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Kam/05Province of
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Energy, Mines and
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MEMORANDUM

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R.E. Meyers November 2, 1995

FROM: M.S. Cathro, Regional Geologist

RE: Monthly Report for October, 1995

HIGHLIGHTS:

Good results were released by Teck/Gatchell from a Phase 2 drill program on the Rainbow #2 zone near Afton. Results are being studied by the Afton engineering department and a third phase of drilling is possible.

Gerry Copper Corp. continue to report good results from their well-managed Getty North (Krain) SX-EW oxide copper project north of Highland Valley Copper. This is one of the largest projects in the region.

Art O'Bryan reports that mining has stopped earlier than expected at the Mascot Gold Tailings operation of Candorado Operating Co. Ltd. Roughly 50,000 tonnes remain in the old dumps. Leaching will continue this season and probably next year, followed by final closure.

Homestake reports the mining will stop at the Nickel Plate operation next August, with milling to stop in November.

FIELD VISITS:

In early October, Vic Preto led an excellent three day field trip through Nicola rocks and porphyry deposits at Similco, Afton and HVC mines. It was attended by staff from GSB, LMPB (Kamloops) plus two industry geologists who are working on similar deposits.

On Oct. 5 I flew into the Cottonbelt Project of CanQuest Resource Corp. north of Shuswap Lake and reviewed this Sedex Pb-Zn-Ag project with geologists Gordon Gibson and Dave Blann. Gordon is testing a exploration model in which the thin, persistent sulphide horizon may be structurally thickened into "rods" or shoots (4 m thick by 100 m wide) on minor fold noses (not unlike Goldstream). The theory appears to be holding true, however, I feel it will still be difficult to develop much tonnage on these shoots. A more enticing target, but much more of a long shot, is to drill test the fold nose of the regional Mt Grace syncline, where the horizon could be substantially thicker. A 3200 m drilling program is nearly finished. (EXPLORE BC PROJECT)

I visited the Nickel Plate mine on Oct. 16 to discuss recent exploration results and closure plans with mine geologist Bill Wilkinson. Recent drilling on the adjacent Cahill option (EXPLORE BC) was generally disappointing, although there may be follow up in 1996. Homestake is reviewing options for disposal of their accumulated library of mine maps, drill logs, sections, drill core and other materials from throughout the Hedley district. Future exploration and economic development in this important gold district will be encouraged if we can assist in the preservation of at least some of this data.

During the month I made two brief visits to the field office for the Getty North Project (Krain deposit, MF92INE038) to view core and discuss the project with Steve Gower and Ken Northcote. Getty Copper Corp. continues to report encouraging oxide copper intercepts for this potential SX-EW producer located about 10 km north of HVC. In addition, the company has reported wide intercepts of primary sulphide mineralization with grades comparable to HVC. A \$1.8M budget will cover 10,000 m of drilling and metallurgical work until Feb. '96. Preliminary metallurgical results indicate good Cu recovery in oxide material with acid consumption "on the high side of acceptable" (this will be a critical economic factor).