

Klappan

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VOS → KLAPPAN

Schroeter, Tom EM:EX

From: Conte, Rick EM:EX
Sent: Thursday, May 09, 2002 8:16 AM
To: Schroeter, Tom EM:EX
Subject: Fortune Minerals

Tom, here is a copy of the news release for you, thanks for bringing this to my attention.

PRESS RELEASES

Attention Business Editors:

Fortune Minerals announces acquisition of Mount Klappan coal deposits from Conoco Canada Resources

TORONTO, May 8 /CNW/ - Fortune Minerals Limited (TSE:FT) is pleased to announce that its wholly-owned subsidiary 2009918 Ontario Inc. (Fortune) has entered into an agreement with Conoco Canada Resources Limited (Conoco), an indirect subsidiary of Conoco Inc. (NYSE:COC), to acquire the Mount Klappan anthracite coal deposits located 150km northeast of Stewart, British Columbia. Mount Klappan is a World Class coal district with Measured and Indicated Resources totalling 260 million tonnes and Inferred and Speculative Resources totalling 2.544 billion tonnes in four deposits. In-pit, Mining Reserves were calculated from the Measured Resources as part of a 1991 feasibility study of the Lost-Fox deposit and are 51.46 million tonnes of high quality anthracite.

Fortune has agreed to acquire the Mount Klappan Coal Holding Lease and a technical database from Conoco for \$3 million, reimbursement of the remaining pro rata part of the annual lease rental, and replacement of a \$210,000 ~~reclamation bond for roads constructed at the site.~~ Conoco will also be entitled to receive a royalty in the amount of \$1/tonne of anthracite produced from the property. Fortune has paid a \$150,000 deposit toward the purchase, and completion of the transaction is subject to Regulatory approvals and a 60-day due-diligence period.

ABOUT MOUNT KLAPPAN:

The Mount Klappan Coal Holding Lease consists of approximately 150km(2) (15,094 ha) in the Skeena area of northwest British Columbia. The coal deposits are accessible by gravel road from the Provincial highway system 410km from Stewart. A proposed short-cut will reduce this distance to 260km. Stewart is an ice-free, deep-water port, which can accommodate Panamax size vessels.

The initial Mount Klappan licenses were acquired in 1981 by Gulf Canada Properties Limited (Gulf) and were transferred to Conoco as the result of the acquisition of Gulf Canada Resources Limited by Conoco Inc. in 2001. During the period up until 1991, extensive exploration activity was conducted on the property toward its development. This work included geology, rotary and core drilling, trenching, the driving of two adits, plus engineering, marketing, environmental and feasibility studies. A 200,000 tonne bulk sample was mined for pilot plant processing, and 100,000 tonnes of anthracite products produced for shipment to select customers.

MOUNT KLAPPAN RESERVES AND RESOURCES:

In 1988 Gulf prepared estimates of the resource potential of Mount Klappan for its own internal purposes. These estimates will be the subject of a due diligence evaluation by Fortune before Closing. The estimates were done according to the guidelines set out for the Cordillera Region of Energy Mines and Resources, Canada, Report ER79-9, "Coal Resources and Reserves of Canada". They are in compliance with the amended system published in Geological Survey of Canada Paper 88-21, "A Standardized Coal Resource/Reserve Reporting

System", which is the current standard for coal used under National Instrument 43-101. The resources for the Mount Klappan deposits are presented in Table 1 below.

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TABLE 1 MOUNT KLAPPAN COAL RESOURCES IN TONNES

MINERAL RESOURCE CATEGORY				
AREA	MEASURED	INDICATED	INFERRED	SPECULATIVE
LOST-FOX	111,000,000	112,000,000	124,000,000	712,000,000
HOBBIT-BROACH	12,000,000	25,000,000	369,000,000	619,000,000
SUMMIT	-	-	33,000,000	486,000,000
NASS	-	-	-	201,000,000

In 1991, Marston and Marston Inc. calculated Mineable Reserves from the Measured Resources for open pit extraction in the Lost-Fox deposit as part of a more comprehensive feasibility study. The reserves are presented in Table 2 below.

