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### KOOTENAY BELLE PROGRESS REPORT FOR AMORE RESOURCES INC.

#### Introduction

At the request of Mr. Geo Grauer, President of Amore Resources Inc., the writer visited the Kootenay Belle operation in the Salmo area presently being funded by Amore. The writer was accompanied by Mr. Norm Ursell representative for Crow Equities and L.B. Goldsmith, project manager of Arctex Engineering, who are contractors to the property.

Visit was made from April 28th to 30th 1983.

During the visit, present drilling core and pertinent core sections of past drilling were examined; the two upper adits of the Vancouver Vein plus the surface break through area were investigated in addition to the lower main adit (Midnight) where present activities are originating; the sixth and third adit levels of the Kootenay Belle workings were inspected within the confines of the stoped out areas.

Pertinent discussions took place during and after the examination with the aforementioned individuals and Norm Davidson, engineer on site.

#### Observations and Remarks

Drilling - During the visit the machine was on the fifth drill hole in the Midnight adit. All holes were related to the Vancouver vein structures. The attached drill layout shows the approximate location of the drilling to date. Excluding the last two intersections which from examination and report are unexciting, the drill results have been very disappointing. The original intercept of 0.348 ounces of gold per ton over the 0.08 meter (3.15 inches) width translates into a 40 inch mining width grade of 0.027 ounces per ton gold, an uneconomic value. This intercept consisted of a 2 - 3 mm. fracture lined with scattered sphalerite and galena in a secondary quartz gangue. Some pyritic cubes were disseminated through the gangue. In the Kootenay Belle area the presence of lead and zinc normally signifies a higher grade gold value. Pyrite is generally the gold carrier. However pyrite and occasional traces of chalcopyrite are present in the bedding planes but these syngenetic relics seldom carry gold values as opposed to the introduced sulphides.

Examination of the Vancouver and the Kootenay Belle vein complex shows that the veins are truly fracture filling with variable amounts of the fracture being dilated and filled with hydrothermal material. These fractures could be traced over considerable lengths with no infilling, nor was there advance evidence, or alteration, preceding the vein deposition. It is conceivable that a drill hole could pass within 6" to 12" of a vein structure and, other than for the noting of the fracture, not realize its nearness to possible values.

It is considered by the writer that in 5 drill hole attempts to intercept the so-called Vancouver vein (or parallel structure) and with only one sub-economic intersection that sufficient attention has been devoted to this structure and that attention should now be directed towards the production vein system of the past, the Kootenay Belle.

In order to obtain some idea of dimension and geology the sixth and third adits of the old Kootenay Belle workings were entered and examination of the structures was made.

On the 6th level, the rehabilitated adit drive was entered and followed for some 1,400 feet. Incidentally an excellent job was carried out on this effort. At a point near the end of the lengthy drive the main vein had been intersected and stoped. Heavy cave, estimated by Goldsmith to be at least 100 feet in length blocked access eastward and did not allow for viewing of the main and the diverging "B" vein, or the more southerly Black vein. Should future operations require access eastward at this point consideration should be given to a) clearing away the cave or b) risking a short drive from the end of the drive to the "B" vein, a distance of 60 feet.

On the 3rd level, 1,050 feet of adit work was required to intercept the main vein, an additional 300' to cut the "B" vein and 300' further to intersect the Black vein. On this level we were afforded a good look at all three structures.

The main vein has been heavily stoped on this level with widths in the 3-4 foot category. Due to time many of the chutes and timber sets have collapsed. In addition stoping from lower levels has completely removed the floor pillar. Present timber floors, stope ladders and many timber sets are unsafe and would require replacement prior to sampling and mapping operations. The cost of this replacement operation would have to be seriously considered.

The "B" vein has been drifted over 900 feet on this level from its junction with the main vein without any stoping activity. The tight fracture is noticeable and easily followed but obviously did not make ore to the Kootenay Belle management. However it is recommended that Amore samples this structure. One short stub heading shows mineralization and strong gangue substance.

The Black vein was stoped eastward but not to the west where again only a fracture was noticeable.

Underground drilling of the "B" and Black veins could be done from the 3rd level adit drive but would require that minor floor repair plus air and water lines be laid. Drilling of the Black vein (down the dip) could be accomplished from the 6th level but would require similar arrangements.

Opposed to the above drilling locations and their incurred costs, would be several drill holes directed from the face of the Midnight adit to intersect the Black and "B" vein between the 3rd and 4th levels (flat hole) and below The 6th level (-45°). These would be holes totalling close to 1,300 feet. The writer considers these to be 2 important holes upon which may hinge the remaining operation.

It has been recommended to the project manager that:

- 1) All remaining drill core be split in 5 foot sections, at the geologist's discretion, and geochemically analyzed.
- 2) The drillers be put on a stand-by, no charge, basis until negotiations are completed re the Midnite Fraction claim.
- 3) Consideration be given upon successful negotiations to drilling the Kootenay Belle structures from the face of the Midnight adit.
- 4) Rehabilitation of the upper two Vancouver adits continue as previously directed.
- 5) Sampling, mapping and safety investigation of the 3rd and 6th level vein structures proceed.

