

TGS → Reg. Mgr.  
- Nanaimo  
92F319  
886734  
Quinsam Coal

**Schroeter, Tom EM:EX**

**From:** Hall, Ted EM:EX  
**Sent:** Friday, December 11, 1998 11:56 AM  
**To:** Alvarez, Jorge; Anderson, Duane; Beresford, Eric; Bergen, Wally; Beswick, Ed; Booth, Richard; Braidwood, Brian; Brown, Derek; Carriere, Greg; Carter, Tom; Cheetham, Pat; Conte, Rick; Curtis, Ross; Eaton, Tim; Errington, John; Finvers, Maija; Forster, Patti; German, Gerald; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Koncohrada, Karen; Lefebure, Dave; Lewis, Jim; Lieutard, Denis; Logan, Claudia; Ludwig, Allan; Marsman, Talitha; McArthur, Gib; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Pinsent, Robert; Readshaw, Kerry; Rennie, Lorna; Schmitt, Rolf; Schroeter, Tom; Smyth, Ron; Starkes, Terri; Stewart, Linda; Whale, Andrew; White, Don; Wishlow, Wayne  
**Subject:** Southwest Region Update - December 11, 1998

**ISSUES:**

- The Regional District of Nanaimo has terminated its contract with the Aggregate Study consultant due to poor performance, which will further delay resolution of outstanding land use issues in the region. MEM is working with RDN to ensure that industry and provincial government interests are considered in any new study.
- Zoning issues related to quarry operations on Sumas Mountain remain unresolved following a City of Abbotsford public meeting on Dec. 7th, where supporters for the quarries apparently outnumbered opponents. In the meantime, MEM is receiving complaints about blasting in the Whispering Pines quarry, which are unsubstantiated by seismic records.
- The Fraser Valley Regional District has appealed to the ministry to withhold permit approval for the Lake Erroch gravel pit expansion pending a decision in the FVRD v. Steelhead Aggregates litigation. MEM is responding that the litigation is a separate issue from permitting and that Mines Branch must continue to exercise its mandate to process the application.
- The Englishman Aggregates review committee held its second meeting, and made further progress towards resolution of technical issues. The committee reviewed public consultation activities to date, but did not support calls for an additional public "media event". This decision will likely force additional political pressure from the public.
- BC Assets and Land Corp. are seeking to have a proposed mineral lease application by Northwest Landscape Supply Ltd. for their Spumoni basalt quarry held in abeyance pending an approval decision on the Garibaldi Alpen mountain resort. Further discussions with BCAL, MTB and Mines Branch required.
- Processing of mineral exploration approvals in the Clayoquot Sound region continues to be frustrated by delays in First Nation consultation processes.

**FYI:**

Quinsam

Quinsam Coal Corp. have advised that they are preparing mine plan and reclamation program submissions for expansion into the 3 North zone. The development will involve a combination of open pit and underground mining methods.

Texada  
I.S.

Tilbury Cement have indicated plans to re-activate their old limestone quarry near Blubber Bay, and also to begin detailed drilling and preparation of an Environmental Assessment Act application for a new 2-million tpy quarry on the west side of Texada Island.

Ted Hall

TJR → Reg. Mgr  
- Nanaimo

**Schroeter, Tom EM:EX**

**From:** Hall, Ted EM:EX  
**Sent:** Friday, December 03, 1999 12:26 PM  
**To:** Adams, Rick; Anderson, Duane; Bergen, Wally; Beswick, Ed; Booth, Richard; Braidwood, Brian; Brown, Derek; Carriere, Greg; Carter, Tom; Cheetham, Pat; Conte, Rick; Curtis, Ross; Eaton, Tim; Errington, John; Finvers, Maija; German, Gerald; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jakobsen, Dorthe; Jorgensen, Sharon; Koncohrada, Karen; Lefebure, Dave; Lewis, Jim; Lieutard, Denis; Logan, Claudia; Ludwig, Allan; McArthur, Gib; McKillop, Greg; McLaren, Graeme; Munzer, Rosa; Phelan, Bill; Pinsent, Robert; Readshaw, Kerry; Rennie, Loma; Schmitt, Rolf; Schroeter, Tom; Smyth, Ron; Starkes, Terri; Stewart, Linda; Taje, Eddy; Whale, Andrew; White, Don; Wishlow, Wayne  
**Subject:** Southwest Region Update - December 2, 1999  
**Sensitivity:** Private

**ISSUES:**

- The Squamish-Lillooet Regional District has received legal advice that they can regulate reclamation and landfill operations on the Britannia Mine site through zoning regulations, which has thrown uncertainty on the proposed Britannia remediation project and jeopardized the required financial investment. Copper Beach Estates may seek a Supreme Court ruling before proceeding further with the project.
- Another unpermitted gravel pit operation has been discovered - this time in Powell River (Wildwood). A stop work order is being served on the owner.

**FYI:**

- 555 Corporate Ventures (International Metals Research) completed a small test run (<500 tonnes) of stockpiled ore through the pilot mill at the Bolivar mineral property on Texada Island. A larger approved bulk sample program will likely be delayed until January pending further work on the mill.
- Although it was reported in the media that the BC Supreme Court has extended Quinsam Coal Corporation's protection from creditors to January 15, 2000, Quinsam's application for extension has actually been deferred to December 16th for decision.
- Tercon Aggregates Ltd. have filed a Notice of Work for a 5 million tonne per year gravel pit on the Muir Creek property about 10 km west of Sooke. Gravel would be shipped by barge to American markets. The applicant has been referred to the Environmental Assessment Office, and a pre-application meeting will likely be scheduled in December.

