

886932  
Red Chris  
VOS → Reg. Mg.  
- Smithers

**Schroeter, Tom EM:EX**

**From:** Bergen, Wally EM:EX  
**Sent:** Friday, September 29, 2000 1:44 PM  
**To:** Al Hoffman; Andrew Whale; Bill Phelan; Brian Braidwood; Chris Carr; Denis Lieutard; Duane Anderson; Ed Beswick; EM MB Smithers DL; Fred Hermann; Gerald German; Grace Harris; Graeme McLaren; Greg McKillop; Gregg Stewart; Joan Hesketh; John Clancy; John Errington; Kerry Readshaw; Linda Stewart; Maija Finvers; Marlene Cochrane; Pat Cheetham; Richard Booth; Rick Adams; Rick Conte; Ross Curtis; Sharon Jorgensen; Shelley Guthrie; Ted Hall; Terri Starkes; Tom Carter; Tom Schroeter; Wesley Kennedy  
**Subject:** NW Region Weekly Report to September 29, 2000

**MINING**

**TULSEQUAH** The EAO reconvened the Tulsequah EA Project Committee on September 19 to 21 in Richmond to give consideration to the judge's ruling in relation to the adequacy of the Project Report as submitted to the Ministers. The meeting was attended by representatives from the EAO, US Federal Government, State of Alaska, Taku River/Tlinget First Nation, Canadian Federal Government and Provincial Ministries. Considerable discussion regarding the scope of the review, with the EAO interpreting the legal direction to focus on the road route and sustainability issues while others wanted the review to go back to square one and review the total project. Also, the US representatives are looking for a Land Use Plan for the total drainage prior to agreement with mine development. Clarification is being sought by the EAO regarding several issues. Further meetings scheduled to exchange current information and to seek agreement on the scope to the review.

Huckleberry

Bryan Good and Wally Bergen visited Huckleberry on September 26. The site was in excellent condition with the dam construction work completed for this year. Ore is being extracted from the Main zone pit and the pit was in excellent condition.

Paul Wojdak, in separate discussion with Huckleberry, indicates that ore production from the Main zone (year to date) is 4.7 million tonnes at 0.505% Cu, about 30% more than expected with a corresponding reduction in waste rock. This success appears to derive from conservative interpretation of exploration drilling where assays from poor recovery intervals were rejected from the resource calculation.

The GSB (Vic Levson and crew) study of glacial till at Huckleberry found mineralized granodiorite cobbles 2 km west of the Main zone stock. The source might be the Main zone stock or a more proximal, undiscovered intrusion. The mine will drill a fence of holes with an overburden drill, that unfortunately only has a capacity to drill to 100 ft. and may not be able to reach bedrock beneath the till.

At Huckleberry a backhoe struck a buried propane line. No explosion or fire. Propane leaked for about five minutes. Apparently the operator decided not to wait for the supervisor to return to spot or help him.

Also at Huckleberry a worker was using an air jet to clean the upper end of a conveyor belt and the nozzle became engaged in the conveyor belt. The worker hit the emergency stop and started to remove the nozzle. At the bottom of the belt a shift supervisor saw that the belt was not running and turned it back on without checking to find out why it had been turned off. The worker at the top jumped out of the way and in so doing sprained his leg. The situation is under investigation and it may be appropriate to consider a change to the Code.

Further, at Huckleberry, 2 hunters were traveling along the Kemano Reservoir late on September 23 when they struck a log and capsized their boat. Both managed to make it to shore and after a long, cold struggle through the bush made it to the mine site in the dark where they were revived with warm clothing, food and drink. Temperatures were below freezing.

Golden Bear has completed it's last year of full production. The site is being shut down for the winter over the next few weeks and will reopen in the Spring to complete processing of final ore and to complete reclamation and cleanup.

**EXPLORATION**

**RED CHRIS** On September 25 Don Barker of D.J.Barker and Associates took potential investors in the Red Chris property on a tour of the site. Due to fog the aircraft was unable to stop in Smithers to pick up Paul Wojdak, who had been invited on the field trip. Also WB was unable to meet with Don and his guests.

**REDMOUNTAIN**

Wheaton River (and Pelly Construction) have examined route options for the Bitter Creek access road all the way to the portal, in preference to a tram line or adit development lower on the mountain.

VBS → Red Chris

**Schroeter, Tom EM:EX**

**From:** Schroeter, Tom EM:EX  
**Sent:** Wednesday, June 06, 2001 11:23 AM  
**To:** 'S. Quin'  
**Subject:** RE: Info

You're very welcome. Tom.

-----Original Message-----

**From:** S. Quin [mailto:squin@miramarmining.com]  
**Sent:** Wednesday, June 06, 2001 11:27 AM  
**To:** Schroeter, Tom EM:EX  
**Subject:** Info

*After 'reserves' BC par. from CIM SU 46  
+ table of (re-compare to Red Chris)  
(-looking at)*

Thanks for the info Tom, it helped.

