

Schroeter, Tom EM:EX

836040 / OS → Afton

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, April 06, 2005 12:49 PM
To: Schroeter, Tom EM:EX
Subject: DRC Finances Accelerated Exploration Effort

SW-Apr. 7/05

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Re: News Release - Wednesday, April 06, 2005
DRC Finances Accelerated Exploration Effort
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April 6 2005, Vancouver, British Columbia -- DRC Resources Corporation (DRC:TSX; DRJ:AMEX) is pleased to announce that it has agreed to a non-brokered private placement to investors who are at arm's length with the Company for total gross proceeds of a \$3 million (the "Offering"). The Offering provides for the issue of 400,000 Flow-through common shares at a price of CDN\$7.50 per share, representing a 21% premium to yesterday's closing price. A finders fee will be payable subject to the closing of the Offering.

The transaction is subject to the application for, and receipt of all necessary regulatory and stock exchange approvals.

The securities being offered have not, nor will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

In making this announcement, President and CEO, Chris Bradbrook stated "The proceeds from this financing will allow us to expand and accelerate our exploration efforts at our Afton and Ajax Copper--Gold properties. We want to ensure that we maximize shareholder value by aggressively exploring both of these properties for potential new zones of mineralization. This additional exploration work will compliment the work being conducted from the underground exploration decline at the Afton Copper-Gold Project which is forming the basis of our ongoing feasibility study there."

DRC's main focus is the exploration and development of its 100%-owned Afton Copper-Gold Project, located 10 km west of Kamloops, B.C. To date the Company has outlined a Measured and Indicated Mineral Resource of 68.7 Million Tonnes grading 1.68% Copper Equivalent or 2.61g/t Gold Equivalent (1.08% Cu, 0.85 g/t Au, 2.62 g/t Ag, 0.12 g/t Pd), which contains approximately 1.6 billion pounds of copper, and 1.9 million ounces of gold. (Advanced Scoping Study, February 2004, Behre Dolbear and Company Ltd.) At current metal prices this mineralized zone has an in-situ value in excess of US\$3 Billion. The Company is currently conducting a US\$14.5 million feasibility study at the project, to determine the potential economics and capital requirements of developing a new underground Copper-Gold Mine at the site.

A 2004 advanced scoping study completed by Behre Dolbear and Company Ltd., indicates that this project would have initial capital expenditures of US\$120 million and (at conservative metal prices of US\$0.85 per pound copper, and US\$375 per ounce gold) when viewed as a primary copper mine, could potentially produce the metal at a cash (direct) operating cost of US\$0.15 per pound of copper, and when viewed as a primary gold mine, could produce the metal at negative cash operating cost per ounce of gold. According to the British Columbia Ministry of Energy & Mines, the Afton Project is the largest advanced exploration project in South Central B.C.

Schroeter, Tom EM:EX

788 → Afton

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Tuesday, December 07, 2004 10:46 AM
To: Schroeter, Tom EM:EX
Subject: Accelerating Development of Afton Copper-Gold Project Underground Decline Underway (All dollar amounts in US\$)

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Re: News Release - Tuesday, December 07, 2004
Accelerating Development of Afton Copper-Gold Project Underground
Decline Underway (All dollar amounts in US\$)
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December 7, 2004, Vancouver, British Columbia -- DRC Resources Corporation (DRC:TSX; DRJ:AMEX) is pleased to announce that work on the 2,000 metre decline has commenced at the Company's Afton Copper-Gold Project, near Kamloops, British Columbia, Canada. Excavation work is well underway and is being performed by the Company's mining contractor - Procon Mining & Tunnelling Ltd.

In making this announcement, President and CEO, Chris Bradbrook, stated, "This is a very important step in the evolution of the Afton Copper-Gold Project. The decline will not only enable us to complete infill drilling of the mineralized zone in order to upgrade resources to reserves, but also allow us to complete additional exploration drilling to determine the full extent of the mineralized zone, and to search for additional mineralization. A 20,000 metre diamond drilling contract has been signed with F. Boisvenu Drilling Ltd. with work scheduled to start as soon as possible in January, 2005. We intend to conduct the exploration work as aggressively as possible."

Bulk sampling and technical studies will be carried out concurrently with development of the decline, and completion of diamond drilling, all of which are integral parts of the Company's plan to complete a bankable feasibility study. This study will include commissioning an independent mine engineering consulting group to finalize a plan for placing the Afton Copper-Gold Project into production. Total costs for this work are expected to be approximately \$14.5 million.

DRC's main focus is the exploration and development of its 100%-owned Afton Copper-Gold Project, located 10 km west of Kamloops, B.C. To date the Company has outlined a Measured and Indicated Mineral Resource of 68.7 Million Tonnes grading 1.68% Copper Equivalent or 2.61g/t Gold Equivalent (1.08% Cu, 0.85 g/t Au, 2.62 g/t Ag, 0.12 g/t Pd), which contains approximately 1.6 billion pounds of copper, and 1.9 million ounces of gold. At current metal prices this mineralized zone has an in-situ value in excess of \$3 Billion.

A 2004 advanced scoping study completed by Behre Dolbear and Company Ltd., indicates that this project would have initial capital expenditures of \$120 million and (at conservative metal prices of \$0.85 per pound copper, and \$375 per ounce gold) when viewed as a primary copper mine, could potentially produce the metal at a cash (direct) operating cost of \$0.15 per pound of copper, and when viewed as a primary gold mine, could produce the metal at negative cash operating cost per ounce of gold. According to the British Columbia Ministry of Energy & Mines, the Afton Project is the largest advanced exploration project in South Central B.C. The Company is also exploring its nearby, 100%-owned, Ajax and Pothook properties.

DRC is in excellent financial condition with cash of \$21 million and no debt. The company has only 13.9 million shares outstanding and 15.2 million shares fully diluted.

For further information on DRC Resources and the Afton Project, please contact:

Chris Bradbrook
President and Chief Executive Officer
DRC Resources Corporation
601 - 595 Howe Street, Vancouver, B.C. V6C 2T5
Tel: 604-687-1629, Fax: 604-687-2845
Email: drcresources@uniserve.com
Website: www.drcresources.com

Safe Harbor Statement under the United States Private Securities Litigation Act of 1995: This release made may contain forward-looking statements that are affected by known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed, implied or anticipated by such forward-looking statements. Such forward-looking statements herein represent management's best judgment as of the date hereof based on information currently available. The Company does not intend to update this information and disclaims any legal liability to the contrary. Cautionary Note to U.S. Investors concerning resource estimates. This press release discusses the results of a scoping study, which is a "preliminary assessment" as defined in the Canadian NI 43-101, under which the use of inferred mineral resources is permitted under certain circumstances. The U.S. Securities and Exchange Commission regulations do not recognize any circumstances in which inferred mineral resources may be so used. U.S. investors are cautioned not to assume that any part or all of an inferred resource category described as a 'resource falling within the mine plan' will ever be converted into 'reserves' within the definition of that term in SEC Industry Guide 7. Cautionary Note to U.S. Investors concerning estimates of Measured and Indicated Resources. This press release uses the terms "measured" and "indicated resources." We advise U.S. investors that, while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. WARNING: The Company relies upon litigation protection for "forward-looking" statements.

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For more information visit our website at <http://www.drcresources.com/>
or send <mailto:invest@drcresources.com>
Message sent on Tue Dec 7, 2004 at 10:27:53 AM Pacific Time
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Schroeter, Tom EM:EX

JGR -> AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Monday, October 18, 2004 9:22 AM
To: Schroeter, Tom EM:EX
Subject: Chris Bradbrook Appointed President & CEO

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Re: News Release - Monday, October 18, 2004
Chris Bradbrook Appointed President & CEO
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October 18, 2004, Vancouver, British Columbia -- DRC Resources Corporation (TSX:DRC) is pleased to announce the appointment of Christopher Bradbrook (Chris) as, President, Chief Executive Officer, and Director, effective immediately. Chris' mandate is to develop and implement strategies to maximize shareholder value.

Chris brings a wealth of expertise and experience to DRC Resources, as a result of his more than 25 year career in the mining industry, in which his principal roles have encompassed many aspects of the industry, including exploration, mine development, corporate development work, financial analysis, investor relations and marketing. Most recently he was Vice President of Corporate Development for Goldcorp Inc. (TSX:G; NYSE:GG). This career has provided him with a unique and valuable perspective and understanding of the relationships between investors, mining companies and the creation of shareholder value.

In accepting this position Chris stated, "DRC's Afton project provides an excellent platform from which to create shareholder value. To date, with expenditures of only US\$4 million, a significant copper-gold deposit has been found which has an in situ gross metal value (at current metal prices) of more than US\$3 billion, and which remains open".

Chris succeeds Mr. John H. Kruzick, founder of the Company in 1980, who has been appointed as Chairman of the Board. "It is a pleasure to welcome Chris to the DRC executive team. His extensive corporate development and management experience, particularly at Goldcorp will be valuable to DRC Resources as we continue to advance the Afton Copper-Gold Project and develop other growth strategies to maximize shareholder value," said John Kruzick.

DRC's main focus is the exploration and development of its 100%-owned Afton Copper-Gold Project, located 10 km west of Kamloops, B.C. To date the Company has outlined a Measured and Indicated Mineral Resource of 68.7 Million Tonnes grading 1.68% Copper Equivalent or 2.61g/t Gold Equivalent (1.08% Cu, 0.85 g/t Au, 2.62 g/t Ag, 0.12 g/t Pd), which contains approximately 1.6 billion pounds of copper, and 1.9 million ounces of gold. A US\$14 million feasibility study, which includes the completion of a 2000 metre exploration decline, is underway. A 2004 advanced scoping study completed by Behre Dolbear and Company Ltd., indicates that this US\$120 million mining project (at conservative metal prices of US\$0.85 per pound copper, and US\$375 per ounce gold) when viewed as a primary copper mine, could potentially produce metal at a cash (direct) operating cost of US\$0.15 per pound of copper, and when viewed as a primary gold mine, could produce metal at negative cash operating cost per ounce of gold. According to the British Columbia Ministry of Energy & Mines, the Afton Project is the largest advanced exploration project in South Central B.C. The Company is also exploring its nearby, 100%-owned, Ajax and Pothook properties.

DRC is in excellent financial condition with cash of CDN\$26 million and

no debt. The company has only 13.6 million shares outstanding and 15.1 million shares fully diluted.

On behalf of DRC Resources Corporation,

"John Kruzick"

John H. Kruzick
Chairman of the Board

For further information on DRC Resources and the Afton Project, please contact:

John Kruzick
DRC Resources Corporation
601 - 595 Howe Street, Vancouver, B.C. V6C 2T5
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Email: drcresources@uniserve.com
Website: www.drcresources.com

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For more information visit our website at <http://www.drcresources.com/>
or send <mailto:invest@drcresources.com>
Message sent on Mon Oct 18, 2004 at 6:44:06 AM Pacific Time
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Schroeter, Tom EM:EX

7/28 -> AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, August 04, 2004 8:32 AM
To: Schroeter, Tom EM:EX
Subject: *Afton Underground Contract Awarded

Afton Underground Contract Awarded

August 4, 2004, Vancouver, British Columbia - DRC Resources Corporation is pleased to announce that the contract for the Exploration Decline and Ancillary Underground Development for the Afton Copper-Gold Project has been awarded to Ross Finlay 2000 Inc.

Ross Finlay is a Canadian mining contractor with over 50 years of experience in underground mine development. The Company with offices in Val d'Or and Sudbury has extended its services to the mining sector throughout North America as well as internationally. Their corporate clients include world class Canadian and international mining companies. Mobilization for the excavation of the Afton Exploration Decline is expected to begin in September, 2004. All development work is scheduled to be completed by July, 2005. "Ross Finlay has been following DRC's progress on the Afton Project with special interest for sometime. The nature of the Afton deposit, with its excellent infrastructure and location in an existing mining district, is very encouraging for the development of a mining operation. Ross Finlay is pleased to be selected and be part of DRC's success in bringing this project to fruition. The British Columbia mining industry is in an exciting period of revival, creating opportunities for Ross Finlay to increase its presence in Canada," said President and General Manager Kevin Weston.

The 2000 metre Afton Exploration Decline will provide underground working access both laterally to and cross-cutting the Afton Mineral Zone. Definition diamond drilling, bulk sampling and technical studies will be carried-on concurrently with development of the decline to complete the Afton Feasibility Study. The underground definition diamond drilling is designed to provide the information necessary to upgrade resources to the reserve category. The bulk sampling program taken in cross-cut of the mineral zone will provide grade continuity data required for final mine design and metallurgical information for refinement of mill and process design as well as reserve estimates. The Feasibility Study will include commissioning an independent mine engineering consulting group to finalize a plan for placing the Afton Copper-Gold Project into production. The Decline excavation comprises the major part of a \$18 Million final feasibility program that includes extensive definition drilling. "It was challenging for DRC Resources to choose between a number of highly qualified bidders. Management is very pleased to have selected Ross Finlay, a company with extensive underground mine development experience as the contractor for this important phase of the Afton Copper-Gold Project," said President and CEO John Kruzick.

The accompanying drawings indicating the proposed location and design of the Afton Exploration Decline are also available on the Company's website, <http://www.drcresources.com>

Afton Plan View with Proposed Exploration Decline
<http://www.drcresources.com/i/Maps/Afton-exp-decl-plan.jpg>

Afton Longitudinal View with Proposed Exploration Decline
<http://www.drcresources.com/i/Maps/Afton-exp-decl-longview.jpg>

About DRC Resources Corporation (TSX: DRC)

Schroeter, Tom EM:EX

VGS → AFTON

From: Schroeter, Tom EM:EX
Sent: Wednesday, June 30, 2004 11:43 AM
To: 'DRC Resources Corporation'
Subject: RE: Thank you for attending our AGM

John - my pleasure - and continued good luck with the project. I look forward to visiting the site later in the year when the underground work is in progress.

Tom

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

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

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

From: DRC Resources Corporation [<mailto:drcresources@uniserve.com>]
Sent: Wednesday, June 30, 2004 9:22 AM
To: Schroeter, Tom EM:EX
Subject: Thank you for attending our AGM

Dear Tom,

Thank you for attending our Annual General Meeting yesterday. Please feel free to contact myself or Mike Hibbitts if you have any questions about the Afton Copper-Gold Project.

Regards,

John Kruzick
President & CEO
DRC Resources Corporation
Suite 601 - 595 Howe St.
Vancouver, BC V6C 2T5
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2004-06-30

Schroeter, Tom EM:EX

108 → AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Thursday, June 24, 2004 9:45 AM
To: Schroeter, Tom EM:EX
Subject: DRC Resources Invites Tenders From Mining Contractors

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Re: News Release - Thursday, June 24, 2004
DRC Resources Invites Tenders From Mining Contractors
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June 24, 2004, Vancouver, BC -- DRC Resources has received approval from SRK Consulting for the design of the advanced exploration and development program of the Afton Copper-Gold Project. The program will include the excavation of a 2000 metre decline (tunnel). The latest design, effecting some exploration drilling cost savings, will provide access, ventilation and haulage-ways for future project development.

The main purpose of the decline is to provide underground access for the definition diamond drill program, bulk sampling and technical studies, which will be carried on concurrently with development of the decline, in order to complete the Afton Feasibility Study.

On June 21, 2004 the Company selected five mining contractors to whom it issued Tender/Contract Document books inviting bids on the development work. These contractors have extensive experience and proven track records in hard-rock mine development. The timeline for bid response and awarding of the contract will be July 2004 with the work planned to commence in August 2004.

The Company's Vice President of Exploration and Development, Michael W. Hibbitts, P. Geo., a Qualified Person as defined by National Instrument 43-101, will supervise implementation of the site-oriented section of the Quality Assurance Program as part of the Company's formal Exploration Practices Policy for this final stage of advanced exploration of the Afton Project.

DRC Resources Corporation is a natural resource company with its head office in Vancouver and a field office in Kamloops, B.C. The main focus of DRC Resources is the exploration and development of the Afton Copper-Gold Project located in the Kamloops Mining Division.

The Afton Copper-Gold Project is identified by the British Columbia Ministry of Energy & Mines as the largest advanced exploration project in South Central B.C. To date the Company had expended over \$5 Million on exploration on the Afton Mineral Zone, outlining a 68.7 Million Tonne Measured and Indicated Mineral Resource of 1.68% Copper Equivalent or 2.61g/t Gold Equivalent (1.08% Cu, 0.85 g/t Au, 2.62 g/t Ag, 0.12 g/t Pd). Reference: Advanced Scoping Study Feb 2004, Behre Dolbear & Company Ltd. (SEDAR)

NOTE: Metal Prices Used: Copper \$US 0.85/lb, Gold \$US375/oz, Silver \$US 5.25/oz and Palladium \$US 200/oz
Assumed Metal Recovery: Copper 90%, Gold 90%, Silver 75% and Palladium 74%
Cutoff Grade: 0.70% Copper Equivalent

On behalf of DRC Resources Corporation,

"John Kruzick"

John H. Kruzick
President and Chief Executive Officer

Schroeter, Tom EM:EX

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, March 24, 2004 11:07 AM
To: Schroeter, Tom EM:EX
Subject: Vice President of Exploration for Afton Copper-Gold Project

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Re: News Release - Wednesday, March 24, 2004
Vice President of Exploration for Afton Copper-Gold Project
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DRC Resources is pleased to announce that Mr. Michael W.P. Hibbitts has joined the executive team as a senior officer, Vice President of Exploration, effective immediately, to be part of the Afton Copper-Gold Project. He will be responsible for managing the design, implementation and supervision of the underground exploration program to advance the Afton Project through the feasibility stage.

Mr. Hibbitts is a Professional Geoscientist with over 25 years of mining and exploration experience, including six years with Northgate Exploration Ltd. where he was instrumental in the development of British Columbia's Kemess Mine from the initial stages to production at 53,000 tonnes per day. He gained extensive surface and underground mining experience through other key positions with major mining companies, including Noranda Mines and Sherritt Gordon Mines where he supervised feasibility studies and developed mines for production. He is the co-recipient of the 2002 E.A. Scholz Award for Excellence in Mine Development, presented by BC and Yukon Chamber of Mines, for his work on the Kemess Mine Project.

To assist Mr. Hibbitts in this final stage of exploration, the Company has retained SRK Consulting (Steffen Robertson and Kirsten) to provide engineering services for the final design of the underground exploration decline and subsequent development drilling for the feasibility study. The Company will be tendering the underground development work to mining contractors upon completion of the SRK engineering design.

On behalf of DRC Resources Corporation,

"John Kruzick"

John H. Kruzick
President and Chief Executive Officer

For further information on DRC Resources and the Afton Project, please contact:

DRC Resources Corporation
601 - 595 Howe Street, Vancouver, B.C. V6C 2T5
Tel: 604-687-1629, Fax: 604-687-2845
Email: drcresources@uniserve.com
Website: www.drcresources.com

Safe Harbor Statement under the United States Private Securities Litigation Act of 1995: This release made may contain forward-looking statements that are affected by known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed, implied or anticipated by such forward-looking statements. Such forward-looking statements herein represent management's best judgement as of the date hereof based on information currently

Handwritten: AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Thursday, February 12, 2004 9:02 AM
To: Schroeter, Tom EM:EX
Subject: Afton Copper-Gold Project

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Re: News Release - Thursday, February 12, 2004
Afton Copper-Gold Project
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Vancouver, B.C., February 12, 2004 -- News Update on Afton Project

Underground Workings In Design: DRC Resources is preparing for the 2004 exploration season of the Afton Copper-Gold Project, with the final design of the underground workings which will be used for the estimated 25,000 metre diamond drill program and the metallurgical bulk sampling.

Underground Team Being Assembled: The company is assembling an engineering team for this next phase of exploration and will be tendering the underground excavation work to mining contractors. The object of this work is to convert resources to reserves and take the Afton Project through feasibility to the development stage.

Improved Resource Estimate: An Updated Mineral Study by Behre Dolbear & Company Ltd. has estimated measured and indicated mineral resources to be 68.7 million tonnes grading 1.68% Copper Equivalent (Metal Prices Used: Copper \$US 0.85/lb, Gold \$US 375/oz, Silver \$US 5.25/oz and Palladium \$US 200/oz). The Afton mineralization is continuous over a 1000 m (3300 ft) length and 775 m (2550 ft) depth, with the zone still open for further exploration.

World Conditions Favour Afton Project: Steadily increasing world demand for base metals has strengthened the price of copper, which recently exceeded US\$1.20/lb, greatly enhancing the economics of the Afton Project. The good news for projects that are approaching development stage, such as Afton, is that new demand forecasts are for long term strength in copper prices on the basis of a sharp reduction in world copper stockpiles. The company has opened discussion with a number of Japanese smelter operators, who have expressed strong interest in the Afton concentrates, which are desirable for their high copper content (+30%) and high gold content (+20 g/t of concentrate). With its \$25 million in working capital, the company is in a good position to seek future smelter sales and a production financing partners for this \$140 million development project and has put that job at the top of its list of priorities.

Low Cost Mining Methods Possible: The main Afton mineral zone appears to be amenable to application of low cost underground bulk mining methods. In the Advanced Scoping Study dated October, 2003 (filed on SEDAR), SRK Consulting (Steffen Robertson and Kirsten) geotechnical sub-consultants to Behre Dolbear on the advanced scoping study, indicates in a preliminary geotechnical assessment that they consider the rock mass strength and fragmentation of the Afton deposit favorable for low cost bulk cave mining. Metalica Consultores of Chile, engineers specializing in underground bulk mining methods, prepared a 9000 tonne per day mine plan simulation that indicates the Afton deposit has favorable economic possibilities for panel (block) cave mining of a 50 Million Tonne Mineral Resource.

