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**CONSOLIDATED
SILVER STANDARD MINES LIMITED**

May 25, 1988

June 2 / 88

SENT TO Jim C.R.

FOR REVIEW

Equity Silver Mines Ltd.
708 - 1155 West Pender St.
Vancouver, B.C.
V6E 2P4

Attention: Mr. T. Heard
Exploration Manager

Dear Sirs:

Re: Goosly Lake/Ox Lake Properties

Pursuant to your recent conversation with Mr. W. Meyer of Teck, I have enclosed for your review the following materials:

Goosly Lake

Burmeister, 1970: Geochemical Report on Goosly, etc.
McPhar, 1970: IP Survey on Sam Goosly Area
McPhar, 1970: IP Survey on Goosly East/Northeast
Burmeister, 1980: Report on Goosly Lake Property
Scott, 1980: Diamond Drilling/Mutual Resources
Geomanagement, 1983: Exploration Potential

Ox Lake

Lancaster, 1970: Ox Lake Property
Quartermain, 1985: Ox Lake Precious Metal Veins
Haynes, 1986: Ox Lake Trenching
(Additional materials are available)

Please note these reports are all originals and our only office copies and their return is requested.

With respect to Ox Lake, a considerable amount of money has been spent on the property by Silver Standard and Asarco. I include these reports only for interest's sake but would certainly welcome an option arrangement. A large I.P. anomaly west of the mineralized intrusion remains unexplained. A farm-in on the property would require in the order of \$1,000,000 of expenditures for a 50% interest.

With respect to Goosly Lake, some of the more recent reports certainly do not advance the property. However, L. Warren of Smithers who has been working southwest of our claim group indicates the geology may be mismapped and thinks it may offer some potential. I cannot comment on his remarks. To date in excess of \$200,000 has been spent on the property and under a farm-in we would look at:

1. To earn 50%:

<u>Year</u>	<u>Cash</u>	<u>Expenditure</u>
1	\$10,000	\$ 75,000 firm
2	10,000	125,000
3	20,000	150,000
4	20,000	250,000

2. At this point CSS and Equity would enter into a joint venture and appoint a management committee to select an operator. At Equity's election, Equity can earn an additional 10% by funding the next \$1,000,000 of expenditures.
3. Rights of first refusal on financings and dispositions except as to associated Companies.
4. A formal joint venture agreement would be prepared which would define the responsibilities of the Operator, Management Committee, Programs, Funding, etc. and would address the issue of using existing facilities for custom milling.

If you wish to pursue either property opportunity please contact me.

Yours very truly,
CONSOLIDATED SILVER STANDARD MINES LIMITED



R.A. Quartermain
President

RAQ/mlw

Encl.

M108

EQUITY SILVER MINES LIMITED

15 June 1988

MEMORANDUM

TO: TERRY HEARD: EQUITY SILVER MINES
FROM: J. Cyr
RE: OX LAKE PROPERTY

I phoned Bob Quartermain at Consolidated Silver Standard regarding additional information on the Ox Lake Property. He told me that there was essentially no additional information. He said that a couple of VLF lines were run across the veins and gave a weak profile of the vein. Additional VLF work conducted on a strike extension of the veins gave a tentative anomaly. There is a large IP anomaly in a new area of the property. In all there are four veins varying from one to six inches with the trenched vein being about a foot wide.

On this basis I think it is unnecessary for me to come to Vancouver given the amount of data available. What I would do at this point is additional VLF work, prospecting, soil geochem and heavy mineral sampling; the material exposed at this point is not enough to go into any option agreement as far as I am concerned. We need more information on the extent of the veins. I wonder why Silver Standard and Asarco haven't done any more work on the veins.

What we could do is make a proposal outlining the limited amount of work as described above. I don't think, however, that we have the time or money to do anything this year. We could budget for it next year if Silver Standard is in favor of us doing a limited amount of work without going into any costly option agreement. What do you think?

Yours truly,



J. Cyr
Mine Geologist

EQUITY SILVER MINES LIMITED

EQUITY SILVER MINES LIMITED

MEMORANDUM

TO: TERRY HEARD: EXPLORATION MANAGER, EQUITY SILVER
FROM: J. Cyr Mine Geologist, Equity Silver Mines Limited
RE: GOOSLY LAKE AND OX LAKE PROPERTIES

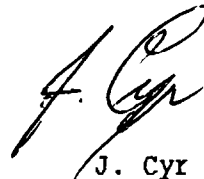
I have read the series of reports on the Goosly Lake and Ox Lake properties. As you said in our telephone conversation of 6 June, I can't see any reason to persue the Goosly Lake property--the geology and the metal grades just don't seem to make it. In fact, I'd favor Maverick Mountain (Teck) over Consolidated Silver Standard's property.

The Ox Lake property is alittle more interesting due to the existence of the polymetallic veins. Silver values in these veins appear quite respectable. I was wondering if it wouldn't be worth obtaining more information on this property, i.e. actual silver and gold values. I don't know whether or not I'd go for an option agreement at this time, but like I say, the metal (gold and silver) values are interesting. Do you know whether or not Consolidated Silver and Asarco are going to follow up on the recommendations of the February, 1987 report?

