

C: Denis Linguist  
Ralph 884914

# Golden Knight Resources Inc.

1199 West Hastings Street, Vancouver, B.C. V6E 2K5  
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See Graeme McLaren  
for reports.

November 6, 1990

G. B. McRae  
Assistant Deputy Minister  
Ministry of Energy Mines and Petroleum Resources  
409 Douglas Building  
Victoria, B. C.  
V8V IX4

Dear Mr. McRae:

**Re: Deer Horn Mine Project**

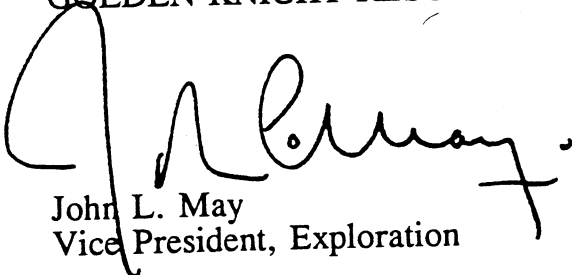
\* Please find enclosed two copies of a comprehensive report on the work done by Golden Knight on the Deer Horn Mine Property in the Tweedsmuir Recreation Area. We are pleased to report that the work was completed safely and without criticism from local representatives of the various Ministries involved.

You will note that the total expenditures incurred by Golden Knight were \$806,000, which is below the original committed budget of \$916,245. The original budget included a "reserve for mine rehabilitation and contingency" of \$200,000. In fact, no significant expenditures were required for mine rehabilitation with the result that only half of the reserve amount was spent. Expenditures for the remaining items actually exceeded the budget by approximately \$100,000. We trust this will fully satisfy our undertaking.

Although some results were encouraging, Golden Knight was not able to verify the widths and grade of mineralization originally reported, and was unable to identify a mineable reserve. Consequently, the company is seeking a joint venture partner to help fund further drilling to expand the limits of known mineralization.

Yours sincerely,

GOLDEN KNIGHT RESOURCES INC.



John L. May  
Vice President, Exploration

JLM:mjb

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cc Mgrs  
Tom S.

LOG NO:	NOV 20 1990	VAN 3
ACTION:	* Nothing enclosed.	
FILE NO:	Lindquist	