

Cassiar Asbestos
104P/5W

881658

104POOS

TGS → Reg. M
Smith

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, November 23, 2001 4:26 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Chris Carr; Clancy, John EM:EX; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Graeme McLaren; Greg McKillop; Gregg Stewart; John Errington; Linda Stewart; Maija Finvers; Pat Cheetham; Patrick O'Rourke; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sandra Kilmartin; Sharon Jorgensen; Shelley Guthrie; Smyth, Ron EM:EX; Ted Hall; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to November 23, 2001

MINING

Huckleberry - Due to adverse weather conditions the raising of TMF-2 dam has been curtailed for 2001. The current dam elevation is below the permitted elevation of construction. Huckleberry consultants have estimated that the current dam crest will provide sufficient freeboard until March 2002. To maintain freeboard the dam crest will have to be raised by February or early March 2002 or alternately dewatering of the tailings pond will be necessary to maintain the required water level. Previous winter construction has proven problematic and the company has been asked to identify contingencies to maintain sufficient freeboard.

A draft of the Amended Permit for Huckleberry is expected to be ready for circulation to the company and other agencies by early next week. MEM's initial estimate of reclamation liability considerably exceeds the current bond amount of \$2M. There are concerns associated with operating costs exceeding revenue due to low metal prices and concerns with a major loan payment due in January, 2002. Negotiations regarding bonding are expected to begin within the next few weeks.

Copper prices have been on a roller coaster ride for Huckleberry. On November 8 the price bottomed at US \$0.597 and by November 15 had climbed back to a high of US \$0.667. On November 22 the price was at US \$0.665.

Eskay Creek - Eskay continues to encounter difficulties with its new tailings disposal system to Tom MacKay Lake. The new \$1M pump has reportedly proven incapable of pumping materials above 200 mesh, so slimes are having to be trucked separately to Albino Lake for disposal. TSS levels in Tom MacKay Lake, which had previously risen as high as 22 ppm, have been declining. The latest report was 9 ppm. The reasons for both the rise and the decline however, remain unknown.

Eskay has applied to increase daily production from 550t/d to 750t/day. The implications to the EA certification production level and the site implications are being reviewed. A meeting of the NWMDRC is scheduled for December 2, focussing on Eskay and Snip.

Cassiar - Mill fire remains have been cleaned up by burial around and in the footprint of the mill itself. Outlook for rebuilding the mill appears good but will need involvement of a second party with some money to contribute to the cause. The Regional Fire Commissioner has indicated that the Cassiar Fire Report prepared by Smith Investigation services has been reviewed and the Commissioners Office agrees with the findings. The Commissioner reports that Smith has dealt with the most probable cause as electrical and no one can dispute this determination under the circumstances.

RECLAMATION

Golden Bear - North American Metals are reportedly planning to make application to WLAP in early December to discharge all rinse solutions from the Totem heap to ground during next summer's rinsing. Assuming that this is approved, there will be no further need of either the mill or the tailings impoundment and it will be possible to remove all of the lower valley infrastructure and complete reclamation. It is expected that rinsing will also be completed next summer. The net effect of all of this will be to compress the previously anticipated closure schedule by one year. It will be possible to complete required reclamation for both the main haul road and the mine access road in 2003, rather than 2004 as previously thought. Agencies and groups with an interest in the access road will need to come to agreement on that aspect within the next 6 to 12 months.

GENERAL

Telkwa Coal - Allan Flemming of Luscar indicated in a telephone conversation that the project is still on the shelf. Luscar has other priorities at this time and Allan did not see a renewed interest in the project in the near future. He also indicated that there was also a wait and see attitude in relation to CBM.

On November 7 Wally Bergen was invited to the Northern Forestry Producers Association annual community dinner in Burns Lake. Much concern expressed regarding the soft wood tariff situation, mountain pine beetle infestation and the demand for wood and wood fibre throughout the NW.

Schroeter, Tom EM:EX

WJS → Reg. Mail
Smithers

From: Bergen, Wally EM:EX
Sent: Friday, August 03, 2001 9:15 AM
To: Al Hoffman; Andrew Whale; Beckett, Carla EM:EX; Bill Phelan; Brian Braidwood; Chris Carr; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Graeme McLaren; Greg McKillop; Gregg Stewart; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Pat Cheetham; Patrick O'Rourke; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sandra Kilmartin; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to August 2, 2001

MINING

Huckleberry Mine has indicated that the summer program of diamond drilling, prospecting and geophysics has been completed and although good grades were encountered while drilling, the targets proved to be too small to mine profitably. Winter drilling may result from an IP survey between Tahtsa Reach and East pit, or from two lines of recce IP on the Wee (93E 086) north of the mine, near Sweeney Lake. With copper at \$0.66 Huckleberry is losing money, current production cost is about \$0.70

Cassiar: No word yet on company plans for the site. Senior officers of the company plus structural engineers are to visit the site next week [Aug 7-8] to determine the extent of the fire damage to the remaining air building and concentrator. Air building received smoke damage and concentrator structural steel was damaged.

Eskay Creek: The tailings pipeline is approximately 75% complete. Pipe liner is being installed now. Pipe sections will then have to be joined, a discharge system into Tom Mackay lake devised and installed and the pump [on site now] hooked up. Expected start-up is late August. Additions to accommodation building have been completed as well as expansion to the dry. Aggregate handling system, mine water thickener and sewage plant upgrade are at various stages of completion. Due to an incredibly long thaw period the company still has not been able to access all of the Tom Mackay area. There was still ice [20-30% of surface] on July 31.

EXPLORATION

Bill (94E 092, 140 km SE of Dease Lake)- Rimfire Minerals new project, optioned from Smithers prospector Lorne Warren, was examined by Paul Wojdak with Dave Caulfield. Gold-bearing quartz-arsenopyrite-pyrite stringer veins were drilled by Cominco and Dupont in 1983-84. Highly anomalous Au and As in silt led to discovery, and soil anomalies outlined drill targets. Doming of the chlorite schist and a pronounced magnetic low (regional survey by GSC published in 1999) measuring 10 km in diameter, suggest the area is underlain by a Cretaceous intrusion with an extensive carbonate-sericite alteration halo. This may provide a "bigger picture" model for further exploration. Placer Dome is scheduled to examine the prospect in late July.

Thorn (104K 031, high sulfidation enargite-gold prospect north of Golden Bear mine)- visited by Paul Wojdak with Rimfire Minerals personnel in conjunction with appraisal by Richard Gorton for possible option by Newmont. Placer Dome will examine in late July.

