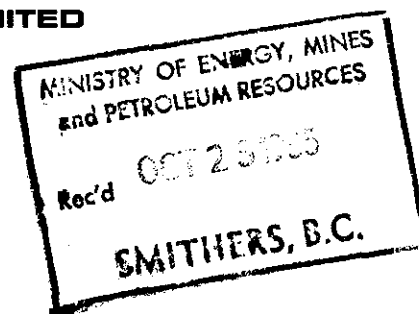




PAYDIRT
886318

11th Floor, 1199 West Hastings Street
Vancouver, B.C. V6E 3V4
Phone (604) 689-3846

**CONSOLIDATED
SILVER STANDARD MINES LIMITED**



October 22, 1985

Mr. Tom Schroeter
District Geologist
MINISTRY OF ENERGY, MINES
AND PETROLEUM RESOURCES
Bag 5000
Smithers, B.C.
VOJ 2N0

Dear Tom:

RE: Summary of Exploration in N.W. British Columbia in 1985

Exploration on the Paydirt claim group consisted of 213 soil samples, 80.2 m of trenching and 759.9 m of BQ size diamond drilling in 11 holes. In addition, a 22.9 km topographic map at a scale of 1:5,000 was prepared.

The claims are underlain predominantly by unnamed Upper Triassic volcanics that are intruded by Triassic and Jurassic syenites and Jurassic and/or Cretaceous diorites to granodiorites. Very fine grained native gold occurs in an approximately 20 m wide alteration zone extending 90 m north-south.

Alteration consists of silicification, sericitization and pyritization. Andesite lapilli tuffs, crystal and crystal-lapilli tuffs have been altered.

The 1985 programme was successful in that eight gold in soils anomalies were identified and the gold zone was intersected in 10 of the 11 holes drilled. At this time, assays have only been received for the first six holes. I have enclosed an October 16, 1985 news release that gives all the gold intersections and values in the first six holes. Holes 7, 8, and 9 were drilled from the same site as hole 4, etc. and holes 10 and 11 were drilled from the same site as hole 1, etc.

Mr. Tom Schroeter
October 21, 1985
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The original metric values of the drill intersections are:

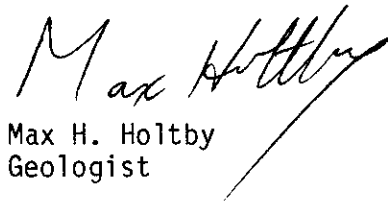
D.D.H.	From m	To m	Interval m	Au oz/ton
85-1	24.0	40.0	16.0	0.15
including	25.0	36.0	11.0	0.175
	42.05	44.0	1.95	0.13
85-2	18.0	43.58	25.58	0.10
including	18.0	24.0	6.0	0.16
including	40.0	43.58	3.58	0.175
85-3	41.10	49.0	7.9	0.09
includes a 1.06 m barren dyke				
85-4	33.0	37.95	4.95	0.31
85-5	34.0	43.0	9.0	0.14
including	34.0	39.0	5.0	0.20
85-6	40.0	57.0	17.0	0.09
including	40.0	43.0	3.0	0.15

The two drill sites are 39 m apart.

I trust the Smithers open golf tournament was again successful this year. Our crew was jealously listening to the radio as those camps in the Toadoggone chartered planes heading your way.

Yours very truly,

CONSOLIDATED SILVER STANDARD MINES LIMITED



Max H. Holtby
Geologist

H5
encl.



**CONSOLIDATED
SILVER STANDARD MINES LIMITED**

October 16, 1985

NEWS RELEASE

R. Quartermain, President, is pleased to report on the status of recent drilling on two of the Company's properties.

Paydirt

A total of 11 holes have been drilled on the Company's Paydirt property in northwestern British Columbia. The assay results have been received for the first 6 holes; assays for the remaining holes will be released as soon as they are available. Gold mineralization is hosted by a silicified zone of sericitic and pyritic alteration within intermediate lapilli tuffs.

Holes 1, 2 and 3 were collared at one site, while holes 4, 5 and 6 were collared at a second site 130' to the north. This drilling has increased the dimensions of the gold-bearing zone. The zone has a strike length in excess of 300 feet and a dip extent of over 200 feet.

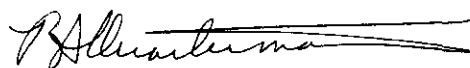
DDH	Inclination	From	To	Interval	Ounces Gold/ton
1	-45	78.5'	131'	52.5'	0.150
	including	82'	118'	36'	0.175
		138'	144'	6'	0.13
2	-60	59'	143'	84'	0.100
	including	59'	78.5'	19.5'	0.160
	including	131	143'	12'	0.175
3	-75	135'	161'	26'	0.09
4	-45	108'	124.5'	16.5'	0.31
5	-60	111.5'	141'	29.5'	0.14
	including	111.5'	128'	16.5	0.20
6	-75	131'	187'	56'	0.09
	including	131'	141'	10'	0.15

The Company can earn a 100% interest in the property by making expenditures totalling \$600,000 by December, 1987. Teck Corporation retains a 10% net profits interest and a right of first refusal on senior financing.

West Hemlo

Canamax Resources Inc. funded a 1260 foot two-hole drill program on the

Company's West Hemlo property located 7 miles east of Marathon, Ontario. The holes intersected a carbonate horizon containing green mica, calcite and 30% iron sulfides at a regional sediment/volcanic contact. The carbonate horizon was encountered from 381' to 383' in Hole 1 and from 679' to 683' in Hole 2, 1200' to the west. The carbonate zone and other altered zones in the core contained only low gold values. Canamax has declined to exercise its option to participate further in the property. The Company has returned the property to the vendors.



R.A. Quartermain
President

This news release was prepared by the Company official signed above who accepts full responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved of its content.