

TGS -> RG
- Smithers

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, October 09, 1998 10:21 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, October 9, 1998

Table Mt.

Cusac Gold Mines are nearly finished one month of mining from a small pit on the Bear vein at the Table Mountain gold mine. Expect to produce about 800 oz of gold. This is the first production from east of the Erickson fault. The vein grades about 1 oz Au/ton and with dilution mill head grade is about 0.5 oz Au/ton. Cusac has also acquired the Taurus property and will be evaluate mining the better grade portion of the low grade zone identified by Cyprus Amex and International Taurus in 1994-96, e.g. 9 million tonnes of 2 g/t Au.

Premier Gold continues to focus on reclamation. Use of the pit haul road has been lost due to collapse/erosion of the giant culvert at Leach Creek, just above the mill. The old Premier 4-level access road has been cleared of boulders and re-activated. The status of companies that have considered purchase of the property:

- Coeur Alaska (Coeur d'Alene Mines)- would barge mill concentrate from Kensington deposit for CIL gold recovery at Premier mill. The company considers permitting a cyanide plant near its Juneau plant site beyond reasonable time/frame. Kensington is a bulk tonnage U/g mine (0.14 opt Au) and in on hold at current price. Company still interested.
- Harmony Gold- a South African company that mined the Bissett (San Antonio) gold deposit in Manitoba. They WERE keen but senior management decided they want to go after a bigger deposit than Premier. No current interest.
- Wheaton River- explored property but no follow up.
- Canarc- WAS interested in exploration potential and in mill for Polaris but now have no money and are inactive.

New add to file

Eveready Resources of Canada drilled 8 holes on its "Cassiar project" (Storey Silver 104P 044, 080), a manto/vein prospect. Results unknown.

Huckleberry completed exploration holes on the south and west contact of the Main granodiorite stock. Encouraging results, mining is possible.

Harold Hendrickson, Project Assistance grantee was visited in the field on his Edge/ Hammer claims 40 km west of Smithers. We see fracture-controlled copper mineralization in volcanic and/or high level intrusive rocks. There is a strong VLF-E conductor nearby but rock alteration is weak. Complete Field Visit report.

Planning for Smithers Exploration Group Rock Talk well advanced. Event has been re-scheduled from traditional early March to Feb 22-24 to avoid conflict with a Vancouver conference on Applied Remote Sensing.

Chisolm Lk. (new) ↑

Ed Westgarde, a long-time Houston prospector has discovered a promising copper-moly porphyry showing near Chisolm Lake in the McKenzie River area. He is close to a deal with Imperial Metals/ Huckleberry.

Discuss/ promote NWT prospector properties by phone with Al McNutt (Rio Algom) and in the office with Jim Miller-Tait (Cross Lake Trails).

Preparing slides for Exploration Review presentations in Victoria (GSB- Oct 29), Smithers (SEx- Nov 18) and Whitehorse (Geoscience Nov 23).

Add to New disc! 159

Schroeter, Tom EM:EX

BS → RG
- Smithers

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).

KERR
IN
W.P. HINES
GOLD

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.

CAISOLM

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.

SPECOGNA

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.

CASSIAR

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.

(Handwritten mark)

from 45 to 80 tonnes of bagged fiber per day from a throughput of 1100 tonnes per day. The company described product acceptance as excellent, with shipments to traditional and new customers in the Middle East, India and southeast Asia. Customer orders were sufficient for the sale of all anticipated 2001 production.

Nephrite jade was mined from three localities in the Turnagain River area east of Dease Lake. About five percent of the material mined is gemstone quality. The Jade West Group shipped about 100 tonnes from the Jadex deposit (104I 078) and 65 tonnes from the Polar deposit (104I 083). About 35 tonnes was produced by Jedway Enterprises Ltd. from the Blue Jay claim.

EXPLORATION PROJECTS

Pacific Booker Minerals Inc. drilled 17 holes and deepened 2 of its previous core holes on the **Morrison** porphyry copper prospect (93M 007). The company can earn a 50% interest in the property from Noranda Inc. Chalcopyrite and minor bornite occur as disseminations and fracture fillings in an Eocene biotite-hornblende-plagioclase phyrlic stock. Previous exploration at Morrison determined that copper grade is strongly zoned around a low grade core and the deposit is cut by a strike-slip fault. An originally concentric zone containing better than 0.5% Cu is bisected and offset about 300 metres resulting in a sinuous body about 1000 metres long (CIM Special Volume 46). Drilling by Pacific Booker improved definition of this higher grade zone, especially to depth, and tested for extensions to the west and northwest. Morrison has an indicated and inferred resource of 190 million tonnes of 0.40% Cu and 0.2 g/t Au, calculated prior to drilling by Pacific Booker.

