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Amy

TOB → Reg. M.
- Smithers**Schroeter, Tom EM:EX**

From: Bergen, Wally EM:EX
Sent: Monday, July 02, 2001 10:32 PM
To: Adams, Rick EM:EX; Anderson, Duane EM:EX; Beswick, Ed EM:EX; Booth, Richard EM:EX; Braidwood, Brian FIH:EX; Carr, Chris EM:EX; Carter, Tom EM:EX; Cheetham, Pat EM:EX; Cochrane, Marlene EM:EX; Conte, Rick EM:EX; Curtis, Ross EM:EX; EM MB Smithers DL; Errington, John EM:EX; Finvers, Maija EM:EX; German, Gerald EM:EX; Guthrie, Shelley EM:EX; Hall, Ted EM:EX; Hermann, Fred EM:EX; Hesketh, Joan EM:EX; Hoffman, Al EM:EX; Jorgensen, Sharon EM:EX; Kennedy, Wesley EM:EX; Kilmartin, Sandra EM:EX; Lieutard, Denis EM:EX; McKillop, Greg EM:EX; McLaren, Graeme EM:EX; O'Rourke, Patrick EM:EX; Phelan, Bill EM:EX; Readshaw, Kerry EM:EX; Schroeter, Tom EM:EX; Starkes, Terri EM:EX; Stewart, Gregg EM:EX; Stewart, Linda EM:EX; Whale, Andrew EM:EX
Subject: NW Region Weekly Report

MINING

Huckleberry - A small brush fire was reported to have occurred at Huckleberry about June 17th, in an area at the toe of the tailings dam. This was unusual, because the cause was believed to have been due to re-ignition of a fire that had been "put-out" last fall before the snows came. Mine equipment dealt with this quickly.

Huckleberry - Work has commenced on the south saddle dam to stop water from the tailings impoundment from flowing into the main pit. In the past week 2 metres of till has been placed.

Eskay creek reported a short power outage underground due to the bucket of a 3.5 yd. scoop contacting a high voltage power cable in the course of loading a truck. OHSC report is expected. Loading site relocated.

On June 25, 2001 Barrick Gold and Homestake mining Company announced plans to merge. The combined company will be the second largest gold producer with the lowest cash costs of any major producer and have approximately US \$900 million in cash. The Boards of Directors have unanimously approved the transaction. There is no indication if this will mean any changes at Eskay Creek.

The Board of Directors of Cassiar Magnesium Inc. announced on June 1 that control of the company had been acquired by the Greyling Group through ownership of 49.62% of the shares. Greyling has indicated that it will introduce and install its own nominees to the Board of Directors and operating management of the Company at the next Annual and Special Meeting, scheduled for July, 2001. Greyling does not intend to continue with the present Board of Directors or the present senior officers and management of the company. There has been no indication of how or if this will impact on the proposed rebuilding of the Cassiar mill.

EXPLORATION

Notices of Work for mineral exploration in the Northwest region have been reaching the Smithers office in a steady, slow pace to date. There have been discussions with various operators over the last month regarding permit processing, but they have yet to file them. Up to June 14, 2001 the Northwest Region has processed 46 Mineral Notices of Work. This is comparable to the last two (2) years when at this time there were 57 processed in 2000 and 53 in 1999. It is hoped with new direction and indications that the province is open for business that we will see an increase in Notice of Work applications.

Huckleberry Mine will be collecting 10 kilometres of geophysical data of the next few weeks to the northwest of the current pit. The data will be used to determine the shape of pyrite alteration in that area. It is thought that there may be additional ore reserves in the area which would extend the life of the mine.

Anyox- Paul Wojdak met with Granby Mining's consultants John Perry and Bernie Dewonck (Coast Mountain) regarding proposed exploration. Large ground position but program contingent on funding.

Westgarde (Chisholm Lk) - Hunter Dickinson Inc. are looking for a partner to drill this porphyry copper prospect, located 60 km southwest of Houston. Paul Wojdak visited the site on June 19 and discussed with Darrel Johnson. Strong IP anomaly (1 by 1.5 km in size) coincident with a new logging road exposure of chalcopyrite-pyrite-secondary biotite veining in Bulkley granodiorite stock and biotite hornfels.

Amy (104 004) - a silver-zinc-lead prospect near Silvertip has been optioned by Gold City Industries Ltd. Mineralization occurs at a limestone-argillite contact within the Kechika Group, in close association with the marginal phase of the