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Mr. S. Cedric Steele
President
International Cherokee Developments Ltd.
402 - 1208 Wharf Street
Victoria,B.C.
V8W 3B9

Dear Mr. Steele:

Re: Au Resources Ltd. Mineral Properties

Pursuant to your request, I offer the following comments on the Vancouver Island properties of Au Resources Ltd.

Au Property

The Au property, situated on the west side of Flores Island 25 km northwest of Tofino, hosts a number of narrow, discontinuous quartz veins. Some of these have appreciable gold values including a reported 3.850 oz/ton over 0.3 feet. These are not considered significant in view of narrow widths but possibly more extensive gold-bearing pyritic zones have values of 0.098 and 0.149 oz/ton gold.

This property was reportedly drilled and trenched in 1967 but no records of this earlier work appear to be available.

Access problems and proximity to an Indian Reserve and to Meares Island render this a marginal prospect at best. Reports of work to date are not particularly exciting.

Emma Property

This property is 20 km southeast of Port Alberni in the China Creek area and is readily accessible by logging roads.

Numerous quartz veins are intermittently exposed over a 1500 by 500 metre area - one narrow, erratic vein (0.5 ft.) has yielded gold values of 0.487 and 1.390 oz/ton with some silver.

Soil geochemistry indicated anomalous gold values centred on the high grade showing; several other anomalous zones were also identified.

Trenching was recommended but has not been carried out to date.

The ease of access and the location of this property relative to the Nexus/Westmin Thistle prospect warrants at least a field examination.

General Comments

It appears that both properties have suffered from lack of funding. Had the original recommendations been carried out (trenching, drilling), it is probable that both properties would have been written off by now.

Yours very truly,

N.C. Carter