

HAT CREEK

883798

TGS → RG
— Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
 Sent: Friday, December 06, 2002 12:22 PM
 To: Adams, Rick EM:EX
 Cc: Britton, Jim SRM:EX; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
 Subject: Cathro weekly to 12/6/02

Hat ck.

Minister Neufeld's visit to Kamloops - Minister met with community leaders to discuss the Energy Policy and BC Hydro. Adams and Cathro attended at the invitation of MLA Krueger's office. Some discussion of mining and coalbed methane, including a comment from the Minister to the effect that "the Province would arrange for BC Hydro to return the Hat Creek Coal rights to the Province, so that the private sector could evaluate the coalbed methane potential and the mining of thermal coal for export" (Hydro contacted our office this week to say they are giving up the coal rights, and wanted to know about reclamation requirements). The Minister also said that mineral exploration spending would be about "\$50 million this year", which is considerably higher than the \$36-40 million estimate of the RGs/MDO. The Minister's office should probably update their figures.

Kamloops LRMP - Jim Britton (MSRM) reports that the Kamloops Plan Monitoring Team met this week with mining represented by Leo Lindinger (KEG) and Larry Lutjen. No significant decisions were made although the group was supposed to discuss the addition of nearly 1700 Ha to the Bonaparte PA. In addition, BC Parks has been discussing with the City of Kamloops an idea to add another 650 Ha to the Lac Du Bois PA along the city boundary. Examination of claim maps in these areas shows numerous unnecessary No Staking Reserves which we have again asked to have removed (a complete review of all the Kamloops NSRs was promised to the mining sector when the LRMP was completed 7 years ago, and it still hasn't been done). In a related issue, Bill Hall will ask MLA Krueger to try to push through a minor amendment and removal of land from the Lac Du Bois PA (approx 100 Ha) to allow small scale mining of a precious opal prospect. BC Parks has previously opposed this boundary change. If BC Parks want to amend various park boundaries to add big chunks of ground, why can't a small piece be removed at the same time???

Afton Mine (DRC Resources) - Another excellent hole released from the northwest portion of the deposit, beneath the west wall of the pit. Hole 66 hit 200 m (beginning at 446 m) grading 1.20% Cu, 1.7 g/t Au, 0.21 g/t Pd and 4.3 g/t Ag, including 24 metres (beginning at 452 m) grading 2.43% Cu, 4.2 g/t Au, 0.31 g/t Pd and 6.6 g/t Ag (or 5.45% Cu equivalent). The question out there is...is the grade of the deposit high enough to be mined underground?

DP / Tulameen Platinum (Bright Star Ventures) - somewhat disappointing results released for 6 holes drilled into the eastern DP anomaly near Olivine Mountain. Although broad zones of anomalous copper-PGE values were encountered, there were no ore-grade intersections and the Cu and PGE values do not appear to correlate. The best results were:

Hole	metres	g/t PGE	%Cu
#1	8.60	0.20	0.20
#2	15.94	0.36	0.04
#3	2.00	0.66	0.02
#4	85.04	0.13	0.09
#5	120.88	0.06	0.10
#6	115.20	0.11	0.09

Bright Star plans to proceed with a large Spring drilling project (>15,000 m) to test the western DP anomaly and other Tulameen complex targets. A \$3 million convertible debenture financing has been proposed.

Geological Association of Canada Vancouver Conference (May 2003) - Asked to help lead two post-meeting field trips to Highland Valley Copper (with Bill McMillan) and the Afton area (as part of a PGE trip led by Graham Nixon). Discussed the second trip with S. Todoruk of Abacus Mining and they have agreed to show us core and Cu-Au-Pd results from Rainbow.

Afton area - discussed palladium potential in the Iron Mask batholith with S. Todoruk of Abacus Mining, who are systematically testing many of the prospects in the district for Pt, Pd and Au. Went in the field with Abacus field people to show them several hard-to-find prospects.

