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INTEROFFICE MEMORANDUM

Date: 20-Jan-1994 09:43am PST
From: Tom Schroeter
TSCROETER
Dept: Energy, Mines & Petroleum Res.
Tel No: 660-2812

TO: Ron Smyth - Min. of EMPR (RSMYTH)
CC: David Lefebure (DLEFEBURE)
CC: Bill McMillan (WCMILLAN)
CC: Paul Matysek (PMATYSEK)
CC: Gib McArthur (GMCARTHUR)

Subject: MEG Talk-HUCKLEBERRY

HIGHLIGHTS: Intro. by Alvin Jackson (consultant on project)
Speaker: Kelly Illebrun, contract consultant in charge, Smithers

- * 86 km SW of Houston
- * 1961-disc. by Kennco. '61-'70: follow-up by Kennco.
- * '72-'74: Granby. '89-'90: Noranda (looking for precious metal content)
- * '92" New * '92: New Canamin (Define high grade core in Main zone)
- * Main Zone: 31 mt @ .52% Cu (.4% Cu cut-off)-570m X 275m X 275m
- * DDH 93-26 in proposed tailings area= 25 ft. of .905% Cu.
- * 35,000 ft. of ddh on East Zone, incl. 93-33= .96% Cu over 340 ft.
- * Main Zone 'core'= 32 mt @ .63% Cu.
- * Airborne geophysics, recommended by Kennco (jt. venture partners) consisted of 750 line km by Aerodat (incl. EM, mag, VLF and radiometrics). Good mag-low signatures (flanked by mag-highs). Drilled one hole on mag-low BETWEEN the Main and East Zones and bottomed in mineralized intrusive assaying > .5% Cu. To be followed up by Feb. drill program.

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- * Large-scale NW 'trend' defined by airborne geophysics, incl. Huckleberry, Whiting Creek, and Berg.
- * Resistivity lows, 3-D contoured magnetic maps also outline 'trend'.
- * Far East showing (examined by Noranda)-good Au soil anomaly to be tested.
- * Host intrusive-bio-fsp granodiorite Bulkley Intrusion (82Ma)
- * Host volcanics/volcaniclastics-Hazelton Gp. (Telkwa Fmn.- 135Ma).
- * Right-lateral fault (NW) thru the East Zone (downdrop on east side); also NE faults.
- * East Zone- width of 200m, deepest hole= 1040 ft.
- * Alteration: 'conventional'. potassic zone = bio. hornfels (predom. in volcs.) Late-stage overprint of phyllic alt'n and retrograde chlorite.
- * Mineralization: cpy with minor MoS₂, bn, and native Cu. Au av. 60ppb; Ag-4ppm
- * Minor albite (incl. banded veins)
- * Late-stage gypsum/anhydrite
- * Current Mineral Inventory: 100mt @ >.5% Cu (.35% cut-off)
- Starter pits identified; 5-6 yr. life @ .6% Cu.
- * Metallurgy: 95% recovery of Cu; 27.1% Cu in conc.; > \$1/tonne (Au+Ag) in con.
- * Open pit @ 9000 tpd
- * Strip ratio (at start-up) est.= <1.

- * Ship concentrates to west i.e. Prince Rupert/Kitimat/Kemano
- * No deleterios elements (As, Sb, Hg)
- * Proposed tailings pond -to west
- * Expl'n plans: looking for > .7% Cu. Test Far East zone

Thank-you: Kevin Walker (?).

Cheers, Tom*