Stephen P. Quin

Executive Vice President  
Miramar Mining Corporation

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E-mail: squin@miramarmining.com

## Schroeter, Tom EM:EX

VGS → AG  
— Smithers

**From:** Wojdak, Paul EM:EX  
**Sent:** Friday, July 19, 2002 11:05 AM  
**To:** Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy  
**Cc:** Dave Lefebvre; Duane Anderson; Gib McArthur; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Logan, Jim EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Mihalyuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter  
**Subject:** Northwest report to July 19

Min. Tenure

### Claims - Northwest staking frenzy continues

- 759 units on/adjacent the Treaty, Frank Mackie and Knipple icefields. Not as dumb as it sounds - rapid glacial retreat is easiest way to find new showings (eg Red Mountain)

ed-Chris

A company (to be named later) acquired about 200 units on a porphyry Cu-Au target north of Red Chris. No Minfile listings but claims are centred on the Ealue stock and other altered early Jurassic intrusion(s) with similar ENE structural control as the Red stock. See Open File Map 1997-3 by Chris Ash et al.

**Thorn (104K 031)**- Consultant Peter Lewis has identified the NE trending Camp Creek corridor as a major structural mineralization control. A new occurrence of mineralized float with silver-gold (grab sample 6149 g/t Ag, 3.5 g/t Au) was found and the Anaconda D zone (grab 4 g/t Au, 216 g/t Ag, 5.4% Cu) was relocated. Main field program will begin when First Au Strategies financing is completed.

heritage

**SIB/Bonsai/Aftom (104B 376, ???)** - Notice of Work finally submitted on Eskay-area properties. Heritage Explorations has engaged Griffiths McBurney & Partners to raise \$3 million for exploration.

**Tommy Jack (94D 031)** - International Kodiak Resources have a letter of intent to option this gold prospect (95 km north of Hazelton) from Lorne Warren. Accompanied Steve Wetherup on property examination (July 17). Al Raven also has claims in the mineralized area, optioned to Gold City Resources. Visited Gold City exploration camp on July 16. Al Raven, Bing Lovang, Merle Moorman had just completed prospecting and hand-trenching of self-potential anomalies obtained a few years ago under a Prospector Assistance program. They succeeded in uncovering a new vein occurrence (SP response derives from graphite associated with quartz veins). Wetherup was impressed with the property, International Kodiak will likely complete the option and initiate exploration later this season.

Noranda drilled 35 holes (2452 m) in 1986-87 to test Au-Ag-Pb soil anomalies located 1-2 km up-slope (south) from the original showing. The holes intersected Bowser Lake Group sandstone and argillite cut by narrow (ca 3 m) dikes of altered quartz-feldspar phyric "dacite" (derived from a Bulkley intrusion) and quartz-carbonate-graphite veins. Dikes and veins are controlled by NNW fractures/faults and are mineralized with pyrite, galena, sphalerite, arsenopyrite and rare pyrrhotite, chalcopyrite, tetrahedrite and ruby silver. Highlight intercepts were 4.3 g/t Au, 83.6 g/t Ag over 6.6 m (ddh 86-5) and 31.9 g/t Au, 129 g/t Ag over 0.6 m (ddh 87-14). The intrusive centre, presumably the best target, has not been located. The validity of soil anomalies is in question because (a) they may be derived primarily from transported glacial boulders and (b) soil development is poor in the poorly drained, bouldery area. Gold City proposes to try back sampling (Colin Dunn is consultant). Glacial transport direction is not obvious, the area is at the intersection of north-south and east-west valleys. A local surficial geologist has been contracted by Gold City.

### Smithers Exploration Golf Tournament - Field Trip planning,

- Sept 10-12 - Epithermal Gold-Silver Veins & Precious Opal (Nechako-Burns Lk area)
- Sept 14 - Dome Mountain: Gold Veins, Shear Zones & VMS Deposits

### Paul

Paul Wojdak, P. Geo.  
Regional Geologist, Smithers  
BC Ministry of Energy and Mines

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**Schroeter, Tom EM:EX**

**From:** Wojdak, Paul EM:EX  
**Sent:** Friday, December 06, 2002 10:01 AM  
**To:** Bob Lane; Jacques Houle; Mike Cathro; Terry, David EM:EX; Bergen, Wally EM:EX; Bill Price; Bruce Graff; Daryl Hanson; Doug Flynn; Elaine Konschuh; Gleason, Nancy EM:EX; Jill Pardoe; Van Zalingen, Sylvia EM:EX; Wesley Kennedy  
**Cc:** Dave Lefebure; Duane Anderson; Gib McArthur; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Logan, Jim EM:EX; MacIntyre, Don EM:EX; Malott, Mary Lou SRM:EX; Marshall, James EM:EX; Mihalynuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Rick Conte; Tom Schroeter  
**Subject:** Northwest Geology, Dec 6 2002

**Red Chris (104H 005)** - Dissident shareholders have their own website [www.americanbullionrevolt.com](http://www.americanbullionrevolt.com) aimed at ousting current management and derailing management proposal to sell 70% of the deposit to an unidentified buyer for \$2 million. They feel this greatly undervalues the deposit, an important Provincial asset - 522.7 million tonnes @ 0.35% Cu, 0.27 g/t Au with higher grade core of 118.9 million tonnes @ 0.58% Cu, 0.47 g/t Au. Present management of American Bullion Minerals Ltd. has depleted a \$1 million treasury, accumulated \$1-2 million debt, failed to fulfill TSE reporting requirements, allowed the company to become delisted and not communicated with shareholders. The dissidents, including Don Barker, hope to form a new management team at the AGM on Dec 30.

