



MOTHER LODE

CHAMBER OF MINES OF EASTERN BRITISH COLUMBIA

A non-profit bureau of information providing authentic, reliable data to the general public and the mining industry of Eastern British Columbia

Fred Critchlow - President

215 Hall St., Nelson, BC, V1L 5X4

Phone/FAX: (250) 352-5242

NEWSLETTER

Editor - John Murray

JULY/AUGUST 1999

SILVANA, HINCKLEY MINES ACQUIRED BY KLONDIKE GOLD CORP.

from: <http://www.canada-stockwatch.com>

Mr. Richard Hughes reported June 22nd that Klondike Gold has acquired the Silvana and the Hinckley mine properties in the Sandon mining camp. The Silvana mine, formerly owned by Tremenco Resources Ltd., has produced 500,000 tonnes grading 486 grams/tonne (14.19 ounces/ton) silver, 5.3% zinc and 5.7% lead. The mine operated from 1968 until its suspension in 1993 due to a high Canadian dollar and a significant slump in zinc prices. It has an unclassified resource of 54,400 tonnes and several exploration targets that could add tonnage to the proven and possible ore categories with additional exploration drilling.

The company intends to commence selective mining of existing high-grade stopes in early July. An initial programme will be conducted at the 4625 level and will

consist of mining 3,000 to 4,000 tonnes. Once mining is complete the ore will be processed at the Silvana mill which is approximately one kilometre south of the 4625 level portal. The Silvana mill has a 96-97% recovery rate.

The company plans to conduct a surface diamond drilling program and/or trenching on the Silvana property this summer. This exploration work will focus on areas that can provide additional resources readily accessible for near-term mining. Exploration will also be carried out on the adjacent Wonderful property where a new vein has recently been discovered on surface and trenched last fall. Galena sampled from the

vein assayed 127 ounces/ton silver, 77.4% lead and 3.23% zinc.

Earlier in May Mr. Hughes reported completion of a private placement for the purchase of up to 790,000 units at 15 cents for total proceeds of \$118,500, to be used for general working capital.

The company has also received regulatory approval to enter into an option agreement to acquire 100% interest in the Whitewater claims consisting of 11 mineral claims (30 units) and 21 crown granted mineral claims in the Slocan Mining District. As consideration for the property, the company has agreed to issue 120,000 shares in four instalments over 18 months, pay \$100,000 to the optionor over 36 months and incur a total of \$1-million in work expenditures over five years. The optionor retains a 20% net profits interest.

The Whitewater claim group has past produced three million to five million ounces of silver, 15,000 tons of lead and 25,000 tons of zinc. The property currently has 37,000 tons of known reserves and has good exploration potential along strike and at depth. ■

?????EXPIRED?????

PLEASE NOTE:

Your mailing label shows the **expiry date** of your membership.

If it is highlighted in yellow it is due now!

CURRENT MEMBERSHIP RATES

INDIVIDUAL	\$30.00
SMALL CORPORATION	\$50.00
MED. CORPORATION	\$150.00 - \$300.00
LARGE CORPORATION	\$500.00

DONATIONS OF ANY AMOUNT GREATLY APPRECIATED

Let the Office know if there is an error.
352-5242

SLUICE BOX COURSE?

We would like to know if there is any interest in a sluice boxing course? If you are interested - or know someone who might be - please contact the Chamber.

MINER'S TEN COMMANDMENTS

9. Thou shalt work and break ore every day, the Sabbath included, for verily the Board of Directors aforementioned has assumed the prerogative of the Almighty and if thou refuseth to toil as they direct, thou and thy dog and all that thou possesseth will soon be hitting the trail for Porcupine.

CHAMBER OFFICE HOURS

10:00^{AM}- 4:00^{PM} Monday to Friday.

Arrangements can be made for use outside the regular hours.

Call Chamber Office for bookings.

