

TS → RG
Cranbrook

Schroeter, Tom EM:EX

From: Terry, David EM:EX
Sent: Friday, February 07, 2003 3:27 PM
To: Whale, Andrew EM:EX
Cc: Berdusco, Ricci EM:EX; Campbell, Karen EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Elkins, Paul EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Houle, Jacques EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; Rosentreter, Rieva EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Smolik, Valerie EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.A. Terry Report, February 7, 2003

Regional Geologist Activity:

- Exploration activity tracking monitoring
- Prepared poster and handouts (incl. Properties for Option list) for Roundup
- Attend Cordilleran Roundup in Vancouver (January 27-30) and Gold Short Course (January 26)
- Write foreword and complete final edits for paper in Exploration and Mining in BC publication - send to Janet Holland for desktopping
- Continued planning for the Cranbrook Gold conference - Interest and confirmed speakers list are growing!!!

Mineral Exploration Highlights:

Ash: Klondike Gold are proceeding with the drill program on their Ash property, located 9 kilometres south of the Sullivan Mine. Reportedly hole 3 cored 600 feet of gravel before intersecting Middle Aldridge (Hiawatha marker tentatively identified) sediments.

Bar (Lookout): Chapleau Resources are continuing their drill program on the Lookout (Bar) project west of Cranbrook. Problems with core recovery have slowed progress and the company has switched to HQ rods. No further assays have been reported.

Bayonne Aquamarine: Cream Minerals Ltd. have optioned 5 claim groups which form the Bayonne Aquamarine properties from Lloyd Addie. The properties are located west of the southern section of Kootenay Lake. Aquamarine occurs in pegmatites which intrude parts of the Cretaceous Bayonne Batholith. Beryl crystals range from 0.5cm to 20cm in length with diametres from 0.4 to 7cm. Colour ranges from blue to bluish-green. The majority of the crystals are non-gem quality aquamarine and emerald. However, gem-quality aquamarine has been identified. The company plans an exploration program comprising geological mapping, geochemical surveys, followed by trenching. Photos attached.



Great photos!

cma_aquamarine06cma_aquamarine02cma_aquamarine03cma_aquamarine04cma_aquamarine01
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Cretin: Eagle Plains Resources have staked a 45 unit claim block they call the Cretin property to cover the 7.5 square kilometre Cretaceous Hall Lake Stock, 50km west of Cranbrook. The property's setting is comparable to that of the Bar (Lookout) property currently being explored by Klondike Gold Corporation. The Hall Lake stock intrudes Creston and Aldridge Fm sediments and is located along the regional Hall Lake fault structure. Government RGS data shows elevated levels of Au in streams in the area.

Greenwood Gold Project: Gold City Industries have entered into a financing agreement with a British-based resource-oriented venture capital fund to raise C\$6 million which will be used to advance their Greenwood Gold project towards production. The project comprises a number of mineral properties in the Greenwood mining camp, including the Lexington-Lonestar and Winnipeg-Golden Crown properties which contain Cu-Au resources, and the Roberts Mill west of the city of Greenwood.

St. Joe: Klondike Gold have optioned the St. Joe property which straddles the Cranbrook fault east of Chapleau Resources Bar (Lookout) gold discovery and covers the eastern margin of the Cretaceous Kiakho stock. The company is planning to carry out surface exploration and potentially drilling on the property this field season.

Schroeter, Tom EM:EX

TGS → RG
- Cranbrook

From: Terry, David EM:EX
Sent: Friday, January 10, 2003 10:47 AM
To: Whale, Andrew EM:EX
Cc: Berdusco, Ricci EM:EX; Campbell, Karen EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Elkins, Paul EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Houle, Jacques EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; Roach, Dennis EM:EX; Rosentreter, Rieva EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Smolik, Valerie EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.A. Terry Report, January 10, 2003

Regional Geologist Activity:

- Exploration tracking/Monitoring
- Exploration and Mining write-up - Roundup Preparation
- year-end data compilation
- EKCM conference planning
- Office consolidation issues

Mineral Exploration Highlights:

Ash: Klondike Gold's previously described drill program on the Ash property, south of the St. Mary's River, 9km due south of the Sullivan mine commenced this week. A drill hole by TGS in 1971 intersected laminated and massive sulphides (sulphide content of 10% over 10m and up to 25% over 1m intervals) containing py-po with associated sp-gl, immediately beneath 100m of overburden at a stratigraphic level believed to be the LMC.

