

Rep. Sub. 3
105-K-6

015521

January 29th, 1976,

Mr. B. I. Nesbitt,
Suite 1107 Wilshire-West Plaza,
10880 Wilshire Boulevard,
Los Angeles, California 90024,
U.S.A.

Dear Sir:

In response to your letter of January 21st, I enclose copies of all file data on the Flagstone option post-dating Hampton's report of 1968. The one short hole recommended in that report was drilled in August, 1969, and the log is enclosed.

The hornblende diorite was, I believe, previously mapped by a G. Granger of Reeves and Associates as a porphyry, on work commissioned by Flagstone in 1966. The boundaries shown on the map sent to you are, of course, interpretational and based largely on work done outside the LEE claims since the termination of the agreement.

Yours truly,

CYPRUS ANVIL MINING CORPORATION,

J. G. Simpson,
Exploration Manager,

JGS/mp
Encl.

December 17, 1970

Mr. B. I. Nesbitt
President
Flagstone Mines Ltd., N.P.L.
1110, 1 Bentall Centre
505 Burrard Street
Vancouver, British Columbia

Dear Mr. Nesbitt:

SUBJECT: LEE and H & W Joint Venture Agreement

Our intentions were to include the LEE and H & W claims in a program of overburden drilling and bedrock sampling during 1970. However, the drilling equipment did not perform satisfactorily and the project was cancelled before reaching the LEE group.

We wish to terminate the joint venture agreement at this time. All of the claims are in good standing until at least 1975 and three are good to 1977 and three to 1978.

Yours truly,

H. O. Hampton
Chief Engineer

NCH/ms

cc. B. E. Thurmond
N. G. Cornish

MEMBER OF:

CANADIAN INSTITUTE OF MINING AND METALLURGY
SOCIETY OF ECONOMIC GEOLOGISTS
ASS'N OF PROFESSIONAL ENGINEERS OF B.C.
SOCIETY OF MINING ENGINEERS OF
AMERICAN INSTITUTE OF MINING AND METALLURGY

CANADIAN OFFICE:

1110-DNE BENTALL CENTRE
505 BURRARD STREET
VANCOUVER 1, B.C.
TELEPHONE: 604/699-8133

B. I. NESBITT

CONSULTING GEOLOGICAL ENGINEER
MINING AND PETROLEUM

SUITE 1107 WILSHIRE-WEST PLAZA / 10880 WILSHIRE BOULEVARD / LOS ANGELES, CALIFORNIA 90024
TELEPHONE: (213) 474-0519 / RESIDENCE: (213) 275-2722

January 21, 1976

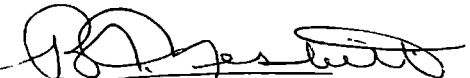
Mr. J. G. Simpson
Exploration Manager
Cyprus Anvil Mining Corporation
330, 355 Burrard Street
Vancouver, British Columbia V6C 2G8

Dear Sir:

Thank you for your letter of December 31st, which I have just read on my return from Mexico, and the small geological map of the Lee Group. I am rather surprised to see the belt of Hb Diorite shown crossing the claim-block. This was never described by the previous geologists, nor did it show up in the drill-holes.

I also am much surprised to learn that hole 69 Flag 1 was drilled. As President of Flagstone Mines Ltd. I received a booklet detailing geological, geophysical, and diamond-drill logs for each of the years 1967 and 1968, but I have no data re the work done in 1969. I should therefore appreciate receiving a copy of the log for hole 69 Flag-1, and a copy of any other reports re that years work, in accord with the terms of our agreement.

Yours very sincerely,


B. I. Nesbitt

BIN:sw

December 31, 1975

Mr. B. I. Nesbitt
Consulting Geological Engineer
Suite 1107 Wilshire-West Plaza
10880 Wilshire Boulevard
Los Angeles, California 90024

Dear Sir:

Further to my letter and enclosures of December 22, 1975 and receipt of your letter dated 23 December, addressed to Gordon Davis, I enclose a copy of a map showing the geological boundaries on the Lee claims. As you are probably aware, there is very little outcrop south of the batholith and the boundaries are drawn in mainly with reference to the three holes drilled by Anvil under the previous option agreement.