**Thorn (104K 031)** - Rimfire Minerals and First Au Strategies disclosed better results from surface work than diamond drilling of the new Oban zone. Oban is a quartz-feldspar-biotite porphyry breccia, some 300 metres across and open in one direction, with a sulphidic matrix. Overlying soils are anomalous in silver, gold, arsenic, lead, antimony and zinc. High silver (to 1260 g/t) and gold (to 25.9 g/t) are reported from grab (selected) samples but 3 shallow drill holes returned only "elevated" metal values. Two holes on each of the I and Tamdhu zones delineated steeply south-dipping structures but with lower silver-gold-copper grade than found on surface. The best intercept was 454 g/t silver, 3.05 g/t gold, 3.65% copper over 1.65 m in the Tamdhu zone. Discovery of another very high grade surface showing, the Glenlivet zone, was announced. It is immediately west of the Oban breccia. The companies plan more drilling in 2003, focusing on the tonnage potential of the Oban zone.

**Silvertip** - Silver Standard has no immediate plans, care and maintenance status continues.

**Minerals North** will be held April 30-May 2 in Prince Rupert. There will be sessions on north coast minerals, sand & gravel and energy, including off-shore oil & gas. Working with Don Allan, P. Rupert Economic Development Commission.

**Introductory Geology & Mineral Exploration (Prospecting)** - two requests for courses: Stewart and Northern Lights college in Dease Lake.

**Metal Prices** - Slight improvement in copper and rebound in moly (after a long slide). Enough to cancel wage reductions at Huckleberry.

**Mines office downsizing** - prepare list of space requirements for Library, exploration files etc

**Paul**

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**Schroeter, Tom EM:EX**

TGS → Red Chris

**From:** Schroeter, Tom EM:EX  
**Sent:** Monday, December 23, 2002 11:56 AM  
**To:** Webster, Ian EM:EX  
**Subject:** RE: Red Chris FYI

Thanks, Ian. There's a real 'legal' mess here; there's still lots of water to flow over the bridge. I believe the AGM is Dec. 30th; a 'dissident' group of shareholders is very active on this case.

**Tom**

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Senior Regional Geologist  
Resource Development Division  
Ministry of Energy and Mines

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Autotel 604 662-9091

-----Original Message-----

**From:** Webster, Ian EM:EX  
**Sent:** Monday, December 23, 2002 11:53 AM  
**To:** Chris Ash (E-mail)  
**Cc:** Schroeter, Tom EM:EX  
**Subject:** Red Chris FYI

Not a chance!  
TGS

American Bullion Minerals Ltd - News Release  
American Bullion to proceed with Red Chris property JV  
American Bullion Minerals Ltd ABP  
Monday December 23 2002 News Release  
Mr. Chuck Wills reports

The due diligence and subject provisions of the joint venture agreement for the development of the Red Chris property have now been completed and the joint venture is now in full force and effect.

"Our joint venture partner has committed a substantial budget for a work plan on the Red Chris property that contemplates expenditures of \$5.8-million to be completed by the end of September, 2003. It is expected that the joint venture will have enough data at that time to initiate the bank feasibility study that will be necessary to secure the project financing for the mine development. The feasibility study would be scheduled for completion by the end of December, 2003."

Carl Zuber and Bob Buchan are the principals of American Bullion's joint venture partner, Red Chris Development Company. These gentlemen are senior Canadian mining executives who are well known for their association with the founding, development and operation of Kinross Gold Corporation. Mr. Zuber is a former senior executive responsible for European operations and Mr. Buchan is currently the chairman and president of that company. They are transferring their ownership of Red Chris Development to a public company that they control, American Reserve Energy Corp., and have arranged for a concurrent \$10-million financing.

As previously reported, Red Chris Development is responsible for paying 100 per cent of the costs associated with the development of a commercial mine on the Red Chris property and is further required to pay additional sums totalling \$2-million directly to American Bullion. Once the mine is in production American Bullion will be able to recover an additional \$10-million on account of the exploration and development work that it has done on the Red Chris property and will have a 30-per-cent postproduction working interest in the joint venture.

Contrary to news releases recently put out by a dissident group of shareholders, management believes that the joint venture is a successful conclusion of its search for a partner that has both the expertise and capability of financing, and developing a commercial mine on the Red Chris property. Furthermore, the joint venture protects shareholder equity by avoiding dilution of current shareholdings.

In a matter related to American Bullion's upcoming AGM, management has been advised by the British Columbia Securities Commission that it is undertaking a review of the circumstances under which funds were raised by the

dissident group of shareholders. If, as management believes, those funds were raised without compliance with applicable securities laws, some or all of the dissidents could face formal security commission hearings, sanctions and penalties. Management does not want these issues to impede the ability of American Bullion to conduct its business, relist its shares and pursue opportunities associated with the joint venture. The company would encourage shareholders to support the management slate of directors at the upcoming annual meeting so that American Bullion and its shareholders can avoid any uncertainties that may be associated with this incident.

