

May 24, 1991

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TO: V.A. Preto, Manager,  
District Geology,  
Victoria

MONTHLY REPORT -- NORTHWEST DISTRICT

MAY, 1991.

by  
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DISTRICT HIGHLIGHTS:

- On May 20, the portal for the decline was collared at the Tenajon/Westmin SB deposit near Stewart. The first ore is expected to reach the nearby Premier mill in late June.
- At the Snip mine on the Iskut River, which opened in January, millfeed grades (29.8 g/t Au) and tonnage throughput (330 tpd) have been slightly better than forecast. Al Samis, Chief Mine Geologist, attributes this to the aggressive, tightly-spaced surface and underground drill program completed prior to beginning feasibility studies. "The biggest benefit from that drill program is that we've had no bad surprises."
- Preliminary reserves at the Cominco/Redfern Tulsequah Chief VMS deposit have been increased to:  
8 m tons @ 1.55% Cu, 1.22% Pb, 6.81% Zn, 0.08 opt Au, 3.19 opt Ag.  
True widths across the massive sulphide mineralization range from 6 to 130 feet.
- Diamond drilling continues at the Black Dog Deposit on the Rock & Roll claim block (owned by Eurus Resources and Thios Resources). Recently published prelim. geological reserves are:  
640 k tons @ 0.072 opt Au, 9.8 opt Ag, 3.08% Zn, 0.79% Pb, 0.64% Cu.  
(Rock & Roll is here to stay.)

Dr. James MacDonald (MDRU) has reported that galena-lead isotopes from the Black Dog deposit have a Triassic signature, similar to Granduc, Anyox, and Kutcho Creek.

- In a recent Northern Miner article, "Prospects Excellent for New Mine Development in B.C." (May 13, 1991), all eight deposits mentioned lie north of 55°N latitude (Kincolith-Smithers-McLeod Lake).

GENERAL NEWS AND ACTIVITIES:

- Newhawk Gold Mines have announced new independent reserve calculations for their Brucejack Lake West Zone:  
550,000 tons @ 0.418 opt Au 18.0 opt Ag  
(fully diluted, mineable)  
Total geological reserves are:  
826,400 tons @ 0.449 opt Au 18.9 opt Ag  
(proven & probable)

(This Report then to GIB)

MS

cc.

See Greg's comments. Should take lead  
Dani Vic  
Miranda

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