

Schroeter, Tom EMPR:EX

PAYDAY

880310

82E/16W 82ENE037

VR → Reg. Mar  
Cranbrook

**From:** Berdusco, Ricci EMPR:EX  
**Sent:** Monday, November 21, 2005 10:04 AM  
**To:** Brino, Karina L EMPR:EX; Cathro, Mike EMPR:EX; Freer, Geoff EMPR:EX; Hermann, Fred EMPR:EX; Lefebure, Dave EMPR:EX; McLaren, Graeme EMPR:EX; Morningstar, Butch EMPR:EX; Wonders, Glen EMPR:EX  
**Cc:** Stewart, Barbara PAB:EX; Stewart, Linda L EMPR:EX; Schroeter, Tom EMPR:EX; McArthur, Gib EMPR:EX  
**Subject:** Weekly Report - Nov. 13-19

→ Payday

#### Permitting

Received 2 MX Notices of Work. One application to amend a S&G permit.

One application was from a company called Anglo-Canadian Uranium Corp. for work in the Beaverdell area. I mistakenly assumed that they were going to be exploring one of the known uranium occurrences in the Beaverdell area. It turns out that they are exploring a skarn for gold. (I got Fred's advice on the provinces position on uranium exploration prior to contacting the company. He could probably use an update on this matter).

We received an independent technical review of the excessively loud November 7th blast at the Kabatoff Quarry in Castlegar. The recommendations contained in this report were included as permit conditions in an amended permit which authorizes the resumption of blasting operations.

We received a nasty letter from the Okanagan Indian Band regarding a referral that was sent out to them on September 13, 2005. This is in an area of overlapping land claims with the KKTC. The KKTC responded with no concerns and the permit was issued on September 21, 2005. It will require some response when I get back.

#### Geology

1) Compilation of exploration statistics, results and other information (for "Exploration and Mining in BC 2005"). This generates numerous phone calls and e-mail exchanges. High level of cooperation amongst our clients - generally very glad to help and appreciative of the interest shown in their programs and projects.

A conference call with other RGs, Tom Schroeter and JoAnne Nelson concerning EMBC2005 was held on Tuesday. We are aiming to have our first draft (text, tables, figures, photos) ready to take to Victoria the week of December 5. This also includes input to tables and maps in Tom's Exploration Overview article, as well as Open File 2006-1, the provincial summary map of mines and selected exploration projects.

④ 2) Klondike Gold/Golden Chalice have wrapped up their Sullivan-target deep drilling program for this year. They drilled 4 holes this year, on the Pakk, Payday, Panda and Irishman. Total drilling over 2400m, total expenditures >\$470,000. Sullivan horizon intersected in all four holes, three of which were extensions of holes started in 2004. Interesting results, including presence of sulphides, obtained on three of the four holes, but certainly no new Sullivans have been found. The Panda and Irishman drill holes confirmed the existence of the Panda sub-basin, and, together with earlier drill data, suggest the direction they need to go to locate the actual mineralizing vent. That may or may not lead to a new deposit.

3) The single most active exploration player in the region is Elk Valley Coal - they have been overshadowed by Hillsborough and Cline Mining, but they will spend close to \$2.75M, between Fording River, Line Creek and Coal Mountain.

4) Client/public assists: approximately 7 (5 phone or e-mail, 2 visits).

#### Health and Safety

Inspection of Elkview Operations, inspection of the Olson Lake Pit, visit to Greenhills to review the fatality investigation.

Only one DO last week at Line Creek.

#### Other

Inspected Standard Mill (Slocan) with owner. Chemicals to be removed (immediate), building requires security (immediate), grounds to be cleaned up (late spring/early summer '06)

Complaints from workers at FRO explosives manufacturing facility. Dealing with Explosives Branch on determining problem/solution.