Together with data previously supplied, your file on the claims should now be complete.

Yours very truly,

CYPRUS ANVIL MINING CORPORATION

J. G. SIMPSON
Exploration Manager

JGS/cb
Encl.

MEMBER OF:
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B. I. NESBITT

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TELEPHONE: (213) 474-0519 / RESIDENCE: (213) 275-2722

December 23, 1975

Mr. R. E. Gordon Davis
Senior Vice President
Cyprus Anvil Mining Corporation
330, 355 Burrard Street
Vancouver, British Columbia
V6C 2G8

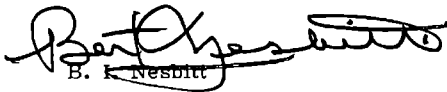
*For info see my
reply 23 - Dec.*

Dear Gordon:

Re your letter of December 15, I should appreciate learning as early as possible whether you are interested or not. Your letter indicates that you will contact me only if interest developes, which leaves me dangling.

I should also appreciate receiving a copy of the geological mapping that traces the favorable host-rock from the Anvil property through Flagstone's claims. This was not included in the data sent to us previously, and could be useful in interesting others, should you decide ^{not} to do further work.

Best personal regards,


B. I. Nesbitt

BIN:sw

cc: Mr. Ken Lieber
Cyprus Mines, Corp.
555 S. Flower Street
Los Angeles, California 90071

*Dave.
Please reply in regard to
since of claim sheet for
Nesbitt.*

December 22, 1975

Mr. B. I. Nesbitt
Consulting Geological Engineer
Suite 1107 Wilshire-West Plaza
10860 Wilshire Boulevard
Los Angeles, California 90024
U.S.A.

Dear Mr. Nesbitt:

Re: Lee Group - Lower Anvil Area, Y.T.

As indicated in Mr. Davis' letter of 15, December, 1975, I have reviewed the data on the Lee claim group. It would appear that, although all the relevant data has at sometime or another been transmitted to Flagstone or their appointed agents, it has not been recently reviewed on your behalf.

I enclose a reduced print of the residual gravity survey mentioned in your letter to Mr. Lieber. As you can see, two diamond drill holes, 67-F-1 and 2, were drilled on the best anomalies A and B in 1967. Subsequently, a third hole was drilled in 1969 to test anomaly C, thus leaving anomaly C as the only untested gravity on the Lee claims. The old stream courses noted on the enclosed map are gravel filled and it is the opinion of our geophysical consultant that the somewhat sinuous linear gravity high forming the C anomaly is a reciprocal of the adjacent low roughly paralleling the gravel filled channel.

All holes drilled were in calc-silicate and our present geological interpretation is that this forms an extremely thick horizon in the Lee claims area overlying the Faro host schists. This would require blind drilling of holes in excess of 3,000' to test sulphide potential. As we still have a large area of ground adjacent and on strike from

.... 2

the Faro orebodies in which the favourable horizon is untested at much shallower depths, we would not be interested in an option on the Lee claims in the foreseeable future.

Yours very truly,

CYPRUS ANVIL MINING CORPORATION

J. G. Simpson
Exploration Manager

JGS/cb
Attach.

c.c. Mr. K. Lieber

December 15th, 1975,

Mr. B. I. Nesbitt,
Consulting Geological Engineer,
Suite 1107 Wilshire-West Plaza,
10880 Wilshire Boulevard,
Los Angeles, California, 90024,
U.S.A.

Dear Mr. Nesbitt:

Mr. Ken Lieber forwarded to me your letter and data concerning the Lee Group.

As you may know, Anvil Mining Corporation was amalgamated with Dynasty Explorations Limited earlier this year in order to facilitate expansion and new developments within Canada. Cyprus Mines is active in Canada only through Cyprus Anvil, the company resulting from the amalgamation, so it is in that context that your correspondence has been forwarded to me.

