

myra Falls

885841

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

Created: 26-Jan-1998 09:17am PST
Sent: 04-Feb-1998 09:37am PST
From: Robert Pinsent of EI
RPINSENT
Title. District Geologist
Dept: Employment & Investment
Tel No: 660-0223

TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: JANUARY

EXPLORATION:

MYRA FALLS
- Boliden Limited succeeded in its hostile take over bid for Westmin Resources Limited. It now owns 89% of the outstanding common shares and is busy mopping up the remainder. The implications for Westmin are uncertain, however Boliden is new to Canada and views Westmin as "a platform for growth in the Americas".

- Boliden is strongly supportive of Westmin's exploration program at Myra Falls. The company will spend approximately \$4.0 million in 1998. It will concentrate on exploring the Marshall zone and on drilling the newly discovered Trumpeter trend. It is already drilling the latter.

- Quinsam Coal Corporation lost two miners killed by a rock fall on 15th January. The operation was shut down for four days but is now up and running again as investigations continue.

THUMB PK.
- Sand River Resources Ltd. closed a private placement for \$100,000 for work on their Thumb Peak massive sulphide property this summer.

SNOW
- Snowfield Resources Limited has listed on the VSE. It plans to spend \$215,000 drilling gold-bearing quartz & quartz carbonate veins on the Snow property, west of the Tay property near Port Alberni. The claims impinges on the Clayquot Sound Special Management Area!

- Phrygian Mining Corporation sold the Privateer gold mine and mill at Zeballos to Proprietary Energy Industries of Calgary for \$100,000. The latter and JV partner Kilo Gold Mines plan to reopen the mine and explore some of the veins for down-dip extensions.

LAND-USE:

- Lower Mainland IAMC met to discuss land-use issues, including Silverdaisy Intergrated Resource Management Plan. MEI concerns about MELP statements implying "park in waiting" status still to be resolved.

TGS → 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-Mar-1998 02:18pm PST
Sent: 30-Mar-1998 03:50pm PST
From: Robert Pinsent of EI
RPINSENT
Title: District Geologist
Dept: Employment & Investment
Tel No: 660-0223

TO: Ted Hall of EI (TJHALL)
TO: Tom Schroeter of EI (TSCHROETER)
TO: Al Ludwig of EI (ALUDWIG)
TO: Greg Carriere of EI (GCARRIERE)

Subject: Southwestern Region

This is just an update on what happened in the first quarter of 1998 and what is upcoming in the region. There isn't much!

IM

I have only received 14 NsOW for Mineral Properties so far this year! This a very slow start. Similarly, there has been very little active exploration. The only "major" project I know of is at Slesse Creek where IG Machine and Fibre are currently drilling for limestone reserves and are looking to permit a 24,000 tonne/year limestone operation at a past producing quarry.

Myra Falls

There has almost certainly been exploration work at Myra Falls as it is ongoing. Boliden wants to push on with exploration and it may do more than the \$3.4 million dollars worth of work Westmin originally scheduled for this year. The primary goals are (1) to drive a cross-cut out to the Marshall zone and drill it off and (2) to explore the "new" Trumpeter trend zone from surface.

Hillsborough (Quinsam) arranged a private placement of \$5.0 million in February but what it is for isn't clear. The company has 44 million tonnes of reserves at the mine and I haven't heard of plans for significant exploration there this year. It usually does around \$250,000 worth. The T'Sable River underground sample program, if it goes ahead this year would likely cost \$5.0 million or so.

The recent merger between Imperial Metals and Princeton Copper improves the likelihood of Imperial completing its surface-cut bulk sample program at Giant Copper this year. I am not sure of the cost - say \$1.0 million.

Norwood Resources arranged a private placement of \$295,000 in February. Much of this will be earmarked for their flagship Alexandria property, in the Doratha Morton gold camp.

SYMC Resources has finally listed and should have \$400,000 to do something constructive at Mactush and elsewhere in the Port Alberni

VOS → RG
- Van.

