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INTEROFFICE MEMORANDUM

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From: Paul Wilton of EI
PWILTON
Title.
Dept: Ministry of Energy & Mines
Tel No: 426-1658

TO: See Below

Subject: Weekly Report - July 3rd/98

ISSUE: - Steve Coombes, regional manager for Kennecott, has expressed concern about frequent inspections of his exploration camp on Doctor Creek (Findlay project) by a MoE conservation officer from Invermere. This conspicuously armed individual shows up unannounced during the day when only the cook is present, inspects the facilities, and issues reports/orders to the cook. At no time has he attempted to contact Steve or anyone else in a position of authority for Kennecott.

This is similar to a couple of complaints we've had from other project people about independent camp and work site inspections by MoF staff. With the Ministry regularly tooting its horn about a commitment to "one-window" permitting with the new Minex code, I guess I have naively assumed that "one-window", or at least joint, inspections would be a logical next step. The clients I've spoken to who have had these experiences are not amused by what they see as harassment by over-paid (those uniforms and guns I guess give an impression of wealth) and under-worked civil servants.

Exploration News: - Kennecott's crew at Findlay Creek is forging ahead with mapping, geophys. & geochem. on the large block of claims optioned from Miner River Res./Eagle Plains Res. Drilling will follow when targets are clearly defined. Steve has a budget of $1 million for work on the Purcell projects this year; at least half will be spent at Findlay and the remainder on the Irishman project due to start in August.

- By next week sometime I hope to find out from Hastings Management whether they (Sedex and Abitibi) will have succeeded in raising any funds for work on the their major holdings in the Purcells. A 4-day "show & tell"last week they staged for stockbrokers & potential investors was seen as a last gasp attempt to raise some money. I estimate that the total cost to complete all of the drilling for which they have already submitted NoW's would be about $4.8 million! None of this proposed work is on moose pasture - every target is well supported by geological and geophysical indications put together from last year's program.

- Miner River/Eagle Plains is due to mobilize a crew to Greenland Creek next week for mapping and geophys./geochem. Tim Termuende ~~is still having~~ little success in raising enough money to further drill the sulphide discovery made there last year. (Karen Campbell's son Jesse is on the field crew going in next week so this is one project we will probably get regular updates on).

- Consolidated Gold City Mining has sold 100% of its interest in the Caramelia gold project at Camp McKinney to Big Blackfoot Res., the current project operator, for $200,000 and a 2% NSR. Tom Schroeter reported that Big Blackfoot has raised $327,000 toward the $750,000 drill program proposed after it completed the small program earlier in the year (which really got boo-all in the way of gold assays - ed. comment)