

VBS → GNOME
92P/2W

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Phil Whitfield
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Chair of Regional Protected Area Team
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Dear Mr. Whitfield:

Re.: GNOME Mineral Claim in the Deadman River Proposed Study Area
N.T.S. 92P/2W

I have a lot of difficulty with this proposal. It seems to me that a lot of thought should be given to the mining potential of this area. And if one looks at that, the proposal would be hard to justify. What we need here is a mine discovery! If a discovery were made, the B.C. Geological survey would dispatch its teams of expert mappers who would tie together all the interesting geological features of this area. By this process, the Deadman River exploration potential would become apparent to everyone, not just the people who work there. Accordingly, I am very much opposed to the creation of the proposed DEADMAN RIVER STUDY AREA in which my GNOME mineral claim is largely located. The Gnome is my most important mineral asset. If a Study Area were created here, severe difficulty could be anticipated in my efforts to find a company willing to finance the next exploration program on my claim. The end-result would be that this promising mining property could go untested. A company willing to do the advanced exploration needed at this stage would justifiably be fearful that upon completion of the deliberations associated with a Study Area, permits to mine would be denied. Finally, the company could loose its mineral rights through confiscation and no compensation would be paid. Accordingly, the designation of the proposed Study Area would, for all intents and purposes, signal the end of serious mining exploration activity within the proposed Study Area. I would personally find it hard to take the loss of this exploration opportunity. The Gnome is the outcome of many years of diligent work and expenditures of tens of thousands of hard earned dollars directed at finding a mine on my own property. I feel this is the closest I've ever come to finding a "winner" on my own property. Finding a mine is every geologist's dream! This Study Area proposal poses a serious threat to my livelihood and who could afford to loose a property such as this?

These are hard times in the B.C. mining sector and in exploration in particular. Many of the individuals who are still " hanging in

there" are hurting, myself included. Currently, in the B.C. consulting business one can consider himself fortunate to get a few weeks worth of work each year. I keep my skills up by doing work on my own claims. I may be able to generate income in a number of ways by owning mineral claims: I may receive option payments in return for the right to explore and develop, contract work may be obtained, and funds from sale of interest in the event a mine were found.

The Gnome is the only property I own which stands a reasonable chance of being sold in this economy. A large proportion of any income is re-invested in other projects involving opportunity creation. With the above in mind, hopefully, you can begin to realize how important the Gnome is to me. BUT my own potential benefits from a mine discovery are minuscule compared to those received by the economy in general. There would be thousands of man-years of employment, a much needed new tax base and investments and too many other spin-offs to list. I submit that some effort should be made to leave the mine exploration land alone, especially where significant potential is indicated. Let those who are willing to keep trying to find a mine in this economy do so! DON'T PULL THE RUG FROM UNDER THEM! The industry has taken some hard hits of late exemplified by the Windy Craggy deposit in the Tatsashini River area. This type of thing can be very devastating for large and small alike, but particularly severe for an individual. Loosing ones best mining property: the thought becomes a nightmare in this particular case.

A persistent effort is usually required to come up with a winner. The record indicates that I have been variously involved directly and indirectly in the exploration of the Gnome property area from the 1970's to the present. My experience has shown me where persistence is most likely to pay off. It's my gut feeling, and has been for years, that the Gnome is a good bet!

It appears that a study commissioned by the Ministry of Mines and Petroleum Resources and conducted by Dr. Andre Panteleyev places the Vidette area in the category of highest potential. If land within the Study Area extending south from the Vidette mine is not entirely in a high category of potential in the Ministry's study, a review might be in order. The southern part of the Study Area offers good potential for base and precious metal as well as industrial minerals. The principal property owner in that area is Mike Dickens, a very experienced prospector and self-taught geologist residing in Savona. Dickens has spent many years exploring the Deadman River area and his efforts have drawn the interest of several major and junior mining companies which collectively invested significantly in work programs on his claims. Dickens could be described as the mayor of the Deadman Valley. He deserves special commendation for his considerable research into uses of the industrial mineral deposits found on his properties in the proposed Study Area. His contribution in the Gnome area is noteworthy because he managed to interest Inco in the area through his understanding of epithermal gold deposits.

