

MASCOT GOLD MINES LIMITED (MSG-V,T)

FIRST QUARTER PRODUCTION 26,609 OZ. GOLD Gold

production of 26,609 ounces, plus 13,834 ounces of silver was reported from the 100% owned Nickel Plate mine of Mascot Gold Mines for the first quarter ended Dec.31, 1987, Paul F.Saxton, president of Mascot Gold, told the shareholders at the annual meeting in Vancouver, B.C. February 4, 1988. The mine, located 150 miles east of Vancouver, near Hedley, B.C. processed 213,500 short tons of ore with an average grade of 0.14 oz. gold per ton to generate net gold and silver revenue of \$15,400,000 with direct mining and milling costs of \$8,700,000. While final results are not yet available for January, production was 9,000 ounces gold.

The mine will make on Feb.5, 1988, a \$6,000,000 payment, with a further payment of \$4,000,000 committed by February 29, 1988, against the production gold loan of 100,000 ounces of gold, valued at approximately \$56,000,000 from the Canadian Imperial Bank of Commerce.

The mine has sold forward 32,500 ounces of gold through February 1989 at \$470 U.S. per ounce. This is just under 28% of its projected production for 1988.

A number of plant and equipment additions are being made to Nickel Plate concentrating plant. This \$9,750,000 program, scheduled for completion in June 1988, has been designed to reduce costs significantly and increase throughput of the plant in excess of the original planned capacity of 2,700 tons per day. The new equipment includes: a gyratory crusher, 42-inch by 65-inch; a hopper pre-clarifier with 1,500 gallon per minute capacity; three additional drum filters, each 13.6 feet by 17 feet and additional effluent treatment equipment. The filtration capacity is being increased 25% aiding overall throughput.

The underground exploration adit has been advanced 600 feet from the portal toward the 2,000-foot objective. The adit is located to the south of the Bulldog zone. A series of drill stations are being cut along the level from which some 17,000 feet of diamond drilling has been planned. This drilling will define and expand the underground reserves which are calculated at 2,000,000 tons grading 0.17 ounce gold per ton. When this drilling is completed and evaluated later this year, planning will proceed for mine development and production. Underground ore production is scheduled for 1990 with some production likely to start as early as mid-1989.

With the plant modifications now underway, full gold production for 1988 is projected to show substantial increases in ounces produced, forecast at 130,000 ounces, and at significantly lower costs compared with results achieved to date.

SEVEN MILE HIGH RESOURCES INC. (SVM-V)

<u>HOLE</u>	<u>INTERVAL FT</u>	<u>FOOTAGE</u>	<u>P.P.M. GOLD</u>	<u>OZ. GOLD/T*</u>	<u>P.P.M. SILVER</u>	<u>OZ. SILVER/T*</u>
38898	1224.1 - 1129.6	5.5	7.4	0.24	5.0	0.16
	1260.5 - 1265.4	4.9	6.7	0.20	3.8	0.14
72401	885.8 - 890.1	4.3	22.1	0.70	45.9	1.47
72408	1079.4 - 1108.8	29.4	10.8	0.67	20.9	0.70
72414	1341.5 - 1349.4	7.9	3.0	0.11	8.9	0.28
72415	1243.6 - 1248.2	4.6	15.8	0.51	30.7	0.98

* Equivalent of parts per million.

MORE DRILLING RECOMMENDED - Maurice Hamelin, president, FOR OKANAGAN FALLS PROPERTY Seven Mile High Resources, has reported that Inco Limited has spent \$507,219 during the last five years, since 1982, on exploration of the 68-unit, 1700-hectare Vault claims near Okanagan Falls, 60 km south of Kelowna, B.C. By these expenditures Inco has earned a 60% undivided interest in the property.

During 1986 and 1987 Inco completed relogging of old

core and a geological survey and drilled 17 diamond drill holes for a total of 5,075 meters. The diamond drilling has outlined a large epithermal gold system over an area of 900 meters east-west by 500 meters north-south, open to the south and east. The gold occurs in quartz veins and quartz vein breccias cutting Eocene volcanics. Additional drilling has been recommended to test the extension possibilities and to define the higher grade sections.