

Beavardell
82E/6E
82E SW 030

880567

FAME PROGRAM - SUMMARY SHEET

COMPANY NAME: Teck Corporation CONTACT NAME: B. Goetting PREVIOUS BUDGET: \$2,500,000 REFERENCE NUMBER: M6
PROPERTY NAME: Beaverdell Mine TITLE: Mine Manager 1986 BUDGET: \$613,280 DATE 18-Feb-87
LOCATION: Greenwood TELEPHONE NUMBER: 484-5510 FAME GRANT: \$200,000
Hwy. 33.

TARGET : Delineate reserves to extend mine-life.

CAPSULE SUMMARY OF PROGRAM:

Silver bearing veins, striking NE-SW or E-W, occupy a northeasterly structural zone of a large body of Cretaceous quartz diorite. The quartz veins vary from a few inches to 6 ft. in width and average 11 inches. Lean and rich zones alternate. Severe faulting offsets occur. Defining ore reserves is difficult and costly.

1986 PROGRAM:

An area of gold mineralization has been encountered on the 2900 level. Due to falling silver prices, an effort will be concentrated in this area to define, by drilling & drifting, a mineable reserve of gold bearing material.

PROPORTION OF FAME FUNDING TO TOTAL PROJECT COST: 32.61%
PROPORTION OF TOTAL "AMEP" FUNDS ON THIS PROJECT: 13.33%

REPORTED PROGRESS WITH PROGRAM TO DATE:

OCT: Surface: 10 holes completed on Bell claim with encouraging results in 2 areas. Best intersections were Ag 100.03 oz/t, Au .08 oz/t over 3.0' and Ag 125.79 oz/t, Au .05 oz/t over 1.0'. Underground: Intersections to North in general area of old stope #2912 have returned values up to Ag 160.77 oz/t, Au .09 oz/t over 3.4'. Further drilling will be done.
NOV: 2 holes completed prior to freeze-up to attempt to extend good ore intersections in area of North Gulch pit, located in Oct drilling. Zone located with best intersection being Ag 11.29, Au 0.03 oz/t over 1.5'.
Surface drilling stopped. 2900 level drilling continued to trace ore zone to E approx. 60' below 2900 level. From limited D.D. intersections and exposures in drifts appears ore zone has changed strike to atleast E-W and possible S of E. E ext. has now been indicated for 450' beyond last area mined with most distant intersection assaying Ag 22.76, Au .06 oz/t over 2.7' in D.D. hole F2918.
DEC: Drilling from 2911 drift in area of 2912 stope located extensions to ore zone previously mined with best intersection assaying Ag 3.66, Au .14 oz/t over 0.6' Holes to North to explore for up dip or faulted extensions to 2912 stope ore have located stringers assaying up to Ag 1.93, Au 0.42 oz/t over 0.5' to 1.5'.
JAN: Lower Mines - 2900 Level: 2 drills operated all month with good success in locating gold rich extensions to previously located ore and in extending the ore bearing structure to E. 3 best intersections were Ag 7.27, Au 1.09 oz/t over 0.3', Ag 38.86, Au 1.54 oz/t over 1.5', Ag 62.32, Au 0.14 oz/t over 3.7'. Recent gold assays are highest ever encountered at mine. Upper Mine - New Beaver: Large number of important intersections located in drilling from New Beaver 03 cross-cut. 2 of the best were Ag 114.57, Au .05 oz/t over 1.0', and Ag 175.41, Au 0.07 oz/t over 0.6'. Good results achieved in January go a long way towards developing tonnage necessary to justify 2800 level development.

FORECAST VS ACTUAL PROJECT EXPENDITURES:

	<-----MONTHLY----->			<-----CUMULATIVE----->		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
March 87	\$60,000		\$60,000	\$60,000	\$0	\$60,000
April 86			\$0	\$60,000	\$0	\$60,000
May 86			\$0	\$60,000	\$0	\$60,000
June 86			\$0	\$60,000	\$0	\$60,000
July 86	\$50,000	\$56,117	(\$6,117)	\$110,000	\$56,117	\$53,883
August 86	\$60,000	\$83,950	(\$23,950)	\$170,000	\$140,067	\$29,933
September 86	\$60,000	\$76,361	(\$16,361)	\$230,000	\$216,428	\$13,572
October 86	\$60,000	\$70,331	(\$10,331)	\$290,000	\$286,759	\$3,241
November 86	\$60,000	\$45,592	\$14,408	\$350,000	\$332,351	\$17,649
December 86	\$60,000	\$46,402	\$13,598	\$410,000	\$378,753	\$31,247
January 87	\$60,000	\$72,025	(\$12,025)	\$470,000	\$450,778	\$19,222
February 87	\$60,000		\$60,000	\$530,000	\$450,778	\$79,222
TOTAL:	\$530,000	\$450,778	\$79,222			