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old url (better for printing)

Ian Webster *P.Geo.*  
Geologist, B.C. Geological Survey  
Ministry of Energy & Mines  
250-952-0433

## Schroeter, Tom EM:EX

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**From:** Schroeter, Tom EM:EX  
**Sent:** Tuesday, December 31, 2002 8:52 AM  
**To:** Hermann, Fred EM:EX  
**Cc:** Wally Bergen (E-mail)  
**Subject:** RE: Red Chirs Update

**Importance:** High

Fred/Wally - I'm on holidays Jan. 2nd to 14th, inclusive - so I don't know what I can/should contribute today - any specific suggestions? I agree that we need Briefing Notes, particularly for the Roundup (in case questions arise). Happy New Year!

### Tom

Tom Schroeter, P.Eng./P.Geo.  
Senior Regional Geologist  
Resource Development Division  
Ministry of Energy and Mines

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-----Original Message-----

**From:** Hermann, Fred EM:EX  
**Sent:** Tuesday, December 31, 2002 8:48 AM  
**To:** Schroeter, Tom EM:EX; Adams, Rick EM:EX; Anderson, Duane EM:EX; Bergen, Wally EM:EX; Beswick, Ed EM:EX; Carter, Michael EM:EX; Conte, Rick EM:EX; Curtis, Ross EM:EX; German, Gerald EM:EX; Hall, Ted EM:EX; Koncohrada, Karen EM:EX; Lefebure, Dave EM:EX; Lewis, Jim E EM:EX; McKillop, Greg EM:EX; Roberts, Steve EM:EX; Whale, Andrew EM:EX  
**Cc:** Ebbels, Jack EM:EX; Curtis, Ross EM:EX; O'Rourke, Patrick EM:EX; Ferguson, Susan M EM:EX; Cheetham, Pat EM:EX  
**Subject:** RE: Red Chirs Update

I concur.

Tom/Wally we need a briefing note for information for the minister on this. Say By early next week (Jan 06-07)

Thanks

Fred

-----Original Message-----

**From:** Schroeter, Tom EM:EX  
**Sent:** Tuesday, December 31, 2002 8:44 AM  
**To:** Adams, Rick EM:EX; Anderson, Duane EM:EX; Bergen, Wally EM:EX; Beswick, Ed EM:EX; Carter, Michael EM:EX; Conte, Rick EM:EX; Curtis, Ross EM:EX; German, Gerald EM:EX; Hall, Ted EM:EX; Hermann, Fred EM:EX; Koncohrada, Karen EM:EX; Lefebure, Dave (E-mail); Lewis, Jim E EM:EX; McKillop, Greg EM:EX; Roberts, Steve EM:EX; Whale, Andrew EM:EX  
**Subject:** Red Chirs Update  
**Importance:** High

Yesterday, American Bullion Minerals (ABM) held its Annual General Meeting in Vancouver. For over a year now, the Red Chris porphyry Cu-Au property in the northwest has been 'stalled' due to internal management conflict within ABM. Basically, management was being challenged by a group of dissident shareholders, spearheaded by Don Barker (who I have been dealing with over the past several years on this project). It appears that this group has (finally) won and that this advanced project can now get back on track to becoming a potential significant new mine in the province. Don and his group first must go through alot of paperwork, including the assessment of a proposal put forth by Carl Zuber and Bob Buchan (representing Kinross Gold) whereby a new company "Red Chris Development Company" to bring this (potential) mine into production.

I view this as another very positive step for the mining industry in BC. I have suggested some avenues for Don and his new group to proceed along to advance this project. You may recall that the project was actually in the

Environmental Assessment Process a few years ago; however, much more (update) work will be required. Once American Bullion has got its act together, I suggest that it might be a good idea for ABM to meet with Executive, including the Minister, to bring the government up to speed on its intentions and possible needs (perhaps before we go to the PDAC?).

## **Tom**

Tom Schroeter, P.Eng./P.Geo.  
Senior Regional Geologist  
Resource Development Division  
Ministry of Energy and Mines

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## Schroeter, Tom EM:EX

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**From:** Schroeter, Tom EM:EX  
**Sent:** Tuesday, December 31, 2002 9:03 AM  
**To:** Bergen, Wally EM:EX; Hermann, Fred EM:EX  
**Subject:** RE: Red Chris Update

**Importance:** High

Thanks, Wally - will get some info to you today. I want to make sure that we don't 'overhype' this matter prematurely. Any new structure of ABM (and its successor name) will have to go through/be dealt with by the Securities Commission - that may be finiky (sp.?) and take time.

### Tom

Tom Schroeter, P.Eng./P.Geo.  
Senior Regional Geologist  
Resource Development Division  
Ministry of Energy and Mines

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-----Original Message-----

**From:** Bergen, Wally EM:EX  
**Sent:** Tuesday, December 31, 2002 8:55 AM  
**To:** Hermann, Fred EM:EX; Schroeter, Tom EM:EX  
**Subject:** RE: Red Chris Update

Don Barker called me yesterday afternoon and I left a message with Pat regarding the change in structure. Don committed to sending to me, over the next few days, a statement regarding the make-up of the new board and their corporate intentions.

