

RUBIN HAWES & COMPANY
Barristers and Solicitors

800184

Adrienne Rubin Hawes
Shannon K. Keyes

January 13, 1988

Mistral Resources Ltd.
302 - 698 Seymour Street
Vancouver, British Columbia
V6B 3K4

Attention: Mr. Bruce Luckman
Ms. Lauri A. Goodman

Dear Sirs:

Enclosed for your information is a memo setting forth the updated comments of the Vancouver Stock Exchange engineering consultant received by us today.

Yours very truly,

RUBIN HAWES & COMPANY



Adrienne Rubin Hawes

SKK/ARH/jj

encl.

✓ cc: W.G. Hainsworth & Associates Ltd.
Attention: Mr. W.G. Hainsworth

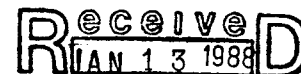
VANCOUVER STOCK EXCHANGE



Stock Exchange Tower
P.O. Box 10333
609 Granville Street
Vancouver, British Columbia
V7Y 1H1

Telephone
(604) 689-3334
Telex
04-55480

January 13, 1988



Rubin, Hawes and Company
Barristers & Solicitors
1730 - 609 Granville
Vancouver, B.C.

Attention: Ms. Rubin Hawes

Dear Sirs:

Re: MISTRAL RESOURCES LTD.

Please find enclosed the updated comments of our Engineering consultant.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

VANCOUVER STOCK EXCHANGE

A handwritten signature in black ink, appearing to read 'M.J.R. Gilley', written over the typed name.

Michael J.R. Gilley
Listings Officer

MG:pl

cc: Superintendent of Brokers

To: Mike Gilley

January 14, 1988

Re: MISTRAL RESOURCES LTD.

Under date of April 14, 1986, amended October 5, 1986, W.G. Hainsworth, P.Eng.(B.C.) submitted a report written for Genie Resources Ltd. This report pertains to 21 contiguous placer claims over the mouth of and extending up Otter Creek, a distance of 3,000 meters. These claims are in the Atlin Mining Division, located 12 miles east of Atlin.

The author advises that during 1983, using a hammer drill, Genie identified 1,405,000 cubic yards of mineral reserves classified as drill indicated, with a grade of 0.052 oz gold per cubic yard. Based on gold losses in drilling, the author advises that this may represent material with a grade of 0.07 oz gold per cubic yard.

The author advises that during 1984 the Issuer processed 150,000 cubic yards of pay gravel through the sluice boxes and recovered an average of 0.022 oz gold per cubic yard.

Mr. Hainsworth advises that by taking sluice losses and waste delusion into effect he has calculated an initial grade of 0.064 oz gold per cubic yard.

