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A.D. McCUTCHEON**FAX: 758-1769**Re: Electra Programs

1. Comments re Annual Meeting and other corporate items - I still have problems regarding Monty's role in the Company - he left no doubt in my mind that he remains very much lukewarm with respect to exploration and the acquisition of new properties for Electra.

We need to look closely at the terms and conditions re the proposed line of credit - I agree that if this is arranged on satisfactory terms, the proposed 3 person committee to oversee it be implemented.

Bill Stanley overview - I regard this as critically important to ensuring the Company's future - I believe that this will provide an avenue to get a number of things sorted out, principally as to who will be responsible for what.

Brenda is definitely deserving of a raise and we need another signatory for cheques in Vancouver.

The Company must insist on a proper accounting for expenses incurred by everyone - no exceptions!

PR Associates - promotion, etc. - we need to look at the revised contract to give us a better handle on the philosophy behind this and just what this firm is going to provide.

Silica Property - Patsy Cove, Banks Island

The drilling program for this property is scheduled to get underway July 5. Revised contract terms apparently provide for some cost saving in the event a decision is made not to proceed with the entire 800 ft. minimum program - any undrilled footage will be charged for at \$5/ft. Joe Shearer and I are scheduled to go to the property on the day the drill is being moved in to have a quick look around and to spot holes. Joe has secured the services of a young geologist to sit on the project. I anticipate that total program costs will be roughly \$30,000 (\$37.50/ft.) as follows:

Drilling - 800 ft. @ \$16/ft	\$12,800
Mob-demob - Courtenay-Prince Rupert (return) - flat rate	\$2,500
Air transport-Prince Rupert- Banks Is. 3 trips in, 2 out	\$4,000
Moving between holes	\$1,500
Supervision-14 days @ \$140/day	\$2,000
Contingencies, GST, consulting, miscellaneous travel, core testing, etc.	\$7,200
	<u>\$30,000</u>