## Schroeter, Tom EM:EX

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**From:** Terry, David EM:EX  
**Sent:** Friday, October 17, 2003 2:33 PM  
**To:** Anderson, Duane EM:EX; Berdusco, Ricci EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Errington, John EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX  
**Subject:** D.A. Terry Report, October 17

### Kootenay Mineral Exploration Update:

- **Goldrea Resources** are currently wrapping up a 5-hole drill program on their **Crowsnest Project** in the Flathead region. Two of the holes were drilled from the upper road, ~200m south of trench TK-99-01, where in 2002 hole GR-02-03 intersected 42.5m assaying 0.40 g/t Au including 12m assaying 1.05 g/t Au. Sampling of trench TK-99-01 in 1999 returned assays of 8.6 g/t Au over 16.5m. In the area of the trenching and drilling, and down the drainage several kilometres to the southeast, pyrite-chalcopyrite-magnetite mineralized syenite cobbles and boulders contain anomalous gold ranging up to 620 g/t Au. The 2003 holes intersected limestone and strongly clay altered syenite, locally containing quartz-sulphide veining. A further two holes are being completed on the Spur 3 road to test an area with anomalous soil geochemistry, concentration of auriferous float boulders, and northerly trending linears possibly representing mineralized faults. No assays are available for the drilling at this date. Subsequent to completion of the Crowsnest drilling the company will move the drill north to the **Howell** property to complete two stepout holes west of last years drilling in the area of 1998 hole HRC-25 which cored 58m assaying 1.23 g/t Au.
- **Gold City Industries** have completed 663.55m in 4 HQ holes on the **Grenoble/Main Zone** of the **Lexington Au Cu** property and are progressing rapidly with their 30-40 hole program on the **Winnipeg-Gold Crown** property (15+ holes completed to date); both properties are in the Greenwood Camp. Their application to collect a 10,000 tonne bulk sample from the **Lexington Au-Cu** deposit is currently being vetted by the KMDRC.
- **Sultan Minerals Inc.** have resumed drilling on the **Kena** Gold project near **Nelson**.
- **Ruby Red Resources** have completed a trenching program in 3 areas of their **Eddy** property in the Weaver Creek area west of Cranbrook. Assay results have not been received yet. The company also carried out soil gechem sampling and mapping on their **Spirit Dream** and **Loose Leg** properties in the Hughes Range of the Rocky Mountains.
- **Klondike Gold Corporation** have completed another trenching program on the **Thea 17 Au** project in the Kidd Creek area. The auriferous zone has now been traced in trenching and drillholes for over 500m of strike length. Assay results from the trenching are pending. The company continues to drill on a Sedex target at the north end of the **Payday** Basin. At present the hole is at approximately 1000m depth; LMC target is at 1100m. A second drill has now been added (Britton Bros. have been contracted) to speed up target testing. They will commence with deepening of a hole started by Cominco (L80-1) 3km north of the **South Panda basin** in the Irishman Creek area. After these holes both drills will move to the **Clair** property west of St. Mary's Lake. Other sedex targets are slated for testing as well.
- **From an Eagle Plain Resources News Release:**

### **Gem Quality Aquamarines Discovered at Doctor Creek**

**Cranbrook, B.C. 7th October 2003: Eagle Plains Resources Ltd. (EPL:TSX-V)** is pleased to announce the discovery of gem quality aquamarines within the company's existing Findlay claim group, approximately 45 km NW of Cranbrook. The "**Blue Hammer**" showing comprises ice-blue, light-greenish-blue, and white colour varieties of beryl that have been observed in at least 8 occurrences along the western margin of the mid-Cretaceous White Creek batholith. To date, the best quality beryls have been found in late-stage pegmatitic veins hosted in K-feldspar megacrystic granite. Two gem quality beryls in excess of 8 mm in diameter have been found in this phase, in addition to dozens of transparent to translucent crystals less than 3 mm. A second, later beryl-bearing phase has also been noted. Walnut-sized vugs containing inwardly growing euhedral beryl crystals have been noted in quartz-mica +/- tourmaline greisen veins up to 5cm wide.

The known occurrences are within an exposed 500 m by 50 m area of the White Creek Batholith at the contact with the Lower Aldridge Formation and Moyie diorite sills. Existing Eagle Plains' claims cover more than 8 km of this unexplored contact, which has the potential to host significant quantities of high

## Schroeter, Tom EM:EX

**From:** Terry, David EM:EX  
**Sent:** Friday, September 19, 2003 3:16 PM  
**To:** Anderson, Duane EM:EX; Berdusco, Ricci EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Errington, John EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX  
**Subject:** D.A. Terry Report, Friday September 19, 2003

