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Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, October 30, 1998 10:54 AM
To: Bergen, Wally; Cathro, Mike; Lane, Bob; Schroeter, Tom; Wilton, Paul
Cc: Burchett, Esther; Daniel, Catherine; Ennis, Sandee; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Konschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill
Subject: Weekly report, Oct 30, 1998

Attended Industrial Minerals conference on Oct 22-23.

Attended meeting of Regional Geologists in Kamloops (Oct27) and Rick Meyers farewell dinner.

Presented Mining and Exploration summary in Victoria (Oct 29).

Visited Teck and Placer Dome offices in Kamloops (Oct 26). Teck are encouraged with results of surface sampling for gold on the Jake and Kit properties. Continued low level exploration programs anticipated in 1999. Placer Dome are looking for outright sale of the Kerr (Cu-Au porphyry) and Sulphurets gold properties in the Iskut region, rather than an earn-in option. The company is concerned about environmental liability. Problem: majors (including Homestake) are not interested, juniors have no money.

Golden Bear mined 397,000 tonnes at Kodiak A at an average grade of 3.73 g/t Au. Of this tonnage, 259,000 tonnes at 4.08 g/t Au was stacked on the Fleece Bowl pad and 138,000 tonnes at 3.06 g/t Au was stockpiled for loading on the Totem Creek pad in 1999. Total gold recovery by heap leaching Kodiak ore is anticipated to be as high as 94%. About 36,000 oz of gold will be recovered this year (vs 32,000 oz forecast) at an excellent production cost of US\$ 149. Mining of the Ursa zone and operation of the Totem pad now appears certain to take place next year. (Due to low gold price there had been uncertainty) The small exploration drilling program on the Grizzly zone did not increase the estimated resource.

Imperial Metals optioned Ed Westgarde's (Houston prospector) Star claims near Chisolm Lake 45 km southwest of Houston and then staked a block of 200 units (CL claims). This is an interesting new porphyry copper showing with heavily disseminated and weak stockwork of chalcopyrite but very little pyrite in surprisingly fresh granodiorite. This was a new logging road discovery. Subdued outcrop extends away from the new road but there is little or no gossan developed. The company hopes to do a geochem survey before winter, and some percussion holes using existing roads.

Harmony Gold drilling and metallurgical program is getting underway. Drill target is an IP anomaly that extends 500 m north of the Specogna deposit. They may also drill a 1000+ meter deep hole in search of a high grade zone below the Specogna deposit. This would be a deeper cut than the deep hole drilled last year. The 4-tonne metallurgical sample is required to test more bio-oxidation options.

Hunter Dickinson staff stressed the extraordinary methods required to raise money for this B.C. project. They are actively looking for new projects to acquire, but due to the difficulty in raising international funds they are not considering new projects in B.C.

Homestake expect to continue similar level of exploration in the Iskut region in 1999.

Expansion of the Cassiar tailings pilot plant to full production could lead to 60 permanent jobs in the next year or two. Excellent market response to the chrysotile fibre product- buyers are so eager they will pay 60% of cost at the mine site, with the balance paid when it reaches Vancouver.