

January 12, 1979

Mr. Wm. Hogg  
Manager  
Silvana Mines Inc.  
P.O. Box 189  
New Denver, B.C.  
V0G 1S0

Dear Sir:

I appreciated our telephone conversation earlier this week and regret there was any misunderstanding over the size of the Silvana grant.

I assumed you understood the grant had been raised to \$300,000.00, particularly as we have authorized payment already in the amount of \$208,575.29. In any event you now have this note acknowledging that the grant is in fact \$300,000.00. I hope you will be able to put the remaining \$91,424.71 to good use during the three months remaining in the Accelerated Mine Development Program.

Yours truly,

W. R. Bacon  
AMD Coordinator  
Ministry of Energy, Mines  
and Petroleum Resources

WRB:bmh

# SILVANA MINES INC.

P.O. Box 189  
NEW DENVER, B.C.  
V0G 1S0

November 3rd, 1978

Mr. W. Bacon, P.Eng., Co-ordinator  
Accelerated Mineral Development Program  
Ministry of Mines & Petroleum Resources  
Room 409 Douglas Building  
617 Government Street  
Victoria, B.C.  
V8V 1X4

Dear Sir:

In response to your request for a summary of performance for the month of October I submit the following:

## 4000 LEVEL

- a) Rehabilitated 480 feet of old working - new 30# rail, 6" air line and 2" water line.
- b) Collared and advanced the new heading, No. 2 West Lateral 387.8 feet.
- c) Installed an additional 30 feet (3 bents) of waste dump trestle. Now completed including backfill for stability.
- d) Installed 90 feet of spur track on surface.
- e) Prepared and equipped an underground battery charging station.
- f) Commenced diamond drilling from an old diamond drill station at 12,450E. Hole bearing S 50 W at plus 50 degrees and at a depth of 330 feet as of October 31, Drilling on a two shifts per day basis.
- g) Provided the usual mine services of maintenance, survey and supervision.

.2.

4625 LEVEL WORKINGS

- a) Collared and advanced the 4515 XCut 145 feet for the purpose of exploratory drilling.

GENERAL

The new development is now well underway on the 4000 Level and a good performance in development advance and in diamond drilling is anticipated.

I enclose copies of mill run sheets that you requested re our milling of custom ores.

With warm regards.

Yours truly,



Wm. Hogg  
Manager

encl.

WmH;mt