

INTER OFFICE MEMO

VANCOUVER OFFICE

TO: Mr J.G. Hansen
FROM: Mr D.W. Tully
SUBJECT: Fairchild Lake Copper Prospect, Proctor-Brown property, Yukon Territory.

DATE March 27th 19 68

106-C

Leo I. Proctor, P.O. Box 264, Whitehorse and Louis J. Brown, Mayo, Yukon, have agreed, as equal vendor partners, to option the subject property under the terms outlined below. The proposed agreement includes thirty-two unpatented mining claims within a "Mining Area" of a five mile-radius. The claims are numbered Tyana 1-32 (Y-6997-7000, Y-14001-14028 inclusive) shown on Schedule "C" attached hereto.

The property is a copper prospect located on the east side of Fairchild Lake at latitude 64-58 north, longitude 133-45 west, about 80 air miles northeast of the silver producing area at Keno Hill-Elsa, Yukon. An all weather road connects Elsa with Whitehorse, a distance of 300 miles.

The Fairchild Lake Copper prospect was examined by the writer on September 8th, 1967, and discussed briefly in the Regional Manager's report under date of October 6th, 1967. The showing and the area are considered virgin territory for a large tonnage copper deposit. It is proposed to stake and examine a large mineralized zone at Slab Mountain about 8 miles to the west.

The Fairchild Lake copper prospect was discovered at the end of the 1967 field season. The area is underlain by volcanics, and sediments of Cambrian-Silurian

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tertiary granites, syenites and gabbros. The copper mineralization is both bornite and chalcopyrite with malachite surface stain outcrop some 350 by 400 feet in dimension.

Proctor Construction Limited, Whitehorse, has two D-8 Bulldozers in the area. It is proposed to determine the dimensions of the copper mineralization by bulldozer trenching, and sample the outcrop area.

The 1968 Yukon Reconnaissance program will cover the area surrounding the five-mile radius "Mining Area" included in this proposal. Some aspects of logistics of both programs could be integrated.

The cost of the work for the proposed 1968 work program is estimated at \$27,653. An AFE for this amount is appended hereto for your consideration.

The basic tenets of the proposed Joint Venture deal are summarized as follows:

1. Interest

Cyprus	-70%
Proctor-Brown	-30% (Vendors as equal partners with non-assessable interest).

2. Payments

1st year option	\$3,000
2nd " "	7,000
3rd " "	15,000
4th " "	25,000

Payment each successive year until an operating entity has been formed and production achieved.
25,000

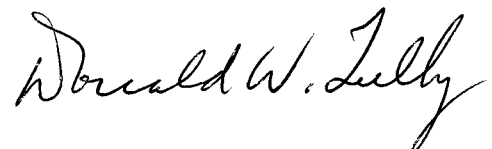
3. Cyprus commitments

- a) Cyprus will manage the project.
 - b) Do approximately \$10,000 worth of tractor trenching and assessment work on the claims equivalent to three years assessment credit during 1968.
 - c) Form an operating entity at a time of their own choice and retain a 70% interest with a non-assessable 30% interest to the Vendors.
 - d) Cyprus will participate on a ⁸⁰⁻²⁰~~70-30~~ basis on any mineral developments within a "Mining Area" of five mile radius measured from the No.1 Post of Claims Y-14007-8 on a reciprocal basis and shown on Schedule "B" attached hereto.
 - e) Provide all financing.
 - f) Give the Vendors rights to inspect maps, reports and work results at specified times.
4. Cyprus may terminate this agreement at any time after the first anniversary of signing.

This proposed agreement is submitted for your consideration and approval.

DWT:ev

Attachments.





