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RED

I N T E R O F F I C E M E M O R A N D U M

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TO: See Below

Subject: Lane Weekly Report: Aug. 5 - 8.

HIGHLIGHTS

Mount Polley official opening scheduled for September 13, 1997. The mill is being fine-tuned and is processing close to 800 tonnes per hour.

EXPLORATION MONITORING

Blackwater-Davidson. Kennecott has completed an IP (dipole) survey over its porphyry-related prospect in the Nechako Plateau. A modest diamond drill program will commence in the fall pending project approval by management.

Granite. Canasil Resources has completed 4 diamond drill holes on their high grade gold prospect northwest of Aiken Lake in the central Omineca Mountains. The company plans to return to conduct additional drilling if results warrant.

Red. Exito Minerals has completed approx. 900 metres of diamond drilling in 12 holes on the old Roy showing (Minfile# 094D 078), located 4 km south of the confluence of Two Lake Creek and the Sustut River. The property hosts a Au-Cu alkalic porphyry system.

Soup. Vital Pacific Resources Ltd. has suspended diamond drilling on the Soup property after completing only 3 holes. All 3 holes were drilled from the same drill platform, 300 metres northwest of the Saddle Gulley (which was drilled last year) and encountered the same body of semi-massive magnetite skarn. Assay results from the first 2 holes included: 8 metres averaging 1.5 g/t Au and 0.3% Cu in hole S97-1, and 5 metres averaging 1.4 g/t Au and 0.45% Cu. A 4th drill hole was abandoned.

Swan. Stratabound Minerals has completed an airborne Mag-Em survey over its Swan property, 10 km east of Aiken Lake. The company has begun follow-up ground Mag and, may proceed with a gravity survey.

Tsacha. A joint venture agreement with a junior mining company is near completion. The deal apparently will result in an aggressive program of trenching and drilling focussed on the northern extension of the Tommy vein. Also, the existing grid will be expanded to the north and a gradient IP survey will be conducted over a large portion of the property.

OTHER