

The road to Windy Craggy

The proposed Windy Craggy mine in northwestern B.C., one of the biggest projects in the North, has caught fire with environmental groups in the Yukon, B.C., and even in the United States, which want the renowned wilderness area left undisturbed.

The stakes are high for property owner Geddes Resources Ltd. of Toronto. The company will have spent almost \$50 million by the end of 1989 on the remote deposit surrounded by glaciers in the Saint Elias Mountains. That includes \$12 million this year, much of it for engineering and environmental studies.

The deposit itself is impressive — new results this February expanded reserves by 30 per cent to 165 million tonnes grading 1.89 per cent copper. Geddes president, Gerald Harper, says that translates into a 29-year mine life for an open-pit mine. The deposit also has other metals including cobalt, gold and silver.

The company isn't taking the challenge from environmentalists lightly — a Whitehorse information office has been set up, and Craig Aspinall, a Vancouver public relations consultant with top corporate credentials, has been hired. Geddes held a series of public meetings in May in the Yukon, B.C. and Alaska.

The project is under the microscope of the B.C. government's Mine Development Review Committee, with input coming from provincial, territorial, federal and Alaska state agencies, and the public. Geddes filed a Stage I impact report to the committee in February. Various agencies have identified weaknesses in this report — Harper says the company itself believes more research is needed, particularly to prevent acid mine drainage from the sulphide wastes.

Geddes is working on a Stage II report. In May, B.C. mines minister, Jack Davis, announced that the province will work with the federal government to ensure that the B.C. review conforms with federal requirements under the Environmental Assessment Review Process.

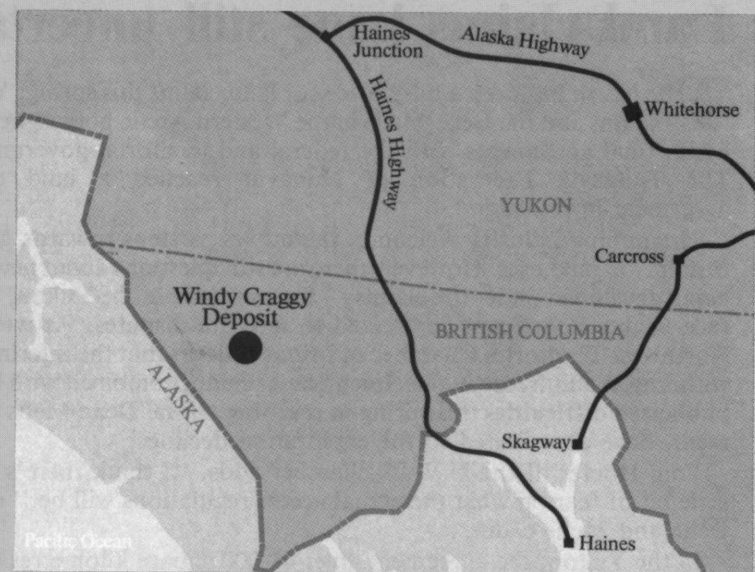
The company had wanted permits by spring 1991, before the three-year construction period. However, Harper says the more extensive government review may dash this by a few months. If construction doesn't start next year, Harper says that won't kill the project. But he does say that a point could be reached where

environmental costs mean the mine isn't financially viable.

The company's pre-feasibility study says \$400-500 million is needed to bring the mine to production. (A feasibility study is due for completion this fall.) Costs include construction of a 100-kilometre access from the Haines Road to the mine, crossing the Tatshenshini River. Environmental groups say this would spoil wilderness tourism in the virtually untouched area.

Others in the northern mining industry are watching Windy Craggy's fate closely. "I feel if Windy Craggy is stopped because of this pressure and because of knee-jerk reaction from the government on it . . . that whole northwestern corner of B.C. might as well become a park," says John Kowalchuk of Placer Dome. "Because if Windy Craggy can't make it, nothing can make it." □

— Patti Flather



Exploration of Windy Craggy Property

- \$10.9 million spent on exploration of the property
- Main adit completed to 6,076 feet in May and north and south drill drifts driven an aggregate of 2,024 feet by September
- A 1,014-foot crosscut from the south drift completed in October
- Underground diamond drilling totalling 59,445 feet in 55 holes carried out between March and December
- Existence of a major massive sulphide copper deposit confirmed and a separate gold zone indicated
- Preliminary estimate of geological reserves in portion of main deposit drilled to date indicates 77 million tons averaging 2.4 per cent copper, 0.007 ounces of gold per ton, 0.082 ounces of silver per ton and 0.08 per cent cobalt, with doubling of tonnage anticipated as full strike length of deposit is explored.

