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March 1st, 1969

Morocco Mines Limited, #807 - 509 Richards Street, Vancouver 2, B.C.

Dear Sirs:

Re: Progress Report

The January geophysical survey that was conducted by Seigel Associates for your company has confirmed that the large anomalous area on the Summit claims of Coast Silver ownership extends onto your BIT group of claims. This is another open end area showing high chargeability responses that will require additional mineral exploration in the early spring.

Your company has wisely expanded its holdings in the Cariboo Mining Division to cover the projected extension of interesting areas by both induced polarization and geochemical surveys. The results of this recent exploration have been mapped in detail, however, to point out why certain claims have been acquired, I have made a diagrammatic drawing of your holdings and the recent exploration all to the same scale. These three drawings are attached.

Exploration was started on your BREN group when we completed a geochemical survey over a grid of the entire group of 50 claims. Before this work was started, it was necessary to survey control base lines and then to blaze and picket east-west lines every 300 feet across the entire block of claims. Samples were then taken along these lines and sent to Vancouver for appraisal. The map completed showing the results of this first work indicated mineralization to the north and to the south.

The BREN 51 - 66 were then staked to cover the northward extension and the BIT group was acquired to protect the open portion of the anomalous area south of BREN 3 and 5. Also the survey showed that there was some open ground near the centre of the claim group, so your company staked the BREN Fractions 1 - 6.

Seigel Associates were retained by your company to do a geophysical survey with an induced polarization machine. Several very interesting areas were located and the one area near the southern portion of the BIT group was so strong that the I.P. crew was called back to check additional lines across BIT claims 50, 52 and 54. The results of this work are shown on the large scale map attached.

Jon G. Baird, P. Eng., of Seigel Associates has summarized the work on the claims as:

"The present induced polarization survey has revealed moderately high chargeability responses which may be caused by concentrations of up to 2% by volume of metallically conducting material. The character of such material is not known; however, the known geology appears to indicate that it may be sulphide mineralization in intrusive rocks.

There is still a good deal of scope for the use of the induced polarization method. Further traverses on lines more closely spaced and using different electrode separations would allow quantitative interpretation of the location, attitude, depth below surface and possible metallically conducting content of the source bodies. If the geology compares favourably with the present geophysical data however, diamond drilling may be proposed solely on the basis of the present results."

The large zone of high chargeability responses on the BREN group has shown the zone to be open on the north and the east. The north extension would be protected with the new BREN 51 - 66 group but it was necessary to acquire the BUN group to protect any eastern extension. These additional claim groups are shown on the attached large scale claim map.

Your claim group now numbers 182 claims and it is recommended that the exploration start as quickly as the weather permits this Spring. The work should be to do some detail geochemistry and geological mapping in the areas of geophysical response as located with your work to date. Two target areas for diamond drilling have been selected, one on the BREN and the other on the BIT group. This preliminary drilling is recommended to be 2,000 feet of BQ size holes.

Respectfully submitted,

Franklin L.C. Price, P. Eng.

flcp/h: att.

