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To: NICK CARTER
From: Terry Macauley

Re: Trout Lake moly property

Here is the info you requested. Ever since Newmont let the core claims come open several years ago, prospector Lloyd Addie and Bob Bourdon (and poss. others) have held the ground covering, the moly deposit and the adit portal. The adit is production size (12' x 15') with 2,100 m of workings, including 770m of drifts and x cuts within or near the deposit. Newmont retains 7 crown grants. The adit passes thru one of them; the deposit is just outside them. The prospectors have been trying to interest exploration companies in the property, and some have examined it and studied the possibility of mining the higher grade portion.

See Addie's Sept.8 and Bourdon's Sept 11 submissions to www.miningtaskforce for before/after photos. When Addie arrived at property in Aug/03 he found contractor 75% of the way thru a total reclamation program on their property. He demanded work to stop; MEMPR gave approval to Newmont's contractors to resume work and the job was completed. Now the claim owners and other advocates like John Murray and John Chapman are saying that Chamber should pressure MEMPR to see that this doesn't happen to other properties containing unmined mineral deposits, especially destruction of drill core that is so useful in trying to attract developers. So the Chamber has formed a task force to be headed by Barry Price and Ben Ainsworth. I agreed to go on it because of my knowledge of Trout Lake, but am not very knowledgeable of reclamation requirements or ARD and all the other environmental factors.

I spent a day at the Chamber reviewing two large reports filed with MEMPR by Newmont's consultant Rescan Environmental Services:

- 1) Site Audit dated Oct/97
- 2) Project Closure Plan dated April/03

The site audit showed 5 water samples from adit having PH of 7.3 to 7.8. Mo content was below the maximum for drinking water but slightly above the maximum for livestock watering. Their rock sampling showed potential for ARD from the mineralized stock piles.

The closure plan gave a detailed description of recommended work - the scale of it was astounding to me. If done according to the estimates, it involved relocating 17,000 t of adit rock, crushed rock from the bulk sampling, crushed rock in steel drums, drill core(!) into the area of the concrete bins, compacting it all in 0.5 m layers, covering with overburden, and if no adequate soil could be found, covering it all with 900 t of biosolids from Vancouver sewage ! Site to be inspected for 3 years to measure effectiveness.

There was

only a brief mention in the plan that destruction of drill core might be of concern for exploration.

It seems amazing to me that neither Newmont, its consultant or MEMPR contacted the claim owners to advise what was being planned, and giving them a chance to voice any concerns and even plead for preservation of the core. There were 38 surface DDHs (16,700 m) drilled in 1970 - 79, and 87 UG DDHs (22,150 m) drilled in 1980-81. Dave Caulfield recently contacted Newmont and said they were a little remorseful if their reputation among prospectors may be harmed. They also told him the reclamation cost US \$300,000 (!) and that they were dealing the crown grants to a Toronto-based group.

This matter of liability for past exploration reclamation can be a real stumbling block in trying to interest newcomers. It was stated at the advisory board meeting that Noranda has not closed its option of the Sulphurets from Seabridge because MEMPR will not give them any assurance that they will not be responsible for past work reclamation. Apparently Noranda suffered a huge cost (\$50 million mentioned) at an Idaho cobalt property in a similar case.

In closing, it appears that MEMPR is going out of its way to do total reclamation even where no ARD problems exist, and is unmindful of the damage being done to property owner's interests. As you know, it is dangerous to conclude that these properties having mineral deposits presently uneconomic have been adequately explored, and no further work is justified in the future.

Terry