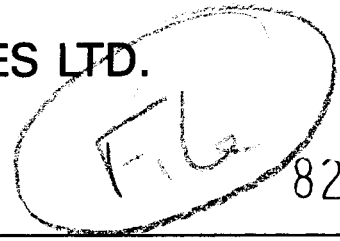


KER, PRIESTMAN & ASSOCIATES LTD.
consulting engineers

300 - 2659 Douglas Street, Victoria, B.C. V8T 4M3
Telephone (604) 388-6676 Telex 049-7449



824307

12 January 1984

JAN 1 1984

Corporation Falconbridge Copper
6415 - 64th St.
Delta, B.C.
V4K 4E2

Attention: Mr. A. Davidson

Dear Sirs:

Rea Gold Property

With reference to the recent report in the George Cross News Letter, we are writing to acquaint you with our firm and to outline the services which Ker, Priestman & Associates Ltd. would be able to offer.

Ker, Priestman & Associates Ltd. is a firm of consulting engineers specializing in mining infrastructure, with emphasis on water supply, water management, tailings disposal, bridges and structures, and permit applications. The Company has over 25 years' experience in the fields of civil, municipal and structural engineering and has, throughout those years, always adopted a practical and cost-conscious approach to projects undertaken for the mining industry. Present staff numbers 50, of whom 42 are professional engineers and supporting technicians.

With particular reference to the Rea Gold project, we have prepared a list of items which illustrates our firm's particular areas of expertise. While some of these items may not be applicable to your current project, nevertheless, we are including the full list in order to outline the firm's capabilities with respect to mining projects.

1. Hydrological Studies
2. Water Supply and Sewage Disposal
3. Water Management
4. Tailings Disposal
5. Waste Management
6. Spill Contingency Planning
7. Environmental Monitoring
8. Permit/Licence/Approval Applications
9. Construction Camp Services
10. Roads, Bridges and Heavy Structures

. . .2

Corporation Falconbridge Copper

12 January 1984

Attention: Mr. A. Davidson

Further to the above some of our current mining clients include companies such as Regional Resources (Midway Project), Carolin Mines, Northair Mines, Scottie Gold, Du Pont of Canada Exploration (Baker Mine), Placer Development (Golden Sunlight Mine), Quintette Coal.

As well, we have a proven track record in assisting clients in obtaining the permits, licences and approvals required for resource development projects, and can offer advice which may greatly shorten the time between submission and permit issuance. Several of our staff have backgrounds which provide a full understanding of the government/company interface. Knowledge of government requirements can, in turn, assist in engineering design.

The key members of our mining infrastructure group are as follows:

Norman Guild, P. Eng.	Director of Operations
John Brodie, P. Eng.	Manager, Environmental Division
Alan Stevens, P. Eng.	Manager, Water Resources Division

In addition to the above we have other engineers plus technicians and surveying personnel available.

Information pertaining to previous assignments successfully completed, together with curricula vitae of key engineering personnel, is contained in our "Services Provided to the Mining Industry" brochure, a copy of which is enclosed. Additional information is contained in our corporate brochure which is also attached.

We trust that the above will be of interest to you. Further to this we would be pleased to arrange a meeting when your plans for development are more advanced, and would welcome the opportunity of submitting a proposal covering your work program for 1984. Kindly contact the writer or, in his absence, John Brodie.

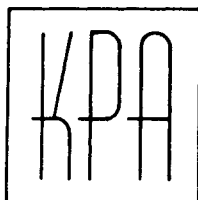
Yours very truly,

KER, PRIESTMAN & ASSOCIATES LTD.


W. Allan Ker, P. Eng.

WAK/lb
Encls.

FEB 8 1984



KER, PRIESTMAN & ASSOCIATES LTD.
consulting engineers

300 - 2659 Douglas Street, Victoria, B.C. V8T 4M3
Telephone (604) 388-6676 Telex 049-7449

06 February 1984

Corporation Falconbridge Copper
6415 64th Street
Delta, B. C.
V4K 4E2

Attention: Mr. D. Watkins

Dear Sirs:

Rea Gold - Adams Lake

Further to our telephone conversation of Feb. 6th, I have enclosed additional copies of our corporate brochure and 'Services to the Mining Industry' brochure for your information. Since Alan Ker of our firm did write to Mr. Davidson earlier in the year, I have enclosed a copy of his letter which describes our firm and its capabilities.

We would be particularly interested in undertaking engineering studies, including final design, of the infrastructure (water supply, tailings disposal, roads, bridges, and camps) which may be required should you bring the Adams Lake property into production. We have successfully completed many such projects for clients which include Scottie, Northair, Carolin, Du Pont (Baker), Highmont, Afton and Utah, to mention a few.

Of particular interest to you may be our experience in cyanide treatment technology, as outlined in our enclosed mining brochure. As well, we have a specialized experience in assisting clients in obtaining the permits, licences, and approvals required for resource developments.

We would be pleased to meet with you when your plans are more firmly developed. Please call if we can be of assistance.

Yours very truly,

KER, PRIESTMAN & ASSOCIATES LTD.

J.B. Brodie, P. Eng.
Manager, Mining & Metallurgical
Services

JBB/ma
Encl.

cc: H. Harris