

NO.242(1989)
DECEMBER 18, 1989

George Cross

Reliable R

WESTERN CANADIA

INCO LIMITED (ICL-V)

" SEVEN MILE HIGH GROUP INC. (SVH-V)

VAULT EXPLORATION REVIEWED - Inco Limited 60% operator, has released an update on the Vault property located near Okanagan Falls, B.C. a joint venture with Seven Mile High Group Inc. 40% where \$3,500,000 has been spent on exploration including 37,000 metres of diamond drilling. The drilling located epithermal gold mineralization in two east-west trending zones: the Main Zone and the North Vein.

The Main Zone contains numerous gold-bearing veins in a quartz stockwork which is 600 m long, 40 to 125 m wide and five to 30 m thick. The top of the mineralization is 170 m below surface at the west end and 500 m below surface at the east end. Although several ore-grade drill intersections have been identified within the veins, the overall grade of the stockwork is less than 2 g/t Au. (0.07 oz gold/t). The erratic and discontinuous nature of the mineralization does not allow a calculation of a mineral resource of possible higher grade zones within the stockwork.

The North Vein is a discrete narrow quartz-calcite-adularia vein located 350 m north of the Main Zone. Diamond drilling to date has indicated a mineral resource of 150,000 tonnes grading 14 g/t Au (0.49 oz.gold/t), using a cut-off grade of 3 g/t Au. The average true width for the intersections included in the tonnage calculation is 0.57 m. The North Vein has been tested over a strike length of 1,050 m and a vertical depth varying from 100 to 200 m.

The exploration program under consideration for 1990 is estimated to cost \$325,000 and consists of surface sampling and further diamond drilling on the North Vein. (See GCNL 235, 7DEC89, P.3 for more details).

8ZE SW 173