

R.M. BLAIS

EDWARD J. KONDRA  
6351 Walker Avenue  
Burnaby, B. C.  
V5E 3B7

680235  
White Elephant  
082L/04E

February 29, 1980

Mr. Harry H. Armstrong,  
Vernon Mining Co. Ltd., and  
Mrs. Ann Andersen,  
c/o 3505 - 30th Avenue,  
Vernon, B. C.

~~CONFIDENTIAL~~

Dear Sirs:

Re: Mineral Claims, Crown Granted  
Mineral Claims, Vernon Area

This letter is to confirm our agreement reached at our recent meeting on February 26, 1980 in Vernon, B. C., namely:

1. You either own or control the following mineral claims and Crown granted mineral claims in the Vernon Mining Division, Province of British Columbia, hereinafter called the "Claims", namely:

<u>Name of Claim</u>	<u>Lot No.</u>	<u>Record No.</u>	<u>Owner</u>
White Elephant	4880	-	Vernon Mining Co. Ltd.
Baby Belle			
Fraction	4924	-	Vernon Mining Co. Ltd.
Skookum Fraction	5043	-	Vernon Mining Co. Ltd.
Jumbo	4882	-	John D. Reagh
Rafred #2	5042	352	Harry Armstrong
North	4825	588	<del>Harry Armstrong</del> Ann Andersen
Lumberjack	-	7031	Harry Armstrong and John D. Reagh as to 50% each

2. I, Edward J. Kondra, will have the exclusive right to prospect for, explore, develop, and operate the Claims or a mine in consideration for engaging an engineering firm to evaluate the Claims and to recommend work on the Claims and, in carrying out such recommendation, to make expenditures of not less than \$50,000 by the end of 1981 and to carry out such further recommendations as may be made by such engineering firm. In further consideration, I will pay:

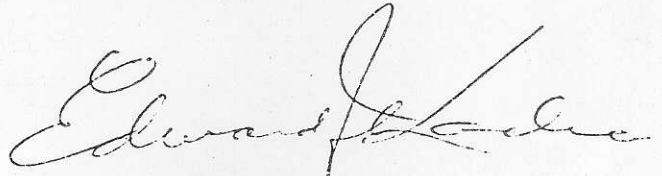
(c) 1% of net smelter returns to Vernon Mining Co. Ltd.  
from production of the Claims;

such payments to be made on or before the 15th day of the first month and thereafter within 15 days from the end of the preceding due month for each month during the term of an agreement which shall be for a minimum of 10 years.

3. I will also assist you to acquire Crown granted mineral claims Laura Bell and Buckhorn, Lot No. 4859 and 4860 respectively, which will be part of this agreement and be deemed Claims.

Please indicate your acceptance of this agreement by signing the copy enclosed where indicated and return it to me. I will then cause a more formal agreement to be prepared for execution and until such formal agreement is executed, the foregoing shall be binding upon us, our respective heirs, successors and assigns.

Yours truly,



Edward J. Kondra

The above agreement is hereby  
accepted this 1st day of  
March, 1980.

VERNON MINING CO. LTD.

Per: Harry H. Armstrong

Harry H. Armstrong  
Harry H. Armstrong

Ann Andersen  
Ann Andersen

A. H. Bell Director



**ROBINSON  
DAMES & MOORE**

CONSULTING ENGINEERS

445 MOUNTAIN HIGHWAY • NORTH VANCOUVER, B.C. V7J 2L1 • (604)985-9176 • TWX (610) 923-5031

Mr. Edward J. Kondra  
6351 Walker Avenue  
Burnaby, B.C.  
V5E 3B7

June 17, 1980

Dear Sir:

Preliminary Geologic Evaluation  
White Elephant Mining Claim  
Fintry, B. C.

