PRELIMINARY TECHNICAL EVALUATION

NINE MILE MINES, INC. PROPERTY

MISSOULA COUNTY, MONTANA

for

HARRISON WESTERN MINING CORPORATION

by

George E. Rouse

September 1996

TABLE OF CONTENTS

Introduction 3
Location and Access 3
Purpose and Scope 3
Method of Investigation 3
Eagle Mine Area 3
Summary of Previous Work 3
Discussion 3
Proposed Test Mining. 4
Cronk Adit Area. 4
Summary of Previous Work 5
Discussion 5
Dawn Shaft Area 5
Summary of Previous Work 6
Dawn Vein 6
Mill Vein 6
Other Veins 6
Sulfide Vein 6
Proposed Test Mining 7
The Protection Area 7
Summary of Previous Work 7
Martina Area 7
Summary of Previous Work 7
Reserves 8
The Sulfide Vein 8
Indicated Ore 8
Inferred Ore 8
Summary 10
Conclusions 11
References 12
Certificate 13
Appendix 14

Table 3. Sample Descriptions and Assays
Figure 1.Cross section through drill hole 95-9 looking southwest showing the Sulfide Vein and the proposed open pit.
Figure 2. Cross section through drill holes 95-10, 95-11, and 9R-9 looking southwest showing the Sulfide Vein and the proposed open pit.
Figure 3. Proposed pit configuration – Eagle Area
Figure 4. Cross section through drill hole 95-13 looking west showing the projection of the Sulfide and Lewis Veins.
Figure 5. Cross section through the Cronk Tunnel looking northwest showing projections of the Lewis and Sulfide Veins.
Figure 6. Cross section through the Dawn Area looking north-west showing projection of the Dawn shaft, the Grove Tunnel, the Dawn Vein, the Mill Vein, and the Sulfide Vein. The proposed open pit is also shown.
Figure 7. Proposed pit configuration – Dawn Area.
Figure 8. Cross section through the Protection Area looking northwest showing several drill holes projected to the plane of the section along with vein intercepts.

INTRODUCTION

Location and Access

The Nine Mile Mines, Inc. property is located about 50 miles northwest of Missoula, Montana on the south side of Ninemile Creek. The property is accessed by Interstate 90 west from Missoula for 20 miles and then northwest along a County road along the Ninemile drainage for another 20 miles. The elevation of the patented claims various from about 4,000 feet to 5,200 feet above sea level. Numerous old mining and timbering provide access to the areas of interest on the mining claims.

Purpose and Scope

The purpose of this investigation was to determine if the Nine Mile Mines, Inc. property contained gold deposits which presented an opportunity for near term mining, either as an open pit or an underground operation, without the need for a significant amount of additional 'exploration. The scope of the work was thus to review all the existing data regarding the mineral deposits on the property, to do sufficient field work to get an impression of the style of mineralization present in order to better understand the significance of the existing data, and to verify the presence of relatively high grade gold mineralization in the deposits.

Method of Investigation

Four days were spent in the field on the property. The first day was spent getting familiar with the property with the guidance of Mr. Don Huntsman and Mr. Ben Toone of Nine Mile Mines, Inc., and Mr. Bud Allen who mined here in the 40's and who retains a royalty interest in the property. Two and one half days were spent walking the projection of the "Sulfide Vein" outcrop, and what other veins were identifiable in the field. Samples were collected of available outcrops of veins, but these \'.'ere quite limited in number. One-half day was spent showing Bob Martin of Harrison Western the property and describing the results of the field investigation.

In order to get a better impression of the mining potential of the area, it was necessary to enlarge a topographic map to a scale approximately equivalent of the recent air photograph of the area supplied by Nine Mile Mines. Inc. The relative positions of the various roads and trenches were transferred from the air photo and the approximate positions of all drill holes were located on the map. Six cross sections were then constructed to show the attitudes of the various veins as defined by surface mapping and the previous drilling.

EAGLE MINE AREA

Summary of Previous Work

Old reports indicate that the largest and richest ore shoots occurred in the area known as the Eag!e area. This is the westernmost part of the property {see map} and also the highest part of the property that contains mineralized veins. Limited underground mining has been done between elevations of 4,550 and 4,950 feet on high grade portions of the veins. That is, between the Cronk adit level and the Eagle No.1 adit Average grade of this production was reported to be 0.85 opt Apparently some of this production came from the Sulfide Vein, but

most came from the smaller but higher grade veins which strike northerly and dip to the east. These veins have been identified underground as the Lewis Vein and the Little Vein. The underground workings that accessed these veins are all caved shut. This work was done prior to 1913. More recent attempts to re-access these veins from the Cronk Tunnel have been unsuccessful.

Several different companies have drilled in the area of the Eagle workings, utilizing both reverse circulation and core drilling techniques, and several dozer and backhoe trenches have been dug. The locations of these various drill holes are shown on Plate 1, and a number of them are shown on the cross sections A-A and B-B which have been drawn perpendicular to the strike of the Sulfide (Eagle) Vein in this area. Although the locations of the older trench samples are not known exactly, their assay values have been included in calculations of the possible grade of ore in the Sulfide Vein. The positions of all the drill holes appear to be reasonably accurate, although their collar locations are not precisely known.

Discussion

The results of the previous sampling in both surface samples and drill samples appear to be quite erratic; a result which is not unexpected in a mineral system which contains high grade pockets of free gold. The "nugget effect" in such systems makes estimation of tonnage and grade from channel samples and/or drill samples subject to significant error. The evaluation of the grade of bulk samples from test mining is probably the only way to accurately estimate the value of the reserves. However, with data from nine drill holes, 12 channel samples from surface trenches, and reports of three channel samples from underground in the Eagle No.1 adit, it is possible to estimate the grade to be expected from such a test mining operation. This has been done for a block of ore described below.

Drilling has indicated that the Sulfide Vein has a northeast strike and a dip to the southeast of about 32 degrees and .a mineralized width of 10 feel Three drill holes that intersected the veins within 200 feet downdip of the outcrop of the vein contain significant gold and were used to define the block of ore that might be test mined (see sections A-A' and B-B').

