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**FAX from : Louis Berniolles
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**to : John S. Brock, President
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message: letter and enclosure follow.

Total number of pages including this one : 5

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Mr. John S. Brock, President
Columbia Gold Mines Ltd.
675 West Hastings St.
Vancouver, B.C. V6B 1N2

April 15, 1998

Dear Mr. Brock,

I am putting a property in West Central B.C. up for sale, and thought you might be interested in looking at the opportunities this high-grade gold prospect offers.

The Mount Skinner prospect was discovered in 1990, and has been the object of over \$750,000 in exploration expenditures since then. An underground bulk sample of several hundred tons taken in 1995-96 graded over 1.5 ounces of gold per ton. I believe this property would be ideal as a "qualifying property" for an IPO or for a "major transaction" by a capital pool company.

I enclose a 3 page summary outlining exploration results so far, and the general terms of sale. If this proposal is of interest to you, I will be pleased to send you detailed reports on the work performed up to now.

Yours truly,

Louis M. Berniolles
President, Ottarasko Mines Ltd.

MOUNT SKINNER SALE - SUMMARY OF PROPOSAL

L. Berniolles - April 1998

Property description.

Located in central British Columbia 260 km west of Williams Lake by road, the 4300 acre Mt. Skinner gold property hosts a one mile long system of en-echelon intrusive-hosted shear-controlled epithermal gold-quartz veins and lenses, as well as several possible additional targets for gold, copper and molybdenum. To date, less than 10% of the system strike length has been investigated by drilling, trenching or underground development.

The property was discovered in 1990 by the current owners. Work to date consists of prospecting, geological mapping, geochemical and geophysical surveys, hand and mechanical trenching, diamond drilling (15 holes totalling 939 metres), underground development and bulk sampling (773 tons of ore averaging 1.674 oz/ton Au). Of the current cumulative exploration expenditures on the property (\$785,000), nearly \$750,000 have been spent on the westernmost extremity of the system, where the discovery vein (the Victoria vein) is located.

The Victoria vein strikes at approximately 55 degrees and dips to the north at 55 to 75 degrees. It has been exposed intermittently for 130 metres by hand and mechanical trenching. To the northeast it appears to feather out, while to the southwest it is talus covered. At surface it exhibits pinch and swell characteristics with widths reaching a maximum of 1.4 metres. Grades throughout are variable, with a composite of all available trench assays over a strike length of 59 metres averaging 0.836 oz/ton Au over an average width of 1.05 metres.

A total of 15 diamond drill holes were completed on the Victoria vein over a horizontal distance of 85 metres. All the holes intersected the shear zone structure hosting the vein, but economic intersects are limited to the central part of the drilling pattern, over a strike distance of 45 metres and to a depth of 55 metres. In this ore shoot, which is open at depth, a total of 9 drill intersects gave vein widths ranging from 0.21 metres to 1.16 metres, and gold grades ranging from 0.171 oz/ton to 1.820 oz/ton.

Two bulk samples were extracted from the central ore shoot on the Victoria Vein. The first one, taken in 1992-93 from a surface open cut 5 metres deep and 20 metres

long, gave 190 tons of ore grading 1.949 oz/ton Au. The second one, taken in 1995-96 from an underground decline reaching 25 metres below surface on the shoot, gave 583 tons of ore grading 1.585 oz/ton Au. These results indicate that by mining selectively, grades considerably higher than would be suggested by drill core assays can be achieved : the overall average bulk sample grade of 1.674 oz/ton Au is more than twice the grade of the only drill core sample included within the mined area (0.608 oz/ton), and also twice as high as the surface trench assay composite (0.836 oz/ton). Clearly with this type of ore body the main value of drilling is to ascertain the structure rather than the grade.

Terms of sale.

A 100% interest in the property is available. The proposed transaction involves the sale/purchase of all the outstanding shares of Mt. Skinner Gold Corp., a federal company incorporated in January 1997 whose only asset is the Mt. Skinner property. The purchase price is \$650,000 (firm), of which a minimum of \$350,000 will be in cash, and the remaining \$300,000 could be in cash or in shares. If the shares in question are from an established publicly traded company, their acceptability will be based on their liquidity (free-trading, with a history of good trading volumes and no wild price swings). If the company whose shares are being transferred is not publicly traded yet, it must have credible plans for an early IPO, the shares issued to the seller must be issued at seed price, and the seller will be represented on the board of the new company (which could be Mt. Skinner Gold Corp. itself).

Business prospects.

The Mt. Skinner property is an ideal "qualifier" property for an IPO. It has a proven record of attracting press and industry interest whenever a sizeable exploration program is mounted (article in Exploration in British Columbia, 1991; lead article in Mining Review, Winter 1992; article in Northern Miner, Oct. 18 1993; map of "Advanced Exploration Projects" in B.C. Mineral Exploration Review 1994; mention in Geological Fieldwork 1995, BCGS Paper 1996-1, pp. 77 to 91). It is clearly a property of geological merit, and exceeds the past-expenditure requirements of the ASE and the VSE by a wide margin. The claims are in good standing until 2006 so that there is great flexibility in the timing of future exploration and of the initial public offer itself.

Most of the work up to now has been heavily concentrated on the short section of the mineralized trend which is nearest to the valley floor and therefore most readily road accessible. A number of occurrences found further up the mountainside have not been investigated at all. The various geophysical and geochemical surveys and the geological mapping performed so far cover less than half of the known strike length of the gold system, and the recommendations and targets they outlined were never followed up. Consequently the property has considerable potential for further grassroots exploration, and also requires additional drilling and underground development in the vicinity of the Victoria vein.

CDW ← 544,000 value

Finally, the current reserves, while small, can be exploited economically with no capital input, exclusively by using outside contractors, as was done for the bulk sampling program. The bulk samples produced 1295 oz of gold for a total cost of C\$374,000, including all charges for mining, surface handling, reclamation, control systems, trucking, and all smelter and milling fees and deductions. The indicated all-inclusive cost per ounce is C\$289 (or \$203 US at the current exchange rate). This cost per ounce could be brought down to \$160 US through contract renegotiations based on larger volume of production and shipment, and the judicious purchase of a few items of mobile capital equipment.

An interesting scenario for the exploration and development of the property would include a first phase of grassroots exploration (geochemistry, geophysics, trenching) on the part of the mineral trend which has been neglected so far, combined with more advanced work on the Victoria vein, including drilling at depth and development of a drift on the vein at the 935 m. level (surface=1000 m.) for accurate grade measurements. This first phase could be the object program of an IPO. Follow-ups would of course depend on the results obtained from the grassroots part of the initial exploration program, but even if all the results of the first phase were negative, the company could proceed with the profitable extraction of the reserves above the 935 m level, estimated at 3700 ounces of gold, for an estimated net operating profit of more than C\$700,000 on this second phase.