*Ted Hall*  
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Ministry of Energy and Mines  
Nanaimo  
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QUINSAM <sup>TJR</sup>  
- "The Province" - Jan. 14/00  
→ raising prod. to  
600,000 t to meet incr.  
demand from trad. West Coast  
customers + overseas

TOS → Reg Mar  
- Nanaimo

**Schroeter, Tom EM:EX**

**From:** Randall, Alf EM:EX  
**Sent:** Monday, March 05, 2001 10:01 AM  
**To:** Adams, Rick EM:EX; Anderson, Duane EM:EX; Bergen, Wally EM:EX; Beswick, Ed EM:EX; Booth, Richard EM:EX; Braidwood, Brian EM:EX; Brown, Derek EM:EX; Carr, Chris EM:EX; Carter, Tom EM:EX; Cheetham, Pat EM:EX; Cochrane, Marlene EM:EX; Conte, Rick EM:EX; Curtis, Ross EM:EX; Errington, John EM:EX; Finvers, Maija EM:EX; Forster, Patti EM:EX; German, Gerald EM:EX; Guthrie, Shelley EM:EX; Hermann, Fred EM:EX; Hesketh, Joan EM:EX; Hoffman, Al EM:EX; Houle, Jacques EM:EX; Jakobsen, Dorthe EM:EX; Jansen, Penny EM:EX; Jorgensen, Sharon EM:EX; Koncohrada, Karen EM:EX; Lefebure, Dave EM:EX; Lewis, Jim E EM:EX; Lieutard, Denis EM:EX; McArthur, Gib EM:EX; McKillop, Greg EM:EX; McLaren, Graeme EM:EX; Munzer, Rosa EM:EX; Phelan, Bill EM:EX; Pinsent, Robert EM:EX; Readshaw, Kerry EM:EX; Reid, Beth AG:CE; Reid, Bruce EM:EX; Rennie, Loma EM:EX; Schmitt, Rolf EM:EX; Schroeter, Tom EM:EX; Sedun, Thom EM:EX; Smyth, Ron EM:EX; Starkes, Terri EM:EX; Stewart, Linda EM:EX; Taje, Eddy EM:EX; Whale, Andrew EM:EX; White, Donald AG:EU; Wishlow, Wayne EM:EX; Logan, Claudia EM:EX; Carriere, Greg EM:EX  
**Subject:** RE: Southwest Region Update: February 19 to March 4, 2001

**ISSUES**

- **Hills Bar Placer Gravel Proposal** - Project is still moving ahead steadily. We are working closely with MEM Aboriginal Affairs group to develop a satisfactory working relationship with the Yale Nation. DFO have indicated strong opposition to this proposal even though there are no creeks crossing the proposed work area and it is located across the CN Mainline from the Fraser River.
- **Safety and Trespass on Gravel Pits** - We are seeing a number of cases of motorbikers taking over gravel pits in the Nanaimo area on weekends despite warning signs and fencing. Greg reports up to 30 bikers in a couple of pits this past weekend. RCMP are not responding. There is a concern that breach of signage, fencing and gates by trespassers does not absolve the owners of liability.

Sable R.  
Quinsam  
FYI

Quinsam Coal is experiencing considerable local demand for its product for heating and small scale power generation from greenhouses, pulp mills and operations like Sumas Shale. Hillsborough have requested reactivation of the bulk sample permit for the Sable River deposit.

- Ed Taje has conducted Safety Training at Quinsam and was involved with a geotechnical audit at Myra Falls with Paul Elkins.
- Ted Hall will be back from his holiday to Oz next Monday, March 12.

Alf Randall  
District Manager/Engineer  
MEM Nanaimo  
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**Schroeter, Tom EM:EX**

TGS → R.G.  
- Nanaimo

**From:** Houle, Jacques EM:EX  
**Sent:** Friday, June 01, 2001 1:39 PM  
**To:** Hall, Ted EM:EX  
**Cc:** Carriere, Greg EM:EX; Jakobsen, Dorthe EM:EX; Reid, Bruce EM:EX; Randall, Alf EM:EX; Taje, Eddy EM:EX; Wishlow, Wayne EM:EX; Lane, Bob EM:EX; Cathro, Mike EM:EX; Terry, David EM:EX; Wojdak, Paul EM:EX; Smyth, Ron EM:EX; Lefebure, Dave EM:EX; Massey, Nick EM:EX; Brown, Derek EM:EX; McArthur, Gib EM:EX; Pinsent, Robert EM:EX; Schroeter, Tom EM:EX  
**Subject:** Houle Weekly Report for May 19-31, 2001  
**Sensitivity:** Confidential