New Surface Work: Concurrent with the underground program on the Main Afton Zone, 2004 surface exploration will focus on the recently

discovered shallow Gold Polymery Zone, immediately east of the Afton Pit and the Company's Ajax Property where the previous operator reportedly mined copper-gold ore in two open pits. Both mineral zones have good exploration potential to develop additional resources and are located on existing mine haulage roads.

For further information on DRC and the Afton Project, please visit our web site at www.drcresources.com or call us at 604-687-1629.

On behalf of DRC Resources Corporation

"John Kruzick"

John H. Kruzick
President and Chief Executive Officer

For further information on DRC Resources and the Afton Project, please contact:

DRC Resources Corporation, 601 - 595 Howe Street, Vancouver, B.C. V6C 2T5

Tel: 604-687-1629, Fax: 604-687-2845

Email: drcresources@uniserve.com

Website: www.drcresources.com

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WARNING: The company relies upon litigation protection for "forward-looking" statements.

DRC Resources Corporation's shares trade on the Toronto Stock Exchange (TSX: DRC). The TSX has neither approved nor disapproved the form or content of this release.

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For more information visit our website at <http://www.drcresources.com/>
or send <mailto:invest@drcresources.com>
Message sent on Thu Feb 12, 2004 at 9:00:24 AM Pacific Time
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Schroeter, Tom EM:EX

WS → AFTON
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Jan 21

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, December 10, 2003 2:35 PM
To: Schroeter, Tom EM:EX
Subject: Afton Underground Exploration Commences

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Re: News Release - Wednesday, December 10, 2003
Afton Underground Exploration Commences
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Vancouver, B.C., December 10, 2003 - DRC Resources is pleased to announce that it has initiated excavation for an underground decline and construction of the portal facility. The decline will provide underground access for the 25,000 metre (80,000 ft) definition diamond drill program, bulk sampling and technical studies related to the completion of a feasibility study on the Afton Copper-Gold Zone. A recent Advanced Scoping Study by Behre Dolbear & Company Ltd. (filed on SEDAR) indicates that panel cave mining and conventional flotation technology are viable methods of application for mining and processing of a 50 Million Tonne Mineral Resource.

The underground work is advancing under the direction of a Mining Engineer, Michael G. Stoner, P. Eng. Mr. Stoner has over 30 years experience in the mining industry in Canada, United States, Australia and Africa. He specializes in underground mining and has taken major projects from start-up through to production.

On behalf of DRC Resources Corporation

"John Kruzick"

John Kruzick
President and Chief Executive Officer

For further information on DRC Resources and the Afton Project, please contact:

DRC Resources Corporation, 601 - 595 Howe Street, Vancouver, B.C. V6C 2T5
Tel: 604-687-1629, Fax: 604-687-2845
Email: drcresources@uniserve.com
Website: www.drcresources.com

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DRC Resources Corporation's shares trade on the Toronto Stock Exchange (TSX: DRC). The TSX has neither approved nor disapproved the form or content of this release.

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For more information visit our website at <http://www.drcresources.com/>
or send <mailto:invest@drcresources.com>

Schroeter, Tom EM:EX

TGS → AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Thursday, December 04, 2003 2:31 PM
To: Schroeter, Tom EM:EX
Subject: Gold Mineralization Intersected At Afton

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Re: News Release - Thursday, December 04, 2003
Gold Mineralization Intersected At Afton
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Vancouver, B.C., December 4, 2003 - DRC Resources is pleased to report diamond drilling has intersected shallow porphyry Gold Mineralization 1000 metres (3,300 ft) southeast of the Afton Mineral Zone. A significant intersection in DDH P0-04 @ -65°/051 assayed 0.72 grams/tonne gold over drill core length of 156 metres (512 feet) from 6-162 metres. This gold zone, not previously documented, is parallel to the previously mined Pothook Mineral Zone where government reports indicate 2.5 Million Tonnes of Copper-Gold ore (0.35% Cu and 0.77 g/t Au) was previously mined in the 1980's.

Click on the link below to view the complete news release:

<http://www.drcresources.com/s/NewsReleases.asp?ReportID=72229>

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or send <mailto:invest@drcresources.com>
Message sent on Thu Dec 4, 2003 at 2:29:13 PM Pacific Time
=====

Schroeter, Tom EM:EX

BS → AFTON

From: Schroeter, Tom EM:EX
Sent: Tuesday, December 09, 2003 3:03 PM
To: Cathro, Mike EM:EX
Subject: RE: Afton

Thanks, Pothook stuff may be too early (or late for us).

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

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

From: Cathro, Mike EM:EX
Sent: Tuesday, December 09, 2003 2:58 PM
To: Schroeter, Tom EM:EX
Subject: RE: Afton

yup - I was there last thurs and they were just getting started. They plan to go in for about 40 ft and then stop until probably april. 3 m by 4 m exploration decline starting from the big switchback just above lake level. Kruzick says they may spend \$10 mil next year. They are still drilling with 2 drills. One is on the north side of the pit and they just drilled through about 400 m of tertiary seds to hit diorite with a bit of native Cu. They are looking for the NE extension of the SW zone.

They also released some ok numbers from the Pothook area with long low-grade gold values (best was 156 m grading 0.72 g/t). Not sure if we should call this a new discovery because Teck certainly knew about it (they called it the Coquihalla west zone), but they never released their drill results. It is significant and should probably go on the discoveries list....your thoughts?

Mike

Mike Cathro, P.Geo
Regional Geologist, Mining Operations Branch
B.C. Ministry of Energy and Mines
162 Oriole Rd., Kamloops, B.C. V2C 4N7

tel 250 371-6069
cel 250 318-4202
fax 250 371-6070

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

From: Schroeter, Tom EM:EX
Sent: December 09, 2003 2:45 PM
To: Cathro, Mike EM:EX
Subject: Afton

Mike, heard a rumour in Spokane that DRC was collaring the portal somewhere in the pit. True?

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313

Schroeter, Tom EM:EX

TTS -> Afton

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Thursday, November 06, 2003 10:52 AM
To: Schroeter, Tom EM:EX
Subject: DRC Resources Completes C\$24.15 Million Equity Financing

=====
Re: News Release - Thursday, November 06, 2003
DRC Resources Completes C\$24.15 Million Equity Financing
=====

Vancouver, B.C., November 6, 2003 - DRC Resources Corporation ("DRC" or the "Company") (TSX:DRC) is pleased to announce that it has closed its previously announced bought deal private placement financing with a syndicate of underwriters led by Orion Securities Inc., including Dundee Securities Corporation and Salman Partners Inc. (the "Underwriters"). The Company realized ~~gross proceeds~~ of C\$24,150,000. DRC Resources issued and sold 3,450,000 Common Shares, including the Underwriters Option at an issue price of C\$7 per share.

The Company plans to use the net proceeds of this financing to advance the development of the Afton Copper-Gold Project, specifically for underground development work and infill diamond drilling, to bring the Project to the Final Feasibility Stage and for general working capital. DRC Resources Corporation is a publicly traded natural resource company with its head office in Vancouver and a field office in Kamloops, B.C. The main focus of DRC Resources is the exploration of the Afton Copper-Gold Project located in the Kamloops Mining Division.

On behalf of DRC Resources Corporation

"John Kruzick"

John Kruzick
President and Chief Executive Officer

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The securities being offered have not been, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

Certain of the statements made may contain forward-looking statements which involve known and unknown risk, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

DRC Resources Corporation's shares trade on the Toronto Stock Exchange (TSX: DRC). The TSX has neither approved nor disapproved the form or content of this release.

For further information on DRC Resources and the Afton Project, please contact:

DRC Resources Corporation, 601 - 595 Howe Street, Vancouver, B.C. V6C 2T5
Tel: 604-687-1629, Fax: 604-687-2845
Email: drcresources@uniserve.com
Website: www.drcresources.com

Schroeter, Tom EM:EX

TGS → KLG
Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, October 17, 2003 5:21 PM
To: Anderson, Duane EM:EX; Booth, Richard EM:EX; Conte, Rick EM:EX; Errington, John EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Lefebure, Dave EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Pardy, Jamie EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Wilcox, Allan EM:EX; David Terry; Lane, Bob; Wojdak, Paul
Subject: Semi-Weekly Report to 10/17/03

EXPLORATION AND DEVELOPMENT HIGHLIGHTS

Afton (DRC Resources) - "Pre-feasibility study" released showing >20% internal rate of return, 3.7 year payback and 17.5 year mine life based on an underground block cave operation at 9000 tonnes per day, with a \$150 million initial capital cost and \$191 million in on-going capital. The company clarified the study as a "scoping study" shortly afterwards, at the request of provincial regulators, because it does not meet the requirements of NI 43-101. The main problem was the inclusion of inferred resources in the mine plan. Company has been drilling 800 m long holes beneath the Pothook pit, using 2 drills with rumours of good results. Company is still considering a winter underground program, and is rumoured to be completing a \$20 million financing.

Bralorne (Bralorne-Pioneer Gold Mines) - construction of tailings pond (approved in 1996) is underway. Cost is \$500,000 according to previous estimates. Mining of 6000 tonne bulk sample planned for this winter to feed mill start-up.

J&L - prominent engineering/environmental company called to scope out permitting issues to explore and develop this polymetallic deposit north of Revelstoke. Client is unknown.

Elk (Almaden Minerals) - 4000 m drill program well underway with two drills. Expected to be complete by Oct 31. Company consultant is scoping out permitting issues for a 150 tpd gravity-flotation mill and underground mine.

Big Kidd (Christopher James Gold) - 5 ddh completed on alkalic porphyry Au-Cu prospect located east of Merritt.

Lodestone Mountain (Sargold Resources) - 15 holes planned on magnetite deposit south of Tulameen.

Rainbow (Abacus Mining) - located next to Afton, SW of Kamloops. A 3D IP survey is underway and will be followed by about 2500 m of drilling (Nov) in 800 m long holes to test beneath the Rainbow Cu-Au deposit. Project and company are benefitting from renewed interest in alkalic porphyry deposits due to Afton, Red Chris and Mt. Polley results.

Panorama Ridge (Goldcliff Resources) - drilling underway on gold skarn near the Nickel Plate mine.

Wood (Green Valley) - drilling to test IP anomalies on property south of Afton.

Bonaparte (North American Gem) - trenching and drilling to begin shortly on vein gold prospect north of Kamloops.

OTHER ACTIVITIES

Horsefly-Mt. Polley airborne geophysical survey. Fugro survey completed on Sept. 29th. Bob Lane and I have spent 4 days following up anomalies in the field, in preparation for upcoming publications. Timing was excellent given the discovery of the NE zone at Mt. Polley, which is covered by the Imperial Metals partnership survey. Radio interview about the survey was replayed several times on Cariboo Radio. Data release planned for March 31, 2003, however, we have asked the GSC to look into expediting the publication for Round-up (unlikely), to take advantage of excitement around Mt. Polley.

CIM South-Central Branch Conference (Sept 20th) - presented talk on exploration highlights to a crowd of about 70 people.

MX tour (Oct 16th) - led an "exploration and mining 101" educational tour to the Elk property for four Kamloops-based MSRM land use planners. I believe they have gained a better appreciation of mining and exploration practices, and hopefully it will allow them to better incorporate minerals issues into their plans.

Lillooet LRMP - rumours of cabinet briefing notes being prepared, and behind the scenes discussions. Upcoming decision?

Schroeter, Tom EM:EX

TJS-APM

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Tuesday, October 21, 2003 2:14 PM
To: Schroeter, Tom EM:EX
Subject: DRC Resources Corporation Announces CDN \$21 Million Private Placement

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Re: News Release - Tuesday, October 21, 2003
DRC Resources Corporation Announces CDN \$21 Million Private
Placement
=====

This news release is intended for distribution in Canada only and is not intended for distribution to United States newswire services or dissemination in the United States.

DRC Resources Corporation. ("DRC Resources" or the "Company") (TSX: DRC) announced today that it has entered into an agreement with a syndicate of underwriters led by Orion Securities Inc. under which the underwriters have agreed to buy on a private placement basis 3,000,000 Common Shares from DRC Resources and sell to qualified investors at a price of CDN\$7.00 per Common Share, representing an aggregate amount of issue of CDN\$21,000,000.

In addition, the Company will grant the Underwriters an option, exercisable up to 24 hours prior to the Closing Date of the Offering, to purchase up to an additional 450,000 Common Shares (CDN\$3,150,000) of the Offering at the issue price.

Closing of the placement is scheduled for November 6, 2003. The closing is subject to completion of standard documentation and requires that DRC Resources shall be a "qualifying issuer" under Multilateral Instrument 45-102 of the Canadian Securities Authorities before the Closing Date, so that the issued shares will be subject to a four month hold period.

The net proceeds from the Offering will be used to advance the development of the Afton copper-gold project, including infill drilling, the final feasibility study and for general working capital.

The transaction is subject to the receipt of all necessary regulatory and stock exchange approvals.

The securities being offered have not, nor will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

DRC Resources Corporation is a publicly traded natural resource company with its head office in Vancouver and a field office in Kamloops, B.C. The main focus of DRC Resources is the exploration of the Afton Copper-Gold Project located in the Kamloops Mining Division.

FOR FURTHER INFORMATION PLEASE CONTACT:
DRC Resources Corporation
John Kruzick
President and CEO
(604) 687-1629

TFS-AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Thursday, October 16, 2003 3:00 PM
To: Schroeter, Tom EM:EX
Subject: Clarification of Afton Project Study as Scoping Study

=====
Re: News Release - Thursday, October 16, 2003
Clarification of Afton Project Study as Scoping Study
=====

Vancouver, B.C., October 16, 2003 - DRC Resources Corporation ("DRC" or the "Company") (TSX:DRC) wishes to clarify its news release of October 8th, 2003 concerning the recently completed study of the Company's Afton Project near Kamloops, B.C. The October 8th release referred to a pre-feasibility study that will be withdrawn following review and discussions with the provincial regulators concerning a component of inferred resources. The Behre Dolbear study will be amended and re-classified as a scoping study to reflect the incorporation of inferred resource in the mine plan. The inclusion of inferred resources in a pre-feasibility study is generally not acceptable under NI 43-101, section 2.3(1) (b).

The change in description recognizes that: (a) the Scoping Study is a preliminary assessment, (b) "inferred" category resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and (c) there is no certainty that the economic evaluation contained in the Scoping Study will be realized.

The limitations of the Scoping Study, include: (1) capital cost estimates that have a '+/- 25 percent' level of accuracy, (2) a substantial underground exploration program that must be carried out at an estimated \$14 million cost to upgrade inferred resources to "indicated" or "measured" category and the Project to feasibility status, and (3) permitting applications and procedures have yet to be commenced.

The economic evaluation contained in the Scoping Study will continue to be based on a 9,000 tonne per day panel (block) cave simulation carried out by Metalica S.A., Chilean block cave consultants, under the supervision of the Behre Dolbear Qualified Person, James A Currie, P.Eng, who prepared the Scoping Study.

The Scoping Study is expected to be released by Behre Dolbear and posted to SEDAR as soon as appropriate.

Reference: Afton Copper-Gold Project Scoping Study prepared by Behre Dolbear & Company Ltd., October 2003.

On behalf of the Board of Directors
"John H. Kruzick"
President and Chief Executive Officer

For further information on DRC Resources and the Afton Project, please contact:

DRC Resources Corporation
601 -- 595 Howe Street, Vancouver, B.C. V6C 2T5
Tel: 604-687-1629, Fax: 604-687-2845
Email: drcresources@uniserve.com
Website: www.drcresources.com
Shares Issued: 9,244,766 Common
U.S. Rule 12g3-2(b) Exemption

Schroeter, Tom EM:EX

TOE → AFTON

From: Cathro, Mike EM:EX
Sent: Monday, July 07, 2003 2:26 PM
To: Hermann, Fred EM:EX; Lefebure, Dave EM:EX; Nelson, Chris EM:EX
Cc: Schroeter, Tom EM:EX
Subject: FW: Chamber brochure



Bloomsbury Copper
Briefing.pdf...

Fellows,

I'm forwarding this note from DRC Resources. At a meeting on July 2 in Kamloops DRC strongly urged Minister Neufeld to get our Ministry to do more to improve the perception of BC as a mining-friendly jurisdiction. They cite a 16 page spread on Ontario in the Canadian Mining Journal as an example of what we could be doing.

Mike
Mike Cathro, P.Geo
Regional Geologist, Mining Division
B.C. Ministry of Energy and Mines
162 Oriole Rd., Kamloops, B.C. V2C 4N7

tel 250 371-6069
cel 250 318-4202
fax 250 371-6070

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

From: DRC Resources Corporation [mailto:drcresources@uniserve.com]
Sent: Monday, July 07, 2003 1:54 PM
To: Cathro, Mike EM:EX
Subject: Re: Chamber brochure

Hi Mike,

Thanks for all your help. We will initiate contact with Deputy Minister Shelia Wynn and arrange to meet with her.

I wonder if you have seen a special edition of the Canadian Mining Journal dated January, 2003 entitled "Mining in Ontario 2003". It's a color/glossy print, 16 page brochure totally devoted to the Mining Industry in Ontario with Minister Jim Wilson on the cover page. Here is the link to the issue:

http://www.canadianminingjournal.com/issues/table_of_contents.asp?issue=01012003&RType=&PC

Attached please find June/03 issue of Copper Briefing Service published by Bloomsbury Minerals Economics Ltd. The Afton write-up can be found on page 10.

DRC Resources Corporation
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Tel: 604-687-1629
Fax: 604-687-2845
<http://www.drcresources.com>
<mailto:drcresources@uniserve.com>

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

From: "Cathro, Mike EM:EX" <Mike.Cathro@gems2.gov.bc.ca>

To: "DRC Resources (E-mail)" <invest@drcresources.com>
Cc: "Sweet, Colleen M EM:EX" <Colleen.Sweet@gems7.gov.bc.ca>; "Hermann, Fred EM:EX" <Fred.Hermann@gems9.gov.bc.ca>; "Dan Jepsen (E-mail)" <djepson@telus.net>
Sent: Thursday, July 03, 2003 2:18 PM
Subject: Chamber brochure

> Attn: John Kruzick and Julia Young,
>
> Thanks again for making the presentation on the Afton Cu-Au project and
> meeting with Minister Neufeld yesterday.
>
> Below is a link to an excellent brochure that the BC Yukon and Chamber of
> Mines put out recently. I'm sure they have some hard copies now and would
> be
> happy to give you some. It tries to set the facts straight on BC, and
> debunk
> some of the perception problems which have been made worse by the Fraser
> Institute surveys. The Ministry and Chamber are working much closer to
> address the perception vs. reality issue, and hopefully there will be more
> of this type of promotion in the near future. And as I mentioned last
> night,
> our new Deputy Minister, Sheila Wynn, would like to hire an independent
> consultant to get some more facts (i.e. on permitting times, taxes etc)
> that
> compare BC to other well-regarded jurisdictions, to show that we are not
> that far behind.
>
> Please send me any other studies you have so we can compare and address
> the
> issues.
>
> <http://www.bc-mining-house.com/Brochure1.pdf>
>
> Mike
> Mike Cathro, P.Geol
> Regional Geologist, Mining Division
> B.C. Ministry of Energy and Mines
> 162 Oriole Rd., Kamloops, B.C. V2C 4N7
>
> tel 250 371-6069
> cel 250 318-4202
> fax 250 371-6070
>
> .
>
>

VBS → AFTON

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Tuesday, June 10, 2003 9:32 AM
To: 'DRC Resources Corporation'
Subject: RE: Afton Maps

Thanks for the 'heads up', Julia. I've checked the website and was wondering if you could email me separate copies of Fig. 8 (Afton Zone Mineral Footprint) and Fig. 9 (Afton Longitudinal Section), both dated March, 2003. I would like to use them in my "2003 Expl'n Review" talks/presentations. Thanking you in advance.

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

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

From: DRC Resources Corporation [mailto:drcresources@uniserve.com]
Sent: Friday, June 06, 2003 10:39 AM
To: Schroeter, Tom EM:EX
Subject: Afton Maps

Hi Tom,

I was trying to email you the new maps but couldn't get thru. Anyhow, they are posted on our website:

<http://www.drcresources.com/s/AftonProperty.asp?ReportID=44922>

Regards,

Julia
DRC Resources Corporation
Suite 601 - 595 Howe St.
Vancouver, BC V6C 2T5
Tel: 604-687-1629
Fax: 604-687-2845
<http://www.drcresources.com>
<mailto:drcresources@uniserve.com>

2003-06-10

V69 → Afton

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Tuesday, June 03, 2003 4:50 PM
To: Errington, John EM:EX; Hermann, Fred EM:EX
Cc: Lefebure, Dave EM:EX; Schroeter, Tom EM:EX; Carter, Michael EM:EX; Rothman, Stephen EM:EX; Seguin, Joe EM:EX; David Terry; Lane, Bob; Wojdak, Paul
Subject: Independent Study Confirms Significant Afton Mineral Resource

Fred and John,

A quick update of some good news - DRC Resources just released a new resource calculation for the Afton main zone (see <http://www.drcresources.com/s/NewsReleases.asp?ReportID=62864>). There is a substantial increase in the size of the deposit, and although much more work needs to be done to show it can be mined profitably, it is certainly becoming a very significant resource. The project is gaining credibility and is continues to attract the interest of major companies. Behre-Dolbear is now working on a pre-feasibility study that should be out in a few weeks.

Using a 1.2% Cu equivalent cut-off, the measured, indicated and inferred resource now totals 52.5 million tonnes grading about 1.3 % Cu and 1 g/t Au or about 2.08 % Cu equivalent (i.e. about 1.5 billion lbs Cu and 1.7 million oz Au).

