

August 26th, 1968.

Mr. N. Pentecost, President,
Plutus Mines Ltd.,
1232 Flury Rd.,
Richmond, B.C.

Dear Sir:

During August 20-22, in the company of Dr. A. Turner and yourself, I visited the property of Plutus Mines Ltd. near Likely, B.C. While there, I inspected the known veins, examined the drill core and underground workings, and perused the August, 1968, report prepared by R.W. Phendler, P.Eng. As a result, I am in possession of the following pertinent facts concerning the Plutus property:

1. The principal rocks on the property are a series of black phyllites that dip flatly (5° - 20°) northeastward.
2. A number of persistent, conformable, milky quartz veins occur in the phyllites. Galena occurs in some of the fractures in the No. 2, No. 3 and Falls veins. (The No. 1 vein is now covered by talus and hence was not seen.)
3. The known potential of the property depends on the silver values which in turn depend on the amount of galena (PbS) that occurs in the quartz veins.
4. An adit has been driven below the No. 1, No. 2 and No. 3 veins. From the adit 11 holes have been drilled to intersect the aforementioned veins. A number of quartz vein intersections were obtained,

the best of which assayed 12.1 oz. Ag across 5.0' (assays were available from only the first nine holes).

5. The average core recovery in the first 9 drill holes was 74%.

Under favourable circumstances, 5.0' of 12.1 oz. Ag may constitute ore but, to date, no ore as such has been blocked out on the property. Any engineer who is prepared to argue the point should be prepared to submit quantitative data to substantiate his contention.

The above statement is not intended to derogate or detract from a property that has merit. It is intended solely to put the matter in perspective, i.e. more work is required to obtain quantitative data on the vein deposits.

For the present, the obvious locus of additional work is directly above the adit, where a number of interesting drill intersections have been obtained. In this regard, I have recommended verbally to you and Dr. Turner that an inclined raise be driven from the adit level to expose the No. 2 and No. 3 veins (and possibly others occurring between the No. 3 vein and the surface). Such a raise would be approximately 150 feet in length and cost about \$10,000.

When this has been accomplished, a further appraisal of the situation would be in order.

Respectfully submitted,

BACON and CROWHURST

W.R. Bacon, P.Eng.