

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

Created: 09-Jan-1998 08:58am PST  
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 From: Paul Wilton of EI  
 PWILTON

Title.  
 Dept: Employment & Investment  
 Tel No: 426-1658

TOS →  
 RG  
 -Crambra

TO: See Below

Subject: Weekly Report - January 9th/98

*CONNOR*  
 - The Miner River Resources/Eagle Plains Resources JV (i.e. Tim Termuende) has optioned an 18 unit claim, called Connor, from Bruce Doyle of Nelson. It is located on Connor Creek about half way on a straight line between Nelson and Castlegar and covers Minfile occurrence 082FSW303 (Root). Silicified Ymir Group sedimentary rocks near the contact of the Mid Jurassic Bonnington pluton contain stratabound semi-massive to massive pyrrhotite zones up to 8m thick and assaying up to 92.4 g/t Au, 0.2% Co, and 0.34% Cu. 1997 logging has exposed several new sulphide zones which returned values up to 5.7% Zn + significant Pb, Cu, Co, Ni, and Au. An aggressive program is promised in 1998 to include mapping trenching and drilling.

- The same companies have optioned a second property from Bruce Doyle on McPhee Creek about 15 km SSW of the Connor (CONFIDENTIAL). A press release to announce this second acquisition is still being prepared. The McPhee claims appear to occur within the Bonnington pluton but are described by Tim and Chuck Downie as containing a thick zone of massive Au-rich pyrrhotite which has been traced for one km! The zone contains a number of old adits and shafts of which there appears to be no record. These claims were optioned recently by Phelps Dodge. It completed a geochem. survey and then dropped the option. I visited this property about 4 years ago shortly after Bruce staked it and saw a lot of massive pyrrhotite float alongside the road. He has found the bedrock occurrence and the old workings since.

*Black Crystal*  
 Steve has passed on a Notice of Completion from IMP Mineral Park etc. etc. reporting completion on Christmas eve of drilling at the Black Crystal graphite prospect on Hoder Creek west of Slocan. A total of 891 metres of core drilling was completed in 22 short, vertical holes.

*CARAMELIA*  
 Notification was received from John Chapman that drilling by Big Blackfoot Resources on the Caramelia (Camp McKinney) gold project was due to start on January 7th. A total of 3000m of drilling and some trenching are planned.

*SIDLEY*  
 Chapman has also reported that ranchers Dale and Larry (maybe the same Guy?) Lehman recently completed two core holes on the Sidley Group of claims which straddle Hwy.#3 just west of Anarchist Summit, on private pasture land. Previous rc drilling was reported to have intersected two 10-foot sections running greater than 0.35 o/t Au in silicified and pyritized Anarchist Gp. rocks. "Intervals of 20 to 30 feet" of similar altered rock are reported from the current drilling, with assays pending.

*Paul-mike*  
 Dia Met Minerals/Canadian Mountain Minerals/ Goldtex Resources (Chuck Fipke) have issued a press release indicating that they plan to conduct a seismic survey on their Paul-Mike property, located on private agricultural land immediately east of Wasa Lake. The target is Sullivan type sedex mineralization at the base of the Middle Aldridge Fm. Surface surveys in 1997 located "favourable geochemical and geophysical anomalies in the vicinity of a drill hole from which abundant lead nodules (?) were

#80k?

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

Created: 03-Apr-1998 12:33pm PST  
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 From: Paul Wilton of EI  
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 Dept: Ministry of Energy & Mines  
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TO: See Below

Subject: Weekly Report - April 3rd/98

- Big Blackfoot Resources Ltd. has completed a 7-hole drilling program at the Caramelia project, Camp McKinney NW of Rock Creek. No trenching - \$200,000 total expenditure. The program was deemed a success - new veins encountered - good gold assays in every hole but grades extremely erratic. A \$750,000 program of drilling and trenching is planned for later in the summer (if the company can raise the funds (entirely depends on the price of gold - it's up to \$305 today!)). Because of the pronounced nugget effect, bulk sampling from trenches will be the only way to properly assess the resource potential.
- At the Whales group north of Midway, Phoenix Gold completed a mag. survey plus some mapping and rock sampling to meet an assessment deadline but did not do the small Gopher-drilling program for which it was permitted. The company is still considering whether or not to do more work - Kim Ansetz is aware that any more work will require a new Now.
- The latest from Redhawk Resources (Kristian Ross) is that the drilling at the Red Bird property (Pb-Zn-Ag - faulted extensions of Reeves Macdonald orebodies) west of Nelway will begin "in May". Permits and funding are in place. The proposed work is 5000m from 5 sites.
- Dia Met Minerals has just received a permit for a 20.7 km hand cut grid for a seismic survey on the Paul-Mike claims, immediately SW of Wasa Lake. The target is Sullivan type Zn/Pb/Ag on the assumed extension of the Kimberley Fault at the eastern edge of the Trench. Early attempts by the Alberta-based contractor to short-circuit some of the permitting by disguising the project as targeting petroleum were unsuccessful - they didn't count on running into the Wuschke!
- Century Gold Corp. has submitted a NoW for an aggressive program to include about 2300m of diamond drilling and 1350m of trenching on its large Royal Attwood property which straddles Hwy #3 just north of Grand Forks. The target is Au/Ag in epithermal veins but Cu/Au in skarns and vms are also possible. Linda Caron is running the project, and just about everything else that's going on in the Greenwood area.
- Ken Murray has informed that Bluebird Minerals will be drilling the Mammoth Cu/Au skarn north of Salmo - the NoW should be on its way.
- Westroc Inc. is planning to drill about 3000' in 15 holes at its Koot gypsum property on the Kootenay River east of Canal Flats. It is stated right in the NoW that the company plans to develop the Koot to replace its Windermere Operations by 2006 to 2008.
- Kennecott is going to be very aggressive in the Purcells this season. It is planning to drill about 2500m in the Findlay block of claims

INTEROFFICE MEMORANDUM

VB8 → RG  
- Cranbrook

Created: 01-May-1998 01:17pm PDT  
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From: Paul Wilton of EI  
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TO: See Below

Subject: Weekly Report - May 1/98

- Two coal NOW's have been received:

- - Elkview plans approx. 12,000m of rotary drilling in 75 holes spread among the South Pit A Seam area, Natal Pits south of Elk Pit, on the north side of Elk Pit, and north of Bodie Pits.
- - Fording Greenhills plans two rotary holes to total 800m on Imperial Creek, a tributary of Ewin Creek.