**Prospectors Assistance Program:**

- **Prospector Grantee List:** The following 11 prospectors awarded grants in the SW region for 200 have been notified verbally, (and all but 2 of unsuccessful applicants as well), with planned projects as follows:
  - P.4 - Arnd Burgert, P.Geo. - Lorax Cu-Zn-Ag-Au massive sulphide project, Powell River area
  - P.6 - David Haughton, P.Geo. - Jason Ni-Cu-PGE project, Harrison Lake area
  - P.14 - Gary Thompson, P.Geo. - Soogabb Ni-Cu-PGE project, Jordan River area
  - P.15 - Jeffery Bucove, prospector - Elven Au-Quartz vein project, Leech River area
  - P.16 - David Pawliuk, P.Geo. - Karmutsen Ni-Cu-PGE project, Zeballos area
  - P.17 - Daniel Epp, prospector - Hagensborg-Bella Coola area porphyry Cu-Mo-Au project
  - P.53 - Murray McClaren, P.Geo. - Sable Ni-Cu-PGE project, Harrison Lake area
  - P.68 - Dan Blower, prospector - Philips/Klinaklini porphyry Cu-Mo-Au projects, Central Coast area
  - P.75 - Murray Halliday, prospector - Hope area Ni-Cu-PGE project
  - P.91 - Mikkel Schau, P.Geo. - Schoen Lake/Cowichan Lake Ni-Cu-PGE projects
  - P.102 - Peter Ronning, P.Geo. - Narrows Inlet Cu-Zn-Ag-Au massive sulphide project, Sunshine Coast area
- **Bucove P.15 Leech River Area Elven Au-Quartz Vein Project** - site visit completed on May 31 to 4-claim Elven project, situated along the NW-SE trending contact zone of the Colquiz Gneiss (to the NE) and the Leech River Schist (to the SW), and near the headwaters of Criss Creek, a placer gold bearing tributary of the Leech River; the claims are bisected by continuous bedrock exposure along Criss Creek, where swarms of E-W and NE-SW trending quartz-pyrite-graphite stringers cut the consistently NW-SE trending Leech River Schist; one sample was taken from a sheared, 0.5m. thick, E-W trending vein for multi-element analysis; many exploration ideas for gold quartz veins were also mentioned to Jeff during the visit.

**Mineral Exploration Activity:**

- **2001 Activity Forecast:** Progress continued on updating forecast, with most industrial mineral explorers yet to be polled.
- **Hillsborough Campbell River Area Quinsam Coal Operation:** For the first time since 1997, Quinsam is planning to undertake minesite exploration in 2001, consisting of 2500 meters of drilling in 24 holes around in the mine area to expand coal reserves for anticipated expenditures of \$350,000; possible coal bed methane exploration is also being planned for 2001.
- **Leader Mining Harrison Lake Area Cogburn Ni-Cu-PGE Project:** Leader optioned the Cogburn property from Chapman/Carlson, and is planning to spend \$100,000 in 2001 on geology, rock/soil geochemistry and ground geophysics.
- **Eagle Plains Harrison Lake Area Harrison Gold Project:** Eagle Plains is planning to complete data compilation and airborne geophysics in 2001 (pending the status of a joint survey with PGE explorers in the area), and to incur \$30,000.
- **Tueton/Minveta Harrison Lake Area Roman/Andy Ni-Cu-PGE Projects:** Tueton planning primarily geochemical rock sampling in 2001, and expenditures of \$25,000.
- **Northstar Texada Island Dude Porphyry Cu-Mo-Au Project:** Northstar has allegedly obtained recent bedrock sampling results yielding up to 4 g/t Au, 1300 ppm Cu and 3500 ppm Mo from intrusive rocks on its Dude project; geology work and bulk sampling on both the Dude and nearby Tak gold quartz vein project are planned for 2001, with expenditures of \$20,000.
- **SYMC Dauntless Skarn Cu-Ag-Au Project:** Sample results received from 2 samples taken early in 2001 from rock dumps / outcrops, one of which yielded >10% Cu, >100g/t Ag, 6.4g/t Au, and anomalous values in Zn, Ni, Co, As, Cd, Sb, Bi & Hg.

Schroeter, Tom EM:EX

TGS → RG  
- Murchison

**From:** Houle, Jacques EM:EX  
**Sent:** Thursday, August 16, 2001 3:46 PM  
**To:** Hall, Ted EM:EX  
**Cc:** Carriere, Greg EM:EX; Jakobsen, Dorthe EM:EX; Randall, Alf EM:EX; Reid, Bruce EM:EX; Taje, Eddy EM:EX; Wishlow, Wayne EM:EX; Pinsent, Robert EM:EX; Schroeter, Tom EM:EX; Cathro, Mike EM:EX; Lane, Bob EM:EX; Terry, David EM:EX; Wojdak, Paul EM:EX; Smyth, Ron EM:EX; Lefebure, Dave EM:EX; McArthur, Gib EM:EX; Massey, Nick EM:EX; Brown, Derek EM:EX  
**Subject:** Houle Weekly Report for August 10 - 16, 2001  
**Sensitivity:** Confidential

**Prospectors Assistance Program:**

- **David Haughton P.6 Harrison Lake Area Jason Cu-Ni-PGE Project Update:** Met with David on August 10 in the lapidary room at the Victoria G.S.B. offices where he was cutting and polishing rocks from the Jason project; although planned expenditures are completed, David will likely return briefly to the Shake Cutters area for additional prospecting, probably after receipt of the anticipated geophysical report from David Marks.
- **Mikkel Schau P.91 Schoen Lake Area Kringle Cu Skarn and Flan Epithermal Au Projects:** Met with Mikkel on August 10th in the lapidary room at the Victoria G.S.B. offices where he was cutting rocks from the Kringle and Jason projects; more prospecting will be completed on both targets after anticipated consulting work for Mikkel in the Tulameen area; brief visit completed to Kringle occurrence on August 13th with Tom Schroeter.
- **Dan Epp P.17 Bella Coola Area Cu-Zn-Au-Ag Project Update:** Visit planned August 20-21 with Tom Schroeter to Dan's project area, along with a visit with Larry Diakow (GSB), Bert Struik (GSC) to the Nifty and Keen VMS occurrences.

