

Cinola
887918

Schroeter, Tom EM:EX

From: Wojdak, Paul EI:A1
Sent: Friday, July 24, 1998 7:53 AM
To: Flynn, Doug EI:A1; Bergen, Wally EM:EX
Cc: lefebure@mp.gsb.empr.gov.bc.ca; Anderson, Duane L. EI:A1; Pinsent, Robert EM:A1; Wilton, Paul EI:A1; Schroeter, Tom EM:EX
Subject: Week report, July24

Luscar Coal, through its Income Fund, has made a takeover bid for Manalta Coal. Manalta is expected to resist the takeover, it is a slightly larger company than Luscar. Luscar offers 0.335 share unit for each Manalta Trust share unit and will assume the obligation to pay the final instalment of \$4 payable on Oct 1/98. There are 87 million Manalta Trust instalment receipts ("shares") outstanding; the bid is worth \$550 million. When Manalta became a publicly traded company it issued \$10 shares on the basis of \$6 down and \$4 to be paid in Oct. Those shares are now trading in the \$2 range. No matter what the outcome there could be impact on the Telkwa Coal project as time, energy and money will be diverted.

*Specogna
LINDA*
Misty Mountain is in negotiation with an unidentified major company regarding acquisition of its Harmony Gold project. Bob Dickinson (CEO of controlling Hunter-Dickinson) said discussions are promising and, if successful, a deal could be announced within 1-2 months. The company continues to be enthralled with biological oxidation/heap leach for the Specogna deposit, and may get operating expertise in this technology via acquisition of the Tonkin Springs operation in Nevada.

Toured Harmony Gold (accompanied by Dave Lefebure) with project managers Richard Haslinger and Léna Bromeland, and Peter Fishl (Misty's geological expertise on the property). Léna was being introduced to the project, and will represent the company at the new Queen Charlotte LRMP table. We examined exploration targets on the Harmony property at Marie Lake and near Canyon Creek, and core from DDH 97-151, the deepest hole on the Specogna deposit, drilled in search of a bonanza root below the hot spring gold deposit.

Misty Mountain is not planning any field work. If a mine is developed, the company would access the site via a new road north to Masset Inlet east of Port Clements.

Examined lithologies and alteration zoning in 97-151 in detail and discussed with company personnel.

Marie Lake (103F 011) comprises a stockwork, trending 050, of chalcedonic quartz and pyrite cutting feldspar-hornblende intermediate volcanic (or possibly dike) rock belonging to the Yakoun(?) Formation and, in a second exposure, overlying interbedded volcanics, tuffs and sedimentary strata. It is about 7 km west of the important Sandspit fault. Surface sampling gives modest gold values (best grab of 2 gm/t) but of particular interest is bladed quartz which indicates boiling and calcite replacement in the epithermal system, and potential for high grade gold-silver deposition. Tentative identification was made of barite and hydrocarbon in the veins.

The Canyon target is 500 x 800 m gold soil geochem anomaly about 1.5 km west of the fault. Chalcedonic and amythestine quartz float

VOS → Reg. Mgr. Smithers

Schroeter, Tom EM:EX

From: Bergen, Wally EM:EX
Sent: Friday, June 25, 1999 1:26 PM
To: Adams, Rick; Anderson, Duane; Beswick, Ed; Booth, Richard; Braidwood, Brian; Carter, Tom; Castillo, Talitha; Cheetham, Pat; EM MB Smithers DL; Errington, John; Finvers, Maija; German, Gerald; Hall, Ted; Hermann, Fred; Hesketh, Joan; Hoffman, Al; Jorgensen, Sharon; Lunam, Charene; McKillop, Greg; McLaren, Graeme; Phelan, Bill; Ross, Paul; Schroeter, Tom; Starkes, Terri; Stewart, Gregg; Stewart, Linda; Whale, Andrew
Subject: NW Region Weekly Report to June 25, 1999

MINING

Endako mine will be closed from June 30 to August 2, 1999, for annual leave, maintenance and inventory reduction. Approximately 25 people will be on site performing maintenance. This temporary closure was a part of the Job Protection package.

On June 18, 1999, the NWMDRC received a presentation from Eskay Creek mine regarding moving sub-aqueous disposal of mine tailings from Albino Lake to Tom MaKay Lake. The mine has identified sufficient ore reserves to extend the mine life until the end of 2008. With expanded ore reserves and increased milling production it is anticipated that Albino Lake does not have sufficient capacity for the volume of material to be disposed of sub-aqueously. The application to amend the EA certificate will be coordinated by Norm Ringstad and it is anticipated that it will proceed in a timely manner, as did the application for Albino Lake.

Silvertip Mining Corporation has announced that they are putting their application to the EAO for certification for the Silvertip Mine on hold until metal prices improve.

At the NWMDRC meeting held on June 17, 1999, the Committee agreed to recommend to the EAO that the EA certificate for Larado Limestone on Aristazabal Island be extended for 3 years.

Emile Brokx has announced that he is retiring as General Manager for Huckleberry Mine. A replacement has yet to be announced.

Verdstone and Molycor (John Chapman) indicated that Thompson Creek Mining - Endako Mine were not interested in pursuing involvement in the Unity moly proposal on Hudson Bay mountain. Discussions are still underway with imperial Metals to see if they are interested in accepting between 500 and 1000 tons per day of Yorke-Hardy ore to Huckleberry.

EXPLORATION

The Harmony Project by Misty Mountain Gold, part of the Hunter Dickinson Group of companies, is on hold with the project for sale. Testing of alternative methods for gold recovery were not able to identify practical gold recovery processes. Environmental concerns could not be eliminated; ARD from waste rock, mercury would still be issues.

