

George Cross.

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WESTERN CANADIA

KOKANEE EXPLORATIONS LTD. (K00-V)

PROJECT UPDATE - Laurence Stephenson, president, reports Kokanee Explorations Ltd. is continuing drilling on the Vine project, 10 km south of Cranbrook, B.C. Under an option agreement with Cominco, Kokanee can earn a 97% net revenue interest (100% working interest), subject to a 3% net smelter royalty, by spending \$1,000,000 on exploration by 31Dec91. (SEE GCNL No. 4, 5Jan90, P.1 FOR EARLIER RESULTS) Over 5,000 feet of drilling has been completed, intersecting the vein system and extending the stike length and depth. KV-90-16 tested the vein zone at depth and the Sullivan time horizon was intersected in holes KV-90916, 18 and 20. KV-90-16 intersected semi-massive to massive sulphides at 210 meters below surface for 3.5 meters. This was about 100 meters below KV-89-15 which had 2.5 meters of ore-grade material including 0.8 meters of internal waste. The current interval contains no internal waste and represents a significant widening of the zone at depth.

With this intersection the mineralized vein structure has been traced through a 360-meter vertical extent and along a 700-meter of horizontal strike. This deep intersection is one of the widest to date and indicates the continuing strength of the structure at depth. The vein is still open along strike and down dip.

Mr. Stephenson also reports the intersection of the Sullivan time horizon (equivalent stratigraphically to Cominco's Sullivan mine) with mineralization and structure similar to that found peripherally to the Sullivan mine. The features consist of bedded sulphide bands including bedded galena and sphalerite over 20 - 30 feet at the Middle Aldridge/Lower Aldridge contact and overlying a sulphide fragmental. The fragmental, alteration and stratigraphic position is evidence that the Vine vein was a feeder system for metal-rich solutions. The bedded sulphides are evidence the solutions were depositing the sulphides at the Vine vein location. Both these events occurred at the same geologic time as the Sullivan deposit. The exploration program will continue to test the Sullivan horizon.

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