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CHAMBER OF MINES OF EASTERN BRITISH COLUMBIA

A non-profit bureau of information providing authentic, reliable data to the general public and the mining industry of Eastern British Columbia

Fred Critchlow – President

215 Hall St., Nelson, BC, V1L 5X4

Phone/FAX: (250) 352-5242

NEWSLETTER

Editor – John Murray

MARCH/APRIL 2000

CHAPLEAU RESOURCES LTD. DRILLS ABITIBI GAS CLAIMS

adapted from: <http://www.canada-stockwatch.com>

Drilling on the Gas claims began in early January, and was completed in February. The Gas claim group consists of 16 units in the Fort Steele mining division adjoining Chapleau's 100% owned Cruz property. Chapleau planned a hole of approximately 500 m in an effort to test the Sullivan horizon in the area of a vent structure and a previous drill hole which has Sullivan indicators. Geological mapping and prospecting on the Cruz and Gas claims trace an eight km. long north-trending belt of Sullivan indicators. The belt is marked by scattered occurrences of tourmalinized fragmental rocks and base metal soil anomalies. Geological mapping also shows that all of the Sullivan indicators found at surface occur at various stratigraphic levels above the more favourable Sullivan horizon.

The drill programme objective was to drill test the Sullivan horizon beneath the belt of high-level Sullivan indicators. Hole CROO-1 was collared on the Gas claims at a surface elevation of 980 m and intersected the Sullivan horizon at a depth of 130 m. In the hole Sullivan time is 53 m thick, consisting of highly altered thin to very thin bedded argillite interbedded with a seven m pyrrhotiferous fragmental unit. The upper

two m of Sullivan time contains abundant thin layers of pyrite and pyrrhotite (assays 11% Fe) and is weakly anomalous in Zn (241 ppm). Massive pyrrhotite clasts occur in the fragmental unit.

Hole CROO-1 on the Gas property is the first diamond drill hole south of the Moyie fault to intersect an active Sullivan horizon. Aldridge marker beds found in core verify the stratigraphic position of Sullivan time in hole CROO-1. Hole CROO-1 is considered to be an important geological discovery.

Chapleau Resources Ltd. optioned the Gas claims from Abitibi Mining Corp. and can earn up to a 60-per-cent interest in the property by spending \$750,000 on exploration over a five-year period, paying \$2,000 to Abitibi and issuing 50,000 shares in its capital stock.

CHAMBER OFFICE HOURS

10:00AM- 4:00PM Monday to Friday.

Arrangements can be made for use outside the regular hours.

Call Chamber Office for bookings.
Phone/FAX 352-5242

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Let the Office know if there is an error.
352-5242

CHAMBER OF MINES OF EASTERN BC ANNUAL BANQUET

SPEAKERS:

Mr. Chuck Downie, Exploration Geologist for Eagle Plains Resources Ltd.
"The North Sullivan Camp - Exploration, Overview and Geologic Summary"

AND

Ms. Linda Dandy, P & L Geological Services

"Exploration in the Nelson Area and the Chamber's Role"

APRIL 1, 2000 6:00 p.m. – 10:00 p.m.

Hume Room of the Heritage Inn (422 Vernon St., Nelson, BC)

Reservations: (250) 352-5242

MINING: GOOD NEIGHBOUR AND PROVIDER TO THE WORLD

GOV'T ATTACKS CROWN LAND TENURES, MEM GAGGED

Mar./Apr. 2000

The only pumice mine in Canada, the Mt. Meager Pumice project operated by Great Pacific Pumice Inc., has completed its third year of operation. During 1999 the direct and indirect payroll peaked at 11 with 3 employees from Pemberton, 3 from Squamish and the balance from Vancouver. This should increase by 50% in 2000.

The Mine Development Certificate was issued in March, 1995. A 60 hectare Mineral Lease covering the main pumice deposit, and a 6 hectare Mineral Lease over a processing and stockpiling site 14 km toward Pemberton, were issued in May, 1995 and the Mine Permit in June, 1995. Production commenced in 1996.

