

LETTER SENT TO MR. PIERCE, on August 23,1998.

"Dear Mr. Pierce,"

"Regarding an estimate evaluation of the mineral reserves contained in the PIEDRA AMARILLA MINERAL PROPERTY GROUP, the following can be stated; The initial site work has been at the surface and near surface levels of an immense alteration some seven kilometers long and at least two kilometers wide." (What does that mean...Alteration would be geological system that shows mineralization.)

"This surface alteration is the upper expression of typical epithermal gold and copper system. In most areas of the World the upper portions of the epithermal systems have long since eroded away and the primary copper and gold ore bodies are within typical open pit mining distance from the sufficient to the PIEDRA AMARILLA the epithermal systems are much newer and hence very little of the upper system has had sufficient time to erode away." (Do this mean that you have to dig a little deeper to get to the Primary Zone.)

"This upper system contains minerals which were originally volatized at relatively low temperatures." (Means when substances turn into gas, sulphur has a low boiling point, if you put a match to it, it goes up into gas.)

"Such as arsenic, tellurium, selenium and sulphur, and hence we refer to this upper system as a former alteration of gaseous origin. These minerals are chemically related to gold and silver values found in the upper system, most of them as tellurides, selenides and arsenides."

"The depth of the upper system was estimated from geological evidence to be at least 100 meters thick but it is likely that it would be several hundred meters thick."

"A second mineralized zone of primary copper and gold exists at depth. This lower zone was explained to you by Homestake after their first visit to the site." (Homestake is a U.S. Based precious metals mining company, in South Dakota for 50 years, and have offices throughout the world.)

"Geologists from Homestake were **impressed** by the size of the alterations at the surface expression. Their opinion was the the Primary Copper and Gold zone would be found at a depth of 1000 meters (this should of been 100 meters). It would be expected that this lower zone would extend to a depth of several hundred meters."

"The combined upper and lower mineralized zones if mined out would yield mineral products in excess of **\$100 billion dollars** if sold at todays prices." (This was 1998, and the price of gold was about \$300.00 per oz.. That would be the price if you were extract all of that out---and sell them at todays prices.)

"Please feel free to contact me if you have any further questions and I look forward to seeing you in September."

"Sincerely, Harold Gardner."

"In this letter, do you not offer an opinion that that particular project could be Mined and would yield **mineral products in the excess of \$100 billion dollars, if sold at today's prices.**" "---I think I said that already."

"Yes, I Harold Gardner wrote this letter and signed this letter, and was not asked by Mr. Pierce, to write such a letter..."