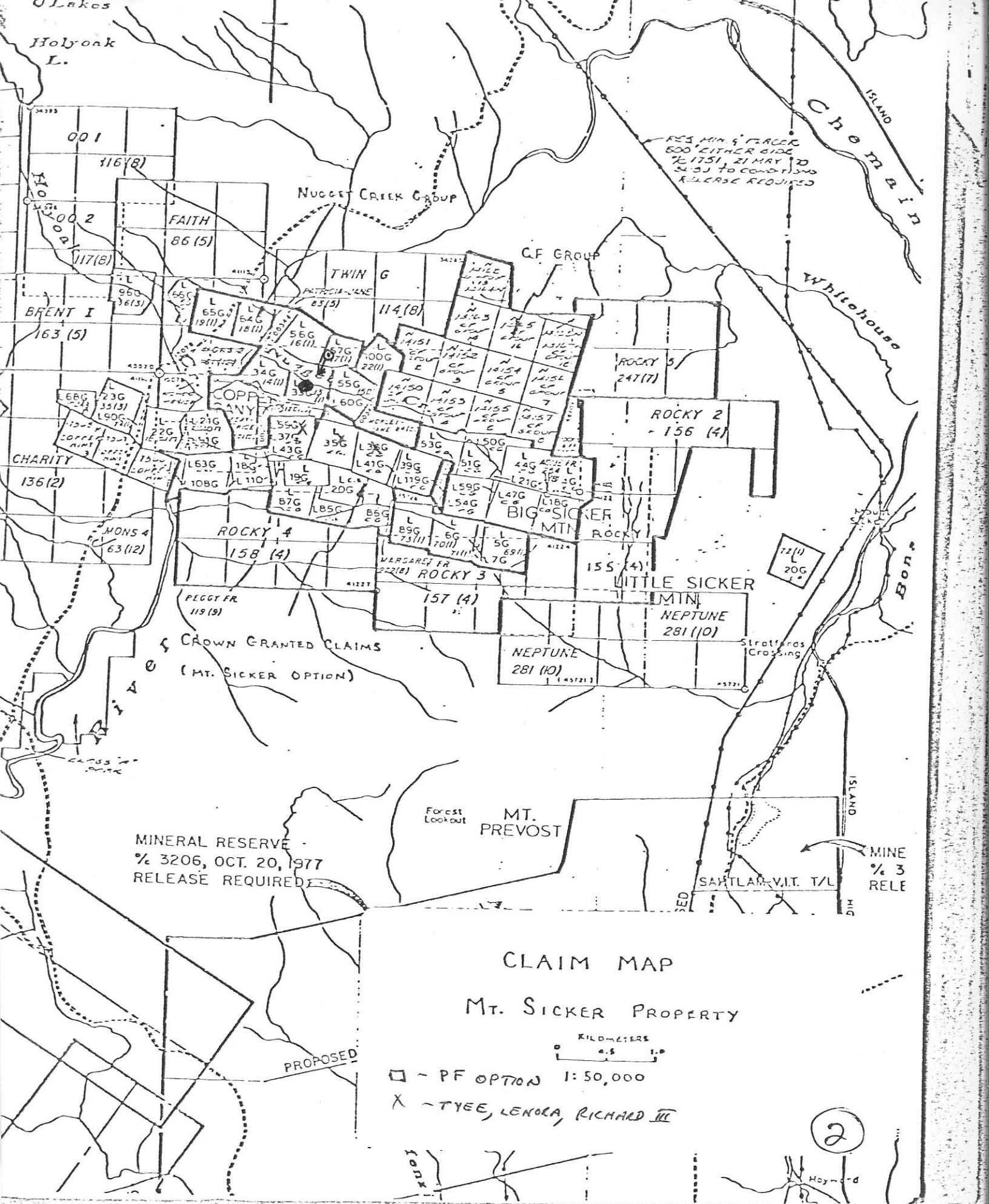
The Postuk-Fulton Option (also known as the Nugget Creek Group) was part of the Mt. Sicker property when Mt. Sicker Mines Ltd. was formed in 1966. In 1972 Ducanex made a reconnaissance geological map of the area and drilled 866 feet in two diamond drill holes on the Queen Bee and Seattle claims.

The claims were staked by the present owners Dr. P. Postuk and Mr. S. B. Fulton of Duncan and were optioned in 1979 by S.E.R.E.M. Ltd. S.E.R.E.M. geologically mapped, soil sampled and ran VLF and