Bar (Lookout): Chapeau Resources Ltd. have re-commenced their drill program on the Bar (Lookout) prospect ~8km west of Cranbrook. They have also released assay results from the first two holes, drilled in December 2002. Highlights include **1.62 metres grading 15.25 g/t Au** and **4.15 metres grading 2.15 g/t Au**, including 0.7 metres grading 8.27 g/t Au, from hole B-02-01, and **7.45 metres grading 10.33 g/t Au** including a **3.05 metre interval grading 23.36 g/t Au** from hole B-02-02. Both holes were drilled from the same pad at different dips to the south, collaring in altered Creston Formation sediments before entering variably altered syenite intrusive. Hole 3 has now been completed and the drill is being moved to the site for a 4th hole today.

David Terry

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Schroeter, Tom EM:EX

VGS → RG
- Cranbrook

From: Terry, David EM:EX
Sent: Friday, December 20, 2002 8:28 AM
To: Whale, Andrew EM:EX
Cc: Berdusco, Ricci EM:EX; Campbell, Karen EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Elkins, Paul EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Houle, Jacques EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; Roach, Dennis EM:EX; Rosentreter, Rieva EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Smolik, Valerie EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.A. Terry Report, December 20, 2002

Regional Geologist Activity:

- viewed core from ongoing exploration program on Bar19/Lookout property
- continuing data collection, figure production, and updating Exploration and Mining publication write-up for the Kootenay Region
- responding to Land Use referrals
- responded to several inquiries about the Midnight Mine near Rossland
- responded to several calls regarding gold and IM potential/properties in the Kootenay Region

Events/Other:

- The date for the EKM conference called "Golden Opportunities in Southern BC" has been set for May 2-3, 2003
- The takeover bid/Income trust conversion saga of Fording has taken another turn with Sherrit International Corp. and the Ontario Teachers Pension Plan upping their hostile bid to \$35 per Fording share (\$1.8 billion cash/stock deal). Consequently Fording has postponed until January 3 their planned shareholders meeting to vote on their proposal to merge the Elkview operation of TeckCominco with Fording's assets to form an Income Trust (Fording shareholders can opt for a stake in the new Income Trust or accept a value of \$34 per Fording share).

Mineral Exploration Activity:

Ash: The drill program on the Ash (Pit) property by Klondike Gold, described in my November 29, 2002 report, has been postponed until the new year.

Bar 19 (Lookout): Two drillholes have been completed on the Bar Property, located 8 km southwest of Cranbrook, by local company Chapleau Resources. The holes were drilled at different dip angles from the same setup on the hangingwall (north) side of the Cranbrook fault, collaring in altered and deformed siliceous clastic sediments of the Creston Formation and passing into syenitic intrusive. The syenite contains several percent disseminated pyrite, local fracture-controlled pyrite seams up to ~1cm in width, and rare fracture-controlled galena veinlets. As well local zones of silicification and quartz veining are present. No assays have been received to date from the drilling but the holes are drilled in the immediate area beneath trenches where chip samples assayed up to 4.52 g/t Au over 26m (including an interval grading 7.42 g/t Au over 11m). Individual grab samples have assayed up to 281 g/t Au. The drilling will now be halted for the holiday season and will recommence early in the new year, by which time initial assay results will have been received. Their initial plan calls for 4000m in 16 holes to test the gold zone along a ~500m strike length.

In other news Chapleau recently announced a deal in which they have acquired 153 square kilometres of mineral claims (610 units) from Supergroup Holdings Ltd., 31 square kilometres of mineral claims (124 units) from individuals, and 148 square kilometres of mineral claims (592 units) by direct staking. The tenures acquired from Supergroup Holdings include most of the properties which were the subject of a deal with National Gold Corp., earlier this year, which was terminated last month. The properties are all in the Cranbrook area and cover two mineralized trends within the Cretaceous Bayonne magmatic belt and host numerous gold occurrences. Chapleau has recently submitted a NOW to drill 2400 metres in 6 holes on the Zinger Property at the headwaters of Perry Creek (historical placer creek) in the new year.

Kena: The 2002 drill program on the Kena project, southwest of Nelson, has been completed. Results are expected to be released when all assay data from the program have been received.

