

October 21, 1999

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By Fax

Linda Caron P.Eng
Box 2493
Grand Forks,
B.C.

Re: KETTLE and LAV Properties, Vernon Mining District, B.C.

Dear Linda,

Thank you for sending along maps and descriptions of the KETTLE and LAV properties. Both properties are certainly of merit and could use further work. Unfortunately Inmet is undergoing a change in exploration focus shifting away from gold and toward base metal opportunities. For this reason we cannot consider the prospects for option at the present time.

Best of luck exploring the ground.

Sincerely

INMET MINING CORPORATION



Colin Burge P. Geo
Senior Geologist

Kettle Property

NTS 82E/15E

Property Submittal

Vernon Mining District

Kettle Property Summary

The property was acquired by staking in summer of 1999 as part of a regional prospecting program directed at Intrusive Hosted Gold Deposits. A number of criteria were used to evaluate potential properties, including:

1. Cretaceous intrusions in an arc setting
2. Proterozoic to Paleozoic metamorphic rocks
3. Anomalous Au (+/- As, W, Bi, Sb, Te, Mo), gold placers
4. Au occurrences in sheeted veins, fissure veins, breccias, skarns, disseminations
5. Strong regional structures

The Kettle Property fits meets all of the above criteria, as detailed below, and is felt to be a good candidate to host an Intrusive Hosted Gold Deposit.

- high grade Au and Ag+Pb+Zn veins (values to 1.6 oz/t Au and to 56 oz/t Ag, 35% Pb)
- favorable trace element chemistry in veins (anomalous As, Sb, Bi, W)
- intrusives cut favorable Permian Anarchist Group metasediments and metavolcanics
- major regional fault system (Kettle River Fault)
- large area of stockwork quartz veining identified with anomalous Au, Ag values
- occurrence of sheeted veins with high Au values and accessory scheelite
- placer gold occurrence in the Kettle River, immediately downstream of the claims

In addition, the property has:

- extensive alteration (clay, silicification) in Cretaceous intrusives (~ 2 km x 500 m zone)
- numerous Au soil anomalies which remain untested
- numerous IP chargeability anomalies which remain untested
- excellent access and infrastructure, no conflicting land use

Location and Terrain:

- 55 km southeast of Vernon B.C., on NTS 82E/15E and TRIM 082E.097
- excellent road access (100 km east from Vernon on Hwy 6, then 16 km south on the Kettle River Forest Service Road to the property)
- moderate topography, moderate forest cover, generally good rock exposure
- water on claims for drilling

Claims:

- Ten 2-post mineral claims, owned by John Kemp and Linda Caron
- All claims are presently in good standing to August, 2000

Property Description:

Mineralized quartz veins were first discovered on the property in the early 1970's. Mohawk Oil optioned the claims in 1980 and did extensive testing using a porphyry copper model. Later exploration focussed on a structurally controlled epithermal system. Significant drilling has been done on the property, mostly as close spaced shallow holes testing the veins in the South, Pb and HG Zones.

Four main mineralized zones are known to occur on the property, as shown on the attached property map and detailed below. The zones are spatially related to a large zone of intensely altered Cretaceous intrusives which intrudes metasediments and metavolcanics of the Permian Anarchist Group. The alteration occurs over an area of approximately 2 km x 500 m and appears to be largely controlled by the major north trending Kettle River fault.

South Zone

A N-NW striking, shallow W dipping quartz vein is exposed in large open cuts along the main Stove Creek road and in trenches, over a strike length of 185 metres. The vein ranges from 0.5 to 4.1 m in width, and averages about 1.5 m wide. It is hosted in unaltered Kspar megacryst porphyry, and cut by late decomposing biotite-lamprophyre dykes.

Grab samples from the vein have returned **values to 1.6 oz/t Au, 4.5 oz/t Ag, 1.7% Pb and 2% Zn.**

Pb Zone

Several trenches and open cuts expose a mineralized shear zone over a strike length of 300 metres. The shear strikes about 070-080°, with a moderate-steep S dip, and averages about 30 cm in width. The shear hosts a narrow mineralized quartz vein. Drilling has tested the zone to 75 metres depth and it remains open at depth. Surface sampling from the zone has returned grades of:

20.8 oz/t Ag over 2.5 m (in the K1 trench, hangingwall to the main shear)

56.7 oz/t Ag over 2.4 m

and grab samples to **32 oz/t Ag, 35% Pb and 10% Zn** from vein material. Copper and gold are weakly anomalous. Silver reportedly occurs as fine grained ruby silver and as native silver.