At a higher cut-off of 1.8% Cu eq. the resource is 30 mt at about 1.6% Cu and 1.2 g/t Au.

At a lower cut-off of 0.8% Cu eq. the total resource is 72.5 mt at about 1.1% Cu and 0.86 g/t Au.

An underground mine is the only option given that the deposit is 300 to 600 m below surface. Successful underground porphyry Cu-Au mines are operating elsewhere in the world, at similar depths and grades, and using block caving. The best examples are Newcrest's Cadia Ridgeway Au-Cu mine and Rio Tinto's Northparkes Cu-Au mine, both in New South Wales. Afton is certainly in the same ballpark as those mines in terms of both grade and tonnage; what needs to be determined now is the minability of the resource.

From a technical marketing point of view, I think we can use the Afton deposit to show that BC is not just home to large low-grade porphyry deposits, but that the we have the potential for very high grade porphyry Cu-Au deposits, similar to those that have been developed in Australia in recent years.

Mike
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Regional Geologist, Mining Division
B.C. Ministry of Energy and Mines
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Schroeter, Tom EM:EX

WS → AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Monday, May 05, 2003 12:32 PM
To: Schroeter, Tom EM:EX
Subject: Drilling confirms copper-gold at Afton

=====
Re: Related Article - Thursday, May 01, 2003
Drilling confirms copper-gold at Afton
Publisher: The Northern Miner Online
=====

Vancouver -- DRC Resources (DRC-T) has tabled results from two infill drill holes at its Afton copper project near Kamloops, British Columbia.

The two holes were collared near previous hole 2K01-49 and are part of a program designed to increase the level of confidence for an updated resource calculation as well as a pre-feasibility study. Vancouver-based Behre Dolbear & Company has been hired to perform the study which will focus on the mineral resource, mining methods, mineral processing, and permitting as well as estimate the capital and operating costs associated with the potential development of an underground mining operation.

To date the copper-gold mineralization has been traced over a strike length of 1 km and it remains open beyond the indicated mineral resource boundaries to the northeast and southwest. DRC states that the infill diamond drill program confirms the continuity of the grade of mineralization. The new infill drill results are as follows;

Hole 2K03-77 cut 218 metres averaging 1.57% copper, 1.36 grams gold, 0.16 gram palladium and 2.53 grams silver per tonne, starting 298 metres down-hole. This included a 126-metre section that averaged 1.72% copper, 1.46 grams gold, 0.21 gram palladium and 2.84 grams silver per tonne, starting 390-metres down-hole.

Hole 2K02-78 cut 354 metres averaging 1.62% copper, 1.32 grams gold, 0.14 gram palladium and 2.24 grams silver, starting 274 metres down-hole. This included a 206-metre section that averaged 2.12% copper, 1.64 grams gold, 0.16 gram palladium and 2.71 grams silver, starting 422 metres down-hole.

Mineralization is hosted in a steeply plunging body that strikes southwest from the base of the 274-metre-deep open-pit. This structure, known as the Main zone, averages 70 metres wide, 600 metres long and about 775 metres deep. In addition to it, DRC has delineated the Northeast Extension zone, which measures 30 metres wide and is an en echelon continuation of the Main zone.

The Main zone is estimated to have an indicated resource of 34.3 million tonnes grading 1.55% copper, plus 1.14 grams gold, 0.125 gram palladium and 3.42 grams silver per tonne, whereas the Northeast Extension zone has an indicated resource of about 1.1 million tonnes averaging 1.02% copper, 0.86 gram gold, 0.1 gram palladium and 5.49 grams silver. A cutoff grade of 0.5% copper was used for these calculations.

The Afton deposit is in the 35-km-long Iron Mask Batholith at the northwestern end of the Iron Mask pluton. These intrusive rocks consist of Triassic-aged diorites and gabbros hosted in andesitic and basaltic rocks breccias, tuffs, mudstones argillites and limestones of the Nicola Group.

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Message sent on Mon May 5, 2003 at 12:22:04 PM Pacific Time

Schroeter, Tom EM:EX

5.68 → Afton

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, May 14, 2003 1:32 PM
To: Schroeter, Tom EM:EX
Subject: 2002 Annual Report and Consolidated Financial Statements

=====
Re: Related Reports - Wednesday, May 14, 2003
2002 Annual Report and Consolidated Financial Statements
=====

DRC Resource Corporation's 2002 Annual Report and Consolidated Financial Statements are now available on the Company's website at www.drcresources.com

If you would like to receive a hard copy of our 2002 Annual Report by mail, please send your request along with your mailing address by email to drcresources@uniserve.com

DRC Resources Corporation is a publicly traded natural resource company with its head office in Vancouver and a field office in Kamloops, B.C. The main focus of DRC Resources is the exploration of the Afton Copper-Gold Project located in the Kamloops Mining Division. To date, the Afton Main Zone has an indicated mineral resource boundary of 37.7 million tons of 2.32% Copper Equivalent. (Reference: April 25, 2002 Press Release, Afton Mineral Resource Study) A Pre-Feasibility Study on the Afton Project is presently being conducted by Behre Dolbear & Company.

For further information on DRC and the Afton Project, please visit our website at www.drcresources.com or call us at 604-687-1629.

=====
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Message sent on Wed May 14, 2003 at 1:28:46 PM Pacific Time
=====

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Wednesday, May 14, 2003 4:02 PM
To: 'drcresources@uniserve.com'
Subject: 2002 Annual Report

I request a hard copy of your report. Thanking you in advance - and continued good luck with the project!

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

Direct Telephone 604 660-2812
Messages & Enquiries 604 660-2708
Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

VGR → AFTON

Schroeter, Tom EM:EX

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Monday, March 31, 2003 10:43 AM
To: Schroeter, Tom EM:EX
Subject: AFTON COPPER-GOLD DRILLING COMMENCES

=====
Re: News Release - Monday, March 31, 2003
AFTON COPPER-GOLD DRILLING COMMENCES
=====

Vancouver, B.C., March 31, 2003 --- DRC Resources' 2003 Afton Copper-Gold Exploration Program has commenced . The Company is using two diamond drills to initially focus on a surface infill diamond drill program to upgrade the mineral resource. Additional drilling will continue to explore the Afton Mineral Zone along strike and to depth.

The Pre-Feasibility Study by Behre Dolbear & Company, announced in the February 19, 2003 Press Release, is in progress.

DRC Resources Corporation is a publicly traded natural resource company with its head office in Vancouver and a field office in Kamloops, B.C. The main focus of DRC Resources is the exploration of the Afton Copper-Gold Project located in the Kamloops Mining Division. To date, the Afton Main Zone has an indicated mineral resource boundary of 37.7 million tons of 2.32% Copper Equivalent. (Reference: April 25, 2002 Press Release, Afton Mineral Resource Study) The Afton Mineral Zone is open and the Diamond Drill Program continues.

For further information on DRC and the Afton Project, please visit our website at www.drcresources.com or call us at 604-687-1629.

On behalf of the Board of Directors
"John H. Kruzick"
John H. Kruzick, President

Date: March 31, 2003
U.S. Rule 12g3-2(b) Exemption
Standard & Poor's -- Market Access Program

CAUTIONARY NOTE: Statements in this press release are a preliminary assessment of potential economics under a certain set of parameters and assumptions. The indicated mineral resource is not a mineral reserve and does not demonstrate economic viability. Further studies will be required to determine economic viability. The company relies on litigation protection for "forward-looking" statements.

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Copyright (c) 2003 DRC RESOURCES CORP. (TSX:DRC) All rights reserved. For more information visit our website at <http://www.drcresources.com/> or send <mailto:invest@drcresources.com>
Message sent on Mon Mar 31, 2003 at 10:39:06 AM Pacific Time
=====

Schroeter, Tom EM:EX

TJR → Afton

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, February 19, 2003 12:51 PM
To: Schroeter, Tom EM:EX
Subject: AFTON COPPER-GOLD PRE-FEASIBILITY COMMENCES

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Re: News Release - Wednesday, February 19, 2003
AFTON COPPER-GOLD PRE-FEASIBILITY COMMENCES
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Vancouver, B.C., February 19, 2003 --- DRC Resources has engaged mining consultants, Behre Dolbear & Company Ltd. of Vancouver, British Columbia to undertake a Pre-Feasibility Study for the Afton Copper-Gold Property, Kamloops, B.C.. The study will address the mineral resource, a number of mining methods, mineral processing, and permitting for the Afton Project. The study will provide an estimate of capital and operating costs related to the potential development of an underground bulk tonnage mining operation at Afton. Behre Dolbear, in their qualifications state: Behre Dolbear & Company, Inc. (Behre Dolbear), founded in 1911 is the oldest continually operating mining consulting firm in North America. The company specializes in performing mineral industry studies for mining companies, financial institutions and natural resource firms. Behre Dolbear operates from eight offices: Denver, New York, Toronto, Vancouver, Guadalajara, Santiago, Sydney, and London. The offices draw upon personnel from other offices to ensure the best qualified professionals are assigned to a project.

Professional Mining Engineer -- James A. Currie, Vice President and Senior Associate of Behre Dolbear, will act as the Project Manager for the Pre-Feasibility Study. Mr. Currie has 25 years experience in the mining industry including exploration, construction and operations management.

DRC Resources has contracted to participate in the Investor Relations Program of Standard & Poor's, Wall Street's leading provider of independent, objective research and information. Mr. Jay Reingold, General Manager of Standard & Poor's Investor Relations Services has informed the Company that their team will leverage their vast distribution network and status to raise awareness of DRC Resources within the investment community. Their service includes profiles of DRC Resources in Standard & Poor's Corporation Records, S & P Daily News, S & P MarketScope, and S & P Market Access Website, plus entry into the S & P Stock Guide Database. Standard and Poor's also provides a manual exemption for secondary trading transactions for 35 U.S. states.

The corporate relations agreement with Mr. L. Howard Nichol of Hartford, Connecticut has expired. The director's would like to thank Mr. Nichol for his assistance in advancing the Company's corporate awareness.

DRC Resources Corporation is a publicly traded natural resource company with its head office in Vancouver and a field office in Kamloops, B.C. The main focus of DRC Resources is the exploration of the Afton Copper-Gold Project located in the Kamloops Mining Division. To date, the Afton Main Zone has an indicated mineral resource boundary of 37.7 million tons of 2.32% Copper Equivalent. (Reference: April 25, 2002 Press Release, Afton Mineral Resource Study) The Afton Mineral Zone is open and the Diamond Drill Program continues.

For further information on DRC and the Afton Project, please visit our website at www.drcresources.com or call us at 604-687-1629.

On behalf of the Board of

TGS -> Afton

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Wednesday, January 08, 2003 11:20 AM
To: Nixon, Graham EM:EX; Schroeter, Tom EM:EX; Lefebure, Dave
Subject: FW: Magmatic Cu-Au!
 FYI

Mike

Mike Cathro, P.Geol
 Regional Geologist
 Mining Division
 Ministry of Energy and Mines

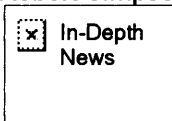
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 Autotel 250 372-6757
 email mike.cathro@gems2.gov.bc.ca

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

From: Gary Lustig [mailto:gnlustig@telus.net]
Sent: Wednesday, January 08, 2003 11:16 AM
To: Cathro, Mike EM:EX
Subject: Magmatic Cu-Au!

EDITORIAL

DRC Resources happy with Teck's leftovers
 Robert Simpson



The Kamloops, British Columbia area appears to be at the centre of a very exciting and surprising mining exploration project. At a time when exploration in the province is just starting to recover from a prolonged downturn, DRC claims to have unearthed new evidence of a rich magmatic copper deposit beneath the Afton open pit mine that was abandoned by mining giant Teck Corporation in 1997.

DRC Resources' exploration program has uncovered an indicated mineral resource of 34.3 million tonnes of 2.32% copper equivalent (1.55% cu, 0.04 oz/ton gold, 0.004 oz/ton palladium and 0.11 oz/ton silver.) The Afton Northeast Zone is estimated to have an indicated mineral resource of 1.1 million tonnes of 1.40% copper equivalent (1.02% copper, 0.03 oz/ton gold, 0.003 oz/ton palladium, 0.17 oz/ton silver). There is an additional inferred mineral resource, up-dip and down-dip of the main zone, of 4.4 million tonnes of an assumed grade of 2.32% copper equivalent, similar to the grade of the Main Zone.

The Afton Mine is famous in British Columbia's mining history. In 1972, Chester Millar's discovery of a mineral rich ore zone 10 km west of Kamloops set off a bidding war between Placer Development and a much smaller Teck Corporation for the property. After the dust had settled, Teck Corporation paid a record-breaking CAD15.50 a share for the property.

In 1987, after mining nearly 24 million tons of 1% copper ore, Teck Corporation pulled up stakes and moved the bulk of its operations to South America. The company believed the Afton discovery was a supergene enriched porphyry copper deposit meaning when water percolates downward it reacts with minerals and creates high-copper only near the surface. So when the copper appeared to be depleted at depths of 275 m, exploration ceased and the mine closed.

Suspecting the Afton Mine property was a very different kind of deposit, DRC Resources Corporation acquired 100% interest in the abandoned property in 1999. By the end of 2002, the company drilled 65 diamond drill holes near the bottom of the open pit and confirmed its hunch. **Every indication is this deposit is actually magmatic**

in origin—a mass of volcanic magma pushed upward to the earth's surface resulting in a rich mineral zone that extends several hundred metres downward—the first of its type to be discovered in British Columbia but similar in nature to the massive nickel deposits in Northern Ontario.

So far, 23,800 m of diamond drilling has tested the Afton Mineral Zone for 850 m in length and to 775 m in depth. Teck geologist Fred Daley was involved in the initial exploration of the site and now says Teck did its homework and assessed the site's potential before mothballing the mine.

"My recollection is that they did a fair bit of drilling below the pit, and yes, there is mineralization that's known," said Daley.

In February 2001, Behre Dolbear & Company completed a scoping study that confirmed if the New Afton Project were brought into production today it could be economically viable under a certain set of parameters and assumptions.

DRC has already spent about CAD3.2 million exploring the Afton Mine and the CDNX-listed DRC raised another CAD2.1 million last year based on its findings. Another CAD1.5 million is being spent for further exploration this year.

* As of January 1, 2003 the company was de-listed from the TSX-Venture exchange and listed on the Toronto Stock Exchange.

According to John Kruzick the company's president, DRC's exploration could mark the much-anticipated return to mining in B.C.

"This province hasn't really been explored in the past ten years," said Kruzick. If you can believe it, this was the biggest exploration project in B.C last year. When I graduated from university there were 50 of these kinds of projects going on. These million-dollar projects were nothing.

DRC Resources expects to have results from the 2002 exploration program available soon.

Robert Simpson is a freelance mining journalist. He can be contacted at Tel: (604) 681-1407 or by e-mail: simpsonr@direct.ca.

- Read more In Depth news on InfoMine.

Schroeter, Tom EM:EX

TOR → Afton

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Thursday, January 16, 2003 12:45 PM
To: Schroeter, Tom EM:EX
Subject: The Province - Stockwatch

=====
Re: Related Article - Thursday, January 16, 2003
The Province - Stockwatch
Publisher: The Province
Author: Brian Lewis
=====

DRC Resources Corp.
TSX (DRC)
Close: \$3.98 Change: -\$0.02

This Vancouver-based junior mining company has just graduated to the Toronto Stock Exchange, and it's beginning to draw investor attention for its exploratory work on the once-rich Afton Mine property near Kamloops.

Afton was one of this province's most successful open-pit copper-mining operations from its discovery in 1972 to its abandonment by mining giant Teck Corp. of Vancouver in 1997. DRC acquired a 100-per-cent interest in the property in 1999 and believes its subsequent exploration drilling at the bottom of the open pit shows that there's likely to be commercial amounts of copper and gold waiting to be mined in a new underground operation.

By the end of last year, the company had drilled a total of 65 holes. President John Kruzick said in a release yesterday that, at today's higher metal prices, the indicated mineral resource looks to be 60-per-cent copper and 40-per-cent gold. Kruzick also said DRC has about \$4 million in working capital and no debt. The company has already spent roughly \$3.2 million so far on Afton Mine exploration. In its short time on the TSX, the stock has had a range of \$4.25-\$3.65.

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Message sent on Thu Jan 16, 2003 at 12:43:15 PM Pacific Time
=====

TGS → RG
— Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, December 06, 2002 12:22 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim SRM:EX; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro weekly to 12/6/02

Hat ck.

Minister Neufeld's visit to Kamloops - Minister met with community leaders to discuss the Energy Policy and BC Hydro. Adams and Cathro attended at the invitation of MLA Krueger's office. Some discussion of mining and coalbed methane, including a comment from the Minister to the effect that "the Province would arrange for BC Hydro to return the **Hat Creek Coal rights** to the Province, so that the private sector could evaluate the coalbed methane potential and the mining of thermal coal for export" (Hydro contacted our office this week to say they are giving up the coal rights, and wanted to know about reclamation requirements). The Minister also said that **mineral exploration spending would be about "\$50 million this year"**, which is considerably higher than the \$36-40 million estimate of the RGs/MDO. The Minister's office should probably update their figures.

Kamloops LRMP - Jim Britton (MSRM) reports that the Kamloops Plan Monitoring Team met this week with mining represented by Leo Lindinger (KEG) and Larry Lutjen. No significant decisions were made although the group was supposed to discuss the **addition of nearly 1700 Ha to the Bonaparte PA**. In addition, BC Parks has been discussing with the City of Kamloops an idea to **add another 650 Ha to the Lac Du Bois PA** along the city boundary. Examination of claim maps in these areas shows numerous unnecessary No Staking Reserves which we have again asked to have removed (a complete review of all the Kamloops NSRs was promised to the mining sector when the LRMP was completed 7 years ago, and it still hasn't been done). In a related issue, Bill Hall will ask MLA Krueger to try to push through a minor amendment and removal of land from the Lac Du Bois PA (approx 100 Ha) to allow small scale mining of a **precious opal prospect**. BC Parks has previously opposed this boundary change. If BC Parks want to amend various park boundaries to add big chunks of ground, why can't a small piece be removed at the same time???

Afton Mine (DRC Resources) - Another excellent hole released from the northwest portion of the deposit, beneath the west wall of the pit. Hole 66 hit 200 m (beginning at 446 m) grading 1.20% Cu, 1.7 g/t Au, 0.21 g/t Pd and 4.3 g/t Ag, including 24 metres (beginning at 452 m) grading 2.43% Cu, 4.2 g/t Au, 0.31 g/t Pd and 6.6 g/t Ag (or 5.45% Cu equivalent). The question out there is...is the grade of the deposit high enough to be mined underground?

DP / Tulameen Platinum (Bright Star Ventures) - somewhat disappointing results released for 6 holes drilled into the eastern DP anomaly near Olivine Mountain. Although broad zones of anomalous copper-PGE values were encountered, there were no ore-grade intersections and the Cu and PGE values do not appear to correlate. The best results were:

Hole	metres	g/t PGE	%Cu
#1	8.60	0.20	0.20
#2	15.94	0.36	0.04
#3	2.00	0.66	0.02
#4	85.04	0.13	0.09
#5	120.88	0.06	0.10
#6	115.20	0.11	0.09

Bright Star plans to proceed with a large Spring drilling project (>15,000 m) to test the western DP anomaly and other Tulameen complex targets. A \$3 million convertible debenture financing has been proposed.

Geological Association of Canada Vancouver Conference (May 2003) - Asked to help lead two post-meeting field trips to Highland Valley Copper (with Bill McMillan) and the Afton area (as part of a PGE trip led by Graham Nixon). Discussed the second trip with S. Todoruk of Abacus Mining and they have agreed to show us core and Cu-Au-Pd results from Rainbow.

Afton area - discussed palladium potential in the Iron Mask batholith with S. Todoruk of Abacus Mining, who are systematically testing many of the prospects in the district for Pt, Pd and Au. Went in the field with Abacus field people to show them several hard-to-find prospects.

Schroeter, Tom EM:EX

VCS → AFTEAU

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Tuesday, November 19, 2002 3:21 PM
To: Schroeter, Tom EM:EX
Subject: Consulting Dr.Copper

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Re: Articles & Comments - Tuesday, November 19, 2002
Consulting Dr.Copper
Publisher: Barron's
Author: David Elliott
=====

Amid the gloom of anemic corporate earnings and bearish sentiment about the global economy, one commodity is performing surprisingly well -- copper.

The metal has climbed over 9% since early October despite U.S. indicators that suggest economic growth is hesitant and patchy at best.

And with the fundamental supply and demand factors for the metal little changed over the same period, some observers feel the rally in copper prices is a sign that the global economy is on the road to recovery.]

They view the metal as a strong indicator of economic health and prove the point by noting the historical correlation between copper prices and moves both upward and downward in the equity markets. Indeed, the October rally for the metal paralleled a jump in the Dow Jones Industrial Average of around 15%.

Copper speculators have "definitely become more bullish," says Robin Bhar, an analyst at Standard Bank in London. "They seem to feel that maybe we've seen the worst of the slowdown and are probably factoring in a cut in interest rates."

Some analysts are not convinced copper is a leading indicator of economic health, but most agree the metal continues to offer a realistic reflection of sentiment in the investment community. The reason: an increasing involvement of investment funds in metal-futures trading. The funds use copper and other base metals as mediums for speculation.

The funds' trading strategy is driven largely by their expectations for the economy. They work on the theory that a stronger economy will trigger more demand for metals, which are used mainly in industrial processes.

