

Schroeter May 1/96

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66) Black Crystal: I.M.P. Industrial Mineral Park Mining Corp. is nearing completion of construction on the flotation circuit to process crystalline graphite in the mill site on Koch Creek, near Nelson. The company has a permit to mine a 10,000 tonne bulk sample from the property. The pilot plant was reported to have a designed capacity of 400 tons per day. The company's goal is to have the mill completed by the end of May and to begin processing material. [TGS Comment: need to 'watch' this project - any comments?].

67) Blackwater-Davidson: Kennecott Canada has (unofficially) bought the polymetallic prospect in the Interior Plateau from Granges and plans a significant program this season. At the end of '96, Kennecott flew an airborne geophysical survey over the area; several anomalous areas have been identified, including two areas which might be underlain by an intrusive body. Kennecott proposes an in-house gravity survey to further test this hypothesis. Following ground surveys, the company hopes to drill in at least 2 areas later in the year.

50) Brett (cont'd): Huntington Resources Inc. has formally appointed Brad Thiele (formerly at the Elk project) as vice-president, mining. He will be responsible for the development of the gold project. [TGS Comment: good news-lends some credibility to the project].

8) Cariboo Gold Quartz (cont'd): At the request of regulatory authorities (VSE), the board of International Wayside Gold Mines Ltd. report that the "possible reserve" of 2 million tons grading 0.10 opt Au available in the Rainbow zone and the 1.1 million tons grading 0.12 opt Au at a 2.5 to 1.0 strip ratio in the Sanders zone has NOT been substantiated. The company continues to work on the property. [TGS Comment: Does this mean trouble i.e. not economic?].

42) Equity Silver (cont'd): Ted Hall (Apr. 26/96) reported that "contractors have mobilized at Equity Silver Mine to complete the decommissioning of the leach plant. Final removal of structures and completion of site reclamation are scheduled for completion by September." [TGS Comment: status of leach plant equipment - eg. who bought/where going/quality?].

52) Eskay Creek (cont'd): During 1995, Homestake Canada shipped 104,100 tons of high-grade ore containing approx. 197,000 ounces of gold and 9.9 million ounces of silver, equivalent to approx. 331,000 ounces of gold. Total cash costs were US\$185 per gold equivalent ounce. The ore was sold to smelters in Japan (46,800 tons) and eastern Canada (Noranda) (54,500 tons). In addition, a test lot of 2800 tons was sold to a smelter in Mexico. Gold and silver grades were 104% and 118% of the average ore reserve grade, respectively in 1995. The minesite workforce averaged 110 people. Of this total, 42 worked directly for the underground mining contractor. Based on current reserves (Jan. 1/96) of 1,019,468 tonnes grading 64.46 g/t Au, 2859.4 g/t Ag, 0.86% Cu, 3.07 % Pb and 5.43 % Zn, the mine has a projected life of approx. 10 years. It is the SIXTH largest silver producer in the world. By the end of '95, 4600 feet of development was completed, providing access to 10 stopes - allowing the company to better able to optimize ore blending to maximize smelter returns. The NEX/Hangingwall zones were discovered during on-site exploration, 16 drill holes tested the zone and outlined a potential resource of 227,000 tons grading 0.88

opt Au and 56 opt Ag. The company hopes to place this resource into the reserve category this summer. Additionally, the company plans to continue an aggressive exploration program both around the mine and in the Eskay Creek district in

1996.

During the 3 months ended March 31/96, shipments of ore were 28,600 tons containing 59,920 payable ounces of gold and 2.85 million ounces of silver, or 99,408 gold equivalent ounces. This 65% increase in production over the same period in 1995 primarily was due to higher than expected silver grades and to the completion of the first of two 2,750 ton spot ore sales to a smelter in the US. Total cash costs decreased to US\$162 per equivalent ounce compared to US\$186 in the previous year (a 9% decrease). Higher productivity, reduced underground development and increased metal production all contributed to the US\$24 per equivalent ounce decline in cash costs. Prime/Homestake is ahead of schedule to meet 1996's production target of 380,000 gold equivalent ounces at a cash cost of US\$185 per ounce. Late in the quarter, Homestake began underground drilling on both the NEX and Hangingwall zones; drilling will continue throughout the year.

68) Gold: U.S. Platinum Inc. has completed the purchase of the Gold claims

in the Bralorne camp. Previous exploration located 5 gold geochemical and several copper anomalies. The initial phases of the 1996 expl'n program will include prospecting, soil sampling and geological mapping in the largely unexplored SW portion of the claims. This will be followed by trenching and a minimum of 2000 ft. of diamond drilling. Chris Sampson (who is also directing the expl'n programs at Bralorne) will direct the field work.

