

INTEROFFICE MEMORANDUM

YOS → RG
- Kamloops

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From: Mike Cathro of EI
MCATHRO
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TO: See Below

Subject: Regional Geology Monthly Report

HARPER CREEK
833769

HIGHLIGHTS:

*Field visit to Harper Creek copper project near Vavenby. American Comstock Exploration Ltd is drilling nine, widely-spaced step-out holes totalling about 3000 m. The deposit has not been drilled since 1972 (Noranda-US Steel). Excellent potential exists to increase the known resource estimate of 96 million tonnes grading 0.41% copper with minor moly, gold and silver credits.

*The Eagle Bay field trip on Sept. 19 was a success with about 40 industry participants and numerous compliments. The info session on the previous night was also well attended. Thanks to Vic, Peter, Steve, and Liz of the GSB. Awareness is being raised on the high mineral potential of the area and the upcoming GSB data release.

*Successful Regional Geologists meeting (Sept 18) and field trip (Sept 17) to Watson Bar project of Stirrup Creek Gold Ltd. We have tentatively set Nov. 20 to present our annual exploration review talks to MEI staff in Victoria.

*Presented talk to CIM District 6 Meeting titled "Current Exploration and Development Highlights in South-Central BC".

FIELD VISITS:

*The Watson Bar project (MF 920051) of Stirrup Creek Gold Ltd. was visited on Sept. 17 with project geologist Rudi Durfeld, the other four Regional Geologists and Tom Schroeter. The trench at Zone V has been greatly expanded and now exposes gently SW dipping carbonaceous fault zones and subparallel scorodite-stained quartz veins over a strike length of nearly 80 m. In August a 60 m portion of the zone in the trench was reported to assay 19.72 g/t Au over an average width of 3m. Over the summer 14 holes were drilled down dip of the trench with generally positive results. For example, hole 96-11 pierced the zone 160 m down dip of the trench and returned 26.19 g/t Au over 3.66m. The gold is associated with very high As values and anomalous Cu, Zn, Pb and Sb. Good potential remains along strike, down dip and at other showings on the property. Additional drilling may take place this fall. The adjacent MAD property of BHP has been optioned by First Point Capital Corp (Ron Britten et. al.) I am working on a short paper for Fieldwork '96 on the area.

*The Harper Creek project (MF 82M009) was toured on Sept 25 with Mike Sanguinetti, consultant for American Comstock. Low-grade copper mineralization occurs as stratabound zones in quartz, sericite and chlorite phyllites of Unit EBA of the Eagle Bay Assemblage. The mineralized zones

average about 100 m thick, dip shallowly to the north and are more or less parallel to the hillside. Some intercepts are up to 300 m long. The zones appear wide open down dip and along strike and it should be easy to greatly increase the size of the resource. Mineralization in drill core consists mainly of pyrite and chalcopyrite occurring as sparsely disseminated grains along foliation planes, and in discordant quartz veins. Siderite and dolomite veins and layers are common. We also examined some coarsely recrystallized, crudely laminated pyrite-magnetite layers up to 1 m thick that occur in the South K zone. Sampling by Sanguinetti returned up to 0.01 opt Au from this material. Trygve Hoy was mapping on the property at the time of my visit.

Harper Creek

EXPLORATION NEWS:

~~BH LK~~
*Prosperity (Taseko Mines Ltd.): 26 holes out of a planned 70 hole program have been drilled into this large, low-grade Cu-Au porphyry. The project geologist feels that by Christmas they will have spent \$6 million out of a total budget of \$13 to \$15 million. Drilling will continue to April. Discussions are underway between the company and the "Tsilqhotin National Government" who are opposed to the project. The TNG gave Taseko until Sept 30 to vacate the site and may try blockades etc.

*Blackdome (Claimstaker Resources/Petro Plus): Good results from underground drifting and surface sampling on this high-grade epithermal Au-Ag project. Drilling is underway.

