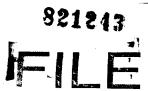
093L103 Hagas





CORPORATION FALCONBRIDGE COPPER

6415 - 64th Street Delta, B.C., Canada V4K 4E2 Telephone (604) 946-5451

February 26, 1985

Mr. Mohan Vulimiri
Petrostone Resources
c/o SEREM Ltd.
300 - 535 Thurlow St.
Vancouver, B. C.
V6E 3L2

Dear Mohan;

I wish to thank you very much for submitting your HAGAS Property to us for evaluation and consideration. I think the HAGAS property is well located, has been underexplored and certainly has exploration potential.

Unfortunately, though the property has such merit, due to ongoing projects and other priorities Corporation Falconbridge Copper will not be able to make an offer to participate at this time.

However, we would like to see the core from 77-1 if the property is still available later in the year.

Thank you again for considering Corporation Falconbridge Copper and I wish you good luck in your exploration programs.

Yours truly,

A. J. Davidson

Senior Exploration Geologist

AJD/ik