

September 13, 1982

Mr. B. Gallant  
 President  
 Canorex Minerals Ltd.  
 510 - 840 6th Avenue  
 Calgary, Alberta  
 T2P 3E5

Dear Sir,

Re: Canorex-Vanco Joint Venture  
Slide Mountain Project  
Progress to August 31, 1982

I.M. Watson's progress report for the month of August is summarized as follows:

"The geological, magnetometer, VLF EM, and soil sampling surveys were continued during August.

At month end the VLF EM and magnetometer surveys of the Canorex grid has been completed and results were being plotted, contoured and interpreted.

Soil sampling of the grid is still in progress and will be completed early in September.

Progress is summarized as follows:

	<u>August</u>	<u>Total</u>
Magnetometer Survey (line kms)	93.2 kms	142 kms
VLF EM Survey (line kms)	71.0 kms	142 kms
Soil Sampling Survey (line kms)	67.8 kms (1355 samples)	114 kms (2280 samples)

Analyses have been received for approximately half of the area sampled to date.

Geological mapping of the property has been completed over the grid area and attention is now being focussed on the western and southern parts of the property.

Time loss due to weather during August was minimal, but 11 man-days and four days of cat work were required at the beginning of the month to repair the damage done to the access road by the rains during July.

2.5 man-days were required during the month to rechain picket lines. (See remarks under "General" in July report.)

Based on results to date it has been decided to extend the geophysical/geochemical survey grids to cover the north and western portion of the property. An estimated 49 kms of survey line and 32 kms of tie line will be established to provide control for the ongoing work.

Labrador has approved an increase in the budget to \$150,000."

Yours truly,

VANCO EXPLORATIONS LIMITED

J. F. White