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STE. 808, 900 WEST HASTINGS ST. VANCOUVER 1, B. C. August 23, 1967

President and Directors,
Silver Star Mines Ltd. (N.P.L.),
c/o Mr. Edward Borup,
Suite 606 - 626 West Pender St.,
Vancouver 2, B.C.

Progress Report No. 1
SCRANTON MINE EXPLORATION PROJECT
Woodbury Creek, Slocan Mining Division, B.C.

Gentlemen:

The following is the writer's report on recent and current developments at your property, as noted during his August 19-21, 1967 visit.

1967 Work

Mr. Charles Lind, Resident Manager, arranged transportation to the property and provided the writer with the required survey and mapping assistance. In addition, Messrs. Borup and Lind provided supplementary data on exploration accomplished since the writer last visited the property; concurrently, alternative access-road routes and tunnel partal sites were discussed. Subsequently, these were fairly closely established by location surveys and geological mapping.

1. (a) Main Access Road

Repairs and new construction have been delayed by unsatisfactory performance of the contractor's equipment and operating personnel. In view of the necessity of completing this work as quickly as possible, to more acceptable standards, Company principals are negotiating for another, more capable contractor to take over and complete this and related road construction.

(b) Mine Camp

The existing camp building, which is structurally sound, is being renovated for this purpose. This will provide adequate cookhouse-bunkhouse-office facilities for the new exploration-development project. Camp equipment is being purchased.

(c) Exploration Plant

The considerable amount of heavy and light equipment available to the Company is being augmented by new purchases.

In addition to its actual tunnelling plant, the Company has both surface and underground drilling equipment for subsidiary exploration from the main drive, and for the contemplated exploration of other parts of the Scranton vein.

2. (a) Sunset-Sunrise Drift

The writer surveyed and map ped recent trenching below the old 6040 stub-adit. On the basis of this he has recommended that the new drive be started from the lower, or 5920 open-cut. This working exposes a strong section of the vein - consisting of 3 feet of crushed, silicified granite with a central, 1 foot portion of highly weathered pyritic quartz and/or gossan containing minor residual galena; all sulphides are highly leached.

From the above portal location, approximately 100 feet of drifting will bring the new heading into the wider, more significantly mineralized "6040" vein interval. In view of the characteristically firm granitic wall rocks, the writer does not anticipate ground-support difficulties and the attendant delays in advancing the heading.

(b) Portal Access Road

The writer, assisted by one of the road crew, ran a road-location survey from the proposed portal site and down-grade to the Scranton mine camp area. This flagged line is situated almost entirely within the well-timbered, easterly-facing slope of Grandview ridge. The located grade generally ranges between 8% and 15%. During this rather hurried location survey through variably-difficult terrain the writer attempted to localize steeper gradients to relatively straight portions of the route.

The located route, commencing from a point some 30 feet below the floor of the 5920 bench, descends northerly along the ridge slope, across Sunset Creek to the single switchback, thence southerly across Sunset Creek and along the ridge slope to terminate at a point close to the Sunset mine dump at 5600 elevation. The writer estimates the total length of this route at one mile, or slightly less. Of this about 500 feet – all at the upper end – will be through rock and coarse talus.

It was noted that a more-than-ample water supply, under considerable head, may be drawn from Sunset Creek via 2,000 feet of pipe-line; this gravity-supply will eliminate the necessity of pumping water from Pontiac Creek against a static head of 320 - 350 feet, with attendant difficulty and expense during winter season.

General Mapping

The collars of the 5 surface diamond drill holes put down during 1964, to explore the Pontiac-Sunset interval of the Scranton Vein, were located by compass-chain surveying. Encouraging intersections were made on two of three holes directed below the stoped section of the Sunset ore shoot. The writer is of the opinion that the remaining strilling was not layed out to adequately test the easterly part of this general vein interval. Additional drilling of this section, but directed to intercept a possible westerly-pitching extension of the Pontiac mineralization is scheduled, along with drill, and localized tunnel exploration of other potential ground within the Lower Pontiac workings.

Respectfully submitted,

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W.M. Sharp, P.Eng.

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