TABLE 2 MINING RESERVES FOR THE LOST-FOX DEPOSIT IN TONNES

AREA	MINING RESERVE CATEGORY		
	PROVEN	PROBABLE	TOTAL
LOST-FOX	40,510,000	10,950,000	51,460,000

PRODUCT QUALITY:

Engineering and processing studies have determined that washing and heavy media separation of Mount Klappan anthracite produces products with high calorific values, and that are low in sulphur, moisture and volatiles as compared to other coals. They include the products and corresponding qualities presented in Table 3 below.

TABLE 3 MOUNT KLAPPAN PRODUCT QUALITY

SIZE RANGE	COARSE	BRIQUETTE	FINES	FINES	FINES
	LOW ASH		LOW ASH	MED. ASH	HIGH ASH
	50 X 6 mm	40 gm	6 X .15 mm	6 X 0 mm	3 X 0 mm
PROXIMATE ANALYSIS					
RESIDUAL MOISTURE	1-2%	1-2%	1-2%	1-2%	1-2%
ASH (ar)	7.5%	8.0%	7.0%	8-10%	14-22%
VOLATILE MATTER (ad)	5-8%	5-8%	5-8%	5-8%	5-8%

FIXED CARBON (ad)	85-87%	82-85%	85-87%	82%	70-76%
TOTAL SULPHUR	0.6% MAX.	1.0% MAX.	0.6% MAX.	0.6% MAX.	0.6% MAX.
CALORIFIC VALUE (ad)	7300 (Kcal/Kg)	7300 (Kcal/Kg)	7400 (Kcal/Kg)	7100 (Kcal/Kg)	5800-6600 (Kcal/Kg)
HARDGROVE INDEX	38	-	41	46	50

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FEASIBILITY STUDIES:

Several feasibility studies have been prepared to assess the economics of the Mount Klappan deposits. The most recent and comprehensive study was completed in 1991 by three engineering companies, each assessing different capital and operating cost components for an open pit mine configured to the In-Pit Mineable Reserves from the Lost-Fox deposit. The study assessed annual production of 1.7 million tonnes of anthracite products over a twenty-one year period. Reserve estimation and mine planning for the study were carried out by Marston & Marston Inc. and site and plant design by Kilborn Engineering (B.C.) Ltd. Fortune's assessment of these studies indicates the potential for an attractive rate of return for the development.

ABOUT ANTHRACITE:

Anthracite is a "hard coal" with the highest rank, carbon and energy content, and lowest moisture and volatile content of all coals. About 1% of World coal reserves are anthracite grade and indicates its uncommonness relative to lower rank coals. The unique properties of anthracite make it suitable for use in a broad range of applications, including space heating, water purification, a reductant in metallurgical processing, a source of carbon/fuel for pulverized coal injection in some steel making processes, cooking and heating briquettes, and as a source of carbon and activated carbon for composite materials. Notably, 37% of the World's electricity is generated from coal-based thermal-electric plants, some of which are configured to burn anthracite. The majority of cement plants throughout the world are also coal-fired.

The Mount Klappan deposits contain very high quality anthracite grade coal that is amenable to open pit extraction. Simple washing and dense media processing produces premium products with excellent physical and chemical properties in a growing World coal market. Mount Klappan is located close to existing infrastructure and tide-water, thereby reducing costly inland freight and facilitating shipment to global markets. Fortune is very pleased to secure this asset, for which a significant amount of the delineation, engineering, environmental and marketing work has already been completed. We look forward to closing this transaction and working toward development of this exciting project.

ABOUT FORTUNE MINERALS:

Fortune Minerals is a diversified natural resources company with 17,586,669 common shares issued and traded on The Toronto Stock Exchange. Upon completion of this transaction, Mount Klappan will augment an existing portfolio of deposits and exploration projects in Canada. They include the ~~NICO cobalt-gold-bismuth~~ deposit and the Sue-Dianne copper-silver deposit, as well as other base and precious metals and diamond exploration projects in the Northwest Territories. Fortune is also the operating partner in Formosa Environmental Aggregates Ltd., an industrial mineral company developing the Greenock high calcium limestone quarry in Ontario.

