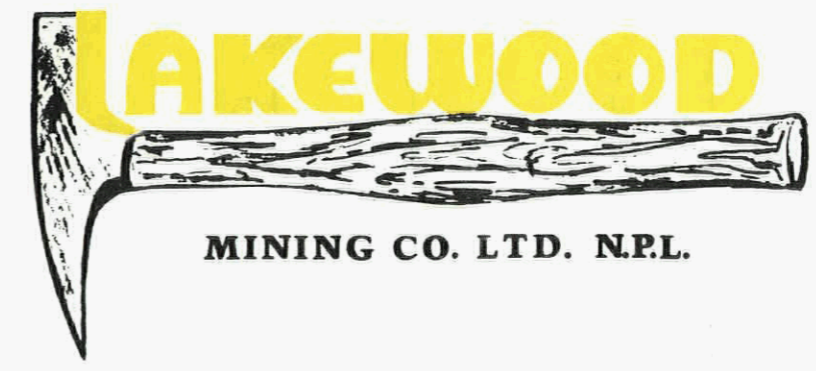
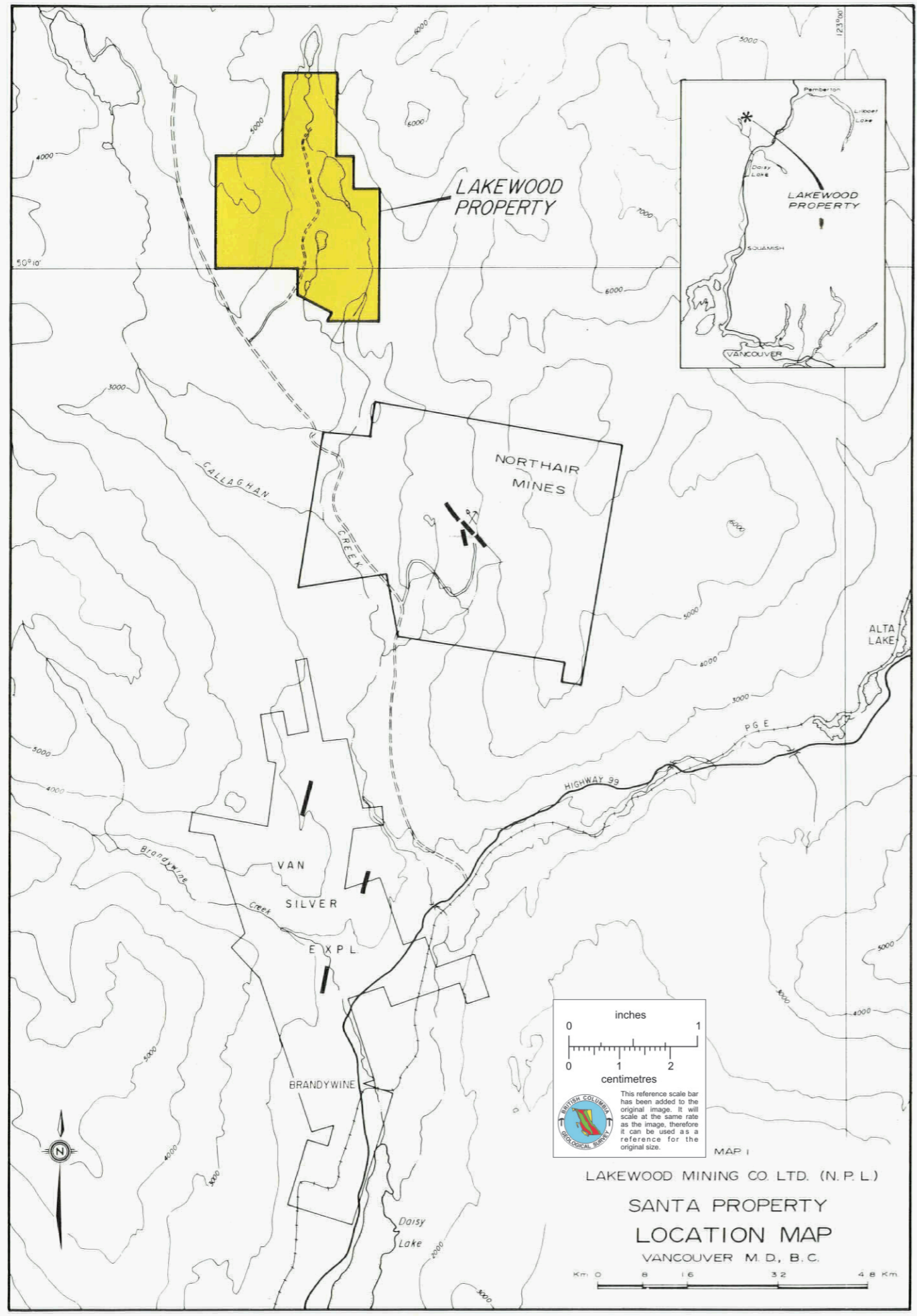