Phone/FAX 352-5242

MINING: GOOD NEIGHBOUR AND PROVIDER TO THE WORLD

LAND SWAPS PROPOSED HAVE CONSEQUENCES FOR MINING

by J. Murray, P. Geo.

The provincial government seems set on compensating forest companies for expropriated timber with other land elsewhere without regard to the implications for mining interests. The proposed MacBlo swap on Vancouver Island is the most prominent example, but there are examples in our own area. Indeed, there are precedents here in the Kootenays - a couple of years ago we were shocked to discover a large 'no staking reserve' imposed over major portions of the most productive - and heavily staked - areas of the Kootenay Arc to accommodate a land swap with Beaumont timber. (We were even more shocked and dismayed to discover that MEM personnel in Cranbrook knew absolutely nothing about it!)

The BC & Yukon Chamber has expressed its concerns about the proposed MacBlo swap to government. Some of the points made include our industry's belief in fair market value compensation for all tenures expropriated for parks or other societal purposes, but that land swaps have impacts on prospectors' traditional right of free entry to both Crown and private lands.

Bruce McKnight maintains in his letter on the subject that "in the last eight years the people and the resource industries of BC have lost access to more than 14 million hectares of land. That is 14% of our province, and we are still losing more. BC exploration levels are at a 30-year low, due principally to this land problem.

In BC the normal free entry rights of mineral tenure holders and holders of Free Miners Certificates allow them to enter onto Crown or private land for the purpose of prospecting and for locating (staking) Mineral Claims.

...However, there are still serious issues of access to, and on, mineral tenures; timber cutting during exploration; use and maintenance of forestry roads; as well as reclamation and bonding requirements which could affect current mineral tenure holders on private lands.

There is also a highly significant issue facing potential new mineral tenures. On April 26th 1994, the Minister of Energy and Mines retroactively placed no staking reserves for minerals and placer minerals over all Crown grants of private lands issued after August 15, 1988. This was ostensibly done to protect property owners' personal use of surface materials and stone on their properties, and was done at the time of the

transfer of administration of titles for dimension stone and all other stone products, except construction materials, from the Land Act to the Mineral Tenure Act.

This change was intended to apply to small parcels of land of up to a few hectares, not to tens of thousands of hectares of land as in the MB proposed settlement. The no staking reserve presently in place would therefore prevent any new staking of claims for minerals or placer minerals on any new Crown granted private lands.

As a minimum we would suggest that the no staking reserve be rescinded for the proposed MB transaction and, in addition, for all other private land Crown grants that comprise greater than 10 hectares of contiguous land.

To deal with the access issue we recommend that all roads now in place on the Crown lands proposed for the MB transaction remain as non-deactivated public roads and as perpetual public rights-of-way. All access requirements sought by mineral explorers on those lands should be dealt with under the Mining Rights Amendment Act and the Mineral Exploration Code and essentially treated as if they were Crown lands.

ONTARIO TO ALLOW MINING IN PARKS??

In a process somewhat analogous to BC's Land Use Planning processes Ontario has recently completed a two year exercise in public consultation and planning on land use grandly called "Lands For Life". The province was divided into 3 large units for planning purposes (unlike BC where the province has been divided into many units necessitating at least 20 separate planning processes) and multi-stakeholder Tables were convened in each of the three regions to advise on the best uses of the land.

After extensive consultations Ontario is creating 378 new parks, but what is interesting from a mining perspective is that

We also recommend that whenever Crown grants or normal sales of private lands take place, both the recipient/purchaser of the private lands as well as any underlying mineral tenure holders be notified of the pending transfer of the surface title and of the presence of the mineral title underlying and potentially encumbering the surface title.

Finally we recommend that MB, in this case, or any other surface title holder be required to provide notice to the underlying mineral title holder of any proposed development which could affect the mineral title holder's activities. This should be parallel language, similar to the notice that mineral tenure holders are currently required to provide to surface titleholders.

