

Underground sampling at the Friday mine

- sampling has confirmed 1.1 m wide intercept reporting 52.1 g/t gold

Endomines has begun a development sampling program at the Friday mine to better characterize the geology of the ore zones and to improve the grade control system. Grade control systems are implemented in mining operations to segregate ore from waste. The addition of waste rock to the ore material sent to processing is called dilution. This addition is primarily due to the mining of waste material along ore/waste boundaries, mining of internal waste, and misclassification of waste. An increase in dilution reduces the grade of the material sent to processing. A good grade control system reduces dilution and accurately defines both the tons and grade of the material being sent for processing. Because at Friday the ore zones are visually indistinguishable, grade control is challenging, but all the more important.

Endomines' Friday mine geologist, Theresa Jeske, is implementing a sampling program based on her experience in working on similar orogenic vein systems in Alaska. The sampling program consists of three phases of sampling to define the stoping limits:

1. Diamond drilling on each level as the mine advances
2. Sludge test holes from ore access and longitudinal drifts
3. Channel sampling

The initial sampling is done by drilling diamond drill holes on 30 – 50 m centers from each level. These holes are assayed on intervals split by lithology, alteration, mineralization, and structure. The identified ore zones are then further refined with secondary infill sludge holes. Finally, all development faces, drift backs and crosscuts, and stope breasts and backs are channel sampled.

To date Endomines has completed a longitudinal drift on the 4600-level running parallel to the upper ore zones in preparation of the sludge drilling program. Channel samples have been collected using two horizontal rows of samples divided into boxes. Each box in a row of channels is separated by changes in lithology, alteration, mineralization, or structure. The boxes are not less than 0.15 m wide and no more than 0.6 m wide (Figure 1). Observations of the geology are recorded for each box to correlate the grade with the observed geologic features. Structural measurements are taken, and a sketch of the face is made on a paper log sheet. All data is captured on the sheet and stored for reference.

