

Schroeter, Tom EM:EX

VAS → Eskay Creek

From: Alldrick, Dani EM:EX
Sent: Thursday, July 07, 2005 12:17 PM
To: Grant, Brian DB EM:EX; Lefebure, Dave EM:EX; Schroeter, Tom EM:EX; Wojdak, Paul EM:EX
Subject: FW: Battleship Knoll camp

882800



Alldrick Itinerary & contacts ...

FYI.

The end of Eskay.

Dani

-----Original Message-----

From: Alldrick, Dani EM:EX
Sent: Thursday, July 07, 2005 12:11 PM
To: 'Mahoney, Edward (Eskay Creek)'
Subject: RE: Battleship Knoll camp

Thank you Ted.

I be working in the general mine area during August-Sept (see attached schedule), and could arrange to get larger representative samples loaded on my truck during this period (at the minesite or at the Bob Quinn road gate). If your geological team could select/collect optimum representative samples of any size, I will see that they get to Vancouver Petrographics for slabbing (2-inch slices) and preserving with epoxy (if needed). Hopefully this process will produce sufficient pieces that there will be more than enough to share among the Chamber of Mines office, BC Geological Survey office, UBC, and your corporate office.

Regards,

Dani

-----Original Message-----

From: Mahoney, Edward (Eskay Creek) [mailto:EMahoney@Barrick.com]
Sent: Thursday, July 07, 2005 11:24 AM
To: Alldrick, Dani EM:EX
Subject: RE: Battleship Knoll camp

Dani,

I see no reason why there would be any problems with this. I will need to pass it by a few people just to confirm however. Due to our scheduling it may take up to 10 days for me to get a final answer on this.

Should your people wish to visit Eskay Creek and see the underground mine and get some ore samples please have them contact me.

We are currently mining the last bits of the extremely high grade 21B zone. Once we completed this (by September), there will never be another opportunity to collect or preserve samples of this extremely unique ore. We would like to make sure that there is appropriate record of this ore type for posterity in terms of samples preserved. If you have proposals for places where we should send some samples of this material I would like to hear from you about it.

Regards,

Ted Mahoney

-----Original Message-----

From: Alldrick, Dani EM:EX [mailto:Dani.Alldrick@gov.bc.ca]

Sent: Wednesday, July 06, 2005 2:56 PM

To: Mahoney, Edward (Eskay Creek)

Subject: Battleship Knoll camp

Hello Ted,

As part of our ongoing regional mapping study of the "Eskay Rift" rocks, we plan to put a 2-man flycamp in at Battleship Knoll / Battleship Lake.

This is primarily to allow me to compare and contrast the real Eskay strata with similar packages that we are examining elsewhere.

I'm writing to ask if it would be okay with your company for us to put this flycamp in by helicopter from Bell II for about 5 days, around Sept 1 - 5..

Thank you for considering this request.

Regards,

Dani Alldrick

Dani Alldrick
Economic Geology Section
BC Geological Survey
P.O. Box 9320 Stn Prov Govt
Victoria BC
CANADA V8W 9N3
Tel: 250-952-0412
FAX: 250-952-0381

Schroeter, Tom EM:EX

TR → Eskay

From: Anderson, Duane EM:EX
Sent: Friday, April 29, 2005 10:10 AM
To: Freer, Geoff EM:EX; Wojdak, Paul EM:EX; Schroeter, Tom EM:EX; Hermann, Fred EM:EX; Flynn, Doug EM:EX
Cc: Lewis, Jim E EM:EX
Subject: Barrick Gold Q1 '05 and Eskay Creek

FY interest, Apr 29/05 Canaccord Capital analysis of Barrick Gold uses the following forecasts for Eskay Creek:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
gold prod'n (000 oz)	172	209	81	---
total cash costs (US\$/oz)	\$144	\$60	\$70	\$0

Comments, etc. welcome.

Duane A.

Duane Anderson

ph: (250) 952-0516

fx: (250) 952-0271

"I guess I should warn you, if I turn out to be particularly clear, you've probably misunderstood what I've said" - Alan Greenspan

Schroeter, Tom EM:EX

ESKAY CREEK

From: Gale, Dave (Vancouver) [DaveG@barrick.com]
Sent: Friday, November 05, 2004 10:26 AM
To: Schroeter, Tom EM:EX
Subject: RE: Eskay Creek 2004 Expl'n - Very Brief Summary

Tom,

I have written the summary below. I won't be able to make it to tonight's beer session at the Lion's pub. My wife and I have just had our second baby and things are kind of crazy at home right now. Baby is almost 3 weeks old and going out for beers doesn't go over too well! If you are trying to divide duties, I can help out with whatever needs doing.

Also, what is the ideal length of a talk at the MEG? I've seen some that seem to go on forever and I am wondering what we are telling our speakers? 40min? 30min?

A total of 18000m of drilling in 54 drill holes was completed during the 2004 Eskay Creek Surface exploration program. The program was broken up into two phases, the first of which was completed in February and March. Close to 5000m was drilled during the winter program which focused on the 22 Zone, an area situated 2km southwest of the mine site. The balance of the drill program was carried out in the summer and focused on a number of different areas. The Deep Adrian is north of the NEX ore body and is underlain by a thickened contact mudstone, similar to the horizon that hosts the 21B deposit. Multiple mudstone horizons similar to the mineralized contact mudstone horizon occur throughout the stratigraphic sequence and were tested with a deep drill program. The Eskay footwall rhyolite extends to the southwest on the western limb of the Eskay Creek anticline and was evaluated for structurally controlled base metal veins similar to the 22 Zone. The mine exploration group took advantage of the surface drills and tested the southernmost potential of the 21C Zone. Geological mapping, focusing on a rhyolite facies analysis, was combined with silt, soil and rock sampling throughout the Eskay Creek Area.

Dave.

-----Original Message-----

From: Schroeter, Tom EM:EX [mailto:Tom.Schroeter@gems6.gov.bc.ca]
Sent: November 4, 2004 3:07 PM
To: Gale, Dave (Vancouver)
Subject: Eskay Creek 2004 Expl'n - Very Brief Summary

Hi Dave. As per last year, I am seeking your assistance in providing me with a very brief (short paragraph) regarding the 'highlights' of Barrick's exploration (and development/mining) program(s) at Eskay Creek during 2004 for the annual "British Columbia Mineral Exploration Review 2004", to be released at Roundup 2005. I would very much appreciate something at your earliest convenience. Thanking you in advance.

Tom
Tom Schroeter, P.Eng./P.Geol.
Senior Regional Geologist
Geological Survey and Development Branch
Mining and Minerals Division
Ministry of Energy and Mines

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Messages & Enquiries 604 660-2708
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Autotel 604 662-9091

Schroeter, Tom EM:EX

TOS → RG
- Smithers
(5)

From: Wojdak, Paul EM:EX
Sent: Friday, March 05, 2004 11:04 AM
To: Bruce Graff; Doug Flynn; Bob Lane; Mike Cathro
Cc: Alldrick, Dani EM:EX; Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Lewis, Jim E EM:EX; Mihalynuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Schroeter, Tom EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Wuschke, Steven EM:EX
Subject: Northwest Geology, March 6 2004

Eskay Creek - 2003 production (supplied by Ted Mahoney, chief geologist)

- Direct shipping ore - 134,850 tonnes @ 67.5 g/t gold, 3141.45 g/t silver
 - Mill ore - 115,052 tonnes @ 24.3 g/t gold, 1213.04 g/t silver
 - Total recovered - 10,950.57 kg Au and 527,775 kg Ag
- Total Reserves (smelter and mill, on Dec 31, 2003) - 840,895 tonnes at 34.81 g/t Au, 1604 g/t Ag

Huckleberry - 2003 production was 32,780 tonnes of copper from milling of 6,999,100 tonnes grading 0.542% Cu and a strip ratio of 2.28:1 and copper recovery of 86.5%. About 1.4 million tonnes of low grade ore, 0.26-0.35% Cu, is forecast to be stockpiled in 2004, in addition to nearly 0.5 million tonnes that was stockpiled in 2003. John Lovering came out of retirement to be new mine manager (ex-manager at Nickel Plate).

Endako - Mine management requested that EMBC not report accurate molybdenum production data.

Nak - Imperial Metals has reduced its claim units to 48 units. Fourteen units covering the Joss'alun showing will revert to Copper Ridge Explorations Inc. Imperial will continue exploration of untested targets on its own claims. This is the copper discovery made by BCGS south of Atlin in 2002.

Rock & Roll - Conquest Resources Limited and Newcastle Minerals Ltd. have optioned this 169 unit VMS prospect near Snip mine from the Forrest Syndicate. Inferred resource of 675,000 tonnes at 1.75 g/t Au, 234 g/t Ag, 2.2% Zn, 0.5% Pb, 0.4% Cu.

Titan - Kobex Resources Ltd. has optioned this new high-grade moly prospect west of Atlin from Eagle Plains Resources. Drilling anticipated in July.

Kalum - Airborne survey in progress 35-40 km north of Terrace; information supplied for Skeena MLA.

Rock Talk (Feb 24) - Attended by about 52 people with an additional 10 people from Titles and Gold Commissioner's office for Mineral Titles Online presentation. Event organized by Gary Thompson (president SmExGrp) and Rob Boyce. About 15 people took in Huckleberry mine tour on Feb 25.

Minerals North - Technical program (see attached) is fairly much set for April 14-16 annual meeting in Smithers. Great organizing committee, it will be an excellent event.



Proposed program
2004.doc

Exploration and Mining in BC - Complete Foreword for the volume (reviewed by Communications) and complete final additions and edits to Northwest summary.

Paul

Paul Wojdak, P.Geo.
Regional Geologist, Smithers
BC Ministry of Energy and Mines

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email: paul.wojdak@gems5.gov.bc.ca

Schroeter, Tom EM:EX

WB → Eskay
OK

From: Schroeter, Tom EM:EX
Sent: Friday, January 09, 2004 10:46 AM
To: Wojdak, Paul EM:EX
Subject: RE: Northwest Region Jan 9 2004

- 1) Is the Barrick drilling on the 22 zone public knowledge? I would like to refer to at Roundup, but have been 'cautioned' by Barrick to say much.
- 2) Minerals North: I plan on attending. If you get stuck on speakers, I could volunteer up something.

Tom

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Senior Regional Geologist
Geological Survey and Development Branch
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Ministry of Energy and Mines

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Autotel 604 662-9091

-----Original Message-----

From: Wojdak, Paul EM:EX
Sent: Friday, January 09, 2004 10:41 AM
To: Bruce Graff; Doug Flynn; Bob Lane; Mike Cathro; Terry, David EM:EX
Cc: Alldrick, Dani EM:EX; Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Hermann, Fred EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; Mihalyuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Schroeter, Tom EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Wuschke, Steven EM:EX
Subject: Northwest Region Jan 9 2004

Endako - Drilling of about 5-6 holes is in progress on two targets located east and west of the Endako pit.

Eskay Creek - Surface drilling of the 22 zone proposed to begin in February. The 22 zone is 2.25 km southwest of the 21 zone portal (or about 0.5 km WSW of the old exploration camp).

New Polaris - Canarc Resources disclosed results of its 3-hole, 1560 meter drilling program. However, the best intercepts of this "deep" drilling are at shallow depth -

- 9.26 g/t Au over 5.7 m beginning at 104.7 m in P03-2
- 17.48 g/t Au over 7.4 m beginning at 24.1 m in P03-3

Taurus - Navasota has dropped its option on this bulk tonnage gold target near Cassiar.

Diamonds? Patrician Diamonds issued news releases in November that it has found 10 microdiamonds in 4 separate alluvial (esker and stream) samples in Yukon. The company is reputed to have staked small blocks of claims on aeromag anomalies to keep the location is secret. Rumours range from the Dawson area to (more strongly) the Rancherica area, near the BC border. However, a check of recent staking in 104O and 104P does not reveal any suspect claims in BC. The diamonds occur with very abundant blue and pink sapphires and kimberlite indicator minerals, and are believed to be close to source. Kimberlite indicators include G9 pyrope, chrome diopside, Mg-chromite, picroilmenite and forsteritic olivine, all identified by microprobe. There is a scientific rationale for the presence of diamonds in what is traditionally regarded as a geologically unfavourable area- the Yukon crust under is thicker and cooler than other mobile belts, and might approach conditions associated with Archean cratons where most of the world's diamonds formed.

Minerals North - Participate in planning meeting on Jan 9. Recruiting presenters for technical program.

GSB Catch the Wave - Participated in meetings with Copper Ridge and Rimfire on Jan 6, brainstorming exploration targets.

Paul

Schroeter, Tom EM:EX

TOS → RG
- Smithers

From: Wojdak, Paul EM:EX
Sent: Friday, November 21, 2003 2:13 PM
To: Bob Lane; Mike Cathro; Terry, David EM:EX; Bruce Graff; Doug Flynn
Cc: Alldrick, Dani EM:EX; Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Hermann, Fred EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; Mihalynuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Schroeter, Tom EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Wuschke, Steven EM:EX
Subject: Northwest Geology Nov 21 2003

Yukon Geoscience Forum - Up-beat meeting attended by 250 people, up from last year and including Bulkley-Stikine MLA Dennis MacKay, and reps from major companies. My Northwest BC report presentation on mining and exploration activity was well received, though I was listed in the program as the Minister of Energy and Mines!

First Nation Presentations - delivered in Iskut (Tahltan FN) and Goodhope Lake (Dease River band, Kaska FN) to small audiences. Chief Louis Louie and Chief Jack Chief both plan to attend Roundup where I propose to link them with companies exploring in their respective territories. A scheduled evening presentation at the Tahltan office in Dease Lake was a no-show, perhaps because they were distracted by an earlier meeting with executives of SpectrumGold regarding Galore Creek project.

Galore Creek - Rick Van Nieuwenhuise (President and CEO) and Doug Brown (VP Business development) met with the Tahltan on Nov 19 in Dease Lake and visited MEM Smithers office on Nov 20. SpectrumGold has raised \$14 million to advance the project. SpectrumGold's development target is a 150 million tonne deposit grading 1 g/t Au, 10 g/t Ag and 1% Cu. Next season's drill program is estimated at \$5 million to acquire 30,000 metres of core which will allow completion of a pre-feasibility study by mid-2005. Approximately \$3 million will be spent on other work, including metallurgy (specially gold) and access/transportation. Previous work focused on copper recovery, gold mineralogy and metallurgy are poorly known. The company anticipates a 30,000 tpd mine costing \$400 million with a production decision possible within 3-4 years.

Red Chris - bcMetals announced it drilled 16,123 metres in 49 holes in its fall program. Funding of \$5.25 million has been raised for detailed feasibility, due Sept 2004, and Environmental Assessment reports.

Huckleberry - Two slides of glacial till and overburden above the north wall that occurred on October 9 and November 13, will require excavation of some 800,000 tonnes of material.

Eskay Creek - The 2003 exploration program comprised 18,328 metres of surface drilling, focused 2 km south of the mine in the 22 zone, and 17,172 metres of underground drilling, mainly on the 21C, 21A and 21E zones. Rumour has it that underground assessment of the 22 zone will be accomplished by drifting from the existing workings rather than from a new portal. Hopefully this decision is based on economics, not to avoid the EA process!!

Taurus - Results from first 7 of 13 holes were released, in an area previously drilled by Cyprus Canada Inc in 1995 for a bulk tonnage gold deposit. Only the first Navasota hole produced a bulk-tonnage intercept, 0.71 g/t gold over 188.7 metres. The other 6 holes yielded intercepts of 0.7 to 4 g/t gold 1 to 30 metre widths. Lorne Warner resigned as president of Navasota Resources.