The block of ore was extended downdip 50 feet from the deepest mineralized drill hole (hole 95-9) and along strike to the east to the vicinity of the Eagle No.1 portal and to the west along strike to a point where no more significant assays have been obtained to date (see Figure 3). This total strike length is approximately 700 feet and the downdip extension of the vein is 250 feet With a thickness of 10 feet and a tonnage factor of 13 cu ft/ton, this triangular block of rock should contain 62,800 tons of ore. The weighted average of assays of all samples known within this block is 0.228 opt gold. Thus, this block should contain 14.300 ounces of gold.

Proposed Test Mining

If it is assumed that a highwall can be temporarily maintained on the downdip side of an open cut at approximately 55 degrees while striping the ore from bottom of the pit, then approximately 710,700 tons of waste must be removed (see sections A-A and 8-8). If 85% recovery of gold can be made and $385/ounce realized for the recovered gold, then revenues of $4.68 million can be obtained from this mining operation. At the rate of $5/ton to remove the waste and reclaim the area, approximately $1.13 million remains to pay for mining, milling, smelting, and perhaps return a small profit on the test mining effort.

CRONK ADIT AREA

Summary of Previous Work

As mentioned above, some mining has been done on the Little, Lewis, and Sulfide (Eagle) Veins from the Cronk adit. It is likely that most of that mining was done on the higher

.
grade north-south veins rather than on the Sulfide Vein which was lower grade and more difficult to process since the gold is associated with pyrite. More recent exploration has focused on the Sulfide Vein because it has been thought that the ore is amenable to flotation and because it is about 20 feet thick and therefore should be less expensive to mine. However, the results of drilling have been as erratic as those obtained in the Eagle area. To date, no high-grade samples have been taken of the vein in the Cronk area and no oreshoot has been defined with the nine drill holes that have been drilled to date (see Figure 5). The latest report by North Lily Mining Company in 1990 did not recommend any further work in the area since drill holes which did contain significant mineralization could not be offset by even 75 feet with similar results.

Discussion

The underground workings are inaccessible at this time so bulk sampling underground cannot be done. It is probable that additional surface drilling will produce results similar to those described above. Therefore, It seems that the best option would be to re-open the LHD decline (the Winter Adit) if encouraging results are obtained from the test mining in the Eagle area. It is also possible the thick quartz-pyrite Sulfide Vein, which has the reported grade of 0.22 opt in the Cronk level, may constitute direct-shipping, flux ore. This possibility could be pursued provided there were other reasons to be involved in the Nine Mile Mine Mine property.

The current investigation involved only tracing the supposed outcrop of the Sulfide Vein through the area and the Lewis Vein to the northeast along the gully to one of the lower logging roads where vein material is exposed as float in the bank of the road cut. A grab sample of this vein material (BR 1139) contained 0.026 opt gold, indicating that the vein is mineralized approximately 1,200 feet to the northeast and 440 feet lower in elevation than the vein where it was exposed in the Lewis Adit, where it is reported to be 2.5 feet thick and contain 0.65 opt gold. If this triangular shaped wedge of vein continued for this entire distance at that thickness it would contain about 52,800 tons of rock, and if it averaged 0.65 opt it would contain 34,320 ounces of gold. Although the odds of this occurring are small, this extension of the Lewis Vein does represent an attractive exploration target providing that underground mining of narrow veins is an acceptable objective for the company.

DAWN SHAFT AREA

Summary of Previous Work

The summary written by North Lily Mining Company on the Dawn area states that eight separate veins have been exposed by trenching in the area, but that there has been little success in following these veins to depth with drills. One of the veins is the Mill Vein, which occurs almost directly under the cabin at Allen's Camp. This is the vein mined by Bud Allen, and which he states "pinches to about six inches at a depth of 20 feet below the surface" (Allen, personal communication). The fact that some of these veins pinch and swell does make it difficult to project them along strike or down dip, and this can also confound any drilling program. Except for the Sulfide Vein, which is exposed in a trench to the west of Allen's cabin, most of the veins in the area have northerly strikes and were known to previous workers as rather narrow but higher grade than the east-west striking Sulfide Vein.

Five holes have been drilled in the Dawn area. Three of these holes were drilled to intersect the Dawn Vein and other north-south striking veins, and two were drilled in 1995 to intersect the down-dip extension of the Sulfide Vein. It appears that problems in defining attitudes of these veins has led to limited success. Based upon the authors location of the outcrop of the Sulfide Vein, it appears that both drill holes designed to hit it at depth were too short and ended in the hanging wall of the vein. Hole 9R-7 was designed to hit the Dawn Vein at 70 feet, but according to the assays, the best intercept was between 5 and 10 feet in depth, indicating that either the location of the Dawn Vein was incorrect or that another vein occurs

close to where the hole was collared. It is impossible to tell which is the case without knowing the exact location of the drill hole.

Dawn Vein

One trench near the west edge of the Dawn area exposes about 2.5 feet of vein on the side of trench. Two samples of this vein returned assays of 0.309 and 0.572 opt, respectively. It appears likely that this is the Dawn Vein although it was not identified as such at the time of the tour of the property. The northward extension of this vein was located in the lumber road below the cabin as vein float in the road cut. A grab sample of this vein material (Sample BR 1137) assayed 0.239 opt gold. This occurrence is located 430 feet northwest and 160 lower in elevation from the point exposed in the trench. If the Dawn Vein maintains its width and grade for the distance between these exposures, there are approximately 9.000 tons of rock, which might average 0.4 opt gold, or 3,600 ounces. It is likely that the Dawn Vein was also traced to the southeast into Grouse Gulch although no exposures are present which would allow it to be sampled in that direction. The extension of the vein to the south goes for an additional 1,000 feet and drops 250 feet in elevation, indicating that more reserves are possible on this vein which might be another target for a company interested in underground small vein, high-grade mining.

Mill Vein

Another vein which was located with the limited fieldwork was the one named the Mill Vein by Bud Allen. This is a northwest trending vein which Allen mined near the surface and which apparently thinned to about one-half foot at a depth of only 15 or 20 feet. Mr. Allen stated that he did not pursue it after it pinched because there was other ore to be found nearby which was easier to mine. The trace of the vein indicates that it probably dips steeply to the northeast It was followed to the lumber road which cuts in front of the Grove tunnel where float of vein material was found 1n the road cut A grab sample of this material (sample BR 1138) assayed 0.124 opt gold which indicates that the mineralized vein extends to the northwest from where it was mined and that it also extends to 140 feet below the depth previously mined. Whether or not this portion of the vein is wide enough or rich enough to warrant development is open to question, but it does exist as another exploration target

Other Veins

Two other northwest striking veins were tentatively identified in the area near the Dawn Shaft, but no outcrop was found to sample. Four of the eight veins identified in the previous work were not located during this brief field examination. These veins also represent exploration targets. They would undoubtedly be narrow veins that would only be amenable to underground mining since most of these veins apparently do not occur close enough together to be mined in bulk, based on previous work.

