

QR: Last milling day April 24th. Laying off remainder of employees April 30. Will have 15 persons carrying out mothballing of plant through May. Could be down for a long while.

Submissions of exploration programs down to 50% of last year.
(27 vs 59 notices received to date)

Bob Lane and Romona Blackwell attended KEG

Northern Development: Created office space for one person. BCBC will assess space/long term office needs.

Various staff have recently volunteered in schools under the Scientists in Schools, Career Fairs and Science Project judging initiatives.

Excellent opportunities for getting the positive messages of mining to the community.

Upcoming Events:

Basic Prospecting Course - CNC - May 4-10

Minerals North - MacKenzie May 13,14,15.

Local CIM - Quesnel June 5/6.

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TO: Sheila Robertson GEMS@VENUS)	(Sheila.Robertson@gems8.gov.bc.ca@

Beswick
Apr. 24/98

QR
886605

TGS → RG
- Pr. G

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

Created: 09-Jan-1998 11:09am PST
Sent: 09-Jan-1998 11:49am PST
From: Bob Lane of EI
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Tel No: (604) 565-4244

TO: Ron Smyth of EI (RSMYTH)
TO: Bill McMillan of EI (WCMILLAN)
TC: David Lefebure of EI (DLEFEBURE)
TO: Tom Schroeter of EI (TSCHROETER)

Subject: Lane Weekly

Lane Weekly Report for January 5 - 9, 1998.

Exploration Monitoring:

Beekeeper. Wildrose Resources (formerly Eastfield Res.) completed a 6-hole, 966-metre diamond drilling program on the Beekeeper property, a Cu-Au (+/- Mo) porphyry prospect located 20 km southeast of Mount Polley. The most encouraging assay came from a mineralized shear zone (96 zone) and averaged 0.439 g/t Au over 36 metres.

QR. Visited with Steve Phillips, Jim Fortin and Lance Senter (consultant) at the minesite on January 8th to review the 1997 exploration program. The \$2 million program included extensive soil geochem and diamond drilling programs. Soil sampling was conducted in broad areas west of the Midwest zone, northwest of the West zone, and south of the Quesnel River. Surface diamond drilling targeted the North zone (faulted off extension of the Main zone below Wallys fault) and tested areas outlined by gold geochem anomalies immediately west of the Midwest zone and northwest (along strike) of the West zone. Two drills were used during the late fall program that extended to mid-December. A total of 24 495 metres were drilled in 169 NQ holes.

The main intent of the program was to test the near surface potential of prospective ground along the westerly trend formed by the known deposits. It identified several new targets (much smoke, few flames), and although many of the holes have not yet been analyzed, assays of visually encouraging mineralization from selected intercepts were generally sub-economic. The large geochem anomalies definitely warrant further drilling, however it seems unlikely that Kinross management would support an exploration program in 1998.

Kemess. Royal Oak Mines has secured US\$44 million in financing that will provide the funding necessary to complete construction and commence operations at the Kemess copper gold mine.

Other:

Mineral Lands Officer position. Candidate selected, written offer made and

Dobson Report: CCC received response from IAMC chair. On agenda for next RRB meeting. MEM requested to attend.

~~PR:~~

QR: Closure date now April 17. Hopeful expl. will continue through summer.

Quintette: E. Pittman doing interviews for OHSC award.

North Central CIM has scheduled a meeting in Quesnel for May 30/31.

Minister Miller officially unveiled the new Energy and Mines Ministry sign at our office here in Prince George on thursday. The unveiling was followed by a meeting with the Northern Mine Managers and a session (bear pit) with local business and the Chamber of Commerce.

The # of "foreign" documents arriving via email is increasing to the point of not being manageable.

Ed

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Beswick
Feb 27/98

✓
VCS → RG
-fr. Geo.

INTEROFFICE MEMORANDUM

Created: 03-Nov-1996 08:20am PST
Sent: 03-Nov-1996 08:24am PST
From: Bob Lane of EI
BLANE
Title: Regional Geologist
Dept: Employment & Investment
Tel No: (604) 565-4244

TO: See Below

Subject: Lane Weekly Report for Oct. 27 - Nov. 2.

PROPERTY VISITS

QR. On October 28 Pat McAndless, Rad Pesajl (Imperial Metals geologists) and I were given a tour of the underground workings on the Midwest zone at QR. Drifts extend east and west from the decline at vertical intervals of 20 metres. We looked at faces on the 985E, 985W and 1005E exploration/development drifts.

