WHEAL ENTERPRISE MINE, ANNUAL REPORT 1996.

1. Excavation work was continued on the "Fruit Salad Reef" with the backhoe after some specimen rock was assayed at up to 18 grams per tonne (G.P.T.) This rock was at a depth of three metres.

2. A trial crushing through our crushing plant gave a concentrate at up to 111 G.P.T. However below the 3 metre level these values fell away dramatically and the high readings were determined to be the result of surface enrichment. Work in this area is now at a standstill due to the wet.

3. Much work has been carried out on the "Copper Reef". Although some very good specimen rock has been produced (with some chalcocite assaying at 65.7% copper) the reef is too patchy at 3 metres for commercial operations.

4. In view of the above information one option being examined is opening up the lease as a fossicking operation.

JOHN CHARLES OATES,
OWNER MANAGER,
WHEAL ENTERPRISE MINE.

03 January 1997.