**Mineral Exploration Activity:**

- **Quinsam Coal Campbell River Area Quinsam East Coal Project Update:** Notice of work received/referred for 5 hole, 1650m exploration drilling program, which combined with Quinsam Mine Project, will incur expenditures of \$500,000 in 2001.
- **Hillsborough Buckley Bay Area T'sable River Coal Project Update:** Visit completed on August 13th with Tom Schroeter and Mines Branch representatives to future site of twin underground declines and 90,000 tonne bulk sampling project at the T'sable River Coal Project; anticipated project expenditures for 2001 are \$2 million, including capital costs; tentative combined underground visits to T'sable River and Quinsam planned in the fall.
- **Cumberland Surface Coal Dump Fire Site Visit:** Brief visit completed on August 13th with Tom Schroeter and Mines Branch representatives to reclaimed site of surface coal dump fire near Cumberland; klinker breccia sample taken for interest.
- **Priority Ventures Courtenay Area Dove Creek Coal Project Update:** Visit completed on August 13th with Tom Schroeter and Mines Branch representatives to all three widely spaced surface drill sites, where an aggregate of 1271m of drilling was completed in July-August to test coal seams in the Comox Formation; visit also completed to core storage facility in Courtenay to review selected coal seam and Karmutsen basement rock intercepts; estimated expenditures in 2001 on the project are \$450,000; Gwyneth Cathyl-Bickford, Project Manager, was invited to submit a paper for Part B of Exploration and Mining in B.C. - 2001.
- **Newmex Zeballos Area Privateer Gold Project Update:** Visit completed on August 14th with Tom Schroeter, along with Kieran Downes of Marksman Resources, to Privateer Mine and surface plant, as well as to the surface showings of the White Star and Prident past producers; hopefully, possible future participation in the Zeballos area by Marksman will result?!; several grab samples of vein and replacement ore were obtained from the Privateer coarse ore dump from recent development drifting, also a vein grab sample from the old Prident mine dump was obtained; estimated expenditures to date in 2001 are \$150,000.
- **Boliden Campbell River Area Myra Falls VMS Mine Update:** Visit completed on August 15 with Tom Schroeter to selected underground headings in the HW Mine, and to the 4th Level of the Price Mine; also reviewed selected exploration/definition drill core intercepts which yielded the following assays:
  - **Ridge West Zone** - 30 degree core angle intercept in hole LX10-2054 of 9m. @ 1.5%Cu, 1.6%Pb, 13%Zn, 2.5g/tAu, 208 g/tAg.
  - **Price Zone** - 90 core angle intercept in hole PR04-0203 of 10.1m. @ 1.4%Zn, 3.2%Pb, 12.5%Zn, with Au, Ag results pending.

Several ore grab samples were obtained from the various underground headings; Mine productivity, exploration success and staff moral at the Myra Fall Operation are all very high; unfortunately, metal prices, power costs and

Exp'n exp. in '01 expected < \$2.1m budget

gold recoveries - extremely challenging!

Schroeter, Tom EM:EX

TOS → Reg. 1  
- Nana!

**From:** Hall, Ted EM:EX  
**Sent:** Friday, February 08, 2002 2:08 PM  
**To:** Anderson, Duane; Beckett, Carla EM:EX; Bergen, Wally; Beswick, Ed; Booth, Richard; Carr, Chris; Carriere, Greg; Carter, Tom; Cheetham, Pat; Conte, Rick; Curtis, Ross; Errington, John; Finvers, Maija; Forster, Patti; German, Gerald; Guthrie, Shelley; Hermann, Fred; Hoffman, Al; Houle, Jacques; Jakobsen, Dorthe; Jansen, Penny; Jorgensen, Sharon; Koncohrada, Karen; Lefebure, Dave; Lewis, Jim; Lieutard, Denis; Logan, Claudia; McArthur, Gib; McKillop, Greg; McLaren, Graeme; Munzer, Rosa; Murphy, Maureen EM:EX; O'Rourke, Patrick; Phelan, Bill; Pinsent, Robert; Puggioni, Giovanni WLAP:EX; Randall, Alf; Reid, Bruce; Rennie, Loma; Schmitt, Rolf; Schroeter, Tom; Sedun, Thom; Smyth, Ron; Stewart, Linda; Taje, Eddy; Thomas, Hayley EM:EX; Whale, Andrew; White, Don; Wishlow, Wayne  
**Subject:** Southwest Region Update - February 8, 2002

