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Afton - Abacus

TOR → Afton

Schroeter, Tom EM:EX

(Ajax West)

From: Schroeter, Tom EM:EX
Sent: Thursday, May 19, 2005 12:16 PM
To: Cathro, Mike EM:EX; Seguin, Joe EM:EX; Rothman, Stephen EM:EX; Freer, Geoff EM:EX; Hermann, Fred EM:EX; Bellefontaine, Kim EM:EX; Howe, Diane J EM:EX; Carr, Chris EM:EX
Cc: Lefebure, Dave EM:EX
Subject: RE: Abacus options Afton mill/permit from Teck

Yup - interesting happenings. Any room for a new major (e.g. Newcrest, Gold Fields) swooping in and gobbling up both Abacus and DRC ground (i.e. the whole camp)? I know I've been talking to both of them recently.

Tom

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-----Original Message-----

From: Cathro, Mike EM:EX
Sent: Thursday, May 19, 2005 12:12 PM
To: Seguin, Joe EM:EX; Rothman, Stephen EM:EX; Freer, Geoff EM:EX; Hermann, Fred EM:EX; Bellefontaine, Kim EM:EX; Howe, Diane J EM:EX; Carr, Chris EM:EX
Cc: Lefebure, Dave EM:EX; Schroeter, Tom EM:EX
Subject: Abacus options Afton mill/permit from Teck

FYI, this news release describes an important deal in the Afton district. Abacus will take over Teck Cominco's milling facilities, tailings pond, permits surface rights and other infrastructure in exchange for \$10 million and 18.5 million shares of Abacus. Not clear how much of the surface rights Teck will retain through continued ownership of Sugarloaf Ranch. Teck's regional exploration office (old mine office) is excluded from the deal. Teck will become a major (controlling?) shareholder in Abacus (36% of stock is my guess).

The NR also provides some new resource estimates for relatively low grade deposits (Rainbow, DM, Audra) relatively close to the mill. Stripping ratio not provided but will be a key factor if these deposits are ever mined (Rainbow in particular is deep). Abacus is planning a big drilling campaign again this year.

DRC Resources had also been trying to make a deal with Teck Cominco on the permit/mill/pond. Expect a deal between Abacus and DRC in the future? DRC says it is "good news" because it means Teck Cominco is coming back into the district (and it may be easier for them to negotiate with Abacus). DRC's decline is now 890 metres long and drilling is continuing from underground.

Expect there will be a request to transfer permits/liability etc over to Abacus.

Some obvious questions from our end:

Bond review necessary? Review pit safety/liability agreement with DRC? Abacus mine manager? FN consultation? Reclamation plans?

Mike

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Press Release Source: Abacus Mining and Exploration Corp.

Abacus Signs Letter of Intent to Acquire Teck Cominco's Afton Mill and Infrastructure & Preliminary Resource Estimates Received on Rainbow and DM/Audra Zones
Tuesday May 17, 5:18 pm ET

VANCOUVER, British Columbia--(BUSINESS WIRE)--May 17, 2005--The Directors of Abacus Mining and Exploration Corp. (TSX VENTURE:AME [- News <http://finance.yahoo.com/q/h?s=ame.v>](http://finance.yahoo.com/q?s=ame.v&d=t); the "Company") are pleased to announce that a **Letter of Intent** has been signed with **Teck Cominco Limited** (TSX:TEK.MV.A [- News <http://finance.yahoo.com/q/h?s=tek-mv.to>](http://finance.yahoo.com/q?s=tek%2dmv.to&d=t); TSX:TEK.SV.B [- News <http://finance.yahoo.com/q/h?s=tek-svb.to>](http://finance.yahoo.com/q?s=tek%2dsvb.to&d=t); "Teck Cominco") for the **purchase of Afton Operating Corporation's milling and processing facilities, tailings storage areas, associated permits, and other infrastructure at the past-producing Afton Mine** located near Kamloops, British Columbia. The Company has also agreed to purchase Teck Cominco's back-in rights on the Company's Afton properties.

The Directors are also pleased to announce that Mr. Gary Giroux, M.A.Sc., P. Eng of Giroux Consultants Ltd. has completed the preliminary resource calculations on the DM/Audra zone and the Rainbow zone.