As no drill logs are presently available the following hole depths on the Vancouver structures were verbally given by Mr. Locksmith to the writer:

#1	-	444'	(Flat)
#2	-	170'	(Flat)
#3	-	290'	(+72°)
#4	-	227'	(Flat)
#5	-	<u>230'</u>	(Flat)

1,361'

The footage to date is stated to be 1,365 feet by Mr. Locksmith.

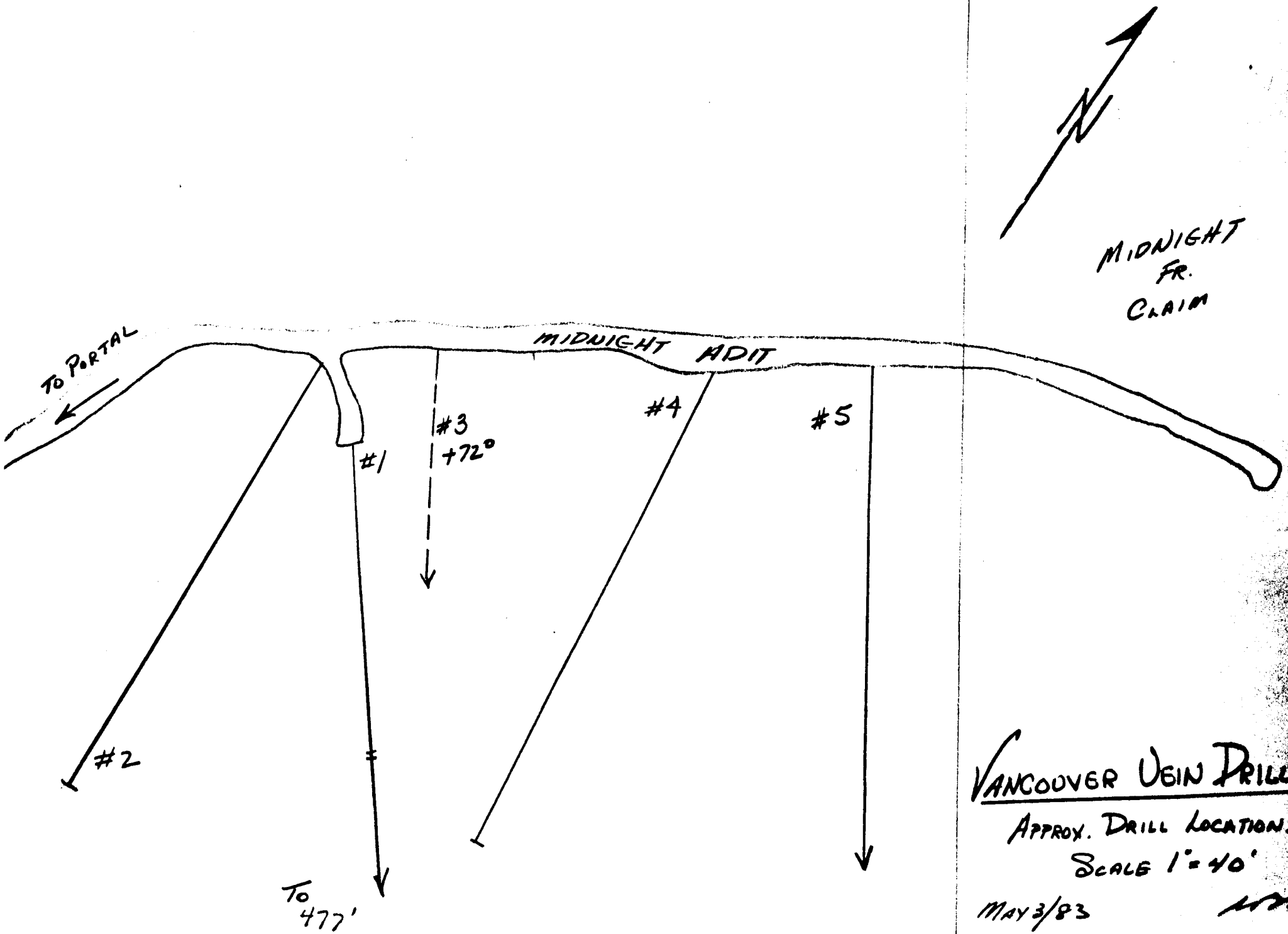
The following brief history was obtained from reference to the B.C. Department of Mines Annuals.

