

September 13th, 1971.

Swim Lake Mines Ltd.,
534 - 789 W. Pender St.,
Vancouver, 1, B.C.

Attention: Mr. Peter Heron, President

Dear Sir:

We have advised Swim Lake Mines Ltd. that, in our considered opinion, further expenditures on exploration work at the Silver Bell-Lone Star Sandow property, now under option, should be nominal in amount only. No further underground work is justified.

During the past two months, the lower Silver Bell adit has been advanced along the vein 50 feet, and a crosscut has been driven southerly for a distance of 62 feet. From the end of this crosscut several diamond drill holes were driven back across the vein to test it in vertical extent and laterally out beyond the end of the drift. Total footage amounted to more than 800 feet.

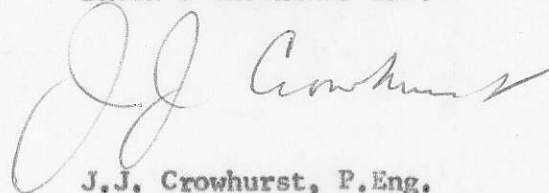
The additional section of the vein exposed by the drift is narrow (down to one or two inches for much of the way) and is extremely erratic in nature. Several samples disclosed silver values too low to be considered economic at today's prices. Similar low values across narrow widths were encountered by the diamond drilling.

A diamond drill hole driven about 400 feet southerly, inclined at a shallow angle downwards, to determine whether parallel veins were present, failed to intersect anything of significance.

In view of these disappointing results, further work should therefore be limited to one or two days evaluation of the sketchy geochemical indications obtained last year on the Sandow side of the ridge, with perhaps a small amount of tractor trenching. Additional expenditures would be as dictated by the work.

Respectfully submitted,

BACON & CROWHURST LTD.



J.J. Crowhurst, P.Eng.

JJC/ic
cc: Mr. Keith A. Christofferson

January 13th, 1972.

Mr. P.E. Olson,
Inspector of Mines,
525 Vernon St.,
Nelson, B.C.

Dear Phil:

Re: Silver Bell-Sandow Mineral Claims

Mr. Heron has asked me to notify you that Swim Lake Mines Ltd. carried out a limited amount of exploration on the above claims during the late summer of 1971.

The lower Silver Bell adit has been advanced along the vein 50 feet, and a crosscut has been driven southerly for a distance of 62 feet. From the end of this crosscut several diamond drill holes were driven back across the vein to test it in vertical extent and laterally out beyond the end of the drift. Total footage amounted to more than 800 feet.

The additional section of the vein exposed by the drift is narrow (down to one or two inches for much of the way) and is extremely erratic in nature. Several samples disclosed silver values too low to be considered economic at today's prices. Similar low values across narrow widths were encountered by the diamond drilling.

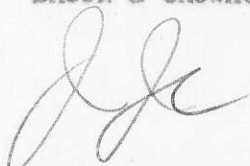
A diamond drill hole driven about 400 feet southerly, inclined at a shallow angle downwards, to determine whether parallel veins were present, failed to intersect anything of significance.

Two or three men were employed for this work. As you will note, the results were disappointing and no further work is planned at the present time. Rehabilitation work was carried out on the access road in order to permit travel by a small truck.

Best regards,

Yours truly,

BACON & CROWHURST LTD.



J.J. Crowhurst

JJC/lc

cc: J.P. Heron