Tom, as soon as I receive the info from Don I will forward a copy to you and we can coordinate a briefing note.

Cheers,

**Wally Bergen**  
Ministry of Energy and Mines  
Regional Manager  
Northwest Region  
Telephone: 250 847-7385  
Facsimile: 250 847-7603

-----Original Message-----

**From:** Hermann, Fred EM:EX  
**Sent:** Tuesday, December 31, 2002 8:48 AM  
**To:** Schroeter, Tom EM:EX; Adams, Rick EM:EX; Anderson, Duane EM:EX; Bergen, Wally EM:EX; Beswick, Ed EM:EX; Carter, Michael EM:EX; Conte, Rick EM:EX; Curtis, Ross EM:EX; German, Gerald EM:EX; Hall, Ted EM:EX; Koncohrada, Karen EM:EX; Lefebure, Dave EM:EX; Lewis, Jim E EM:EX; McKillop, Greg EM:EX; Roberts, Steve EM:EX; Whale, Andrew EM:EX  
**Cc:** Ebbels, Jack EM:EX; Curtis, Ross EM:EX; O'Rourke, Patrick EM:EX; Ferguson, Susan M EM:EX; Cheetham, Pat EM:EX  
**Subject:** RE: Red Chirs Update

I concur.

Tom/Wally we need a briefing note for information for the minister on this. Say By early next week (Jan 06-07)

Thanks

## Schroeter, Tom EM:EX

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**From:** Schroeter, Tom EM:EX  
**Sent:** Tuesday, December 31, 2002 3:53 PM  
**To:** Bergen, Wally EM:EX  
**Cc:** Hermann, Fred EM:EX; Lefebure, Dave EM:EX  
**Subject:** Red Chris 'Notes'

\* Dec. 30/02 - Annual General Meeting of American Bullion Minerals (ABM) - group of dissident shareholders (led by Don Barker) 'successful' in gaining control of the company (and property) from current management. New group to assess the merit of a recent agreement/offer by the Red Chris Development Company (led by principals Carl Zuber and Bob Buchan, associated with Kinross Gold) - if the offer is acceptable (lots of paperwork required), this new group would be responsible for paying 100% of costs associated with mine development and a further \$2 million to be paid to ABM.

\* Previous (mid-1990s) geological resource = 1 billion tonnes grading .29% Cu and .26g/t Au

\* Current resources: East zone = 18 million tonnes grading 0.86% Cu and .80g/t Au

Main zone = 40 million tonnes grading .58% Cu and .41g/t Au

[Total resources ~ 180 million tonnes grading .44% Cu and .34g/t Au]

- Note: previous feasibility/scoping study used copper price of US\$0.65/lb and gold price of US\$275/oz i.e BIG change now

\* Capital Cost ~ \$75M-\$100M, eventually up to \$225M

\* Possibilities for i) dump leaching; ii) hydrometallurgical processing; iii) alternate mining methods

\* First Nations: Tahltan (e.g. Eskay Creek; Golden Bear)

\* Access/Infrastructure: road/power

\* Previous work: i) 75 drill holes in 1970s; ii) 170 drill holes 1994-1995 [Note: lots of additional work required]

\* Sept. 2002: Mitsubishi 'looked' at project.

\* Project entered EAO ~ 1998, but stalled fairly quickly as a result of management problems in ABM in late 1999.

\* Previous 'proposal' for late 2002 work: \$1.35M for infill/confirmation drilling (i.e 18 ddh ~ 7500m), plus metallurgical testing of ore and tailings studies, leading to a revised feasibility study and new resource/reserve calculation (under NI 43-101 standards).

TOTAL = \$2.5M

\* Dissident group has raised (in bank) ~ \$500,000 to start with.

\* Excellent potential to expand resources. Could be important catalyst in mineral development in Northwest.

\* Recommend that New Group meet with Minister/Executive before PDAC to provide update on project.

## Tom

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**Schroeter, Tom EM:EX**

TAB → R.G  
- Smithers

**From:** Wojdak, Paul EM:EX  
**Sent:** Tuesday, July 01, 2003 5:06 PM  
**To:** Bob Lane; Mike Cathro; Terry, David EM:EX; Bruce Graff; Doug Flynn; Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Lewis, Jim E EM:EX; Malott, Mary Lou SRM:EX; Marshall, James EM:EX; Mihalyuk, Mitch EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Tom Schroeter  
**Subject:** Northwest Geology, June 30 2003

**Novagold Resources Inc.** - representatives, led by Jim Muntzert from Denver, visited Smithers office on June 20. They had visited a major gold property in Stewart-Iskut area with the intent of possible acquisition but would not identify the site. Good news that another aggressive new gold company is targeting BC.

**Minister's Mine Tour** - Reception plans and catering arranged, invitations for the July 10 event sent by email. Briefing note prepared for Huckleberry mine visit on July 11.

