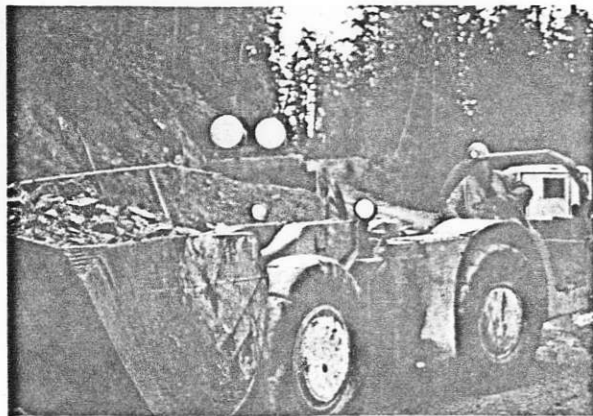


Grenoble Confident of Gold-Silver-Copper — Greenwood area, B.C.

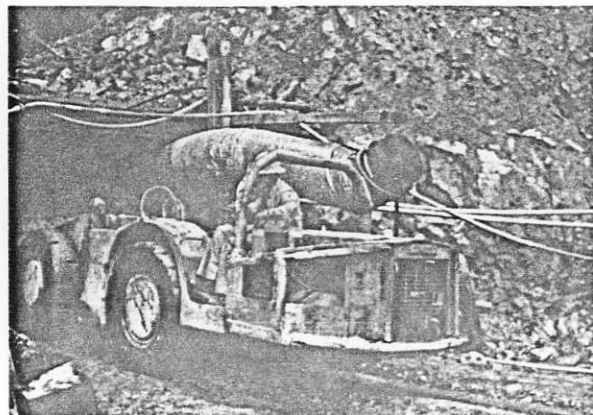
by Sam Stone



Preparing the Lexington adit for further exploration.



Ore tram moving Lexington rock from tunnel to dump.



Ore tram passes air hose on re-entering Lexington mine.



Grenoble miners atop the Lexington dump.

Reporting on their Vancouver-based company's first six months operation, Grenoble Energy's directors declared themselves confident that millions of dollars worth of copper-gold deposits can be brought to profitable production on the company's easily accessible ground near Greenwood, B.C.

This August prior to commencing an exploratory decline, a hole diamond drilled to check water and ground conditions, revealed 16 feet of continuous mineralization assaying an average 1.134 ounces of gold per ton. The drill core's visually noticeable well mineralized intersection assayed 1.52 ounces gold, 1.58 ounces silver per ton and 13.28% copper from a depth of 104' to 112' with the next 8 feet from 112' to 120' returning 0.744 ounces gold, 1.14 ounces silver per ton and 6.26% copper. Grenoble's consulting engineer, David Burns, P.Eng., stated he does not construe the results as typical of the mineralization now under exploration but as significant in view of previous professional engineering opinion that a high grade zone exists within the main orebody.

Approximately 110,000 tons — open-pit mineable — averaging 0.92% copper and 0.64 ounces of gold were established by former owners in earlier exploration work that terminated in 1970. In increasingly intensive explorations aimed at extending the known reserves, Grenoble Energy crews, this year and in '79, tunnelled 110 metres of adit, 22 meters of raise and drove a 5ft x 5ft testing level off the raise. Visibly impressive mineralization was noted in the raise and the company's consulting geologist, Roy Phendler, P.Eng., recommended a program of underground diamond drilling, which is now underway.

In a 1979 estimate of further recoverable copper and gold Engineer Phendler said there were indications of up to 900,000 tons on the well located property in southern B.C.'s international border area, only two miles by good gravel road from Provincial Hwy No.3. Engineer Phendler considered that over three-quarters of a million tons of his estimated reserves, mostly grading 1.25% Cu (Copper) and 0.195% Au (gold), would be available by underground mining methods. "Included in the reserves," stated Phendler,

"are 174,000 tons of material that is composed of discontinuous lenses that can be selectively mined and is of much higher grade — 2.41% Cu and 0.46 oz Au per ton." But in a late summer review of favourable 1980 results, the Grenoble consulting geologist opined that mining operations could produce ore far beyond the earlier expectations. Known as the Lexington property, for previous owners Lexington Mines Ltd., the ground comprises 20 claim units, lying about 6½ miles southeast of the historic mining and supply center of Greenwood. Development of the property is greatly facilitated by a network of old roads that provides easy access almost everywhere over Lexington's claims. The Property's topography is moderate, it is medium to heavily timbered and 18 of the claims are crown grants.

The setting is the famous old Phoenix Greenwood mining camp where numerous copper-silver-gold discoveries were made during the 1890's resulting in about 22 million tons in copper ore production alone before a coke smelters strike of 1919 forced closeout of the area's three smelters.

