

MEMO TO: Registered Representatives
FROM: Mike Steeves
RE: **Eaglet Mines Limited**

July 19, 1983

The Property

The Eaglet Mines fluorspar property is located some 70 road miles northeast of Williams Lake in the Caribou district of Central British Columbia. The deposit itself is situated at the base of the north arm of Quesnel Lake. To date, reserves of approximately 20 million tonnes of 11.5% CaF₂ have been established but the potential for this deposit is at least 10 times this amount. Silver and molybdenum values have also been encountered but it is too early to speculate on whether or not they occur in recoverable quantities.

Production Plans

We expect the property will be placed into production in 1986 at an initial rate of 3,000 tonnes per day. This is likely to increase to 10,000 tonnes per day over time, depending on market conditions. Due to the depth of overburden and environmental concerns, open pit mining methods will not be used. However, because of the topography and shallow dip of the mineralized zone, the deposit can be reached by a horizontal shaft. Thus, together with mining widths of up to 50 - 60 feet, will enable Eaglet to be among the lowest cost underground mines in North America.

Industrial Uses of Fluorspar

Fluorspar has many industrial applications but is used principally as a flux in the aluminum and steel industries and in the petrochemical industry for the manufacture of fluorocarbon compounds such as teflon. Its variety of applications is particularly important as demand is not restricted to a single industry or a minimal number of large customers. This factor has plagued producers of industrial minerals in the past and continues to do so today. At present, the U.S. imports 85% of its fluorspar and Canada imports all of its requirements. At initial production rates, Eaglet would add only 2% to world production which would be insufficient to cover even domestic needs. Fluorspar prices remained remarkably stable through the recession and we believe that they will strengthen considerably as the economic recovery gathers momentum.

MS/aw

PROPERTY FILE

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Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

July 29, 1983

Central Trust Company
750-700 West Pender Street
Vancouver, B.C.

TREASURY ORDER

You are hereby authorized and directed to hold to the order of or to issue certificates for 550,000 fully paid Units in the capital stock of Eaglet Mines Limited to Pemberton Houston Willoughby Incorporated ("Pemberton"), of 1055 Dunsmuir Street, Vancouver, British Columbia.

We certify that upon delivery of a cheque payable to Eaglet Mines Limited in the amount of \$1,831,500.00 from Pemberton, that these Units have been allotted to Pemberton, that Eaglet Mines Limited has received the full consideration for them, and that they are, therefore, fully paid and non-assessable.

We also certify that the allotment is not made consequent upon a direction given by an optionee or other party primarily entitled to ownership in the Units, but that it constitutes the first transaction having the effect of creating ownership, control, or the right to receive the Units.

Each Unit shall consist of one common share in the capital stock of Eaglet Mines Limited and one "G" Warrant in bearer form.

The Units shall be issued in the denominations or "splits" provided to you by Pemberton.

EAGLET MINES LIMITED

Per: 



Eaglet Mines Limited

BOX 11107 ROYAL CENTRE, 1400 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3

REPORT OF THE ANNUAL MEETING, JUNE 7, 1983

This brief report has been prepared for the benefit of shareholders who were unable to attend the Annual Meeting.

The meeting was convened at 11:00 o'clock in the forenoon on Tuesday, June 7, 1983.

The Annual Report, including the Auditors' Report, was submitted to the meeting.

The following were elected Directors of the Company: John M. Ashton, Allan J. Hammond and Andrew Robertson.

Thorne Riddell, Chartered Accountants, were reappointed auditors.

The meeting approved the increase in authorized capital from Five Million to Ten Million shares.

Questions were asked concerning the uses of FLUORITE or FLUORSPAR (CaF_2) which are answered as follows.

The information given here has been supplied by Energy, Mines and Resources Canada.

FLUORSPAR or FLUORITE, is calcium fluoride (CaF_2), an industrial mineral with a broad spectrum of uses. The most important of these are: in the manufacture of hydrofluoric acid and other fluorine chemicals; as a fluxing agent in various metallurgical processes, the most important being steel manufacture; in the manufacturing of artificial cryolite, an essential ingredient in the production of aluminum; in the refining of uranium ores; and in the glass and ceramic industries.

Fluorspar is marketed in three grades according to end-use:

- Acid Grade - Containing a minimum of 97 per cent CaF_2
- Metallurgical Grade - Containing 60 to 80 per cent CaF_2
- Ceramic Grade - Containing 88 to 97 per cent CaF_2

ACID GRADE

Roughly half the world's production of fluorspar is used in the manufacture of hydrofluoric acid which has a variety of uses, the most important of which are in the aluminum and chemical industries. The manufacture of fluorocarbons such as solvents, resins, plastics, films, refrigerants and aerosol propellants require large quantities of hydrofluoric acid. Fluorspar is also a key ingredient in uranium refining and the consumption is related to the pace of development and use of nuclear energy.

