

Schroeter, Tom EM:EX

Franklin Mining
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From: Terry, David EM:EX
Sent: Friday, September 19, 2003 3:16 PM
To: Anderson, Duane EM:EX; Berdusco, Ricci EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Errington, John EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.A. Terry Report, Friday September 19, 2003

Kootenay Mineral Exploration Activity Update:

- Coal drilling and exploration expenditures are forecast to be significantly down from last years figure in the Elk Valley. The 2002 estimate is \$1.2M (compared to \$2.84M in 2002 and \$4.83M in 2001). The coal geologists cite the merger and formation of the Fording Canadian Coal Trust as the reason behind the significant decrease in drilling budgets and they are hopeful this trend will be reversed next year. JM exploration expenditures will be down as well but metal exploration expenditures are forecast to increase significantly again (at present up about 56% to \$4.7M). At present total Exploration Expenditures for the Kootenays are estimated to be \$6.0M - \$6.5M - down slightly from \$7.08 in 2002.
- **Klondike Gold Corp.** now has two drills going in the Panda-Payday basin area southwest of Cranbrook. One is continuing to deepen the hole at the north end of the basin, to the east of SMC95-1, halted due to the forest fire situation in mid-August. The other is a new hole in the southern part of the basin in the Irishman Creek area. The Fran hole passed through the LMC this time - no results are available yet.
- **Chapleau Resources Ltd.** have resumed drilling on the Zinger property, at the headwaters of Perry Creek, in the Heart Lake area, and are constructing a road to reach the ridge in the Gold Run Lakes area on the southern part of the property. Drilling is also planned on the Jackleg property east of Wasa.
- After raising more than \$2M, **Gold City Industries Ltd.** are mobilizing in the Greenwood Camp and plan to complete 3-4 holes on the Lexington property to tighten up the resource model, as well as to collect samples for metallurgical/environmental purposes. The Grenoble/Main Zone on the property has a reported mineral resource of 94 923 tons grading 0.297 oz/ton (10.2 g/t) Au and 1.49% Cu. After completing this they will move to the Winnipeg-Golden Crown property where they will drill 30-40 short holes to expand near-surface and along strike resources. In 1990 a study of the property indicated the presence of a mineral resource of 37 100 tons grading 0.999 oz/ton (31.07 g/t) Au (uncut) or 0.536 oz/ton (16.67 g/t) Au(cut) and 1.12% Cu. At the same time a trenching program will be carried out on adjoining properties (JD etc.)
- **Mosquito Consolidated Gold Mines Ltd.** has received an option payment of \$450K from IWA which they state will be used in part to fund exploration on their Tillicum Gold project southeast of Nakusp.
- **Tuxedo Resources Ltd.** are planning on a drill program on their Franklin Camp property to follow up on results of the trenching program carried out earlier this summer. No results have been released to date on this. Apparently the company has had some trouble getting diamond drillers.
- **Jasper Mining Corporation** has released results from its drill program on the Vowell Creek project southwest of Golden. To date 2900m in 17holes have been completed. The main purpose of the program is to test for extensions to the vein and replacement type mineralization at the past-producing Ruth Vermont Mine on the north side of Vermont Creek. A number of polymetallic intersections are reported in the News Release. An example of one of the better intercepts is from Hole 3/Interval#8 which assayed 1.49 g/t Au, 0.21% Cu, 2.62% Pb, 3.21% Zn, and 275.5 g/t Au over 5.41m. Drilling has just resumed with between 5 and 10 more holes planned.
- **Sedex Mining Corp.** is commencing a trenching program on its MW property southeast of Kimberley to follow up on a number of rock geochem and geophysical targets. The property exhibits little bedrock exposure however widespread anomalous gold values, associated with limonitic alteration and elevated BM, have been attained from prospecting samples in a 3km by 2km area. The property is structurally complex and lies just to the west of the Cretaceous Reade Lake Stock, a prominent aeromagnetic anomaly. Quartz veins on the property have assayed up to 10 g/t Au and several ounces silver.
- **Sultan Minerals Inc.** has reported on the results from the trenching program carried out earlier in the summer on their Kena Gold project near Nelson. While most of the trenches returned sub-economic gold values, a chip sample from trench 03TR-7 assayed 35.26 g/t over 4m (including an interval assaying 66.83 g/t Au over 2m) The company plans to carry out further mapping to constrain structural controls on gold mineralization followed by a diamond drill program.
- A JCP company has completed 217m of drilling in 12 holes on the Lapin Barite project south of Bridesville. The widest intercept was 10m of barite (average of 5-6m). Further drilling and bulk sampling is planned for later in the year.

