

Cobalt Star

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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: MAY I

EXPLORATION:

*Copper Road Cliff*  
- Network One Holding Corp. has optioned 226 units on Quadra Island. The property covers the Copper Road occurrence where there is a reported reserve of 120,000 tonnes grading 2%-6% copper and 0.47 o/t silver and the Copper Cliff prospect where there is a reported mineral resource of 3.2 million tons grading 2% copper. The locals are already up in arms!

- First Choice Industries plans to drill a further 21 holes on the Knob Hill property near Holberg. It will be looking for high-grade gold in epithermal veins in the alteration zone it located last year.

- T'Sable Coal Corp. plans to drive a decline in the T'Sable Coal field and extract a 90,000 tonne bulk sample from the No. 1 coal seam for thermal and metallurgical burn tests. The company has identified an in situ resource of 39 million tonnes that may be amenable to underground mining.

*Cobalt Star (new)*  
visited (1) the Pandora Au vein property near Tofino with Greg Carriere, (2) the Dragon Cu, Pb, Zn VMS property near Gold River with Efram Specogna, (3) the Cobalt Star Cu, Au, Co, Magnetite skarn deposit near Middle Quinsam Lake with Dan Berkshire and (4) the Gilkie Cu skarn property near Upper Campbell Lake with Albert Dorion.

LAND-USE:

- Government has released its Spotted Owl Management Plan for the Lower Mainland. It creates 18 "special management areas" totalling 204,000 hectares.

OFFICE:

- Interesting and constructive meetings with both the Deputy and Assistant Deputy Ministers to discuss the new "Mineral Development Office" in Vancouver.

- Visited Macktush Property near Port Alberni with Greg Carriere and representatives of SYMC Resources and MOF to review possible damage to