

ARCHER, CATHRO

& ASSOCIATES (1981) LIMITED

CONSULTING GEOLOGICAL ENGINEERS

Box 4127, 3125 THIRD AVENUE
WHITEHORSE, Y. T. Y1A 3S9

MS37

0123-75460
TN27.48
C4
F76
(403) 667-4415

August 23, 1988

Mr. Leonard Metcalfe
Rexford Minerals Ltd.

Home 574 4684
585 0655
off

(by FAX 681-2634)

Dear Leonard:

I received the results of the Nucleus drilling about a week ago and I relayed the more important assays to you several days ago. The samples were taken during a rotary drill program performed between June 7 and 12, 1988 but no analysis had been performed since the lab which was to do the assaying was delayed in arrival. When the lab was finally cancelled in mid-July, there were insufficient funds available to perform the assays and this situation was only partially resolved recently.

I have not been able to complete a detailed estimate of the reserves which are indicated by the rotary drill program; however, I am able to report the following intersections:

<u>Hole</u>	<u>Interval Feet (m)</u>	<u>Weighted Assay Ounces/ton (grams/tonne)</u>
88-03 ✓	15 (4.57)	0.144 (4.93)
88-07 ✓	15 (4.57)	0.056 (1.91)
88-08 ✓	45 (13.72)	1.020 (34.86)
88-11 ✓	10 (3.05)	0.047 (1.61)
88-12 ✓	25 (7.62)	0.036 (1.24)
88-13 ✓	60 (18.29)	0.044 (1.50)
88-15 ✓	25 (7.62)	0.050 (1.70)
88-19 ✓	60 (18.29)	0.063 (2.17)
88-24 ✓	60 (18.29)	0.037 (1.25)
88-25 ✓	25 (7.62)	0.036 (1.24)
88-27 ✓	15 (4.57)	0.052 (1.79)
88-28 ✓	55 (16.76)	0.038 (1.30)
88-29 ✓	20 (6.10)	0.055 (1.89)

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In addition there are another 29 intersections (usually 5' long) which exceed 0.030 opt Au and which grade up to 0.080 opt Au.

An ore calculation at this time, without a detailed study of the configuration of the mineralization, is highly speculative. However, a simple rough estimate can be made based on the volumes represented by each drill interval. If each sample occupies a volume of 16,500 cubic feet (5' by 50' by 65') and the density is 13 cu.ft./ton, then each 5 foot sample represents about 1200 tons. Calculations of reserves based on the above intersections would indicate that there are about 100,000 tons grading a weighted average of 0.15 opt Au (15,000 ounces). This calculation is obviously biased by the very high intersection in hole 88-08. If this intersection is deleted (treated as having zero value), then the reserves are about 90,000 tons grading a weighted average of 0.05 opt Au (4,500 ounces).

Metallurgical testing will proceed shortly. When an excavator is on the property, some trenching will be conducted to learn the nature of the high grade material encountered in hole 88-08.

Yours truly,

ARCHER, CATHRO & ASSOCIATES (1981) LIMITED

Charles A. Main

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