

MINNOVA

825416

MEMORANDUM

DATE: June 9, 1988
A TO: D.H. Watkins
COPIES A COPIES TO: I.D. Pirie
DE FROM: A.J. Davidson
SUJET SUBJECT: VOLCANO CLAIMS, SAMATOSUM AREA

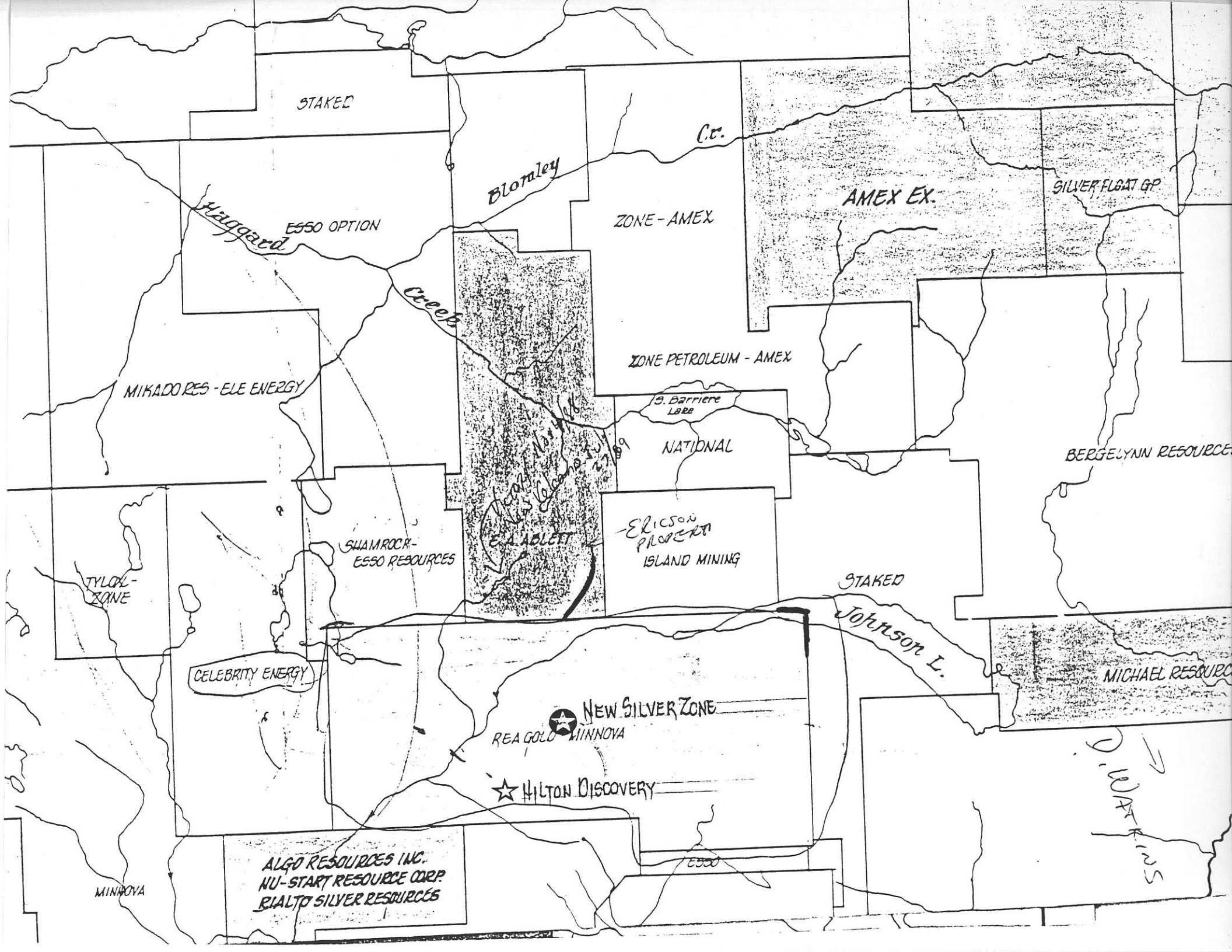
Vic Ericson, of Pacific Minesearch Inc. has offered us the Volcano claims which adjoin the SAM property to the north and which are immediately east of Esso's ground.

From our interpretations, the SAM horizon will (if not faulted or folded) project onto the Volcano claims at or near the extreme southwest corner of the property and the downdip extent will be on the claims.

Vic Ericson has stated that they need \$cash up front and payments down the road.

This property is probably worth picking up if we can get it for the same type of terms that we did with Algo (\$10000 down and one larger payment on production). We can also commit to a \$100,000 work commitment in Year 1. This would consist of MaxMin to locate the horizon and then follow-up drilling.

Please get back to me with your comments.



STAKED

Cr.

Blomley

AMEX EX.

SILVER FLIGHT GP

Haggard

ESSO OPTION

ZONE-AMEX

Creech

ZONE PETROLEUM - AMEX

MIKADORES - ELE ENERGY

S. Barriere Lake

NATIONAL

BERGELYNN RESOURCE

SHAMROCK - ESSO RESOURCES

E.A. ABLETT

ERICSON PROJECT ISLAND MINING

TYLOS ZONE

STAKED

CELEBRITY ENERGY

Johnson I.

MICHAEL RESOURCE

NEW SILVER ZONE

REA GOLD MINNOVA

HILTON DISCOVERY

ALGO RESOURCES INC. NU-START RESOURCE CORP. RIALTO SILVER RESOURCES

MINNOVA

ESSO

D. M. ATKINS