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NICKEL PLATE (HEDLEY) [MI-92HSE 038]

On May 8, 1996 I accompanied Trygve Hoy, Gerry Ray, Larry Jones, Mike Cathro and Jim Britten to the Nickel Plate gold mine. Dominic Bordin and Bill Wilkinson very kindly gave us an update in the office and toured us around in the North zone pit. Mining in the pit is scheduled to cease in July this year; milling will cease in October. At closure, the mine will have produced approximately 800,000 ounces of gold over its 9 year life (1987-1996) with Homestake Canada as owners. During 1995, 1,461,782 tonnes of ore were milled yielding 91,365 ounces of gold. Reserves (as of Jan. 1/96) were estimated at 696,665 tonnes grading 2.84 g/t Au. The cut-off grade is 0.035 opt Au. Employment currently stands at 100 persons (down from the 'normal' operating 160). In 1996, Homestake plans a \$250,000 exploration program.

Although mining will reach its economic pitable limits, mineralization continues a depth to the southeast. Homestake is looking at the potential of constructing a decline down from the final pit floor of the North zone pit (another 60 feet below current level), to allow for underground mining. A future 'ultimate' option for further open pit mining would involve removing the 'mountain top' (i.e. maximize wall pushback). The issue of "Preservation of Geological Materials from Closing Mines" was discussed with mine personnel and Mike Cathro.