

GCNL #120 24 JUNE 81

SILVER STANDARD MINES LIMITED

ASSETS INCLUDE IMPRESSIVE COPPER AND GOLD DEPOSITS - During the past year, Teck Corporation incurred further exploration and development expenses for the benefit of Silver Standard Mines Limited and Teck now hold 34.45% of the 9,270,761 issued shares of the company. Silver Standard receive royalties from leasing operations at 3 small silver-lead properties in the Smithers area of B.C. and advance royalties from their interest in the Owyhee Syndicate property in Nevada. Working capital at fiscal year end, 31Mar81, was \$121,696 and consolidated working capital for the company and subsidiaries was \$412,080.

A.C.Ritchie, president, states in his annual report that, although Silver Standard's greatest asset is the impressive inventory of copper metal in the ground attributable to the company's interests in the Schaft Creek, Minto and Red-Chris deposits, on-going gold projects may produce more immediate benefits.

In the 1980 season Teck drilled 47,615 feet in 45 holes at the Schaft Creek property of Liard Copper Mines in NW B.C., thereby extending the mineral deposit west and north. New reserve figures, when available, will be considerably greater than the 390,000,000 tons previously reported. The mineralized body is still open to the north where the last holes drilled in 1980 penetrated long sections of good grade in a host rock not previously identified. This year, Teck again have a large drill program at Schaft Creek.

1046/6E

Also in NW B.C., two holes at the Red-Chris deposit produced good copper-gold inter-sections and modest programs were carried out at Sphaler Creek and at the Al Group, two more good copper prospects. This year, south of Houston, B.C., a joint venture drill program will further test a porphyry deposit at Ox Lake that was indicated by drilling in 1969. In the Yukon Territory, at Minto Copper, early resumption of exploration drilling appears likely, the prospect of finding additional ore being excellent.

1046/3W

On the Nevada property of the Owyhee Syndicate drilling continues on the Mill Creek gold deposit where, last year, the operator drilled 90 holes, bringing to 227 the total put down on Syndicate ground over the past 7 years. This year, drilling will continue at Mill Creek and work will start on other sections of the Syndicate ground having gold potential.

Silver Standard prospectors have discovered a new base metal occurrence north of Terrace, B.C., that carries excellent gold values. It is now being trenched and sampled. Diamond drilling will follow, if warranted.

1031/10

An associate company, Table Mountain Mines, is considering proposals for the mining and milling of 20,000 tons of good grade gold ore contained in its "A" orebody at Cassiar, B.C. Meanwhile, two new ore shoots indicated in 1979 are to be drilled.

920/44

Last year, E & B Explorations and a Silver Standard associate, Lord River Gold Mines, formed a joint venture to explore and develop the former Pellaire Mine, a multi-vein gold occurrence at the south end of Taseko Lake, SW B.C. A new lower level tunnel is now being driven to demonstrate the down-dip persistence of ore shoots discovered in the mid-1940's by a Noranda subsidiary.

920/2W 020 020

A third associate, Mutual Resources Ltd., had a large trenching and sampling program in 1980 at their Bonanza Basin gold property in the Bridge River district, SW B.C. So far, veins have not been found in close enough proximity to constitute a mineable orebody. In the Queen Charlotte Islands, Mutual completed geochemical sampling on their well located claim groups and has run trial geophysical lines, but deep overburden apparently limits the effectiveness of these methods and to date no valid drill targets have been indicated.

Silver Standard contributed 4 optioned claims to the large block that Blackdome Explorations are exploring west of Clinton, B.C., and have a substantial share position in Blackdome. That company have indicated an important tonnage of good grade gold ore by diamond drilling. This year, Blackdome have gone underground. Drifting on the gold-bearing structure is aimed at upgrading reserves to the proven category and establishing a haulageway for ore extraction.