Doug Fulcher, President of the Company states, "This is a very important step for the Company and gives us a significant competitive advantage in the Afton camp. Acquiring the infrastructure will significantly advance the timeline of our development process and considerably reduce future capital costs. The tonnage and grade numbers are consistent with similar copper-gold porphyry deposits in British Columbia. At a 0.20% copper cut-off grade, we now have over 75 million tonnes of indicated resources in the DM/Audra and Rainbow zones. Coupled with an aggressive drill program this summer, we expect to advance the **project to a pre-feasibility stage by the end of 2005.**"

Teck Cominco Senior Vice President of Mining, Mike Lipkewich, states, "Teck Cominco is pleased to participate in Abacus' ongoing program in the Afton camp through this transaction."

Under the Letter of Intent with Teck Cominco, the Company will acquire the mine facilities, associated permits, surface rights and related equipment, as well as the back-in rights, by issuing 18.5 million shares and \$10 million cash to Teck Cominco over the next two years. Completion of the transaction is subject to definitive documentation, receipt of necessary regulatory approvals and customary conditions of closing. Upon completion of closing, Teck Cominco will become a significant shareholder of the Company.

The following DM/Audra and Rainbow resource models are based on 35,000 metres of diamond drilling completed by the Company as well as drilling completed by previous operators. The DM/Audra and Rainbow zones remain open along strike and at depth and expanding these zones will be the major focus of the next phase of drilling, which is expected to begin in the next few weeks. Mr. Giroux is the Qualified Person for the preliminary resource estimate as defined under NI 43-101. His report will be filed on SEDAR within thirty days from the date of this release.

RAINBOW RESOURCE MODEL
Indicated Resource

Joe → Afton
(Abacus)

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Wednesday, October 13, 2004 11:27 AM
To: Wuschke, Steven EM:EX; Lefebure, Dave EM:EX; Grant, Brian EM:EX
Cc: Logan, Jim EM:EX; Mihalynuk, Mitch EM:EX; Seguin, Joe EM:EX; Schroeter, Tom EM:EX; Freer, Geoff EM:EX
Subject: Good Results from DM Zone, Abacus Mining

FYI - attached below is an Abacus Mining news release detailing some good results from drilling on the DM Zone, located midway between the Afton and Crescent pits, or about 1 km east of the Afton mill building. Beginning at just 6 m, hole 6 cut over 300 m grading 0.42% Cu and 0.2 g/t Au plus a little palladium. It was drilled almost directly down the plunge of this previously known zone in order to "test continuity and depth extent". This is quite a deep hole and suggests that there may be a larger, deeper mineralized body, perhaps similar to the Afton Southwest zone on the adjacent DRC Resources property.

A little historical background is useful here. Previous Teck Corp. drill holes at DM (mainly in 1987) only went down to about 150 m, the economic limit for small open pits in those days. Teck calculated a resource for DM of 2.69 million tonnes grading 0.38% Cu and 0.2 g/t Au, a little bit bigger but a bit lower grade than the nearby Crescent deposit. This was during a period that Teck was mainly interested in finding near surface, open-pittable ore that could help bridge the gap between the end of mining at Afton (June 1987) and the beginning of mining at Ajax (Nov 1989). The two small Crescent and Pothook pits were mined during this time. (For comparison, DRC's Southwest zone extends from about 250 m (pit-bottom) to over 900 m depth and would have to be mined underground)

I visited the site last week and viewed core from hole 17, drilled under the Audra zone, a few hundred metres to the east of DM. Hole 17 hit impressive bornite-chalcopyrite mineralization over about 100 m beginning at 168 m depth, and the grades are expected to be higher than hole 6. (CONFIDENTIAL).

In both cases, mineralization is associated with strongly potassium-feldspar altered breccia, not unlike Afton Southwest and the Polley Northeast zone.

In summary, these results are encouraging and suggest the possibility of a much larger, deeper deposit than was previously known in the DM-Audra area. Expect perhaps 15,000 m of drilling in this area before year-end.

Note: this area is being studied by Logan/Mihalynuk as part of the GSB-Abacus partnership.