69) Goldstream: Although revenues exceeded Imperial Metals Corp.'s forecast of \$20 million, poor ground conditions in the 250-metre panel forced a one-month shut down of milling operations resulting in an operating LOSS for the year of \$919,000. [Note: the mine closed in late Jan. '96].

70) Hawk (Perry Creek): Western America Resources Inc. has reached an agreement with Goosmus Mining and Exploration regarding claims in the Perry Creek area, one of the Kootenay's most productive gold placer areas (plus lode gold prospects). Three prime target areas have been identified over a 4-km long shear zone.

71) Huckleberry: With the recent announcement concerning developments at the Kemess and Mount Polley projects, 'eyes' have turned to this project. Princeton is raring to go; dependent in part on financial assistance from the Provincial government (yet to be signed off?).

72) Indata: Eastfield Resources Ltd. has received a report from Clear Creek Resources concerning the Feb. 1996 diamond drilling program on the porphyry copper-gold prospect 130 km NW of Fort St. James. A total of 6 holes totalling 1686 feet were completed and 3 holes were abandoned in overburden. All holes intersected chlorite, biotite and TOURMALINE- altered andesite and hypabyssal diorite variably mineralized by pyrite, chalcopyrite and pyrrhotite. Clear Creek has proposed a supplemental expl'n program of \$195,000 entailing an expansion to the I.P. grid and additional drilling.

73) Java: Kennecott Canada discovered and staked this porphyry Cu-Mo-Au prospect in the Interior Plateau in 1995. A Dec. airborne geophysical survey has revealed

- 3) Brandywine: La Rock Mining Corporation has begun its second phase of drilling; 5000 to 7000 ft. are planned to test an area approx. 1500 ft. southeast of the DP zone. The hope is that this zone and the McKenzie (MC) zone may be connected, thereby suggesting potential to significantly increase the "drill-indicated" 250,000 to 300,000 ounces of gold from the DP zone.
- 4) Corey: Kenrich Mining Corp. has released further encouraging results. Drilling of 22 holes has defined significant bedded, massive to semi-massive Au-Ag-Zn-Pb mineralization in the Hutchins 'horizon', to depths of 400 ft. The drilling was stopped due to the onset of winter; a large follow-up program is planned for next year. [TGS Comment: good potential for Eskay Creek-type].
- 5) Cottonbelt: CanQuest Resources Corp. has completed approx. 6000 ft. of drilling in 24 holes. Results indicate that at least one "ruler-shaped" mineralized body (the Cottonbelt zone) has been traced down its shallow southern plunge for 250m, with a height and width of approx. 115m and 4m respectively. The company hopes to find additional parallel stacked rods. Hole CB-95-24 intersected massive to disseminated chalcopyrite, sphalerite, pyrrhotite and pyrite over a width of 78 ft. A significant amount of magnetite and iron-manganese rock was also present (Goldstream setting?). The company believes that the horizon intersected is a new and previously undiscovered zone, separate from the Cottonbelt layer. The company plans a winter drilling program; dependent upon further financing.
- 6) Crow-Rea: Verdstone Gold Corporation has commenced diamond drilling of 15 to 20 holes, to total 2000 ft. from 3 different sites. To Nov. 7th, 3 holes had been completed.
- 7) Eskay Creek: Prime Resources Group Inc. has announced a potentially very ~~significant new~~ (exploration) discovery- the NEX zone, which appears to be a stratigraphic extension to the northeast end (near nose of major anticline) of the main 21B Eskay Creek orebody. 10 holes totalling approx. 1000m returned high-grade Au-Ag (plus sig. base metals) mineralization over widths of 1.5 to 9.6m. Hole NEX-95-8 returned 74.5g/t Au and 3129g/t Ag over 4.8m. The mineralization appears to be uniformly low in deleterious elements compared to the 21B zone. Homestake (operators) are currently in the process of drilling an additional 7 holes to help calculate a geological resource. The area is well located for mining access from the current underground workings. The 1996 exploration budget has already been increased to \$1.8 million and will include underground drilling and development. Underground development at the mine will now be accelerated. [TGS Comment: Great News!]
- 8) Fish Lake: Taseko Mines Ltd. has resolved to change the name of the company's Fish Lake project to the Prosperity project. The company states that the \$460 million project would take 26 months, with a construction workforce averaging 250 persons, and peaking at 700. Operations would commence with a workforce of 442 persons, peaking at 721 in year 23 of the 32-year mine life. Annual wages of \$60,000 per person are expected., creating 619 indirect jobs. The project is currently being reviewed by the EAO. [TGS Comment: a long way to go to make this