Dr. Glenn Simpson, Exploration Manager for Cyprus Anvil, will review the data on your property, and, should a further interest develop, we will be in contact with you.

Yours truly,

CYPRUS ANVIL MINING CORPORATION,

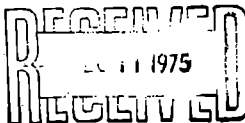
R. E. Gordon Davis,
Senior Vice President

REGD/mp

cc: Mr. Ken Lieber
Mr. J. G. Simpson

MEMBER OF:

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 SOCIETY OF ECONOMIC GEOLOGISTS
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 AMERICAN INSTITUTE OF MINING AND METALLURGY



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B. I. NESBITT

CONSULTING GEOLOGICAL ENGINEER
 MINING AND PETROLEUM

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 TELEPHONE: (213) 474-0519 / RESIDENCE: (213) 275-2722

November 18, 1975

Mr. Kenneth Lieber
 President
 Cyprus Mines Corporation
 555 South Flower
 Los Angeles, California 90071

TO	REPLY	<input checked="" type="checkbox"/>
	COMMENT	
RETURN TO		
NOV 19, 1975		
1	<i>Corrus</i>	6
2		6
3		7
4		8

Dear Ken:

I am writing with regard to the ³⁰32 claim Lee Group, owned by Flagstone Mines Ltd., which adjoins the Anvil Mines property in the Yukon and covers the extension of the same stratigraphic unit of phyllites that contains the Anvil orebodies.

These claims were optioned to Anvil in 1967 and after considerable work had been done over a two year period, your geophysicist recommended the drilling of two separate anomalies. Your geologist recommended that at least one be drilled if an extension on payments could be obtained.

My point is, these two anomalies were not drilled, and if they were worth drilling then, surely they are even more worthy of drilling now. *with drilled see point 3 this page*

If, after reading the following data, the project is of interest, I will be happy to come down to go into it in more detail.

History

1. Lee Group was staked in 1965 by B.I. Nesbitt and sold to Flagstone Mines Ltd., of which he later became President.
2. In 1966 Flagstone explored the group, doing geological mapping, geophysical work, and prospecting. Established that the host-rock to Anvil orebodies extends onto Lee Group. *done*
3. In 1967 Anvil optioned Lee Group and carried on geological mapping and geophysical surveys. Concluded same stratigraphic phyllitic unit as contains Anvil orebodies crosses Lee Group. Found seven gravity anomalies. Drilled two anomalies (1 hole each) and found ^{4 anomalies of} sulphides but no copper, lead, or zinc. *67F1 67F2*

Mr. Kenneth Lieber
Cyprus Mines Corporation
November 18, 1975

Page Two

4. In 1968 further gravity surveys eliminated some anomalies but strengthened others.

Geophysicist recommended drilling on two anomalies. Geologist recommended drilling at least one if an extension of payments obtained.

5. Extension granted on condition that the drilling be done in 1969. The drilling was not done in 1969 and the option was cancelled.

During this period all of Anvil's efforts were going into putting the mine in production and it was some time before it became a highly profitable producer. If the drilling of the two anomalies was recommended at that time, surely it is an even more attractive venture now.

I have suggested this to Thurmond and others in the past but the project seems to get bogged down some where and they never seem to hear back from whomever they send the data to.

Cyprus has two good reason to re-consider this project.

(a) If it is successful, it will provide longer life for the Anvil operation.

(b) If it is successful, it will give a higher market value for Flagstone shares, of which Cyprus has 135,000 shares.

Please call me if you want more data and I will come down to see you.

