

SILVER STANDARD MINES LIMITED

GCNL #120 24 JUNE 81

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. 104G/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. 104G/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. 103/110

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. Hepler's 920/4W

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 0920 026

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.

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**Silver Standard busy
in search for gold**

In the past year, the most significant development for Silver Standard Mines was the resumption of drilling at the Schaft Creek deposits by Teck Corp. Teck drilled 47,615 ft. in 45 holes, and as a result has increased considerably the already large tonnage of copper-moly ore. There is every indication the program will be continued on a similar scale in the 1981 season.

This year, Silver Standard will have a joint venture program on a silver prospect in the Yukon Territory that has been inactive since 1972. Similarly, a copper-moly prospect south of Houston, B.C., last drilled in 1969, may get a further drill test. Also in Central B.C., a joint venture is planned for a recent base metal discovery. The work will include drilling.

Silver Standard and related companies continue to expend much of their efforts in the search for gold. President A. C. Ritchie points out. Last year 90 holes were put down on the Owyhee Syndicate ground in north-central Nevada, bringing the total to date to 227 holes. The property has been drilled each year commencing in 1973, and a further drill program is scheduled for 1981.

North of Terrace, B.C., Silver Standard will resume work on a promising new gold occurrence. An associate company, **Table Mountain Mines**, plans some surface drilling for early in the year. Also, consideration is being given to mining 20,000 tons of good grade gold ore in the "A" ore shoot and treating it at one of the several new concentrators that are being built in the Cassiar area.

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HEPLER
103I/14E

103I 215

GCNL #142 26 JULY 82 MUTUAL RESOURCES LIMITED 928/aw (0928 026)

STRONG WORKING CAPITAL - R. J. Wilson, president, reports that, in the 1981 exploration season, **MUTUAL RESOURCES LIMITED** carried out a further program of sampling and trenching at the Bonanza Basin property in the northern Bridge River area, B.C. Although the geological environment is favourable and gold values are found in discrete cherty veinlets, nothing of commercial interest has been found to date. Several major mining companies recognize the potential of the mutual claim blocks and have expressed an interest in some form of joint venture. **HEPLER 103I/14E 215**

In the Terrace area, B.C., the source of large blocks of well mineralized vein float has been located on the face of a steep bluff. Access to the vein is difficult, but where it is exposed the mineral zone does not appear to have the potential for any considerable tonnage.

As for this present field season, Mr. Wilson says it would seem prudent to conserve funds until the economy turns around and there is an upswing in metal prices. Accordingly, expenditures will be kept to a minimum while management await the opportunity to participate in a new venture of real merit.

In the year ended 31Mar82, Mutual spent \$80,149 on exploration and \$42,161 on administration. The company received \$105,560 in interest income. Working capital stood at \$612,511 at 31Mar82 when 2,172,450 shares were outstanding, unchanged at 15Jun82 when Silver Standard Mines Limited owned 697,000.

Annual meeting: 10Aug82, 10 a.m., Holiday Inn Harborside, Vancouver.