

Schroeter, Tom EM:EX

884765
Ladybug

TJS → Lady A

From: Houle, Jacques EM:EX
Sent: Friday, January 24, 2003 4:23 PM
To: Hall, Ted EM:EX
Cc: Jakobsen, Dorthe SRM:EX; Randall, Alf EM:EX; Reid, Bruce EM:EX; Taje, Eddy EM:EX; Wishlow, Wayne EM:EX; Cathro, Mike EM:EX; Lane, Bob EM:EX; Terry, David EM:EX; Wojdak, Paul EM:EX; Schroeter, Tom EM:EX; Lefebure, Dave EM:EX; Grant, Brian EM:EX; McArthur, Gib EM:EX; Logan, Jim EM:EX; Simandl, George EM:EX; Ryan, Barry EM:EX; Webster, Ian EM:EX; Marshall, James EM:EX; Lett, Ray EM:EX
Subject: Houle Multi-Weekly Report for December 21, 2002 to January 24, 2002
Sensitivity: Confidential

Industry/Client Activity:

- **Beau Pre Exploration Ltd. Victoria Area Valentine Mountain (MINFILE 092B012,-075) Au-Ag Quartz Vein Project Update:** Bob Beaupre, company president, reports that Beau Pre has posted a \$9,000 reclamation bond with the Ministry in preparation for a bulk sampling program designed to feed the KDS Micronex plant, which has yet to be installed on site; prospecting work and planning for a proposed 'deep' (2, 150m. hole) drilling program are in progress.
- **Cliff Rennie Ladysmith Area Lady (MINFILE 092B029,-033) Magnetite-Hematite-VMS? Project Update:** Cliff Rennie, president of Better Resources, researched and staked these developed prospects which are categorized in MINFILE as Algoma Iron Formation, on his own behalf; Cliff is targeting distal VMS potential (Sedex?) potential of these occurrences hosted by the cherty sediments of the Paleozoic Sicker Group; Dani Alldrick of the GSB has provided some timely and appreciated technical assistance to Cliff on this project, as has Jan Peter of the GSC who previously mapped in this area.
- **Emerald Field Resources Port Renfrew Area Pearson (MINFILE 092C025,-68,-91,-92,-141,-142,-147) Magmatic Ni-Cu-Co-PGE Project Update:** Al Mowatt, president of Emerald Field, indicates that the company is going public, and has spent just about \$100,000 in 2002 on the project; he also released a summary report by Sean McKinley (ex-Boliden-Westmin) on the project, who provides compelling indications for the potential of layered magmatic Ni-Cu-Co-PGE mineralization existing near the cluster of Fe/Cu skarn occurrences on the project area.
- **Barry Hanslitt Port Alberni Area various (MINFILE 092F078,-167,-285,-444,-565) Au-Ag-Cu Quartz Vein Projects Update:** Barry Hanslitt, prospector from Nanaimo, has staked several MINFILE occurrences within the Paleozoic Sicker Group rocks exposed east of Port Alberni and is planning to drill some of the occurrences this summer.
- **Michael Becherer Port Alberni Area Debbie (MINFILE 092F079,-152,-343,-445,-458) Au-Ag-Cu Quartz Vein Project Update:** Michael Becherer, consultant from Black Creek, has finally secured the Debbie Project from Boliden-Westmin and filed a notice of work application to begin surface and underground exploration this summer.
- **Leader Mining International Inc. Hope Area Cogburn (MINFILE 092HSW041,-81) Magmatic Mg Project Update:** Leader reported the status of the feasibility study components as of Dec.23; expenditures in 2002 are reported at about \$1.7 million and the feasibility study is anticipated to be complete by March, 2003 for a total cost of about \$2 million.
- **Northern Continental Resources Inc. Harrison Lake Area Harrison Gold (MINFILE 092HSW092) Au Quartz Vein Project Update:** Northern Continental have filed a summary report by consulting geologist Barry Price to the securities commission, in anticipation of a public offering to raise exploration funds for 2003; they plan to undertake surface drilling and preliminary underground work, for which notices of work are expected shortly from Godfrey Walton, VP Exploration.

