

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

Created: 09-Aug-1996 03:45pm PDT
 Sent: 09-Aug-1996 04:49pm PDT
 From: Mike Cathro of EI
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 Title. Regional Geologist
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TO: Rick Meyers of EI (RMEYERS)
 CC: Jim Britton of EI (JBRITTON)
 CC: Bruce Madu of EI (BMADU)
 CC: Tom Schroeter of EI (TSCHROETER)
 CC: Eric Beresford of EI (EBERESFORD)

Subject: Weekly Report

- 1) Afton announced it will begin downsizing its workforce in Nov with full shutdown planned for April '97.
- 2) Teck Exploration is reviewing the potential economics of underground bulk mining at Rainbow, adjacent to Afton. A decision on whether to proceed on a \$1m deep drilling program to define deep, higher grade reserves will be made in the fall (confidential from Jim Gillis, President of Getchell Resources). The deep high grade mineralization (1 to 5% Cu with Au, Pd, Mo in a breccia) may be the best hope there is for new, long term ore reserves to keep Afton going. Other new zones (e.g. near Pothook pit) may be drilled in the fall also.
- 3) Similco announced it will stop mining on Nov 10 and stop milling in mid-Dec. Drilling at Alabama will proceed this summer. That makes it Nickel Plate, Goldstream, Afton, Similco and the Hedley Tailings operation all going down in about an 18 month period.
- 4) Fairfield has discovered a new vein (WD Vein) 200 m north of the Siwash North vein. Grade and width appear similar. It is interesting that the new Fairfield management is also beginning to report some wider intercepts such as 69.5 ft grading .039 opt Au and 29.3 ft grading .117 opt Au. This suggests to me that they are evaluating the idea of bulk mining zones where there are multiple, parallel narrow quartz veins - a good thing to try.
- 5) Stirrup Creek Gold reported two more decent holes from the Watson Bar project. The best, #96-08, hit nearly 68 ft grading .042 opt Au - another good bulk tonnage type result. I understand the project will soon shut down to allow the results to be evaluated.
- 6) John Bissett of Canquest was in and indicated that financing is nearly complete. Approx. \$250K will be spent on drilling at each of Microgold and Cottonbelt. IP will be done at Microgold first.
- 7) Kingfisher Marble. The Co. has purchased a 64 inch saw allowing them to produce about 20 tonnes/day of ashlar. Saw is in Enderby. Margranite is taking some samples of their leucogranite (pegmatite) for testing. If suitable, it would be cut into slabs for tables and counters (high-end products).
- 8) Truck work done for about \$1000. New tires to go on next week.

INTEROFFICE MEMORANDUM

TGS → RG
- Kamloops

Created: 13-Dec-1996 09:38am PST
Sent: 13-Dec-1996 10:03am PST
From: Mike Cathro of EI
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TO: Rick Meyers of EI (RMEYERS)
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CC: Eugene Mehr of EI (EMEHR)
CC: Tom Schroeter of EI (TSCHROETER)

Box
Big Onion
Rainbow

Subject: Weekly Report

* Teck has filed a NoW to drill 10 holes on the Big Onion deposit in the Iron Mask batholith. Existing reserves stand at 3.27 m tonnes grading 0.71% Cu and 0.4 g/t Au (Afton Operating Co.). This will be a sensitive deposit to drill and mine due to its visibility and location 200 m south of the Trans Canada Highway, 300-400 m north of the Iron Mask Trailer Park and 500 m SE of the new Mt. Dufferin Park. I believe it is within the Kamloops city limits too. Nevertheless it has excellent grades and good potential for expansion. Teck Expl. also says a spring deep drilling campaign on the Rainbow is likely.

* Mad Property (First Point Minerals) - A 400 m long by up to 200 wide As+Cu +/-Au soil anomaly has been defined. An oxidized rock sample from this zone assayed 10.9 g/t Au. The zone appears to be near the boundary with Stirrup Creek's Watson Bar property. Possible drilling in '97.

* Taught fossils, minerals and rocks to two classes (Gr. 8&9) at JL Jackson Jr. Secondary, Salmon Arm yesterday.

* Preparing geology and mineral deposits slides/diagrams for OSLRMP mining day presentations, Jan 20 in Vernon. Bruce helping with the MDBC work.

Mike

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

VBS → RG
- Kamloops

Created: 07-Mar-1997 02:22pm PST
Sent: 07-Mar-1997 02:56pm PST
From: Mike Cathro of EI
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TO: Rick Meyers of EI (RMEYERS)
CC: Tom Schroeter of EI (TSCHROETER)
Subject: Weekly Report

Highlights:

NOTE: Teck is very concerned about security and insider trading in Getchell Resources - do not spread the following info around. A news release is several weeks away.

Rainbow #2 (VERY CONFIDENTIAL - VISITED TODAY) Teck/Getchell are on the fourth deep hole of a 5 hole program. The first four holes are designed to drill a box around the breccia pipe and intersect the pipe at 300-400 m. Hole 4 has hit strong alteration, breccia and mineralization from 70 m to 400 m (and still in it). Up to 5-10% cpy over several metres in places. Could be zones of 5% Cu and overall, perhaps 2% Cu over 100-200 m. This could be a real zinger! Very strong albite-biotite alteration of the breccia in places. Local zones of heavy, fine grained disseminated cpy (no py) in Nicola Volc.