Thorn - Cangold and Rimfire disclosed results of two holes drilled underneath its discovery hole (DDH 19) reported in Northwest Geology on Oct 31. Intercepts from the 3 holes:

- 1.22 g/t Au, 103 g/t Ag over 38.6 metres in DDH 19
- 1.20 g/t Au, 173 g/t Ag over 25.2 metres in DDH 21
- 0.83 g/t Au, 159 g/t Ag over 19.6 metres and
- 1.72 g/t Au, 265 g/t Ag over 7.1 metres in DDH 22

Paul

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Regional Geologist, Smithers
BC Ministry of Energy and Mines

tel: (250) 847-7391 fax: (250) 847-7603
email: paul.wojdak@gems5.gov.bc.ca

Schroeter, Tom EM:EX

TGS → RG
- Smithers

From: Wojdak, Paul EM:EX
Sent: Friday, October 17, 2003 8:26 AM
To: Bob Lane; Mike Cathro; Terry, David EM:EX; Bruce Graff; Doug Flynn
Cc: Schroeter, Tom EM:EX; Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Hermann, Fred EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; Mihalynuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Simandl, George EM:EX; Webster, Ian EM:EX
Subject: Northwest Geology to Oct 17 2003

Eskay district - Barrick Gold and Heritage Resources concluded surface drilling programs more than a week ago, the latter on account of inoperable weather conditions. Heritage drilled the SIB and Bonsai properties. Barrick is rumoured to have had some success at Eskay but did not drill RDN, conducting geological mapping instead for the second year. The company has become much more secretive under Rob Brown, the Vancouver-based Canadian exploration manager. Barrick continues its abrasive human resources policy, dismissing exploration geologists Ian Dunlop and Aletha Buschman. Dave Gale takes over Eskay area exploration.

Nak (Joss'alun) - Imperial Metals encountered widespread chalcopyrite in the 7 of its 9 holes that tested Cache Creek Group mafic volcanic rocks at the Joss'alun showing. Two holes at Jennusty failed to encounter copper-bearing gabbro beneath the showing. Intercepts at Joss'alun include,

- 0.21% Cu over 68.1 m in hole 3
- 0.44% Cu over 6.0 m in hole 4
- 0.94% Cu over 17.8 m in hole 5
- 0.20% Cu over 42.1 m in hole 6
- 0.34% Cu over 53.4 m in hole 7
- 1.06% Cu over 3.2 m in hole 9

Mineralization is open along strike and down depth. Further work is anticipated next year.

Exploration \$ - Estimated at \$18-20 million

Paul

Paul Wojdak, P. Geo.
Regional Geologist, Smithers
BC Ministry of Energy and Mines

tel: (250) 847-7391 fax: (250) 847-7603
email: paul.wojdak@gems5.gov.bc.ca

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Monday, September 29, 2003 9:10 AM
To: Wojdak, Paul EM:EX
Subject: RE: Northwest Geology

Good update, Paul. Any comments re- Barrick's exploration program around Eskay this season?

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

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Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

-----Original Message-----

From: Wojdak, Paul EM:EX
Sent: Monday, September 29, 2003 9:08 AM
To: Bruce Graff; Doug Flynn; Bob Lane; Mike Cathro; Terry, David EM:EX
Cc: Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Hermann, Fred EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; Mihalynuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Simandl, George EM:EX
Subject: Northwest Geology

Eskay Creek (104B 008) - Visited on Sept 15 with MLA task force. Mine is having trouble achieving 700 tpd (tonnes per day) production target, average for year to date is 688 tpd, achieved from 40 active stopes. Fifty percent of ore comes from the famous 21B orebody and is all smelter ore. Some 25% comes from NEX and is mainly mill ore. The proposal to expand the mill is dead, due to marginal economic return. Current mill rate is 330 tpd. A higher milling rate would offset increased costs when smelter ore is finished in 2005. Accordingly, after 2005 the cut-off grade for mill ore will likely rise above current 15 g/t Au. Mining cost at present is \$145 per tonne. Optimum mill ore comes from the 109 zone which is nearly mined out (one lift remains). The 44 orebody, deep in the plunging NEX zone and added to reserves in 2002, is nearly accessed by the ramp and will supply high grade mill ore. Mining will resume in 21C zone later this year; 21C supplies low grade mill ore with difficult milling characteristics. Definition drilling continues in the Water Tower zone, a future source of mill ore in the footwall rhyolite. Grade is erratic and it is proving difficult to assess. Present mill reserves are sufficient to 2008.

Red Chris (104H 005) - Visited with MLA task force on Sept 16. Site is 10 km SE of Iskut village. bcMetals Corp. budget for 2003 is \$3.6 million for:

- 41 drill holes (up to 6000 m of core) to fill in gaps in the ore reserve model
- metallurgical testwork. Previous testwork determined copper recovery >90% (acceptable) but the company wants to see if 73% gold recovery can be improved (is gold locked in pyrite?)
- ABA testing of waste rock - can blending achieve a neutral waste dump?
- characterization of construction materials (overburden, aggregate)

Goal is to complete feasibility study by September 2004. bcMetals contemplates a 25,000 tpd open pit mine at a capital cost of \$150 million, based on Measured + Indicated + Inferred resource (note- not an acceptable summation under 43-101) of 77,467,000 tonnes grading 0.685% copper, 0.574 g/t gold (at a 0.5% Cu cut off). At present, 28.2 million tonnes of the resource is in the Inferred category.

Tulsequah Chief (104K 002)- MLA task force were given a summary of the permitting saga by Redfern president, Terry Chandler and VP Exploration, Bob Carmichael (on Sept 17). Latest aggravation for the company is the court-directed \$92,500 payment to Taku River Tlingit for 50% of legal costs. Redfern feel that the Crown was morally obligated for 100% of the court settlement (\$185,000) because the TRT sued the Crown (for inadequate consideration of their rights in awarding the Mine Development certificate) and Redfern voluntarily joined as a co-defendant in the legal action. Redfern made its payment in the same week that it learned MSRMC has funded Sierra Club and other anti-development groups. The Task Force also viewed high zinc-copper grade core from a current drill hole.

TBS → Eskay
CF**Schroeter, Tom EM:EX**

From: Schroeter, Tom EM:EX
Sent: Tuesday, July 29, 2003 5:23 PM
To: 'T. Barrie'
Subject: RE: looking for eskay production figures

I'm back (in Nelson). I happen to have my "Gold in BC" files with me. the production figures I have for Eskay Creek (1995-2002, incl.) total 72,528,869g Au and 3,355,581,000g Ag, from 771,238 tonnes (combination of direct shipping ore and milling ore). Resources total 44,465,101g Au [Total gold inventory = 116,993,961g]. Sorry, I don't have the silver numbers with me; but they are significant (e.g.2002 production was approx. 18M oz.)

-----Original Message-----

From: T. Barrie [mailto:barriect@sympatico.ca]
Sent: Tuesday, July 29, 2003 7:57 AM
To: Schroeter, Tom EM:EX
Subject: Re: looking for eskay production figures

Thanks; I will do so. -T

----- Original Message -----

From: Schroeter, Tom EM:EX
To: 'T. Barrie'
Cc: Wojdak, Paul EM:EX
Sent: Tuesday, July 29, 2003 10:50 AM
Subject: RE: looking for eskay production figures

Hi, Tucker. I'm travelling in the field; won't be back 'till Fri. Aug. 1st. Then I'm right back in the field for the rest of the month. If you need a 'quick' answer, I suggest you contact Paul Wojdak, Regional Geologist in our Smithers office.

-----Original Message-----

From: T. Barrie [mailto:barriect@sympatico.ca]
Sent: Monday, July 28, 2003 8:17 AM
To: Schroeter, Tom EM:EX
Subject: looking for eskay production figures

Tom,

Hi, how are you? I'm nearly at the end of a compilation of VMS deposits for 6 major mining companies. I am looking for up-to-date grade and tonnage figures for Eskay Creek, Cu-Pb-Zn-Au-Ag, mined and as reserves and resources; if possible. Can you help me?

Thanks.

All is well here; I hope you are having a good summer.

It is probable that I will come to Round-Up this in January - looking forward to it.

Cheers,

Tucker Barrie
 C. T. Barrie and Associates, Inc.
 29 Euclid Avenue
 Ottawa, ON K1S 2W2

CANADA
tel: 613-730-0020
email: barriect@sympatico.ca

TJB → Eskay
ck.**Schroeter, Tom EM:EX**

From: Schroeter, Tom EM:EX
Sent: Tuesday, July 29, 2003 7:51 AM
To: 'T. Barrie'
Cc: Wojdak, Paul EM:EX
Subject: RE: looking for eskay production figures

Hi, Tucker. I'm travelling in the field; won't be back 'till Fri. Aug. 1st. Then I'm right back in the field for the rest of the month. If you need a 'quick' answer, I suggest you contact Paul Wojdak, Regional Geologist in our Smithers office.

-----Original Message-----

From: T. Barrie [mailto:barriect@sympatico.ca]
Sent: Monday, July 28, 2003 8:17 AM
To: Schroeter, Tom EM:EX
Subject: looking for eskay production figures

Tom,

Hi, how are you? I'm nearly at the end of a compilation of VMS deposits for 6 major mining companies. I am looking for up-to-date grade and tonnage figures for Eskay Creek, Cu-Pb-Zn-Au-Ag, mined and as reserves and resources; if possible. Can you help me?

Thanks.

All is well here; I hope you are having a good summer.

It is probable that I will come to Round-Up this in January - looking forward to it.

Cheers,

Tucker Barrie
C. T. Barrie and Associates, Inc.
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Ottawa, ON K1S 2W2
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tel: 613-730-0020
email: barriect@sympatico.ca

Schroeter, Tom EM:EX

TOS → Eskay
CK

From: Alldrick, Dani EM:EX
Sent: Friday, April 11, 2003 1:40 PM
To: Schroeter, Tom EM:EX; Wojdak, Paul EM:EX
Cc: Lett, Ray EM:EX
Subject: RE: Eskay global resource stats

Yes please, Tom. It would be good to see the latest production stats.

Thanks again.

Dani

Need to pass on
(see next pg.)

-----Original Message-----

From: Schroeter, Tom EM:EX
Sent: Friday, April 11, 2003 1:35 PM
To: Alldrick, Dani EM:EX; Wojdak, Paul EM:EX
Cc: Lett, Ray EM:EX
Subject: RE: Eskay global resource stats

You're welcome. If you need the breakdown of production to end 2002 plus reserves, I can accomodate later.

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

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Autotel 604 662-9091

-----Original Message-----

From: Alldrick, Dani EM:EX
Sent: Friday, April 11, 2003 1:32 PM
To: Schroeter, Tom EM:EX; Wojdak, Paul EM:EX
Cc: Lett, Ray EM:EX
Subject: RE: Eskay global resource stats

Thanks, Tom,.

I did ask for the total resource.

But I meant total 'mineable resource'.

It is great to have both sets of figures at this time - I am hopeful that our proposal for an Eskay-focused TGI-funded program will get approved.

Thanks again. Have a good weekend.

Dani

-----Original Message-----

From: Schroeter, Tom EM:EX
Sent: Friday, April 11, 2003 1:26 PM
To: Wojdak, Paul EM:EX; Alldrick, Dani EM:EX
Cc: Lett, Ray EM:EX
Subject: RE: Eskay global resource stats

My 'total' is 7.3 million oz Au Equiv.

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

-----Original Message-----

From: Wojdak, Paul EM:EX
Sent: Thursday, April 10, 2003 3:55 PM
To: Alldrick, Dani EM:EX; Schroeter, Tom EM:EX
Cc: Lett, Ray EM:EX
Subject: RE: Eskay global resource stats

Gents,

Fortunately I recently obtained figures from Jim Rogers at Eskay mine for past production, reserves plus resources,

2.94 million tonnes @ 43.25 g/t Au, 1926 g/t Ag

Paul

Paul Wojdak, P.Geo.
Regional Geologist, Smithers
BC Ministry of Energy and Mines

tel: (250) 847-7391 fax: (250) 847-7603
email: paul.wojdak@gems5.gov.bc.ca

→ ~ 3,754,968 oz Au
~ 187,488,462 oz Ag

-----Original Message-----

From: Alldrick, Dani EM:EX
Sent: Thursday, April 10, 2003 2:49 PM
To: Schroeter, Tom EM:EX; Wojdak, Paul EM:EX
Cc: Lett, Ray EM:EX
Subject: Eskay global resource stats

Hello,

Would either of you have the latest total resource (past production plus current reserves) for the Eskay Creek mine?

It's a number that keeps increasing - I wonder if you have the current figure.

Could you send this data to Ray Lett, he needs it for an RGS proposal he is preparing.

Thanks for your help.

Regards,

Dani

Dani Alldrick
Economic Geology Section
BC Geological Survey
P.O. Box 9320 Stn Prov Govt
Victoria BC
CANADA V8W 9N3

Schroeter, Tom EM:EX

✓ GS → Eskay
CK

From: Schroeter, Tom EM:EX
Sent: Thursday, April 17, 2003 11:33 AM
To: 'Jason Weber'
Subject: RE: updated #s for Eskay

Jason, what I have is:

Production (1995-end-2002): 2,339,107 oz (72,755,752 g) gold and >101 million oz (3,300,750 kg) of silver. [this includes last year's production of 11,157 kg (358,,718oz Au and 552,487 ((17,762,856 oz) of Ag.)

Reserves (as of Jan. 1/03): A) Direct Shipping - 494,907 tonnes @ 51.81g/t Au and 2604g/t Ag

B) Milling - 805,343 tonnes @ 23.38g/t Au and 918g/t Ag.

All this equates to a 7.3 million Au Equivalent.

Tom
Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

-----Original Message-----

From: Jason Weber [mailto:Jasonw@rimfire.bc.ca]
Sent: Thursday, April 17, 2003 10:17 AM
To: Schroeter, Tom EM:EX
Subject: updated #s for Eskay

Tom

Do you have recent numbers for Eskay (I usually quote a production and reserve total to reflect the present size of the deposit rather than just the remaining reserve). It would be great if I could get the avg. grade for gold and silver for that too. Thanks Tom. Talk to you later.

Jason

Schroeter, Tom EM:EX

WBE → Reg. Mgr
- Smithers

From: Bergen, Wally EM:EX
Sent: Monday, June 03, 2002 11:22 AM
To: Al Hoffman; Andrew Whale; Bill Phelan; Chris Carr; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Graeme McLaren; Greg McKillop; Gregg Stewart; John Errington; Linda Stewart; Maija Finvers; Martin, Sandra M EM:EX; Pat Cheetham; Patrick O'Rourke; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sharon Jorgensen; Shelley Guthrie; Smyth, Ron EM:EX; Ted Hall; Tom Schroeter; Wesley Kennedy
Subject: NW Region Report to June 2, 2002

MINING

Endako - Continuing instability of the central portion of the pit south wall has caused Thompson Creek Mining to revise their mine plan in order to continue with the current daily production rate. The geotechnical consultant reviewing the problem has made draft recommendations to the company which are currently being reviewed. The company is also faced with the shortening time frame for a decision on a set back to the south wall. Current Moly prices are favourable but longevity of the current elevated prices is a concern. Due to required lead time for equipment repairs, planning and manpower adjustments the decision has to be made soon in order to avoid a shortage of ore and mill shut down next year.