Government/Ministry Activity:

- **Exploration and Mining in B.C. - 2002 Update:** Progress is on schedule for the annual publication, with all Part A manuscripts now through the editing process, and Part B manuscripts starting to get to editor Bill McMillan; Janet Holland of the GSB expects to return to her position (from the Minister's office) by February 3, in time to desktop EMBC (hopefully); the printing contract with TPH of Vancouver is being processed by the External Relations Branch; some Part B papers have been deleted by the authors due to lack of time to prepare; the publication is still on track for completion by March 7 in time for PDAC in Toronto.
- **Cordilleran Roundup - 2003 Update:** All posters and handouts are complete for the poster session on January 27, including the Southwest Regional Review poster, 2 Ni-Cu-PGE Staking Areas posters (Port Renfrew - Sooke area and Harrison Lake - Hope area) and handouts; Southwest Regional EMBC paper handouts, Gold Opportunities in

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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, October 22, 1999 11:48 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Madu, Bruce; McArthur, Gib; Payie, Garry; Pinsent, Robert; Schroeter, Tom; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 10/22/99

HIGHLIGHTS:

Ladybug (Cross Lake Minerals Ltd) - Drilling of 5 holes (about 300 m) has been completed on this interesting new zinc-silver-lead-copper prospect located north of the village of St. Ives, and about 5 km west of Shuswap Lake. Three separate zones (two of which were "blind" geophysical-geochemical targets) are now confirmed to contain sphalerite mineralization. Assays are awaited. (Note: PAP support to Dave Pipe in 1995 and Leo Lindinger, who discovered the main showing in 1998.)

Cam-Gloria (Teck Exploration Ltd.) - No assays are available yet, but drilling of 4 of 8 holes have been completed on this exciting intrusion-hosted gold prospect located west of Adams Lake. Trenching, drilling, mapping, prospecting and VLF geophysics indicate that the mineralized zone is actually considerably wider and longer than previously thought. (Note: discovered by follow-up of an anomalous GSB till sample from 1997; PAP support to Camille Berube in 1998.)

Goldstrike (aka Bizar; Cassidy Gold Corp.) - Currently drilling on the second hole of a 3-4 hole program on this new gold-bismuth-copper prospect hosted in metamorphic rocks, located near Blue River. This is essentially wildcat drilling as very little surface work has been done. (Note: PAP support to Leo Lindinger who discovered the showing in 1998.)

Aumax (Gold-Ore Resources Ltd.) - Excavator trenching was underway this week on this new silver-gold prospect located near Lillooet. Mineralization was uncovered in outcrop in one place, although several of the "showings" were found to be large boulders in till. Additional soil sampling and geological mapping is probably necessary. (Note: this property was recently optioned from Gary Polischuk who was supported by a PAP grant this year.)

BTE (Rio Algom Exploration Inc.) - Drilling of one hole to start shortly on this "blind" grassroots porphyry copper target located SW of Williams Lake. The area is covered by till and and Tertiary basalt.

Poet Claims (Cleve Lowry, prospector) - field visit on 10/21 with Al McNutt (Rio Algom Exploration) to this very interesting zinc prospect at Adams Lake (MF 82M057). Coarse grained buff and grey sphalerite occurs in silicified limestone of the Tshinikan member (Early Cambrian). There is no galena and only very rare traces of pyrite and chalcopyrite. Mineralization can be traced for over 300 m in outcrop and float. One drill hole from the early '80's hit 1 m of sphalerite but was not assayed. Unfortunately, the best outcrops are on the beach! A tough location to develop a mine.

Ashcroft Quarry (IKO Industries) - complaints about "inadequate consultation" coming from a local native band threaten to delay this important project.

Christopher James Gold Corp - strange news release (10/18/99) saying that exploration is about to begin on the Brassie Creek, Silver Lake and Big Kidd properties, despite the fact that drilling is actually finished at Brassie and Big Kidd. The directors seem to be out of touch with the field staff!

Eco-Tech Laboratories Ltd. John Laitin, manager, advised that Eco-Tech, based in Kamloops, will no longer be doing mineral analyses and assaying after December of this year, but will focus on environmental work. The reason is the slowdown in the mining industry and the lack of business. John and 4 or 5 other employees will lose their jobs. This is an unfortunate loss because Eco-Tech has been a very strong supporter of the Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, October 01, 1999 10:05 AM
To: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Lefebure, Dave; Madu, Bruce; McArthur, Gib; Payie, Garry; Pinsent, Robert; Schroeter, Tom; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 10/01/99

HIGHLIGHTS:

Gold price at \$305 today, up about \$50 per ounce from last week. Should help exploration if it holds or keeps heading higher.