RDN (104G 144, epithermal VMS prospect 40 km north of Eskay Creek mine)- Paul Wojdak reviewed progress of drilling program with project geologists Al Montgomery and Mike Stammers, Newmont representative Richard Gorton and Rimfire principals Dave Caulfield and Henry Awmack. Six holes completed, 3 more planned at time of visit, all target EM conductors. One hole is planned in the Boundary zone (south end of the property) and 2 more at the Wedge zone. Surprisingly, no holes were planned in Jungle zone, site of encouraging previous (gold) geochemical and assay results. So far, all holes have been completed, to the credit of the drill contractor. Up to 40 metres of overburden and highly sheared mudstone near the Forrest-Kerr fault had frustrated prior drilling. Above information has not been released.

Eskay Creek exploration program, and some drill core, was reviewed by Paul Wojdak with Ian Dunlop. No change (as yet) arising from the Barrick-Homestake merger, but Homestake staff expect the Vancouver office to close. (The merger had yet to clear a 40-day review by the NYSE so that no major changes are expected until end of fiscal year) Alex Davidson, Barrick exploration VP is scheduled to visit Eskay in mid-August, but changes to the current 3-drill, 16 000 m drill program would appear to be unlikely. Exploration drilling is more broadly dispersed than last year, which focused on the "Deep Adrian" NEX trend down-plunge in the hinge of the Eskay anticline, in search of bedded ore in a second thickening of the Contact Mudstone, without any success. New targets include the Mackay adit area, felsite bluffs (seeking low grade mill ore to replace nearly depleted 109 zone) and the footwall dacite. Drilling was in progress on the

Schroeter, Tom EM:EX

TOS → Reg. Mgr
- Smithers

From: Bergen, Wally EM:EX
Sent: Friday, May 25, 2001 4:19 PM
To: Adams, Rick EM:EX; Anderson, Duane EM:EX; Beswick, Ed EM:EX; Booth, Richard EM:EX; Braidwood, Brian FIH:EX; Carr, Chris EM:EX; Carter, Tom EM:EX; Cheetham, Pat EM:EX; Cochrane, Marlene EM:EX; Conte, Rick EM:EX; Curtis, Ross EM:EX; EM MB Smithers DL; Errington, John EM:EX; Finvers, Maija EM:EX; German, Gerald EM:EX; Guthrie, Shelley EM:EX; Hall, Ted EM:EX; Hermann, Fred EM:EX; Hesketh, Joan EM:EX; Hoffman, Al EM:EX; Jorgensen, Sharon EM:EX; Kennedy, Wesley EM:EX; Kilmartin, Sandra EM:EX; Lieutard, Denis EM:EX; McKillop, Greg EM:EX; McLaren, Graeme EM:EX; O'Rourke, Patrick EM:EX; Phelan, Bill EM:EX; Readshaw, Kerry EM:EX; Schroeter, Tom EM:EX; Starkes, Terri EM:EX; Stewart, Gregg EM:EX; Stewart, Linda EM:EX; Whale, Andrew EM:EX
Cc: Brown, Derek EM:EX
Subject: NW Region Report to May 25, 20001

MINING

Chuck Brawner and Bryan Good visited Granisle, Bell, Endako and Huckleberry to conduct engineering reviews of structures. Equity is still snow bound so will be visited later in the summer. No major issues encountered.

Latest slide activity at Endako has been cleaned up and a protection berm constructed. Haulage road is restricted width for about 200 feet.

CASSIAR

The insurance companies and Cassiar Magnesium Inc. have reached an agreement on Cassiar's insurance claim for the mill fire. The amount agreed upon was not disclosed but all papers have been signed and payout cheque issued on Friday, May 18th. No word yet on CMIncs plans for rebuilding.

Eskey Creek has a full slate of construction projects planned for the mine site this summer. Projects include adding 48 more rooms to the accommodation complex by adding on 30m to its length and three stories in height, enlarging the size of the mine dry and office building, completing the installation of the tailings pipeline and pump, revamping the aggregate feed system for the backfill plant, enlarging the sewage treatment system, building a new aggregate dryer system, building a large clarifier for mine water treatment and building new offices and a lab in the mill.

EXPLORATION

There were 10 Prospector Assistance Grants in the Northwest totalling \$87,500, with 5 at \$10,000 and 5 at \$7,500. All recipients have been advised.

Coal bed Methane - Paul Wojdak was a part of a trip by Aboriginal Relations Branch staff to Dease Lake to present preliminary information to the Tahltan First Nation regarding coal bed methane potential in the Klappan-Groundhog areas. As a result of inquiries regarding the initiative Derek Brown provided a useful update to regional managers and staff by conference call. Many questions were answered and further updates are planned.

GENERAL

Minerals North 2001 is on in Terrace May 30 - June 1. For information contact Glenda Lamarche at 250 635 4168 or log on to www.northwestbc.com/mineralsnorth

As part of Mining Week Huckleberry Mine ran a advertisement in local newspapers for mine tours. The interest was so great that they had to stop taking registrants after 120 people expressed interest. Hopefully they left with a better and positive understanding of the mining process.

Bruce Graff and Mary Lou Malott attended a half day Riverwise water safety course put on by MELP. Both indicated the information was very useful and alerted them to water safety concerns. Thanks to Bruce who circulated copies of the course handbook to staff who did not attend.

Spring has finally arrived. We have had 4 days now where the temperature got into the "teens" and it did not freeze at night.

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Monday, November 13, 2000 10:55 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Brian Braidwood; Chris Carr; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Graeme McLaren; Greg McKillop; Gregg Stewart; Joan Hesketh; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Marlene Cochrane; Pat Cheetham; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Terri Starkes; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to November 10, 2000

MINING

Endako Mine is experiencing major financial difficulties at the current price of moly. The mine has gone onto a 12 week lay-off notice for all employees. The mine is going to be working with the Job Protection Commission to try and find relief until moly prices improve. The mine has just completed installation of an in pit crusher and conveyor belt to try and reduce haul costs. If the lay-off proceeds 218 employees will be affected.

Premier Gold: Rock falls into Cascade Creek Diversion have been cleaned up as much as possible for this year. More work to do next spring during low water flow period. Considerably more work to do on slope stabilization if diversion to be accepted for long term.

Golden Bear: Final mucking of Kodiak B ore completed November 8th. Underground stood up much better than expected. Underground development was extended into the small Kodiak C deposit during mining of Kodiak B. Testing determined narrow widths and poor gold leach recovery and it was determined not to mine Kodiak C. This means that oxide reserves at Golden Bear are exhausted. Leaching of ore mined this year will continue in 2001 but gold production will be much less than the 95,000 ounces produced this year. Tonnage and grade were almost exactly to predicted values. Production this year was in excess of 96,000 ounces gold. All employees are to leave site Nov. 11 except for watchmen.

Cassiar: Resumed production Wed. Nov. 8th after a three week shutdown. Cassiar is experiencing some marketing problems which have resulted in high on site inventories of certain length fiber stocks. Mill has been re-tooled to produce a fiber length in demand by Mexico. Mill may close for a period over the Christmas-January, 2001 period.