METALLURGICAL GRADE

Normally, 40 per cent of all fluorspar produced is consumed in the manufacture of steel, Metallurgical grade fluorspar is used in the steel industry to remove impurities during melting and also, to improve separation of metal and slag in the furnace by increasing the fluidity of the slag. Fluorspar is also used as a flux in foundries and in the production of Magnesium.

CERAMIC GRADE

Ceramic grade fluorspar is used as an opacifier in enamels and opal glass, and to a limited extent, in the manufacture of clear glass.

OUTLOOK

The performance of fluorspar parallels development in the steel, chemical, and aluminum industries, which together account for 95 per cent of fluorspar consumption. In the longer term, the chemical industry offers the greatest scope for growth in fluorspar consumption. Only the surface of its potential as a chemical has been scratched and based on current developments in the chemical industry and rate of consumption, a growth rate in demand for fluorspar, according to latest forecasts, will be in excess of 10 per cent per year.

EAGLET MINES LIMITED



Andrew Robertson
President and Chief Executive Officer

This report was prepared by the President, who accepts responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved this release.

July 14, 1983

MEMO TO: REGISTERED REPRESENTATIVES , PEMBERTON HOUSTON WILLOUGHBY
FROM: CORPORATE FINANCE
RE: FORTHCOMING NEW ISSUE - EAGLET MINES LIMITED

SUMMARY OF OFFERING

Issue: Units each comprising of One Common Share and One Common Share Purchase Warrant.

Size: 500,000 Units with a "green shoe" of 10% to 550,000 Units. Approximately \$2,000,000.

Price: Priced off the close of the market the day prior to issue. Units will be priced at 105% of this closing price.

Warrant: The Warrant is a 360 day Warrant which entitles the holder to purchase one Common Share at a 10% premium during the first 180 days and at a 20% premium during the next 180 days. Premiums apply to the closing price of the stock on the day prior to issue.

Issue Date: Expected to be during the week of July 18, 1983.

Use of Proceeds: To complete a feasibility study concerning establishment of the mine on the property, including extension of an adit, pilot plant and metallurgical testing. A program of surface and underground drilling will be carried out as well to further define and augment the tonnage of the fluorite zones.

Listing: The Common Shares are listed on the Toronto Stock Exchange (since December, 1982) and Vancouver Stock Exchange (Since July, 1979) (Symbol - EAG). The Warrants will be listed on the VSE.

Marketing Restrictions: The Units are cleared for sale only in British Columbia.

Indication of Interest: Should be forwarded to Pat Masse (Vancouver) and Susi Salfi (Branches).

EAGLET MINES LIMITED

INVESTMENT HIGHLIGHTS

Experienced Management

Mr. Andrew Robertson, President, has been responsible for the development of several producing mines, the most notable of which is Endako.

Mr. Andrew von Kursell, General Manager, was head of Cypress Anvil's Yukon operations for six years prior to joining Eaglet.

Massive World Class Fluorspar Deposits

The deposit has several desirable characteristics for development and is huge. Reserves have been established at 20 million tons (11.6% Fluorspar) and is open in all directions.

Outlook for Fluorspar Price

Fluorspar has several industrial applications (aluminum and steel manufacture and fluoro-chemicals). With increased industrial activity, a growing fluoro-chemical industry and expanding U.S. stock pile adding to the demand side and little addition on the supply side, price growth is expected to significantly outpace the price increase of the past five years.

Low Production Costs

The nature of the deposit is such that mining and milling costs will be low; likely equaling those of efficient copper producers.

Supplemental Mineral Values

The presence of other minerals such as silver, lead and molybdenum may prove to be economically recoverable as by-products and further enhance the project economics.

COMMENTS

The Company

Eaglet Mines Limited ("Eaglet") was incorporated for the sole purpose of exploring and developing a mine on a massive fluorspar deposit on Quesnel Lake near Williams Lake, British Columbia. The Company's thinking at this preliminary stage is for a mine with a capacity of 3,000 tons per day which would produce approximately 100,000 tons of fluorspar per annum.

In 1978, Andrew Robertson became President. Mr. Robertson has extensive experience in the mining industry with his most notable success being the discovery and promotion of the Endako molybdenum mine now owned by Placer Development. In February, 1983, Andrew von Kursell joined Eaglet as General Manager and Chief Engineer. Before joining Eaglet, he was head of Cyprus Anvil's Faro Yukon operations for six years. Prior to that he spent six years as Superintendent at Cominco's Pine Point Mine, and six years with Algom Ore Properties. With extensive mining experience he will add depth to the Company's management.