With reference to your letter of June 9, 1980, we have the following comments:

1. As you are aware the laboratory assays indicated only Area B, Trench 3 as having reasonable values of silver and gold. Assuming less than one-third of the Area B pile (the uppermost mine dump) contains the .252 oz/ton gold and .52 oz/ton silver, then a preliminary estimate of 1000 cu. yds. or less than 2000 tons of ore at the above grades exists in the dump. However, the grade is likely to vary significantly within the pile and total recoverable ore could be considerably less.
2. We recommend a series of steps to explore the property including;
  - dewater the underground workings,
  - map geology and sample underground,
  - diamond drill the property with a minimum of 3 holes and
  - if results of above favourable go to underground development such as crosscutting and drifting.
3. There was no point in sampling around the workings as the value of the mine will not be in minor leavings near surface, but the extent of the ore body at depth. Also, you specifically requested dump sampling and a general review, not detailed sampling of the existing workings.
4. Our original quotation was \$1500 to \$2500 to visit the site, take samples and prepare a written report. This considers at least 20 hours travel and site visiting, and 20 hours of report preparation, coordination and discussion with you. In fact, Bob Smith

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AFFILIATED OFFICES AROUND THE WORLD

spent 3 full days between travelling to site, inspection and sample collecting, driving back to Vancouver and meetings with you. In addition, we are only charging \$55/hr. Canadian which is 20% below his normal U.S. charge-out rate. Our actual charges to date, including drafting of a report which you requested that we not type final as yet, come to the following:

K. Robinson	4 @ 65/hr.	\$ 260.00
B. Smith	30 @ 55/hr.	1,650.00
Expenses		<u>518.37</u>
		\$2,428.37

Estimated costs to finalize report \$200.00. This is slightly higher than the \$2500. maximum estimate because of the number of meetings requested by you and the air expenses being higher than first assumed.

5. Please note that this review requires much more than a mere site visit and sample collection. We also had to review all geologic data and records, the previous Dames & Moore report, (which was not charged for by the way), and combine all information in a summary report suitable for use without the need of references.

o o o

If you have any questions concerning this letter, please contact us. We consider that the work undertaken was carried out in an efficient and professional manner, and would appreciate prompt payment of our outstanding invoice.

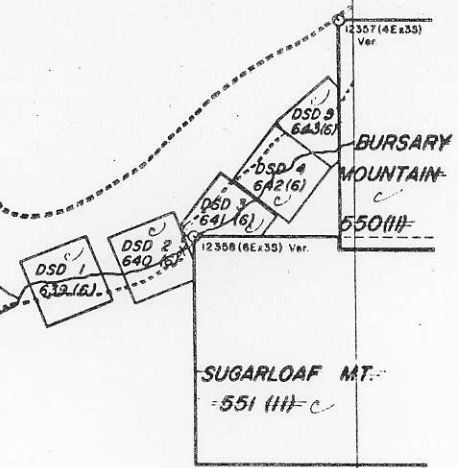
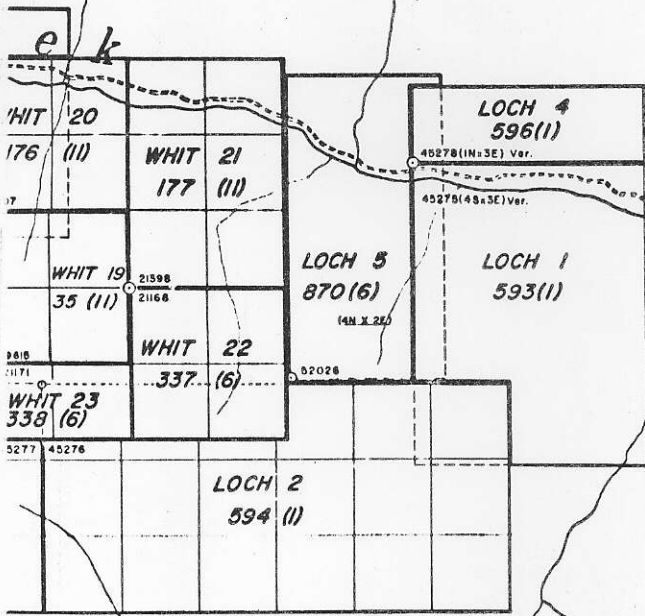
Yours very truly,

