

April 30, 1970.

Mr. G. W. Walkey,
Vice-President & General Manager,
Kam-Kotia Mines Limited,
25 Adelaide Street West,
Toronto 1. Ontario.

Dear Mr. Walkey:

Thank you for your much appreciated letter of April 23, 1970; also, my thanks for attending to my fees and expenses - received recently via a cheque from Bill Hogg.

I regret that your recent travel schedule precluded the extra time needed for a personal discussion of exploration-development procedures and results at your New Denver project; however, I still look forward to such a meeting at some later date.

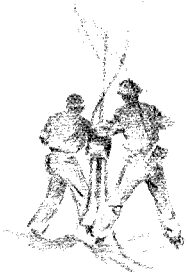
Although this may appear repetitious, may I assure you that your current approach to exploration and development at Silmonac seems to be about the most efficient and flexible one that could be adapted to this flat and sinuous lode segment. The rate at which a considerable body of ore has been delineated via this approach, would seem to confirm its particular suitability.

At the time of my visit, Bill appeared to be having some difficulty getting the desired speed and core-recovery with his small drilling outfit. I imagine he has solved several of the incidental problems by now; however, some further evaluation of this equipment as compared to other types might be worth while.

It is certainly good to hear that the property will soon be on a producing basis. This will provide the concurrent benefit of lower unit exploration costs, which in turn, will make a long-range exploration program that is much more feasible. In this, or any other connection I would be most willing to provide what service I can.

Yours very truly,

W. M. Sharp, P.Eng.



Kam-Kotia mines limited

25 ADELAIDE STREET WEST, SUITE 416, TORONTO 1, CANADA

TELEPHONE 362-4581

April 23, 1970.

Mr. W. M. Sharp, P. Eng.,
171 West Esplanade,
North Vancouver, B.C.

Dear Mr. Sharp:

I had hoped to talk to you in Vancouver last week on my way through to New Denver and return, but the times were inconvenient.

I instructed Bill Hogg to pay your fee for your report last week, and I hope you have received payment by now.

I regret that the terms of reference for your report were somewhat vague, and, I have to accept the responsibility for not setting the terms out myself, or at least talking to you in advance. However, I had expected to see you at New Denver in February at which time I intended to discuss our ideas with you.

We had, in discussions with John Black and later with Bill Hogg, developed an approach to exploration at Silmonac that I felt was the best solution, subject to variations in detail, and, of course, retaining flexibility. I knew that you had extensive experience in The Slocan, including time at the Victor, and of course, I had a copy of your November, 1967, report prepared for Silmonac.

Basically, what I wanted was your assessment of the program we developed for exploring the lode, and/or any specific proposals if you had alternative suggestions. In your report, your recommendations concur with our plans.

Developments in March and early April were such that we have decided to prepare for production as soon as possible, and therefore all current efforts are devoted

Mr. W. M. Sharp, P. Eng.

April 23, 1970.

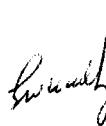
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to developing best ore sections for mining and basic exploration has been suspended. We have developed over 1,200 feet of lode strike and several hundred feet of lode dip and potential ore reserves are quite large on a relative basis. We will resume exploration after production has been established.

I hope that we will be able to call on you for advice in the future.

Yours very truly,

KAM-KOTIA MINES LIMITED,



G. W. Walkey,
Vice-President & General Manager.

GWW/CD