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INTEROFFICE MEMORANDUM

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From: Bob Lane of EI

BLANE

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TO: See Below

Subject: Lane weekly report for August 12-17.

EXPLORATION MONITORING

Babine Lake East

Spoke with Geoff Goodall, project geologist for Spokane Resources on the Mac property, regarding permit holdups that have prevented exploration from continuing. He is off to Burns Lake for meetings with the District Forest Service--hopefully hell be able to make some progress so drilling on the property can resume.

Johanson Lake area Abt

Several companies are frustrated with their inability to loacte an available diamond drill and/or drillers. Some projects will be prostponed by up to three weeks; others may be held up entirely...spoke with Stan Ford, Swannel Minerals, regarding exploration at the Abe property—the proposed diamond drilling program will probably be delayed until next year.

Nechako Plateau

Diamond drilling program completed on the Tsacha property, owned and operated by Teck. Drill testing focussed mainly on Tommy vein, but other subsidary veins were also drilled. The company may return for a second phase of drilling in the fall once all current data has been compiled.

The first diamond drill hole has been collared on the Tam property, owned by Phelps Dodge. Fox Geological is conducting the exploration program. The property adjoins the Tsacha property and the vein target is thought to be an segment of the Tommy vein system offset by faultinge

FIELD WORK

Investigated a reported peridot occurrence, 3 km south of the Clisbako epithermal gold prospect in the southern Nechako Plateau, with GSB geologists George Simandl and Kirk Hancock. The site was located on the north flank of Canyon Mountain where basalt is exposed on steep slopes and cliff faces on either side of a easterly trending gully. Spires of volcanic rock up to 5 metres tall consisted of purple to black, clast-rich, coarse ejecta. They were flanked by massive, smoothly weathered lithic-rich basalt flows that displayed a weakly developed layered fabric. The rocks are probably part of the Chilcotin Group. Single olivine crystals and crystal aggregates, up to 3 cm across, were identified. Other minerals noted include andesine and diopside(?). George and Kirk planned to return to the site for the following two days to