Thanks, Terry, for sending me the reports to read. Please let me know if anything comes out of the Ox Lake property.

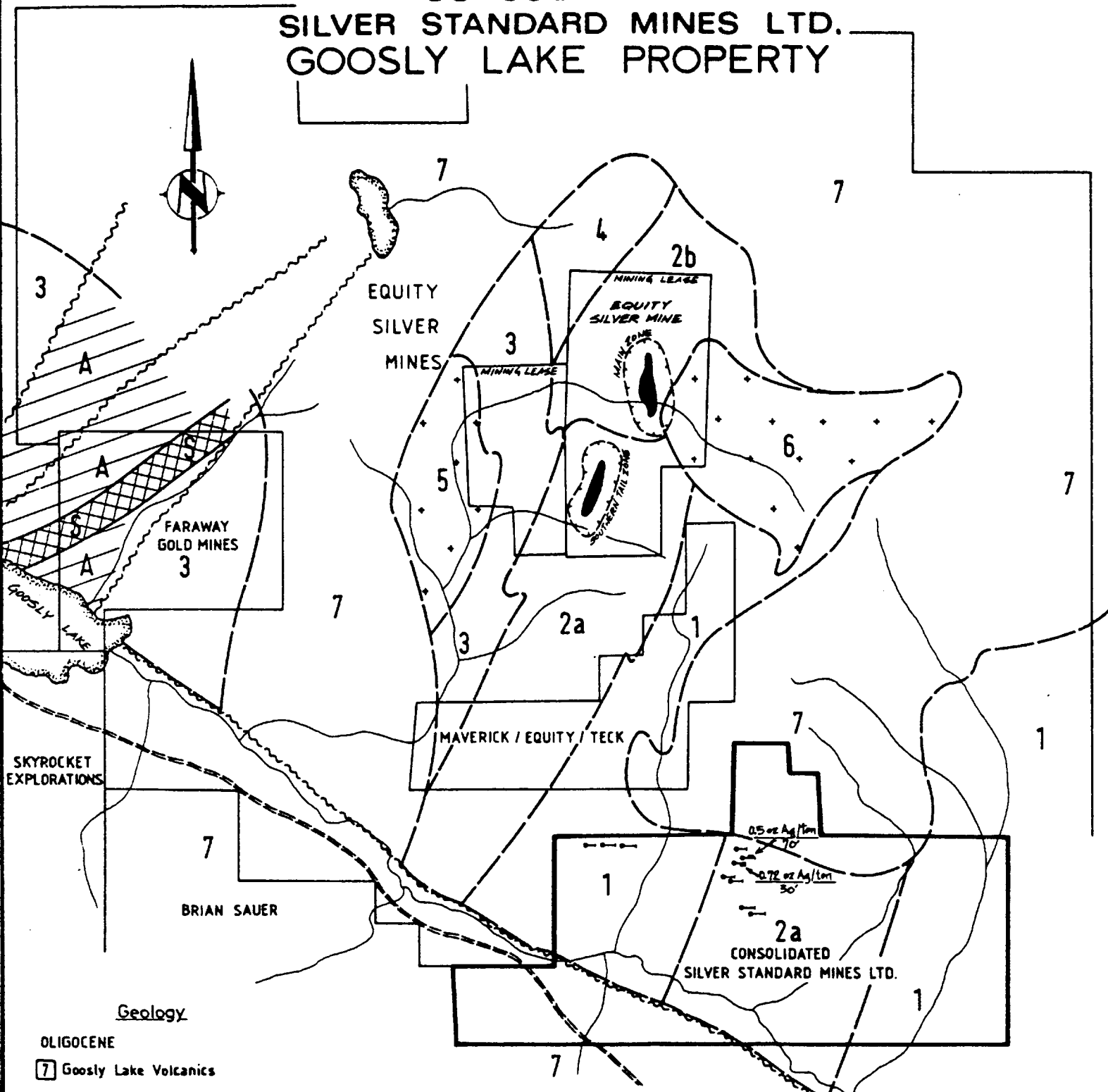
Yours truly,

/encl



J. Cyr
Mine Geologist
EQUITY SILVER MINES LIMITED

CONSOLIDATED SILVER STANDARD MINES LTD. GOOSLY LAKE PROPERTY



Geology

OLIGOCENE

7 Goosly Lake Volcanics

EOCENE

6 Gabbro - monzonite intrusives

5 Quartz - monzonite intrusive

UPPER CRETACEOUS

4 Intermediate volcanic flows

3 Sediments and volcanics

2 Pyroclastics

a) dust tuff

b) lapilli tuff

1 Clastics

Symbols

- Claim boundary
- Geological boundary
- Fault
- Drill hole
- Quartz-sericite alteration
- Sulphide zone
- Ore
- Open pit
- Road