David Terry

Schroeter, Tom EM:EX

TGS → Franklin
MM

From: Schroeter, Tom EM:EX
Sent: Wednesday, July 16, 2003 12:46 PM
To: 'Linda Caron'
Subject: RE: Emanuel Ck. Visit + Grand Forks Area

Thanks very much, Linda. I thought it would take most of the day at Franklin. I, personally, am looking forward to seeing the new (mesothermal) veining. As for the number of bodies on the variopos legs of the trips, there's no limit, EXCEPT on the Emanuel Creek portion. The limit has been/is 12 (as determined at KEG and later by the mine); I have the list (on which are you and Giles P.), which includes a 'waiting' section of at least 6. However, you never know people's availability. When I call/email them, they'll a only a few days to respond; then it's on to the next name on the list. Your suggestion about the Greenwood area is right on; I should have mentioned to you that part of the "Tour" will see us arriving 'back' to Greenwood in the late afternoon, after our Emanuel Creek visit. We would then tour the Greenwood camp the following day and drive to and overnight in Penticton. The next day we would look at the Vault and Dusty Mac deposits and then finish. I hope to finalize the schedule by the end of the week.

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

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

From: Linda Caron [mailto:l.caron@telus.net]
Sent: Wednesday, July 16, 2003 11:31 AM
To: Schroeter, Tom EM:EX
Subject: Re: Emanuel Ck. Visit + Grand Forks Area

Hi Tom,

Those dates sound fine ... Franklin Camp is kind of a long drive - it'll take about 1 1/2 hours to get there from GF so we're looking at 3 hours of travel time. I think it'll take the better part of the day to get there and look at it. We've just finished the trenching program and are waiting for results before drilling. Most of the results should be back by the 28th. It is looking like the veins are more mesothermal, rather than epithermal - but they are big and impressive looking (up to 8 metres wide) and the some of the previous grab samples from old pits and outcrops etc have had pretty high Au numbers (multi-ounce). It think both John Boutwell (the prospector working on the project) and Mike Elson will be along for the Franklin tour. If there's room for them to come along to Emanuel Creek they'd like to come along as well.

If we do have extra time, the other property I'd suggest looking at is Gold City's Midway/Picture Rock Quarry. It's the best place to see epithermal style veining, and not far from Emanuel Creek. It may make more sense to do this on the Tuesday after the Emanuel Creek tour. It isn't far from the highway if the group comes back across the border at Midway.

Probably the best place to stay in Grank Forks is the Ramada Inn - phone 250-2127. There is a restaurant right there for breakfast, dinner etc. It is located about a kilometre west of the downtown area along the highway.

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Schroeter, Tom EM:EX

TBR → RG
Cranbrook

From: Terry, David EM:EX
Sent: Friday, June 06, 2003 9:39 AM
To: Berdusco, Ricci EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Errington, John EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.A. Terry Report, June 6, 2003

RG Activity:

- Exploration tracking/monitoring
- Responding to phone calls and walk-in inquiries
- Participated in the Cordilleran Ore Deposits field trip on Wednesday May 21st - Sullivan Mine and Aldridge Basin geology
- Visited the **Legend** property held by Nelson geologist Bernie Augsten and partners located north of Kaslo to the west of Kootenay Lake. The property was originally staked as to cover a Ni-Co occurrence associated with a regional talc unit. Recently a massive sulphide horizon (sulphide facies IF??) has been discovered. It is hosted by Lardeau Group metasediments which comprise layered pyrrhotite-pyrite, with lesser arsenopyrite and chalcopyrite, hosted within a carbonaceous argillite unit. The unit is exposed in several locations along a strike length of ~100m and is open in several directions. At the southern end beds of banded cherty "exhalite" are associated with garnetite (likely Mn-rich). Chip samples of the mineralization averaged ~700 ppb Au over 4 metres with values up to 1.2 g/t Au over 1m. Assays were also anomalous in Cu and As. They are currently looking for a partner to advance the property.
- Visited Kootenay Gold's newly staked **Conrau** property in the Rover Creek-Connors Creek area west of Nelson which covers a number of MinFile occurrences associated with the contact zone around Nelson Intrusives into Ymir? Group sediments. Mineralization includes pyrrhotite-chalcopyrite sulphide veins (reportedly with high Au) hosted by hornfelsed sediments and intrusive and pyrrhotite-sphalerite-galena-chalcopyrite skarn in carbonate units. Magnetite breccias associated with chalcopyrite observed at several vein showings.
- Visited a number of areas along the Blueberry-Paulson summit to look at intrusive-related gold targets with Kootenay Gold Corporation personnel
- Visited Vine property to view drill core from ongoing drilling on **Lookout Gold Zone** by Chapleau Resources and to discuss program progress.
- Update Gold in Southeast BC write-up for Cambridge House Gold Conference
- Working on Rags to Riches proposals
- Dealing with number of inquiries from people/companies looking for available gold properties