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

Created: 03-Sep-1997 02:51pm PDT
Sent: 12-Sep-1997 12:19pm PDT
From: Robert Pinsent of EI
RPINSENT
Title. District Geologist
Dept: Employment & Investment
Tel No: 660-0223

TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: SEPTEMBER I

EXPLORATION:

Knob Hill

- First Choice Industries Ltd. has completed the first 7 of 21 drill holes at Knob Hill. So far, it has drilled a Cu,Au soil geochemical anomaly located above a large, circular, feature in rhyolite breccia and located "extensive" copper polymetallic sulphide mineralization "including copper sulphide". It stopped drilling, temporarily, pending receipt of assays and the results of a ground geophysical survey over a second target, a highly prospective, 1.0 km long, em conductor identified through its recent airborne survey. The zone is poorly exposed but exhibits scattered sulphide float. The company has recommenced drilling but has yet to announce results.

QUET

- Mount Hope Resources is currently drilling at Hotspring (Quet). It plans to drill 8-10 holes for an aggregate depth of 2000 metres looking for "higher-grade" gold mineralization in and around altered andesite dykes that are known to cut an extensive stratabound zone of weakly Au,Ag,Pb,Zn, mineralized volcanic breccias. It is looking for a feeder system with sufficient tonnage and grade to develop a large, low-grade, bulk mineable deposit.

GALLEON

- AGC Americas Gold Corp has announced acquisition of "100% interest in certain mineral claims on Southern Vancouver Island". This is the Galleon property. It hasn't announced where as it is still staking. The company is required to spend \$115,000 the first year and \$225,000 the second. The company has a private placement in place to cover costs.

MYRA FALLS
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- Westmin Resource's Myra Falls Operation has been shut down by a strike since Thursday. However, neither side expect it to last very long. The company and union are agreed on most of the contentious points.

LAND-USE:

- LUCO has, as expected, recommended that Joffre, Sechelt Inlets, Coquihalla Canyon and Lake Lovely Water recreation areas be made into parks. Interestingly though, it has deferred any decision on Cascade

TOR → 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: 24-Jul-1997 10:36am PDT
Sent: 25-Jul-1997 08:58am 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, July 25, 1997

Myra Falls

ISSUES:

* TH met with Westmin and BC Parks to discuss jurisdictional and permit review issues; some progress made in advancing permit approvals for '97 Thelwood Valley and Myra Ridge programs, but Strathcona District's apparent paranoia over possible rare and endangered plant species etc. is causing Westmin to go through expensive ecosystem assessment for a single 450 square metre helicopter drill set-up; Strathcona does not accept interagency protocols and procedures established for rec areas in 1989; regional staff will work to develop local agreement on how to do business in Westmin-Strathcona Park.

* An illegal gravel operation was reported on Cortes Island; stop work order issued; operator frustrated by lengthy delay in getting ALR permit.

* Plans to divert Fulton Creek to prevent future flooding of Allard Pit A have been put on hold by DFO; time is running out to address this issue and implement remedial works before rainy season.

Ladner Creek

* Athabaska Gold have announced an indefinite shutdown of the Ladner Creek exploration project, citing low gold prices and lack of financing. All portals will be sealed and signs posted.

* A public meeting is scheduled for August 7th in Squamish to review Great Pacific Pumice plans for processing plant; issues related to zoning and environmental effects on agenda.

* A public meeting is scheduled for August 19 for Carmel Custom Contracting gravel pit proposal at Shawnigan Lake.

FYI:

* Westmin/C.A.W negotiations on hold til mid-August; union obtained strong strike mandate from membership last weekend, and have requested a mediator be brought in.

VOS → 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: 17-Jul-1997 12:16pm PDT
Sent: 17-Jul-1997 05:05pm 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 - July 17, 1997

ISSUES:

