

83092J

May 6, 1991

Dear Jim and Teresa:

Re: GOLD DUST CLAIMS - Topley Landing

Ralph Keefe called a few nights ago regarding the condition of old drill core and percussion hole cuttings stored at his former place near Telkwa.

This work was done between 1968 and 1973 when Ralph held an interest in the property and included:

Diamond Drilling

1968 - Noranda - 6 holes	1015 metres
1970 - Taseko - 3 holes	300 "
1973 - US Borax- 3 holes	<u>300</u> "
	1615 metres

We have locations and some assay data for the Noranda and the US Borax holes which were drilled in the east-central and southern parts of the present claim. One US Borax hole was drilled 600 metres south of the present southern boundary. I am trying to get some information on the 3 Taseko Mines holes from the Hunter-Dickinson group who recently took control of this company.

Ralph Keefe reports that of the 168 boxes of core at his place, 123 are in good condition, 25 are fair and 20 are in bad shape.

Percussion Drilling

1969 - Noranda - 32 holes	1725 metres
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These holes were drilled in the eastern property area where there is no bedrock. Samples from these holes would give a good indication if there are gold values in this area, unfortunately Keefe advises that the plastic bags are piled up and most have disintegrated and the sample numbers are not legible.

So it looks like we are restricted to the drill core in terms of additional sampling. I would estimate that depending on the condition of the core we might want to look at collecting about 200 samples for which analyses would cost \$3,400. It is entirely possible that a company (Equity?)

might wish to run the samples in exchange for a first refusal on any offer we might entertain.

I have advised Ralph that I want to have a look at the condition of the core prior to making a decision on whether or not we might want to do this sampling. I have also told Ralph that no sampling will be done until we hammer out what sort of participation he might want in exchange for making this material available. I suspect he's going to want a stiff deal but we should initially offer a 10% carried interest whereby he does not have to absorb any future costs.

Subject to looking at the core, my feeling is that this material could provide some much needed information. If it turns out that there are no gold values and only modest copper values, then we should think about calling it a day on this property - if there's anything of interest, we should be able to make some sort of a deal on it.

I suggested to Keefe that early June might be a good time to meet in Smithers.