

Schroeter, Tom EM:EX

881479

TS → [initials]
Kam [initials]

From: Cathro, Mike EM:EX
Sent: Thursday, August 30, 2001 4:45 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim EM:EX; Brown, Derek EM:EX; Lefebure, Dave EM:EX; Ludwig, Allan EM:EX; Madu, Bruce EM:EX; McArthur, Gib EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX; Smith, Don EM:EX
Subject: Cathro Weekly to 8/30/2001

HIGHLIGHTS

Afton (DRC Resources Corp.) - released results for two drill holes which show much higher grades of **palladium** (0.232 oz/ton and 0.120 oz/ton, both over 10 feet) than previously reported. Interestingly, the higher palladium occurs with relatively low copper (0.19% and 0.03%) and low gold values. According to project geologist John Ball, the palladium occurs in "heavily albitized/bleached rock next to a fault breccia" suggestive of a hydrothermal (and not magmatic) style of mineralization. Both intersections are relatively deep (300-400 m below pit rim) and are located southwest of the copper-gold deposit drilled over the last year. Graeme Nixon of the GSB was on site and did core sampling as part of his study of platinum group metals.

In addition, DRC reported that hole 38 intersected the Cu-Au zone at a vertical depth of about 875 m beneath the pit rim, and some 305 m beneath the previous deepest drill intersection. Assays are pending.

Verity & Fir (Commerce Resources) - Drilling of 25 holes is underway on these two carbonatite-hosted tantalum-niobium-phosphate prospects located north of Blue River. Commerce recently completed a small IPO financing and is now trading on the CDNX.

Exploration activity - we are now forecasting about \$4 million in spending and 25,000 m in drilling for 2001, up from last year.

FIELD VISITS

CK (Penteco Resources) - This stratabound zinc-lead deposit north of Clearwater was visited with T. Hoy on 8/23. Several old trenches were examined. The deposit has indicated resource of 500,000 tonnes grading 11.3% Zn, 2.0% Pb and an additional inferred resource of 380,000 tonnes at an undefined grade (Report for BWI Resources, 2000). Last drilled in 2000, it has similarities to other Shuswap type, or Broken Hill type, deposits, in particular Ruddock Creek.

Silver Pipe (Paul Watt) - This new 60 unit claim block is located near Lemieux Lake north of Little Fort. Narrow (1-10 cm wide) calcite-quartz veins occur in andesite breccia of the Fennell Formation. The veins contain disseminated to locally semi-massive sulphides including pyrite, arsenopyrite, sphalerite, chalcopyrite and galena. Anomalous values of Au, Ag, Cu, Pb, Zn, As, Sb, Bi, Cd occur. Vein textures, mineralogy and geochemistry are suggestive of an epithermal system.

OTHER EXPLORATION NEWS

Gypsy (Alhambra Resources) - completed drilling of 2 holes (259 m) on this copper prospect near Mamit Lake, south of Logan Lake. Assays are awaited.

Crazy Fox - Demers (Cassidy Gold) - drilling of one hole (approx 800 ft long) is apparently complete on this VMS Cu-Zn target north of Little Fort. It is rumoured that no significant massive sulphides were encountered. The property is optioned from Lloyd Addie and Bob Bourdon (PAP support in 1999).

Broken Hill and Goldstrike Properties (Cassidy Gold Corp) - Cassidy plans to return these properties to the vendor, Leo Lindinger. Both were staked on the PAP.

UPCOMING

8/31-9/4 - Vacation
8/21 - KEG/MEM short course on the Map Place
8/22 - KEG golf & picnic

Mike

Mike Cathro

an effort to locate additional massive sulphide prospects (similar to Gitennes' F... prospect) in the Nicola Western facies near Iron Mountain south of Merritt. The LD prospect consists of massive barite with minor sulphides in limestone/sandstone. Rhyolite occurs nearby.

Afton (DRC Resources Inc) - a short report on the project was shown on the CBC National and CBC Newsworld this week, and included an interview with Bruce McKnight of the Chamber of Mines.