Exploration Update:

- Chapleau has completed drilling hole 10 on the **Lookout Zone** on their Bar Property and has moved on to hole 11 located several hundred metres to the east. Hole 10 intersected ~18m of primary mineralization comprising stringer pyrite-sphalerite-galena-chalcopyrite hosted by altered syenite below a flat structure which ramps strongly altered Creston Formation sediments over the syenite - now identified as stock rather than a much narrower dyke. The upper 45m of hole 11 is oxidized but appears to have been strongly mineralized - abundant fracture-controlled FeO and carbonate. Chapleau will also begin trenching on the **Zinger** property in Perry Creek and on the **Jackleg** property east of Wasa in the near future.
- Tuxedo Resources have commenced fieldwork on their **Franklin Project** 60km north of Grand Forks comprising detailed mapping, rock sampling, soil sampling. Follow-up excavator trenching and drilling is planned for later in the season. Widespread epithermal-style gold mineralization has been identified on the 3500 ha property which hosted the historical Union Mine (122,000 tonnes @ 14 g/t Au & 353 g/t Ag). Multi-ounce gold values have been attained from historic pits and trenches on the property.
- Sultan Minerals and Kinross Gold are planning a trenching program to test the "High Grade Magentic Corridor" on their **Kena Gold** project which extends for over 2km in length. Three spaced holes drilled across the "corridor" have returned high grade gold values over several metres.
- Goldrea has commenced a detailed prospecting survey on its **Crowsnest** Property in the Flathead basin in an attempt to locate or constrain the source locale for the widely distributed high grade float boulders which assay up to 650 g/t Au and comprise quartz-magnetite-syenite breccia. Later in the season the company is planning geophysical surveys and drilling on both the **Crowsnest and Howell** properties.
- Klondike Gold is planning to commence drilling on their **Thea 17** property southwest of Cranbrook next week. Trenching on the prospect returned up to 14.5 g/t Au over 4m in a silicified shear zone in Middle Aldridge clastics which is open in all directions.

Schroeter, Tom EM:EX

TOS → RG
Cranbrook

From: Terry, David EM:EX
Sent: Thursday, May 08, 2003 3:41 PM
To: Berdusco, Ricci EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Errington, John EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.Terry Report, May 9, 2003

RG Activity:

- The "**Golden Opportunities in Southern BC**" symposium held in Cranbrook May 2-4th was a big success. There were over 90 attendees comprised of East and West Kootenay locals as well as delegates from Vancouver, Kamloops, Calgary, Spokane, and even Denver. A list of speakers is included below for your information. The field trip run on the Sunday had about 20 people looking at core from Chapeau's Lookout drilling at the Vine property and 11 made the trek up Lookout Mountain to look at the trenches in the snow.
- Responding to requests from MLAs on mining/exploration info
- Responding to inquiries regarding gold properties in Region
- Exploration tracking /monitoring - From the somewhat limited info I have to date there should be more than \$5 million spent on metal exploration alone in the Kootenay Region. No info on coal yet - will get this in June at time of Sparwood coal symposium
- Continuing new office setup issues - computer linespeed is SLOW - should be fixed in next week or so
- Visit to Sedex Mining's MW property where prospecting has discovered a number of new gold showings in an area with little exposure

Exploration and Mining News:

- Chapeau has recommenced their drilling program on the Lookout Zone (Bar 19 Property) west of Cranbrook. They are now on hole 10 of the program. Despite the fact that coarse gold has been identified through check sampling and metallic screen fire assaying of two sample size fractions, significant gold values have been attained in a number of the holes released to date. Ongoing drilling and geological mapping is beginning to unravel structural complications and it is now evident that the important syenite body below the Lookout Gold Zone is much larger than previously thought and the north edge of it - which is the most mineralized in the surface trenches - has yet to be tested below a flat fault at depth.
- Chapeau are planning a significant trenching and drilling program on the Zinger property near the headwaters of Perry Creek, a significant placer creek, as well as a trenching program on the Jackleg property. Chapeau have indicated that they intend on spending \$2-\$3 million on their Cranbrook Gold Project this summer, which includes the Lookout Zone. They now have about 500 square kilometres of tenure in the Cranbrook area.
- Klondike Gold/Sedex are planning on commencing their exploration in the Cranbrook area either later in May or in early June. They intend on starting off with exploration on their gold properties, including MW (soils, VLF, mapping, trenching), St. Joe (East along strike from Chapeau's Lookout Zone), Thea 17 (drilling), and Prices Pit (drilling) and Quartz Mountain. They have ~\$400K at present and are raising more. They will continue with their sedex exploration program later in the season.
- Sultan have indicated that they are planning a Phase 1 program of \$1.12M for Kena to start later this spring, and a total of \$3M subject to results of Phase 1. Work will be carried out on a number of zones on the property including the newly identified "High Grade Magnetic Corridor"
- Gold City Industries is going to be commencing work on their Greenwood Gold Project imminently. The work will involve drilling to expand/confirm resources on the Winnipeg-Golden-Crown properties, trenching to obtain metallurgical samples, dewatering of the Lexington decline, and making modifications to the Roberts Mill south of Greenwood.
- Tuxedo Resources is commencing a surface program on their Franklin Camp Au project north of Grand Forks.
- Kingsman Resources have optioned the Snowshoe Property in the Greenwood Camp from John Kemp and three others. The property covers part of the past-producing Skylark Mine.
- Jasper Mining Corporation is planning a 2500m-10 000m drill program on their Vowell Creek polymetallic property and will spend approximately \$800K this year
- First Cypress Technologies have optioned the Eddie Au property at the headwaters of Weaver creek (another placer creek which is a tributary to the Moyie River) and are planning a work program this summer.

new

Schroeter, Tom EM:EX

From: Terry, David EM:EX
Sent: Wednesday, July 31, 2002 3:28 PM
To: Whale, Andrew EM:EX
Cc: Berdusco, Ricci EM:EX; Campbell, Karen EM:EX; Cathro, Mike EM:EX; deleted 020604 - Downie, Arlene EM:EX; Elkins, Paul EM:EX; Grant, Brian EM:EX; Grieve, Dave MSRM:EX; Houle, Jacques EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; McArthur, Gib EM:EX; Roach, Dennis EM:EX; Rosentreter, Rieva EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Smolik, Valerie EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
Subject: D.Terry Report; July 31, 2002

Mineral Exploration Activity:

Franklin: Tuxedo Resources Inc. has just filed a preliminary prospectus with the BC securities commission to raise between \$562,500 and \$787,500 in an IPO with Wolverton Securities. Their property of merit, and the property on which most of the funds raised are intended to be spent on, is the Franklin Property in the Greenwood Mining Division, located 60km north of Grand Forks. The property combines a number of different tenure types covering 3500 ha in the historic Franklin Camp. Types of mineralization known to exist on the property include:

- Au-Ag>Base Metal (Epithermal) Veins
- Mafic Alkalic hosted PGE
- Cu-Pb-Ag-Au Contact Skarns

Depending on the timing of the completion of the offering, some field work, and potentially some drilling, may occur on the project prior to the end of the year.

Lone Peak: Drilling of hole 8 has re-commenced at the Lone Peak property, east of Fort Steele, and the hole is expected to reach its target depth of ~1000 feet sometime this week. The downdip extent of a 1-2m thick quartzite unit with disseminated clots of bornite mineralization, located approximately 300m downslope of the drill pad, as well as gold-bearing quartz veins are being targeted with the drilling.

Thea/LMC: Klondike Gold have submitted several notices of work for upcoming programs on the Thea and adjacent LMC properties. On the LMC property approximately 2000m of drilling in two holes on LMC 1 and 2 claim in the Panda Basin area. On the Thea 15 claim a single 1000m hole will test the Gerry Vent area, a recently discovered cross-cutting hydrothermal vent 6km west of the Panda Basin. On the Thea 17 claim 9 small trenches and 1000m of drilling in 8 holes will test a gold-bearing quartz vein zone exposed in two short trenches 25m apart. One of these trenches exposed the zone over at least 4.5 metres width. A number of 0.5m chip samples assayed up to 0.562 oz/t Au.

Vowell Creek: Jasper Mining reports that it has received a receipt for its prospectus from the BC and Alberta securities commissions whereby they expect to raise between \$800,000 and \$1.5M for exploration on their Vowell Creek property which covers the past producing Ruth Vermont mine.

