

August 21, 2000

Mr. Harold Diggon, Mine Manager
Texada Quarrying Ltd.
P.O. Box 160
Van Anda, B.C. V0N 3K0

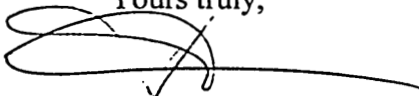
Dear Harold:

Thanks for your hospitality, discussions and time during my recent trip to your quarry operation at Texada Island. As you know, I took selected geological samples during my visit, and decided to send 1 out for geochemical analysis. Please find enclosed 2 tables showing the results obtained from the samples as follows:

- Sample descriptions and selected geochemical analyses
- Complete geochemical analyses for the sample from Acme Analytical Laboratories

Although none of the values obtained for metals are ore grade, values in several metals are definitely elevated and encouraging as porphyry and/or skarn metal signatures. I suspect, however, that such metal values are considered deleterious for limestone markets. Geologically, I am intrigued by the presence of mineralized intrusive dikes and related skarn alteration so close to your white rock quarry source of white limestone. It would be of great interest for me to monitor changes in these structures as the pit is mined to deeper levels. I would like to return again to your main pit after a couple more benches have been mined to observe changes in these structure with depth. Please keep in touch, and good luck, Harold.

Yours truly,



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