

824524

LARAMIDE RESOURCES LTD.

904 - 675 WEST HASTINGS STREET, VANCOUVER, B.C. V6B 1N2
TELEPHONE 688-3584

DP
082m/12

July 19, 1989

Mr. Alex Davidson
Exploration Manager
Minnova Inc.
3rd Floor, 311 Water Street
Vancouver, B.C.
V6B 1B8



Dear Alex:

Re: Hail-Harper Creek
Copper deposit

As I mentioned to you yesterday, this property is owned by USX (Quebec Cartier Mining Company) and under option to Aurun Mines Ltd. Aurun is in receivership and the Harper Creek option is listed as an asset to be liquidated. It would be a good idea to have a close look at the geological information. Enclosed is a copy of the Receiver's description of the property and references to more detailed reports.

The potential at Harper Creek is for a high-grade massive sulphide deposit down plunge from the presently defined reserve (53mmt/.38%Cu). It is my recollection from previous work, that the thinnest and leanest part of the mineralized horizon is at the outcrop, becoming progressively thicker down plunge to the north-east. I also recall that, at the north-east extremity near the highwall of the theoretical pit, there are two horizons each in the order of 200' thick and averaging more than 1/2% copper. At this point the slope of the mountain is sub-parallel to the dip of the deposit so that a "wildcat" test down plunge might not be prohibitively deep.

If you are able to make a deal with USX, Laramide should receive some consideration which we can discuss later should you decide to proceed.

Yours very truly,

LARAMIDE RESOURCES LTD.

Albert F. Reeve
President

AFR/am

cc: D. Watkins
Toronto, Ontario

Coopers
& Lybrand
Limited

trustee in bankruptcy
receiver and manager
agent for secured creditors

Coopers & Lybrand Building
1111 West Hastings Street
Vancouver British Columbia
Canada V6E 3R2

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July 7, 1989

TO PROSPECTIVE PURCHASERS

AURUN MINES LTD. - IN RECEIVERSHIP (the Company)

Following is a listing of assets of the Company available for sale. Interested parties are invited to make an offer to purchase.

Offers for all or any portion of the Company's assets will be considered. The prospective purchaser does not have to acquire the buildings and land in order to acquire the assets described above. If the buildings are not acquired but desired to be used, a suitable lease agreement that would eventually be assigned to the ultimate purchaser of the buildings, must be negotiated with the Receiver-Manager.

The Receiver-Manager reserves the right to negotiate with any party making an offer, at any time. In addition, the Receiver-Manager expressly reserves the right to sell any or all of the assets to any party at any time, notwithstanding the invitation to make an offer.

The information contained in this package is subject to change and may not have been verified by us. The Receiver-Manager accepts no responsibility for the accuracy and completeness of the information in the package or any loss arising from its use. All offers shall be made on the basis that no warranty, condition or representation, expressed or implied, is made by the Receiver-Manager as to description, classification, quality, quantity, condition or value. Any prospective purchaser acknowledges that he is relying upon his own inspection, decisions and interpretation of data.

Enquiries should be directed to Michael Mahoney or Gord McMorran at:

Coopers & Lybrand Limited
1111 West Hastings Street
Vancouver, B.C.
V6E 3R2

(604) 661-5700

\$250,000 will get it.

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AURUN MINES LTD. - IN RECEIVERSHIP

SUPPLEMENTARY INFORMATION

The enclosed information has been obtained from the books and records of Aurun Mines Ltd. (the Company) and has not been audited, reviewed or otherwise verified by ourselves. Further, we are making it available to prospective purchasers of the Company solely as a supplement to our information package dated July 7, 1989. It should be read only in conjunction with that package.

