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RE: EAGLE PROPERTY

I am currently reviewing all of the Eagle data in some detail in order to provide you with a detailed analysis Tuesday morning. In view of your meetings tomorrow morning, I can offer the following general comments.

Proposed Deal

The initial commitment of \$750,000 is more or less what you were anticipating - ideally this can be phased with \$300,000 initially to allow for a February drilling program of 6,000 - 10,000 feet. Such a program would at least partially test the four known zones - I note that proposed areas for drilling are shown on the compilation map and would suggest that you ask for more details regarding this.

Upon completion of this phase, some indication of the potential of the Gibson zone should be available and a decision could be made as to whether or not to carry on, assuming there would be an "escape hatch" after the \$300,000 expenditure.

General Comments

*Vector, Mid and Nighthawk Zones*

I am endeavouring to sort through the rock geochemical results from the various showings areas. There is a fair bit of outcrop in the vicinity of the Vector, Mid and Nighthawk showings and a number of what could be called character rock samples have been collected not only in the vicinity of these three showings but throughout the main grid area as well - we may not be in possession of all the results but there appears to be enough data to at least get some indication as to continuity of copper-gold values.

Limited work to date confirms the linear nature of the mineralization - ie - related to northwest shear zones - but there is also some preliminary indication of some lateral extent as well. As you know, this style of mineralization is difficult to sample properly in outcrop and drilling will give a much better assessment of continuity. Nevertheless, an assessment of the rock sample results should be illuminating

and as far as I can ascertain, has not been done by Noranda.

As indicated to you previously, I am intrigued by the presence of possibly 3,000 ft of old drill core on the property, all of which was apparently drilled in the area of the Nighthawk showing - while I appreciate that it's probably impossible to tell which holes are which or where exactly they were drilled, I would be interested in knowing if Noranda have looked at the core and perhaps taken any samples - this would be valuable information regarding continuity of copper-gold values to depth.

#### *Gibson Showing*

Initially I was puzzled by the obvious differences between this zone and the others - some research shows similar gold-silver-copper vein type mineralization in Takla volcanic rocks about 15 km to the north and it is interesting as well to note that initial work on Mt. Milligan was directed to zones that from available descriptions sound very similar to the Gibson showing. I am referring to the Esker, and Creek veins which are several hundred metres southwest of the MBX or Mt. Milligan zone and the 79 vein which is a similar distance to the north. By way of contrast, the Gibson is about 1 km southwest of +100 ppm copper in soil anomalies apparently related to the Mid and Nighthawk zones.

The zones or veins at Mt. Milligan referred to above are described as consisting of 3 - 5 subparallel tabular bodies of semimassive to massive sulphides with individual structures ranging in width from 0.3 - 3 metres. Grades range from 0.10 oz/ton gold and 0.2% copper to 2.89 oz/ton gold and 10% copper. Perhaps more importantly in comparing these with the Gibson showing is the association of arsenic - up to 300 ppm - and silver values in the 40 - 200 ppm range.

It would appear then that the Gibson may indeed be similar to known zones peripheral to the Mt. Milligan copper-gold deposits. The Gibson may have some economic potential in its own right, as do the similar veins at Mt. Milligan, but perhaps of equal or more importance is the fact that the Gibson may be reflecting large tonnages of copper-gold mineralization in the combined Vector - Mid - Nighthawk zones.