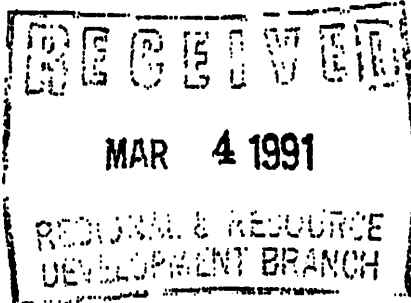


Trident  
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# INTERNATIONAL LORNEX INC.

Suite 707 - 626 West Pender Street, Vancouver, B.C. V6B 1V9

Phone: (604) 669-4025 Fax: (604) 669-4025 669-4010



*Sweetser*

The Hon. Bud Smith,  
Minister of Industry,  
Parliament Buildings,  
VICTORIA, B.C.

February 22nd, 1991

Dear Sir:

RE: RACING RIVER COPPER PROJECT

May I present the following information for your consideration:

The overall Racing River Project area is some sixteen miles wide (east and west), and 40 miles long in a north-south direction.

We have 19 mine properties in this target area. On a conservative basis the properties contain 20 million tons of chalcopryrite mineralization which will average 5% copper (100 pounds per short ton) for a potential of 2,000,000,000 (2 billion) pounds of copper.

One of our mine properties, the MAGNUM-CHURCHILL MINE, produced over a million tons of 4.25 copper in 1970-1974, and has additional ore production potential.

The DAVIS-KEAYS MINE was fully developed in 1970 and is ready for production. It has in excess of 2.1 million tons of ore reserves ready to be mined.

The RACING RIVER, COPPER KEAYS, TORO NORTH, TORO SOUTH and BRONSON-WINDEMERE MINE properties have all had significant exploration by trenching and drilling.

The Racing River production program is for 40,000,000 pounds of copper per year commencing late 1992.

Initially, we are preparing to ship a 28-30% copper concentrate from the Davis-Keays and Magnum Churchill mines. This flotation concentrate would be very similar in specifications to the Magnum-Churchill concentrates produced in prior years from the Magnum-Churchill mine.

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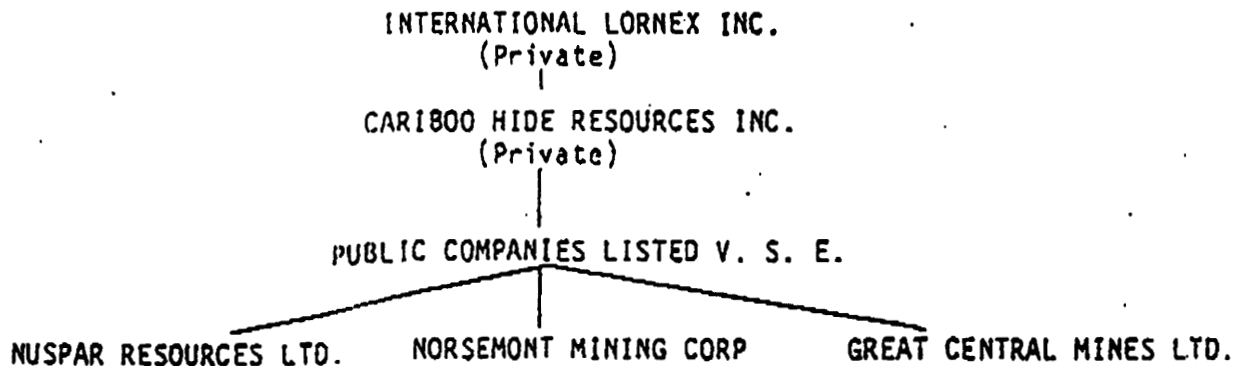
As soon as practicable, we will commence shipping 99.99% copper product from the chloride leach-solvent extraction-electrowinning (SX-EW) plant to be installed in Fort Nelson, British Columbia.

We are excited by the February 19, 1990 initial chloride leach tests by Bacon Donaldson on our ore. This test put more than 98% of the copper, and 100% of the silver in our chalcopyrite ore into chloride solution in 180 minutes.

Finning Tractor and Caterpillar Tractor (Cat World) are agreeable to supply all our heavy equipment requirements and be paid in copper production.

The following is a performance and investment schedule to bring International Lornex Inc., into production.

