

Mineral Cr.

Debbie
885415

TGS → Reg. Mgr.
— Nanaimo

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

Created: 09-Oct-1997 09:01am PDT
Sent: 09-Oct-1997 08:27pm PDT
From: Ted Hall of EI
TJHALL
Title: Regional Manager, Nanaimo
Dept: Employment & Investment
Tel No: 751-7375

TO: See Below

Subject: Southwest Region Update - October 9, 1997

ISSUES:

Debbie

(48)

* Whitehawk Ventures have confirmed that they are abandoning their Debbie 900 exploration and bulk sample project, citing lack of confidence in the future of the property due to community watershed guidelines, deactivation of access roads, and an unsupportive bureaucracy. Reclamation issues on the property remain to be addressed.

* Permit for the controversial Baker Road Quarry on Saltspring Island has been finalized and will be issued upon receipt of bonding.

Copper Cliff

* Network One/Copper Cliffs project on Quadra Island was issued approval for airborne geophysics program; proposal for baseline gamma radiation study in Radium-Senator designated area has been referred to agencies and public due to sensitive LIA status of land; expect alarmist reaction from Quadra Island Forest Resources Board.

* TE and AL met with Allard to discuss outstanding issues on proposed Pipeline Road permit; good progress made; issues appear resolvable.

* Pacific West Coal have filed environmental report for proposed MacSmith coal waste dump recovery project in South Wellington; permitting decision expected soon, although RDN zoning issue remains unresolved.

FVI:

* Regional District of Nanaimo has given approval-in-principle to proposed 1998 aggregate study; TH will work with RDN and MOTM to develop detailed terms of reference.

* VIMBAC site inspection and on-site meeting has been scheduled for Island Copper Mine on October 22 and 23.

Ted Hall

TGS → Reg. M.
- Nanaimo

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

Created: 03-Oct-1997 11:01am PDT
Sent: 03-Oct-1997 12:03pm PDT
From: Ted Hall of EI
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TO: See Below

Subject: Southwest Region Update - October 3, 1997

ISSUES:

* A. Ludwig inspected Brohm Ridge quarry; 1997 program was completed with minimal surface disturbance; discussions are continuing to resolve potential land use conflicts with proposed Garibaldi alpine ski resort.

* Copper Beach Estates are accepting contaminated soils onto the Britannia mine property for reclamation in spite of regulatory requirements under the Mines Act and Waste Management Act. The land owner is hiding behind the 1994 receivership Court Order to avoid obtaining a reclamation permit or a soil relocation permit under the Contaminated Sites Regulation. Litigation is a distinct possibility.

DEBBIE

* Unconfirmed reports that Whitehawk Ventures have abandoned their Debbie 900 bulk sample program due to deactivation of the mine access road; regional staff trying to set up meeting with MOF to discuss ongoing concerns regarding lack of notice on road deactivations.

X

* Resourcing problems persist in the Vancouver Mineral Development Office, causing disturbing morale problems and workload issues for the RG.

FYI:

* Inter-agency meeting facilitated by Regional District of Nanaimo led to action plan to impose resolution of Kaye Road flooding problems at Rascal and McKillop pits.

* Proposal for 1998 aggregate study in Nanaimo region going to IAC meeting on Oct. 8th; partnership agreement requires \$10,000 MEI contribution.

ADMIN:

* Thanks to Ann Terlouw for filling in for 3 weeks vacation relief for Trudy.

YGS → RG
- Van.

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

Created: 23-May-1997 12:50pm PDT
Sent: 30-May-1997 11:17am PDT
From: Robert Pinsent of EI
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: MAY II

EXPLORATION:

Myra Falls

- Westmin Resources has increased its exploration budget at Myra Falls to \$2.5 million. It has cancelled the deep drill program from Phillips Ridge. Instead, it plans to drill shorter holes from surface sites in the Thelwood Creek valley and in and around the minesite. This will require cutting old growth... It will also push a cross-cut in the 10 Level Lynx Mine area northeast towards the Marshall zone to provide sites for U/G drilling next year.

Debbie

- International Star Resources Ltd. will likely take an option on the Debbie/Mineral Creek property near Port Alberni. The company will spend \$0.75 million over three years to acquire a 50% interest. The property covers the Debbie 900 & 1050 zones and the Mineral Creek gold zones explored by Westmin in the mid-1980s.

Whitehawk Ventures Inc's. had planned to process a 2000 tonne bulk sample from the Debbie 900 gold zone using a mobile mill. It is not clear whether this program will proceed or not.

- Hillsborough Resources Ltd announced first quarter results from the Quinsam Mine. It produced 250,100 tonnes of clean coal at a cost of \$37.92/tonne. Production was hampered by equipment failure. It should return to design capacity of 100,000/month now that all the continuous miners are back in operation.

