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Subject: SOUTHWESTERN REGION MONTHLY REPORT1 JULY/AUGUST

EXPLORATION:

- First Choice Industries has started a 21 hole (aggregate 2,500) drill program at Knob Hill. It is looking for "porphyry copper" and "epithermal gold" mineralization at the west end of the Island Copper belt. It plans to drill a circular "highly resistivity" geophysical anomaly of unknown origin and an extremely strong "chargeability" halo that is known to be caused by a strongly acid sulphate altered, weakly gold-bearing rhyolite breccia. RESULTS TO DATE ARE VERY ENCOURAGING!

*QUET* - Mount Hope Resources (Jo Shearer, Scott Angus) has arranged a private placement of \$750,000. Much of it will be spent on exploration in Lower Mainland. The company is repairing roads in advance of drilling the Hotspring (Quet) Au, Ag, Pb, Zn property north of Harrison Lake. Noranda explored the area for VMS in the late 1980s and outlined a broad zone of low-grade, strata-bound mineralization in volcanic breccia. Mount Hope will drill the property for structurally controlled feeder zones.

*Silver Peak* Other properties owned by Mount Hope include the past-producing Emancipation Mine, near Hope; the Jessy (North Siwash) gold showings on the Hozeameen fault near Spuzzum and a new gold geochem target on the same fault at Ghost Pass north of Manning Park. It also has disputed ownership of the past-producing Silver Peak property south of Hope, an epithermal system associated with a high-level, Tertiary felsic dyke swarm.

*Brandywine* La Rock Mining Corp has restarted drilling on the Brandywine Property, near Whistler. The company plans to drill around 8 holes for a total of 1,200 metres testing geophysical targets for structurally controlled gold and VMS deposits.

*Quinsam* ~~Quinsam Coal~~ Corp produced 535,000 tonnes clean coal in the first six months of the year, somewhat less than hoped. It is currently drilling (1) to ensure there are no structural complications in advance of developing a new work area in the 2N block; (2) to test the feasibility of accessing the 242 zone through 4S workings and (3) on the down dip edge of the 2N block to replace reserves. These currently stand at around 36 million tonnes. (Visited).

T'Sable River Coal Corp has held three open-houses. There were some