Eskay Creek - Mine underground development budget of \$1.5 million, plus \$1.5 million of ore definition and exploration drilling, totalling 26,000 metres. This is a step-up in activity to meet Barrick's production targets. This is in addition to the surface ("regional") exploration budget of \$3 million reported below under exploration.

Huckleberry - Approximately 600,000 tonnes of ore in the bottom of the Main zone Pit has been abandoned in the move to the East pit. A combination of pit wall failure and flooding from spring run-off (following very high winter snow pack) is the cause. Start-up ore from the second phase of the East Pit contains more secondary copper than expected, resulting in unacceptably low copper recovery in the mill. First phase mining did not cross this fault, this is a new geologic setting. Oxidation extends to 70 feet (20+ m) into bedrock. Once deeper ore is mined recoveries should improve.

EXPLORATION

Spectrum Property - This property is located along the eastern flank of Mount Edziza Provincial Park and was held out of the park by the Iskut Stikine LRMP table and the park boundary was revised to allow access. Rod Salfinger, an Australian promoter and holder of the mineral tenures, is currently starting into the process to raise funding and receive approvals to commence mine development. As a part of raising funds Salfinger is soliciting various sources. On May 15 Doug Stewart from Rothschild's Australian Golden Arrow Fund (global mining investors) met with Graeme McLaren, David Johns, John Errington, Duane Anderson, Trent Jonson and Bob Hart to discuss the mining climate in BC and changes in perception on investing here. Mr. Stewart apparently indicated at the end of the meeting that he was "enthused" with the results of the meeting. Maybe a new mine.

Heritage Resources - Will merge with Glenfred Holdings Inc. thereby consolidating 2202 claim units (47,239 hectares) in the Eskay mine area, extending from the Iskut River to Treaty Creek. Glenfred is a private company owned by Glenn Laing and Fred Christiansen through St Andrew Goldfields Ltd (50%), Zebrex Holdings Inc (37.5%) and Dolly Varden Resources Inc (12.5%). St Andrew will hold 45% of Heritage and appears to be the controlling player. A report to be filed on SEDAR details claims staked, purchased and option agreements. At Treaty Creek and Bonsai, a minimum of \$100,000 is to be spent on each property. Glenn Laing and Fred Billingsley (of Heritage) state that \$2 million will be expended on the merged companies' claims this year, in a variety of early-stage and drilling programs. The work is driven by high-computer-tech geological modeling of the Eskay area by Fractal Graphics (of Red Lake, Goldcorp Challenge fame).

Kinaskan (104G 033, 160, 161, 166, 167) - Consolidated Earth Stewards Inc. will acquire the QC claims (ca 538 units) staked recently by Viceroy (see April 5 report). The claims cover satellite intrusions north of the early Jurassic Groat stock, emplaced into Stuhini and Hazelton Group strata. Mineral potential includes both copper-gold porphyry similar to Red Chris and Eskay-style VMS associated with Jurassic felsic volcanics and felsite intrusions.

Tommy Jack (94D 031) - Gold City Industries Ltd. has optioned part of this intrusion-related/ vein gold prospect from Al

Schroeter, Tom EM:EX

TOS → RG
— Smith

From: Wojdak, Paul EM:EX
Sent: Friday, May 17, 2002 10:33 AM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; Duane Anderson; Gib McArthur; Guthrie, Shelley EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter
Subject: Report to May 17, 2002

Practical Guide to Geology, Rocks and Minerals of Bulkley Valley - delivered course at Northwest Community College to 8 people on May 4-5 (omitted from last week's report).

Endako - Doug Flynn reports that South Wall rock stability problem continues. Golder Associates, the mine's geotechnical advisor, is investigating. Mining of the problem area has been deferred.

Eskay Creek - Mine underground development budget of \$1.5 million, plus \$1.5 million of ore definition and exploration drilling, totaling 26,000 metres. Step-up in activity to meet Barrick's production targets. Exploration portion is \$500K. This is in addition to the surface ("regional") exploration budget of \$3 million reported last week.

Morrison - Re-drilling of the deposit by Pacific Booker Minerals shows that the low grade core is smaller than interpreted by Noranda from holes with poor core recovery. Higher gold grades are associated with the East fault in a zone 10 to 50 metres wide. Results from two more holes-

Hole #	From-To	Interval (m)	%Cu	g/t Au	
67	26.5-233	206.5	0.40	0.19	
68	16.5- 61	44.5	0.30	0.09	
	61 - 76	15	0.34	1.25	(East fault)
	76 -135	59	0.32	0.13	

Minerals North - Prepare presentation; updated from KEG, revised for different audience and reduced to 10 minutes. Financial assistance (from Minerals North association) for two Gitanow representatives to attend conference and Endako mine trip.

Exploration Tracking - Northwest spending for 2002 estimated at \$7-8 million (vs. \$7.2 million in 2001) comprising 12 "major" projects. The estimate includes firm budgets (Eskay, Homestake Ridge) and money not raised yet (Praxis, Foremore, Albert Creek) but in an optimistic market. Recently, some very optimistic Provincial exploration estimates (eg >\$60 million) have circulated which cannot be substantiated yet in this region.

Paul

Paul Wojdak, P. Geo.
Regional Geologist, Smithers
BC Ministry of Energy and Mines

tel: (250) 847-7391 fax: (250) 847-7603
email: paul.wojdak@gems5.gov.bc.ca

Schroeter, Tom EM:EX

VOS → RG
— Smithed

From: Wojdak, Paul EM:EX
Sent: Friday, May 10, 2002 10:13 AM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; Duane Anderson; Gib McArthur; Guthrie, Shelley EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter
Subject: Report to May 10, 2002

Eskay & RDN & PBR - Homestake exploration budget for the Iskut district is \$3 million (US \$2 million), identical to last year. Recent acquisition of the RDN prospect does not signal a more aggressive approach to exploration, as might have been anticipated with the Barrick merger. The RDN program is to be funded out of the "Eskay" budget; one of the three drill rigs planned for Eskay will be diverted to RDN. The proposed deep drilling program at Pillow Basalt Ridge (PBR) was written prior to acquisition of RDN and will almost certainly be deferred. Homestake, possibly concerned by St Andrew Goldfields aggressive ground acquisition program, staked claims between the Km 45 exploration camp and the Iskut River. The Valcano claims tie up open ground that existed between the Eskay Creek property and Coast Mountain Hydro's claims in the Iskut canyon.

Adam (104B 079,152,209) - Rimfire Minerals Corp announced staking of 60 claim units covering a gold-copper mineralization in a fault-controlled monzonite dike. A Kerr style deposit is the target.

Morrison - Results from first 2002 holes,

Hole #	From-To	Interval (m)	%Cu	g/t Au	
63	139-345	207		0.47	0.16
64	78-195*	117	0.41	0.14	
*Hole 64 did not reach target depth due to ground conditions					
65	56-233	177	0.30	0.11	
66	5-24	19	0.30	0.27	
East Fault	24-26.5	2.5		1.15	10.55
	26.5-91.5	65	0.36	0.36	
	91.5-131	39.5	0.15	0.08	
	131-326	195		0.50	0.20

Huckleberry - About 600,000 tonnes of ore in the bottom of the Main zone Pit has been abandoned. A combination of pit wall failure and flooding from spring run-off (following very high winter snow pack) is the cause. Start-up ore from the second phase of the East Pit contains more secondary copper than expected, resulting in unacceptably low copper recovery in the mill. The problematic ore comes from the east end of the pit, east of the 150 fault. First phase mining did not cross this fault, this is a new geologic setting. Oxidation extends to 70 feet (20+ m) into bedrock. Even a relatively small amount of oxide (cuprite, covellite?) and carbonate (malachite, azurite) coating chalcopyrite means that the chalc will not float. This problem ought to have been anticipated because exploration drilling recognized secondary copper in a zone of extremely poor (<20%) core recovery.

Klappan Coal - Fortune Minerals Limited will acquire the Klappan anthracite coal deposit from Conoco Canada Resources. Measured and Indicated resources total 260 million tonnes; inferred and speculative resources total 2.54 billion tonnes in four deposits. Klappan is accessible by a road that follows the BCR railroad grade north to the Stikine River at Hwy 37, linking the deposit to the port of Stewart by a 410 km route. The proposed Omineca-Stewart road could substantially reduce the distance to port.

APEGBC - Attend Geoscience Committee meeting on May 7.

Paul

Paul Wojdak, P. Geo.
Regional Geologist, Smithers
BC Ministry of Energy and Mines

tel: (250) 847-7391 fax: (250) 847-7603
email: paul.wojdak@gems5.gov.bc.ca

TGS → ~~DOWA~~
Eskay
Creek

Schroeter, Tom EM:EX

From: Curtis, Ross EM:EX
Sent: Wednesday, August 02, 2000 8:23 AM
To: Schroeter, Tom EM:EX
Subject: FW: Meeting with Dowa Mining Co. Ltd. of Japan

FYI

*Ross Curtis
Assistant Deputy Minister
Resource Development Division
Ministry of Energy and Mines*

*Phone - 952-0714
Cell - 250--812-4230*

From: Brown, Derek EM:EX
Sent: Wednesday, August 02, 2000 8:21 AM
To: Curtis, Ross EM:EX; Carter, Michael EI:EX; German, Gerald EM:EX
Cc: Kilmartin, Sandra EM:EX; Shiroki, Masataka EI:EX; Cochrane, Marlene EM:EX
Subject: RE: Meeting with Dowa Mining Co. Ltd. of Japan

no cc. to TGS!

Ross,

Sandra has probably given you a summary of the meeting already. Here are a few comments from my perspective.

- it is difficult to access how advanced Dowa is in their decision to explore in northwestern BC
- they would probably joint venture with companies that have know mineral properties
- they appear to partner will major companies globally (ex. Mexico - Penoles Group and Sumitomo Corporation)
- they seemed respective to all our information -- geological and landuse
- their Senior Geologist (Toshiaki Suyama) is touring the Eskay Creek area right now for 5 days
- their potential investment amount is really unknown at this point. I think when they said \$35-50 million, they were considering a more advanced exploration play/pre-development stage. To my knowledge none of the existing mineral properties are at that stage. However, if they do invest and are successful then we would see at least this amount spent.

I sent them a FAX yesterday with the following information:

Dear Toshiaki Suyama (c/o Kenichi Kagiyama),

I hope the following information will prove useful to Dowa Mining Co., Ltd. Thank you for your time at yesterday's meeting in Vancouver and I wish you and your company success in its goal of acquiring mineral resources in British Columbia.

I look forward to being able to assist your company in the future. Please contact me for more information about any geological data you might require in the region. In addition, we have a number of staff that can help you extract data from our dynamic internet site.

Sincerely,

Derek A. Brown,

Manager, Economic Geology & Mineral Inventory

Check out our Branch Web Site: www.em.gov.bc.ca/geology

Contact for information about working relationships with the Talhtan Band:

Gary Biles, Mine Manager, Homestake Canada Inc., Eskay Creek Mine

Mine office (250) 522-9877

Smithers office (250) 847-4002

Eskay Creek mine road:

The Eskay Creek road is private, controlled by Homestake Canada. There are maintenance fees for other users of the road. Homestake was offered government financial assistance but declined it.

Eskay Creek Mine Chronology of Permits and events:

Issued	Details	Application date
1932	Mineralization discovered by a party lead by Tom McKay	
1934	Surface work by Unuk Gold Syndicate	
1963	Emma crosscut and drift driven 360' by Western Resources	
1964	Canex Aerial Explorations 6 underground drill holes	
1965-1972	Stikine Silver extend adit 265'	
1971	Stikine Silver ship 1.68 tons of picked ore yielding 0.3oz gold, 239oz silver, 64lb lead, 94lb zinc	
1979	May Ralph Industries ship 9.65 tons picked ore yielding 40.62oz gold, 819.54oz silver, 907lb lead and 2220lb zinc	
1988-89	Exploration identifies the 21B zone containing 2.3 million ounces gold and 101.7 million ounces of silver	
1990 (or 91?)	Project enters Environmental Approval Process	
1992	Road construction	
1993	Feasibility study confirms property economic	
1993	Prime Resources acquires 100% ownership	
1994 (Feb.)	Feasibility study confirmed economic viability of direct shipment and sale of ore to smelters.	
1993 (Nov.)	Mine Development Certificate	Mar. 29, 1994
1994 (April)	Construction commenced	
1994 (Oct.)	Facilities construction completed	
Aug. 8, 1994	Albino haul road	July 28, 1994
June 29, 1994	Mine reclamation permit	Feb. 8, 1994
Sept. 13, 1994	Mine Plan	May 6, 1994
Sept. 22, 1994	Albino Lake waste disposal	Aug. 30, 1994
Sept. 22, 1994	Construct and operate settling pond structures	Aug. 19, 1994
1995 (Jan.)	Commercial production commenced with initial ore shipment to Quebec and Japan	
July 4, 1997	Mill expansion	Mar. 6, 1997
1998	Homestake Mining acquires Prime Resources	
1998	Commercial production from new gravity and flotation mill	
July 28, 2000	Tom MacKay waste rock and tailings disposal	Feb. 7, 2000

These are estimated dates compiled by Derek Brown and Allan Wilcox of the BC Geological Survey Branch as general information for Dowa Mining Co., Ltd. (Aug. 1, 2000).

From: Carter, Michael EI:EX
Sent: Monday, July 31, 2000 4:18 PM
To: Curtis, Ross EM:EX
Cc: Kilmartin, Sandra EM:EX; Brown, Derek EM:EX; Shiroki, Masataka EI:EX
Subject: Meeting with Dowa Mining Co. Ltd. of Japan

Ross:

Thanks for sending over Sandra and Derek. They were extremely informative and helpful in the meeting today with Messrs. Suyama and Kagiya of Dowa. I had to leave after the first hour, but we had covered a fair bit of ground by that point. I don't know the employment impacts, but they were talking about a prospective mining investment of \$35 - \$ 50 million in the Eskay Creek area. Derek can probably give you a better sense of their particular area of interest.

Again, thanks for the help.

Regards,

Mike

Schroeter, Tom EM:EX

WS → RG
- Smithers

From: Wojdak, Paul EM:EX
Sent: Friday, February 22, 2002 8:28 AM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Bryan Good; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; deleted - 020117 - Malott, Mary Lou MSRM:EX; Derek Brown; Duane Anderson; Gib McArthur; Rick Conte; Tom Schroeter
Subject: 2-Week Report, Feb 22 2002

North Coast LRMP - New land planning process got underway at Feb 1-3 meeting in Prince Rupert. Hans Smit, local geological consultant and director of BC-Yukon Chamber of Mines, will represent the mining and mineral exploration industry.

Eskay Creek - 2001 production of 320,784 oz (9977 kg) of gold and 15.45 million oz (480,685 kg) of silver. Reserves at beginning of 2002 were,

- Shipping ore, 584,942 tonnes at 66.3 g/t Au, 3119 g/t Ag
- Mill ore, 708,668 tonnes at 23.2 g/t Au, 910 g/t Ag
- Resource, ~~626,000 tonnes at 10 g/t Au, 310 g/t Ag~~

Production goal for 2002 is 366,000 oz of gold and 16 million oz of silver.

522,000 @ 17.3 g/t Au; 367 g/t Ag.

Huckleberry - 2001 production of 36,397,770 kg of Cu, 888,380 kg of Mo, 330 kg Au and 9052 kg of Ag from 7.4 million tonnes of ore milled. (The mine has also moved 27 feet of snowfall this winter!) Reserves at the beginning of 2002 were,

- Main pit - 2,774,000 tonnes at 0.517% Cu, 0.014% Mo
- East pit - 51,610,000 tonnes at 0.478% Cu, 0.013% Mo

Mining goal for 2002 is 8.1 million tonnes at 0.478% Cu, from a combined total of remaining Main Pit and East pit ores.

