

MINING

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top

Fort Saint James Courier, Page 5, 24-Aug-2006**Mine plan causes concern**

By Arthur Williams

A proposed open-pit copper and gold mine at Mt. Milligan could present a threat to the surrounding watershed, according to local Green Party spokesperson Hillary Crowley.

Last month Terrane Metals Corp. announced they hope to begin construction at the site 75 kilometres northwest of Fort St. James by 2008. Terrane Metals bought the mineral rights to the site from Goldcorp earlier this year for \$120 million.

Terrance Metals president Robert Pease said the mine could begin production as early as 2010. The proposed mine would process 50,000 tons of ore per day, making it one of the larger mines in the province.

A study done in 2005 estimated the accessible gold at Mt. Milligan at 3.7 million ounces and copper at 1.12 billion pounds. At current prices, the combined value of the metals would be over \$26 billion.

Construction of the mine would cost approximately \$700 million. Once in operation, the mine would employ approximately 350 people.

If the mine goes ahead, Crowley said, major efforts should be made to prevent contaminants from the mine damaging surrounding water supplies.

“When you take the minerals from the land there are a lot of acids which leak out that can contaminate the watershed,” Crowley said.

It is critical that every effort be made to control those toxic emissions, she said.

Mines also produce tailings which can release toxic substances like sulphuric acid when exposed to air, she said. Those tailings are typically dumped in a tailing pond or lake, she said.

“Eventually it’s going to cause contamination,” Crowley said.

A preliminary environmental study was done several years ago when the mineral rights were owned by Placer Dome, she said.

“It’s important that a new study is done. There are new, stronger environmental regulations and much more consultation is needed with First Nations,” Crowley said.

Crowley said it is critical that the mine owners be taxed appropriately on the natural resources which belong to the public.

“The company that has the mineral rights must be held responsible for the reclamation of the site,” she said. “In the past companies have just folded up and the taxpayer is left with the cost of cleaning up.

MINING

→ Mt. Milligan

top

Fort Saint James Courier, Page 1, 22-Nov-2006**Province launches study into Mt. Milligan**

By Chris Shepherd

The proposed mine north of Fort St. James is going under the microscope as the province begins its environmental assessment.

The assessment is an early look at the Mt. Milligan copper-gold mine that Terrane Metals Inc. wants to start 90 km north of Fort St. James.

B.C.'s Environmental Assessment Office is in the early stage of developing contacts with affected groups, said Graeme McLaren, assessment director for the Mt. Milligan project.

McLaren says he will organize a working group composed of his office, the local, provincial and federal government, and First Nations groups.

That group will look at Terrane's application and provide feedback on how the mine could affect the area.

One First Nations family whose keyoh, or land, would be affected by the project is the Sam family.

Anne Marie Sam says the family wants to get more information about the project before they form an opinion on the matter. They're sure there will be impacts on the land, but they want to understand what forms those impacts will come in.

"We're just educating ourselves first," she says.

That said, Sam says she and the family already have concerns about the assessment process itself.

"I'm a little concerned that the environmental assessment process has never stopped a project."

This isn't the first time a mine has been proposed for the area.

Placer Dome originally owned the site and received a permit to mine the area in 1994.

Robert Pease, then-manager of Placer Dome's Canadian exploration, said the price of gold didn't warrant starting that particular project.

Terrane bought the mineral rights to the site earlier this year and Pease, now president of Terrane, is once again seeking approval for the mine.

Pease has said the mine could begin production by 2010 and would process 50,000 tons of ore per day.

The project has raised warnings from a Prince George Green Party member.

In August, Hillary Crowley said major efforts would be needed to stop contaminants from the mine damaging

2006-11-24

(PAB)

surrounding water supplies.

Crowley also raised concerns about tailings, toxic leftovers from the mining process.

Meetings between the various governments and First Nations won't happen until next year, McLaren says, and eventually the public will have a chance to learn more about the project and submit their comments and questions.
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2b. Project: **Eskay - Mitchell Sulphurets Project:** Porphyry Cu-Au to epithermal Ag-Au: Open File should be out before summer. Started work on Kerr Property in 1987.

KERR

- Kirkham away
- Did not discuss this issue with the Thompsons (see report in Current Activities)
- We met Bruce Ballantyne, Don Harris and Rob Shives

Placer is planning a fence of deep holes this summer looking for a Phillipines-type "Porobora" deposit with a relatively high grade gold-rich core zone.