~~Eskay Creek~~ Tailings pipeline construction has stopped for this year. Pipeline is about 95% complete. Drop section into Tom Mackay Lake still to be completed and liner to be installed in pipeline. Homestake expects pipeline to be operational in July of 2001.

D/O in mine last week resulted from an employee traveling into a heading that had high levels of carbon dioxide gas build-up. Employee was able to leave area and after being checked out by the first aid went back to work. Employee had turned on ventilation fan but did not wait long enough for gas to be expelled.

RECLAMATION

me The Premier Power Corporation, who propose to construct a hydro electric generation plant at Long lake in the vicinity of the Premier Mine, has indicated that the company has submitted their proposal to B.C. Hydro and the preliminary feedback is that Hydro is definitely interested in the power. Among the options being examined is one that would provide Stewart/Hyder, Aiyansh and the Nass Valley, etc. with power independently in the event of a major outage on the main line to Terrace and Stewart. Premier Power is negotiating the specifics of an agreement with Boliden to use specific structures and tenures on the Premier site.

Skyline Gold Corp. A small group of company personnel and contractors flew into site in September and started the clean-up and reclamation of this property. Less work than anticipated was accomplished this year due to the late snow melt. Company is expecting to continue next year as early as snow melt permits.

Schroeter, Tom EM:EX

TGS → RG
- Smithers

From: Wojdak, Paul EM:EX
Sent: Tuesday, August 15, 2000 2:47 PM
To: Bergen, Wally EM:EX; Cathro, Mike; Houle, Jacques; Lane, Bob; Wilton, Paul
Cc: Burchett, Esther; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Kennedy, Wesley; Konschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill; Anderson, Duane; Brown, Derek; Conte, Rick; Lefebure, Dave; McArthur, Gib; McLaren, Graeme; Schroeter, Tom
Subject: Weekly report, Aug 15, 2000

Homestake Ridge- Teck acquired this very prospective property SE of Red Mountain, on the opposite side of the Cambria icefield. Consolidation of claims from difficult-to-deal-with owners has prevented exploration of this property for many years.

Cronin- Discovery Consultants purchased the reverted Crown Grant claims at government auction for \$4060. Copied maps, assay plans and sections for Tom Carpenter (thanks to Elaine/Esther).

Adam Milling Ltd- Researched and provided info to Dave Molloy (PAP grantee) on ore piles at this former mill site on lower Bitter Creek, near Stewart. Mill operated in 1973, processing gold-copper ore from Red Cliff and Roosevelt. Molloy was prospecting for the source of the ore in the immediate area.

Todd Creek- Drilling very unlikely, no funding. Geofine Consultants (Molloy and Kennedy) are doing helicopter supported sampling and mapping. Unable to visit property due to poor weather.

Red Mountain- Wheaton River Minerals will not purchase the Premier mill due to uncertainty over long term site liability.

Atlin Placer district- Limited mining activity this year due to high price of fuel and low gold price. Visited Daniel Johnson (Spruce Creek), Lum Zogas (planning move to Ruby Creek) and John Zogas (beginning to mine at Gold Run on Pine Creek). Assisted claim owners on Snake Creek who appear to have accidentally discovered bedrock gold while exploring for a paleochannel. The paleochannel was indicated by a seismic survey, but seems delineate altered rock possibly in a fault zone. Gold was recovered from bedrock by drilling with a churn drill. Binocular microscope examination to follow.

Tulsequah Chief- Difficult to convey depth of concern/ consternation/ outrage/ despair in mining circles (Golden Bear, Eskay Creek, Atlin, etc) regarding court decision. Met with Terry Chandler, who continues to put forward a brave face, and Terry Zanger in Atlin Aug 8. Advised of visit to Tulsequah site by Alaskan government officials (L.S. Flanders, B Kirkpatrick, K. Howard, S. Bradley) accompanied by a large entourage of "rafters" and "National Geographic photographer". Interesting note- four bears killed in course of MELP's impact assessment study.

Eskay Creek- Mine operating at 550 to 570 tonnes per day (250 tpd of mill ore and 300 tpd of smelter ore). Exploration drilling focused on north plunge trend, \$3.3 million, 22,000 metre program using 4 drills. Homestake has presented a new offer to owners of the SIB claims. Auction of Tagish claims is keenly anticipated by Homestake. Visit Aug 10.

Cassiar- up and running again after 4-week forced shutdown due to cash flow problem. Producing 68 tonnes of fibre per day. Critical time line to deliver minimum of 150,000 tonnes of screened millfeed from the Cirque dump and tram line sites by contractors Jedway Enterprises and KoKen Construction.

Thorn- (south of Atlin) Rimfire has completed airborne EM-mag survey and will follow up with mapping program. Impressive alteration and enargite mineralization in high sulfidation target, visited Aug 8 with Dave Caulfield and Tom Schroeter. Previously explored but not properly assessed. Large areas of good potential. Rimfire may attract Newmont to participate.

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Sunday, June 18, 2000 8:37 AM
To: Bergen, Wally EM:EX; Cathro, Mike; Houle, Jacques; Lane, Bob; Wilton, Paul
Cc: Burchett, Esther; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Kennedy, Wesley; Korschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill; Anderson, Duane; Brown, Derek; Conte, Rick; Lefebure, Dave; McArthur, Gib; McLaren, Graeme; Schroeter, Tom
Subject: Weekly Report, June 16, 2000

Fore more

New Staking- Foremore (104G 148) prospect in the Iskut district allowed to lapse by Cominco, staked by Lorne Warren and John Mirko. Target is undiscovered source of high grade VMS boulders, which lies under a glacier.

Anyox **Anyox-** another 145 units acquired by Steve Buchan, Granby Mining Corp. Enormous claim block, 400 square km (20 by 20 km). But there appears to be little money to work the ground, proposed geophysical survey by Delta Geoscience has been scaled back.

BCYCM Open House coming to Smithers on June 29 at Hudson Bay Lodge. New approach by the Chamber in explaining to communities why they pulled out of land planning tables. Bruce McKnight, Sally Howson and Linda Dandy will be here.