LOCATION:

COMMENTS:

Grant increased from \$175,000 to \$200,000.

January 19, 1987

FAME Property Report Notes

M6 - Teck Corporation - Beavardell Mine

Visit with W.R. Smyth, Wednesday, January 7, 1987.

Bruno Goetting - Mine Manager
 Wayne Murton - Contract geologist hired to run the
 - FAME sponsored exploration program.
 Peter Urban - Assistant

General Operation

- 35 people on the payroll:
 - 8 mill
 - 6 surface
 - 6 staff
 - 15 underground
- 115 tpd milling continuous
- 70 tpd mining (Monday - Friday, one shift)
- Balance of mill feed (30%-50%) coming from old dumps from (pre-1950) operations when ore was hand cobbled and sent to Trail. Flotation mill built in 1950.

First dump through the mill (1960) ran 60 oz/t Ag. Now averaging around 10 oz/t Ag. Current overall average for dumps remaining is 5 oz/t Ag. Have 30,000-40,000 tons of this material remaining. Only get 80% recovery due to oxidation problems compared with 90% recovery on fresh underground ore. Gold content of the concentrate sent to Trail has increased from 0.20 oz/t-0.25 oz/t to 0.46 oz/t-0.48 oz/t due to mining ore from lower levels which have a higher gold content.

- Old fill in shrinkage stopes runs around 10 oz/t Ag and is being mined.
- Tailings: 200,000 tons containing around 5 oz/t Ag. Bob Seraphin wants to make a deal on these to heap leach them at the Union Mine. A feasibility study carried out when silver prices were around CDN \$15/oz indicated a 1.5 year payback followed by 2.5 to 3 years profit. Represented a \$3 million investment, construction of plant commenced ...then was cancelled when silver prices dropped.
- Silver Production: around 1,000 ounces/day.
- Power costs: \$5,000/month usually
 \$7,500 currently due to increased use of compressors on FAME exploration.

- Union Operation: Agreement expired in April 1985. Not yet renegotiated.
- Profitabilities: Has been losing money for the last 2 years. Need at least CDN \$10/oz to break even.
- Mining Method: Open stoping; don't need to backfill.
- Mining Costs: \$40/ton
- Milling Costs: \$18-20/ton
- Total Costs: around \$60/ton.
- Production Rate: 1950-86 average of 80 tpd
- Milling: 80-95% recovery for Ag depending on oxidation level of silver feed. Silver partitioning 1:5 between zinc and lead concentrates.

Zinc con. - runs at 50%-56% (minimum acceptable to Cominco is 40%); 100 oz/t Ag.

Lead con. - 18%-20% Pb, 500 oz/t - 600 oz/t Ag and 0.45 oz/t Au.

Jig con. - 500 oz/t-600 oz/t Ag and 0.45 oz/t Au.

Geology

- Good compilation papers exist by Colin Godwin and Pat Watson. UBC field notes by Marie Archambault also useful.
- Very useful compiled glass models (at 1":100 ft scale) showing stopes, drifts, raises and ore zones have been prepared both as sections and level plans. Give great food for thought and arm waving.
- Two major faults the 'East and West Terminal Faults' downthrow the vein system in 300 ft to 700 ft steps to the west dividing the mine into 3 main areas: the 'Bell', 'Lass' and 'Lower'.
 - Many subsidiary faults are clear on the sections, a common factor appears to be that east dipping faults downthrow to the east and west dipping faults downthrow to the west, producing graben and horst type structures. East dipping faults, in general, have larger throws than the west dipping ones.
 - The vein system as a whole parallels and slightly transgresses the Granodiorite-Wallace Formation contact. Most of the ore developed to date has been within the granodiorite.