### Kootenay Mineral Exploration Activity Update:

- Exp'n
- Coal drilling and exploration expenditures are forecast to be significantly down from last years figure in the Elk Valley. The 2002 estimate is \$1.2M (compared to \$2.84M in 2002 and \$4.83M in 2001). The coal geologists cite the merger and formation of the Fording Canadian Coal Trust as the reason behind the significant decrease in drilling budgets and they are hopeful this trend will be reversed next year. JM exploration expenditures will be down as well but metal exploration expenditures are forecast to increase significantly again (at present up about 56% to \$4.7M). At present total Exploration Expenditures for the Kootenays are estimated to be \$6.0M - \$6.5M - down slightly from \$7.08 in 2002.
  - Klondike Gold Corp. now has two drills going in the Panda-Payday basin area southwest of Cranbrook. One is continuing to deepen the hole at the north end of the basin, to the east of SMC95-1, halted due to the forest fire situation in mid-August. The other is a new hole in the southern part of the basin in the Irishman Creek area. The Fran hole passed through the LMC this time - no results are available yet.
  - Chapeau Resources Ltd. have resumed drilling on the Zinger property, at the headwaters of Perry Creek, in the Heart Lake area, and are constructing a road to reach the ridge in the Gold Run Lakes area on the southern part of the property. Drilling is also planned on the Jackleg property east of Wasa.
  - After raising more than \$2M, Gold City Industries Ltd. are mobilizing in the Greenwood Camp and plan to complete 3-4 holes on the Lexington property to tighten up the resource model, as well as to collect samples for metallurgical/environmental purposes. The Grenoble/Main Zone on the property has a reported mineral resource of 94 923 tons grading 0.297 oz/ton (10.2 g/t) Au and 1.49% Cu. After completing this they will move to the Winnipeg-Golden Crown property where they will drill 30-40 short holes to expand near-surface and along strike resources. In 1990 a study of the property indicated the presence of a mineral resource of 37 100 tons grading 0.999 oz/ton (31.07 g/t) Au (uncut) or 0.536 oz/ton (16.67 g/t) Au(cut) and 1.12% Cu. At the same time a trenching program will be carried out on adjoining properties (JD etc.)
  - Mosquito Consolidated Gold Mines Ltd. has received an option payment of \$450K from IWA which they state will be used in part to fund exploration on their Tillicum Gold project southeast of Nakusp.
  - Tuxedo Resources Ltd. are planning on a drill program on their Franklin Camp property to follow up on results of the trenching program carried out earlier this summer. No results have been released to date on this. Apparently the company has had some trouble getting diamond drillers.
  - Jasper Mining Corporation has released results from its drill program on the Vowell Creek project southwest of Golden. To date 2900m in 17 holes have been completed. The main purpose of the program is to test for extensions to the vein and replacement type mineralization at the past-producing Ruth Vermont Mine on the north side of Vermont Creek. A number of polymetallic intersections are reported in the News Release. An example of one of the better intercepts is from Hole 3/Interval#8 which assayed 1.49 g/t Au, 0.21% Cu, 2.62% Pb, 3.21% Zn, and 275.5 g/t Au over 5.41m. Drilling has just resumed with between 5 and 10 more holes planned.
  - Sedex Mining Corp. is commencing a trenching program on its MW property southeast of Kimberley to follow up on a number of rock geochem and geophysical targets. The property exhibits little bedrock exposure however widespread anomalous gold values, associated with limonitic alteration and elevated BM, have been attained from prospecting samples in a 3km by 2km area. The property is structurally complex and lies just to the west of the Cretaceous Reade Lake Stock, a prominent aeromagnetic anomaly. Quartz veins on the property have assayed up to 10 g/t Au and several ounces silver.
  - Sultan Minerals Inc. has reported on the results from the trenching program carried out earlier in the summer on their Kena Gold project near Nelson. While most of the trenches returned sub-economic gold values, a chip sample from trench 03TR-7 assayed 35.26 g/t over 4m (including an interval assaying 66.83 g/t Au over 2m) The company plans to carry out further mapping to constrain structural controls on gold mineralization followed by a diamond drill program.
  - A JCP company has completed 217m of drilling in 12 holes on the Lapin Barite project south of Bridesville. The widest intercept was 10m of barite (average of 5-6m). Further drilling and bulk sampling is planned for later in the year.