→ - Century Gold Corp. (Don Rippon) has filed a NOW for underground work at the inter-connected, former producing Winnipeg and Golden Crown mines located about 4 kms. SE of the Phoenix pit at Greenwood. (MI 082ESE032 & 033). About 56,000 tonnes of high-grade Au-Ag-Cu ore were mined from the two mines together. They are situated on the same narrow, shear-hosted quartz vein. Century's plan is for a 500' decline starting at the base of the Winnipeg shaft to be followed by a cross-cut to access the vein below the previous workings.

→ - Preparations are well underway for the major seismic survey (21km of cut line; cost \$400,000) by Dia Met Minerals on the Paul-Mike claims SE of Wasa Lake. Target Sullivan-type sedex in Aldridge Fm. Seismic work will be a combination of explosive charges and the use of Vibroseiser's (dancing monster trucks!). Glen Rodgers, who has done some of the preliminary work for the them has clarified the mystery of the reported "lead nodules". At some recent time (not documented in our files!), they carried out a program of auger drilling of the till down to bedrock. Lead nodules were observed in the cuttings. Dia Met found a PhD somewhere who has an explanation involving some sort of nucleation of lead pellets in overburden as a result of dipole currents set up around a major buried sulphide orebody. Probably I'm the only one who hasn't heard of this common phenomenon. In any case, Chuck Fipke never does anything in a conventional way. His track record, though, would suggest that he'll be the one to find Sullivan 2.

- Glen Rodgers has assured me that Sedex/Abitibi has plans to return this year with quite a bit of grassroots work and several drill targets. The only problem at this point is the lack of funds. Their VP exploration, Bob Woodfill, will be back in Cranbrook next week and we'll try to get a clearer idea of the likely scope of their activity in the Purcells in '98.

- Preparations are complete for tomorrow's Mining Awareness mall show at Tamarack Mall. I'll be there all day with my poster, lots of rocks, and info to hand out (thanks Larry Jones for the Minfile stuff).

- Have received 17 prospector grant applications (with at least one more expected). They all have to be reviewed and ratings assigned by the end of next week. Latest word from Dave Lefebure was that the total number of applications received (for the province) is about the same as last year.

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

Created: 10-Jul-1998 12:40pm PDT  
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From: Paul Wilton of EI  
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TO: See Below

Subject: Weekly Report - July 10th/98

- Sultan Minerals yesterday released a detailed progress report on its drill program at Kaslo Silver (Bismark). (Thanks again to Tom for forwarding). Assay results are reported from the five holes drilled at the Cork South zone. Four of the holes intersected the replacement mineralization in the favourable limestone host and the grades are impressive. The best intersection, and the deepest so far (70.8m), was in hole five. It ran 211.10 g/t Ag, 5.06% Pb, 2.50% Zn over 14.79m, including 1980.50 g/t Ag, 47.9% Pb, 10.53% Zn over 1.44m. Drilling is continuing at the Silver Bear shear-hosted zone in carbonaceous slates. Extensive grid construction, mapping, geophysics, and soil geochem. are also continuing. Geological mapping (by Bernie Augsten) is focusing on outlining the horizons of limey rocks which host the more important replacement deposits such as Cork South. It is stated that the remaining drilling will be at the Silver Bear and Gold Cure zones, although more drilling at Cork South would appear likely. This appears to be the highlight project in the region for '98, with seemingly strong potential for a small, but high-grade, u/g silver mine. The best part is that it's DOWNSTREAM from the park!

Willa Silvana  
Elsewhere in the Silvery Slocan, thanks to Rieva for clarifying the identity of Regeena Resources, the potential purchaser of Willa and Silvana from Treminco Resources. The president is apparently Locke Goldsmith, a consulting geologist who has had a long attachment to the Slocan camp and in recent years has managed most of the drilling and other exploration programs for various juniors in the camp, including last year's drilling at Silvana.

- Dia Met Minerals has submitted a NoW for two drill holes (1500m) at the Paul-Mike property south of Wasa. The objective is to test the two perceived Sullivan-type massive sulphide zones "identified" in a preliminary interpretation of the seismic data.

- Dennis Roach reports that no work has started yet at the Black Crystal graphite prospect on Hoder Creek west of Slocan. Some of the work has been permitted but the remainder requires more information from the company before it gets the go-ahead. He also indicated that there appears to be a disagreement between the project manager, Dave Gould (recognizes a need for exploration drilling), and the company president, Paul Schiller (wants to start mining). Sound familiar? It won't surprise me if this group again, as in two previous years, ends up rushing to do some work while snow is piling up and everyone else is home singing Christmas carols.

- Had a chat with Jim Laird about the reported discovery by Anglo Swiss of very large garnets near Passmore in the Slocan Valley (Blu Starr claims). He says many of them are softball size, but only the internal core is gem quality material. Jim Turner has seen one of the garnets that had been faceted and describes it as very impressive, a beautiful red colour and transparency. The downside is that the garnets occur in small lenticular