

*D JLM*

November 19, 1981

Grenoble Energy Ltd.  
 109 - 525 Seymour Street  
 Vancouver, B.C.

Re: 1981 Diamond Drill Program - Lexington Property

Gentlemen:

In reviewing the results of the 1981 diamond drilling program carried out by Teck Exploration Ltd. combined with earlier drill results I have calculated that 444,000 tons of drill-indicated reserves exist on the Lexington property as follows:

Block No.	Drill Hole	Thickness	Tons	% Cu	Oz. Au	Other	Grade
1	✓ 13	54'	40,300	1.23	0.10	2930	0.09
2	✓ T-44	8'	3,500	0.70	0.06	6750	0.11
3	✓ 36	11'	8,400	1.22	0.35	9000	0.19
4	cut to 0.50 * 4 ✓	80'	62,700	1.16	0.25	2200	0.48
5	✓ T-45	78'	99,800	0.88	0.15	1820	0.12
6	cut to 0.50 * 21 ✓	78'	66,300	1.21	0.23	35420	0.16
7	✓ 33	28'	<del>32,900</del>	1.08	0.02	(below cut-off)	
8	✓ T-38	21.4'	19,200	0.50	0.16	2310	0.09
9	✓ T-43	20'	17,900	0.29	0.167	8690	0.21
10	✓ 39	27.2'	28,700	0.87	0.148		
11	✓ T-40	8'	<del>7,000</del>	1.09	0.047	8050	0.10
12	✓ 26	56'	57,300	0.99	0.08	6100	0.20
Total, averages		39'	444,000	0.99	0.155		
						T-41 22690	~ 0.15

32-39'  
 10 ft<sup>3</sup>/t

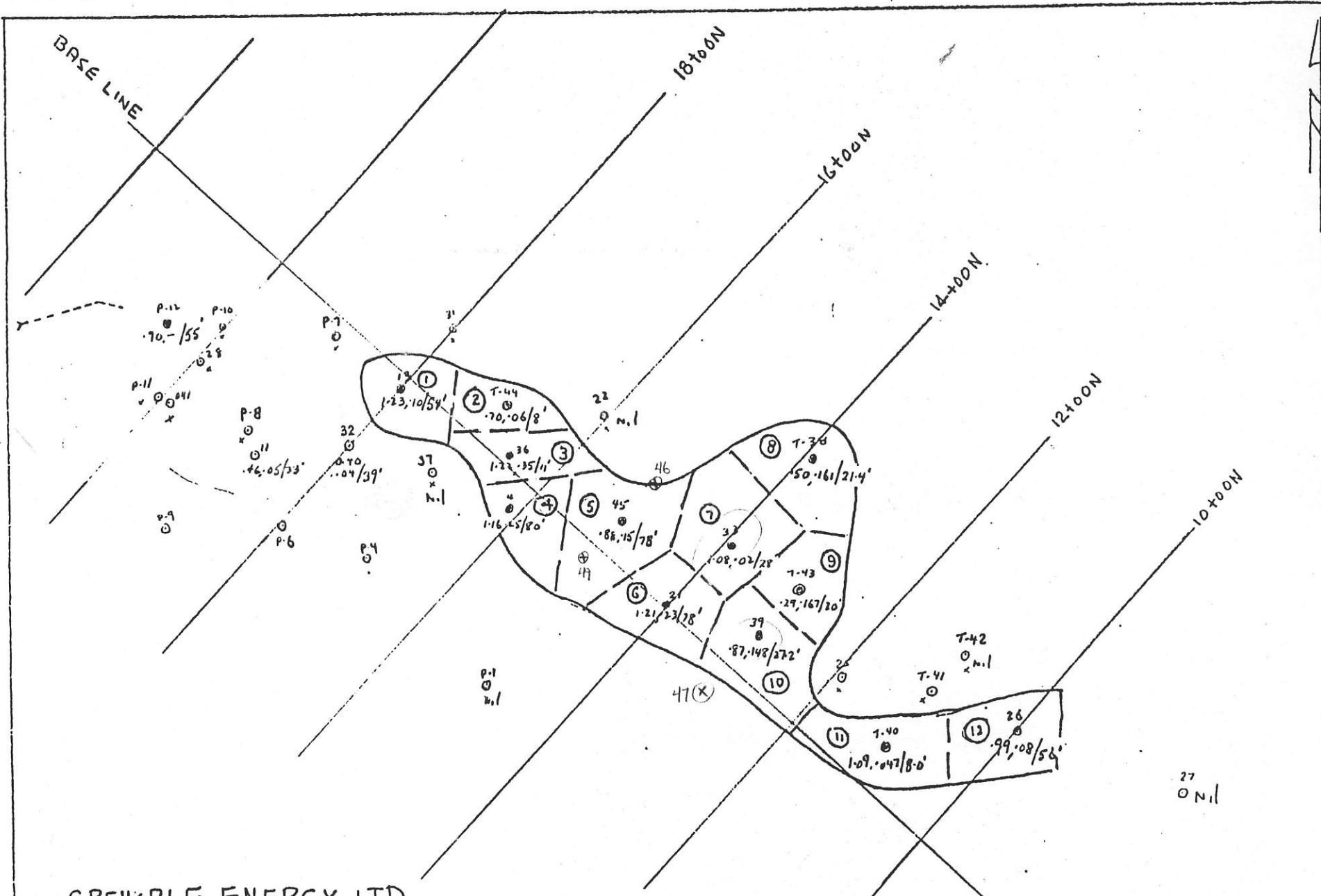
All blocks are shown on the accompanying plan. Blocks were projected for a maximum of 50' from drill holes and a factor of 12.0 cubic feet per ton was used. No dilution factor was applied.

With additional drilling on the fringes of the outlined zone and down plunge to the southeast, it is felt that significant tonnages of additional reserves can be discovered.

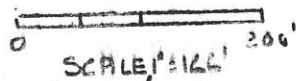
The latest results from the most recent drilling carried out by Teck Exploration Ltd. are not yet available but it is understood that additional favorable results are expected.

Respectfully submitted,

*R. W. Phendler*  
 R. W. PHENDLER P. Eng.  
 BRITISH COLUMBIA ENGINEER



**GRENABLE ENERGY LTD**  
 LEXINGTON PROPERTY, GREENWOOD B.C.  
 RESERVE BLOCKS - DRILL INDICATED



INDLER PENC.

NOV. 1981

Value is 1/4 to 1/2 oz Au/foot of width

27  
0 Nil

