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June 8th, 1990

Mr. Bert Reeve,
Laramide Resources Ltd.
675 West Hastings Street
Vancouver, B.C.

PRIVATE AND CONFIDENTIAL

Dear Bert:

Re: Fish Lake Development

In our view, the objective of the next phase of work (both field and compilation) will be to:

(a) refine and increase the ore grades of the existing zones

(b) delineate further gold rich zones

(c) understand the mineralogy and metallurgy to make realistic recovery projections and

(d) prepare preliminary capital and operating costs

It is also apparent, from the material provided to us, that the earlier workers may have missed two very important geological concepts with respect to gold rich porphyry systems. These concepts involve the deposit alteration and host rock assemblages.

However, in order to correctly focus the next phase of work, the most important near term efforts will be to compile all the earlier work.

This is especially true of the early Quintana and Bethlehem drilling with respect to assay intervals, core logs, hole locations and host rocks.

The compilation work will consolidate all the early material logically, identify gaps and establish the known technical parameters of the project. Compilation should consist of the following:

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(a) The percussion drilling and early diamond drilling need to be checked for sampling methods, sample preparation and core logging consistancy.

(b) Cross sections need to be checked carefully for correctness and completion. Drill logs need to be matched against sections and assay intervals.

(c) A gold-copper equivalent table needs to be compiled immediately.

(d) A series of north-south, east-west cross-sections need to be constructed to confirm geometry and controls.

(e) A simple polygon ore reserve needs to be completed.

The existing data base also needs to be examined with respect to the early IP coverage and instrument techniques, the early field geochemistry coverage and collection, the drill hole sampling, and the sample preparation and assaying techniques.

Once data compilation is complete and initial field work confirms the locations of the existing holes and anomalies a further field program would commence.

This field program will have been planned during the final phase of the compilation work.

From our experience, the field work will likely consist of the following:

(a) The definition of the limits and geometry of the "main" deposit

(b) The development of reliable grade composites for gold and copper and a series of variograms for a reserve block model. This work will be guided by NQ infill drilling.

(c) The use of contemporary exploration techniques to outline additional new gold-copper zones, especially between the main deposit and the Albert zone, the area of alteration towards the north-west from the main zone and the basalts towards the west. Techniques to use would include high input IP, lithogeochemistry and detailed mapping of alteration and intrusive relationships.

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(d) Refining the preliminary metallurgy so as to optimize gold recovery and copper recovery.

(e) The development of preliminary capital and operating costs to provide direction for future exploration work.

(f) The compilation of preliminary environmental data for base line purposes.

The program details, such as the number of drill holes and footages for the main zone will have to be finalized during the data compilation period.

The estimated time to compile the existing data is some two to three months at a cost of $100,000 to $250,000.00.

Yours truly,

D.J. Copeland, P.Eng.

DJC/my/