SANTA  
92J/3E 011783

2245 W. 13th AVE.,  
VANCOUVER, B.C.  
V6K 2S4  
TELEPHONE: 733-2408



March 3, 1979



Dear Shareholder:

We are pleased to inform you that your company has negotiated the financing of our drilling program with Bond Street International Securities Ltd., pending approval of the regulatory authorities.

Your company has two potential silver-gold-lead-zinc properties ready to be drilled. The Sophia property in the Merritt area and the Santa property in the Brandywine area, north of Northair Mine, which is mainly a gold producing mine. This year the snow pack is very light in the Brandywine area, so we anticipate an early start. On the westside zone of our Santa property, there are four distinct anomalies which could be drilled from the existing road. Here are the conclusions and results of the survey taken from our geologist's and geophysicist's reports: (see the compilation map).

The property is crossed by a series of faults running northeasterly, northwesterly and northerly. The westside showing occurs at a conjunction of two of these faults, and is in close proximity to and on strike of one of the Northair veins.

The soil geochemistry data, especially by examining the compilation map, can be seen to occur in four, and possibly five distinct zones. These have been labelled by the numbers 1 to 5. All zones except for 5 are correlative in all four metals, that is, lead, zinc, silver and copper.

Zone 1 is the largest and most interesting zone. In the order of importance, it reaches a high of 197 ppm in zinc, 97 ppm in copper, 44 ppm in lead and 1.2 ppm in silver. It appears to strike east-west with it being open on both the east and west ends. Its minimum length is therefore 200 metres.

Zone 2 occurs only on lines 25 and 30W and is open towards the west. The strike is difficult to determine, but it appears to be westerly. The order of importance of its metals with the highest value in brackets are silver (2.4 ppm), lead (31 ppm), zinc (52 ppm) and copper (36 ppm).

Zone 3's strike direction appears to be most likely northeasterly, though it could be easterly as well. It is open to the south as well as the east. It is the only anomaly with anomalous values in all four metals. In order of importance, the highest value in each metal is 174 ppm copper, 1.8 ppm silver, 175 ppm zinc and 36 ppm lead.

Zone 4 consists of three soil samples with anomalous or sub-anomalous values in all four metals. The highest values are 143 ppm zinc, 72 ppm copper, 28 ppm lead and 1.4 ppm silver. Its minimum size is a diameter of 55 metres.

The I.P. anomaly B does correlate directly with geochemistry zone 1.