The Property

Eaglet owns mineral claims on approximately 4,450 acres located on the north arm of Quesnel Lake. Eaglet's recent drilling program has been conducted over the past three seasons, with the Summer of 1982 being the most active. In all, over 100 holes have been drilled totalling in excess of 50,000 feet. The results to date have located reserves of proven, probable and inferred which is an economic grade. The deposit is open on all sides and also in depth. Only 150 acres of the deposits have been drilled to date. The property has several desirable characteristics versus other fluorspar properties in the world as follows:

1. It is located near existing infrastructure, i.e. townsite, power and rail are nearby.
2. It is located in Canada - politically stable and close to the U.S. market which imports over 90% of its requirements.
3. Little radioactive contamination - many fluorspar deposits contain radioactive material which restricts mining of the material.
4. Massive scale of the deposit - only 150 acres of this 4,450 acre property have been drilled and the deposit is open in all directions.
5. Low operating costs - nature of the mine will be similar to that of a copper mine and at 3,000 tons per day the unit operating costs will be low.
6. Indications of the presence of other minerals (silver, lead and molybdenum) may prove to be valuable by-products further enhancing the economics of the mine.

Fluorspar

Fluorspar is used in the production of aluminum, as a fluxing agent in the manufacture of steel, and in the manufacture of hydro-fluoric acid which is used to make fluoro-carbon compounds for refrigerants, plastic and solvents. It is also used in the ceramic industries for enamel.

Total U.S. consumption in 1981 was 932,000 tons versus total U.S. production of 115,000 tons. The balance of approximately 817,000 tons was imported mainly from Mexico, making the United States highly dependent on this source of supply. With no mine in production in Canada, and no new mines in sight in the United States, Eaglet expects to sell a major portion of its production in the United States. Canada consumes approximately 400,000 tons of fluorspar mostly imported from Mexico. The Canadian consumer is also a potential customer for Eaglet.

World reserves of fluorspar are expected to be depleted by the year 2000 if no new mines are brought into production, and supply and demand imbalance is expected by the mid-1980's when consumption will begin to exceed supply.

The recent price history of fluorspar is as follows:

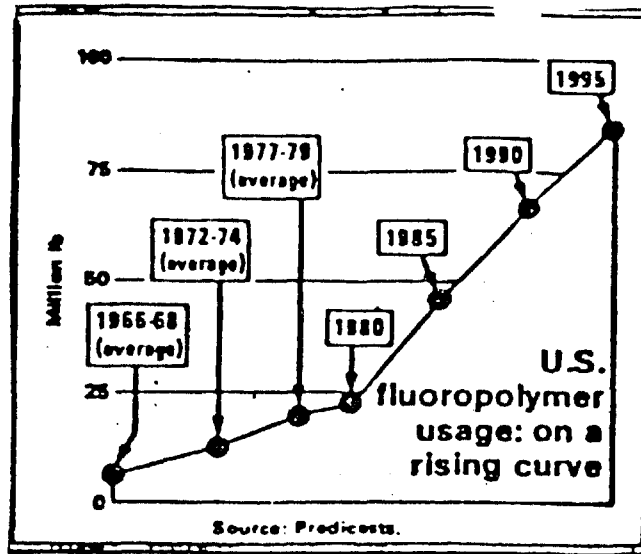
<u>Year</u>	<u>US \$/ton</u>
1977	\$105
1978	\$110
1979	\$120
1980	\$150
1981	\$175
1982	\$175
1983	\$180

The price has increased at an 11 1/2% annual compound rate over the past five years. The price flattened out over the past two years in response to the faltering world economy. With fluorspar's tie to industrial uses, demand is closely related to the general level of economic activity.

The price increase over the next five years is expected to be more rapid than that of the past half decade for the following reasons:

1. Increased industrial activity associated with the general recovery now underway will increase demands.
2. Increased uses for fluorspar in fluoro-chemical industry will increase demand.
3. Lack of any significant world production expansion.
4. Increases to the U.S. government stock pile.

On this latter point, fluorspar has been designated a strategic material by the U.S. government and they are in the process of accumulating a stock pile.