*TOCG
(Olympic Dam-type)*

Fortune Minerals Limited
(signed)
Robin E. Goad,
President.

-30-

For further information: Fortune Minerals at: Tel: 519-858-8188, Fax: 519-858-8155, Email: info@fortuneminerals.com <MailTo:info@fortuneminerals.com>, and website: www.fortuneminerals.com <<http://www.fortuneminerals.com>>; To request a free copy of this organization's annual report, please go to <<http://www.newswire.ca>> and click on reports@cnw.

[Index of Releases </26154-0.html/1005083407>](http://www.fortuneminerals.com)

FORTUNE MINERALS LIMITED

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Information provided is the exact original text of the company statement as transmitted to the media and financial community by Canada NewsWire <<http://www.newswire.ca>>.

Register for Portfolio Email <<http://portfolio.newswire.ca>> to receive all Fortune Minerals news releases automatically by email.

Rick Conte
Assistant Director, Operations
(604) 660-2814

Schroeter, Tom EM:EX

TOS - Klappan

From: Schroeter, Tom EM:EX
Sent: Friday, May 10, 2002 2:06 PM
To: Anderson, Duane EM:EX
Subject: RE: Fortune Minerals acquisition of Mt. Klappan

No problem, Duane - I'm used to it (out-of-sight-out-of mind). I've been to Klappan and watched it 'unfold' since my time in Smithers (1973-1986). In fact I had the pleasure of touring Minister Stephen Rogers there in the mid-'80s. Very pleased to see this new 'development'. I see a number of these 'transactions' in the works/behind the scenes. The 'challenge' I see is to maximize the communication so that the 'key' industry and Gov't officials are kept abreast of activities (as appropriate). Cheers, Tom.

-----Original Message-----

From: Anderson, Duane EM:EX
Sent: Friday, May 10, 2002 1:00 PM
To: Schroeter, Tom EM:EX
Subject: FW: Fortune Minerals acquisition of Mt. Klappan

sent this and apologize I didn't copy and include you.

Duane A.

-----Original Message-----

From: Anderson, Duane EM:EX
Sent: Friday, May 10, 2002 12:54 PM
To: 'rgoad@fortuneminerals.com'
Cc: Koncohrada, Karen EM:EX; Hermann, Fred EM:EX; Lefebure, Dave EM:EX; Bergen, Wally EM:EX; Ryan, Barry EM:EX
Subject: Fortune Minerals acquisition of Mt. Klappan

Congratulations!! On Mar 11/02 at PDAC, while visiting BC booth, you mentioned "imminent BC resource development announcement" to Dave L, Ron Smyth, and myself. You couldn't give details then and I can see why.

Dave L was regional geologist for NW BC in '90s and is now acting Chief Geologist.

Fred H is Chief Inspector Mines responsible for Health, Safety, environmental protection, and mine reclamation.

Wally Bergen is manager of our Smithers office which provides services for our mines and exploration programs in NW BC.

Barry Ryan is our senior coal geologist and is very familiar with Mt. Klappan.

Karen K and I had pleasure of meeting with Gulf Officials re: property in late '80s. Our group does reclamation, taxation and infrastructure policy among other things. Currently I'm working on issues related to proposed resource road from Highway 37, south of Meziadin Junction, east to Omineca Mine Access Road south of Kemess property. Have been following developments at the Red Chris cu-au property, Stewart, Eskay Creek and various other properties in NW BC.

Pls call or email if anything I or colleagues can do.

All the best until then,

Duane A.

Duane Anderson
ph: (250) 952-0516
fx: (250) 952-0271

"When you have confidence, you can have a lot of fun. And when you have fun, you can do amazing things." - Joe Namath

The Sun. May 9/02

Klappan coal bought

VANCOUVER — Fortune Minerals Ltd. is buying the Mount Klappan coal deposit in northwest B.C. from Conoco Canada Resources for \$3 million and other financial consideration. The Mount Klappan deposit is about 150 kilometres northeast of Stewart.

