

Sulphurets
104B/8W 104B193
888171

Michael Jerema
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Surrey, B.C. V3R 8T5
Phone: (604) 584-1998

January 28, 1988

Tom Schroeter
Senior Regional Geologist,
Ministry of Energy, Mines,
and Petroleum Resources
800 Hornby Street,
Vancouver, B.C.

Dear Sir:

This letter is being written as a formal application to expand, to the east, the present boundary of the Sulphurets Creek designated placer area in the Skeena mining district (Map Sheets 104B - 8 and 9).

Presently, the Sulphurets designated placer area is confined to a rather narrow segment of Sulphurets Creek barely nine kilometres in length. The segment is bounded to the west by the Unik River and extends eastward to the mouth of Mitchell Creek. Within this stretch of Sulphurets Creek there is almost six kilometres of steep canyon walls and fast flowing, sediment laden, white water; hardly the kind of conditions conducive to successful placer mining. Not surprising, there are only three small groups of placer claims on the creek, of which one group has recently been cancelled.

Due to the extreme ruggedness of the terrain, caused by alpine glaciation, access to Sulphurets Creek is by helicopter only, making this a very expensive area to mine or explore. Along the creek, steep sided slopes are covered with 100 foot tall over-mature spruce and fir trees. Only three kilometres of creek, at the ends of the designated area, are suitable for placer operations limited by yellow code restrictions now in place on Sulphurets Creek.

As it stands now, there is little incentive to explore for or mine placer minerals in the Sulphurets designated placer area.

However, during the past eight years mining companies have located many high grade gold-silver and large gold-copper deposits just east and northeast of the Sulphurets Creek placer area. Two of these discoveries are scheduled to be exploited as early as December of 1988.

Many of these deposits have streams and small lakes that pass over them and are part of the Sulphurets Creek watershed. There is also much glacial material that has been scoured from these mineralized areas that contain free gold and gold in quartz rocks found right in the glacial debris itself. As a result, one mining company is actively looking at these tills for clues to locate additional mineral deposits in the Sulphurets Creek area.

I propose extending the current boundary of the Sulphurets Creek designated placer area eastward to promote interest in the area and to exploit these newly discovered upstream sources of placer materials. Provided with this letter is a 1:50,000 scale map showing the locations of known mineral deposits and occurrences in the area, the names of companies that possess them, the boundaries of the proposed extension, and areas known to myself or thought to contain anomalous or economic concentrations of placer gold.

There are three copies of this map and they are numbered Proposal No. 1 to 3. Each map shows a different configuration of proposed new placer area if the preceding numbered proposed area is deemed unexceptionable. Also included are a newspaper article and mining company brochures showing mineral claims and deposits.

The designated placer area should extend at least 13 kilometres east, upstream along the Sulphurets Creek and east side of the Sulphurets glacier to within one kilometre of Brucejack Lake. Also the placer area should extend northeast up Mitchell Creek and along the southern edge of Mitchell glacier for a length of ten kilometres.

The boundaries of this proposed new designated placer area have been carefully selected to avoid mining operations and areas of active exploration by companies owning the surrounding "hard-rock" mineral claims. If these boundaries are chosen as indicated on the inclosed map, the rights and interests of both placer and "hard-rock" miners should be adequately protected and separated. Any potential "grey areas" or conflicts concerning surface rights and rights of access should be eliminated.

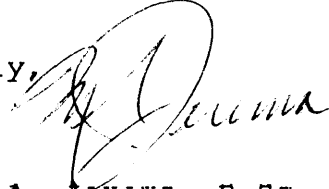
The existing "yellow code" restrictions on the lower portions of Sulphurets Creek are warranted as a very small fish population has been reported to exist in the creek by the Dept. of Fisheries. However it must be recognised that almost all of the Sulphurets watershed east of Mitchell Creek is fed by receding glacial waters and snow meltwaters cascading down steep and unstable slopes of glacial moraine. Much of this water is laden with silt, mud and rock flour, flows with high velocities, and in places, is extremely turbulent making it an unlikely habitat for fish of any kind. Therefore any placer leases located along glacier margins or upstream of these high energy environments should be considered for "green code" restrictions.

Except for small segments along the lower portions of both Mitchell and Sulphurets creeks, much of the requested new area is far above tree-line.

