

884641
Klinker

TFS → RG
- Kamloop

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, March 01, 2002 11:52 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Smith, Don; Smyth, Ron EM:EX; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to Mar 1, 2002

Rainbow
HIGHLIGHTS:

Afton Area (Abacus Mining and Exploration Corp) - closed \$550K financing which will be spent on the seven properties optioned from Teck Cominco et al. The main focus will be the Rainbow property which hosts the Rainbow #2 and #17 zones. Both are breccia-hosted, alkalic porphyry Cu-Au deposits. Previous work by Teck indicated locally enriched palladium values in the Rainbow deposits (e.g. hole 95-22 hit 33 m grading 0.74% Cu, 0.18 g/t Au and 0.62 g/t Pd).

IMS **Kettle Valley Stone Co.** - Demand appears strong and sales are growing again after a sharp post-Sept 11 slowdown. Product for several large projects in California was being manufactured at the time of our visit on 1/28. Unfortunately the company is suffering from cash flow problems and new investors are being urgently sought. KVS sold approx \$1.6 million in product in 2001 and recently bought a 36" circular saw (\$110K) to cut large blocks. Several new products are being test marketed, including "tumbled pavers" of dacite and basalt.

Klinker **Okanagan Opal Inc.** - Madu and Cathro visited the Vernon shop and borrowed specimens for display at the BC booth at PDAC. Owner Bob Yorke-Hardy indicates that their business is just now starting to pick up again after their Sept. 2000 move from their previous location, which was expropriated by MoTH for a highway interchange.

EXPLORATION NEWS:

Tulameen (Bright Star Ventures) - expanded land position with acquisition of 48-unit J&L property on Olivine Mountain.

Goldstream (Orphan Boy Resources Inc.) - \$40K financing.

OTHER:

Attended a very useful workshop on "Bringing Science Alive in the Classroom" on 2/28, put on by Scientists and Innovators in the Classroom (SIS).

Prospectors Assistance Program - evaluated the final three reports (Javorsky, Hegge, Ridley).

PDAC - leaving next Fri (Mar 8), in order to supervise BC booth set-up on Mar 9.

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

Direct Line: (250) 554-5377
General Inquiries/Messages: (250) 554-5370
Autotel: (250) 372-6757
Fax: (250) 554-5384
Email: mike.cathro@gems2.gov.bc.ca

TGS → Klinker

Schroeter, Tom EM:EX

From: Okanagan Opal Inc.[SMTP:okopal@junction.net]
Sent: Friday, October 13, 2000 10:01 AM
To: Schroeter, Tom EM:EX
Subject: RE: Your e-mail.

Hi Tom:

I think the time related to having to relocate our business during our peak season cause a few frayed synapses. We had to re-print all our brochures and did not get the new ones distributed to everyone. One way to post something would be to print off the digging page (and or other pages) from our website at <www.opalscanada.com> We will send some brochures.

Our website has been updated showing our new shop at which we, in addition to trying to develop a market for BC Opal, act as "tourist guides" giving an overview of our project, the mining industry and the Okanagan (BC) in general. We have not been able to get assistance from the Ministry of Tourism regarding a Highway sign --- they consider us as a "retail store".

The "forced" move came at a very difficult time; and as it turns out inappropriate time as well. It appears that the project scheduled for a September 1, 2000 start will not start for three+ years. The Highway's Department stated that they would make us whole but this has not yet happened. They too are treating us as a "retail store" when considering "impacts" on our business. We wonder how many (w)holes they are try to make of (in) us. Our costs are double at this new location and we do not have ownership (lease with option) of the new site.

Further, our application for 20% tax credit for our 1998 (and subsequent) exploration has been held up by Revenue Canada (CCRA) who say that we are in production not exploration. This is a direct loss of \$35,000 to \$40,000 to us for 1998 and 1999. We have tried to get help from the BC MEM but so far nobody wants to "get involved" in helping to explain what we have done by examining the work and providing advise. This ruling would also negatively affect all of our "flowthrough share investors".

Further, Revenue Canada has re-assessed my personal tax credit application. They also have assessed me for personal use of our company vehicle because I cannot prove that it was used over 90% for business.

Further, our Okanagan Opal Inc. financial statements have been audited. The CCRA has assessed GST on Option Payments received in 1996 and want \$28,000 plus penalties mounting to about \$10,000. NOBODY PAYS GST ON OPTION PAYMENTS.