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Thursday, June 13, 2002 4:22 PM
To: Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy; Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX
Cc: Dave Lefebure; Duane Anderson; Gib McArthur; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Logan, Jim EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter
Subject: Report to June 14, 2002

Klappan - Meeting (June 8) with Robin Goad, president and CEO of Fortune Minerals Ltd. In due diligence period leading to acquisition of the Klappan anthracite coal property. Goad was headed to Klappan, Iskut (to meet Tahltan) and Stewart (port facilities) accompanied by Larry Pituley (ex-Gulf Klappan project manager, now with Marston Mining Engineers and Consultants). I contributed background information about

- Omineca-Stewart road (linked with Duane Anderson)
- local Aboriginal issues and politics
- local environmental and wildlife concerns
- back-country recreation tenure
- Stewart port and town politics
- status of local mineral deposits (primarily Red Chris) that might benefit from coal-fired electrical power and provided contact info as necessary. Key to development of Klappan is shorter road haul to Stewart. Goad is keen on government assistance for a road link from Klappan to Bell II, but connection to Omineca-Stewart road might be also be favourable (longer route but sooner to approval and completion).

Rupert - Smithers Field Trip - Organized by Hans Smit as part of Northwest College Field School, and led by Glenn Woodsworth (Geologic Survey of Canada emeritus) and Tom Richards (ex GSC). Excellent trip, specially to upgrade my knowledge of tectonics in Coast Plutonic belt.

Huckleberry - Operational problems dominated my visit on June 4. Two shovels were down, one permanently and will be replaced, the other for about 2 weeks. Considerable water was flowing into the East pit (half ? full) from spring run-off from the high wall (Huckleberry Mtn) but will soon be pumped clear as work is in progress on the diversion ditch. The first few benches of the expanded East Pit have encountered more oxide copper (malachite, azurite) than expected, with consequent loss in mill recovery. The problem is partially offset by copper grade that is 30-40% better than the reserve model (0.5-0.6% Cu vs 0.4% Cu). The 150 fault, which causes right lateral displacement of the ore zone, is evident in the pit.

Endako - Stability problem of the South Wall has been assessed by the mine's geotechnical consultant and revised pit design is under consideration. Recent skyrocketing of Mo price will make dealing with this problem a lot easier. South wall ore is also mineralogically difficult, with lower Mo recovery.

Heritage Resources - Attend presentation by Fractal Graphics (Nick Archibald) on Eskay area geological/ geochem/ geophys/ topographic digital compilation. Cost of compilation - \$600,000, involved up to 20 geologists in Perth Australia. The value of data aggregated and made available by the MEM was strongly stated. Source of data: ARIS (50%), BCGS (15%), JV partners (10%), MDRU (10%), Heritage (5%), GSC (1%) others (balance). Rationalization of numerous geologic legends by Peter Lewis, but we were not shown the geology map product. Structural control (as opposed to stratigraphic) believed to be important, two "significant" NNE trending corridors are identified. Western belt includes Eskay Creek, SIB, Bonsai and Noot. Eastern belt includes Lance, AP, Unuk, Coul and TV zones. Targets are based on soil/rock geochem anomalies, drill intercepts, favourable geology etc. As reported previously, a \$2 million dollar program in 2002 will validate and prioritize these targets.

Meeting was hosted by Glenn Laing, audience included Fred Christiansen, Lou Starck, Dino Cremonese, Dick Billingsley and others. Suggest several field geologists for summer program - experienced field people beginning to be scarce.

U of Vienna Geo-tour - In Northwest region June 21 (Fireside barite) to June 28 (Endako) with lots of geology and a few mines inbetween. Assist with arranging mine visits and planning highway stops. Thanks to JoAnne Nelson for great material in Cassiar area, and to Carol Evenchick (GSC) for some Bowser Lake Group info.

APEGBC - Geoscience Committee meeting on June 10.