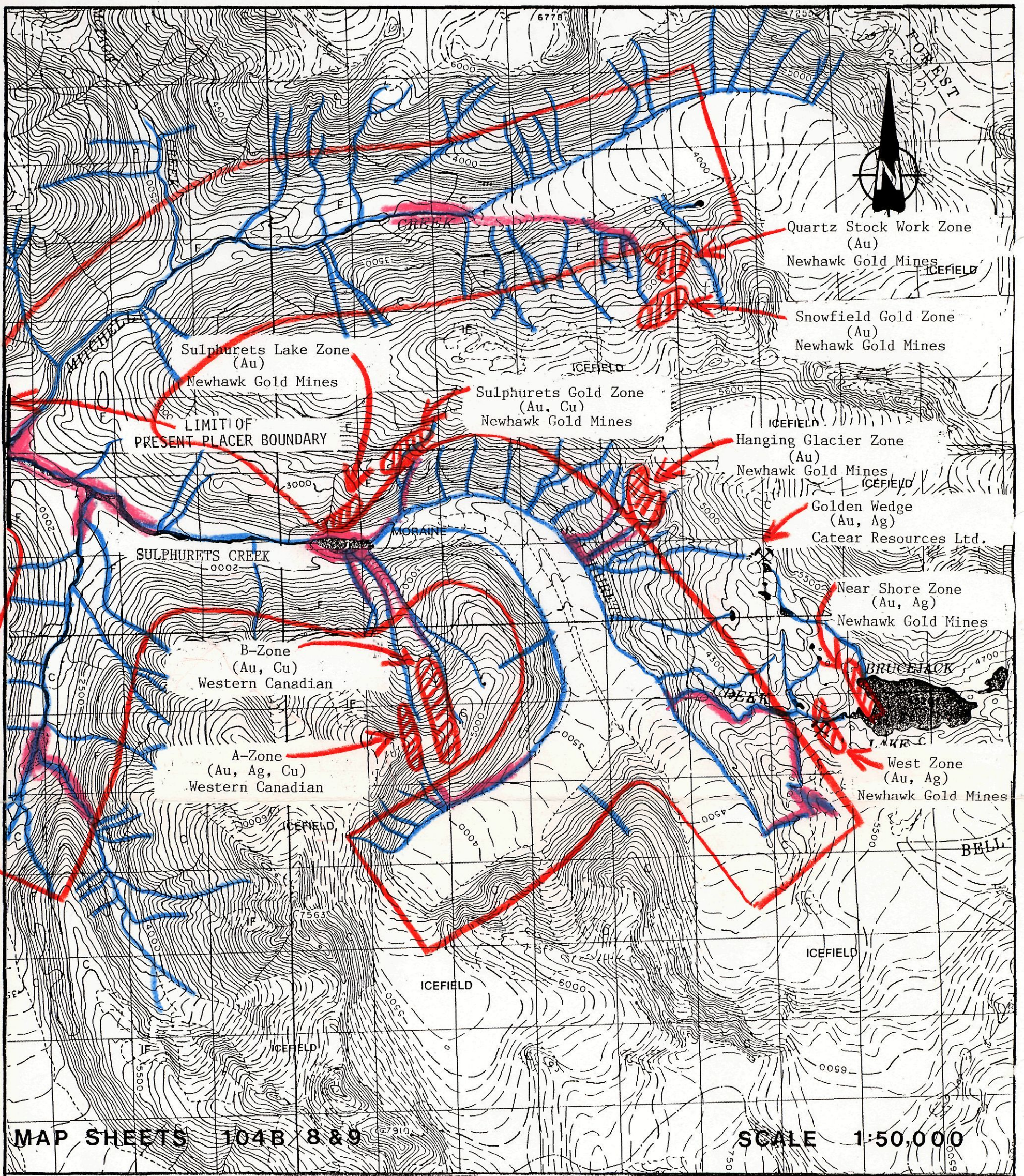
I am making this application for placer designation of new area based on my knowledge and work experience in the Sulphurets Creek after having worked in this area as a prospector and geologist for mining companies from 1981 to 1987. I am making this application as a private individual and do not represent nor am I working for any company or corporation. I am presently a permanent resident of the province of B.C. and a holder of a valid free miners' certificate.