Endako - 2001 production of 5,565,499 kg of Mo from 9.5 million tonnes of ore milled. Reserves (as of Oct 1, 2002) were,

- Endako pit, 55.4 million tonnes at 0.072% Mo
- Denak pit, 1.5 million tonnes at 0.075% Mo
- Stockpile, 26.5 million tonnes at 0.047% Mo

Prospector Assistance - reviewed the last 2001 report: Peter Ross followed up of Ta-Sn-W RGS anomaly in Surprise Lake (specialty granite) batholith, near Atlin. RGS anomaly could not be duplicated, target evolved to intrusion-related (Ft Knox) gold.

Kemess North presentation to Smithers Ex Grp by Mike Hibbitts (chief geologist, Kemess mine) attracted 26 people, including one town councillor and MLA's riding office representative.

Powerpoint for prospectors (workshop on Feb 15) - Preparation for Rock Talk, scan photos and make geology maps from Map Place.

Rock Talk (Feb 26) - Organization help from Daryl Hanson and Hans Smit. (Frantically) preparing presentation on "North Coast to Iskut" geology and mineral deposits. Thank you to Jim Logan, Mitch Mihalynuk and Bob Anderson for core files. BC Securities course (Feb 27) has 16 registrants.

Paul

Paul Wojdak, P. Geo.
Regional Geologist, Smithers
BC Ministry of Energy and Mines

tel: (250) 847-7391 fax: (250) 847-7603
email: paul.wojdak@gems5.gov.bc.ca

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, September 20, 2002 10:41 AM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; Duane Anderson; Gib McArthur; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Logan, Jim EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter
Subject: Northwest Geology to Sept 20, 2002

Joss'alun Copper - Discovered by Mitch Mihalynuk on the final field day of the Nakina program, a proven private-sector technique to ensure follow-up work. Events after the release -

- **Al Doherty** (Aurum Geological, in Whitehorse) was first on the scene on Sept 13 and staked KNAK (two 2-post claims) for **Gerry Carlson** (veteran and successful explorationist) using Discovery Helicopters out of Atlin.
- Jim and Bill Wallis, stakers for the Dave Visagie (Northair Group), arrived twenty minutes after Doherty, having been forced to use Pacific Western Helicopters (from Dease Lake). They staked the D claims (eight 2-post claims) to the northwest of the KNAK claims. Like Carlson/Doherty, Visagie had deduced that the release was likely in the Atlin area and, prior to the release, Visagie researched Mihalynuk's 2001 fieldwork report. As a result, Visagie/Northair staked 30 units on RGS anomalies in felsic volcanic rocks (between Horsefeed and Paint Creeks) and 6 units on a magnetic anomaly 6 km from the Joss'alun discovery. The latter was based on study of magnetic maps in the Smithers office.
- Steve Robertson, acting for Imperial Metals, arrived in Atlin on Sept 14 (having guessed incorrectly the release was in the Bella Coola area) and staked 16 DARK claims, using Discovery Helicopters. These overlap and extend southeast of Doherty's claims. Robertson and his prospector/staker assistant are impressed with the mineralized zone and pleased with the potential of their claims.

Kerr-Sulphside - Acquired by Noranda, by option agreement with Seabridge Gold. Noranda has had a long-standing interest in the property. Last September, Tom Schroeter and I showed Robin Adair (expl manager) and Mike Savell (senior geologist) the location of Kerr drill and, in the Smithers office, I gave Savell access to rocks and photos for their presentation to Noranda management. No agreement was reached with Seabridge at that time, but clearly interest in the property remained. Resource estimates by Placer Dome:

- Kerr - 140.8 million tonnes @ 0.75% Cu, 0.36 g/t Au (0.4% Cu cutoff)
- Sulphurets Gold - 54.8 million tonnes @ 1.02 g/t Au (0.5 g/t Au cutoff)

Mike Savell suggests Placer Dome focused on these two zones and did not explore the rest of the property. Noranda thinks the area has exceptional potential for a Cu-Au deposit and plans a property-wide assessment with probably no drilling in the first year.

Foremore - Property visit (Sept 15) sponsored by Roca Mines to see new Zn-Pb-(Ag-Au) showing. Fifteen people participated (Rimfire/Equity Engineering, investors/brokers, investors, gov't geologists). In situ mineralization discovered by prospector Lorne Warren (property vendor) on this enigmatic VMS-float prospect. Five centimetres of new snow obscured the shallow rock trenches, mainly blasted along strike exposing mineralization over approximately 100 m length and 3-5? metre width. Uncertain if host rocks are Paleozoic or Mesozoic. Assays not done yet.

Praxis - Northgate has optioned the western half of the property. Drilling was in progress on Sept 17 (4th of a 5-hole, 2000 m program) to test EM anomalies in a Salmon River Formation, basalt/mudstone/rhyolite sequence. Initially considered an Eskay Creek setting, the target has evolved to an Anyox-Granduc massive sulphide deposit. Praxis Goldfields has retained the eastern half of the property (Rhyolite ridge) and will drill several holes targeting EM anomalies near a mudstone/rhyolite contact, with anomalous zinc geochemistry. The program is expected to conclude about Oct 1.

Eskay Creek - Exploration budget reduced by \$0.6 million as Barrick diverts funds to Peru. Surface drilling (directed by Ian Dunlop) is being terminated earlier than expected and will total about 13,500 metres (16,100 m in 2001). Primary mercury litho-geochemistry proving to be a useful exploration technique; Hg halo in mudstone is broader than gold. Mine geologists are focused on planning for remaining life of the mine. Blending of marginal grade ore to offset mercury-antimony-arsenic penalties in high grade direct-shipping and mill ore is a key strategy in extending mine life (presently estimated to be 2008). As the production rate is steadily increased, the impact of new zones diminishes. The new 44 zone, though not completely defined, may only represent 3-4 months of production. Visited on Sept. 16 with Tom

Schroeter, Tom EM:EX

TGS → RG
— Smith

From: Wojdak, Paul EM:EX
Sent: Friday, August 23, 2002 2:44 PM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; Duane Anderson; Gib McArthur; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Logan, Jim EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter
Subject: Northwest Geology to Aug 23, 2002

Eskay Creek (Barrick Gold) - Exploration - 10,000 metres of 20,000 metre drill program completed (includes RDN drilling, see below). Reviewed targets and examined core with Ian Dunlop on Aug 19:

- The deep NEX drill hit at the end of 2001 campaign (50 g/t Au eq over 17 m, see Expl & Mining 2001) has been turned over to the mine for definition drilling (named 44 zone). Surface drilling is confined to areas beyond reach of the new underground drill station.
- Two 2002 holes have produced significant intercepts: one 350 metres further downplunge of the 44 zone (in the Datum mudstone, at the base of rhyolite!!) and one on the west limb of NEX.
- Water Tower zone presents (yet another!) new style/control of mineralization.
- Two new areas are being targeted for drilling later in the season: a) Mt. Shirley, south of Km 45 camp and b) Iskut-Palmiere, north of Km 45 camp, based on the BC Geologic Survey's RGS data (precious metal indicator score at inferred contact mudstone horizon).
- PBR and SIB gap drilling cancelled.

Mine - Reviewed developments with Dan Lampman, senior mine geologist.

- Initial drilling of 44 zone from the new 5 ramp drill station gave encouraging results. Drilling will resume when 5 Ramp is completed, and will include testing the footwall dacite near the Pumphouse fault (see Expl & Mining 2001)
- New 6 Ramp being driven to evaluate Water Tower zone. Drilling in 2003.
- the strike at Noranda smelter is disrupting mining at Eskay. Production of smelter ore has been (temporarily) reduced to 300 tpd and mill ore increased to 370 tpd. An increase in shipments to DOWA has been negotiated. Despite these adjustments some ore with high gold+high penalty elements cannot be accommodated and is going for waste.
- two more beat geologists and a geotech engineer have been added to mine staff. Total geology staff of 11 for 670 tpd mine!!

RDN (Barrick) - Not visited, discussed with Ian Dunlop, project geologist. Only 500 m of planned 3000 metres completed due to difficulty penetrating overburden in Jungle zone, a primary target. The Wedge zone, drilled last year by Newmont, is re-interpreted by Barrick as being in the Datum mudstone and footwall dacite, not the higher potential Eskay rhyolite and contact mudstone. Drilling will test the DK (Dave Kuran) target to the northeast where Dave recognized Eskay rhyolite.

SIB-Eskay district (Heritage Explorations Ltd.) - Finally commenced field work in mid-August from a 20-man camp at Km 46 on the Eskay road. Geologic staff includes Sean McKinley (ex-Myra Falls), Jeff Reeder and Russell Mason (part of Australian team who built Fractal Graphics Eskay district geologic model). Ground truthing targets, drilling to begin Sept 16. Financing rumoured to have raised \$1.3 million, short of \$2 million target.

Homestake Ridge (TeckCominco) - Drilling of Eskay stratigraphy at the head of the Kitsault River, south of Stewart. 1700 m of planned 4000 m drill program completed on Aug 10 visit. Project geologists are Graeme Evans, Paul Baxter and Jim Lehtinen. About 1.4 km strike length is being tested at the contact of flow-banded rhyolite with Salmon River sediments, in an area of abundant vein showings. Geologic evaluation of a lower stratigraphic (includes Leftover VMS? showing) and intrusion related gold (Big Bulk showing) targets continues.

Praxis (CSS Exploration) - Exploration program, 3000 metres of drilling on grassroots Eskay target, is being funded by Northgate and will mobilize from Stewart on Aug 24. Difficulty in Exchange listing and raising money delayed project and led to deal with Northgate.

Foremore (Roca Mines) - Prospecting located mineralization similar to glacial boulders in a quartz sericite schist. Rock trenching to follow.

Polar Jade (Polar Gemstones Ltd) - Geologic examination by PW Aug 12-13, with a view to preparing write-up on this

TGS → Reg. Mg
S. M. Y.

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, November 23, 2001 4:26 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Chris Carr; Clancy, John EM:EX; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Graeme McLaren; Greg McKillop; Gregg Stewart; John Errington; Linda Stewart; Maija Finvers; Pat Cheetham; Patrick O'Rourke; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sandra Kilmartin; Sharon Jorgensen; Shelley Guthrie; Smyth, Ron EM:EX; Ted Hall; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to November 23, 2001

MINING

Huckleberry - Due to adverse weather conditions the raising of TMF-2 dam has been curtailed for 2001. The current dam elevation is below the permitted elevation of construction. Huckleberry consultants have estimated that the current dam crest will provide sufficient freeboard until March 2002. To maintain freeboard the dam crest will have to be raised by February or early March 2002 or alternately dewatering of the tailings pond will be necessary to maintain the required water level. Previous winter construction has proven problematic and the company has been asked to identify contingencies to maintain sufficient freeboard.

A draft of the Amended Permit for Huckleberry is expected to be ready for circulation to the company and other agencies by early next week. MEM's initial estimate of reclamation liability considerably exceeds the current bond amount of \$2M. There are concerns associated with operating costs exceeding revenue due to low metal prices and concerns with a major loan payment due in January, 2002. Negotiations regarding bonding are expected to begin within the next few weeks.

Copper prices have been on a roller coaster ride for Huckleberry. On November 8 the price bottomed at US \$0.597 and by November 15 had climbed back to a high of US \$0.667. On November 22 the price was at US \$0.665.

Eskay Creek - Eskay continues to encounter difficulties with its new tailings disposal system to Tom MacKay Lake. The new \$1M pump has reportedly proven incapable of pumping materials above 200 mesh, so slimes are having to be trucked separately to Albino Lake for disposal. TSS levels in Tom MacKay Lake, which had previously risen as high as 22 ppm, have been declining. The latest report was 9 ppm. The reasons for both the rise and the decline however, remain unknown.

Eskay has applied to increase daily production from 550t/d to 750t/day. The implications to the EA certification production level and the site implications are being reviewed. A meeting of the NWMDRC is scheduled for December 2, focussing on Eskay and Snip.

Cassiar - Mill fire remains have been cleaned up by burial around and in the footprint of the mill itself. Outlook for rebuilding the mill appears good but will need involvement of a second party with some money to contribute to the cause. The Regional Fire Commissioner has indicated that the Cassiar Fire Report prepared by Smith Investigation services has been reviewed and the Commissioners Office agrees with the findings. The Commissioner reports that Smith has dealt with the most probable cause as electrical and no one can dispute this determination under the circumstances.

RECLAMATION

Golden Bear - North American Metals are reportedly planning to make application to WLAP in early December to discharge all rinse solutions from the Totem heap to ground during next summer's rinsing. Assuming that this is approved, there will be no further need of either the mill or the tailings impoundment and it will be possible to remove all of the lower valley infrastructure and complete reclamation. It is expected that rinsing will also be completed next summer. The net effect of all of this will be to compress the previously anticipated closure schedule by one year. It will be possible to complete required reclamation for both the main haul road and the mine access road in 2003, rather than 2004 as previously thought. Agencies and groups with an interest in the access road will need to come to agreement on that aspect within the next 6 to 12 months.

GENERAL

Teikwa Coal - Allan Flemming of Luscar indicated in a telephone conversation that the project is still on the shelf. Luscar has other priorities at this time and Allan did not see a renewed interest in the project in the near future. He also indicated that he was also a wait and see attitude in relation to CBM.

On November 7 Wally Bergen was invited to the Northern Forestry Producers Association annual community dinner in Burns Lake. Much concern expressed regarding the soft wood tariff situation, mountain pine beetle infestation and the demand for wood and wood fibre throughout the NW.

YFB → Eskay
Ck.

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Wednesday, October 17, 2001 8:55 AM
To: 'richard_billingsley@idmail.com'
Subject: RE: Eskay Creek Mine

Thurs.

Sorry Dick - I won't have time to dig out the material until tomorrow. I suggest you contact me to confirm before dropping in. Cheers, Tom.

-----Original Message-----

From: Richard Billingsley [mailto:richard_billingsley@idmail.com]
Sent: Wednesday, October 17, 2001 5:50 AM
To: Schroeter, Tom EM:EX
Subject: Re: Eskay Creek Mine

Good morning Tom,

I was going to try see you early this morning, but I have been delayed until this afternoon. We spoke last week about the Eskay Creek Mine and the detailed literature (academic) available.

Could you give Christy all the material you have and have it photocopied? I will gladly pay for any lengthy photocopying.

Heritage has raised another \$300,000 for exploration work at Eskay and the initial modeling work by Fractal Graphics (Vic Wall, Nick Archibald) has been completed. The real detailed work is about to begin.

Cheers,

Dick

* Xeroxed 'geological' articles
given to DB on Thurs. Oct. 18/01
~ 11:20am.

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Thursday, October 18, 2001 10:32 AM
To: Payie, Garry EM:EX; Dittrick, Maggie EM:EX
Subject: RE: Property file - Billingsley

Thanks for your comments, Garry. Tom.

-----Original Message-----

From: Payie, Garry EM:EX
Sent: Thursday, October 18, 2001 10:28 AM
To: Dittrick, Maggie EM:EX; Schroeter, Tom EM:EX
Subject: RE: Property file - Billingsley

Tom, and Maggie,

The time and money it takes us to photocopy for clients is a definite concern which I was aware of before I sent the material along. The library handles the volume photocopy jobs by having Island Blue Print pick up the material, copy it and then bill the customer directly.