Sulfide Vein

Samples were taken just west of Allen's cabin in an east-west trench on vein material thought to be the Sulfide Vein. These samples contained 0.141.0.140, and 0.17 opt respectively. The total width of this vein is not exposed in this trench so it is not known whether or not a higher grade zone exists on the true hanging wall or footwall as it does in the Cronk Tunnel and in the Eagle No.1 Adit. In any case, the true thickness of 10 feet of mineralized vein constitutes an attractive target and a second test mining operation should considered in this area.

Proposed Test Mining

Cross section D-D shows the intersection of the Dawn Vein and the Sulfide Vein in the plane of the section at a depth of approximately 100 feet. The point of intersection of the two veins on the surface is approximately 200 feet west of the point sampled on the Sulfide Vein and about 200 feet northwest of the point where the Dawn Vein was sampled in the north-south trench. Between and above these two veins is a body of rock, which is probably waste (unless another north-south striking vein exists in the area as may be indicated by the drill hole 9R-7) (see map). An open pit operation could be designed in this area by stripping the waste off the hanging wall of the Sulfide Vein from the point of intersection with the Dawn Vein (see Figure 7). By maintaining the Sulfide Vein as the north wall of the pit (dipping at approximately 32 degrees southeast) and the Dawn Vein (dipping at 60 degrees northeast) as the west wall, it should be possible to expose approximately 29,600 tons of ore m these two veins by stripping 215,000 tons of waste. The average grade of this ore is projected to be 0.28 opt, based on 21,375 tons of ore at 0.22 opt from the Sulfide Vein and 8.250 tons of ore in the Dawn Vein at 0.45 opt.

Assuming an 85% recovery of gold, and a market price of $385/ounce, it may be possible to recover $2.8" million to pay for mining, milling, smelting, and perhaps a profit from this test mining operation. Because some of the Dawn Vein has been stopped from underground in the area in the past, these estimates may be a bit optimistic. However, the Sulfide Vein has apparently never been mined and it is reported to average 0.34 opt where it was intersected in the Avis Tunnel, just west of the proposed mining area. No assays of the Sulfide Vein in the Grove Tunnel are reported in the old literature. Once the miners determined that it was an east- west vein, they elected not to pursue it since it was thought to be too refractive and too low grade to be of interest

THE PROTECTION AREA

Summary of Previous Work

The Protection area is just east of the Dawn area on the nose of the hill where the present road enters the flat bench of the Dawn-Allen's Camp area. Little is really know of this area except that many small pits and cuts dug by the late 30's extracted gold from very shallow workings. It appears that one or two northwest trending veins traverse the area but no real data on width or grades are known. Cross section F-F' shows several drill hole intercepts with gold values between 0.08 and 0.16 opt over 5-foot drill intervals. Battle Mountain geologists interpreted all of these intercepts to be in the very flat dipping (-20 degrees) Sulfide Vein. However, this study indicates that the Sulfide Vein is much deeper than these drill holes and that the various intercepts are of three separate, northwest trending and easterly dipping veins; one of which is likely the Mill Vein.

Additional work needs to be done in the area before a definitive exploitation plan can be formulated; but it does appear that there may be one or two exploitable veins in the area, especially in an underground mining operation.

MARTINA AREA

Summary of Previous Work

Some ore has been produced from the Martina area near the turn of the century on what appears to be the southeast extension of the Sulfide Vein. Only three or four holes have been drilled in the area in the past and with typically erratic results. Because of the steeper topography in this area, it seems unlikely that a viable open pit operation can be initiated here.

.

However, providing work on other parts of the property have positive results, this area deserves careful investigation for its underground potential.

RESERVES

Sample points in trenches, drill holes and underground workings are too widely spaced to classify any of the mineral resources on the Nine Mile Mines property as measured (proven). However, there is sufficient data on several of the veins to classify some reserves as Indicated (probable). Details regarding the calculation of reserves on the Sulfide Vein are outlined below as an example of the methods used and the assumptions made in order to estimate the indicated reserves on the property.

The Sulfide Vein

The Sulfide Vein has been traced on the surface from the Eagle area, where it is called the Eagle Vein, on the west end of the property to a point just east of the Martina Mine workings, where it is referred to as the Martina Vein. The strike of the vein changes drastically from approximately N55 degrees E το S40 degrees E (- 90 degrees) just east of Allan's Camp. It appears that the character of the vein may also change in the region between this bend and the Martina Mine. For example, there are no known mineralized samples taken of the Sulfide Vein between Allan's Camp and the upper Martina mine workings. There is reason to believe that this portion of the vein may be less favorable for mineralization so it was not included in the calculations of indicated reserves. .

Indicated Ore

A significant number of assays of samples are reported for the Eagle-Sulfide Vein from near the Cook Shaft to Allan's Camp in trenches, drill holes, the underground workings on the Eagle Mine, the Cronk Tunnel, and the Avis Tunnel. Therefore, the triangular block of ground defined by the vein and extending from the elevation of the vein outcrop just below Allan's Camp to the Cook Shaft can be considered indicated reserves. Table 1 shows the strike length of the vein in this block, the dip-length, and the width, which were used to calculate volume and tonnage, assuming a density of 13 cu ft/ton. Since the trace of the vein occurs over a vertical distance of 750 feet and the vein dips to the southeast at 32 degrees, the dip-length is about 1,300 feet. The grade of this block of ground is assumed to be 0.22 opt which is very close to the average calculated for a number of assays in the area of the Eagle trenches and is also the average as stated by previous workers for the Sulfide Vein in the Cronk Tunnel, and the Avis Tunnel.

