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June 1997 Monthly Report
for the
Northeast-Central Region
by
Bob Lane, Regional Geologist, Prince George

HIGHLIGHTS

Kemess. A road block was constructed on the ORAR by the Tsay Keh Dene band at Black Pine. Royal Oak is attempting to have the blockade removed by court injunction (Note: the blockade was removed voluntarily by the Tsay Keh Dene on July 4 and discussions between representatives from Royal Oak, First Nations and the provincial government will hopefully resolve the outstanding issues).

Presented Exploration Overview talk in Tumbler Ridge, on June 4, as part of the informal Coal Symposium, organized each year by Barry Ryan (GSB-Victoria). Approximately 30 locals took in the talks which focused on coal fluidity (Ryan), Jade (Lefebure), Arctic coal (Rick Richardson), and updates of Quintette (Helene Lukey) and Bullmoose (Dan McNeil) operations.

MINES and MINE DEVELOPMENTS

QR. The Main pit has been shut down temporarily while engineering studies are completed on an area of possible failure in the ramp area. In-pit reserves contain an estimated 6,000 to 8,000 ounces of gold. Stockpiles contain approximately 2 months of millfeed. Underground development on the Midwest zone will enable mining to proceed, from the 985 level, within weeks. Development of the Southlobe pit (West zone) has not yet begun. Exploration and underground development is ongoing (see below).

Quintette. Toured the Shikano pit and Babcock (Little Windy-phase 1) developments with Ryan and Lefebure on June 5. La Prairie Contracting (Tumbler Ridge) will mine and stockpile approximately 500,000 tonnes of met. coal while they are constructing about half of the 9.5 km mine access road to the Babcock site. At the time of our visit about 150,000 tonnes of coal had already been stockpiled. The project is scheduled to be in full operation by 1998 with projected annual production of 2 million tonnes. Reserves will be mined out by 2003. Quintette's total planned clean coal production for 1997 is 4.4 million tonnes.

Bullmoose. An exploration/geotech drilling program, consisting of 50-60 rotary holes each averaging approximately 80 metres in length, is planned to get underway in September on the West Fork deposit.

Hannandor. The Hannandor placer gold property, owned by Gallery Resources, is located 22 km east of Quesnel and consists of 12 placer leases that cover a portion of Lightning Creek, as well as benches north and south of the current channel. Project consultant Terry Garrow provided a tour of operations on June 19. Production in 1997 began on May 10. Pay gravels are trucked from the North Moustique pit several kilometres to the plant site in the old Hannandor pit. The 150

yard/hour plant presently operates at about half capacity, or 500-600 yards/day, but will reach full capacity in the near future when a second 30-tonne haul truck is acquired.

Mount Polley. Visited with mine geologist Chris Wild on June 20 and examined the most recent face in the starter pit as well as diamond drill core from this years exploration drilling. An 11-hole diamond drilling program has been completed. It was aimed at identifying ore grade material on the east and south margins of the Cariboo pit. Part of this years exploration program also includes an IP survey to be completed over the Road zone and a property-wide bedrock mapping program that will be tied in with mapping the pit as new faces are developed. Official mine opening has been rescheduled to September (from August 8th).

FIELD WORK

Located and sampled fossil (psuedomonotis?) locality in the Pine Pass area on June 5. Samples are on display in the Prince George office.

Spent June 6 with Bob Ormand, PA grant recipient, on his **Bob** claims southwest of Windy Point. Report to Gary Payle (GSB, Victoria) in progress.

Visited the **Gold Panners Paradise** mineral claims owned by George Jennex, on June 9. He has big plans to operate a placer 'theme park', but does not yet own the surface rights to the area. Potential for lode gold exists on the property in an area that the old timers apparently did not mine. Presently, small scale placer mining is taking place in one pit.

Spanish Mountain and Gold#1 properties. Investigated claims with owner, Bob Mickle, that cover the north flank of Spanish Mountain down to Spanish Creek and partly surround the CPW claim (owned by Eastfield Resources), that hosts high grade gold veins. Last year the property was trenched by Cyprus Canada. Mineralization consists of millimeter to 30-centimetre wide quartz-sulphide veins that occur sporadically throughout graphitic and phyllitic argillites and siltstones of the Nicola Group. Pyrite is the dominant vein sulphide, and where it is not obliterated by oxidation, occurs as subhedral to euhedral masses in the veins. Near surface, pyrite is partly to completely oxidized leaving a well developed boxwork texture. Native gold occurs as delicate jagged grains within the limonitic boxwork indicating that gold is, or was, intergrown with pyrite. The veins also carry trace amounts of euhedral galena, chalcopyrite and tetrahedrite. This property has the potential to host a bulk tonnage gold deposit.