Schroeter, Tom EM:EX

TGS → Hat Creek

From: Adams, Rick EM:EX
Sent: Tuesday, July 23, 2002 9:46 AM
To: XT:Chapman, John Leader Mining International Inc EAO:IN
Cc: Schroeter, Tom EM:EX; Randall, Alf EM:EX; Hall, Ted EM:EX
Subject: RE: Cogburn and Power

John, over the phone, I mentioned we had recently received the following reports from BC Hydro:

Updates to Hat Creek Technical Studies, Executive Summaries, July 2002

BC Hydro & Power Authority Hat Creek Project 2000 MW Plant Mining Study, Review and Update of 1979 Mining Report, Kilborn Eng. Pacific Ltd. Vol. 1 & 2, February 2002

BC Hydro & Power Authority Hat Creek Project Power Plant Feasibility Study Update Final Report, SNC Lavalin, February 2002

A check of our old files and our library indicates some others which may be of interest to you as well. Most of these should be available from BC Hydro, or major community libraries. They include:

Preliminary Environmental Impact Study of the Proposed Hat Creek Development, BC Research, Dolmage Campbell & Associates Ltd., 1975

Hat Creek Project Environmental Impact Statement, BC Hydro, April 1981 (includes a listing of 66 additional references- if interested in that please send me your fax number)

Hat Creek Thermal Power Project, Highlights of the Environmental Impact Statement, BC Hydro, May 1981

Hat Creek Project Mining Report Volume 1 & 2, BC Hydro and Power Authority Mining Department- Thermal Division, December 1979

BC Hydro Thermal Generation Projects Division Hat Creek Project, Proposed Mining Field program- 1982, Mining Department, February 1982

BC Hydro and Power Authority Hat Creek project Reference No. Q2-1311 "A" Zone Coal Trench Overburden Excavation, Tender Documents, Thermal Division, March 1982

BC Hydro Site Investigation Program - 1982 - Powerplant - Mine - Environmental (Contingent), Thermal Generation Projects Division, Hat Creek Project 12 March 1982

Report No. 2, Preliminary Report on Hat Creek Openpit No. 1, Volume II to BC Hydro and Power Authority, PD-NCB Consultants Limited in association with Wright Engineers Ltd. & Golder Associates

Hat Creek Project Report on 1981 Site Investigations for Hat and Finney Creek Diversion and Access Road, Report No. H1478, BC Hydro Hydroelectric Generation Projects Division, March 1982

Report to BC Hydro and Power Authority on Hat Creek Construction Water Supply, Golder Associates, April 1982

Hat Creek Project Ground Water Hydrographs, Golder Associates, 12 April 1984

Report to BC Hydro on the Hat Creek Project Geotechnical and Hydrogeological Update, Volume I - Main Text and Volume II - Appendices, Golder Associates, Fall 1982

Report to BC Hydro on the Hat Creek Diversion Study Final Report, Volume 1 - Main Text and Volume 2 - Appendix A

The above also provides an indication of major engineering and consulting firms with previous involvement in the project, if that is useful.

Some other information which may be useful to you:

- while outside of his riding, Kamloops MLA and House Speaker, Claude Richmond is very supportive of the mining industry (and Kamloops would certainly benefit from the Hat Creek Coal project).

- Ashcroft Mayor Andrew Kormendy has previously been very supportive of mining projects, particularly when the Ashcroft Quarry (roofing granule quarry near Barnes Lake just outside of Ashcroft) was proposed.

- Thompson Nicola Regional District is very cognizant of the economic benefits of mining, especially with Highland Valley Copper in their regional district.

- from my discussions with MLA Walter Cobb at the Hat Creek public meeting last week it appeared he would be a strong supporter of development proceeding at Hat Creek within his riding.

- most of the public attending last week's meeting who did speak up said we are sitting on a veritable treasure and should get on with developing it (wanting to see economic development and jobs for the local area). Only one or two spoke against it because of environmental concerns.

