

(up to 3.1% Cu and 0.25 g/t Au), but still very significant. At Tow, float is higher grade (up to 7% Cu), but is semi-massive and not laminated like the float at Bow or Lottie. Eureka flew an airborne EM and conducted grid-based ground follow-up and soil geochemical sampling over the Bow and Tow areas in 1998. The results from these surveys identified several coincident anomalies that they would like to drill. However, the company has been unable to raise the required capital to conduct the program.

Lottie Creek Placer. On July 5 met Doug Euker on his small placer operation near the Lottie VMS discovery. He claims that he is mining profitably in an area untouched by the oldtimers.

#### Activities:

93A RGS Release. Plotted 95<sup>th</sup> percentile gold values and noted several anomalies off tenured ground: Eureka Peak (north of Frasergold property); Victoria Creek area; Horsefly River area east of Woodjam property; headwaters of Choate Creek. Also, a number of gold anomalies occur along the Beaver Creek drainage. Only two packages sold out of Prince George office.

#### Lane Weekly Report: June 14 - June 24, 1999

#### Mines:

\* Quintette. The Quintette Operating Company announced today (June 24) that it would be laying off 125 employees, reducing the mines workforce to 500. A backlog of coal inventories at the Port in Prince Rupert is being blamed for the layoff. So far in 1998 monthly coal production has averaged approximately 210,000 tonnes; this rate of production would result in 1999 annual production of 2.5 million tonnes. In 1999 1/3 of the production will come from the Little Windy and Big Windy developments at Mount Babcock and the remainder will come from Mesa/Mesa Extension. Decreased production will extend the life of the reserves which are approximately 12 million tonnes for each of the two areas being mined.

\* Bullmoose. Annual production is expected to total 1.1 million tonnes in 1999, down from the 1.5 million tonnes agreed to in the recently renewed contracts with the Japanese steel industry. All production comes from the Southfork pit; development of the Westfork pit will not proceed. Won't be surprising if they're are more layoffs beyond those previously announced.

#### Exploration:

\* Ace. Barker Minerals have staked the former Mass property (north of their Frank Creek VMS prospect) south of Cariboo Lake. Interest shown this year by major mining company and at least one junior. Visited the property on June 16-17 to traverse the stratigraphy and examine VMS showing. Recent mapping on the has identified pillow lavas and interpreted overlying rocks, previously mapped as "quartzites & quartz pebble conglomerates" to be (reworked) felsic pyroclastic rocks. The massive sulphide showing consists of many massive sulphide cobbles and small boulders in a road cut and bedrock showing of pyrite-chalcopyrite stringers in hanging wall rocks. Also looked at the Blackbear Creek area quartz sulphide veins (including Providence 093A 003). Individual veins locally exceed 6 metres in width, pinch and swell along strike and are offset by minor faults. They are generally shallow dipping, controlled somewhat by gently dipping black phyllites and

Lane, July 9/99