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Abacus Mining & Exploration Corp. - 300 Metres of Copper-Gold Mineralization Intersected at DM Zone

Wednesday October 13, 11:08 am ET

TORONTO, Oct. 13 /CNW/ - Abacus Mining & Exploration Corporation (TSX.V:AME) (the

"Company") is pleased to announce assay results from DM, Audra and Crescent areas on the Company's Afton properties near Kamloops, British Columbia. The results represent the first three drill holes completed from the Phase II diamond drill program that began in September.

All three holes were completed in the DM zone, an area lying one kilometre east from the past producing Afton Pit. The DM zone is the western most zone within a 2.5 kilometre mineralized trend. This mineralized trend is part of a 5 kilometre long structural corridor that extends from the Afton Deposit in the west to the Big Onion deposit in the east. The results from the first three holes of the Phase II program are as follows:

Drill Hole	Dip (deg)	Azimuth (deg)	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Pd (g/t)	Cu equ. (x %)
DA04-006	-79.0	133.0	6.0	314.9	308.9	0.42	0.20	0.06	0.58
Incl.			153	314.9	161.9	0.56	0.26	0.07	0.77
Incl			153	183.0	30.0	0.72	0.32	0.07	0.97
Incl.			291.0	314.7	23.7	0.85	0.49	0.09	1.23
DA04-005	-54.2	132.3	146.5	289.5	143.0	0.40	0.26	0.08	0.61
Incl.			146.5	176.5	30.0	0.60	0.54	0.19	1.05
And			256.6	289.5	32.9	0.49	0.19	0.05	0.64
DA04-004	-49.2	133.0	6.1	132	125.9	0.25	0.11	0.01	0.33
incl.			6.1	24.0	17.9	0.41	0.20	0.13	0.60
and			78	132	54.0	0.30	0.12	0.11	0.42
incl.			102	132	30.0	0.34	0.15	0.20	0.52

(x) Copper equivalent determined using US\$0.90/pound copper, US\$400/ounce gold, and US\$200/ounce palladium.

The first two holes (DA04-004 and DA04-005) were drilled on section 6 (see drill plan map at www.amemining.com), which is a 30-metre step-out southwest of DA04-003, to test the western extent of the mineralization. Drill hole DA04-006, drilled on section 7, is positioned within the area of known mineralization and designed to test the continuity and depth extent of the zone. DA04-006 intersected over 300 metres of mineralization and ended in the near vertical southbounding fault. The mineralization remains open at depth.

The mineralization at the DM zone is very similar to that mined at the Afton pit and consists of chalcopyrite with lesser bornite hosted by Cherry Creek monzonite and structurally controlled Cherry Creek intrusive breccias generally in fault contact with Pothook diorite. The historical drilling indicates that two known mineralized DM intrusive breccia bodies appear to be coalescing at depth. On a larger scale, geophysical IP anomalies also indicate that the DM, Audra and Crescent zones are part of a much larger (2.0 km x 0.5 km) system. The Audra zone, also hosted by an intrusive breccia, lies

approximately 600 metres east of the DM zone and has received only very limited drilling.

Mr. Doug Fulcher, president of Abacus states, "The near surface results from this phase of drilling highlights the potential of the area to host a significant near surface deposit. Current work will continue to focus on the over two kilometre long zone that hosts the DM, Audra and Crescent zones."

Mr. Robert R. Friesen, P. Geo and Mr. Robert Darney, P. Geo are the qualified persons responsible for the exploration program and have based their work on a National Instrument 43-101 technical report (Comet Davenport technical report) by Mr. Darney. Eco Tech Laboratory Ltd. of Kamloops, B.C. has completed all of the Company's analytical work on the project. A quality control program, using specific standards and blank samples is ongoing, using Eco Tech and ALS Chemex Labs of North Vancouver, B.C.

Drilling is ongoing at the DM/Audra and Crescent area. Results will be released as they become available.