The companies involved are structured as follows:



The Management of the companies involved consist of well experienced professionals with impressive track records covering all aspects of the mining industry, (prospecting, exploration, mine development, production, refining and administrating). I should point out that Mr. Egil Lorntzsen, one of the Directors is the founder of LORNE X MINING CORPORATION, one of the largest and most successful copper mines in North America, with a production rate of over 1,000,000 tons per week.

#### PRESENT ASSETS:

Existing mining structures (millsite) approximately	\$ 2,000,000
708 Claims	1,600,000
Exploration and development	15,000,000
Professional Assessments and Reports	<u>1,800,000</u>
	\$20,000,000 CDN.

#### FINANCING SCHEDULE:

18 months for obtaining permits and a test period for a 20,000 ton test run required by the B.C. Government to ensure environmental safety etc. including set-up for basic equipment (operating costs inc.)	\$ 5,000,000 US.
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FINANCING SCHEDULE (CONTINUED)

\$ 5,000,000 US

6 months set-up for 500 tons day flotation/S.G. operation. Then a solvent extraction-electro-winning (SX-EW). Process plant to be installed to produce high grade (99.99%)copper and other co-products, including purity sulphur and separated purity gold and silver.

\$10,000,000

Operating capital and contingencies

1,500,000

\$16,500,000 US

INITIAL PRODUCTION:

500 tons/day average 5% Cu

= 50,000 lbs Cu/day

Cu Revenue 50,000 x \$1.20

= \$60,000/day

Thru Put Cost 50,000 x \$0.60

= 30,000/day

\$30,000/day = \$900,000/month

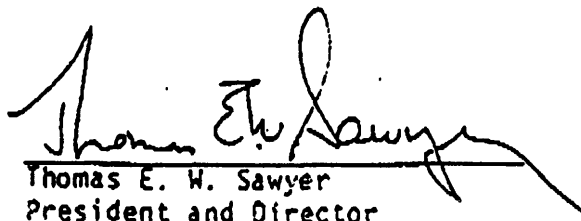
In the second phase (SX-EW) there will be gold, silver and sulphur recoveries.

Within one year of full production, the mining capacity will be increased to 1,000 tons/day.

A major international corporation has offered to finance the provision of equipment by a major dealer, with a minimum dollar value of \$7,000,000 which will be paid for by the production of concentrates or wire bar grade copper. In addition, offers have been received from others to provide mill equipment on a similar basis.

We invite your direct response to the foregoing proposal and wish to thank you for considering this project.

Sincerely,  
INTERNATIONAL LORNEX INC.

  
Thomas E. W. Sawyer  
President and Director

TEWS:vsm  
Encs:

INTERNATIONAL LORNE X INC.

FINANCIAL PLAN

FEBRUARY 22nd, 1991

- I. Secure 10-year loan for \$25,000,000.00 at 10% interest.  
(+ points)
  - a) Interest payments = \$2,500,000.00 per year
  - b) All principal payable in year 2001.
  
- II. Create Investment Bank escrow operating account for INTERNATIONAL LORNE X to invest the \$25,000,000.00 in interest-bearing bonds, etc., and as a collateral account for its business purposes.
  - a) International Lorne X takes down funds as required for entry into copper production at Racing River.
  - b) International Lorne X forward sells 100,000,000 pounds of copper for delivery as concentrates or metal on a continuing evergreen contract.
  
- III. To secure the loan to International Lorne X would pledge all its properties, assets and would subordinate its receivables to the escrow loan account for Bank Loan security as well as the \$25,000,000.00 in bonds in the escrow account.
  - a) The \$25,000,000.00 in bonds at 10% interest would yield \$2,500,000.00 per year.
  - b) When \$6,000,000.00 is utilized to place Racing River in production, the operating facilities and forward sale receipts against delivery of 100,000,000 pounds of copper, would become significant collateral for the loan.
  
- IV. To secure the loan we would like the participation of:
  - a) in co-signing the Bank Loan to the escrow bank account and to be participants with International Lorne X in The Racing River Project in such contractual and equity position as is equitable.
  - b) We would secure a Conditional Guarantee of the Escrow Bank Loan by The Province of British Columbia direct to the Lending Bank. This subordinate guarantee might be bondable.