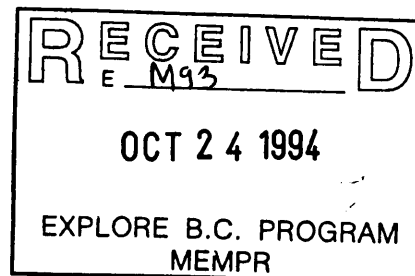


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**phelps
dodge**
Corporation of Canada, Limited



October 15, 1994

Mr. Dani Aldrick, Manager
Explore B.C. Program - Ministry of Energy, Mines & Petroleum Resources
5th Floor - 1810 Blanshard Street
Victoria, B.C.
V8V 1X4

Dear Dani:

Re: Baez Property September Summary Report - Grant Identification Number 94/95M-93

During September, twelve diamond drill holes were completed on the Baez property to test targets established earlier in the year. In addition, 66 line-kilometres of grid were established over the south part of the claim area. Clean-up of drill roads began on September 16 and continued through to month-end. Grass seeding of drill roads and sites will complete the reclamation for this year.

J. T. Thomas Diamond Drilling of Smithers, B.C. mobilized an Acker diamond drill onto the Baez property on September 1, 1994. The twelve holes were completed by September 17th and the drill demobilized. Core logging, splitting and sampling is on-going. Core is being shipped to Acme Analytical Laboratories in Vancouver for analysis. Over-all, the drilling program revealed areas of locally developed chlorite-epidote-pyrite alteration and one small zone of silicification within predominantly acid volcanics of the Dotsa Group.

Yours truly,

PHELPS DODGE CORPORATION OF CANADA, LIMITED


P. E. Fox, Ph.D., P. Eng.
Western Canada Representative

cc: R. M. Gray, Toronto

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