

Granite Mtn

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I N T E R O F F I C E M E M O R A N D U M

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TO: See Below

Subject: Lane Weekly Report

Lane Weekly Report for July 2-10, 1998.

Mining News:

Mount Polley. Imperial Metals has successfully negotiated an economic plan, sponsored by the provinces Job Protection Commission, that will be in effect for the next 2 years. The result of the plan is a reduction in annual operating costs by up to \$7 million. Financial concessions include a reduction in power costs, property tax deferrals, and a 10% wage deferral from unionized workers.

Shasta. Received application from Sable Resources for a permit to mine approx. 10 000 tonnes of gold-silver ore by open pit methods from a near surface deposit on the Shasta property. Apparently, limited diamond drilling in 1997 outlined the zone which averages 0.3 opt Au and 13 opt Ag. The material would be trucked to the nearby Baker mill for processing.

Exploration Monitoring:

Marmot. San Telmo Resources has completed a 6-hole, 690-metre diamond drilling program on the its volcanic redbed copper prospect in the McConnell Ranges some 25 kilometres SSE of the Kemess mine. Results from the drill program are expected later in July. A follow-up drill program is being considered.

Gibraltar  
Granite Mountain. United Gunn Resources continues its grassroots mapping, sampling and geophysical programs on its claims adjacent to the Gibraltar mine. Five properties comprise the project. They are: Copper Ace (CA claims), Copper King (CK claims), Beedy Creek and Credge Creek (CJ claims) and Sheridan (Sher 1 claim). Several porphyry copper-molybdenum targets have been identified that warrant more detailed work. They will be covered by IP surveys later in the summer.

JT Reviewed ddh core from drilling completed in 1996 and 1997 on the JT group of claims, immediately north of Gibraltar's ZE claims, by Tom Scuffi (Quesnel entrepreneur). One hole intersects strongly foliated intrusive rock similar to Granite Mountain Phase Trondhjemite that dominates the northern extremities of the Granite Mountain batholith. It lacks any visible copper mineralization, but traces of disseminated pyrite were noted. The core had not previously been logged or sampled--I'll be submitting several samples for analyses.