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GOLD CITY R

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Vancouver, B.C. V6B 1V9

TELEPHONE: (604) 682-7677

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Post-It™ brand fax transmittal memo 7671

of pages = 2

To: TOM SCHROETER	From: JOHN CHAPMAN
Co.	Co.
Dept.	Phone #
Fax # 775-0313	Fax #

TOS -> Beavertail

FACSIMILE TRANSMITTAL COVER LETTER

NAME OF SENDER: John Chapman DATE: 9/10/94

Please deliver these Two page(s), including this cover letter, to:

NAME: RON SMITH, CHIEF GEOLOGIST

FIRM: MINISTRY OF ENERGY MINES & PETROLEUM RESOURCES

TELECOPIER: 952-0381

COMMENTS: DEAR RON:

RE: ATTACHED COPY OF LETTER TO TALK. BEAVERTAIL

DO YOU HAVE ANY INFORMATION ON DISCOVERY
POTENTIAL AT OR NEAR THE BEAVERTAIL MINE?

WE HAVE LOCATED REPORTS THAT LEAD US TO

BELIEVE THERE IS SIGNIFICANT POTENTIAL - AND

NEED TO ADD TO THE DATABASE.

PLEASE CALL ME AT 604.682.7677

BEST REGARDS

If you do not receive all pages, call back as soon as possible to: (604) 682-7677

Gold City Resources Inc.

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Suite 902 - 626 West Pender Street ♦ Vancouver, B.C., V6B 1V9 ♦ Telephone: (604) 682-7677 ♦ Facsimile: (604) 682-0089

September 10, 1994

Mr. Michael Lipkewich
Vice-President Mining
Teck Corporation
200 Burrard Street, Suite 600
Vancouver, B.C.
V6C 3L9

VIA FAX: 604.687.6100

Dear Mike:

I hereby confirm Gold City's sincere interest in acquiring or leasing Teck's Beaverdell mineral lands, subject to a review of the geological and grade control (mining) records.

I believe that there are two significant deposit targets on Teck's mineral lands and on Gold City's adjoining mineral lands as follows: (1) a copper-gold zone to the south and vertically lower than the Beaverdell mine, and (2) a very large low-grade body of silver that would encompass all the former Beaverdell underground mine and adjoining mineral showings. These assumptions are based upon assessment reports and professional papers, in the public domain, related to Beaverdell. In order to evaluate the potential for a very large open-pit, I would need to have access to your old geology and mining records.

The last time we spoke about my interest in Beaverdell, some three years ago, you had mentioned that your geologists had indicated there was potential for ore deposit discovery at depth, and that Teck was not interested in selling or leasing the mineral lands, at that time. I share their viewpoint and would be pleased to take the risk of further exploration and valuation, with a view to once again establishing an economic mining operation at Beaverdell to the mutual benefit of our companies and the community.

The existing mill would not be of any interest to us because of its age and poor condition. However, the surface lands would be important for the possible establishment of a new processing plant, should the exploration and valuation programs prove positive.

I will contact you upon your return from Chile to arrange a meeting.

Yours very truly,

Gold City Resources Inc.



John A. Chapman
President