- I have previously heard second hand information (maybe from BC Hydro?) indicating Kamloops Mayor and Council did not support the Hat Creek project. I cannot recall if that was the present Mayor and Council, or a previous bunch. With the reduced water demand from the Thompson River (only 15% of the original proposal now that dry cooling technology is available) and much reduced emissions (well below Federal standards for most elements), as well as the jobs and economic benefits that would flow to Kamloops from this project, they now might be of a different opinion. Or perhaps a presentation would help to get them on side once you get to that stage.

- I did a bit of legwork for Abacus when they were considering optioning some property from Teck near the Afton mine site. Their properties were near the Trans Canada Highway and a residential subdivision. Even with those issues, both the City of Kamloops and the Thompson Nicola Regional District indicated at least preliminary support for a new mine there.

I hope the above is useful information for you. I wish you all the best with your project- we could use a new major mine operating in this region, and one in Ted's region would be great as well...

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

From: John A. Chapman [mailto:jacmsl@sprynet.com]

Sent: Monday, July 22, 2002 3:48 PM

To: Adams, Rick EM:EX

Cc: Randall, Alf EM:EX; Schroeter, Tom EM:EX; Hall, Ted EM:EX

Subject: Cogburn and Power

Hi Rick,

Thanks for the update on the Cache Creek BChydro meeting. I will keep you posted as we advance Cogburn. Lack of low-cost reliable power is our biggest problem at this time as you will see in the attachments.

My first choice for power is the 240MW Kemano completion project. However, I believe that Alcan wants to keep this for future aluminum refinery expansion. My second choice is Hat Creek - if Leader can purchase Hat Creek we would put it into production ASAP in lock step with Cogburn - probably with Alberni Aluminum and Trans Alta Utilities as JV participants. We would build our own powerline from Hat Creek to the Lower Mainland following

Schroeter, Tom EM:EX

MS → RG
Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, July 19, 2002 3:55 PM
To: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to 7/18/2002

HIGHLIGHTS

Trans-Canada Highway - The National Post reports that the Federal government is considering a \$10-15 billion dollar plan to four-lane the TCH right across Canada. Given that about half of BC's two-lane TCH falls in the South-Central region, this would be a huge boon for the local mining and construction industry, especially suppliers of cement, aggregate and other raw materials.

Hat Creek Coal and Thermal Generating Station - Attended BC Hydro info session in Cache Creek on 7/16. The company has updated the technical and cost data from the previous (1981) study. Despite improvements in costs, generating technology and environmental controls, Hydro has decided to NOT proceed with development in the near future. Roughly 6 billion tonnes of high-ash thermal coal are known. Interestingly, Hydro has determined that they do NOT own the methane rights to this area.

Lillooet LRMP - all quiet on the western front, although the Sierra Club is running an PR campaign in support of the "South Chilcotin Rainshadow Wilderness" (Spruce Lake Park). Here is a link to an ad they ran in the Vanc. Sun, showing a nice picture of Eldorado Basin. <http://www.sierraclub.ca/bc/Campaigns/Lillooet/VanSunad.pdf>

Red Lake (Western Industrial Clay Products) - attempting to become house-brand pet litter supplier for Walmart USA. This would be a big market and very positive for the company. WICP is having little success in trying to develop a market for their "leonardite"-based potting soils, however, they will continue to produce humic and fulvic acids from leonardite. These are used in hydroponic gardening, for which BC is world famous.

FIELD VISITS

Elk (Almaden Minerals Ltd.) - A \$350,000, 4000 metre drilling program is underway on this property located near the Ekhart exit on the Okanagan Connector. The "Deep B" zone (currently 12,200 tons grading 2.93 oz/ton Au) of the Siwash North vein and the WD vein (16,700 tons grading 1.55 oz/ton) are the main targets, although two holes were drilled on a new target in the Bullion Creek area. The total resource/reserve on the property is 123,000 tons grading 1.153 oz/ton.

Au-Wen-Mal (Lateegra Resources) - As of July 15th, 2 holes had been drilled on the Malechite 1 skarn Cu prospect (92HNE002) hosted by the Nicola Group east of Aspen Grove. Eight to 12 metre-wide skarn beds consist of chalcopyrite with magnetite, garnet and epidote. At least one more hole will be drilled on this prospect prior to moving the drill to the Wen gold prospect for 3 more holes.

