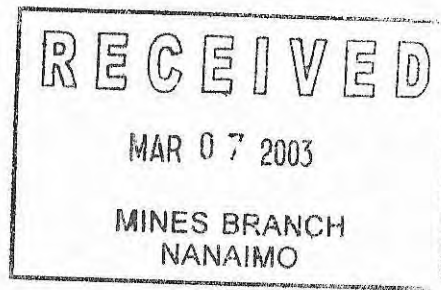




005910



FEB 24 2003

Mr. Gary Pearson
70 Wickaninnish Road
Port Renfrew, BC V0S 1K0

PROPERTY FILE

Dear Mr. Pearson:

Thank you for your letter of December 28, 2002 regarding your prospecting efforts in the Port Renfrew area.

The Ministry of Energy and Mines (Ministry) shares your enthusiasm for new mineral developments in the Province. In reference to your specific area of interest, I would like to bring to your attention a compilation map prepared by Mr. Jacques Houle, Regional Geologist in the Ministry's Nanaimo office, which provides information on your area of interest at Port Renfrew. This map is available from the Ministry's website at <http://www.em.gov.bc.ca/DL/Opportunity/PortRenfrewMap3.pdf>. In addition, the MapPlace website maintained by our Geological Survey Branch (GSB) will provide additional geological mapping and information. I recommend you contact Mr. Houle at 250-751-7372 to discuss your interests.

I will bring your request for additional mapping and geoscience research to the attention of the GSB. They will consider your request for a partnership as they set priorities for their work in the coming fiscal year. Regretfully, the GSB is facing the dual pressures of reduced budgets and diminished staff resources and may not be able to guarantee provision of the cooperation you request.

I wish you all the best with your exploration efforts within the coming year.

Sincerely,



Richard Neufeld
Minister

.../2

pc: Mr. Jacques Houle
Regional Geologist
Mining Division
Ministry of Energy and Mines

MINISTER OF ENERGY & MINES.

DEAR MR NEUFELD -

GARY YEARSON
70 WICKANINNISH Rd.,
PORT RENFREW, BC
V0S-1K0
(250) 647-5460

I'M WRITING TO YOU AS AN AMATEUR PROSPECTOR CONCERNING WHAT I BELIEVE IS A PROFOUND AND PROVIDENTIAL DISCOVERY I MAY HAVE MADE IN THE AREA OF PORT RENFREW (A 2 HR DRIVE ALONG THE STRAIT OF JUAN DE FUCA FROM VICTORIA'S DOWNTOWN). I HAVE SECURED AN OPTION AGREEMENT WITH EMERALD FIELDS RESOURCE CORP. FROM KENORA, ONTARIO, AND FOR THE LAST FEW YEARS HAVE FOUND LIMITED ASSISTANCE FROM DR HULBERT (G.S.C. OTTAWA), PROF. D. CANIL (UNIC), BOLIDEN-WESTMIN (MYRA FALLS OPERATION), SEAN MCKINLEY, GEOLOGIST (BOLIDEN) IN WHAT MAY IN THEIR WORDS BE, "AN UNPRECEDENTED DISCOVERY FOR VANCOUVER ISLAND AND POSSIBLY ALL OF BRITISH COLUMBIA."

A layered ULTRAMAFIC INTRUSION AND POSSIBLE PGM (PLATINUM GROUP METAL) REEF, WITH ASSOCIATED NICKEL, COPPER COBALT & PGM, WITH ROCKS SIMILAR TO THE BUSHVELD IN SOUTH AFRICA AND STILLWATER, MONTANA EXPOSED HERE WITH KNOWN DIMENSIONS OF 25 KM X 10 KM WIDE AND POSSIBLY 2 OR 3 TIMES THAT SIZE (USING AEROMAGNETIC DATA).

NO BODIES OF COMPOSITE PERIDOTITE HAVE BEEN FOUND SO FAR WITH A FEW LOCATIONS HOSTING ECONOMIC NI, CU, CO & PGM.

THE BC COMMISSIONER IN VICTORIA, KIM STONE HAS PROVIDED WEEKLY ASSISTANCE, AND IS AWARE OF THE ENTIRE STORY I'M WRITING TO YOU ABOUT, I'M SURE SHE CAN CONFIRM MY FACTS FOR YOU.

THE COMPANY I HAVE FOR EXPLORATION IS SMALL AND PRIVATE AND I'M WRITING TO YOU AFTER READING VARIOUS STORIES WRITTEN IN THE NORTHERN MINER NEWSPAPER CONCERNING B.C.'S INTEREST IN HELPING SMALL COMPANIES FINDING NEW DEPOSITS FOR ECONOMIC RENEWAL IN BC'S MINING SECTOR.