There has been no production from the Midwest zone yet, but it is scheduled to get underway early next year. Mining is taking place from a small starter pit on the NW end of the West zone zone, as well as from the 980 level bench of the Main zone.

A temporary shutdown of all mining will take place in mid December and last for approximately 6 - 8 weeks. During that time the mill will process stockpiled ore from the Main and West zones. Mining is scheduled to resume in late January-early February from the underground developments on the Midwest zone. Later on mining will resume from the Main zone, but reserves there will be exhausted by August. Approximately 170,000 tonnes will be mined from the SE end of the West zone, also. The current mineral resource for QR is:

300,000 tonnes grading 4.3 gpt Au for the Main zone
350,000 tonnes grading 4.9 gpt Au for the Midwest zone
550,000 tonnes grading 4.9 gpt Au for the West zone

An exploration budget of at least \$1 million has been established for 1997. Areas targeted for drilling will be the basalt-siltstone contact east of the Main zone, North zone and West zone.

Mount Polley. On October 28, Rad Pesajl provided a quick tour and progress report of Imperial Metals mine development, near Likely. Approximately 750,000 tonnes of ore and waste have been mined from the starter pit, located between the Cariboo and Bell pits. The concentrator/service/office complex and crusher building are roofed and clad. Interior construction is ongoing and will continue throughout the winter. About 1 foot of snow has accumulated at the site.

EXPLORATION MONITORING

Multinational B (Baker). Sable Resources processed approximately 2,500 tons of ore this year, but was unable to complete their program due to early onset of winter. The company plans to spend a minimum of \$150,000 on exploration next

138 → RG - Pr. Geo.

INTEROFFICE MEMORANDUM

Created: 04-Oct-1996 12:27pm PDT
Sent: 04-Oct-1996 12:29pm PDT
From: Bob Lane of EI
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Title: Regional Geologist
Dept: Employment & Investment
Tel No: (604) 565-4244

TO: 10 addressees (Current User: Tom Schroeter of EI)

Subject: Lane Weekly Rpt. for Sept. 30 - Oct.6

PROPERTY VISITS & EXPLORATION MONITORING

Endako. Toured Placer Domes open pit molybdenum mine, located near the east end of Francois Lake, with Ken Macdonald and BHP geologist Serguei Diatchkov. Mine geologist, Glenn Johnson, provided us with an excellent overview of the geological setting of the deposit and took us for a brief tour of the pit. Mining is taking place in the Endako (main) pit and a major pushback of the south wall of the pit is in progress. Mineable reserves of 80M tonnes, with an average grade of 0.126% MoS₂, are sufficient for 8 to 10 more years of full scale production. The Denak East and Denak West pits are presently inactive.

QR. Toured the Kinross gold skarn mine with BHP tour group, Tom Schroeter and Bill McMillan. Mine staff have the operation running very smoothly at 1,200 tpd (400 tpd over the designed capacity) and may increase to 1,500 tpd by the middle of next year. They are making up for a very slow start to the year when severe winter conditions slowed production. The company expects to reach their production target of 40,000 ounces of gold for the year. Approximately 6,700 ounces of gold were recovered in September! Current mining is from the Main zone pit on the 985 level. Kinross will mine down to the 950 level and from there will drive an adit westward to provide underground access deeper parts of the West zone.

Mining from 2 benches on the West zone, produced approximately 32,000 tonnes of ore, almost twice the 17,000 tonnes that were outlined, with no loss of grade! This material has been stockpiled for milling during a 6 week period during the winter when mining will be suspended. Two more benches will be mined from the West pit before the onset of winter, each yielding an estimated 10,000 to 11,000 tonnes of ore.

The decline on the Midwest zone extends for an estimated 2,000 - 2,500 feet and is down approximately 100 metres. Drill stations are setup on either side of the ramp, and a third is testing continuity of mineralization from a drift near the face of the tunnel.

Jim Fortin, mine geologist, outlined the results of this years very successful exploration program. Surface diamond drilling on the margins of the West zone, has outlined an additional 8 months of millfeed. However, drilling of the Hillside anomaly and soil anomalies northwest of the West zone failed to identify ore grade mineralization.

