

June 19th, 1972.

Mr. J.P. Dolan,
4360 Rockridge,
West Vancouver, B.C.

Dear Mr. Dolan:

Pursuant to your request, please note the attached information regarding the five companies, Comet Industries Ltd., North Pacific Mines Ltd., Davenport Oil & Mining Ltd., Initial Developers Corporation Ltd. and Cadco Industries, who are involved directly or indirectly with the Davenport mineral deposit in the Kamloops area. I believe this summarizes the corporate details published to date.

I understand that J.R. Wiley and/or Ray Signoretto are directors and officers of all these companies, but have not been able to verify this positively.

Summarizing my activities last week, please note the following:

Tuesday, June 13th

Following your telephone call at 9:30 a.m. I made an appointment with Mr. Wiley at his office in the Board of Trade Building for 3:00 p.m. by securing an introduction through Mr. Pat Thomas, President of West Coast Securities, the Vancouver brokerage firm responsible for underwriting Davenport shares.

Mr. Wiley saw me very briefly and made a further appointment for 10:00 a.m. on the following day, to meet with Mr. Bill Wood and himself.

I contacted Mr. Don Kemp and Mr. Stan Hawkins, acquaintances of ours both representing Jorex Ltd., later in the afternoon because I knew that they had visited the Davenport property, had examined the surface showings and had seen the diamond drill core.

Mr. Kemp is Joe Rankin's nephew, is (I believe) a geological engineer and has a mining exploration background, lately with reference to Madelaine Mines, Quebec.

Mr. Hawkins (again, I believe) is an engineer and was, as you are aware, formerly with the Northern Miner.

Both were impressed with the geophysical and geological picture and the diamond drilling results of Davenport. Chalcopyrite was evidently spread throughout the two holes examined at the time, although no assays were available.

Wednesday, June 14th

At 10:00 a.m. I visited Mr. Wiley and Mr. Wood in their office at 1177 West Hastings St. (Tel. No. 604-684-7521) and spent almost two hours with them.

I was shown a piece of the diamond drill core containing veinlets of chalcopyrite, and was informed that the two (or three) current holes had encountered "substantial quantities" of similar material.

I was shown parts of a copy of a report written by Radvak Engineering for financing purposes sometime in late May, including a summary of induced polarization work carried out by R.E. Chaplin, B.A.Sc. Geological.

The attached map showed an anomalous area some 4000' x 1000', situated immediately east of a small lake and including the site of the former concentrator built to treat ore from the Iron Mask mine.

I was informed that Kenting Exploration Services Ltd., on Mr. Chaplin's request, had checked the induced polarization work and had confirmed its accuracy. I was not shown a copy, however, of Kenting's report.

It will be noted that more up-to-date information concerning the anomaly and the drilling is given in the George Cross News Letter dated June 19th, 1972. I was told that "current drilling is through the old mill tailings dump".

Mr. Colin J. Godwin, B.A.Sc. Geological, is in charge of the exploration. In our opinion, he is a capable engineer.

Mr. Chaplin worked for me indirectly as an exploration geologist, during the mid 1960's and during the time I was General Manager of Canada Tungsten Mining Corporation. Both Dr. Bacon and I hold him in high regard, although we have had no direct connection with his work since.

On enquiry, Mr. Wiley informed me that since his group of companies had over \$3,000,000 in their collective treasuries and had

competent field exploration personnel on the job, they were not interested at the present time in outside financing. I had previously told him that you represented substantial eastern Canadian interests and could arrange senior financing.

Mr. Wood, of course, told me that he had been personally acquainted with you for many years. Mention was made of his work with Mr. Craddock.

Further, Mr. Wiley told me that he could not give us permission at the present time to visit the property, because the field personnel were extremely busy and were not able to accommodate visitors.

I reiterated our desire to enter into the picture whenever it might appear feasible and wished them good luck. Their attitude was most friendly and quite informal.

The same evening (Wednesday) I spent an hour with Mr. Kemp and Mr. Hawkins at their room in the Bayshore Inn.

Don Kemp told me his group were most interested still in the property and that he was in quite close touch with Bill Wood. He did admit, however, they were not capable of supplying the amount of money most likely eventually necessary.

While I was there, Bill Wood telephoned Kemp and told him that the two Keevils (both senior and junior) had been to see them on behalf of the Teck Corporation. I gathered the same answer as I received had been given.

Please accept this as an informal letter memorandum, mostly to document events as they occur.

We are in the process of compiling a sketch showing the geography and whatever geological and other information we can gather. I will send this to you at the earliest opportunity.

Yours truly,

BACON & CROWHURST LTD.

J.J. Crowhurst

JJC/lc