671681 103P/IZW Saddle Group

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Mr. John Clarke P.O. Box 94 Kitsault, B.C. VOV 1J0

Dear John:

Enclosed is a copy of the assay results received from Chemex yesterday.

The values are interesting but rather perplexing since gold and silver values do not correspong directly with each other or with copper, lead or zinc contents. I would presume the silver is associated with lead content but that the gold may be in relatively free state although generally associated with the richer sulphide areas.

From your descriptions the SADDLE structure does not sound like a tonnage maker and, although it is interesting in itself, it is not really the sort of target our Newex Syndicate is looking for. If I can be of help otherwise please let me know.

The values from the Kinskuch core sample rather surprise me. This property may warrant further investigation since the rock gives me the impression of something that might make tonnage. The Cariboo-Bell runs about 0.45% Cu and 0.018 ounces Au. Oxidation of the copper has been a problem. Afton is B.C.'s largest gold producer and averages 0.016 ounces Au per ton. These deposits are quite interesting where power and access are not impossible.

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Best of luck, J.C. Stephen Explorations Ltd.

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J.C. Stephen

JCS/ms