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**JAMES HARPER
Barrister & Solicitor**

**General Delivery,
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January 9, 1989

Anton, Campion, Macdonald & Phillips,
Barristers & Solicitors,
Suite 200 - 204 Lambert Street,
Whitehorse, Yukon
Y1A 3T2

Attention: B. Campion, Esq.

Dear Sirs:

**Re: Curragh Resources Inc. and
Little Salmon/Cakmacks Indian Band**

COPY
This is self explanatory and
is sent to you for your
information.
C. BRIAN CAMPION

I have now had the opportunity to review Curragh's offer and your November 30 letter with the newly elected Chief and Council of the Band. Also, Band representatives have discussed the implications of the package for the Band with Federal land and mines officials. I am now instructed to advise as follows.

Firstly, with respect to the coal leases, Council declines to consider further the prospect of a transfer until such time as Curragh can deliver written confirmation from the appropriate federal officials that Her Majesty considers the leases to be fully in compliance with the terms of lease. We note that one lease is due for renewal soon and that subsection 14 (2) of the Territorial Coal Regulations requires the lessee to show compliance as a precondition to renewal. Council considers public safety and environmental protection to be matters of high importance.

Secondly, with respect to the titled Lots, Council confirms its interest in acquiring all or part of Lot 23, save and except the coal included within that title, and subject to resolution of any liability issues which arise as a consequence of the fire apparently burning beneath that property. Council has no interest in acquiring any other of the offered Lots.

We understand that Curragh generally is open to a transfer of Lot 23. Council would be pleased to continue negotiations with respect to that Lot alone. Should Curragh have or receive any other proposal in connection with Lot 23, Council would like the opportunity to meet or better same before Curragh makes any

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final decision in the matter.

In light of the above, I expect you will share Council's view that there is no purpose to the meeting sought by Cuxragh and scheduled for January 25 unless Cuxragh is willing to discuss a transfer of Lot 23 at this time. Please advise as to whether your client is content to proceed on that basis.

Sincerely yours,



James Harper

cc. Little Salmon/Carmacks
Indian Band