ROBINSON DAMES & MOORE

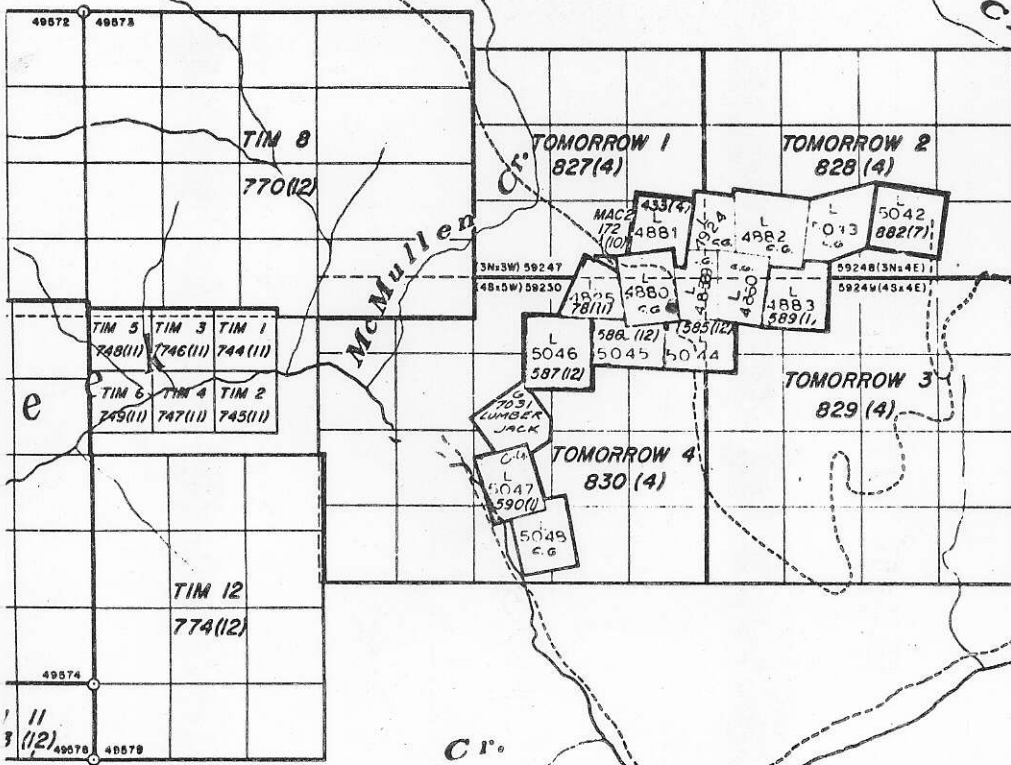


*for* K. E. Robinson, P. Eng.  
Executive Manager

KER/jm



map  
82 L/AE



E MAP 82 L/3W

6

5

4



Dankoe Mines Ltd.  
P.O. Box 190  
Keromeos, B.C.  
VOX 1N0

- 35859

May 16, 1980

May 21, 1980

*Nathan*

	PPB	PPM	
	Au	U	
19051	20		
52	20		
53	40		
54	<10		
55	20		
19056	50		
34957	>10,000	+ .35	→ .702
58	260		
59	>10,000	+ .35	→ .518
60	180		-
61	1420		→ .094
62	2600		
63	360		
64	3400	- .10	-
34965	20		
LIMONITE	880		
SILT BED A	80		
B	<10		
C	10		
D	<10		
SILT BED E	<10		
19401	<10	1.0	

TH to follow

68024

35843

May 7, 1980

May 21, 1980

	oz/ton	oz/ton	
	Ag	Au	
34957 B	0.18	0.702	from edge of glory hole collar (±60°)
34958 B	0.01	<0.003	
34959 B	0.18	0.518	
34960 B	0.12	<0.003	
34961 B	0.05	0.094	
34965 B	0.01	<0.003	