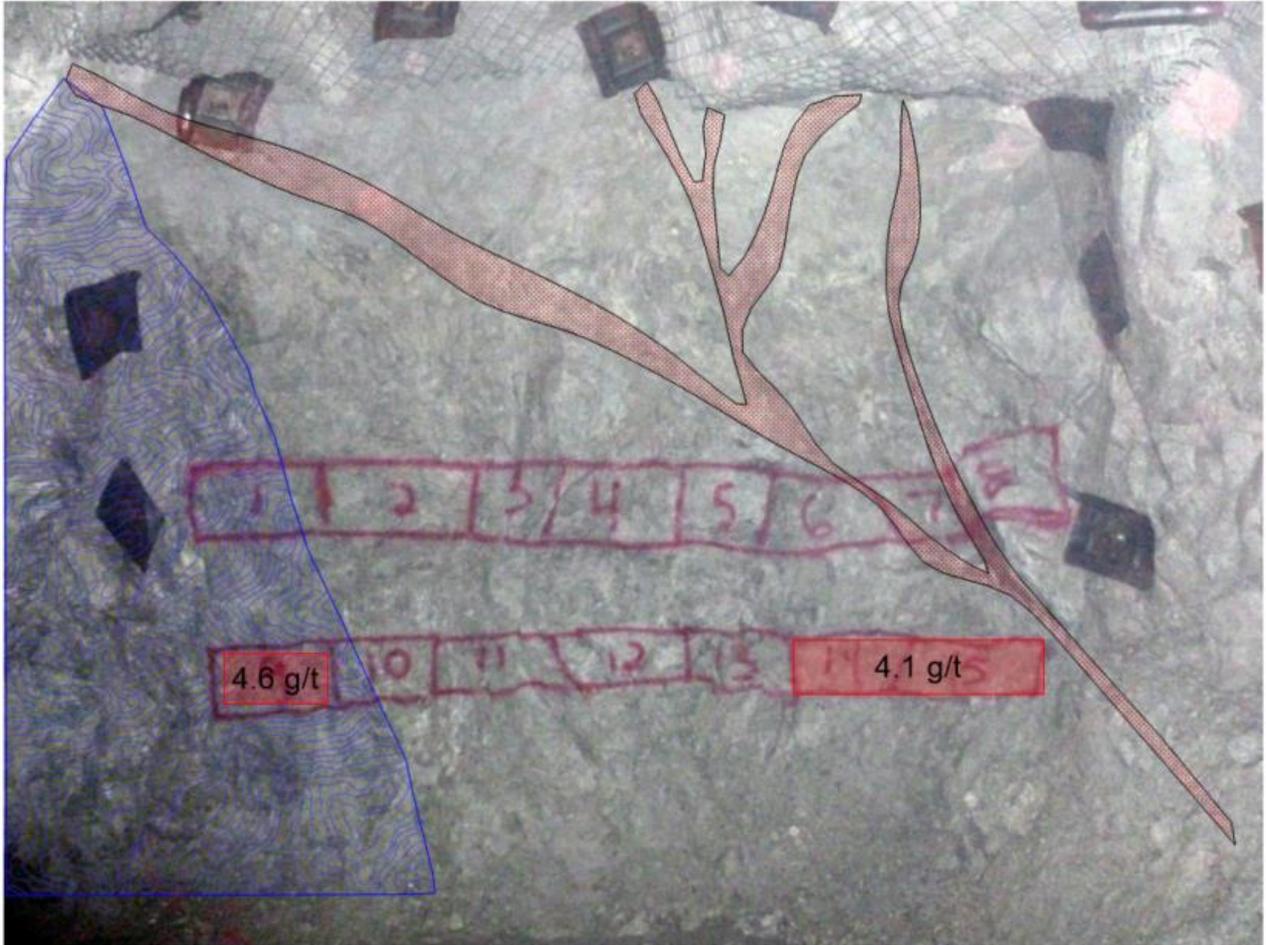


Figure 1 - Face map with above cutoff grades shown in red

Along with the geologic information the bearing, width, height, and distance of the face to a known survey point are recorded. These measurements are then used to plot the channel samples for review within the mine planning software (Figure 2). The longitudinal drift sampling confirmed the existence of the mineralized structure on the 4600 Level with a 1.1 m wide intercept reporting an Au grade of 52.1 g/t (Figure 2).

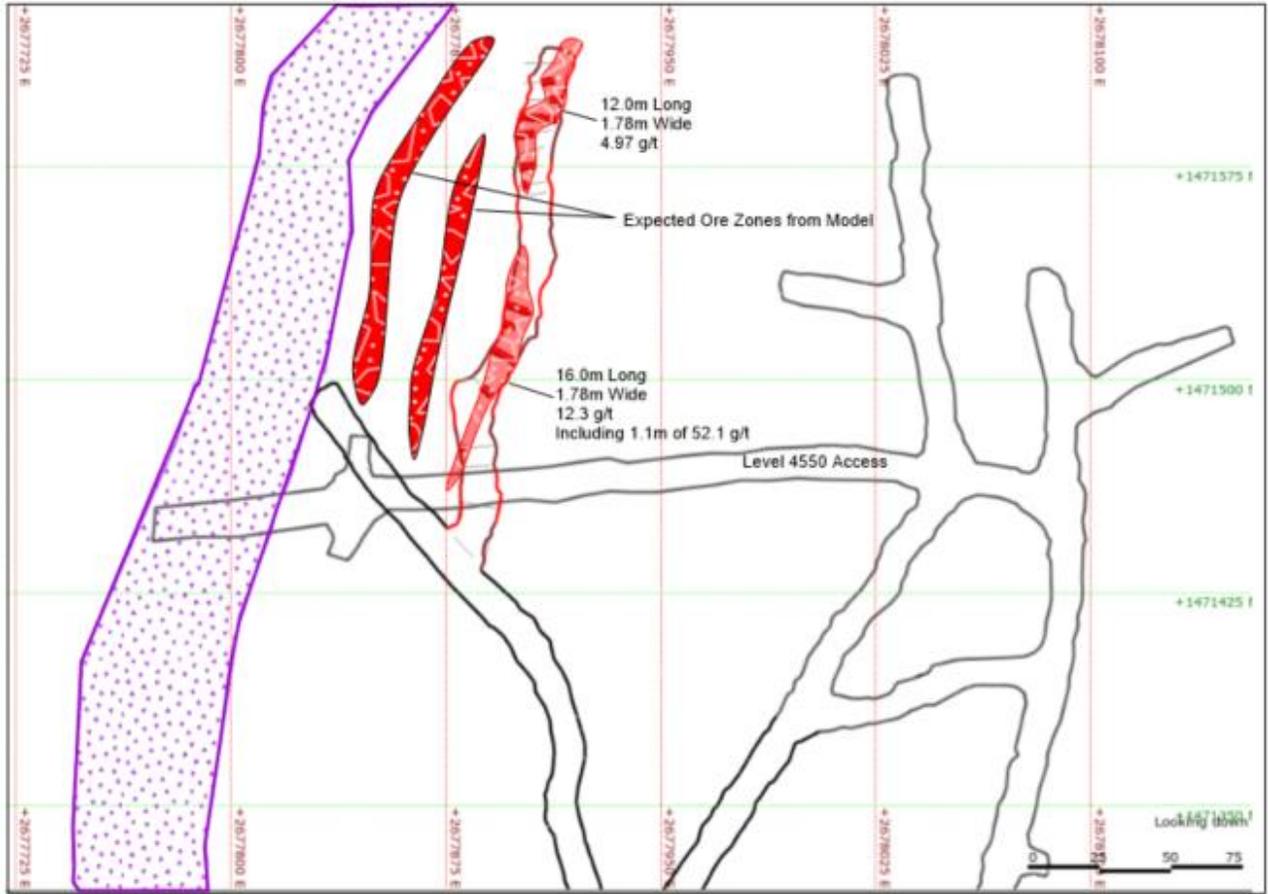


Figure 2 - Longitudinal Map of Friday Workings with Samples

Currently, Endomines is drilling test holes into the wall of the longitudinal drift, and the sludges from 1-meter intervals are being collected for analysis. The test holes have been designed to confirm the width and grade of the two expect ore zones to the west of the longitudinal drift (Figure 3). The test hole results along with the channel sampling will provide the mine geologist with the data required to minimize dilution at the Friday Mine.