Because the funds now account for such a large percentage of trade on the metal-futures markets, any change in economic sentiment is mirrored in the metal price.

Analysts attribute the steady slide in copper prices since September 2000 to selling by funds, well ahead of the emergence of the most obvious signs that global economic growth was contracting.

So now, with funds building long positions and copper prices rising despite mediocre U.S. economic data, analysts are asking if the funds are once again ahead of the game.

Indeed, their involvement in the October price rally is exposed through recent Commitments of Traders reports from the Commodity Futures Trading Commission. Large speculative funds held a net long exposure of 15,000 Comex contracts on Nov. 8, compared with a net short position of around 20,000 contracts at the beginning of October.

Whether or not the move to a positive stance for copper is justified, traders are unable to fight the overwhelming market power held by the funds, even if they believe the fundamentals don't warrant such a strong price jump.

"It is probably too soon [for copper to rally] but you can't go against the trend at the moment," says Maqsood Ahmed, analyst at Credit Lyonnais Rouse in London. "You would need very deep pockets to fight the funds, so for now it seems best to go with the flow."

Because of this, banks, smaller speculators and trade houses will back the rally and offer further momentum to any upward move.

But Bhar says the gains during October could have been more exaggerated had the threat of war against Iraq not been present.

"People are still concerned with war," he says, adding that the \$1,600 a ton price (at the London Metal Exchange) could be broken if peace was assured. The \$1,600 price equates to 72.50 cents a pound at the Comex division of the New York Mercantile Exchange.

Although Iraq has said it will accept the United Nations' resolution and has said it will allow unconditional access to the country by weapons inspectors, the threat of war still hangs over the copper market and the economy.

Resistance at \$1,600 a ton has held strong over the last few weeks but given that this is an important technical resistance level, any upward move in the price break would likely trigger another bout of fund buying and a sharp price climb. But as the fund dominance of the copper market continues, only the accompaniment of a brighter economic outlook will ensure lasting gains.

"If the funds take a shine to this market we have the potential to hit \$2,000 a ton in a very short space of time," says one LME dealer. "They are in the driving seat and everyone's waiting to see what they do."

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Message sent on Tue Nov 19, 2002 at 3:18:59 PM Pacific Time
=====

Schroeter, Tom EM:EX

YOS → RG
Kamla

From: Cathro, Mike EM:EX
Sent: Friday, December 07, 2001 2:15 PM
To: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Smith, Don; Smyth, Ron EM:EX
Subject: Cathro Weekly to 12/7/2001

new

HIGHLIGHTS:

Prospect Valley (Fairfield Minerals Ltd.) - Co. reported a discovery of epithermal gold-silver mineralization in float boulders over an area of 1 square km, located 50 km west of Merritt. 40 claim units were staked. Grab samples run up to 43.34 g/t Au plus anomalous silver, arsenic, antimony and molybdenum. (Cathro comment: this appears to be a brand new discovery - there are no MINFILE or ARIS nearby, although there is a 150 ppb Au RGS anomaly in a creek draining the property. The area is underlain by PTr granodiorite (Mt Lytton Complex) and IK andesitic volcanics (Spences Bridge Group).)

Elk (Fairfield Minerals Ltd.) - also reported discovery of two new high-grade vein occurrences on the Elk property east of Merritt. Trenching in the Siwash East area, 1.7 km east of the past producing Siwash North mine, encountered a 20 cm vein which returned 21.7 g/t Au and 32.9 g/t Ag over a 0.5 by 0.5 m panel. Trenching in the Gold Creek West area encountered a 30 cm quartz vein which graded 20.5 g/t Au and 59.6 g/t Ag from a 0.8 by 0.5 m panel. A 9500 m, three stage drilling program on three main target areas has been recommended by Leo King, consultant.

Afton (DRC Resources Corp.) - Results released for hole 46 which was "drilled diagonally to the mineral zone" (-76 degrees at 210 azimuth). As expected, the hole intersected a very long zone of good mineralization. From 324 to 667 m the hole cut 343 m (1124 ft) grading 1.35% Cu, 0.82 g/t Au, 1.9 g/t Ag, and 0.07 g/t Pd. (Cathro comment - nice intersection but the hole was probably drilled almost down the plunge of the mineralized body)

Eco-Tech Laboratory - Frank Pezotti has retired and the lab has been purchased by long time employee (and current KEG director) Jutta Jealouse. She is one of two assayers at Eco-Tech. They will continue to provide assaying and environmental analyses from the same location on Dallas Drive, east of Kamloops.

EXPLORATION NEWS:

Worldstock-Silver Lake (Christopher James Gold Corp) - results were (finally) released for 7 drillholes and several trenches completed in June and July, on this porphyry/stockwork copper prospect located north of Little Fort. The holes hit broad zones of pervasive phyllic-argillic alteration in Nicola volcanics, with narrow cores of potassic alteration (and better copper mineralization) centred on crowded feldspar porphyry dikes. Pyrite mineralization is widespread. Several of the holes cut narrow zones of copper mineralization such as 0.38% Cu over 10 m and 0.17% Cu over 20.9 m. The holes were very widely spaced and the anomaly is very large, so additional work is likely. (Cathro comment: they appear to be on the periphery of a porphyry system - they need to locate the intrusive source of the cfp dikes - hopefully that larger intrusive body will have more widespread copper)

OTHER ACTIVITIES

Jesmond Limestone - provided geological and resource info to an Alberta client who is evaluating this deposit on behalf of a major Canadian lime producer.

Prospectors Assistance Program - approved final report and payment for J. Kerr. Another from C. Lowry is awaiting my attention.

BC Mineral Exploration Review 2001 - reviewed this paper which will be handed out at Roundup. It is authored by Tom Schroeter, the RGS, George Simandl (industrial minerals) and Barry Ryan (coal).

Tantalum Market and Resources: An Overview - reviewed this paper by George Simandl, to be published in Geological Fieldwork 2001.

Mike

Mike Cathro
Regional Geologist, Kamloops

Schroeter, Tom EM:EX

TS → AFON

From: Schroeter, Tom EM:EX
Sent: Thursday, September 19, 2002 10:40 AM
To: 'Cameron, Rob'
Subject: RE: Important Matters to discuss

Right on! Lunch next Friday, 27th - on me! I'm on a 'training' course that morning - so can we (tentatively) say the Lions Pub at noon?

Tom
Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

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Autotel 604 662-9091

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

From: Cameron, Rob [mailto:RCameron@Phelpsdodge.com]
Sent: Thursday, September 19, 2002 10:12 AM
To: Schroeter, Tom EM:EX
Subject: RE: Important Matters to discuss

Tom

Just phoned you yesterday about the same thing but you were out. Next week I am in Horsefly and Kamloops but back for Friday. I will call.

Noranda is exciting- so is kemess and rumoured big holes at afton. Sounds like a hit at the crownsnest (our old flathead grid B) too.

Rob

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

From: Schroeter, Tom EM:EX [mailto:Tom.Schroeter@gems6.gov.bc.ca]
Sent: Thursday, September 19, 2002 10:06 AM
To: Cameron, Rob
Subject: RE: Important Matters to discuss

Hey - how was your summer? Need to get together next week to 'chat'. Will give you a call. Lots of 'neat' things happening -e.g. Noranda comin' back!

Tom
Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

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Autotel 604 662-9091

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, September 27, 2002 1:54 PM
To: Adams, Rick EM:EX; Britton, Jim SRM:EX; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to 9/27/02

FIELD VISITS

Afton (DRC Resources) - on 9/24 I viewed core from recent drilling. Most of this year's work has focussed on infill drilling in the northeast part of the deposit, beneath the Afton pit. The last few holes (#60-63), however, have been testing virgin ground along strike from known mineralization at the SW end of the deposit. Wide intervals (e.g. > 200 m) of apparently good grade mineralization have been encountered at vertical depths of 500-700 m. Chalcopyrite occurs as veinlets and disseminations in monzonite(?) which is pervasively altered to albite-kspars-biotite (?). No assays have been released but rumours of a hot hole are rampant in Vancouver.

Duke (Southern Rio Resources) - visited this copper prospect (also known as Copper Canyon, 92ISW076) with Lindsay Bottomer (President) and Greg Thompson (consultant) on 9/24. Located SW of Merritt, the property hosts a stockwork or sheeted zone of quartz-cpy-magnetite veins in feldspar porphyry (Tertiary?) cutting volcanic of the Spences Bridge Group. Drilling in the '60s cut several good intervals such as 57.9 m @ 0.63% Cu. Quartz veins are banded and vuggy suggesting a high-level environment, and recent sampling by Bottomer returned gold values of 0.21-0.48 g/t Au. Soil sampling and geological mapping have been completed and IP is contemplated, probably next year.

Afton Area (Abacus Mining and Exploration) - Reviewed the Rainbow, Ajax, Coquihalla and other Cu-Au targets in the Iron Mask batholith on 9/25 with Steve Todoruk, Bob Damley and Bob Friessen of Abacus, and Phelps Dodge Exploration geologists Rob Cameron (Vancouver) and Will Wilkinson (VP Exploration, Phoenix Az.). Wilkinson recognizes some similarities between these alkalic porphyry deposits and the Copper-Gold Iron Oxide deposits such as their Candalaria deposits in Chile (400 mt @ 1.2% Cu and 0.25 g/t Au) and projects they are working on in Australia and Sweden. In particular he mentioned the alteration (k-spar, albite, biotite and actinolite), breccia bodies and the presence of magnetite-apatite lodes. The group went to examine DRC's project later in the day.

OTHER ACTIVITIES

Tulameen-Coalmont Field trip (Sat Oct 5th) - final arrangements made for this MEM-led trip which will precede the annual KEG golf tournament on Oct 6th. We will visit Compliance's Basin coal project and Bright Star's platinum project. Invitations were sent out yesterday.

UPCOMING

Mon Sept 27th - Elizabeth (J-Pacific Gold) field visit
Thurs Oct 03 - Sunrise VMS prospect field visit with Lindinger
Sat Oct 05 - Tulameen field trip
Sun Oct 06 - KEG Golf

Mike

Mike Cathro, P. Geo
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Mining Division
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WBS-AFTOU

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Thursday, September 26, 2002 9:12 AM
To: Cathro, Mike EM:EX
Subject: RE: No Visit Next Week

Thanks, Mike. Duane Poliquin phoned me on Tues. re- Elk. Almaden is very pleased with results, esp. in the WD vein.

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

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Autotel 604 662-9091

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

From: Cathro, Mike EM:EX
Sent: Thursday, September 26, 2002 9:04 AM
To: Schroeter, Tom EM:EX
Subject: RE: No Visit Next Week

ok Tom. Heard you on the radio today. Good job!

Was out in the field with Abacus and Phelps Dodge folks yesterday. They went to Afton later in the day. I had a look at the new Afton core on Tues and it looks good. New holes extend the zone another 50-80 m to the SW but very deep (500m and more below surface, vertically). Grades could be better than avg., esp for Au. Look forward to a news release. Everyone seems to know about the hot hole except the TSX!

Mike

Mike Cathro, P.Geo
Regional Geologist
Mining Division
Ministry of Energy and Mines

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

From: Schroeter, Tom EM:EX
Sent: Thursday, September 26, 2002 8:05 AM
To: Cathro, Mike EM:EX
Subject: No Visit Next Week

Mike - sorry, just don't have the time. Without a "Maggie" here, I'm just run off my feet.

Tom

Tom Schroeter, P.Eng./P.Geo.
Senior Regional Geologist
Resource Development Division
Ministry of Energy and Mines

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Facsimile 604 775-0313
email tom.schroeter@gems6.gov.bc.ca
Autotel 604 662-9091

Schroeter, Tom EM:EX

YBS → AFM

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Monday, September 30, 2002 2:06 PM
To: Schroeter, Tom EM:EX
Subject: Afton Copper-Gold Mineralization Extended To The Southwest

=====
Re: News Release - Monday, September 30, 2002
Afton Copper-Gold Mineralization Extended To The Southwest
=====

Vancouver, September 30, 2002 - Recent Diamond Drill holes 2K02-60 & 61 to the southwest of the Afton Main Mineral Zone has extended the zone on average 35 metres (115 ft) beyond DDH 2K01-48, the furthest previously drilled hole to the southwest. This indicates the mineral zone is still open beyond the 2000-2001 indicated mineral resource boundary of 37.7 million tons (34.3 million tonnes) of 2.32% Copper Equivalent and additional holes are being drilled to explore the zone along its trend in this direction. (Reference: April 25, 2002 Press Release - Afton Mineral Resource Study)

DDH 2K02-61 @ -66°/124° intersected mineralization for a 276 metres (905 ft) drill core length across the mineral zone, assaying 2.59% Copper Equivalent over 214 metres (702 ft) and 0.89% Copper Equivalent over 62 metres (203 ft).

ASSAY INTERSECTIONS FOR DDH 2K02-61

Core Length m (ft)	Depth m	Copper %	Gold oz/t	Palladium oz/t	Silver oz/t	Copper Equiv.%
214 (702)	600-814	1.58	0.039	0.004	0.080	2.59
62 (203)	814-876	0.56	0.013	0.001	0.030	0.89

DDH 2K02-60 @ -90° intersected mineralization over a 296 metres (970 ft) drill core length down the mineral zone, assaying 2.09% Copper Equivalent over 168 metres (550 ft) and 1.59% Copper Equivalent over 40 metres (130 ft).

ASSAY INTERSECTIONS FOR DDH 2K02-60

Core Length m (ft)	Depth m	Copper %	Gold oz/t	Palladium oz/t	Silver oz/t	Copper Equiv.%
40 (130)	486-526	1.29	0.012	Nil	0.07	1.59
168 (550)	564-732	1.34	0.028	0.004	0.06	2.09

Metal Prices US.\$: Cu \$0.70/lb, Au \$320/oz, Pd \$320/oz, Ag \$4.50/oz

DDH 2K02-60 & 61 mineralized intersections indicate the mineral zone has a 296 metre (970 ft) vertical dimension and apparent true width of 140 metres (460 ft), which is consistent with the DDH 2K01-42 intersection (located 150 metres or 490 ft to the northeast). The sulphide mineralization is becoming more concentrated and is interpreted to be a primary feeder zone with uniform copper and gold values. This type of mineralization has not been documented in previous exploration. The continuation of the mineral zone down plunge and along strike to the southwest with good widths maintained increases the tonnage potential of the Afton Mineral Zone.

Ten drill holes, 2K02-50 to 59 completed in the central and northeast areas

of the Afton Mineral Zone, are interpreted as a possible widening of the zone and an extension to the northeast. The Company has added a second diamond drill to conduct an infill drill program commencing at the northeast of the main mineral zone.

On behalf of the Board of Directors
"John H. Kruzick"
John H. Kruzick, President

DATE: September 30, 2002
Shares Issued: 8,933,766 common shares
U.S. Rule 12g3-2(b) Exemption
Website: <http://www.drcresources.com>

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release.

CAUTIONARY NOTE: Statements in this press release are a preliminary assessment of potential economics under a certain set of parameters and assumptions. The indicated mineral resource is not a mineral reserve and does not demonstrate economic viability. Further studies will be required to determine economic viability. The company relies on litigation protection for "forward-looking" statements.

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Message sent on Mon Sep 30, 2002 at 2:03:25 PM Pacific Time
=====

Schroeter, Tom EM:EX

VCS → RG
- Kamle

From: Cathro, Mike EM:EX
Sent: Friday, September 27, 2002 1:54 PM
To: Adams, Rick EM:EX; Britton, Jim SRM:EX; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to 9/27/02

FIELD VISITS

Afton (DRC Resources) - on 9/24 I viewed core from recent drilling. Most of this year's work has focussed on infill drilling in the northeast part of the deposit, beneath the Afton pit. The last few holes (#60-63), however, have been testing virgin ground along strike from known mineralization at the SW end of the deposit. Wide intervals (e.g. > 200 m) of apparently good grade mineralization have been encountered at vertical depths of 500-700 m. Chalcopyrite occurs as veinlets and disseminations in monzonite(?) which is pervasively altered to albite-kspar-biotite (?). No assays have been released but rumours of a hot hole are rampant in Vancouver.

Duke (Southern Rio Resources) - visited this copper prospect (also known as Copper Canyon, 92ISW076) with Lindsay Bottomer (President) and Greg Thompson (consultant) on 9/24. Located SW of Merritt, the property hosts a stockwork or sheeted zone of quartz-cpy-magnetite veins in feldspar porphyry (Tertiary?) cutting volcanic of the Spences Bridge Group. Drilling in the '60s cut several good intervals such as 57.9 m @ 0.63% Cu. Quartz veins are banded and vuggy suggesting a high-level environment, and recent sampling by Bottomer returned gold values of 0.21-0.48 g/t Au. Soil sampling and geological mapping have been completed and IP is contemplated, probably next year.

Afton Area (Abacus Mining and Exploration) - Reviewed the Rainbow, Ajax, Coquihalla and other Cu-Au targets in the Iron Mask batholith on 9/25 with Steve Todoruk, Bob Damley and Bob Friessen of Abacus, and Phelps Dodge Exploration geologists Rob Cameron (Vancouver) and Will Wilkinson (VP Exploration, Phoenix Az.). Wilkinson recognizes some similarities between these alkalic porphyry deposits and the Copper-Gold Iron Oxide deposits such as their Candalaria deposits in Chile (400 mt @ 1.2% Cu and 0.25 g/t Au) and projects they are working on in Australia and Sweden. In particular he mentioned the alteration (k-spar, albite, biotite and actinolite), breccia bodies and the presence of magnetite-apatite lodes. The group went to examine DRC's project later in the day.

OTHER ACTIVITIES

Tulameen-Coalmont Field trip (Sat Oct 5th) - final arrangements made for this MEM-led trip which will precede the annual KEG golf tournament on Oct 6th. We will visit Compliance's Basin coal project and Bright Star's platinum project. Invitations were sent out yesterday.

UPCOMING

Mon Sept 27th - Elizabeth (J-Pacific Gold) field visit
Thurs Oct 03 - Sunrise VMS prospect field visit with Lindinger
Sat Oct 05 - Tulameen field trip
Sun Oct 06 - KEG Golf

Mike

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VOB → RG
Kamlop

From: Cathro, Mike EM:EX
Sent: Friday, August 30, 2002 4:18 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to 8/30/02

Similco

HIGHLIGHTS

Basin (Tulameen) Coal Property (Compliance Energy Corp.) - Meeting today to approve the merger between Compliance Coal Corp. and Beanstalk Capital. Both companies are controlled by Jim O'Rourke and associates. This would be the "qualifying transaction" for Beanstalk, effecting a reverse takeover and TSX Venture exchange listing for Compliance Coal, creating a new company to be called Compliance Energy Corp. The company is apparently now arranging purchase of the entire Similco copper mine property, not including the real estate holdings and major mining equipment (Imperial Metals has also announced that they have sold the Similco property to an unnamed buyer for \$450 K). In addition, Compliance has been discussing trucking contracts to transport raw coal from the Basin site to the proposed wash plant location at the former Similco truck shop. Mining expected this fall.

Highland Valley Copper - The EAO announced approval of the Basal Aquifer Dewatering Project. This involves removing groundwater to stabilize the Valley pit slopes. Without this approval, the mine would be forced to shut in 2005 rather than 2009.

Elk-Siwash North (Almaden Minerals) - released results for first 16 holes (2600 m) of a 4500 m planned program on this gold vein deposit east of Aspen Grove. Drilling is targeting the WD vein, Bullion Creek structure, Gold Creek West vein and the DeepB shoot on the Siwash B vein, the latter directly beneath the existing Siwash North mine workings. Most of the holes intersected narrow, moderate- to high-grade vein intersections similar to previous results. The best (and deepest) hole on the WD vein cut an encouraging 19.23 g/t Au over 2.15 m. Drilling continues.

OTHER EXPLORATION AND MINING NEWS

Blackdome (J-Pacific Gold Inc.) - \$520K in financing arranged. The company also announced staking of 283 claims south of the mine, extending all the way to Red and French Mountains.

Rainbow & Gold (Doublestar Resources) - Notice of work filed for 5 holes (\$25,000 program) on this recently acquired gold property near Okanagan Falls. Murray Morrison is the vendor and project manager. Recent work has located a 200 by 400 m zone of silicified breccia with assays ranging from 430 to 5380 ppb Au.

Sadim (Toby Ventures) - released results for drilling on the Sadim gold vein and Rum copper-gold porphyry targets near Aspen Grove. Results were poor with the best intersection being 15 cm grading 48 g/t Au.

Afton Rainbow (Abacus Mining) - announced a financing of \$480K (at \$0.012) which replaces an earlier announced financing for \$540K (at \$0.18). Another sign that raising funds is becoming more difficult for junior companies.

Afton Mine (DRC Resources) - No news on the ongoing \$1.1 m 2002 drilling program or the rumoured autumn underground project. The last release with drill results was on June 6th. DRC recently raised \$2.1 million and says it now has about \$5 m in the bank. They are also spending about \$1m this year buying back their own stock, which seems a bit strange....

Christmas Lake (Nustar Resources) - released middling gold results from chip sampling of this skarn prospect located near Canim Lake.

Mike

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Schroeter, Tom EM:EX

TGS → RG
- Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, June 14, 2002 2:34 PM
To: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Cc: McKillop, Greg EM:EX
Subject: Cathro Weekly to 6/14/02

HIGHLIGHTS

Lillooet LRMP - MSRM is preparing a cabinet submission for decisions at a June 26th cabinet meeting (or July 10 open cabinet) regarding Lillooet protected areas (4 options), and approval of the integrated management area and a Timber and Economic Recovery Plan. Madu and Cathro attended two full days of inter-agency meetings on June 11-12 to go over the 300 page LRMP document and recommend changes. Despite our efforts, several problem areas still remain in the package, mainly around proposed rules and designations that could restrict reasonable access, thus contradicting the government's "2-zone" model. In addition, it is questionable whether MEM can implement the plan, given the vague, contradictory, and complex direction in the document. Percentages of protected areas in the four options are 12.0, 15.6, 17.2 and 18.2%. (Confidential).