DR HULBERT IN OTTAWA, AFTER LOOKING AT MY FINDINGS LAST YEAR SAID, IF YOU'RE RIGHT ABOUT THE DIMENSIONS I BELIEVE THIS PROPERTY SHOULD BE EXPLORED AS A POSSIBLE ULTRAMAFIC LAYERED INTRUSION. I'VE ENCLOSED SEAN MCKINLEY'S (BOLDEN) REPORT TO HIS COMPANY WHO IS OPERATING VANCOUVER (SIANA'S ONLY ACTIVE MINE SITE AT MYRA FALLS, UNFORTUNATELY LAST YEAR THEY SHUT DOWN A MONTH AFTER RECEIVING THAT REPORT.

DR NIXON AT THE B.C. GEOLOGICAL SURVEY LAUGHED WHEN I ASKED HIM 2 YEARS AGO IF THE SURVEY COULD HELP MAP THE INTRUSION, HE WAS QUITE BUSY I UNDERSTOOD WRITING A REPORT ON ALASKAN ULTRAMAFIC INTRUSIONS IN B.C. AT THE TIME, BUT LATER SAID HE COULD DO THIN SECTIONS ON SOME OF THE PERIDOTTES FOR ME.

I SERVED IN THE CANADIAN NAVY (PACIFIC) FOR 20 YEARS BEFORE MOVING HERE TO SUPPLY LIVE FISH TO THE AQUARIUMS IN VICTORIA & VANCOUVER AND I PHONED DR HULBERT AS CHROMIUM IS A STRATEGIC METAL WHICH THEY ARE INTERESTED IN AS WELL AS PT & PD WHICH ARE NEEDED FOR NEW FUEL CELL TECHNOLOGY.

HE WAS AMAZED AT FIRST, BY THE LOCATION, AS MOST OF CANADA'S LAYERED INTRUSIONS ARE IN REMOTE LOCATIONS, SECONDLY THAT NO ONE HAD SPOTTED IT BEFORE EXCEPT IN (1972) A B.C. GEOLOGISTS REPORT ON IRON SKARN IN GRANITE CREEK AND MORANDA (1960) BOTH REFERRED TO BRECCIA POSSIBLY REPRESENTING A GENTLY SLOPING ROOF TO A LARGE BATHOLITH OR STOCK & DIORITE & MARBLE BEING "ROOF PENDANTS".

I'VE ENCLOSED A RECENT ARTICLE CONCERNING YOUR MINISTRY DOING GEOLOGICAL MAPPING FOR A COPPER DISCOVERY RECENTLY AND CONSIDERING THE ECONOMIC AND STRATEGIC IMPORTANCE OF PROVING THIS BODY OF ROCK, REQUEST YOUR ASSISTANCE (MAPPING, SAMPLING, DRILLING OF SLAYERS AS ONTARIO DID FOR THE MUSKOX INTRUSION N.W.T.) BE GIVEN TO EMERALD FIELDS RESOURCE CORP. IN THEIR MODEST

3 YEAR EXPLORATION PROGRAM BEING PROPOSED TO THEM BY SEAN MCKINLEY, M.Sc. WHO HAS NOW LEFT BOLIDEN AND IS ACTING GEOLOGIST FOR EMERALD FIELDS HERE IN B.C.,

I HAVE BEEN LED TO BELIEVE BY THESE EXPERTS AS YOU CAN READ IN THE ENCLOSED BOLIDEN REPORT THIS IS POSSIBLY AN UNPRECEDENTED DISCOVERY FOR B.C. (FEW ULTRAMAFIC INTRUSIONS IN B.C., MOST OF WHICH ARE A FEW KILOMETERS IN DIAMETER) HAVE BEEN FOUND HOSTING NICKEL SULPHIDE TO DATE) WITH MODEST STREAM SAMPLING PROPOSED FOR OUR FIRST YEAR EXPLORATION AND 20 CREEKS LOOKED AT SO FAR CARRYING UP TO 700PPM NICKEL WITH SIMILAR CHROMIUM VALUES, COULD YOU HAVE YOUR STAFF CONFIRM FOR YOU THE RARITY IN B.C. OF OUR FINDINGS SO FAR AND COULD YOU CONSIDER A SIMILAR PARTNERSHIP (EXPLORATION) WITH OUR COMPANY, TO HELP THEM PROVE AND DESCRIBE THESE UNUSUAL ROCKS. THERE IS, I BELIEVE QUITE A PROFOUND RETURN AVAILABLE FROM A VERY SMALL AMOUNT OF CO-OPERATION AND I HOPE I'VE GIVEN YOU THE INSIGHT NEEDED FOR YOUR DECISION AS MINISTER OF MINES TO ASSIST THEM IN ANY WAY POSSIBLE.