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, July 12, 2002 9:30 AM
To: Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy; Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX
Cc: Dave Lefebure; Duane Anderson; Gib McArthur; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Logan, Jim EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter
Subject: Northwest Geology to July 12, 2002

Morrison - Visit on July 9 to Pacific Booker Minerals porphyry Cu-Au project, in conjunction with overview tour for Mike Farnsworth who is coming on board to handle public relations specially related to upcoming feasibility study (and eventual entry into EA process?). Possible tailings sites under consideration. One more hole remaining in definition program under supervision of geologists Konstantin Lesnikov and Dave Hlatka, who are preparing sections under guidance of Ed Kimura. Also on site were Pacific Bookers' principal bagmen (money raisers) John Plourde and (in the USA) Greg Anderson (ex-Merril Lynch investment broker).

Geology - Copper mineralization consists primarily of disseminated chalcopyrite in biotite-altered biotite-feldspar porphyry (BFP) and, to a lesser extent, in adjacent sericite-altered siltstone hostfels. Fracture-controlled chalcopyrite is more visually impressive but best grade is more subtle disseminated cpy. Argillic alteration overprints the biotite and sericite zones and is spatially related to the West and East faults that are late ore-stage and segment the deposit. The sequence of fracture veins (from oldest to youngest) is

- cpy-quartz
- cpy-moly-quartz +/- carbonate
- py-carbonate-quartz
- py-arsenopyrite-carbonate

The latter is associated with argillic alteration around the fault zones and carry localized high gold grade (see previous reports). Anhydrite and gypsum are not present. No single alteration type correlates perfectly with copper grade, biotite is best guide but some areas of strong biotite are low grade. The low-grade core has been reduced in size from Noranda's interpretation and consists of late-stage BFP dikes (barren and unaltered) that cut low grade and biotitized BFP. The West BFP (west of the ore zone) is a separate body of similar composition intrusive that is not mineralized.

Tommy Jack - Gold City have optioned Al Raven's property and are conducting prospecting/ hand trenching program, supervised by Paul Cowley.

William's Gold (formerly Bill, 94E 092, 150) - optioned by Stikine Gold from Rimfire Minerals. Stikine is a private company run by Scott Broughton and John Mirko that aims to use go public with flow thru funding. Publicity meeting in Smithers last week aimed at raising seed capital. Geology and IP planned this year to define drill targets for next season.

Klappan - Acquisition by Fortune Minerals completed.

Exploration Estimates - \$9.9 million and 20 major projects. Many projects are still "soft" waiting on deals, financings, IPO's. Government regulations may be streamlined but Securities requirements are more time-consuming and lawyers/accountants still rule! Lot of late-season programs anticipated.

Fossils - Locality 25 km west of Smithers examined with novice rock hound. Site is in Smithers Formation, a fossil-rich rock unit. Follow-up letter that this is not a remarkable occurrence that warrants special land status or protection.

Exploration Golf Tournament and Field Trip - Planning in progress. Trip to Nechako and Burns Lake area, Sept 10-12, Epithermal Gold-Silver Veins & Precious Opa! See attachment



Golf poster
2002.cdr

Schroeter, Tom EM:EX

TGE → RG
- Smith

From: Wojdak, Paul EM:EX
Sent: Friday, November 29, 2002 11:48 AM
To: Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy
Cc: Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Dave Lefebure; Duane Anderson; Gib McArthur; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Logan, Jim EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter
Subject: Northwest geology, Nov 29 2002

Smithers Exploration Group - Dan Jepson, executive director of BC & Yukon Chamber of Mines addressed 50 people on Nov 28, including mayor/councillors from Smithers, Telkwa, Houston and Dennis MacKay (local MLA). Strong presentation on priorities and strategy, well received. I gave brief description of MEM office staffing changes/issues.

SIB - Heritage Explorations announced drill results. Three holes were drilled in Lulu zone with one significant intercept - 19.5 g/t Au, 1603 g/t Ag over 11.7 metres. It is only 5 metres from the Lulu high grade hole drilled in 1990 (ddh 90-30) [preceding is Confidential]. The Lulu zone is hosted by an intra-rhyolite mudstone, distinct from the Contact Mudstone at Eskay Creek.