EXPLORATION ACTIVITY

Afton Mine (DRC Resources Corp) - \$4.5 million equity financing arranged with Dundee Capital. Cathro and Horton met today with three representatives of Breakwater Resources Ltd., who are evaluating the project. Discussion focused mainly on environmental and permitting issues around restarting the operation. (Confidential)

Afton Area (Abacus Mining and Exploration Corp.) - A 4000 metre drilling program has begun and will attempt to expand known Cu-Au mineralization around the Rainbow #2, #22 and #17 zones. The property is located midway between the Afton and Ajax pits in the iron Mask batholith.

Goldstream Cu-Zn mine (Orphan Boy Resources Inc) - Orphan Boy has completed the purchase of Bethlehem Resources (1996) Corp, the subsidiary of Imperial Metals Corp. that owns the Goldstream mine-mill complex and surrounding properties. The mine has been on care and maintenance since 1996.

Siwash North Au mine (Almaden Minerals Ltd.) - Wheaton River Minerals Ltd. will provide \$350,000 to earn a 10% interest in the property. The funds will be used for exploration in 2002. This high-grade gold prospect produced 51,753 ounces gold from 18,414 tons in the 1990s, and resources remain.

Fir (Commerce Resources Corp) - a resource estimate was announced for this carbonatite-hosted tantalum-niobium-phosphate deposit. A potentially open-pitiable resource, based on 4 holes in 1981 and six holes in 2001, and using a cut-off of 150 g/t Ta₂O₅, totals 5.2 million tonnes grading 194 g/t Ta₂O₅, 646 g/t Nb₂O₅ and 3.20% P₂O₅. The deposit is open in several directions.

OTHER

BC Geological Survey talk by Dave Lefebure on 6/13. Seventeen people attended and heard about the changes in the survey, the partnership program, and Iron Oxide Cu-Au deposits.

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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, July 26, 2002 2:32 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro weekly to 7/25/02

HIGHLIGHTS

Fir (Commerce Resources Corp) - Two holes out six have been drilled on this carbonatite-hosted tantalum-niobium deposit located north of Blue River. The drill program is designed to double the current resource of 5.2 million tonnes grading 194 g/t Ta₂O₅, 897 g/t Nb₂O₅, and 3.5% P₂O₅. Approx. 1000 m drilling is planned, budgeted at \$150K. Visual results appear consistent with previous work. On-site geologists note some localized radioactivity in the core, and uranium and thorium are being routinely analysed for. (visited 7/24)

Exploration Activity - A good, upbeat article on mineral exploration activity in the South-Central region appeared in the Kamloops Daily News on July 15th. It was based on an early July interview with Cathro (not quoted directly, as requested by Communications Branch) and mentions many of our local projects and clients such as DRC, Abacus, J-Pacific, Cassidy, Navasota, Lateegra, Walloper, Almaden and Teck Cominco. A copy of the article is attached here. We now estimate there will be about \$6 million in spending and 40,000 m of drilling this year.



kamloopsarticle.pdf

OTHER FIELD VISITS

SI (Leo Lindinger) - On 7/23 I attempted to find this poorly described, carbonate-hosted (skarn, vein or manto-style?) zinc-lead-silver prospect (MF 82M 230) which sits on a very steep hillside overlooking the Raft River near Clearwater. Although the correct host rocks were found, no mineralization could be located. A "football-sized" float sample collected by Lindinger during his 2001-2002 PAP program assayed **33% Zn, 16.45% Pb and 490 g/t Ag** - nice grades if tonnage can be developed! No drilling or trenching has ever been done here although some decent soil anomalies were defined by Cominco in 1981.

IM North Thompson Flagstone (Brent McEwen) - hand mining of a flagstone bulk sample has begun on several sites along the North Thompson Forest Service Road located north of Blue River. McEwen is mining micaceous quartzite in attractive shades of grey, brown, green and pinkish white. The rocks are part of the Lower Kaza Group, a subdivision of the Windermere Supergroup. Slabs up to 1 m by 1 m by 2 cm thick can be easily removed at the MS 1 claim. Although McEwen plans to widen the road in several spots and create larger working areas by bulldozer. (visited 7/24)

EXPLORATION AND MINING NEWS

Afton (DRC Resources Corp.) - DRC has raised \$2.1 million giving it cash on hand of about \$5 million.

Highland Valley Copper - Teck Cominco reported a \$9 million second quarter profit on revenues of \$65 million for its 63.9% interest in the mine. Production was up by 9% due to higher throughput.

Zeo (Zeo-Tech Enviro Corp.) - Gordon Webster named mine manager of this Princeton-area zeolite project. He says that a pad has been flattened and a crushing plan has been ordered.

Blackdome (J-Pacific Gold) - staked 350 units south of the mine.

Dusty Mac (Ecstall Mining Corp.) - 10 holes totalling 2000 m are planned for this past producing epithermal gold prospect near Okanagan Falls. The company recently raised \$150,000 through a financing with Viceroy Resources.

Tulameen (Brightstar/Network Gaming) - BJP claims (34 units) bought by the JV.

Tophat - Jo Shearer has staked this intriguing gold prospect located at Blustery Mountain, west of Ashcroft. Ground and airborne surveys were run in 1984-87 and outlined an Au in soil anomaly (to 470 ppb, along with coincident Ag-As-Cu-

Schroeter, Tom EM:EX

TOS → AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Tuesday, April 16, 2002 2:34 PM
To: Schroeter, Tom EM:EX
Subject: Afton Copper-Gold Project - Corporate Update

SW - Apr. 17/02

=====
From: DRC Resources Corp. (DRC)
<http://www.drcresources.com/>
<mailto:invest@drcresources.com>

Re: News Release - Tuesday, April 16, 2002
Afton Copper-Gold Project - Corporate Update
=====

Vancouver, April 16, 2002 -- DRC Resources has expended a total of \$2.5 million on the Afton Copper-Gold Project during 2000 -- 2001, and the Company is continuing with the \$4.7 million exploration program as recommended by its independent engineer in the January 24, 2001 report. To date the company drilled 49 NQ Diamond Drill Holes totaling 23,800 metres (78,000 ft), of which 38 drill holes intersected the mineral zone, testing the copper-gold mineralization over a length of 850 metres (2800 ft). The Afton Copper-Gold Project is British Columbia's largest advanced exploration project according to the British Columbia Ministry of Energy & Mines' Mineral Exploration Review 2001.

DRC is pleased with the success of the Afton exploration program and the interest the project has generated from the mining industry and financial community. Confidentiality agreements have been signed with a number of mining companies and financial institutions after determining their level of interest, suitability as partner/investor, bulk underground mining expertise and financial capability. The Company believes it is sound business practice to only consider credible and reputable entities to whom it discloses its proprietary exploration data. Discussions on the Afton Project are continuing with a number of qualified mining companies and financial institutions with plans to advance the project to the next stage.

On behalf of the Board of Directors
"John H. Kruzick"
John H. Kruzick, President

DATE: April 16, 2002
U.S. Rule 12g3-2(b) Exemption
Moody's Investment Services Manual
Website: www.drcresources.com

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release.

WARNING: The company relies on litigation protection for "forward-looking" statements.

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Message sent on Tue Apr 16, 2002 at 2:32:37 PM Pacific Time
=====

Schroeter, Tom EM:EX

TGS → AFTON

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, February 06, 2002 2:33 PM
To: Schroeter, Tom EM:EX
Subject: Press Release

=====
From: DRC Resources Corp. (DRC)
<http://www.drcresources.com/>
<mailto:invest@drcresources.com>

Re: News Release - Wednesday, February 06, 2002
Press Release

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Vancouver, February 6, 2002 -- The Canadian Venture Exchange (CDNX) has elevated DRC Resources Corporation to Tier 1 status in accordance with Policy 2.5, effective January 30, 2002.

British Columbia Ministry of Energy & Mines' Mineral Exploration Review 2001 indicates DRC Resources' Afton Mine Project is British Columbia's largest advanced exploration project. In two years the Company has expended over \$2 Million in exploration, drilling 49 Diamond Drill Holes for a total of 23,800 metres (78,000 ft).

In 2001 DRC Resources increased the Afton Indicated Mineral Resource by 11.57 Million Tonnes to 34.07 Million Tonnes (37.5 Mil. Tons) of 2.75% Copper Equivalent (1.83% Copper, 0.04 oz/t Gold, 0.003 oz/t Palladium, 0.16 oz/t Silver), with an additional Inferred Mineral Resource of 5.91 Million Tonnes (6.5 Mil. Tons) of 1.65% Copper Equivalent (1.05% Copper, 0.023 oz/t Gold, 0.004 oz/t Palladium, 0.10 oz/t Silver). Diamond Drilling has tested the mineral zone for 850 metres (2800 ft) in length and to 775 metres (2550 ft) in depth. (Metal Values US\$: Cu \$0.80/pound, Au \$280/oz, Pd \$600/oz, and Ag \$5/oz). (Reference: J.J. McDougall, P.Eng., Afton Mine Property 2001 Mineral Resource Study, dated November 20, 2001)

An updated mineral resource study and the 2002 exploration budget is being prepared.

On behalf of the Board of Directors
"John H. Kruzick"
John H. Kruzick, President

DATE: February 6, 2002
U.S. Rule 12g3-2(b) Exemption
Moody's Investment Services Manual
Website: www.drcresources.com

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release.

WARNING: The company relies on litigation protection for "forward-looking" statements.

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Message sent on Wed Feb 6, 2002 at 2:31:52 PM Pacific Time
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TOS → RG
= Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, February 01, 2002 4:16 PM
To: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Smith, Don; Smyth, Ron EM:EX; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to 2/1/02

HIGHLIGHTS:

Afton Mine Area - DRC Resources is courting potential joint venture partners for development of the deep Afton copper-gold deposit. Interested groups are rumoured to include Aur Resources, Phelps Dodge, and two South American based copper companies. Meanwhile, Teck Cominco has optioned the surrounding properties, including the Ajax and Crescent pits, to Abacus Mining and Exploration. Teck has retained their ownership of the mill and tailings facility.

KEG Conference (April 9-10, 2002) - Organizers are planning a 100% BC-oriented technical program, along with two politically oriented forums. A Forum on the Future of Geoscience Services in BC (April 9) will discuss various alternative models of geoscience delivery, and the organizers will invite a representative from MEM to lay-out the Ministry's plan. A Forum on Map Selection will be held on April 10 and will include a presentation by Denis Lieutard.

KEG Workshop on Practical Advances in Geochemical Exploration - This day-and-a-half course will be held on April 11-12 and will be led by GSB staffers Ray Lett and Vic Levson, with organizational assistance from Mike Cathro, Teck Cominco and Abacus. The course will include a field component and an exploration problem modeled on the "Goldcorp Challenge". Students will pick drill targets in the Afton area based on proprietary data developed by Teck, the GSB and GSC.

new
Princeton Coal (Connaught Energy Corp.) - NoW received for a four-hole, 2400-metre drill program in the Similkameen Coal Basin west of Princeton. Given that the field comprises only thermal coal, the holes will average 600 metres in depth, and the stated purpose is to "provide structural and quality information on coals", it would appear that this program is actually designed to test for coalbed methane potential. It is doubtful that any company would consider underground mining for thermal coal at 600 metres depth in Princeton! (Note: an internet search on Connaught Energy turned up nothing, suggesting it is a private company).

PDAC Conference (Toronto, March 10-14) - Arrangements made to attend this conference as part of the Ministry team.

Mike

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TBS → RG
- Kamloop

From: Cathro, Mike EM:EX
Sent: Friday, January 04, 2002 4:27 PM
To: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Smith, Don; Smyth, Ron EM:EX
Subject: Cathro Weekly to 1/4/2002

HIGHLIGHTS

Highland Valley Copper - announced a wage cut of 6% and an undisclosed hydro rate cut effective Jan 1 as per the Job Protection Agreement. A newspaper report said that, because of low copper prices, it is "unlikely" that the mine life will be extended beyond 2009. The decision to proceed with the extension, which would involve a pushback of the SW corner of the Valley pit and relocation of the in pit crushers and conveyors, must be made within a year for the plan to be viable.

Afton (DRC Resources Corp) - released results of an updated Mineral Resource Study by J.J. McDougall, based on all DRC drilling up to November 2001. The previous (Jan 2001) resource estimate totaled 22.5 million tonnes at 3.0% Cu equivalent. According to the company, the drilling to date "indicates a continuous mineral zone 850 m in length, with a depth of 775 m below the upper contact of the primary mineral zone" Although very poorly presented in the news release, the mineral resource estimate can be summarized as follows:

Indicated Resource

Zone	Million tonnes	Grade (Cu equivalent)
Afton Main	22.5	3.0
Southwest	10.01	2.3
Northeast	1.56	1.36
Total Indicated	34.2	2.7

Inferred Resource

Zone	Million tonnes	Grade (Cu equivalent)
Southwest	3.98	2.0
Northeast	1.93	1.0
Total Inferred	5.9	1.7

Total Resource (Indicated plus Inferred)

Zone	Million tonnes	Grade (Cu equivalent)
All zones	40.1	2.6

Afton mine area (Teck Cominco Ltd.) - Abacus Mining and Exploration Corp., a company headed by Steve Todoruk, is in negotiations with Teck Cominco to acquire Teck's interests in seven mineral properties surrounding the Afton Mine. Although not stated in the news release, these properties include the Ajax pits where uneconomic Cu-Au reserves remain, as well as the Rainbow, Galaxy, Big Onion, and DM-Audra deposits. It is not known if this agreement includes the mill and tailings pond, which would be of interest to **DRC Resources**. Abacus also announced a \$550K financing.

Mike

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TGS → AFTON

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From: DRC Resources Corp. [invest@drcresources.com]
Sent: Thursday, December 27, 2001 5:30 PM
To: Schroeter, Tom EM:EX
Subject: Update: Afton Mineral Resource

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From: DRC Resources Corp. (DRC)
http://www.drcresources.com/
mailto:invest@drcresources.com

Re: News Release - Thursday, December 27, 2001
Update: Afton Mineral Resource
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DRC Resources has received an updated Mineral Resource Study on the Afton Mine Property by J.J. McDougall, P.Eng dated November, 2001.

In his previous resource study dated January 24, 2001 the Afton Mineral Zone was estimated to have an Indicated Mineral Resource of 25 million tons (22.5 million tonnes) at 3.0% copper equivalent (previously reported February 28, 2001).

Drilling Results to November 2001 for 26 NQ diamond drill holes, 10,670 metres (35,000 ft), indicates a continuous mineral zone 850 metres (2800 ft) in length with a depth of 775 metres (2550 ft) below the upper contact of the primary mineral zone. This drilling has increased the mineral resource to the southwest and to the northeast of the Afton Main Mineral Zone. The estimated indicated mineral resource of the Southwest Zone, southwest of the Afton Main Zone, is 10.01 million tonnes at 2.3% copper equivalent. The estimated indicated mineral resource of the Northeast Zone, northeast of the Afton Main Zone, is 1.56 million tonnes at 1.36% copper equivalent. The estimated inferred mineral resource for the Southwest Zone is 3.98 million tonnes at 2.0% copper equivalent. The estimated inferred mineral resource for the Northeast Zone is 1.93 million tonnes at 1.0% copper equivalent. (Refer to Figure 1).

Mineral Resource Summary

Indicated Mineral Resource - Afton Main Zone 22.50 million tonnes
Indicated Mineral Resource - Northeast and Southwest Zones 11.65 million tonnes

Total Indicated Mineral Resource 34.15 million tonnes
(37.50 million tons)

Inferred Mineral Resource - Northeast and Southwest Zones 5.90 million tonnes

Total Inferred Mineral Resource 5.90 million tonnes
(6.50 million tons)

The company's engineer estimated the Mineral Resource pursuant to National Instrument 43-101 requirements and Form 43-101F1, and according to CIM Standards on Mineral Resources and Reserves. (Metal Values: copper at \$0.80/pound, gold at \$280/oz, palladium at \$600/oz, and silver at \$5/oz).

As previously reported on February 28, 2001, Behre Dolbear & Company Ltd. completed a Scoping Study for the block cave mining of the Afton Mineral Zone which determined that the Afton project has favorable economic

possibilities with low production costs, moderate capital requirements, and relatively low environmental concerns. Process Research Associates Ltd. of Vancouver completed a preliminary flotation study which produced a 41% copper concentrate for the Afton mineralization and showed good metal recoveries: copper 89%, gold 90%, palladium 76%, platinum >99%, and silver 90%

An updated mineral resource study and engineering report for the 2001 Diamond Drill program will be commissioned January 2002. The company will announce the 2002 Exploration Program and Budget upon receipt of this study.

Drill Plan and Sections can be viewed at DRC Resources Corporation's website at www.drcresources.com.

On behalf of the Board of Directors

John H. Kruzick, President

U.S. Rule 12g3-2(b) Exemption
Moody's Investment Services Manual
Website: www.drcresources.com

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release.

WARNING: The company relies on litigation protection for "forward-looking" statements.

=====
Copyright (c) 2001 DRC RESOURCES CORP. (DRC) All rights reserved. For more information visit our website at <http://www.drcresources.com/> or send <mailto:invest@drcresources.com>
Message sent on Thu Dec 27, 2001 at 5:27:58 PM Pacific Time
=====

Schroeter, Tom EM:EX

TGS -> Afton

From: DRC Resources Corp. [invest@drcresources.com]
Sent: Wednesday, November 14, 2001 3:41 PM
To: Schroeter, Tom EM:EX
Subject: AFTON MINERAL ZONE EXTENDED

From: DRC Resources Corp. (DRC)
<http://www.drcresources.com/>
<mailto:invest@drcresources.com>

Re: News Release - Wednesday, November 14, 2001
AFTON MINERAL ZONE EXTENDED

Vancouver, November 14, 2001--- Recent Diamond Drilling extends the new Afton mineral zone a further 150 metres (500 ft) to the southwest for a total length of 760 metres (2500 ft). The mineral zone is still open for further exploration and the company is currently drilling to extend the zone.

The new mineralized area to the south, intersected by 6 diamond drill holes, indicates a much larger zone, 150 metres (500 ft) in length and 130 metres (430 ft) in width, and still open. A change in mineralogy and higher copper sulphide grades suggests a different type of mineralized body continuous with the new Afton mineral zone.

DDH 2K01-44 @ - 62.2/228 intersected 2.23% Copper Equivalent over a core length of 263 metres (870 ft), extending the mineral zone 75 metres (250 ft) beyond the intersection in DDH 2K01-42. DDH 2K01-44 was drilled perpendicular to DDH 2K01-42 (which assayed 2.38% Copper Equivalent over a core length of 204 metres (670 ft)) to determine the orientation and southwest extent of the mineral zone toward DDH 2K01-40. (Refer to Diamond Drill Plan)

ASSAY INTERSECTION FOR DDH 2K01-44:

Core Length m (ft)	Depth m	Copper %	Gold oz/t	Palladium oz/t	Silver oz/t	Copper Equiv. %
263 (870)	320-583	1.58	.0341	.0002	.08	2.23

Metal Prices US.\$: Cu \$0.80/lb, Au \$280/oz, Pd \$600/oz, Ag \$5.00/oz

Drill Plan and Sections are available for viewing on DRC Resources Corporation's website at www.drcresources.com.

On behalf of the Board of Directors
"John H. Kruzick"
John H. Kruzick, President

DATE: November 14, 2001
U.S. Rule 12g3-2(b) Exemption
Moody's Investment Services Manual
Website: www.drcresources.com

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the release.

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Thursday, October 18, 2001 5:02 PM
To: Adams, Rick EM:EX; Britton, Jim MSRM:EX; Brown, Derek EM:EX; Lefebure, Dave EM:EX; Ludwig, Allan EM:EX; Madu, Bruce EM:EX; McArthur, Gib EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX; Smith, Don EM:EX
Subject: Cathro Weekly to 10/18/2001

HIGHLIGHTS:

Afton (DRC Resources Corp.) - Excellent results released for hole 2K-01-42. From 550 to 754 metres the hole cut **204 m grading 1.53% Cu, 1.2 g/t Au, 0.20 g/t Pd, and 2.5 g/t Ag**. A good hole even by Chilean standards! If the dip is similar to the rest of the Afton orebody, the true thickness could be in the range of 100-125 m. Located beneath the southwest corner of the pit rim, the top of this intersection is at a vertical depth of 390 m (1280') below surface, and about 50 m below, and 600 m southwest of the current pit bottom. From cross sections on the DRC website it appears that the mineralization may get shallower to the northeast and east, however it is not clear if that is an area that may have been drilled previously by Teck. The hole appears to indicate a substantial widening of the "Southwest Extension" zone which appeared to be pinching out in the next nearest holes to the northeast. Perhaps most importantly, the Hole 42 mineralization is of a different style (chalcopyrite with k-spar, bioitite and albite) and could represent a significant new zone (or extension). Because of the great depth, it will be important for DRC to attempt to trace this mineralization closer to surface.

Melba (Walloper Gold) - Drilling complete on 10/17 on this epithermal gold property located west of Lac Le Jeune (11 holes ~900 m). All holes drilled in the "trench area" hit the siliceous breccia zone over core lengths of 3-10 m. Traces of pyrite are present and assays are eagerly awaited (visited on 10/17).