Because the mine's access is seasonal it was always recognised that to provide customers with year-round deliveries a stockpiling and processing site would be required somewhere below the north side of Squamish. Meetings were held with municipal staff and Councillors culminating in a Dec., 1996 meeting where staff identified five sites in Squamish, all of which they advised would require rezoning.

MOTH had a gravel pit/reserve in the Mamquam River area and were agreeable to releasing a six hectare site subject to the Crown granting tenure. Because Mineral Titles had permitted the previous two Leases government determined that Mineral Titles should be the agency to issue the new Lease. Squamish was kept in the information loop at all times.

It is well established that tenants on Crown Land are **not** subject to the provisions of municipal zoning bylaws. Because of the strong support received from the District of Squamish (and a feeling they would react unfavourably if rezoning was not applied for) the operator decided to apply for a rezoning. A public information meeting was held. In addition to reviewing the proposed stockpiling and processing operations, and the Environmental Review report requested by Council, MEM personnel summarized the requirements of the Mines Act and the procedures for providing approval for the Mines Permit. The meeting was also advised that, providing Great Pacific met the Mines Act requirements, a permit would be issued, and that that was the only permit required.

Members of the local Rod and Gun Club and a proposed residential developer were strongly opposed to the operations. Pursuant to a unanimous staff recommendation the rezone application received First and Second reading but in the end Council defeated the rezoning. After a thorough review of the situation with the Energy and Mines Division a Lease, for five years and subject to municipal bylaws, was issued. The Company objected, and a revised fifteen year lease without the municipal by-law condition was issued in March 1998.

Ministry of Forests, apparently under pressure from the municipality, refused a cutting permit. Threatened legal action against the District Manager was required before a Licence to Cut was issued.

On July 2, 1998, Hon. Dan Miller, Minister, Energy and Mines, wrote to the Mayor of Squamish that Great Pacific "has therefore been advised that the processing must be rezoned before processing activities can be carried out" despite the fact that references to zoning by-law compliance had been deleted from the revised lease.

Armed with this letter Squamish began legal action seeking a declaration that "the storage and or processing of pumice on the lands contravenes the zoning bylaw." It has been well established that Crown Land is immune from the Municipal Act by virtue of Section 14(2) of the Interpretation Act. Squamish sued GPP on the basis that the Interpretation Act did not extend the immunity of the Crown to GPP. The Court dismissed Squamish's claim, finding that Crown Land is exempt from municipal bylaws, and as such the bylaws were not binding on GPP. Squamish filed an appeal to be heard April 14th, 2000.

The Attorney General has applied as an **intervenor, evidently in support of Squamish**, and it appears Squamish and the Union of B.C. Municipalities (UBCM) have been vigorously lobbying the Ministry of Municipal Affairs for the past year on this matter. BC Lands apparently is supporting the UBCM position. UBCM is financing Squamish's legal costs, and support for the intervention has taken place at Cabinet level, while MEM has evidently been instructed to stand aside. There are suggestions the Mines Advocate has been "gagged", and that informed Civil Servants will not discuss the matter, including senior personnel in MEM and the Ministry of Attorney General.

Should Squamish be successful, existing Crown Land tenures, previously immune from other legal enactments, would now become subject to those enactments including the Municipal Act and Municipal Bylaws. This could impact hundreds, if not thousands, of existing Crown Land tenures (including back-country recreation and other tenures, like tourist operators) issued by BC.

This is a back door, sneaky approach to changing accepted interpretation of Crown Land immunity, which will **result in significant changes to these tenures without prior notice, without due process, and without compensation.** If successful, it could have disastrous consequences for many lessees with existing tenures. **The Government's position is perverse: first it issues permits and leases (under whatever conditions it desires) and then it attacks them. If they think this creates an environment of encouraging investment in this Province they are wrong!**

MEM Minister Miller has an obligation to protect the integrity of our tenure system. At a minimum he must intervene to have the Province withdraw from this legal action. **It is wrong that the Province is acting in favour of the District of Squamish in this matter, it is extremely frustrating that our industry is not receiving support from our Ministry, and it is paradoxical that the Province is appearing against its own Lease.**

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