



TO: Cynthia Lukaitis
Primary Industries Branch
Ministry of Regional and
Economic Development
4th Floor, 712 Yates Street
Victoria, B.C. V8V 1X5

Trident
883961
(Davis Keays)
94K/11W
94K 003, 012

Prince George, telephone: (604) 565-6125

March 20, 1991

RE: Racing River Copper Project

This is to summarize my phone comments on the above.

The properties mentioned in the International Lornex Inc. letter are known to us as copper-silver vein deposits or prospects. As the letter states, the old Churchill Copper Mine does have reserves, but they are rather modest. The Davis-Keays Mine has had extensive underground exploration but is neither "fully developed" nor is it "ready for production".

The statement that these properties collectively contain "20 million tons which will average 5% copper" is, to put it plainly, extremely misleading. Information we have indicates that most of the properties have not been explored sufficiently to establish any kind of reserves, and the reserve figures we do have fall well short of the figures quoted in both tonnage and grade.

We received Mineral Notices of Work forms last year proposing mostly modest exploration work on a number of properties in the Racing River area, and we understand that assessment work was filed in Vancouver for an unknown number of them. As yet we have no details of what was done or where. Our letters seeking a summary of last season's exploration work went unanswered, and the phone number on the Notices of Work is no longer in service. We also understand, but have not confirmed, that there were some problems with payment of bills to a helicopter company by the operator responsible for this work.

There is no question that the Lornex Mining Corp. name is well known and respected, but none of the expertise associated with that corporation is apparent in this proposal. As I stated, any thought of production is premature until an acceptable prospectus is before the Mine Development Review Committee, and I would not recommend anyone consider production financing until this is done.

E.L. Faulkner
District Geologist

ELF:njw



Prince George, telephone: (604) 565-6125

TO: Norm Ringstad, A/Chairman
Mine Development Steering Committee
Victoria

March 21, 1991

RE: RACING RIVER COPPER PROJECT

Enclosed are:

Tom: something you should be aware of!

1. Copy of proposal from International Lornex Inc. to Hon. Bud Smith, Minister of Industry (?), forwarded to me by Cynthia Lukaitis, Ministry of Regional and Economic Development. Basically the company is seeking loan guarantees for production.
2. My reply to Ms. Lukaitis. She indicated that she would reply to the effect that the government does not provide funds for such ventures.
3. My letter to International Lornex Inc.

The above explains the situation. To put it as politely as I can, the whole thing sounds very promotional. Hopefully this will make it clear that Big Brother is watching.

E.L. Faulkner
District Geologist

ELF:njw

cc: Steve Wuschke
Tom Schroeter

Oct. 1/104
DAVIS KEAYS
Gary Schellenberg
(+ Bernie Dewank)
dealing (for now) on
photo

LOG NO: MAR 26 1991	VAN 2
ACTION:	
<i>TOS</i>	
FILE NO:	<i>Racing River</i>