Goldstrike-Bizar (Cassidy Gold Corp) - Notice of work received for an 8 drill hole program on this gold property located near Blue River. This prospect was discovered in Sept/98 by Leo Lindinger whiel working on the PAP grant.

Ladybug (Cross Lake Minerals Ltd.) - 3 holes totalling about 330 metres will be drilled shortly on this property near Shuswap Lake. The target is stratabound Zn-Pb-Ag mineralization in metasedimentary rocks. Field work this summer has defined several strong, coincident soil geochem, I.P. and mag anomalies. This is another Leo Lindinger property from the 1998 PAP.

Big Kidd (Christopher James Gold Corp) - This alkalic Cu-Au porphyry prospect is located near Aspen Grove on the Okanagan Connector. Tom Schroeter and I visited the drill site on Sept. 27 with consultant Ron Wells and property vendor Ab Ablett. Drilling was underway on hole 99-2 which is designed to test the North Breccia target, an area of Au-Cu mineralization hosted by intense potassic altered breccia. Two additional holes (total of four) are planned in this area. Previous drill holes in this area have intersected the following grades at depths of about 180 m below surface:

Hole#	length (m)	Au g/t	Cu %
92-01	70.45	0.75	0.20
97-04	59.56	0.927	0.178
incl.	18.00	1.970	0.284
97-05	116.00	0.801	0.124
incl.	19.46	3.090	0.113

Northwest Copper (International Jaguar Equities Ltd.) - Jaguar announced that they have drilled 3 holes totalling 667 m on this copper-silver "porphyry" prospect located SW of Williams Lake. Results are poor (best intersection was only 4.4 m grading 0.18% Cu) and drilling is finished for the year. A huge volume of shares traded last week (tops on the VSE), with lots of hype about expected "40% copper grades" and "visits from major companies" on internet chat groups. Disappointing.

B.C. Business Summit - Panel on Securing BC's Future - attended this Kamloops discussion forum on 9/30. Several presentations by geologists and prospectors regarding the low level of exploration, with suggestions for changes, mainly in the areas of land use policy, native land claims settlement, and taxation. Lots of statements from labour and social activists too.

Chinese Delegation - Hosted 5 officials from the Chinese Ministry of Geology and Mineral Resources, and the Ministry of Land and Resources, who are own a tour led by Dr. Rui Feng, President of Global Pacific Minerals. They were most interested in hearing about promotion of mineral opportunities here, permitting and royalty collection, and our nearly free distribution of BC gov't data. By comparison in China, the Provincial and County geological offices will not easily release to the public the results of geochemical surveys conducted at government expense, but try to keep it for their own use! In addition, they were surprised to find out that our regional offices do NOT get to keep royalties, taxes, administrative penalties, and fines. Just imagine the possibilities if we switched to that system.....

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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, August 20, 1999 1:10 PM
To: Beresford, Eric EM:EX
Cc: Adams, Rick EM:EX; Payie, Garry EM:EX; Britton, Jim; Brown, Derek; Lefebure, Dave; Madu, Bruce; McArthur, Gib; Pinsent, Robert; Schroeter, Tom; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 8/20/99

HIGHLIGHTS:

Bizar (Cassidy Gold Corp) - field visit on 8/19 with Jim Gillis (president of Cassidy) and Leo Lindinger (optioner) to this gold property located west of Tumtum Lake in the upper Adams River drainage (82M/14W). This occurrence was found in late 1998 by Lindinger while working on a PAP grant. High grade gold-bismuth-copper values occur in quartz-sulphide veins which cut biotite-muscovite schist and micaceous quartzite of the Shuswap metamorphic complex. Several new areas of mineralized float (up to 0.5 g/t Au), a soil anomaly (to 0.5 g/t Au), and an outcropping quartz-arsenopyrite vein (120 ppb Au with low Bi) have been located this field season. Cassidy is considering a trenching or small drilling program to further test some of these targets this fall. (CONFIDENTIAL)

Leo Lindinger (PAP grantee) - I also viewed a new area of mineralization discovered by Lindinger west of the Bizar property, while working on his current PAP grant. Cu (to 1700 ppm) and Mo (to 700 ppm) occur in sericite schist and in quartz veins cutting light coloured intrusive rock. Bi values are low and Au analyses were not available. (CONFIDENTIAL)

G Claims (George Wolanski) - 4 holes (approx 300 m) drilled to test Cu bearing garnet skarn mineralization near Little Fort. Interesting wollastonite-quartz-carbonate mineralization was intersected in all holes, to the surprise of everyone involved. This is hosted in greenstone of the Nicola Group.