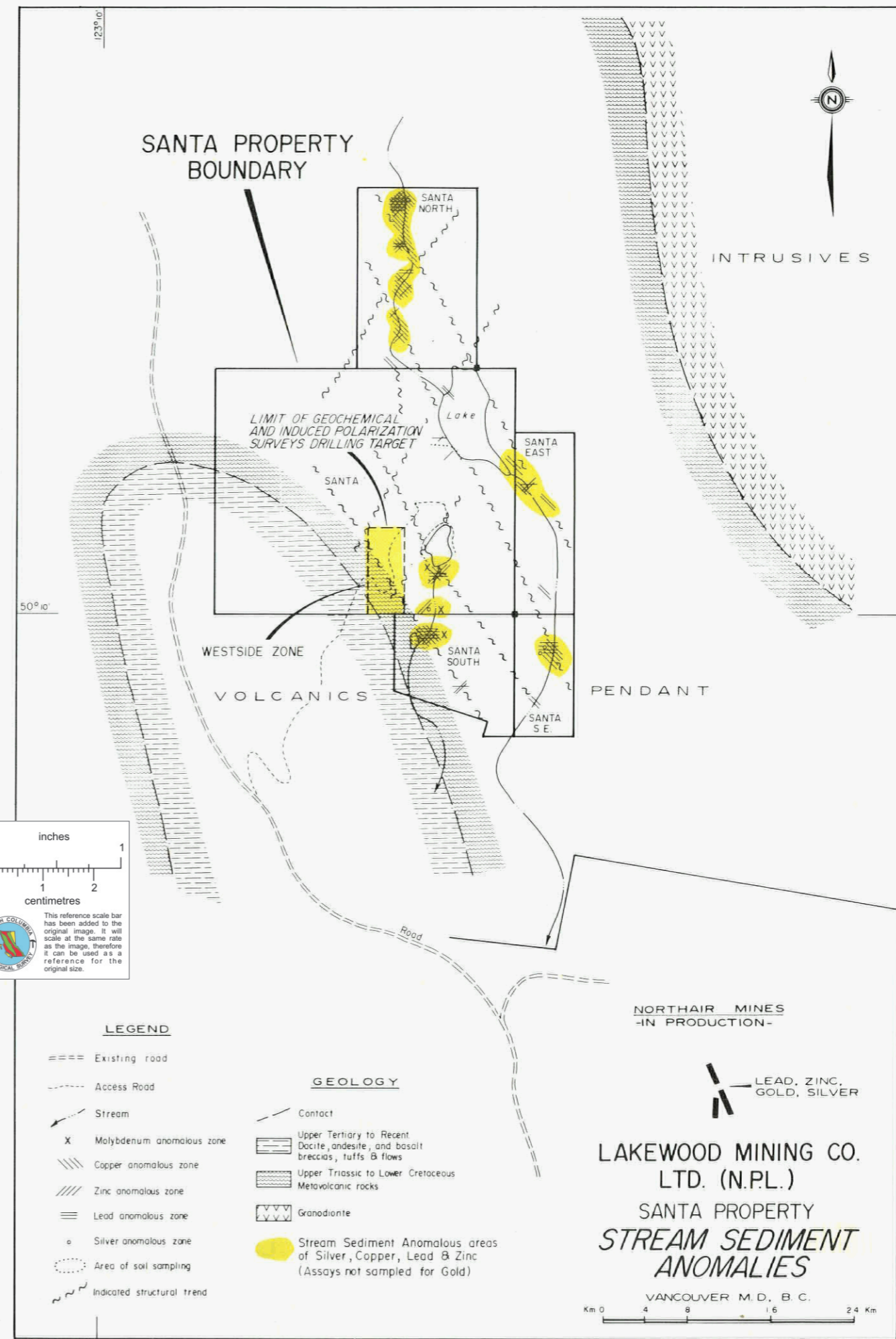
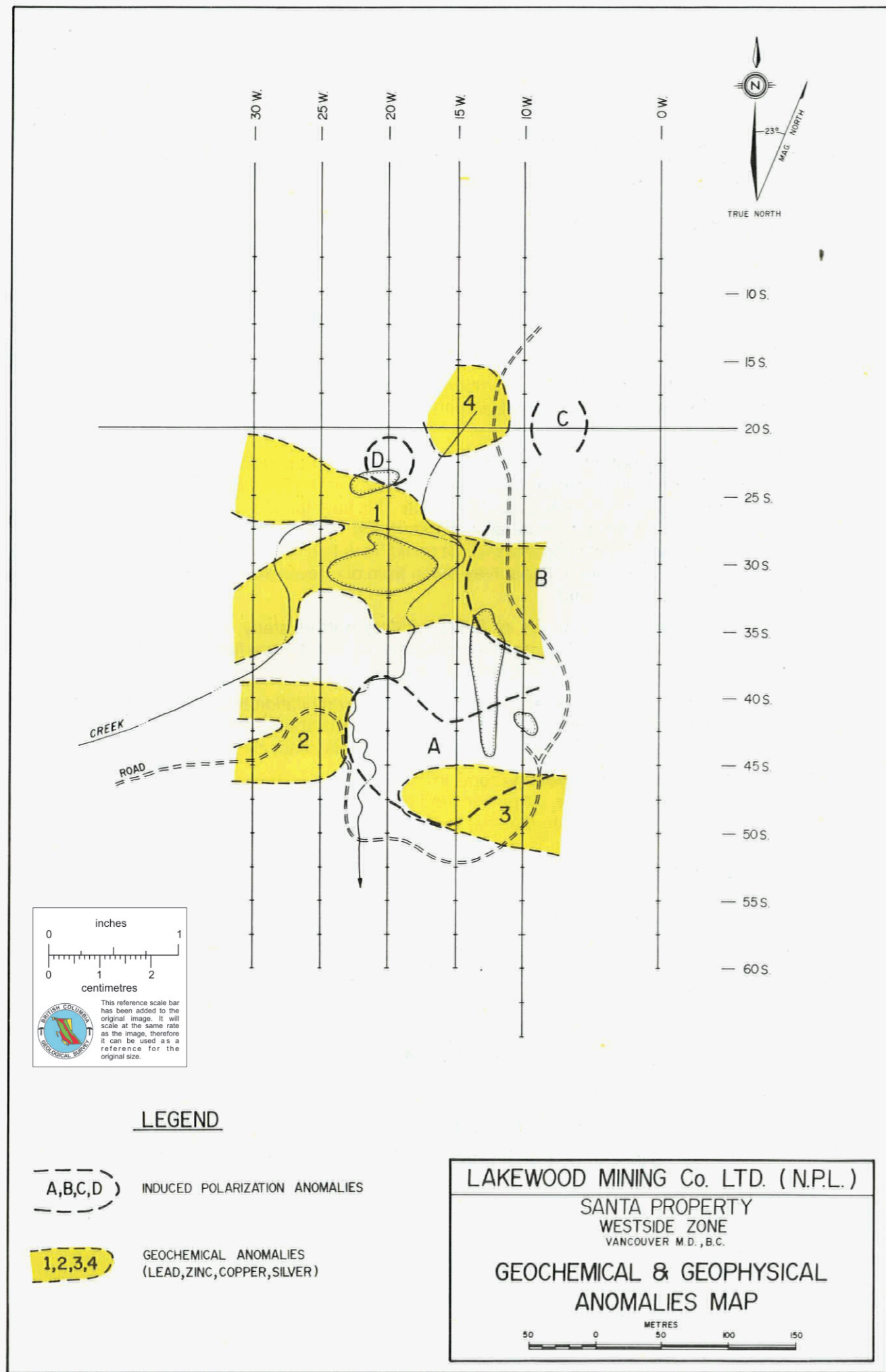
We will be keeping you informed of all developments in the affairs of your company. For any further information, please call the undersigned or Bob Klein 687-7521.