- Although the overall system parallels the Wallace Formation contact individual ore shoots are quite steeply inclined to this overall trend. They give the impression of occupying an-echelon structures developed as the result of a shear couple sub-parallel to the Wallace Formation contact.
- As the mineralized zone transgresses from the granodionite host into the Wallace Formation fundamental chemical changes appear, gold values increase, together with lead and zinc whereas silver values decrease.

Bottom Line on FAME

Has been a success in finding new ore, some of which has been mined and processed already. Company has confirmed that the lifetime has been extended as a result of the FAME program. Because only 8% refunds are available for drifting they have concentrated on drilling. This is not necessarily the optimum exploration technique to use in this type of mine.

FAME PROGRAM - MONTHLY REPORT FORM

Ref. No: M1

Date: 01/26/88

Company Name: Teck Corporation
 Project Name: Beaverdell
 Location: 100 km S of Kelowna

Contact: B. Goetting
 Title: Mine Manager
 Phone: (604)484-5510

Previous Budget: \$75,000,000 Current Budget: \$ 607,250 Grant: \$110,000

Location:
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District Geologist: R. Meyers

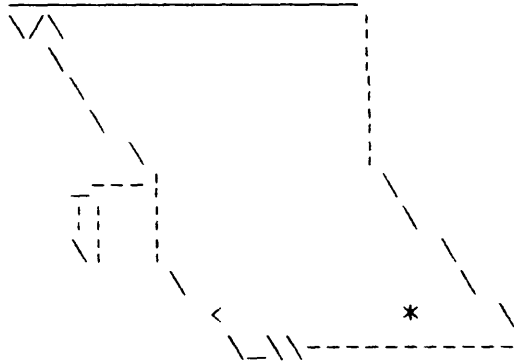
NTS Reference: 82E6E

Commodity Sought: AG

Visited By:

Proportion of FAME Funding to Total Budget: 18.11%

Proportion of Total MEIP Funds on Project: 7.75%



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Forecast vs Actual Project Expenditures:

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MONTH	FORECAST	ACTUAL	VARIANCE
	\$	\$	\$
April 87	0	0	
May 87	0	0	
June 87	25,000	22,000	(3,000)
July 87	40,000	39,000	(1,000)
Aug 87	55,000	48,000	(7,000)
Sept 87	55,000	46,000	(9,000)
Oct 87	45,000	50,000	5,000
Nov 87	40,000	43,000	3,000
Dec 87	25,000	38,000	13,000
Jan 88	25,000	0	
Feb 88	20,000	0	
March 88	0	0	
TOTAL:	330,000	286,000	
	=====	=====	
Budgeted Funds Remaining:		\$ 44,000	

FAME Grant Issued
 in 1986/87?: Yes

Amount of Previous
 Grant: 200,000

Agreement
 Returned: Yes

Capsule Summary of Project:
 Delineate reserves to extend mine life.

1987/88 Program:

6500 m underground diamond drilling in lower and upper mines, 2700 m surface diamond drilling, surface stripping, trenching, 150 m drift and crosscuts.

Comments:

REM will visit in the fall.

Progress:

JUNE: Surface: Prepared drill sites and conducted a limited amount of stripping on the Highland Fraction and Sally claim. Surface diamond drilling: 2 holes on Revenge claim below old workings failed to intersect a zone of interest. Underground Diamond Drilling: Drilling below 2900 level to attempt to trace the down dip continuation of the ore zone located low grade (5 oz/ton Ag) sections.

JULY: Surface: Stripping and trenching of potential mineralized areas was conducted on the Revenge, Idaho, Lass and Highlander Fr. claims. Diamond Drilling: Four holes on the Switchback vein indicated a continuation of the mineral zone to the east with the best intersection 1.5' of 24 oz/ton Ag and 0.06 oz/ton Au. Drilling in 2901 drift has located good looking hanging wall stringers with assays awaited.

AUGUST: Trenching was conducted on a mineralized zone in the Wallace on the Lass claim near the Highland Chief boundary (East Lass).

The area required a short access trail. In the lower mine on 2900 L, drilling in 2901 drift and 2905 drift has located mineable ore above the level. The best intersection was 123.94 Ag, 0.04 Au/5.5'. In the Powder Tunnel @ 4160' elevation, two good ore intersections were cut, with the best, assaying 152.49 Ag, 0.01 Au/2.0'.

