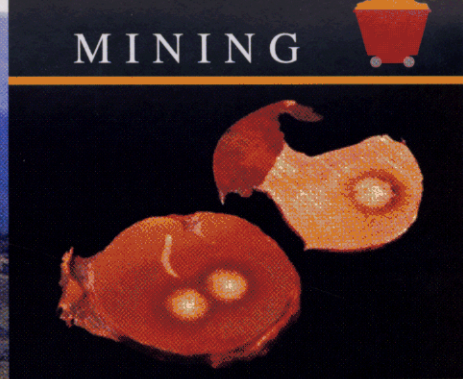




# RICH FINDS IN GALORE CREEK AREA



The Red Chris copper-gold project exploration camp. (inset) These copper buttons were the first Red Chris copper produced hydrometallurgically using the HydroCopper™ process. Photo courtesy bcMetals Corp.

Some of the richest copper-gold deposits in the world can be found in the area surrounding the Stikine and Iskut rivers in northwestern British Columbia's Golden Triangle, and with an increased world demand for base metals, and escalating gold prices, junior mining companies are flocking to the area to try their luck in the potential bonanza. About 35 companies spent some \$35 million on exploration in 2004 – an expenditure that is expected to double in 2005. If market conditions hold, the area could become BC's hottest new mining district.

The area's potential has been known for some time. In the 1960s, several large tonnage, low-grade porphyry copper deposits – Galore Creek, Schaft Creek and Red Chris – were discovered, although not developed. Then in 1988, Prime Resources found a fabulously-rich, high-grade gold-silver deposit at Eskay Creek, setting off a gold rush as explorers looked for similar finds. But no comparable finds were recorded, and with the decline of gold prices in the 1990s, mining companies withdrew from the area. Today, the Eskay Creek Mine, developed in 1995, and acquired by Barrick Gold Corp. in 2001, is the only operating mine in the area.

Now high copper and gold prices are revitalizing the interest in the area, as companies seek to develop deposits already discovered, and look for new ones. Speculation that power resources may be brought into the area with the construction of a power line from the Meziadin Junction has only fueled this interest. In fall 2003, NovaGold Resources Inc. acquired an option on the Galore Creek

find and, building on work done by previous owners from the 1960s to 1991, confirmed this to be a world-class deposit. Other historic finds such as Schaft Creek and Red Chris are also being re-visited, while many new finds are being announced.

*Highlights of activity in the area include:* Barrick Gold Corp. [ABX-TSX, NY] remains a major player with its Eskay Creek gold-silver mine. Located about 80 km north of Stewart, the mine had proven and probable reserves of 941,000 ounce of gold at the end of 2003. The mine has high grade reserves and low production costs, mining 216,240 ounces at a cost of US \$40/ounce in the first nine months of 2004. Barrick Gold is also continuing exploration in the area.

bcMetals Corp. [C-TSXV] has completed the feasibility for the Red Chris copper-gold project, located some 230 km north of the Meziadin Junction, and is now in the permitting stage. "This is the newest, largest copper-gold deposit in Canada," says Chairman and CEO Carl Zuber. The \$227.7 million mine would process about 30,000 tpd, producing about 104 million lbs of copper and 71,000 ounces of gold annually during the first five years of production. Mine life is estimated to be about 25 years. The project would employ an average of about 250 people, with about 50 to 60 further jobs for contractors, and create an estimated 750 to 1,000 jobs in surrounding communities. The company has signed an MOU with the Tahltan and Iskut First Nations.

The success of the project is predicated on the construction of a 138kV power line north along Hwy. ➤



37, from Meziadin Junction. If the power line is not constructed, the mine will not proceed, says Zuber.

In fall, 2003, NovaGold Resources Inc. [NG-TSX, AMEX] took out an option to acquire a 100% interest in the Galore Creek Project from subsidiaries of Rio Tinto and Anglo-American. This 30,000-hectare property, located 75 km northwest of the Eskay Creek Mine, is one of the largest and highest grade alkalic intrusive-related, gold-silver-copper deposits in North America. A preliminary economic assessment has shown the property has the potential to recover at least 2.4 million ounces of gold, 32.3 million ounces of silver and 3.3 billion lbs of copper over a 23-year mine life.

NovaGold's exploration program at Galore Creek is one of the largest in British Columbia, as the company completed work in preparation for a pre-feasibility study targeted for completion in the first half of 2005. The company expects to expand its exploration program in 2005, and submit an environmental assessment application in December, 2005. The company is working with the Tahlton First Nation on the project.

