

Pimainus  
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TOS → RG  
- Kamloops

## Schroeter, Tom EM:EX

**From:** Cathro, Mike EM:EX  
**Sent:** Friday, October 26, 2001 2:12 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 10/26/2001

### EXPLORATION AND MINING NEWS

**Highland Valley Copper** - production in 2000 should be close to last year's record metal output according to Q3 financials released by Teck Cominco. For Q3 their 63.9% portion of the mine turned a profit of C\$8 million on revenue of C\$69 million, with copper prices averaging US\$0.68. With the recent drop in the price of copper to US\$0.62, very low strip ratios, and a 2% wage cut due to the Job Protection Agreement, the break-even copper price for HVC is rumoured to be down to the US\$0.57/lb range. A pit expansion to the northeast, which would extend mine life by three years beyond 2009, has not yet been ruled out, but has to be considered unlikely given the current market.

**Pimainus (Highland Valley Copper)** - three hole totalling 877.1 m were drilled on this copper prospect SW of the Lomex pit. Results were apparently not very promising, although the "right rocks" were encountered.

**Verity (Commerce Resources Corp.)** - results released for the first five holes "not only confirm...but upgrade known tantalum mineralization" at this deposit north of Blue River. Most holes were infill or small stepouts from the known reserve, and intersected the sill over approx. true thicknesses of 6.25 to 38 m, with grades ranging from 138 to 172 ppm Ta<sub>2</sub>O<sub>5</sub>, 456 to 900 ppm Nb<sub>2</sub>O<sub>5</sub> and 2.87 to 3.63% P<sub>2</sub>O<sub>5</sub>. The drill will now be moved to the Fir property for three holes before returning to Verity. Previous drilling of four holes at Fir suggests that grades of Ta, Nb and P should be higher.

**Vault (Aqua Regia Minerals Inc.)** - a five hole program began on Oct 23 on this epithermal gold property located NW of Okanagan Falls.

**Fox (Gitennes Exploration Inc)** - Gitennes announced that it has sold its Virgen property in Peru for US\$1.5 million and a 2% NSR. This should (hopefully) allow them to focus on the Fox Zn-Cu-Pb-Ag-Au property near Merritt. A large property payment was due recently on Fox and the company is rumoured to have asked for an extension until the Peru deal has closed.

**Blackdome (J-Pacific Gold Inc.)** - raised \$1.16 million through a private placement of 5.8 million shares with Jipangu Inc.

### OTHER

**Exploration Review** - currently canvassing mine and exploration operators for details of their 2001 work. Preparing slides and writing text for presentations and papers. Invited paper for "Exploration and Mining in BC" on the Spire Zn-Cu prospect from Steve Robertson of Imperial Metals Corp.

**Limestone/dolomite** - assisted prospector Chuck Marlow with library/computer work to locate sources of limestone/dolomite for sale to agricultural markets in the Prince George area.

**Advanced Prospecting Course** - completed follow-up of logistics regarding lodging and field sites in the Merritt area.

**Open shafts** - provided Steve Rothman with info on potentially hazardous open shafts at the Cinderella and Comlock prospects near Merritt.

### 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  
Autotel: (250) 372-6757  
Fax: (250) 554-5384

**Schroeter, Tom EM:EX**

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**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 FIH: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:**

*Pimanus*  
**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