

MINNOVA INC.

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MEMORANDUM

TO: Ian Bayer

CC: John Carrington
John Sage
Bert McRae
Jeff Snow
Alex Davidson

FROM: David Watkins

DATE: June 18, 1987

RE: Rea Gold Project, British Columbia

Henceforth, the silver deposit that Minnova has discovered on the Rea Gold property will be known as the SAMATOSUM deposit and/or project. We shall also drop reference to the Adams Lake area and refer to it as the Barriere region.

Reasons as follows:

- 1) Minnova has done all the exploration leading to the discovery and has now spent sufficient funds to be registered as 100% owner of the property. Therefore, no further reference need be made to Rea Gold except to the extent that it has the right to "back-in" for a 30% working interest.
- 2) Barriere is the nearest town and is an economically depressed area with major underemployment. It stands to gain from any economic development in the area. Therefore, using its name could score some political points for permit applications, etc. Conversely, Adams Lake is a major salmon spawning area and use of this name could have a significant negative political impact.

We have successfully learned Minnova. Now let's work on this one!

DHW/sp