

LMC

Schroeter, Tom EM:EX 884979

VBS → RG
— Cranbrook

From: Terry, David EM:EX
 Sent: Wednesday, July 31, 2002 3:28 PM
 To: Whale, Andrew EM:EX
 Cc: Berdusco, Ricci EM:EX; Campbell, Karen EM:EX; Cathro, Mike EM:EX; deleted 020604 - Downie, Arlene EM:EX; Elkins, Paul EM:EX; Grant, Brian EM:EX; Grievé, Dave MSRM:EX; Houle, Jacques EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebvre, Dave EM:EX; McArthur, Gib EM:EX; Roach, Dennis EM:EX; Rosentreter, Rieva EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Smolik, Valerie EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX
 Subject: D.Terry Report; July 31, 2002

Mineral Exploration Activity:

Franklin: Juxedo Resources Inc. has just filed a preliminary prospectus with the BC securities commission to raise between \$562,500 and \$787,500 in an IPO with Wolverton Securities. Their property of merit, and the property on which most of the funds raised are intended to be spent on, is the Franklin Property in the Greenwood Mining Division, located 60km north of Grand Forks. The property combines a number of different tenure types covering 3500 ha in the historic Franklin Camp. Types of mineralization known to exist on the property include:

- Au-Ag>Base Metal (Epithermal) Veins
- Mafic Alkalic hosted PGE
- Cu-Pb-Ag-Au Contact Skams

Depending on the timing of the completion of the offering, some field work, and potentially some drilling, may occur on the project prior to the end of the year.

Lone Peak: Drilling of hole 8 has re-commenced at the Lone Peak property, east of Fort Steele, and the hole is expected to reach its target depth of ~1000 feet sometime this week. The downdip extent of a 1-2m thick quartzite unit with disseminated clots of bornite mineralization, located approximately 300m downslope of the drill pad, as well as gold-bearing quartz veins are being targeted with the drilling.

Thea/LMC: Klondike Gold have submitted several notices of work for upcoming programs on the Thea and adjacent LMC properties. On the LMC property approximately 2000m of drilling in two holes on LMC 1 and 2 claim in the Panda Basin area. On the Thea 15 claim a single 1000m hole will test the Gerry Vent area, a recently discovered cross-cutting hydrothermal vent 6km west of the Panda Basin. On the Thea 17 claim 9 small trenches and 1000m of drilling in 8 holes will test a gold-bearing quartz vein zone exposed in two short trenches 25m apart. One of these trenches exposed the zone over at least 4.5 metres width. A number of 0.5m chip samples assayed up to 0.562 oz/ft Au.

Vowell Creek: Jasper Mining reports that it has received a receipt for its prospectus from the BC and Alberta securities commissions whereby they expect to raise between \$800,000 and \$1.5M for exploration on their Vowell Creek property which covers the past producing Ruth Vermont mine.

Expenditure Estimate:

At present the Kootenays estimated expenditures (Coal, IM, Metals) is at ~\$7.09M, compared with \$7.85M last year. One reason for the drop is that coal companies are planning spending ~\$1M less on drilling this year. Metal expenditures will be up substantially whereas IM expenditures have fallen. I have not included any allowance for Bull River this year. The total could rise if some projects like Remac or Franklin are funded this year, or if expanded exploration programs occur on projects like Crowsnest/Howell, Kena, or the Klondike Gold properties in the Cranbrook area, or if new projects are announced.

I will be on Vacation until August 15th.

David Terry

David A. Terry, Ph.D., P.Geo.
 Regional Geologist, Kootenay Region
 #201-100 Cranbrook Street North
 Cranbrook, BC V1C 3P9