Cassiar

Cassiar- At June 14, 1100 tonnes per day mill-site stockpile is being processed to produce 54 tonnes of AK, AX and AY (?) grades of chrysotile fibre (represents 4.9% recovery). The AZ grade (short fibre, lowest grade) circuit is expected to be on-line imminently. Recovery of AZ grade is difficult and uncertain. Therefore output is unknown but is "guessed" to increase the total to 60 tonnes per day (5.5% recovery). Value of the various grades is indicated to be:

AK	\$1000 per tonne
AX	\$ 890 per tonne
AY	\$ 600 per tonne
AZ	\$ 440 per tonne

Summer ore-haul is scheduled to begin by July 1, to build next winter's stockpile. Part of this year's strategy is to up-grade the material better by doing more on-site screening prior to hauling. The planned source of ore is,

- Talus ore: 290,000 tonnes to be screened to 150,000 tonnes
 - Tramline ore: 50,000 tonnes to be screened to 45,000 tonnes
 - 2 inch rejects: 100,000 tonnes, screened to 25,000 tonnes
- Total to be trucked and stockpiled = 220,000 tonnes

Talus, tramline spillage and 2 inch reject represent 4 million tonnes of surface material left over from the previous operation. Talus ore (the largest component) is near the toe of the Cirque dump and was examined with mine geologist Lesley Hunt. Air photo interpretation suggests a sharp distinction between "talus ore" and argillite waste-rock. Good grade areas appear light gray on the photo due to a surface mat of naturally washed fibre. On the ground the boundary is more complex, a highly variable amount of waste argillite is mixed with chrysotile-bearing serpentinite and loose fibre, a rough average is 25%. Recovery of talus ore from the dump is further complicated by ice lenses.

Fireside Barite- Inactive, visited to solidify previous observations in order to do report for *Exploration in BC*. Property is underlain by gently west-dipping, orange weathering limy shale and siltstone, probably the Kechika Formation. These rocks are cut by dikes of biotite-hornblende gabbro, probably correlative with gabbro sills(?) mapped 40 km to the southeast by Fil Ferri and crew in the northern Kechika trough. Two of the three sub-vertical, structurally controlled barite vein deposits are closely associated with gabbro intrusions. Veins are typically 2 metres, but locally up to 10 metres wide, and comprise up to four parallel or bifurcating structures. The northerly trending Moose vein has been mined (seasonally) from a shallow open pit and was reclaimed in 1999. Open pit mining of the northeast trending Bear vein began in 1998, but may be deferred in 2000. The NNE trending Beaver vein has not been developed. At one locality near the Bear vein, siltstone beds in a thin-bedded siltstone/shale sequence contain rich concentrations (10-30%) of diagenetic(?) barite. Possibly, the role of the gabbro intrusions was to mobilize and redeposit this stratabound barite. Although the gabbro is virtually non-magnetic, simple geophysical methods should be able to discriminate between shale and gabbro to derive

VBS → Cassiar

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Friday, May 19, 2000 3:48 PM
To: Anderson, Duane EM:EX
Cc: Lewis, Jim E EM:EX; Back, Ian EM:EX
Subject: RE: CIM Lunch Notice

I am NOT able to attend. Sorry. Tom.

From: Anderson, Duane EM:EX
Sent: Friday, May 19, 2000 3:15 PM
To: Schroeter, Tom EM:EX
Cc: Lewis, Jim E EM:EX; Back, Ian EM:EX
Subject: FW: CIM Lunch Notice

Tom: if you attend, appreciate if you could provide us with copy of your notes and pick up extra copy of any handouts.

Duane A.

From: Lewis, Jim E EM:EX
Sent: Friday, May 19, 2000 11:28 AM
To: Anderson, Duane EM:EX; Bhagwanani, Bish EM:EX; Dickson, Geri EM:EX; Koncohrada, Karen EM:EX; Niewinski, Edward EM:EX; Back, Ian EM:EX
Subject: RE: CIM Lunch Notice

Ian,

I would be very interested in car pooling over to this secession.

This is an important project to monitor. If this project goes ahead it would augment the whole strategic nature of industrial mineral production and processing in BC. At my last meeting in Ottawa on the Stats committee this area has initiated new and ongoing discussions (particularly with BC and Quebec involved as new potential producers). We are receiving more and more questions on this development to the ministry.

Jim

From: Back, Ian EM:EX
Sent: Friday, May 19, 2000 8:51 AM
To: Anderson, Duane; Bhagwanani, Bish; Dickson, Geri; Koncohrada, Karen; Lewis, Jim; Niewinski, Edward
Subject: FW: CIM Lunch Notice

Is anyone possible interested in attending. If so, please let me know.

From: Alistair Kent[SMTP:alistair.kent@agra.com]
Sent: Thursday, May 18, 2000 5:34 PM
To: kmech@DREXELWESTERN.COM; koichiro_takeuchi@micusa.com; kkarchmar@cdnx.ca; info@evsenvironment.com; karef@bc.sympatico.ca; kweston@blmengineering.com; KEMATHEWS@bc.sympatico.ca; Ken_Set@PDTS.PlacerDome.com; kenmcvey@yahoo.com; kkarchmar@cdnx.ca; dowavan@intergate.bc.ca; kembree@knightpiesold.bc.ca;

Schroeter, Tom EM:EX

TOS → Reg. Mgr
- Smithers

From: Bergen, Wally EM:EX
Sent: Friday, May 19, 2000 3:54 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Brian Braidwood; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Grace Harris; Graeme McLaren; Greg McKillop; Gregg Stewart; Joan Hesketh; John Clancy; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Marlene Cochrane; Pat Cheetham; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Terri Starkes; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to May 19, 2000

MINING

Golden Bear mining on schedule. Kodiak B decline has advanced 150 metres and first sub-level development in ore has begun. Gold grade up to expectation. No problems with snow in the Ursa pit. Some waste rock has been removed and first ore blast of the season has occurred.

Endako mine proceeding with installation of in-pit conveyor, with movement of the crusher in to the pit planned for early July. Probably not operative until end of August.

Cassiar is up and running again after maintenance and modification shutdown. Modifications to recover short fibre have been completed to the circuit. Still some work to do but plant can produce now. Outstanding permit conditions are to be addressed over the next month. Company has changed name again. Now called Cassiar Magnesium.

Huckleberry reports increased tonnage and ore grade in the north east corner of the main zone pit. Diamond drilling active on the site to define pit limits and check other areas. Construction underway for 10% increase in mill capacity. Completion by late summer.

EXPLORATION

Morrison drilling program visited May 3 by Paul Wojdak. Hole 99-4 has been deepened from 300 to 454 metres and 2000-5 was approaching 300 m target depth. Falcon is doing the work, on a 1-shift basis. Current drilling specifically targeted areas of better copper grade, as determined from old Noranda drill sections. Some sections suggest copper diminishes at depth, and these are avoided. All contractors on site (drill, excavator, geologists) are working (primarily) for Pacific Booker stock.

LAND USE

Graeme McLaren, Rolf Schmitt, Ed Beswick, David Morgan, Mary Lou Malott and Wally Bergen met in Vancouver on May 12 to identify problems associated with LRMP formulation. Several topic areas identified including sector representation at tables, abstention and when does "no" mean no, role of economics in processes, "value" placed on mineral concerns versus other sectors, etc. Graeme drafting paper from discussions and to circulate for review.

