



Geo Gold & Silver Corp.

324 South State / Suite 355
Salt Lake City, Utah 84111

make file

September 2, 1986

Mr. Ernest Woodcock
5850 Redwood Avenue
Grants Pass, Oregon 97526

Dear Mr. Woodcock:

This letter is to explain our inactivity on the Goldbug Claims this summer.

We have been working with the Josephine County Commission and the State of Oregon Dept. of Environmental Quality for the past six months in an attempt to rezone a property near Sunny Valley for a small concentrating mill. The last communication we have was from Mr. Richard Stevens, the Hearing Officer with the commission, was that our petition to build a mill was denied on the grounds that we had not fulfilled all of the requirements.

Regardless, we plan to continue our efforts to obtain the necessary permits to construct a mill to process the Goldbug and other ores in the district, at which time we will resume exploration and development of the Goldbug.

Sincerely yours,

David C. Arnold

David C. Arnold
President

DCA/jda