Schroeter, Tom EM:EX

TGS → RG
— Cranbrook

From: Terry, David EM:EX
Sent: Friday, November 29, 2002 12:37 PM
To: Whale, Andrew EM:EX
Cc: Berdusco, Ricci EM:EX; Campbell, Karen EM:EX; Cathro, Mike EM:EX; Elkins, Paul EM:EX; Grant, Brian EM:EX; Houle, Jacques EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; McArthur, Gib EM:EX; Roach, Dennis EM:EX; Rosentreter, Rieva EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Smolik, Valerie EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.A. Terry Report, November 29, 2002

Events:

- Dani Aldrick and Ray Lett of the BC Geological Survey presented two excellent talks to the members of the East Kootenay Chamber of Mines on Wednesday November 27th on RGS surveys and the application of geochemistry to VMS belt exploration. They also presented their talks to the Kootenay-Boundary Mining Association in Grand Forks and the Chamber of Mines of Eastern BC in Nelson on Thursday November 28th.
- The East The East Kootenay Chamber of Mines is planning a 2-2.5 day conference on Gold Projects/Opportunities in SE BC, to be held in Cranbrook either May 2-3 or 9-10. The planning/organization is just getting underway now. The plan includes one day of politicians-regional geology-exploration highlights-First Nations?-financial-type talks, followed by a day of property-specific technical talks.

Mineral Exploration Activity:

Ash: Klondike Gold Corp. have staked the Ash property (also referred to as the Pit Property) located to the south of the St. Marys River, 9 km due south of the Sullivan orebody at the southern end of the Sullivan-North Star sub-basin. The area has been tenured by Texas Gulf Sulfur and later by Cominco until recently. A drill hole by TGS in 1971 intersected laminated and massive sulphides (sulphide content of 10% over 10m and up to 25% over 1m intervals) containing py-po with associated sp-gl, immediately beneath 100m of overburden at a stratigraphic level believed to be the LMC. Subsequent holes in the area failed to intersect either the sulphide zone or the LMC, due to complicated structure. A recent structural re-interpretation based on stratigraphic Aldridge marker data suggests the holes to the south of the TGS hole were not drilled deep enough to intersect the LMC, and holes drilled to the north were collared below the LMC due to erosion in the St. Mary's river valley. Klondike Gold intends to commence drilling next week, beginning with shallow holes in the vicinity of the TGS discovery hole, and stepping out to the west.

Bar 19/Lookout: Chapleau Resources Ltd. have commenced drilling on the Lookout Project-Bar 19 property located north of the Lumberton Road, southwest of Cranbrook. Their initial plan calls for 4000m in 16 holes to test the gold zone along a ~500m strike length. A second phase, contingent upon the results of phase I will test the zone over a strike length of 1000m. As conveyed in my last report, sampling of this prospect in 1991 returned assays from chip samples of up to 0.132 oz Au/t over 85 feet and grab samples assaying up to 0.592 oz Au/t, 3.0 oz Ag/t and 1.7% Pb from an altered monzonite dyke occupying the Cranbrook fault zone, and adjacent Aldridge Formation sediments.

Kena: Sultan Minerals Inc. will be drilling an extra 1300m in 6 holes this year, all on the Gold Mountain Zone, beyond what they had previously predicted. This will bring the total project drilling this year to approximately 9170m in 39 holes, for a project expenditure of ~\$1.63M. No new results of the drilling have been released.

National Gold: National Gold Corporation has reported that they are withdrawing from the proposed transaction they announced in August with SuperGroup Holdings Ltd. to acquire a 100% interest in all their outstanding properties. As well they are terminating their previous option agreements with Supergroup for the Zinger, JackLeg/Tac, and McNeil Creek properties. This comes as a result of the merger which has been announced between National Gold and Alamos Minerals Ltd. to facilitate the development of the Mulatos gold deposit in Sonora, Mexico. Despite this development, the considerable amount of work carried out as a result of the agreement this fall significantly enhanced the level of understanding, and exploration potential, of the Zinger-Gar-Lov properties in the Perry Creek area.

West Moyie Block: Klondike Gold have completed drilling a deep stratigraphic hole at the north end of the Payday Basin, 1.5 km southwest of hole SMC95-1, which intersected a thickened Sullivan Horizon (16.8 metres) with anomalous concentrations of sphalerite and pyrrhotite. Results of this hole have not been released as of this date.