Expenditure Estimate:

At present the Kootenays estimated expenditures (Coal, IM, Metals) is at ~\$7.09M, compared with \$7.85M last year. One reason for the drop is that coal companies are planning spending ~\$1M less on drilling this year. Metal expenditures will be up substantially whereas IM expenditures have fallen. I have not included any allowance for Bull River this year. The total could rise if some projects like Remac or Franklin are funded this year, or if expanded exploration programs occur on projects like Crowsnest/Howell, Kena, or the Klondike Gold properties in the Cranbrook area, or if new projects are announced.

I will be on Vacation until August 15th.

David Terry

David A. Terry, Ph.D., P. Geo.
Regional Geologist, Kootenay Region
#201-100 Cranbrook Street North
Cranbrook, BC V1C 3P9

VOS → RG
- Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, February 18, 2000 9:04 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Madu, Bruce; McArthur, Gib; Payie, Garry; Pinsent, Robert; Schroeter, Tom; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to February 18, 2000

Exploration in BC article to be sent to John Newell today for editing. Early next week I hope to complete a second article on gold in stream sediments in the Roderick Creek area.

Dobbin

Renewed Interest in Platinum and Paladium - Rumours of claim staking in the Tulameen area due to the rise in platinum group metal prices to record levels (Pd @ US\$735/troy oz, Pt @ \$573, Rh @ \$2650 this week) . In addition, the Dobbin Cu-Pt-Pd property (Minfile 82LSW138) located west of Kelowna is being dusted off by Verdstone Gold (a Larry Reaugh company). Drilling in 1997 hit some very interesting results such as:

Hole prices)	Metres	Cu (%)	Pt (g/t)	Pd (g/t)	Gross Metal Value (at Feb 16
97-21	111	0.19	0.410	0.352	US\$17/tonne
(incl)	15	0.54	1.36	0.949	US\$50/tonne

Many of the holes hit fairly long zones (20-156 m) of mineralization grading about 0.4 g/t combined Pt-Pd and 0.2-0.4% Cu. A geological resource calculated by Andris Kikauka (1997- Confidential Report to Verdstone) is **1.5 million tonnes grading 0.192% Cu, 0.237 g/t Pt and 0.196 g/t Pd**, giving a gross metal value of roughly US\$11/tonne at current prices. There is also some evidence for enrichment in Iridium, however more testing for this and the other odd PGM elements needs to be done.

Franklin

(Cathro Note - Confidential: The mineralization is hosted in gabbro, pyroxenite and monzonite of the Whiterocks alkalalic complex (Jurassic?) and consists of chalcopyrite, bornite, pyrite, magnetite, epidote, chlorite, calcite, sericite, garnet and quartz as veinlets and disseminations. The mineralization has the appearance of a fairly typical alkalic porphyry Cu-Au. Since platinum group metals are difficult to assay for, it would be nice to see some independent verification of the results. Although the grade is low (and if the 1997 results can be believed), this prospect is probably one of the better Pt-Pd targets in BC because of the large tonnage potential and the apparently consistent Pt-Pd values. It has been compared to Franklin Camp in style of mineralization).

Claim-Staking - There is new staking in the Little Fort and Adams Lake areas as a result of GSB geochem releases at Round-up. West of Adams Lake, claims have now been recorded by Teck (20 units) and Camille Berube (80 units). The target is intrusion-related gold similar to Cam-Gloria. More staking can be expected as the weather improves.

KEG2000 Conference (April 5-6) - BC projects will be the main focus this year. Between 250 and 300 people are expected and numerous major and junior mining companies have agreed to give talks on their projects (e.g. Silvertip, North Sullivan, RDN, Flathead, Brassie, Lorraine, Lottie). New features will be the Prospectors Discovery Session where individuals will give short snapshot talks on new discoveries, and a session on Financing for Projects in BC. A field trip to Craigmont, HVC and Ashcroft is planned for April 4th and a workshop on "High Value Deposits - A Practical Approach" is being offered on April 7th.

Prospectors Assistance Final Reports - 16 of 17 reports in this region have now been reviewed and all have been recommended for final payment. Several interesting grassroots discoveries have been made, particularly for intrusion-related gold.

Opening the Door (Scientists in the Schools) - Took part in this Science Career Fair at the College on the 14th. Approximately 100 high school students attended.

Joke of the Week - What is the difference between a geologist and a pizza? A pizza can feed a family of four.....