David Terry

**Schroeter, Tom EM:EX**

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Cranbrook

**From:** Terry, David EM:EX  
**Sent:** Friday, August 15, 2003 3:50 PM  
**To:** Anderson, Duane EM:EX; Berdusco, Ricci EM:EX; Carter, Michael EM:EX; Cathro, Mike EM:EX; Errington, John EM:EX; Grant, Brian EM:EX; Hermann, Fred EM:EX; Jones, Larry EM:EX; Lane, Bob EM:EX; Lefebure, Dave EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; Ryan, Barry EM:EX; Schroeter, Tom EM:EX; Simandl, George EM:EX; Wojdak, Paul EM:EX; Wuschke, Steven EM:EX  
**Subject:** D.A. Terry Report - August 15, 2003

**RG Activity:**

- Vacation: July 9-23rd
- Ministers Visit: July 24th - Meeting with EKCM and Exploration Community in Cranbrook
- July 28-31: Visiting exploration properties in West Kootenay's with Tom Schroeter
  - **Tam O'Shanter** (Kettle River Resources) **Bud** (John Kemp) in Greenwood Camp
  - **Franklin Camp** (Tuxedo Resources) property north of Grand Forks
  - **Kena Gold** (Sultan Minerals) in the Nelson area
  - **Gold Canyon** (Columbia Yukon) discovery in the Tillicum Camp
- Visited **Thea 17** property where Klondike Gold recently completed a 13 hole - 378 metre drill program
- Staffing office and dealing with a lot of permitting issues/enquires during Steve Wuschke's absence for most of August - also many calls regarding forest fire status in the area and work restrictions

missed: Willa  
Nelson Chamber

**Exploration Activity:**

**Cranbrook Gold Project:** Chapleau Resources have paused in their drilling program on the Zinger project in the Perry Creek/Hellroaring Creek area west of Cranbrook but are continuing on with surface exploration and are planning further drilling in the Gold Run Creek area in the southern part of the property once permitting is complete. They are planning on starting drilling on the Jackleg property east of Wasa in August.

**Franklin Camp:** Tuxedo Resources have completed a trenching and surface sampling program on their large **Franklin Camp** property north of Grand Forks which they are exploring for epithermal Au deposits. They are currently waiting assay results and are planning on follow-up drilling for later in the summer.

**Gold Canyon:** Columbia Yukon Exploration have optioned the Gold Canyon prospect (newly discovered in 2002) located in the Tillicum Mountain area east of Burton. On the property two areas of massive sulphide mineralization in pods/lenses occur in metasediments sandwiched between two granitic sills or dykes. Values up to **9.8 g/t Au, 562 g/t Ag, 3.6% Pb, and 4.6% Zn are reported from 2m chip samples**. The company is planning a program of further trenching and sampling this year.

**Kena:** Sultan Minerals have completed excavation of 20 trenches in the area around 4 ddh's from 2002 which intersected high-grade gold along a magnetically defined structure which they call the High Grade Magnetic Corridor on their **Kena** project south of Nelson. The trenches have been sampled and the company is awaiting assay results. Dr. Trygve Hoy was contracted to carry out a structural/mapping study of the corridor. Follow-up diamond drilling is planned for September.

**Payday:** Klondike Gold is currently down approximately 1000' of a planned 3000' hole to test the LMC approximately 1.5 Km NE of ddh SMC95-1 which returned highly anomalous base metals in a thickened Sullivan Horizon package at LMC. A hole drilled to the southwest of SMC95-1 last year by Klondike Gold intersected somewhat less anomalous mineralization at LMC suggesting a vector in the opposite direction. The drilling has been suspended due to out of control wildfires burning in the area. The drill is currently being set up to extend the Fran hole located NE of Moyie Lake to LMC (est. 500-600 feet).

**Prices Pit:** Klondike Gold has completed 273m in 5 holes drilled along a 130m strike length of gold-bearing quartz vein in the Sawmill Creek/Perry Creek area. Generally low values were returned with the exception of one 0.49m interval which assayed 16.5 g/t Au. Further work in the Sawmill Creek area by Klondike gold will focus on the areas Iron Oxide Cu-Au potential.

**Thea 17:** A total of 378 metres in 13 short drillholes were completed by Klondike Gold to test a silicified shear/breccia zone in sericite and ironite-altered Middle Aldridge siltstone over a strike length of ~200 metres on the **Thea 17** property,