Copies of this application have been sent to John Clancy in Vancouver and to Jim Torrance, Gold Commissioner, Skeena Mining Division in Prince Rupert.

Sincerely,

A handwritten signature in cursive script, appearing to read "M. Jerema". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Michael A. Jerema, B.Sc. Geol.



PROPOSAL No.1

for new placer area designation of eastern half of Sulphurets Creek & Mitchell Creek



Boundary of proposed new placer designated area.



Hard-rock mining operations



Areas known or thought to contain economic concentrations of placer gold.



Known gold deposits recently discovered in the last ten years.

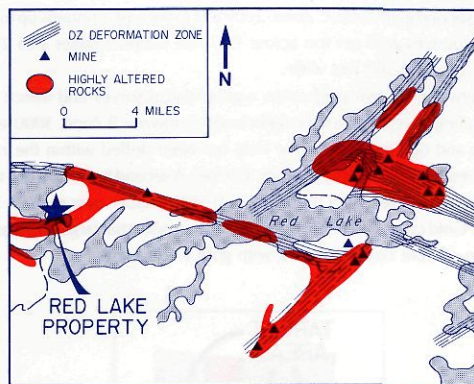
EXPLORATION PROPERTIES

Exploration programs in 1987 were conducted on 11 gold properties and 1 limestone property in which Western Canadian Mining Corporation has an interest.

- In Newfoundland, a diamond drilling project is planned for November to trace gold mineralization on the **Mine Brook** property. Previous exploration programs obtained up to 1.25 ounces gold per ton over 2 feet in a trench and 0.24 ounces gold per ton over 5 feet in a drill hole.
- Two properties were worked in southwestern Newfoundland. A 2.1 mile access road was constructed to allow removal of a bulk sample from the **Port au Port** limestone property. This material will be used for quality testing and market studies.
- Joint Venture partners are spending \$4 million on the **Cape Ray** gold property located 42 miles west of the new Hope Brook gold mine owned by B.P. Selco. The property was explored in the late 1970s and early 1980s when mineable reserves of 695,000 tons of 0.233 ounces gold per ton were defined. Surface drilling and underground drifting are underway to increase reserves and obtain sufficient information for a feasibility study.
- In Labrador on the Kitts-Michelin properties, where reserves are 26.3 million pounds of uranium oxide, in excess of \$20 million has been spent on exploration and development. The company has obtained Ore Removal Permits from the Atomic Energy Control Board for the period 1986 - 1991.
- In northwestern Quebec, a 1500 foot diamond drilling program will commence this fall on the **Ste. Helene** gold property located 36 miles east of the Inco-Golden Knight Casa Berardi gold discoveries.
- Joint Venture partners are planning a major diamond drilling program on the **Tillicum** gold property in Ontario, to pursue previous results of 0.21 ounces gold per ton over 12 feet in a drill hole.
- Also in Ontario is the **Red Lake** gold property on the western end of Red Lake within a geological setting hosting 14 past and present producing mines. Gold values from 0.14 to 0.39 ounces gold per ton over 6 to 23 feet were obtained by drilling in the 1940s. The Company is funding a 1000 foot drill program in November to test targets defined by geological mapping and geophysical surveying.
- The **West** property, adjacent to the Lupin Gold Mine owned by Echo Bay in the Northwest Territories, was the site of a \$300,000 exploration program during the summer. The program was funded by Joint Venture partners who are evaluating and compiling results.

- More than \$1.5 million was spent on the **Kerr and Gossan** properties in northwestern British Columbia and results have been very exciting. High grade values of gold occur on both properties and a long intersection of copper and gold occurs on the Kerr. Exploration programs are being planned for 1988.
- Elsewhere in British Columbia, the Company has recently acquired the rights to earn an interest in the **Adams Lake** property located 5 miles north of the gold deposit on the Rea property.

Western Canadian Mining Corporation is continuing an aggressive program of property assessment and acquisition and is striving to bring a number of projects to the development stage.



CORPORATE PROFILE

Western Canadian Mining Corporation is a Vancouver-based mineral resource exploration and development company that was created and became a publicly traded company in January 1987 through the combination of Western Canadian Mining (WCM) Ltd. and Equine Resources Ltd. The Company is engaged in exploration and development in Canada and currently holds varying interests in 21 mineral exploration properties. These properties are at different stages of evaluation and include gold, base-metal, uranium, and industrial mineral deposits.