TABLE I.—RECORDED LODE-METAL PRODUCTION—Continued

Property	Mining Division	Latitude and Longitude	Year	Ore Shipped or Treated	Metals Recovered						
					Gold	Silver	Copper	Lead	Zinc	Other Metals	
				Tons	Oz.	Oz.	Lb.	Lb.	Lb.		
Voyageur.....	Slocan	50° 117' S.E.	1949	59	11	500		17,770		14,209	
Vulture.....	Slocan	49° 117' N.E.	1899-1953	585		52,245		812,683		460	
W.S., Coryell (formerly Carlton).....	Greenwood	49° 118' S.E.	1925-1950	38	7	527		17,777		6,590	
W.S., Rhone.....	Greenwood	49° 119' S.E.	1939	33	7	56					
W.W.V.....	Alberni	49° 124' S.W.	1899-1941	116	471	500	538	2,424			
Wakefield, Sandon.....	Slocan	49° 117' N.E.	1899-1929	9,858		193,951		2,449,846		12,276	
War Eagle <sup>110</sup> .....	Trail Creek	49° 117' S.W.	1898-1905	330,882	181,968	386,992	11,070,428				
Ward <sup>111</sup> .....	New Westminster	49° 121' S.E.	1905		135						
Washington.....	Slocan	49° 117' N.E.	1893-1939	8,491		428,818		4,257,905		2,768	
Waterloo, Lightning Peak <sup>112</sup> .....	Greenwood	49° 118' N.W.	1918-1919	232	85	48,286		25,884		31,964	
Wayside.....	Lillooet	50° 122' N.W.	1915-1937	43,094	5,341	842					
Wellington, Retallack.....	Slocan	50° 117' S.E.	1892-1934	1,961	4	123,240		510,324		192,434	
Wellington, Wallace Mountain <sup>113</sup> .....	Greenwood	49° 119' S.E.	1920-1953	7,765	355	1,481,156		1,029,078		1,555,039	
Wesko (Ymir Centre Star).....	Nelson	49° 117' S.E.	1936-1950	56,725	12,415	95,014		2,130,562		1,048,588	
Western.....	Slocan	50° 117' S.E.	1935	17	4	2,265		10,157		6,670	
Western Copper.....	Skeena	53° 128' S.E.	1928-1929	237	171	1,453	67,930				
Western Cross.....	Golden	51° 116' S.W.	1952	1		5		212		216	
Westmount.....	Slocan	49° 117' N.E.	1907-1929	255	1	59,722		34,950		20,130	
White Bear.....	Trail Creek	49° 117' S.W.	1903-1920	18,771	2,345	7,366	313,200				
White Cat.....	Golden	50° 116' S.E.	1924-1928	167		4,980		177,791			
White Eagle.....	Slocan	50° 117' S.E.	1928	9	3	198		5,880		3,989	
White Elephant.....	Vernon	50° 119' S.W.	1922-1935	5,673	2,031	367					
White Heather.....	Omineca	54° 127' N.E.	1913	2		174	1,838				
White Hope <sup>114</sup> .....	Slocan	49° 117' N.E.	1935-1951	71	5	663		25,112		24,330	
White Star.....	Alberni	50° 126' S.W.	1935-1952	1,418	7,093	2,967	1,246	37,780			
Whitewater <sup>115</sup> .....	Slocan	50° 117' S.E.	1892-1953	501,184	1,752	3,488,499		30,700,131		50,923,353	Cadmium, 87,829 lb.
Whitewater, Rover Creek.....	Nelson	49° 117' S.E.	1890	2	6	12					
Whitewater (Polaris-Taku).....	Atlin	58° 133' N.W.	1938-1951	753,255	231,604	11,760	176,277				
Wiarton.....	Greenwood	49° 119' S.E.	1940-1941	142	61	127		172		541	
Wilcox.....	Nelson	49° 117' S.E.	1901-1943	16,041	7,780	16,932		216,551		67,569	
Willow Grouse, Mount Maguire.....	Victoria	48° 123' S.W.	1915-1918	1,412	9	281	135,368				
Windfall.....	Clinton	51° 123' S.W.	1932-1953	611	465	5					
Windpass.....	Kamloops	51° 120' S.E.	1916-1944	102,996	34,456	1,719	173,959				
Winner.....	Greenwood	49° 118' S.W.	1934-1940	64	14	33					
Winnipeg.....	Greenwood	49° 118' S.W.	1900-1940	58,772	11,675	36,550	190,618	381			
Winnipeg.....	Revelstoke	50° 117' N.W.	1918	21		1,050		28,582			
Winona.....	Slocan	50° 117' S.E.	1948-1952	17		1,592		15,849		5,231	
Winslow.....	Revelstoke	50° 117' N.E.	1934-1941	1,788	596	312		477		28	
Wireless.....	Skeena	52° 131' S.E.	1916-1917	17	14	12	795				
Wolf.....	Skeena	55° 129' N.W.	1925-1953	50	8	4,948		162	768	726	
Wolframite.....	Atlin	59° 133' N.W.	1942-1943								Tungsten, 293 lb. WO <sub>3</sub> .
Wonderful, Sandon.....	Slocan	49° 117' N.E.	1896-1936	31,273	221	417,654		3,542,910		2,661,066	
Woodbine.....	Skeena	56° 130' S.E.	1929	5	8	80		292			