Chemical Week/November 17, 1982

World Production of Fluorspar

The major producing countries of fluorspar are as follows:

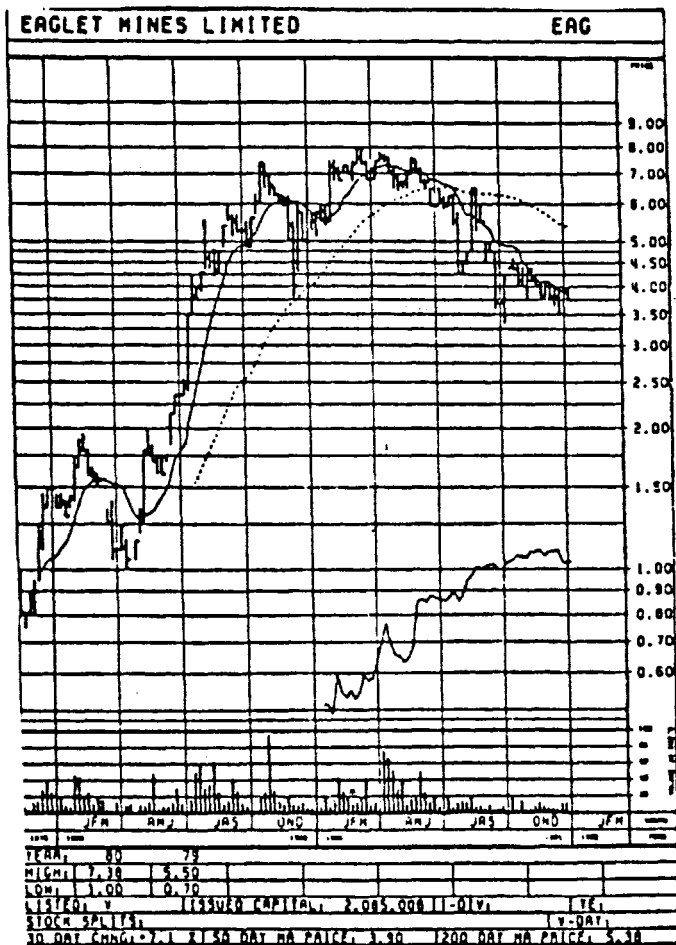
<u>Country</u>	<u>Annual Production</u> (000's tons)
Mexico	1,200
USSR	585
South Africa	550
Spain	340
France	290
Italy	170

Total world production was 5,500,000 tons in 1981 up only 14% in five years from 4,850,000 tons in 1977. The world's largest fluorspar mine is in Mexico with an annual capacity of 300,000 tons and is owned by Noranda.

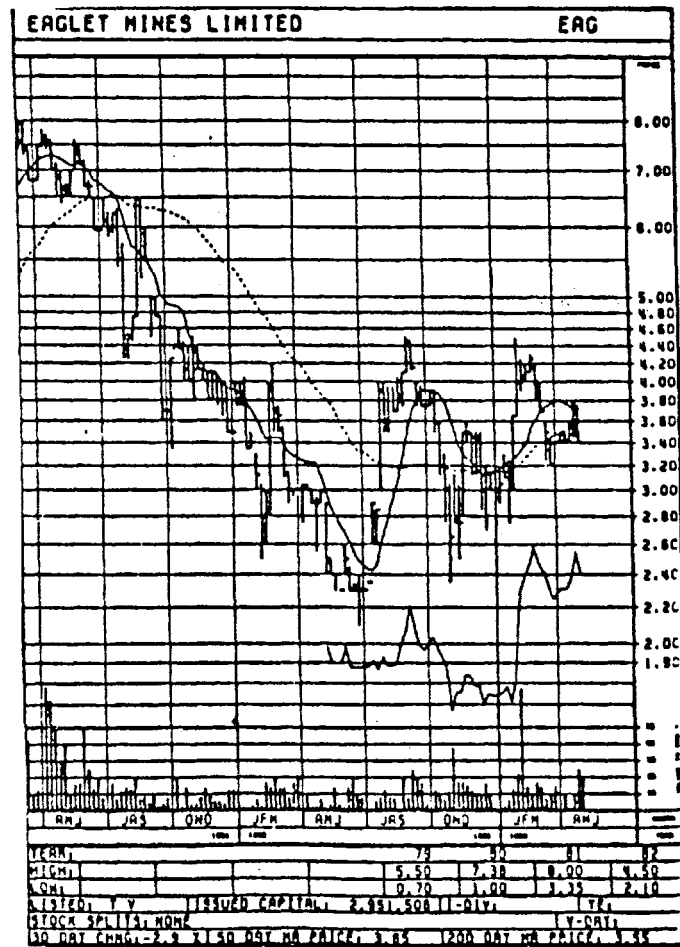
Marketing and Mine Development

Eaglet has been approached by several users of Fluorspar who are interested in this potential mine. They are seeking to secure a reliable supply of high quality fluorspar. Interest has been shown by U.S., Canadian, Korean and Japanese firms seeking long-term supply contracts. Until the feasibility study is complete, the Company is not able to advance these discussions.

Development of a 3,000 ton per day mine and mill is expected to cost in the \$50-\$60 million range. In dealing with customers on supply contracts, Eaglet will be seeking a commitment to enable it to arrange the senior financing necessary to provide with development.



LATE 1979 TO EARLY 1982



1981 TO MAY 1983