

882752
Engineer

PW - May 9 5

Unfortunately there is only 150 meters of room downdip on the North zone to its projected truncation by the Limestone fault which bounds the Mine wedge. The Limestone fault is tentatively correlated with the Llewellyn fault, displaced 4-500 metres west by newly recognized 101 Fault.

*Engineer mine was toured with Swede Martenson of Ampex Mining on May 27-28. Ampex is being funded by Pelly Construction to mill a 1000-1500 tonne sample to be extracted from the Engineer and Governor veins. A series of quartz-(calcite) veins fill tensional fractures that are at right angles to a prominent northwest shear zone cutting folded Laberge Group sedimentary rocks. The mill is a gravity circuit employing a jig and Deister tables. Ampex has studied old mine records and processed small samples to identify gold shoots. The longer term goal is to de-water the 600, 700 and 800 levels. Old sample records indicate ore-grade gold the 700 level which may correlate with the principal area of stoping above 500-level (the mill level).

Trouble in past!

EXPLORATION AND MINESITE ACTIVITY

*Kodiak gold heap leach will not proceed at Golden Bear this year. North American Metals Corp will direct its efforts to exploration of the Grizzly and Ursa zones. Six holes in the Grizzly zone average 16.3 g/t Au over 10.8 meters. Mineralization is refractory and would require operation of the mill and roaster. The heap-leachable Ursa will be explored to depth by drilling. Two other targets between Kodiak and Ursa will also be drilled.

*Drilling at Red Chris is underway by American Bullion. Geometry of the publicized 100 million tonne deposit (0.58% Cu, 0.46 g/t Au at a 0.4% Cu cutoff) is not amenable to open pit mining and work this year will aim at defining an optimum open pit resource, probably at a 0.3% Cu cutoff. Drilling will also extend to the west into the "Yellow Chris" (Gully zone) area. Work continues to be helicopter supported. To prepare an application to re-open the 8 km access road to Red Chris, a consultant for American Bullion spent two days in Smithers government offices to determine issues and permitting procedure.

*Milling of stockpiled ore from the Big vein is underway at the Table Mountain mine by Cusac Industries. Ore is described as being low grade (ie 8-12 g/t Au??). Mining of the East Bain and Michelle veins is anticipated.

OFFICE ACTIVITIES

*Introductory Prospecting course in Smithers

NOTICES OF WORK

24 Mineral NoW received. Year-to-date total is 77 (vs 81 in 1994).
24 Placer NoW received (April+May). Year-to-date total is 46 (vs 53 in 1994).

Polaris
Taku

Engineer

Red-Chris