**ISSUES:**

- Leader Mining is moving quickly on production feasibility studies for a 120,000 tonne per year high-purity magnesium mine at their Cogburn Magnesium Project near Harrison Lake. A pre-application meeting was held this week with Leader and the Environmental Assessment Office. Leader is also pushing hard to get their 2002 clear-cutting, road building and drilling program approved on a tight schedule, which is causing pressure due to Ministry of Forests referrals process and First Nations consultation requirements (see below).
- Confusion over consultation requirements with member bands of the Sto:lo Nation, and overlapping consultation processes of MEM and the Ministry of Forests, have resulted in strong representations from the Chehalis and Cheam Indian Bands over MEM's referral of the Cogburn 2002 drilling program application. The referrals were made on an "Information Only" basis, based upon responses from the umbrella Sto:lo Nation and ongoing detailed consultations by MOF on logging activities in the project area. Cheam Band has written to the Minister of MEM calling for full consultation, and the Chehalis Band has presented a January 2002 "Cultural Heritage Resources Policy" which they expect MEM to comply with. The issue has been forwarded to ARB for further review and direction.
- An on site inspection and meeting of local residents, government agencies and the Cowichan Valley Regional District was organized by MEM at the Shawnigan Gravel Supplies Ltd. Owl Road gravel pit in Shawnigan Lake, in response to opposition and threats of legal action by neighbouring property owners if a proposed pit expansion is approved. Major issues discussed included noise impacts, sedimentation of downstream watercourses and outstanding reclamation of steep pit walls. The meeting proved to be a positive communications exercise, and progress was made on identifying options for addressing key concerns - a credit to G. Carriere.
- A DO at Mainland Sand and Gravels's Cox Station Quarry near Abbotsford involved fly rock from a small blast striking nearby equipment. No injuries were reported, and corrective measures have been put in place to prevent a reoccurrence.
- Quinsam Coal Mine also reported a DO, when the main underground ventilation fan went down with a burned out fan motor. All workers were withdrawn from the mine, and a spare fan has now been activated to allow partial operations pending reactivation of the main fan.

**FYI:**

- Polaris Minerals Corp. have pulled out of the Bella Coola Aggregate Project and are now focusing all efforts on the Alberni Aggregate Project at Macktush Creek, near Port Alberni. The company proposes a 3 to 6 million tonne per year bulk tonnage aggregate quarry operation and deep sea loadout facility on the Alberni Inlet, to serve markets in Pacific coastal cities. A pre-application site familiarization visit and meeting of the VIMDRC is being scheduled for the first week of March.
- David Slater, President and CEO of Hillsborough Resources Ltd., is scheduled to meet with MSRM Minister Stan Hagen on February 18th to discuss the potential for a 35 MW coal-fired power plant at the Quinsam Coal Mine, as well as the development of Coalbed Methane resources at the Quinsam and T'Sable River coal properties.

Aggregate

Ted Hall  
- Quinsam  
- T'Sable R.

Schroeter, Tom EM:EX

VBS → Reg. Mgr.  
- Nanaimo

**From:** Hall, Ted EM:EX  
**Sent:** Friday, June 07, 2002 5:17 PM  
**To:** Anderson, Duane; Bergen, Wally; Beswick, Ed; Booth, Richard; Carr, Chris; Carriere, Greg; Cheetham, Pat; Conte, Rick; Curtis, Ross; deleted 020410 - Beckett, Carla EM:EX; Erington, John; Finvers, Maija; Forster, Patti; German, Gerald; Guthrie, Shelley; Hermann, Fred; Hoffman, Al; Houle, Jacques; Jakobsen, Dorthe SRM:EX; Jansen, Penny; Jorgensen, Sharon; Koncohrada, Karen; Lefebure, Dave; Lewis, Jim; Lieutard, Denis; Logan, Claudia; McArthur, Gib; McKillop, Greg; McLaren, Graeme; Munzer, Rosa; Murphy, Maureen EM:EX; O'Rourke, Patrick; Phelan, Bill; Randall, Alf; Reid, Bruce; Rennie, Lorna; Schmitt, Rolf; Schroeter, Tom; Sedun, Thom; Smyth, Ron; Stewart, Linda; Taje, Eddy; Thomas, Hayley EM:EX; Whale, Andrew; White, Don; Wishlow, Wayne  
**Subject:** Southwest Region Update - June 7, 2002

**ISSUES:**

- Although regional MEM staff previously responsible for inputting mineral resource tenure information and MEM interests to land use planning processes now reside in the Ministry of Sustainable Resource Management, we are seeing increasing requests from MSRM to participate in planning processes (e.g. Clayoquot Watershed Reserve Plans, Sea-to-Sky LRMP, Vancouver Island East Coast SRMP, Provincial Resource Information workshops, etc.). This suggests that MSRM is not equipped to fully represent MEM interests, however in the Southwest at least, regional resources to participate in these activities do not exist. Is it time to tell the mining sector and MSRM that they are on their own??
- The North American Commission for Environmental Cooperation (NACEC) is investigating a complaint by the Sierra Legal Defense Fund that the Government of Canada has failed to enforce the provisions of the *Fisheries Act* to prevent destructive environmental impacts on fish habitat at Britannia, Mount Washington and Tulsequah Chief. As part of the preparation of a "factual record" on the Britannia Mine by the NACEC, members of the commission will be interviewing T. Hall on June 12th to determine MEM's role in the clean-up of the mine site. It appears that the federal government has pointed to the province as a key player in the environmental regulation of the mine. See details at <http://www.cec.org/citizen/submissions/details/index.cfm?varlan=english&ID=41>
- A pre-application site tour and meeting for the Leader Mining/Cogburn Magnesium Project was organized by the Environmental Assessment Office and was well attended by provincial and federal government agencies. In spite of the first hand site assessment by federal participants, it is still not clear whether or not the *Canadian Environmental Assessment Act* will be triggered, which would require a Comprehensive Study to be done. A Comprehensive Study requirement would likely kill the project, as Leader needs a fast-tracked approval decision by the end of 2002 in order to take advantage of an increasing demand for high quality magnesium in the auto industry.