- * BC Parks is asking for detailed EIA for Westmin/Myra Ridge helicopter-supported drill program; regional staff consider requirements excessive; may result in approval delays that could prevent program proceeding, as happened with Phillips Ridge last year; Westmin expressing concern that Parks is taking over regulatory control from MEI; discussions with District Parks officials planned.
- * GC and TH met with Quadra Island Forest Resources Committee; good discussion on public participation processes but high level of mis-trust was apparent; organized resistance to planned mineral exploration programs on QI is anticipated.
- * Public complaints about dust from Allard Pit A continue in spite of operator's control efforts; inspection priority when AL returns from vacation.
- * Discussions with Allard planned next week to finalize major permit amendment for Pits D-E; outstanding issues related to mine planning and security requirements.
- * MOTH, MacBlo and T'Sable River Coal meeting July 18th to explore possible options for avoiding conflict with local property owners over planned bulk sample haulage route.
- * Cewe Ltd. survey plans were not submitted by due date as ordered; Westwood Plateau subdivision developers expressing concern over pit erosion.
- * Letter writing campaign in opposition to Great Pacific Pumice processing plant in Squamish is escalating; noise, dust, traffic and enviro concerns prevalent.
- * Groundwater assessment report has been filed as directed for Cassidy S & G pit proposal; paves way for public meeting; public opposition and hostility expected.

TOS → 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-Jun-1997 09:20am FDT
Sent: 02-Jul-1997 10:45am PDT
From: Robert Pinsent of EI
RPINSENT
Title: District Geologist
Dept: Employment & Investment
Tel No: 660-0223

TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: JUNE II

EXPLORATION:

Myra Falls

- Westmin Resources has dropped plans for deep drilling the west end of the mine property and has submitted NsOW for programmes at the east end (1) along Thelwood Creek, (2) near the tailings pond and (3) Myra Ridge between H-W and Trumpeter. The latter requires cutting "old growth" - which might possibly offend BCParks.

Knob Hill + Red Dog

- First Choice Industries has funds for drilling its Knob Hill gold/arsenic system near Holberg Inlet and should start work shortly. First Choice and Jordex Resources have teamed up to fly an airborne geophysical survey over Knob Hill and Red Dog (porphyry copper) properties.

Monument

- Minestar Resources plans to trench-sample and drill the Monument quartz vein, near Spuzzum. It will extract a 9,000 tonne bulk sample and process it off-site. The vein lies in the same structural & stratigraphic setting as the Ladner Creek deposit but differs in form. It is a >2.0 metre wide, clean, white, sulphide-free, fine free gold-bearing quartz vein. If the grades hold up, the vein is well located for underground mining (Visited).

Doctor's Point

Minestar Resources has also staked the Doctor's Point gold deposit west of Harrison Lake. It was last explored in 1983. It consists of shallow-dipping, interlaced, mineralized fractures in volcanic rock adjacent to a diorite intrusion. The fractures are silicified close to the intrusion and vuggily quartz-veined away from it. The veins contain coarse pyrite and arsenopyrite (and minor stibnite) and good grades of gold and silver (Visited).

Ashlu

- Slim's Exploration and Mining Company (private) plans to reactivate the dormant Ashlu Gold Mine north of Squamish. It expects to process 200 tonnes/day of very high-grade (?) gold & platinum (etc)-bearing telluride ore (Calaverite) from a quartz vein system through an existing mill on a seasonal basis and produce a flotation concentrate. (Visited).

permits? Nows?

- Beau Pre Explorations Ltd. has received permits to continue its bulk

TGS → 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
RPINSENT
Title. District Geologist
Dept: Employment & Investment
Tel No: 660-0223

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: 29-Nov-1996 08:53am PST
Sent: 29-Nov-1996 09:47am PST
From: Ted Hall of EI
TJHALL
Title. Regional Manager, Nanaimo
Dept: Employment & Investment
Tel No: 751-7375

TO: See Below

Subject: Southwest Region Update, November 29, 1996

ISSUES:

* Investigation of the noise complaint at the Sechelt Pit (Construction Aggregates Ltd.) revealed the source of noise was likely an adjacent, illegal quarrying operation which has since shut down.

* A draft permit amendment has been forwarded to Allard Contractors Ltd. for their pit operations on Pipeline Road; regional staff expect to meet on site December 10th to finalize permit conditions.

FYI:

* Westmin have announced the layoff of 50 staff and hourly employees at Myra Falls, due in part to completion of construction projects on the Battle Zone and a planned reduction in mining production in 1997. Further expenditure cuts are planned in definition drilling and exploration programs.

* Quinsam Coal have advised they are planning a bulk sampling program on the Tsable River project; an application will likely be submitted in December.

ADMIN:

* Gail Burn's auxiliary term ends today. Special thanks to Gail, Trudy, Gloria and Margaret for getting the file conversion completed on target and for keeping us well organized during the move to 2080 Labieux Road.

