

August 15, 1989

Mr. John Godfrey, President
Golden North Resources Corporation
1530 - 800 West Pender St.
Vancouver, B.C.

Dear Mr. Godfrey:

In a recent discussion you expressed an interest in my views concerning the re-appointment of Corona Corporation as the contractor for your upcoming program. Herewith are my thoughts.

Corona has been the designer, manager and contractor of the programs concerning Golden North's Hedley properties since 1987. Prior to that date an agreement concerning exploration of certain of the Hedley properties of Golden North was in place with Placer Developments Ltd. of Vancouver. It is understood that no management agreement is in place with Corona at the time of writing. This leaves Golden North in the position of appointing a contractor to do the recommended work should they wish.

The case against appointing Corona to carry out field operations is that being the only game in the Hedley area the design of programs is gauged to meet Nickel Plate requirements, thus management and direction of the field programs all point inward.

The case for Corona is that programs are designed to eventually feed the mill at Nickel Plate thus keeping Golden North's present overhead down and eventually eliminating the cost of capital expenditures revolving around a pit-mill complex. In the overhead department, Golden North does not require the formation of a geological department and attendant field situations. Golden North can draw on the expertise of Corona's geology department to carry out the field recommendations and submit their professional opinions in program documentation.

It is recognized that Corona has access to information, possibly in advance of Golden North, by the simple fact of being the "cheque signer". But than the programs are designed to prove up mineralization and put it into the economical category, always with the Nickel Plate mill in the background. The programs have a purpose.

It should be noted that Golden North has funded all the programs themselves designed by Corona (and its predecessors). This amounts to in excess of \$4 million to this point in time. Golden North stands to regain a portion of these exploration costs in its eventual negotiations with Nickel Plate concerning those orebodies within the Golden North claims.

In the writers opinion, Corona, although without a contract, have designed and managed programs over the last 2 years which have examined and evaluated the Golden North claims in a professional manner. They have employed highly qualified people to carry out the field programs and have been prudent in their charges thereof. The designed programs are of benefit to both Nickel Plate (Corona) and Golden North.

The writer recommends that Golden North consider maintaining Corona as the operator of the field programs at this point in time.

Yours truly,

W.G. HAINSWORTH & ASSOCIATES

W.G. Hainsworth, P.Eng.

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