During its first year of operation the Company has managed several major exploration programs funded principally through the issuance of flow-through shares.

The goal of Western Canadian Mining Corporation is to become a diversified producing mining company.

As at June 30, 1987 6,723,330 Common Shares were issued and outstanding. The Company is listed on the Vancouver Stock Exchange under the symbol WCD. Western Canadian will prove attractive to prospective shareholders interested in participating in a vigorous, growing company.

Western Canadian MINING CORPORATION

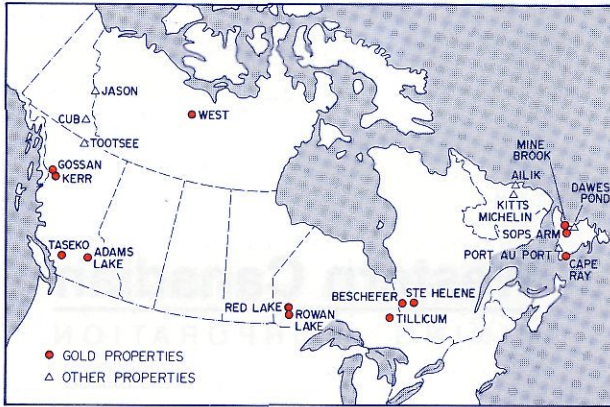
WCD - VSE

Western Canadian Mining Corporation

1170 - 1055 West Hastings Street
Vancouver, British Columbia
V6E 2E9

Telephone: (604) 687-2557
Telecopier: (604) 684-3178

CANADIAN PROPERTIES



| Property | Location | Gross Acreage | Commodity | % Interest |
|----------------------------|----------|---------------|-----------|------------|
| Priority Properties | | | | |
| Kerr | B.C. | 7225 | Au, Ag | 70 |
| Gossan | B.C. | 19019 | Au | Earni: |

Gold Deposit

Exploration Properties

| | | | | |
|-------------|--------|-------|------------|------------|
| Mine Brook | Nfld. | 1186 | Au | 100 |
| Red Lake | Ont. | 550 | Au | Earning 50 |
| Sop's Arm | Nfld. | 8892 | Au | 100 |
| West | N.W.T. | 2169 | Au | 25 |
| Ste. Helene | Que. | 2450 | Au | 39.5 |
| Beschefer | Que. | 4150 | Au | 25 |
| Tillicum | Ont. | 432 | Au | 4 NSR |
| Taseko | B.C. | 21489 | Au | 100 |
| Adams Lake | B.C. | 1729 | Au | Earning 50 |
| Rowan Lake | Ont. | 2253 | Au | 15 |
| Tootsie | B.C. | 6607 | Ag, Zn, Pb | 44 |
| Cub | Y.T. | 13153 | W | 33.33 |
| Goose Arm | Nfld. | 2175 | Zn, Pb | 50 |
| Sop's Arm | Nfld. | 1580 | Zn, Pb | 10 NPI |

Reserve Properties

| | | | | |
|----------------|-------|-------|------------|---------|
| Cape Ray | Nfld. | 10060 | Au | 0.5 NSR |
| Jason | Y.T. | 14565 | Zn, Pb, Ag | 21 |
| Kit's-Michelin | Nfld. | 5745 | U | 60 |
| Dawes Pond | Nfld. | 2726 | Cu, Zn, Ag | 52.36 |
| Ailik | Nfld. | 247 | Mo | 100 |
| Port au Port | Nfld. | 4110 | Limestone | 100 |

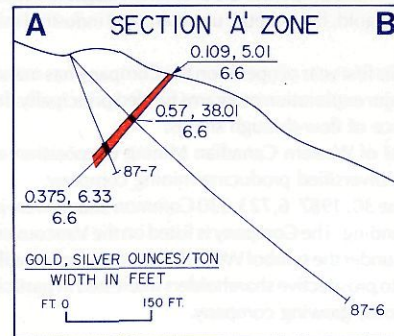
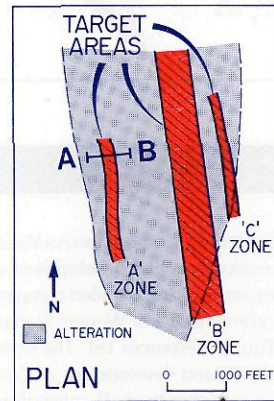
KERR PROPERTY, British Columbia

A successful 1987 exploration program has been completed on the Kerr gold property. Diamond drilling, trenching and geochemical surveys have identified three principal and two secondary target areas. The most advanced at this time, Zone A, contains good values of gold and silver in rock chips and diamond drill core.

