Lani- Her. 7/1/2

Main pit have also contributed to higher costs. Increased costs coupled with the current low gold price have led to a detailed life-of-mine review, which will take into account recent and expected minesite exploration.

Skook. Nations River Resources (Colin Campbell) conducted a grid-based soil/till sampling program on their Zn-Pb-Ag-Au property located north of Chuchi Lake and approx. 20 km west of the Mt. Milligan Cu-Au porphyry deposit. Two prospects, Wit and Skook, are described as VMS - Shallow Submarine Hot Spring deposits. The Wit has been traced for 600 metres along strike and was intersected at 100 metres below surface in ddh WT95-1 which graded 11.4% Zn, 3.84% Pb, 23.3 g/t Ag and 1.28 g/t Au over 3.5 metres. Mineralization consists of crudely banded sphalerite, galena, barite and chalcedonic quartz within a carbonate and silica-rich tuff that is part of the Chuchi Lake Fm. The company is in the process of being listed on the VSE and plans to drill the WIT zone in 1998.

Tsacha. Teck, as operator on behalf of JV-partner Corona Gold, completed 8 diamond drill holes totaling 1,554.5 metres on the possible northern extension of the Tommy vein system. Results were disappointing-drilling did not encounter any vein material. Lithologies intersected, primarily hematite-rich, plagioclase phyric volcanic flows, were not seen in the drilling to the south and suggest that an unrecognized east-trending(?) structure may have offset the vein system. Corona Gold is obligated, via the option agreement with Teck, to continue exploring the property next year. Likely targets are the possible south extension of the vein system as well as the potential for mineralization beneath the sill.

willow Creek. Pine Valley Coal Ltd. has completed their Fall exploration/pre-development program on the Willow Creek coal property located 45 km west of Chetwynd. The program included the collection of a 3000 kg bulk sample from the North zone. The bulk sample is comprised of coal seams cored in 23 drill holes using open hole drilling methods and a six-inch diameter coring rig (now on its way to Telkwa!). In addition, core from 5 three-inch diameter holes will be submitted for coal characterization. Also, an infill drilling program consisting of 27 holes totaling 1200 metres was completed on the North zone. Future work will include further infill drilling on the North and Central zones.

Bob.

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