On Behalf of the Board,
ABACUS MINING AND EXPLORATION CORPORATION

"Doug Fulcher"

Doug Fulcher
President

The TSX Venture Exchange has not reviewed and does not accept the responsibility for the adequacy or accuracy of this news release

Schroeter, Tom EM:EX

TTC → Afton
- Region

From: Cathro, Mike EM:EX
Sent: Tuesday, June 29, 2004 1:25 PM
To: Schroeter, Tom EM:EX
Subject: RE: Afton Update

Thanks Tom, that's jives with what mike told us a week or so ago. I gather they should be tunneling in Aug. I will put them down for an estimate of \$5 m incl perhaps 500-1000 m decline and about 10,000 m of drilling (out of 25,000 m total)

I was worried this would happen with DRC, and that is why I've tried to keep the estimate on the conservative side. My regional forecast of \$15-20 million is still OK at this point - my running total is at about \$15 million of which about \$5 m has been spent already and another \$5-8 m is a pretty safe bet.

DRC is also drilling now at Ajax and I'm counting that as a separate project. Supposed to be some interesting results coming out of there.

Abacus will have drilled about 49,000 ft by first week of July (approx \$1.5 million). They will be taking off most of the summer and expect to drill another 50,000 ft in the fall (\$1.5 m), mainly in the DM-Audra area.

Mike

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-----Original Message-----

From: Schroeter, Tom EM:EX
Sent: June 29, 2004 12:58 PM
To: Cathro, Mike EM:EX
Cc: Lefebure, Dave EM:EX
Subject: Afton Update

Gentlemen - attended DRC's AGM this am. Good turnout/representation from interested mining company suitors (e.g. Newcrest), concentrate buyers from Asia (Mitsubishi, Dowa and Sumitomo) and brokerage houses (Dundee Securities and Woolverton Securities). In discussion with Mike Hibbitts, it sounds like DRC will be lucky to spend ~\$5M **this year**, before the end of December (Note: this represents a big/significant change to our original estimate of ~\$14M; the remainder will be spent in 2005. The total underground project is estimated to take 12-13 months to complete; it is forecast to commence sometime later in August). As you know, DRC currently has >\$24M (raised last Nov.) to work with; in addition, it is seeking further (comfort) financing in the market.

Tom

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TGS → RG
— Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, December 06, 2002 12:22 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim SRM:EX; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro weekly to 12/6/02

Had ck.

Minister Neufeld's visit to Kamloops - Minister met with community leaders to discuss the Energy Policy and BC Hydro. Adams and Cathro attended at the invitation of MLA Krueger's office. Some discussion of mining and coalbed methane, including a comment from the Minister to the effect that "the Province would arrange for BC Hydro to return the **Hat Creek Coal rights** to the Province, so that the private sector could evaluate the coalbed methane potential and the mining of thermal coal for export" (Hydro contacted our office this week to say they are giving up the coal rights, and wanted to know about reclamation requirements). The Minister also said that **mineral exploration spending would be about "\$50 million this year"**, which is considerably higher than the \$36-40 million estimate of the RGs/MDO. The Minister's office should probably update their figures.

Kamloops LRMP - Jim Britton (MSRM) reports that the Kamloops Plan Monitoring Team met this week with mining represented by Leo Lindinger (KEG) and Larry Lutjen. No significant decisions were made although the group was supposed to discuss the **addition of nearly 1700 Ha to the Bonaparte PA**. In addition, BC Parks has been discussing with the City of Kamloops an idea to **add another 650 Ha to the Lac Du Bois PA** along the city boundary. Examination of claim maps in these areas shows numerous unnecessary No Staking Reserves which we have again asked to have removed (a complete review of all the Kamloops NSRs was promised to the mining sector when the LRMP was completed 7 years ago, and it still hasn't been done). In a related issue, Bill Hall will ask MLA Krueger to try to push through a minor amendment and removal of land from the Lac Du Bois PA (approx 100 Ha) to allow small scale mining of a **precious opal prospect**. BC Parks has previously opposed this boundary change. If BC Parks want to amend various park boundaries to add big chunks of ground, why can't a small piece be removed at the same time???

Afton Mine (DRC Resources) - Another excellent hole released from the northwest portion of the deposit, beneath the west wall of the pit. Hole 66 hit 200 m (beginning at 446 m) grading 1.20% Cu, 1.7 g/t Au, 0.21 g/t Pd and 4.3 g/t Ag, including 24 metres (beginning at 452 m) grading 2.43% Cu, 4.2 g/t Au, 0.31 g/t Pd and 6.6 g/t Ag (or 5.45% Cu equivalent). The question out there is...is the grade of the deposit high enough to be mined underground?