Ted Hall
Southwest Region

Distribution:

TO: Fred Hermann of EI
TO: Brian Parrott of EI

(FHERMANN)
(BPARROTT)

→ P.S. RG
→ Vancouver

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

Created: 13-Sep-1996 10:11am PDT
From: Robert Pinsent of EI
RPINSENT
Title. District Geologist
Dept: Employment & Investment
Tel No: 660-0223

TO: 6 addressees (Current User: Robert Pinsent of EI)

CC: 3 addressees

Subject: SOUTHWESTERN REGION MONTHLY REPORT: SEPTEMBER II

EXPLORATION:

Mount
Falls

Westmin Resources obtained BCParks/Mines permits to drill two deep surface holes from Mount Price in Mid-September, too late in the year to start drilling. It will run the \$1.5 million program next year. In the meantime, it will have to take a risk in setting the direction of a 600 metres of cross-cut drift required to access and drill the Marshall Zone.

On a more cheerful note, the company should have a similar cross-cut drift in the Price Mine area finished and available to drill the Trumpeter Zone later this year.

- Imperial Metals has completed eight holes on the Giant Copper property in the newly enlarged Skagit "dough-nut hole". The holes encountered thick sections of altered and mineralized intrusive rock in the vicinity of the old Invermay adits - an area last mined in the 1930's. The core suggests a structurally controlled "porphyry Cu" system with abundant tourmaline. The company will complete two more holes this fall (Visited).

- Verdestone Resources is currently drilling the first of two deep holes in exceedingly rugged terrain on Float Creek to test part of a 5.0 Km diameter circular molybdenum system. The company has been plagued with bad weather and poor drillers but it does seem to be getting better grades at depth, as predicted (Visited).

Lucky/Log

Consolidated Logan Mines Limited has completed an airborne magnetic survey on the Lucky property, near Ucluelet. It is currently exploring a (fault-bound?) siliceous breccia on Mount Redford that contains gold and arsenic. This is a new type of mineralization in an area better known for its skarn showings.

- Several NOW for small to moderate sized late season programmes including a surprising number for Mid and Lower Coast projects.

VOG → RG
- Van.

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

Created: 04-Jul-1996 04:17pm PDT
Sent: 15-Jul-1996 12:26pm PDT
From: Robert Pinsent of EI
RPINSENT
Title. District Geologist
Dept: Employment & Investment
Tel No: 660-0223

TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT JULY I

EXPLORATION:

- Westmin Resources Ltd. still has production problems at Myra Falls as it continues to extract both waste and ore from the Gopher zone through the 18 level exploration drift. It has produced less "high-grade" ore than expected over the past few months. However, it should be able to route ore through draw points on the new 24 level haulage drift shortly, which should simplify matters and increase productivity. (visited).

PHILLIPS RIDGE
BCPARKS

The company has completed a detailed environmental impact study on three proposed drill sites on Phillips Ridge, near the western end of its tenure holdings in Strathcona Park. BCParks has joint sign-off with MEI for work in the area and requested the report.

The company plans to drill four very deep holes from two sites for an aggregate depth of 7,000 metres. The \$1.5 million programme should provide stratigraphic information that will assist the company orient underground development required to explore the Marshall zone and the as yet untouched western end of the property. The drill programme must start in August if it is to be finished this year.

- Quinsam Coal has reached its design production capacity of 1.2 million tonnes of clean coal per year and has set its sights on 1.5 million tonnes! It has started development in the 4S area and it is permitting the 242 area which it hopes to develop this fall. The two new blocks will more than replace production lost when the 2S block closes this fall. (visited).

Coal

- Quinsam Coal has drilled the first six out of twenty proposed rotary holes in the Tsable Coal field south of Courtenay. The \$0.8 million programme is designed to double the current 11.0 million tonne reserve. Despite overburden drilling problems (sand and gravel) and variable coal recoveries the results are encouraging. The coal appears to be of good quality and uniform thickness, around 3.0 metres. (visited).

