

Fort
883054 Lane - June '98 MR

2

Coal from Quintette that was delivered to the Rupert port on or before March 31 received a price of \$20 over world price—Quintette received the premium for approx. 700,000 tonnes. Road to Big Windy should be completed by mid July; the area has to have 50 ft of overburden and waste rock removed to get at the top coal seam.

Talisman drilled 2 deep wells near Windy area; both were successful gas holes penetrating the Triassic.

Mount Polley. Imperial Metals continues to seek concessions from all stakeholders in order to improve the economic viability of it's two operating mines in central B.C.

EXPLORATION MONITORING

JD (Creek zone). Visited on June 17th with Ken MacDonald. Antares consultants Paul Hawkins and John Pukas were on site. A seven-hole drill program had recently been completed on the Creek zone totaling 3,404 ft (CZ98-09 to CZ98-15). Six holes are on the same section; the other was drilled "down dip" and perpendicular to the apparent strike of the zone (which is about 170°). The drilling has generated very little new information about the zone, however there were some encouraging assay results, including a 3.0 metre intersection in ddh CZ98-12 that averaged 18.7 g/t Au (in this interval a narrow, mineralized sulphide-carbonate vein is parallel to the core axis). Mineralization occurs primarily in narrow veins and stringers. The mineral assemblage is sphalerite-galena-chalcopyrite-pyrite in a gangue consisting of calcite-epidote-chlorite+/-quartz. Sphalerite-rich intervals are associated with the highest gold grades.

Wall rock is plag. phyric andesite flows and lessor lapilli tuffs that display pervasive epidote and/or hematite in both the groundmass and plag phenocrysts.

Antares has suspended exploration drilling until at least August 1. During July they will further compile all data from the Creek zone, before selecting their next drill targets. The company is very concerned about the future of the Cheni mine road and if the road is decommissioned and/or deactivated they will likely cease their activity in the Toadoggonne. Antares is in support of a road users committee.

Firesteel. Partners Don Bragg and Dave Javorsky have located some interesting base metal mineralization west of the Firesteel River. Numerous trenches uncover mineralized breccia that turned out to be calcrete or till cemented by calcium carbonate; however several trenches uncovered the source of the mineralized boulders—encouraging stockworks of tetrahedrite-galena-sphalerite with pyrite in dolomitized and locally silicic limestone. Manganese and iron oxides locally form thick rims on altered and mineralized bedrock and/or float. Old timbered shafts, that date back to work done by Cominco(?) in the 1950s(?), were also located.

Thor-Marmot. San Telmo Resources were moving into the property to begin drilling this volcanic redbed copper prospect on June 18th; staging from the north end of the Moose Valley air strip; camped at Johanson Lake.

Wishaw Lake. Ava Resources (Larry Ellis): access to the Wishaw Lake quarry is being upgraded, including new bridge over Bastille Creek and improvement of several soft sections of the road. Arrangements have been made between Ava and several stone processing outfits (including the "Italians") for preliminary testing of the quartzite. Mr. Ellis provided a copy of a recent technical report which summarizes the sound structural integrity of the quartzite.

Fort. On June 26th Tom Schroeter and I met with Ken Carter (Ascot Resources), and consultants Giles Peatfield and Chris Stargaard, and project and field staff Jay Page and Scott Trigaskas, to examine the Fort copper-molybdenum property west of Ft. St. James. The main Specularite Lake

Laird - June '98 MR 3

showing is a mineralized breccia exposed along several hundred metres of road cut. The breccia is comprised of angular (tabular) clasts of diorite and chlorite schist cemented by anhedral to euhedral translucent quartz and coarse-grained ankerite. Coarse blebs of chalcopyrite and pyrite are common. Traces of molybdenum, pyrrhotite and galena were also noted. There is little alteration of breccia fragments, although secondary biotite, sericite (and k-feldspar?) is common (contact metamorphism due to late cross-cutting dykes), the exposure lacks intrusive or intrusion breccia—a better/more positive porphyry association. The breccia body follows a trend of about 340, is up to 200 metres wide and at least 500 metres in length. It is situated on the contact between pyroxenite and Takla volcanic rocks to the west. The breccia may well be tectonic in nature and does not appear to have an obvious association to a porphyry system. The breccia does display dilational features, suggesting the body formed in a tensional environment, either locally or regionally. Ascot Resources has completed soil geochemical and IP surveys over a broad area and will likely drill the breccia body later in the summer. A minimum of 3 diamond drill holes are planned.

Fran. Richard Hasslinger Sr. has come up with a new intrusion-related(?) gold discovery north of Ft. St. James. Plans to visit the property with him in July.

Investigated prospecting area of PA grantee Jim Gunn. He has begun his work in the Forgetmenot drainage and highlands south of Kakwa.

Additional staking took place in May near the Fort prospect (west of Ft. St. James), near the Bow prospect (north of Wells) and in the Granite Mountain area (near Gibraltar).

ISSUES

Omineca Mining Access Road. Discussed with Dave Pow, Tom Schroeter and concerned individuals from the mining industry including reps from Antares Mining and Canasil Resources. Apparently Cheni Mines has been making it abundantly clear that if the road issue is not resolved soon they will decommission the road north of Kemess mine. The Ministry of Energy and Mines should take on responsibility for the road and then organize a road users committee to pay for upkeep. A fee structure could be attached to the NoW form for projects that use the road for exploration and development. The ministry should act fast in this regard. The industry representatives that I have spoken to would gladly contribute funds to maintain road access to the Toodoggone region.

Still no George Cross Newsletter—good thing it's a slow year!

OTHER

Helped coordinate very successful CIM North Central BC Branch inaugural meeting in Quesnel, June 5-6. Approximately 45 were in attendance for the branch business meeting and technical sessions. The technical session included talks on the history of the QR mine, status of the Prosperity porphyry copper-gold project and the Imperial Metals-Princeton Mining merger. Following the talks a panel discussion, featuring Mine Managers from Gibraltar, QR, Mount Polley and Huckleberry addressed the status of mining and exploration in the province. The theme of the meeting is "Mining in BC: A Partnership in Crisis". More than 60 attended the dinner /dance with guest speaker Sandy Laird (ex-President of CIM National).

Presented NE-C Mining and Exploration Review at Tumbler Ridge Coal Symposium (June 9-11). Thanks to Barry Ryan for organizing the event and to the mines for their hospitality, specifically Kevin