- First Choice Industries Ltd. has negotiated a \$400,000 private placement with Crystallex International Corp. Initially, the latter will purchase 30% interest in the Knob Hill property and fund a 3000 m drill program this summer. The company plans to test two geophysical targets within the (Au,As) mineralized rhyolite dome complex located last year. It will test a high resistivity zone and a high chargeability zone.

Seneca

- Riverstone Resources Inc. has started to drill a buried geophysical (IP) target on trend with the Seneca/Fleetwood VMS deposits in the Chehalis River area northwest of Agassiz. The company has an option to earn 50% from International Curator Resources Ltd.

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

Created: 16-May-1997 11:44am PDT
Sent: 16-May-1997 12:20pm PDT
From: Ted Hall of EI
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TO: See Below

Subject: Southwest Region Update, May 16, 1997

ISSUES:

* Deactivation and reclamation of the Fandora Property near Tofino has been complicated by the discovery of residual mercury in the old mill site. To comply with the Contaminated Sites Regulation, the tenure holder has been directed to develop a clean-up strategy under direction of a qualified hazardous waste management consultant.

* MEI took heat from 30 angry residents at Baker Road Quarry public meeting on Saltspring Island; major concern was MEI's perceived lack of respect for social issues.

* Strong public opposition also being received on Cassidy Sand and Gravel proposal near Nanaimo and Carmel Custom Contracting gravel proposal near Shawnigan Lake; mainly social issues and groundwater concerns; public meetings (and more MEI abuse) required.

* A claim-jumping incident at the Melanie slate quarry near Port Renfrew was reported to RCMP; no response to date.

* Interagency site inspection of Debbie Property is planned for next week to discuss outstanding issues related to proposed milling of approx. 2000 tonnes of gold ore within the China Creek watershed.

44

FYI:

* Intergovernmental Advisory Committee (IAC) on Regional District of Nanaimo Growth Management Plan met; IAC agreed that an aggregate inventory and resource study should be a provincial priority, along with a traffic management plan and affordable housing strategy.

* On-site meetings on Pipeline Road gravel pit issues were very productive, leading to serious commitments to develop and implement reclamation and water management plans to control erosion and potential ground failures.

INTEROFFICE MEMORANDUM

Created: 02-Dec-1996 09:34am PST
Sent: 13-Dec-1996 12:51pm PST
From: Robert Pinsent of EI
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Tel No: 660-0223

TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: DECEMBER I

350,000 g/t
or 34,100 g/t

EXPLORATION:

Ladner
Ck.

- Athabasca Resources announced the results of its McMaster zone drill program at Ladner Creek. It extended the zone for an additional 160 metres and generated an open pit reserve of 186,000 tonnes grading 1.89 g/t gold and an underground reserve of 240,000 tonnes at a diluted mining grade of 4.42 g/t gold. The zone is still open. The "ore" is very similar in grade and appearance to that found in the mine. The additional reserve will help justify reopening the mine.

- First Choice Industries has confirmed the presence of coarse and fine gold in its sulphide-veined rhyolite breccia deposit at Knob Hill. It appears to have located a large, subeconomic, mineralized system with plenty of room to explore for an economic deposit.

- Westmin Resources drilled four holes on the Dragon property, near Gold River, and then elected to drop it. Presumably the company felt there wasn't room for a major deposit near surface and the deeper rocks weren't sufficiently encouraging.

Westmin has cut back its staff at Myra Falls as a result of near completion of the new underground haulage drift and uncertainties concerning the price of copper. It cut 50 employees.

Debbie

- White Hawk Ventures has had its purchase agreement with Westmin approved by the TSE. In the first instance, it intends to complete the bulk sample project proposed for the Debbie 900 zone and drill five surface holes into the Debbie 1050 zone.

Texada
Is

- Vananda Gold has purchased a ball mill and concentrator with a view to producing magnetite suitable for use at the Quinsam Coal operation (2,500 tonnes/year consumption) and elsewhere. It has also reopened the Lake Adit magnetite mine on Texada Island - although it likely won't be producing for a while. The company intends to process surface material first.

- LEH Ventures Inc. changed its mind about working on the Iron Cop property, near Brooks Peninsula. It will work on a gold property in

TGS → ~~XXX~~
- Van.

INTEROFFICE MEMORANDUM

Created: 25-Nov-1996 09:22am PST
Sent: 29-Nov-1996 02:03pm PST
From: Robert Pinsent of EI
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TO: See Below

Subject: SOUTHWESTERN REGION: MONTHLY REPORT NOVEMBER II

EXPLORATION:

- First Choice Industries reported very encouraging, albeit erratic, gold values from the first five of the ten short "prospecting" holes recently drilled at Knob Hill. The company plans to be back with a bigger drill next March.