High grade gold mineralization in Zone A is traced on surface for 1000 feet. Values from surface samples are up to 2.22 ounces gold per ton with 9.13 ounces silver per ton and 0.7% copper. Drilling has intersected the Zone at depth and gold values vary from 0.573 ounces per ton to 0.234 ounces per ton over 6.6 feet. Two diamond drill holes have followed the gold mineralization down dip for 200 feet with assays averaging 0.474 ounces gold per ton, 22.17 ounces silver per ton and 2.86% copper across 6.6 feet.

A second gold zone, C Zone, 2000 feet to the east, contains up to 0.23 ounces gold per ton across 19.7 feet within a target area 2300 feet long and 300 feet wide.

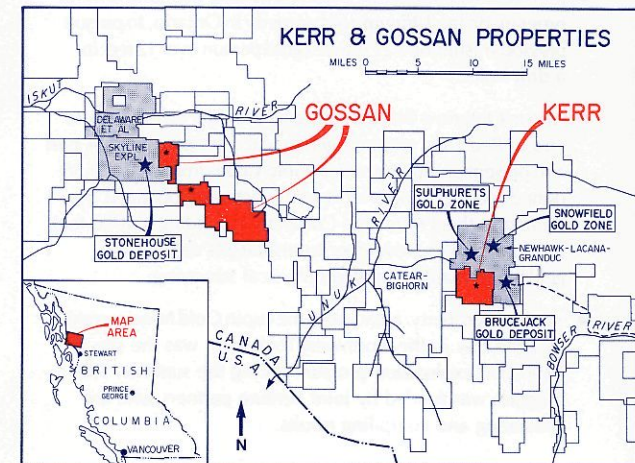
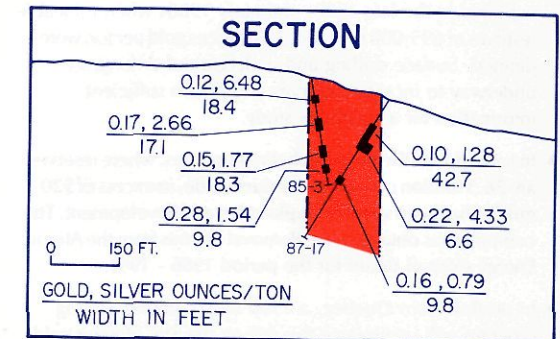
Between the two gold zones a geophysical survey and trench sampling have identified a copper target, known as B Zone, 3000 feet long and 600 feet wide. One hole has been drilled within the zone and returned 0.92% copper over 335 feet. A second hole, 500 feet to the west, just reaching the zone, is 0.56% copper over the last 298 feet. Gold content is 0.008 ounce per ton. A potential large tonnage open-pitatable copper deposit with gold credit exists.

