

E & B Explorations Ltd.

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July 18, 1980

Mr. Jack Bergmann
3518 Vendome Avenue
Montreal, Quebec
H4A 3M7

Dear Mr. Bergmann:

Re: Economic Evaluation of
a Proposed Narrow Vein
Gold Mine

As we discussed on the telephone last Thursday, we would like you to prepare an economic evaluation on the mining feasibility of a proposed narrow vein gold mine (Porcher Island Project) that we are considering bringing into production.

Enclosed please find several reports pertaining to the location, geology, ore reserves, and mining and milling cash flows. These reports include:

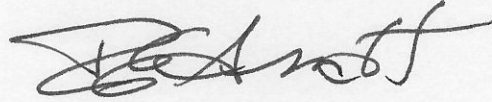
- Porcher Island Gold Property by C. M. Armstrong, P. Eng., Consulting Engineer, Vancouver, B.C. and Mining Corporation of Canada (1964) Limited, dated December 28, 1978.
- Report on the Development of the Porcher Island Gold Property by Banwan Gold Mines Ltd. by W. T. Irvine, P. Eng., dated April 10, 1980.
- Report on Underground Exploration Work on the Porcher Island Project during Phases I and II, October 1979 to June 1980 and Proposal for Additional Exploration/Development Work, By Charlie Dearin, Mine Geologist, E & B Explorations Ltd., dated June 25, 1980.

With these three reports and their accompanying maps, you are now in receipt of most of the information that is current on our Porcher Island Project. During your visit to Calgary on July 28, we can go over these reports in detail and have available for you all memos, reports, maps and plans that we have on the project, including old Minister of Mine's reports. If necessary, I can have our Project Consultant, Mr. Chris Armstrong, available here in Calgary to answer any questions you may have. My Mine Geologist, Charlie Dearin, and myself, however, should be able to answer most of your queries.

I will be looking forward to meeting with you and hope for an early completion of your evaluation.

Very Sincerely Yours,

E & B EXPLORATIONS LTD.

A handwritten signature in dark ink, appearing to read 'R. Arndt', written in a cursive style.

Richard E. Arndt, P. Eng.,
Chief Mine Engineer

REA/pw

Encl.