EXPLORATION NEWS:

Tulameen (Bright Star Ventures Ltd.) - An airborne EM-Magnetics survey has been commissioned from FUGRO.

Pongo (Verdstone/Molycor) - released results of last 3 of 8 holes (442 m) from this Zn-Pb-Ag-Au prospect near North Barriere Lake. Only subeconomic results.

PROSPECTORS ASSISTANCE PROGRAM:

Cleve Lowry - spent Oct 15 in the field with Cleve reviewing his progress on the Anomaly claims near Adams Lake. Some encouragement but no big discovery yet.

Dave Ridley - approved a change of field area to "Canim North".

OTHER:

Advanced Prospecting Course - Spent Oct. 17 in the field examining the Mineral Hill camp (Stump Lake) with property owner Leo Lindinger, along with other possible field sites in the Merritt area. Tour with course organizers planned for 10/19.

Regional Geologists Conference Call - discussed various topics including planning for Exploration Review talks (Nov 22, Victoria) and upcoming publication deadlines. The most exciting exploration projects around the province are Kena (Sultan Minerals), Kemess North, Coal (in general), the revival of interest in the Iskut gold belt, and perhaps Afton.

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

Note new telephone numbers

Mike Direct Line: (250) 554-5377
General Inquiries/Messages: (250) 554-5370
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Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Thursday, October 11, 2001 5:02 PM
To: Adams, Rick EM:EX; Britton, Jim MSRM:EX; Brown, Derek EM:EX; Lefebure, Dave EM:EX; Ludwig, Allan EM:EX; Madu, Bruce EM:EX; McArthur, Gib EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX; Smith, Don EM:EX
Subject: Cathro Weekly to 10/11/01

HIGHLIGHTS

AFTON (DRC Resources Corp) - Currently drilling on hole 44 (est. 12,000 metres in 22 holes so far in 2001) located west of the southwest corner of the pit. Hole 43 was stopped at 805 m (2640 ft). Two drills are working and drilling is expected to continue until Dec. 15. Three holes are planned for the Pothook pit area but won't start until late November. According to project geologist John Ball, Afton holes 42 and 43 were angle drilled beneath hole 39 (2.03% Cu equivalent over 103 metres) and hit "a long interval of moderate grade copper mineralization with better than average gold and palladium". The vertical depth to the top of the mineralization is estimated to be 350-400 m but it is possible that future drilling may bring the zone closer to surface. The mineralization appears different than that in the Afton SW extension which is bornite-chalcopyrite-chalcocite-native copper-hematite in fault breccia. This "new zone" is unoxidized and comprised of predominantly chalcopyrite in a strongly k-spar and biotite flooded rock, and is being interpreted to be a new zone of mineralization. (CONFIDENTIAL)

Spire (Imperial Metals Corp) - according to Joe Seguin, excavator trenching near the original massive sulphide roadcut has intersected a sulphide zone about 10 metres wide. Tom Schroeter reports that Imperial has a verbal agreement to option the property to Orphan Boy Resources, and that Imperial would like to see it drilled this fall. (CONFIDENTIAL)

EXPLORATION NEWS

Iron Mask area - Teck Corp. is trying to interest a junior company to take over their large Iron Mask batholith property holdings which include the Ajax East and West pits, the Afton mill, and the Big Onion, Rainbow, DM, and Audra copper-gold deposits.

Clinton Tufa - provided info on this and other Clinton area prospects to an Alberta-based client.

Merritt Coal - coal rights over Middlesboro collieries acquired by Forum Ventures (CDNX) from Imperial Metals. Forum plans to investigate both coalbed methane and conventional coal mining opportunities.

Beaton (Green Valley Mine Inc./Lakewood Mining) - reported a gamma ray spectrogramatic and VLF/Mag EM survey has outlined a large anomaly on this property south of Afton (I believe this refers to a 1994 GSC/Teck airborne survey). In addition the company has conducted a Mobile Metal Ion soil survey.

Shut-Up Bill Mine - James Hasan reported to Al Ludwig that he has mined 700 tonnes of pyritic material and moved it to the OK aggregates property in Vernon for processing. Mr. Hasan told me on an earlier visit that he has not assayed this pyrite but that it definitely contains gold.....(MINFILE says differently)

OTHER

Advanced Prospecting Course - spent one day examining facilities and field locations in the Merritt area on behalf of GSB and BCIT course organizers.

100 Mile House Forest District - assisted client concerned about possible upcoming destruction of drill hole collars by new logging roads (MoF Small Business program). I provided MoF with maps and the client will flag the drill collars.

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

Note new telephone numbers

Mike Direct Line: (250) 554-5377
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Fax: (250) 554-5384

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, October 05, 2001 3:46 PM
To: Adams, Rick EM:EX; Britton, Jim MSRM:EX; Brown, Derek EM:EX; Lefebure, Dave EM:EX; Ludwig, Allan EM:EX; Madu, Bruce EM:EX; McArthur, Gib EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX; Smith, Don EM:EX
Subject: Cathro Weekly to 10/5/01

PROSPECTORS ASSISTANCE PROGRAM:

John Kerr - ~~broke his leg rollerblading~~. Most of his work had been completed but he sent his partner W. Gruenwald back to the Perry River area to do a bit more sampling for Tantalum-Niobium. Encouraging results so far.

Neil Church - receiving encouraging results on zeolite prospects in the Okanagan. Possible deal pending.

Leo Lindinger - evaluating several stratabound zinc prospects in the Raft River area. His program is nearly complete.

FIELD:

Poet (Cleve Lowry, PAP) - spent one day in field sampling and mapping this carbonate-hosted zinc prospect near Adams Lake. Results will form the basis for a short paper in "Exploration and Mining in BC - 2001" promoting this target in the Lower Cambrian Tshinikan member of the Eagle Bay Assemblage.

EXPLORATION ACTIVITY:

Pothook (DRC Resources) - Notice of Work for several drill holes south of the Pothook pit. Teck Corp drilled here in 1998 to follow up some anomalous Au values in altered Nicola volcanics.

Silver Lake "Discovery B" (Christopher James Gold Corp) - drilling of 4 holes completed so far. Total program should be about 8 holes and 1000 m.

Santoy Resources - Assisted Adam Travis and Dave Mehner of Santoy in compiling information on several new copper-palladium-platinum targets in southern BC. Staking underway?

Jim Oliver - Nice email to Ron Smyth thanking Cathro/Madu for our assistance in getting information for his work near Revelstoke. Jim normally works for the Hunter Dickenson Group but is considering acquiring ground for himself and/or investors.

Getty South (Getty Copper Corp) - Small geochem/mapping program underway (claim maintenance only?)

OTHER:

Advanced Prospecting School - Discussed possible venues with Dave Lefebure (GSB) and Rob Stevens (BCIT). They are looking into sites in Brookmene, Merritt, and Grand Forks areas. Pulled together geological information for them on the Nicola Lake area.

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

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General Inquiries/Messages: (250) 554-5370
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Fax: (250) 554-5384
Email: mike.cathro@gems2.gov.bc.ca

Schroeter, Tom EM:EX

VGS → RG
- Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, September 21, 2001 3:41 PM
To: Adams, Rick EM:EX; Britton, Jim MSRM:EX; Brown, Derek EM:EX; Lefebure, Dave EM:EX; Ludwig, Allan EM:EX; Madu, Bruce EM:EX; McArthur, Gib EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX; Smith, Don EM:EX
Subject: Cathro Weekly to 9/21/2001

HIGHLIGHTS:

KEG/MEM Workshop on "Exploring the Map Place" - On Sept 21, two four hour seminars were taught by Larry Jones, Don McIntyre and Pat Desjardins of the GSB. About 19 people were in attendance for this useful, well presented course. Thanks to the GSB and Larry, Don and Pat.

Goldstream (Orphan Boy Resources) - approx. \$300K program of ground surveys and drilling has just begun on this large property north of Revelstoke. Stratiform Cu-Zn-Pb mineralization is the target.

Minister Hagen - Assisted Penny Foster (Williams Lake Mining Committee) pull together facts and suggestions on how to improve the BC investment climate, for her meeting with Minister Hagen of MSRM.

Field Visits:

Mt Fleet (Adam Travis/Santoy Resources) - visited this new syenite-hosted platinum-palladium-copper prospect northeast of Kamloops on Sept 18. Up to 0.95 g/t Pt has been returned from copper-stained syenite. We also visited the nearby **Shaw Hill** Cu-Au prospect to the east where Travis has now staked 6 units. Strong albite-biotite and carbonate alteration, disseminated and fracture-controlled chalcopyrite-pyrrhotite mineralization, and (unmapped) diorite-gabbro intrusions combine to suggest a brand new alkalic porphyry Cu-Au prospect may be developing. **CONFIDENTIAL**

Exploration Activity:

Afton (DRC Resources Corp) - Reported intersection of 43 feet grading 2.05% Cu, 0.028 opt Au and 0.206 opt Ag. Depth of 874 metres may be prohibitive for mining!

Various - Assisted several independent and company geologists to acquire data or maps for potential property acquisitions. Some talk that things might be picking up with the improvement in the price of gold and companies returning home from more dangerous locations overseas (e.g. Africa, central Asia)

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

Note new telephone numbers

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Email: mike.cathro@gems2.gov.bc.ca

Schroeter, Tom EM:EX

VTS - ~~Rick~~
- Kambo

From: Cathro, Mike EM:EX
Sent: Thursday, August 30, 2001 4:45 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim EM:EX; Brown, Derek EM:EX; Lefebure, Dave EM:EX; Ludwig, Allan EM:EX; Madu, Bruce EM:EX; McArthur, Gib EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX; Smith, Don EM:EX
Subject: Cathro Weekly to 8/30/2001

HIGHLIGHTS

Afton (DRC Resources Corp.) - released results for two drill holes which show much higher grades of palladium (0.232 oz/ton and 0.120 oz/ton, both over 10 feet) than previously reported. Interestingly, the higher palladium occurs with relatively low copper (0.19% and 0.03%) and low gold values. According to project geologist John Ball, the palladium occurs in "heavily albitized/bleached rock next to a fault breccia" suggestive of a hydrothermal (and not magmatic) style of mineralization. Both intersections are relatively deep (300-400 m below pit rim) and are located southwest of the copper-gold deposit drilled over the last year. Graeme Nixon of the GSB was on site and did core sampling as part of his study of platinum group metals.

In addition, DRC reported that hole 38 intersected the Cu-Au zone at a vertical depth of about 875 m beneath the pit rim, and some 305 m beneath the previous deepest drill intersection. Assays are pending.

Verity & Fir (Commerce Resources) - Drilling of 25 holes is underway on these two carbonatite-hosted tantalum-niobium-phosphate prospects located north of Blue River. Commerce recently completed a small IPO financing and is now trading on the CDNX.

Exploration activity - we are now forecasting about \$4 million in spending and 25,000 m in drilling for 2001, up from last year.

FIELD VISITS

CK (Penteco Resources) - This stratabound zinc-lead deposit north of Clearwater was visited with T. Hoy on 8/23. Several old trenches were examined. The deposit has indicated resource of 500,000 tonnes grading 11.3% Zn, 2.0% Pb and an additional inferred resource of 380,000 tonnes at an undefined grade (Report for BWI Resources, 2000). Last drilled in 2000, it has similarities to other Shuswap type, or Broken Hill type, deposits, in particular Ruddock Creek.

Silver Pipe (Paul Watt) - This new 60 unit claim block is located near Lemieux Lake north of Little Fort. Narrow (1-10 cm wide) calcite-quartz veins occur in andesite breccia of the Fennell Formation. The veins contain disseminated to locally semi-massive sulphides including pyrite, arsenopyrite, sphalerite, chalcopyrite and galena. Anomalous values of Au, Ag, Cu, Pb, Zn, As, Sb, Bi, Cd occur. Vein textures, mineralogy and geochemistry are suggestive of an epithermal system.

OTHER EXPLORATION NEWS

Gypsy (Alhambra Resources) - completed drilling of 2 holes (259 m) on this copper prospect near Mamit Lake, south of Logan Lake. Assays are awaited.

Crazy Fox - Demers (Cassidy Gold) - drilling of one hole (approx 800 ft long) is apparently complete on this VMS Cu-Zn target north of Little Fort. It is rumoured that no significant massive sulphides were encountered. The property is optioned from Lloyd Addie and Bob Bourdon (PAP support in 1999).

Broken Hill and Goldstrike Properties (Cassidy Gold Corp) - Cassidy plans to return these properties to the vendor, Leo Lindinger. Both were staked on the PAP.

UPCOMING

8/31-9/4 - Vacation
8/21 - KEG/MEM short course on the Map Place
8/22 - KEG golf & picnic

Mike

Mike Cathro

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Thursday, August 02, 2001 4:29 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim EM:EX; Brown, Derek EM:EX; Lefebure, Dave EM:EX; Ludwig, Allan EM:EX; Madu, Bruce EM:EX; McArthur, Gib EM:EX; Payie, Garry EM:EX; Schroeter, Tom EM:EX; Smith, Don EM:EX
Subject: Cathro Weekly to Aug 2, 2001

HIGHLIGHTS

Tulameen Coal (Compliance Coal Corp.) - a 10,000 tonne bulk sample is slated to be mined beginning on Aug 7. Coal will be crushed on site and trucked to several potential customers, including a couple in Washington State. The company, headed by Jim O'Rourke (formerly of Princeton Mining), plans to go public in the fall and will also apply to amend its mining permit to include a wash plant and increase mining from 100,000 to 250,000 tonnes per year.

Peter Zone - Cosmopolitan Crown Grant (Bralorne-Pioneer Gold Mines Ltd) - The new 70 foot raise to surface averaged 0.73 oz/ton Au over an average 4.4 foot width. "Test mining will proceed immediately....with the material to be stockpiled on surface for processing when the preparation of the existing milling facilities are completed".

Silver Lake (Christopher James Gold Corp.) - high-grade copper values (2.09 to 15.1% Cu) over narrow widths (0.55 to 2.45 metres) have been discovered in bedrock at the "Discovery A" area northwest of Little Fort. Silver values range up to 178 g/t. Chalcopyrite and pyrite occur in veins with patchy quartz cutting magnetite-pyrite-chlorite-altered mafic volcanics of the Nicola Group. The zone appears associated with a shear zone, trends northwesterly, and has been traced on surface for 33 metres. A preliminary drill program should begin shortly. (Note: the original float discovery was made by 2000 PAP grantee Paul Watt while walking in to work on his own claims in July 2000!)

Pongo (Verdstone Gold/Molycor Gold) - released results of first four holes (of six drilled to date) from this prospect located near east Barriere Lake. Four more holes will be drilled begining Fri Aug 3rd. Intersections included:

Hole	Width	%Cu	%Pb	%Zn	opt Ag	opt Au
01-3	6.19m	0.05	3.15	2.13	1.97	0.033
01-4	3.0 m	0.12	4.79	3.12	3.12	0.021

A 20% Flow Through Share Tax Credit to further encourage mineral exploration was announced in the mini-budget. Reaction from industry has been positive and it is hoped this will free up some much needed financing.

Lillooet LRMP Socioeconomic Analysis - I reviewed correspondence to R. Durfeld from Gord Enemark (MSRM) regarding the current review of the costs and benefits of the "conservation" and "community" plans. As currently designed, this study will not provide any new insight into the potential impacts of these options. The reviewers appear to seriously underestimate the economic value of mineral resources and the impact of protected and special management areas on these values. For example, as in previous SEAs, only existing operations and developed deposits are considered valuable - there is no weight given to lost opportunity (e.g. undiscovered resources sterilized by the new protected areas). I suggest that gov't request a much more critical, thorough evaluation of these plans.

PROSPECTORS ASSISTANCE PROGRAM

Leo Lindinger - a float sample of gneissic rock collected in the Tumtum Lake area by Lindinger in 1998 was run this year, returning unexpectedly high results of 41.74 g/t Au, 5120 ppm Bi and 3910 ppm Cu (with low Ag, As, Sb, Pb, Zn etc.). Bismuthinite has been tentatively identified in hand specimen. Cumberland Resources has grubstaked Lindinger to locate the bedrock source of this potentially Pogo-style mineralization. (CONFIDENTIAL)

OTHER EXPLORATION NEWS

Afton (DRC Resources) - currently on the 14th hole in 2001. (#37 overall). Two drills are on site but only one is working at a time. The decline is on hold until more drilling is complete.

Verity (Commerce Resources) - The start of drilling and completion of the company's IPO are both slated to happen within a few weeks. 17 holes (up from 6) are now planned to test this carbonatite-hosted tantalum-niobium deposit.

UPCOMING

Aug 10 - Little Fort Field Trip - led by Paul Schiarizza and myself.

an effort to locate additional massive sulphide prospects (similar to Githennes' F... prospect) in the Nicola Western facies near Iron Mountain south of Merritt. The LD prospect consists of massive barite with minor sulphides in limestone/sandstone. Rhyolite occurs nearby.

Afton (DRC Resources Inc) - a short report on the project was shown on the CBC National and CBC Newsworld this week, and included an interview with Bruce McKnight of the Chamber of Mines.

Spire (Imperial Metals Corp) - visited this massive sulphide prospect near Goldstream mine on 7/10/2001 with Schroeter. Massive copper and zinc sulphides occur over about a 2 m width and were discovered in fall 2000 on a new logging road. Grab samples from this returned up to 8% Cu and 7.9% Zn, but the best drill hole returned only 3.7 m grading 0.24% Cu and 1.49% Zn. Imperial Metals is short of money and apparently has not committed funds to follow up this promising target this year. Given the proximity to the Goldstream mill, this could be a very attractive joint venture opportunity for another junior company.

Broken Hill (Cassidy Gold Corp) - visited on 7/12 with Schroeter and Leo Lindinger. Little work is planned for this Shuswap-type zinc-lead prospect discovered by Lindinger on the 2000-2001 PAP. It is clear from our visit that drilling of 13 holes by Cassidy in Feb 2001 certainly did NOT adequately test the best mineralization at the Vista showing, and that there is good opportunity to develop additional targets with basic prospecting, soils and magnetic surveys.

Pongo (Verdstone/Molycor) - drilling of 3-5 holes is apparently underway on this high-grade vein/thrust prospect south of East Barriere Lake. a chip sample collected in June ran 10.7% Pb, 4.45% Zn, 4.45 opt Ag and 0.17opt Au over 9 metres.

Mike

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BC Ministry of Energy and Mines

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July 13/01

Schroeter, Tom EM:EX

VOS → Reg. Mar.
— Kamloops

From: Adams, Rick EM:EX

Sent: Friday, May 25, 2001 4:01 PM

To: Anderson, Duane EM:EX; Beswick, Ed EM:EX; Booth, Richard EM:EX; Braidwood, Brian EM:EX; Carr, Chris EM:EX; Carter, Tom EM:EX; Cheetham, Pat EM:EX; Cochrane, Marlene EM:EX; Curtis, Ross EM:EX; Errington, John EM:EX; Ferguson, Susan M EM:EX; German, Gerald EM:EX; Graeme McLaren (E-mail); Hall, Ted EM:EX; Hermann, Fred EM:EX; Hoffman, Al EM:EX; Joan Hesketh (E-mail); Jorgensen, Sharon EM:EX; Kilmartin, Sandra EM:EX; Lewis, Jim E EM:EX; Lieutard, Denis EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Nash, Laurel EM:EX; O'Rourke, Patrick EM:EX; Readshaw, Kerry EM:EX; Rennie, Lorna EM:EX; Rick Conte (E-mail); Roberts, Steve EM:EX; Schroeter, Tom EM:EX; Shelley Guthrie (E-mail); Smyth, Ron EM:EX; Starkes, Terri EM:EX; Stewart, Linda EM:EX; Walter Poohachoff (E-mail); Whale, Andrew EM:EX

Cc: Allan Ludwig (E-mail); Britton, Jim; Cathro, Mike; Heistad, Ray; Horton, Russ; Madu, Bruce; Mehr, Eugene; Patricia Murton (E-mail); Rothman, Stephen; Seguin, Joe; Wallis, Yvonne; Worsfold, Joyce

Subject: South Central Region to May 25, 2001

Issues:

Highland Valley Copper- application for 5.4 km of exploration trail and 5 drill holes was referred to First Nations Feb. 19. When no referral responses were received after numerous follow-up phone calls, a permit was issued April 12. Following MOF's subsequent referrals to First Nations for a LTC, Cook's Ferry Band responded stating this exploration work and any subsequent development work will irrevocably harm their aboriginal rights and use of the area. CFB is demanding MEM revoke the permit, and HVC fund an AIA and a TUS to prove CFB's use of the area for hunting, gathering, livestock range, trapping and water supply. This would at least stall the exploration program by a number of months, if not eliminate it entirely. Seems unreasonable given that Qwa'ect Forestry Co., a partnership between Aspen Planer Mill and CFB plus 3 other Bands, apparently plans to clearcut log this same area within the next 5 years. Further discussions with MOF, HVC and CFB needed to resolve this issue. HVC is agreeable to the AIA, but believes the requirement for a TUS for a small scale, "in and out" MX program is unreasonable and would set an unfavourable precedent- particularly for smaller operators.

A D.O occurred at HVC when a 5 ton crane malfunctioned and pulled the block through the upper limit switches. The cable broke and the block fell about 100 feet to the ground. No injuries occurred and the incident is under investigation.

Curtis Pit, Kelowna- Okanagan University College, owner of the land, but not yet the gravel, is threatening legal action against MEM if we continue our permitting process, citing alleged permit infractions and alleged insufficient reclamation bonding. Has been forwarded to our legal counsel for response.