Location Map

Fig. 1

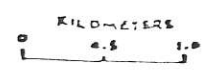




RES MIN 4 PLACER
 500' EITHER SIDE
 1/2 1751, 21 MAY 20
 5433 TO COND 1300
 RELEASE REQUIRED

MINERAL RESERVE
 3206, OCT. 20, 1977
 RELEASE REQUIRED

CLAIM MAP
 Mt. SICKER PROPERTY



- - PF OPTION 1:50,000
- X - TYEE, LENORA, RICHARD III

2

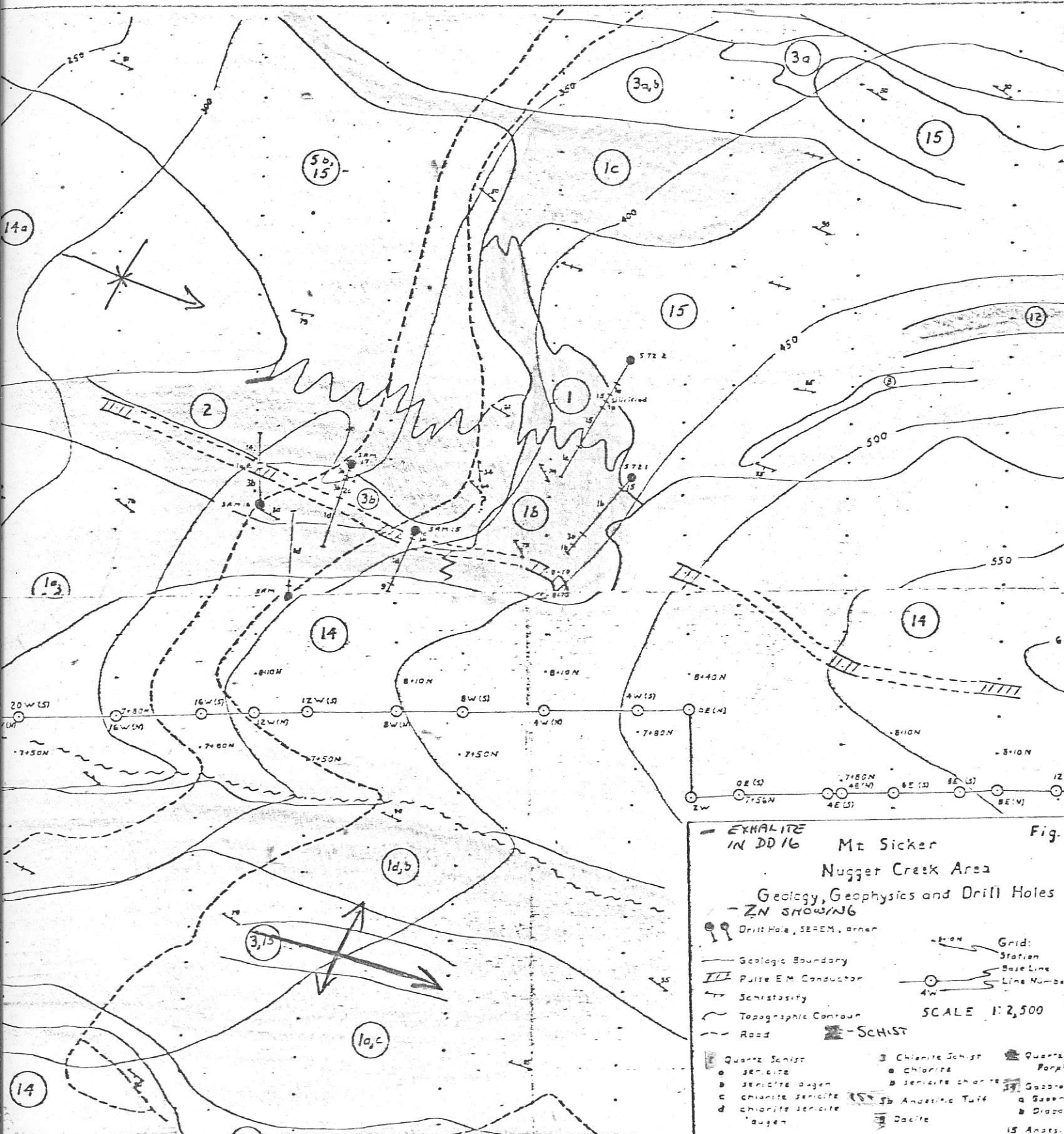
some DEEPEM on the property. They drilled 4 holes totalling 591 metres testing geophysical responses.

S.E.R.E.M. dropped the option in 1982 when they pulled out of the entire Mt. Sicker area.

Geology

Two field examinations have been made on the property and the four S.E.R.E.M. drill holes have been logged and litho-geochemically sampled in detail. Results are awaited.

All of the volcanics on the property, which range from andesites to good quartz eye rhyolites, are extremely sheared especially around Nugget Creek itself. The most sheared rocks were the quartz eye rhyolites and rhyolite crystal tuffs in S.E.R.E.M.'s holes 15 and 18 and along the road around Nugget Creek. These highly sheared and altered siliceous rocks grade upsection? into more cherty-pyritic tuffaceous units which include some argillite and possible graphite. One particular interval in hole 16 can be called a cherty exhalite. Not far above this horizon the hole passes into an almost conformable gabbro sill. This zone of volcanics which occurs between two (or one folded) gabbros also has outcroppings of semi-massive pyrrhotite in an old adit and a outcrop of well banded zinc-graphite schist grading 7% Zn (S.E.R.E.M. sample). However there is some suspicion that this outcrop has slumped, and thus S.E.R.E.M. did not drill test it. Other favourable indications noted in core and on the property were sulphides near the top of a good coarse QFP in DDH18, a symmetrical and simple style of folding in the area which is likely to repeat favourable horizons over short distances, and massive chert frost heave near the bedded zinc outcrop (slump).



Deal

The owners of the property are Dr. P. Postuk, a doctor, and S. B. Fulton the high school principal (a former geologist). They were not impressed with the work S.E.R.E.M. put into the property and felt that their property was neglected due to S.E.R.E.M.'s heavy commitment with Mt. Sicker Mines. Thus they are eager to option to a company such as CFC but they are not willing to give the property away.

I offered them a 5 year option in which CFC is to pay \$10,000 on signing and \$40,000 on or before the end of Year 5. They would retain a 10% NPPR. I do not expect them to accept this offer. I would be willing to offer \$10,000/yr over 5 years and 15% NPPR as a second offer.

Conclusions

The area, local geology, and potential for discovery are excellent. Also the property gives us a good "land position" in one of the more active and most promising belts on the Island.