

MORICE MTN.

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- Smithers

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

Created: 18-Jun-1998 04:24pm PDT  
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TO: See Below

Subject: Weekly report, June 25

Tulsequah Chief update: Still no money for Redfern's underground definition drilling. Looks doubtful that program (and others in the region) will be done. Revised Northwest exploration spending estimate to \$9.5 million, lowest figure this office has ever recorded.

Bren-Mar Resources released the balance of drill results from their Turnagain nickel program (more intercepts averaging 0.25% Ni over 130-200 metres) and announced plans to conduct 50 km of surface and bore-hole IP, and determine metallurgical recovery. The metallurgical program, based on drill core, will utilize Cominco's patented technology and will consist of concentrate production, pressure leaching, solvent extraction and electrowinning of Ni, with by-product Co and Cu. Average Co content is less than 100 ppm! Cu is reported to range from 100-3500 ppm! (I guess the average to be close to the lower end of the range.) The IP and metallurgical work are to be done in July so that, pending results, a 10,000 m drilling program could begin in August. [continuing credibility gap on this project]

RGS release for 93M, 93N, 94C: facilitated Smithers pick-up for Royal Oak, Gary Thompson and Dan Ethier.

Examined/evaluated Gary Thompson's ROX claims in the appropriately named Mosquito Hills near Tahtsa Reach south of Houston. Narrow fracture/gouge zones contain fine pyrite and are strongly anomalous in Pb, Au, As. Host rocks are unaltered Cretaceous Skeena Group(?) sandstones and nearby pyritic Hazelton volcanics, none of which appear very prospective. Gary Thompson is an inexperienced but very keen new prospector. Gave Gary suggestions on how to proceed with his property.

Morice Mtn  
Examine Crow-Raven porphyry Cu-(Mo-Ag) prospect on Morice Mountain with prospector Wes Moll. Property has been optioned by Sino Pacific Development who are still having trouble raising any money for IP and drilling. I was impressed by extensive copper mineralization disseminated in Bulkley granodiorite stock and in country rock, fractured rhyolite? Early work circa 1966 was conducted by Amax who obtained a drill intercept of 0.3% Cu over

200 ft. Falconbridge and Cities Service held adjoining claims and that ground is now part of Wes Moll's option. There are additional porphyry Mo and Cu showings which we did not see. Cominco optioned the claims a few years ago and performed an IP survey but did not follow up, about the point they decided B.C. porphyries are not economic.

Philip Krauskopf, high school student accompanied me on visits to Gary Thompson and Wes Moll's properties.

Global Mineral and Chemical has completed their Louise Copper (formerly Louise Lake) drilling program 35 km northwest of Smithers. This is a high-level porphyry (50 mT @ 0.3% Cu, 0.3 g/t Au, 0.02% Mo, 0.9% As) containing tennantite and/or enargite (ie potential for high grade enargite-gold deposit). Three holes, approx 450 metres (\$100,000) to follow up on Equity Silver's hole 92-10, a one-hole test of an IP anomaly on the faulted extension of the mineralized zone, located 1000 metres east of all other drilling. Hole 92-10 intersected 1.46% Cu, 1.9 g/t Au, 121.7 g/t Ag, 0.53% As and 1.15% Zn over 2.9 m within a broad zone of much lower grade mineralization.

In the current program 98-1 was a vertical hole from the 92-10 site (an angle hole, south) and 98-2 and 3 were angle and vertical holes collared 150 m to the north. I examined some of the some core from 98-2 and 3 with geologist Stu Tennant. Skeena Group pyroclastic felsic volcanic rocks, not unlike rocks at Equity Silver, comprise massive rhyolite, monolithic rhyolite breccia and heterolithic fragmentals. These are cut by fine-medium grained feldspathic intrusive and intrusive breccia, that is pervasively pyritic and altered to sericite. Quartz stockwork is present very locally and one 3-4 m interval contains sphalerite stringers. Traces of tennantite/enargite appear to be present. Mineralization is known to be subtle; all the core is being analyzed.

Later, I met Stu Tennant in front of a restaurant for lunch. Arrived on my bike. Stu's eyes widened and he commented:

"Wow, you guys have had budget cuts!"

Assisted Bud Plecash, local geologist, with interpretation of IP/mag/VLF survey of Tangle claims, 30 km NE of Smithers. Suggested merit/priority of drill targets. Bud consults for Dick Groot, a logging contractor who dabbles in mineral exploration, who will drill the property next month in search of silver-copper mineralization.

Corey property: Homestake apparently have discovered a second target/showing on the Battlement grid which will be drill-tested. Visit planned in late July.

Distribution:

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Wojdak - June 26/9