Current mineable reserves, from the Main, Midwest and West zones combined, total 1.2 million tonnes with an average grade of 4.3 gpt Au. The mine opened in

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

Date: 25-Nov-1994 02:18pm PST
From: Tom Schroeter
TSCHROETER
Dept: Energy, Mines & Petroleum Res.
Tel No: 660-2812

TO: Gib McArthur (GMCARTHUR)
CC: David Lefebure (DLEFEBURE)
CC: Bill McMillan (WCMILLAN)
CC: Paul Matysek (PMATYSEK)
CC: Ron Smyth - Min. of EMPR (RSMYTH)

Subject: QR Project

CIM (Van. Br.) Highlights:

- constr. began July 1, 1994. Prod. scheduled for April '95.
- Est. capital cost= \$14M. Est. NET profit (after 5-yr. mine life= \$12M; ie. very 'tight'!
- QR consists of 3 zones containing 1.3 million tonnes grading 4.78 g/t Au. Ore will be recovered by a combination of open pitting and underground. Milling will use conventional CIP technology.
- Permitting began in 1989. Kinross stated it " has overcome several challenges to allow development of the mine to proceed". It particularly cited the lack of 'consistency' from various individuals involved.
- Kinross is now 'entrenched' in Quesnel and locals are slowly but surely realizing that a new mine will come into production in their own backyard!
- Kinross estimates the 'delay' in receiving their reclamation permit (Sept. '94) has resulted in pushing construction into the winter months at an added cost of about \$1M to the project.
- in-situ value of ore= \$94M.
- recovery of gold= 94% (incl. gravity circuit).
- Operating costs= \$21.73 (mining) + \$15.65 (milling+plant) + \$0.46 (reclamation) for a TOTAL of \$40.37/tonne OR CDN \$279/oz Au.
- Approx. 60,000m of drilling
- Purchased used equipment for project, principally from Nevada.
- 80-100 jobs.

Tom

→ QR

EB - May 10/96

permits.

QR: Underground development could start by end of May. Contractor to be selected soon. Brian Miller to start as General Manager June 10/96. Brian comes from the Premier Mine.

Admin:

B. McBride in Victoria next week to work on Kemess Permit and attend Provincial Soils meeting. This will also provide a good opportunity for Brian to meet Victoria staff.

Distribution:

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TGS → RB
- Pr. Geol

INTEROFFICE MEMORANDUM

Created: 27-Mar-1997 03:21pm PST
Sent: 27-Mar-1997 03:23pm PST
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TO: See Below

Subject: Lane Weekly Report: March 23-29.

MINING and DEVELOPMENT PROJECTS

Kemess. Clearing of the powerline right-of-way continues. Construction of mine and mill buildings is ongoing.

✓ QR. More detailed production figures from QR: the mine processed 382,472 tonnes of ore in 1996, primarily from the Main zone open pit, producing 43,626 ounces of gold equivalent (43,421 ounces of gold and 16,023 ounces of silver). As of Jan. 31, 1997 615,792 tonnes of ore has been mined from the Main zone. The Main zone will provide most of the mill feed during 1997, and reserves there will be exhausted by July. Mining of the Midwest zone is underway and will continue through to early 1999. During 1996, 65,000 tonnes of ore was mined from a small open pit on the North Lobe of the West zone. The current plan for the West zone is to proceed with open pit mining of the South Lobe (306,000 tonnes grading 4.04 gpt Au) by the middle of the year. Later in the year, underground development is planned to provide access to the lower portion of the North Lobe (146,000 tonnes grading 4.73 gpt Au), which will be extracted by longhole mining methods.

EXPLORATION MONITORING

Beekeeper. Drilling has begun at the Eastfield-Imperial Metals JV property 28 km SE of Mount Polley.

✓ Domin. Gold City Mining has staked claims immediately north and south of the AK I - IV claims (Domin property). The property now covers a 16 km section of the northwest trending Isaac Lake fault, a structure which the company feels is related to the auriferous, quartz-filled splays that comprise the South (or Clear) and North prospects. The veins are hosted by limestones and argillites near the top of the Isaac Lake Formation and contain up to 10% combined galena, sphalerite and chalcopyrite.

✓ Lloyd-Nordik. Five diamond drill holes have been completed so far this year on the Western zone, a possible extension to the Lloyd 2 zone. Big Valley plans to begin pre-feasibility work as well continue exploring the Lloyd 2 and other zones on the property. The company is also in the process of acquiring 2 claim groups, the Premier 1-5 and Pay 1-4, both of which adjoin Big Valleys Lloyd-Nordik property.