Mr. E.J. Kondra  
6351 Walker Avenue  
Burnaby, B.C. V5E 3B7

April 9, 1980

Dear Mr. Kondra:

In response to your inquiries of February 14 and March 22, we have reviewed our old records and have identified receipt of 197 tons of ore in 1922 from the White Elephant claim assaying about 0.7 oz/ton gold and 0.5 oz/ton silver. We have no record of receipts from Pre-Cambrian Mines.

Regarding possible current shipment, ore containing about 43% iron would not be acceptable. If it were possible to ship only the high silica material, then we could consider. However, before this we would require more complete assays on the possible shipment, specifically  $\text{SiO}_2$ , Fe,  $\text{Al}_2\text{O}_3$  as well as any metal values. We also require proof of ownership before considering shipments.

Yours truly,

A handwritten signature in cursive script that reads 'J.H. Reid'.

J.H. Reid  
Ore Buyer

JHR:jh

# ASARCO

April 7, 1980

**Tacoma Plant**

A. L. Labbe  
Manager

C. H. Randt  
Assistant Manager

M. C. Teats  
General Superintendent

R. D. Gallagher  
Accounting Manager

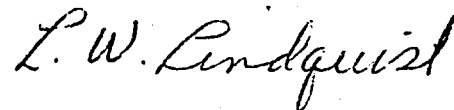
Mr. E. J. Kondra  
6351 Walker Avenue  
Burnaby, B. C., Canada  
V5E 3B7

Dear Mr. Kondra:

Our records show that we received ore, concentrates, and ashes from PreCambrian Gold Mines, Ltd. from 1932-1934. The analysis varied greatly with gold from 2.25 to 7.90 ounces per ton.

We are not purchasing any ore at the present time. We occasionally purchase a limited amount of high silica ore, 80% silica minimum, for use as a converter flux. The sample we analyzed in 1978 would not be an acceptable fluxing ore.

Yours truly,



L. W. LINDQUIST

LWL:cg

TO: —

Mr. Richard Ness  
 21 West 13th Avenue  
 Vancouver, B.C.



PHONE: (604) 876-4111  
 TELEX: 04-54360  
 ANSWER BACK: WHIVAN VCR

### Certificate of Assay

Warnock Hersey Professional Services Ltd.  
 125 East 4th Avenue Vancouver B.C. V5T1G4

FILE NO. 461 - 24028

DATE May 15, 1978

**We Hereby Certify** that the following are the results of assays made by us upon submitted ORE samples

MARKED	GOLD		SILVER		PER CENT.	PER CENT.	PER CENT.	PER CENT.
	OUNCES PER TON	GRAMS PER METRIC TON	OUNCES PER TON	GRAMS PER METRIC TON				
	1.287		3.36					

Note. Rejects retained one week.  
 Pulps retained one month.  
 Pulps and rejects may be stored for a maximum of one year by special arrangement.

Unless it is specifically stated otherwise, gold and silver values reported on these sheets have not been adjusted to compensate for losses and gain inherent in the fire assay process.