COOPERS & LYBRAND LIMITED
RECEIVER-MANAGER

VALUATION DETAILS

A. HAIL-HARPER CREEK

Introduction

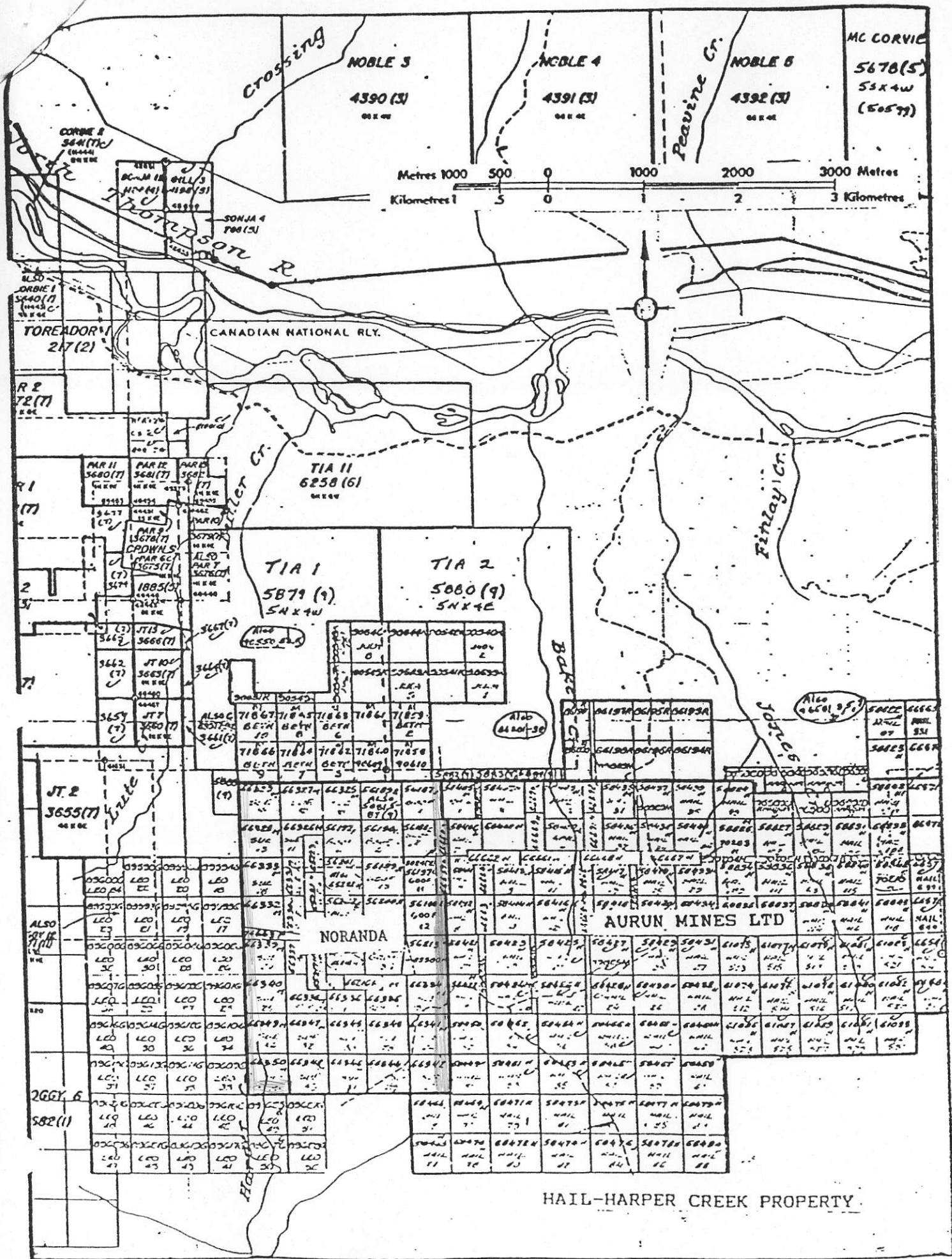
A considerable amount of information is available on the Hail-Harper Creek property as a result of extensive exploration work carried out. The author of this report has reviewed a variety of documents and correspondence, including the following, which should be referred to for additional detailed information:

1. Target Evaluation, Harper Creek Deposits Joint Venture, Quebec Cartier Mining Company/Noranda Exploration Company, by J.E. Kraft P. Eng., Senior Evaluation Engineer, Noranda Exploration Company, January 13, 1972
2. Evaluation Review of Harper Creek Joint Venture, May, 1974, by James E. Kraft, P. Eng., Noranda Exploration Company
3. Re-Evaluation of the Harper Creek Property, June, 1979, by Mr. Power
4. Assessment Report, Physical And Geological Work, Hail-Harper Creek Property, by Charles A.R. Lammle, P. Eng., November, 1986

Property Summary

By a long term lease agreement dated April 22, 1986 with Quebec Cartier Mining Company (QCM), Aurun acquired control of 115 two-post mineral claims near Vavenby, British Columbia (see attached maps). Under the terms of this agreement QCM will receive a 5% net smelter return from any mineral production during the 20 year lease period, and during any of the subsequent 10 year lease renewals. QCM will also receive advance royalties of US\$ 10,000 for each of the first 5 years, US\$ 25,000 for each of the next 5 years, and US\$ 100,000 for each year of the lease thereafter.

