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INTER-OFFICE CORRESPONDENCE

TO L.P. STARCK

DATE AUGUST 6, 1982

FROM F. HOLLAND


COPIES TO W.G. HAINSWORTH

SUBJECT RE: HEDLEY BANBURY

Bill Hainsworth and the writer spent most of Wednesday, August 4th on this property in the company of Mike Sandford, Banbury's geologist.

This memo will give you my initial impressions of this property.

The property has been worked at various times dating from the first decade of this century.

Most of the work has been done on the Maple Leaf Vein Structure the highest on the claims and culminated in 1937, with the installation of a tramway and 50 ton mill.

Workings on the Maple Leaf Vein have a vertical extent of some 270 feet, and a lateral extent of several hundred feet. The horizontal workings show evidence of a lot of looking for the ore shoots.

Stoping was fairly extensive considering the scope of the operation.

Although stope timbering is well rotted out, and collapsed, the walls show little evidence of gaving and in the writer's opinion, demonstrate excellent potential for shrinkage, or open stoping.

Since sampling of the stopes and other workings on the Maple Leaf Vein is incomplete, it is not readily apparent why operations were terminated.

I speculate, that this operation may have been terminated due to a reduction in the "Free Gold" content of the ore.

At the present the Company is busy defining the Martin, or Pine Knot Vein, which at present appears to be persistent over a height of nearly 1,000 feet, and laterally several hundred feet. There are no significant workings on this Vein, and most of the data is derived from core and percussion drilling.

Drilling is difficult, due to the strike of the structure, and the slope and attitude of the hillside.

Core recoveries appear to be good, and should average higher than 80%.

The mine geologist is projecting in excess of 100,000 tons at a grade of +0.40 oz of gold, on the Pine Knot Vein, however, further drilling should be done to verify and expand this.

The Vein structure appears to be strong and persistent to depth, however, the information to date, does not warrant the 2,000 foot drive, necessary to intersect at depth. But it might be possible to project a shorter drive at say halfway down to the valley floor.

The Company geologist, is doing a good job of utilizing and presenting the data he is obtaining, however, it is apparent, that direction from an experienced mining and geological group, would assist the geologist, and the Company in advancing toward the earliest possible decision regarding the correct manner of approach.

The property appears to have some potential, and to be worthy of further, work, and without prejudice to the incumbent geologist, the next phase should be strongly influenced by persons experienced with this type of deposit, and scale of potential operation.

Bill Hainsworth will be providing a more detailed look at this property.

Yours truly,

A handwritten signature in black ink, appearing to be 'F. Holland', written in a cursive style.

F. Holland

FH/sb