

# CORPORATION FALCONBRIDGE COPPER

MEMORANDUM

DATE: September 11, 1982

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TO: File

827505

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FROM: P. W. A. Severin

SUJET  
SUBJECT: PEPPA RESOURCES LIMITED - TWIN J PROPERTY, B.C. NTS 92B/13

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A preliminary meeting was held in Vancouver on July 16, 1982 with Philip Lieberman, president of Peppa Resources and Mr. A. T. Ashton, Peppa's consulting geologist. The purpose of the meeting was to discuss the possibility of CORPORATION FALCONBRIDGE COPPER optioning their Twin J property on Vancouver Island. The following points were put forward by Mr. Lieberman:

- 1) SEREM: -spent \$850,000 on the property during 1979-1981  
-they lost the option by accident because they were 1 month late in paying the \$100,000 option payment. Mr. Lieberman decided he wanted the property back rather than the option payment.
- 2) ESSO: -have approached Peppa twice. Apparently Lieberman does not like dealing with the personalities involved. ESSO offered them a deal with option payments in the order of \$10,000 to \$15,000 - Lieberman was insulted.
- 3) WESTMIN: -attempted to option the property. The proposed deal was eventually rejected by Lieberman because Westmin drafted a complex 250 page legal document to be signed by Lieberman (apparently Westmin's normal agreement). Lieberman insists on a simple agreement - something he can understand.
- 4) DEAL: -Lieberman proposes the following none-flexible deal; apparently the same deal that Westmin agreed to:
  - a) \$250,000 opening option payment
  - b) The foregoing payment would allow for a two year exploration program.
  - c) The option agreement may be extended for the 3rd, 4th and 5th years if an option payment of \$100,000/year is paid in each of these years.
  - d) If a production decision is made during this period CFC is to put up 100% of the cost of production for 50% of the proceeds. Peppa retains 50% interest.

e) If for tax reasons, Peppa want a "working interest" in the property-CFC is to lend them the money at bank interest.

- 5) MISCELLANEOUS: -Work previously done by SEREM could be discussed with Peter Tagart Tel. 604-688-2321.
- Peppa has a copy of all of this data but it was in the hands of: Dennis H. Gray, President  
SAFKOR MINERALS  
10 Marc Court  
Brampton, Ontario  
L6Y 2E5  
Tel. 416-456-1703
- Lieberman was to have it shipped back to Vancouver.