YUKON

Fairchild Lake
Copper Prospect
1968
Recon
Program

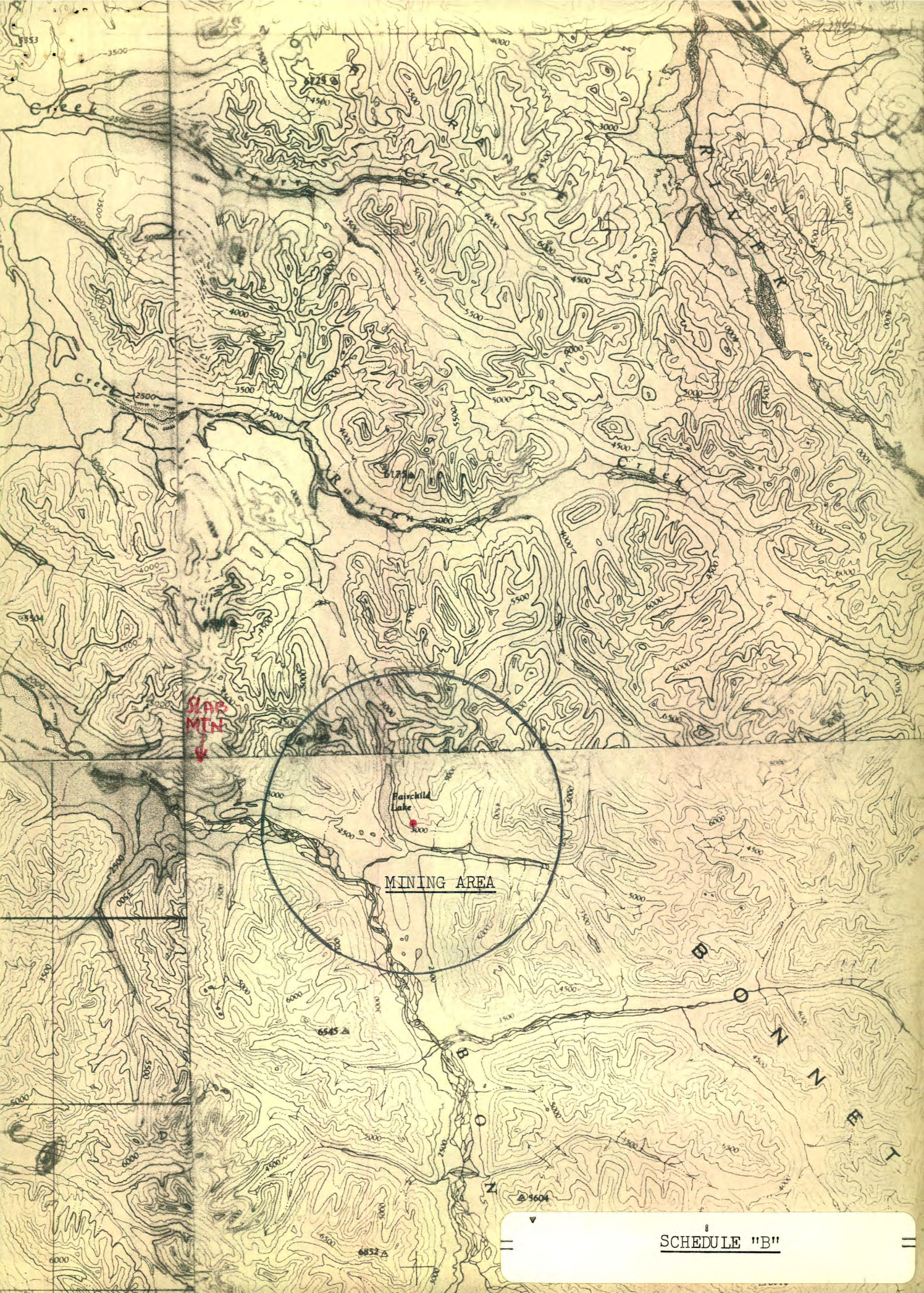
Anvil Mining
Corporation

WHITEHORSE
WHITEHORSE

Canada
Langsten Mine
Lucky Lake

SCHEDULE "A"

Excursion Inlet
GUSTAVUS
JUNEAU
Pyrola Project



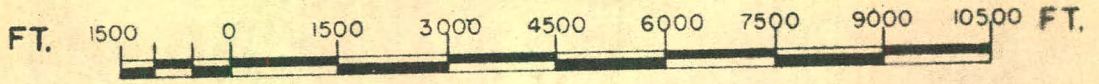
SLAR
MIN
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MINING AREA

Harrick
Lake

SCHEDULE "B"

SCALE: 1/2 MILE TO 1 INCH



ISSUED UNDER THE AUTHORITY OF THE MINISTER

28/2/69

SCHEDULE "C"

