

Cassiar Asbestos

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104 P005

*[Handwritten signature]*  
Reg. Mgr.  
Smither

**I N T E R O F F I C E   M E M O R A N D U M**

**Created:** 15-Nov-1996 11:44am PST  
**Sent:** 15-Nov-1996 12:03pm PST  
**From:** Doug Flynn of EI  
DFLYNN  
**Title.** District Inspector  
**Dept:** Employment & Investment  
**Tel No:** 847-7386

**TO:** See Below

**Subject:** Northwest Region Weekly Update

**Issues:**

*Cassiar  
Asbestos*

B.C. Chrysotile Corp have advised me that they fully expect to be producing asbestos from the test mill at Cassiar next summer. This, of course, is dependent on financing.

Huckleberry Mines Ltd. Aboriginal Liason Committee had a tour and meeting on site this past tuesday. Meeting went well except for the absence of the We'tsuwet'en. Their lead person got sick on the day of the tour. One of these days everyone will show up.

Redfern Resources: Was advised to expect Project report but haven't seen anything yet. Anyone out there in EA land know whats going on?

Have scheduled a North West Mine Development Review committee meeting for December 18, 1996. Have received expressions of interest from;

Manalta Coal re Telkwa Coal Project entering the EA process,

Golden Angus Mines Polaris-Taku Project same reason as above,

Canamera Geological Services Newhawk Project. This project has an MDC and would like to update committee members on status of project and get feed-back on permitting requirements.

Golden Bear Mine Ursa Project; MELP have assigned a hydrologist to review application. Expect permit amendment has been delayed by a couple of weeks but it is still progressing.

**Admin:**

Still trying to get Sandee Ennis' auxiliary appointment extended for at least one more month.

I N T E R O F F I C E M E M O R A N D U M

Created: 28-Jun-1998 09:47pm PDT  
Sent: 28-Jun-1998 09:47pm PDT  
From: Bergen, Wally EI:EX  
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Title.  
Dept:  
Tel No:

TO: See Below

Subject: NW Region Weekly Report to June 26, 1998

*ISK*  
MINES

Meeting held on June 17 with Isk Wollastonite proponents in Vancouver between proponent, Federal and Provincial agency representatives. Meeting to discuss CEAA and EA requirements for EA process, cumulative effects and alternatives assessment and appropriate level of pre-application public and First Nation consultation. Project still moving towards formal EA application in 3rd quarter. Follow-up meeting to further resolve above points scheduled for Smithers for July 8, 1998.

*MIDWAY*  
On June 22, Kim Bellafontaine, Catherine Daniel and Wally Bergen attended a mine review/familiarization field trip to the proposed Silvertip Mine site (previously Midway). The trip was very informative and helped to put the site, project and issues into perspective. The proponent anticipates resubmitting an application to the EAO within the next 2 months. Driving 13 hours either way, partway through the Yukon, makes one appreciate how large the NW Region and the Province are!

*CASSIAR*  
While driving to Silvertip visited BC Chrysotile (previously Cassiar Asbestos) and toured the test wet mill for reprocessing chrysotile asbestos fibre from the tailings pile. The company plans to produce 4,000 tonnes of asbestos for test marketing this year and if things go well are considering expanding their production to 50,000 tonnes.

*ENDAKO*  
Endako Mines have purchased the in-pit crusher from Island Copper and have commenced to move it to the Endako site. This should improve their mine economics and allow for the mining of additional reserves. Consideration is being given to expanding to north and west of the existing crusher and a revised mine plan will be submitted.

At Eskay Creek a shiftboss drove his vehicle into an area of high CO2 as a result of a power outage that affected the ventilation. The employee vacated the area before any harm. Situation being investigated by the Safety Committee.

On June 19 WB and Bill Phelan met with representatives of the Taku River Tlingit First Nation to present the ministry's mine application, permitting and reclamation process. The meeting included presentations from MOF and MELP and was intended to provide information to the TRTFN to address some of their outstanding permitting concerns in relation to the EA Certificate which Redfern was issued for the Tulsequah Chief project. The TRTFN are to respond with proposals for their role in consultation regarding permitting and reclamation.