NovaGold also has an option to earn an 80% interest on the adjoining Copper Canyon Project from Eagle Plains Resources Ltd. [EPL-TSXV]. Eight holes drilled here in



Mineralized diamond drill core from drill hole FM04-33 at the Foremore Project. Photo courtesy Roca Mines Inc.

2004 encountered significant gold, silver and copper mineralization that starts near the surface and remains open to further expansion in all directions and at depth. Highlights include Drill Hole CC04-022 which

intersected 73.5 metres of 1.66% copper Equivalent (CuEq) or 2.74 grams gold equivalent/tonne (AuEq), and Hole CC04-023 which intersected a total of 274 metres of 1.31% CuEq with 2.16 g/t AuEq.

The third major find in the area the copper-molybdenum-gold deposit, Schaft Creek, was acquired by Copper Fox Metals Inc. [COF-TSXV] in 2004. This property is considered comparable to other economically-viable properties in the area, such as Galore Creek and Red Chris.

Roca Mines Inc. [ROK-TSXV] has focused on exploring its 235 square km precious and base metal-rich Foremore VMS-Gold Project, located about 45 km north of the Eskay Creek Mine, since 2002. In 2004, the company's program consisted of prospecting, geology, geophysics and a 37-hole diamond drilling program focusing on the North Zone VMS system. Highlights of the drill program include hole FM04-33 which included a 1.1-metre interval that returned 0.87 grams gold/tonne, 990 grams silver/tonne, 1.19% copper, 1.37% lead and 11.82% zinc.

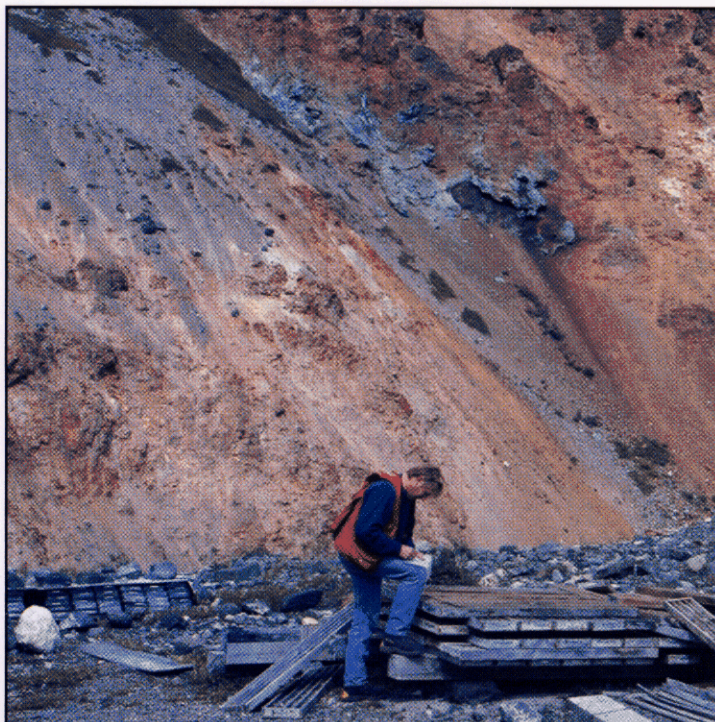
"At Foremore, we discovered and have now mapped an extensive new VMS system which is producing some spectacular grades. Next year we'll be drilling for width,"

The Horizon Gold Zone, a high grade gold zone with grab sample values as high 106.9 grams gold/tonne, 59 grams silver/tonne and 2.22% copper, was also discovered in 2004.

Firesteel Resources Inc. [FTR-TSXV] completed a \$700,000, seven-hole diamond drilling program at Copper Creek on its 7,700-hectare property 50 km northwest of Telegraph Creek. A large mineralized zone at least 270 metres long, 200 metres wide, 300 metres deep and open in every direction has been defined. The drilling was highlighted by Hole No.5 which showed .8% copper and .73 grams gold/tonne from surface to 52 metres.

Firesteel also has an interest in the Rok/Coyote property, adjacent to Red Chris, which has show a strong gold in soil anomaly in a small soil geochemical survey. In addition, 36 gold-bearing boulders, one with a grade of 252.16 grams/tonne, and further 10 with an average grade of 76.37 grams/tonne, have been discovered on its Poker property, 20 km west of Telegraph Creek. Further exploration is planned for Poker in August, 2005.