Sadim (Toby Ventures) - Briefly viewed core of 12 recently completed holes in Aspen Grove on 7/15. Nine holes tested quartz vein-hosted gold targets and three tested sericite-altered Nicola with disseminated pyrite.

Ashcroft Quarry and Roofing Granule Plant - Visited on 7/16 with G. Simandl. Plant at 50% capacity awaiting Regional MDRC approval to go from 250,000 to 500,000 tonnes per year. Currently 55 people are employed in plant and another 25 on construction. Another 20 or so will be hired when they go to full production. 30% of production goes by truck to the IKO plant in Sumas, Wa, with the remainder going by rail to their plants in Calgary, Winnipeg and Chicago.

WK bentonite (Willy Kovacevic) - Visited this new bentonite occurrence located north of Cache Creek. The property also hosts a deposit of pozzolan.

Clinton Tufa - visited this past producing tufa quarry located just west of Clinton. Ownership is in question between mineral claim owner (Adam Travis) and private surface owner (Quadra Stone). This interesting material would make nice flagstone or landscape rock.

Barbecue-Landscape (Fayz Yacoub) - Visited this lava rock prospect near Cache Creek. Minor trenching and stockpiling of rock has taken place, in preparation for crushing and screening.

Schroeter, Tom EM:EX

TBS → Reg. Mgr.
- Kamloops

From: Adams, Rick EM:EX

Sent: Friday, July 12, 2002 5:57 PM

To: Anderson, Duane; Beswick, Ed; Booth, Richard; Britton, Jim; Carr, Chris; Cheetham, Pat; Curtis, Ross; Errington, John; Ferguson, Susan; German, Gerald; Hall, Ted; Hermann, Fred; Hoffman, Al; Jorgensen, Sharon; Lewis, Jim; Lieutard, Denis; McArthur, Gib; McKillop, Greg; Murphy, Maureen; Nash, Laurel; O'Rourke, Patrick; Rennie, Lorna; Rick Conte (E-mail); Roberts, Steve; Sandra Martin; Schroeter, Tom; Shelley Guthrie (E-mail); Smyth, Ron; Stewart, Linda; Walter Poochachoff (E-mail); Whale, Andrew

Cc: Allan Ludwig (E-mail); Cathro, Mike; Heistad, Ray; Horton, Russ; Madu, Bruce; Mehr, Eugene; Rothman, Stephen; Seguin, Joe; Wallis, Yvonne; Worsfold, Joyce

Subject: South Central Region to July 12, 2002

FYI:

Hat Creek Coal (BC Hydro)- BC Hydro completed updates last summer on 15 year old technical and costing studies on the potential for coal fired power generation from this resource. The studies considered advances in technology, such as dry cooling to reduce water consumption from the Thompson River, and improvements in coal burning efficiency. BC Hydro advises the study information will be used for planning purposes only, and there is no intent by BC Hydro to develop these resources in the foreseeable future. Their 10 year plan instead focuses on IPPs, green energy, Resource Smart, and Power Smart initiatives. BC Hydro is hosting a public meeting to present the results of their studies at 6:00-9:00 pm, July 16, at the Cache Creek Community Hall.

Ashcroft Quarry (IG Machine & Fibre)- permit amendment to increase production to 500,000 tonnes/year and construct the gully waste dump has been issued.

Explosives- a deteriorating case of blasting caps was discovered by an exploration geologist working old claims near Nickel Plate Mine. MEM H&S personnel promptly disposed of the explosives. The explosives were probably abandoned there 17 years ago during the last round of known exploration in the area. The explosives were located near a well-used cross country ski trail.

Rainbow (Abacus Mining) - released additional encouraging results for drillholes 8 and 9 on this porphyry copper-gold-palladium deposit located southwest of Kamloops. Hole 8 hit 31.1 m grading 1.12% Cu, 0.45 g/t Au and 0.94 g/t Pd (near former Teck hole 97-22) and hole 9 hit 170.1 m grading 0.89% Cu and 0.24 g/t Au. Both intersections were quite deep (>200 m down hole).

