

time on the property, Don Bragg, estimates a total tonnage of somewhere in the order of in excess of 10,000,000 tons of 2 - 2½% combined lead/zinc, with 1 - 2 oz. silver, something in the order optimistically of \$25 - \$30 rock. This isn't very encouraging in my mind and this is why I continue to stress if this is a fault zone and breccia complex related epigenetic deposit, it is probably of little or no interest; however, if it is a deformed Mississippi Valley-type deposit, we might want to move on it, pending Wayne's investigation. As I further indicated at lunch, Suzie is probably desperate enough to deal on the property as they are running out of money.

ALBERT CANYON, McDOUGAL AND INCOMAPPELUX CLAIM GROUP PACKAGE - KODIAK RESOURCES

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These properties were brought to us originally by Mirko and DeQuadros. They are in the Revelstoke area. We have previously discussed them at some length and have both agreed that we should approach Metallgesellschaft about a potential joint venture because of the overlap of this area into the Cottonbelt regional program of last year. I have pursued this tact with Mirko and they are in substantial agreement. The technical data on the property is appended to this memo.

We are currently at the point of having right of first field examination on the property. I again have committed us to a property exam and have seen Mirko recently in person to confirm that we are still interested.

In summary, the property is an old Canada Tungsten - Union Carbide tungsten property in a Lardeau - Badshot limestone roof pendant in a Jura-Cretaceous granodioritic intrusion. It has been explored in the early 1970's by Canada Tungsten and Union Carbide for tungsten only. No drilling was done.

The property was brought to us not so much for its tungsten possibilities, but more as a possible analog to a porphyry moly similar to Newmont's Trout Lake and also a tin granite possibility. The moly play is based on molybdenite-bearing, late-stage aplitic dyke cutting through areas of the claim groups, and it looks like a real possibility. It has a lot of the ear marks of the Trout Lake material that Terry McCauley of Newmont has recently reported on.

The tin-bearing, granite possibilities are more speculative, based on high fluorine content of the host granites. Kodiak is looking for a simple option commitment and they are not, as I indicated earlier, adverse to a joint venture with Metallgesellschaft; in fact, they would welcome it because of Metall's marketing capabilities in diverse commodities. I have checked back with Lomar Dagell (sp. ??) of Canada Tungsten about the work that they did on the property and their interest in it (currently they have none). They have dropped the claims and are out of the picture. They did feel that it was a moderately interesting program from a tungsten point of view, although they were not sufficiently interested to re-acquire it and Dagell(?) has indicated that they would be willing to provide back-up data on the property. He could be contacted directly.

In summary then, we are committed to yet another property examination. Mirko will keep us advised. It probably will not be until late June or somewhere in July that the property would be accessible, as it is at pretty horrendous elevation. It should be emphasized that we are first in line here and they have accorded us that small privilege, so we should act accordingly.

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