

SEVEN MILE HIGH RESOURCES INC.

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Vault
 082E/03

680068

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VSE Trading Symbol: **SVH**



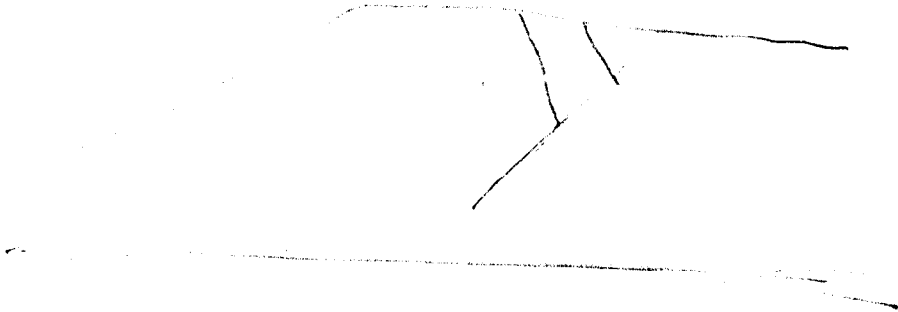
Hole#	Depth (feet)	Width (feet)	Au/ton	Ag/ton
38898	1174.73 - 1176.04	1.31	0.06	0.17
	1209.66 - 1217.21	7.54	0.05	0.08
	1223.77 - 1229.34	5.58	0.22	0.15
	1260.16 - 1265.10	4.92	0.20	0.11
72401	793 - 794	1	0.67	.19
	835.4 - 842.6	7.2	.032	.13
	875.8 - 894.2	18.4	.17	.38
	incl. 885.6 - 889.9	4.3	.64	1.33
	915 - 922.4	7.4	.07	.13
72402	weak values			
72404	weak values			
72405	532 - 536	4.0	.047	.26
72407	249 - 250.3	1.3	.13	.57
	273.9 - 274.9	1.0	.055	.42
Discovery Hole 72408	967.9 - 979.9	4.0	.10	.17
	979.9 - 982.1	3.0	.05	.137
	989.6 - 993.2	3.6	.029	.044
	1019.1 - 1022.1	3.0	.035	.10
	1031.9 - 1039.1	7.2	.12	.21
	1052.9 - 1066	13.1	.14	.36
	1081.1 - 1108.7	27.6	.31	.63
	or 1081.1 - 1123.5	42.4	.23	.45
	1108.7 - 1123.5	14.8	.07	.16
	72414	1309 - 1349	40	.04
	1341 - 1349	8.0	.09	
72415	1171 - 1191	20	.05	
	1205 - 1278	73	.05	
	1243 - 1244	1	1.76	
	1243 - 1248	5	.46	
	1272 - 1278	6	.13	
	1297 - 1312	15	.03	
72416	965.63 - 986.85	21.2	.04	.09
	1024.28 - 1043.76	19.4	.04	.09
72417	1421.22 - 1435.66	14.4	.04	.10
	1455.99 - 1478.62	22.6	.05	.05
Discovery Hole 72421	648.95 - 651.24	2.5	.77	.94
	72422	905.77 - 916.56	11.2	.18
	1040.87 - 1066.99	44.12	.298	.37
	1040.87 - 1069.84	28.97	.438	.52
72423	1017.11 - 1018.36	1.25	.19	
72424	540.38 - 543.20	2.8	.15	
72425	386.5 - 391.25	4.7	.094	
72426	no assays greater than .03 per ton			
Reconnaissance holes	72427 and 72428 were drilled at the southern limits of the property and showed no mineralization.			
72429	No mineralization. Abandoned at 200 m.			
72430	No mineralization.			

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Hole#	Depth (feet)	Width (feet)	Au/ ton	Ag/ ton
72431	No mineralization, drilled from set up of 72429. Intersected favourable unit at 1424.9 - 1599.1.			
72432	No mineralization.			
72433	935.9 - 945.5	9.6	0.24	0.43
	935.9 - 958.0	22.1	0.14	0.31
72434	1208.8 - 1217	8.2	0.12	0.51
	1284.8 - 1298.4	13.6	0.28	0.55
	1327.6 - 1394.3	66.7	0.18	0.32
	1414.5 - 1429.9	15.4	0.13	0.31
	1563.0 - 1570.5	7.5	0.09	0.12
	Included in the 66.7 intersection showing 0.18			
	1327.25 - 1331.25	4.00	0.57	0.84
	1349.55 - 1353.95	4.42	0.50	1.21
	1359.59 - 1361.56	1.96	0.81	0.72
	1379.50 - 1382.02	2.52	0.54	0.45
72435	Undercuts of 72422 and 72433 failed to encounter significant gold values.			
72436	Intersected the silicified and quartz veined pyroclastic unit several times.			
72437	Undercuts of 72422 and 72433 failed to encounter significant gold values.			
72438	Abandoned and re-drilled as hole 72439.			
72439	Drilled from the same set up as 72438			
	1099.2 - 1126.8	27.6	0.08	0.17
	1178.5 - 1191.6	13.1	0.08	0.11
	1352.8 - 1359.6	6.8	0.09	0.12
72440	1314.0 - 1321.4	7.4	0.11	0.16
	1430.9 - 1448.9	18.0	0.15	0.31
	1459.9 - 1470.1	10.2	0.10	0.15
72441	1403.6 - 1423.5	19.9	0.09	0.39
	1473.3 - 1482.3	9.0	0.09	0.35
72442	1277.8 - 1326.8	49.0	0.22	0.56
	1471.9 - 1486.3	14.4	0.09	0.39
72443	1529.6 - 1547.6	10	0.09	0.07
	1618.8 - 1627.2	8.4	0.13	0.21
72444	1291.5 - 1304.1	12.6	.08	.25
	1396.6 - 1406.6	10.0	.08	.16
	1427.0 - 1462.9	35.9	.09	.16
72445	Abandoned			
72446	882.0 - 889.5	7.5	.18	.31
	1111.8 - 1125.7	13.9	.25	.20
	1142.6 - 1153.8	11.2	.11	.16
72447	Abandoned			
72448	Abandoned			
72449	725.0 - 742.9	17.9	.11	.43
	753.1 - 772.3	19.2	.18	.27
	828.2 - 835.1	6.9	.12	.18
	925.1 - 940.2	15.1	.16	.26

