

ATLAS EXPLORATIONS LIMITED  
(N. P. L.)

018171

328. MARINE BUILDING  
355 BURRARD STREET  
VANCOUVER 1, B.C.

MEMO TO: A. Aho  
A. Kulan

January 18, 1966.

BARRY O'NEILL SHOWING

O'Neill has knowledge of a large copper/molybdenum situation in a granitic area of the Yukon found by a mining group some years ago but never staked. A man called HALL, a vendor of BRENDA knows of location and plans to investigate it further this summer. The exact location is on the files of Charlie Brown, Whitepass Geologist. Neither of these men can be approached by O'Neill for fear of stirring up their interest now. O'Neill proposes to fly into the area as soon as snow cover leaves - around June 1st to 15th due to its elevation of 3000 ft. His proposal to ATLAS is as follows:

- 1) We provide two prospectors to locate the showing exactly, (He can only come within 4 miles of it) and send him in with the prospectors to aid them.
- 2) We guarantee to stay away from the area of 20 mile radius from the centre of his location for a period of 1 month from the time he leaves Whitehorse and guarantee not to stake claims in the area during this time or up till he locates the showing.
- 3) We provide all transportation and supply costs for O'Neill and his party during this period.
- 4) When showing is located O'Neill advises us immediately and we send our engineer in to evaluate the showing.
- 5) If our engineer reports favorably on the showing we stake 100 claims at O'Neill's expense with the showing at the centre of the claim group.
- 6) At the conclusion of this staking O'NEILL and ATLAS can stake claims on their own behalf respectively tying into the discovery group.

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- 7) O'Neill is to receive the following compensation for his efforts and for transferring the discovery group to ATLAS EXPLORATION.
- a) Payment of \$50.00 per claim for staking 100 claims  
(i.e. TOTAL of \$5000.00).
- b) \$5000.00 CASH 6 MONTHS FROM STAKING DATE, SAY, NOV./66
- |                            |       |             |
|----------------------------|-------|-------------|
| \$20,000.00 CASH 18        | ditto | NOV. 1st/67 |
| \$15,000.00 CASH 24 MONTHS | ditto | JUNE 1st/68 |
| \$15,000.00 CASH 30 MONTHS | ditto | NOV. 1st/68 |
| \$22,500.00 CASH 36 MONTHS | ditto | JUNE 1st/69 |
| \$22,500.00 CASH 42 MONTHS | ditto | NOV. 1st/69 |
- Total \$100,000.00 42 MOS. FROM JUNE 1st/66
- c) At end of 42 month period, say, NOV. 1st, 1969, the option is ~~increased~~<sup>EXERCISED</sup>, a new 5 million share company is formed on the 100 claim group and O'Neill is awarded 25% of the vendor's interest (i.e. <sup>1,87,500</sup>~~250,000~~ shares).
- d) Pending investigation of tax benefits or penalties he wishes an option on an additional 100,000 shares of treasury stock at the coming out price to be valid for a period of 2 years after the option is exercised.

COMMENTS

The above transaction appears reasonable. We would have to ensure our men accompany O'Neill in the original search for the claims to see that he does not fail to report its location if it is found.

If the showing is not found we are out flying expenses to the area and return for, say, 5 men and their maintenance in the field for 1 month or less, say, \$5000.00 to \$6000.00.

O'Neill is a reliable and knowledgeable field scout and should be able to carry out his end of the deal with the assistance of our prospectors.

O'Neill states the area is unmapped and is underlain by porphyries and granitic rocks. He believes from what he has heard that the geological conditions are similar to the B. C. molybdenite deposits and that the host rock is a granitic porphyry. Apparently the original discovery was made before the importance of this type of deposit was realized in Canada.

i.e. pre ENDAKO. Unfortunately no samples are available.

The timing of the search is important and every effort should be made as early as possible before competition develops.

If the deposit is located a preliminary geochemical survey of the ground should be made before detailed work is started. Follow up IP and trenching would then possibly follow if the pyrite content of the rock is more than 5% by volume.

E. O. Chisholm.

PROPERTY INFORMATION FORM

Name of owner(s) or principal(s) Barry O'Neill

Address: Whitehorse Y.T.

Location of Property Southwest end of Emerald Lake, Niddery Lake Sheet

.4 mile N.T.S. map 105-0 Lat. 63. 33 Long. 131.11

Description of Property:

Number of Claims; staked Nil, required 64

Type of Mineralization, Values, and Dimensions:

Molybdenum, copper mineralization in granitic rock  
 Dimensions unknown. Believed to be extensive in size. Information obtained second hand by O'Neill from a source he believes to be reliable. A program of work totalling \$75,000 was recommended by a large American Company several years ago according to O'Neill but was not carried out due to the remoteness of the locality and the lower prevailing prices for molybdenum. No work was done at the time, or since. The showing is at an elevation of 3500 feet and should be free of snow by mid May. From recent information O'Neill believes he can locate the showing within a mile.

Previous Work; prospecting, geological, geophysical, geochemical, and development. (Give dates where possible):

Prospecting only. No surface work done.

The following terms were ~~discussed~~ discussed between Atlas Exploration and O'Neill.

(1) Atlas to have a free examination period from this date to June 30th, 1966.

(2) Atlas agrees to stake as soon as possible a total of 64 claims surrounding the showing under the supervision of O'Neill to protect the find. A member of the Atlas exploration staff will accompany O'Neill to the area. O'Neill will assist in the staking and be paid a flat fee of \$1500 for his services. The aforesaid claims will be held in the name of O'Neill in trust for Atlas against Atlas decision to option the claims by June 30th, 1966 on the following terms.

- (A) Payment of \$10,000 cash to O'Neill on June 30/66 AUG 1ST
- (B) Payment of \$20,000 cash to O'Neill on Dec 31st/66 FEB 1ST
- (C) Payment of 200,000 shares in the capital stock of a new company formed to develop the claims by ~~March 31st~~ APRIL 31ST. This shall be vendors stock.

Comments:

The possibility exists that O'Neill will not be able to find the showing ~~and~~ readily or at all. Staking of any claims should be dependent on our decision during the period between this date and June 30th. If we are on the ground as soon as possible and there are no claims staked prior to our arrival by other interests then we will be in a position to blanket the area should competition

Disposition: arise from outside interests who are believed to have information similar to ours.

The decision to pay \$10,000.00 on June 30th 1966 will necessarily be based on sketchy information and the showing would have to be of exceptional merit to warrant this payment.

ECC MAY 26/66