

Ace  
880272

(up to 3.1% Cu and 0.25 g/t Au), but still very significant. At Tow, float is higher grade (up to 7% Cu), but is semi-massive and not laminated like the float at Bow or Lottie. Eureka flew an airborne EM and conducted grid-based ground follow-up and soil geochemical sampling over the Bow and Tow areas in 1998. The results from these surveys identified several coincident anomalies that they would like to drill. However, the company has been unable to raise the required capital to conduct the program.

Lottie Creek Placer. On July 5 met Doug Euker on his small placer operation near the Lottie VMS discovery. He claims that he is mining profitably in an area untouched by the oldtimers.

#### Activities:

93A RGS Release. Plotted 95<sup>th</sup> percentile gold values and noted several anomalies off tenured ground: Eureka Peak (north of Frasersgold property); Victoria Creek area; Horsefly River area east of Woodjam property; headwaters of Choate Creek. Also, a number of gold anomalies occur along the Beaver Creek drainage. Only two packages sold out of Prince George office.

#### Lane Weekly Report: June 14 - June 24, 1999

#### Mines:

\* Quintette. The Quintette Operating Company announced today (June 24) that it would be laying off 125 employees, reducing the mines workforce to 500. A backlog of coal inventories at the Port in Prince Rupert is being blamed for the layoff. So far in 1998 monthly coal production has averaged approximately 210,000 tonnes; this rate of production would result in 1999 annual production of 2.5 million tonnes. In 1999 1/3 of the production will come from the Little Windy and Big Windy developments at Mount Babcock and the remainder will come from Mesa/Mesa Extension. Decreased production will extend the life of the reserves which are approximately 12 million tonnes for each of the two areas being mined.

\* Bullmoose. Annual production is expected to total 1.1 million tonnes in 1999, down from the 1.5 million tonnes agreed to in the recently renewed contracts with the Japanese steel industry. All production comes from the Southfork pit; development of the Westfork pit will not proceed. Won't be surprising if they're are more layoffs beyond those previously announced.

#### Exploration:

\* Ace Barker Minerals have staked the former Mass property (north of their Frank Creek VMS prospect) south of Cariboo Lake. Interest shown this year by major mining company and at least one junior. Visited the property on June 16-17 to traverse the stratigraphy and examine VMS showing. Recent mapping on the has identified pillow lavas and interpreted overlying rocks, previously mapped as "quartzites & quartz pebble conglomerates" to be (reworked) felsic pyroclastic rocks. The massive sulphide showing consists of many massive sulphide cobbles and small boulders in a road cut and bedrock showing of pyrite-chalcopyrite stringers in hanging wall rocks. Also looked at the Blackbear Creek area quartz sulphide veins (including Providence 093A 003). Individual veins locally exceed 6 metres in width, pinch and swell along strike and are offset by minor faults. They are generally shallow dipping, controlled somewhat by gently dipping black phyllites and

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felsic tuffs (Nicola Group) that host them. Several of the veins were worked during the late 1940's and early 1950's (old workings are still evident) and hand cobbled ore was shipped to the Cominco smelter in Trail. Vein sulphides consist primarily of argentiferous galena, pyrite and sphalerite. The veins are also anomalous in gold and bismuth!

Briefly toured the Willow Creek coal property of Pine Valley Coal with contract geologist Kevin James. Proposed and permitted 50,000 tonne trial cargo will not proceed until it is fully subscribed (one more client is required). The 2-3 month project is budgeted to cost approx. \$2.5 million. Current activity on the property consists of minor clean-up and reclamation.

Tas. Omni Resources is expected to begin drilling on this porphyry copper-gold prospect located near Inzana Lake, north of Fort St. James.

Activities:

Presented 1998 mining and exploration review talk for Barry Ryan's Coal Symposium in Tumbler Ridge on Monday June 21. Twenty-six were in attendance, including 6 Smoky River Coal employees who made the trip from Grand Cache, Alta. Visited Quintette (Babcock and Mesa) and Bullmoose.

Looked briefly at outcrop on lower Bearpaw Ridge—part of the ground held by 26BT Resources. Located float and then o/c of coarse-grained purple-brown syenite—quite attractive; possibly suitable for dimension stone and not too far removed from rail siding that passes through the hamlet of Sinclair Mills. Had to return to town prematurely as truck tried unsuccessfully to jettison its fuel cell. 26BT Resources plan to begin their diamond drilling program in the fall.

Bob.

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