Spire (Imperial Metals Corp) - visited this massive sulphide prospect near Goldstream mine on 7/10/2001 with Schroeter. Massive copper and zinc sulphides occur over about a 2 m width and were discovered in fall 2000 on a new logging road. Grab samples from this returned up to 8% Cu and 7.9% Zn, but the best drill hole returned only 3.7 m grading 0.24% Cu and 1.49% Zn. Imperial Metals is short of money and apparently has not committed funds to follow up this promising target this year. Given the proximity to the Goldstream mill, this could be a very attractive joint venture opportunity for another junior company.

Broken Hill (Cassidy Gold Corp) - visited on 7/12 with Schroeter and Leo Lindinger. Little work is planned for this Shuswap-type zinc-lead prospect discovered by Lindinger on the 2000-2001 PAP. It is clear from our visit that drilling of 13 holes by Cassidy in Feb 2001 certainly did NOT adequately test the best mineralization at the Vista showing, and that there is good opportunity to develop additional targets with basic prospecting, soils and magnetic surveys.

Pongo (Verdstone/Molycor) - drilling of 3-5 holes is apparently underway on this high-grade vein/thrust prospect south of East Barriere Lake. a chip sample collected in June ran 10.7% Pb, 4.45% Zn, 4.45 opt Ag and 0.17opt Au over 9 metres.

Mike

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July 13/01

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Tuesday, January 30, 2001 9:53 AM
To: Cathro, Mike EM:EX
Subject: Broken Hill Visit
Sensitivity: Private

Mike, in talking with Jim Gillis and Jean Pautler last week at Roundup, they both indicated that they would welcome a visit from the both of us (at the same time). From my side, I would like to do this near or just after the END of this first phase of drilling - i.e. mid-late February? If you are in agreement with this timeframe, could I leave it to you to discuss/arrange our visit with either Jim and/or Jean (+/- Leo)? Given a couple of days' notice, I would fly up to hook up with you. Obviously, we need to respect the company's compliance re-confidentiality. Thanks, Tom.

JBS → RG
- Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, February 02, 2001 9:41 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Smith, Don; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to February 2/2001

HIGHLIGHTS:

Broken Hill (Cassidy Gold Corp.) - Drilling began on Jan. 27th on this zinc-lead-silver prospect located 7 km NE of Avota in the North Thompson area. (Found in Sept 2000 by Leo Lindinger while on PAP grant). Visit planned for mid-Feb?

(new)

Readymix (Gordon Richards/Dave Bennett) - Had a meeting yesterday to go over the results from this new (intrusion-related?) gold discovery made by geologists Richards/Bennett while on the PAP program (99/00 and 00/01). The partners were in Kamloops to show it to local companies. The 90 unit property is located north of Vavenby and hosts a very large (2x3 km), low order, gold-in-soil anomaly in a heavily till-covered area underlain by Shuswap metamorphic rocks and small plugs of leucogranite. Grab samples of limonitic breccia float have returned **9.54, 13.15 and 29.35 g/t Au** with highly anomalous As, Sb, and Pb. Several small tungsten skarn prospects (e.g. Dimac) were previously known in the area, but RGS results for gold are very low. Grassroots prospecting pays off again!

AR
ac La Hache

Exploration Activity - The year is off to a good start. Drilling is still underway at the **Afton mine** (DRC Resources Corp) and **Ann North** copper-gold property (GWR Resources Inc.) near Lac La Hache. Spring drilling programs are also proposed for the **Fox** zinc-copper (Gitennes Exploration Inc.), **Clearwater Platinum** (Cusac Gold Mines Ltd.) and **Pongo** (Verdstone/Molycor). Cominco/Highland Valley Copper are preparing a Notice of Work for a summer drilling program to test IP anomalies from the 2000 survey on the **Pimainus** property south of the mine.