Cassiar Iskut/Stikine LRMP moving closer to completion with Public Open House meetings held in Telegraph Creek, Iskut, Dease Lake and Smithers to review table recommendations. Plan now goes back to LRMP table to consider comments and then to make recommendation to IAMC. Anticipate recommendations to June 15 IAMC meeting. Any comments regarding LRMP should be submitted to LRMP process ASAP.

Work is commencing on a scoping exercise for a North Coast LRMP. This is at the initial stages and is intended to provide information to LUCO regarding the logistics to complete a process in a timely manner. This LRMP is moving ahead in response to concerns regarding forest industry and environmental groups seeking to make agreements outside of government processes to resolve forestry certification issues.

Wally Bergen is now the chair of the Prince Rupert IAMC and joins with Andrew, who is the chair of the Kootenay

VBS → Reg. Mgr.
- Smithers

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, April 14, 2000 2:06 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Brian Braidwood; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Grace Harris; Graeme McLaren; Greg McKillop; Gregg Stewart; Joan Hesketh; John Clancy; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Marlene Cochrane; Pat Cheetham; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Terri Starks; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to April 14, 2000

Endako

MINING

On April 4 a slide occurred on the "southeast slide" of the Endako mine pit. The slide was identified in advance and there were no injuries and only minor damage. Approximately 10,000 tonnes dropped. Further evaluation has shown that the slide is more significant than initial impression. At the pit rim the arc of the failure zone is about 250 feet across and the surface dropped about 30 feet. Endako has brought in B.A.T construction (Rock scalers from Kamloops used last year on the north wall to ensure it was safe) to scale and stabilize this failure. It is expected this may take two weeks.

Further to Endako, is understood Steve Moonie (Owner of Thompson Creek) is wanting to sell the company. This may be confidential information although Endako employees are aware of the state.

Golden Bear has opened the road into the mine site and is working on site after the winter closure. Work has commenced on development of the Kodiak "B" decline. The heading has advanced about 26 m to date. Conditions at site are still quite cold so it is a struggle for all concerned. Snow clearing in the Ursa pit is scheduled to start shortly. Estimate is at least 4 m of snow in pit bottom. Roads are all open but wind and blowing snow create constant necessity for clearing. Totem Creek recovery plant survived the winter with only minor structural damage to structure. This area is subject to some very high wind loads.

Cassiar is producing fibre at a lower rate than hoped. Target is 50 tonnes per day, current rate is between 35-40 on a monthly average. Still some bottle necks in system. Ore stockpiles at mill are dwindling but company is confident that new reserves can be accessed before reserves at mill are depleted. Currently 58 workers on the payroll. Correction from last report: Cassiar is a dry mill process.

not wet-mill

OHS

In relation to the hydraulic rams that failed at Huckleberry and were reported in the last weekly report, testing has indicated that the failures were likely due to problems associated with the metallurgy of the ram cylinder which may have been compounded by welding as a part of manufacturing. Also, concerns identified in relation to pressure controls and the process for directing pressure to the 4 rams which were being used. Further follow-up to occur.

EXPLORATION

Prospector Assistance- Paul has been responding to numerous inquiries and has commenced to review applications.

Smither Exploration Group is giving an Intermediate level prospecting course for members on deposit models being planned for April 30-May 7 (weekends and 1 evening). To be seminar style, with prospectors to research and give hands-on presentations, using deposit suite rock collections.

The Geological Society of America annual meeting is in Vancouver this year on April 27 to 29. The ministry is considering releasing the Queen Charlotte Islands regional geochemical survey data at the meeting. This should help to give more exposure to the Northwest.

Wally Bergen

Schroeter, Tom EM:EX

TS → Ray, Mgr
- Smithers

From: Bergen, Wally EM:EX
Sent: Friday, March 31, 2000 5:01 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Brian Braidwood; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Grace Harris; Graeme McLaren; Greg McKillop; Gregg Stewart; Joan Hesketh; John Clancy; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Marlene Cochrane; Pat Cheetham; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Terri Starkes; Tom Carter; Tom Schroeter; Wesley Kennedy
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 lead 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 suppose 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-I 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.

Schroeter, Tom EM:EX

TFS → Reg Mar
Smith as

From: Bergen, Wally EM:EX
Sent: Friday, December 10, 1999 1:56 PM
To: Adams, Rick; Anderson, Duane; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Cheetham, Pat; Clancy, John; Curtis, Ross; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Lieutard, Denis; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Readshaw, Kerry; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: NW Region Weekly Report to December 10, 1999

MINING

Wheaton River Minerals Ltd. and Kit Resources Ltd. announced approval in principal to a business combination of the two companies pursuant to which they will merge by way of a court approved plan of arrangement. This may assist Wheaton Rivers efforts to acquire properties in the Northwest to move onto as Golden Bear reaches depletion.

Cassiar Mines and Metals Inc. are putting the finishing touches to the revamped dry mill. Production will be about 30 tonnes/Hr through the mill. The company is hoping to be in production by January 1st. Ore stockpiles on surface are estimated to total 4 million tonnes with a recovery grade of 5% fiber. At a planned production rate of 720 tpd (360,000 tonnes/yr) this represents an 11 year life to the operation with a planned workforce of 44. The new plant is 1/5 the size of the old plant. They already have an order to fill from Iran. The latest news release [Vancouver Sun; Saturday, Dec. 4th] suggests that the company and the Aluminum Co. of Korea are planning a magnesium plant for Cassiar at a cost of \$733 million. News item suggests plant could be up and running by 2003.

Endako - Work is progressing on the in-pit-crusher project. The crusher assembly is nearly complete and development of the conveyor drive station is complete. It is expected about 1300 feet of conveyor will be in place before year end. Project is not expected to be completed before late next spring. Mining of low grade stockpiles continues to provide about half the mine production.

An front page article in the Smithers Interior News indicated that the Telkwa Coal Project is majorly behind schedule. Allan Flemming is quoted as indicated that the project report will not be completed early in the new year, as forecast, but may be available later in the year. Declining coal demand, amalgamation of Manalta and Luscar, weak coal prices and financial losses experienced by Luscar are cited as possible causes for the delay.

Huckleberry has completed mining in the east zone pit and are now producing exclusively from the Main zone. It is understood the company is also looking at an increase in capacity of about 10% in the mill through some relatively inexpensive additional equipment. Tercon and North American have completed work on the dams for this year.

EXPLORATION

The Silvertip project has had to delay their underground drill program to the new year due to unexpected higher deterioration of the existing ground support. The area to be drilled has to be totally resupported due to existing screening and split set bolts rusting so bad to be of no use for ground support. Underground program budget increased from \$1.1 million to \$1.4 million. Also, the concept of an open pit mine leading to an underground operation is being re-evaluated. Concerns that an open pit would act as a funnel for water into underground workings.

