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Thibert  
Creek

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To: Ledoux and Company  
359 Alfred Avenue  
Teaneck, New Jersey  
07666  
Fax: (201) 837-1235  
(Kind Att'n: Mr. Kallmann, head chemist)

Dear Sirs:

Ledoux and Company comes to me highly recommended as an independent assayer for problem ores and mineral concentrates containing platinum-group metals. One type contains interfering transition metals such as (Fe, Ni, Co, Cr) etc. and 'heavy metalloids' (Sn, Sb, Te, Bi, Hg, As) which tend to form a 'speiss' phase which deplatinizes the dore phase in ordinary gold-silver type fire assay collections with small silver inquarts.

Another type of problematic ore is surface evaporative zones in desert saline environments, with PGM containing 'salts' or secondary minerals, either as complex halides with Cs, Rb, etc., and complex sulphates/arsenates, tellurates, etc. together with heavy metals like Pb, Bi.

Another difficult type of ore is 'pitchy' - PGE in kerogen, bitumen complexes. (Kupferschiefer or vanadium-pitch type).

Still another problematic ore is the PGM-containing chromites, which in the Russian literature (Razin et al, Russian Institute Rarer Metals) NH<sub>4</sub>F pre-roast, conc. H<sub>2</sub>SO<sub>4</sub>-HCl digestion and NH<sub>4</sub>.NO<sub>2</sub> PGM precipitation produces results an order of magnitude above standard fire assays.

It takes unusual skills to solve unusual problems. My feeling is that the platinum-group metals are not really all that rare - but they are rarely detected quantitatively, except in certain well known (i.e. Stillwater type) settings.

I would be most interested to receive your cost schedules and/or comments for the types of Au-Ag-PGE determinations you do.

Yours truly,

*William D. Groves.*

William D. Groves  
(Ph.D. Chemical Eng., B.A.Sc. Geological Eng., A.P.E.BC#8082)

TERMS OF AGREEMENT

- 1) Incoming Party - Spend \$ 500,000 to earn a 40% interest. By Dec 31, 1990.
- 2) JV will form with subsequent expenditures to be shared 60% Equity 40% IP
- 3) Equity will be operator through the earn in and the JV
- 4) IF Equity proposes a program (by Feb 28/91) IP must decide within 30 days of its intention to participate or dilute via this formula:
  - \$ 100,000 of shortfall causes a dilution of 10%
  - \$ 10,000 = 1%
- 5) IF Equity does not propose a program within 60 days of year end the Incoming Party may propose one, become operator & if Equity does not participate Equity will suffer the same dilution as in 4). Equity will have 30 days to make its election from date of receipt of Notice of Work Program.
- 6) IF either party dilutes to a 10% working interest it automatically forfeits its interest and is no longer a party to the Agreement and is liable only for its pro rata share of expenditures up to and including that date.

7) Both parties will have a back in provision whereby if it has defaulted to less than its 60% (Eq) or 40% (I.P.) ~~(full interest)~~ it may at the completion of a Feasibility Report get back its full interest by expending 2 ~~times~~ times these monies it would have expended had it remained ~~as~~ with its full interest position.

8). Incoming party must elect to participate in this project as outlined in 1) by Aug 15/89 and I.P. must expend no less than \$200,000 by Dec 31, 1989. I.P. will then have all of 1990 to expend the additional \$400,000 to earn its full participating interest of 40%

INTEGRATED RESOURCES

John Hope  
 Elmer Stewart - geologist  
 Sam Matheson  
 Al Jenkins

I - E

E - carried for 1,000,000  
 - back in

E - give them the ground - I will be operator.  
 - I agree to spend 1,000,000 to earn 40%  
 over 2 years. Clause = 2 yrs agreement.

I - rolls their claims into the deal they will  
 earn an additional 9%

AT THIS POINT  $I/E$   
 49/51

Equity will become operator