**FYI:**

- **Hillsborough Quinsam East Campbell River Area (MINFILE 092F319) Coal/CBM Project Update:** Hillsborough is planning a 5 hole, 2000 m. exploration drilling program at Quinsam East targeting both coal and coal bed methane, with \$500,000 budgeted for 2002; this includes 3 conventional core holes with desorption testing of core, and if that is successful, 2 fully cased coal bed methane test holes; Hillsborough is looking for a funding partner for the C.B.M. portion of the project; they are not planning any exploration at the Quinsam Mine in 2002; they are also negotiating with Weldwood to defer the expenditure commitments for the T'Sable River project, with view to completing a more systematic exploration program on the T'Sable River property; former contract geologist Stephen Gardner has been appointed Director of Exploration for Quinsam Coal Corporation.
- **Malaspina College Geological Presentation June 19:** J. Houle will present a geological overview of the mineral deposits of Vancouver Island on June 19 at Malaspina college, primarily for visiting geology students from Mexico; this may provide an opportunity to include presentations from others as well, and possibly to make it into an inaugural meeting of the Vancouver Island Exploration Group (VIX) which Jacques has been promoting; plans in progress.

**Ted Hall**  
Regional Manager (Southwest)  
Mining Division

YES → RG  
-Nana

**Schroeter, Tom EM:EX**

**From:** Houle, Jacques EM:EX  
**Sent:** Friday, July 26, 2002 1:40 PM  
**To:** Hall, Ted EM:EX  
**Cc:** Carriere, Greg EM:EX; Randall, Alf EM:EX; Reid, Bruce EM:EX; Taje, Eddy EM:EX; Wishlow, Wayne EM:EX; Jakobsen, Dorthe SRM:EX; Schroeter, Tom EM:EX; Cathro, Mike EM:EX; Lane, Bob EM:EX; Terry, David EM:EX; Wojdak, Paul EM:EX; Lefebure, Dave EM:EX; McArthur, Gib EM:EX; Grant, Brian EM:EX; Logan, Jim EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Ryan, Barry EM:EX  
**Subject:** Houle 4-week Report for June 24-July 25, 2002  
**Sensitivity:** Confidential

**Industry Activity:**

RG

- **Preliminary 2002 Activity Forecast for Southwest Region:** Initial tally of 2002 exploration project expenditures in the Southwest Region is about \$6.5 million, including 10 major projects >\$100,000 each, compared with \$3.5 million and 8 major projects in 2001; however, the 2002 forecast includes \$2 million for 2 projects for which funding is pending, plus \$1.2 million for 2 coal bed methane and/or coal exploration projects; placer projects (few and all small) and sand and gravel projects (many and poorly documented) are not considered in the forecast; Myra Falls is forecasting nil exploration expenditures for 2002.
- **Beau Pre Explorations/First American Scientific Sooke Area Valentine Mountain Au-Ag Project Update:** Pending completion and acceptance of permit requirements, upgrading and installation of the Micronex 40 tpd mill on site is planned over the next few week to process up to 5000 tonnes of Au-Ag bearing quartz vein material from surface trenches at the Valentine Mountain (MINFILE 092B012) project; expenditures of \$100,000 are planned for 2002 in this project.
- **Garry Pearson/Emerald Field Resources Port Renfrew Area Nabay/Ran/Ultra Cu-Ni-PGE Project Update:** In late June, Emerald Field Resources of Kenora, Ontario completed an option agreement with Garry Pearson of Port Renfrew and Perry Heatherington of Emerald Field recorded 343 units in 25, 4-post mineral claims to surround Garry's existing 2-post claims as of June 29; Emerald Field's plans for 2002 are not known at this time, but contact is expected from Perry soon (presumably when he has completed staking); geochemical results were received from sampling of sulphide mineralization hosted by intrusive rocks on his Princess claim (near Sirdar MINFILE 092C025) and Tod 2 claim (near Reko 3 MINFILE 092C090) yielded up to 3%Cu, 4g/Ag, 595ppmNi, 1709ppmCo, 372ppbAu, 2619ppbHg and 72ppbPd
- **SYMC Port Alberni Area Mactush/Dauntless Au-Ag-Cu Project Update:** Nanoose-based consulting geologist David Pawliuk completed a property summary report to 43-101 standards (at long last) for the Mactush (MINFILE 092F012) and Dauntless (MINFILE 092F168) properties, the results for which were issued in a press release of July 12; at Mactush, undiluted inferred resources for the Fred Vein are 182,982 tons @ 0.695%Cu, 1.42optAg, and 0.36optAu; and for the David Vein are 59,524 tons @ 1.02%Cu, 1.76optAg and 0.47optAu; both are steeply dipping and planar quartz-calcite-sulphide veins 1-2 meters thick that may be amenable to narrow vein longhole mining methods; at Dauntless, undiluted inferred resources for one of the several chalcopyrite-calcite veins are 27,750 tonnes @ 22.3%Cu; further prospecting is planned for Mactush in 2002 (\$20,000) and trenching/bulk sampling is planned for Dauntless (\$80,000); a property visit to Dauntless and possibly Mactush with SYMC president Herb McMaster is planned for July 30.
- **Priority Ventures Courtenay Area Dove Creek CBM/Coal JV Project Update:** Priority is finalizing a joint venture agreement with an Alberta-based company for exploration and development of the Dove Creek project; this will include a \$1 million, 3 hole drilling program targeting primarily CBM potential; Priority has also acquired 5000 acres surrounding the former Suquash Coal Mine (MINFILE 092L067) near Port McNeil, and is planning a \$160,000, 3 hole coal and/or CBM drilling program this winter.
- **Hillsborough/Texas Canadian Ventures Campbell River Area CBM/Coal JV Project Update:** Lubbock, Texas based Texas Canadian Ventures Inc. completed a joint ventures agreement with Hillsborough Resources to evaluate and develop Hillsborough's Campbell River area coal deposits as per a press release of July 3; the Quinsam Airport/East project (MINFILE 092F319) is expected to see \$500,000 in expenditures in 2002, including a 5 hole, 2000m. exploration drilling program targeting both CBM and coal; at T'Sable River, Hillsborough is planning a \$1 million, 18 hole Coal/CBM exploration program on the northern portion of the T'Sable River project (MINFILE 092F333) near Courtenay, conditional on receiving a time extension for exploration commitments from tenure vendor Weldwood; this program may proceed in 2002 if there is sufficient time prior to the rainy (fall) season; Hillsborough has also announced plans to construct a 49.9 MW coal-fired power plant near the Quinsam Coal Mine.

