

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

TOS → Red Cap

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Subject: Thanks and FYI

Tom,

Thanks again for forwarding your latest EXPLORATION ROUNDUP. It always makes for enlightening reading.

One minor point is that the Red Cap (item 27) is actually almost DUE EAST (18km) of the Tulsequah Chief (the stock and alteration zone extend a bit southeast) - see our Stuhini Creek Open File). We have dated this puppy at  $87.3 \pm 0.9$  (U-Pb zircon). Interestingly it is the same age as the Thorn (87.8; Ar-Ar, Andre P., pers comm.). Intrusive rocks of this age were previously unknown in NWBC - looks as if we have a new intrusive suite - possibly important from a metallogenic standpoint (although I did not see much mineralization of note at the Red Cap)

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↑  
Too bad!  
It's there TOS!

\*Decorative facing stone samples were collected from road accessible sites in the Smithers-Houston area for office display: Equity bladed feldspar gabbro and Nanika granite. Limestone yet to be collected from site near Granisle.

\*Fireweed core review begun. Little published material available in ARIS or elsewhere on this silver-lead-zinc prospect. Aim is to attract interest in it.

### MINESITE NEWS

- 1) \*Endako expects to mill 10.6 million tonnes at 0.131% MoS<sub>2</sub> in 1997 from 20.8 million tonnes of rock, producing 14.3 million pounds of molybdenum (Lyll Chapman, Minerals North). In addition to a 10 year ore reserve, Endako has an additional 10-12 year resource. Depending on approach taken by Thompson Creek Mining, \$1.5 million may be spent on exploration over the next 2-3 years and, if successful, production increased from nominal 30,000 tpd to 36,000 tpd. In conjunction with mine expansion the grinding and milling circuits would be further automated, a new crusher and a second roaster installed.
- 2) \*Snip mine operating costs increased to US \$204 per ounce compared to US \$185 in the first quarter of 1996, due to increased reliance on more labour intensive narrow vein mining methods. Completion of the Iskut road would help reduce costs.
- 3) \*Golden Bear has re-commenced site work on the gold heap leach operation. Two deep holes are being drilled on the Grizzly zone.
- 4) \*Table Mountain produced 1523 ounces of gold in the first quarter, down 16% from 1996. The mill was shut down for 5 weeks while development work was completed. Cusac lost \$1.38 million in the first quarter. Production throughout 1997 will come from the Vollaug vein. First quarter average grade was 0.354 oz/t Au but grade and ore production are expected to increase.
- 5) \*Premier Gold has been reviewed by about 6 companies (Canarc, Royal Oak, Treminco, Kinross?, etc). A tentative purchase agreement is expected by late June.

### EXPLORATION ACTIVITY

Red Cap

\*Claim staking continues to be active. Areas of note include Anyox, Todd Creek (reported last month), upper Copper River (near Smithers), Babine camp, north Iskut (Sphaler Creek) and Taku (Red Cap).

Sulphurets

\*Sulphurets-Bruceside (Brucejack) to be acquired by Treminco Resources Ltd. for \$4 million with closure on Sept 8. The property has a MDC and the company's intent is to place it into production as soon as possible. Treminco owns and operates the 275 tpd Ptarmigan gold mine near Yellowknife, and owns the idle Silvana mine/mill near New Denver.

Galore Ck.

\*Kennecott's 55% interest in the Galore porphyry copper deposit will be put up for sale. This is one of the premiere undeveloped resources in B.C. Total resource in three zones is 284 million tonnes at 0.67% Cu and about 0.38 g/t Au. Hudson Bay Mining and Smelting owns the other 45%.

Wojdak - MK May '97

Telkwa Gold propose to drill 3-4 holes on the Del Santo VMS prospect near Smithers.

Consolidated Magna Ventures are doing IP over the southwest faulted extension of the Big Onion porphyry prospect near Smithers. They expect to follow up with 1000 metres of drilling. Current "reserves" at Big Onion comprise significant supergene copper that is amenable to SX-EW recovery, and discovery of an extension would have similar potential.

Booker Gold, finally, has released a resource estimate for Heame Hill and Morrison. The Morrison figures are based primarily on re-appraisal of Noranda data as Booker only drilled 3 additional holes in the deposit.

Prime/Homestake and Uniterre Resources Ltd have broken off discussion of the SIB gold-silver prospect after 2 years of negotiation. This is unfortunate as one of the best "Eskay look-alike" targets will remain inactive.

Manalta Coal is expected to make an announcement with regard to the Luscar takeover bid early in the week of Aug 3. Evaluation of coal quality/geotechnical in the Tenas and Pit 3 deposits at Telkwa is underway (57 planned holes). Six-inch coring of holes will ensure a representative bulk sample of the Tenas deposit. Observed this work by MacCauley Drilling on Aug 1.

Visited Teck exploration of the old IN porphyry prospect (94D 061) on July 31, with Tom Schroeter. Scott Smith and Andy Betmanis are mapping, soil sampling (45 km grid) and re-sampling old core for Teck. Previous exploration by Canadian Superior and Cities Service (1973-77) did not include gold analyses, the focus of Teck's re-evaluation. Reconnaissance soils taken last year returned a 250 m wide 500 ppb gold anomaly. Porphyry mineralization is associated with a northeast dike swarm of Kastberg (biotite)-hornblende-feldspar porphyry. Two intrusive phases are recognized. Best gold values appears to occur where biotite monzonite cuts and alters pre-mineral andesite dikes.

Xplorer Gold drilled 5000 ft (in just 8 days) on Red Cap in the Taku district.

Exploration spending in Northwest continues to project at about \$9 million.

*Wojdak, July 27/98*

Morrison- Booker Gold has completed 3 holes in the core of the Morrison porphyry deposit and then suspended drilling (to promote the project during PDA).

Redcap (Taku district)- Xplorer Gold intends to carry out a full season program on its Taku district properties. Immediate work consists of Max-Min EM surveys to fulfill assessment requirements.

Homestake plans a comprehensive program, including drilling, on its new GIN claims near Red Chris . Stratagraphic and geochemical parameters suggest an Eskay Creek setting.

Wojdak, Mar. 13/98