

May 8, 1992

Mr. Massoud Shariat Madari
President
Leo D'Or Mining Inc.
1103 - 1177 Hornby Street
Vancouver, B.C. V6Z 2E9

Dear Mr. Madari:

Re: **Exploration Phase Proposal -
Leo D'Or Marble Property**

I have been in contact with Phillip Christie, Land Officer, Ministry of Lands and Parks, Victoria, and with Mr. Eric Beresford, Ministry of Mines, Nanaimo.

Christie advises that Lands are in agreement that current and proposed future work on the property can proceed by way of Mines permitting (Notice of Work) and an Investigative Permit from Lands is not required at this time. Christie assumes that current and future work will be directed to the definition of several smaller areas (1 - 5 hectares plus access routes) within the present mineral claim that will be considered by Lands for a License of Occupation.

I should point out that there has been no progress in introducing necessary legislation to bring dimension stone and other industrial minerals under the provisions of the Mineral Tenure Act. What this means is that Ministry of Lands could put the property up for a competitive bid prior to granting a License of Occupation. Obviously this is grossly unfair and I think that with the proper representations, this would not happen in this case.

Mr. Beresford, whom you met with recently, advises that Leo D'Or's current Notice of Work, which allows for the extraction of blocks from the lower quarry area, will be extended for another year. He is concerned about the road proposal to access Onyx Hill from Bonanza Lake, as are Ministry of Forests and Fletcher Challenge. Beresford's concerns are that the route may not be feasible from an engineering standpoint and alternatives should be investigated.

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Beresford also advises that an additional Notice of Work is required for the proposed geological mapping, sampling and drilling program but that this should be fairly straightforward.

Regarding the proposed exploratory program to define principal areas of interest within the mineral claim, I enclose an estimate of costs based partly on the Klohn Leonoff proposal of last fall which was designed in large part by us. I think it is possible to reduce the Klohn Leonoff estimates by at least 25% with the greatest saving in Phase I. Phase II could also be reduced depending on the the actual amount of work deemed necessary by results of the Phase I program.

Please advise if this meets with your approval.

Yours very truly,

N.C. Carter

PROPOSAL FOR AN EXPLORATION PROGRAM

LEO D'OR MARBLE PROPERTY

PHASE I - Detailed and Reconnaissance Geological Mapping of
the Leo D'Or Mineral Claim

12 day program -

Professional services(2 - 3 persons)	\$10,200.00
Living expenses	\$2,400.00
Miscellaneous travel expenses	\$1,200.00
Report Preparation	<u>\$5,000.00</u>
	\$18,800.00
GST on above amounts	\$1,300.00
Estimated Phase I Costs	\$20,100.00

PHASE II - Diamond Drilling, Physical and Chemical Testing

Diamond Drilling - 1000 metres (all-inclusive price including helicopter support)	\$137,000.00
Supervision (including living and travel expenses)	\$12,000.00
Testing - ASTM and chemical as per Klohn Leonoff	\$9,640.00
Reporting	<u>\$10,000.00</u>
	\$168,640.00
GST on above amounts	\$11,805.00
Estimated Phase II Costs	\$180,445.00
Estimated Phase I and II Costs	\$200,545.00