

Petro-Canada Inc.

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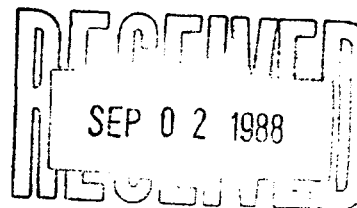
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August 29, 1988

Casau Exploration Ltd.
704, 850 West Hastings Street
Vancouver, B. C.
V6C 1E1



Attention: **Mr. J. C. Stephen**
President

Dear Cam:

Re: 1978 and 1979 Drilling Programs
Okanagan Uranium Project
Our File: 3844-00

On Thursday, August 25th I located the ranch where the diamond drill core from the 1978 program and the cuttings from the 1979 rotary drill program are stored. Petro-Canada has settled outstanding storage charges with Mr. Jesse Watts, the landowner.

As we discussed by telephone, please make arrangements to pick up the core and any samples from holes on Astro claims on which you have options from Petro-Canada.

Casau may remove the core from DDH 78-1 and 78-2 and samples from 79-6 to 15 inclusive.

The core from 78-6, which was drilled on Astro 3 on ground between claims optioned by Casau and Welcome North should be shared and I suggest that you call John Brook and make joint arrangements for removal and any sampling or testing.

If you are not interested in this core, Petro-Canada will retain ownership and attempt to sell it to the company that now has the ground staked.

The cuttings from the 1979 program were stored on the floor of the core shed in plastic bags and marked with hole numbers and depths. The plastic bags were put into burlap sacks which have deteriorated badly. Some of the plastic bags have been damaged but, on removal of the overlying bovine pre-capolite detrital layer many are still intact and the writing is legible. Gloves are recommended for handling.

The core is stacked in 5 foot boxes on metal racks in the shed, which is behind (on the south side) of a doorless 2 or 3 car shelter which faces the road. Jesse has cut an access hole through the wall. A pickup can

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be backed up to the hole. The core boxes should be handled carefully as the nails may not be too solidly in the wood after 10 years. The boxes are not covered so lids and nails should be brought if you wish to transport the core.

Petro-Canada will pay storage charges until the end of September. Jesse is planning on knocking down the vehicle shelter and core shed this fall. He has another shed where he is prepared to store the core, if you care to make your own arrangements with him.

The ranch is located on the left (south) side of the road 7.9 kilometers west along Highway 3A from the Junction of Highways 3A and 97 near the Keledan weigh scale, a few miles south of Penticton.

If you approach from the west along 3A, the ranch is on the right in the valley at the bottom of hill, 2.7 kilometers from the Shell station across from the golf course.

Please contact Jesse or Dorie Watts at 499-2528 (Keremeos) before entering the property. Jesse's mother, Mrs. Watts (tel. 497-5295) lives in a trailer house at the ranch. John and Cindy Smith (tel. 497-8927) live in the old ranch house, which should soon have new asphalt shingles installed.

A map showing the location of the ranch is enclosed, plus a letter authorizing you to remove the samples.

Please contact me at 296-4666 if you have any questions.

Yours very truly,

PETRO-CANADA INC.

J.A. Frew
Regional Land Supervisor

By: 
D.C. Kinton
District Land Representative

DCK/prb