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Province of British Columbia Ministry of Energy, Mines and Petroleum Resources

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MEMO

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by

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HIGHLIGHTS

* American Barrick are new participants in the search for gold in northwestern B.C. (Oweegee Dome, Fox property), induced by Red Mountain discovery.

* Equity Silver mine ceased mining operations on Jan 23, having produced 66.7 million ounces of silver, 511 296 ounces of gold and 178.2 million pounds of copper since Oct 1980.

* Snip Mine will ship its auriferous sulphide concentrate to the Premier Gold mill for processing into dore bars, on a one year contract.

* Scottie Gold Mine will be revived by Cheni Gold Mines Inc., under contract from Royal Scot. Reserves are reported to be 35,000 tons broken ore and 30,000 tons drill indicated.

* Houston mayor has written a strongly worded letter to Premier Harcourt asking the Province to intercede in Prime Resources' decision to forego construction of the Houston treatment plant in favor of ore shipment to smelters outside B.C.

* Community of Stewart proposes to invite the **Honourable Anne Edwards** to a "Mining - Past, Present and Future" tour this summer to demonstrate their support for mining as a community benefit. Reclamation at Granduc mine and tourism benefit of the access road, current mining at Premier Gold and eagerly anticipated future development of Red Mountain. If this tour is implemented EMPR regional staff should be involved so that the Minister can be apprised of issues such as Bear Pass PAS.

FIELD ACTIVITIES

* Eskay Creek (Albino Lake) drill core was examined in Vancouver on February 23 with Exploration Geologist Dave Kuran and others (see below). Prime drilled under Albino Lake at the request of MDRC, to determine if ore might be alienated by using the lake as a disposal site for potentially acid-generating mine waste rock. Albino Lake claims are owned by Tagish Resources who have been uncooperative with Prime/Homestake Eskay Mine development proposal and authorization for Prime to conduct the drilling on Tagish claims was granted under a temporary occupation permit from the Lands ministry. The core was sealed as it was drilled and not exmained until the boxes were opened in Vancouver. Geologist Ken Hicks represented Tagish; Steve McAlpine and John Turney were also present for Prime/Homestake. The Regional Geologist was asked to provide an independent assessment of the core, in case of a dispute between Tagish and Prime