✓ I met
in trip
with
Gordon
White

The exploration history of the Gnome is indicated in (APPENDIX 2).

APPENDIX 1 gives details of expenditures within the area that is now the Gnome claim. The fact that several major companies have considered the Gnome a worthwhile exploration opportunity bodes well for the property. It is a healthy sign when several major companies actually do work on a property. This is the typical exploration pattern for many mines. Each operator builds on the data from the previous operators in a process that is somewhat akin to a jigsaw puzzle with many missing pieces.

I recommend that the Deadman River area be removed from any consideration as a so-called Study Area, a park, or any other land category restricting mining. It is my view that mining is too important to our economy to have a highly prospective area such as the Deadman River valley set aside as a Study Area. I submit that if a major resource existed in the Deadman River area and if it could be extracted under the regulations of the day, it should be allowed to proceed.

In the case of our own area, ample room for processing facilities and waste storage exist to the north and northeast of the Gnome. Most of the Gnome is rolling land located on the bench lying to the east of Vidette Lake and generally covered by L. 947. This land is used mainly for cattle ranching. It was extensively cleared in the late 1970's. Mr. Doug Allen, the former owner of L 947, never, in my recollection caused any hindrance to our exploration effort. We always made a point of discussing our plan with him. I often got the impression: if you can find something, great!

In summary, my points are:

1. The Deadman River area has a history of mining. The first mine was the Vidette gold mine which commenced operation in the early 1930's. Mining exploration has been going on in the Deadman River area since the 1930, and probably long before.
2. Old workings on the Gnome are believed to date back to the 1930's.
3. Modern exploration concepts have been in use in the area since the late 1979's. This has indicated good potential for gold and base metals. Modern exploration on the Gnome total about \$200,000.
4. A drill target for low grade, copper-gold mineralization with bulk mining potential is indicated in the NW quadrant of Gnome. An order of magnitude estimate of the potential could be calculated by considering the surface area of the IP anomaly and multiplying that by a thickness such as 350 m and multiplying that by a density of about 2.7. Given bulk mining grades currently economic and this size potential, an economic deposit could be present. However, when you look at the overall

potential in light of the results in the most southwesterly drill hole of Inco Gold, one realizes that the potential may be very large, indeed.


5. The ongoing exploration warranted on the Gnome is unlikely to be funded under the Study Area concept.

6. I recommend that the proposed Deadman River Study Area be struck from the books.

I urge the geological members of your team to look at the data from the Gnome very carefully. If you want to discuss this further please don't hesitate to call. I appreciate your time and thank you very much for your considerations.

Your truly,

Ragnar U. Bruaset & Associates Ltd.


Ragnar U. Bruaset B.Sc.

Geologist

January 28, 1994

Attachments: 1:50,000 Map

APPENDIX 1 Exploration expenditures on current Gnome claim area

APPENDIX 2 Exploration history for Gnome Mineral Claim

APPENDIX 3 Geology, Potential, Proposed Work

Copy to:

Ron Smith, Rick Meyers, Bill McMillan, Graham McLaren,
Andre Panteleyev, Tom Schroeter

Jack Patterson, B.C. & Yukon C. of M.

Robin Price, Placer

APPENDIX 1.

EXPLORATION EXPENDITURES IN THE CURRENT GNOME CLAIM AREA

		WORK VALUE
1930's	4, possibly, 5 short adits, 1 shaft, numerous hand dug trenches.	\$ 100,000 Est.
1981 Cominco	Geophysical surveying, as per Assessment Report 9223, by Scott, A.R.	\$ 5600 Est.
1981	Miscellaneous: ground control	\$ 1000
1983 Chevron	Geological, geophysical, geochemical, surveyings, as per assessment report by Bruaset, R. U., dated March 1984	\$14,300
1984 Chevron	Miscellaneous unrecorded work: petrography, fluid inclusion study, misc. sampling	\$5,000 Est.
1985,86 NOREX	Geological and geochemical surveys, IP and magnetics, VLF-EM and diamond drilling (411.5 m.). Assessment credits for drilling only claimed. Report by Wilson, R. August, 1986	\$22,500
	Unrecorded work	\$5000 Est.
1988, 89 INCO	Sampling and diamond drilling (825m m) as per assessment report by Morin, J. A. Feb. 1989	\$117,600
	Unrecorded drilling (301 m)	\$30,000 Est.

