

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

Created: 01-Apr-1997 09:59am PDT
Sent: 15-Apr-1997 10:07am PDT
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: APRIL I

EXPLORATION:

coal
- Hillsborough Resources announced good financial results for 1996 calendar year. Quinsam produced 894,000 tonnes of clean coal (up from 589,000 the previous year) at a cost of \$37.84/tonne (down from \$38.33/tonne in 1995). The coal sold for \$45.79/tonne (up from \$43.30/tonne in 1995), allowing the company to post earnings of \$0.31/share (up from \$0.08/share in 1995).

Hillsborough plans to continue with exploration at T'Sable River. It has just completed a seismic geophysical survey.

Hannah
- Goldzone Exploration Inc. has optioned the Hannah property, on Hoodoo Creek at the Head of Knight Inlet. It plans to spend \$160,000 on IP, mapping etc. to delineate known Au, Ag, Cu, Mo mineralization associated with a Tertiary quartz monzonite stock. This is, potentially, an important development in the Central Coast.

Valentine Mtn.
- Applied Mine Technologies has submitted a NOW for 3000 metres of drilling in 16 holes along the trend of the Valentine Mountain gold vein system. The company plans to test a 4.0 km long geochemical anomaly on strike with the "discovery" vein system.

Quet (Hotspring)
- Mount Hope Resources Ltd. has submitted a NOW for a drill program on the Quet (Hotspring) gold property on Sloquet Creek, north of Harrison Lake.

The company has also submitted a NOW for a trenching program near the old Emancipation Mine, 3.0 km southeast of Athabasca Resources' Ladner Creek (Carolin) mine-site.

- Aquaterre Mineral Development Ltd. plans to spend between \$250,000 and \$300,000 drilling the J1 (VMS & porphyry) property on Jervis Inlet. The program is predicated on funding and receipt of a licence to cut.

- Verdstone Gold Corp. and Molycor Gold Corp. announced final results for their 13 hole, 600 metre drill program on the Margie Mine property at Hope. Those holes that weren't abandoned in faults returned

TBS → RG
- Van.

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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From: Robert Pinsent of EI
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT1 JULY/AUGUST

EXPLORATION:

- First Choice Industries has started a 21 hole (aggregate 2,500) drill program at Knob Hill. It is looking for "porphyry copper" and "epithermal gold" mineralization at the west end of the Island Copper belt. It plans to drill a circular "highly resistivity" geophysical anomaly of unknown origin and an extremely strong "chargeability" halo that is known to be caused by a strongly acid sulphate altered, weakly gold-bearing rhyolite breccia. RESULTS TO DATE ARE VERY ENCOURAGING!

QUET - Mount Hope Resources (Jo Shearer, Scott Angus) has arranged a private placement of \$750,000. Much of it will be spent on exploration in Lower Mainland. The company is repairing roads in advance of drilling the Hotspring (Quet) Au, Ag, Pb, Zn property north of Harrison Lake. Noranda explored the area for VMS in the late 1980s and outlined a broad zone of low-grade, strata-bound mineralization in volcanic breccia. Mount Hope will drill the property for structurally controlled feeder zones.

Silver Peak Other properties owned by Mount Hope include the past-producing Emancipation Mine, near Hope; the Jessy (North Siwash) gold showings on the Hozeameen fault near Spuzzum and a new gold geochem target on the same fault at Ghost Pass north of Manning Park. It also has disputed ownership of the past-producing Silver Peak property south of Hope, an epithermal system associated with a high-level, Tertiary felsic dyke swarm.

Brandywine La Rock Mining Corp has restarted drilling on the Brandywine Property, near Whistler. The company plans to drill around 8 holes for a total of 1,200 metres testing geophysical targets for structurally controlled gold and VMS deposits.

Quinsam ~~Quinsam Coal~~ Corp produced 535,000 tonnes clean coal in the first six months of the year, somewhat less than hoped. It is currently drilling (1) to ensure there are no structural complications in advance of developing a new work area in the 2N block; (2) to test the feasibility of accessing the 242 zone through 4S workings and (3) on the down dip edge of the 2N block to replace reserves. These currently stand at around 36 million tonnes. (Visited).

