

Lloyd-Nordik

884977

TGS → RB
-Pr. Ge.

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

Created: 27-Mar-1997 03:21pm PST
Sent: 27-Mar-1997 03:23pm PST
From: Bob Lane of EI
BLANE
Title. Regional Geologist
Dept: Employment & Investment
Tel No: (604) 565-4244

TO: See Below

Subject: Lane Weekly Report: March 23-29.

MINING and DEVELOPMENT PROJECTS

Kemess. Clearing of the powerline right-of-way continues. Construction of mine and mill buildings is ongoing.

QR. More detailed production figures from QR: the mine processed 382,472 tonnes of ore in 1996, primarily from the Main zone open pit, producing 43,626 ounces of gold equivalent (43,421 ounces of gold and 16,023 ounces of silver). As of Jan. 31, 1997 615,792 tonnes of ore has been mined from the Main zone. The Main zone will provide most of the mill feed during 1997, and reserves there will be exhausted by July. Mining of the Midwest zone is underway and will continue through to early 1999. During 1996, 65,000 tonnes of ore was mined from a small open pit on the North Lobe of the West zone. The current plan for the West zone is to proceed with open pit mining of the South Lobe (306,000 tonnes grading 4.04 gpt Au) by the middle of the year. Later in the year, underground development is planned to provide access to the lower portion of the North Lobe (146,000 tonnes grading 4.73 gpt Au), which will be extracted by longhole mining methods.

EXPLORATION MONITORING

Beekeeper. Drilling has begun at the Eastfield-Imperial Metals JV property 28 km SE of Mount Polley.

Domin. Gold City Mining has staked claims immediately north and south of the AK I - IV claims (Domin property). The property now covers a 16 km section of the northwest trending Isaac Lake fault, a structure which the company feels is related to the auriferous, quartz-filled splays that comprise the South (or Clear) and North prospects. The veins are hosted by limestones and argillites near the top of the Isaac Lake Formation and contain up to 10% combined galena, sphalerite and chalcopyrite.

Lloyd-Nordik. Five diamond drill holes have been completed so far this year on the Western zone, a possible extension to the Lloyd 2 zone. Big Valley plans to begin pre-feasibility work as well continue exploring the Lloyd 2 and other zones on the property. The company is also in the process of acquiring 2 claim groups, the Premier 1-5 and Pay 1-4, both of which adjoin Big Valleys Lloyd-Nordik property.

Springer pits (zones), respectively. The Ultimate pit includes a mining reserve of 82.3 million tonnes grading 0.30% Cu and 0.417 gpt Au. The most favourable areas to develop additional reserves are on the south and southeast margins of the pit.

Lloyd-Nordik: Examined core from several recent holes on the Lloyd 2 zone. Higher grade copper and gold mineralization commonly occurs in a spectacular looking magnetite-healed crackle breccia (intensely fractured structure or structures) that has an interpreted northeasterly trend. Chalcopyrite and pyrite occur along with calcite and rare quartz. They formed in open spaces following deposition of magnetite. The most recent news release announced drill results from hole 96-64, located just 10 metres west of Imperial Metals Corp. claims that include the Mount Polley porphyry deposit. Results include a 22 metre intersection grading 0.65% Cu and 0.65 gpt Au. 50 metres to the west, ddh 96-59 encountered 60 metres grading 1.45% Cu and 1.95 gpt Au. Imperial Metals is maintaining a close working relationship with Big Valley and will be providing the company with a revised ore reserve estimate for the Lloyd 2 zone when the drill program is complete.

Huckleberry. Visited the Princeton Mining Corp. mine development on a fieldtrip organized by Paul Wojdak and the Smithers Exploration Group. Construction of camp facilities was nearing completion and forms were being erected and concrete poured for the mill/concentrator building. The 8 km main access road was also in the process of being upgraded and construction of the airstrip was well under way. Prestripping of soil and glacial debris from the starter pit, on the East zone, had also begun. Huckleberry is primarily a copper deposit, but the operation will also recover molybdenum (an estimated 1 million pounds/year that will cover the cost of the moly circuit) and minor gold and silver as byproducts. The 18,000 tpd operation is scheduled to open in late 1997. A more realistic target would be early 1998.

Traveled to Big Bar for a tour of the Watson Bar epithermal gold property. Regional geologist meetings were held in Kamloops the following day. Minutes from the meeting will be distributed to all regional managers and GSB managers and Fred Herman. Also attended a fieldtrip orientation meeting, in advance the CIM District 6 meeting, that focussed on the mineral potential Eagle Bay Formation. The Eagle Bay is part of the Kootenay Terrane which is equivalent to the Barkerville Terrane, and Downey succession, that hosts mineralization in the Wells-Barkerville area, as well as the Ace property, a recent discovery east of Likely.

EXPLORATION MONITORING

Akie. Dave Pow, Inspector of Mines (Prince George) reports that Inmet is on its last hole of the year and drilling will be completed within a few days and the crew will be pulling out of Finbow by the middle of next week. The directional drilling is considered to be a success, (but) grades/intersections did not live up to expectations. The shallow drilling along strike produced more encouragement than did the deep drilling.

BV. Big Valley Resources has completed 46 line-km of IP and Mag on their claims north of Gavin Lake. The claims cover a porphyry moly-copper-gold prospect.

Cariboo Gold Quartz. International Wayside may (not) proceed with their permitted

1 am - cont. 30/96