Ladner

- Athabasca Resources is back drilling at Ladner Creek. It will drill approximately 25 holes for a depth of 4,750 metres over the next six weeks

TGS → 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
RPINSENT
Title. District Geologist
Dept: Employment & Investment
Tel No: 660-0223

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.

Skwim Lake

- 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 \$0.4i

Debbie

- 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.

Westmin

- 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.

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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!

TBS. → DG
- Van.

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

Date: 16-Sep-1994 09:47am PDT
From: Robert Pinsent
RPINSENT
Dept: Energy, Mines & Petroleum Res.
Tel No: 660-0223

TO: Rick Meyers (RMEYERS)
TO: Graeme McLaren (GMCLAREN)
TO: Greg McKillop (GMCKILLOP)
TO: Ron Smyth - Min. of EMPR (RSMYTH)

Subject: SOUTHWESTERN REGION WEEKLY/MONTHLY REPORT REACTIVATION

EXPLORATION

- Ten Companies and six prospectors operating in the region were awarded grants under the Explore BC and Prospector Incentive programmes.

- In the course of the summer trip to Vancouver Island, I visited three active mines (H-W; Quinsam and Island Copper), one inactive mine (Sunro), two active drill programmes (Bonanza/Steele "skarn", NW-Expo "transitional/porphyry"), three active vein gold properties (Debbie 900, McTush and Valentine Mountain), two VMS properties (H-W, Thelwood and Jasper), two dimension stone marble properties (Leo D'or and Beaver Creek) and one early stage carbonate prospect (Gordon Lorimer). Key observations include:

Myra Falls

- Westmin Resources resolved its labour dispute through arbitration. Employees went back to work after the Labour-day weekend.

The company will proceed with development of the Battle zone. It plans to construct a ventilation raise over the Battle zone; drive the 18Level drift northwest and ramp it up and over the Gap zone and construct a safety manway linkage to the Lynx Mine workings this fall and winter.

The company will also reactivate its definition drill programme from the 18Level and prepare to ramp down into Battle ore next spring. It will then be in a position to start blending Zn (Au,Ag) rich Battle ore with Cu rich ore from the H-W zone. Once it has constructed and linked the deposit to a haulage line below the Battle zone it will increase Battle production to around that of H-W. It plans to blend the ores approximately 50:50.

Myra Falls

The company identified H-W stratigraphy in holes drilled in the Thelwood Creek valley (southeast of H-W) last year. They ran a down-hole geophysical survey and got some very encouraging responses. Westmin

Thelwood (new)

The Wood (cont'd)

plans to drill-test the geophysical targets and drill additional stratigraphic recce holes in November/December. The results should be interesting!

Quinsam

- Quinsam Coal Corporation drilled three PQ holes to test the down-dip depth and continuity of the main coal seams at Quinsam north of the 2N/3N mine block. The results are encouraging. The coal is still of good width (2-3 metres) and mineable although it is a little "dirtier" than they might wish, reflecting a tendency for the seam to shale out.

The company will drill seven more PQ holes between the 2N and 3N blocks. The holes are needed to confirm thickness, quality and local structure in an area not adequately tested while the company planned for open-pit production. The programme should change probable reserves to proven.

The company is in transition with regard to production. It has finished open-pit production and is dependant on coal from underground from the 2S and 2N mining blocks. It commenced production from 2S in the spring and it is currently developing a new production area in the 2N. Production has been hampered by a need for rock-bolting and development has been slowed by the presence of numerous minor off-set normal faults. It operates one "continuous miner" in each area and has one doing development work. It needs to blend coal from the two areas to ensure sulphur content does not exceed 1.0%.

Island Copper

- BHP Minerals is making money at Island Copper! The company is finding it increasingly difficult to find mill-feed and it is running the mill at around 52,000 t/d, considerably below its 57,000 t/d capacity.

The south wall of the pit developed ground problems and started to slip. It has had to be buttressed with waste. The problem may "cost" BHP approximately 16 m/t of "ore", equivalent to around 9 months of production. The company were drilling drainage holes into the wall whilst I was there. These were making water. They may stabilize the situation. It is possible that the company will be able to recover some of the 16 m/t by mining from the flanks as opposed to the face.