The security of the file itself is also a concern. Hopefully people viewing will know that we have documented what's in the file. Even here in Victoria the file is given over to the client for viewing. Its always being a questionable practice but we aren't inclined to stand over them to ensure file security.

Dick asked if we could go through the Eskay property file and copy any "academic references" on the mine. Rather than try to figure out what may be of interest to him, I thought it would be more efficient to just send them over and let him do the work. I will not let this become a precedent setting action as I know you're office doesn't need the added burden of becoming a photocopy centre.

By the way, you may already know this but with Dick's company being involved in this Eskay area play, they have contributed several thousands of dollars towards scanning of Assessment Reports for that area, which we will soon post to the web.

Thanks for handling this. I think the material is almost all page-size and won't present too much of a problem. I hope.

Regards,

Garry

-----Original Message-----

From: Dittrick, Maggie EM:EX
Sent: Thursday, October 18, 2001 9:12 AM
To: Schroeter, Tom EM:EX; Payie, Garry EM:EX
Subject: RE: Property file - Billingsley

Hi Tom and Garry,

I'll give Dick a call when the file arrives and ask him to set aside anything he wants photocopied. He's aware that he has to look at the file here in our office. If there's not too much material I'll be able to photocopy it for him right away. If there's quite a bit of photocopying I may ask him to leave it with me and I'll call him once it's finished. Sometimes clients offer to do the photocopying themselves which can be quite helpful! I'll figure out the best way to handle it once I see how much photocopying Dick has. Thanks for the heads up!

Garry, I'll get the file back to you as soon as possible, and thanks for your assistance in sending it over to us.

Maggie

-----Original Message-----

From: Schroeter, Tom EM:EX
Sent: Thursday, October 18, 2001 8:59 AM
To: Dittrick, Maggie EM:EX; Payie, Garry EM:EX
Subject: RE: Property file - Billingsley

Folks, if the 'Property File' contains 'original' documents, how do you deal with the 'security' issue when clients make a request like this? Obviously, the Files don't leave the office? What about photocopying? I'm not concerned about the charge of lack of; rather, the time required by staff to 'deal' with the request. I suggest that once a client identifies his/her 'needs', then the appropriate staff can decide whether or not the request can be filled 'on the spot' or if the client will have to return to pick up the info when informed it is ready. In this case, Maggie, I will leave that decision up to you. Just watch your time, especially if Christy is still away. Tom.

-----Original Message-----

From: Dittrick, Maggie EM:EX
Sent: Wednesday, October 17, 2001 4:31 PM
To: Payie, Garry EM:EX
Cc: Schroeter, Tom EM:EX
Subject: RE: Property file - Billingsley

Hi Garry,

Sure - no problem at all! Glad to help out. Dick actually called me earlier today and I told him I'd be happy to call him as soon as the package arrives.

Thanks very much,

Maggie

-----Original Message-----

From: Payie, Garry EM:EX
Sent: Wednesday, October 17, 2001 4:11 PM
To: Dittrick, Maggie EM:EX
Subject: Property file - Billingsley

Maggie,

I am sending the Eskay Creek property file to you so that Dick Billingsley may examine it. I don't think there is too much of interest therein but he may want to photocopy some of the reports. I will let him know its on the way if this plan is okay with you.

Thanks very much,

Garry Payie,
MINFILE geologist

Schroeter, Tom EM:EX

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Sent: Thursday, October 18, 2001 9:12 AM
To: Schroeter, Tom EM:EX; Payie, Garry EM:EX
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To: Dittrick, Maggie EM:EX; Payie, Garry EM:EX
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Cc: Schroeter, Tom EM:EX
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Sent: Wednesday, October 17, 2001 4:11 PM
To: Dittrick, Maggie EM:EX
Subject: Property file - Billingsley

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Thanks very much,

Schroeter, Tom EM:EX

TGS → RG
Smithers

From: Wojdak, Paul EM:EX
Sent: Monday, July 30, 2001 11:39 AM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Bryan Good; Daryl Hanson; Doug Flynn; Elaine Konschuh; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Payie, Garry EM:EX; Dave Lefebure; Derek Brown; Duane Anderson; Gib McArthur; Rick Conte; Tom Schroeter
Subject: 3-Week Report; July 13, 20, 27

Property Visits

Bill (94E 092, 140 km SE of Dease Lake)- Rimfire Minerals new project, optioned from Smithers prospector Lorne Warren, was examined with Dave Caulfield. Gold-bearing quartz-arsenopyrite-pyrite stringer veins were drilled by Cominco and Dupont in 1983-84. Highly anomalous Au and As in silt led to discovery, and soil anomalies outlined drill targets. Best intercept was 35 g/t Au over 2 m. Geochem signature is distinctly different from nearby Toadogone epithermal camp. Structural - stratigraphic setting is a horst of Paleozoic basement, chlorite schist assigned to Asitka Group, lying between two east-west structures parallel to the Pitman fault. Doming of the chlorite schist and a pronounced magnetic low (regional survey by GSC published in 1999) measuring 10 km in diameter, suggest the area is underlain by a Cretaceous intrusion with an extensive carbonate-sericite alteration halo. This may provide a "bigger picture" model for further exploration. Placer Dome is scheduled to examine the prospect in late July.

Thorn (104K 031, high sulfidation enargite-gold prospect north of Golden Bear mine)- visited with Rimfire Minerals personnel in conjunction with appraisal by Richard Gorton for possible option by Newmont. Placer Dome will examine in late July.

RDN (104G 144, epithermal VMS prospect 40 km north of Eskay Creek mine)- reviewed progress of drilling program with project geologists Al Montgomery and Mike Stammers, Newmont representative Richard Gorton and Rimfire principals Dave Caulfield and Henry Awmack. Six holes completed, 3 more planned at time of visit, all target EM conductors. Most significant results are from 4 holes in the Wedge zone at the north end of the property. These intersect rhyolite and lesser dacite interbedded with and overlain by graphitic mudstone, grossly representing the Eskay mineral horizon. Minor amounts of "early" base metals and possible tetrahedrite in the rhyolite are encouraging but core was not assayed yet. The rhyolite is not altered to sericite, as it is intensely at Eskay Creek, but the discovery of (weakly mineralized) rhyolite is a significant advance for the project. Previously, the most felsic rocks known were dacite, as at the Marcasite Gossan zone, and the apparent absence of rhyolite is said to be one reason Homestake did not option RDN. Two other geophysical holes did not test the key stratigraphy, one was entirely in hangingwall basalt and the other in Betty Creek(?) deep footwall strata. One hole is planned in the Boundary zone (south end of the property) and 2 more at the Wedge zone. Surprisingly, no holes were planned in Jungle zone, site of encouraging previous (gold) geochemical and assay results. So far, all holes have been completed, to the credit of the drill contractor. Up to 40 metres of overburden and highly sheared mudstone near the Forrest-Kerr fault had frustrated prior drilling. Above information has not been released.

Eskay Creek exploration program, and some drill core, was reviewed with Ian Dunlop. No change (as yet) arising from the Barrick-Homestake merger, but Homestake staff expect the Vancouver office to close. (The merger had yet to clear a 40-day review by the NYSE so that no major changes are expected until late summer/early fall) Alex Davidson, Barrick exploration VP is scheduled to visit Eskay in mid-August, but changes to the current 3-drill, 16 000 m drill program would appear to be unlikely. Exploration drilling is more broadly dispersed than last year, which focused on the "Deep Adrian" NEX trend down-plunge in the hinge of the Eskay anticline, in search of bedded ore in a second thickening of the Contact Mudstone (without any success). New targets include the Mackay adit area, felsite bluffs (seeking low grade mill ore to replace nearly depleted 109 zone) and the footwall dacite. The latter target is derived from gradeXthickness contours which show promise for a vein ore zone (analogous to 109 zone) near major structures, such as the Pumphouse fault. One deep stratigraphic hole completed on the PBR property (Pillow Basalt Ridge), north of the Iskut River. The hole penetrated 1419 metres of basalt (!!), with some mudstone interbeds, but was abandoned before reaching the contact mudstone and underlying rhyolite. Drilling was in progress on the West Limb; three 1000-metre holes attempted in 2000 were lost in hangingwall faults. Homestake is completely frustrated by negotiations with Heritage/Uniterre on the SIB claims (on strike south of Eskay with very promising drill intercepts in exhalative mineralization), has given up on reaching agreement and will drill close to the claim boundary, forsaking the risk of enhancing SIB's value. Ian Dunlop will re-map and re-evaluate the Bonsai claims. Bonsai represents a fold repetition of 21B zone stratigraphy west of Eskay Creek and was optioned, drilled and dropped by Homestake about 1994. Discussed Eskay surface geology tour with Ian, to complement mine visit by Larry Diakow (and Tom Schroeter) in mid-September.

Schroeter, Tom EM:EX

TOS → Reg. Mgr
- SMithers

From: Bergen, Wally EM:EX
Sent: Friday, May 25, 2001 4:19 PM
To: Adams, Rick EM:EX; Anderson, Duane EM:EX; Beswick, Ed EM:EX; Booth, Richard EM:EX; Braidwood, Brian FIH:EX; Carr, Chris EM:EX; Carter, Tom EM:EX; Cheetham, Pat EM:EX; Cochrane, Marlene EM:EX; Conte, Rick EM:EX; Curtis, Ross EM:EX; EM MB Smithers DL; Errington, John EM:EX; Finvers, Maija EM:EX; German, Gerald EM:EX; Guthrie, Shelley EM:EX; Hall, Ted EM:EX; Hermann, Fred EM:EX; Hesketh, Joan EM:EX; Hoffman, Al EM:EX; Jorgensen, Sharon EM:EX; Kennedy, Wesley EM:EX; Kilmartin, Sandra EM:EX; Lieutard, Denis EM:EX; McKillop, Greg EM:EX; McLaren, Graeme EM:EX; O'Rourke, Patrick EM:EX; Phelan, Bill EM:EX; Readshaw, Kerry EM:EX; Schroeter, Tom EM:EX; Starkes, Terri EM:EX; Stewart, Gregg EM:EX; Stewart, Linda EM:EX; Whale, Andrew EM:EX
Cc: Brown, Derek EM:EX
Subject: NW Region Report to May 25, 20001

MINING

Chuck Brawner and Bryan Good visited Granisle, Bell, Endako and Huckleberry to conduct engineering reviews of structures. Equity is still snow bound so will be visited later in the summer. No major issues encountered.

Latest slide activity at Endako has been cleaned up and a protection berm constructed. Haulage road is restricted width for about 200 feet.

CASSIAR
The insurance companies and Cassiar Magnesium Inc. have reached an agreement on Cassiar's insurance claim for the mill fire. The amount agreed upon was not disclosed but all papers have been signed and payout cheque issued on Friday, May 18th. No word yet on CMIncs plans for rebuilding.

Eskay Creek has a full slate of construction projects planned for the mine site this summer. Projects include adding 48 more rooms to the accommodation complex by adding on 30m to its length and three stories in height, enlarging the size of the mine dry and office building, completing the installation of the tailings pipeline and pump, revamping the aggregate feed system for the backfill plant, enlarging the sewage treatment system, building a new aggregate dryer system, building a large clarifier for mine water treatment and building new offices and a lab in the mill.

EXPLORATION

There were 10 Prospector Assistance Grants in the Northwest totalling \$87,500, with 5 at \$10,000 and 5 at \$7,500. All recipients have been advised.

Coal bed Methane - Paul Wojdak was a part of a trip by Aboriginal Relations Branch staff to Dease Lake to present preliminary information to the Tahltan First Nation regarding coal bed methane potential in the Klappan-Groundhog areas. As a result of inquiries regarding the initiative Derek Brown provided a useful update to regional managers and staff by conference call. Many questions were answered and further updates are planned.

GENERAL

Minerals North 2001 is on in Terrace May 30 - June 1. For information contact Glenda Lamarche at 250 635 4168 or log on to www.northwestbc.com/mineralsnorth

As part of Mining Week Huckleberry Mine ran a advertisement in local newspapers for mine tours. The interest was so great that they had to stop taking registrants after 120 people expressed interest. Hopefully they left with a better and positive understanding of the mining process.

Bruce Graff and Mary Lou Malott attended a half day Riverwise water safety course put on by MELP. Both indicated the information was very useful and alerted them to water safety concerns. Thanks to Bruce who circulated copies of the course handbook to staff who did not attend.

Spring has finally arrived. We have had 4 days now where the temperature got into the "teens" and it did not freeze at night.

Schroeter, Tom EM:EX

VOS → Reg. M.
Smithe

From: Bergen, Wally EM:EX
Sent: Sunday, March 11, 2001 9:26 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Brian Braidwood; Chris Carr; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Graeme McLaren; Greg McKillop; Gregg Stewart; Joan Hesketh; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Marlene Cochran; Pat Cheetham; Patrick O'Rourke; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sandra Kilmartin; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Terri Starkes; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Report to March 9, 2001

MINING

Eskay Creek mine has had two unusual occurrences over the past two weeks. A fall of ground in 50 stope was reported on February 26. The heading had been shut down for about two years and was in the process of being rehabbed with shotcrete. There were no injuries or equipment damage.

In the second occurrence a miner was gassed after it was discovered that the stope primary ventilation fan had been inadvertently shut off. The miner experienced some headache and nausea but no gas was picked up by the shifter when gas tests were performed. Steps have been taken to ensure fan operation is monitored by a remote emergency light system. If the fan goes down a flashing light will advise the miner of the situation.

Eskay Creek mine has advised that this summer will be much the same as past with lots of construction going on in the camp and area. Plans are to increase the camp size by adding 48 more rooms to the existing bunkhouse complex. The mine dry is full so plans are in the works to enlarge it as well. New offices and a lab are to be constructed in the mill and are to be built in the footprint of the tailings Larox filter which has been removed. The tailings line construction is expected to restart in June with completion by fall. The annual river gravel recovery project is starting up. This usually runs for three weeks.

Huckleberry- exploration drilling west of the tailings dam has concluded. This was based on a target derived from a GSM till program by Vic Levson. Hazelton volcanics and Ashman sedimentary rocks intersected, no intrusion of copper mineralization was found. The drill remains on the property to refine the east end of the East Pit. A hole drilled last year just outside the proposed ultimate pit hit 100 metres of 0.5% Cu. For the past month, Main zone ore has been running at nearly 0.6% Cu, significantly better than 0.5% expected grade.

On March 1, 2001, W. Bergen, accompanied by David Johns, ADM LUCO and Liz Zweg, IAMC Coordinator, visited the Cominco CESL Process test mill in Richmond. The process, which is being tested through a small scale test mill, is intended to produce 99.9995 % pure copper using a hydrometallurgical autoclave, leaching, solvents and electrowinning. The process is has little release into the environment and production occurs at the mine. The plant is very interesting to visit and if the potential can be realized will again confirm B.C. as a leader in technology.

LAND USE PLANNING

After 9 years the Kalum LRMP has reached conclusion with a Table consensus recommendation on the plan with the exception of 3 areas of concern. The table forwarded these to the IAMC and recommendations regarding these areas have been conveyed to LUCO for forwarding through the approval process. Mary Lou, Jill and the rest of the NW staff are recognized for their ongoing tenacity in staying with the process and helping to get it to conclusion.