FIRST NATIONS

The provincial proposal for settlement of the Gitanyow land claim was tabled with the Gitanyow First Nation. The proposal sought to identify settlement lands in each of the Gitanyow territories, rather than a central land settlement. Initial indications are that the Gitanyow were not satisfied with the proposal.

TGS → RG
Smithers

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, December 03, 1999 9:53 AM
To: Bergen, Wally EM:EX
Cc: Schroeter, Tom EM:EX; Lefebure, Dave EM:EX; Brown, Derek EM:EX; Cathro, Mike; Lane, Bob; Pinsent, Robert; Wilton, Paul; Burchett, Esther; Daniel, Catherine; Ennis, Sandee; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Konschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill
Subject: Weekly Report, Dec 3/99

Silvertip visit Dec 1 with Doug Flynn. Underground program budget increased from \$1.1 million to \$1.4 million because of ground stabilization problems in the Earn Group shale (Tom: 50% to be spent in 1999). Drilling postponed till early January. Reviewed proposed drill layout with Chris Rees (ex-GSB). Also reviewed underground geology with Chris who is mapping structures underground with the aim of determining ore-control for chimneys in the footwall McDame limestone.

Cassiar visit Nov 30 with Doug Flynn. Crew of 56 hard at work but start-up of dry mill scheduled for Dec 1 will probably not happen until early January. Reviewed chrysotile resource and production plan with Barney Kovacs (COO of Cassiar Mines and Metals Inc). Ore stockpiles on surface are estimated to total 4 million tonnes with a recovery grade of 5% fibre. At the planned production rate of 720 tpd (360,000 tonnes/yr) this represents an 11 year life to the operation with a planned workforce of 44. (It is amazing this surface material was not utilized in 1992 to buy time when difficulties were encountered in the switch to underground mining.) The new plant is 1/5 the size of the old plant. Precise topographic mapping using old and new air photos is in progress to improve the size/tonnage estimate of surface stockpiles whose origin dates back to when mining began in 1953.

Prospector Assistance program- Two reports reviewed and final payment approved for Dennis Schaefer (Burns Lake area precious opal) and John Hope (follow up of 1996 RGS in 104I, east of Dease Lake).

Northwest exploration review presented to Ministry staff in Victoria (Nov 23) and to Smithers Exploration Group (Dec 3).

Presentation at Eskay Creek workshop on Nov 25 in Vancouver on Eskay Creek VMS potential in the Smithers area.

Represented Regional Geologists at **Technical Liaison Committee (TLC)** meeting in Vancouver Nov 26. Purpose of TLC is to provide industry input to new GSB programs and feedback on previous efforts. I reported on Prospector Assistance program (with Dave Lefebure) and status of *Mining and Exploration in B.C.*

Coming Events: **Minerals North- May 17-18 in Tumbler Ridge**
Rock Talk- during week of Feb 28-March 3, exact date to be determined ASAP.

Paul Wojdak

Regional Geologist
Mines Branch, Smithers
Ph: 250-846-7391 Fax: 250-847-7603
paul.wojdak@gems5.gov.bc.ca

Schroeter, Tom EM:EX

TGS → Reg. Mgr
- Smithers

From: Bergen, Wally EM:EX
Sent: Thursday, November 04, 1999 3:46 PM
To: Adams, Rick; Anderson, Duane; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Castillo, Talitha; Cheetham, Pat; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Lieutard, Denis; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Readshaw, Kerry; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: NW Region Weekly Report to November 4, 1999

Laredo
MINING

North Pacific Stone/Laredo Limestone is proceeding with site investigation and data gathering in preparation of submitting applications for the various permits required to operate a limestone quarry. They are scheduled to present their work to date to the NWMDRC on November 23, with the intention of moving towards submitting permit applications early in 2000.

On November 25 Eskay Mine will be meeting with the NWMDRC to present their work from over the summer investigating Tom McKay Lake as a sub-aqueous disposal site for tailings. On the evening of the 24th the mine is having an Open House presentation of the proposal in Smithers as a part of the EA review process.

The Golden Bear mine had a very successful season and is looking forward to developing the Kodiak B zone next year as well as finishing off the Ursa Pit. Kodiak A ore on the Fleece Bowl heap leach pad is undergoing detoxification and is expected to be completed next year. Also at Golden Bear, on October 27 an employee walked away from a fueling situation and then forgot to turn off the fuel nozzle. Approximately 1900 L of diesel fuel was spilled. Due to freezing temperature and frozen ground conditions about 1850 L was recovered. The contaminated soils were picked up and removed to the burn and residual fuel burned.

Cassiar
Cassiar Mines and Metals are progressing with dry mill refurbishing and start-up. The company is about four weeks behind schedule on time but on budget. Concerns now relate to weather. Heat for the building has historically been derived from the running machinery. Company is confident it will be up and running in December.

FIRST NATIONS

Two representatives from Taku River/Tlinget First Nation technical staff visited the Regional office for 2 days last week to get an in-depth overview of ministry processes. They were briefed on matters relating to the NWMDRC, geology, MX Code, permitting, occupational health and safety, reclamation, ARD and land use planning. The representatives indicated that the information was helpful. The briefings are a part of the ongoing discussions regarding Tulsequah Chief.

RECLAMATION

International Skyline Skyline Gold Corp. is proceeding with their reorganization slower than expected. It now appears that the new company being created will have seat on the Vancouver Stock Exchange rather than the Toronto Exchange. This change will not effect current plans to reclaim the Johnny Mountain site next year.

Premier Mine site - Discussions with Geotechnical Section has raised concerns regarding the proposed tailings impoundment design. Conclusion so far is that Boliden have not demonstrated (due to a lack of materials characterization) that a water cover is required for the tailings. The proposed design for a flooded impoundment is unacceptable from a geotechnical perspective. Comments to be forwarded to the company by Geotechnical next week.

Duthie - Remediation work is underway at the Duthie site to clean up "escaped tailings" and move them back within the impoundment area. Weather permitting the drainage control ditching and diversion ditching will be

Schroeter, Tom EM:EX

JP-GSB
-Econ. Geo.

From: Brown, Derek EM:EX
Sent: Friday, October 08, 1999 11:57 AM
To: Smyth, Ron EM:EX; Alldrick, Dani; Ash, Chris; de Groot, Laura; Fournier, Mike; Hoy, Trygve; Jones, Larry; Massey, Nick; Owsiacki, George; Payie, Garry; Ray, Gerry; Robertson, Sheila; Ryan, Barry; Simandl, George; Webster, Ian; Wilcox, Allan; Brown, Beverly; Hutchins, Julie; Lefebure, Dave; McArthur, Gib; Passmore, Kim; Cathro, Mike; Lane, Bob; Pinsent, Robert; Schroeter, Tom; Wilton, Paul; Wojdak, Paul
Subject: WEEKLY REPORT: ECO, Oct. 4-8, 1999
Sensitivity: Private

WEEKLY REPORT: ECO, Oct. 4-8, 1999

This report is to inform Branch and Regional staff about weekly progress on studies by the Economic Geology and Mineral Inventory Section of GSB. Brown would appreciate any comments (952-0432).