SINCERELY YOURS
GARY PEARSON (C.D.)

P.S. DR HUBBERT SUGGESTED THIS REQUEST, AND SAYS NICKEL, AGN & DIAMONDS ARE THE PRIME EXPLORATION TARGETS FOR ALL LARGE COMPANIES PRESENTLY. HE HAS SUGGESTED AN EXPERT GEOLOGIST TO ASSESS EMERALD FIELDS. AGAIN - THANK YOU.
GARY

A VERY HAPPY NEW YEAR
AHEAD.

TO MINISTER
ENERGY & MINES
LETTER (G. PEARSON)


Myra Falls Operations

Int
Memo

DATE: October 16, 2001
TO: Ivor McWilliams
FROM: Sean McKinley
RE: Ni-Pt-Pd exploration opportunity

cc: Jim Jack
Kjell Larsson
Gary Pearson

Background

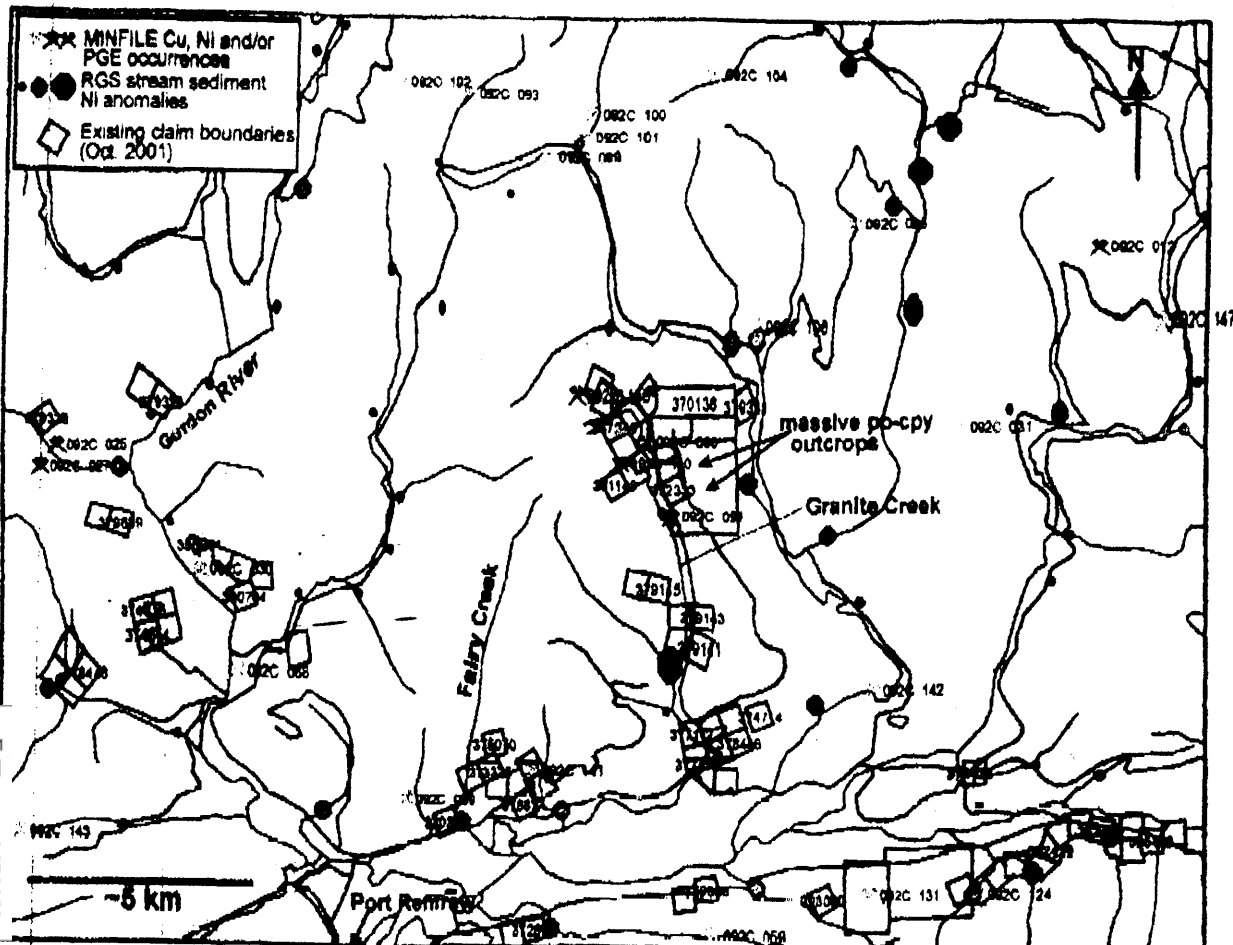
On September 29, 2001 I had the opportunity to visit a mineral property just north of the community of Port Renfrew on southwestern Vancouver Island. The visit was made on the invitation of Mr. Gary Pearson who holds a number of mineral claims in the area and with whom we had been in contact over the previous two years regarding his gold claims in the same area. Subsequent to our 1999 visit to his gold claims we agreed to cover the cost of his assays and accumulated expenditures of approximately \$10,000 in the process. During the subsequent two years, Mr. Pearson's focus shifted somewhat from gold to platinum group elements (PGEs) and nickel. During this recent visit I had the opportunity to visit Mr. Pearson's newer claims, discuss his work to date and conduct a preliminary assessment of the area's potential for Ni-PGE sulphide deposits.