If the company is not able to extract the resource, it expects to use up its stockpile and close the mill sometime around September/October 1995. BHP is already implementing its closure plan. It no longer removes waste from the pit. It has smoothed and covered its waste dumps and it is ready to seed 150 hectares around the pit. (Small Goal 2 "Cultural Heritage" site or potential golf course?). There has been no decision on the proposal to dump garbage into the pit. If it does not go ahead, the pit will be flooded.

The company feels that there are no mineable reserves around the minesite and it does not feel that there is much likelyhood of establishing a custom mill facility. The company management was extremely disturbed when MELP representatives informed them that a custom milling operation would require a full MDR of both mine and millsite!

MR - Pinsert - Aug. 94

INTEROFFICE MEMORANDUM

TGS → Myra Falls

Date: 08-Dec-1994 08:44am PST
From: jefferson@gsc.emr.ca
jefferson@gsc.emr.ca@GEMS@VENUS
Dept:
Tel No:

TO: DLEFEBURE (DLEFEBURE@A1)
Subject: Research at Myra Falls by GSC and GSB

Dear Dave,

I just received a written confirmation of Westmin's interest in mineral deposits research at their Myra Falls Operations, from Cliff Pearson, their Chief Geologist. They will "actively seek research partnerships with Government agencies". They would like to "keep the momentum going" that has been begun by the MDRU 'Volcanogenic Massive Sulphide Deposits of the Cordillera' research project and the GSC-Westmin Joint IPP Hydrochemistry Project. The next three paragraphs paraphrase his letter, a copy of which is being faxed to you.

Areas of study that are of most immediate interest to Westmin include: sulphide petrography and mineral chemistry, sulphide metal zoning, depositional history of the many mineralized horizons within the Mine Sequence and the volcanological setting and architecture at the time of mineral deposition.

Westmin has diamond drilled over 2 million feet and driven hundreds of miles of underground development, and a considerable amount of drillcore and tunnel is still available for study. In addition, underground development and diamond drilling are ongoing throughout much of the property; providing new areas of study each year.

Cliff asked for my comments and suggestions on how and when the GSC and/or other Government agencies might become more involved in scientific study of these fascinating (and profitable, taxable etc... for our bosses) sulphide orebodies at Myra Falls Operations. I would like to send him a response soon, and I would prefer it to be a joint letter from you and me in our capacities as co-chairs of BC's Mineral Deposit Study Needs committee.

A tentative draft follows:

Cliff Pearson
Chief Geologist
Myra Falls Operations
Westmin Resources Limited
P.O. Box 8000
Campbell River, B.C
V9W 5E2

TGS Comment
This is what MDRU should be doing!

Dear Cliff:

We are most encouraged by your invitation to participate in scientific studies in the area of your Myra Falls Operations. We have discussed your interest in continued research with John Thompson, who has indicated he would be pleased to interface with those picking up on the important studies MDRU has completed. We will also table your request at the next meeting of the BCGS-GSC Cooperation Committee meeting which is to be held on January 19. At

that time we will propose to begin joint planning for mineral deposits research, some of which could start as early as the summer of 1995.

As you are aware, Craig Leitch at GSC Vancouver may be available in 1995 to begin the petrography, mineral chemistry and zoning studies which you requested in your December 5 letter. In addition, Suzanne Paradis (GSC) and Nick Massey (GSB) could constitute a detailed mapping team to interface with Craig and address the depositional history of the sulphide zones, and the volcanological history and paleogeographic setting of the Myra Falls Area. They may be available to the project on a brief consulting basis in 1995, and could spend part- to full-time in 1996, depending on budgets and other priorities. All three of the above are currently dedicated to completing other projects in 1995-96. They all have excellent track records and we are confident that they could devote considerable time in 1996 and beyond to your important mining camp.

Once this project is approved in principle by the BCGS-GSC Cooperation Committee, we will instruct the individual scientists to prepare detailed

project proposals for the scrutiny of Westmin Resources and the Government review processes. Cost sharing will be a very important part of the project planning and budgeting process.

Thank you again for your encouraging letter. We will re-contact you in January after the Cooperation Committee meeting.