POTENTIAL TOPICS FOR DIVISION REPORT:

- Chrysotile ban in Europe.

Cassidy
The European Commission has banned the use of the last type of asbestos not covered by previous bans- "CHRYSOTILE". The bans include the use in cement, friction products, seals and gaskets as well as other specialized uses. The only exception is in diaphragms employed in electrolysis in chlorine plants. Over last 10 years European market has shrunk considerably and last year it accounted only for \$13.5 million dollars. The ban does not represent a major problem for Canadian producers in short term, however, it may precipitate other bans in other parts of the world. In 1998 Canadian production declined to 320 000 tonnes (down 24%). The feeling is that 1999 will be a better year, virtually all the sales are now going to Asia and South America. (Comments from George Simandl)

OFFICE:

- Many project leaders are writing Fieldwork articles summarizing the summers results.
- Electronic Distribution of Mineral Assessment Reports (**EDMAR**)-- Larry Jones presented an overview of the project and our options to Managers (Oct. 7); requires preparation of 3-phase proposal: (1) Begin scanning reports; (2) Digital submission of reports; and (3) Scan report backlog. As part of this initiative the Kootenay (Purcell Anticlinorium) Industry Partnership Project ordered a Scanner (HP 6350C) for a pilot project. Any comments or questions please contact Larry.
- Dick Billingsley in constant contact to comment on usefulness of web databases for rapid research, frustration with server down time and requests for data. Mike Fournier has completed the 2nd draft of "**Gold 2000 Map**" for Tom Schroeter and Robert Pinsent; he continues drafting and slide making for Derek, Trygve, George S., Nick, Barry, and Dave.
- Nick Massey is preparing for a joint talk with Chris Yorath and John Moore for the APEGBC annual meeting in Victoria – Geoscape Victoria and geology of southern Van. Island.
- Ian Webster is digitizing Heffley Lake at 1:20 and 1:5 k maps progressing well as part of the Fe-oxide-Cu-Au-REE project.
- Laura de Groot reformatted all of ARIS web pages to Arial fonts and adjusted pages to eliminate scrolling sideways as much as possible.

Schroeter, Tom EM:EX

VOS → Reg.
- Smithers

From: Bergen, Wally EM:EX
Sent: Wednesday, December 23, 1998 4:01 PM
To: Beresford, Eric; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Castillo, Talitha; Cheetham, Pat; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Ross, Paul; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: FW: NW Region Weekly Report to December 23, 1998

From: Bergen, Wally EM:EX
Sent: Wednesday, December 23, 1998 4:00 PM
To: Bergen, Wally; Burchett, Esther; Daniel, Catherine; Ennis, Sandee; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Korschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill; Wojdak, Paul
Subject: NW Region Weekly Report to December 23, 1998

MINES

On December 16 Tim Eaton and representatives from Huckleberry Mine provided a briefing to MELP staff, Glenda Ferris (member of the Huckleberry Mine ARD Committee) and ministry staff regarding movement within the two retaining dams for the tailings and ARD storage impoundments at Huckleberry Mine. Concerns regarding movement are being addressed through buttressing and improved monitoring of the placement of till and rock material as the dam is being constructed. Increased monitoring is occurring and the movement is anticipated to stop once dam construction is complete. Ongoing monitoring will occur.

sulphurets
On December 18 Bruce McLeod of Newhawk Gold Mines Ltd. and Vern Betts of Homestake Canada Inc. presented to the NWMDRC Newhawk's plans for reclamation at the Sulphurets property. Although the company has an extended Mine Development Certificate they do not anticipate going into production in the near future due to depressed gold prices. They propose to dispose of approximately 50,000 cubic metres of acid generating waste rock subaqueously into Brucejack Lake and to remove all exploration and mining material from the site. The company was asked to provide additional information in regarding the potential impact on Brucejack Lake and the receiving environment and they are moving to collect this information. If all concerns are resolved it is anticipated that reclamation work will commence this summer.

Two unusual occurrences at Eskay Creek. In the first a grader operator was cleaning the heater in the cab of a grader and accidentally turned the unit on leading to lost time due to lacerated fingers. In the second a rock fall occurred in an idle heading. No injuries or damage. Both incidents are being investigated.

Cassiar
Approximately 50 tonnes of jade was recovered from the Cassiar waste rock dump by Jedway Enterprises in 1998. No jade mining was done at Serpentine Lake (by Polar Jade) or at Kutcho Creek (by Jade West).

FIRST NATIONS

On December 15 the Gitksan First Nation, the Ministry of Aboriginal Affairs and line resource ministries met for the first time in 3 years discuss mutual respect, understanding and consultation. The meeting was a result of **A Reconciliation Agreement Between Her Majesty the Queen In Right of British Columbia and The Hereditary Chiefs of the Gitksan**. The parties agreed to prepare Terms of Reference for future discussions, a mandate statement for the intent of the table and priorities for items to be discussed. Further meetings are scheduled for January.

EXPLORATION

On December 17 Paul provided a presentation to NW staff of an overview of mineral exploration in the NW during 1998. This was the same presentation that he gave to the Yukon Geoscience Forum in Whitehorse. Staff found the presentation very informative.

BS → RG
- Smithers

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, October 30, 1998 10:54 AM
To: Bergen, Wally; Cathro, Mike; Lane, Bob; Schroeter, Tom; Wilton, Paul
Cc: Burchett, Esther; Daniel, Catherine; Ennis, Sandee; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Konschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill
Subject: Weekly report, Oct 30, 1998

Attended Industrial Minerals conference on Oct 22-23.

Attended meeting of Regional Geologists in Kamloops (Oct27) and Rick Meyers farewell dinner.

Presented Mining and Exploration summary in Victoria (Oct 29).

Visited Teck and Placer Dome offices in Kamloops (Oct 26). Teck are encouraged with results of surface sampling for gold on the Jake and Kit properties. Continued low level exploration programs anticipated in 1999. Placer Dome are looking for outright sale of the Kerr (Cu-Au porphyry) and Sulphurets gold properties in the Iskut region, rather than an earn-in option. The company is concerned about environmental liability. Problem: majors (including Homestake) are not interested, juniors have no money.