So far, reserves are 170MT; Bruce Ballantyne and Don Harris are confident that actual reserves are 3 or 4 times larger. The system is high sulphur, high potassium, and gold-enriched (500 ppb over large areas). Mineralization is in the intrusives and coeval volcanic rocks.

From their data, silicification and k-alteration are key. Higher grade zones occur where potassium values are high.

2c. **Mt. Milligan - Porphyry Cu-Au Project:** Ballantyne - Harris - Shives

Mt. MILLIGAN

There are 2 styles of mineralization. The younger event is higher grade, in fractures, and related to carbonate alteration. Taking this into account lowered the apparent reserves and grade at the deposit.

The better grade zones at Mt. Milligan are also K-enriched, as are those at Mt. Polley. A potentially good exploration tool.

B. Mc Millan May 1/92

2d. **Kemess Porphyry Cu-Au Deposit Project**

KEMESS
- Todd 10/9/90

More than 300 samples collected and being analyzed - geochemistry, polished sections. Multispectral studies also done. South and North Kemess profiles being done.

Kemess: The oxidized systems are complex and variable: slope, cover, etc. are factors.

They are unhappy with lack of interaction with MDRU - Editorial comment - the problem is two-way. They plan more work at Kemess next summer.

Don Harris and Bruce Ballantyne are keyed on Arizona-type oxide deposits over porphyries in the Quesnel Trough. They have evidence in the form of copper and silver salts supergene gold, iodides and bromides that a hot, arid climate existed - probably in Eocene time because oxides are covered by Tertiary deposits.

Implications for geochemical exploration are that spot copper highs might be from copper grains, not hydromorphically distributed copper. A problem is that ICP, with partial digestion, may not pick up resistate copper minerals.

They found mineralized grains in glacial fluvial materials; these will give false anomalies as the clasts disintegrate.

They suggest testing waters for copper and sulphur. Seeps and springs should be sampled.

At the drill hole - spotting level, they recommend in situ gamma ray spectrometry.

Marmot. San Telmo Resources (Chris Dyakowski) has proposed a 10-hole diamond drill program on the Thor-Marmot group of claims, located at the headwaters of Menard Creek in the McConnell Range. Marmot has been described as Cu-Au porphyry/porphyry-related and shear-hosted occurrence.

Morehead Creek. Big Valley Resources has begun diamond drilling a gold anomaly on its Morehead Creek project, 3 km south of the QR gold mine and also has completed soil sampling surveys on the **Jacobie West** and **Morehead South** projects, properties that host copper-gold porphyry systems.

Mosquito Creek. International Wayside has outlined a 10 to 20-hole (4500 m) surface diamond drilling program that will test ground below the past producing gold mine.

Mt. Milligan. Placer Dome plans a 3-hole diamond drill program near the deposit for geotechnical purposes.

Spruce, Pil and Atty. Electrum Resources (John Barakso) has submitted NoW for 3 projects in the Toadogone region.

PROSPECTORS ASSISTANCE

Spent one and one-half days (July 7-8) with **Dave** and **Catherine Ridley**, PA grantees, examining showings on their claims and looking at samples that have been collected from their regional prospecting program. They are focusing on Au vein and Au-Cu porphyry related targets.

Spent the better part of a day with **Gary Lee**, PA grant recipient, and his partner **Dave Hayward**, reviewing work conducted on their **Nina** and **Jackaroo** properties located north-northwest of Germansen Landing. Both claims are potential hosts to VMS style mineralization

Serpentinite-listwanite exposures in recent roadcuts south of the Blackwater River were examined with **Bert Struik** (GSC) and **Dan Hora** (GSB-Victoria). **Bill Poole**, a consultant for Finlay Forest Products who is harvesting in the area, reported the new exposures 6 weeks ago and was our guide into the area. The margins of the serpentinite bodies have potential for jade, talc and listwanite-associated gold. Watch for soft shoulders!

OTHER

Attended joint GSC/GSB NATMAP field meeting, led by **Bert Struik**, and examined bedrock exposures in the Tezzeron Lake to Sinkut Mountain area, mainly Cache Creek Group rocks in the Fort St. James area and Vanderhoof Gniess complex south of Vanderhoof.

Examined several new exposures of altered Takla Group volcanic rocks within the **Kemess powerline corridor** south of the mine development. Grab samples of pyritic and weakly propylitized andesitic volcanics from the 14J access road (at about km-377 on the ORAR) have been submitted for analysis.

John Newell has been secured as external editor for the EXPLORATION IN BC volume that will be printed for distribution at the 1998 Cordilleran Roundup.

Lane - MR - July '97