Isaac Wiebe

Provincial Assayer

# ASARCO

## Tacoma Plant

A. L. Labbe  
Manager

C. H. Randt  
Assistant Manager

M. C. Teats  
General Superintendent

R. D. Gallagher  
Accounting Manager

November 22, 1978

Mr. Richard Ness  
10417 14th St SW  
Seattle, WA 98146

Dear Mr. Ness:

The sample you delivered on November 9, 1978 has been assayed with the following results:

Oz/Ton		Percent					
Au	Ag	Cu	SiO2	Fe	CaO	S	Al2O3
0.50	0.95	0.18	21.6	43.6	0.2	27.6	0.8

Material of this assay at current metal prices of \$213 per ounce for gold would return you about \$53 per ton FOB smelter.

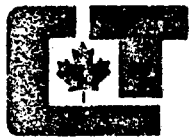
We would be pleased to accept a trial shipment of this material as a check on the above results. The ore should be shipped in a hopper bottom car, freight prepaid, with no pieces larger than 12 inches.

When you are ready to ship, please get in touch with us so that we can make the necessary arrangements.

Yours truly,

*L. W. Lindquist*  
L. W. LINDQUIST  
Smelter Superintendent

LWL:L



# can test ltd.

To: Mr. Ed Kondra

1650 PANDORA STREET, VANCOUVER, B.C. V5L 1L6 • TELEPHONE 254-7278  
Telex 04-54210

6351 Walker Avenue

## SEMI QUANTITATIVE SPECTROGRAPHIC ANALYSIS CERTIFICATE

Burnaby, B.C.

File No. 5576D

V5E 3B7

Date May 6/80

We hereby Certify that the following are the results of semi quantitative spectrographic analysis made on Ore samples submitted.

		1	2			1	2	Sample Identification
Aluminum	Al	3.	5.	Cerium	Ce	ND	ND	Sample 1: Track - 3 Area "A"
Antimony	Sb	ND	ND	Cesium	Cs	ND	ND	
Arsenic	As	ND	ND	Dysprosium	Dy	ND	ND	
Barium	Ba	ND	ND	Erbium	Er	ND	ND	
Beryllium	Be	ND	ND	Europium	Eu	ND	ND	
Bismuth	Bi	TRACE	ND	Gadolinium	Gd	ND	ND	
Boron	B	ND	ND	Hafnium	Hf	ND	ND	
Cadmium	Cd	ND	ND	Holmium	Ho	ND	ND	
Calcium	Ca	0.2	1.	Indium	In	ND	ND	
Chromium	Cr	0.03	0.05	Lanthanum	La	ND	ND	
Cobalt	Co	ND	ND	Lithium	Li	ND	ND	Sample 2: Track - 3 Area "B"
Copper	Cu	0.03	0.005	Lutetium	Lu	ND	ND	
Gallium	Ga	ND	ND	Neodymium	Nd	ND	ND	
Gold	Au	TRACE	TRACE	Praseodymium	Pr	ND	ND	
Iron	Fe	MAJOR	MAJOR	Rubidium	Rb	ND	ND	
Lead	Pb	ND	ND	Samarium	Sm	ND	ND	
Magnesium	Mg	0.1	0.7	Scandium	Sc	ND	ND	
Manganese	Mn	0.007	0.05	Selenium	Se	ND	ND	
Molybdenum	Mo	TRACE	TRACE	Tellurium	Te	ND	ND	
Niobium	Nb	ND	ND	Terbium	Tb	ND	ND	
Nickel	Ni	ND	ND	Thallium	Tl	ND	ND	Percentages of the various elements expressed in these analysis may be considered accurate to within plus or minus 35 to 50% of the amount present.  Semi-quantitative spectrographic analytical results for gold and silver are normally not of sufficient degree of precision to enable calculation of the true value of ores. Therefore, should exact values be required, it is recommended that these elements be assayed by the conventional Fire Assay Method. Quantitative and Fire Assays may be carried out on the retained pulp samples.  Silicon, aluminum, magnesium calcium and iron are normal components of complex silicates.  MATRIX — Major constituent MAJOR — Above normal spectrographic range TRACE — Detected but minor amounts N.D. — Not detected * — Suggest assay (above 0.3%)
Potassium	K	ND	ND	Thulium	Tm	ND	ND	
Silicon	Si	MATRIX	MATRIX	Ytterbium	Yb	ND	ND	
Silver	Ag	TRACE	TRACE	Yttrium	Y	ND	ND	
Sodium	Na	TRACE	1.	Zirconium	Zr	ND	TRACE	
Strontium	Sr	TRACE	0.03	Iridium	Ir	ND	ND	
Tantalum	Ta	ND	ND	Osmium	Os	ND	ND	
Thorium	Th	ND	ND	Palladium	Pd	ND	ND	
Tin	Sn	ND	ND	Platinum	Pt	ND	ND	
Titanium	Ti	0.1	0.3	Rhenium	Re	ND	ND	
Tungsten	W	ND	ND	Rhodium	Rh	ND	ND	
Uranium	U	ND	ND	Ruthenium	Ru	ND	ND	
Vanadium	V	TRACE	TRACE					
Zinc	Zn	ND	ND					