In 1956, through new successes in open pit methods, the Granby Mining Company opened its great Phoenix Mine where, by 1972, there was a concentrator rated capacity of 2,750 tons per day. By September 1976 Granby's Phoenix had recorded production figures of 9.1 million pounds of Copper, 101,504 ounces of silver and 10,999 ounces of gold.

The Granby operations were commenced on the basis of a probable 1,300,000 tons of readily available ore. But, characteristic of the old Phoenix-Greenwood camp's reputation the deposits proved to be of many times the tonnages expected.

The Grenoble deposits are among the most recently located in the entire old mining camp of Greenwood. Through modern discovery techniques the copper-gold mineral zone is well defined and traced down plunge for 400 meters. Width is about 50 meters, thickness is 20 meters and host rock is a competent quartz porphyry, 200 meters thick enclosed by serpentine.

Engineer Phendler's familiarity with the property extends to that 1970 year of the deposit's definition when, in the employ of Vancouver mining consultants Bacon and Crowhurst, he supervised the second half of the drilling program commenced by Lexington Mines. When the property was optioned to Aalenian Resources Ltd. in 1971 he planned the additional drilling and conducted bulk sampling.

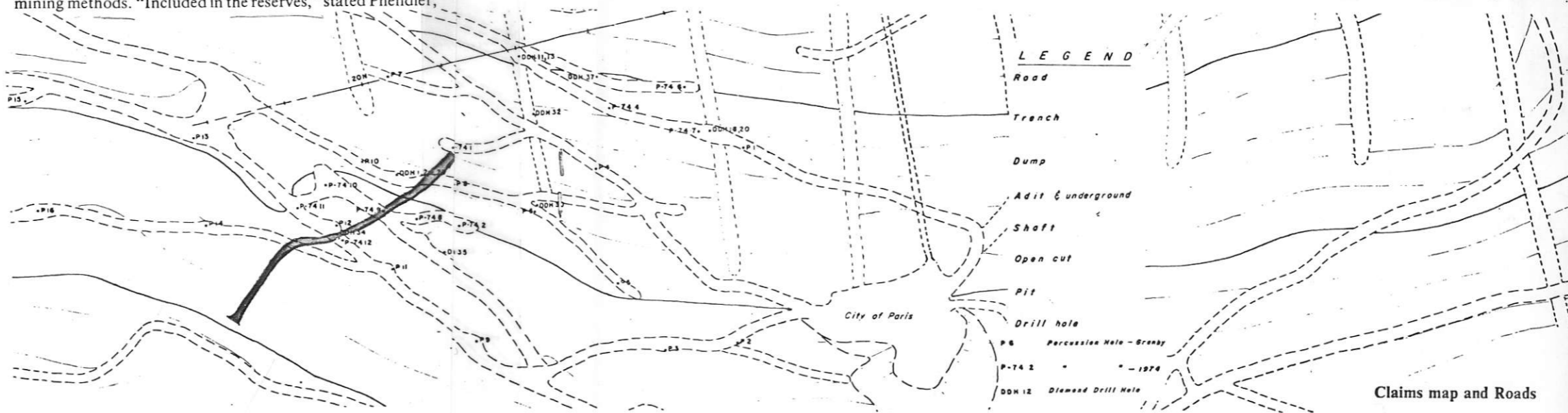
During the interim years, in 1972, Granby optioned the property and drilled 2,000 metres in 37 percussion holes. As the program was designed to explore induced polarizatic anomalies only three of these holes were drilled in the previously indicated mineral zone. Results confirmed grade and thickness.

Of 32 diamond and 31 percussion drill holes put down in the vicinity of the main mineral zone — thus far contained within romantically named City of Paris and Lincoln claim — 21 intersected interesting mineralization in an apparent continuous mineral zone.

Copper, gold and silver were discovered on the City of Paris way back in 1892 and, although it produced for only one year, it became a mine in 1898, where 2,100 tonnes of ore averaged 3.12% copper, 0.40 ounces gold and 2.1 ounce silver per ton. The nearby Mabel Mine produced 100 tons averaging 0.12 ounces gold.

In 1898 the crosscut (270 meters) which can be entered today was driven on the City of Paris Mine (actually on the Lincoln claim). This property produced for only one year yielding 2100 ton averaging 3.12% Cu, 0.40 oz. Au and 0.40 oz. Ag per ton. The mine was dormant until 1922 when prospecting was carried out and a small production was realized in 1938. The nearby Mabel Mine produced 100 tons averaging 0.12 oz Au and 0.34 oz. Ag.

The Lone Star Mine, which produced sporadically between 1890 and 1920 yielding 40,000 tons of ore grading 2.00% Cu, 0.032 oz. Au and 0.19 oz. Ag per ton. The property again was put into production in 1972-75 producing 80,000 tons averaging 1.5% Cu. This ore was shipped to and treated at the Phoenix mill of Granby Mining Co. Ltd.



Claims map and Roads