Inferred Ore

Ore can be projected to depth below the mineralized outcrop as inferred ore. Table 1 also shows the results of calculations for the various veins in the area based on such projections. The assumption made here is that ore on the Sulfide Vein can be extended at least one half the dip-length of the mineralization (750 feet). The other veins listed have been projected the same distance as the dip-length of known mineralization. Justification for this is that all veins are projected to an elevation, which is approximately the same elevation as that of Ninemile Creek, or about 4.000 feet above sea level.

Results in Table 1 reflect the most optimistic situation because the entire vein within the various blocks of ground are considered to be ore. Although this situation is possible, the author does not consider it to be probable, since most ore in veins of this nature occurs in discrete "shoots" with intervening blocks of barren or sub-economic grades of rock. However, there does not appear to be sufficient information present on the Nine Mile Mines property to project the existence of, or the size and shape of such "shoots".

Table 1 Ore reserves calculated with most optimistic assumptions

ORE RESERVES—NINE MILE MINES PROPERTY							
INDICATED ORE							
VEIN	STRIKE LENGTH	DIP LENGTH	WIDTH	VOLUME	TONS	GRADE	CONTAINED OUNCES
Sulfide	3,400	1,300	10.0	22,100,000	1,700,000	0.22	374,000
Lewis	2,000	700	3.0	2,100,000	161,538	0.35	56,538
Dawn	1,600	200	2.5	400,000	30,769	0.39	12,000
Mill	2,000	240	1.5	360,000	27,692	0.40	11,077
Martina	1,200	370	3.5	777,000	59,769	0.32	19,126
TOTAL INDICATED ORE					1,979,769		472,742
INFERRED ORE							
VEIN	STRIKE LENGTH	DIP LENGTH	WIDTH	VOLUME	TONS	GRADE	CONTAINED OUNCES
Sulfide	3,400	750	10.0	25,500,000	1,961,538	0.22	431,538
Lewis	2,000	700	3.0	4.200,000	323,077	0.35	113,077
Dawn	1,600	200	2.5	800,000	61,538	0.39	24,000
Mill	2,000	240	1.5	720,000	55,385	0.40	22,154
Martina	1,200	370	3.5	1,554,000	119,538	0.32	38,252
TOTAL INFERRED ORE				2,521,077			629,022

Results in Table 2 reflect what the author considers as a more probably situation by applying a "probability factor" to the results of Table 1 to compensate for the likelihood of finding material in the various blocks of ground that is not ore. A probability factor of 0.5 has been used for indicated ore and a probability factor of .25 has been used for inferred ore. In other words, it is expected that only fifty percent of the vein in the indicated ore blocks and 25 percent of the vein in the inferred blocks will actually constitute ore.

Table 2. Indicated and inferred ore – most probably case					
ORE RESERVES – NINE MILE MINES PROPERTY					
INDICATED ORE					
VEIN	VOLUME	PROBABILITY FACTOR	TONS	GRADE	CONTAINED OUNCES
Sulfide	22,100,000	0.5	850,000	0.22	187,000
Lewis	2,100,000	0.5	80,769	0.35	28,269
Dawn	400,000	0.5	15,385	0.39	6,000
Mill	360,000	0.5	13,846	0.40	5,539
Martina	777,000	0.5	29,885	0.32	9,563
TOTAL INDICATED ORE			989,885		236,371
		INFERRED ORE			
VEIN	VOLUME	PROBABILITY FACTOR	TONS	GRADE	CONTAINED OUNCES
Sulfide	25,500,000	0.25	490,385	0.22	107,885
Lewis	4,200,000	0.25	80,769	0.35	28,269
Dawn	800,000	0.25	15,385	0.39	6,000
Mill	720,000	0.25	13,846	0.40	5,538
Martina	1,554,000	0.25	29,885	0.32	9,563
TOTAL INFERRED ORE			630,270		157,255
TOTAL RESERVES			1,620,155		393,626

SUMMARY

The Nine Mile Mine property contains a number of narrow (2' - 5' thick) veins, which have yielded a significant number of samples that contain between O.5 and 5.O opt gold. These veins appear to have strikes that range from N20 degrees W to N20 degrees E and dip generally to the east between 37 and 65 degrees. Some of this set of veins have been mined in the past, namely the Lewis Vein and the Little Vein from the workings in the Lewis and Cronk Adits and the Dawn Vein from the Dawn Adit and Dawn Shaft and the Grove Tunnel. The Mill Vein has also produced to a limited extent from shallow surface workings. All the production to date appears to have come from these veins as they occur in the hanging wall of the Sulfide Vein which is apparently the youngest vein present and on which there has been some movement that has broken up the older, nor1h-south trending veins. There probably was not significant displacement on the Sulfide Vein as a result of this movement because the north-south trending veins can be projected into the footwall of the Sulfide Vein where evidence of mineralization is found in the banks of road cuts.

The Sulfide Vein has a predominant strike of about N55 degrees E and a dip of about 32 degrees southeast on the western half of the property. The vein is about 20 feet thick and consists of discontinuous veins of white quartz with significant pyrite in places within the quartz. Sheared wallrock of the Belt siltstones and quartzites have been argrillized, sericitized, and pyritized within the Sulfide structure. On the west end of the property the vein appears to contain more gold and it has been mined to a 1imited extent in the Eagle #1 and #2 Adits where it is called the Eagle Vein. The Sulfide Vein has been explored in the Cronk Tunnel where it is about 35 *feet* thick and averages 0.22 opt gold. The Sulfide Vein was exposed between the Cronk Tunnel and Allen's Camp in three trenches and in the Avis Tunnel. Two of the trenches have been backfilled and the Avis Tunnel is caved shut. The grade of the vein in the Avis Tunnel is reported to be 0.34 opt but vein width is not given. Results of channel sampling in the trench near the tailings pond below the Cronk Tunnel ranged from 0.015 to 0.206 opt over widths from 2.5 feet to 9 feet. The second trench to the east, the Car Trench, contained less than 0.03 opt in channel samples but 0.54 opt in a grab sample.

The only trench presently open is near Allen's cabin and channel samples of the exposed part of the vein assayed 0.17 opt gold. Neither the footwall nor the hangingwall of the vein are exposed in this trench. The Sulfide Vein was also encountered in the Grove Tunnel, but it was not significantly prospected because at that time (1890's) the miners were convinced that the east-west veins were low grade and not amenable to their system of gold recovery, probably stamp milling with amalgam plates.