Ace. Visited the Ace property with Trygve Hoy, Fil Ferri and Ray Lett on June 26. Barker Minerals continues to evaluate the property, located east of Cariboo Lake, for its' potential to host a VMS deposit. Trenching and test pitting began in mid-June and is targeting coincident IP-boulder train geochem anomalies near 26 km on the 8400 road. Bedrock exposed in trenches consists of quartz-sericite and quartz-biotite (chlorite) schists that typically contain trace amounts to 2-3% sulphides (pyrrhotite, pyrite and chalcopyrite). The more mafic varieties typically are more sulphide-rich. The foliated rocks are cut by quartz-sericite-sulphide veins up to 1 metre wide. Vein sulphides also include pyrrhotite, pyrite and chalcopyrite, but galena has also been noted. Several trenches, off Colleen Road, from the late-1996 program, were also examined. They exposed grey phyllites and a one-metre wide quartz-sulphide vein. The company has plans for an expanded exploration program, including diamond drilling, but may not proceed with it if its attempt to obtain a listing on the ASE is not successful.

QR. Senior Exploration Geologist, Jim Fortin, and recently hired Mine Geologist, Steve Phillips, provided Ed Beswick and me with an update and tour of underground development work on the

Midwest zone on June 25th. Approximately 500 metres of drifting has been completed so far this year and the 985 level is now fully developed. Several new, but small, ore zones have been encountered (including ore grade material located entirely within the siltstone unit (hanging wall) and a zone of disseminated tetrahedrite in the volcanics at the siltstone-volcanic contact. Other activity includes: reserve drilling on the fringes of the West zone and diamond drilling on the North zone (2 holes completed so far). Additional drilling is scheduled for the North and East zones and a mapping and sampling program will proceed on Kinross' claims south of the Quesnel River.

Our visit included an examination of the pending failure in the ramp area of the Main pit. Movement of approximately 12 cm has occurred along one fracture plane that dips toward the base of the pit. Several cracks have also appeared in the ramp. The company and its consultants are considering several options to stabilize the situation including backfilling part of the pit with waste rock from the West zone open pit development.

Hampton Placer Claims. Bob Hampton provided Ed Beswick and me with a tour and overview of activity on his placer leases, near Likely, on June 25. The property is not currently active, but some prestripping has been completed. Mining will only proceed when/if the price of gold rebounds to the US\$400 per ounce level.

Lloyd-Nordik. Visited with Lloyd Tattersall and Stu Tennant of Big Valley Resources on June 27. Diamond drilling on the Lloyd 2 zone and its western extension has been temporarily suspended. The drill has been moved to the company's Morehead Creek project, located 3 km south of QR. A total of 22 holes were completed on the western extension. An examination of the drill core suggest that this is zone is a more typical alkalic porphyry system (disseminated pyrite and chalcopyrite in potassically altered monzodiorite and intrusion breccias) than is the Lloyd 2 zone. Assay results are generally low grade (i.e. hole 97-99: 104 metres grading 0.12% Cu and 0.02 g/t Au).

Layers. Owner/operator Don Williams provided Ken MacDonald and me with a tour of the Layers 1-4 claims on June 30. Industrial mineral potential is in varicoloured, cherty or chalcedonic quartz layers, exposed along the east bank of the Fraser River. Individual beds are up to 0.5 metres thick and colours range from a vitreous pale green to dark grey to red. Low grade rhodonite (white to pale pink with abundant manganese oxide) was also noted. The claims produced aggregate and stucco dash in the late 1960s.

EXPLORATION MONITORING

Brenda. Diamond drilling has begun on the Brenda Cu-Au porphyry prospect in the Toodoggone.

JD. A due diligence of AGC Americas Gold Corp., and its holdings in the Toodoggone region, by Antares Exploration and Mining, was to be completed by June 30. The pending deal would secure several years worth of exploration funding for the Toodoggone properties, including JD, AI and Moose, as well as the Lawyers past producer, and result in Antares becoming the majority (55-60%) owner.

Received NoW for exploration programs on the **Pine** (north of Kemess) porphyry prospect, **Soup** (Johanson Lake area) gold-magnetite skarn prospect, Other Activities

Swan. Stratabound Minerals Corp. plans to drill 6 holes on its MVT Zn-Pb-Ag prospect south of the Swannell River in the Lay Range.

Examined several samples of altered ultramafic rocks (listwanite and serpentinite) brought to the office by Bill Poole (Cariboo Forest Products) from the **Blackwater River** area. A visit to the area is planned for July 29.

OTHER

Attended Cariboo Mine Development Review Committee meeting (June 24) in Williams Lake. Included were updates on planned developments at the Cariboo Gold Quartz and Lloyd Nordik projects.

Was part of interview panel for the MRO competition that was won by Jamie Pardy.

Helped construct and dismantle U/G mine for Mine Rescue Competition and attended the awards banquet (460 in attendance).

Spearheading effort to get the Exploration in BC volume produced much earlier than has been the case in the past. It's a "ready-for-Roundup-or-bust" approach. Funding to cover editing and printing costs have been set aside in the Victoria-ROHS budget and the Communications Branch is onside. The deadline for the first draft is October 31.

EXPLORATION STATISTICS

A total of 429 Notice of Work submittals have been received (278 placer, 108 mineral, 2 coal and 3 quarry).

23 visitors signed in to use the Research Library during June.

Time Distribution

	#days
Prince George office	9
Cariboo MDRC meeting	1
Travel	2
Fieldwork	9
Total	22



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