SEPT: Stripping on the Bell claim and Pueblo fraction revealed indications of mineralization that require more work. Two drill pads were cleared on the Pueblo and Rob Roy claims. In the lower mine, drilling in 2901 drift attempted to locate hanging wall stringers and a down dip continuation of the main ore zone with only limited success.

OCT: A 100' cut was put in on the Rob Roy claim to the SW from ore indications found at 1600N & 1300E. The new vein is exposed over a surface length of 750' & disappears to the NE under an old mine dump. October footage 3,088', FAME TO DATE 11,084'. Three holes put in under the mineralization discussed above cut 3 good ore intersections of 44 oz/ton Ag over 3.0', 172 oz/ton Ag over 2.0' & 108 oz/ton Ag over 1.5'. This area will be mined from surface & underground in 1988. Drilling in the "Upper Mine" from the Powder Tunnel & 7 level has cut a number of good grade intersections which should provide ore over the next several months.

NOV: Two machines operated all month. In the upper mine, 1,260' were drilled and two ore grade intersections were located. The best one assayed Ag 60.11 oz/ton Au 0.07 oz/ton over 2.5'. In the lower mine (2900 level) a total of 984' were drilled. The best intersection assayed Ag 28.67 oz/ton, Au 0.28 oz/ton over 2.2'.

DEC: Two underground machines operated all month, one in the lower mine and one in the upper mine.

In the lower mine (2900 level), 1,036' were drilled with several ore grade intersections cut. The best ran 51.34 oz/ton Ag, 0.26 oz/ton Au over 4.5'.

In the upper mine, 1,206' were drilled with several ore grade intersections cut. The best ran 209.40 oz/ton Ag, 0.04 oz/ton Au over 5.0'.

FAME GRAM - MONTHLY REPORT FO.

Ref. No: E23

Date: 01/13/88

Company Name: IGF Metals Inc.
 Project Name: Beaverdell
 Location: SE of Beaverdell

Contact: L. J. Manning
 Title: President
 Phone: (604)688-4557

Previous Budget:\$ 2,659,378 Current Budget:\$ 308,000 Grant:\$ 30,000

Location:

District Geologist: R. Meyers

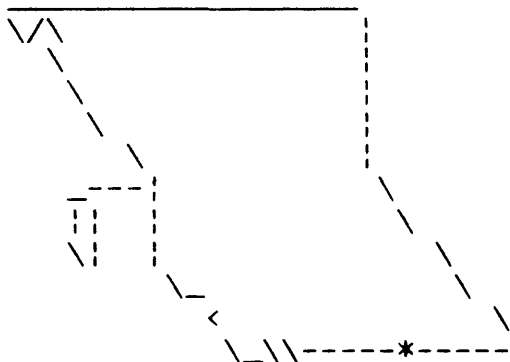
NTS Reference: 82E6E

Commodity Sought: AG

Visited By:

Proportion of FAME Funding to Total Budget: 9.74%

Proportion of Total MEIP Funds on Project: 0.98%



Forecast vs Actual Project Expenditures:

MONTH	FORECAST	ACTUAL	VARIANCE
	\$	\$	\$
April 87	3,300	1,800	(1,500)
May 87	19,800	19,900	100
June 87	20,000	16,000	(4,000)
July 87	7,500	6,700	(800)
Aug 87	61,500	13,300	(48,200)
Sept 87	11,000	0	(11,000)
Oct 87	67,700	12,000	(55,700)
Nov 87	90,000	3,400	(86,600)
Dec 87	35,000	0	(35,000)
Jan 88	5,000	0	
Feb 88	2,300	0	
March 88	0	0	
TOTAL:	323,100	73,100	
	=====	=====	
Budgeted Funds Remaining:	\$	250,000	

FAME Grant Issued
 in 1986/87?: No

Amount of Previous
 Grant: N/A

Agreement
 Returned: Yes

Capsule Summary of Project:
 Adjacent to Teck property at Beaverdell.

1987/88 Program:
 Survey and drill to delineate reserves.

Comments:
 REM will visit in fall when visiting neighbouring Teck operation.

