

Mountain Boy Minerals Ltd.
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Stewart B.C. V0T-1W0

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888083

July 22 2005

TBS → Stewart Area
From: Bob McKay
Grammae Serv.
Oct. 2/05

To District of Stewart, Mayor, Councilors and John Holland.

Re: Granduc Road Improvements

We understand that a significant works project has been let on the former Granduc mine access road and as it appears there is no intention to inform or consult with the mineral tenure holders we request your observance of the mineral tenure act and your obligations under it.

Mountain Boy Minerals has several concerns with respect to the development and maintenance of this road as it will have a material effect on both current operations as well as possible future development. We expect these concerns acknowledged and addressed by the yourselves and the identified ministries with jurisdiction prior to the commencement of work.

Mountain Boy Minerals presently owns and operates on mineral tenures that extend over approx 5 kms of the Granduc Road. We have been the largest and most active user beyond the Westmin Premier property on this road for the past two years. We were the last users left in the 2004 field season leaving just prior to snowfall. We were the first users in 2005 (by opening the road with equipment from Westmin to 11 mile in late April which would otherwise be snowbound until mid June) and expect to be the last out again this year. Last year we drilled in access of 12,000 feet and this year to date have drilled in access are 10,000 feet and are targeting for 20,000 feet of drilling by the end of the season. This footage drilled is equal to that produced by all the other exploration work hosted in this area. This effort represents a dozen well paid jobs and significant expenditures in the local economy. Hence, the Granduc Road, its use, its development, its maintenance and its future are all of the utmost concern to our mine development plans and likely to the communities future.

Presently the tenure or ownership of the Granduc Road 'right of way' appears to be nothing more than a historical trespass by the Granduc mines and appears to have no certifiable licenses of occupancy, special use permits, charters, or other surveyed legitimacy to it by any level of government or any ministry, and where it must have had some mining access permitting I assume it has long since lapsed or defaulted to the crown. It seems that most ministries including Highways, Forestry, and Mines are anxious to deny authority over it lest they assume some liability.

Our first concern would then be as it relates to the confused tenure, the legality of the work with respect to crown tenures and the resultant liabilities that may find there way to third parties such as ourselves. We have been refused tender documentation (see attached) despite the 'letting of the contract' and without further information are totally unwilling to accept that the work is being preformed with due competency or adequate professionalism. The risk of having work done on our mineral tenures that may or may not incur liability and that then we have no control or input in makes it an entirely unacceptable position for us.

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Secondly the lack of consultation and due process in the entire tendering and its subsequent abandonment, the refusal to hire professional engineering to establish a scope of work after its tendering, and then further abandoning the tender put out to build a tender package so that proponents could honestly bid on the job all attest to an incompetency from the inception of the proposed roadwork and the arrogance of council in not accepting their own inabilities. Ultimately the job being 'given' thoughtlessly without process and without engineering and then with a hastily fabricated supervision contract to an individual without professional civil engineering legitimacy is again unacceptable. Not only are his qualifications suspect but he signed off his liability to the District in direct contravention of 'professional practice'. So again who accepts the liability and how and where does go? Mountain Boy Minerals Ltd will again refuse to be compromised by this comedy of error.

Thirdly, It was stated, and of course we are not privy to the information, in the original request for proposals by the contractor of choice that \$600,000.00 was to be spent on providing a layer of river run crush over the entire surface of the road. Everyone with the remotest understanding of the general dynamics of loose gravel on a hard-pack road surface knows that not only will the gravel be blown off the road in a season but it will be a serious and dramatic safety issue. So much so that we would be inclined to remove it from our tenures for the safety of not only our personal but the tourist traffic as well. I have spoken with engineers, road builders and miners who all confirmed that a poorly specified gravel would be a horrendous misuse of funds and again support a 'deadly' liability issue.

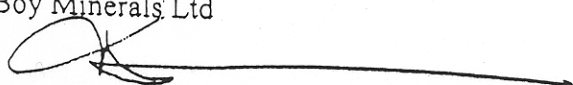
Fourth, Mountain Boy Minerals Ltd. has identified in the course of exploration significant mineralization that straddles the Granduc road, as well as a large zone which parallels the existing road. The ramifications of the potential open pitting along a 2 km strike will likely require complete removal of the existing road. With approaches considered it may well cause the road to be completely realigned if ongoing access is to be maintained. We cannot foresee a scenario in which the salmon glacier drive would not be radically altered by the continued success of our exploration. Given the reasonable odds that this may materialize any repairs and maintenance would be entirely redundant. We therefore cannot support or entertain any serious upgrade or development other than minor upgrades for the safety and stability of the road as it could compromise our future development plans.

The soundest investment by the Province in the Granduc road would be to establish a perpetual fund that would continue to improve and maintain what are currently reasonably passable conditions. 'Throwing' a million dollars at it for 'tourism' and dubious other purposes, and doing so thoughtlessly over a month or two without accountability just to spend the money on some irrational timetable is yet another example of a systemic political problem which leaves the taxpayers shortchanged and in this case will ultimately only benefit a few.

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..... Seven years ago FRBC spent under 100,000 dollars to keep the road accessible, prior to that the road has had little work since 1985 and that is testament to the quality of the road and its ability to withstand the harsh condition. We would like to see a long term measured and reasonable work program under clear tenures and administered by a independent body representing all user groups. This type of management would avoid the present condition and benefit everyone's interest in the future.

Sincerely
Mountain Boy Minerals Ltd



Frank Kamermans
President & CEO

- cc Ministry of Municipal Affairs
- cc Tourism BC
- cc Ministry of Forests
- cc Ministry of Mines
- cc Ministry of Transportation
- cc Ministry of Lands
- cc Ministry of Environment
- cc Nathan Cullen MP
- cc Wayne Coons MLA
- cc Baker and Ass.

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