One hole was drilled in Battleship Knoll, a prominent quartz-sericite-pyrite alteration zone that is part of the 15 km long belt of gossans on the Eskay and SIB properties. The hole encountered 8.24 g/t Au and 16.8 g/t Ag over 1.4 m. The Battleship Knoll alteration zone extends onto a claim gap about 350 m wide ("Lake gap") owned by Barrick Gold Corp. Heritage drilled four holes north of the gap into the North SIB alteration zone but did not intersect mineralization. Immediately further north is the MacKay zone on the Eskay Creek property. Barrick drilled the MacKay zone earlier this year within 25 metres of the claim boundary. (For many years Homestake/Barrick deferred drilling near the SIB boundary while negotiating for the claims) Previous drilling (1989-1990) mainly tested the MacKay mudstone (equivalent to Datum mudstone at Eskay Creek) that separates the Betty Creek andesite (below) from rhyolite (above). The Contact mudstone appears to be largely absent, due to erosion?? These historic SIB holes intersected many 1-30 metre intervals of anomalous gold (0.3-1 g/t). Hole 90-02, drilled by Tymar Resources in the Lake Gap, encountered 41.0 g/t Au and 58.5 g/t Ag over 3.0 metres in a pyrite-galena-arsenopyrite stockwork in the MacKay mudstone.

Morrison - Open pit resource estimate (at 0.3% Cu cut off) based on 60 metre spaced drilling (82 holes, 22 824 metres)

- Measured + Indicated 62.1 million tonnes 0.46% Cu, 0.22 g/t Au
- Inferred 8.9 million tonnes 0.52% Cu, 0.21 g/t Au
- Strip ratio 1.15:1

Bell mine production was (almost) identical - 77.2 million tonnes @ 0.47% Cu, 0.21 g/t Au but at a significantly better strip ratio of 0.75:1. Morrison is not closed off on the northern and southern-most drill sections. These areas, and the high grade core (starter pit) will require further drilling.

Silvertip - high grade silver-lead-zinc manto deposit purchased by Silver Standard Resources Inc. for \$1.2 million plus shares. Seller is Imperial Metals Corp.

Del Norte - Teuton Resources released two more intercepts on its new vein breccia discovery south of Bear Pass near Meziadin. All 3 holes were drilled from a single site set back about 12 metres from outcrop of the zone and at only 10-20 degree different azimuth and dip. Therefore the intercepts are within a few metres of each other. All 3 holes are listed below. Estimated true width is 10 metres.

- DDH-1 3.65 g/t Au 192.3 g/t Ag across 31.1 m
- DDH-2 4.59 g/t Au 178.9 g/t Ag across 32.9 m
- DDH-3 7.64 g/t Au 277.3 g/t Ag across 23.4 m

Klappan - Fortune Minerals states it is updating the reserve model, "started marketing products that it expects to produce" and working with independent power producers for thermal power plant, noting the latter is consistent with the new energy policy.

Placer designation - assist Warner Grunewald, working on behalf of a client in the Stewart area.

Yukon Geoscience Forum - presented Northwest B.C. mining and exploration summary to enthusiastic audience on Nov 17. Conference registration about 230.

Schroeter, Tom EM:EX

105 - Smithers

From: Wojdak, Paul EM:EX
Sent: Friday, July 15, 2005 2:43 PM
To: Anderson, Duane EM:EX; Berdusco, Ricci EM:EX; Cathro, Mike EM:EX; Conte, Rick EM:EX; Flynn, Doug EM:EX; Freer, Geoff EM:EX; Grant, Brian DB EM:EX; Lefebure, Dave EM:EX; Marczyk, John S EM:EX; McArthur, Gib EM:EX; McLaren, Graeme EM:EX; Morii, Sachie EM:EX; Pardoe, Jill A. LWBC:EX; Perry, Monica EM:EX; Schroeter, Tom EM:EX; Sharpe, Frances EM:EX; Stewart, Barbara PAB:EX; Sweet, Colleen EM:EX; Van Ek, Christie EM:EX; Wonders, Glen EM:EX
Subject: Northwest Region, July 15

General - DWF in Calgary attending to family illness. BCYCM delegation (led to Dan Jepsen) met with broad cross section of exploration and mining industry (on July 13, about 12-15 people) to discuss "branding" of the Chamber. Preliminary discussion with Skeena RMC and BCYCM of mineral exploration/ mining workshop with Wetsuwet'en probably to be held in second half of Sept. Laptop computer serviced by Ministry of ?? - 14 viruses removed!!