*\$40,000
outstanding
to royalties
to QCM*



HAIL-HARPER CREEK PROPERTY



CLAIM STATUS

GOOD VALUE	NO. OF CLAIMS	ASSESSED AMOUNT
1000	11	800
1000	27	740
1000	22	800
1000	25	800
1000	5	100
ASSESSMENT OF PAYMENT DUE:		
1000	45	1000
Total		3000
PAYMENT MADE:		
1000	50	1500

NOTE: This map is for information only and does not constitute a guarantee of title. It is subject to change without notice.

QUEBEC CARTIER MINING COMPANY
 1001 - 1002 - 1003
 100000 - 100 000

RAIL, KARINA, & BOB Claim Group
 MAIL HARPER CREEK PROJECT
 RAMLOOPS MINING DIVISION - CANADA
 CANADA
 SENT BY AIR

B.C. - 11-11-1981

The property is located on the northern Shuswap Highlands, 100 airline kilometres north of Kamloops, British Columbia, and is close to the villages of Clearwater and Vavenby, and to the Canadian National Railway, B.C. Highway 5, and the North Thompson River. It is accessible by old logging roads from the community of Birch Island. The approximate area involved is 1,800 hectares.

The property was explored extensively between 1967 and 1974 by QCM, and also under a joint venture agreement between Noranda and QCM, which agreement encompassed the similar adjoining property owned by Noranda. Extensive geological, geochemical, and geophysical surveys were done, which led to more than 6 kilometres of deep trenching and to more than 12,000 metres of diamond drilling. Open-pit resources on the subject property, predicated on a production rate of 13,000 tonnes of ore per day, were computer calculated at 53,000,000 tonnes containing 0.36% Cu and 0.016% Mo, with a stripping ratio of 1.6:1 waste to ore. Concentrates from bench-scale flotation tests were found to contain 2.8 grams of gold and 88.4 grams of silver per ton of concentrate. The footwall of the disseminated mineral zone locally contains stratiform layers of sub-massive to massive sulphides and oxides, mostly pyrite, pyrrhotite, magnetite, and chalcopyrite. The mineralized zone is stratabound within a 90 metre thick sequence of metamorphosed volcanic and sedimentary rocks, now mostly quartz-chlorite-sericite schists and phyllites, which dip at a shallow angle to the north that is slightly steeper than the topography.

Available information indicates that only minimal work was done to investigate the possible importance of precious metals in the disseminated mineralization and in the massive sulphide layers, and recent work in the district by government agencies and mining companies has disclosed important precious metal values in other massive sulphide deposits. Accordingly, Aurun's objective was primarily to re-evaluate the Hail-Harper Creek deposit in light of these new discoveries. Work accomplished consisted of geological and geophysical surveys, trenching, surface sampling and re-examination and re-sampling of existing diamond drill core. Results indicate the sporadic presence of small amounts of gold and silver in certain of the massive sulphide layers. Best results to date are 835 ppb gold and 1.1 ppm silver over 1 metre; and 350 ppb gold and 3.6 ppm silver over 15 metres, both in drill cores. A number of other analyses

showed values between 50 and 100 ppb gold and between 1 and 3 ppm silver over widths to 3 metres. Other ongoing objectives of Aurun were to re-evaluate both highgrade and lowgrade portions of the disseminated mineralization, copper leaching possibilities, and titanium values reported in and near the mineral zones in a University of British Columbia Master of Science geological thesis by Mr. Gary Belik.

Property Valuation

It should be emphasized that the "ore reserve" calculations by Noranda do not constitute a representation of the feasibility of the project. In fact, the 1979 "Re-Evaluation of The Harper Creek Property" indicated that a copper price of about \$1.00 U.S. was required to yield an acceptable rate of return. Although the present price of copper is only about 70% of that level, it could be considerably higher in the future. Since the cost of holding the property for the next 10 years is relatively low, the Hail-Harper Creek property can be viewed as a long term hold.

In addition to the future potential of conventional mining and milling of the copper and molybdenum ore, there is also the potential of copper leaching. Other possibilities include a more detailed review of the drill core with the objective of discovering important precious metal values or substantial titanium values.

In summary, the property contains a very substantial resource which could be economic at some future date. As a result, we have estimated its value at Although this value is about 10% of the total exploration expenditures on the property, low grade copper-molybdenum properties are not as attractive today as they were 15 to 20 years ago. Nevertheless, we view the property as a valuable asset due to its longer term potential.