

VOS → RG  
Cranbrook

**Schroeter, Tom EM:EX**

**From:** Terry, David EM:EX  
**Sent:** Friday, September 06, 2002 1:09 PM  
**To:** Whale, Andrew EM:EX  
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**Subject:** D.A. Terry Report, September 6, 2002

**Regional Geologist Activity:**

- Visit to past-producing Estella Pb-Zn Mine with Supergroup Holdings and National Gold Personnel (August 28)
- Visit to Athelstan-Jackpot property, Greenwood Camp (August 29)
- Visit exploration drill site, and planned drill sites, in Moyie West Block with Klondike Gold (Sept 5)
- Exploration tracking/monitoring
- land use referrals

**Mineral Exploration Activity:**

**Athelstan-Jackpot:** Sampling has been completed of a series of trenches on the A-J property in the Greenwood camp. The aim of the program was to establish the gold grade and dimensions of a zone of oxide material related to discontinuous zones of sulphide mineralization hosted by a listwanite zone in the flat-lying Lynn Creek thrust fault. Gold grades of up to 3 oz/t Au have been attained from samples of the oxide material, which in one trench was up to 3m thick. The trenching was carried out adjacent to the past-producing Athelstan Mine in an area of previous exploration trenching.

**Cold Creek:** Klondike Gold is continuing to deepen a hole drilled by Minova (MM91-01) to a depth of 425m on the Cold Creek property, located 3-4km east of Yahk . It is expected that the LMC should be intersected at a depth of approximately 1000m in in the hole.

**Crowsnest/Howell:** Goldrea Resources reports that drillsites are now being constructed on the Crowsnest property in the Flathead area where trenching in 1999 exposed a mineralized zone assaying 8.6 g/t Au over 16.5m in syenite intrusive and limestone. Results from the recently completed drill program on the adjacent Howell property are expected shortly.

**Moyie West Block:** Klondike Gold have commenced deepening of hole K97-2 which was drilled in 1997 by Kennecott to test a large gravity anomaly in an area underlain by Middle Aldridge Fm rocks. The hole intersected a 190m thick Moyie sill which Kennecott believed explained the gravity anomaly and the hole was terminated approximately 600m before reaching the LMC. Only two holes have been drilled in the area to the LMC (Sullivan time) in the past, despite numerous indicators of Proterozoic aged structures and alteration in the Moyie West Block. Hole SMC95-1, 7km to the north, intersected 17m of pyrrhotite mineralization with visible sphalerite at the LMC and K97-3, drilled 3km to the east in the Panda Basin, intersected significant alteration and fragmental development at the LMC and a sulphide vein in the overlying Middle Aldridge which assayed 5.82% Pb, 9.63% Zn, and 49.4 g/t Ag across 2.35m. Three other targets in the Moyie West Block are planned for drill testing by Klondike this season. In addition drilling is planned on the nearby Gerry Vent Sullivan-type target and Thea 17 high-grade gold zone.

David Terry

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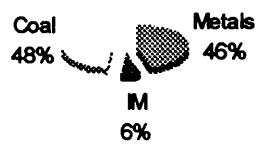
**West Moyie Block/Cool Creek:** Klondike Gold has completed their drilling on Cool Creek east of Yahk. The extension of hole K97-2 is proceeding and the hole is currently at 1140m. Based on marker control the target depth for the LMC is now at approximately 1400m. Klondike are planning on commencing trenching on the Thea 17 gold prospect in the next several weeks and are considering drilling another hole on the DA Vent property to the southeast of the hole drilled earlier this summer.

**Exploration Expenditures:**

Preliminary estimates for exploration expenditures for the Kootenay Region for 2002 are similar to last year. There has been, however, a significant rise in metal exploration which has been offset by decreases in IM exploration and coal drilling. The metal exploration number may change somewhat if some programs are cancelled or some are expanded during the fall, which is turning out to be the most active part of the year for exploration drilling.

	<u>2001</u>	<u>2002</u>
Metals	1.78	3.57
IM	1.15	0.50
Coal	4.83	3.75
Total	7.75	7.82

**Expenditure Categories**



Sept. 27/02

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