Progress:

SEPT: North-South grid lines spaced at 100 m were blazed and flagged over most of the 30 claim group during May and June. Soil samples were taken at 25 m intervals on alternate lines, and analyzed for gold, silver, and arsenic. All previous reports were studies. Most of the reported old workings were recovered in the field and plotted on the grid map, and rock chip sampling of obvious veins and showings was completed. Areas of interest were noted, and it was decided to extend all lines over previously ungridded claims and complete soil sampling of all lines at the 25 meter interval flags. Air photo mosaic negatives were made on the same scale so that probable swamp anomalies etc could be properly graded.

DEC: The results of three holes are described as follows:- DDH# 87-1 ... No values, strong fault zone. DDH# 87-2 ... Intercept feet 50.5-35.0, Feet of core length 2.5, Feet of True Width 1.06, Au .03, Ag 71.94, Silver assayxtrue width = 76, Good vein. DDH# 87-3 ... Intercept Feet 40.5-44.5, Feet of Core Length 4.0, Feet of True Width 1.69, Au .02, Ag 39.32, Silver Assayxtrue Width=66, Good wide

vein.

Bozer trenching, mapping and sampling of several of the anomalies commenced with 2 anomalies being eliminated and one found to be the continuity of a known deposit on Teck ground. Several other specimens of vein material with economic potential were also found. Additional detailed geochemistry is recommended on some areas.

FA PROGRAM - MONTHLY REPORT RM

Ref. No: M1

Date: 02/25/88

Company Name: Teck Corporation
 Project Name: Beaverdell
 Location: 100 km S of Kelowna

Contact: B. Goetting
 Title: Mine Manager
 Phone: (604)484-5510

Previous Budget:\$75,000,000 Current Budget:\$ 607,250 Grant:\$110,000

Location:

District Geologist: R. Meyers

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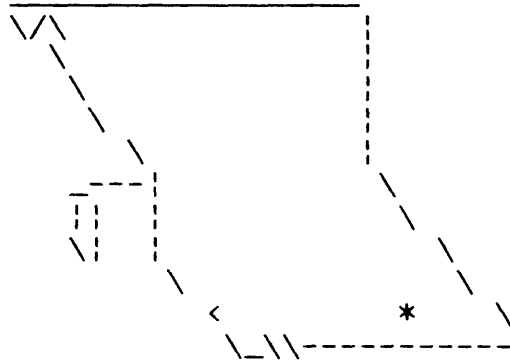
NTS Reference: 82E6E

Commodity Sought: AG

Visited By:

Proportion of FAME Funding to Total Budget: 18.11%

Proportion of Total MEIP Funds on Project: 7.75%



Forecast vs Actual Project Expenditures:

MONTH	FORECAST	ACTUAL	VARIANCE
	\$	\$	\$
April 87	0	0	
May 87	0	0	
June 87	25,000	22,000	(3,000)
July 87	40,000	39,000	(1,000)
Aug 87	55,000	48,000	(7,000)
Sept 87	55,000	46,000	(9,000)
Oct 87	45,000	50,000	5,000
Nov 87	40,000	43,000	3,000
Dec 87	25,000	38,000	13,000
Jan 88	25,000	25,000	0
Feb 88	20,000	0	
March 88	0	0	
TOTAL:	330,000	311,000	
	=====	=====	
Budgeted Funds Remaining:	\$	19,000	

FAME Grant Issued
 in 1986/87?: Yes

Amount of Previous
 Grant: 200,000

Agreement
 Returned: Yes

Capsule Summary of Project:
 Delineate reserves to extend mine life.

1987/88 Program:

6500 m underground diamond drilling in lower and upper mines, 2700 m surface diamond drilling, surface stripping, trenching, 150 m drift and crosscuts.

Comments:

RRM will visit in the fall.

Progress:

JUNE: Surface: Prepared drill sites and conducted a limited amount of stripping on the Highland Fraction and Sally claim. Surface diamond drilling: 2 holes on Revenge claim below old workings failed to intersect a zone of interest. Underground Diamond Drilling: Drilling below 2900 level to attempt to trace the down dip continuation of the ore zone located low grade (5 oz/ton Ag) sections.

JULY: Surface: Stripping and trenching of potential mineralized areas was conducted on the Revenge, Idaho, Lass and Highlander Fr. claims. Diamond Drilling: Four holes on the Switchback vein indicated a continuation of the mineral zone to the east with the best intersection 1.5' of 24 oz/ton Ag and 0.06 oz/ton Au. Drilling in 2901 drift has located good looking hanging wall stringers with assays awaited.

