J. R. Woodcock Consultants Ltd.

1521 PEMBERTON AVENUE, NORTH VANCOUVER, B.C., CANADA V7P 2S3 TEL: 604-988-2171

861574

May 25, 1978

Mr. Wally Bruce, Dome Exploration (Canada) Ltd., Suite 600 - 365 Bay Street, Toronto, Ontario, M5H 2V9

Dear Wally:

Re: Trout Lake Project

This is to confirm our telephone conversation of May 4 in which I suggested that I explore the project area for my own account rather than have the preliminary exploration financed by Dome Exploration (Canada) Ltd. If anything comes from this preliminary exploration I will contact you as I did with the Kusp Project.

Thank you for offering to finance the preliminary project. The terms that you suggested in your letter of May 4, 1978 might be suitable for some future small project that I come across and I will keep you in mind for something suitable.

Yours very truly,

Cloodroch

/J. R. Woodcock

JRW:mb



May 4, 1978

Mr. J. R. Woodcock J. R. Woodcock Consultants Ltd. 1521 Pemberton Avenue North Vancouver, B.C. V7P 283

> Re: Trout Lake, B.C. Project -82K S.W.

Dear Dick:

To confirm our telephone conversation of this date and our various discussions in Vancouver at the time of the C.I.M. convention it is agreed that, on a consulting basis, you will examine that certain area along strike from the recently announced molybdenum find owned by Newmont and Esso.

I understand that you will examine the release of geochem data by the Government, when you are able to, you will fly the area for gossans, and as a result of these two things you mayy recommend claims for staking. If you do so the cost of the staking will be for our account. On the chaims staked in this specific project you will receive from us the same treatment, with respect to interest, as do our own Company prospectors. If, as a result of the early work you do, you think that no further effort is justified you will advise us that the project should be terminated. It is understood between us that we will set aside a maximum of \$5,000 to cover this work.

I would appreciate your confirming by letter your agreement with these terms, along with a brief note outlining the area to be examined and the reasons for doing so.

With kindest personal regards,

Yours sincerely,

DOME EXPLORATION (CANADA) LIMITED

G.S.W. Bruce

Big moly find in deep drilling on B.C. group

Newmont Exploration of Canada (55%) and Esso Minerals Canada (45%) in a joint program of deep diamond drilling appear to have their teeth into what could be a major molybdenum deposit in British Columbia. Known as the Trout Lake prospect, the property is located some 35 miles southeast of Revelstoke and has been under investigation by these companies since 1976.

Significantly, the deepest hole yet drilled has also turned out to be the best. It has returned a remarkable intersection of 890 ft. averaging 0.409% molybdenite (MoS₂). Included in this intersection are such intercepts as 170 ft. averaging 0.549% MoS₂, and a core length of 220 ft. carrying an exceptional average of 0.915% MoS₂.

The hole is described as intersecting the mineralized zone at an inclination of about 40 degrees, thus suggesting a true width of 600 ft. or more, it is gathered. The intersection was also at about 1,800 ft. below surface.

The hole is the latest of a series of 10 deeper holes that the partners have put down and which have yielded a number of good grade intersections indicating the potential for a commercial deposit. First of these holes were drilled in 1976 and were to about the 1.000-ft. horizon, while those completed in 1977 were to depth of about 1.200 ft. below surface.

A notable feature of the structure is that rock alteration and mineralization are more intense and more extensive with depth. This is in line with the fact that early diamond drilling by others, a number of years ago, was to shallow depth only of about 300 ft, or so and gave only indifferent results.

The Northern Miner gathers that the structure has now been drilled by the partners along a length of about 1.500 ft., so tonnage could build fast with further work. In this respect it is gathered that the program of deep drilling will be resumed within the next couple of weeks or so. The property, it is pointed out, is quite accessible: being at an elevation of about 5,000 ft. and reachable by a jeep road from the main highway.

The Northern Miner

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May 4, 1978