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CLAYTON RESOURCES LTD.

881584
Kerr

LOG NO: SEP 18 1989	VAN 3
ACTION:	
<i>[Signature]</i>	
FILE NO:	KERR

September 8, 1989

Ms. Karen Koncohrada
A/Director
Mineral Policy Branch
Ministry of Energy Mines and Petroleum Resources
617 Government Street
Victoria, V8V 1X4

Dear Karen,

Thank your for the copy of the August 30 Press Release issued by Sulphurets Gold Corporation on the Kerr Property.

I understand that as of today, Placer Dome Inc. has announced that it is purchasing the 74% interest in Sulphurets Gold Corporation owned by Western Canadian Mining Corporation. It is generally expected that an offer will be made to the minority shareholders in Sulphurets, so that Placer would in effect become the sole owner of the Kerr property.

In light of this, there is probably little point in us discussing the likely development of the property with Western Canadian Mining, to whom a letter of introduction was sent August 31st. Gary Robinson will be making an inquiry at Placer Dome to see if he can determine who we should deal with there. When that is done, we will ask you to issue another letter of introduction for the Kerr property, this time to Placer Dome.

I must say that all of this "action" makes our study very exciting!

Clayton Resources Ltd.

Gary Bowden

Gary Bowden

cc: G. Robinson