RECLAMATION

On June 17, 1999, the NWMDRC met with representatives from Silver Standard Resources Inc. to discuss ongoing reclamation of the Duthie Mine site on the backside of Hudson Bay Mountain. The company is proposing to install perimeter diversion drainage ditches to direct ground water away from the historic tailings and to seal and cap the tailings to minimize surface water from passing through the tailings. The proposal is in the final stages of evaluation and work on the tailings clean-up may commence late summer.

Noranda Mines is addressing concerns regarding soil and water quality associated with the loading yards for the now closed Bell Copper Mine. The transshipment point from truck to rail was used for several years and there are concerns that sufficient concentrate was spilled to lead to copper drainage into the upper Bulkley River. Noranda has hired Morrow Consultants to replace an earlier consultant, who had not commenced work on the evaluation.

had been found but is now obscured by logging slash in a new clear-cut. The target is not considered high priority for follow-up because it is underlain by Yakoun formation andesite, not considered as good a host as Skonun conglomerate, as at the Specogna deposit.

Visited Del Santo exploration project 35 km SE of Smithers with Jim Cuttle and Dan Ethier, employed by Telkwa Gold. This is an old VMS prospect in the Hazelton Group (Nilkitkwa Fm) where the trenches were sloughed in and weathered. Fresh exposures elucidate relationships. Bedded magnetite and vaguely banded to massive chalcopyrite-magnetite-pyrrhotite-(sphalerite) occur at the stratigraphic transition from andesite to manganese-rich chert. Chalcopyrite occurs in 3 horizons over a 10-15 m stratigraphic span. A best sample might return 5+% Cu over 0.5 m, or 0.5% over 10 m. The footwall andesite is foliated (evidence of tight folding) but fairly fresh except an exposure just north of the trenches where it is chloritized. Falconbridge drilled 3 Winkie holes 30? years ago but no other drilling has been done. Telkwa Gold hopes to drill later in the summer. Good potential.

Off to Eskay Creek and Corey next week accompanied by Tom Schroeter.

DEZ
SANTO

BS → RG
- Smithers

Schroeter, Tom EM:EX

From: Wojdak, Paul EM:EX
Sent: Friday, October 30, 1998 10:54 AM
To: Bergen, Wally; Cathro, Mike; Lane, Bob; Schroeter, Tom; Wilton, Paul
Cc: Burchett, Esther; Daniel, Catherine; Ennis, Sandee; Flynn, Doug; Good, Bryan; Graff, Bruce; Hanson, Daryl; Kenschuh, Elaine; Malott, Mary Lou; Pardoe, Jill; Price, Bill
Subject: Weekly report, Oct 30, 1998

Attended Industrial Minerals conference on Oct 22-23.

Attended meeting of Regional Geologists in Kamloops (Oct27) and Rick Meyers farewell dinner.

Presented Mining and Exploration summary in Victoria (Oct 29).

KERR
IN
ALPHA
SOLD

Visited Teck and Placer Dome offices in Kamloops (Oct 26). Teck are encouraged with results of surface sampling for gold on the Jake and Kit properties. Continued low level exploration programs anticipated in 1999. Placer Dome are looking for outright sale of the Kerr (Cu-Au porphyry) and Sulphurets gold properties in the Iskut region, rather than an earn-in option. The company is concerned about environmental liability. Problem: majors (including Homestake) are not interested, juniors have no money.

Golden Bear mined 397,000 tonnes at Kodiak A at an average grade of 3.73 g/t Au. Of this tonnage, 259,000 tonnes at 4.08 g/t Au was stacked on the Fleece Bowl pad and 138,000 tonnes at 3.06 g/t Au was stockpiled for loading on the Totem Creek pad in 1999. Total gold recovery by heap leaching Kodiak ore is anticipated to be as high as 94%. About 36,000 oz of gold will be recovered this year (vs 32,000 oz forecast) at an excellent production cost of US\$ 149. Mining of the Ursa zone and operation of the Totem pad now appears certain to take place next year. (Due to low gold price there had been uncertainty) The small exploration drilling program on the Grizzly zone did not increase the estimated resource.

CAISOLM

Imperial Metals optioned Ed Westgarde's (Houston prospector) Star claims near Chisolm Lake 45 km southwest of Houston and then staked a block of 200 units (CL claims). This is an interesting new porphyry copper showing with heavily disseminated and weak stockwork of chalcopyrite but very little pyrite in surprisingly fresh granodiorite. This was a new logging road discovery. Subdued outcrop extends away from the new road but there is little or no gossan developed. The company hopes to do a geochem survey before winter, and some percussion holes using existing roads.

SPECOGNA

Harmony Gold drilling and metallurgical program is getting underway. Drill target is an IP anomaly that extends 500 m north of the Specogna deposit. They may also drill a 1000+ meter deep hole in search of a high grade zone below the Specogna deposit. This would be a deeper cut than the deep hole drilled last year. The 4-tonne metallurgical sample is required to test more bio-oxidation options.

Hunter Dickinson staff stressed the extraordinary methods required to raise money for this B.C. project. They are actively looking for new projects to acquire, but due to the difficulty in raising international funds they are not considering new projects in B.C.

Homestake expect to continue similar level of exploration in the Iskut region in 1999.

CASSIA

Expansion of the Cassiar tailings pilot plant to full production could lead to 60 permanent jobs in the next year or two. Excellent market response to the chrysotile fibre product- buyers are so eager they will pay 60% of cost at the mine site, with the balance paid when it reaches Vancouver.

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