- 1932 - 2nd Level work - Previously shipped 721 tons, this year 236 tons
- 33 - 1st & 2nd Level work -  
674 tons yielded 920 ounces gold and 465 ounces silver
- 34 - Exploring "A" and "B" on 2nd level -  
Sulphides making appearance
- 35 - 3rd level intersected "A" vein -  
14,650 tons yielded 5,845 gold and 2,207 silver
- 36 - Continuing 3rd level work - installed cyanide plant  
15,508 tons ran 6,977 ounces gold and 2,849 ounces silver
- 37 - Development on 3rd and 6th levels -  
39,935 tons ran 16,098 ounces gold, and 5,476 ounces silver
- 38 - Raised from 6th level thru "A" vein to 3rd level -  
48,238 tons yielded 19,421 ounces gold and 6,307 ounces silver
- 39 - Sank vertical shaft from 6th level and opened and mined two levels below  
This same year Sheep Creek did 492 ft. of drifting, 225 ft. of cross cutting and 125 ft. diamond drilling on the Midnight adit.
- 40 - Mined from 6th to 10th levels with winze being sunk to to 10th -  
38,837 tons gave 12,743 ounces gold and 3,507 ounces silver
- 41 - "A" & "B" ore reserves exhausted -  
work concentrated on Black vein
- 42 - Mill output increased to 120 tons per day with all ore from Black vein -  
26,016 tons ran 8,310 ounces gold and 2,414 ounces silver
- 43 - Mined small stope on Black vein until closedown.

In 1953 the mine water level settled below the 6th level.

Respectfully submitted,

W.G. Hainsworth, P. Eng.



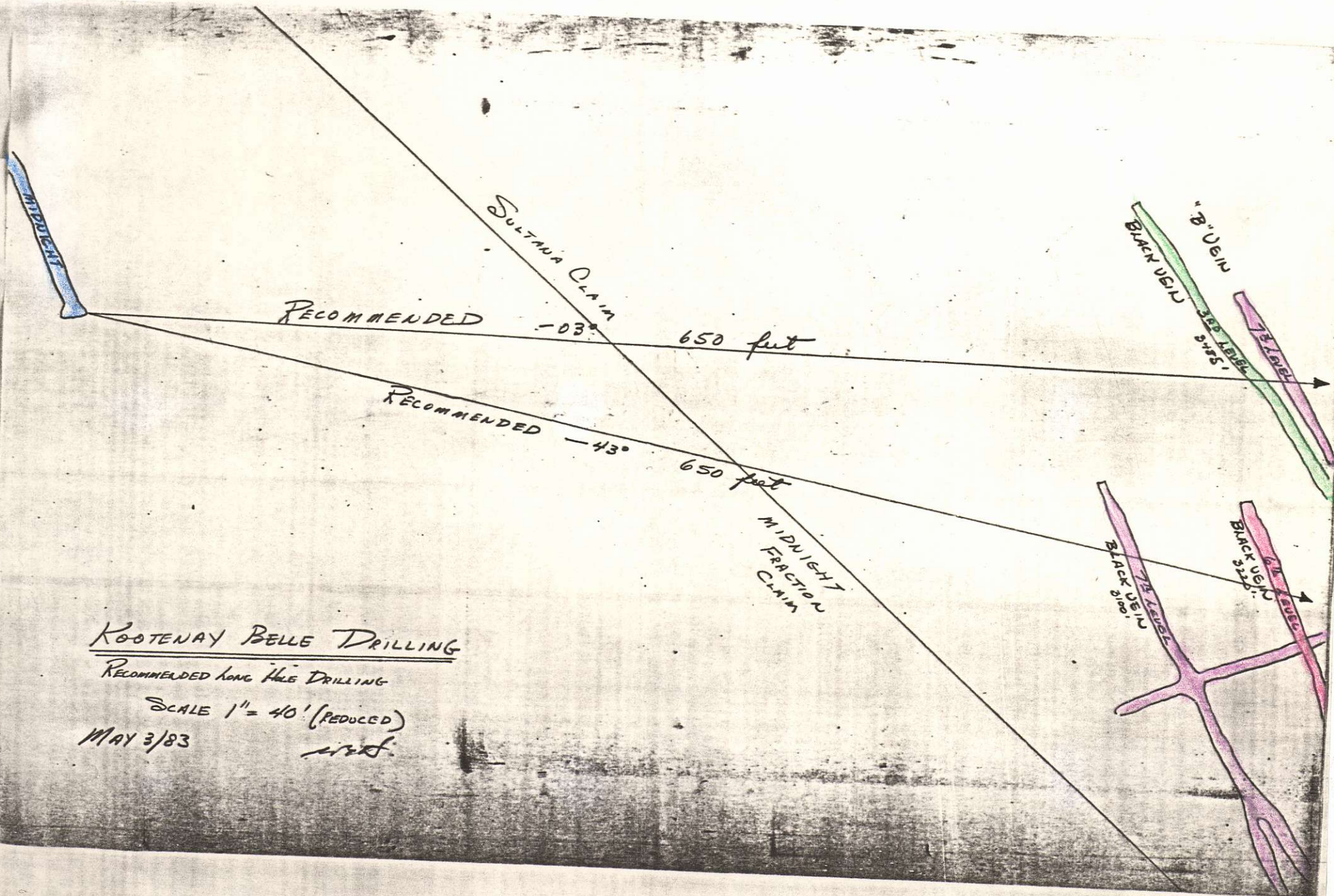
VANCOUVER VEIN DRILLING

APPROX. DRILL LOCATIONS

SCALE 1" = 40'

MAY 3/83

*[Signature]*



ROOTENAY BELLE DRILLING

RECOMMENDED LONG HOLE DRILLING

SCALE 1" = 40' (REDUCED)

MAY 3/83

W.F.D.