**Joint Solutions Workshop** - Participated with members of MEM and industry in Vancouver on June 25.

**Rocks Minerals & Geology of the Bulkley Valley** - Delivered 2-day course on June 21-22 to 7 students from Smithers, Burns Lake and Prince George. Assisted by Tony L'Orsa, geologist and local fossil expert.

**University of Leoben, Austria** - A very good group of students in mining and ore deposit geology toured Yukon and northern B.C. They were led by Professor Walter Prochaska who spent two years (1991-1992) at University of Alberta working with Bruce Nesbitt. I accompanied them from June 27-29, with visits to Cassiar, Taurus, Eskay Creek and Glacier Gulch deposits. Eskay staff, led by Earl Masarsky, gave the group a great tour. An added bonus of the trip was bumping into geologists beginning work at Taurus and Red Chris (see below).

**Red Chris** - American Bullion lost its legal appeal against bcMetals Corporation (formerly American Reserve Energy Corp) and preparations are underway for field work. Doug Blanchflower was at Red Chris on June 27, showing the property to

- Ian Smith - mining engineer with international mine development experience who is being solicited by Carl Zuber to become president of bcMetals and lead the Red Chris project.
- Don Dudek - evaluating Red Chris for Aur Resources (assisted by consultant Giles Peatfield)

**Taurus** - Navasota Resources (Lorne Warner and consultant Ron Wells) have begun work. NoW for drilling is anticipated.

**Iskut claim staking** by Lorne Warren (see Northwest Geology, June 6) was as agent for Hathor Exploration Limited which announced (June 27) acquisition of a further 1349 units bringing their total land position in the district to 230,000 acres! Earlier, Hathor announced it has optioned 5 properties (155,000 acres) to Grande Portage Resources Ltd. These encompass the historic Delta (104B 166), MacGold, BJ, Pearly and Gracey (104B 221) prospects. First year work commitment is for \$60,000 per property.

**Turnagain Nickel** - Canadian Metals has scheduled a 2 week break from drilling this bulk tonnage prospect east of Dease Lake. Nickel distribution is rumoured to be different than expected. The break will allow core logging (and assaying?) to catch up and perhaps a modified (again) drilling plan to be made. Apparently the company also has to get back outside with the TSX which has delisted the stock.

**Paul**

Paul Wojdak, P. Geo.  
Regional Geologist, Smithers  
BC Ministry of Energy and Mines

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## Schroeter, Tom EM:EX

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**From:** Schroeter, Tom EM:EX  
**Sent:** Monday, September 29, 2003 9:10 AM  
**To:** Wojdak, Paul EM:EX  
**Subject:** RE: Northwest Geology

Good update, Paul. Any comments re- Barrick's exploration program around Eskay this season?

### Tom

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-----Original Message-----

**From:** Wojdak, Paul EM:EX  
**Sent:** Monday, September 29, 2003 9:08 AM  
**To:** Bruce Graff; Doug Flynn; Bob Lane; Mike Cathro; Terry, David EM:EX  
**Cc:** Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Hermann, Fred EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; Mihalyuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Simandl, George EM:EX  
**Subject:** Northwest Geology

**Eskay Creek (104B 008)** - Visited on Sept 15 with MLA task force. Mine is having trouble achieving 700 tpd (tonnes per day) production target, average for year to date is 688 tpd, achieved from 40 active stopes. Fifty percent of ore comes from the famous 21B orebody and is all smelter ore. Some 25% comes from NEX and is mainly mill ore. The proposal to expand the mill is dead due to marginal economic return. Current mill rate is 330 tpd. A higher milling rate would offset increased costs when smelter ore is finished in 2005. Accordingly, after 2005 the cut-off grade for mill ore will likely rise above current 15 g/t Au. Mining cost at present is \$145 per tonne. Optimum mill ore comes from the 109 zone which is nearly mined out (one lift remains). The 44 orebody, deep in the plunging NEX zone and added to reserves in 2002, is nearly accessed by the ramp and will supply high grade mill ore. Mining will resume in 21C zone later this year; 21C supplies low grade mill ore with difficult milling characteristics. Definition drilling continues in the Water Tower zone, a future source of mill ore in the footwall rhyolite. Grade is erratic and it is proving difficult to assess. Present mill reserves are sufficient to 2008.

**Red Chris (104H 005)** - Visited with MLA task force on Sept 16. Site is 10 km SE of Iskut village. bcMetals Corp. budget for 2003 is \$3.6 million for:

- 41 drill holes (up to 6000 m of core) to fill in gaps in the ore reserve model
- metallurgical testwork. Previous testwork determined copper recovery >90% (acceptable) but the company wants to see if 73% gold recovery can be improved (is gold locked in pyrite?)
- ABA testing of waste rock - can blending achieve a neutral waste dump?
- characterization of construction materials (overburden, aggregate)

Goal is to complete feasibility study by September 2004. bcMetals contemplates a 25,000 tpd open pit mine at a capital cost of \$150 million, based on Measured + Indicated + Inferred resource (note- not an acceptable summation under 43-101) of 77,467,000 tonnes grading 0.685% copper, 0.574 g/t gold (at a 0.5% Cu cut off). At present, 28.2 million tonnes of the resource is in the Inferred category.

