

**Homestead
Resources Ltd.**

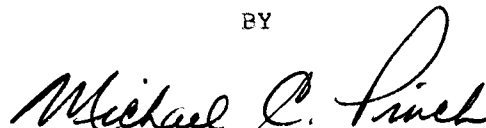
300-333-25th St. East
Saskatoon, Saskatchewan S7K 0L4
(306) 652-0550

PROGRESS REPORT

ERIE CREEK PROPERTY
17 CLAIMS
NELSON DIVISION

SUBMITTED TO SHAREHOLDERS

BY


MICHAEL C. PINCH, C.A.

SECRETARY

JUNE 20, 1981.

WORK COMMENCED MARCH 15, 1981, COMPLETED JUNE 15, 1981:

1. ROAD RECLAMATION & CLEARING: Access road and creek crossings upgraded to accommodate tandem haulage trucks, test pit site stripped of overburden.
2. TEST PIT EXCAVATION: 20 impact holes drilled over 300 x 25 ft. area, 400 cubic yards excavated.
3. BULK SAMPLING & CHEMICAL ANALYSIS: Initial assays of percussion samples by Chemex Labs of Calgary, Alberta. Bulk sample of 22 long tons (44,740 lbs.) shipped to Cominco Ltd. Shelter Facility at Trail, B.C. Reports forthcoming.
4. ENGINEERING/GEOLOGICAL REPORTS: Field inspections completed, reports and recommendations forthcoming.
5. PROTECTION STAKING: A total of 25 claim/units located, 17 units to north of "Grand Union Group", 8 units to south. Total addition acreage - 1500 acres.

WORK SCHEDULED TO RESUME JULY 5, 1981

EQUIPMENT & PERSONNEL EMPLOYED

EQUIPMENT:

- 1 - John Deere 550 C Dozer c/w Hyd. Angle and Tilt
- 1 - John Deere 450 D Loader c/w Hyd. Backhoe
- 1 - Gardner Denver Compressor - 125 C.F.M. c/w
Jack Leg, Hammer and Drifter
- 2 - Ford 1 Ton 4 x 4
- 1 - G.M.C. ½ Ton
- 1 - White Western Star Tandem Dump

PERSONNEL:

Consulting Engineers: J. S. Kermeen Msc. P.Eng.
Saskatoon, Saskatchewan

General Contractor: Marathon Mining Explorations Ltd.
Saskatoon, Saskatchewan

Field Supervisor: Dale Vieweger
Penticton, B.C.

Equipment Operators: H. Huser
W. Huser
Salmo, B.C.

Drillers: P. Greer
S. Bengert
Salmo, B.C.

Blasters: R. McKenzie
D. & B. Blasting
Nelson, B.C.

Stakers, Line Cutters: J. Dorey
B. Peters
Salmo, B.C.

Miners: R. Anderson
G. Dorey
Salmo, B.C.

Trucking: Jack Grant
Salmo, B.C.

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J. S. KERMEEN, GEOLOGIST
INSPECTING VEIN OUTCROPS



TEST PIT SITE
CLEARING IN PROGRESS



TEST PIT SITE
SORTING ORE/WASTE



LOADING ORE
SLIDE CREEK CROSSING