Subsurface resources and their corresponding rights and titles are part of our provincial heritage and are just as important as surface resources and titles. BC's mineral endowment is the basis for a significant portion of our past, present and potential provincial wealth and should not be ignored nor its potential contributions diminished in a transaction such as the one proposed here." ■

the door is **not** bolted firmly shut against mining. While technically the parks are considered "protected," mineral exploration will also soon be permitted within some of their confines, a practice currently outlawed. Government officials say they are simply honouring an agreement made to hunting enthusiasts and mining companies to keep huge swaths of Ontario Crown land "flexible" and economically viable.

Ryan Sword, an aide to Natural Resources Minister John Snobelen, says the province sought to balance the rights of all as it decided land use. As for the decision to allow mineral exploration in all parks and

protected areas, Sword says the law of averages would suggest few actual mine sites will result. Exploration rarely uncovers enough mineral-rich sites to warrant the establishment of mines, he says. "But we wanted the flexibility to allow it in areas where there is high mineral potential, because of the enormous economic benefits for that area."

Earthroots and the Animal Alliance are seeking legal advice and intend to file a complaint with the province's Environmental Commissioner. (Naturally.) ■



Chemex Labs

www.chemex.com

GEOCHEMICAL
FIRE ASSAY
MULTIELEMENT ICP-MS
NEUTRON ACTIVATION
ENVIRONMENTAL

UNITED STATES
Sparks, NV
(775) 356-5395
Elko, NV
(775) 738-2054
Fairbanks, AK
(907) 452-2188
Butte, MT
(406) 494-3633

CANADA
North Vancouver, BC
(604) 984-0221
Mississauga, ON
(905) 624-2806
Thunder Bay, ON
(807) 475-3329
Timmins, ON
(705) 264-4788

MEXICO
Hermosillo, Sonora
(52) (62) 60-4475
Guadalajara, Jalisco
(52) (3) 619-7438
Zacatecas, Zacatecas
(52) (492) 44-309
Chihuahua, Chihuahua
(52) (14) 18-50-11

PERU
Lima
(51) (1) 332-3558



ECUADOR
Quito
(593) (2) 55-32-28

Excellence in people, technology & service

MINING: THE CORNERSTONE OF CIVILIZATION

CHAMBER REPORT

by Wang Di, Office Manager

As the weather gets sunnier, and public awareness of the importance of mining increases, we see a steady increase in tourist traffic, as well as frequent school tours, at the Chamber. So far this month we have had over 30 visitors sign in, and two school tours: Grades 2 & 6 from Central School. In addition, Kokanee Provincial Park (in association with the Chamber) will hold a hand drilling exhibit for the public through the summer season.

In February's MOTHER LODE President George Addie suggested designating Friday afternoons as an informal free discussion time over coffee. Again, we encourage you to bring your ideas and your rocks - let's show the world we will keep mining alive in the Kootenays!

WARNING: For those Shift Boss ticket holders who may have missed the message, all Shiftboss Certificates issued prior to July 15, 1990 will expire July 15, 1995. To maintain standing you must pass a short examination on the Mine Code, and have valid Mine Rescue, First Aid, and Blasting Certificates. For your

First Aid WCB level 1 Certificates are acceptable. However, EMPR advises us that if your Mine Rescue Certificate has no expiry date marked on it then government has decreed it to be expired as of June 1995, according to new EMPR regulations, and you will need to be recertified.

The Chamber is working with EMPR to ensure that people whose Certificates are now expired can obtain recertification. A tentative date of July 18 has been set to begin a one week underground/open pit Mine Rescue Course. **Please let the Chamber know of your interest in this course as soon as possible by phoning 352-5242.**

On another topic, it has been suggested that with the changes in the Mineral Tenure Act brought about by Bill 13 prospectors may be able to save trouble, time, and money by buying their FMC's for ten years or longer. It seems likely that the price of FMC's will be going up, and Bill 13 will require prospectors to pass an exam (take a course??) before being eligible for an FMC. **So consider buying your FMC's ahead. DO IT NOW!** ■

FROM THE MAILBAG...