**Tulsequah Chief (104K 002)**- MLA task force were given a summary of the permitting saga by Redfern president, Terry Chandler and VP Exploration, Bob Carmichael (on Sept 17). Latest aggravation for the company is the court-directed \$92,500 payment to Taku River Tlingit for 50% of legal costs. Redfern feel that the Crown was morally obligated for 100% of the court settlement (\$185,000) because the TRT sued the Crown (for inadequate consideration of their rights in awarding the Mine Development certificate) and Redfern voluntarily joined as a co-defendant in the legal action. Redfern made its payment in the same week that it learned MSRM has funded Sierra Club and other anti-development groups. The Task Force also viewed high zinc-copper grade core from a current drill hole.

**Schroeter, Tom EM:EX**

VOS → RG  
- Smithers

**From:** Wojdak, Paul EM:EX  
**Sent:** Friday, November 21, 2003 2:13 PM  
**To:** Bob Lane; Mike Cathro; Terry, David EM:EX; Bruce Graff; Doug Flynn  
**Cc:** Alldrick, Dani EM:EX; Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Hermann, Fred EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; Mihalynuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Schroeter, Tom EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Wuschke, Steven EM:EX  
**Subject:** Northwest Geology Nov 21 2003

**Yukon Geoscience Forum** - Up-beat meeting attended by 250 people, up from last year and including Bulkley-Stikine MLA Dennis MacKay, and reps from major companies. My Northwest BC report presentation on mining and exploration activity was well received, though I was listed in the program as the Minister of Energy and Mines!

**First Nation Presentations** - delivered in Iskut (Tahltan FN) and Goodhope Lake (Dease River band, Kaska FN) to small audiences. Chief Louis Louie and Chief Jack Chief both plan to attend Roundup where I propose to link them with companies exploring in their respective territories. A scheduled evening presentation at the Tahltan office in Dease Lake was a no-show, perhaps because they were distracted by an earlier meeting with executives of SpectrumGold regarding Galore Creek project.

**Galore Creek** - Rick Van Nieuwenhuise (President and CEO) and Doug Brown (VP Business development) met with the Tahltan on Nov 19 in Dease Lake and visited MEM Smithers office on Nov 20. SpectrumGold has raised \$14 million to advance the project. SpectrumGold's development target is a 150 million tonne deposit grading 1 g/t Au, 10 g/t Ag and 1% Cu. Next season's drill program is estimated at \$5 million to acquire 30,000 metres of core which will allow completion of a pre-feasibility study by mid-2005. Approximately \$3 million will be spent on other work, including metallurgy (specially gold) and access/transportation. Previous work focused on copper recovery, gold mineralogy and metallurgy are poorly known. The company anticipates a 30,000 tpd mine costing \$400 million with a production decision possible within 3-4 years.

**Red Chris** - bcMetals announced it drilled 16,123 metres in 49 holes in its fall program. Funding of \$5.25 million has been raised for detailed feasibility, due Sept 2004, and Environmental Assessment reports.

**Huckleberry** - Two slides of glacial till and overburden above the north wall that occurred on October 9 and November 13, will require excavation of some 800,000 tonnes of material.

**Eskay Creek** - The 2003 exploration program comprised 18,328 metres of surface drilling, focused 2 km south of the mine in the 22 zone, and 17,172 metres of underground drilling, mainly on the 21C, 21A and 21E zones. Rumour has it that underground assessment of the 22 zone will be accomplished by drifting from the existing workings rather than from a new portal. Hopefully this decision is based on economics, not to avoid the EA process!!

**Taurus** - Results from first 7 of 13 holes were released, in an area previously drilled by Cyprus Canada Inc in 1995 for a bulk tonnage gold deposit. Only the first Navasota hole produced a bulk-tonnage intercept, 0.71 g/t gold over 188.7 metres. The other 6 holes yielded intercepts of 0.7 to 4 g/t gold 1 to 30 metre widths. Lorne Warner resigned as president of Navasota Resources.

**Thorn** - Cangold and Rimfire disclosed results of two holes drilled underneath its discovery hole (DDH 19) reported in Northwest Geology on Oct 31. Intercepts from the 3 holes:

- 1.22 g/t Au, 103 g/t Ag over 38.6 metres in DDH 19
- 1.20 g/t Au, 173 g/t Ag over 25.2 metres in DDH 21
- 0.83 g/t Au, 159 g/t Ag over 19.6 metres and
- 1.72 g/t Au, 265 g/t Ag over 7.1 metres in DDH 22

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**Schroeter, Tom EM:EX**

TOS → RG  
- Smithers

**From:** Wojdak, Paul EM:EX  
**Sent:** Friday, November 28, 2003 1:31 PM  
**To:** Bob Lane; Mike Cathro; Terry, David EM:EX; Bruce Graff; Doug Flynn  
**Cc:** Alldrick, Dani EM:EX; Bellefontaine, Kim EM:EX; Dave Lefebure; Duane Anderson; Errington, John EM:EX; Grant, Brian EM:EX; Guthrie, Shelley EM:EX; Hayes, Mark EM:EX; Hermann, Fred EM:EX; Lewis, Jim E EM:EX; Marshall, James EM:EX; Mihalynuk, Mitch EM:EX; Morii, Sachie EM:EX; Nelson, JoAnne EM:EX; Newell, Chris J. EM:EX; Rick Conte; Schroeter, Tom EM:EX; Simandl, George EM:EX; Webster, Ian EM:EX; Wuschke, Steven EM:EX  
**Subject:** Northwest Geology Nov 28, 2003

TOS Nov. 29

**Huckleberry** - Third quarter production stats released, projecting to year end the mine will produce about 30,000 tonnes of copper and 140 tonnes of Mo. Copper head grade continues to be about 10% higher than the reserve estimation.