A small portable mill set up on the property in the early 1980's largely processed material from the Pb Zone (with minor ore from the South and Hg Zones).

HG (High Grade) Zone

In the HG zone, subparallel quartz veins and veinlets are hosted in altered intrusives. The veins contain about 5% sulfides (py, cpy, bornite and galena), with accessory scheelite mentioned. Grab samples from surface have returned up to **0.61 oz/t Au and 9.3 oz/t Ag**, while more detailed chip sampling from the zone gave an average of 0.24 oz/t Au and 2.4 oz/t Ag from one vein, over an average 0.75 m width. Drilling has returned values to 0.5 oz/t Au, 8.2 oz/t Ag, 1.3% Pb, 0.1% Zn, 0.1% Cu over 0.7 m from this zone (ddh 82-13).

The zone has been tested by trenching and drilling and remains open on strike (and at depth?). The full width of the zone is not exposed, with the greatest exposed width being about 3 metres.

A 24.2 ton bulk sample was collected from this zone in the early 1980's and shipped to Slocan City for mill testing. The sample returned an average grade of 0.11 oz/t Au, 4.2 oz/t Ag.

Stockwork Zone (Including Vuggy Vein, Switchback Vein, Bluff Vein)

The Stockwork zone is an area of about 300 x 450 metres where sulfide mineralization is associated with a brecciated quartz stockwork in qtz-seric-py altered intrusive. Veins are bull-type quartz with pyrite, plus accessory scheelite and zircon. The zone has a large coincident IP anomaly as well as a coincident Au soil anomaly. Several larger veins within this zone are given individual names (Vuggy Vein, Switchback Vein, Bluff Vein). In general Au and Ag values to date have been low from the Stockwork Zone, however there has been only limited surface sampling and drilling. One drill hole (ddh 80-3) did returned **0.7 m of 0.112 oz/t Au and 1.3 oz/t Ag.**

The property, which had been held continuously since its discovery in the early 1970's, was allowed to lapse in the spring of 1999. The current claims were acquired by staking during the summer of 1999.

As described above, the Kettle property exhibits many of the characteristics of a large Intrusive Hosted Gold system and has the potential to host a large low grade Au deposit as well as higher grade Au or Ag-Pb-Zn veins. Each of the four known areas of mineralization on the property is very different in nature, and each is consistent with the Intrusive Hosted Gold Deposit Model, as shown on the attached schematic section. The South Zone veins are examples of high level Au bearing fault related veins, while the Pb Zone is an example of Ag-Pb-Zn veins, a lower, more distal part of the system. The Au bearing sheeted vein occurrence (with accessory scheelite) at the HG zone may represent the lower portion of the system, while the Stockwork zone to the north characterize of mineralization higher up in the system. Further studies on Au:Ag ratios and trace element chemistry may be useful in better understanding property scale zonation, and hence aid in directing further exploration.

Most past work on the property has focussed on exploring the known veins. Although geophysics was completed over the property, most of the anomalies remain to be tested. One hole which was drilled to test an IP anomaly returned 0.75 m of 0.119 oz/t Au outside of any of the known mineralized zones. No follow-up has been done in this area. Geochemical coverage of the property dates back to the late 1970's and early 1980's. There has been no Au soil coverage in the central part of the property where the known showings are. A number of areas of anomalous Au in soils peripheral to this area were discovered, but have not had any follow-up. Geology and alteration on the property is poorly understood and a detailed mapping program is expected to add much to the understanding of the mineralizing system.

References:

Minfile 082ENE044 - Sab

Callaghan, B. and R.W. Yorke-Hardy, 1996.

Assessment Report of the Sab Mineral Claims. Geological Mapping, Data Compilation & Interpretation, for Y-H Services and Snowflake Mines Ltd. Assessment Report 24.533.

Mark, D., 1989.

Report on Geophysical and Geochemical Surveys Over a Portion of the Sab Claims. Assessment Report 18,533.

