



August 11, 1978

Silvana Mines Inc.
P.O. Box 189
New Denver, B.C.
VOG 1S0

Attention Wm. Hogg, Manager

Dear Sirs:

Re: Accelerated Mine Development
Accelerated Mineral Exploration
Bill 5 Program - Ministry of
Mines and Petroleum Resources

The successful applicants for Accelerated Mineral Development grants have been notified of the amounts of their grants and the Ministry has received monthly accounts from seven of the companies receiving grants.

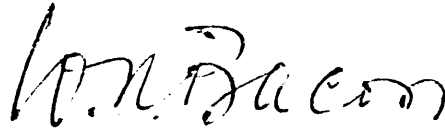
For those companies with grants who have yet to initiate the procedure of monthly accounts, we enclose another brochure and draw your attention to the terms and conditions outlined on pages 2 and 3. Specifically, we want to emphasize the following:

1. You may consider your grant for "x" dollars to be in place, which it is, but you will receive only an amount that is a total of the accounts you turn in to the Ministry--and these accounts will be only for salaries and wages and then only to a maximum of \$10 per hour (including fringe benefits), and will not include bonuses and overtime.
2. Your accounts should "include an employee list, Social Insurance numbers, hourly rate, number of hours worked."
3. The end of the fiscal year is March 31, 1979 and, therefore, this is the end of the Accelerated Mineral Development program. Accounts for March 1979 will be honoured by payment in April 1979.

Please signify receipt of this letter by signing the enclosed copy, having it witnessed, and returning it to this office at your earliest convenience.

In closing I wish to point out that the amount of your grant is an estimate, based mainly on your application. It is a maximum figure and what you actually receive will be based on the accounts you submit--which may be scrutinized by a person from our Accounting Branch at some unspecified time.

Yours truly,



W. R. Bacon
Co-ordinator

WRB:bmh
Enc.



Wm. Hagg
Manager



J. H. Hagg
ACCOUNTANT