

Dave E. Woodward
7727 95th Street
Grande Prairie
Alta. T8V 4V3
April 10, 1980

800285

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Mr. Bill Hainsworth
G.M. Resources Limited
Suite 310, 800 6th Avenue S.W.
Calgary
Alta T2P 3G3

Dear Sir,

Subject: Woodward Group Placer Lease I72
Likely Area, British Columbia.

As per our last telephone conversation I am enclosing the second report written by M.C. Robinson on subject Placer Lease.

Three holes were drilled to an average depth of 97 feet in November '79, This report is based on said drilling results.

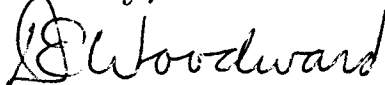
It is important to note that Hole No. 3 was drilled between two of the old holes which were drilled by the British Mining Co., (mentioned in first report) in 1938. During the drilling program we found two other old holes. A heavy snowfall prevented us from searching further.

The old holes are easily identifiable. They are about 14 inches in diameter and a foot to 18 inches deep. If you poke a stick down them the stick will penetrate fairly easily.

In any case, as we know that there has been gold taken out of this property, we strongly believe that the channel is there.

I will phone you a few days after you receive this report. We would like to see some action on the property this summer if possible.

Sincerely,



D.E. Woodward.