Huckleberry Mines Ltd. explored a new target within the large **Whiting Creek** porphyry prospect (93E 050), 7 km north of Huckleberry mine. Late Cretaceous stocks cut Hazelton Group volcanic strata. Chargeability and magnetic response were interpreted to be a mineralized intrusion between the previously drilled Ridge molybdenum zone and the Creek copper-molybdenum zone. Four holes were drilled through 20-30 metres of till into coarse grained quartz monzonite, cut by a weak stockwork of quartz-chalcopyrite-molybdenite veins with epidote-gypsum gangue. Weak propylitic alteration characterizes the intrusion. On the **Lean-To** showing (93E 105) eight kilometres southeast of Huckleberry, Rupert Seel excavated trenches to expose a chalcopyrite breccia in another Cretaceous stock.

Prospectors Ed and Gerry Westgarde optioned their claims near **Chisholm Lake**, 45 kilometres southwest of

Houston, to Hunter Dickinson Group Inc. which commenced a 60 kilometre grid IP and soil geochemical survey very late in the year. Porphyry copper mineralization occurs in granodiorite outcrop and boulders near a logging road. Imperial Metals Corporation drilled percussion holes along the logging road in 1998 did not locate significant mineralization and dropped their option of the property in 1999. The prospectors found another bedrock copper occurrence 1.5 kilometres from the area targeted by Imperial Metals that prompted Hunter Dickinson Group to acquire the claims and expand the search area.

Two volcanogenic massive sulphide prospects southeast of Smithers received limited exploration. Both are in the Nilkitkwa Formation of the Hazelton Group. The larger program was at **Del Santo** (93L 025) where Telkwa Gold Corp. performed magnetic and gravity surveys, followed by diamond drilling, aimed at extending stratiform chalcopyrite-magnetite-sphalerite. Only magnetic basalt was intersected. On the **Ascot** property (93L 024), Equity Engineering Ltd. tested the continuity and thickness of sphalerite-barite beds in limy to argillaceous felsic tuff with two short packsack drill holes. The mineralization was discovered by trenching in 1988 but was not drilled before. Results have not been disclosed.

Luscar Ltd. announced that the **Telkwa** coal project is on hold, due to the low price of thermal coal on the international market. The Project Report required by government's Environmental Assessment process, anticipated for the past year, will not be submitted. The company will retain its coal licenses.

On Princess Royal Island, Kermode Resources Ltd. and Rupert Resources Ltd. drilled two underground holes below the lowest level of the **Surf Inlet** (103H 027) mine, the same area as tested in 1997. Two quartz veins were intersected but the company did not announce assay results. **Telkwa Rose Minerals Ltd.** did not proceed with planned mining of a bulk sample from the **Hope** gold-quartz vein near Kalum Lake, north of Terrace. Some specimen material of free gold was extracted.

Feasibility studies stalled on a proposed 450,000 tonne per year marble quarry at the **Laredo** deposit (103A 001) on Aristazabal Island. The proponent, Orinda Investments Limited, was reorganized and re-financed, and plans to extract a bulk sample of high purity calcium carbonate filler and apply for production approval.

Wheaton River Minerals Ltd. purchased the **Red Mountain** gold project (103P 086) from the receiver of Royal Oak Mines Inc. for \$413 360. Wheaton River re-logged drill core from four sections which confirmed

Westgarde

Wojdak, 2000 Review.

CHRIS HOLM (LK.)

Aug. 13/00

- chat with Tony L'Orsa + owner Ed Westgard (Houston)
- Imperial Metals will NOT be making option payment
(i.e. property back to Westgard)

CHISOLM LAKE

Nov. 9/98

- visit Imperial Metals office (Pat McArdless) with Bill McMillan
- Showing ~ 1 km NW of ^{Chisling} Lake. - access = new logging roads
- propose air track add along rd. in late fall - winter
- permit also for I.P.

- Off dissem. + 'replacing' bio.

(- very high silica content (i.e. very hard)

Host rx = Hazelton volcs. (+ mafics)

CHIS HOLM LK. Oct. 16/98

- new discovery by ~~Ed. Westgard~~ (Nasdaq)
- chat with Pat McArdless (Imperial looking at optioning - CONF.)

→ Maurice R. turn-off - to west on new logging road

- ~ 80 units covering porphyry target.
- Geology: - unaltered plug (Bulkley age?)
with dissem. $\text{cpy} + \text{MoS}_2$

- 200m long exposure
→ 0.5 to 0.65% Cu_{00}

→ wants to do soils this yr!