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I N T E R O F F I C E M E M O R A N D U M

Date: 21-Apr-1993 09:28am PDT
From: Denis Lieutard
DLIEUTARD
Dept: Energy, Mines & Petroleum Res.
Tel No: 356-2244

TO: Linda L. Stewart (LSTEWART)
CC: Beverly Wendt (BWENDT)
Subject: Casamiro Resources

Linda,

Here is what I have to date regarding the recent decision of the Expropriation Compensation Board. This is rough, I just received information from AGs. Call if you need more or want clarification.

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SUBJECT:

Expropriation Compensation Board decision regarding Casamiro Resources claims in Strathcona Park

BACKGROUND:

Casamiro Resources (Casamiro) owns 19 Crown granted mineral claims located on upper Drinkwater Creek in the southern portion of Strathcona Park. The claims were staked in 1939 and predate the creation of the Park.

Casamiro Resources bought controlling interest of the claims from W.J.Sherwood in 1984. The Sherwood Mine was opened in 1942, but produced a limited amount of gold-silver ore. In 1985, old adits were reopened and samples taken.

In 1988, the government announced that no exploration in the Park would be permitted. The following year Casamiro filed under the Expropriation Act for compensation and valued the claims at \$62 million,

In 1990, B.C. Supreme Court ruled that the Crown's action constituted expropriation for which compensation was entitled. That year the Expropriation Compensation Board directs the Crown to make interim payments against Casamiro's costs. The Crown appealed the Supreme Court decision.

The decision of the Board was submitted to the Attorney General April 19, 1993. It recommends that \$375,000 be paid in compensation to Casamiro for expropriation of the claims.

The award was based on the fact that the 1987 Order in Council which allowed Casamiro to explore in the Park substantially increased the market value of the claims. The Board used market indicators and comparative sales of similar claims and arrived at the compensation figure.

|| details?

The Board ordered the Crown to make advance payments for compensation and for the cost of incurred by Casamiro in presenting the case to the Board. Currently these advance payments exceed the final compensation figure by approximately \$360,000. A strategy is currently being developed by the Ministry of the Attorney General to deal with this situation.

Casamiro has a right to appeal the decision of the Board.

CURRENT STATUS:

Ministry officials are examining the 92 page report from the Board and further advice on this matter is forthcoming.

On a related matter, Cream Silver has applied to the Supreme Court of Canada for leave to appeal the recent decision by Madam Justice Southin. The Mining Association of Canada have offered to finance Cream Silver if they are granted leave to appeal.

Industry is extremely uneasy about these decision and are awaiting with great concern, Government follow-up from the Schwindt Commission Report and Mr. Tanner Elton's work.

D.Lieutard
Mineral Titles Branch

I N T E R O F F I C E M E M O R A N D U M

Date: 23-Apr-1993 08:27am PDT
From: Ron Smyth - Min. of EMPR
RSMYTH
Dept: Energy, Mines & Petroleum Res.
Tel No: 387-0687

TO: (see below)

Subject: Casamiro Resources

Distribution:

TO: Tom Schroeter	(TSCHROETER)
TO: Bill McMillan	(WCMILLAN)
TO: Paul Matysek	(PMATYSEK)
TO: Vic Preto	(VPRETO)
TO: GIB MCARTHUR of EMPR at VMSMAIL	(GMCARTHUR AT VMSMAIL)
TO: Paul Matysek	(PMATYSEK)
TO: David Lefebure	(DLEFEBURE)
TO: Paula Ashby	(PASHBY)

I N T E R O F F I C E M E M O R A N D U M

Date: 21-Apr-1993 10:44am PDT
From: Denis Lieutard
DLIEUTARD
Dept: Energy, Mines & Petroleum Res.
Tel No: 356-2244

TO: (see below)

Subject: Casamiro Resources

Information on the Casamiro - Expropriation Board Decison. More
to follow after read through the decison.

Cheers,

Denis

Distribution:

TO: Bruce McRae	(BMCRAE)
TO: Irwin Henderson	(IHENDERSON)
CC: Brian Parrott	(BPARROTT)
CC: Ray Crook	(RCROOK)
CC: Dick Fyles	(DFYLES)
CC: Ron Smyth - Min. of EMPR	(RSMYTH)