→ GP

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

Created: 01-May-1997 07:38am PDT
Sent: 01-May-1997 07:41am PDT
From: Bob Lane of EI
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Tel No: (604) 565-4244

TO: See Below

Subject: Lane Weekly Report: April 27 - May 4, 1997.

Lane Weekly Report for April 27 - May 4.

MINING and DEVELOPMENT PROJECTS

Hannandor. Tom Schroeter reported that Gallery Resources plans to commence production at its placer gold property, east of Quesnel, in early May.

Kemess. There has been no ruling yet on the interim injunction request from Tsay Keh Dene First Nation.

EXPLORATION MONITORING

Received NOW from Kinross Gold for a 9000 metre diamond drilling program to explore the North zone and the east projection of the mineralized (basalt-siltstone) contact.

+ James Farlin @ CIM
Steve (from Cranba
new
mining
red)

Reviewed staking done by Gold City Resources along the Isaac Lake fault immediately north of Bowron Lake Park.

OTHER

Participated in GSB-RG conference call regarding the Prospectors Assistance Program grants.

Prepared for and staffed MEI booth at the Cariboo Forestry and Mining Show in Williams Lake (May 1-2).

Staffed poster display at the MacKenzie trade fair (May 4).

Completed final edits to 1996 Exploration and Development Highlights paper and submitted to Brian Grant, GSB-Victoria. It is intended that the same document, plus the business plan will be available on a new Northeast-Central Region website.

UPCOMING

May 8. Taking part in basic prospecting course in Mackenzie.

May 11 - 15: Attending Mining Week in Vancouver. Also conducting meetings with

BL - Apr. 28/97

(33)

Beekeeper. Visited and examined diamond drill core from the recently completed 7-hole, 1100-metre drill program. Much of the core is K-spar altered fine to medium-grained monzonite to syeno-diorite. Subparallel qtz-py veinlets cut (post-date) host rock that contains sparsely disseminated cpy. Assays are not yet available.

Fawn. Equity Engineering has completed a 7-hole, 613-metre diamond drill program on the Giver zone on behalf of Craven Ventures, a private company that is earning an interest in the property from Western Keltic Mines. The drilling tested the Giver zone at 150 metre intervals along its east-west trend. The moderately south-dipping epithermal vein system was intersected in several holes.

JD. AGC Americas Gold Corp. has submitted their NoW for this years exploration program on the JD property. A diamond drill program consisting of approximately 30 holes will test for the strike extensions to the Finn epithermal gold zone. AGC also plans to complete 10 ddh on the AL epithermal gold property and 5 ddh on the Moose property (Porphyry Pearl prospect).

Lloyd-Nordik. Twelve diamond drill holes, totaling 2035 metres, have been completed so far this year on the Western zone, a possible extension to the Lloyd 2 zone. Assays released so far indicate a low grade (0.1 to 0.2 % Cu and low Au grades) system.

Mac. Spokane Resources has completed 2590-metres of diamond drilling in 10-holes on the East Contact zone of the Camp deposit. Assays are pending.

Mount Sydney Williams. First Point Minerals has optioned the Mount Sydney Williams from Ursula Mowat. Property work is expected to commence in June and will include a grid based rock and drill core sampling program to test for a leachable nickel deposit.

QR. Kinross Golds 1997 exploration program will include mapping and soil sampling on the south side of the Quesnel River and will focus on the siltstone-basalt contact. The company will also investigate the east side of the property for skarn-propylite alteration.

Tsacha. Teck Exploration has filed a NoW for a 10-15 hole diamond drill program on its epithermal gold prospect in the Tommy Lakes area, Nechako Plateau.

OTHER

Homestake will be conducting a reconnaissance program looking at the southern end of the Bowser basin and will be based out of Lovell Cove (east side of Takla Lake).

Participated in GSB-RG conference call. The GSB will be conducting several programs in the NE-C region in 1997 including: bedrock mapping in the vicinity of the Kemess South mine; a partnership program with Intl Wayside and Gold City Res. looking at gold vein systems in the Wells-Barkerville area, and; a Regional Geochemical Silt sampling (RGS) program in the Mesilinka mapsheet (94C). The latter will hopefully stimulate exploration in the region--an area with significant potential for Au-enriched porphyry, skarn and vein deposits (west of the trench) and massive sulphide deposits (east of the trench).

