

WILLIAM M. SHARP, P.ENG.
CONSULTING GEOLOGICAL ENGINEER

801070

Ore Reserve Estimates:
Tunnel & Trench Indicated = 28,495 tons
Diamond-Drill Indicated = 18,750 "
Broken ore - 1,480 tons. 47,245

171 WEST ESPLANADE
NORTH VANCOUVER, B.C.

February 17th, 1970

President and Directors,
Silver Star Mines Ltd. (N.P.L.),
Suite 1900, 1055 West Hastings St.,
Vancouver 1, B.C.

*Note operation shut down
July 31, 1970.*

Gentlemen:

Interim Report 70-1: Current Summary & Recommendations re Silver Star Mines Ltd. (N.P.L.), Scranton Property, Slocan Mining division, B.C.

The current report derives from the undersigned's February 14-15, 1970 visit to the property and reviews of Company records. *July 7/71*

The property comprises the same 8-claim group as described in Report 69-1 of February 10th, 1969. *6-2-70*

Total progress in underground operations to date and interim progress since October 15th, 1969 are summarized below:

A. Total Exploration & Development to Feb. 15th, 1970 *ref plan & sect*

5900 level:

| | | |
|----------------------|---------|--|
| Drifts and crosscuts | 980 ft. | |
| Raises | 330 ft. | |

5700 level:

| | | |
|----------------------|----------|----------------------------------|
| Drifts and crosscuts | 1058 ft. | |
| Raises | 337 ft. | <i>incl. main pass completed</i> |

B. Interim Progress, Oct. 15th, 1969 - Feb. 15th, 1970

5900 level:

| | | |
|--|--------|--|
| Drifts and crosscuts | nil | |
| Raises; No. 3 (Sta. 59-4) transfer raise | 35 ft. | |

Ore extracted - 160' sill-length, from 10' - 40' above the 5900 stope sill, at an average stoped width of 3.2'

5700 level:

| | | |
|--|------|---------|
| Drift, to southwest | 120' | |
| Crosscut, S.W. stub | 10' | 130 ft. |
| Raises: No. 1 (57-5900) transfer raise | 156' | |
| No. 57-13.5 development raise | 46' | |
| No. 57- 14.5 " " raise | 25' | 227 ft. |

incl.

*2705
35
130
227
3097*

Current ore production on this ⁵⁷⁰⁰ level has derived from exploration-development raises and oblique raises over temporary sill pillars. *extend incl. material stoping*

Development to date on 5900 level has opened 110 ft. and 160 ft. strike-lengths of fair to good-grade milling ore on the respective West Sunset 'Outer' and 'Inner' ore shoots; development on 5700 level has opened a 210 ft. gross sill-length of generally lower-grade Au - Ag - Pb - Zn mineralization on the 'Inner' ore zone. The currently-inferred dip-length of 'Inner' ore shoot is approximately 450 feet; widths range between 1 - 4 feet, with a probable ^{average} actual ore width of about 2.5 feet. *report per up-dated sections*

Recent stoping and development have disclosed local contractions of the 'Inner' ore shoot perimeter above 5900 level, with compensating expansions above 5700 level. With this, the writer assumes no significant net change in ore reserves subsequent to the Nov. 10th, 1969 estimate. These were given as: *Consistent*

| | |
|----------------------------------|--------------------|
| I. Tunnel & Trench-Indicated Ore | 28,495 tons |
| II. Diamond Drill-Indicated Ore | <u>18,750 tons</u> |

The previously estimated average grade of Au, 0.235 oz/ton; Ag, 7.0 oz/ton; Pb, 9.1%; Zn, 7.6% (+Cd) is still assumed. In view of the ratio between currently projected ore shoot areas and the gross projected area of the west half of the Scranton vein system, an additional "geologically-inferred" tonnage of 3 to 4 times the above total is presently visualized. *47,245 tons* *July 7/71*

Current Recommendations & Estimated Costs

Stage II - continued

| | | | |
|--|---------------|---|----------|
| A. No. 3 (59-4) transfer raise, 5900-6040 level, | 160'@ \$75 | - | \$12,000 |
| No. 2 (57-11) " " 5700-6040 level, | 250'@ \$75 | - | 18,750 |
| #59-5.5 exploration raise | 90'@ \$40 | - | 3,600 |
| #57-6.5 " " | 50'@ \$40 | - | 2,000 |
| #57-9 " " | 100'@ \$40 | - | 4,000 |
| 5700 drift to southwest | 50'@ \$70 | - | 3,500 |
| 6040 drift, southwest of No.3 transfer raise | 150'@ \$70 | - | 10,500 |
| B. Diamond drilling, 5700 level, southwest | 300'@ \$ 8.50 | - | \$ 2,550 |
| No. 4 transfer-service raise, 6040-6150 | 125'@ \$80 | - | 10,000 |
| 6150 drift, southwest, preliminary sec. | 1000'@ \$70 | - | 70,000 |
| Stope preparation-5700 level | 200'@ \$12.50 | | |
| | per lin.ft. | | 2,500 |

up-dated

| | | |
|--|---|-----------|
| Additions to underground mine plant | - | \$10,000 |
| Improvements to main access road | - | 25,000 |
| Provision - mill equipment and repairs | - | 10,000 |
| Provision - metallurgical test-work | - | 2,000 |
| Provision - surface equipment & repairs | - | 10,000 |
| Allowance - incidental and general expense (10%) | - | 20,000 |
| | | <hr/> |
| TOTAL, Stage II | - | \$216,400 |
| | | <hr/> |

Stage III

| | | |
|--|--------------|-------------|
| 6150 drift, southwest to "Sunrise" section | | |
| | 1200' @ \$70 | - \$ 84,000 |
| Follow-up, per Feb. 10th, 1969 Report | | - 145,000 |
| | | <hr/> |
| Current Provision, Stage III | - | \$229,000 |
| | | <hr/> |

Respectfully submitted,


W.M. Sharp, P. Eng.

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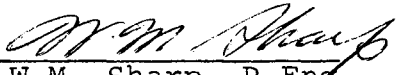
171 WEST ESPLANADE
NORTH VANCOUVER, B.C.

CERTIFICATE

I, William M. Sharp, with business and residential addresses in North Vancouver, British Columbia, DO HEREBY CERTIFY THAT:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia with B.A.Sc (1945) and M.A.Sc (1950) degree in Geological Engineering.
3. I am a registered Professional Engineer in the Province of British Columbia.
4. I have practised my profession since 1946, in both geological and managerial capacities, with Canadian mining companies until 1964, when I established my own consulting practice.
5. I personally examined, mapped, and geologically directed exploratory work on the property for Scranton Mines Ltd. (N.P.L.) during the 1952-54, and 1958-60 exploration periods, and for Silver Star Mines Ltd. (N.P.L.) since the start of the present program in 1967; I have also referred to all relevant Company and Government reports on the property.
6. I am not a vendor, member of the Board of Directors, or an actual employee of Silver Star Mines Ltd. (N.P.L.).
7. I have no interest, direct or indirect, in the properties or securities of the above Company, nor do I expect to have any such interest.
8. I personally verified most claim locations via my own control surveys made in 1953, and believe that claim locations are as shown on Company and B.C. Dept. of Mines records.

Respectfully submitted,


W.M. Sharp, P.Eng.

February 17th, 1970

North Vancouver, B.C., Canada.