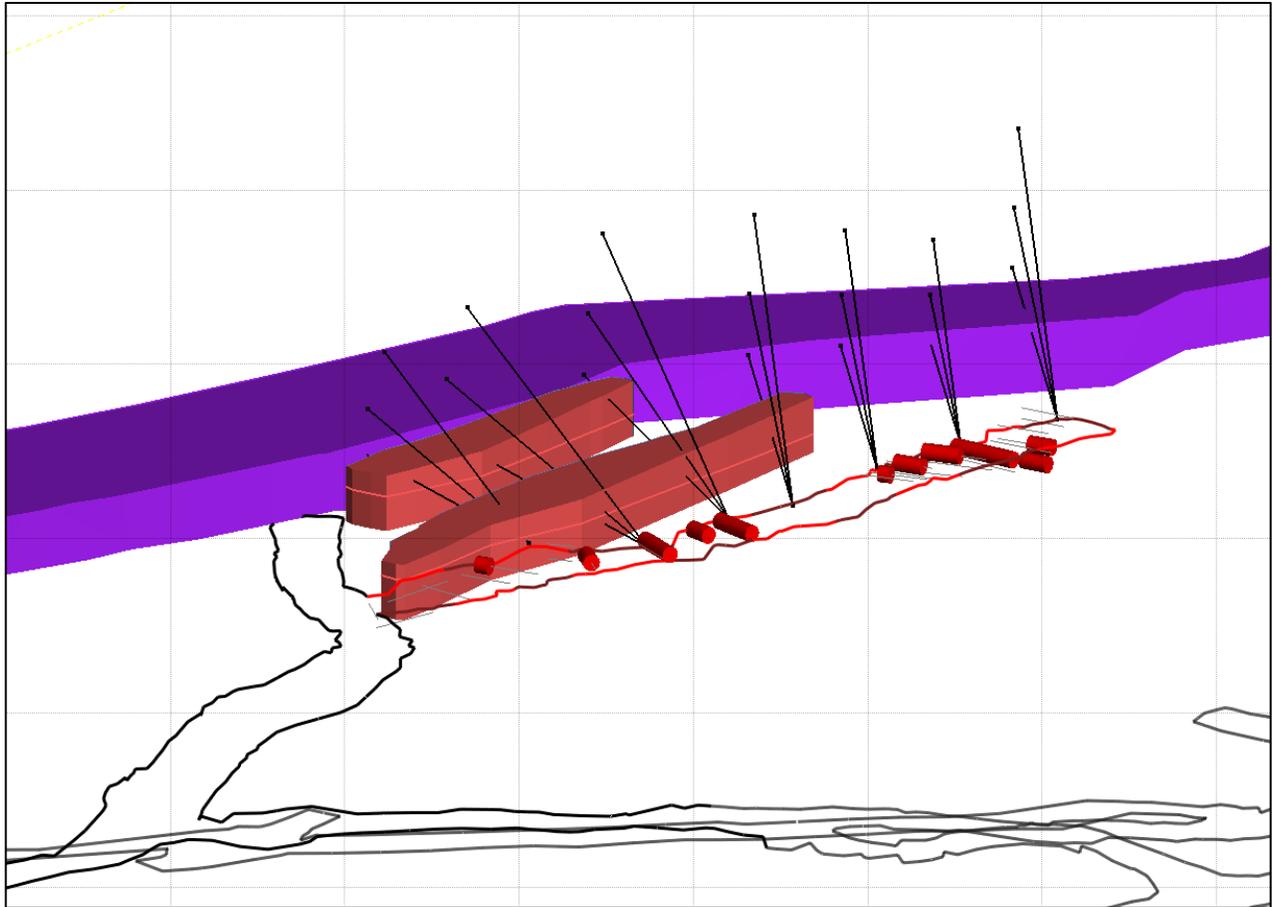


Figure 3 - Oblique View of Planned Sludge Holes

Friday Mine geologist Theresa Jeske has 7 years of experience in production geology and geological exploration in Alaska, Nevada, and Idaho, USA. She has extensive experience in database management, and quality assurance and quality control of geological data. Theresa has assisted with implementing channel sampling procedures and protocol in structurally controlled ore deposits and building the subsequent databases. In addition to channel sampling, she has been responsible for underground mapping, guiding longitudinal headings, drill planning, and core logging. Theresa has also been responsible for implementing QA/QC protocols (standards, blanks, and duplicates at various stages of the preparation process) for exploration projects from early to advance stages.