

NO.44(1990)
MARCH 2, 1990

George Cross

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WESTERN CANADA

SEVEN MILE HIGH GROUP INC. (SVH-V)

COURT ORDER OBTAINED - Maurice Hamelin, president, Seven Mile High reports 7 shareholders obtained an "ex parte" court order appointing Rupert Bullock an inspector to examine the company's affairs. The matter was brought to the company's attention on 27Feb90 when inspector arrived at Seven Mile High's offices. The company is co-operating with the investigation. Management believes the order is improper, unnecessary and should not have been granted in the company's absence. Seven Mile High has applied to have the order set aside. Vancouver Stock Exchange halted trading in the shares without notifying Seven Mile High.

Seven Mile High, 40%, has committed to a \$1,100,000 work program for 1990 on the Okanagan-area, B.C. Vault property, a joint venture with Inco, 60%. Seven Mile High is currently in disagreement with Inco regarding the proposed work programs. The company has offered to take over, either partially or totally, Inco position in

the Vault joint venture. Inco declined. Seven Mile High has recommened changes in the program to Inco, and if no agreement is reached, the company will renew its efforts to acquire Inco's interest. In late 1989 Seven Mile High completed a private placement of 1,000,000 units at \$3.00 each increasing the issued to 6,180,679 shares. . (SEE GCNL No.218, 14Nov89, P.5 FOR PREVIOUS INFORMATION) IN GCNL No.242, P.3, Inco Limited reported a drill indicated resources of 150,000 tons grading 0.40 oz.gold/t across an average vein width of of 22 inches.

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