

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

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Subject: RE: Regional Geologists' Fall Field Meeting

Thanks Tom. I'll keep you posted. I had thought of Jersey-Emerald as a good candidate for a visit by our group, and possibly also the Red Point at Trail. I visited Red Point the day after they finished the drilling. They only had assays for one hole at that time but the implications were pretty exciting - bulk tonnage, low grade gold in Elise Fm. volcanics - no silver, only traces of copper, very little veining - gold is associated with widespread disseminated pyrrhotite, with best grades in coarse "felsic" fragmental units (may be silicified mafics). Property has not been mapped in detail so the true nature of the deposit is very much open to speculation. Stratigraphic control based on original porosity of the volcanics seems like a strong possibility - i.e. syngenetic/diagenetic? Likely a first for the Rossland group with major regional implications. The whole balloon may pop when the other holes have been assayed, but, when I last talked to him, Bruce Downing expected to be back in the fall to do more drilling.

As for the Jersey-Emerald, Ed Lawrence told me a couple of weeks ago that Sultan Minerals is having trouble raising funds to do more work (Bre-X impact?). Permits have already been issued for the next phase of drilling and extensive sampling of several new zones were planned. However, the company is actually discussing with MoF the possibility of logging some of the crown grants where they own surface and timber rights as well as mineral rights. The revenue raised from the logging could then be used to continue the mineral exploration. Tough times for juniors, even those with very good properties!

If we're going to include visits in the West Kootenays, we'll probably have to make it a unidirectional tour; start in Cranbrook and finish elsewhere. Otherwise we'd waste a lot of time travelling back and forth. We'll wait and see what the other guys are interested in.

Regards, Paul.