September 7, 1984

Mr. C. Philip Yeandle
Executive Vice President
Terramar Resource Corporation
1030 - 1176 West Georgia Street
Vancouver, B. C.
V6E 4A2

Dear Mr. Yeandle:

Re: Shiko Lake Claims, B. C.

Thank you very much for your letter of August 29, 1984, in which you indicated that the Shiko Lake property was available for joint-venture participation.

At the present time, our commitments are such that we are not able to consider taking this property on.

I would, however, like to thank you very much for allowing us to consider this property.

Yours very truly,

DOME MINES LIMITED

G. S. W. Bruce Vice-President Exploration

GSWB:rb



TERRAMAR RESOURCE CORPORATION

August 29, 1984

PROPERTY OF BRILLING

LEGAL

TECHNICAL OF FINANCIAL

OTHER

Dome Mines P.O. Box 270 Suite 2700 1 First Canadian Place Toronto, Ontario M5X 1H1

Attention: Vice President Exploration

Dear Sir:

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Terramar Resource Corporation controls 28 mineral claims south of Mitchell Bay on Quesnel Lake known as the Shiko Lake Claims. These claims cover a diorite stock and its intruded basaltic breccia. The geology is similar to that at Dome's Q.R. deposit.

Since 1972, the property has been explored by approximately 1000 soil samples, 20 km. of magnetometer line, 40 km. of I.P. line, 1500m. of bulldozer trenching, 300m. of percussion drilling, and 300m. of diamond drilling. All of this work is available for inspection in Terramar's Vancouver office. The trenching produced a grab sample of .32 oz/ton Au, the percussion drilling 15m. of .02 oz/ton Au and the diamond drilling 30m. of .02 oz/ton Au. Most of this work, however, was on the mineralized syenite-diorite of the stock while the altered breccias on the margin were overlooked. This year, additional soil sampling on the breccias delineated four promising anomalies, three of which are untested. These anomalies now require additional bulldozer trenching and percussion drilling.

Although Terramar considers the property promising, it does not fit our current exploration strategy and so we are prepared to option it to a company with an active program in the Quesnel Gold Belt. To date, approximately \$100,000 has been spent on the property. Terramar proposes to option 50% of the property for a trenching and drilling commitment of \$90,000 over 3 years and a payment of \$10,000. All assessment work has been done and the claims are in good standing until August 15, 1987.

Should such a program fit into your current plans and should you be interested in pursuing the matter further, perhaps you would be kind enough to contact the undersigned for further information.

Yours truly,

TERRAMAR RESOURCE CORPORATION

C. Milio (pol)

C. Philip Yeandle

Executive Vice President

CPY/mw