FIRST NATIONS

The Wet'suwet'en First Nation has participated in the preparation of 6 pilot study Landscape Unit Plans in the Lakes Forest District. On June 25 a formal

VOS → RG  
- Smithers

I N T E R O F F I C E M E M O R A N D U M

Created: 26-May-1998 08:06am PDT  
Sent: 29-May-1998 03:03pm PDT  
From: Paul Wojdak of EI  
PWOJDAK  
Title. Regional Geologist  
Dept: Ministry of Energy & Mines  
Tel No: 847-7391

TO: See Below

Subject: Weekly report, May 29

Homestake has moved to acquired the 49.4% of Prime Resources shares that it does not already own, by means of a share swap worth \$450 million. This could lead to wrap up of Prime as a separate operating company.

Cassiar  
Asbestos

B.C. Chrysotile has an operating budget of \$2 million. Objective at the Cassiar tailings project is to produce 1000 tonnes of fibre per month for three months. This would demonstrate viability of wet milling to investors and lead to investment of \$20 million to enlarge the pilot plant to a 50,000 tonne/yr production mill. The schedule calls for final equipment installation in June and mill startup July 1, and gradual run-up to full production. Grade of the tailings pile is reported to range from 5.9% long fibre chrysotile at the west end (worth \$32/tonne) to 2.8% (\$20/tonne) at the east end. In Quebec, Johns-Manville mines this grade underground.

3000 tonnes  
fibre  
(199)

Gold production to re-commence at Golden Bear about June 1.

Bruce Graff, Jill Pardoe, Jim Hutter (consultant) and myself led about 100 Grade 5-6 children on a tour of Silver Queen mine on May 26-27. Kudos to Bruce for instigating the trip. Kids learned about geology, mining, milling and reclamation and included a short trip underground, and then went on to Equity mine.

Tul.  
Chief

Exploration financing woes continue:  
Redfern is still trying to raise \$2.5 million for its definition drilling program. Despite Mine Certificate, political risk with respect to Alaska still concerns investors and attracting a major company.

Other projects where financing is not yet in place includes Sino Pacific and the CR property south of Houston, Booker Gold and Morrison/Hearne Hill, Alliance Mining and the Ascot VMS prospect, and Kenrich on the Corey, near Eskay Creek.

Paul Wojdak

Distribution:

TGS →  
Mr. -  
Smither

I N T E R O F F I C E M E M O R A N D U M

Created: 07-Nov-1997 03:00pm PST  
Sent: 07-Nov-1997 03:58pm PST  
From: Wallace Bergen of EI  
WBERGEN  
Title. Regional Manager  
Dept: Employment & Investment  
Tel No: 847-7385

TO: See Below

Subject: NW Region Weekly Report to November 7/97

MINES

Wheaton River Metals Ltd. reported net earnings of \$1,789,094 for the first 9 months of 97, with earnings from Golden Bear amounting to \$2,637,966. The Golden Bear heap leach was successfully decommissioned for the winter, with production to closure consisting of 30,600 ounces of gold, which exceeded production expectations by 19%. Preparation of a second heap leach pad for production from the Ursa deposit is well under way with the liner installed.

Vendota

Birdstone Gold Corporation is considering operating a moly mine in Glacier Gulch on Hudson Bay Mountain. The company is in the early stages of collecting information needed for the EA process. As this process proceeds it will generate much discussion in the Bulkley Valley.

Huckleberry Mine has shipped its first shipment of concentrate from Stewart. The mine continues to refine the concentrating process to achieve a higher % of recovery and anticipates having the moly circuit up soon.

Silver Standard Mine, the owners of a closed mine north east of Hazelton, requested assistance from the regional office to ask MOF to avoid logging to the edges of the old tailings material. The adjacent forest cover is providing organic material and seed sources to aid in natural regeneration. Letter from regional office in support of request forwarded to MOF.

