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**Subject:** Blue Ice property comparables

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Ross - I've had a quick look at BC Exploration Reviews for 1988 and 1989 (Information Circulars 1988-1 and 1989-1) in an attempt to find similar properties which were the subject of transactions. I was unable to find any in the general area of the Blue Ice property but did identify several gold prospects with resource numbers elsewhere in British Columbia and on which active exploration programs were underway in 1988 and 1989. While not necessarily the same style of mineralization as the Blue Ice they do include epithermal and mesothermal types in a variety of geological terranes.

I was able to find some very summary details of transactions that took place in or close to the time frame of late 1988 to late 1989. The principal sources of this information were Canadian Mines Handbooks for 1988-89 and 1989-90. No doubt WGM has a much more extensive database which may contain more details with respect to the situations that I refer to.

You will note that in all cases, these transactions were between junior and/or senior companies. I provide a reference to a deal between an individual and a major but no details were available in the Canadian Mines Handbooks.

The first comparable is a deal between Placer Dome Inc. and Fairfield Minerals Ltd. with respect to the Elk gold prospect west of Peachland in the Okanagan area of south-central BC. The Elk includes a mesothermal, narrow quartz vein with very high grade gold values hosted by granitic rocks. Placer Dome held an option to earn a 50% interest by incurring expenditures of \$2 million and making payments to Fairfield totaling \$500,000. While Placer Dome subsequently walked away, it's worthy of note that this property has seen some limited production and full scale production is being considered by a successor company of Fairfield.

A second comparable pertains to the Dome Mountain gold prospect near Smithers in west-central BC. This too is a mesothermal veins system with an initial reported resource of 300,000 tonnes averaging 12.17 g/t gold. Teeshin Resources Ltd. held the property in the late 1980s and entered into an arrangement with Total Energold Ltd. whereby Total could earn a 50% interest by providing 80% of capital expenditures (amount not known) required for production. This project suffered from several legal proceedings resulting in Total Energold leaving the project; some production was subsequently achieved by a company by the name of Timmins Nickel. Most of the original resource remains.

A third transaction relates to epithermal gold mineralization hosted by Mesozoic volcanics on the Doctor's Point prospect on the west side of Harrison Lake about 100 km east of Vancouver. A resource of 110,000 tonnes grading a little more than 2 g/t gold was reported by Rhyolite Resources Inc. who entered into an agreement with Universal Trident Industries Ltd. which provided Universal with an option to earn a 51% interest by incurring expenditures of \$2.27 million and making cash payments to Rhyolite totaling \$230,000 over a four year period. Work was reported in 1988 and 1989.

Three other examples worth mentioning but for which I was unable to find any details include a Consolidated Silver Standard Resources prospect known as Smith-Nash situated 20 km east of Kemano in the central Coast Mountains. A 2.2 metres wide mesothermal quartz vein is reported to contain a resource of 20,000 tonnes grading 10.40 g/t gold. Fleck Resources held an option to earn a 50% interest in 1988 and some drilling was reported but no details of the transaction are reported in the 1989-90 Canadian Mines Handbook. Apparently some details are reported in Consolidated Silver Standard's annual report for 1988 but I was unable to locate this.

Another example may be the arrangement between Cathedral Gold Corporation and

private parties

concerning the former Surf Point and Eyde Pass gold mines on Porcher Island southwest of Prince Rupert. Some modest production was achieved in the 1930s and the property was in private hands when Cathedral made a deal, apparently in late 1988. Cathedral undertook significant work programs in the late 1980s and reported a resource for one zone of 1 million tonnes grading 7 g/t gold. I could find no details of the property agreement but these may be available in Cathedral ( a subsidiary of Imperial Metals) annual reports.

Finally, I found reference to Bond Gold's acquisition of the Willoughby Creek gold prospect (east of Stewart on the north coast) from a prospector in late 1988 - early 1989. Bond undertook a major program on this property and discovered the Red Mountain property during a helicopter run to Stewart for supplies while working on the Willoughby project. No details of the transaction were found - they may be available in one or more of Bond's (or Lac's) annual reports for that period.

I hope there's something in the foregoing narrative that will be of assistance to you. Let me know if I can possibly provide additional information.

Best regards,

Nick