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801293

December 10, 1977.

President & Directors,
Dungannon Explorations Ltd. &
Sabina Industries Ltd. (N.P.L.),
c/o Suite #1275 - 555 Burrard St.,
Vancouver, B. C. V7X 1J6.

Gentlemen:

PROGRESS REPORT - DEVELOPMENT & MINING
HEWITT MINE PROPERTY, SILVERTON, B. C.
SLOCAN MINING DIVISION

GENERAL

This report follows upon the writer's formal report of date September 26, 1977, and describes progress and results accomplished at the operation since that date. The reader is referred to the formal report for details of the property, history, past production, geology, and reserves of indicated and potential ore. On the recent inspection, as previously, the writer benefitted from the good guidance, assistance in mapping and sampling, and general data provided Mr. Frank Pho and crew.

PROGRESS DETAILS - 1977

September: Produce up-dated formal report.

May - December:

- (a) Extend Cunningham shaft from 13-level to 14-level. Any necessary rehabilitation required on shaft was well taken care of.
- (b) Drive short crosscut to north to intersect vein on 14-level.
- (c) Currently developing vein on 14-level. To date this has advanced some 70 ft.--with the southwest face still in good ore and, probably, the northeast face will be advanced an additional few feet in ore--depending upon the effects of an apparent warp in the sediments at the northeast face.

CURRENT EXAMINATION

Dec. 2: Review field file of reports, maps, and compilation of, mainly, M. C. Robinson's geological sketches.

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Dec. 3: Drive to mine; inspect walls of main No. 10 X-C for evidence of former exploratory drilling (one hole only in south wall at 1650' from portal).

Descended shaft to No. 14 level, with brief inspection stops at 11-12-13 levels. The possibility of ore repetitions occurring closely beyond drift faces at each level has not been explored to any significant extent--mainly because the ready availability of ore within the central parts of the Cunningham ore shoot has, to date, made this unnecessary.

Map topography and geology on #14 level.

Lay out cut-lines and general location of muck-sampling for Messrs. Pho and Palmer. These returned the following results:

<u>Sample No.</u>	<u>Location.</u>	<u>True Width, ft.</u>	<u>Ag, oz/ton;</u>	<u>Pb, %;</u>	<u>Zn, %.</u>
9701	Ref. 0+48'	9.0'--incl.2'waste	10.6	2.7	6.3
"	"	7.0'--excl.2' "	13.6	3.47	8.1
9702	Muck from base N.&S.walls	Avg. 8' approx.	12.5	5.1	5.4
9703	Ref. 0+31'W. 1st rse. round	6.0'	26.4	6.7	15.0
Arith. Average - - - - -		8.0' and less	17.5 oz/ton;	5.05%;	9.5%

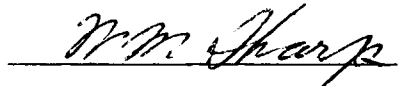
SUMMARY & SUGGESTIONS

1. All development and mining operations are being carried out efficiently and in accordance with proper mining practices for small mines.
2. Continue drifting to E. and W. limits of ore on 14-level.
3. Continue driving existing slot-raise from 14 to 13 levels to, eventually, 10-level.
4. Extend mining below 14 level sill by means of steep slusher declines.
5. Defer scheduled exploration until such time as the maximum amount of good grade ore has been mined from the 10-14 level of the Cunningham ore shoot.
6. Readily accessible ore reserves within the Cunningham ore shoot are presently estimated to be about 6,000 tons--excluding significant quantities which may exist below No. 14 level. The above-noted figure does not include the 1670 tons

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of 'indicated' ore and 2600 tons of 'possible' ore on, respectively, the west and east segments of the North vein below 10-level and, additionally, the significantly larger tonnages of 'inferred' ore above and below 10-level.

Respectfully submitted,


W. M. SHARP, P.Eng.

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WMS

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DECEMBER 15/77

DEAR JOHN:

HEREWITH 4 COPIES OF THE REQUESTED
PROGRESS REPORT.

I HAD A SUFFICIENT NUMBER OF REPORT
PHOTOCOPIES MADE SO THAT YOU COULD MAIL A
COPY TO FRANK PHD. I DID NOT MAIL ONE DIRECTLY
TO HIM DUE TO THE FACT THAT DISTRIBUTION OF THE
REPORT IS A MATTER FOR YOU TO DECIDE.

IN ANY CASE I WOULD LIKE TO AGAIN STATE
MY APPRECIATION OF FRANK'S & LEN'S WHOLEHEARTED
ASSISTANCE DURING THIS EXAMINATION.
BEST REGARDS MERRY CHRISTMAS.

(Bill)

W M Sharp P Eng.