

FILE



CORPORATION FALCONBRIDGE COPPER

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October 9, 1984

W. B. Kraigsley
Nexus Resource Corporation
1002 - 475 Howe Street
Vancouver, B. C.
V6C 2B3

825407
Scotch
Creek

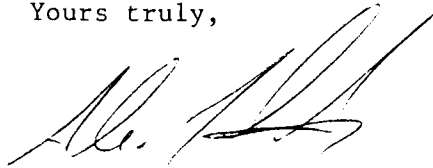
Dear Bill;

I finally had an opportunity to visit your Scotch Creek property on my last visit to Rea. The iron formation is definitely impressive but extremely complex. I am not at all sure whether MPH's interpretation is correct as we found the various attitudes extremely hard to measure and interpret. I feel that trenching is the best way to solve the attitude problem although the slope is extremely steep. A number of short diamond drill holes would also help to resolve the stratigraphy. A drill hole could also test the VLF anomaly that extends downslope from the lowermost trench. This trenching - drilling program may also help to establish a continuity of high gold values which would certainly enhance its potential.

Unfortunately although I think the property has merit and certainly deserves further work, we will not be able to make an offer to participate at this time. This is partly because of heavy commitments in other parts of B. C. As well I think we would like to see a continuous zone of gold values established by trenching or drilling on the property. We would certainly be willing to reexamine the property if any more work is done.

Thank you for giving us the opportunity to review the report and examine the property. I hope you will consider us again with other properties.

Yours truly,

A handwritten signature in black ink, appearing to read 'Alex J. Davidson', with a stylized flourish at the end.

Alex J. Davidson
Senior Exploration Geologist

AJD/ik