The pipe is thought to plunge at about 80 deg. to the SE. Hole 4 is drilled at -80 - obliquely across the zone. Previous assays (20 samples?) of the breccia by Teck (last year) showed good correlation of Au, Pt and Pd. For Cu grades of 1.5% they got Pd of 6-10 ppm, 1 ppm Pt and 1 ppm Au - e.g. very significant by product values that have to be fully evaluated yet.

***Coquihalla zone** - 7 holes drilled. So far poor results (< 1ppm Au) on 50 m offsets from last years good holes (e.g. 6 m @ 1.03 opt Au and 12 m @ 0.21 opt Au. The 1.03 opt intesection is strange in that all there is is serpentinized nicola with minor chlorite and epidote alteration and some fault zones. No significant veining, no py and only trace cpy. Metalics assays showed lots of free gold from this zone. Still waiting for assays on most holes. May be a nugget problem too.

***Big Onion** - Teck management has decided to cancel the program due to concerns over minability next to the TCH #1. This is after receiving permits to drill in only 2 wks and budget approval to drill.

***Short Course on Exploration Success in Mature Mining Districts is cancelled** - difficulty in getting speakers and minimal registration. There are just too many conferences going on in Mar-Apr-May.

***Conference organization is going better.** Talks lined up for Eskay, Mac, Mt. Polley, Watson Bar, Tshacha, Prosperity, Fyre Lake, Niblack, Campo Morado, Peru (Gitennes), Las Cristinas, & Petaquilla. Waiting on Huckelberry, Kemess, Getty, Ice, Marte-Lobo, Tambo Grande (Peru), El Sauzal. Panel includes Mike Clarke, Gerry Carlson, Bill Wolfe so far.

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

VOS → RG
- Kamloops

Created: 21-Mar-1997 03:07pm PST
Sent: 21-Mar-1997 03:39pm PST
From: Mike Cathro of EI
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TO: Rick Meyers of EI

(RMEYERS)

Subject: weekly Report

Rick,

Summer Student: GSB is sending up some resumes for me to review. We can have a Prospectors Assistance funded student if we like. I would like to get someone to help with filing, PA compilations GIS work and field visits. They could certainly help out the Inspectors, MRO and MLP too!

Exploration review paper: re-formatted and edited for Brian Grant. Nearly ready to go out to him.

Brifing Note on Fish Lake: Ringstad could give no update on project. No significant change in project status.

KEG: Notice of conference and tentative speakers list sent to 159 companies. Will also go on MCYCM Web page. Good line-up of talks and fairly good registration numbers so far.

Exploration News:

General Activity: Expect many small to medium sized drilling and bulk sampling programs this year. Overall it will be a bit quieter due to the end of several very large projects (Prosperity, Getty?).

Wyse-Rabbit - Concern over harassment of operator by ticket-happy MoF stump cop. Don't they have anything better to do?

* Rainbow: CONFIDENTIAL. rumour that hole 5 was even better than hole 4. Hole 5 is being split by saw. Expect assays in 1-2 weeks for some of the holes? Definitely one to watch!

* Blackdome: Claimstaker is working on a feasibility study for production at an early date.....

* Watson Bar: Drilling to start any day (5000 ft core) at Zone V. Lots of action in the stock price of Stirrup Creek Gold Ltd.

Green Mountain gold mine (Nipper claim): Bruce Madu handled several questions about a notice in the Penticton Herald.

* Dot: Alhambra Resources released Au, Ag and Moly grades to go along with good copper values reported in the fall. Local (spot) high values (to 3.45 g/t Au and 149.8 g/t Ag) to go with good porphyry copper intersections like 119.9 m @.58% Cu. More drilling this spring.

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

Created: 04-Apr-1997 09:26am PST
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From: Mike Cathro of EI
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Subject: Weekly Report

*KEG ready to go: 160 people signed up by yesterday. We expect to be close to last year's record attendance of 270 people. Field trip full.

*YEP Students - interviewing 3 students today and monday.

*Rainbow #2 - assays released for first 4 of 6 holes which were designed to block out the outside edges of the breccia pipe down to 400 m. Hole 4 hit 312 metres (beginning at 85.5 m) grading 0.533 % Cu and 0.135 g/t Au which included a high grade section at the end of the hole of 45 m grading 1.02 % Cu and 0.526 g/t Au. Hole 5 was drilled down the centre of the pipe and should be a winner. Assays are awaited. (Rough dimensions of the pipe are about 120 m E-W by 80 m N-S by 400 m down pluge at 80 degrees to the SE. - which is about 10 m tonnes at an undetermined average grade. The zone is still open to depth. An average grade of 1.5 to 2 % Cu is probably the minimum needed to consider underground mining. Also, there may be significant platinum and paladium numbers yet to come - metals which may or may not be recoverable or payable...MSC comments)

*Vault - Aqua Regia (an Alberta company) is planning to drill 6 holes this summer. They will be in later today to talk.

*THK Claims - Lloyd Addie submitted a NOW for excavator trenching on his property within the Lac Du Bois park. An interesting trench design!

*Frenier perlite - NoW for bulk sample from Pelite Canada Inc.

*Summerland subdivision - responded to request for information on uranium mineralization in the area of a proposed new subdivision in Summerland.

Mike