The community of Port Renfrew is located on the southwest coast of Vancouver Island approximately 100km WNW from the city of Victoria. Mr. Pearson's Ni-PGE claims are located near Port Renfrew north of the San Juan River. The area comprises some quite rugged and steep topography, but is relatively easily accessed via a network of logging roads.

Geology

The area in question north of the San Juan River has been mapped in the past as part of the West Coast Complex which has been described as a belt of amphibolite, migmatite (e.g. tonalites and diorites) and minor meta-sedimentary and meta-volcanic rocks. These rocks are considered to be derived from rocks of the Paleozoic Sicker Group volcanics and Vancouver Group sediments. Other rocks in the area consist of Mesozoic Karmutsen and Bonanza volcanics, Island Intrusions and scattered occurrences of limestone (Quatsino Fm. equivalent?).

In the past 30 to 40 years, this area has received considerable exploration attention by companies (including Noranda, 1960s) searching for skarn-type Fe and/or Cu deposits. Skarn deposits are a logical exploration target here given the presence of both limestones and intrusive rocks. Indeed numerous skarn zones have been identified including a number of bodies of massive sulphide (pyrrhotite, chalcopyrite +/- magnetite,



In the past two years Mr. Pearson encountered many occurrences of what he identified as ultramafic rocks. This would not normally be very unusual as they might, at a first pass, be identified as migmatized mafic/ultramafic volcanics forming part of the West Coast Complex. However, following his visit to the area, Dr. Dante Canil, an igneous petrologist from the University of Victoria, identified these rocks as cumulate peridotites having 25-35% fresh olivine surrounded by 60-70% oikocrystic orthopyroxene. A total of 12 specimens from the area were all confirmed to be cumulate peridotite. Mr. Pearson has since identified over 30 peridotite bodies in the area. The occurrence of these ultramafic rocks corresponds quite closely to a strong aeromagnetic high. This aeromag high trends roughly east-west and in the study area and has dimensions of 25-30km by 5-10km for a total area of approximately 250km². Ultramafic rocks, and particularly cumulate ultramafics, are significant as they are associated with layered intrusions such as the Bushveld and Stillwater Complexes which host major PGE deposits. The peridotites in this area may have been misidentified or underidentified in the past since they tend to be more easily eroded or weathered than the nearby granitoid rocks. Although only a very loosely based observation, from my visit it appeared that the peridotites were more prevalent on the middle to lower slopes of the ridges and mountains and that they graded (?) into more gabbroic and granitic rocks upwards. Given that the higher peaks in this area are over 1100 metres in elevation it seems reasonable that a thickness in excess of 500 metres of peridotite is exposed; this, however, gives no indication of their extent at depth.

Mineralization

Disseminated to net-texture pyrrhotite with lesser pyrite and chalcopyrite is quite common in these ultramafic rocks. However, exposures of semi-massive to massive sulphides were observed on the Fairy Main and Granite Creek Main logging roads. The latter was the more impressive of the two, comprising a several metre-wide outcrop of massive pyrrhotite with cm-size blebs of chalcopyrite; the true extent of this mineralization was not exposed. This mineralization was documented by Reako Explorations Ltd. during their exploration in the 1970s. They interpreted the sulphides to be skarns. However, given their close association to the aforementioned cumulate rocks, the possibility exists that the sulphides are of magmatic origin. This would be a highly important divergence in geological interpretation. Past assays of this mineralization did not show significant Ni or PGE contents, but this by no means precludes the existence of a PGE-bearing reef in the area. In fact, during the 1980s, prospector Matti Tavela discovered several pieces of mineralized float in the area between Fairy and Granite Creeks, several kilometres to the southwest of the massive pyrrhotite occurrences. Two of these samples graded 0.5% Ni, 0.6% Cu, 0.07-0.1% Co and >200ppb Pd. A third sample graded 0.66% Ni, 0.25% Cu, 0.07% Co, 75ppb Pt and 520ppb Pd. Follow-up prospecting by Mr. Pearson confirmed the presence of the mineralized float.