Elk (Almaden Minerals) - Drilling underway on the Siwash North and WD veins, located east of Aspen Grove.

Miner Mountain (Nustar) - Drilled 3 holes (approx 150 m) on this porphyry Cu-Au prospect north of Princeton.

Sadim (Toby Ventures) - Scheduled to finish 12 holes today (approx. 1500 m) on this property south of Aspen Grove. Target is Au-Ag vein and Cu.

Au-Wen (Lategra Resources) - drilling of 3-4 holes underway on Au-Ag and Cu targets east of Aspen Grove.

Tulameen Coal (Compliance Coal Corp.) - Wash plant has been ordered and is expected to be delivered in late Sept.

Fir (Commerce Resources) - drilling to begin Tuesday on this carbonatite-hosted tantalum-niobium-phosphate deposit.

Bruce Madu, of our office, and **Anne Gardner** are tying the knot tomorrow at a wedding ceremony at their home. Our office wishes Bruce and Anne a long, happy and healthy future together. Congratulations Bruce!

Rick Adams, Regional Manager
Ministry of Energy & Mines
Mining Division, South Central Region

2002-07-18

Schroeter, Tom EM:EX

TOS → Reg. Mgr
- Kamloops

From: Adams, Rick EM:EX

Sent: Friday, June 29, 2001 2:53 PM

To: Anderson, Duane EM:EX; Beswick, Ed EM:EX; Booth, Richard EM:EX; Braidwood, Brian FIH:EX; Carr, Chris EM:EX; Carter, Tom EM:EX; Cheetham, Pat EM:EX; Cochrane, Marlene EM:EX; Curtis, Ross EM:EX; Errington, John EM:EX; Ferguson, Susan M EM:EX; German, Gerald EM:EX; Graeme McLaren (E-mail); Hall, Ted EM:EX; Hermann, Fred EM:EX; Hoffman, Al EM:EX; Joan Hesketh (E-mail); Jorgensen, Sharon EM:EX; Kilmartin, Sandra EM:EX; Lewis, Jim E EM:EX; Lieutard, Denis EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Nash, Laurel EM:EX; O'Rourke, Patrick EM:EX; Readshaw, Kerry EM:EX; Rennie, Lorna EM:EX; Rick Conte (E-mail); Roberts, Steve EM:EX; Schroeter, Tom EM:EX; Shelley Guthrie (E-mail); Smyth, Ron EM:EX; Starkes, Terri EM:EX; Stewart, Linda EM:EX; Walter Poohachoff (E-mail); Whale, Andrew EM:EX

Cc: Allan Ludwig (E-mail); Britton, Jim; Cathro, Mike; Heistad, Ray; Horton, Russ; Madu, Bruce; Mehr, Eugene; Patricia Murton (E-mail); Rothman, Stephen; Seguin, Joe; Wallis, Yvonne; Worsfold, Joyce

Subject: South Central Region to June 29

Issues:

Strategic Land Use Plan Amendment Policy- Kamloops IAMC continues their efforts to enshrine a SLUP amendment policy (mirroring apparent existing provincial policy direction) which allows for additions and enhancements to PAs, but no reductions. The policy specifically allows for amendment of all other aspects of the plan except PAs (unless to increase or enhance PAs). At the last IAMC meeting, this was pushed by BC Parks, with strong support from LUCO, citing "that it is the current direction of government.....the intent is to increase PAs.....and permanency of PAs is needed to garner United Nations recognition". MEM is protesting because such direction conflicts with the stated principles elsewhere in the policy of "not altering the original balance of the plan", "keeping the plan open to evolution and tuning", and "emergence of new information on resource values". Other agencies are apathetic.

