

MINNOVA INC.

DATE: April 7, 1992  
TO: Ian Pirie  
COPIES TO: Agreement File.  
FROM: Dave Heberlein.  
SUBJECT: Wolf Property Environmental Audit.

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Introduction:

Prior to Minnova's involvement in Wolf, the property was worked by two other companies; Rio Algom (1983 to 1985) and Lucero Resource Corp. (1986 to 1988). Both companies carried out exploration programs which involved ground disturbance.

In 1984 Rio carried out a fairly extensive exploration program on the property. Part of the program involved the digging and blasting of eight trenches (totalling 52.2m) on the Ridge Zone. All of the trenches were blasted into outcrop areas and no significant overburden removal or tree clearing was involved.

The following year, Rio excavated an additional five hand trenches on the Ridge Zone and carried out a six hole, 593.5m diamond drilling program. The drill sites were cut to allow helicopter access and felled trees were utilized in the construction of drill pads and temporary core racks.

In 1987 Lucero Resource Corp. constructed an 11km access road and approximately 30km of 4x4 trail to various locations on the property. This was followed in 1988 by an 1800m backhoe trenching program on the Ridge and Pond Zones.

### Environmental Assessment of Previous Work:

Although the amount of trenching work done at the Ridge Zone is extensive, it does not seem to pose any environmental problems. As far as we can determine, the work exceeds the requirements of the Guidelines for Mineral Exploration and conforms with the Forestry Regulations on cutting and timber disposal. Trees felled during the trenching program were either recovered or buried in the road beds.

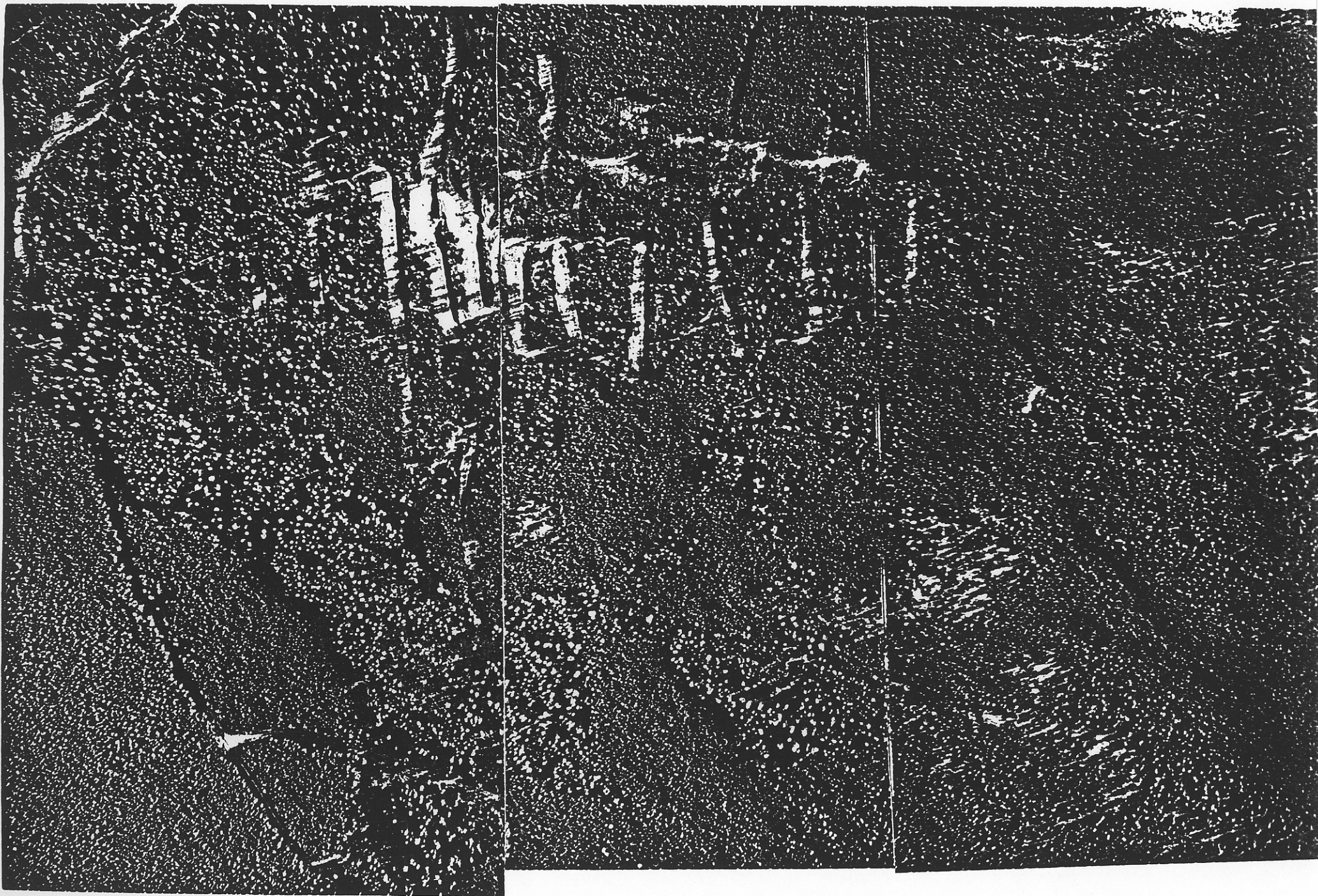
The trenches remain open but have sloughed in to varying degrees. As the trenches are open at both ends, there is no potential for wildlife to get stuck or for ponding of runoff. The potential for acid generation is also very low; total sulphide contents typically average trace, but occasionally reach 0.5% to 1%.