T'Sable River Coal Corp has held three open-houses. There were some

VOS → RG
- Van.

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

Created: 03-Sep-1997 02:51pm PDT
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From: Robert Pinsent of EI
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: SEPTEMBER I

EXPLORATION:

Knob Hill
- First Choice Industries Ltd. has completed the first 7 of 21 drill holes at Knob Hill. So far, it has drilled a Cu,Au soil geochemical anomaly located above a large, circular, feature in rhyolite breccia and located "extensive" copper polymetallic sulphide mineralization "including copper sulphide". It stopped drilling, temporarily, pending receipt of assays and the results of a ground geophysical survey over a second target, a highly prospective, 1.0 km long, em conductor identified through its recent airborne survey. The zone is poorly exposed but exhibits scattered sulphide float. The company has recommenced drilling but has yet to announce results.

QUET
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- Mount Hope Resources is currently drilling at Hotspring (Quet). It plans to drill 8-10 holes for an aggregate depth of 2000 metres looking for "higher-grade" gold mineralization in and around altered andesite dykes that are known to cut an extensive stratabound zone of weakly Au,Ag,Pb,Zn, mineralized volcanic breccias. It is looking for a feeder system with sufficient tonnage and grade to develop a large, low-grade, bulk mineable deposit.

GALLEON
- AGC Americas Gold Corp has announced acquisition of "100% interest in certain mineral claims on Southern Vancouver Island". This is the Galleon property. It hasn't announced where as it is still staking. The company is required to spend \$115,000 the first year and \$225,000 the second. The company has a private placement in place to cover costs.

MYRA FALLS
- Westmin Resource's Myra Falls Operation has been shut down by a strike since Thursday. However, neither side expect it to last very long. The company and union are agreed on most of the contentious points.

LAND-USE:

- LUCO has, as expected, recommended that Joffre, Sechelt Inlets, Coquihalla Canyon and Lake Lovely Water recreation areas be made into parks. Interestingly though, it has deferred any decision on Cascade

INTEROFFICE MEMORANDUM

Created: 17-Sep-1997 10:00am PDT
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Subject: SOUTHWESTERN REGION MONTHLY REPORT: SEPTEMBER II

EXPLORATION:

QUET - Mount Hope Resources in half way through a 3,000 metre drill program on the Hotspring (Quet) property on Sloquet Creek north of Harrison Lake. It appears to be having some success in locating "high-grade" gold mineralization (found with trace galena and sphalerite) in quartz veins and stockworks in steep, north to northwesterly trending, structures that host syn to post mineral andesite dykes. Noranda drilled between the structures in the late 1980's and located "low-grade" gold (<1.0 g/t) in pyritic, stratabound, felsic volcanic breccia. No assays yet but one impressive looking 12.5 metre intercept. If the model holds, it opens up a considerable area for future exploration (Visited).

Knob Hill - First Choice Industries has just about finished its drill program at Knob Hill, near Holberg. It has identified two principal mineral zones; a "porphyry copper" zone and peripheral "gold zone". It is now stepping out 2-5 km to test geophysical targets identified in its airborne survey. No assays released yet but it is "very pleased" with the results. (Visit planned for later this week).

TAY - Dalmation Resources has started drilling on the Tay property, west of Sproat Lake. It is looking for gold in quartz-carbonate veins in shears that splay off a major structure that runs up the lake. It has drilled one geological target near the road (without success) and plans to test two other target areas identified as a result of last year's airborne and this year's IP geophysical surveys.

- One of the prospectors on the grant program has located gold and zinc mineralization in a shear zone near the head of Birkenhead Creek.

LAND-USE:

- More concerns over road deactivation in the Kennedy River area. Several requests for info on drainages throughout Lower Mainland and Vancouver Island.

TOS →
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Van.