

Burnt River. Western Canadian Coal Corp. is currently coring coal seams on its Burnt River thermal/PCI coal property, work that will continue into mid-January.

Willow Creek. Pine Valley Mining Corp. has finalized terms to purchase the Mitsui Matsushima's 33% interest in the project. The purchase price is \$6 million and must be completed in a series of scheduled payments by June, 2005. Completing the deal will enable Pine Valley to regain the exclusive right to market the PCI coal.

Bob.

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Lustdust Alpha Gold has returned to its Lustdust property to conduct a 10-hole drill program, 8 holes of which are on/near the former Bralorne-Takla mercury mine (on Crown-granted claims that Alpha purchased in auction this past summer).

Trend. Northern Energy and Mining is presently mobbing to the Trend property to begin large diameter coring of coal seams.

Burnt River and Perry Creek. Wolverine Western Canadian Coal will also begin a coal seam coring program on its two active coal projects following on the heels of the Trend work.

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Burnt River Located 50 km south of Chetwynd, about 10 km east of the West Brazion property. Current targeted area is a narrow northwest-trending syncline that has a gentle southeasterly plunge. This area occurs immediately north of another shallow, broader syncline that was the focus of past exploration by Teck. Previous resource estimate was 23 Mt of coal at low strip ratios. There are two seams of interest, an upper that is 3m thick and a lower that is 6 metres thick. They occur in Upper Cretaceous Gething Formation. Two of the eight holes completed to date have been core holes. The planned program includes fourteen holes totaling 900 metres, but may be expanded. Project would produce a very low ash, raw coal product. Coal is low-volatile bituminous coal (some report it as semi-anthracite)

Wolverine - Perry Creek. The Perry Creek underground deposit area is located about 25 km west of Tumbler Ridge. Five holes were completed in March of this year and an additional eleven were drilled this fall. The deposit is a broad syncline; strata with dips of 16 degrees or less can be mined by underground methods. Drilling targeted J seam (Gates Fm) which is split into the J1, J2 and J3 divisions; J1-J2 is 5 metres thick including partings, but where only J2 can be mined it is 3-3.5 metres thick; J3 is mineable to the northwest of the main target area where it averages 2.25 - 2.5 metres thick. Drilling should enable the company to revise the resource for the area; target tonnage is 15 Mt.

Wolverine - Mount Spieker (EB Pit deposit). The EB Pit deposit is about 5 km due west of Perry Creek. Western Coal is nearing completion of a planned 21-hole, 2400-metre air rotary and spot coring drill program on the EB Pit deposit. Twenty holes, of which two were aborted, have been completed for a cumulative length of about 2000 metres. Coal measures occur within the Gates Formation, are relatively flat-lying and uncomplicated by structure. Seams A to D (same as at Bullmoose) have a combined thickness of 12 metres over a 60-metre interval. Drilling will provide infill information sufficient for a resource calculation; a target tonnage of 15 - 20 Mt is being sought.

Other Activities

PA Program: Sheran Paterson—visited October 23 and reviewed her program.
Barney Bowen—phone discussion of his program, now complete, on October 24.

Omineca Mine Access Road (OMAR) Meeting: Presented attendees with a summary of exploration in the Northern Omineca (i.e. Toodoggone) region.

Compiling data for year-end annual MEM Mineral Exploration Review document and Mining and Exploration Review presentation in Victoria.

Santoy Resources (Adam Travis and consultant) visited the office and discussed their interest in acquiring gold properties in the region.

Nov. 2/01

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Lorraine. Eastfield Resources has released some very encouraging drill assays for the Bishop and Lower Main zones of its Lorraine alkalic copper-gold porphyry deposit. The property is in the Swannell Ranges of the Omineca Mountains about 280 km NW of Prince George. Hole 2001-58 intersected two mineralized intervals in the Bishop zone with the lower one averaging 0.59% Cu and 0.11 g/t Au over 69.8 metres. Hole 2001-60, drilled south of the Lower Main zone, intersected 113.2 metres grading 0.76% Cu and 0.49 g/t Au. Both zones are still open to the south and will be targets for next years drilling campaign.

Kemess North. Kemess Mines Ltd. has completed its 2001 diamond drill program on the Kemess North porphyry gold-copper target. Assays from the last 6 holes will be released when all data has been received/reviewed by the company. About 1 foot of snow blankets the mine.