	Total (current value)	\$300,000 Est.

EXPLORATION HISTORY FOR GNOME M.C.

APPENDIX 2.

1930's. Four short adits were driven and one shallow shaft was sunk. Copper-gold mineralization was encountered in some of these workings.

1973. A private company exploring the area immediately to the north-west of the Gnome using soil sampling, briefly examined the area that is now the Gnome claim obtaining the following assays from an old pit: 0.14 oz./ton gold, 0.35 % copper and 0.26 oz./ton silver across an 8 inch quartz-carbonate vein.

Late 1970's -1980. Cominco conducted soil sampling in search of targets with bulk minable copper-gold and molybdenum potential. They located the Gala claims to cover the resulting anomalies.

1981 Cominco conducted a geophysical survey (Induced Polarization) over parts of the property where rock favorable to the occurrence of bulk minable copper deposits had been located in some old trenches. This survey indicated a thumb print-like IP anomaly measuring about 500 by 500 m.

1983. Chevron relocated the key ground abandoned by Cominco. Geological mapping and geochemical sampling was carried out with emphasis on the eastern half of the claim, which is an area of faulting and epithermal gold potential.

1985, 86 Noranda optioned the property from Chevron and carried out mapping, sampling, geophysical surveys and drilled two holes, all in the eastern half of the claim. Conditions favorable to the occurrence of epithermal style gold mineralization were indicated but no economic grades were encountered. No work was done in the western half of the claim. Further drilling was recommended.

1988-89. Inco optioned the Gnome along with the surrounding claims and drilled four diamond drill holes in search of gold mineralization in the eastern half of the Gnome. One of the Inco drill holes encountered substantial length of low-grade copper mineralization grading about 0.1 % . Further drilling recommended.

1991 We purchased the Gnome property from Chevron. Due to unfavorable economic circumstances in the mining industry, no significant work has been done on the claims since Inco. With improving copper and gold prices we expect the copper target will be tested subject to the elimination of the Study Area concept as it pertains to this property and the more immediate surrounding areas.

APPENDIX 3

p. 1 of 2

Re: Letter to P. Whitfield re.: Deadman R. Study Area : GNOME M.C.

GEOLOGY, POTENTIAL, PROPOSED WORK

The attempt is to convey to the members of the committee some geological information about the Gnome. It is assumed that some of the members have little geological training.

Areas of principal potential are indicated and the type of work an operator might want to consider at this stage. Please refer to the attached sheet which shows the property area at a scale of 1:50,000 including the local boundary of the proposed Study Area and an enlargement of the same map which has geological notes.

The attached plan shows the location of the principal drill target and indicates where further surveys could yield new targets. I have also tabulated the highest gold intersections in each drill hole. These are generally about 1 m thick. While the gold values are not economic levels, they do suggest a gold system is present. Under the right combination of structure, rock type and chemistry, a gold deposit could have developed in the vicinity of some of the highest grade intersections. Inco Gold recommended further drilling.

With further reference to the map, the copper mineralization in the bottom of the most southwesterly Inco drill hole is interesting because such levels of copper would be expected to occur in the margins of a typical bulk minable copper deposit. In this case there is plenty of untested ground to the west and to the northwest of this hole. I regard this area is highly prospective for copper. A geophysical survey of the type done in the NW quadrant of the claim is the customary way of establishing drill targets in this type of setting. I note the comment of Inco's geologist about this intersection: " It is intriguing to consider what the Cu, (Au, Mn) zone changes into with depth beyond the bottom of the hole " (J. A. Morin, PhD., Feb. 1989 Assessment Report # 18492)

