

INTEROFFICE MEMORANDUM

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Sodi

Jodi
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Created: 04-Mar-1998 03:27pm PST
Sent: 04-Mar-1998 03:52pm PST
From: Paul Wilton of EI
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TO: Dave Lefebure of EI at MSEXchang (DAVE.LEFEBURE@GEMS8.GOV.BC.CA@GEM
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CC: Ron Smyth of EI at MSEXchange (RON.SMYTH@GEMS4.GOV.BC.CA@GEMS)
CC: Tom Schroeter of EI (TSCHROETER)

Subject: Jodi/Sly Project

You may recall when you were soliciting recommendations for porphyry properties to be considered as potential targets for Chris Ash's new porphyry study, I suggested the Jodi/Sly Mo/W porphyry/skarn prospect east of Crawford Bay, which I feel has significant size potential and interesting and enigmatic geology. If it is still on your "possible" list, maybe we should re-think.

I learned today that the current operators, the JV of Barkhor Resources & Newen Enterprises, have defaulted on their option agreement with the property owners and have a long list of unpaid wages and bills. The drilling contractor has not received payment of any of its invoices and is launching legal action. Dave Pighin has frozen all access to the drill core, assay results and geological reports until he gets paid for managing the project. (That, I now realize is why there have been no recent press releases). The situation seems to have become quite acrimonious and may take a while to resolve. This would not seem to be the time for Chris to be approaching any of the parties for access to the property or drill core in order to research the geology.

I still think it's a fine prospect which should be considered in the future. I'll keep you posted.

Paul.

I N T E R O F F I C E M E M O R A N D U M

Created: 12-Dec-1997 09:59am PST
Sent: 12-Dec-1997 01:21pm PST
From: Paul Wilton of EI
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TO: See Below

Subject: Weekly Report - 12 December 97

- The major interest this week is in the drilling results reported by the JV of Barkhor Res. and Newen Res. (50:50) at the Jodi/Siy prospect on Baker Creek just east of Gray Creek Pass (82F/10E). This program, which started early in the year as a low-budget test of statabound zinc in the Mt. Nelson Fm. found by Gord Johnstone in 1995 while prospecting with a PA Grant, has literally migrated and evolved into a well-financed test of a molybdenum porphyry prospect with good grade and size potential. Dave Pighin, on contract to the JV, is managing the program.

The zone being tested is an old Mo occurrence called Baker (MI 082FNE004) which was found by Cominco in the late '70's and drilled by them in 1980. Cominco outlined a strong Mo/W/Zn soil anomaly which is 200m wide and at least 1200m long. Barkhor's sampling this year has confirmed the anomaly. Cominco's drilling returned very good Mo grades over significant thicknesses but they abandoned the property at that point.

When I visited the site yesterday, the drill was working on the 7th hole of the current phase (approx. 2100m so far). They plan two more holes before breaking for Christmas and may continue into the new year if snow conditions allow.

The only assay results received so far are for a portion of the 4th hole on the zone but they averaged 0.0769%Mo over 29.0 metres which compares favourably with the most recent published grade (that I could find) of the reserves at Endako (0.077%Mo). The best Mo mineralization occurs in a stockwork of very thin quartz veins in a shattered, sericite-rich, phyllitic, white quartzite which is interbedded with pyroxene-garnet skarn-altered dolomite with disseminated scheelite. Aplite and quartz monzonite dykes and plugs are frequent. A reasonable expectation is that these shattered and altered Mt. Nelson rocks form a thin shell over a buried portion of the Bayonne batholith (Cretaceous). Evidence of hydrothermal alteration is not strong but there is a lot of metal around and only a small part of the anomalous area has been tested. ICP on the assayed portion shows no significant gold, which is probably a plus these days!

Of interest to the GSB, an analyst from Yorkton Securities was poring critically over the core when I arrived yesterday - Art Ettliger.

- Jim Laird of Anglo-Swiss Industries confirmed that he's collected over 700 soil samples this fall from a grid west of Eagle Creek on the Kenville mine property near Nelson. A Cu/Au/Ag/Mo anomaly 250m by 800m in extent has been outlined with Cu ranging up to 6215 ppm and Au up to 1970 ppb. (Teck paid for the analyses). No drilling has been done, or will be done, this year but he has plans for geophysics, drilling and possibly u/g drifting next spring.

- Dennis confirms that IMP Industrial etc., etc. has begun drilling on the Black Crystal graphite prospect on Hoder Creek. Between 25 and 30 holes are planned with max. depth for each at 150 metres. This is supposed to be core drilling and may finally shed some light on the potential of this over-promoted property.

previously recovered". I have no idea at this time who did the drilling or when or what a "lead node" is.

- The East Kootenay Chamber of Mines/MEI industrial minerals workshop being organized by Rick Walker and now firmly scheduled for May 29th to June 1st in Cranbrook has been advertised as a new course in the College of the Rockies' Community Education brochure recently delivered to homes in this area. The fee is \$200 and registration is to be done through the College with a deadline of May 8th. I talked to Rick this AM and encouraged him to prepare a proper notice which can be posted and distributed widely, identifying the instructors. The involvement of the College is important but we are not targeting just a general interest audience of local folk. There's lots of time yet, though - the course is almost 5 months away.

Duncan Lk. Jodi
Drilling at Barkhor's Jodi/Sly Mo/W prospect on Baker Creek and at Cominco's Duncan Zn/Pb property at Duncan Lake was suspended just prior to Christmas. Work is expected to resume at both properties in the near future.

Sullivan
No work has started at Cominco's proposed (and permitted) deep drill hole on Mark Creek, intended to further test the "missing piece" of the Sullivan. Whether the program will proceed at all is still being considered by the company (CONFIDENTIAL).

- thazawlfarnow - HPW.

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W. Han Jan. 9/98