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June 25, 1979

Dr. Paul W. Richardson  
Richardson Geological Consulting  
Limited  
4161 Crown Crescent  
Vancouver, British Columbia  
V6R 2A8

*Dead file*

Dear Paul:

Re: Carolin Mines Limited, Hope Area, B. C.

I am today sending you, via Air Express, a copy of the feasibility study on the above property which you so kindly sent to me at an earlier date. Henry Brehaut has had an opportunity to look the report over rather quickly, and the following are a few remarks which he made after his review:

"-----". The property continues to look interesting, but we doubt if financing can be arranged through conventional channels as a decision to proceed would be risky based on the 1500 tons per day concept even at current prices.

While a 1500 tons per day operation would show some economies of scale, a start at this tonnage would not be prudent considering that only three years of reserves have been blocked out. A different concept, however, starting with a lower tonnage and including other modifications could possibly offer longer term advantages while minimizing the risks on the front end.

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If the partners are not able to raise sufficient funds based on the present study, an opening might present itself for Dome to get involved in the project. Perhaps if you could discretely advise Orval Gillespie of our interest under such circumstances, it could help him in his dealings with AQUARIUS and, possibly, might present us with an opportunity to get in if things do not develop as they hope."

As I said to you earlier, we greatly appreciate your having obtained this information, and for having introduced me to Orval Gillespie. I certainly think we should continue to keep in touch with this situation, and I would appreciate if you could do so.

With kindest personal regards,

Yours sincerely,

DOMEX EXPLORATION (CANADA) LIMITED

G. S. W. Bruce

GSWB:RN