HIGHLIGHTS

* ADAMS LAKE The Eagle Bay and Fennell Formtions near Adams Lake continue to draw the highest level of exploration activity, stimulated by the success of the Samatosum polymetallicsilver project operated by Minnova Inc. and Rea Gold Corporation. Major projects, such as those operated by Minnova, Homestake Mining Canada Ltd. and others in the area, continued to focus on the "Sam" and "Rea" horizons and on comparable geological environments in Eagle Bay rocks. Minnova also expended considerable effort on areas within the Fennell Formation, associated with the Chu Chua copper-iron massive sulphide deposit.

* SIWASH LAKE In the Siwash Lake area, north of Princeton, the potential of the Elk gold project was substantially upgraded as Fairfield Minerals Ltd. and Placer Dome Inc. completed a second successful year. Detailed drilling on the Siwash North zone increased both the lateral and down dip extent of the deposit and expanded work on other prospects on the property suggest that a major areawide gold-quartz vein system may be present.

* COPPER MOUNTAIN An aggressive exploration drilling program at Similco's Copper Mountain deposit has outlined two new zones in the Lost Horse Gulch area. The Virginia and Alabama deposits will add nearly 25 million tonnes of potentially mineable copper-gold ore to the mine's reserves.

* REVELSTOKE Exploration activity in the area north of Revelstoke increased over previous years, with the main focus on Early Paleozoic rocks hosting the J & L and Goldstream deposits. Equinox Resources Ltd. and Cheni Gold Mines Ltd. joined efforts at J & L to expand and develop mineable reserves in the deposit. Recent reports that funding may soon be in place to return the Goldstream mine to production are positive indications that exploration and mining in the Revelstoke area are in an upward trend.

* OKANAGAN The Okanagan was considerably quieter during 1990 than the 1987-89 period. A number of small to mid-size precious metals projects' were operated in spite of the strain of poor financing. Work at the Vault epithermal gold project was maintained, albeit under duress. Closure of the Brenda operations and news that the Highland Bell silver mine would close early in 1991 dampened the economic outlook for the Okanagan and marked the end of 90 years of continuous operation at Beaverdell.

* **HEDLEY** At <u>Hedley</u> Corona Corporation have indicated that without an improved reserves picture, the Nickel Plate operations would likely cease in late 1991.

* BRIDGE RIVER The area experiencing the greatest downturn in mineral exploration in the region was the Bridge River district, where, except for the Standard Creek property, only minimal work was completed on very few projects.

* ECONOMIC IMPACT The downturn in exploration resulting largely from the lack of project funding has created significant economic stress on the exploration-related service sector of the South-Central District. Drilling companies, assay laboratories, staking and line-cutting contractors and equipment suppliers have all felt the effects in the form of drastic reductions in contracts and clientel. The withdrawal from activity by many project operators has forced a few companies to temporarily close their doors due to insufficient business. In other situations, work-sharing and lay-offs are becoming reality, whereas in previous years, sufficient work was available to carry a nearly full compliment of staff through to the next exploration season.