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PARSON BARITE
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Subject: Weekly Report - Aug. 5-8/97

- On Wed.AM I visited Westroc's Windermere gypsum operations with Dan Hora. We got a progress review from Rick Jarrett, Mine Manager, and a tour of the two producing quarries (Elkhorn 1 & 2) with Jerry Kohorst, Mine Supervisor. The operation is currently reduced to one 10-hour shift per day instead of the usual two, strictly to accommodate the summer vacation schedule. Total production in '97 is projected at 500,000 tons, a marginal increase from last year. The market for gypsum, for both wallboard and cement, is strong right now in Alberta, but less so in BC. Mining in the new Elkhorn Extension pit (Elkhorn 2) has proven to be difficult due to complex folding and faulting as well as greater-than-expected interlayering of limestone with the gypsum, requiring more selective mining in the pit than they are used to. They seem to be coping however and managing to maintain a steady rate of production. About 10 years of reserves remain in the Elkhorn pits. No exploration is occurring this year but drilling is planned for next year in the "Kootenay West" zones where "many years" of reserves are indicated.

- On Wed.PM Dan and I were given a tour of the Elkhorn Barite prospect on Madias Creek southeast of Windermere by Craig Willis, president of WWC Consulting (formerly Dynamic Drilling Fluids). WWC had just completed a \$35,000 program of core drilling (about 1400' in 5 holes), done mainly for assessment purposes. This is a large property with widespread trenched showings of barite and two short exploration adits in two of the better zones. The barite occurs mainly as irregular, pinching and swelling veins and breccias, hosted by dolomite of the Cambrian-aged Jubilee Fm. Craig Willis and his associates have accumulated a huge volume of data over several years; there are large and strong gravity and soil geochem. anomalies which have not been actively pursued, in addition to the many showings. The operators are from the drilling mud industry and the oil patch and openly admit that they lack the necessary geological expertise to properly figure out the complex structural controls on barite distribution. We tried to impress upon Willis that he should retain a good structural geologist to map the geology and assimilate and interpret all of the other data. His preference is to interest a major company in taking on the task. There is a growing need for new barite reserves and Dan Hora considers this one of the best, if not the best, barite prospect in the southern part of BC.

- We had arranged a visit and tour of the Parson barite mine for Thursday AM but Steve Mitchell, the Mine Manager, had to cancel due to the death of his father the day before. Parson is essentially a one-man show so he couldn't delegate our visit to anyone else. However, Dan Hora who knows the property well, gave me a quick tour of the surface geology and ore stockpile. Highwood Resources (formerly Mountain Minerals), had completed a program of trenching on the twin barite veins northwest of the mine workings, apparently with encouraging results. The company is planning to do some exploration drilling, including maybe some u/g drilling, in the

1. Mine reserves are fast running out but there seems to be renewed optimism that more can be found in the immediate vicinity of the mine.

- Following the Parson visit, we had a quick look at the abandoned workings on the Giant Mascot (Silver Giant) mine west of Spillimacheen. This is a rather large hole in the ground where rich silver-lead-zinc ore in a barite gangue was mined. The deposit consisted of steep-dipping replacement zones hosted by dolomite of the Precambrian Mount Nelson Fm. Remaining reserves of barite are very limited and of metals, nil.

Later in the day, I snooped around the Brisco barite property where I had understood that Highwood had also done some trenching; however I couldn't see any evidence of recent activity. There is probably some barite remaining around the former workings but it's really ugly stuff with probably limited market potential. Most of it is breccia material with the barite strongly diluted by wall rock frags., carbonaceous material and copper mineralization.

OTHER NEWS:

- At the Bismark project (Cork Province, etc.) on Keen Creek just north of Kootenay Glacier Park, Cream Minerals has completed three short drill holes in the vicinity of the old Silver Bear mine. The company has not said anything publicly yet about results, but it can be noted that Linda Dandy delivered a new NOW to this office on Tuesday which proposes new road-building, at least 17 trenches, and drilling at 23 sites! The target here is silver-rich galena/sphalerite veins, typical of the Slocan camp.

- Also in the Slocan camp, Treminco Resources faxed a press release this week indicating that it intends to suspend operations at its Ptarmigan gold mine in NWT, and reopen the Silvana zinc-lead-silver mine at Sandon where mining was suspended in 1993. This is reported to be in response to the strengthening of zinc prices and the loss of lustre by gold.

- Loumic Resources has finally released all of the assay results from its 6-hole drilling program at the Red Point property on Lookout Mountain overlooking the city of Trail. All six holes returned significant intersections of low-grade gold hosted by fragmental volcanic units of the Rossland Group. The best single intersection is still the one announced previously from the second hole - 0.84 gms Au/tonne over 166 metres. There is good reason to believe that the gold is syngenetic with gold grade a function of the original coarseness (porosity) of the volcanic pyroclastics. There is no obvious structural or contact metamorphic control on the mineralization. The company still intends to return later this year to properly map the property and do more drilling, but there is a need first to raise additional funds.

- Sultan Minerals is still trying to raise funds to continue exploration drilling at the Jersey/Emerald gold prospect south of Salmo. Permits are in place for additional drilling and there are numerous untested possibilities on this excellent multi-commodity prospect. Sultan has been showing the property to majors but so far no nibbles. Could be the gold allergy again but this property has also strong zinc possibilities.

- Focal Resources is currently trying to swing a deal with an unnamed Cranbrook-based major company (how many of those are there?) to drill-test a strong EM anomaly on the Sawyer zinc-silver-lead prospect in the upper St. Mary River area. The anomaly is completely blind and on the opposite side of a creek from where Gord Johnstone (PA Grant) originally found the high-grade mineralized float in talus. If a deal can't be struck in a few days, Focal will proceed with the drilling itself.

- Stanfield and Assoc. plans to drill six more rotary holes to test its feldspar prospect on the Aspen claims just NE of the community of Bull River. The claims are underlain by a stock of syenite composed of 80 to 90%