Ladybug (Cross Lake Minerals) - The company has received encouraging results from IP and mag surveys conducted earlier this year on this stratabound Zn-Pb-Ag prospect located northwest of Shuswap Lake. Soil sampling is underway and trenching or drilling are contemplated for the fall.

Northwest Copper (International Jaguar Equities) - a drill is being mobilized to begin drilling this interesting copper prospect located west of Taseko Lakes.

Pellaire (International Jaguar Equities) - Surface mining of high grade gold ore is underway on veins 3, 4 and 5. Approx 800 tonnes have been trucked to the camp. Assays are awaited before a decision is made on which loads to ship to the Trail smelter. This property was visited on Aug 12-13.

Brassie Creek (Christopher James Gold Corp) - drilling of 2-3 holes is underway on this skarn Zn-Cu-Au prospect located on the north margin of the Guichon Cr. batholith near Wallachin.

Z-1 Zeolite quarry (Mountain Minerals) - Dynatec Corp. has bought a 35%, controlling interest in Highwood Resources Ltd. (which controls Mountain Minerals) from the receiver of Royal Oak Mines Inc. This may have an effect on this small, intermittent zeolite quarry located near Cache Creek.

Upcoming:
Aug 24-25 - Lillooet area field visit (Polischuk, PAP grantee)
Aug 27-Sept 1 - Vacation
Sept 2 - Lead Afton tour for U Vic geology field class

Mike

Mike Cathro

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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, August 06, 1999 11:48 AM
To: Beresford, Eric EM:EX
Cc: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Lefebure, Dave; Madu, Bruce; McArthur, Gib; Payie, Garry; Pinsent, Robert; Schroeter, Tom; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 8/6/99

HIGHLIGHTS:

Ladybug (82M/03E) - Cross Lake Minerals Ltd. (Jim Miller-Tait) have completed a surface mag and IP survey on this Zn-Pb-Ag prospect located west of Seymour Arm, Shuswap Lake. Results were encouraging and a second notice of work for trenching and possibly drilling has been submitted to this office. Mineralization is stratabound and consists of galena, sphalerite and magnetite in skarned limestone of the Shuswap Metamorphic Complex. (Note: this prospect was discovered by geologist Leo Lindinger in 1998 while working on a Prospectors Assistance grant.)

Pellaire (Int. Jaguar Equities Ltd.) - Approx 800 tonnes of high grade gold ore have been mined from No. 3 vein on this property located SW of Williams Lake. Jaguar's plan is to now truck the ore to smelter, rather than use a gravity separation plant as was originally planned. Surface work may begin early next week on the NW Copper prospect, located adjacent to Tsy:los Park. The company is receiving threats from locals and natives over their current and proposed activities.

Christopher James Gold Corp - Co. has appointed a new President, the third in about three months. He is Dave Taylor, a Kamloops businessman. Drilling is still planned for Brassie Cu-Zn-Au-Ag (near Wallachin) and Big Kidd Au-Cu (near Aspen Grove). Trenching is planned for Silver Lake Cu-Au-Ag (near Little Fort).

Heffley Lake (92I/16) - field tour of Cu-Au skarn mineralization and regional geology with D. Lefebure and mappers G. Ray and I. Webster. Garnet-pyroxene-magnetite skarn is developed where siliceous, pyritic dikes (diorite?) intrude grey limestone (Nicola Group?). The magnetite is anomalous in lanthanum and cerium (rare earth elements) and Gerry is studying this deposit to determine if it has similarities to other important iron-uranium-rare earth deposits (e.g. in Chile). To the south of the lake, magnetite-rich mafic intrusive rocks and k-spar megacrystic syenite intrude fossiliferous grey limestone of the Harper Ranch Fm.