Romios Gold Resources Inc. [RG-TSXV] acquired an option, in November, 2004, on a package of former Newmont, DuPont and Placer properties located 30 km southeast of Galore Creek and is planning a major exploration program in 2005. A number of intrusion related copper and gold showings are known on the claims and a geological map published in 2000 by the BC Ministry of Energy and Mines suggests the underlying rocks may ➤



Tim Termuende, geologist, president of Eagle Plains Resources, working at the Copper Canyon Project, where NovaGold Resources Inc. is earning an 80% interest. Photo courtesy Eagle Plains Resources Ltd.




be the same age as those hosting the porphyry copper gold deposits at Galore.

**Heritage Explorations Ltd.** [HXL-TSXV] has conducted a 2,600 line-km Aero TEM II survey and identified a number of new exploration targets which will be followed up in 2005. However, the company experienced disappointing results in a summer, 2004 surface drill program at its Treaty Creek and Bonsai Prospects, both joint ventures with **Teuton Resources Corp.** [TUO-TSXV]. Teuton, meanwhile, postponed its 2004 diamond drilling program at its Tennyson property because of delays in obtaining a suitable drill.

**Lateegra Resources Corp.** [LEG-TSXV; LTG-Frankfurt] completed a six-hole diamond drilling program at Todd Creek, its copper-gold property, located about 42 km east of Stewart, in 2004. The company continues to regard the property as an important exploration target.

**Hathor Exploration Ltd.** [HAT-TSXV] has the largest claim block in the area with a 100% interest in about 63,000 hectares. The company had not announced any results in 2004.

**Newcastle Minerals Ltd.** [NCM-TSXV] and joint venture partner **Conquest Resources Ltd.** [CQR-TSXV] announced in December, 2004, that the termination of a joint option to acquire 100% interest in the polymetallic Rock & Roll mineral claims due to unsatisfactory exploration results. Conquest is also abandoning its option to acquire a 51% interest in Newcastle's nearby Phiz Gold property. Newcastle also holds the Target property, adjacent to Firesteel's Poker Property. Plans to explore this property have not been announced. 

## MINING INDUSTRY LOBBIES FOR POWER

by Annelies Pool


Development in the Golden Triangle is hampered by a lack of affordable and accessible electricity. At present the area is not connected to the BC Hydro grid, and mining companies are forced to provide their own power by constructing diesel power plants, an expensive proposition that prohibits the development of mines with high power requirements. In order to fully develop the potential of area, the mining industry is lobbying for the construction of a transmission line from the BC grid at the Meziadin Junction, north along Hwy 37 to Dease Lake.

Bringing hydro electricity into the region will allow for the development of large bulk tonnage deposits that would otherwise be uneconomic, says Mark Jarvis, president of the **Hard Creek Nickel Corp.** [HNC-TSXV], which is exploring the Turnagain nickel-cobalt-platinum-palladium project, 70 km east of Dease Lake. **bcMetals Corp.** [C-TSXV]'s proposed Red Chris copper-gold mine, for example, won't go ahead unless a transmission line constructed, although the company will pay to install the 23-km extension and power substations required to the bring power from Hwy 37 to the mine.

Carl Zuber, Chairman and CEO of bcMetals Corp., is optimistic the transmission line will be constructed. "The government is well-advanced in looking at this project and we fully expect BC Hydro will provide power to the Northwest," he says. Zuber hopes to hear an announcement by spring, 2005.


BC Minister of Energy and Mines, Richard Neufeld, confirms the BC Government is considering the construction of a transmission line — but he refuses to commit to a timeline. "It's still in the discussion stages," Neufeld says. Before committing to the \$200 million project, the government has to examine the long-term future of the investment. In addition to replacing diesel generation in the small communities in the area, it would take more than one mine to make the construction of a transmission line economically feasible, Neufeld says. Discussions with mining companies are ongoing.

The government also wants to consider other options by examining the potential for smaller independently-operated, run-of-river hydro projects in the area, says Neufeld. The development of one run-of-river project in the area, the Forrest Kerr Project, which will generate about 100 MW on the Iskut River, about 100 km NW of Stewart, is already approved. But although this project will be connected to the BC grid at Meziadin Junction, it is not expected to impact mining development, or the decision to construct a transmission line along Hwy. 37.


The proposed transmission line would not only open up the area to greater development, but could increase exploration by changing the nature of deposits being sought as bulk tonnage deposits, that require a lot of power to develop, would become feasible, says Jarvis. "Mining is such an economic driver for the north country. It means high-quality, high-paying jobs. The government should indicate by its actions that it is fully supportive of the mining business." 

