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ISLAND MINING AND EXPLORATIONS CO. LTD.

DRILL PROGRAM TESTS - Island Mining and Explorations Co. Ltd. allocates the \$30,000 from FOR COPPER CONTINUITY the underwriting portion of the new financing detailed in GCNL 114(77) (2w) 92 F 140 as to \$5,000 for working capital and the balance to continue diamond drilling as recommended by D.C.Malcolm, P.Eng. Any proceeds from the exercising of optioned shs. will be used for general company purposes including continued exploration and/or development of company properties. Latest financial statement, 30Apr77, showed working capital deficit at \$298. In summarizing a report dated 13Apr77, D.C.Malcolm, P.Eng., says that, at the Beach showings, which he points out are representative of all the copper deposits on the company's Hayes Mine, accessible from Port Alberni by boat, a program of short vertical diamond drill holes is currently proceeding. The aim is to determine the distribution of chalcopryrite and magnetite and to determine the thickness of the mineralization. The holes are 100 feet or less apart and drilled with a small portable drill. Depths of 20 to 73 feet have been obtained and all the holes started in chalcopryrite and showed thicknesses of 10.5 to 53 feet of mineralization of variable grades over the Beach area. The geology is complicated by folding and faulting but the magnetite bed seems to be continuous. Chalcopryrite is also continuous but the grades above the magnetite vary between 0.2% and about 25% copper. He concludes that the Beach showing is a possible surface high-grade copper producer. In addition, it has possibilities of appreciable tonnages of lower grade copper and massive magnetite close to the surface. Drilling is advised to continue eXtending the area and distribution of the mineralization.

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