East of the Allen's Camp area the Sulfide Vein changes strike to about S40 degrees E. The vein sub-outcrop traverses the hill in a southeasterly trace as a result of the change in strike and its shallow dip. In this section of the vein, it is almost parallel to the strike and dip of the beds of the Belt sediments and it is likely that the vein is not as well developed here since movements on the fault prior to vein formation would have resulted in bedding plane faults which often do not provide sufficient permeability for hydrothermal solutions.

In the vicinity of the Martina Mine, the Sulfide Vein seems to change strike again to a more northeasterly direction. The three Martina adits did encounter a pyritic quartz vein, which is in all likelihood the Sulfide Vein but the width and grade of the vein is not known. Additional exploration is needed and warranted if there are other reasons to be involved in the area.

CONCLUSIONS

- The property contains several relatively high-grade gold veins and one low-grade vein (Eagle-Sulfide-Martina Vein), which is quite thick and is traceable along strike for over 5,000 feet.
- No proven reserves occur on the property.
- Indicated reserves are conservatively estimated to be between 990,00 tons and 1,980,000 tons at an average grade of 0.24 opt.
- Inferred reserves are estimated to be between 630,000 tons and 2,521,000 tons at an average grade of 0.25 opt.
- The "nugget effect" in high-grade veins makes them exceedingly hard to sample for grade.
- Drill samples and most channel samples for grade have yielded inconsistent data.
- Bulk sampling or test mining appear to be the only way to establish the grade of the various veins.
- Two areas along the strike of the Sulfide Vein appear to have the potential for open pit mining of the shallow dipping vein:

  The Eagle cut where approximately 62,300 tons of ore, thought to contain 0.228 opt, can be recovered by stripping 710,700 tons of overburden. Economic projections indicate that the recovered gold could pay for the operation, or, if everything goes well, return a small profit.

  The Dawn Vein-Sulfide Vein intersection where 14,000 tons of ore can be mined from these two veins *by* stripping 90,000 tons--of waste. The recovered gold could pay for the test mining and possibly return a small profit.
- The property appears to have sufficient potential to warrant acquisition and test mining of the surface mixable portions of the Sulfide Vein and the Dawn Vein.
- Additional exploration conducted simultaneously with the test mining could be oriented toward proving the feasibility of underground mining of both the narrow, higher grade northerly trending veins and the wider, lower-grade Sulfide Vein.

REFERENCES

Allen, Bud, 1978, Nine Mile Mine History; unpublished report.

Anon, 1990, Report of work done by North Lily Mining Co., 1990; unpublished company report.

Anon. 1987, Report of work done by Firegold Corporation; unpublished company report.

Colson, J. B., 1984, Report of Investigation of Nine Mile Mines, Inc. property; unpublished report by consultant geologists.

Doten, Ben, 1988, Project Overview, Nine Mile and Martina Mines; unpublished company report.

Weller. M. F.. 1984. Revision to Ninemile Mine Report of March 3' by Sanders Exploration, ltd" consultant geologists.

1982; unpublished report

Weller, M. F., 1982, Ninemile Mine Report; unpublished report by Sanders Exploration, LTD, consultant geologists.

CERTIFICATE

I, George E. Rouse, D. Sc." Hereby certify that:

1. I am an independent consulting Geological Engineer/Geochemist and a member of the Society of Economic Geologists.

2. I am a graduate of the Colorado School of Mines, Golden, Colorado with a degree in Geological Engineering (1961) and a degree of Doctor of Sciences in Geochemistry (1968). I also hold a certificate of completion for an intensive training course in Hazardous Materials Management from the Colorado School of Mines (1993).

3. I have practiced my profession for the past 35 years.

4. The opinions, conclusions, and recommendations contained in this report are based on a review of previous reports prepared on the property and on a site visit conducted between August 17 and August 20. 1996.

5. I do not own any direct, indirect, or contingent interest in the properties or shares or securities of Harrison Western Mining Corporation or Nine Mile Mines, Inc. or associated companies.

6. I reside at 9254 Fern Way, Golden. Colorado.

September 9, 1996
George E. Rouse, D. Sc.

Appendix

Table 3. Sample numbers, descriptions, and assays. Samples taken by G. E. Rouse.

NINE MILE EVALUATION PROJECT
SAMPLE DESCRIPTIONS AND ASSAYS

Sample No.	Sample Location and Description	Assay (ppm)	Oz/ton
	100' W of Allen's camp in E-W trench:		
BR 1126	5' channel-hanging wall of "sulfide" vein	4.82	0.141
BR 1127	6' channel of barite-hematite "sulfide" vein	3.58	0.140
BR 1128	9" channel of footwall-agrillized siltstone	5.95	0.170
	200' SW of Allen's Camp in N-S trench:		
BR 1129	2' of silstone in footwall of vein @ N20W	1.17	0.034
BR 1130	2.5' of quartz, barite, hematite limonite vein	10.6	0.309
BR 1131	3' of quartz, barite, hematite, limonite vein	19.6	0.572
	Eagle open cut:		
BR 1132	5' of altered siltstone sericitized with limonite	0.221	0.006
BR 1133	11' of altered siltstone and small quartz veins	0.206	0.006
BR 1134	12' of altered siltstone with limonite and hematite	0.071	0.002
BR 1135	12' of mixed seritized siltstone and quartz veinlets	0.225	0.007
BR 1136	4' of sericitzed siltstone of footwall of sulfide vein	0.032	0.001
	450' NW of Allen's camp in road cut; extension of Dawn Vein to the northwest:		
BR 1137	Grab of vein material in overburden-quartz, barite	8.20	0.239
	320' NW of allen's Camp in road cut: extension of the "Mill Vein" to the northwest.		
BR 1138	Grab of vein material in overburden-quartz, barite	4.25	0.124
	850' NE of Cronk Tunnel in road cut: Lewis Vein extension:		
BR 1139	Grab of vein material in overburden-quartz, barite	0.876	0.02

