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-Crambeat

INTER-OFFICE MEMORANDUM

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From: Steve Wuschke of EI
SWUSCHKE

Title.
Dept: Employment & Investment
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TO: See Below

Subject: Kootenay Report - August 1, 1997

Greetings

The Gerex pilot / test mill public controversy continues, as does the permitting process. Planned joint inspection with EP Branch of MOE industrial section head on Aug. 12.

Inspectors will be investigating gravel pit complaints in Golden this week.

ISMAAK *CORK-PROVINCE*
Cream Minerals will be embarking on a significant drilling and trenching program in the Kaslo area (Keen Creek). This area hosted several old mines of historic note, the Cork Province, Bismark and others.

The recent on going troubles between forestry and radical environmentalists in the New Denver area has so far not impacted the mining sector.

X-INGTON
The Brittania / Lexington project is on hold despite having obtained their permits. Apparently they are embroiled in an internal struggle with one of the venture partners.

ILVESTER K
Echo Bay is turning up some interesting results on their Sylvester K property in the Greenwood area.

HOLT
Teck Corp. has nearly completed a massive trenching program on the Eholt property. They have good information which may lead to further drilling.

only 1 deep hole drilled (Lefebvre, Aug 25/97)

LODGEPOLE *LILYBERT*
Fording Coal has submitted a NOW for coal ex. on the Lodgepole property, which is on the head water of the Flathead. We are also expecting a NOW for a big program on the LilyBert Coal property on the Flathead River. Both of these projects may test the meaning of "integrated resource management" as well as reach the attention of the "Flathead Boundary - Basin Commission" in the US. You may remember that this group (agency?) was instrumental in making sure there would be no coal mining at Sage Creek by causing project delays to the point the project lost its viability. The group was formed in direct response to the Sage Creek Coal project.

We will be giving the Lodgepole project a quick approval.

Fording Coal and relations with their Union continue to test our inspector's knowledge and abilities. They are embroiled in labour relations controversies, which are dragging in our Ministry, by clouding health and safety with labour relations. The union has requested a high level meeting with our Ministry to attempt to clarify the situation.

A Mr. Bill Flemming has been appointed as the new mine manager for TEck's Elkview Mine.

Steve W.