YBS → RG
- Pr. Ge.

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

Created: 20-May-1997 10:56am PDT
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TO: See Below

Subject: Lane Weekly Report: May 11 - 17.

Lane Weekly Report for May 11 - 17.

MINING and DEVELOPMENT PROJECTS

QR. Operating at approx. 1400 tpd! Mining has not yet begun in the Midwest underground zone, however development is progressing very well. Once underground mining commences higher grade ore from the development will be blended with lower grade Main zone ore. Mining is continuing at the Main Zone open pit with gold grades in the 3-4 g/t range.

EXPLORATION MONITORING

Akie. Ecstall Mining president Chris Graff has not yet raised the necessary funds for the \$1 million Akie exploration drilling program. Its possible that this project may not proceed this year.

Bear (Drift claim). International Skyline will be conducting a 5-hole diamond drilling and mapping program on its porphyry Cu-Au prospect just west of Bear Lake.

Chaco Bear. Imperial Metals is very bullish on their Cu-Ag-Au porphyry-related prospect, also located west of Bear Lake.

Domin. Estimated expenditures are expected to be in the \$300,000 - \$400,000 range. Gold City Mining has submitted a NoW that includes up to 20 ddh, trenching, mapping and sampling.

Jean. A 30-hole, \$500,000 program is planned for Continental Coppers Jean Cu-Au porphyry prospect, located approx. 10 km south of Tchentlo Lake. Ragnar Bruaset will be the project geologist.

Welbar. Gold City Mining Corporation has divided their Welbar property into 7 project areas. From NW to SE they are the Coulter, Downey, Richfield, Williams, Angus, Mariner, and Cathedral projects. The collective exploration budget for these projects is about \$1 million.

OTHER

Minfile descriptions for two new occurrences in the Goat River area were

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

Created: 05-Nov-1997 12:20pm PST
Sent: 07-Nov-1997 02:39pm PST
From: Ed Beswick of EI
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Title. Regional Manager
Dept: Employment & Investment
Tel No: 565-6125

TO: See Below

Subject: Prince George Update to Nov 7

Pine Valley Coal: Company sponsored open house, held in Chetwynd Nov. 3. under EA, attracted 123 interested people. Most seemed interested in employment opportunities, although there were a few local residents in attendance. As expected, noise, dust, visual concerns seemed most prevalent to the residents nearby. Linda Stewart helping with FN consultation.

Quintette: La Prarie Contracting has requested a variance to operate 777D Cat Haulage Trucks, while certification takes place. Finning - PG chasing this down.

24 QR: Main Zone Pit completed. Mining continues from U/G at 600 TPD. Decision expected to be made in January regarding opening the West Zone Open Pit.

Mt. Polley: Briefing note being prepared by policy branch on application of MOF fees.....

Omineca Access Road Working Group: Productive session involving stakeholders, government agencies and First Nations (4 groups). Issue of who is going to assume responsibility of the Cheni Mine Road beyond Kemess needs resolution. Options tabled included: Cheni deactivating the road, a road users group being formed(not likely), Government recognising the importance of the road to the region and having a government agency take responsibility.

Sheep Creek: Tsilhqot'in have announced they will be re-bury ancestral remains and "totally reclaim" the gravel pit mining site on Wednesday November 12th.

Kemess: Settlement Conference will continue through to the last week in November and in all likelihood beyond. Sierra Legal Defence Fund lawyers may be representing the Takla First Nation in future. Project is now 70% complete overall with production still scheduled for April 1998. For example reports indicate that the service complex is 90% complete while the mill is about 65% complete. Something over \$100M of the Windy Craggy compensation/provincial government infrastructure program has been delivered.

Premiers Summitt on Northern Jobs and Development: MEI regional office provided varied assistance from logistical to the MABC/B.C. Gov't (Bob Lanes) "Northern B.C.'s Mineral Wealth" display at the Summitt. Output from the

VGS → RG
- Pr. 6

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

Created: 07-Nov-1997 03:27pm PST
Sent: 07-Nov-1997 03:27pm PST
From: Bob Lane of EI
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TO: See Below

Subject: Lane Weekly

Lane Weekly Report for November 3 - 7, 1997.