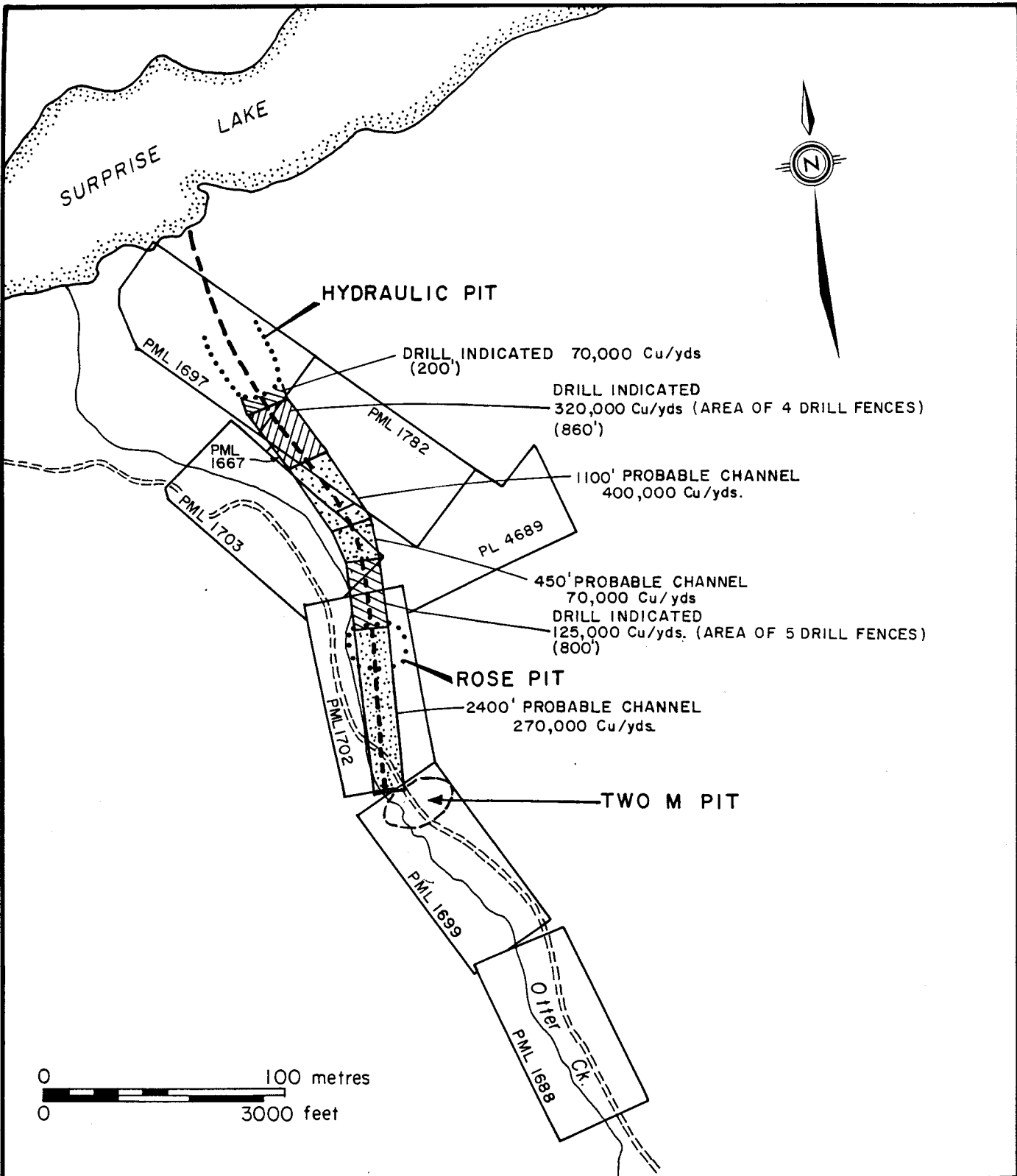
Mr. Hainsworth recommended that Genie provide funds sufficient to strip 750,000 cubic yards and for mining 360,000 cubic yards of Otter Creek gravel plus exploration drilling and monitoring of the wash plant.

This report, with one exception, responds to the queries posed in my memorandum dated December 18, 1987 regarding deficiencies in the Hainsworth report dated October 30, 1987. "I would invite the Issuer to show on Figure 2, following page 3 of the October 30, 1987 report, the position of the Tina Group of Claims where Two M Mining Company is working (page 14)." In my judgement the October 30, 1987 report, coupled with the April 14, 1986 report, amended October 5, 1986, all by Mr. Hainsworth are acceptable.

However, the April 14, 1986 report amended October 5, 1986 does not satisfy all the deficiencies noted in my memorandum dated December 18, 1987 pertaining to the Hainsworth report of November 25, 1987.

Before recommending acceptance of this submission, I would invite the Issuer to respond to the following two comments:

1. In my opinion Figure 3A which follows page 17 of of the April 14, 1986 report, amended October 5, 1986 does not provide adequate detail of the reserves classified as drill indicted for the evaluation which Mr. Hainsworth puts forward.
 2. I would also call the Issuer's attention to Section 4.7.4.3 of National Policy 2A; "possible or referred reserves must not be added to other categories of reserves and their inclusion is not acceptable in any economic analysis or feasibility study of a project".
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NOTE: SEE RESERVE SUMMARY

GENIE RESOURCES LTD.		
ATLIN, B.C.		
OTTER CREEK PLACER CLAIMS		
DRILL INDICATED AND PROBABLE RESERVES		
To Accompany a Report	N.T.S. 104 N/11W	FIG.
BY W.G. Hainsworth P.Eng.	DATE: April 8, 1986	3a

REVISED JAN., 1988