On May 6, 1996 I accompanied Gerry Ray, Trygve Hoy, Larry Jones and Mike Cathro on a visit to the gold project near Hope.  Frederick Pare, consultant geologist with Athabaska Gold Resources Ltd., displayed recently completed drill core and led us on a tour underground from the Aurum No. 2 portal on 900 level down to the 875 level.  The recently completed drill program identified a number of new zones of ore grade mineralization west of the mine workings. These zones have major new tonnage potential both to the north, extending beyond current workings, and more significantly for near term reserves, projected to the south toward the mine portal in an area parallel to and closely adjacent to the existing working.  A further drill program will start soon to define proven mineable reserve blocks in these new zones prior to completing final feasibility mine planning and to drill test their projected extensions.

A metallurgical program has determined the existing tailings can be profitably reprocessed through the mill.  The first year of mill operation, reprocess existing tailings, is expected to yield sufficient operating profits to pay back the entire cost of retrofitting the mill for the new operation.  During the period of tailings reprocessing, underground development work will be carried out to prepare the mine for full-scale production of new ore and to continue the definition of additional reserves.  The company hopes to start mill by year-end.  Recently calculated underground ore reserves are 1,174,300 tonnes grading 4.92 g/t Au.  With a predicted 15% mining dilution at a cut-off grade of 1.0 g/t Au, this equates to a diluted mining reserve of 1,350,400 tonnes grading 4.41 g/t Au containing 192,000 ounces of gold.

The mill has been vandalized and will require about $3 to $4 million capital to refurbish.

[NOTE:  Gerry Ray states that a new age of 87 Ma on sodic dikes in the turbidites nearby are similar to the age of the suspected mineralizing intrusion at Bralorne, to the north].

2