

→ JBPS → le

CYPRUS EXPLORATION CORPORATION, LTD.
510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304

October 21, 1968.

012753

Mr. Kurt Grundmann,
K and K Holdings,
Box 1001,
WHITEHORSE, Yukon.

Dear Mr. Grundmann;

We acknowledge receipt of your letter of September 25th describing your claim holdings in the Bear River area of the Yukon.

We regret that due to prior commitments in other areas we have not been able to make a property examination this fall. We would be interested in reviewing the maps and reports which you have on this property, at your convenience, and if the data warrants it perhaps we could make a field examination next season, if the ground is still available.

Yours very truly,

CYPRUS EXPLORATION CORPORATION


J. B. P. Sawyer,

Regional Manager of Western Canada

JBPS/lmg

c.c. Mr. D.W. Tully

Whitehorse, Y.T.

Sept. 25, 1968

Mr. P. Sawyer

Cyprus Exploration Corporation Ltd.

510 W. Hastings Street

Vancouver, B.C.

Gentleman:

The following is a description of a 30 claim group held by "K & K Holdings", (Mr. Kurt Grundmann, Box 1001, Whitehorse, Y.T. and Mr. Sam McClimon, 40 King George Terrace, Victoria, B.C.)

This claim group is located in the Bear River & Slats Creek area, Y.T., about 100 miles north of Mayo, Y.T. The claims are in good standing until 1969.

They are accessible in Winter via the Wind River road and in Summer by a good air strip within 2 miles of the property. The strip will accomodate Beaver, Beechcraft, Otter and Helicopter type aircraft.

Near the air strip and about 2 to 3 miles from the property, a campsite consisting of 5 buildings may be rented.

The general area is commanding attention by several other exploration projects that have had very satisfactory results;

General Enterprises Ltd.	- Copper	-	6 miles distant
Cyprus Mines Ltd.	- Copper	-	20 miles "
Bonnet Plume Mines Ltd.	- Cobalt	-	25 miles "
Pacific Giant Steel Ltd.	- Iron	-	3 miles "
Crest Iron Co. Ltd.	- Iron	-	60 miles "

An airborne Magnetometer survey was flown for another company which included this property and a very large anomaly was revealed (10 to 15 million square feet), much larger than other properties in the area.

The deposit gives every indication of being intrusive and the rock that is accessible on the surface appears to be a capping of high iron content associated with many other minerals, as the Spectrographic analysis and assay reports indicate;

Cobalt	-	4.41 %
Copper	-	2.31 %
Silver	-	4.15 oz.
Iron	-	61.87 %
Mag. Fe	-	19.0 %

These are a few, but many others are present. Practically, every rock in the capping assays Cobalt to some degree.

It is the opinion of the writer that despite the high iron content, this is not necessarily an iron deposit. This conclusion was reached after an examination of samples from the General Enterprises property (6 miles distant) and finding that the exposed rocks were identical in appearance to those of our property. They have been able to open cuts in their ground revealing high grade Copper beneath the capping.

Another interesting and very important feature of our property is the presence of Radio-activity. Association of certain of the minerals present led to the employment of a Scintillator which indicated a reading of 3 times background count. Although not high, this reading warrants further investigation below the over-burden.

A distinguishing feature of the property is the very large anomaly outlined by Mag. survey (millions of tons) in a known highly mineralized area. The writer has become very familiar with the area and is willing to advise certain logical extension to the property and recommend additional staking in the area.

A sizeable sum of money has been spent on the property with very encouraging results and we are convinced that we have a huge deposit that will be proven by drilling. We believe that a modest diamond - drilling program will prove up the property in the most economical way.

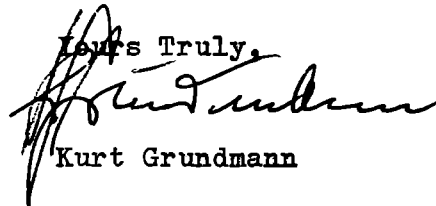
Now, the property is offered for your inspection and consideration. We are prepared to accept a reasonable offer with our every consideration being given to the optionee during exploration.

Maps, assay reports, spectrographic analysis, and all other pertinent information relating to the property may be examined upon request. In addition, we will render any other assistance possible.

Inspection of the property should be carried out without delay, due to the impending winter.

Address all enquiries to:

K & K Holdings
c/o Kurt Grundmann
Box 1001, Whitehorse, Y.T.
Phone: 667-2920

Yours Truly,

Kurt Grundmann