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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: SEPTEMBER I

EXPLORATION:

- Knob Hill - First Choice Industries Ltd. has completed the first 7 of 21 drill holes at Knob Hill. So far, it has drilled a Cu,Au soil geochemical anomaly located above a large, circular, feature in rhyolite breccia and located "extensive" copper polymetallic sulphide mineralization "including copper sulphide". It stopped drilling, temporarily, pending receipt of assays and the results of a ground geophysical survey over a second target, a highly prospective, 1.0 km long, em conductor identified through its recent airborne survey. The zone is poorly exposed but exhibits scattered sulphide float. The company has recommenced drilling but has yet to announce results.
- QUET - Mount Hope Resources is currently drilling at Hotspring (Quet). It plans to drill 8-10 holes for an aggregate depth of 2000 metres looking for "higher-grade" gold mineralization in and around altered andesite dykes that are known to cut an extensive stratabound zone of weakly Au,Ag,Pb,Zn, mineralized volcanic breccias. It is looking for a feeder system with sufficient tonnage and grade to develop a large, low-grade, bulk mineable deposit.
- GALLEON - AGC Americas Gold Corp has announced acquisition of "100% interest in certain mineral claims on Southern Vancouver Island". This is the Galleon property. It hasn't announced where as it is still staking. The company is required to spend \$115,000 the first year and \$225,000 the second. The company has a private placement in place to cover costs. (7)
- MYRA FALLS - Westmin Resource's Myra Falls Operation has been shut down by a strike since Thursday. However, neither side expect it to last very long. The company and union are agreed on most of the contentious points.

LAND-USE:

- LUCO has, as expected, recommended that Joffre, Sechelt Inlets, Coquihalla Canyon and Lake Lovely Water recreation areas be made into parks. Interestingly though, it has deferred any decision on Cascade

concerns about trucking coal through a residential area. It is waiting for permits to begin preparation of its bulk sample site. It may delay the program until next year when construction of the new Island Highway will have advanced sufficiently to resolve the access issue.

Tex - Minvita Enterprises Ltd. has more than doubled the length of an old nickel, cobalt, arsenic soil geochemical anomaly on the Tex property east of Harrison Lake from 400 metres to 850 metres.

Paula
Marathon - Ambra Resources Group Inc has completed a short drill program (7 ddh for 560 metres) on the discontinuous Marathon (Paula) quartz vein property north of Cowichan Lake.

Galleon - Americas Gold Corp. has optioned prospector Gary Pearson's Galleon gold property, at Port Renfrew. Like Valentine Mountain (Visited), the property covers free-gold bearing quartz veins in deformed Leech River schist. However, unlike Valentine Mountain the veins are clearly "late" and related to a widespread and impressive felsic dyke swarm. (Visited).

Garibaldi
Granite - Garibaldi Granite and Pender Capital plan to expand their "Glacier white" dimension stone quarry in Squamish in order to fill a contract to supply 20,000 square feet of rough-faced granite for the Mount Blanc hotel in Whistler.

Thumb Peak
(Smaby) - Sand River Resources has, unfortunately, dropped plans to drill its Thumb Peak VMS property this year. Other casualties of current economic conditions may include Aquaterre (JI) and Verdestone Resources (Salal).

LAND USE:

- Minister declined to sign off on 65 new NSRs in the Central Coast.
- Vancouver Island Goal 2 protected areas largely established however at least one, Strathcona Park Addition (Divers Lake), is remains in contention. In the absence of a suitable land-swap agreement, the owner, TimberWest has apparently started logging.
- MOF submitted a monumental "Klaskish/East Creek Coordinated Operational Management Plan" that failed to establish whether it is better to log in an LIA all at once or over an extended period. The issue has been referred to a Landscape Planning process. Mining issues were noted but not discussed in any detail.
- TimberWest submitted an amendment to their Forest Development Plan for Caycuse Creek area southwest of Cowichan Lake for review.
- Forestry Consultant query on tenures in Spuzzum Creek potentially affected by road deactivation.
- MOF and Archaeology Branch have devised a management plan for the Harrison - Lillooet Goldrush Trail which was abandoned in 1867. We can expect "a conditional reserve over the trail... and NSRs over important

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