In the meantime, as for mineral development, we are trying to put together what we believe can be a substantial industry in the Okanagan and throughout BC (since other opal deposits have been located). The red tape and speed bumps seem destined to delay this. We have proven a sufficient reserve of commercial grade opal at our deposit to support commercial production but cannot interest anyone in helping to develop it.

*

**CHEERS,
Bob**

At 08:04 AM 10/13/2000 -0700, you wrote:

>To: Bob Yorke-Hardy

>Thanks very much for the kind invite. Bob - you may recall that early last

>June I had a nice chat with you on the telephone and requested that some of

>your brochures/promo materials be sent to me in the Vancouver Mineral

>Development Office. I'm not sure what happened, but I never received

>anything. If you have anything which you would like us to 'promote' here in

>Vancouver, please pass it along. Have a great Grand Re-Opening! Cheers, Tom.

Okanagan Opal Inc.,

P.O. Box 298,

Vernon, B.C.

Canada V1T 6M2

Office Ph: (250)542-5173

Shop Phone (250)542-1103

Fax/Voice Mail: (250)542-7115

E-mail address: okopal@junction.net

Website address: opalscanada.com

Attention: Alana or Bob Yorke-Hardy

VOS → K/11/2

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Friday, October 13, 2000 8:04 AM
To: 'Okanagan Opal Inc.'
Subject: RE: Grand Opening of New Shop October 20 to 22.

To: Bob Yorke-Hardy

Thanks very much for the kind invite. Bob - you may recall that early last June I had a nice chat with you on the telephone and requested that some of your brochures/promo materials be sent to me in the Vancouver Mineral Development Office. I'm not sure what happened, but I never received anything. If you have anything which you would like us to 'promote' here in Vancouver, please pass it along. Have a great Grand Re-Opening! Cheers, Tom.

From: Okanagan Opal Inc.[SMTP:okopal@junction.net]
Sent: Thursday, October 12, 2000 10:07 PM
To: dqaleay@us.ibm.com; chbc_artroom@chbc.com; towneth; Clayton Shultz; Inge van Oostveen; marchon@home.com; Simandl, George EM:EX; Paubob@aol.com; John Mattinson; Enderby & District Chamber of Commerce; Cory Martin - McCormick, Inc.; Alan Fleming; ron streater; randylord@home.com; winrobertson@hotmail.com; Schroeter, Tom EM:EX; Barry J.Price; Dirk Schmid (E-mail); Rick Hudson; Bill Burchell; info@windrivers.bc.ca; adventureworks@mailcity.com; Patrick Allen; kalamalka@unikal.com
Subject: Re: Grand Opening of New Shop October 20 to 22.

<<File: THEOPAL MINERS - INVITE 2.doc>><<File: ATT1139245.txt>>

Hello All:

For those of you that are not already aware, the Ministry of Transportation and Highways expropriated our old shop site at the Hwy 97/97A jct. We moved out over the summer while trying to keep things together. We have now relocated.

If any of you happen to be in the Okanagan during the weekend of our Grand Opening (October 20 to 22) please take time to drop in. Invitation attached.

Cheers,
Bob

VOS → Klinker

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Wednesday, June 14, 2000 10:54 AM
To: Simandl, George EM:EX
Subject: RE: Klinker Opal
Sensitivity: Private

Thanks, George. Have a good summer. Tom.

From: Simandl, George EM:EX
Sent: Wednesday, June 14, 2000 10:45 AM
To: Schroeter, Tom EM:EX
Subject: RE: Klinker Opal
Sensitivity: Private

Yes . Their office will be moving to Downtown Vernon.
I have limited access to my files. Phone no:250-542-5173. Sorry I do not have E-mail here.
George.

From: Schroeter, Tom EM:EX
Sent: June 12, 2000 8:16 AM
To: Simandl, George EM:EX
Subject: Klinker Opal
Sensitivity: Private

Aug. 21/00
Never rec'd anything from BYA!

George, what is the current status of this property? Is it still a 'commercial' operation i.e. can the public visit, pay an hourly fee to propsect/collect opal? Does the operating company have a website and/or a contact we can direct people to? Thanks - have a good summer. Tom.

VOS tel. Bob Yorke - Hardy (owner, Klinker)
'Escorted' tours only on Fri./Sat./Sun.
- \$30/person
- up to 5 lbs of material (incl. from low-grade stockpile)
- not allowed to go/sample working face
- tour includes 'shop' where opals are 'processed' + discussion
- Bob mailing brochures.

VOS