Quinsam



**Schroeter, Tom EM:EX**

09 → RG  
— Nanaimo

**From:** Houle, Jacques EM:EX  
**Sent:** Thursday, September 26, 2002 4:43 PM  
**To:** Hall, Ted EM:EX  
**Cc:** Carriere, Greg EM:EX; Randall, Alf EM:EX; Reid, Bruce EM:EX; Taje, Eddy EM:EX; Wishlow, Wayne EM:EX; Jakobsen, Dorthe SRM:EX; Schroeter, Tom EM:EX; Cathro, Mike EM:EX; Lane, Bob EM:EX; Terry, David EM:EX; Wojdak, Paul EM:EX; Lefebure, Dave EM:EX; Grant, Brian EM:EX; McArthur, Gib EM:EX; Logan, Jim EM:EX; Simandl, George EM:EX; Ryan, Barry EM:EX; Webster, Ian EM:EX  
**Subject:** Houle Weekly Report for September 21-26, 2002

**Industry Activity:**

- **Exploration Activity Forecast Update:** Interim 2002 exploration activity forecast for the Southwest Region revised downwards to \$4.075 million as a result of several canceled/deferred field programs, some of which are updated below; the number of major projects (>\$100,000) is reduced from 13 to 12; coal/coal bed methane projects have the greatest expenditures (\$1.98 million on 4 projects), followed by magmatic Cu-Ni-PGE (\$850,000 on 5 projects), industrial minerals (\$445,000 on 8 projects), magmatic Mg (\$415,000 on Cogburn project), dimension stone (\$315,000 on 3 projects) and \$370,000 on combined vein/porphyry/skarn projects.
- **Significant New Claim Group Compilation:** Compilation initiated to identify significant (>4 claim units) claim groups staked or enlarged in 2002 within the Southwest Region, with a view to identifying potential property positioning by prospectors/companies for 2003; 2 of the 5 most active map sheets for new coal tenures in the province are 092F and 092L which cover portions of the Cretaceous Nanaimo sedimentary basin and several developed coal prospects on eastern Vancouver Island; 5 new coal license groups were staked by different operators during the year, many of whom are targeting both coal and coal bed methane, including:
  - **Hamilton Lake:** Trent River Coal acquired 4 licenses covering the Hamilton Lake developed prospect MINFILE 092F313 near Cumberland, and also acquired 1 license adjacent to Weldwood's T'Sable River Project MINFILE 092F333.
  - **Anderson Lake:** 634284 BC Ltd. acquired 3 licenses covering the Anderson Lake developed prospect MINFILE 092F317 west of Courtenay, and also acquired 1 license adjacent to the Priority Ventures / Action Energy Dove Creek JV property.
  - **Chute Creek:** Briden Holdings Inc. acquired 5 licenses covering the Chute Creek developed prospect MINFILE 092F316 near Campbell River.
  - **Quinsam Coal:** Quinsam Coal Corporation acquired 10 licenses along the coast east of the Quinsam Mine and due south of Campbell River.
  - **Squash:** Priority Ventures Ltd. acquired 9 licenses covering the Squash past producer MINFILE 092L067 between Port McNeil and Port Hardy.

COAL

There have been many very active map sheets for new mineral tenures in the Southwest Region in 2002, particularly 092H, 092J and 092G (Lower Mainland), and 092C, 092F and 092L (Vancouver Island); 70 significant (> 4 mineral claim units) new or enlarged mineral claim groups have been identified; many of these have been described in previous weekly reports, but more data will be obtained from the tenure holders as they are contacted during the next month.

