

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

Kenville  
884559

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

Title.  
Dept: Employment & Investment  
Tel No: 426-1658

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/Sly 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 Ettlenger.

- 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.