DP / Tulameen Platinum (Bright Star Ventures) - somewhat disappointing results released for 6 holes drilled into the eastern DP anomaly near Olivine Mountain. Although broad zones of anomalous copper-PGE values were encountered, there were no ore-grade intersections and the Cu and PGE values do not appear to correlate. The best results were:

Hole	metres	g/t PGE	%Cu
#1	8.60	0.20	0.20
#2	15.94	0.36	0.04
#3	2.00	0.66	0.02
#4	85.04	0.13	0.09
#5	120.88	0.06	0.10
#6	115.20	0.11	0.09

Bright Star plans to proceed with a large Spring drilling project (>15,000 m) to test the western DP anomaly and other Tulameen complex targets. A \$3 million convertible debenture financing has been proposed.

Geological Association of Canada Vancouver Conference (May 2003) - Asked to help lead two post-meeting field trips to Highland Valley Copper (with Bill McMillan) and the Afton area (as part of a PGE trip led by Graham Nixon). Discussed the second trip with S. Todoruk of Abacus Mining and they have agreed to show us core and Cu-Au-Pd results from Rainbow.

Afton area - discussed palladium potential in the Iron Mask batholith with S. Todoruk of Abacus Mining, who are systematically testing many of the prospects in the district for Pt, Pd and Au. Went in the field with Abacus field people to show them several hard-to-find prospects.

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, September 27, 2002 1:54 PM
To: Adams, Rick EM:EX; Britton, Jim SRM:EX; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to 9/27/02

FIELD VISITS

Afton (DRC Resources) - on 9/24 I viewed core from recent drilling. Most of this year's work has focussed on infill drilling in the northeast part of the deposit, beneath the Afton pit. The last few holes (#60-63), however, have been testing virgin ground along strike from known mineralization at the SW end of the deposit. Wide intervals (e.g. > 200 m) of apparently good grade mineralization have been encountered at vertical depths of 500-700 m. Chalcopyrite occurs as veinlets and disseminations in monzonite(?) which is pervasively altered to albite-kspar-biotite (?). No assays have been released but rumours of a hot hole are rampant in Vancouver.

Duke (Southern Rio Resources) - visited this copper prospect (also known as Copper Canyon, 92ISW076) with Lindsay Bottomer (President) and Greg Thompson (consultant) on 9/24. Located SW of Merritt, the property hosts a stockwork or sheeted zone of quartz-cpy-magnetite veins in feldspar porphyry (Tertiary?) cutting volcanic of the Spences Bridge Group. Drilling in the '60s cut several good intervals such as 57.9 m @ 0.63% Cu. Quartz veins are banded and vuggy suggesting a high-level environment, and recent sampling by Bottomer returned gold values of 0.21-0.48 g/t Au. Soil sampling and geological mapping have been completed and IP is contemplated, probably next year.

Afton Area (Abacus Mining and Exploration) - Reviewed the Rainbow, Ajax, Coquihalla and other Cu-Au targets in the Iron Mask batholith on 9/25 with Steve Todoruk, Bob Darnley and Bob Friessen of Abacus, and Phelps Dodge Exploration geologists Rob Cameron (Vancouver) and Will Wilkinson (VP Exploration, Phoenix Az.). Wilkinson recognizes some similarities between these alkaline porphyry deposits and the Copper-Gold Iron Oxide deposits such as their Candalaria deposits in Chile (400 mt @ 1.2% Cu and 0.25 g/t Au) and projects they are working on in Australia and Sweden. In particular he mentioned the alteration (k-spar, albite, biotite and actinolite), breccia bodies and the presence of magnetite-apatite lodes. The group went to examine DRC's project later in the day.

OTHER ACTIVITES

Tulameen-Coalmont Field trip (Sat Oct 5th) - final arrangements made for this MEM-led trip which will precede the annual KEG golf tournament on Oct 6th. We will visit Compliance's Basin coal project and Bright Star's platinum project. Invitations were sent out yesterday.

UPCOMING

Mon Sept 27th - Elizabeth (J-Pacific Gold) field visit
Thurs Oct 03 - Sunrise VMS prospect field visit with Lindinger
Sat Oct 05 - Tulameen field trip
Sun Oct 06 - KEG Golf

Mike

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