Exploring Northern BC's Golden Triangle


# ROMIOS GOLD



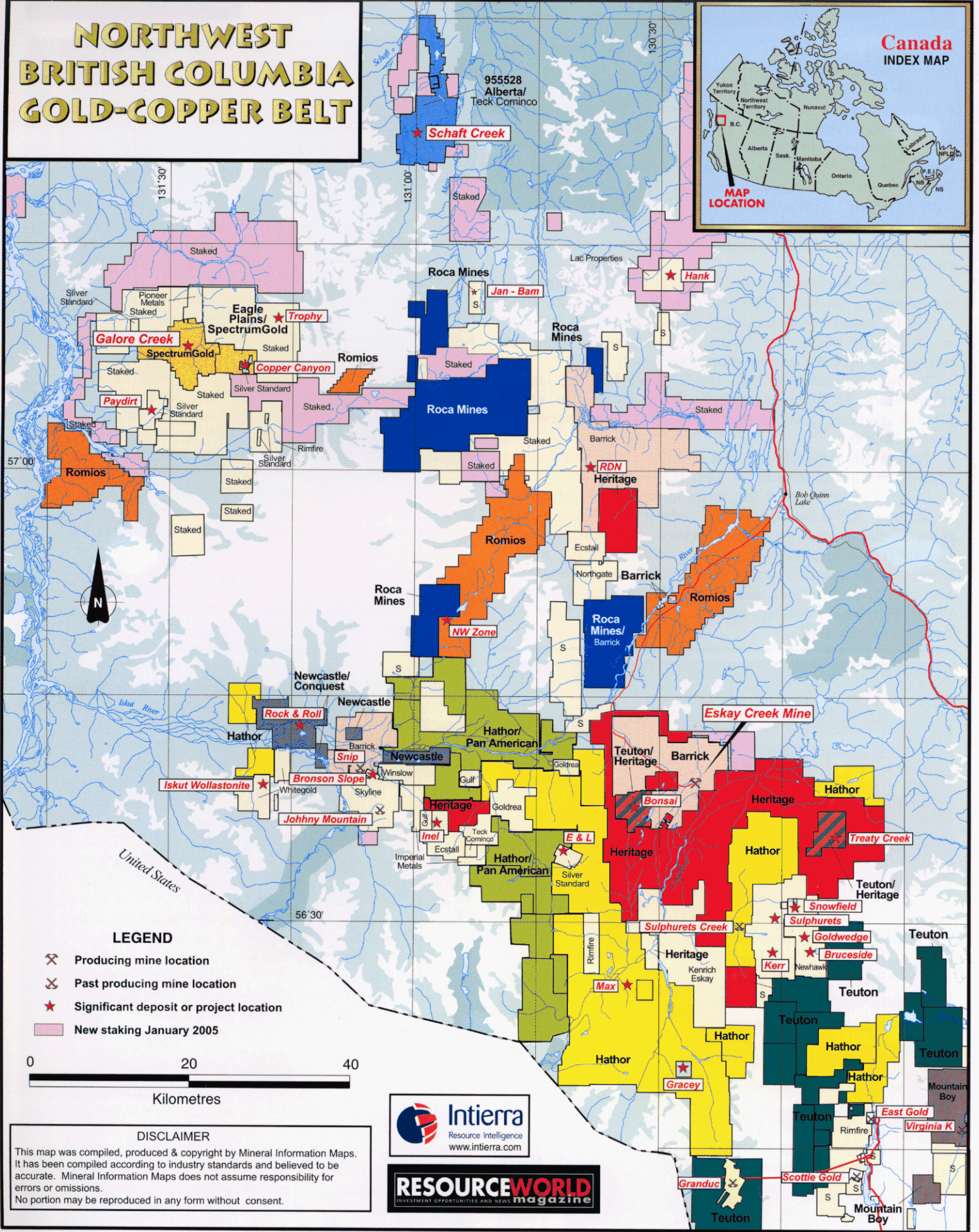
- ▶ **Strategic claim holdings between Eskay Creek and Galore Creek**
- ▶ **Multiple Exploration Targets for our 2005 Program**
- ▶ **Potential for World Class Porphyry Copper Gold Discoveries**
- ▶ **Gold Projects in BC, Ontario & Nevada, USA**



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416 221 4124 / 604 649 5793

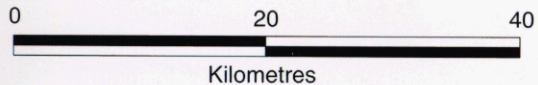
**romios.com** 

# NORTHWEST BRITISH COLUMBIA GOLD-COPPER BELT



## LEGEND

- Producing mine location
- Past producing mine location
- Significant deposit or project location
- New staking January 2005



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