Although we have not seen all of the roads on the property, the ones we have looked at remain in good shape. Since 1988, there has been quite a lot of blow down, but very little if any significant erosion. In the low-lying areas, the roads are poorly drained and there is potential for them to turn into mud holes in the spring. In order to make them usable, additional ditching and raising of the road beds will have to be done this spring.

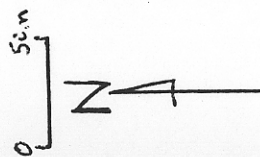
### Conclusions:

The Ridge Zone area has been disturbed as a result of drilling, road building and trenching activities. All of the disturbance appears to be in accordance with mineral and forestry guidelines, however nothing has been reclaimed to date. No obvious environmental liabilities exist on the property. Roads, trenches and the old camp site remain in relatively good condition. Improvements to low-lying parts of the access road are required to make it usable.

Reclamation of the roads and old trenches can be done at the same time as our own reclamation program.



RIDGE ZONE - TRENCHES FROM AIR.

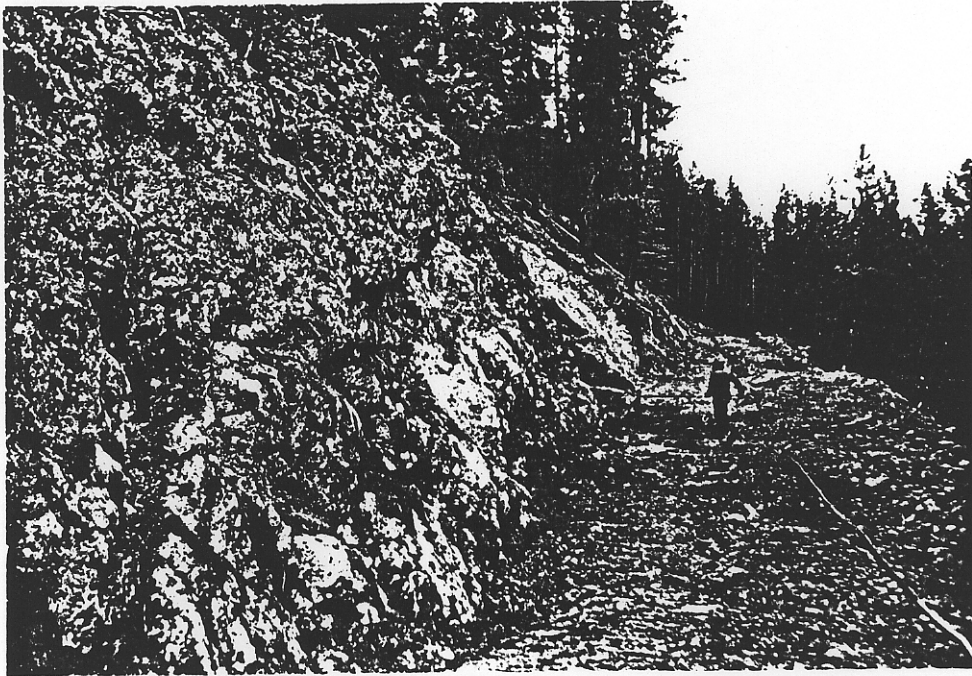




RIDGE ZONE - TRENCH 3



RIDGE ZONE TRENCH 10



POND ZONE ROHO AND ROAD CUT TRENCH.



POND ZONE - CLEANED OUTEROP



RIDGE ZONE - TRENCH 2. (RIO TRENCHES  
IN BACKGROUND)