Mr. Pearson has extensively sampled this belt of ultramafic rocks and has returned many assays in excess of several hundred ppb Pt+Pd. Several researchers have documented the usefulness of Cu/Pd ratios as a prospecting tool for reef-style PGE mineralization within ultramafic rocks. These authors suggest that Cu/Pd ratios greater than 1,000 to 10,000 (i.e. mantle composition) suggest that the rocks are relatively PGE-depleted and therefore enrichments of these metals may occur at depth. Ultramafic complexes such as those above the Merensky Reef in South Africa or the Munni Munni Complex in Australia show this PGE depletion above the ore-grade PGE reefs. Preliminary examination of the data collected by Mr. Pearson indicate that the Cu/Pd ratios for the peridotites in this area often exceed 15,000 and locally exceed 50,000. Using the PGE reef/layered intrusive model, this would indicate that the exposed peridotites are relatively PGE-depleted and that PGE enrichments may exist at depth.

Conclusions and Recommendations

The identification of previously unknown cumulate ultramafic rocks is in itself quite an exciting development from a mineral exploration point of view given their close association with Ni-PGE deposits. However, the discovery of these rocks and their extensive occurrence along with the occurrence of known massive sulphides, mineralized float enriched in Ni, Cu, Co, Pt and Pd, and the apparent existence of PGE-depleted rocks would suggest that this geological environment is highly prospective for Ni-PGE mineralization. This is potentially an unprecedented discovery for Vancouver Island and possibly even for all of British Columbia.

This area is largely unstaked at this time. Mr. Pearson does hold a number of mineral claims in the area, but does not have the resources to stake all or even large portions of



Myra Falls Operations

Inter-Office
Memo

the roughly 250km² area discussed above. We recently received an estimate from Rio Minerals Limited (Mineral Exploration and Development) of Vancouver for a staking program that would cover the entire area of interest. This would involve staking of approximately 540 units via logging roads and helicopter for a total cost of approximately \$32,000 including mob-demob, recording costs and helicopter costs. Given a 10% contingency plus likely standby costs, a total cost of around \$40,000 seems reasonable. A modest initial field program of reconnaissance geological mapping and more detailed geochemical sampling would be necessary following the securing of the claims. This could be done for approximately \$50-60,000 for a total cost of around \$100,000. Should we not wish to any follow-up work, this property could quite possibly be sold to an interested party for considerably more than our modest investment or could be further explored under a joint venture agreement. Mr. Pearson has requested the establishment of a joint staking agreement between Boliden and himself to secure this highly prospective ground as soon as possible.

It is my opinion that this property is worthy of serious consideration for further work. However, **securing the claims has to be the first step** as exploration activity in the area would surely attract attention from other parties. Given the geological evidence that already exists as well as the strategic and economically favourable nature of PGEs now and in the future, I would highly recommend that Boliden act with Mr. Pearson to secure this ground and develop the property as soon as possible.

BC Survey teams with Eastfield

The British Columbia Ministry of Energy and Mines has joined with Eastfield Resources in an initiative aimed at stimulating investment in mineral exploration.

Under the deal, the government will perform mapping and analytical work on Eastfield's Lorraine copper-gold deposit, 300 km northwest of Prince George. The research will be carried out in concert with the junior's summer exploration program.

The province hopes the updated maps will encourage exploration in the area.

"This new partnership . . . marks the beginning of a new era in which the government and private sector work together to revitalize mining in B.C.," says Energy and Mines Minister Richard Neufeld.

Eastfield has its own reasons for forming the partnership. "Companies like ours can't afford to do research-oriented work," says Vice-President Glen Garratt. "This partnership allows us to get some good new geological mapping done, and the research that goes with it."

Eastfield can earn up to a 75%

interest in the Lorraine property from Lysander Minerals by spending \$4 million on exploration, paying \$550,000 before Dec. 31, 2005, and carrying out a positive feasibility study.

Under a separate agreement, Eastfield will buy a 100% interest in 19 adjoining claims at Lorraine by making a \$7,500 cash payment, issuing 50,000 shares, and giving the vendors a 2% net smelter return royalty.

The government says it may form similar partnerships with other companies.

10 JULY.

TO/PERRY