Rexspar (82M/12W) - field visit with Lefebure, Ray and Webster to this unusual uranium-fluorite-rare earth mineral property located a few kilometres southeast of Clearwater. The access road is heavily brushed in and has a moderately bad wash-out in one place. No work has been done since the early 90's when American Bullion Minerals attempted to get a permit to do exploration on the main fluorite zone (2.3 million tons grading 21.3 % fluorite is reported). Uranium mineralization occurs in separate (but adjacent) zones to the fluorite, and is hosted in pyrite and phlogopite altered, brecciated, k-spar rich trachytic syenite.

Mike

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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, December 11, 1998 9:50 AM
To: Jones, Larry EM:EX
Cc: Hoy, Trygve EM:EX; Lefebure, Dave EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX
Subject: Ladybug prospect (PAP grantee Leo Lindinger)

Larry and others:, here is some good news for the PAP. I believe Ladybug may actually turn out to be stratiform, Shuswap type mineralization (as opposed to skarn) however, more work is needed to know for sure.

(Note to Larry: I will add some of this info to the MINFILE write-up and get it down to you.)

VANCOUVER, BRITISH COLUMBIA--Cross Lake Minerals Ltd. (the "Company") is pleased to announce the following property developments:

Ladybug Property

In a continuing attempt to enhance its portfolio with high potential, low-cost mineral properties, the Company has, subject to all necessary approvals, acquired an option to earn a 100 percent interest in the zinc-silver Ladybug Property located in the Kamloops Mining Division, 5 km west of Seymour Arm of Shuswap Lake and 50 km northeast of Chase, British Columbia.

The Company may earn its interest by making \$90,000 in option payments and incurring \$375,000 in exploration expenditures over four years and by granting the vendors a 2 percent net smelter return which may be purchased by the Company at any time for \$1,000,000 for each 1 percent. The Company is required to make an initial payment of \$5,000 upon receipt of all necessary permits with an additional payment of \$5,000 and exploration expenditures of \$30,000 to be made, at the Company's option, one year thereafter.

The showings on the Ladybug Property consist of skarn mineralization with sphalerite, galena, magnetite and chalcopyrite occurring as disseminated, stringer and massive sulphides. The weighted average of the most exposed outcrop channel samples assayed 1.90 percent zinc, 78.2 grams per tonne silver, 0.19 percent copper and 1.12 percent lead over a width of 9.0 metres with the highest channel sample assaying 7.42 percent zinc, 550.0 grams per tonne silver, 0.92 percent copper, 6.65 percent lead over a width of 0.5 metres. Smaller outcrops with similar mineralization and grade as represented over the 9.0 metre interval occur 40 metres to the southwest and 30 metres to the northeast with glacial cover in between the outcrops which will require testing. The geology is favourable for strike continuity as there are several known zinc-copper-silver showings located approximately 700 metres to the northwest of the sampled outcrop.

The Company intends to carry out a program of Induced Polarization

+ soils in '99

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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, December 11, 1998 11:11 AM
To: Beresford, Eric EM:EX
Cc: Britton, Jim; Brown, Derek; Lane, Bob; Lefebure, Dave; Madu, Bruce; McArthur, Gib; McMillan, Bill; Pinsent, Robert; Schroeter, Tom; Wilton, Paul; Wojdak, Paul
Subject: Weekly Report to 12/11/98

HIGHLIGHTS:

Red Hill (Teck Exploration) On Wed. I briefly visited this VMS Cu-Zn-Pb-Au-Ag prospect south of Ashcroft, and viewed core drilled in recent weeks (5 ddh, approx 750 m). Mineralization is hosted in felsic-intermediate volcanics interpreted by E. Childe (1997) to be part of the Early Triassic Kutcho Assemblage. In the few boxes I examined, mineralization consists of pyrite beds and veinlets in chlorite and epidote altered rocks, and has the appearance of a footwall stockwork zone. Four of the five holes were drilled southwest of Highway #1, away from the obvious alteration/mineralization which is easily visible on Red Hill to the east of the highway. Assays are pending.

Ashcroft plant (C2C Mining) - While in Ashcroft I briefly viewed ongoing construction at the new absorbants/kitty litter plant, located adjacent to the CN tracks. Four large silos and a horizontal drying kiln (?) were being assembled by a crew of about 6 people.