JBS
requested
by e-mail

Nicola VMS Compilation Poster - Numerous requests for copies at Roundup. I have just finished a smaller version (map/table/text only) to be distributed free to clients. Hopefully it will generate additional staking and exploration in the belt.

Nicola Till Survey - Had discussions at Roundup with reps of Gitennes and Platinova, individual claim owners, and Peter Bobrowsky regarding the need for better geochem info in the Nicola belt near Fox. A till survey, in part supported by funds from industry, would be a good method to quickly evaluate the large area of new claims. A partnership proposal for a \$120,000 till survey will be prepared in conjunction with the GSB and presented to companies active in the area.

District of Logan Lake Council - 15 minute presentation on "Update on Mining and Exploration" given on Jan 30.

KEG 2001 (April 3-6) - Organizational meeting today; we are working on details of the short course, field trip, list of speakers, entertainment, registration materials, sponsorship etc, etc.

Public Education about Mining - "Gold Fever" film - contacted distributor and found out that, so far, this IMAX film about gold mining and uses of gold (shown during Roundup) is only available in the IMAX format. The Roundup screenings were sponsored by the Yukon Government. Recommended to Chamber, MABC and MEM that we should sponsor free public viewings during Mining Week.

Exploration in BC article - 80 copies of draft handed out at Roundup, and copy sent to Bill McMillan for review. I still have to write the forward and select a cover photo for the volume. Publication is planned for early April at KEG conference. Hoping to write an additional short article on VMS potential in the Nicola, but time is slipping

VGS → Broken Hill

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Monday, February 05, 2001 1:49 PM
To: Cathro, Mike EM:EX
Subject: RE: Cassidy

Thanks, Mike. And here I was hopin' to see a Blazer's game! Oh well , will wait 'till March 8th (?) for field visit to Fox. Thanks. Tom.

From: Cathro, Mike EM:EX
Sent: Monday, February 05, 2001 12:28 PM
To: Schroeter, Tom EM:EX
Subject: Cassidy

Tom, News release on Broken Hill today - 13 holes and only subeconomic mineralization intersected. Stock dropped by half.....I'll talk to Gillis but it probably isn't worthwhile coming all the way up to look at it.
Cheers,

Mike

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Schroeter, Tom EM:EX

TOS -> RG
- Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, September 29, 2000 10:54 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 9/29/2000

New Discovery
NAVAN
(NEW)

Broken Hill

HIGHLIGHTS:

Vista/Navan (Leo Lindinger, PAP) - field visit on 9/27 with Trygve Hoy (GSB) who agrees the geological setting of the high-grade zinc-lead mineralization is similar to the Ruddock Creek deposit, 23 km to the east. After we left, Lindinger found a new showing, named Jazs (for "just another zinc showing"), in a roadcut approx. 3 km south of the Navan showings. Mineralization has now been found in outcrop in four main areas along a 4.5 km long trend, and is still open to the north and south. A junior company has optioned the property and will announce the acquisition once additional staking is completed (early next week?). A large program of soil sampling, mapping, and prospecting is being planned. (CONFIDENTIAL)

Jim Gillis - Cassidy Gold

Tulameen Coal (Pacific West Coal) - 5000 tonne bulk sample planned for October (CONFIDENTIAL).

OTHER:

KEG Golf Tournament - Approx. 46 people signed up for dinner and/or golf for tomorrow.

Hope (Tom Illidge/Warner Gruenwald) - brief field visit on 9/25 with Illidge to this Cu-Zn-Au-Ag prospect (MINFILE 92JNE169) near Bralorne/Hurley Pass, which was discovered in 1997. A recent trench at the No. 1 showing exposes sheared greenstone with heavily disseminated pyrite, significant sphalerite/chalcopyrite and narrow rhodonite veins. At the No. 2 showing about 150 m to the NW, garnet-magnetite-epidote skarn contains sparse copper mineralization.

Gold Bridge Field Trip - on 9/25-26 I attended the first part of this Geological Survey Branch field trip led by Paul Schiarizza. It was an excellent trip and a very good opportunity to learn more about the complicated geology and mineral deposits of this important gold district.

