



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

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Prince George
British Columbia
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Trident
888963

March 20, 1991

Mr. T.E.W. Sawyer, President
International Lornex Inc.
707-626 West Pender Street
Vancouver, B.C.
V6B 1V9

Dear Mr. Sawyer:

RE: Racing River Copper Project

This office has received several inquiries in recent weeks, mostly from government agencies, seeking information that we have been unable to supply on a project variously described as "a new mine on the Racing River", "a copper mine with a plant in Fort Nelson" etc. Recently I received a copy of a proposal sent to the BC Ministry of Regional and Economic Development that indicates this is your project.

I am pleased to see that a company is interested in the potential of some of these old vein deposits in this area, and I consider it a worth-while project. However there are items in the proposal that concern me as District Geologist, and which you should be fully aware of.

1. **Ore Reserves.** There is nothing in the literature nor in our files here to substantiate ore reserves anywhere near the grade or tonnages you quote. Frankly there is little to suggest there is even the geological potential for something like 20 million tons. It would certainly be a major development if you have managed to do this. We did receive Notices of Work for several of these old properties last year, and we understand that some work was done in the area. However our letters to the address on the Notices of Work seeking information on the work done went unanswered and the phone number given was not in service. In any event, the programs of work proposed were mostly modest, and inadequate to demonstrate such a major increase in the reserves or potential of the area.

I would greatly appreciate it if you would provide me with details of the sources or the information on which the figures you quoted to the Ministry of Regional and Economic Development were based.

2. **Mining Plans.** Your proposal describes mining plans, with production "commencing late 1992". You should be fully aware of the fact that any mining proposal must be cleared by the Mine Development Review process before any construction on mine plant can commence - let alone mining. Frankly, if you were serious about a 1992 start date you should have been well along in this process by now. Full details of the requirements of the Mine Development Review process can be obtained from:

Mr. N. Ringstad, Acting Chairman
Mine Development Steering Committee
Energy, Mines and Petroleum Resources
105 - 525 Superior Street
Victoria, B.C. V8V 1X4 Phone # 356-2229

Your first step will be to submit an acceptable Prospectus. I would point out that one of the requirements of this will be a statement of ore reserves based on adequate exploration and calculated by someone with appropriate qualifications, preferably an independent consultant or company. Since the properties you are interested in are some distance apart, you should be prepared for the possibility of submitting a separate prospectus for each property you wish to develop. You will certainly be required to submit site-specific geological and base-line environmental information. Mr. Ringstad may be able to advise you on this.

It is important that you contact the various district and regional staff of the government agencies involved in the Mine Development Review process as soon as possible, keep them informed, and find out exactly what work or information they will require, in advance, at each stage of the process, otherwise you may encounter delays and increased costs in any production plans you might have.

Sincerely,



E.L. Faulkner, Ph.D.
District Geologist

ELF:njw

cc: Norm Ringstad
Steve Wuschke
Tom Schroeter