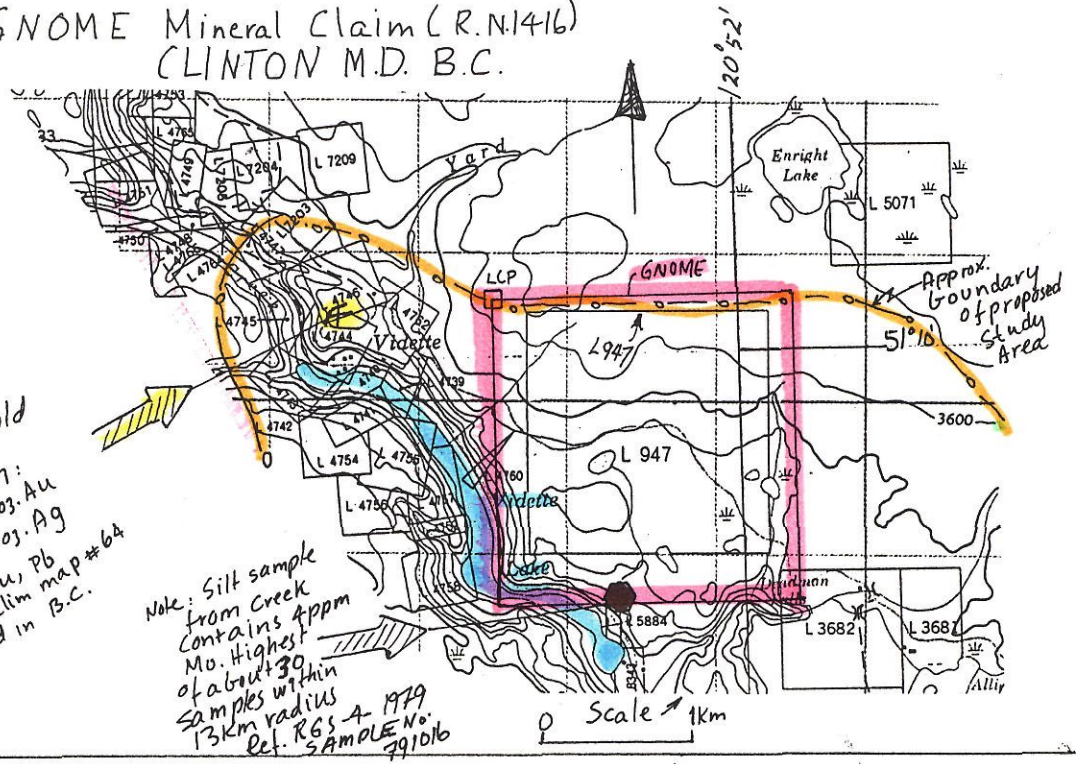
An indication of the geology in the western half of the property, more particularly the NW quadrant, can be gotten from the diagrammatic cross section on the attachment. This section is supported by surface mapping and diamond drilling. The depth to the top of the granite is speculative, although granite outcrops in at least two locations in the NW quadrant. Presumably, if an economic copper deposit occurred in the underlying granite, the skarn would be thin. However, there could be economic mineralization in the skarn as well at shallow depth. The skarn would be a good target for gold. A rock sample from a vein within this target gave the second highest assay that I have seen from this property. Even though it is a narrow vein, the metal association is interesting and the gold response is strong. This sample is significant combined with other data.

The Gnome offers excellent potential for copper, gold and molybdenum deposits. It is located near the former Vidette mine which was in production from 1933-1940 producing 29,869 oz. gold, 46,575 oz. silver and unspecified copper and lead (Gold in B. C. Prelim. Map # 64) . The location of a mining claim in the vicinity of a mine is a favorable attribute partly because mineral deposits frequently cluster. However, the small Vidette type deposits are not targeted in the proposed work on Gnome. We are interested in the base-metal core of a very much larger mineralizing system that includes the Vidette mine, the gold area in eastern Gnome, those on the Yard claim to the north, and prospects located a short distance to the south of the Gnome. Our exploration model consists of a central copper-gold zone assumed to be centered on the western half of the Gnome with peripheral gold deposits. Unpublished information on the mineralogy of the Vidette mine indicates molybdenite, the principal ore mineral for Mo was present in the ore. This is interesting for several reasons. Attention is drawn to the note on the map regarding the regional molybdenum anomaly.

GNOME Mineral Claim (R.N.1416) CLINTON M.D. B.C.