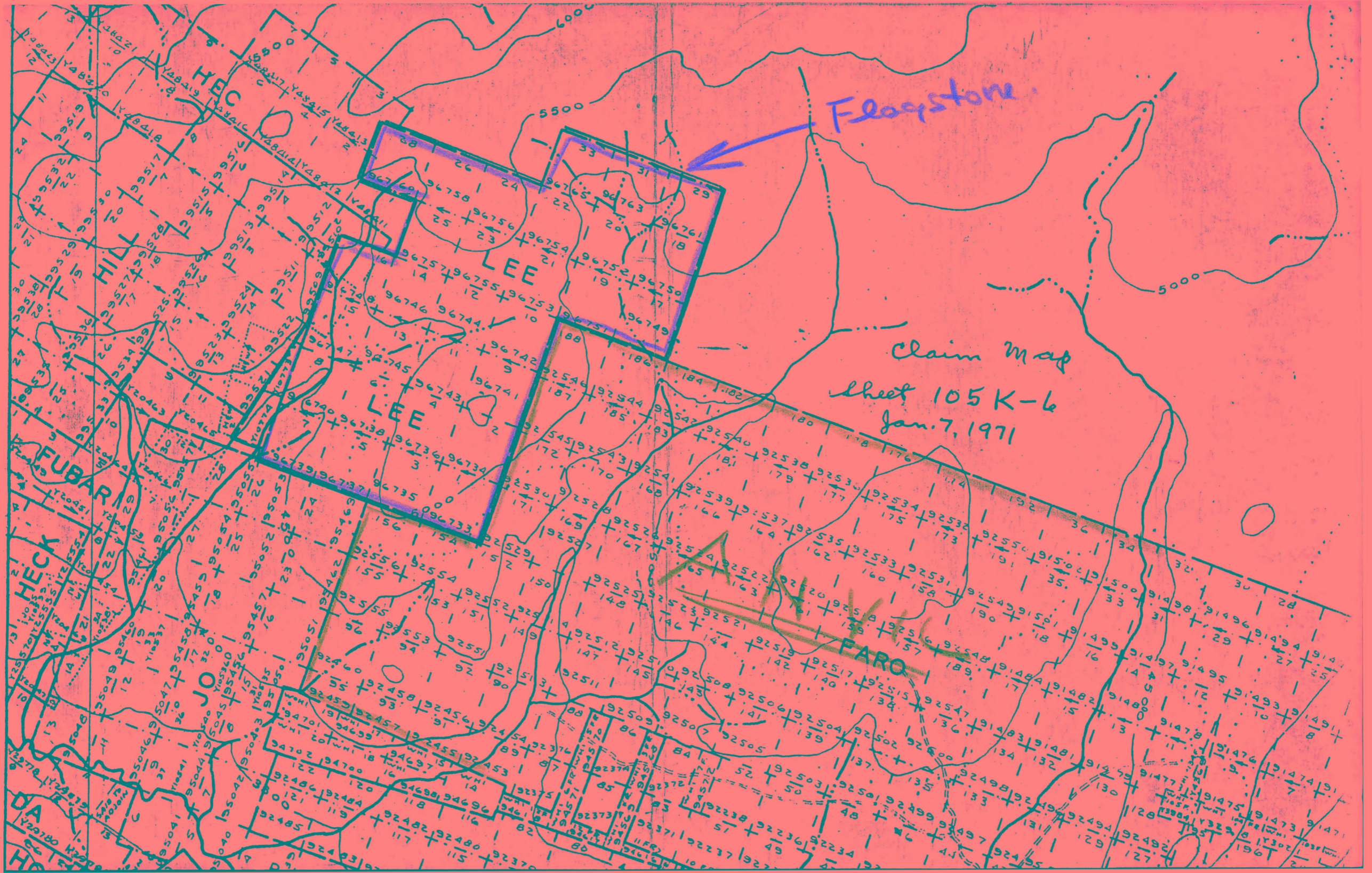
Best personal regards,


B. I. Nesbitt

BIN:sw

*See previous
i = se
Done as
69 & 1*





Flagstone

Claim map
sheet 105 K-6
Jan. 7, 1971

LEE

LEE

FUBAR