Ladybug (Leo Lindinger/Dave Pipe) - News Release from Cross Lake Minerals Ltd. announcing that they have optioned this Ag-Zn-Pb-Cu property located west of Seymour Arm, Shuswap Lake. The company will \$30,000 in the first year on IP and soil sampling (and trenching I bet). Cross Lake's sampling returned 9 metres of 1.9% Zn, 78.2 g/t Ag, 0.19% Cu, and 1.19% Pb. A high grade sample returned 7.42% Zn, 550 g/t Ag, 0.92% Cu and 6.65% Pb over 0.5 m. This project was supported by the Prospectors Assistance program in 1995 and 1998

Technical Liason Committee - Yesterday I attended my final meeting of this committee in Vancouver. Paul Wojdak will take over. We mainly discussed "alternative funding arrangements" for the GSB. There was guarded support for the GSB to begin discussions with industry associations on the idea of creating a **dedicated revenue stream for GSB**, funded in part, perhaps, by a new levy on claims or assessment work. In addition, there is also word that the government has agreed with the industry on **compensation regulations for expropriated mineral claims**. It will be based on the (fair?) market value with each side using "qualified evaluators" and a baseball-style arbitration system (i.e. arbitrator picks one or the other proposals).

Shuswap gold potential - Yesterday I met with Dave Kuran, Dave Gaunt, and James Moores of Homestake in Vancouver to discuss our compilation of Ft. Knox-Pogo gold indicators in 82M mapsheet. I left them a copy of the map and they seem genuinely interested in following up some of the gold-tungsten-moly anomalies in the area. **They are also interested in participating in a partnership to reanalyse RGS pulps for Ft Knox-Pogo indicators in southern BC**. Copies of this compilation map have also been given to Piacer Dome, Teck, Equity Engineering and several local prospectors.

Bralorne Mine - Coral Gold has acquired an option to purchase a 25% interest in return for cash payment and an assumption of debt. No one is on site.

Mike

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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, November 27, 1998 11:17 AM
To: Beresford, Eric EM:EX
Cc: Britton, Jim; Lane, Bob; Lefebure, Dave; Madu, Bruce; McArthur, Gib; McMillan, Bill; Pinsent, Robert; Schroeter, Tom; Wilton, Paul; Wojdak, Paul
Subject: Weekly Report to 11/27/98

HIGHLIGHTS:

Drilling began this week on the Red Hill Cu-Zn-Pb-Au-Ag VMS prospect near Ashcroft (Teck Exploration) and the Hefley Creek (DH claims) alumina prospect (Lafarge Canada). The latter is an anorthosite deposit which is optioned from prospectors Bill Hall and Dave Duguay. Lafarge has done mag/VLF surveys over the area and will drill nine 10 m holes to see if the deposit is appropriate for use as a source of Ca and Al in the Harper Ranch cement plant.

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new) Cominco has staked 52 units (KNEB claims) in the Monashee Complex northeast of Cottonbell (82M/10E). The claims cover the "CB 16-2" Cu-Fe occurrence (MINFILE 82M241) and extensions of the Cottonbell Pb-Zn-Ag stratigraphy. J. Britton and I both had discussions with Ken Pride of Cominco regarding the land use status of the area.

Blue River Calcite - LuVerne Hogg (C2C Resources) has re-acquired title to this property. Despite having filed a plan for exploration and small scale test mining this year, it was discovered that C2C had inadvertently let their claims lapse, and they were re-staked by prospectors Bill Hall and Dave Duguay. C2C has purchased the claims for a small amount of cash and everyone is happy!

Ladybug (82M/3) - PAP grantee Leo Lindinger has a tentative deal to option this Ag-Pb-Zn property located NW of Shuswap Lake to Cross Lake Minerals, a VSE company headed by Hank Ewanchuk. Legal work is yet to be finalized. Cross Lake would spend a minimum of \$30K on the property in the first year. Shuswap-style mineralization is hosted in calc-silicate bearing, metamorphosed carbonate, and siliciclastic rocks of probable Lower Paleozoic age.

