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Dr. William E. Pfaffenberger
President & CEO
Torch River Resources Ltd.

By Email: pfaffgau@telus.net

Dear Dr. Pfaffenberger:

Re: Records of Historic Exploration Work – Red Bird Property

Pursuant to our telephone conversation of December 21, 2006 regarding records of exploration work conducted by Phelps Dodge Corporation of Canada Limited in the 1960s, I researched information for BC Minfile occurrence 093E026 (Red Bird) contained in the Property File maintained by the BC Ministry of Energy Mines and Petroleum Resources library.

All of the Phelps Dodge investigations on the subject property were carried out prior to 1974 when it became mandatory to file technical reports in support of assessment work involving diamond drilling programs. Prior to 1974, drilling programs were regarded as physical work for assessment work purposes and simply required an affidavit listing the costs incurred. This explains why there is no public record of the 17640 metres of diamond drilling in 75 holes completed by Phelps Dodge between 1963 and 1968. Of interest is the fact that even with the 1974 assessment work requirements for drilling, seldom does all of the drilling completed on a project get filed for assessment credit. An example of this is the work on Red Bird by Craigmont Mines Limited in 1980 – only 8 holes or 2000 metres of the 13900 metres of drilling completed by Craigmont were filed for assessment credit.

Red Bird is by no means a unique situation. An exceptionally active exploration environment in British Columbia in the 1960s and early 1970s was mainly directed to the search for, and definition of porphyry copper and/or molybdenum deposits. Very few records of usually substantial drilling programs are publicly available but those that are can sometimes be found in the aforementioned Property File.

The Red Bird Property File includes the following miscellaneous information:

1. A paper copy of a large, 1inch=400 feet geology map showing 57 drill hole locations and prepared by Phelps Dodge in 1966.

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2. A hand drawn Phelps Dodge plan map showing the location of three "radiating" drill sections, all at 1 inch to 200 feet and including:
- (a) No. 040 (referring to orientation of section by azimuth – in this case North 40 degrees East or 040⁰) showing drill holes 5, 30 and 34 and the location of granitic stock contacts and the "NE" mineralized zone defined by 0.10% and 0.20% MoS₂ contours.
 - (b) No. 140 – includes drill holes 31 and 37 and the "NW" mineralized zone.
 - (c) No. 000 – includes drill holes 7, 24 and 36 and shows "N" mineralized zone.
3. Various notes and sketches prepared by Dr. A. Sutherland Brown of the BC Geological Branch and based on his examination of the property in 1966. These include hand written summary drill logs with visual estimates of MoS₂ grades holes 8, 18 and 49.
4. Copies of correspondence between Craigmont Mines Limited and senior Ministry officials regarding possible access to the property through Tweedsmuir Park.

I suspect that little of the foregoing information will be of much use to you.

I also contacted Nels Vollo, who as former manager of exploration for Craigmont Mines Limited, supervised the 1979 and 1980 exploration programs at Red Bird pursuant to an option agreement with Phelps Dodge. He advised that while he had complete access to Phelps Dodge records during the course of the programs, all of the information was returned to Phelps Dodge following termination of the option agreement. However, as you are aware, much of the Phelps Dodge drilling information was integrated with Craigmont data as shown on some of the drill sections on the Torch River website. Mr. Vollo advised that while he had retained a copy of the Craigmont Red Bird files after Craigmont closed their exploration department, the files were given to some unnamed individuals several years ago.

Finally, some comments and background information relating to the apparent reluctance of current Phelps Dodge to provide copies of records of previous work. As related verbally, Phelps Dodge received a significant sum (details unknown) from the Province of British Columbia as compensation for the Red Bird mineral claims which in part impacted on the western boundary of Tweedsmuir Provincial Park.

The compensation received was pursuant to a process known as the Framework Dispute Resolution Agreement which was defined by the Mining Rights Compensation Regulation under the Mineral Tenure Act and which was established by Order in Council in early 1999. This initiative was designed to address a long standing problem of valid mineral claims in Provincial Parks, principally those parks which historically had Class B park status which allowed some commercial activities including logging and mineral exploration. A number of mineral claims were staked and explored in Tweedsmuir Park in the 1960s and early 1970s until all Class B parks were given Class A status precluding any further mining-related activities. This government decision effectively locked up some 900 mining claims in various parks throughout the province and only limited progress was made in compensating claim owners over the ensuing years. Of interest is that several agreements were made to compensate claim holders in at least three cases well inside the boundaries of Tweedsmuir Park.

Following the announcement of the new regulation in 1999, a number of claim owners with claims in parks were approached by the Provincial government. About 5 or 6 years ago, Phelps Dodge Vancouver staff decided to give the process a try even though only a small, but critical part of the Red Bird claims were impacted by the Park. Very astutely, they secured the services of Roscoe Postle and Associates who had provided technical assistance to government in negotiations with other claims owners. A compensation figure was agreed on and Phelps Dodge surrendered title

to the Red Bird claims several years ago. Following this, Parks Branch should have expanded the park boundary to include the area of the previous claims but somebody apparently fumbled the ball and the ground was open for staking.

An important component of the Framework Dispute Resolution Agreement is that both parties agree not to divulge any details of the negotiations nor the dollar amounts agreed to for compensation. This part of the agreement may explain in part the current reluctance of Phelps Dodge to make available any records of past work on the Red Bird property.

Respectfully submitted,

N.C. Carter