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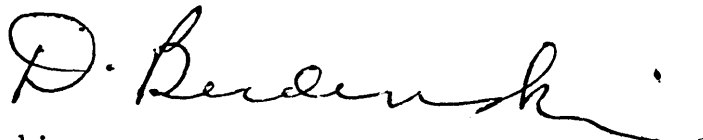
and two and possibly three gold zones have now been defined. Some of the best intersections in the 1985 drill programme are 2.7m of .108 oz/t Au, 2.6m of .103 oz/t, 1m of .300 oz/t and 3.95m of .114 oz/t Au. Due to very extensive and fairly deep overburden cover on this property, the next phase of drilling will require a heavier drill and bulldozer for road and site construction.

Bear

Lornex conducted a ten day, helicopter supported, geochemical and geological survey programme on this Canico owned property just west of Bear Lake. Although the target is a porphyry Cu-Mo-Au deposit, the main objective of this summer's programme was to check the property for possible peripheral gold-silver mineralization. A total of 204 rock and 422 soil samples were collected and analysed but results have not yet been interpreted.

I hope the above is adequate for your report and I look forward to seeing you at the annual round-up in January.

Yours sincerely



David R Budinski  
Manager of Exploration