EXPLORATION

Rock Talk was held in Smithers on March 1 with an excellent turnout of 50 people. Many local prospectors plus reps from Kemess and Homestake. Topics were Morrison (Erin O'Brien), Sustut Copper (Niils von Fersen), Foremore (John Mirko), Tam (Lorne Warren), Thom (Jason Weber), Paleozoic VMS (JoAnne Nelson, Peter Holbek), White River Alaska (Hans Smit) and Yemen recce (Peter Orgyzlo). Also the mineral tenure system (Denis Lieutard) and the Chambers land planning and land claims activities (Bruce McKnight).

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, November 02, 2001 9:20 AM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Bryan Good; Daryl Hanson; Doug Flynn; Elaine Konschuh; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; Derek Brown; Duane Anderson; Gib McArthur; Malott, Mary Lou MSRM:EX; Rick Conte; Tom Schroeter
Subject: 2-week report to Nov 2, 2001

Exploration Summary - Estimate \$7.14 million (up from \$6.5 million in 2000) and 39,500 metres of drilling (31,735 m in 2000). Data includes projected figures for Morrison which is still active (see below).

Morrison (93M 007) - Drilling resumed, expected to continue to end of Nov. Assays from five more holes on this Babine copper-gold porphyry have been released. Good intercepts though some cynics say no better than what was left in the pit at Bell Copper. Revised resource estimate by Kilborn, expected in spring 2002, awaited with interest. Other work that is necessary to advance the Morrison project to development stage is not being done; minimal base line environmental, no tailings site investigation, no ARD work.

DDH	From	To	Interval	Cu%	Au g/t	Area
39	96	160	64 metres	0.26	0.16	East fault
	169	248	79 metres	0.30	0.24	
40	44	151	107 metres	0.39	0.28	East fault
	178	400	222 metres	0.50	0.24	
41	17	236	219 metres	0.39	0.15	Southeast
42	93	297	204 metres	0.47	0.20	Southeast
43	4	72	68 metres	0.48	0.19	Southeast
	93	160	67 metres	0.46	0.16	

Eskay - 3rd quarter financial report shows that cost of production has increased to \$60/oz compared with \$33 a year ago, as more ore comes from smaller and lower grade stopes. Eskay is now in the mid-years of its life. Water Tower zone discovered by summer drilling. A modest zone, in footwall rhyolite, perhaps related to, but separate from 21C zone. Continued drilling planned next year.

Endako Visited on Oct 25, discussions with Al Morrish, mine manager and Ian Thompson, mine engineer. Outcome of twice-delayed meeting with Japanese/American co-owners (on Nov 2) to set mine budget for new fiscal year is important to future of Endako mine. Stripping waste rock on the south wall of the Endako pit must resume in the new year (Oct 1-Sept 30 fiscal year at Endako) in order to avoid a future 4 month shutdown to catch up. Uncertainty is increased by recent dip in Mo price to \$2.30/pound range. Endako's cost of production is believed to be about \$2 per pound (due to success of in-pit crusher and no stripping of waste) but the end of power savings (in January?) arranged by the Job Protection Commission will increase costs by \$0.20 per pound. The south ramp is being mined out, the ore is hauled down to the in-pit crusher. Pit access is maintained by north ramp. Mining of the ramp was halted briefly during the summer by sudden 1.5 metre sub-horizontal movement of the ramp. Water infiltration into the upper benches along the steep dipping South Basalt fault intersected moly-shear veins that dip 20 degrees north, into the pit. Failure occurred along the moly gouge zones, the problem was easily solved by diverting runoff water away from the South Basalt fault. Continued mining will diminish the load, no further problems anticipated.

Omineca-Stewart road - presentation to Omineca Road Committee on mineral/energy activity and potential in vicinity of proposed Omineca-Stewart connector.

Adanac (104N 052) near Atlin- Stirrup Creek Gold Ltd acquired this 70 Ma porphyry deposit (152 million tonnes of 0.063% Mo) by staking. Resource estimate based on 32,000 metres of drilling and 1100 metres of underground development. Placer Development considered mine development in 1981. The Adanac deposit area includes 11 other Minfile listings with significant tungsten (as scheelite and wolframite) and interesting amounts of tin (as cassiterite), gold and fluorite. Stirrup plans to evaluate the best targets for tungsten and gold.

Banks Island platinum-palladium target (103G 039) staked by Santoy Resources (72 units acquired). Suggest North Coast continuation of Alaskan-type zoned ultramafites as a new GSB project.

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, September 21, 2001 3:52 PM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Bryan Good; Daryl Hanson; Doug Flynn; Elaine Konschuh; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; Derek Brown; Duane Anderson; Gib McArthur; Rick Conte; Tom Schroeter
Subject: 2- Week Report, Sept 20, 2001

Ecstall GSB program - Toured **Packsack** VMS prospect (103H 013) southeast of Prince Rupert with Dani Alldrick on Sept 8. Impressive massive pyrite but low grade; 2.7 million tonnes of 0.5% Cu, 0.2% Zn, 34 g/t Ag, 0.3 g/t Au indicated by 10 shallow drill holes in 1960. Three deep holes by Cominco in 1990 were very disappointing, and no work has been done since. Dani suggests Packsack may be a folded linear deposit and therefore plunges north and south, out of range of Cominco's holes.

Eskay Creek - Surface tour on Sept 17 led by Ian Dunlop, and underground by Earl Masarsky. Arranged for Larry Diakow (who is mapping possibly correlative strata in the Bella Coola area) and Tom Schroeter. Mine staff suggest that Barrick may want to increase production from current 540 tpd to 740 tpd. If this develops, it will be a challenge for the very difficult-to-mine deposit and the now highly congested surface site. Increased production would shorten mine life to about 2005, based on current reserves. Exploration targets, as previously reported, are more diverse this year than last and includes the deep footwall (below the rhyolite) near the important Pumphouse fault (ore controlling structure?) and along strike close to the Sib claims.

Tide - Former Newmont and Hemlo Gold property immediately north of old Granduc minesite, latest acquisition by Rimfire Minerals, visited on Sept 16. Short field program was conducted by Rimfire to assess metal zonation and develop an exploration rationale. The northern part of the early Jurassic Summit Lake stock (a hornblende-feldspar granodiorite) and adjacent volcanic/sedimentary rocks is highly anomalous in gold (>100 ppb over 1 x 2 km area). The area is sericite-carbonate altered, cut by east-west pyrite-arsenopyrite-molybdenite-etc veins and north-south structures.

Premier - Gave Rimfire personnel (Caulfield, Awmack, Baknes, Gish) tour of Premier deposit on Sept 16, reviewed geology and mineral zoning.

RDN - Phase 2 drilling program on Newmont's project near Bob Quinn was visited on Sept 18, with Mike Stammers and Al Montgomery. Overturned, steep east-dipping stratigraphic sequence confirmed by graded bedding. Strong pervasive sericite alteration affects footwall dacite, rhyolite breccia and intrusive(?) felsite, which are overlain by graphitic mudstone. Close similarity to Eskay setting and analogous geochem signature are very encouraging. Current drilling is immediately north of previous drilling by Noranda (circa 1990) which targeted very high grade veins (up to 100 g/t Au) but were not directed toward the rhyolite/mudstone contact and therefore did not test for exhalative mineralization. Strength of alteration and widespread mineralization is encouraging, property warrants more drilling no matter the outcome of this program.

Morrison - Pacific Bookers drill project on this Babine porphyry deposit visited on Sept 20 with Tom Schroeter. Recent Mines Branch coop, Kosta Lesnikov is carrying out systematic drilling (300 metre deep holes on 60 metre grid, all angled at 45) which will give much better information to evaluate the deposit. Seventeen holes (5100 metres) have been drilled this year. Downhole surveys, geotech logging, new topo base, Gemcom plotted sections etc point to higher standards of operation than in past.

Kerr / Sulphurets Gold - Assisted Noranda in the field and in Smithers office, with their examination of this important porphyry copper-gold deposit. No Placer-Dome personnel were still on staff or available. Loaned photos and showed suite of samples. Noranda exploration staff will try to overcome senior management's negative perception of BC.

Prospector Assistance - 2.5 days with Shaun Turford in southern Ecstall belt (Sept 8-10). Examined Bell claims near Kitkiata Bay (on Douglas Channel south of Kitimat) and Dani claims (on Hawkesbury Island in Douglas Channel) and discussed possible VMS context of mineralization.

Field Trip - Smithers-Houston Geology and Metallogeny (Sept 13) trip had 13 participants to see regional stratigraphy and mineral deposit settings. High lights were Eskay environment in Cretaceous Skeena/ Rocky Ridge rhyolite and porphyry copper prospect in Bulkley stock to be drill-tested shortly by Doublestar Resources.

Schroeter, Tom EM:EX

VFS → Reg. M.
— Smithers

From: Bergen, Wally EM:EX
Sent: Friday, September 21, 2001 2:59 PM
To: Al Hoffman; Andrew Whale; Beckett, Carla EM:EX; Bill Phelan; Brian Braidwood; Chris Carr; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Graeme McLaren; Greg McKillop; Gregg Stewart; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Pat Cheetham; Patrick O'Rourke; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sandra Kilmartin; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to September 21, 2001

MINING

Endako Mine: On September 6, three Endako employees were briefly hospitalized following exposure to Hydrofluoric Acid vapours. All were treated and released from the hospital the same day. The mine is investigating and will implement measures to avoid future incidents.

Endako is starting work to remove the area of the south wall that showed movement in late August and early September. Monitoring has been ongoing and Al Chance from Golder is providing Geotechnical advice. Monitoring will continue for the duration of the work, expected to take several months.

Huckleberry Mine: The mine reports that during September it is moving an average of 45,000 tonnes per day, the milling rate is 21,400 tpd and they are 8.6% ahead in copper production. Discussions have been and are ongoing between the owners and the direction is: "Business as usual". The mine is talking to their Japanese customers about future December and January shipments.

Eskay Creek: Commissioning of the Tom MacKay tailings disposal pipeline has been completed and on September 5, 2001 tailings were deposited into Tom MacKay Lake.

Eskay Creek has asked for advice regarding information required by government should they wish to increase production. (from 550 to 750 tpd, no change to the mill). A letter outlining the implications for a number of parts of the operation was requested.

Cassiar: The mine has submitted a plan for cleanup of the fire rubble. An approval letter has been drafted and work is expected to start in early October. Rubble will be buried on site.

EXPLORATION

Delta Gold: Marcus Tomkinson, Group - Project Generation Leader and James Stewart, international geological consultant, visited Smithers office and met with Paul Wojdak. Delta Gold is a mid-tier Australian gold producer, with a healthy cash flow derived from \$140 per ounce production cost, that wants to diversify to other countries. Countries being considered include Canada, Chile, Peru etc. BC's aboriginal land claim situation looks good compared to Australia (Queensland has not issued a single exploration permit in 3 years!! according to Tomkinson). Canada scored at top of political risk assessment, a big item for Delta Gold because of their recent experience in Solomon Islands and Zimbabwe. In the Solomon Islands, Delta bought an operating gold mine for \$114 million, but it was expropriated and then extensively vandalized. Discussed terrane geology of BC, mineral deposits (suite of Eskay Creek rocks in particular), current activity and opportunities in NW region, in the Iskut region in particular.

Stewart/Omineca Road: The mayor of Stewart, Mark Edgson, has entered in contract with McElhanney Consultants to prepare a feasibility study for the construction of a road connection from the Kemess Mine area to Stewart. The road would use existing logging roads for a part of the route and require construction of new, interconnecting portions. The consultant has been tasked with looking at the merits of building and evaluating cost/benefits, socio and environmental impacts. Funding for the report is coming from the District of Stewart, City of Terrace, Kemess, Northern Development Commission and others. The study is anticipated to be complete by the end of November. Such a road connection could open up a large area of mineral potential and also restructure log processing in the northwest.

Firestorm Opal (Cantech Ventures): Paul visited this precious opal property south of Decker Lake with project manager Dan Ethier. Access trail and about 150 metres of excavator trenching completed and stockpiled material is being washed and hand sorted for precious opal. One exceptional stone was recovered during Paul's visit. Opal fills vesicles in a vesicular basalt. The source of silica may be a nearby Ootsa biotit-quartz-feldspar porphyritic rhyolite (underlying flow? or cross-cutting dike?). This is a test program to determine viability. In the following months stones will continue to be recovered from selected blocks (to determine grade) and prepared for sale, to determine their value.

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, December 07, 2001 1:51 PM
To: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Bryan Good; Daryl Hanson; Doug Flynn; Elaine Konschuh; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Dave Lefebure; Derek Brown; Duane Anderson; Gib McArthur; Malott, Mary Lou MSRM:EX; Rick Conte; Tom Schroeter
Subject: Report to Dec 6/01

Copper Star - Doublestar Resources announced drill results on this porphyry copper property 60 km south of Smithers. Four IP anomalies were tested. Only the hole angled beneath the main showing (and the strongest IP anomaly) intersected significant copper, within a Bulkley granodiorite stock - 0.26% Cu over 122.9 m. This hole, # 7 of the program, was the next one after my Oct 12 visit (see Oct 19 weekly). Complex geological relationships are evident between Hazelton(?) volcanics, Skeena Group sediments, the Bulkley stock and Cretaceous(?)/Tertiary felsic and mafic volcanics. I may follow up with review of the core next season. Doublestar has terminated its earn-in agreement with Continental Minerals Corp. (a Hunter Dickinson company).

Endako- drilling program reported last week may be postponed until January.

Eskay Creek- Attend NWMDRC presentation by Homestake. Prompted by soon-to-be new owner (vote on Barrick merger on Dec 14), Eskay has applied to increase mining rate to 750 tpd from current (officially) 565 tpd. Actual output appears to be more like 590 tpd. In 2002, the company expects to achieve 670 tpd (~~300 tpd mill ore + 370 tpd direct shipping ore~~). As the mill is already operating at 300 tpd this increase will consist entirely of direct shipping ore, to 370 tpd. The company is considering viability of mill expansion to 360 tpd. Consideration of the rate of depletion of the two ore types is critical, mill ore is not viable without the cash flow of direct shipping ore. And clearly, it is easier to find more mill ore than direct shipping.

Northwest Exploration and Mine Review - begin to prepare write-up for Roundup distribution.

Exploration Property file and Roundup Poster - Material from prospectors trickling in, being compiled by Elaine Konschuh. Daryl doing prelim work for poster.

Paul

Paul Wojdak, P. Geo.
Regional Geologist, Smithers
BC Ministry of Energy and Mines

tel: (250) 847-7391 fax: (250) 847-7603
email: paul.wojdak@gems5.gov.bc.ca

Schroeter, Tom EM:EX

DOB → R.F.
- Smithers

From: Wojdak, Paul EM:EX
Sent: Friday, July 07, 2000 7:45 AM
To: Good, Bryan EM:EX; Cathro, Mike; Houle, Jacques; Lane, Bob; Wilton, Paul
Cc: Bergen, Wally; Burchett, Esther; Flynn, Doug; Graff, Bruce; Hanson, Daryl; Kennedy, Wesley; Korschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill; Anderson, Duane; Brown, Derek; Conte, Rick; Lefebure, Dave; McArthur, Gib; McLaren, Graeme; Schroeter, Tom
Subject: Weekly report, July 7, 2000

Wadsworth

Hope (Wadsworth)- Mining of a 1000 tonne bulk sample by Telkwa Rose Minerals Ltd will proceed. Site visited with Doug Flynn and Bruce Graff to assess layout and rock conditions.

Todd Creek- drilling will proceed if Minaterra Minerals Ltd. (a Frank Callaghan company) and Island Arc Resources Corp. can raise funds.