All results expressed as Percent  
Note: Pulp retained one week.

ALL REPORTS ARE THE CONFIDENTIAL PROPERTY OF CLIENTS. PUBLICATION OF STATEMENTS, CONCLUSION OF EXTRACTS FROM OR REGARDING OUR REPORTS IS NOT PERMITTED WITHOUT OUR WRITTEN APPROVAL. ANY LIABILITY ATTACHED THERETO IS LIMITED TO THE FEE CHARGED.

CAN TEST LTD.  
*S. E. Burgess*  
Spectroscopist



# CHEMEX LABS LTD.

212 BROOKSBANK AVE.  
 NORTH VANCOUVER, B.C.  
 CANADA V7J 2C1  
 TELEPHONE: 984-0221  
 AREA CODE: 604  
 TELEX: 043-52597

• ANALYTICAL CHEMISTS • GEOCHEMISTS • REGISTERED ASSAYERS

## CERTIFICATE OF ANALYSIS

TO: Robinson, Dames & Moore  
 445 Mountain Hwy.  
 North Vancouver, B.C.

CERTIFICATE NO. SP A562

INVOICE NO. 35562

RECEIVED April 23/80

ATTN: Mr. Ed Kondra

ANALYSED April 28/80

SAMPLE NO. :	Lower Concentration Limit (PPM)	34955B
Antimony	50	bcl
Arsenic	50	50
Barium	5	300
Beryllium	5	bcl
Bismuth	5	10
Boron	20	bcl
Cadmium	20	bcl
Calcium	0.05%	0.3%
Chromium	10	200
Cobalt	10	10
Copper	1	70
Gallium	5	10
Germanium	20	bcl
Indium	50	bcl
Iron	0.05%	10%
Lead	5	10
Magnesium	0.02%	0.3%
Manganese	5	200
Molybdenum	10	<100
Nickel	5	bcl
Niobium	50	bcl
Silver	1	bcl
Strontium	2	100
Tellurium	200	bcl
Thorium	200	bcl
Tin	10	bcl
Titanium	5	300
Vanadium	20	20
Zinc	50	bcl
Zirconium	20	30

### SEMI QUANTITATIVE SPECTROGRAPHIC ANALYSES

>5000 ppm => 5000 ppm	50 ppm = 25-100 ppm
5000 ppm = 2500-10000 ppm	20 ppm = 10-50 ppm
2000 ppm = 1000-4000 ppm	10 ppm = 5-20 ppm
1000 ppm = 500-2000 ppm	5 ppm = 2-10 ppm

500 ppm = 250-1000 ppm	2 ppm = 1-4 ppm
200 ppm = 100-400 ppm	1 ppm = 0.5-2 ppm
100 ppm = 50-200 ppm	bcl. = below concentration limit

Ranges for Iron, Calcium & Magnesium are reported in %



MEMBER  
 CANADIAN TESTING  
 ASSOCIATION

CERTIFIED BY: *[Signature]*