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Created: 11-Apr-1996 10:01am PDT  
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From: Robert Pinsent of EI  
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: APRIL 1996

EXPLORATION:

- Athabasca Resources has received the results of its metallurgical test work. Preliminary feasibility work suggest that the company could refurbish the Carolin mine and mill for \$7.0 million Cdn and produce and ship sufficient flotation concentrate to generate 51,400 ounces of gold a year, at a cost of US \$259 per ounce.

The company has submitted a NOW for 25 underground drill holes for a total of 4,750 metres. It expects to complete its feasibility next July and, as it considers that its permits are already in place, it is talking of production by the end of the year!

- Quinsam Coal has completed a five hole programme over the 4S area at Quinsam. It is currently driving a development drift in the deposit. The new wash plant is up and running and there is more drilling to come, including holes to increase 2N reserves.

- Verdestone Gold Corp. has submitted a NOW for basic grid work and three holes for an aggregate depth of 2,000 metres on the molybdenum property at Salal Creek, near (but outside) the so-called "Randy Stoltmann Wilderness Area".

- La Rock Mining is back drilling at Brandywine. The company reports three zones that "appear to contain massive sulphide" in its second hole.

- Flame Petro-Minerals Corp. has submitted a NOW for seven holes for a total of 1,000 metres drilling on the LD VMS property on the west side of Harrison Lake.

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LAND-USE:

- Five new "goal two" (small) parks announced for the Gulf Islands.