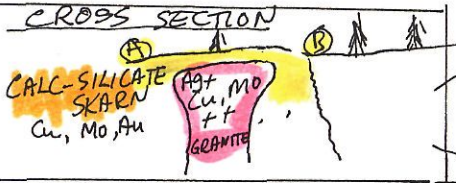
Vidette gold mine
Production:
29,869 oz. Au
46,573 oz. Ag
Plus Cu, Pb
Ref.: Prelim map #64
Gold in B.C.

Note: Silt sample
from creek
contains 4ppm
Mo. Highest
of about 30
samples within
13km radius
Ref. RGS 4 1979
SAMPLE No. 291016



1:50,000
ENLARGED

Proposed testing
7 holes (DD) @ 200m

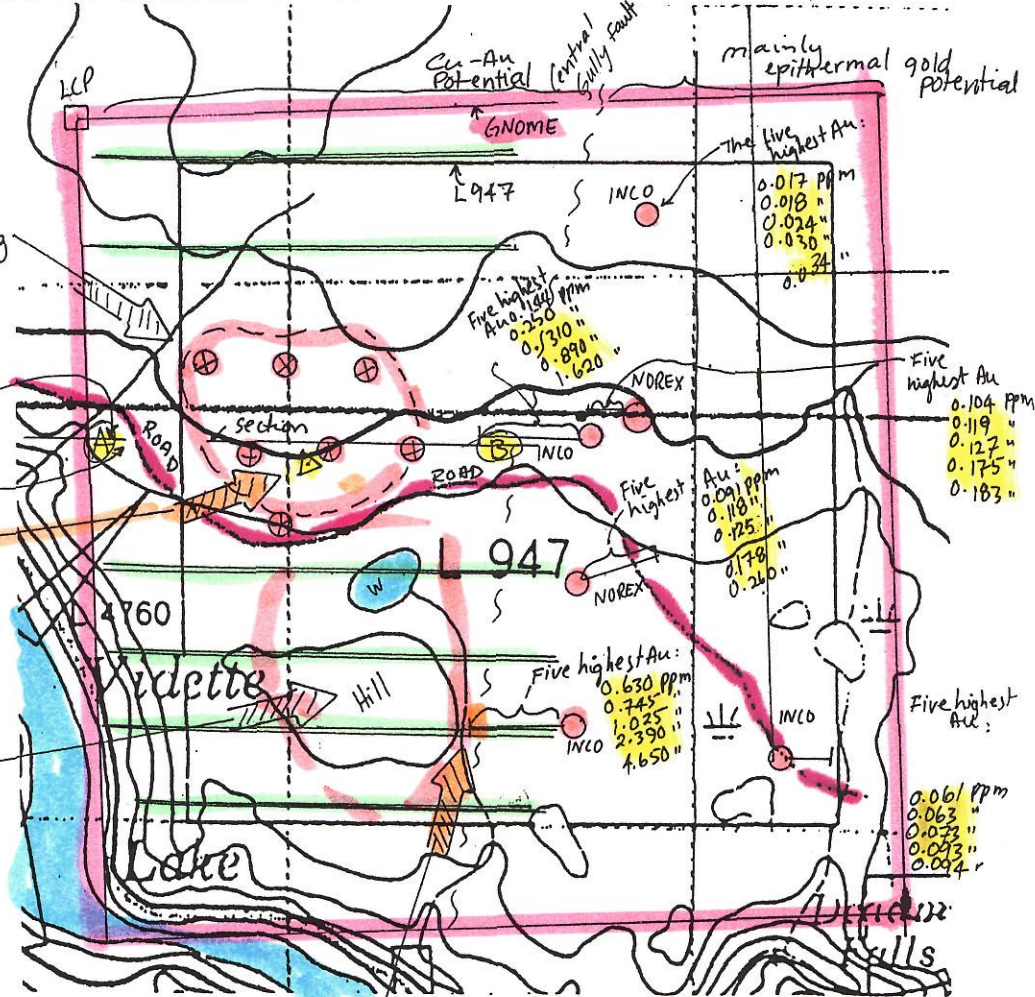


Across 8" quartz-carbonate vein
Au: 0.14 oz/ton
Cu: 0.35%
Ag: 0.26 oz/ton

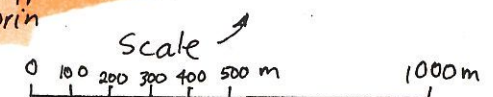
Legend

- IP Anomaly > 20 m sec IP Cominco data 1981 AR 9223
- diamond drill hole vertical, inclined AR 18492, Noorex 1986
- Proposed IP
- ⊗ Proposed DDH
- } Fault
- ▲ Rock sample Ref. AR 4257