The discovery should stimulate considerable interest. Companies working in the area will benefit tremendously from the good quality scientific data produced by GSB over the past few years.

Debbie

- White Hawk Ventures Inc submitted a NOW to complete small-scale underground mining of the Debbie 900 zone, near Port Alberni. It will bring in a portable mill to process a 1000 tonne bulk sample and produce gravity and flotation concentrates.

- Tiberon Minerals Ltd. reports having some success in the Bute Inlet area. It has identified a sizeable copper soil anomaly associated with a known Cu,Zn,Ag,Au occurrence and it has staking an epithermal vein system.

- Global Cogenix Industrial Corp. reports the successful development and construction of 6.0 megawatt "run of stream" hydro electric generating plant on Scuzzy Creek, west of Boston Bar. The operation has generated \$1.5 million worth of sales over the last nine months.

The energy side of our business seems to have grown considerably over the past few years!

LAND USE:

- Lower Mainland IAMC Meeting for November was cancelled as MELP (BCLands and BCEnvironment) goes through the pains of restructuring into a single office. LUCO is currently carrying the ball with regard to tidying up new park boundaries.

There has been a sharp drop in inter-ministry correspondence as MELP &

768 → RG
- Van.

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

Created: 07-Aug-1996 01:19pm PDT
Sent: 16-Aug-1996 03:34pm PDT
From: Robert Pinsent of EI
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: AUGUST

EXPLORATION:

SALAL - Verdestone Gold Corp is gearing up to drill a deep (2,500 foot) hole as part of a helicopter supported drill program on the Salal Creek molybdenum deposit which is in extremely rugged terrain northeast of Mount Meager.

SWIM LK - Inspiration Mining Corp. has submitted a NOW for 500 metres of trenching and for an 8,000 metre (!!), helicopter supported, drill program on Anaconda's old Skwim Lake VMS prospect on Diadem Mountain, north of Jervis Inlet. *est \$0.41*

White - White Hawk Ventures has submitted NsOW for a small surface drill program on the Debbie 1050 zone, west of Mineral Creek, and a somewhat larger underground drill program on the Debbie-Linda zone at the south end of the mineral creek drift. The company has four years to put the property into production to earn its interest.

Max Falls - Westmin Resource's surface drill program has been delayed because of permitting problems. The permits require BCParks signature as well as ours. Hence the problem.

LAND-USE:

- Lower Mainland RPAC finally reached concensus and submitted its PAS recommendations and mitigation proposals to Cabinet. The report should go to line agencies for review and comment.

Meanwhile.... the "Soo Coalition for Sustainable Forests" wrote to Minister Zirnhelt requesting that Cabinet delay its decision until after the Sea to Sky LRMP has been completed. It wants "local input". ... And "Canadian Parks and Wilderness Society" (CPAWS), one of the members of RPAC, joined a coalition of other enviro. groups circulating a colour brochure to Lower Mainland households recommending protection of a slate of areas that differs in several respects from that agreed upon by RPAC!

JOS → RG
- Van.

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

Created: 30-May-1996 03:27pm PDT
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: MAY II

EXPLORATION:

- JM* - Lafarge Canada Inc. released plans to spend \$130 million upgrading its cement plant in Richmond. The plant will produce 1.0 million tonnes of cement using limestone from Texada and coal from Quinsam (rather than natural gas, as before).
- Quinsam* - Quinsam Coal Corp has submitted plans to bulk sample and then develop the "242 block" at the south end of the coal lease. It will also drill the area for structure and to upgrade parts of the 3.5 million tonne reserve from probable to proven.
- Brandywine* - La Rock hasn't released assy results from the third hole at Brandywine. However, the core looks to have good shear-hosted gold mineralization, notwithstanding the company's reference to VMS potential!
- Debbie* - White Hawk Ventures has optioned the Linda claims from Westmin Resources, consolidating its hold on the "Debbie" property near Port Alberni. The company plans to high-grade the Debbie 900 zone and the Linda Vein at the south end of the Mineral Creek adit.

LAND-USE:

- RPT (finally) saw a map of the areas Lower Mainland RPAC intends to recommend for protection. No major surprises but some odd choices and bizarre boundaries. Agency input (expect for MOF who were instructed to find wood) limited to discussion on inclusion or exclusion of "pot" farms (biodiversity & cultural heritage v resource extraction). LUCO was responsible for negotiations that have not adequately covered off all our issues.
- IAMC has instructed RPT to prepare for the "Sea to Sky" LRMP (Soo Forest District and TFL #38). Rolf Schmitt drew the short straw and will be on the IPT. Welcome Friend!