Zymo- discuss preservation of core with Frank Nelson, arrange for transportation and storage on Zymo claims rather than dumping the core.

Eskay Creek- a fifth drill has been added to current deep drilling program.

Prospector Assistance- Office visit by Dan Blower (grantee) and Ken Blower, en route to Swan Lake/Rancheria area. Discussed recent RGS release which they will follow up. Shaun Turford- discuss program and review rocks in Francois Lake.

Other office visitors- Dave Kuran (Homestake) working briefly in the Smithers area, assessing Eskay Creek-type targets.

Don MacIntyre (GSB)- beginning field program.

Dave Javorsky- prospector

Paul Wojdak
Regional Geologist
B.C. Mines Branch, Smithers
Ph: 250-847-7391 Fx 250-847-7603

Schroeter, Tom EM:EX

TGS → RG
- Smithers

From: Wojdak, Paul EM:EX
Sent: Tuesday, August 15, 2000 2:47 PM
To: Bergen, Wally EM:EX; Cathro, Mike; Houle, Jacques; Lane, Bob; Wilton, Paul
Cc: Burchett, Esther; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Kennedy, Wesley; Korschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill; Anderson, Duane; Brown, Derek; Conte, Rick; Lefebure, Dave; McArthur, Gib; McLaren, Graeme; Schroeter, Tom
Subject: Weekly report, Aug 15, 2000

Homestake Ridge- Teck acquired this very prospective property SE of Red Mountain, on the opposite side of the Cambria icefield. Consolidation of claims from difficult-to-deal-with owners has prevented exploration of this property for many years.

Cronin- Discovery Consultants purchased the reverted Crown Grant claims at government auction for \$4060. Copied maps, assay plans and sections for Tom Carpenter (thanks to Elaine/Esther).

Adam Milling Ltd- Researched and provided info to Dave Molloy (PAP grantee) on ore piles at this former mill site on Lower Bitter Creek, near Stewart. Mill operated in 1973, processing gold-copper ore from Red Cliff and Roosevelt. Molloy was prospecting for the source of the ore in the immediate area.

Todd Creek- Drilling very unlikely, no funding. Geofine Consultants (Molloy and Kennedy) are doing helicopter supported sampling and mapping. Unable to visit property due to poor weather.

Red Mountain- Wheaton River Minerals will not purchase the Premier mill due to uncertainty over long term site liability

Atlin Placer district- Limited mining activity this year due to high price of fuel and low gold price. Visited Daniel Johnson (Spruce Creek), Lum Zogas (planning move to Ruby Creek) and John Zogas (beginning to mine at Gold Run on Pine Creek). Assisted claim owners on Snake Creek who appear to have accidentally discovered bedrock gold while exploring for a paleochannel. The paleochannel was indicated by a seismic survey, but seems delineate altered rock possibly in a fault zone. Gold was recovered from bedrock by drilling with a churn drill. Binocular microscope examination to follow.

Tulsequah Chief- Difficult to convey depth of concern/ consternation/ outrage/ despair in mining circles (Golden Bear, Eskay Creek, Atlin, etc) regarding court decision. Met with Terry Chandler, who continues to put forward a brave face, and Terry Zanger in Atlin Aug 8. Advised of visit to Tulsequah site by Alaskan government officials (L.S. Flanders, B Kirkpatrick, K. Howard, S. Bradley) accompanied by a large entourage of "rafters" and "National Geographic photographer". Interesting note- four bears killed in course of MELP's impact assessment study.

Eskay Creek- Mine operating at 550 to 570 tonnes per day (250 tpd of mill ore and 300 tpd of smelter ore). Exploration drilling focused on north plunge trend, \$3.3 million, 22,000 metre program using 4 drills. Homestake has presented a new offer to owners of the SIB claims. Auction of Tagish claims is keenly anticipated by Homestake. Visit Aug 10.

Cassiar- up and running again after 4-week forced shutdown due to cash flow problem. Producing 68 tonnes of fibre per day. Critical time line to deliver minimum of 150,000 tonnes of screened millfeed from the Cirque dump and tram line sites by contractors Jedway Enterprises and KoKen Construction.

Thorn- (south of Atlin) Rimfire has completed airborne EM-mag survey and will follow up with mapping program. Impressive alteration and enargite mineralization in high sulfidation target, visited Aug 8 with Dave Caulfield and Tom Schroeter. Previously explored but not properly assessed. Large areas of good potential. Rimfire may attract Newmont to participate.

TOS → Reg. Mg.
- Smithers

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, April 28, 2000 2:58 PM
To: Al Hoffman; Andrew Whale; Bill Phelan; Brian Braidwood; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Grace Harris; Graeme McLaren; Greg McKillop; Gregg Stewart; Joan Hesketh; John Clancy; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Marlene Cochrane; Pat Cheetham; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Terri Starkes; Tom Carter; Tom Schroeter; Wesley Kennedy
Subject: NW Region Weekly Report to April 28, 2000

MINING

Cassiar - Bill Dunn, the new manager at Cassiar has advised the Regional office that the mill will be shut down for process modifications from April 26 to May 17, 2000. Modifications are necessary to improve mill throughput and increase recovery of smaller fibre.

Huckleberry Mines reports that the initial till dam construction has been completed by Tercon Construction. More building in May. Crushing of filter material and placing of NAG rock downstream is continuing.

OHS

Endako Mine - Bryan Good will participate with Tom Carter and Wayne Wishlow in a focused safety audit at Endako next week. Endako has had an unusually high number of LTA's this year.

EXPLORATION

Eskay Creek mine area drilling for 2000 will comprise 25,000 metres in 63 holes. One of the main targets is continued pursuit of another mudstone-(sulphide) depositional basin along the north plunge of the Eskay anticline, following the NEX trend.

Morrison - Drilling has commenced at their claims east of Smithers. Deep holes in the heart of a known porphyry copper deposit. Gordon Weary, project geologist for Pacific Booker Minerals, indicated that Noranda is taking an active interest in the program. Noranda, apparently, is interested in mineralization to a depth of 450 metres and suggested the current deepening of last year's 300 metre drill hole. Copper grade in last year's drilling was in close agreement with Noranda's old work.

Prospector Assistance - 26 applications received for review and rating of projects (all or partly) within NW region. Compares with 28 in 1999, but joint applications may come from other RG's. Six first-timers. There are 7 "professional" geologists, compared with 4 last year. Seventeen (17) applications have been reviewed/ evaluated to date.

Red Mountain, Wheaton River Resources - Bob Gilroy visited the Regional office on April 19 to discuss the Red mountain project with various staff. Bob indicated that they are still very early with any planning. The visit was to continue contacts with staff, further understand permitting processes and to get an understanding of data collection needs.

LAND USE PLANNING

The Cassiar Iskut-Stikine LRMP is in the process of holding Open Houses to solicit responses to the proposed plan. Meetings were held in Telegraph Creek on April 26, in Dease Lake on April 27 and in Iskut on April 28. On May 2 an Open House will be held in Smithers at the Hudson Bay Lodge from 7 to 10 p.m. The deadline for submission of comments is May 22, 2000.

FIRST NATIONS

On April 18 the Wet'suwet'en First Nation opened the Wet'suwet'en Treaty Office in Smithers. The office will serve to locate the Wet'suwet'en close to government offices in Smithers, to raise their profile in all communities

→ Eskay Ck.

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Thursday, January 06, 2000 2:04 PM
To: 'David Caulfield'
Subject: RE: Photo Shots of Eskay Creek

Absolutely! If you feel like it you could even mention the source? I can bring a slide in tomorrow - OK? Tom.

From: David Caulfield[SMTP:davidc@rimfire.bc.ca]
Reply To: David Caulfield
Sent: Thursday, January 06, 2000 10:10 AM
To: Schroeter, Tom EM:EX
Subject: Photo Shots of Eskay Creek

Tom:

I was wondering if you have any shots of the Eskay Mine facility which you could lend to me to scan for a power point presentation. An aerial perspective would be desirable show mill facilities and lay of the land

Thanks

David A. Caulfield, President
Rimfire Minerals Corporation

Contact Information:
Phone: (604) 669-6660
Fax: (604) 669-0898
Email: davidc@rimfire.bc.ca
Web Site: <http://www.rimfireminerals.com>

Drop off at
Rimfire on
Fri. @ 11:45 am
- Jan. 7/00

TOS → Ray, Mar
- Smithers

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, November 26, 1999 2:24 PM
To: Adams, Rick; Anderson, Duane; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Castillo, Talitha; Cheetham, Pat; Clancy, John; Curtis, Ross; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Lieutard, Denis; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Readshaw, Kerry; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: NW Region Weekly Report to November 26, 1999

MINING

North Pacific Stone and the Laredo project on Aristazabal Island was the subject of a meeting of the NWMDRC held on November 23. The proponents outlined work completed regarding a wide range of topics, including TEM mapping, a 30 hole Winkie drill deposit definition program and various site configurations for quarry phasing and reclamation, camp location and access road. The proponent had specific concerns regarding CEAA triggers in relation to their proposed camp location and also in relation to Navigable Waters triggers for a bridge crossing. The proponent was seriously considering modifying the quarry site footprint to eliminate the areas which would trigger CEAA or NW's. They indicated that they were very pleased with the assistance of the agencies and their staff and anticipated submitting applications in the new year.

Eskay Creek Mine is proceeding with information gathering and presentations in relation to their entrance into the EA process to seek certification for subaqueous disposal of mill tailings into Tom MacKay Lake. On November 25 the mine provided an overview of the proposal to the NWMDRC and outlined their current thinking regarding tailings into Tom Makay and waste rock into Albino Lake, tailings slurry pipelines to Tom MacKay Lake and long term mine planning. The mine has provided public presentations in Telegraph Creek, Dease lake, Iskut and in Smithers. They are also very enthusiastic about a triple walled, insulated slurry pipeline which provides for several types of line monitoring. The slurry line could be a first time application of this technology.

Homestake - Snip provided a summary of reclamation activities to the NWMDRC on November 25. They overiewed all aspects of closure and reclamation work to date, including capping of the tailings pond, equipment and building removal, cement bulkhead closure of portals, and ongoing monitoring of the site. The company will be providing ongoing monitoring reporting and will be identifying contingencies should any of the current remediation not work or meet standards.

A gravel pit south of Burns Lake was shut down on Nov.3th, for operating without a permit. The pit adjoins a MoTH pit and until recently, had not been recognized as a separate pit. Several requests to file a NoW had been sent during the summer, but all phone calls and letters were ignored by the owner. A late fall inspection found the pit active, with several trucks moving material to a commercial building site. After initially threatening court action, the owner has realized that the most expeditious manner to get the operation running again is to comply with the Mines Act. Permitting is now in process for the pit.

RECLAMATION

On November 24 the Premier Water Standards sub-committee met. This is primarily a MELP group and their purpose in meeting was to identify receiving water quality standards in relation to discharge from Premier Mine.

From October 18 to November 10 Silver standard Resources worked at collecting spilled tailings around the perimeter of the Duthie tailings pond site. All tailings that could be found around the perimeter of the area was consolidated within the tailings area and surface ditching was completed around the area to eliminate surface flows into the area. About 500 metres of Henderson creek channel was reestablished to try and ensure the creek does not again flow through the tailings area. 14 inch Big O pipe is on site for collecting subsurface drainage but digging of the collection ditch will not be done until next year.

HEALTH AND SAFETY

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, October 01, 1999 2:53 PM
To: Adams, Rick; Anderson, Duane; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Castillo, Talitha; Cheetham, Pat; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Lunam, Charene; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: NW Region Weekly Report to October 1, 1999

MINING

North Pacific Stone / Laredo Limestone is proceeding with data gathering at their site on Aristazabal Island in preparation for submitting applications for permitting. The company has retained Pomeroy and Neil Consulting Inc. to handle environmental/permitting aspects of the project. Their subconsultants will be C.E. Jones & Associates (TEM, Soil Survey, reclamation planning) and Archipelago (Freshwater Aquatics and Marine). Environmental field programs are planned over the first half of October and additional drilling is planned to begin on Monday (October 4). Pomeroy and Neil will be in contact with MEM and B.C. Environment staff regarding field work and permitting information requirements. Information will be conveyed to the NWMDRC as it becomes available.

Eskay Creek Mine has worked over the summer collecting field data regarding their proposal to use Tom Mackay Lake for under water disposal of tailings. Reports summarizing the field work as well as proposed routes from the mine to the lake are being prepared and will be presented shortly. The mine anticipates making a formal presentation to the NWMDRC in early November.

FIRST NATIONS

Paul Wojdak, in conjunction with Dan Ethier, a local geologist/pro prospector, are preparing to give an "Introduction to Prospecting" workshop to the Gitksan and Wet'suwet'en First Nations on October 12 to 15 and October 19 to 22. The course provides an overview of geology, mineral identification, prospecting techniques, permitting and includes a field trip.

On October 27 a delegation of 13 Wet'suwet'en elders and chiefs visited Huckleberry Mine to view the operation and to see the tailings dam first hand. This was the first visit by a delegation of the Wet'suwet'en to the site since the mine opened. The Wet'suwet'en have voiced concerns regarding movement within the tailings dam as it is being constructed. Many of the concerns which the Wet'suwet'en had were answered on site and it was agreed that there should be further opportunities to discuss outstanding concerns.

RECLAMATION

Reclamation work is complete at the Sulphurets site (100 kilometers north of Stewart). All buildings have been buried or removed, the portal plugged, ARD rock moved and deposited underwater and any hazardous or salvageable material hauled out for disposal and/or disposition. Periodic water quality monitoring is scheduled to occur. At the same time approximately 40 barrels of various petroleum and mine chemicals were hauled out of the Catear Resources site for disposal.

Discussions are ongoing with International Skyline in relation to reclamation of their Johnny Mountain site (120 kilometers northwest of Stewart). The site is currently underscored for reclamation bonding and the company is in the process of conveying the value of above ground equipment to MEM as security. The company is also in the process of preparing a comprehensive reclamation plan. This is the result of an order which was served on the company to proceed with reclamation.

LAND USE PLANNING

The Tweedsmuir Recreation Area is still in the process of being resolved. Wording regarding an agreement for referrals and consultation regarding MEM work within the Mineral/Wildlife Management Zone was resolve

TOS → Eskay Cr.

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Thursday, September 02, 1999 7:46 AM
To: Parhar, Debbie EM:EX
Subject: RE: Eskay creek

85 kilometers northeast of Stewart. Tom.

From: Parhar, Debbie EM:EX
Sent: Monday, August 30, 1999 9:23 AM
To: Schroeter, Tom EM:EX
Subject: Eskay creek

Hi Tom. I have a simple question for you. Where is Homestake's Eskay Creek property located. Suffice to say that it is located in northwest BC or do you have something more specific?

Debbie B. Parhar
Communications
Ministry of Energy and Mines
(250) 952-0525
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TOS → Reg. Mgr. Smithers

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, June 25, 1999 1:26 PM
To: Adams, Rick; Anderson, Duane; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Castillo, Talitha; Cheetham, Pat; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Lunam, Charene; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Ross, Paul; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: NW Region Weekly Report to June 25, 1999

MINING

Endako mine will be closed from June 30 to August 2, 1999, for annual leave, maintenance and inventory reduction. Approximately 25 people will be on site performing maintenance. This temporary closure was a part of the Job Protection package.

