
 FAME PROGRAM - SUMMARY SHEET

COMPANY NAME: Hecla Mining of Can. Ltd. CONTACT NAME: James Ivers PREVIOUS BUDGET: \$178,000 REFERENCE NUMBER: M16
 PROPERTY NAME: Mosquito Creek (new?) TITLE: Gen. Mgr. 1986 BUDGET: \$906,737 DATE: 24-Sep-86
 LOCATION: Cariboo TELEPHONE NUMBER: 994-3304 FAME GRANT: \$150,000
 5 km. from Wells via dirt road. Mosquito Creek
 885504

OBJECTIVE: Expansion of reserve prior to possible re-opening.

APSULE SUMMARY OF PROGRAM:

Mining commenced in 1933 and has continued intermittently since then producing 2.9 million tons averaging 0.43 oz/t Au. Underlain by rhythmically banded metasediments. Sandy limestone bodies within this sequence host auriferous massive pyrite bodies. Their long axes are parallel to the prominent regional lineation. Mill on the property.

986 PROGRAM: PROPORTION OF FAME FUNDING TO TOTAL PROJECT COST: 16.54%
 ***** PROPORTION OF TOTAL "AMEP" FUNDS ON THIS PROJECT: 10.00%
 Drifting (2,500 ft.)
 Percussion drilling (20,000 ft.)

REPORTED PROGRESS WITH PROGRAM TO DATE:

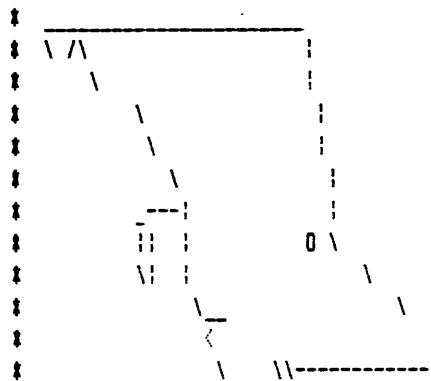
JUNE: Drifting was carried out during the first part of '86. This has given sufficient access than increased amount of underground drilling will be carried out during July and Aug from that previously proposed. Results to date somewhat disappointing.
 JULY: 148' drifting and 2983' percussion drilling accomplished. Self potential measurements taken in all holes that were drilled. On 2nd level the 2-182 E drift was driven 50'. The 4-201 drift on 4th level was driven 92' and one drill station was installed. In order to expedite percussion drilling program drifting was suspended July 21. For project as whole, 1012' drift and 5764' of drilling accomplished. Drilling this month provided interesting info and outlined anomalies where further drilling should occur. No ore grade intercepts and reserve has not been increased. Results on 4th level disappointing. Gold concentration in general area suggest units in vicinity are barren. 2nd level results indicate more gold anomalies and higher level of past mineralizing activity.
 AUG: 1665 ft of percussion drilling and 41 ft development accomplished. Year to date 1053 ft development and 7419 ft drilling done. Due to disappointing results, project was ended Aug 20.

FORECAST VS ACTUAL PROJECT EXPENDITURES:

	<-----MONTHLY----->			<-----CUMULATIVE----->		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
March 86			\$0	\$0	\$0	\$0
April 86	\$109,395	\$140,990	(\$31,595)	\$109,395	\$140,990	(\$31,595)
May 86	\$109,395	\$87,543	\$21,852	\$218,790	\$228,533	(\$9,743)
June 86	\$109,395	\$104,901	\$4,494	\$328,185	\$333,434	(\$5,249)
July 86	\$123,290	\$125,280	(\$1,990)	\$451,475	\$458,714	(\$7,239)
August 86	\$105,290	\$76,629	\$28,661	\$556,765	\$535,343	\$21,422
September 86			\$0	\$556,765	\$535,343	\$21,422
October 86			\$0	\$556,765	\$535,343	\$21,422
November 86			\$0	\$556,765	\$535,343	\$21,422
December 86			\$0	\$556,765	\$535,343	\$21,422
January 87			\$0	\$556,765	\$535,343	\$21,422
February 87			\$0	\$556,765	\$535,343	\$21,422
TOTAL:	\$556,765	\$535,343	\$21,422			

* LOCATION:

COMMENTS:



SUMMARY OF FAME REPORTS RECEIVED

GRANT I.D. NO.: 10963-116

NAME OF COMPANY: Hecla Mining Company of Canada Ltd.

NAME OF PROJECT: Mosquito Creek

AMOUNT OF GRANT APPROVED: \$150,000.00

TOTAL EXPENDITURES: \$468,992.00

ELIGIBLE GRANT: \$150,000.00

FUNDS LIBERATED: 0

DATE OF RECEIPT OF REPORT: December 29, 1986

AUTHOR OF REPORT: Richard D. Hall

TITLE OF REPORT: Summary Report on the Mosquito Creek Gold Project at Wells, British Columbia.

COMMENT ON REPORT: Voluminous Appendices of assays, petrographic descriptions and SP data. Useful data summary on this important property.

COMMENT ON PROJECT: Failed to find enough ore indications to satisfy Hecla who have returned the property to Mosquito Creek Gold Mining Co. Ltd.

COMPANY'S COMMENTS ON 'FAME': "The FAME assistance demonstrated to Hecla Mining Company of Canada Ltd. the positive attitude that the Province of B.C. has toward mining and mineral exploration. Hecla's regard for B.C. as a favorable place to explore for minerals increased as a result of the FAME funding. The main benefit of the funding to the Province of B.C. may be future projects which commence in B.C. due to the favorable environment for mining."

October 31. 1986

FAME Property Report Notes

M16 - Hecla Mining - Mosquito Creek

Hecla terminated their program as a result of not finding sufficient ore to justify proceeding.

The property has now reverted to Mosquito Creek Mines Ltd. They are currently mining out a small zone of ore (ca 2000 tons at 0.93 oz/t Au) found by Hecla on the Number 2 Level during the FAME funded program.

This is employing around 10 men for 2 months and is a significant employment factor in Wells.

Will also put some cash into the company's treasury.

Bottom Line on FAME

Has contributed something to the local economy.