

Ace #2

018735

103P/12E
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ROBIN
103P 208

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

705 - 850 WEST HASTINGS STREET

VANCOUVER 1, B.C.

November 2, 1967

TO THE SHAREHOLDERS:

While diamond drilling was in progress on the Climax claim of Silver Butte Mines Ltd., we engaged the services of Dwight Collison, a veteran prospector, to do assessment work and prospect other areas of our property at Alice Arm.

During the course of this work he submitted a sample taken from rock exposed in a creek on our Ace #2 mineral claim. The sample when assayed returned 607 ounces silver per ton.

Mr. G. B. Tribble P.E., in charge of our development work investigated this find and took a sample showing weak mineralization along the face of the creek, a short distance from the narrow shear where the 607 ounce sample had been obtained. Mr. Tribble's sample ran 27.5 ounces silver.

140 feet N.E. of the exposure in the creek is an old open-cut, probably made 50 years ago. The cut was completely filled with slide rock and overgrown with vegetation.

Rock mined from this cut showed very sparse mineralization as you will note from Mr. Tribble's description, but upon assaying returned the following results, as reported to you in our letter dated September 14th, 1967.

Sample #1 dump: Narrow seams - tuff, little galena & pyrite	521 ounces silver
Sample #2 dump: Narrow streaks, little galena, some malachite	594 ounces silver
Sample #3 dump: Blocks at least 9 inches in diameter, light grey tuff, fine unidentified specks.	80 ounces silver

These results were obtained late in the season, but steps were immediately taken to purchase a high pressure water pump to utilize the nearby creek for water supply to sluice off the overburden.

Unfortunately Mr. Tribble had to return to Toronto, so I, as President of your Company, and naturally having a vital interest in its development, supervised the opening up of this new area.

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I am not unfamiliar with mining, having a long record in an operating capacity in British Columbia, Australia, and the United States.

These facts are mentioned for the reason I am not a professional engineer and the work that is mentioned in the following paragraphs was carried out under my personal direction on the property.

Had weather conditions permitted I would have had the area sampled and reported upon by a registered engineer, this of course will be done.

The following account and sampling is therefore my own, these will be checked by engineers when available.

Two men were employed on this work, and the procedure was to loosen up the overburden and slide material by blasting, then sluice the area with high pressure water from the pump.

As the area was on a steep sidehill, this procedure worked very well and we were able to get to bedrock in the old open-cut before snow-fall and weather conditions caused cessation of work this season.

When the bedrock of the cut was exposed, material similiar to the dump rock originally sampled was found and showed 51 inches of vein material which was channel sampled. (see assay plan attached)

Assay results of this sampling returned an average grade of 98 ounces silver per ton over the sampled width of 51 inches.

As the face of the old open-cut is still in mineralization the sampled width may not cover the full extent of commercial values.

With the results obtained from this area of your property at very modest expense, your Directors have in mind a stepped up development program as soon as weather permits next spring.

Camp equipment and supplies have been stored for safe-keeping at Dolly Vardens' camp, which is approximately four miles from our property.

Respectfully submitted,

T.S. Mackay - President

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DIP 80° E

OLD CUT

15"	32.30	OZS SILVER
20"	206.70	" "
16"	23.90	" "
51"	98.00	" " AVERAGE

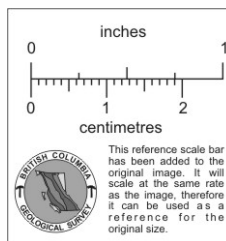
CHANNEL SAMPLES
H.W. TO F.W.

DUMP SAMPLES
521 OZS SILVER
594 " "
80 " "

CREEK FACE SAMPLE
WIDTH UNKNOWN
27.5 OZS SILVER

CHANNEL
SAMPLE BOTTOM
OF CREEK
15" - 17.30 OZS SILVER

CREEK



ACE NO 2 M.C.
SILVER BUTTE MINES LTD
SCALE 1" = 20'