Yours Truly

David Lefebure	Charlie Jefferson
Manager, Economic Geology	Head, Mineral Deposits Subdivision
Co-chairs, British Columbia's Mineral Deposits Study Needs Committee	

The following can be letter-head addresses:

Geological Survey Branch
Ministry of Energy, Mines and
Petroleum Resources
5th Floor, 1810 Blanshard St.
Victoria British Columbia
V8V 1X4

Mineral Resources Division
Geological Survey of Canada
Natural Resources Canada
601 Booth Street
Ottawa Ontario
K2G 0E8

Dave - I am looking forward to an early response from you so we can send this before Christmas. After I get your comments I will check with Craig and Suzanne, and our VMS project leaders (Al Galley and Ian Jonasson) for their refinements. I could get a draft typed here, mail it to you for your signature and forwarding to Cliff, or you or I could send it directly, one signing for the other.

Cheers,

Charlie

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

Date: 08-Dec-1994 03:46pm PST
From: Ron Smyth - Min. of EMPR
RSMYTH
Dept: Energy, Mines & Petroleum Res.
Tel No: 952-0374

TO: Tom Schroeter

(TSCHROETER)

Subject: Research at Myra Falls by GSC and GSB

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

Date: 08-Dec-1994 02:49pm PST
From: David Lefebure
DLEFEBURE
Dept: Energy, Mines & Petroleum Res.
Tel No: 952-0404

TO: Ron Smyth - Min. of EMPR (RSMYTH)
TO: Paul Matysek (PMATYSEK)
Subject: Research at Myra Falls by GSC and GSB

What is the approach that you wish to take here? I have repeatedly told Charlie that company funding of GSC research is a sensitive issue that will require approval from higher levels. I am also sympathetic to his search for funds and wonder if we want to get involved as well.

Advice. Possible topic for next Managers?

Cheers,
Dave

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

Date: 08-Dec-1994 03:44pm PST
From: Ron Smyth - Min. of EMPR
RSMYTH
Dept: Energy, Mines & Petroleum Res.
Tel No: 952-0374

TO: David Lefebure (DLEFEBURE)
CC: Paul Matysek (PMATYSEK)
Subject: RE: Research at Myra Falls by GSC and GSB

I need to be convinced that this is a priority project identified by our joint strategic plan.

If it is not then its toast.

Why is this work not being done by MDRU?

What is MDRU opinion of it?

When you have these answers then table it at Mgrs.

Ron

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

Date: 30-May-1994 08:55am PDT
From: Robert Pinsent
RPINSENT
Dept: Energy, Mines & Petroleum Res.
Tel No: 660-0223

TO: Rick Meyers (RMEYERS)
TO: Graeme McLaren (GMCLAREN)
TO: Greg McKillop (GMCKILLOP)

Subject: Weekly Report May 24th - May 27th

EXPLORATION:

Myra Falls
+ Westim Resources Limited reported a "proven and probable" minable reserve of 2.9 million tonnes grading 2.0% Cu, 0.4% Pb, 10.3% Zn, 0.9g/t Au and 20g/t Ag in the Battle zone at Myra Falls. This is in addition to previously reported "proven and probable" minable reserve of 714,000 tonnes grading 1.5% Cu, 0.9% Pb, 10.6% Zn, 2.5g/t Au and 121.2 g/t Ag in the Gap zone (NM May23rd). The ore is far richer in zinc than that currently being mined.

The lock-out at the mine continues. Non-union staff have been running the mine at around 25% capacity since last October. The Battle zone is scheduled to commence production six months after resumption of full scale operation. There will be a start up capital cost of around \$12.0 million.

Carolin
- New Global Resources has consolidated its claim holdings in the Carolin Mine area, along the Hozameen fault. The company plans to trench several of the high-grade gold veins.

- No response from BCWildlife on the issue of Spotted Owls.

LAND-USE:

- There were no land-use meetings this week. Two were rescheduled.

- Reviewed the 500-odd new "area of interest" submissions. By guestimate, approximately 75% of the region is covered by protected areas, quasi-protected areas, study areas or areas of interest.

- Reviewed the regions biovariant "gap" analysis data. Subject to assumptions on how government handles the Northern Pacific Range ecosection and recreation and forest wilderness areas, the results show either a biovariant "gap" of 3.61% and 0.54% available to fill it or 4.41% with 2.64% available within the 12% limit.