



Province of  
British Columbia

Ministry of  
Energy, Mines and  
Petroleum Resources

# MEMORANDUM

100 Cranbrook Street North, Cranbrook, British Columbia V1C 3P9 Telephone: (604) 426-1557 Fax: (604) 426-1652

887229

To: Brian Parrott  
Director, LMPB

April 20/95

TGS →  
Rossland

Re: Pacific Vangold Mines Press Releases

I have been concerned for some time about the semantics being consistently used by Pacific Vangold Mines Ltd. in press releases about their Evening Star and Iron Colt projects at Rossland. They always refer to them as producing mines. The most recent I have seen was in the April 6th issue of the George Cross Newsletter in which it was reported that "Pacific Vangold Mines has two gold mines in production at Rossland."

In reality, both projects should be classed as advanced exploration projects. The company has been issued a permit for removal of a 10,000 tonne bulk sample for each property and nothing more. Neither project has submitted a long-term mine plan nor has entered any mine development review process. Furthermore, a condition on both permits is that no more than 500 tonnes of ore will be stockpiled on the surface at any time. The company reported in a March 30th release that "over the next four weeks mine development work will create a stockpile of 1500 tonnes of high grade ore."

I am well aware that this type of inaccurate and exaggerated reporting is normal practice with many junior public companies. What bothers us in this case is that these reports are being repeated verbatim and passed up the line in weekly and monthly reports of the Geological Survey Branch, without any qualification or comment. They are also starting to show up here in local newspapers and newsletters. We (Steve Wuschke and I) are concerned that it is only a matter of time before someone confronts the company, and our Ministry, about why these "mines" were allowed to go into production without due process or public consultation. As is the case everywhere, new mine developments are a sensitive issue with some public sectors in the Kootenays, even in a relatively mining-friendly community like Rossland. We are therefore concerned that the official status of these two projects be very clear within and outside of the Ministry. The fact that the bulk samples are being custom milled and a significant cash flow is being realized by the company from the gold contained, does not qualify them as producing mines, at least not under our current rules.

*H. Paul Wilton*

H. Paul Wilton, P.Eng.  
Regional Geologist, Cranbrook

HPW/vs

c.c. G. McKillop  
R. Smyth  
T. Schroeter  
A. Whale

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TGS