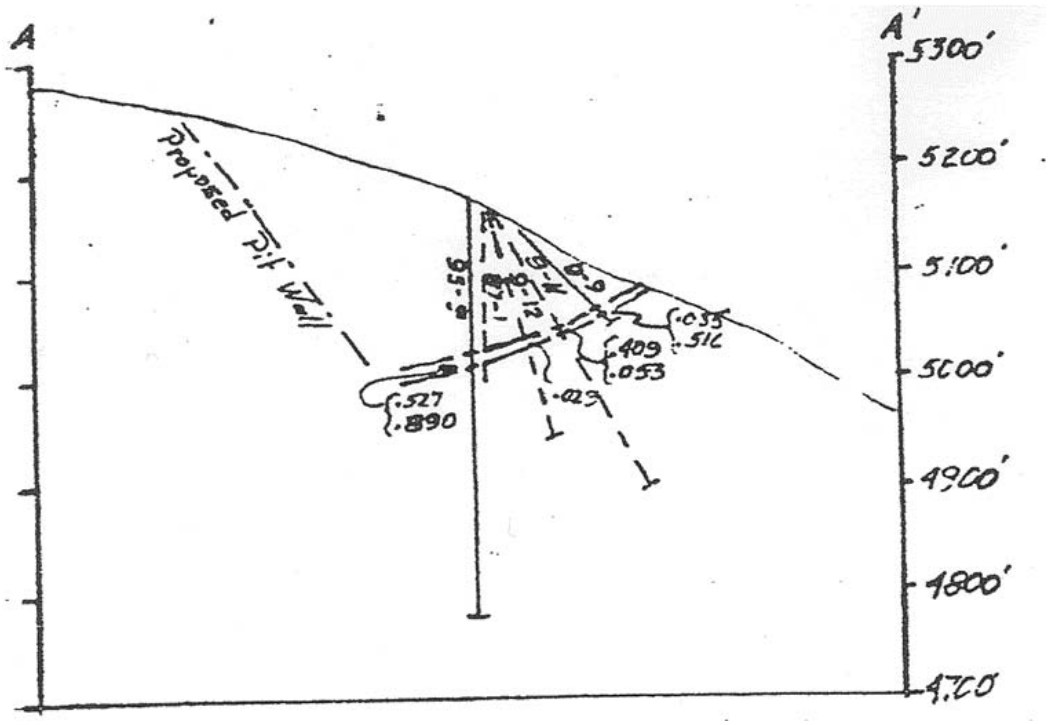


Figure 1.Cross section through drill hole 95-9 looking southwest showing the Sulfide Vein and the proposed open pit.

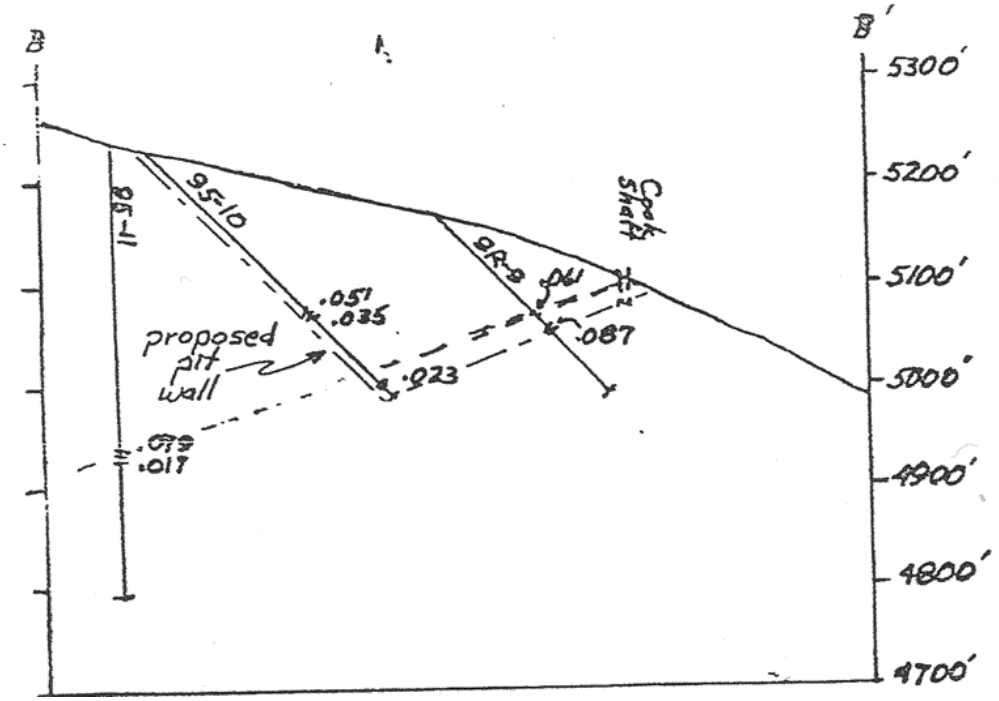
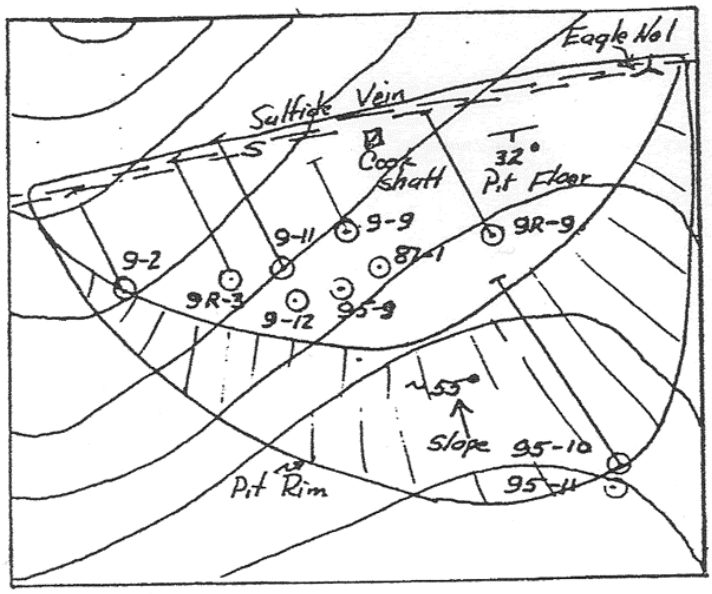


Figure 2. Cross section through drill holes 95-10, 95-11, and 9R-9 looking southwest showing the Sulfide Vein and the proposed open pit.



