

Schroeter, Tom EM:EX

**From:** Terry, David EM:EX  
**Sent:** Friday, June 29, 2001 8:10 AM  
**To:** Whale, Andrew EM:EX  
**Cc:** Cathro, Mike EM:EX; Houle, Jacques EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Schroeter, Tom EM:EX; Smyth, Ron EM:EX; Wojdak, Paul EM:EX  
**Subject:** D.A. Terry Report, June 29

**Regional Geologist Activity:**

- Participated in Coal Symposium, Sparwood
- Visited Coal Mountain, Line Creek, and Greenhills mines
- Visited tufa property, Upper Bull River

**Prospectors Assistance Program:**

- Lloyd Addie and Barbara and William Welsh have reported that they are commencing their prospecting work.

**Mineral Exploration Activity:**

**Bul River:** Bul River Mineal Corp. has submitted a NoW for a 4-hole 1500m exploration drill program for the area around its mine site.

**Kena:** Sultan Minerals Inc. has released the results from its recently completed 4-hole, 445m drill program on the Gold Mountain Zone. Hole 1, drilled to 137m depth, intersected significant alteration and mineralization over a core length of 106m which assayed 1.16 g/t Au and included a 12m interval which assayed 4.02 g/t Au. Both the Silver King Porphyry and the adjacent andesitic volcanics were altered and mineralized. Holes 2 and 3 were both short holes drilled from the same setup as hole 1 at different orientations. Hole 2 intersected 39.72m grading 1.22 g/t Au and hole 3 intersected 40.77m grading 1.66 g/t Au. Hole 4, which scissored hole 1, intersected 58m grading 1.21 g/t Au including a 2m interval which assayed 16.34 g/t Au. These values confirm that the gold grades from last years trench sampling are continuous to depth. Fine visible gold was observed in several of the holes. A structural study is currently being carried out and drilling will recommence shortly. The company has also just announced a \$200,000 flow-through financing.

**Midway:** Gold City Industries Ltd. has completed a reconnaissance sampling program on its Midway property located 12km east of Rock Creek. The purpose of the work was to map and sample several showings and areas of old workings and to determine if anomalous PGE's are present. Values of up to 787 g/t Ag, 7.7 g/t Au, and 8.5% Cu were attained from analysis of a variety of chip and grab samples but no PGE results were reported. The next phase of exploration on the property will expand grids away from the known occurrences to delineate areas for further trenching work using soil geochem.

**Minerva Claims:** A visit was made to the Minerva claims held by Don Sandberg of Kelowna. They are staked to cover a tufa occurrence which covers a hillside for approximately 300m along the Bull River extending from the bank of the river approximately 100m up towards the Bull River forestry road. Abundant well-developed sponge textures can be found and in some localities tree trunks and branches have been calcified and encased by tufa. Mr. Sandberg is currently deciding whether to carry out exploration on the property himself or attempt to vend it to another party.

**Sappho:** Gold City Industries Ltd. Is currently carrying out trenching and biogeochemical bark sampling on its Sappho PGE-Cu-Au property east of Midway along the international border. After completing this work a trenching program will be carried out on the Old Nick Ni-Co-Cr property, located west of Rock Creek. Further work on these properties this year will depend on the results of the trenching programs.

**Silver Lynx:** Cassidy Gold Corporation has almost completed a geophysical survey on its Silver Lynx VMS property, located 20km west of Nelson, which it commenced on June 19. The program comprises a large-loop TEM survey, as well as Mag/VLF and covers a 1200 metre long by 400m thick package of prospective volcanics and sediments. Property scale and regional mapping are being conducted concurrently with the geophysics. Previous soil sampling on the property has returned numerous polymetallic anomalies and selected grab samples assayed up to 24.59% Zn, 22.35% Pb, 0.21% Cu, and 556.4 g/t Ag. The company has filed a NoW for a 10 hole - 2000m drill program to commence in late July on the property but is waiting to evaluate the results of the current surveys before committing to a drill program. Cassidy Gold has no current plans to work on its McPhee property east of Castlegar this year. A drill program last fall on the property found that the Au-bearing vein set was faulted off to the west.