Golden Bear mined 397,000 tonnes at Kodiak A at an average grade of 3.73 g/t Au. Of this tonnage, 259,000 tonnes at 4.08 g/t Au was stacked on the Fleece Bowl pad and 138,000 tonnes at 3.06 g/t Au was stockpiled for loading on the Totem Creek pad in 1999. Total gold recovery by heap leaching Kodiak ore is anticipated to be as high as 94%. About 36,000 oz of gold will be recovered this year (vs 32,000 oz forecast) at an excellent production cost of US\$ 149. Mining of the Ursa zone and operation of the Totem pad now appears certain to take place next year. (Due to low gold price there had been uncertainty) The small exploration drilling program on the Grizzly zone did not increase the estimated resource.

Imperial Metals optioned Ed Westgarde's (Houston prospector) Star claims near Chisolm Lake 45 km southwest of Houston and then staked a block of 200 units (CL claims). This is an interesting new porphyry copper showing with heavily disseminated and weak stockwork of chalcopyrite but very little pyrite in surprisingly fresh granodiorite. This was a new logging road discovery. Subdued outcrop extends away from the new road but there is little or no gossan developed. The company hopes to do a geochem survey before winter, and some percussion holes using existing roads.

Harmony Gold drilling and metallurgical program is getting underway. Drill target is an IP anomaly that extends 500 m north of the Specogna deposit. They may also drill a 1000+ meter deep hole in search of a high grade zone below the Specogna deposit. This would be a deeper cut than the deep hole drilled last year. The 4-tonne metallurgical sample is required to test more bio-oxidation options.

Hunter Dickinson staff stressed the extraordinary methods required to raise money for this B.C. project. They are actively looking for new projects to acquire, but due to the difficulty in raising international funds they are not considering new projects in B.C.

Homestake expect to continue similar level of exploration in the Iskut region in 1999.

Expansion of the Cassiar tailings pilot plant to full production could lead to 60 permanent jobs in the next year or two. Excellent market response to the chrysotile fibre product- buyers are so eager they will pay 60% of cost at the mine site, with the balance paid when it reaches Vancouver.

Schroeter, Tom EM:EX

TFS → Reg. Mgr
- Smithers

From: Bergen, Wally EM:EX
Sent: Thursday, October 15, 1998 10:06 PM
To: Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Cheetham, Pat; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Marsman, Talitha; McKillop, Greg; McLaren, Graeme; Meyers, Rick; Phelan, Bill; Ross, Paul; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: NW Region Weekly Report to October 15, 1998

MINES

Thompson Creek Mines, Endako Operations, announced that due to low Moly prices and demand that they are cutting back production and laying off 50 to 60 employees. Thompson Creek has already cut back at their other operating mine in the U.S. The mine will remain in operation 5 days a week with a work force of 180.

Minroc Mines, owners of the previous Cassiar Asbestos operation, announced that they have a distribution agreement with a Japanese marketing company, Kakiuchi, for distribution of asbestos fibber in Asia and India. Minroc also has a distribution agreement with Hegler & Sohne GMBH of Germany for distribution in Europe, the Middle East and Africa. The company is also investigating recovery of magnesium from the tailings.

Cusac Gold, Table Mountain, has completed a small pit extraction of 800 oz of gold from the east side of the Erickson fault. This may lead to other prospects in the area. The company has also acquired the Taurus property and will be evaluating mining options.

Coeur Alaska, Coeur d'Alene Mines, is looking at the Premier mill to barge mill concentrate from the Kensington deposit in Alaska for recovery at Premier. The company considers permitting a cyanide plant near its Juneau site beyond reasonable hope/time frame.

RECLAMATION

Noranda's Bell Mine closure plan was the focus of discussion for a NWMDRC meeting on October 15. Representatives of the company, Lake Babine First Nation and government agencies met to recommence the mine closure and reclamation plan review. October 16 meeting to include a field trip to the mine site and an open house presentation for the public and First Nations in Granisle.

LAND USE PLANNING

Efforts to bring MEM's and the mining industry's concerns into the Cassiar Iskut/Stikine LRMP continue. As result of the last IAMC meeting commitments have been made to provide more direction to the table regarding workable scenarios, management objectives and the overall process. This situation will be monitored closely and further discussions regarding implementable products may be required.

Wally Bergen

Regional Manager, Northwest Region
Ministry of Energy and Mines, Mines Branch
Phone (250) 847-7385 Fax (250) 847-7603
<mailto:wally.bergen@gems4.gov.bc.ca>

Schroeter, Tom EM:EX

From: Wojdak, Paul EI:A1
Sent: Tuesday, August 25, 1998 9:16 AM
To: Flynn, Doug EM:A1; Bergen, Wally EM:EX
Cc: Anderson, Duane EM:EX; lefebure@mp.gsb.empr.gov.bc.ca; Lane, Bob A EI:A1; Cathro, Mike EI:A1; Pinsent, Robert EM:EX; Schroeter, Tom EM:EX
Subject: Addendum to weekly report, Aug 21

Cassiar
Cassiar Chrysotile Mining Inc (new name) made its first fibre shipment on Aug 17. Had an abbreviated mill tour with Doug Caddy (Minpro consultant in charge of crew training and plant startup). The tailings pile (mill feed for new wet milling plant) is being worked from 3 points to ensure an accurate test of grade variation. So far the average grade is 10+% fibre (vs 4.2% expected grade). The plant is operating at 60 tonnes per hour, 10 hrs/day, 6 days per week. Rotary screening (patented technology) is the process-limiting step. Four rotary screens are in place, this will be increased to 36 screens when units arrive from Australia. Kilborn and Minpro are conducting a feasibility study to assess magnesium recovery. Critical requirement is abundant cheap power. (How about some government initiative? Power would make the difference for many potential mines- Red Chris etc) Assuming operational success for the wet milling pilot plant, the next step for Cassiar Chrysotile is raising \$20 million for a 50,000 tonne/year plant.

3600 tons/week

*Red
Cap*
News from the Land Use front: River rafters/environmentalists on the Taku came up in discussion with Xplorer Gold, who are camped on the Taku River at the spectacular Kwashona Falls, where a large creek pours out of a hanging valley. Rafting trips go from Sheslay to mouth of Taku and have included David Suzuki. At least one group of rafters "complained" about the location of Xplorer camp near the waterfall, a natural scenic highlight of their trip.

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Monday, June 14, 1999 8:44 AM
To: Hora, Dan EM:EX
Subject: Cassiar files/data
Sensitivity: Private

I checked my files and found a memo dated Jan. 4/94 from you 'suggesting' that Mr. Bill Morrison of the University of Northern British Columbia in Prince George has the complete set (from the Receiver, Arthur Anderson). I will pass this info along to Barney. It was nice to see and talk with you last week in Victoria. Cheers, Tom.

*TGS passed info along to Barney Kovacksy
(BC Hydro)*