

Minerals Exploration Corporation
of the Americas
M.E.C.A.

September 18, 1998

TO: Gary Pierce
RE: Chilean Mining Properties

HISTORY

In 1988 we approached Shearson Lehman NY to help us arrange an equity partner to develop our award winning properties in Chile. They connected us with Mr. William Zylka who proceeded to assist us for some time. However, he later defaulted on his contract.

MISREPRESENTATION

Mr. Zylka contacted some of the major mining companies to co-venture with him in pursuing this matter. Mr. Zylka misrepresented himself to the mining companies and also to us. Consequently, after his default the misrepresentation was acknowledged by those mining companies. Mr. Zylka had the mining companies sign non-circumvention agreements. The companies were interested in the project but could not pursue any involvement because of the agreements. After discussing this with the mining companies they felt it best to let the agreements lapse. Although these non-circumvention agreements would not hold up in court we waited for them to expire.

FINANCING

During the years of 1989-1992 we were approached by the Commercial Advisor to H.R.H. Prince Abdullaziz Bin Saad Bin Abdullaziz Al Saud to obtain financing. Mr. Tovrea was led to believe H.R.H. Prince Abdullaziz Bin Saad Bin Abdullaziz Al Saud was going to arrange financing and co-venture the operation. Mr. Tovrea went to Zurich to research the project with the Commercial Advisor to H.R.H. The Arabs were very interested in the proposal and the project. The Arabs were very focused on sulphur with gold as a secondary measure and the large amounts of titanium dioxide that could be found as well.

INVASION

In 1990 Kuwait was invaded by Iraq while Mr. Tovrea was in Zurich with the Commercial Advisor et al. Their advisors in Saudi Arabia ordered them back to Kuwait to attend to their families and to prepare for conflict.

ILLNESS

Mr. Tovrea returned to the United States and became ill with heart disease. At this point he reached out to Gary Pierce. Mr. Pierce was originally brought in for his contracting background was now needed for financial support. Over the period of 1992-1995 Mr. Pierce made an \$8,000,000 investment into the company. Mr. Tovrea wanted to relinquish primary responsibility for the company for health reasons. He consequently turned it over to his longtime friend and business associate, Gary Pierce.

SALE

As per documentation represented, Mr. Pierce took over full ownership and all titles to the properties. The price of the sale is confidential.

As per your request I, Edward A. Tovrea, 7734 Herschel Ave. Suite J., La Jolla CA, 92037, state that these claims and statements are true to the best of my recollection and knowledge.

Ed Tovrea,


Past President of MECA & CSI Ag

Witness