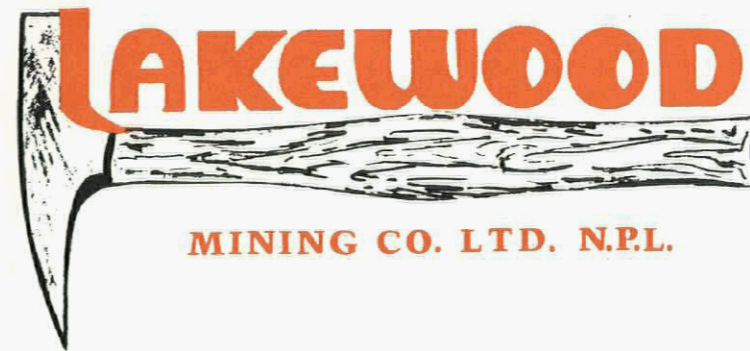
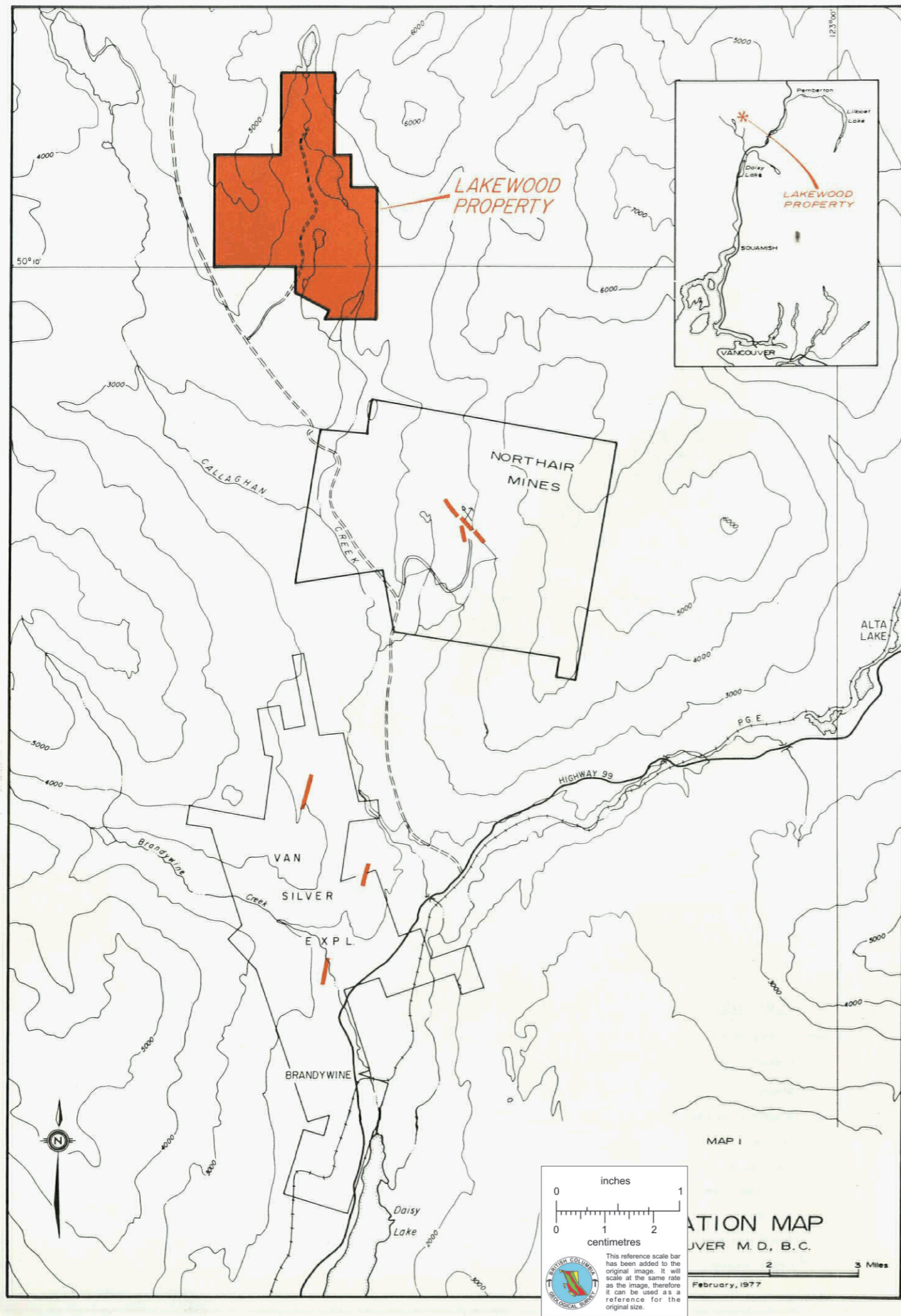
On behalf of the Board of Directors,