LETTER TO EDITOR: WHO IS ANNE EDWARDS REPRESENTING?

The BC government is trying to pass Bill 13, which amends the Mineral Tenure Act. If you read this Bill you will see that there are reasonable sections, but also some very scary ones!

Neither the Mining Association nor the BC Mining Chambers support Bill 13 as it is presently written, yet the government is pushing ahead with it.

So just who is running the show? It certainly is not the mining community, or the general public. The only ones left are the "Party Hacks" and Bureaucrats. The "Party Hacks" will be dealt with by the public in the next election.

As for the bureaucrats, anyone who works for the Ministry of Mines that is anti-mining should be FIRED with the same severance benefits offered in Bill 13: "NO COMPENSATION PAYABLE!"

Lloyd Addie ■

MEETINGS & SYMPOSIA

CHAMBER MONTHLY MEETING
July 21, 7 PM.

CROWN JEWEL OPEN HOUSE
July 21, 4PM, followed by 7PM Meeting

KEEP MINING IN CANADA
August 4, Photo Contest Deadline

Further details available at the Chamber.

RANDOL INTERNATIONAL
MINING OPPORTUNITIES

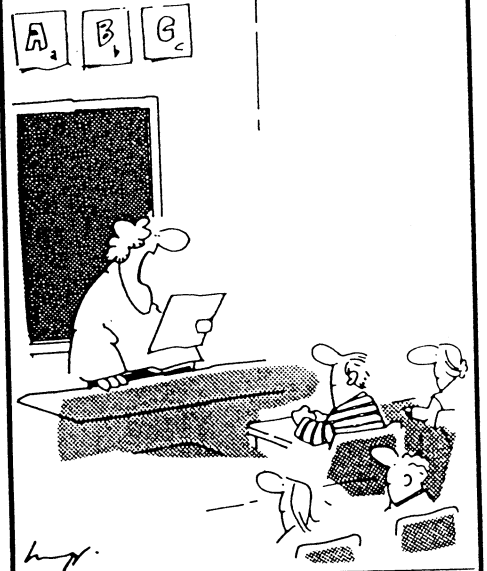
Oct 1-4, Westin Bayshore, Vancouver

INDUSTRIAL MINERALS '95

Oct 17-19, Vancouver

Ph: 604-952-0414 Dan Hora, BCGS

From Placer Dome "Prospect",
March 1994



I DIDN'T SAY YOU SHOULD GO INTO MINING... I SAID
YOU'VE GOT A VERY LOW GRADE...

SILVANA REOPENING?

by J. Murray, P. Geo.

At a meeting of the Kootenay Regional Advisory Group in Fernie May 13th chaired by Minister of Mines Anne Edwards Minister of Tourism Bill Barlee announced his Ministry is in negotiations with EMPR and Treminco Resources Ltd. with a possibility of putting 25 people back to work at the Silvana Mine in Sandon. He indicated there are sufficient reserves for 1.5 years of operation currently outlined in the mine. Rob Trenaman of Treminco Resources agreed in a recent interview with THE MOTHER LODE that they have received encouragement from government agencies in their bid to reactivate the mine, and are hopeful production can begin by winter. ■

CLASSIFIED ADS

\$1 per line (about 5 to 10 words). Minimum \$5.
Deadlines as stated for articles.
Please contact the Chamber (352-5242).

Four claims, former Onondago Mine (Maud S), located on Arron Hill, Castlegar, BC. For info phone Martin, evenings, at 693-2268.

Suction dredge & High Banker, hoses, pumps. S.P. outfit digital meter, 500 ft wire. Ph. Martin, evenings, at 693-2268.

Note: the views of contributors to this newsletter do not necessarily reflect the views of the Chamber.