

WILLIAM A. MUNDELL
CHAIRMAN

JIM IRVIN
COMMISSIONER

MARC SPITZER
COMMISSIONER



ARIZONA CORPORATION COMMISSION

BRIAN C. McNEIL
EXECUTIVE SECRETARY

MARK SENDROW
DIRECTOR

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007-2996
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: accsec@ccsd.cc.state.az.us

February 27, 2001

Kenneth A. Korb, Esq.
Perkins, Smith & Cohen, LLP
One Beacon Street
Boston MA 02108-3106

Re: Gentry Resources Ltd.
A.R.S. § 44-1844(A)(6)

Dear Mr. Korb:

On the basis of the facts set forth in your letters of February 9, 2001 and February 26, 2001, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letters.

As this position is premised upon the facts set forth in your letters, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the antifraud provisions of the Act continue to be applicable.

We have attached photocopies of your letters containing the facts upon which this position is based.

Very truly yours,

MARK SENDROW
Director of Securities

MS:sd
Attachments

PERKINS, SMITH & COHEN, LLP

Attorneys At Law

KENNETH A. KORB

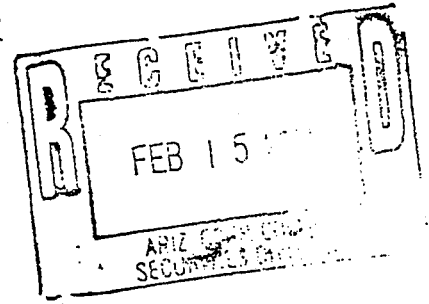
Direct Dial 617. 854.4259
Kenneth_Korb @pscoston.com

ONE BEACON STREET
BOSTON, MA 02108-3106
TEL 617.854.4000 FAX 617.854.4040
www.pscoston.com

February 9, 2001

VIA FEDERAL EXPRESS

Associate General Counsel
Securities Division
Arizona Corporation Commission
1300 West Washington Street, Third Floor
Phoenix, AZ 85007



Re: Gentry Resources Ltd. (the "Issuer"): Request for No-Action Letter

Dear Sir:

On behalf of Gentry Resources Ltd. ("Gentry") I am writing to request that the staff of the Securities Division confirm that it would not recommend that the Arizona Corporation Commission take any enforcement action under the Arizona Securities Act if Gentry Resources Ltd., a Canadian corporation to be formed from the amalgamation of Gentry and Sloane Petroleum Inc. ("Sloane"), issues its common stock to the holders of Gentry and Sloane shares as part of the amalgamation process described on the enclosed descriptive sheet.

Because the shareholder vote of Gentry and Sloane will be held February 28, 2001 and the amalgamation will be consummated promptly thereafter, it is respectfully requested that you undertake an expedited review.

Please note that the records of Gentry and Sloane indicate that there is only one (1) Arizona shareholder who holds 12,528 shares of Gentry, which have a current value of Canadian \$10,022 which equal U.S. \$6,615.

It is believed that the "no action" letter is justified under the exemption found in §44-1844(6). As pointed out in the attached description, a two-thirds (2/3^{ds}) vote of those shareholders voting at the special meeting is required from each of the constituent companies. The amalgamation vote is required by the Ontario Securities Commission which has jurisdiction over the companies. As such I believe that the transaction is fundamentally the same as a statutory consolidation incident to a shareholder vote, albeit that the shareholder vote is required by the order of the regulatory body rather than by a specific statutory requirements. The regulatory body derives its authority from statute just as the Arizona Security Commission derives its powers from the Arizona legislature. It is further noted that the shareholders of each company have dissenting rights in the transaction which are specifically provided by Canada statutes.

In granting this request for "no action" there is a beneficial effect on the public interest, as reflected by the sole Arizona shareholder, in that if the request is not granted, the shareholder's

Associate General Counsel
Securities Division
Page 2
February 7, 2001

investment will be involuntarily converted and the investor will be relegated to receiving the cash value of the investment. It is further noted that the NAASA has recently adopted exemptions under the Uniform Securities Act for transactions such as this one which comply with Rule 802 as promulgated by the Securities and Exchange Commission ("SEC"). A number of states have also recently adopted this new exemption and it is possible that the Arizona Securities Commission may likewise do so, thus obviating future requests such as this one. Based upon all the facts it is believe that this is a transaction in which a "no action" letter should be given.

As U.S. securities attorney for Sloane and Gentry I can and do certify that this amalgamation proceeding is not directly or indirectly the subject of any pending or final judicial, SRO or administrative proceeding.


I further certify that this amalgamation has not taken place, although information circulars, a copy of which is enclosed, have been sent to all shareholders of Gentry and Sloane, and an appropriate SEC filing has been made under Rule 802, which filing includes both the information circular and a consent to service of process in which the undersigned is the authorized person in the United States to accept service of process.

On behalf of Gentry and Sloane, and as their authorized attorney, I acknowledge that this request, the documents submitted herewith and any response from the Securities Division are public information which may be released for publication, except as otherwise provided by law.

There is also enclosed herewith a check for \$200.00 for this request as required by your regulations.

Accordingly I respectfully request that you confirm my view that the issuance of shares to a resident of Arizona pursuant to shareholder votes approving the amalgamation of Gentry and Sloane is exempt from registration under §44-1844(6), or, in the alternative, is a transaction which may be allowed without registration pursuant to the discretionary exemptive powers of the Arizona Securities Commission.

Very truly yours,



Kenneth A. Korb

KAK/cmf
Enclosure

SUMMARY OF AMALGAMATION BETWEEN GENTRY RESOURCES LTD. AND SLOANE PETROLEUMS INC.