On June 18, 1999, the NWMDRC received a presentation from Eskay Creek mine regarding moving sub-aqueous disposal of mine tailings from Albino Lake to Tom MaKay Lake. The mine has identified sufficient ore reserves to extend the mine life until the end of 2008. With expanded ore reserves and increased milling production it is anticipated that Albino Lake does not have sufficient capacity for the volume of material to be disposed of sub-aqueously. The application to amend the EA certificate will be coordinated by Norm Ringstad and it is anticipated that it will proceed in a timely manner, as did the application for Albino Lake.

Silvertip Mining Corporation has announced that they are putting their application to the EAO for certification for the Silvertip Mine on hold until metal prices improve.

At the NWMDRC meeting held on June 17, 1999, the Committee agreed to recommend to the EAO that the EA certificate for Larado Limestone on Aristazabal Island be extended for 3 years.

Emile Brokx has announced that he is retiring as General Manager for Huckleberry Mine. A replacement has yet to be announced.

Verdstone and Molycor (John Chapman) indicated that Thompson Creek Mining - Endako Mine were not interested in pursuing involvement in the Unity moly proposal on Hudson Bay mountain. Discussions are still underway with imperial Metals to see if they are interested in accepting between 500 and 1000 tons per day of Yorke-Hardy ore to Huckleberry.

EXPLORATION

The Harmony Project by Misty Mountain Gold, part of the Hunter Dickinson Group of companies, is on hold with the project for sale. Testing of alternative methods for gold recovery were not able to identify practical gold recovery processes. Environmental concerns could not be eliminated; ARD from waste rock, mercury would still be issues.

RECLAMATION

On June 17, 1999, the NWMDRC met with representatives from Silver Standard Resources Inc. to discuss ongoing reclamation of the Duthie Mine site on the backside of Hudson Bay Mountain. The company is proposing to install perimeter diversion, drainage ditches to direct ground water away from the historic tailings and to seal and cap the tailings to minimize surface water from passing through the tailings. The proposal is in the final stages of evaluation and work on the tailings clean-up may commence late summer.

Noranda Mines is addressing concerns regarding soil and water quality associated with the loading yards for the now closed Bell Copper Mine. The transshipment point from truck to rail was used for several years and there are concerns that sufficient concentrate was spilled to lead to copper drainage into the upper Bulkley River. Noranda has hired Morrow Consultants to replace an earlier consultant, who had not commenced work on the evaluation.

TDS → Eskay
ck:

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Thursday, March 04, 1999 10:34 AM
To: Wojdak, Paul EM:EX
Subject: RE: Quibble re Eskay Production Costs
Sensitivity: Private

Paul - CONFIDENTIAL - I've heard that staking crews are on the ground/in the air to acquire ground in the Eskay Creek region (partly a result of yesterday's MEG talk. Please let me know/confirm if you hear of anything. Thanks. Tom.

From: Wojdak, Paul EM:EX
Sent: Thursday, March 04, 1999 10:32 AM
To: Schroeter, Tom EM:EX
Subject: RE: Quibble re Eskay Production Costs
Sensitivity: Private

Yes, there is talk of mill expansion. Will probably have to, if 21C is to be attractive.
paul

From: Schroeter, Tom EM:EX
Sent: Thursday, March 04, 1999 10:30 AM
To: Pinsent, Robert EM:EX; Aldrick, Dani EM:EX; Wojdak, Paul EM:EX
Cc: Cathro, Mike EM:EX; Lane, Bob EM:EX; Wilton, Paul EM:EX
Subject: RE: Quibble re Eskay Production Costs
Sensitivity: Private

Paul - good update. FYI - I asked John Dadds what the cut-off was for the mill. He told me for the 109 zone ore it was down to 8g/t Au. The point is that Homestake is looking at expanding the mill, thus the cutoff grades may lower even more? Tom.

From: Wojdak, Paul EM:EX
Sent: Thursday, March 04, 1999 10:07 AM
To: Pinsent, Robert EM:EX; Aldrick, Dani EM:EX
Cc: Schroeter, Tom EM:EX; Cathro, Mike EM:EX; Lane, Bob EM:EX; Wilton, Paul EM:EX
Subject: RE: Quibble re Eskay Production Costs
Sensitivity: Private

Dani,

Mining and treatment costs are very high at Eskay. Remember that the cost of trucking to Stewart, shipping to Japan and smelting are included. Mining is by the very expensive drift-and-fill method, due to very bad ground. The fill used is Iskut river gravel that is trucked about 30 km. Waste must be driven about 10 km to Albino Lake. Many of these factors influence the cost of milling ore as well, so that the *cut-off grade* for mill ore ranges from 15g/t for NEX and 12 g/t for 109 zone.

Here is an excerpt from my exploration summary regarding geology, reserves etc.

The Eskay Creek mine increased the tonnage mined and gold-silver production as the 150 tonne per day mill came into full operation, offsetting a decrease in sale of direct-shipping ore. On December 3, 1998 Prime Resources Group Inc., owner of the Eskay Creek mine, became a wholly owned subsidiary of Homestake Mining Company. Ore mined amounted to 91 660 tonnes of shipping ore grading 76.8 g/t Au and 3108 g/t Ag, and 55 690 tonnes of milling ore grading 42.6 g/t Au and 1249 g/t Ag. Yearly production was 8774 kilograms (282 088 oz) of gold and 364 638 kilograms (11 723

400 oz) of silver at a cost of \$US132 per ounce of gold equivalent. Mill recovery is 92% for gold and 94.8% for silver. Shipping ore is mined from the 21B zone, a west-dipping sheet of clastic sulphide and sulphosalt beds within mudstone and containing high levels of deleterious elements, mercury, antimony and arsenic. Milling ore comes from the NEX zone, a northern extension of the 21B zone in the hinge of the Eskay anticline that carries acceptable levels of deleterious elements, and from the 109 zone, a pipe-shaped body below 21B, consisting of coarse-grained vein quartz, sphalerite and galena. Reserves on Jan. 1, 1999 were 1 400 000 tonnes grading 57.7 g/t Au and 2493 g/t Ag.

Homestake and Prime Resources continued to acquire land in the Iskut district and carried out exploration both on the Eskay Creek property and regionally. Drilling on the mine and immediately adjacent properties was conducted with four machines. All holes were drilled through the footwall rhyolite to test for mineralized mudstone horizons below the contact mudstone and included the following targets (I. Dunlop, pers. comm.):

- 21C, a rod-shaped pyritic zone within footwall rhyolite (Figure 5). It reaches the surface at the original 21 zone trenches excavated in the 1930s (near the 21A deposit) and plunges gently northward for 900 metres, passing below and 200 metres downdip of the 21B deposit to its truncation by the Argillite Creek fault. Based on 1998 drilling the 21C zone is estimated to contain 303 000 tonnes of milling ore at a grade of 16.4 g/t Au and 72 g/t Ag, with very low levels of deleterious elements.
- The Eskay depositional trough in the contact mudstone was traced southwards beneath Bowser Group cover rocks with holes up to 1350 metres long.
- The contact mudstone was drilled at 100 to 200-metre spacing over a 1-kilometre strike length on the west limb of the Eskay anticline from the 22 zone to the 28 zone.
- The east limb of the Eskay anticline.
- The fringes of the 21A deposit. Encouraging gold intersections were obtained, but arsenic, antimony and mercury are extremely enriched.
- An undrilled gap between the 21A and 21B deposits. A mineralized link between the two deposits was not found; this is somewhat surprising because the south end of 21B resembles the 21A zone, containing realgar and orpiment.

Regards, paul

From: Alldrick, Dani EM:EX
Sent: Thursday, March 04, 1999 9:28 AM
To: Pinsent, Robert EM:EX
Cc: Schroeter, Tom EM:EX; Cathro, Mike EM:EX; Wojdak, Paul EM:EX; Lane, Bob EM:EX; Wilton, Paul EM:EX
Subject: Quibble re Eskay Production Costs
Sensitivity: Private

Hi Robert,

Thank you very much for taking the notes and sharing them around - I will put them on a distribution list to all GSB geo-staff here in Victoria.

I have a question/doubt about one of the figures you reported in the notes. Maybe someone can offer more insights or point out the flaw in my calculations following?

Using just the remaining reserves value that is in your report, one ton of Eskay ore grades about 3.5 ounces per ton gold equivalent. (In comparison, production to date graded 3.36 ounces per ton gold equivalent.)

You report that their mining costs are ~ "US\$ 145 per ounce gold equivalent", or equal to CDN\$ 225 per ounce gold equivalent.

This would mean that their cost per ton to mine one ton of ore is: CDN\$ 788.

I don't think so.

Comments anyone?

TDS → Fstoy
CK.

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Thursday, March 04, 1999 8:48 AM
To: Pinsent, Robert EM:EX
Subject: RE: Eskay Creek:
Sensitivity: Private

Thanks fo9r notes. What a gear deposit!. Tom.

From: Pinsent, Robert EM:EX
Sent: Wednesday, March 03, 1999 4:57 PM
To: Aldrick, Dani EM:EX
Cc: Schroeter, Tom EM:EX; Wojdak, Paul EM:EX; Cathro, Mike EM:EX; Lane, Bob EM:EX; Wilton, Paul EM:EX
Subject: Eskay Creek:
Sensitivity: Private

Tina Roth and John Dadds gave a joint presentation at MEG. I will fax you the official abstract. For any of you interested my unofficial notes (scribbled in the dark!) here they are:

Production 503,000 TONS containing 935,000 ounces gold, 45,500,000 ounces silver. reserves 1.4 million tonnes grading 58 g/t Au and 2,493 g/t Ag.

Geology, not much change on what we already know: Two volcanic packages in the area. The lower one dated 200-180 ma calc-alkaline in nature and associated with porphyry style mineralization. The upper one is dated 180-170 ma with Eskay dated at 175 ma. Package comprises bimodal volcanics and sediments. Rocks deformed in Cretaceous, lower greenschist facies metamorphism. Eskay on the northerly plunging nose of an antiform.

Stratigraph goes from intermediate volcanics up through rhyolite into a contact "argillite" unit which contain basalt flows (upsection) and sills in the vicinity of the mine. The rhyolite comprises flow dome material that grades upward and northward into breccia and clastic debris.

The 21A, 21B and NEX zones are stratiform at the rhyolite, contact argillite interface. The H-W zone is stratiform and stratigraphically upsection in the argillite. The 109, Pumphouse and 21C zones are discordant to stratigraphy, cutting rhyolite below the contact argillite interface.

21B contains the main reserve. It is a linear basin containing hetrolithic clastic ore and interbedded argillite. Coarse clastic sulphide fragments (with rip-up clasts of argillite and chloritized rhyolite fragments) found near the base of the deposit and along the axis of the basin. Clastic debris fines upward and outward. Argillite content increases upwards and outwards. Maximum depth 20 metres, thins to 1.0 metres on the flank. Good sedimentary features show below wave base but active currents.

21B contains sphalerite, tetrahedrite, friebertite, pyrite, galena, boulangierite, boumonite, Jamesonite, stibnite, minor arsenopyrite and electrum. Note stibnite veins in the core of the 21B zone. Arsenopyrite rare.

21A zone on the same horizon but further south. Mix of mudstone fragments with realgar and stibnite.

109 zone is within the rhyolite. Vein stockwork enriched in sphalerite, pyrite, galena and gold. Also contains amorphous carbon, which is an anomaly.

21C zone is also within rhyolite. The rock is sericitized and looks altered but unmineralized. Infact, it contains

very fine disseminated sulphide (sphalerite, galena, pyrite, tetrahedrite). The upward projection of the zone at the foot of the contact argillite is marked by a barite horizon.

NEX zone is down plunge of the 21B in an area of complex structure and geology. The ore is more massive (fewer partition layers), mainly comprised of sulphide with less tetrahedrite than in the 21B (fewer "nasty elements" such as mercury, arsenic, antimony). The NEX zone is cut by chalcopyrite veins.

H-W zone up section in the argillite. Probably formed before the basalts started to invade the system. It is composed of massive pyrite, galena, sphalerite and chalcopyrite but has lower precious metal values.

The deposit is an unusual VMS deposit with epithermal features - particularly in the Sb, Hg association. It probably formed at shallow depth, although below wave-base. Fluid inclusions show that there has been boiling and that the fluids were fairly cool (120 - 210 degrees C). Mainly clastic mineralization. Company suggests that the sulphides/sulfosalts were formed by black and white smokers on the flanks of the basin and eventually filled it with clastic debris.

Company ships ore directly to smelters and also produces classic flotation and gravity concentrates. They do a lot of blending. Massive sulphide assigned for direct shipping is blended to ensure that the "nasties" don't create too much of a penalty and the semi-massive (<60% sulphide) flotation ore is blended to ensure that it is both above cut-off and not too enriched in Sb and Hg. Fun geology but a headache when it comes to grade control!

The production cost averages out at approximately US\$140 - 150 per ounce gold-equivalent.

A good talk on a good property. I am sure there are more around.

Robert

cf. US #132
or \$1 CMU

TJB → RG
-Smithers

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, February 26, 1999 10:34 AM
To: Cathro, Mike; Lane, Bob; Pinsent, Robert; Schroeter, Tom; Wilton, Paul
Cc: Bergen, Wally; Burchett, Esther; Daniel, Catherine; Ennis, Sandee; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Konschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill; Anderson, Duane; Brown, Derek; Lefebure, Dave; McMillan, Bill
Subject: Weekly report, Feb 26

Eskay Creek Development drift into 21C zone is underway for purpose of metallurgical test sample and detailed drilling. The drift is expected to reach 21C zone in June or July. 21C resource is 303,000 tonnes at 16.4 g/t Au, 72 g/t Ag.

Snip exploration drift onto Skyline's Bronson Slope claims is in progress.

Rock Talk- Very good meeting, Talks attended by 40 people, 12 participants for Kemess trip, 14 for ski day and 15 for Internet (The Map Place) course. First trip back to Kemess for Mark Rebagliati, Dave Copeland and Ross Banner. Lots of smiles and pictures were taken.

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, March 05, 1999 9:30 AM
To: Cathro, Mike; Lane, Bob; Pinsent, Robert; Schroeter, Tom; Wilton, Paul; Bergen, Wally; Burchett, Esther; Daniel, Catherine; Ennis, Sandee; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Konschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill
Cc: Anderson, Duane; Brown, Derek; Lefebure, Dave; McMillan, Bill
Subject: Weekly report, March 5, 1999

Eskay Creek plans to produce 95,000 tonnes of direct shipping ore and 60,000 tonnes of milling ore this year. Metal production is estimated at 291,950 oz of gold and 10,756,000 oz of silver. The company is considering expansion of the mill. This would lower production cost and enable mining of lower grade ore, such as 21C zone. 21C is to be evaluated by a bulk sample and detailed drilling from underground development now in progress.

Glacier Gulch Yorke-Hardy moly deposit (Hudson Bay Mtn)- Development as a high grading operation being considered by Verdstone and Molycor, by direct shipping to Endako at a proposed 2,000 tons per day.

Endako milled ore from the low-grade stockpile during December and January, supplementing pit ore and lowering production cost. Milling is about 70% pit ore and 30% stockpile. Stockpile grade is better than expected and averages about 0.057% Mo. Recovery is also better than expected.

Trimetals Resources propose to drill the Owl Lake moly showing northwest of Endako.

Sent "Volcanogenic Massive Sulphide Deposits in the Hazelton Group, Babine Range" to Bob Lane for publication in *Exploration in B.C.* after editing by John Newell. Thank you Daryl Hanson and Bruce Madu for work on diagrams. Proofed final layout of Northwest Region mine and exploration review (1998). Good work Bob!

Notices of Work: Mineral 4, Placer 16. Number of mineral notices is very low.