

January 25, 1980

Mr. A. J. Schmidt  
Exploration Manager  
Utah Mines Ltd.  
1600 - 1050 West Pender Street  
Vancouver, B.C.  
V6E 3S7

*Prop. Sub.*

Dear Andy,

We have completed our "in-house" confidential review of the Maxi property and respectfully decline your offer of participation. It appears your drilling, mapping and geophysics have thoroughly evaluated the property.

We would make the following comments on the property geology from a regional perspective:

1. the GO "Wavy Banded" limestone in the eastern part of the property is the "Silurian-Devonian" (mauve colored) clastics and carbonates on the west side of the property,
2. The uDM (Besa River) southeast of Anderson Creek is a member of the OS<sub>Road River</sub>, i.e. a major synform trends northwest from this "Besa River" through Maxi Lake.

For what they're worth, you might pass these thoughts on to Jerry and Greg.

We return herewith all the data you kindly loaned us and

Mr. A. J. Schmidt

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again compliment you and your staff on a job well done.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

D. S. Jennings  
Chief Geologist

DSJ/ck  
Encl.

File w/ data  
MADI  
DSJ

# UTAH MINES LTD.

EXPLORATION DEPARTMENT

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January 14, 1980

## MAXI JOINT VENTURE PROPOSAL

Current Agreement - Utah and Welcome North Mines. Welcome North has two basic options.

1. 60% Utah participating interest  
40% WNM participating interest  
60-40 split of development costs
2. 80% Utah participating interest  
20% WNM non-participating interest  
100% of development costs paid by Utah

In order for Utah to gain its 60 or 80% interest depending on which option Welcome North decides on, Utah has to fulfill the following commitments.

	Work	Payments
1978	\$300,000.00*	\$160,000.00*
1979	200,000.00*	50,000.00*
1980	200,000.00	75,000.00**
1981-1986	200,000.00	100,000.00 (per year)

\* Utah has spent \$760,000.00 on field work and \$210,000.00 on payments for a total of \$970,000.00. This also leaves an applicable surplus of \$260,000.00 in work commitments for future years.

\*\*This payment has been waived by Welcome North.

1 x 10<sup>6</sup>

Utah's interest in Maxi will be acquired when one of the following conditions is met.

1. \$5,000,000 is spent.
2. \$3,500,000 is spent and a feasibility study indicates production is not warranted at that time.
3. A feasibility study and production plan are completed and budgeted for.

A potential joint venture partner could earn 50% of Utah's interest in Maxi by matching its expenditures on the property to date of approximately \$1,000,000.00. Work commitments and option payments would be as specified in the Utah-Welcome North Agreement. The joint venture partner would manage and carry out such work programs as it deems necessary.

Claims 989  $\approx$  1000

Geol. - 70 mi<sup>2</sup> on foot  $\frac{10,000}{1:20,000}$

Geochem Anderson Cr.  $\rightarrow$  Thomas  
PGU

Geoph - cover geochem  
- EM map - mi<sup>2</sup>  
some shootback  
Cyslaar  $\Rightarrow$  inabit.  
to trace OSRR

- GMAG
- couple test lines  
of gravity
- minor IP

Mapping - line mapping  
1:10,000 } 50 mi<sup>2</sup>?  
Mc Elhaneey

Compass survey of claims

Deal Total claim block

Drilling 8000' NQ on property  
Trenching above Anderson Creek.

Fossils

L - M. Ord. in OSRR  
between

Isograptus  
Tetragraptus