Highlights

Attended Willow Creek open house meeting on Nov. 3 in Chetwynd. Approximately 80 were in attendance, with a large majority being local citizens. The group was largely in favour of the project, although many individuals were inquiring about job opportunities.

Presented a summary of exploration for the northern Omineca area to the Omineca Resource Access Road Committee (Nov. 6).

Exploration Monitoring

Col. A minor prospecting program was conducted by Indata Resources (Colin Campbell) on this syenite-related Cu-Au porphyry system located north of the west end of Chuchi Lake.

JD. Americas Gold Corp. (AGC) has completed their diamond drilling program on the JD and A1 properties in the Toadoggone. Seventy (70) holes totaling 10,629.3 metres were drilled including 26 on A1 (18 on the Bonanza zone, 7 on the Thesis zone, and 1 on the Eric zone) and 44 on JD (approx. 8 on each of the EOS and Creek zones, 2 on each of the MVT and PZ zones and the remainder on the Finn zone). AGC will likely carry out a similar scale program on the two properties next year and may conduct a modest diamond drilling program on the Lawyers property.

After 3 years of aggressive drilling on the Finn zone, as well as the drill testing of zones widely distributed on both the JD and A1 properties, AGC with new JV-partner Antares Mining, should proceed with detailed and systematic evaluation of their most promising targets in an attempt to define mineable reserves and therefore advance the project(s) to the next stage of development.

QR. Gold production for the 3rd quarter at QR was 8,808 ounces (37% lower than the 14,473 ounces produced in the 3rd quarter, 1996). Cash operating costs soared to \$439/ounce. Lower production and increased costs were incurred because of a pit wall failure in the Main pit which temporarily halted production, and decreased both mill head grades and daily throughput. Underground production from the Midwest zone commenced, with its inherent higher mining costs, and development of a new ramp to access remaining reserves in the

Main pit have also contributed to higher costs. Increased costs coupled with the current low gold price have led to a detailed life-of-mine review, which will take into account recent and expected minesite exploration.

Skook. Nations River Resources (Colin Campbell) conducted a grid-based soil/till sampling program on their Zn-Pb-Ag-Au property located north of Chuchi Lake and approx. 20 km west of the Mt. Milligan Cu-Au porphyry deposit. Two prospects, Wit and Skook, are described as VMS - Shallow Submarine Hot Spring deposits. The Wit has been traced for 600 metres along strike and was intersected at 100 metres below surface in ddh WT95-1 which graded 11.4% Zn, 3.84% Pb, 23.3 g/t Ag and 1.28 g/t Au over 3.5 metres. Mineralization consists of crudely banded sphalerite, galena, barite and chalcedonic quartz within a carbonate and silica-rich tuff that is part of the Chuchi Lake Fm. The company is in the process of being listed on the VSE and plans to drill the WIT zone in 1998.

Tsacha. Teck, as operator on behalf of JV-partner Corona Gold, completed 8 diamond drill holes totaling 1,554.5 metres on the possible northern extension of the Tommy vein system. Results were disappointing--drilling did not encounter any vein material. Lithologies intersected, primarily hematite-rich, plagioclase phyric volcanic flows, were not seen in the drilling to the south and suggest that an unrecognized east-trending(?) structure may have offset the vein system. Corona Gold is obligated, via the option agreement with Teck, to continue exploring the property next year. Likely targets are the possible south extension of the vein system as well as the potential for mineralization beneath the sill.

Willow Creek. Pine Valley Coal Ltd. has completed their Fall exploration/pre-development program on the Willow Creek coal property located 45 km west of Chetwynd. The program included the collection of a 3000 kg bulk sample from the North zone. The bulk sample is comprised of coal seams cored in 23 drill holes using open hole drilling methods and a six-inch diameter coring rig (now on its way to Telkwa!). In addition, core from 5 three-inch diameter holes will be submitted for coal characterization. Also, an infill drilling program consisting of 27 holes totaling 1200 metres was completed on the North zone. Future work will include further infill drilling on the North and Central zones.

Bob.

Lani - Nov. 7/97

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QR

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

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Subject: RE: Pending Closures

Kinross Gold Corp. has announced that it would be placing the QR gold mine on full care and maintainance starting March 1/98. The company states that the closure is the result of the current weak gold price. However, note that 3rd quarter cash operating costs, per ounce of gold produced, were US\$459 and for the first 9 months of 1997 costs averaged US\$391/ounce.

Bob.