

had been found but is now obscured by logging slash in a new clear-cut. The target is not considered high priority for follow-up because it is underlain by Yakoun formation andesite, not considered as good a host as Skonun conglomerate, as at the Specogna deposit.

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SANTO
Visited Del Santo exploration project 35 km SE of Smithers with Jim Cuttle and Dan Ethier, employed by Telkwa Gold. This is an old VMS prospect in the Hazelton Group (Nilkitkwa Fm) where the trenches were sloughed in and weathered. Fresh exposures elucidate relationships. Bedded magnetite and vaguely banded to massive chalcopyrite-magnetite-pyrrhotite-(sphalerite) occur at the stratigraphic transition from andesite to manganese-rich chert. Chalcopyrite occurs in 3 horizons over a 10-15 m stratigraphic span. A best sample might return 5+% Cu over 0.5 m, or 0.5% over 10 m. The footwall andesite is foliated (evidence of tight folding) but fairly fresh except an exposure just north of the trenches where it is chloritized. Falconbridge drilled 3 Winkie holes 30? years ago but no other drilling has been done. Telkwa Gold hopes to drill later in the summer. Good potential.

Off to Eskay Creek and Corey next week accompanied by Tom Schroeter.

W.D. Dak July 24/98

Telkwa Gold propose to drill 3-4 holes on the Del Santo VMS prospect near Smithers.

Consolidated Magna Ventures are doing IP over the southwest faulted extension of the Big Onion porphyry prospect near Smithers. They expect to follow up with 1000 metres of drilling. Current "reserves" at Big Onion comprise significant supergene copper that is amenable to SX-EW recovery, and discovery of an extension would have similar potential.

Booker Gold, finally, has released a resource estimate for Hearne Hill and Morrison. The Morrison figures are based primarily on re-appraisal of Noranda data as Booker only drilled 3 additional holes in the deposit.

Prime/Homestake and Uniterre Resources Ltd have broken off discussion of the SIB gold-silver prospect after 2 years of negotiation. This is unfortunate as one of the best "Eskay look-alike" targets will remain inactive.

Manalta Coal is expected to make an announcement with regard to the Luscar takeover bid early in the week of Aug 3. Evaluation of coal quality/geotechnical in the Tenas and Pit 3 deposits at Telkwa is underway (57 planned holes). Six-inch coring of holes will ensure a representative bulk sample of the Tenas deposit. Observed this work by MacCauley Drilling on Aug 1.

Visited Teck exploration of the old IN porphyry prospect (94D 061) on July 31, with Tom Schroeter. Scott Smith and Andy Betmanis are mapping, soil sampling (45 km grid) and re-sampling old core for Teck. Previous exploration by Canadian Superior and Cities Service (1973-77) did not include gold analyses, the focus of Teck's re-evaluation. Reconnaissance soils taken last year returned a 250 m wide 500 ppb gold anomaly. Porphyry mineralization is associated with a northeast dike swarm of Kastberg (biotite)-hornblende-feldspar porphyry. Two intrusive phases are recognized. Best gold values appears to occur where biotite monzonite cuts and alters pre-mineral andesite dikes.

Xplorer Gold drilled 5000 ft (in just 8 days) on Red Cap in the Taku district.

Exploration spending in Northwest continues to project at about \$9 million.

Wojdak, July 27/98