SAFE CK

**Priority Ventures Ltd. / Forum Development Corp. / Gosfield Associates Corp. Nanaimo CBM/Coal JV Project Update:** Priority reports that it has established a joint venture to target coalbed gas, coal-mine gob gas and conventional natural gas in the Nanaimo Basin, allocating about \$250,000 for the project in 2002 to consist mainly of compilation and acquisition.

T'Sable River

• **Hillsborough Resources / Weldwood Coal Courtenay Area T'Sable River Coal Project Update:** Hillsborough Resources reports that the joint venture agreement with Weldwood has expired without successful renegotiation, and therefore no work is planned for the project this year; an 18-hole, \$1,000,000 exploration drilling program was planned conditional on renegotiation.

• **Quinsam Coal / TCV Campbell River Area Quinsam East CBM/Coal JV Project Update:** Quinsam reports that due to delayed title search by TCV, it is likely that no work will be completed at the Quinsam East project as planned; a 5-hole, \$500,000 exploration drilling program was planned, and has been re-allocated as conditional for the 2002 activity forecast.

Schroeter, Tom EM:EX

VGS → RG  
- Nandini

**From:** Houle, Jacques EM:EX  
**Sent:** Thursday, October 24, 2002 3:43 PM  
**To:** Hall, Ted EM:EX  
**Cc:** Carriere, Greg EM:EX; Randall, Alf EM:EX; Reid, Bruce EM:EX; Taje, Eddy EM:EX; Wishlow, Wayne EM:EX; Cathro, Mike EM:EX; Lane, Bob EM:EX; Terry, David EM:EX; Wojdak, Paul EM:EX; Schroeter, Tom EM:EX; Lefebure, Dave EM:EX; Grant, Brian EM:EX; McArthur, Gib EM:EX; Logan, Jim EM:EX; Ryan, Barry EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Jakobsen, Dorthe SRM:EX  
**Subject:** Houle Weekly Report for October 19-24, 2002

**Industry/Client Activity:**

- **Boliden-Westmin Campbell River Area Myra Falls Cu-Zn-Ag-Au Mine Update:** Boliden issued 3rd quarter results yesterday stating that both the company and the Myra Falls Operation made a profit during the quarter, as a result of cost-costing and increase productivity; Myra Falls (MINFILE 092F071,-072,-073,-330) reduced operating costs by 20% from 2001 levels, and produced 45% less Cu, 4% less Zn, 9% more Au and 52% more Ag than the 3rd quarter of 2001; all exploration work has been curtailed this year to help with cost-cutting.
- **Hillsborough Resources Campbell River Area Quinsam Coal Mine Update:** Hillsborough issued 3rd quarter results on Tuesday stating that the company achieved profitability during the quarter and the 9 month year to date period; the Quinsam Mine's (MINFILE 092F319) clean coal production for the quarter was 81,339 tonnes, and for the 9 month year to date period was 245,739 tonnes, reflecting increases of 8% and 5% respectively; although production costs increased and sales prices decreased, the company was able to maintain profitability during the quarter by selling rehabilitated mining equipment.
- **Electra Gold Port Hardy Area Apple Bay Kaolin Project Update:** Electra Gold recently reported successful settlement of outstanding debts through issuance of shares, fund-raising of \$300,000 by private placements of flowthrough and non-flowthrough shares, and acquisition of the Apple Bay (MINFILE 092L150,-269,-308) Kaolin-Silica project from Homegold Resources for shares and royalties; Jo Shearer of Homegold will become a director and VP Operations of Electra Gold, and work will proceed as previously indicated on a 550m. diamond drilling program at the Apple Bay project, and mill testing of cored and bulk sampled material from the project.
- **Saxony Explorations Klinaklini River Area Redbreast Project Update:** Saxony Exploration recently reported fund-raising of \$30,000 through private placement, which is earmarked for preliminary exploration of its Redbreast Porphyry Cu-Mo-Au project which covers MINFILE's 092N028,-029,-051,-063 along the east shore of the Klinaklini River.
- **Garex Harrison Lake- Hope Area Magmatic Cu-Ni-PGE Project Update:** Tentative field visit deferred from this week due to other priorities both for George Nicholson of Garex and myself; tentatively will re-schedule trip in early November with George or Dave Deering of Garex; property holders map still pending from George Nicholson, required to complete updated Harrison Lake - Hope Area Cu-Ni-PGEB Belt map with colour-coded mineral tenure draped over aeromagnetic data.

**Government/Ministry Activity:**

- **Vancouver Island Exploration Group Meeting Update:** Inaugural meeting for VIX Group set for October 30, 7-9 pm at the Nanaimo Campus of Malaspina College, Building 355 Room 203 as per the attached notice sent out today; unfortunately, Neil Swift, President of Priority Ventures Ltd, was unable to present something on his company's Coal Bed Methane projects on the island due to personal commitments, but is interested in presenting at a later date, possibly at the next meeting on Dec.4; I will update my presentation entitled "Vancouver Island Mineral Deposits", which will be posted to my directory in the ministry's Orchid I:drive prior to the presentation; notice issued to about 40 local prospectors/explorators, and copied to selected MEM and GSB personnel.
- **Exploration and Mining in British Columbia - 2002 Update:** Cost accounts received from James Marshall of External Relations Branch, commitment received from Bill McMillan for editing, tentative commitment received from Janet Holland of the Geological Survey Branch for desktop publishing, and guidelines issued to authors including proposed timeline for completion prior to the Prospectors and Developers Convention in Toronto mid-March, 3