**Red Chris** - bcMetals submitted its proposal to develop a 25,000 tpd mine to the EA office. Capital cost is estimated at \$150 million (see NW geology Sept 26).

**Northwest Exploration** - Continue to compile data. Expenditures now estimated at \$21 million (vs \$10.2 million in 2002), drilling estimated at 99,000 metres (vs 57,000 metres in 2002).

**Staking** - John Ball has re-submitted 1520 units of new claims around the Galore Creek deposit. SpectrumGold were tardy in securing a stronger ground position. Inspection by Mineral Titles is anticipated; completion times for the 16 to 20-unit blocks are (typically) 20 minutes. Large blocks of claims are being staked by other parties in the Toadoggone and Kinaskan areas.

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*T/E → Red Chris*

**From:** Jacobs, Jake PAB:EX  
**Sent:** Friday, August 26, 2005 9:24 AM  
**Subject:** Add to MEMPR Media Watch - Aug.26

**Northwest copper-gold mine given green light: \$228-million project means 250 jobs, Vancouver Sun, Friday, August 26, 2005**  
**Byline: Richard Chu**

**(grammar correction - add p's)**

The proposed Red Chris copper and gold project cleared a major environmental hurdle Thursday and construction on the \$228-million open-pit mine is scheduled to begin next spring.

The province's environmental assessment office gave the green light Thursday for the mine, which is expected to create 250 full-time jobs during its 25-year operation. An additional 50 to 60 contract positions are also expected.

"It's huge news for us and for the northwest region and for the province in general," said Ian Smith, president and CEO of B.C. Metals Corporation.

The 1,000-hectare project, 80 kilometres south of Dease Lake, is expected to produce about 1.85 billion pounds of copper and 1.2 million ounces of gold over the mine's operational lifespan, Smith said.

It will include a wildlife management plan with government and first nations' input, a fisheries habitat compensation plan, and a site reclamation plan when the mine eventually closes.

Brian Battison of the Mining Association of B.C. said the environmental approval of the project sends significant signal for international mining investors.

"We've had very few applications before because of the uncertainty around the ability to develop a mine in B.C.," he said, saying it's been seven or eight years since the last metal mine was built in the province.

"You can have a significant increase in mineral exploration as we've had in the last year, but if you can't permit and build a mine, all that exploration spending isn't going anywhere," he said.

"But this announcement goes a long way to send the strong message that you can permit and build a mine in B.C."

Battison said when the mine is complete, it will be a significant provincial asset, injecting hundreds of millions of dollars into the regional and provincial economy.

"250 full-time jobs is a good sized mine, and those jobs will pay \$95,000 a year, based on the industry average which includes office workers, miners, equipment operators and engineers," he said. "Those people will be from all over the province, so the economic impact will be felt throughout B.C."

Smith said the project will pay \$200 million in taxes and \$275 million to B.C. Hydro.

Michael Cinnamond, of PriceWaterhouseCoopers, said the mine is an example of continued revitalization of the mining industry in the province, due in part to increasing commodity prices.

"Gold has had a significant rise over the last five years, but stabilized in the last year and a half, at over \$400 an

ounce, but copper has seen huge increases in the last 18-months."

He said thanks to increasing demand in both India and China and a decline in worldwide inventory, copper prices have more than doubled in the last two years from 81 cents a pound in 2003 to \$1.70 a pound in mid-August.

"As long as those economies are strong and demand is there, prices will remain high," he said, boding well for the Red Chris mine.

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**Schroeter, Tom EMPR:EX**

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**From:** Jacobs, Jake PAB:EX  
**Sent:** Friday, August 26, 2005 9:49 AM  
**Subject:** Add to MEMPR Media Watch - Aug.26

**Red Chris mine proponent says he has good relations with Tahltan - CJFW - August 26, 2005 - 7 a.m.**

B.C. Metals president Ian Smith says his company continues to have good relations with the Tahltan. Smith's company has just received a provincial environmental certificate for proposed Red Chris copper and gold mine near Iskut. It's an area where an internal dispute among some hereditary chiefs and other Tahltan leaders has brewed since last winter.

Ian Smith: We have good relations with the Tahltan band council and Chief Jerry Asp and with the chair of the Tahltan Central Council, Curtis Rattray, and the chief of the Iskut first nation, Chief Louis Louie.

Announcer: Smiths calls the Tahltan dispute "internal." The Red Chris project now hinges on extension of the B.C. Hydro grid north of Meziadin.

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