AUGUST: Trenching was conducted on a mineralized zone in the Wallace on the Lass claim near the Highland Chief boundary (East Lass).

The area required a short access trail. In the lower mine on 2900 L, drilling in 2901 drift and 2905 drift has located mineable ore above the level. The best intersection was 123.94 Ag, 0.04 Au/5.5'. In the Powder Tunnel @ 4160' elevation, two good ore intersections were cut, with the best, assaying 152.49 Ag, 0.01 Au/2.0'.

SEPT: Stripping on the Bell claim and Pueblo fraction revealed indications of mineralization that require more work. Two drill pads were cleared on the Pueblo and Rob Roy claims. In the lower mine, drilling in 2901 drift attempted to locate hanging wall stringers and a down dip continuation of the main ore zone with only limited success.

OCT: A 100' cut was put in on the Rob Roy claim to the SW from ore indications found at 1600N & 1300E. The new vein is exposed over a surface length of 750' & disappears to the NE under an old mine dump. October footage 3,088', FAME TO DATE 11,084'. Three holes put in under the mineralization discussed above cut 3 good ore intersections of 44 oz/ton Ag over 3.0', 172 oz/ton Ag over 2.0' & 108 oz/ton Ag over 1.5'. This area will be mined from surface & underground in 1988. Drilling in the "Upper Mine" from the Powder Tunnel & 7 level has cut a number of good grade intersections which should provide ore over the next several months.

NOV: Two machines operated all month. In the upper mine, 1,260' were drilled and two ore grade intersections were located. The best one assayed Ag 60.11 oz/ton Au 0.07 oz/ton over 2.5'. In the lower mine (2900 level) a total of 984' were drilled. The best intersection assayed Ag 28.67 oz/ton, Au 0.28 oz/ton over 2.2'.

DEC: Two underground machines operated all month, one in the lower mine and one in the upper mine.

In the lower mine (2900 level), 1,036' were drilled with several ore grade intersections cut. The best ran 51.34 oz/ton Ag, 0.26 oz/ton Au over 4.5'.

In the upper mine, 1,206' were drilled with several ore grade intersections cut. The best ran 209.40 oz/ton Ag, 0.04 oz/ton Au over 5.0'.

JAN: One underground machine operated all month in both the lower and upper mines. Intersections of interest came from the lower mine where the best intercept ran Ag 22.32 oz/ton, Au 0.06 oz/ton over 3.3'.

FEB: One underground diamond drill will operate all month.

FAME PROGRAM - MONTHLY REPORT FORM

Ref. No: M1

Date: 12/15/87

Company Name: Teck Corporation
 Project Name: Beaverdell
 Location: 100 km S of Kelowna

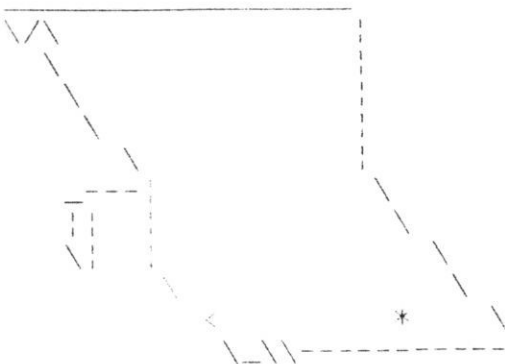
Contact: B. Goetting
 Title: Mine Manager
 Phone: (604)484-5510

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Location:
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 NTS Reference: 82E6E
 Commodity Sought: AG
 Visited By:

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 Proportion of Total MEIP Funds on Project: 7.75%



FAME Grant Issued
 in 1986/87?: Yes

Amount of Previous
 Grant: 200,000

Agreement
 Returned: Yes

Forecast vs Actual Project Expenditures:

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Sept 87	55,000	46,000	(9,000)
Oct 87	45,000	50,000	5,000
Nov 87	40,000	43,000	3,000
Dec 87	25,000	0	
Jan 88	25,000	0	
Feb 88	20,000	0	
March 88	0	0	
TOTAL:	330,000	248,000	
Budgeted Funds Remaining:		\$ 82,000	

Capsule Summary of Project:
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1987/88 Program:

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