Gentry Resources Ltd. ("Gentry") is a Canadian corporation whose shares trade on the Toronto Stock Exchange and is a reporting company under the Securities Exchange Act of 1934. Sloane Petroleum Inc. ("Sloane") is a Canadian corporation whose shares trade on the Canadian Venture Exchange. Neither corporation has a U.S. market for its shares.

Gentry owns approximately forty percent (40%) of the outstanding shares of Sloane, and they have three (3) common directors, a common president, a common chief financial officer and a common vice president for exploration. The independent directors of each corporation have approved the amalgamation of the two (2) companies into one company to be called Gentry Resources Ltd. Pursuant to the rules of the Ontario (Canada) Securities Commission the amalgamation must be approved by a two thirds majority of the shareholders of each company voting at special meetings which are being called on February 28, 2001, to approve the amalgamation.

If approved, each shareholder of Gentry will receive one (1) share in the new company for each share held. Each Sloane shareholder will receive one-tenth of a share in the new entity plus Canadian \$0.72 for each share.

Valuations of both constituent companies have been prepared by First Associates Investments, Inc., an independent financial advisor, which has concluded that the after tax value of each Sloane share is Canadian \$0.69 and the after tax value of each Gentry share is Canadian \$1.12. The valuations are contained in Exhibits G and H to the Proxy Circular, a copy of which is enclosed with this filing.

Both Gentry and Sloane shareholders have a statutory right of dissent with remedies provided by Canadian law.

The amalgamation offer to U.S. shareholders will proceed under federal securities law pursuant to Rule 802. The U.S. shareholders in Sloane hold well under five percent (5%) of the total shares and the U.S. shareholders in Gentry, computed as required by Rule 802, hold just over ten percent (10%) of the Gentry shares.

Under Rule 802 there has been filed with the Securities and Exchange Commission, Form CB which is a basic information form which includes a copy of the joint management proxy circular, the offering materials submitted to the Sloane and Gentry shareholders in connection with the amalgamation special shareholder meeting and Form FX, consent to service of process. Kenneth A. Korb, U.S. securities counsel to Gentry and Sloane has been designated agent to accept service of process in the Form FX. His address is:

Perkins, Smith & Cohen, LLP
One Beacon Street, 30th Floor
Boston, MA 02108
Tel: 617-854-4000
Fax: 617-854-4040

Attorneys At Law

KENNETH A. KORB

Direct Dial 617. 854.4259
Kenneth_Korb @pscboston.com

ONE BEACON STREET
BOSTON, MA 02108-3106
TEL 617.854.4000 FAX 617.854.4040
www.pscboston.com

February 26, 2001

VIA E-MAIL: sd@ccsd.cc.az.us

Ms. Sharleen Day
Arizona Securities Commission
1200 West Washington, Third Floor
Phoenix, AZ 85007-2996

RE: Gentry Resources Ltd. ("Gentry")/Sloane Petroleum Inc. ("Sloane")

Dear Ms. Day:

Following our telephone conversation of Friday I have obtained the following additional information as you requested.

1. Gentry is a federal corporation incorporated and existing under the Canada Business Corporations Act ("CBCA"). Sloane is a British Columbia corporation. You astutely noticed that under British Columbia law amalgamations are permitted only with judicial approval. For that reason Sloane will become a federal corporation immediately prior to the amalgamation taking place. Should this be an issue my client would happily consent to "no action" conditioned upon the jurisdictional change prior to the consummation of the amalgamation. It is "black letter" law that actions must be taken pursuant to the law existing at the time such actions take effect. Therefore, although the amalgamation process started while Sloane was governed by British Columbia law, its change to a federal existence immediately prior to the effectiveness of this amalgamation results in the federal statute controlling this process.

2. Section 183 of the CBCA pursuant to which Gentry was formed and into which Sloane will be continued (the Canadian term for changing jurisdictions) specifically requires amalgamations to be submitted to shareholder approval by all involved entities. This information was just given me by Canadian counsel for Gentry and thus would seem to establish the availability of the Arizona exemption for consolidations of companies whose shareholder approval is required by statute.

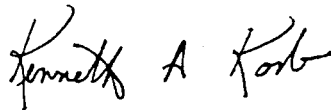
3. For your information Section 3.2 and 143[1] sub 28 of the Ontario Securities Act empower the Ontario Securities Commission to promulgate rules and regulations governing such transactions as "take overs" by related parties. Canadian counsel informs me that Rule 61-501 of the Ontario Securities Commission is authorized under these sections.

Ms. Sharleen Day
Arizona Securities Commission
Page 2
February 26, 2001

The Ontario Securities Act governs so called "reporting companies," i.e. companies admitted to trading on the Toronto Stock Exchange. It is inherent in the power of any regulator to impose whatever requirements it desires. In this case, although jurisdiction exists over Gentry because the stock is traded on the Toronto Stock Exchange, Ontario has said both parties must consent. If Sloane shareholders do not approve, Ontario will decline to approve Gentry. Thus the shareholders of both companies are required to approve.

I have confirmed my recitation of the Canadian laws through the services of Canadian counsel for Gentry, a well known large Canadian firm. As a Massachusetts attorney I certainly can not opine to the effect of Canadian law although it would appear that the broad principles discussed would be applicable were the two companies subject to the law of my State.

Sincerely,

A handwritten signature in black ink that reads "Kenneth A. Korb". The signature is written in a cursive style with a large initial 'K' and a distinct 'A'.

Kenneth A. Korb

KAK/cmf