Bizar (82M/14E) - Lindinger has also optioned his "Biz 1" claim to Cassidy Gold Inc., a VSE-listed company run by Jim Gillis and based in Kamloops. Cassidy must spend \$500K over four years (\$50K in the first year) to earn a 100% interest, subject to a 2% net smelter return. The claims are located about 1.5 km west of Tum Tum Lake in the Upper Adams River drainage, and about 15 km northeast of the village of Avola on the Yellowhead highway. They were staked in October under a PAP grant to cover an unusual, newly discovered, high-grade gold-quartz vein showing hosted by quartzite and mica schist/gneiss of the Shuswap Metamorphic Complex. I took two chip samples across a narrow vein with the following results:

WIDTH	Au ppm	Ag ppm	Cu ppm	Bi ppm	Mo ppm	Te ppm	W ppm	Co ppm	Ni ppm
5 cm	11.69	2.2	1939	769	30	5.9	60	318	292
20 cm	56.9	5.4	3423	38	13	1.3	18	151	140

Arsenic, antimony, lead, zinc, mercury, fluorine, and tin values were not anomalous. Although the veins discovered to date are narrow, no soil sampling and only limited prospecting have been done in the area. There is potential for a both high grade veins and stockwork or sheeted vein bulk tonnage deposits. Numerous intrusions of pegmatite and mid Cretaceous granitic rocks occur in the general area, which combined with the metal signature (particularly Bi, Mo, Te, W), suggest a setting similar to Pogo, Alaska (Teck/Sumitomo, 9.98M tons @ 0.52 opt Au) or Ft Knox, Alaska (161.8M tons @ .025 opt). The Bizar discovery strengthens the argument for grassroots prospecting for intrusion-related gold in the little-explored Shuswap rocks. Interestingly, it is near the north edge of 82M mapsheet and the next mapsheet to the north (83D) has never had an RGS survey....

Mike

TO → RG
- Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, October 23, 1998 11:16 AM
To: Meyers, Rick EM:EX
Cc: Britton, Jim; Lane, Bob; Lefebure, Dave; Madu, Bruce; McArthur, Gib; McMillan, Bill; Pinsent, Robert; Schroeter, Tom; Wilton, Paul; Wojdak, Paul
Subject: Weekly Report to 10/23/98

HIGHLIGHTS:

Exploration review talk being prepared for presentation in Victoria on Thurs Oct 29th; slides have been designed and shot. Thanks to Bruce Madu and Mike Fournier for their help again! I will also present a version of the talk to a lunch meeting of KEG on Friday Nov. 6th.

Exploration and development compilation: indicators for the South-Central Region are down drastically this year. We have only 11 major projects (vs. 26 in '97); spending is about \$5M (vs. \$17.6M; down 72%) and drilling is 22,500 m (vs. 92,000 m; down 76%). These figures include several large projects that have not yet started but are confidently predicted to go ahead this fall (Prosperity, Rose-Munro, Red Hill). The good news is the re-opening of Blackdome mine, advancement of Tulameen Coal towards small scale production, and the development of several industrial mineral properties, e.g. Ashcroft and Bud (Allenby).

Ladybug property (Leo Lindinger/Dave Pipe) - a option deal with Alhambra Resources has fallen through. Jim Miller-Tait of Cross Lake Minerals viewed the property this week. Cross Lake has cash and is committed to working in Canada, including BC. They are interested in both base and precious metal properties, early to advanced stage. Property owners should contact Jim Miller-Tait in Vancouver.

Mike

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

Created: 04-Jun-1998 10:55am PDT
Sent: 04-Jun-1998 02:52pm PDT
From: Mike Cathro of EI
MCATHRO
Title. Regional Geologist
Dept: Ministry of Energy & Mines
Tel No: 828-4566

TO: See Below

Subject: Weekly Report

HIGHLIGHTS:

*Highland Valley copper refinery - announcement during the economic summit of an agreement by HVC and the Province to possibly extend the mine life by 4 years (to 2012 and build a refinery (Cominco process). Province could provide lower hydro rates under the Power for Jobs program.

*Blackdome Mine - Claimstaker Resources has decided to bring the mine back into production. Jipangu will invest \$1.7 million (by July 4) to earn 35%. The company estimates it will cost \$1.65 million to recondition the mill, establish a year round camp and complete underground development (underway). At 200 tonnes per day, cash costs (including continuing development) are forecast at US\$215 per ounce gold. Proven/probable reserves are stated as 128,627 tonnes at 12.8 g/t and the fully diluted resource is 237,881 tonnes at 12 g/t (approx 100,500 oz). It looks good IF Jipangu actually makes the payment on July 4....