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Hole#	Depth (feet)	Width (feet)	Au/ Ton	Ag/ Ton
72450	Weak or narrow mineralization			
72451	Weak or narrow mineralization			
72452	Barren			
72453	Barren			
72457	Weak or narrow mineralization			
72458	Weak or narrow mineralization			
72459	Weak or narrow mineralization			
72460	717.0 - 723.1	6.1	0.12	0.19
	771.6 - 777.4	5.8	0.25	0.36
	852.5 - 865.0	12.5	0.25	0.26
72461	758.8 - 764.4	5.6	0.14	0.11
	780.2 - 786.0	5.8	0.08	0.18
72462	819.5 - 831.0	11.5	0.24	0.31
72463	884.3 - 894.1	9.8	0.09	0.07
72464	994.32 - 997.47	3.15	0.689	0.28
72465	941.80 - 943.64	1.84	8.107	9.84
	1011.64 - 1013.45	1.81	0.235	0.83
72466	Weak or narrow mineralization.			
72467	Weak or narrow mineralization.			
72468	Weak or narrow mineralization.			
72469	Weak or narrow mineralization.			
72470	Weak or narrow mineralization.			
72471	1658.4 - 1668.0	9.6	0.20	0.19



SUBJECT: Vault Joint Venture - Proposed addition to 1988 work program

Introduction

The approved 1988 work program on the Vault property in British Columbia has been completed slightly under budget. Most of the results are available and these have been sent to the parties of the joint venture: Canadian Nickel Company Limited (60%) and Seven Mile High Resources Inc. (40%). As the results are favourable, it is proposed to carry out an additional diamond drilling program of 5,000 m during the fall of 1988 for an estimated cost of \$500,000. The proposed starting date of this program is October 1, 1988.

Objective

The objective of exploration on the Vault property in southern British Columbia is the location and delineation of an economic epithermal precious metal deposit.

Property Status

Early in 1986, Canico completed an option agreement with Seven Mile High Resources Inc. on the Vault property located in the Osoyoos Mining Division near Okanagan Falls, B. C. The agreement allowed Canico to earn a 60% interest in the property through a series of cash payments and work commitments totalling \$100,000 and \$400,000 respectively over a five year period. As of February 1, 1988, Canico has met the above interest in the property. The property currently comprises an area of 1700 hectares in 68 units.

Past Work

During 1986, 1987 and 1988 Canico (Inco Gold) completed relogging of old core, a geological survey and drilled 51 diamond drill holes for a total of about 18,000 m. A total of about \$1,900,000 has been spent to date, the exact amount is not available yet. The complete results of the exploration work carried out to date will be presented in the 1988 yearly report.

The diamond drilling to date has outlined a large epithermal gold system over an area of 900 m. (east-west) by 500 m (north-south). The system is open to the east and the south. The gold mineralization occurs in quartz veins cutting Eocene volcanics and volcanic sediments.

The greater part of the 1988 drilling was aimed at trying to locate economic zones within the large 900 x 500 m system.

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The diamond drilling combined with detailed logging have now identified a central zone containing three subparallel and subconformable horizons of variable thicknesses containing economic gold values. These horizons occur within the volcanic sediments of the Lower Mararma Formation. This central zone occurs between the baseline and 150s, and has been drill tested over a strike length of 365 m (from 560E to 925E). The down dip extension of the economic horizons is 150 m and occurs between elevations of 120 m to 300 m above sea level. The present interpretation of the results also suggests that high to very high grade shoots or pockets may occur along certain parts of these horizons.

Additional 1988 Work Program

In order to confirm our present evaluation, to check if high grade pockets are present and to acquire additional information necessary to calculate reserves and grades, it is proposed to drill an additional 5,000 m this fall. The enclosed table shows coordinates of the holes proposed, however, continuing evaluation of the results may change some of the set-ups as the program proceeds.

If the results of this additional drilling program are favourable it may be possible to recommend an underground exploration program for 1989. However, additional surface drilling will be required in 1989 to test extensions of the economic horizons to the west, east and south, and to test other targets on the Vault property.