Mike

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Schroeter, Tom EM:EX

TS → RG
Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, September 22, 2000 2:52 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 9/20/2000

HIGHLIGHTS:

Broken Hill

new
Discovery

Vista-Navan (Leo Lindinger, PAP) - a total of 55 units have been staked to cover this new, thin but high-grade, stratabound zinc-lead discovery located 7 km NE of the village of Avola in the North Thompson area (82M/14). Grab samples have returned up to 24.3% Zn, 4.89% Pb and 62.6 g/t Ag. Mineralization appears similar to the Ruddock Creek deposit (Cominco/Doublestar), 20 km east, which has an indicated resource of 5 mt grading 7.5% Zn and 2.5% Pb. Lindinger is finalizing an option agreement with a junior company which will give him an upfront payment of \$15K and 50K shares (see below).

Afton (DRC Resources Corp.) - DRC announced two new appointments, Mike Muzlyowski and Bruno Mosimann, which should give the company more credibility. Also released additional good drilling results (from holes 9 and 11) and will release an ore reserve calculation within two weeks. (It is still not clear if the DRC drilling has stepped out and away from the resource tested by Afton/Teck in 1973 and 1980). The DRC stock price has now risen to \$13 (vs. \$0.30 12 months ago).

PROSPECTORS ASSISTANCE PROGRAM:

Leo Lindinger - field visit on 9/18 to his newly staked **Vista/Navan** property (55 units) located 7 km NE of the village of Avola in the North Thompson area (82M/14). High-grade, stratabound zinc-lead mineralization is found on 2-3 year old roadcuts and in float over a strike length of approx. 1.5 km. The mineralization is shallowly east dipping, hosted in metasediments (incl. marble/calc-silicate) and consists of massive sphalerite, lesser galena, and very minimal pyrite/pyrrhotite. Grab samples run up to 24.3% Zn, 4.89% Pb and 62.6 g/t Ag. So far it appears to be thin (max 35 cm) but is very similar in setting and metal content to other nearby Shuswap-type occurrences (e.g. CK, Ruddock Cr and Finn) where thickening on fold noses has resulted in substantial tonnages. Additional prospecting, structural mapping and soil sampling are needed ASAP! Option deal should be announced shortly.

new
Discovery

Gordon Richards/Dave Bennett - the partners advised by phone that they are about to begin staking a 20-unit block to cover a newly discovered gold prospect north of Vavenby. They have defined a 1x1 km gold in till anomaly in an area with no outcrop. Two float samples of limonitic breccia ran 29 and 9 g/t Au.

new
Disc

Garrett Ainsworth - field visit on 9/14 to his newly-staked G1-G3 and Opal claims (81 units total) located at Monashee Mtn. Garrett's follow-up of a gold-in-soil anomaly from the early 80's has found disseminated pyrrhotite/chalcopyrite in carbonate-altered volcanics of the Harper Ranch Group. Results are awaited. Further work will be aimed at explaining placer gold and RGS gold anomalies in creeks draining the area.

Ken Greenway - field visit (9/21) to his prospecting area south of D'Arcy. Difficult access into his field area (Lost Valley Cr) meant we were only able to look at mineralization over the divide at the headwaters of Halymore and Melvin Creeks (e.g. Twin Lakes showing (MINFILE 92JSE023) which is mainly in the SW region. Serpentine/listwanite is very abundant here and there is good potential for Bralome-style veins. Unfortunately, although Ken is keen and hardworking, he is inexperienced and has been making slow progress. I think my visit gave him some ideas and encouragement. (Note: natives from D'Arcy had recently left their protest camp at the Twin Lakes area above the Melvin Creek ski resort proposal. The previous claim owner of this prospect was Mark Rebagliati who offered to forego his mineral claims if proponents Al Raine and Nancy Greene gave him a ski pass for life! Al Raine responded with a curt letter and obviously didn't get the joke....)

OTHER: