

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
 Sent: Friday, September 18, 1998 4:24 PM
 To: Meyers, Rick EM:EX
 Cc: Britton, Jim; Lane, Bob; Lefebure, Dave; Madu, Bruce; McArthur, Gib; McMillan, Bill; Pinsent, Robert; Schroeter, Tom; Wilton, Paul; Wojdak, Paul
 Subject: Weekly Report to Sept 18

HIGHLIGHTS

Highland Valley Copper formally announced that Cominco will not proceed with a hydrometallurgical smelter. The project was deemed to be uneconomic. In addition, the deepening of the Valley pit to extend the mine life is considered to be uneconomic at current metal prices. The Premier announced that the province was still negotiating a Power for Jobs accord with the mine to extend the life of the mine. (Current reserves will last until 2008)

Pellaire (Int. Jaguar Equities) - Drilling of 11 holes (approx 600 m) is complete and the camp has been closed for the season. Approx \$750K has been spent on their Taseko area properties this year. I talked with Andy Smith (Pres. of Jaguar) this week and he is very excited about their new discovery, the Charlie NW zone, a weathered porphyry copper target with good tonnage and grade potential. It is located NW of the Pellaire site, in rugged terrain next to T'sy-los Park (in the Taseko (Special) Management Area). It is near a showing described by G. McLaren in his Chilco Lake paper. A major company has been "all over it" this week, evaluating Charlie NW for possible joint venture.

Limestone - Two local individuals, representing a US limestone producer, were in last week. They are looking for geological info on limestone in southern BC. I was able to deduce that they are interested in high purity, high brightness calcite for paper and pigment uses.

Cross Lake Minerals - Jim Miller-Tait is actively hunting for BC properties for this well-financed, Henry Ewanchuck-led company. I suggested he talk to L. Lindinger, C. Berube, A. Savjord, and R. Durfeld about their properties. Jim would welcome suggestions from other RGs or GSB staff. Call him at (604 688-5448) if you have any ideas.

Ft. Knox/Pogo gold compilation project - This week Dave Lefebure and I visited several prospects which have some similarities to intrusion-hosted, mesothermal gold vein deposits (Ft. Knox type) or associated deposits types such as gold skarns, W skarns etc. It was an excellent opportunity to test how our literature search for these deposits is working. It is clear that we need a better understanding of the Alaska-Yukon deposits, as well as more chemical data for BC intrusions, and RGS geochemical data for Bi, Te, the unusual pathfinder elements that go with the gold.

The Bonaparte gold (92P 050) deposit, located about 40 kms NW of Kamloops is perhaps the best example we have found so far. At least 8 large (1-3 m), moderate to steeply east dipping, subparallel quartz veins contain erratic high grade gold values associated with 1-3% pyrite and lesser pyrrhotite, chalcopyrite, highly anomalous bismuth and tellurium values, and anomalous to spotty molybdenum, arsenic, antimony and tungsten values.

The veins are hosted by a small (approx 4 km wide) unaltered to weakly altered quartz diorite of Jurassic age(?). Adjacent to several of the larger veins are 2-10 m wide, dark grey, hornblende-plagioclase porphyry dikes which are locally biotite altered. The quartz diorite stock is surrounded by brown to black, pyritic, hornfelsed argillite which is reported to carry Mo values. The quartz diorite also contains some stockwork or sheeted, narrow (to 1 cm) quartz veins which locally carry minor pyrite or pyrrhotite. There are a very few reference to gold values coming from these narrow veins, however, it appears that most of the old core has not been sampled. Given the presence of these narrow veins and other characteristics of the mineralization, the bulk tonnage (Ft Knox style) gold potential of this property should be carefully investigated. (NOTE - about 18 holes were drilled here earlier in the summer: results are expected shortly).