Prepared by Linda Caron
October 1, 1999



SAB # 1
259069
619
5NX3W

SAB # 2
259070

620

5NX3E

50343 50344

SAB # 3
259071
621
35X3W

SAB # 4
259072

SAB # 5
259073

Kettle #1
691208 M

Kettle #2
691209 M

Kettle #3
691210 M

Kettle #4
691211 M

Kettle #5
691212 M

Kettle #6
691213 M

Kettle #7
691214 M

Kettle #8
691215 M

Kettle #9
691216 M

Kettle #10
691217 M

50345 50346 50347

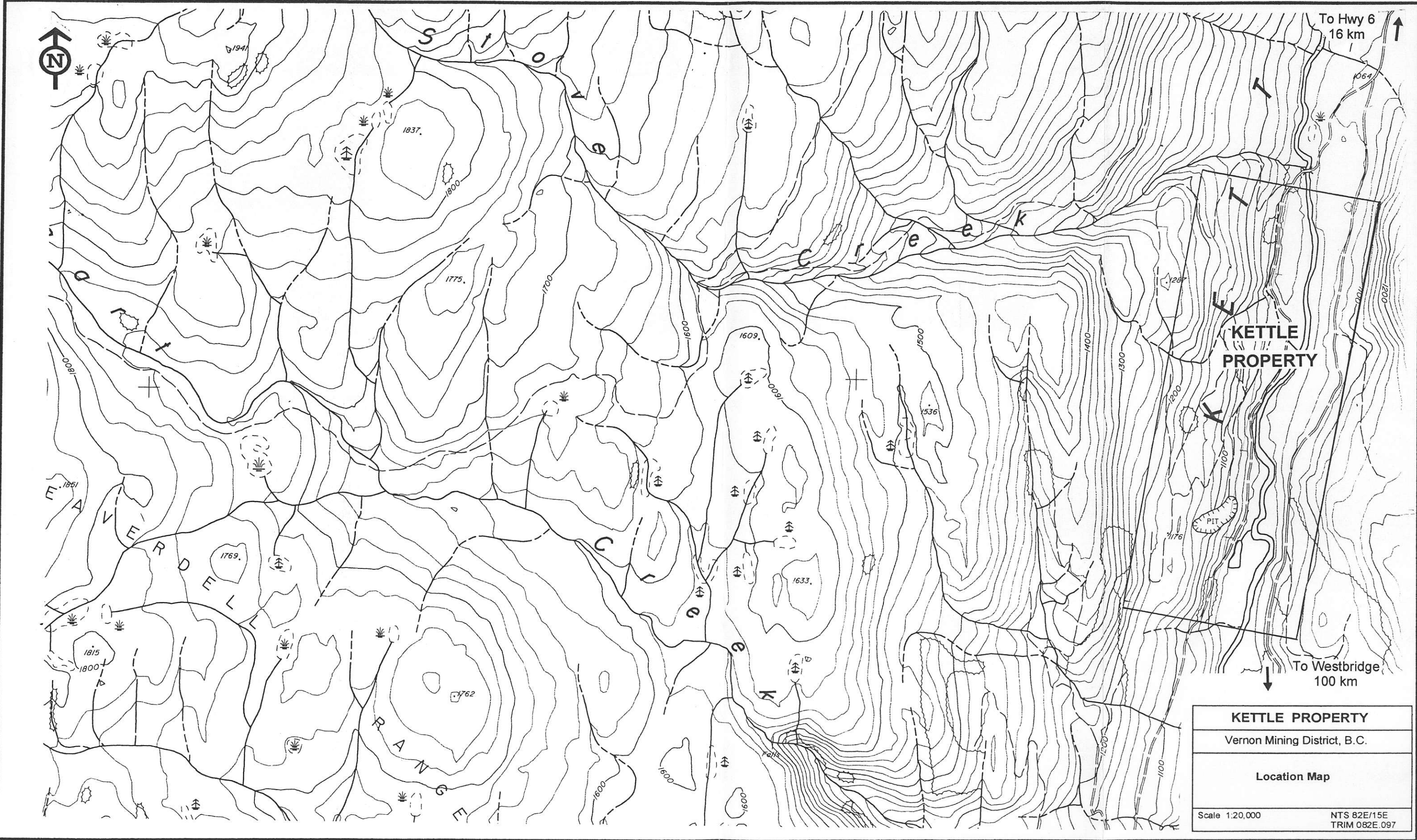
622

05X2E

623

65X3W

KETTLE PROPERTY	
Vernon Mining District, B.C.	
Claim Map Kettle #1 - Kettle #10	
Scale 1:31,680	NTS 082E/15E



KETTLE PROPERTY

KETTLE PROPERTY

Vernon Mining District, B.C.