*Cottonbelt (CanQuest Resources Ltd.): Drilling underway; four deep holes to test for the Pb-Zn-Ag horizon where it might be thickened in the nose of the Mt. Grace syncline.

*Getty North etc. (Getty Copper Corp): Drilling still underway with two rigs. ~~33~~ holes drilled so far. Results disappointing.

*Poison Mountain (Imperial Metals Corp.): Two deep holes in "central pit" of this porphyry Cu-Au deposit are planned for mid Oct. Imperial is having trouble finding drillers and a geologist.

*Rain (Imperial Metals Corp.): Select Ventures has become involved in this Cu-Zn VMS property near Goldstream; they hope to drill several holes before the year is out.

*Lac La Hache (Regional Resources Ltd.): With the pending takeover of Regional by Imperial Metals, the fate of this porphyry Cu-Au property is up in the air. Imperial says they are interested in doing further work, however, there are problems with the property agreements and Regional has been asked to clear these up.

Pellaire (Int'l Jaguar Equities): mining of high grade bulk sample ongoing. Plans are to ship out 1000 to 1200 tonnes of gold ore this fall, if the road rehab can be completed before winter.

Au-Wen (George Resource Co.): 1637 m drilled in 16 ddh with mixed Au-Cu results.

Bralorne Mine: Int'l. Avino announced they have raised \$1.5m for mill renovation and other corporate purposes.

UPCOMING:

*Oct 3: KEG talks by visiting BHP geologists from Tucson, Az.

MC - Adv 4/96

INTEROFFICE MEMORANDUM

RG-Kamloops

Created: 24-Sep-1996 02:02pm PDT
Sent: 27-Sep-1996 11:45am PDT
From: Mike Cathro of EI
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TO: See Below

Subject: Weekly Report to Sept 24, 1996

ISSUES

*Chilcotin inspection/geology tour: Working on costs/logistics for Oct 8/9 trip to Prosperity, Blackdome, Pellaire and possibly Westpine-Taseko.

*Prosperity (Fish L.) update: 26 holes drilled so far out of 70 (approx 1/4 of total footage). Total budget for this program will be \$13.5 - 15m (not a typo) of which about \$6m should be spent by Christmas. They expect to drill through to April '97. The "Tsilqhotin National Government" has set Sept 30 as the date for Taseko to vacate the site and may try blockades etc.

*Blackdome update: Underground work complete and equipment being taken out. Drilling still ongoing. Rick Sommerville is very pleased with the results received this year. He estimates that \$600K will be spent in '96.

*Mad Property - Watson Bar area: NOW from First Point Capital Corp. (Ron Britten et. al.) for geochem work. Also received a NOW for test pitting on the newly-staked Cougar claims, located north of Mad. The Watson Bar area is heating up. First Point should raise the profile and credibility of this gold district.

*Harper Creek Project: Visited on Wed. Sept 25 with Mike Sanguinetti. Co. Drilling on hole 2 of 9 hole, 3200 m program. Deposit is wide open and there is good potential to vastly increase the known reserve of about 96 million tonnes grading 0.41% Cu with minor Mo, Au, Ag credits. T. Hoy spent 4 days mapping there this week. See summary write-up in monthly report.

*Eagle Bay Field Trip and Info Session: Sept 19 trip had about 40-45 attendees and was organized and led by Tryg, Vic, Peter, Steve, Liz Lebow and myself. Despite early rain the trip was a success and feedback was all positive.

*CIM Conference and presentation: I gave my talk "Expl. and Dev. Highlights in SC-BC" on Friday the 20th to a standing room only crowd of about 40 people. Feedback positive; several requests for more info will require follow-up.

*BHP talks to KEG: Arranged for two talks from BHP geologists who are passing through Kamloops with Tom Schroeter. Tentatively set up for Thurs Oct 3 at 7:30 PM, Stockmen's Hotel. Topics are 1) Geochemical expl. for porphyries, and 2) Porphyries of SW USA.

Mike

Distribution: