

SILVER BUTTE MINES LTD. (N.P.L.)

705 - 850 WEST HASTINGS STREET

VANCOUVER 1, B.C.

September 14, 1967

TO THE SHAREHOLDERS:

Since the report issued August 16th 1967, we have completed nine Diamond Drill holes on the "Climax" mineral claim.

All holes drilled cut the "Moose-Climax" vein and showed good mineralization with widths up to thirty feet. The values encountered, however, were low in silver. Hole #14 cut 8 feet assaying 10.5 ozs. silver - Hole #15 cut 8.4 feet assaying 2.20 ozs. silver - Hole #16 cut 10 feet assaying 5.8 ozs. silver - Hole #19 cut 20 feet assaying 3.5 ozs. silver - Hole #20 cut 74 feet of mineralization for a true width of 30 feet, but assays were low, the highest section graded 5.2 ozs. silver over 2 feet.

With the foregoing results it was decided to suspend drilling this area and concentrate our efforts on the Ace Galena claims lying approximately one mile north.

In our report dated August 16th, we stated that a sample taken from a new discovery on the Ace #2 mineral claim assayed 607 ounces of silver. Mr. G. B. Tribble-P.E., has since taken some representative samples from this area which have assayed as follows:

	<u>Description</u>	<u>Assay</u>
#1	narrow seams - tuff little pyrite & galena	521 ozs. silver
#2	narrow streaks - little galena some malachite	594 ozs. silver
#3	light grey tuff, fine unidentified dark specks	80 ozs. silver
#4	tuff, specks pyrite & galena	27.5 ozs. silver

Sample #4 shown above and the sample which assayed 607 ounces silver were taken 100 feet south of samples 1 - 2 and 3. The mineralization therefore appears to be quite extensive.

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The area is covered by heavy overburden, so plans are underway to cut an access road from the existing Government maintained highway to the showings a distance of approximately 2000 feet, this will enable stripping the showings with a bull-dozer.

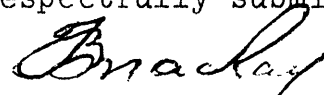
This new area lies approximately 1500 feet west of the known ore occurrences on the Ace-Galena Group.

As further evidence of the importance that may be attached to this new discovery a number of soil samples were taken for lead content and returned the following results in parts per million 9700, 2550, 1340 48, 58, 64, 830, 94, 306, and 268.

While Diamond Drilling has been suspended on the Climax, the drill and crew are being utilized to drill the property of Sirmac Mines Ltd., which adjoins us on our north boundary. By arrangement with Sirmac, they are using our camp to board and house the drill crew.

The drill and crew is therefore available to us when stripping is completed on the Ace #2 mineral claim.

Respectfully submitted



T. S. Mackay - President