With a new government; the 12% PA target exceeded; the need for industry access; and MSRM only in its formative stages, it is timely to pursue new government direction to remove the protectionist bias from the currently one-sided SLUP amendment process. Suggested wording changes include: "where over-representation of ecosystem protection has occurred park reductions will be considered"; or "where additions to parks are sought corresponding reductions in other parks will occur to maintain the balance in the plan"; or "where new resource value information (such as gem quality opal in Lac Du Bois Park) emerges, and was not originally considered by the planning table, reductions in the park to allow extraction will be considered". It is critical to change the direction in this document now, as we approach the 8-10 year review of the first completed LRMPs, otherwise many interests will expect a "ratcheting up of parks" through the LRMP amendment process. Possible first assignment for MSRM.

FYI:

Hat Creek Coal (BC Hydro)- BC Hydro is expected to issue a request for proposals shortly to upgrade the project feasibility study.

Tulameen Coal (Pacific West Coal Ltd.)- scuttlebutt is a coal-fired generating plant deal is being negotiated.

Barisoff/McIntyre Pit- next Court hearing scheduled for July 3 in Kelowna. Noise readings taken on site and in the neighbouring trailer court this week by Steve Rothman and Art Parker in response to noise complaints. Thanks Art for assisting our office by taking the readings and preparing your affidavit.

Ashcroft Quarry- now employing 160 workers during its construction phase.

Peter Vein (Bralorne Pioneer Gold Mines/Avino Silver and Gold/Coral Gold) - a 21 m raise to surface and test mining will be done on a high-grade (12 oz/ton) portion of the Peter Vein (Cosmopolitan Crown Grant). Up to 12,000 tonnes of material may be mined and will be added to the 1100 tons grading 0.36 oz/ton which is stockpiled at the Bralorne Mill. It appears that the company also plans to process the material through the 100-150 tpd mill. Tailings disposal may be an issue. These projects are expected to cost \$400-500K.

06/29/2001

Schroeter, Tom EM:EX

*TS → HAT
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From: Schroeter, Tom EM:EX
Sent: Thursday, May 22, 2003 8:59 AM
To: XT:Chapman, John Leader Mining International Inc EAO:IN; Cathro, Mike EM:EX
Subject: RE: Hat Creek Coal Property

Thanks for the update.

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

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

*HAT (k. Feb. 16/06
Santog Res. (Rupert Allen
& Ron Neofolitsky)
interested in acquiring
TOP*

-----Original Message-----
From: John A. Chapman [mailto:jacms1@sprynet.com]
Sent: Wednesday, May 21, 2003 4:36 PM
To: Cathro, Mike EM:EX; Schroeter, Tom EM:EX
Subject: FW: Hat Creek Coal Property

-----Original Message-----
From: John A. Chapman [mailto:jacms1@sprynet.com]
Sent: May 21, 2003 3:59 PM
To: Jasi Nikhanj
Cc: Bill MacMillan; Steven Simons; Sheila Wynn
Subject: Hat Creek Coal Property

Jasi,

I spoke with Steven Simon, Minister Neufeld's Executive Assistant, this morning regarding my concern that BC Hydro is reclaiming the Hat Creek Coal deposit site. I indicated that we had informed the President of BC Hydro in writing some eleven months ago of Leader Mining's interest in entering into an option to purchase agreement on the Hat Creek deposit in order to secure the long term energy source as part of the Cogburn Magnesium Project.

I informed Steven of my concern as a Team Member of Leader Mining and as a BC taxpayer that the test pits are planned to be backfilled, building and other foundations are to be buried and the powerline to the property removed. The reclamation objective according to BC Hydro is to return the land back to cattle grazing as approved by John Errington of the Reclamation Department of MEM. I find these actions to be bizarre given the huge coal reserve that has been defined there and the fact that Leader expressed an interest prior to BC Hydro announcing the abandonment of the Coal Leases.

I indicated to Mr. Simon that Leader Mining had planned to work with substantial players (contacts from my days in the coal business) and that one of the first orders of business would be further bulk sampling and new combustion tests to determine boiler, turbine, generator designs - given improvements in these technologies since BC Hydro conducted their testing several years ago. Hence, undertaking the planned reclamation would represent an economic loss to the residents of the province and to any new

coal deposit operator at Hau Creek.

I forwarded the information I had received from BC Hydro to Mr. Simon and he promised to look into the matter.

John