Waste approx. 711,000 tons
Sulfide Vein approx. 62,000 tons
@0.228 oz per ton = 14,300 oz

Figure 3. Proposed pit configuration – Eagle Area

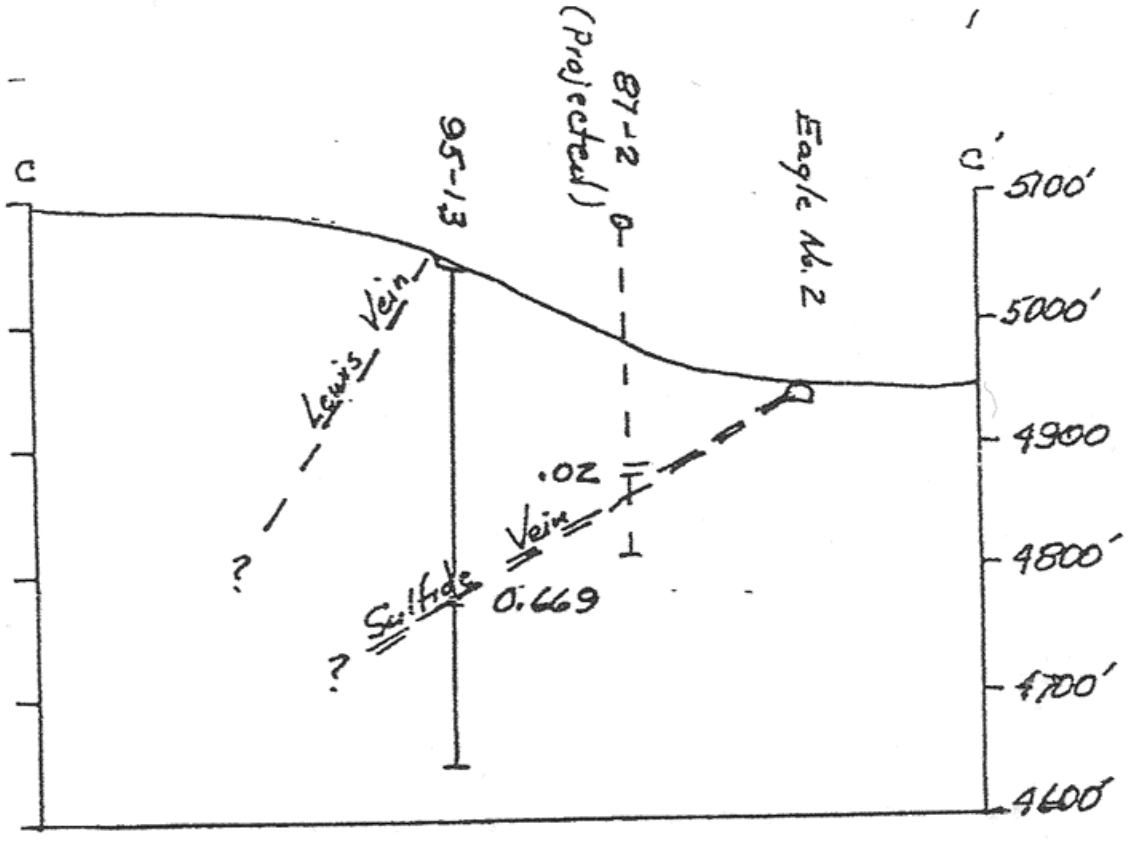


Figure 4. Cross section through drill hole 95-13 looking west showing the projection of the Sulfide and Lewis Veins.

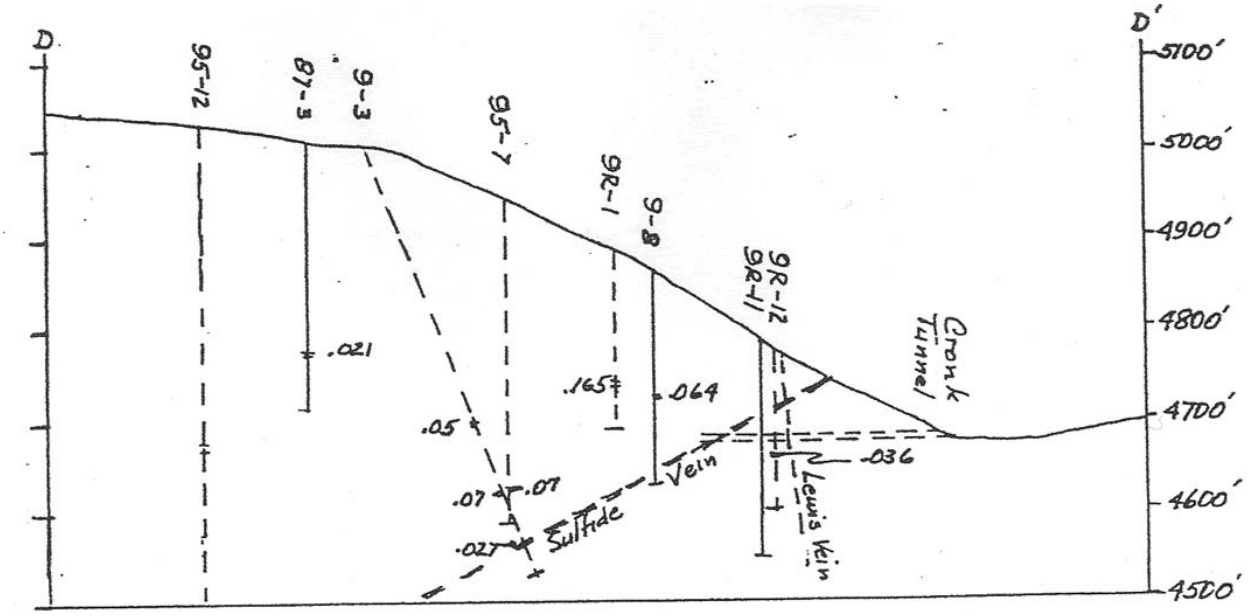


Figure 5. Cross section through the Cronk Tunnel looking northwest showing projections of the Lewis and Sulfide Veins.

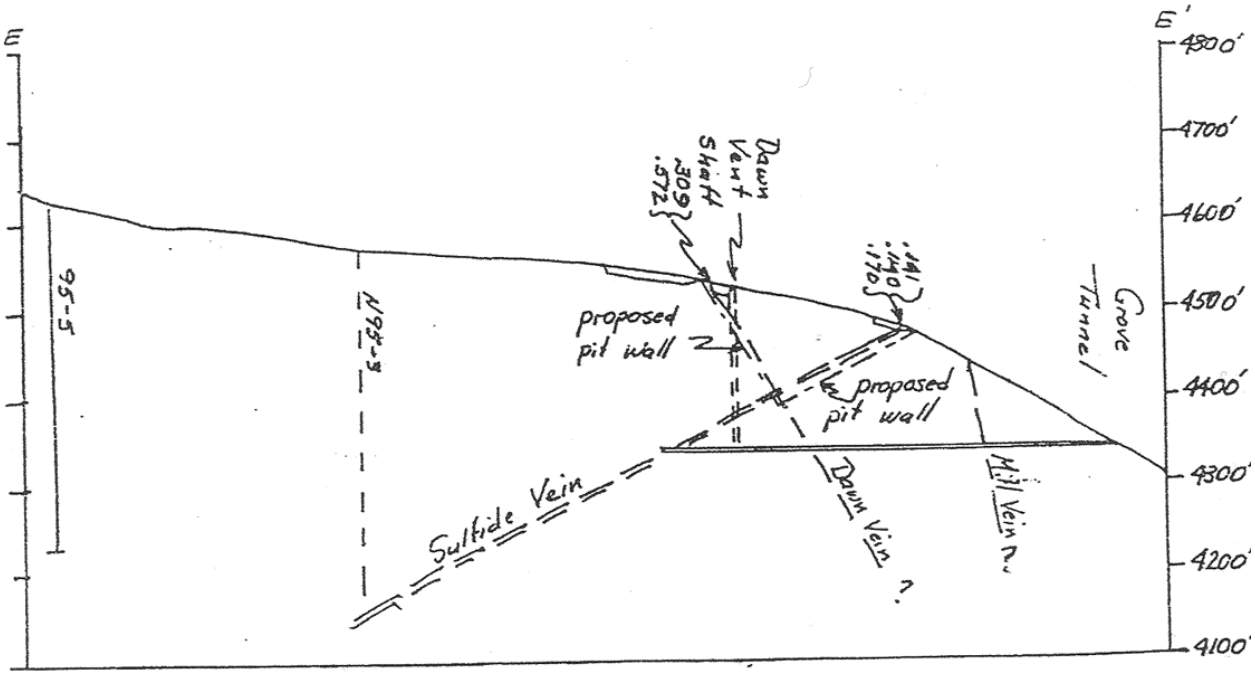
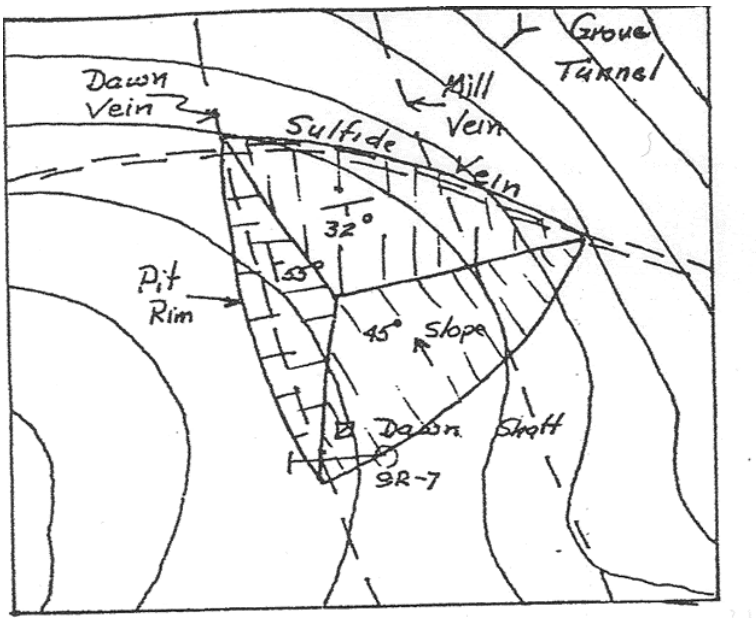


Figure 6. Cross section through the Dawn Area looking north-west showing projection of the Dawn shaft, the Grove Tunnel, the Dawn Vein, the Mill Vein, and the Sulfide Vein. The proposed open pit is also shown.



Waste approx. 215,000 tons
Sulfide Vein approx. 21,375 tons
@ 0.22 oz per ton = 4,703 oz

Dawn Vein approx.8,250 tons
@0.45 oz per ton = 3,713
Total approx. 8,416 oz

Figure 7. Proposed pit configuration – Dawn Area.

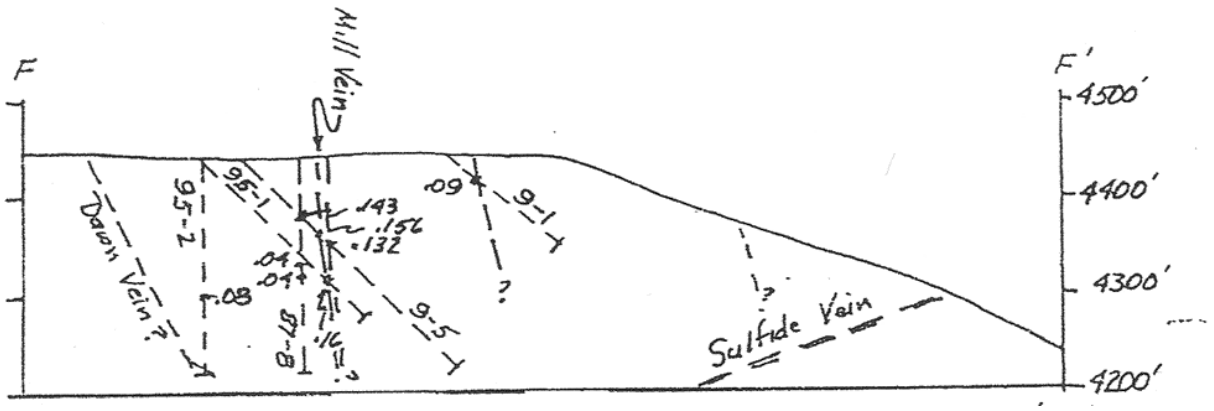


Figure 8. Cross section through the Protection Area looking northwest showing several drill holes projected to the plane of the section along with vein intercepts.