

LINDQUIST LAKE PROPOSAL

The Lindquist Lake gold-silver tungsten property situated in northwest portion of Tweedsmuir Park has been unavailable for exploration and development because of it's location within the Tweedsmuir Recreation Area at the western tip of Whitesail Lake. However, the Ministry of Energy, Mines and Petroleum Resources has recently invited individuals and companies to solicit proposals to explore and possibly develop this property.

Two gold silver zones on the property have a drill indicated reserve of 188,950 tons with a weighted average grade of 0.338 oz/ton gold and 9.42 oz/ton silver.

Scheelite mineralization in talus has an average grade of 0.34 and an indicated 21,000 tons per vertical ft. This zone has not been drilled. Attractive features of the property include good gold-silver grades over 2.7 - 3 metre widths and the potential for increased tonnage in one of the two known zones.

Equity Silver Mines Limited is currently preparing a 1989 and 1990 budget proposal to be submitted to the Assistant Deputy Minister, Minerals by June 16, 1989. All proposals submitted by June 16, will be evaluated and a decision will be made regarding the most appropriate proposal or proposals on or before July 7, 1989.

The proposal we wish to submit to the Ministry and are currently seeking Board approval for calls for a relatively modest budget in 1989 in the amount of \$288,000. This will allow us to partially confirm indicated reseves as well as locate any additional surface expression of anomalous metal values. Assuming that results are positive, a large exploration program estimated at \$1,800,000 will be carried out in 1990 to allow preparation of a feasibility report over the winter of 1990 - 1991.

As per the draft proposal prepared by R. Baase of the minesite, "Development of this property is of particular interest to Equity Silver and the community of Houston, as economic reserves at the minesite will be depleted by 1992.

In the development of the property we would utilize the present Equity Silver mill 42 km southeast of Houston. Ore would be transported from the Lindquist Lake site via a road and barge system. A campsite would be located in a suitable area near the mine portal and Lindquist Lake with personnel transported to and from the site for periods

similar to other fly in/fly out mining operations in the Omineca Mining Division.

Mining would be carried out with underground methods. Disturbance would be limited to a small area near the present adit, a small campsite and the existing road from Whitesail Lake."

Development of the property would commence following a favourable feasibility report and the issuance of required permits. We feel this will likely happen no earlier than 1992 which would tie in with the depletion of surface reserves at the minesite.