

HULDRA SILVER INC. (HDA-V)

EAST ZONE

HOLE NO.	INTERVAL FEET	TRUE WIDTH FEET	SILVER OZ/TON	LEAD %	ZINC %
1A	10	10	28.29	9.75	2.45
1B	5	5	11.81	4.14	3.72
3	86	56	10.62	4.85	0.26
including	16	10.4	43.1	19.01	.02
4	5	4	5.0	2.40	.26

FIELD SEASON REVIEW - Magnus Bratlien, president, reports Huldra Silver Inc. has completed the 1989 field season at its 3,000-acre, 100%-owned Treasure Mountain silver/lead/zinc property located 27 km east of Hope, B.C. The above drill results were obtained in reverse circulation drilling of the East zone located 2,500 feet east of the mine. During the season, 400 meters of underground drilling, 1,227 meters of surface diamond drilling (13 holes) and 575 meters of reverse circulation rotary drilling (10 holes) were completed. In addition, 13 km of induced polarization surveys were run and 570 soil samples were taken. The underground drilling outlined a new ore shoot on Level 1 grading 21.09 oz.silver/ton, 4.33% lead and 4.69% zinc over a length of 32 meters and a width of 1.2 meters. Probable ore reserves increased by 3,360 tons and possible ore by 8,400 tons.

Based on the above intersections, surface channel sampling a two 1988 drill intersections, a tonnage of 13,000 tons of probable ore has been calculated in the East zone grading 30.7 oz.silver/ton, 12.27% lead and 0.82% zinc.

The IP survey produced 12 anomalies, seven of which were drilled. Five of these were caused by graphitic argillites and two could not be explained. The survey did establish that induced polarization failed to produce a recognizable response to Treasure Mountain vein deposits. Results were similar over barren ground as over proven ore zones. The soil survey returned high silver/lead values in locations east of the above drill intersections, indicating continued mineralization of the host fault structure.

A program of trenching and drilling will be carried out in 1990 to define ore shoots within the eastern sector. Reserves for the property now total 161,000 tons grading 25.6 oz.silver/ton and 9.8% lead/zinc combined, enough for a 5-year mine life at 100 tons per day, 300 days per year. Capital costs are estimated at \$3,400,000 and a project payback within 18 months. (SEE GCNL No.170, 5SEP89, P.1 FOR EARLIER INFORMATION)

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