Environmental Assessment

Davidson - Blue Pearl's pre-application report has been accepted. Mine site is 9 km northwest of Smithers. Propose 2000 tonne per day underground moly mine, with an underground crusher. Crushed ore will be trucked or railed either to Endako (213 km) or Huckleberry (180 km) for milling and other processing. First order of business is to consider whether issues around off-site milling need be included in EA (tailings capacity, added environmental risk/ impact etc).

Kutcho - Western Keltic is very close to submission of pre-application (thereby entering EA) for an open pit copper-zinc mine east of Dease Lake.

Ruby Ck - EAO trying to coordinate site visit.

Morrison - New management team for Pacific Booker Minerals introduced themselves to Smithers office, and refreshed their intent to advance the Morrison copper-(gold) project.

Klappan - Fortune Minerals has added a new access road from Bell II (on Hwy 37) up the Bell-Irving River to the site.

Galore Ck - received various documents, no time to review.

Permitting

- Notices received week of July 4-8: Mineral 6, Coal 0, Placer 1, Sand & Gravel 0.
- Notices received week of July 11-15: none

Total Approvals/ Permits issued to July 15:

- Mineral - 95
- Coal - 1
- Placer - 54
- Sand & Gravel - 7

(NOTE- The higher numbers that appeared in the last report, represented the number received to date, not the number of permits issued. Sorry for the confusion to those who are tracking the numbers)

Davidson - NoW received for opening up exploration road, adit and underground workings.

Klappan - Discussed complaints of excessive red tape in permitting process with Robin Goad, head of Fortune Minerals: (a) need to specify locations for ddh sites, (b) amount of security and (c) drinking water standards.

Regional Geology

Terrace Project (GSB) - Frances Sharpe worked with Terrace project July 5-7 incl.

Endako - May stockpile low grade ore, 0.05% to 0.07% Mo. Milling to be deferred so that Mo output can be maximized during current high price. Subject to Mo price, future processing could extend mine life to 2013 (from current 2011).

Kinaskan (GJ) - Respond to Canadian Gold Hunter's concerns regarding their Tahltan consultation program viz a viz

Schroeter, Tom EM:EX

TOS → Klappan

From: Schroeter, Tom EM:EX
Sent: Monday, May 02, 2005 10:40 AM
To: Lefebure, Dave EM:EX
Subject: RE: _FYI: Mount Klappan Comment

Too bad Robin never asked me directly. You're right with your answer - as far as Paul Wojdak and I knew (as of last December) there was little, if any, on-site "exploration" at Klappan last year (I believe our expenditure list indicates \$20,000). We had been expecting some on-site exploration activity (incl. drilling) all the way along; however, nothing happened. We were/are aware of the ('advanced') detailed mine planning scenarios that Fortune is working on; however, these didn't qualify as "exploration" expenditures last year - thus the lack of mention in my presentation (which purposely addressed the "exploration" phase).

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Geological Survey and Development Branch
Mining and Minerals Division
Ministry of Energy and Mines

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-----Original Message-----

From: Lefebure, Dave EM:EX
Sent: Monday, May 02, 2005 10:13 AM
To: Schroeter, Tom EM:EX
Subject: _FYI: Mount Klappan Comment

Tom:

Robin Goad mentioned that the Mount Klappan project didn't come up on any of your slides in your talk at Stewart. I assumed he was right and said I suspected this reflected the lack of exploration dollars on site, but he pointed out that they have spent considerable money on other activities. Thoughts?

Dave

David Lefebure
Chief Geologist
Geological Survey Branch
British Columbia Ministry of Energy and Mines
☎(250) 952-0374 www.em.gov.bc.ca/geology

Geoscience at your service!