*Pellaire gold project underway by International Jaguar Equities. \$750K to be spent (drilling, mapping, geochem, prospecting).

*Ladybug (Lindinger/Pipe) - discovery of interesting new (?) Zn-Pb-Ag skarn (?) or VMS mineralization near Mt Fowler, north of Anglemont on Shuswap Lake. Assays up to 4.44% Zn, 2.69% Pb and 114 g/t Ag from grab samples. Supported by PAP program. (see below)

*George Cross News Letter needed with field season underway!

*Lillooet LRMP field project - budget and work plan prepared and sent to Smyth, Kilby and others for discussion.

*KEG General Meeting (May 28) included an interesting, measured and reasoned review of the Delgamuukw decision by Bud Smith, Q.C. He is a director of Christopher James Gold Corp. and the former (Socred) Attorney General. His advice to resource users is to continue to press gov't to honour the rights it has given (e.g. mineral claims), to push gov't to settle the treaties, and to maintain good relations and (informal) dialogue with bands. Overall the message was: it's not as bad as you read in the papers!

FIELD VISITS:

*Ladybug grantee, owned by PAP grantee Leo Lidinger and Dave Pipe (former PAP grantee), this property is located north of Anglemont. It is underlain by metamorphosed Eagle Bay rocks, Mt. Fowler orthogneiss (Devonian) and Tertiary syenite dikes. Newly discovered mineralization consists of galena, sphalerite, magnetite & rare pyrite hosted by greenish, epidote-tremolite(?) rock (locally calcareous). Outcrop and subcrop boulders are exposed along about 50 m of an old logging road. Samples have run up to 4.44% Zn and 2.69% Pb with 114 g/t Ag. Laminated, pale green quartz-epidote rock is

also common and may be an altered chert or quartzite. The amount of mineralization appears to increase towards Tertiary (? syenite dykes. The origin of the mineralization is enigmatic. It appears to be a skarn, perhaps related to the Tertiary dykes, or alternatively may be a metamorphosed VMS or carbonate-hosted deposit.

Monte Creek-Falkland Area. On June 1 I visited several claim groups owned by Chuck Marlow (PAP grantee). At Estekwalen Mountain, altered Eocene volcaniclastic rocks occur beneath a large cliff of basalt. Chuck says these altered rocks contain K-bearing zeolites, including the mineral mordenite. On Robbins Range Road near Monte Creek, Chuck has found Mg and Al bearing altered volcanic rocks which he says contain the mineral atapulgitite. This material can be used as a hand cleaner. Agate also occurs in this area and Chuck is looking for opal. On the way out we found a potentially interesting kaolinite occurrence near the CP rail tracks on Barnhartvale road.

EXPLORATION ACTIVITY:

*ED-1 (Foran Mining) - \$500K program cancelled due to financing.

*Newmac (Canevex Resources) - Agreement for Ascot Resources Ltd. to earn 60% of this Tertiary porphyry Cu-Au-Mo prospect located near Tatla Lake. 8 ddh planned for this year.

*Lucky Jim - 80 claim units staked by Camille Berube (PAP grantee) at Brennan Creek near Adams Lake. Target is listwanite associated gold-quartz veins.

*Lodestone Mountain/Tulameen Complex - Schroeter reports that a group is evaluating the feasibility of iron-vanadium production (chromite too?). Interestingly, Ab Ablett staked 1100 claim units for this group (Austrian?) in 1997. No Notice of work yet though.

OTHER ACTIVITIES:

*May 21 - Fossils/Minerals talks to three grade 5/7 classes in Lillooet.

*May 22 - Mineral Resources talk to Lillooet LRMP.

*June 3 - Mining talk to grade 10 Social Studies class at John Peterson School, Kamloops. Included a role-play environmental review of Prosperity Au-Cu project. Students went for option 3 - wipe out the lake!

UPCOMING:

June 5/6 - Eagle Bay field tour with Daughtry, Hoy, Paradis, Friesen.

June 19 - OSHMEG AGM, Kelowna (can't make it)

Mike

Distribution:

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