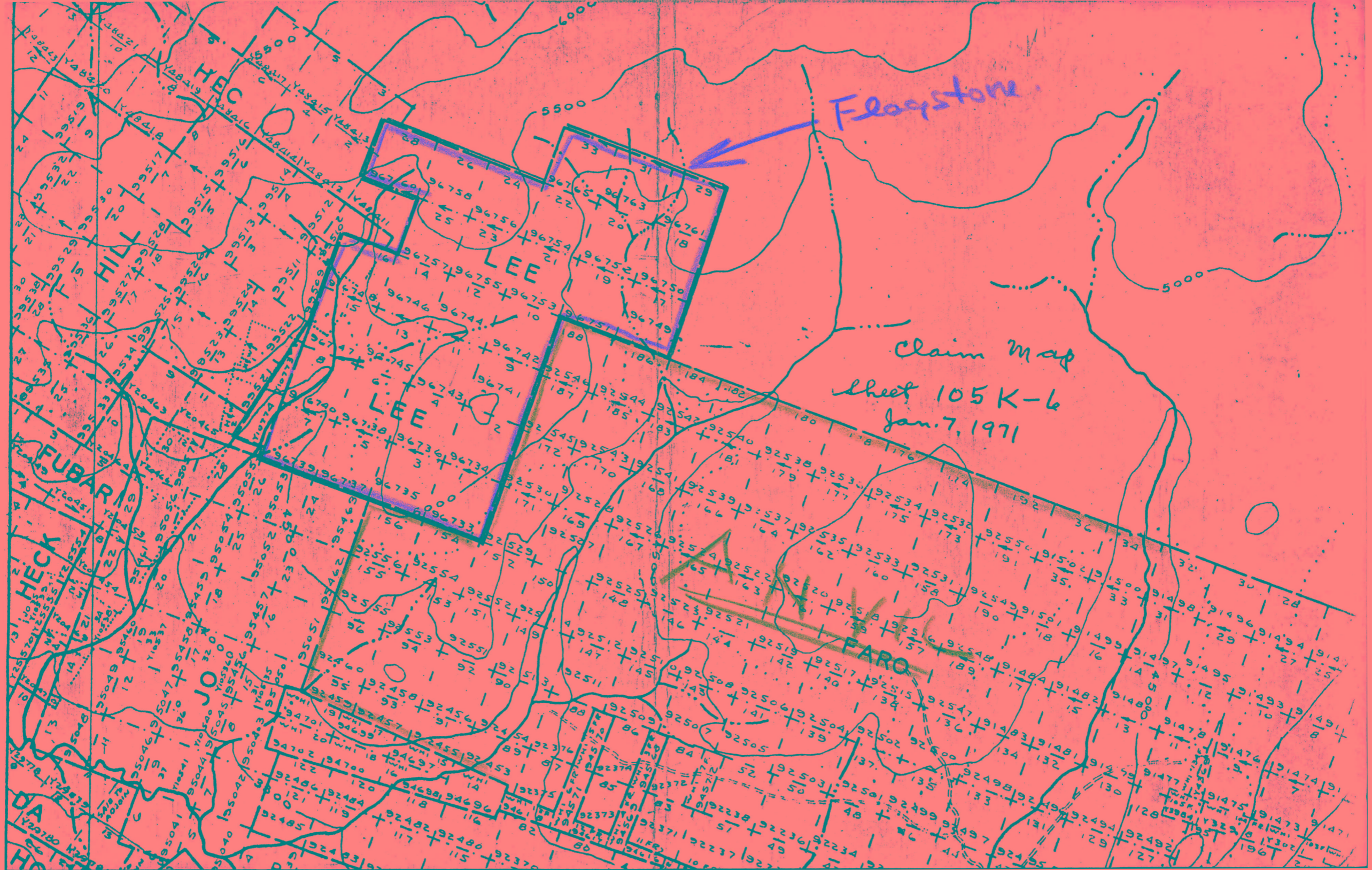
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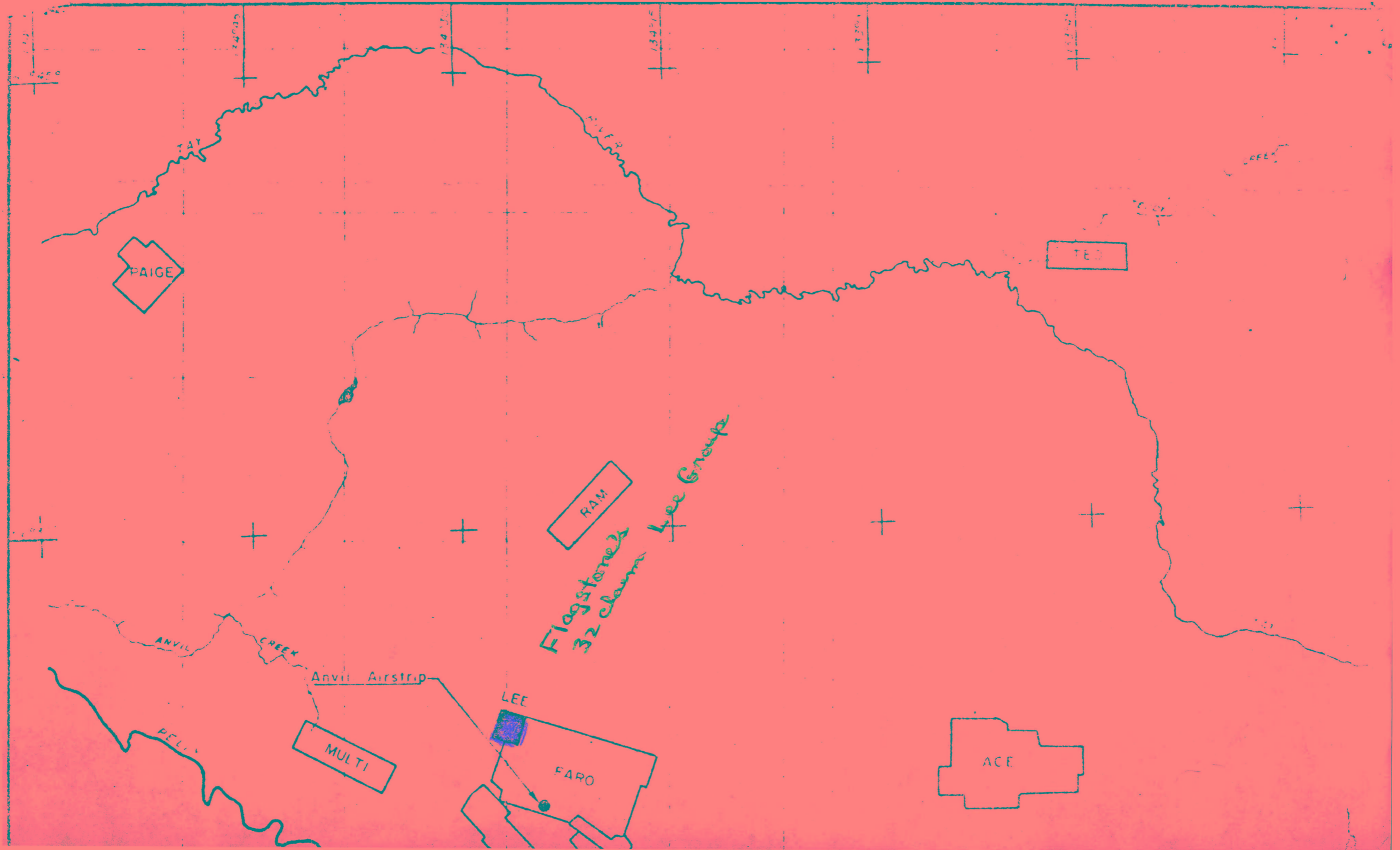
JOKO

FARO

5500

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GEOLOGY OF LEE CLAIM GROUP

1972

Scale: 1" = 1000'

- Explanation
-  Bio-Musc. Andalusite Schist
 -  Calc-Silicate Phyllite
 -  Amphibolite
 -  Hb. Diorite
 -  Hb. Granodiorite
 -  Anvil Bottom

