

BLT

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VJB → Reg. Mgr  
- Smithers

**Schroeter, Tom EM:EX**

**From:** Bergen, Wally EM:EX  
**Sent:** Friday, March 31, 2000 5:01 PM  
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**Subject:** NW Region Weekly Report to March 31, 2000

**MINING**

Telkwa Coal - Luscar announced that it will not proceed with Telkwa Coal due to weak export coal markets. Luscar will retain the coal tenures but will withdraw from the EA process and close the project office in Telkwa. This is a major loss to potential economic and employment opportunities for the Bulkley Valley, although environmentalists are pleased. If the project had proceeded earlier when coal prices were stronger and if Luscar was not focused on Cheviot and difficulties there, possibly things would have turned out differently.

On March 28 the EAO held the first Project Committee meeting in Smithers for Homestake Canada Inc.'s application to the EA process for the Tom MacKay Lake Waste Rock and Tailings Project (Environmental Assessment) for Eskay Creek Mine. The meeting was attended by all of the participating agencies and was primarily organizational. Homestake provided an overview of the project and this led to Environment Canada indicating major concerns with several parts of the proposal as well as numerous concerns regarding specific details. Other participants were frustrated that EC had waited to this stage in the process to bring their concerns forward and that they were not prepared to formally table them at the meeting. The EAO is working with EC and Homestake to resolve the concerns.

D/O at Huckleberry. On March 20, 2000 a large (500 ton) simplex hydraulic jack blew apart as it was being tested prior to use. Two large fragments traveled up to 30 feet. No injuries resulted. All four of the jacks were sent out for testing and examination. Preliminary information suggests metallurgical problems and cracks on all units. Initial information was that the jack was pressurized to 4000 psi when failure occurred, but is supposed to be good for 10,000 psi. At this time it is known that the jacks had been stored outside in the cold prior to having been brought to the mill for use and perhaps ice had frozen the lift cylinder in place. More details later when metallurgical report is available.

Cassiar - Chrysotile asbestos fiber production now averages 45 tonnes per day. The recovery grade is slightly less than the anticipated 5%. Production from the wet mill began in January. Production may be limited at the end of May due to a lack of ore adjacent to the mill.

**EXPLORATION**

Albert Creek - Manto silver-lead-zinc prospect 50 km east of Silvertip to be drilled by Donegal Development. Three holes are proposed before spring break-up.

New Staking - BLT claims (36 units) staked by geologists Rudy Durfeld and Dave Fleming on an Intrusion-related gold target north of Beale Lake which is to the northeast of Dease Lake (104-1 map sheet). Target was derived by Westmin-Boliden when they explored the Flag claims (now lapsed) a few years ago.

Morrison - Pacific Booker Minerals Inc. propose 2000 metres of trenching and 8 deep drill holes in addition to the deepening of the 1999 hole beyond current depth of 300 metres. This property is north of Babine Lake and east of Smithers.

Zymo - Gerry Ray (GSB-Victoria) relayed news that Freeport is considering more work on their claims west of Smithers.