Afton Operating Corporation- in reference to a NoW submitted by DRC Resources for u/g exploration in the Afton Pit, AOC is seeking release of liability from MEM for any and all liability resulting from the inflow of water into the Afton Pit from lands owned or controlled by AOC. AOC's approved Closure Plan calls for tailings pond discharge into Afton Pit, via tailings pond spillway, during storm or flood events.

Barisoff/McIntyre Pit- a flood of complaints about: noise, diesel fumes, dust, disruption of their lifestyle, and confinement to the inside of their homes, was received yesterday when screening resumed. Some complainants very upset. Operator similarly distressed. Previous decision substantially upholding the permit is still under appeal before the Courts. Operator reports he is complying with all permit conditions. Inspector to visit next week to ensure compliance.

FYI:

Afton (DRC Resources)- Meridian Gold, and SRK Consulting, visited our office with Meridian expressing interest in the property. Discussed environmental (specifically selenium and hydrocarbons), permitting, reclamation security, EAO, PSI/DSI under CSR, and CSR liability issues. Meridian is proposing u/g mining with in-pit disposal of dried tailings and waste rock. Prior disposal of the selenium-laden pit water remains an issue DRC principals and an u/g miner meeting with H&S staff today regarding their u/g exploration plans.

Highland Valley Copper- has announced Mr. Wolf Nickel, previously of Teck Corp., as their new President and General Manager, effective June 1/01.

05/28/2001

Schroeter, Tom EM:EX

TJS → Reg. Mail
- Kamloops

From: Adams, Rick EM:EX

Sent: Friday, May 11, 2001 5:27 PM

To: Anderson, Duane EM:EX; Beswick, Ed EM:EX; Booth, Richard EM:EX; Braidwood, Brian EM:EX; Carr, Chris EM:EX; Carter, Tom EM:EX; Cheetham, Pat EM:EX; Cochrane, Marlene EM:EX; Curtis, Ross EM:EX; Errington, John EM:EX; Ferguson, Susan M EM:EX; German, Gerald EM:EX; Graeme McLaren (E-mail); Hall, Ted EM:EX; Hermann, Fred EM:EX; Hoffman, Al EM:EX; Joan Hesketh (E-mail); Jorgensen, Sharon EM:EX; Kilmartin, Sandra EM:EX; Lewis, Jim E EM:EX; Lieutard, Denis EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Nash, Laurel EM:EX; O'Rourke, Patrick EM:EX; Readshaw, Kerry EM:EX; Rennie, Lorna EM:EX; Rick Conte (E-mail); Roberts, Steve EM:EX; Schroeter, Tom EM:EX; Shelley Guthrie (E-mail); Smyth, Ron EM:EX; Starkes, Terri EM:EX; Stewart, Linda EM:EX; Walter Poochachoff (E-mail); Whale, Andrew EM:EX

Cc: Allan Ludwig (E-mail); Britton, Jim; Cathro, Mike; Heistad, Ray; Horton, Russ; Madu, Bruce; Mehr, Eugene; Patricia Murton (E-mail); Rothman, Stephen; Seguin, Joe; Wallis, Yvonne; Worsfold, Joyce

Subject: South Central Region to May 11, 2001

Issues:

Candorado, Hedley- MELP received a National Post media inquiry regarding rumours that new soil sampling around hedley had revealed unacceptable levels of arsenic and cyanide. Response was well-handled by Peter Jarman of MELP.

FYI:

Afton (DRC Resources)- propose a 850 ft drift parallel to the strike and plunge of the orebody for further exploration drilling. The drift is at the 1600 ft level, 600 ft below surface. Safety concerns require the proponent to upgrade the access road into the pit before proceeding, and additional pre-planning is required by the proponent as well.

Afton Mine Reclamation Tours (5/10/2001) - As part of Mining Week, the Kamloops Exploration Group, Afton Operating Corp. and MEM-Kamloops organized and led tours to view the progress of ongoing reclamation of the Afton mine site. A total of 115 people took part in three one-and-a-half hour tours, including about 20 kids. Many favourable comments were received. Well over half of those in attendance were from the general public and appeared to have no association with mining, including one small troupe of cub scouts. CJNL radio (AM 610) held live interviews on site and "we support mining" ads, sponsored by KEG, ran throughout the week. The result was a low-key, homespun PR campaign that showed the public that the mining industry can and does operate in a responsible fashion.

Prospectors Assistance Program - Out of a total of 100 applications province wide, 52 grants will be issued of which 12 will be in the South Central Region (6-100% grants and 6-75% grants). Interestingly, two successful grant applications (M. Stewart and N. Church) were planning to work in whole or in part in the new Spruce Lake park. They will be offered the opportunity to modify their proposals or choose other areas.

First Nations:

Penticton Indian Band- media reported Tuesday a group of elders had occupied the Penticton Indian Band office calling for the resignation of Chief Stewart Phillip, and a number of Councilors, due to concealment of a multi-million \$ budget deficit from Band members prior to their election.

Neskonlith/Adams Lake Indian Bands- attended a Thompson Nicola Regional District Board meeting protesting an application for rezoning for a 9 unit housing development at Sun Peaks. TNRD Board approved it in principle pending a report.

Kamloops Indian Band- media reported that Kamloops Indian Band has withdrawn their affiliation with the Shuswap Nation Tribal Council citing disagreement with the SNTC's strategies. SNTC now down to five Bands.

05/14/2001

JBS → RG
- Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, February 02, 2001 9:41 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Smith, Don; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to February 2/2001

HIGHLIGHTS:

Broken Hill (Cassidy Gold Corp.) - Drilling began on Jan. 27th on this zinc-lead-silver prospect located 7 km NE of Avota in the North Thompson area. (Found in Sept 2000 by Leo Lindinger while on PAP grant). Visit planned for mid-Feb?

(new)

Readymix (Gordon Richards/Dave Bennett) - Had a meeting yesterday to go over the results from this new (intrusion-related?) gold discovery made by geologists Richards/Bennett while on the PAP program (99/00 and 00/01). The partners were in Kamloops to show it to local companies. The 90 unit property is located north of Vavenby and hosts a very large (2x3 km), low order, gold-in-soil anomaly in a heavily till-covered area underlain by Shuswap metamorphic rocks and small plugs of leucogranite. Grab samples of limonitic breccia float have returned **9.54, 13.15 and 29.35 g/t Au** with highly anomalous As, Sb, and Pb. Several small tungsten skarn prospects (e.g. Dimac) were previously known in the area, but RGS results for gold are very low. Grassroots prospecting pays off again!

ART
Lac La Hache

Exploration Activity - The year is off to a good start. Drilling is still underway at the **Afton mine** (DRC Resources Corp) and **Ann North** copper-gold property (GWR Resources Inc.) near Lac La Hache. Spring drilling programs are also proposed for the **Fox** zinc-copper (Gitennes Exploration Inc.), **Clearwater Platinum** (Cusac Gold Mines Ltd.) and **Pongo** (Verdstone/Molycor). Cominco/Highland Valley Copper are preparing a Notice of Work for a summer drilling program to test IP anomalies from the 2000 survey on the **Pimainus** property south of the mine.

JBS
requested by e-mail

Nicola VMS Compilation Poster - Numerous requests for copies at Roundup. I have just finished a smaller version (map/table/text only) to be distributed free to clients. Hopefully it will generate additional staking and exploration in the belt.

Nicola Till Survey - Had discussions at Roundup with reps of Gitennes and Platinova, individual claim owners, and Peter Bobrowsky regarding the need for better geochem info in the Nicola belt near Fox. A till survey, in part supported by funds from industry, would be a good method to quickly evaluate the large area of new claims. A partnership proposal for a \$120,000 till survey will be prepared in conjunction with the GSB and presented to companies active in the area.

District of Logan Lake Council - 15 minute presentation on "Update on Mining and Exploration" given on Jan 30.

KEG 2001 (April 3-6) - Organizational meeting today; we are working on details of the short course, field trip, list of speakers, entertainment, registration materials, sponsorship etc, etc.

Public Education about Mining - "Gold Fever" film - contacted distributor and found out that, so far, this IMAX film about gold mining and uses of gold (shown during Roundup) is only available in the IMAX format. The Roundup screenings were sponsored by the Yukon Government. Recommended to Chamber, MABC and MEM that we should sponsor free public viewings during Mining Week.

Exploration in BC article - 80 copies of draft handed out at Roundup, and copy sent to Bill McMillan for review. I still have to write the forward and select a cover photo for the volume. Publication is planned for early April at KEG conference. Hoping to write an additional short article on VMS potential in the Nicola, but time is slipping

1
VBS → AFTON

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Friday, December 15, 2000 10:54 AM
To: Cathro, Mike EM:EX
Subject: RE: DRC "Resource" estimate

Thanks, Mike - I agree. I will delete the reference to the 'new' DRC 'resource', from pages 2, 32 as well as from the "Advanced" table. In the latter, I will include the Teck 'resource' figure. Also, Bob would like to see the Sustut photo on the cover; that would mean no Afton photo - OK? Tom.

From: Cathro, Mike EM:EX
Sent: Friday, December 15, 2000 9:02 AM
To: Schroeter, Tom EM:EX
Subject: DRC "Resource" estimate

Tom, I forward this Dec 15 news release from DRC regarding the Afton "resource". Note below that Kruzick states that ***"the 25 million ton figure should not be relied upon, until verified as a resource"*** because it does not conform to the Mining Standards Guidelines of the CDNX. Therefore, to be careful, we **should probably remove references to this resource estimate** from the "Exploration in BC" paper. In my latest discussion with Ball I found out that only holes 17-20 have down-hole surveys; therefore, it may be tricky to produce a new resource estimate that would stand up to CDNX scrutiny (I'm speculating here).

Cheers,
Mike

DRC RESOURCES CORP ("DRC-V") - To Clarify Statements in Earlier News Releases - and a Letter to the Editor of the Northern Miner

DRC RESOURCES CORP wishes to clarify statements in earlier news releases and a letter to the editor of the Northern Miner by an advisor of the Company.

Citing a report by its principal consultant, J.J. McDougall and Associates Ltd., a Company news release and the advisor's letter to the editor mentioned a preliminary tonnage estimate of 25 million tons prepared in connection with the mineralized zone identified by 19,000 feet of NQ diamond drilling at its Afton Mine Property near Kamloops, B.C. The tonnage estimate referred to an unclassified "resource" or "mineralized zone" which is not a recognized classification in the Mining Standards Guidelines published by the CDNX and the 25 million ton figure should not be relied upon until, verified as a resource". The Company also withdraws "gross metal values" as this is not permitted disclosure under CDNX policies.

The Company news release and the advisor's letter to the editor of the Northern Miner also quote a reserve estimate of a residual resource remaining at the property. That estimate was made and published by Afton Mines Ltd. (and its principal shareholder, Teck Corporation), the developer and previous operator of the property, then known as the Afton Mine. Under proposed new guidelines (National Policy 43-101), the Company's press release and the advisor's letter ought to have added the following statements concerning such, estimates of Afton Mines Ltd. or Teck Corporation: the estimates made by Afton Mines Ltd. and Teck Corporation are relevant; the estimates may have used categories other than those used in proposed National Policy 43-101; the existence of those estimated reserves has not been verified by the Company and they have not been included in any estimates made

by the Company. For the record, the Company now confirms the foregoing statements. The advisor's letter to the editor of the Northern Miner states that the 1972 Afton mine (at 24 million tons of 1% copper) was one third of the Company's known potential. The Company perceives this statement to be a premature conclusion. Since the earlier news release, a further 7,000 feet of NQ diamond drilling has been completed by the Company. In order to conform to the CDN Mining Standard Guidelines and as a result of new information on the Company's diamond drill program, the Company has requested its consultant, J.J. McDougall & Associates Ltd., to provide an appropriate classification of resource for the mineralized zone delineated on the Afton Mine Property and update its report. The updated information is expected to be ready for release before this year end. TEL: (604) 687-1629 John H. Kruzick, President FAX: (604) 687-2845 E-mail: drcresources@uniserve.com

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

tel: (250) 828-4566 fax: (250) 828-4726
email: mike.cathro@gems2.gov.bc.ca

VGS → AFTON

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Friday, December 15, 2000 11:29 AM
To: Cathro, Mike EM:EX
Subject: RE: DRC "Resource" estimate

Thanks, Tom.

From: Cathro, Mike EM:EX
Sent: Friday, December 15, 2000 11:28 AM
To: Schroeter, Tom EM:EX
Subject: RE: DRC "Resource" estimate

ok on Sustut

By the way, I sat down with Bob Friesen on Wed and looked at his computer model of the old Afton drill holes vs. the new DRC holes. Of the first 17 DRC holes, only two actually intersected mineralization outside of the "solid model" area (i.e. the zone) that was drilled by Afton/Teck in '73 and '80. DRC does appear to have a much tighter drill spacing of course, but interestingly, the deepest intersection still appears to be one of Teck's holes. The difference between Teck's 10.5 million tonnes and DRC's 22.5 million tonnes appears to be because Teck only calculated their reserve down to either the 1000' or 600' elevation (not sure which - pit bottom was about 1320' I think), despite having intersections much deeper. DRC appears to have calculated their resource using the entire zone - (i.e. down to about 200-300' elevation). **Please keep this to yourself of course.** Teck is monitoring the drilling simply to see if anything new comes out, and so far nothing significant really has. It is interesting that DRC doesn't really know exactly where the Teck holes were (because Teck won't give them the data!), whereas Teck is able to use their own data plus the DRC data!

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

tel: (250) 828-4566 fax: (250) 828-4726
email: mike.cathro@gems2.gov.bc.ca

From: Schroeter, Tom EM:EX
Sent: Friday, December 15, 2000 10:54 AM
To: Cathro, Mike EM:EX
Subject: RE: DRC "Resource" estimate

Thanks, Mike - I agree. I will delete the reference to the 'new' DRC 'resource', from pages 2, 32 as well as from the "Advanced" table. In the latter, I will include the Teck 'resource' figure. Also, Bob would like to see the Sustut photo on the cover; that would mean no Afton photo - OK? Tom.

From: Cathro, Mike EM:EX
Sent: Friday, December 15, 2000 9:02 AM
To: Schroeter, Tom EM:EX
Subject: DRC "Resource" estimate

Tom, I forward this Dec 15 news release from DRC regarding the Afton "resource". Note below that Kruzick states that **"the 25 million ton figure should not be relied upon, until verified as a resource"** because it does not conform to the Mining Standards Guidelines of the CDN. Therefore,

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, December 08, 2000 12:33 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Smith, Don; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 12/8/2000

HIGHLIGHTS:

Spire (Imperial Metals Corp.) - results released for 7 drill holes and grab samples from this new massive sulphide discovery near the Goldstream mine/mill. Grab samples ran up to 8.03% Cu, 7.89% Zn and 51 g.t Ag. Hole 1 returned 3.12 m grading 0.51% Cu and 1.08% Zn and hole 4 returned 3.7 m grading 0.24% Cu and 1.49% Zn. Although these drill results are subeconomic, the discovery is still exciting since the mineralization is similar in appearance and geological setting to the Goldstream orebody, which was mined in 1983-84 and 1991-1996. Goldstream milled 2.21 million tonnes at a recovered grade of 3.54% Cu, 0.36% Zn, and 11.86 g/t Ag, and the 1200 tonne per day mill is reported to be still intact and in good shape. Further drilling at Spire is planned for 2001.

Teck Exploration Office Consolidation - Teck has made layoffs and closed exploration offices in North Bay, Toronto and Reno and will consolidate exploration field staff and drafting operations to the Kamloops office. Although one Kamloops geologist was laid off and one transferred to Vancouver, the Kamloops staff will grow slightly due to several staff being transferred here. There is a good possibility that all the Kamloops staff will relocate from downtown to the Afton mine office building, which is nearly completely vacant.

Rabbitt Mountain staking - Several possible massive sulphide prospects in the Nicola Group have been staked by Steve Todoruk (Redstar/Abacus) and Don McGinnis (current Pres. of BCYCM and several juniors). The block totals just under 80 claim units and is located north of Tulameen. The partners hope that with good drilling results from Gitenes' Fox property in the new year, an area play will develop.

EXPLORATION NEWS:

Afton Mine (DRC Resources Corp.) - discussed the project on 12/5 week with John Ball, project manager. He is working on a talk which may be presented at Round-up. Their plans are to drill until about Christmas and then take a month break. Currently drilling on hole 20 from the 2035' elevation on the haulage road, on the NW side of the zone. An interesting article, somewhat sceptical of the Afton project, appeared in the Northern Miner on November 20, and was followed in the Dec. 4 issue by a bizarre, follow-up rebuttal letter from DRC "advisor" Steven Lightburn. DRC's reputation and credibility will not be enhanced by Lightburn's exaggerated statements such as *"the exceptional assay results were not expected and, in fact, surprised all the experts"* (actually, the results are only slightly better than previous Teck holes in the same area!), *"DRC began drilling in a different direction away from the old pit"* (as a matter of fact, all 20 holes have been drilled directly under the pit!) *"Economic? Definitely."* ("economic" based on what feasibility study!), and finally, *"the rock is a sulphur-deficient magmatic segregation deposit that settled out in a large intrusive body, and not a porphyry copper"* (this is simply a bizarre statement, it is most certainly a porphyry deposit!). It is unfortunate, but this project is becoming thought of as an over-hyped "pump and dump" stock play. It is interesting to note that DRC President John Kruzick has sold about \$375,000 worth of DRC stock this year according to insider trading reports! **(CONFIDENTIAL)**

OTHER:

Clearwatwer Times - interviewed for a story on Cassidy Gold's Broken Hill property which was to have come out yesterday. Another article also appeared in the Kamloops Daily News last weekend.

2000 BC Exploration Review - reviewed and provided comments to Schroeter/Smyth.

KEG Luncheon Meeting - held on Dec 1 with Claude Richmond, Liberal candidate.

Schroeter, Tom EM:EX

VB → R6
- Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, October 20, 2000 3:17 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 10/20/2000

HIGHLIGHTS:

Fox (Gitennes Exploration Inc.) - A very exciting discovery of massive sulphide zinc-copper-lead-gold-silver mineralization has been made on the Coquihalla highway midway between Kamloops and Merritt. Assays of up to 33.26% zinc, 3.22% copper, 0.86% lead, 144.7 g/t silver and 1.06 g/t Au have been returned from outcrop grab samples and boulders. The mineralization is exposed in outcrop, subcrop and rubble in the highway roadcut (3-4 m from the pavement!) over a strike length of about 100 meters. The thickness of massive sulphide is about 1 to 1.3 m however the base is not exposed. This is overlain by 1 to 3 metres of chert, barite and disseminated sulphides (2-4 metres total thickness). Gitennes optioned the property from geologist/pro prospector Michael Moore and the property has now grown to 65 square kilometres (approx 250 claim units) with more to be finished. Much of the nearby area is not claimed and a staking rush is reported to be underway with at least 5-6 other groups or individuals active.

The Fox mineralization appears to be associated with a felsic volcanic centre within the predominantly intermediate-mafic volcanics of the "western volcanic facies" of the Late Triassic Nicola Group. Luckily, the area has been well mapped by Moore et al (BCGS Open File 1990-29) and adjacent areas of interest were mapped by Preto, McMillan and others. Previous exploration for massive sulphides in the Nicola Group has been minimal even though other small massive showings are known, particularly in the Merritt-Princeton area. In addition, porphyry copper exploration has been quite thorough. This discovery should result in an good area play with staking and exploration focusing on felsic volcanics, barite-zinc-lead-copper showings and sericitic alteration zones in the Nicola. The area of interest should include the Nicola belt between Princeton-Merritt-Kamloops and Manning Park-Ashcroft, but could also include areas to the north (e.g. Little Fort) and east (e.g. Falkland, Brenda areas) where other possible massive sulphide showings are known. (visited on Oct. 15 with Gerry Blackwell of Gitennes, Tom Schroeter, Jim Mustard of Haywood Securities and Gerry MacArthur, consultant.)

Spire

Goldstream (Imperial Metals Corp.) - A significant copper-zinc massive sulphide discovery was also reported by Imperial Metals this week, and it is possible that a staking rush could develop here too. The discovery is located 7.5 km SE of the Goldstream mill on the Spire claims, optioned from prospector Craig Lynes. The massive sulphide is reported to have a true thickness of 3 metres and channel samples have returned results ranging from 0.28 to 2.31% copper and 0.40 to 2.25% zinc over 0.35 to 1.0 sampling intervals. Drilling of 5 holes is expected to begin this week.

Afton (DRC Resources Corp) - reported that a drilling progress report was received from J.J. McDougall and Associates. It concludes that "the drilling has established the presence of a substantial primary hypogene copper zone below and beyond the open pit bottom. The mineral zone, still open in all directions including to surface, is a northeast striking tabular body with an average dip of -70 degrees southeast. It measures in excess of 213 m in strike length, up to 137 m in width and extending to a depth of at least 313 m below pit bottom, with no indication of narrowing along strike or down dip. A preliminary tonnage estimate of the mineralized zone tested to date indicates at least 25 million tons averaging 2.5% copper or 3% copper equivalent."

EXPLORATION NEWS:

Ann North (GWR Resources Inc.) - Now drilling on hole 2000-24. This hole was viewed yesterday in Lac La Hache and appeared to be in propylitic alteration with low grade mineralization, peripheral to a prophyry centre.

Lac La Hache

OTHER:

Regional Geologists field meeting - excellent tour of Bonanza Ledge discovery of International Wayside at

interest in expanding this approach to other areas of the province.

Captains and Coaches Meeting- was held in Kamloops this week to discuss any concerns with last years provincial mine rescue competition, and to begin planning for next years competition in Campbell River, starting June 9, 2001. Two interesting presentations: a) the automatic external defibrillator for use by airlines, mines, etc. where first aid may not be readily available due to logistics; b) update on gas testing and breathing equipment manufactured by Draeger of Germany.