Financial

- \$15.6 million of new equity capital raised through:
 - Private placement of 1,032,258 flow-through common shares and 1,666,667 ordinary common shares to Northgate Exploration Limited, with aggregate net proceeds to Geddes of \$6,338,000, giving Northgate a 22 per cent interest in Geddes Resources Limited at December 31, 1988. The subsequent issue of an additional 1,000,000 flow-through common shares to Northgate in February 1989 raised the latter's interest in the company to 27 per cent.
 - Private placement of 2,881,884 flow-through common shares to other investors, with aggregate net proceeds to Geddes of \$9,000,000.

2480 Wendy Craggy

The gold trail

Cominco Ltd. is working on two lead-zinc-silver properties in the Mac-Millan Pass area near the Yukon-N.W.T. border, says senior geologist Derek Rhodes. On the Tom property, optioned from Hudson Bay Mining and Smelting Ltd., Rhodes says the company will spend \$500,000 in cash and \$900,000 in work commitments. On Cominco's wholly owned Nidd property, Rhodes says \$400,000 million is budgeted, with shallow drilling on four to six holes.

The Hyland Gold property near Watson Lake is a joint venture of Silverquest Resources (40 per cent), NDU Resources (30 per cent), and Adrian Resources (30 per cent). In drilling this spring, nine of 11 drill holes intersected up to three gold-bearing oxide zones grading up to 4.9

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grams/tonne gold. Doug Eaton of Archer Cathro & Associates (1981) Ltd. says about \$500,000 is budgeted for 3 600 metres of drilling.

Eaton says another \$1 million will be spent on 3 600 metres of drilling at the Blende lead-zinc-silver deposit in the central Yukon. The funding is from Billiton Metals, on an option from NDU Resources. Eaton says \$1 million is also in hand for step-out drilling on the Marg property, a copper-lead-zinc-silver-gold showing in the same area. It's a joint venture of NDU (67 per cent) and Cameco (33 per cent).

Cassiar goes underground

In northern B.C., Princeton Min-
continued on page 11

Land claims issue still uncertain

The North has been a busy place for land claims this spring. Yukon Indians and the Dene-Metis in the Western Arctic both signed umbrella final agreements with the federal and territorial governments. The Tungavik Federation of Nunavut reached a land claims agreement-in-principle.

The mining industry welcomes the moves as steps towards greater certainty in land uses. However, there are still questions about new rules being developed under the claims — for example, in the Yukon, a Surface Rights Board will be created to mediate disputes. As well, the Northwest Territories Chamber of Mines believes that the interim land withdrawal and freeze in the North Slave region, combined with highly publicized difficulties this spring in reaching a final Dene-Metis settlement, have contributed to the exploration decline.

Tom Hoefer of the N.W.T. chamber adds, "I think there's still a little bit of fear on what the actual access regulations will be," on the Dene and Metis claim.

In the Yukon, the agreement gives 41 000 square kilometres or 8.6 per cent of the territory to 14 bands represented by the Council for Yukon Indians. Bands receive aboriginal title and subsurface mineral, oil and gas rights on 26 000 square kilometres of this.

The Dene-Metis claim gives the native groups full title to 181 000 square kilometres of land, with subsurface mineral rights on 10 000 square kilometres of this. They also receive \$500 million in compensation over 20 years.

Both agreements must be ratified by the respective government cabinets and the groups' native members.

As well, the Tungavik Federation of Nunavut and the federal government reached agreement-in-principle on settlement terms for what is the largest comprehensive land claim in Canada. The claim is for more than 17,000 Inuit in the central and eastern Arctic. Negotiations now move to the next stage, with a final agreement hoped for by late 1991.

The claim covers 1.9 million square kilometres plus adjacent offshore areas, with surface title to about 350 000 square kilometres and subsurface rights to 36 000 square kilometres. Financial compensation of \$580 million is also included. □


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