Eaglet Fluorite. Visited October 30 with Ken MacDonald. Impressive non-active advanced exploration site located between the north and east arms of Quesnel Lake immediately east of Wasko Bay—boat access only (provided by West Fraser). There is little outcrop in the vicinity of the old workings, but there is plenty of blasted muck (mainly from Adit #2) and diamond drill core (from holes drilled between 1980 and 1985) to examine. Feldspar-quartz-mica gneiss (foliated granite?) is the most common rock type. Biotite schist, garnetiferous amphibolite and pelite are also common. Fluorite occurs as pale to dark purple, pale green to colourless and white mineral aggregates as either disseminations, discrete veinlets or stockwork zones in association with quartz, calcite, celestite, K-feldspar megacrysts and barite, plus reported. Molybdenite and pyrite are the most conspicuous sulphide minerals; galena, sphalerite and traces of chalcopyrite were also noted. Two adits were driven in the early 1980's and significant surface diamond drilling and local trenching helped to outline the deposit.

A drill indicated mineralization was estimated to be approx. 24 Mt grading 11.5% fluorite. In addition to producing the fluorite, a Pb concentrate (with Ag grades up to 52 o/t) and a molybdenum concentrate were contemplated.

Hixon Creek Placer/Lode. Visited November 1 with Brian McGrath. Operator LeWayne Musselwhite working in vicinity of former Quesnel Quartz gold mine (bedrock). Suficial material adjacent to the mine was apparently never mined. Channels are shallow but carry 'rice-size' nuggets and as well as fine gold. Gold grains are very angular (but not 'jagged' as they are two km upstream) and the larger ones often occur with quartz still attached suggesting a local bedrock source. Bedrock consists of Fe-oxidized and locally hematitic phyllite. Likely is part of the Barkerville terrane, but very near contact with 'greenstones' of the Quesnel Terrane. Numerous mm-scale, discontinuous quartz 'ribbons' are parallel to foliation and may be associated with gold. A 1.6 metre chip sample was taken. Two shattered quartz veins are exposed near the old Quensel Quartz mine workings. These will be sampled next visit. Also briefly investigated greenstones of the Quesnel Terrane that are exposed in a nearby pit. Quartz-carbonate veins carrying euhedral pyrite were noted; alteration is limited to narrow epidote-chlorite-calcite envelopes. Work in the area by Noranda in the mid-1980s encountered multi-gram gold grades over narrow widths.

Red. Brett Resources has entered an agreement to option the Red porphyry copper-gold property located in the Omineca Mountains, about 35 km northeast of Doublestar's Sustut copper property. An exploration program is being planned for next season.

Tam. The Tam epithermal gold-silver property, located in the Nechako Plateau immediately east of the Tsacha property (TeckCominco), has been optioned by Southern Rio Resources (Lindsay Bottomer). Plans for the 2002 field season include prospecting, ground geophysics and diamond drilling.

Peace River Coalfield Activity

Willow Creek. Pine Valley Coal Ltd. has recently produced a revised mining proposal that outlines a small raw coal production facility that would produce 200,000 tonnes/year from the Peninsula Pit area. The bulk of the coal would come from the low-ratio '7 Seam' that is brought close to surface by a series of minor folds. Approximately 830,000 tonnes (run-of-mine) of coal comprise this area. The raw product would have an ash content of 9%, an average of 15.7% volatile matter and an average sulphur content of less than 0.6%. Coal is suitable for the low-volatile PCI market. The company has also submitted a NoW that outlines a limited trenching and 4-hole, 1000-metre drill program scheduled to begin in mid-November.

Western Coal Corp., a 100%-owned subsidiary of Western Canadian Coal Corp., continues to advance exploration on four its properties in the Peace River coalfields. Most of the work consists of air-rotary drilling with spot coring of coal seams.

West Brazion. Drilling has yet to start on this project located about 50 km southwest of Chetwynd. However, all access trails and drill pads have been constructed. Six to eight holes will be drilled although the company has been permitted for twelve holes. Drilling will begin in a week to ten days time. It will focus on Upper Gething coals that are exposed on the flanks of a plateau immediately south of Brazion Creek. Strata is gently inclined (5 degrees south). Holes will generally be limited to about 80 metres maximum depth as the coal measures are relatively close to surface. Main target is the 'Discovery seam' that has a cumulative coal thickness of 3.8 metres within a 5.5 m total thickness (including partings). Total coal thickness is 8-9 metres within a 70-metre interval

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