2000 South-Central Exploration Review - Early estimates indicate about **\$3.5 million in spending in 2000, up 40% from 1999** but still well below the \$21 million spent in 1996. We forecast about **20,000 metres drilling by year end, up 67% from 1999, but well below 120,000 metres in 1996.** 2001 should be better due to increased interest from junior companies, who cite positive factors such as the recent exciting discoveries, the upcoming provincial election, the low cost of working in BC vs. other jurisdictions, excellent access and data availability, and federal and provincial tax credit schemes.

Spire Copper-Zinc Discovery (Imperial Metals Corp.) - This **brand new copper-zinc massive sulphide discovery** is located north of Revelstoke and only about **7 km southwest** of the dormant Goldstream mine/mill complex. Similar to Goldstream ore in appearance, grade and stratigraphic setting, the new mineralization was tested in late September with 7 drillholes totalling 720 m. A news release with assay results should come out next week.

Northwest Copper (Jaguar International) - 4 km IP completed on this copper prospect located west of Taseko Lake.

olden
oon
Clearwater Platinum (Cusac Gold Mines Ltd.) - Partial results of soil and chip samples released for this prospect located southwest of Little Fort. They show **quite anomalous nickel, cobalt and chromium** with "notable" platinum. Additional gridwork, geophysics, geochem and trenching is planned.

Afton (DRC Resources Corp.) - the drill has been moved to near the **northwest rim** of the pit and is now drilling on hole 2000-18, in the **opposite direction** from the previous holes. Holes should now be about **2000 feet deep** but will allow the company to **better test along strike to the southwest.** **Approx 8500 m in 20 drill holes (\$800,000 spending)** should be done by year end, making this the largest project in South-Central Region this year.

Fox Zinc-Copper Discovery (Gitennes Exploration Ltd.) - A **\$60,000 airborne EM/magnetics survey** was flown during the week of Oct 30. A **Notice of Work** for a **winter IP survey and drill program** is expected shortly **900 to 1000 claim units** are rumoured to have been staked by Gitennes and related companies **Fjordland Minerals Ltd.** (CDNX, Vic Tanaka, Pres.) and **Platinova A/S** (TSE, Gren Thomas, Pres.) but only about 500-600 units have been recorded to date. Numerous inquiries from other junior companies (**Redstar Resources, Xplorer Gold, Golcliff Resources**) looking to acquire properties in the belt. **Cathro** conducted field examinations with **Paul Schiarizza (GSB)** and **John Moore (GSC/SFU)** between **Nov 2-4** and collected information which will form the basis of a compilation map on "Potential for Polymetallic Massive Sulphide Deposits in the Southern Nicola Belt", a poster and rock display for Round-up, and a descriptive paper in "Exploration in BC - 2000".

Rick Adams
Regional Manager, South Central Region
Ministry of Energy and Mines
Phone: (250) 828-4566; Fax: (250) 828-4726
Email: rick.adams@gems2.gov.bc.ca

Adams - Nov. 10/00

TOS → Afton

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Thursday, July 27, 2000 4:23 PM
To: 'Colin Russell'; 'Dave Mehner'; 'Discovery Consultants'; 'Ed Frey'; 'Gordon White'; 'Graeme Evans'; 'Joseph Leopold Lindinger'; 'Linda Caron'; 'Linda Dandy'; 'Ron Wells - visto'; 'Robin Whiteaker'; 'Rudi Durfeld'; 'Wamer Gruenwald'
Cc: Schroeter, Tom EM:EX
Subject: DRC - geologist

For your info,
I heard through Tom Schroeter that DRC Resources may be looking for a geologist to log core on the Afton project. As you may know, the company has a \$5 million financing pending. Tom had spoken with Jim McDougall who thought they might need some help there some time soon. At the moment, the project is being run by John Ball. If you or anyone else you know is interested, I suggest you speak with John Kruzick (DRC Pres.) or Jim McDougall.

I will be away but call Tom if you would like some info about the company or the principals.....

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

tel: (250) 828-4566 fax: (250) 828-4726
email: mike.cathro@gems2.gov.bc.ca

Schroeter, Tom EM:EX

TAS → KLG
- Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, July 07, 2000 2:48 PM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro weekly to 07/07/2000

La Hache

Ann Claims (GWR Resources) - Located in the Lac La Hache area, the last three holes (2000-14 to 16) have discovered a new zone of copper-gold alkalic porphyry mineralization dubbed the "Ann North". Chalcopyrite-bornite mineralization is hosted in a heavily k-spar flooded, quartz-veined crowded feldspar porphyry (quartz monzonite). Geophysical evidence suggests the intrusion is approx. 1 km by 1 km in size. Assays are awaited but it appears the company has finally found the porphyry centre for widespread Cu-Au mineralization in the district. A NoW for 45 more drill holes has been submitted. (Field visit on 7/06 with D. Blann, project geologist, T. Schroeter, P. Schiarizza and S. Israel)

Afton (DRC Resources) - Redrilling hole 2K-2 which was lost at about 840 ft. Assays for hole 4 are awaited. (Field visit today with Schroeter, Adams and Madu).

Dave Claims (G. Polischuk) - Helicopter visit to this new Au showing on 7/5 was aborted due to low clouds.

Mike

Mike Cathro
Regional Geologist, Kamloops
BC Ministry of Energy and Mines

tel: (250) 828-4566 fax: (250) 828-4726
email: mike.cathro@gems2.gov.bc.ca

Schroeter, Tom EM:EX

VOS → RG
Kamloops

From: Cathro, Mike EM:EX
Sent: Thursday, June 15, 2000 4:54 PM
To: Adams, Rick EM:EX
Cc: Hoy, Trygve EM:EX; Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro weekly to 6/15/2000

CK Claims (BWI Resources Ltd.) - Drilling of 20 holes (2400 m) has begun on this stratiform zinc-lead-silver prospect located in high-grade metasedimentary rocks north of Clearwater. Previous drilling by Rio Tinto, Cominco and Verdstone/Molycor defined a resource of 1,490,365 tonnes grading 8.6% Zn, 1.4% Pb and 8.5 g/t Ag. Mineralization has been traced on strike for over 2.1 km and ranges from less than a metre to 7.8 metres in thickness. Ed Kruchkowski of Calgary is the geologist on site.

Afton (DRC Resources) - reported to be on the 4th hole. The DRC stock price has risen to about \$5.75 from \$0.30 last fall. John Kruzick (DRC President) and John Ball (consulting geologist) are probably shopping for BMWs because the property deal says they will receive **1 million shares each** for vending the property to DRC. Kruzick's stock in the company is now worth over \$9 million on paper. And who says there's no money to be made in mining?

Miner Mountain (Nustar Resources/Frontier Minerals) - released results of 1 drill hole near Princeton, which intersected 39.7 metres grading 0.25% Cu.

Samatosum Area Field Trip - On June 10 a successful field trip visited the Samatosum mine, the Kamad Silver (Homestake) mine, Twin Mountain and Cam-Gloria areas east of Barriere. 19 people attended including graduate students S. Bailey and S. Acton (UVic, GSC) and N. Hughes (U. Montana), Bob Friesen (former Sam. mine geologist, now with Teck-Pogo), T. Termuende and C. Downie of Eagle Plains Res. (who flew in from Cranbrook for the day) property owners P. Watt and R. Wells and numerous local prospectors and geologists. All in all a beneficial tour! Eagle Plains announced this week that they have acquired by staking about 200 claim units in the Kamad area.

New
Disc

Bendelin Cr. gold prospect (82M/5) - Adam Travis, a Kelowna-based geologist with a PAP grant, has staked two units on a new gold prospect which was noted on the recently-released GSB Open File 2000-23 (Logan and Mann). An outcrop of quartz-pegmatite dike discovered by Logan in the eastern part of the Baldy batholith is reported to contain 6430 ppb gold. This area also contains several stream sediment, moss mat, heavy media and till anomalies for Au, Bi, W etc., and was highlighted by Ray Lett in talks at Round-up and KEG this year. Logan and Lett should think about prospecting for a living!

Steep gold skarn (82M/4) - After long-held claims recently lapsed, Kamloops geologist Leo Lindinger has just staked 12 units to cover this intriguing gold skarn prospect at Adams Lake. A 350 m thick, 12 km long concordant calc-silicate layer contains spotty pyrrhotite, chalcopyrite and sphalerite mineralization. Wide-spaced drilling of 14 holes in 1987-88 hit anomalous gold values such as 3 m grading 5.9 g/t Au and 8.7 m grading 1.85 g/t Au, along with locally anomalous Cu, Pb, Zn, Ag, As, Bi and Sb.

Moly
in
BC

Molybdenum - answered an unusual request from a consultant in Colorado who wanted info on "off-grade" or byproduct moly production and deposits in BC (if he wants a low-grade moly deposit then he's come to the right place!) A client of his has a new process for extracting moly from these sources for chemical uses (e.g. catalysts). I was able to direct him to the web version of the MINFILE reserves/resources inventory (108 pages) which is a great resource.

Prospectors Assistance Program - discussed program and proposal with Tom Lisle, whose application was unsuccessful this year. Camille Berube, star PAP grantee, is on the 45 day disabled list due to unexpected back

VOS → RG
- Kamloops

Schroeter, Tom EM:EX

From: Cathro, Mike EM:EX
Sent: Friday, June 09, 2000 11:46 AM
To: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to June 9, 2000

Samatosum field trip (June 10) - I have organized and will help lead a KEG field trip for approx. 18 people to the Samatosum mine, Kamad-Twin Mountain area and Cam-Gloria gold prospect. Attendees will include local prospectors, geologists and property owners, and three GSC-supported graduate students working in the area. Inmet's concerns over pit stability and safety have hopefully been alleviated by our plans to bring Larry Belik on the trip. He is an experienced miner with a shift boss certificate.

Afton Mine (DRC Resources Corp) - Results of the first two deep holes were released this week and were **spectacular**, as was expected (see table below). Ten holes were drilled in the same area in 1973 and 1980 to test this deep mineralization. Based on these holes, Afton Mines Ltd. (1980 Annual Report) calculated a "reserve" for this zone of 5.9 million tonnes grading 1.55% Cu, 1.6 g/t Au and 6.86 g/t Ag.

The new holes were drilled from the 1620 foot bench (494 m elevation), just above current pit water level, and cut the mineralized zone at a shallow angle of perhaps 10-20 degrees, i.e. nearly down-dip, by my reckoning. In hole 2K-2, **high-grade mineralization (>3% copper equivalent) was intersected over 235 metres beginning at roughly 55 m vertically beneath the pit floor (approx 402 m elevation).** Therefore, the subvertical zone extends to at least 275 m (or 900 ft) vertically beneath the pit floor, and is wide open beyond that depth. The true width of the zone is probably about 50-100 metres but is likely quite variable: much more drilling is needed to define the geometry. A larger drill is now on site and the company has announced a \$5 million dollar financing.

I was able to examine the core from hole 2K-2 last Friday. Slickensides, fault gouge and breccia are common in the mineralized zone confirming a strong fault control to the mineralization. Host rocks are fine-grained intrusives (microdiorites) and volcanics. Alteration consists mainly of albite flooding and k-spar veining. Strong hematitic alteration (oxidation) is present down to about 224 m (735 ft). Carbonate alteration is common, but epidote and magnetite are rare. Copper minerals include mainly chalcocite-native copper in the hematite zone, and bornite-chalcocite with lesser chalcopyrite below the hematite zone. Interestingly, discrete zones of palladium enrichment are evident in the assay sheets, however, these are not evident in the intervals shown below. Values of .005 to .016 opt Pd (170-550 ppb) occur within some hematite-altered sections. No other platinum group elements have been assayed for.

Hole DDH2K-1 (-72/315 suspended at 675 ft. due to caving)

Length	Depth	Copper %	Gold oz/t	Palladium oz/t	Silver oz/t	*Copper Equivalent
220 feet	455-675ft.	1.92		0.038	0.003	0.196 2.74%

Hole DDH2K-2 (-74/329 drilled to 1455 ft.)

770 ft. Incl.	485-1255ft	2.37%	0.031	0.003	0.026	3.03%
520 ft. Incl.	735-1255ft	2.80%	0.037	0.003	0.315	3.63%
120 ft. Incl.	765-1085ft	3.61%	0.031	0.002	0.353	4.29%
50 ft. Incl.	1035-1085ft	4.50%	0.046	0.002	0.366	5.49%
70 ft.	1185-1255ft	3.10%	0.044	0.005	0.367	4.11%

Mike
Mike Cathro

Schroeter, Tom EM:EX

TOS → RG
- Kamloops

From: Cathro, Mike EM:EX
Sent: Thursday, April 20, 2000 11:47 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Payie, Garry; Schroeter, Tom; Houle, Jacques; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to April 20, 2000

HIGHLIGHTS:

Afton Mine (DRC Resources Inc) - Drilling is underway from the 1620 bench, just above water level in the southwest corner of the pit (pit bottom is at 1320 level, some 930 ft below the rim: water depth is about 280 ft). A new cat road allows exciting 4WD access into this pit which has been closed since a fatality in 1987. The Afton Mine operated from 1978 to 1987 and produced 24.4 million tonnes grading 0.91% Cu, 0.5 g/t Au and 3.1 g/t Ag. Previous drilling of 10 holes by Afton Mines (Teck) in 1973 and 1980 defined a deep (300 to 600 m), underground resource of 9.5 million tonnes grading 1.52% Cu, 1.1 g/t Au and 6.9 g/t Ag. This is reported to include a higher grade portion of 5.9 million tonnes grading 1.55% Cu, 1.61 g/t Au and 7.9 g/t Ag. DRC's intention is to evaluate this mineralization for an underground block caving operation. (Note - it is possible that palladium and other PGMs could be a significant byproduct credit. According to former Afton metallurgist Dave Ferrari, the Afton concentrate contained payable PGM credits, and now that PGM prices are much higher, these could be much more significant).

DRC's plan is to drill six angle holes, 350 to 550 m long, on northwest bearings to intersect the southwest-plunging, downdip portion of the Afton orebody. After five days of drilling, DRC's first hole was abandoned at 80 ft due to loss of circulation. The 2nd hole will be slightly steeper hopefully will reach the zone. Drilling conditions will be difficult, and a bigger drill, casing, and extensive use of drilling muds may be necessary.

KEG 2000 Conference - The final numbers are in. Attendance was about 230 people, made up of 211 registrants plus another 16-20 people who attended the trade show only. It was a great success, however, in the future the organizers would like to see more participation from the investment community, the general public and senior companies. The event made a modest profit of about \$1300, as planned. The directors feel that an increase in fees is warranted for next year, and the extra revenue generated can be used for field trips, land use lobbying and education.

The KEG executive for 2000-2001 are as follows:

- Ron Wells, President
- Linda Dandy, Vice President
- Len Pigin, Secretary
- Mike Cathro, Treasurer

The other directors are: Bruce Madu, Bruno Barde, Colin Russell, Jim Gillis, and Jean Pautler

Prospectors Assistance Program - Deadline for applications is today. So far we have been sent 11 applications which are within or partly within our region. Lots of interest in platinum group metals!

Schroeter, Tom EM:EX

TOS → Reg. Mgr.
- Kainloops

From: Adams, Rick EM:EX
Sent: Friday, January 21, 2000 2:49 PM
To: Anderson, Duane; Bergen, Wally; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Cheetham, Pat; Clancy, John; Conte, Rick; Eaton, Tim; Emery, Kristy; Errington, John; Ferguson, Susan; German, Gerald; Guthrie, Shelley; Hall, Ted; Harris, Grace; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Lewis, Jim; Lieutard, Denis; McArthur, Gib; McKillop, Greg; McLaren, Graeme; Readshaw, Kerry; Rennie, Lorna; Schroeter, Tom; Smyth, Ron; Stewart, Linda; Whale, Andrew
Cc: Barrett, Bev; Beresford, Eric; Britton, Jim; Cathro, Mike; Heistad, Ray; Horton, Russ; Madu, Bruce; Mehr, Eugene; Murton, Patricia; Rothman, Stephen; Seguin, Joe; Worsfold, Joyce
Subject: South Central Region to January 21, 2000

Issues:

Brenda Mine, Noranda- District of Peachland has fielded numerous complaints from residents about water quality from Trepanier Creek. It has been suggested that there may be a correlation between increases in water hardness and discharge from Brenda Mine's water treatment plant. A meeting of the Brenda Mines Public Surveillance Committee has been scheduled to address this issue, as well as amendments to the Brenda Mine Waste Management Permit.

Former Afton property, DRC Resources Corp.- liability and ownership concerns expressed by Teck Corp. following their dropping a portion of their mining leases, and subsequent claim staking by Westridge Enterprises Ltd. (John Kruzick) and Indo-Gold Development Ltd. (John Ball). DRC Resources Corp. has since acquired the property (John Kruzick, president). Afton has particular concerns with proposed exploration activities in the main Afton pit. Afton is seeking to drop the pit areas from their Mine Permit area. Site visit by MEM confirmed initial work program proposed by DRC is not feasible due to pit wall sloughing and deterioration of access road. New work program involves helicopter access to a single drill pad at ~3/4 of the depth of the pit. MEM is requiring a geotech report to address stability above and adjacent to the proposed drill pad, and special protective structures for the drill setup.

Ashcroft Quarry- following his complaints, which proved to be unsubstantiated, that material was being removed from the Ashcroft Quarry site, Chief Bob Pasco has requested a meeting with Minister Dan Miller to "reconcile Aboriginal and Crown title". In this letter, Chief Pasco also claims that no consultation took place with the Nlaka'pamux Nation or Nlaka'pamux Bands prior to permitting of the quarry.

Rick Adams
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Ministry of Energy and Mines
Phone: (250) 828-4566; Fax: (250) 828-4726
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Schroeter, Tom EM:EX

VBS → RG
- Kamloops

From: Cathro, Mike EM:EX
Sent: Friday, June 18, 1999 11:04 AM
To: Adams, Rick EM:EX
Cc: Britton, Jim; Brown, Derek; Lefebure, Dave; Madu, Bruce; McArthur, Gib; McMillan, Bill; Pinsent, Robert; Schroeter, Tom; Lane, Bob; Wilton, Paul; Wojdak, Paul
Subject: Cathro Weekly to 6/18/99

HIGHLIGHTS:

Highland Valley Copper - negotiations between union and company on again.

Lucky Bear - Field visit on 6/12 with Camille Berube, PAP grantee. Camille has staked a large claim block (220 units) northeast of North Barriere Lake (82M/5) covering the edge of the Baldy batholith, a 72 ppb Au RGS anomaly (unexplained) and the "San" MINFILE occurrence (82M 135). The latter is a small quartz-sulphide vein (up to 60 cm wide) hosted by weakly altered porphyritic granite. Limited production in 1982 totalled 7 tons grading 104.6 opt Ag, 9.16% Pb and 5.24% Zn. Camille has blasted, cleaned and sampled the vein exposure. To the east near Fennell Creek, Camille is finding gneissic (skam?) float with possible scheelite. Assays are awaited. (CONFIDENTIAL).

Spapilum - Field visit on 6/16 with Denis Delisle, PAP grantee. Denis has a block of about 40 claim units at Spapilum Creek (82M/4) at 40 km north on the Adams Lake road (approximately 7 km south of Teck's Cam-Gloria property). He is searching for the source of gold which can be panned from the creek. So far he has taken over 100 moss mat and rock samples. The area is underlain by micaceous quartzite and schists of Unit EBQ, Devonian orthogneiss, and granite of the Baldy batholith. There are numerous quartz veins to sample, mainly in the metasedimentary rocks, and some float of chalcopyrite bearing skam and quartz veins. Denis has also found a small area of trenching on Adams Lake which is not described in MINFILE (location is UTM 11 0319277 5672942). Here quartz-sericite-pyrite schist and chlorite-sericite schist contains disseminated and small veinlets of pyrite (up to 20% locally) over a width of about 12 metres. This showing has the appearance of a VMS feeder zone. There is also a small bed of limestone here and the rocks appear to be isoclinally folded about northwest plunging fold axes. Assays for Cu-Pb-Zn-Au-Ag-Ba are awaited. (CONFIDENTIAL)

Pass Claims - This 80 unit claim is located north of Cam-Gloria (82M/5) was staked in April '99 by Dave and Len Piggin (unsuccessful PAP applicants). In May it was overstaked by Adam Travis (PAP grantee!) as the Honey claims. Travis has filed a Section 40 complaint against the Piggins. This requires a deposit of \$200 per claim (\$800 total, not \$16K as the Piggins had told me earlier). There are 40 ppb and 14 ppb RGS Au anomalies here, and similar geology to Cam-Gloria. It is nice to see people fighting over ground again!

Afton-Ajax - In a strange cost saving move (\$10,000 per year), Teck has let its mining leases over the Afton (and Ajax?) mine properties lapse. The subsurface rights have been restaked by John Kruzick (DRC Resources) and John Hall, both of Vancouver. Teck still controls surface rights over much of the mine except the ground under the mill, smelter and office! Reclamation is still ongoing. There are several good exploration targets to be evaluated, particularly the Pothook South gold zone which Teck drilled in 1997 with encouraging results (e.g. 6 m @ 35 g/t and 12 m @ 7.2 g/t Au with low copper). Not a bad target for a smaller company, given that there is a fully permitted 9000 tpd mill (for sale) and tailings facility less than 1 km away.

Upcoming - I'm on vacation from June 21-25 and in Alaska-Yukon from June 27-July 5. Back in office on July 6th.

Mike

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Mines Branch, Kamloops

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