Potential target



Last 68m of hole average 1057ppm Cu (0.1%)
AR 18492 Morin



FEB 7 1994
Geological Survey Branch
MEMPR

Charles Boitard
2245 West 13th Avenue
Vancouver, B.C.
V6K 2S4
February 3, 1994

Phil Whitfield
Planning Manager, B.C. Parks
Chair of Regional Protected Area Team
1050 W. Columbia Street
Kamloops, B.C.
V2C 1L2

Dear Mr. Whitfield:

Re: Clinton Mineral Claim Group, Deadman Valley Proposed Study Area, NTS 92P/2W

I am shocked to learn that some of my prime mineral claims are part of a proposed study area. I am referring to the Clinton Mineral claims located in the Deadman Valley.

It is well known that the Deadman Valley is a major fault running in the north to northwest direction. This geological structure has many geological features indicating hydrothermal or epithermal activity, which makes an ideal geological environment for the discovery of gold and base metal deposits.

Vidette Mine located at the north end of the valley produced 30,000 ounces of gold from 54,000 tons of rock. The mine was closed during the war and has never reopened.

My property (the Clinton Mineral claims) adjoins the south side of Vidette Mine. A soil geochemical survey carried out on the Clinton property has outlined a gold geochemical anomaly of 750 feet by 450 feet with values up to 30 times the background of 20 ppb.

I applied for a drilling permit to drill this property last year but, I was unable to raise the capital to carry out the drilling program. My permit is in good standing and I intend to drill the property this year. It is well known in our industry that the best place to find a mine is near an existing mine.

We are told by the government that job creation is a priority, on the other hand, the top civil servants go out of their way to discourage investment and stop development of the province. If the Deadman Valley is put into a study area, no one will give me a penny to carry out exploration on my claims, and this gold anomaly will never be drilled.

Finding a mine is not an easy task. First, one needs a promising geological location like the Deadman Valley, then, we search for clues of all kinds, geological, geophysical and geochemical. It is similar to detective work, it takes dedication, its time consuming, and also very costly.

I staked the Clinton Claims in 1982 and to date, I have spent \$247,968 on building 10.5 kilometres of access road to the property, and on exploration.

Mr. Martin Armstrong, a well known market analyst who accurately predicted the 1987 stock market crash was recently in town. He is predicting that in the near future the gold price will triple.

I am 63 years old, and my wife and I have no pension. Our mining properties chosen for their merit over many years of prospecting are our retirement. I suppose that another couple added to the social assistance would not have much of an impact, but on the other side, wouldn't it be better to have a few more producing mines to employ people who would pay taxes.

I trust that if it is not in the governments agenda to close all mining exploration in the province, you will reconsider your decision and allow this valuable geological structure which forms the Deadman Valley to be fully explored to develop this mining potential

Yours truly,



Charles Boitard

encl: Access road Location map

cc:

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Province of British Columbia
Ministry of Forests
Forest Service