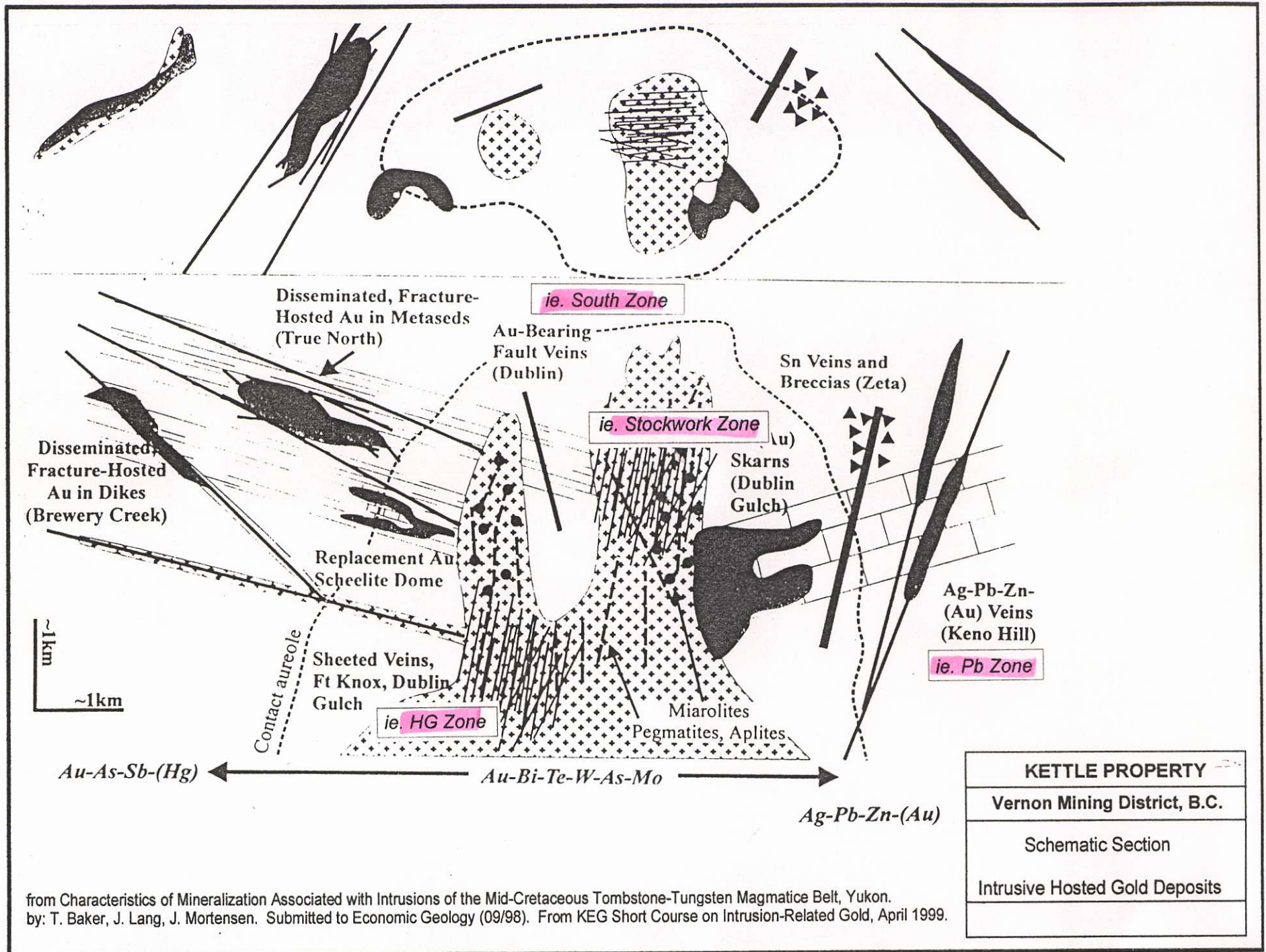
Location Map

Scale 1:20,000

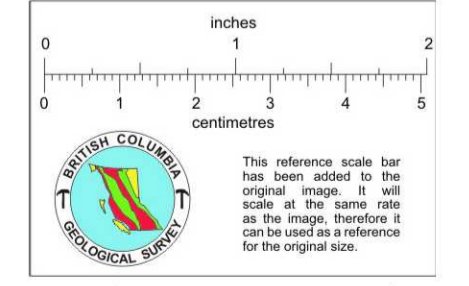
NTS 82E/15E
TRIM 082E.097

To Hwy 6
16 km

To Westbridge
100 km







 KETTLE PROPERTY
 NTS 82E/15
 SCALE 1:2500

Information compiled from A.R. 24,533, 18583