Charles Boitard, President

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PROPERTY FILE  
92J/3E





**SANTA**  
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To the Shareholders:

The Directors of Lakewood Mining Co. Ltd. are pleased to announce completion of the 250,000 share public offering which netted the company \$70,970.00. An application has been made for listing on the curb of the Vancouver Stock Exchange and we anticipate it will be approved shortly.

As soon as weather permits, a work program will be started on the Santa property. A road will be constructed through the claim group and trenching of the anomalous areas will be undertaken.

The following is taken from a report submitted by the consultant geologist, L. Sookochoff, P. Eng.:

In a recent property examination of your Santa Property located within two miles northeast of the Northair Property which is now in production, encouraging geological features and indications of potential economic mineral zones were evident. To the east of Wood Lake moderate degrees of metamorphism and structural deformation are exhibited within hydrothermally altered diorites. Epidote, chlorite and general propylitic transitional alteration with stringers and disseminations of pyrite occur within the diorite. An outcrop of crystalline limestone occurs north of Wood Lake. The limestone is within a general anomalous lead-zinc-copper area and contains occasional pyrite, tetrahedrite, sericite and chlorite. More indicative however, are the tungsten geochemical anomalies adjacent to and north of Wood Lake to Powell Lake and within the localized area of the geochemical survey.

A significant anomalous zone with values up to 30 times background and extending for 1600 feet, occurs peripheral to and east of Wood Lake. A second anomaly south of Powell Lake is 300 feet long and contains values of 30 to 60 times the background value of five p.p.m. tungsten.

A number of sporadic anomalies are located throughout the area - with a strong consistent anomaly along the eastern edge of the sampled area. The anomalous geochemical values are exceptionally high and could be indicative of northwest trending zones of tungsten mineralization within the limestone and/or possibly stockwork mineralization within a near surface intrusive. The lead-zinc stream sediment anomalies to the north, south and east, in addition to propylitic alteration to the west, could be indicative of porphyry mineralization within the Wood-Powell Lake area.

A road to be constructed through the anomalous area would provide added information to localizing specific areas for continued exploration.

Your Directors are also pleased to publish herein a location map of the very encouraging results of tungsten geochemical assays on the Santa claims. Tungsten is presently selling at \$8.00 per pound compared with \$4.00 per pound in July, 1976. We are all looking forward to a very successful year for our company and will be keeping you informed of further developments.

On behalf of the Board of Directors,

*Charles Boitard*

Charles Boitard, President

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