

**ACTION**  
**MINING COMPANY**

P.O. BOX 533  
TRONA, CALIFORNIA 93562  
Telephone: (714) 372-5850

July 12, 1983

Mr. Stafford Kelly  
Goldwinn Resources Ltd.  
159 Bay Street Suite 801  
Toronto Ontario Canada M5J 1J7

Dear Mr. Kelly:

I would like to point out that we did make a minor change in our testing procedures on your ore for samples 1000 through 1374. Instead of fire assaying the ore directly the leach fluid was precipitated and the precipitates were fired. This then gives a direct indication of gold recovery by leaching and is more accurate than fire assay on the ore.

The precipitation and firing was accomplished on every 5th sample for the first 70 samples and then every 20th sample thereafter. All firings read within 10% of the AA reading.

I did mention this procedure change to you on the phone. We feel that the accuracy is enhanced by this procedure change and that all readings are accurate on the ore that we received.

Thanks again.

Sincerely,

Jim V. Humble

JVH:kh

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Mr. Stafford Kelly  
Goldwinn Resources Ltd.  
159 Bay Street Suite 801  
Toronto Ontario Canada M5J 1J7

Dear Mr. Kelly:

The enclosed list of leach test results completes our testing program on your ore. I would like to point out that these leach tests differ from fire assays in that we have utilized an actual recovery method of testing as opposed to the fire assay that merely shows gold present but does not suggest a method of recovery.

I would like to take this opportunity to thank you for your business. I hope that we can be of service to you in the future.

Sincerely,

Jim V. Humble

JVH:kh

August 19, 1983

Michael A. Hepp  
Project Geologist  
Cominco American  
15120 Euclid  
Spokane, WA 99216-1896

Dear Mike:

Thanks for sending the information on Goldwinn Resources. I have not been out to their prospect area to check on it as yet; but have talked to a Canadian Geologist, Allen Willey, who is working for Goldwinn. He reported that the assays were run by Action Mining Company of Trona, California, using some kind of a patented leach method. Fire assaying apparently can't reproduce the results.

I understand that they are at present doing some drilling on the property and have hired a local well driller, Ken McClanahan. They are probably using a rotary-air rig.

I have been told that the claims are along N. Fork Silver Creek about 5 miles southwest of the Bunker Hill Mine. Rocks in the area are mapped as diorite with some related gabbro, by me. As I recall, evidence of mineralization is generally lacking, except for minor pyrite. When the opportunity presents itself, I'll probably make a visit to the property and get further information.

Will let you know if the facts are significantly different from this report.

Sincerely,

Len Ramp  
Resident Geologist

LR:rep

*This start file on*



Exploration &  
Technical Services

Len Ramp  
Oregon Department of Geology and  
Mineral Industries  
312 S. E. "H" Street  
P. O. Box 417  
Grants Pass, Oregon 97526

August 2, 1983

Dear Len:

Attached are some copies of press releases on Goldwinn Resources, Ltd's. Silver Creek property.

I understand from another of our geologists, Jennifer Leinart, that you had not heard anything about it.

The "discovery" appears pretty dubious, but I would appreciate any factual update you can pass on.

Thanks for the help on this and all the help you have been in the past.

Sincerely,

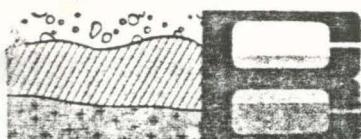
*Mike*

Michael A. Hepp  
Project Geologist

MAH/kkd

Attachment

cc: JBL



Len

BONDAR-CLEGG

10/31/

October 17, 1983

Results of  
assays on  
samples collected  
from Goldwin  
project

Ron

RE: 123-2781

As requested, we have performed a number of procedures to determine the presence of gold that would be volatile in the normal fire assay procedure.

Specifically we have digested the recommended samples in aqua regia, removing the acid by evaporation until the residue was a moist paste.

This paste was boiled in a 50% hydrochloric acid solution, transferred to volumetric flasks and the gold determined in the solution. In addition, a portion of each sample was analyzed, with these samples having a weighed portion of Gold Standard Sample MA1 added to directly monitor the recovery of gold.

This whole procedure was repeated with the addition of hydrofluoric acid to the digestion solution.

No gold was recovered by the procedures from the samples alone. Samples with known quantities of gold added produced gold recoveries that matched theoretical recoveries.

It is our opinion that volatile gold can best be considered a minor component of the total gold content if it is present at all.

Yours truly,

*R. Sawyer*

Ron Sawyer  
Chief Chemist

RS:mer

Bondar-Clegg & Company Ltd.  
130 Pemberton Ave.  
North Vancouver, B.C.  
Canada V7P 2R5  
Phone: (604) 985-0681  
Telex: 04-352667

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OCT 21 1983