Map of

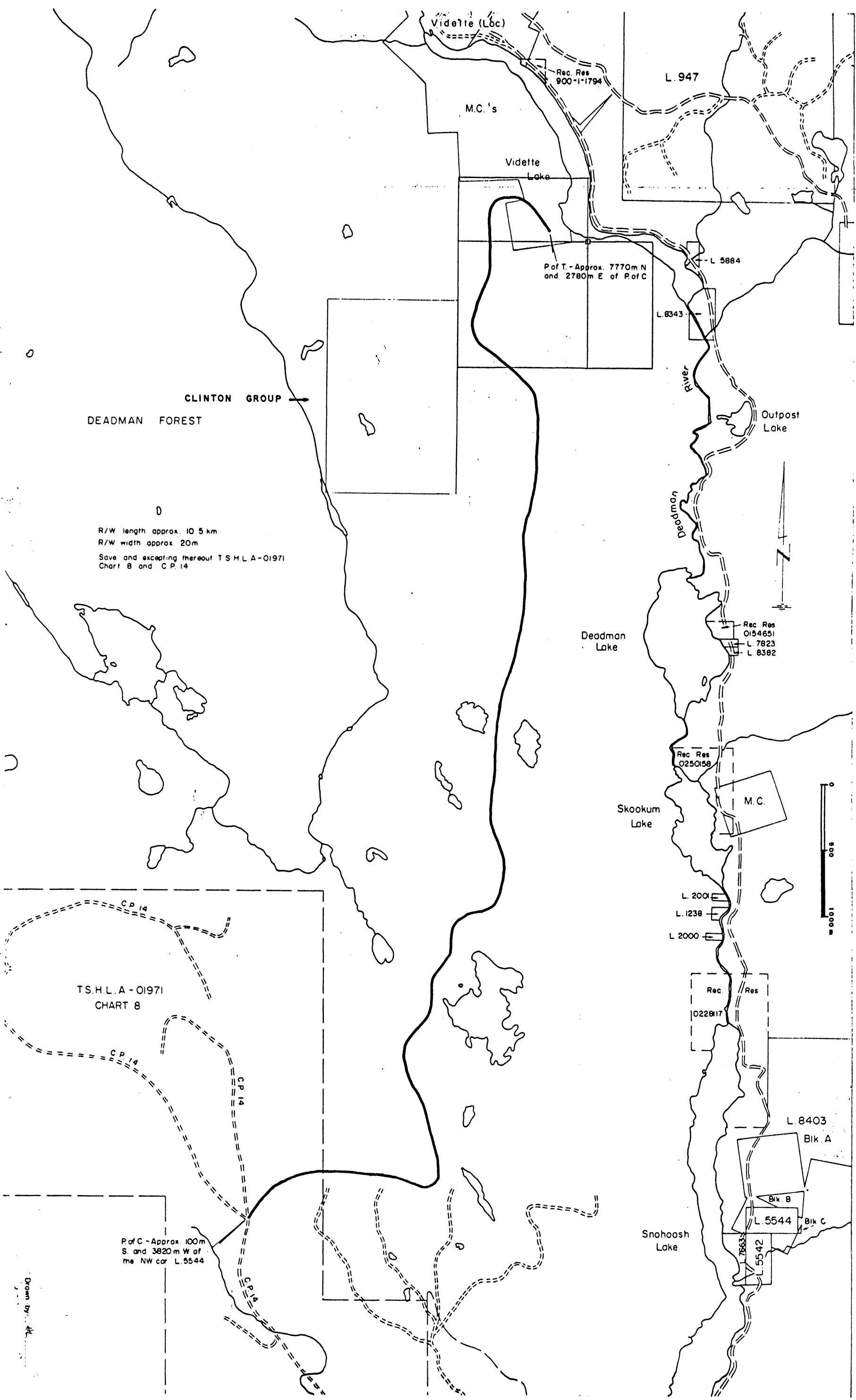
S U P 11231

EXHIBIT A

MANAGEMENT UNIT		TIMBER SUPPLY AREA		Permitted Agreement		Cadastral	
Type	Number	Type	Number	East	West	East	West
0	09	Big Bgr	12	Kamloops			
Block		Sub-B					

Date: OCTOBER 29, 1982
 Ref Map: 92-P-2-W
 Date: 92-P-2-d, 8
 Scale: 1:5,840
 Area: hectares

Forest Region: 34 Kamloops
 District: 02 Kamloops
 Lead District: K O Y O
 U.T.M. Zone: 10 6 4 7 0 0 0 5 6 5 0 0 4 6 1 8
 Grid: East North Res Cont L



R/W length approx. 10.5 km
 R/W width approx. 20m
 Save and excepting thereout T.S.H.L.A-01971
 Chart 8 and C.P. 14

T.S.H.L.A - 01971
 CHART 8

P.of C - Approx. 100m
 S. and 3820m W of
 the NW cor L. 5544

Drawn by: dk