DK

Cassiar Asbestos operated for 4 days during the week of October 20 and produced approximately 8 tonnes of product. Many bugs to be worked out, although the Company was able to get the samples it needed for marketing purposes.

Reclamation work at Eskay Creek at the Upper Portal and Explortion Camp and Core Storage compete. Work at Lower Portal and at Alibino Lake ongoing at a high standard. Presentation of a Reclamation Citation for work done well directed.

EA PROCESS

Tulsequah Project 60 day review and comments completed and submitted to EAO on time. Some deficiencies identified which need to be resolved

Yes → [unclear]  
- Smithers

I N T E R O F F I C E M E M O R A N D U M

Created: 05-Oct-1997 09:12pm PDT  
Sent: 05-Oct-1997 09:50pm PDT  
From: Wallace Bergen of EI  
WBERGEN  
Title: Regional Manager  
Dept: Employment & Investment  
Tel No: 847-7385

TO: See Below

Subject: NW Region Weekly Report to October 3/97

MINES

Huckleberry Mine was officially opened on October 1 and started things with a real blast. As of the opening ceremony most mill systems were up and running, with the exception of the moly recovery, which should be operational in about 3 weeks. As of the opening ceremony 5 unit trucks of concentrate had been shipped to the terminal in Stewart. Both the Premier and MEI Minister Miller noted the need for continued exploration to identify new mine potential. An ongoing problem with the placement of ARD rock on site is being addressed.

Large placer operators in the Atlin area are still operating. Most will shut down by the end of October. One operator plans on mining through the winter as weather permits.

No activity at either New Polaris or Redfern (Tulsequah) sites. Tulsequah EA Project Report is in the public review stage with agency comments to follow.

Longer than expected electrical installation has slowed the B.C. Chrysotile project at Cassiar. Company still hopes to run some product before freeze-up. (39)

146/19  
11/71  
Cusac Gold Mines is working at a reduced rate but has made some interesting drill hole intersections. Reclamation of some of the open pit disturbances has commenced and will continue until snow fall is too great. Cusac is moving to reduce it's outstanding reclamation liability as a result of discussions with Smithers and Victoria staff.

Golden Bear has started up the cyanide destruction circuit in anticipation of an Oct 10-14 detoxification process the the heap leach pad. Leaching has been very successful to date.

Premier Mine is down to 2-2 person crews on site, with one week in and one week out. Property is on a care and maintenance basis until further notice. The company is commencing discussions regarding site reclamation.

Wally Bergen

TGS → Regional  
Manager  
- Smithers

I N T E R O F F I C E M E M O R A N D U M

Created: 30-Sep-1996 10:09am PDT  
Sent: 30-Sep-1996 10:30am PDT  
From: Doug Flynn of EI  
DFLYNN  
Title: District Inspector  
Dept: Employment & Investment  
Tel No: 847-7386

TO: See Below

Subject: North west regional update to Sept 30, 1996

Issues:

Telkwa Coal; Discussions with company proceeding wrt ARD concerns. There will be some interesting situations arising here. Will leave further discussion until future date after Bill Price has met further with company.

Huckleberry Project; Earlier concerns with sedimentation control on site are being addressed. Sedimentation control plan and construction plans for dams have been received and reviewed and accepted with conditions.

Golden Bear; Meeting was held with company to discuss the URSA permit amendment. Company is setting up meetings with First Nations and Dease Lake Chamber of Commerce. Public meetings have been waived at this time. Smithers meeting went well.

*Cassidy*  
BC Chrysotile Corp. As a result of a recent site inspection and meeting with the manager it appears this project will start to go next spring. Necessary equipment has been installed on site and financing appears to be in place for a start up. Manager was advised of the need for "Mine Plan" and procedures as well as annual reclamation report.

Admin;

Awaiting final approval to complete OA2 position for Smithers office.

Telkwa C

Distribution:

TO: Fred Hermann of EI  
TO: Brian Parrott of EI

( FHERMANN )  
( BPARROTT )