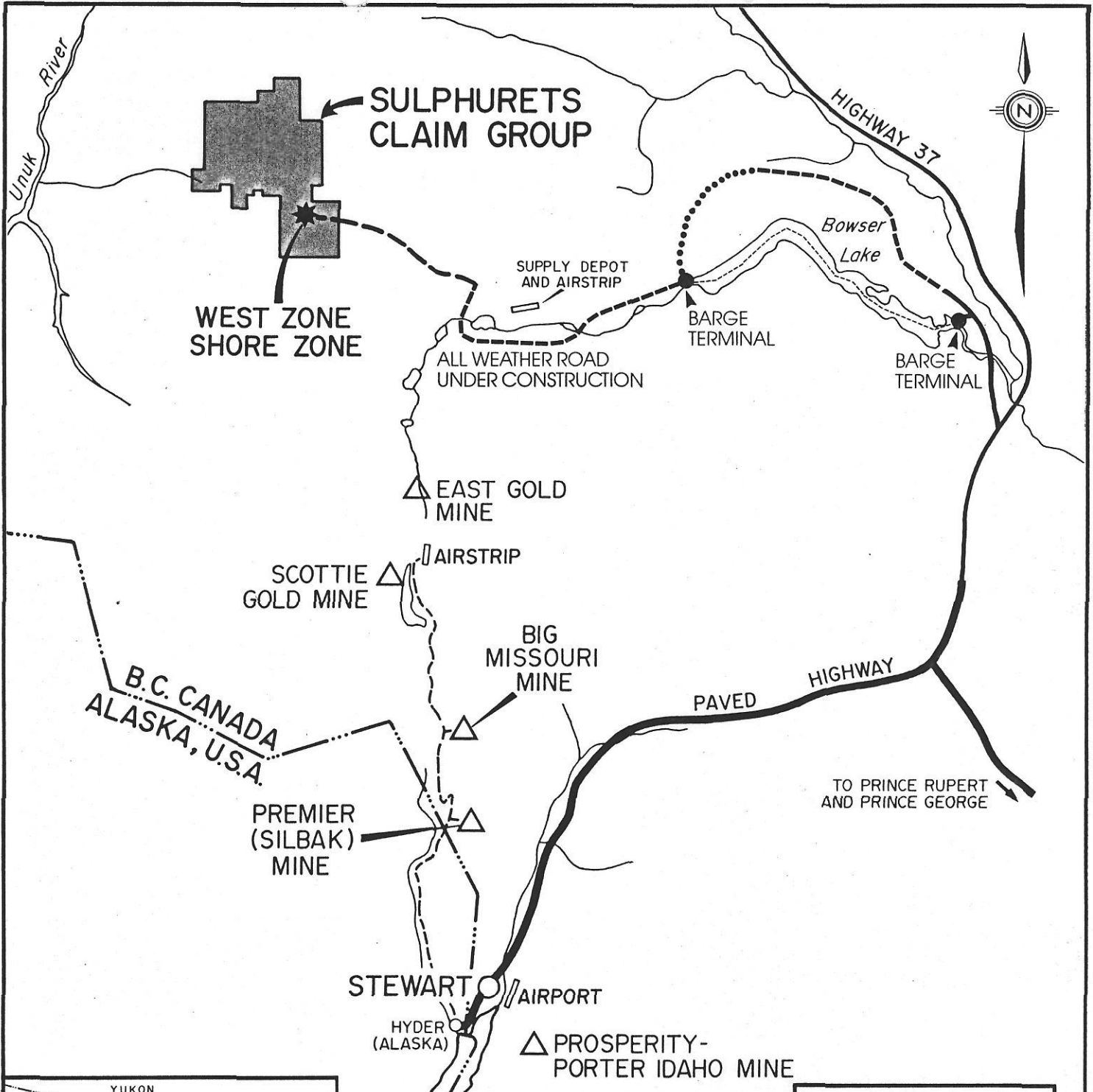


GOSSAN PROPERTY, British Columbia

A comprehensive 1987 exploration program including diamond drilling of 7278 feet over 18 holes, mapping, and extensive rock and soil sampling has been completed. The most significant target is the Khyber Pass Gold Zone which is 150 feet thick, northerly striking and steeply dipping. The Zone contains several parallel gold-bearing massive sulphide zones associated with silver, copper, and zinc. Numerous high grade values repeat within the Zone giving an average of 0.10 ounces gold per ton, 1.28 ounces silver per ton, and 0.30% copper over 42.7 feet. The Zone is open to the north and further drilling will be required to define its extent.

A further 7 gold target areas on the Gossan property remain to be evaluated. A prime gold target known as Pyramid Hill is characterized by extensive skarn alteration and base- and precious-metal geochemical anomalies.



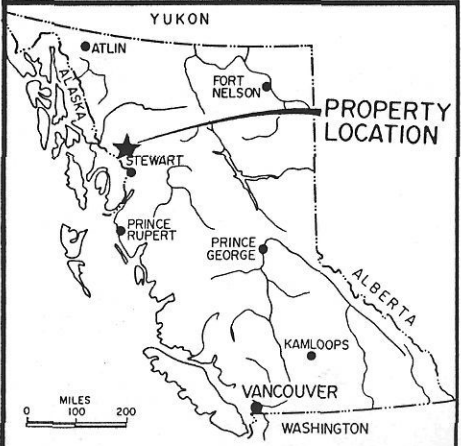
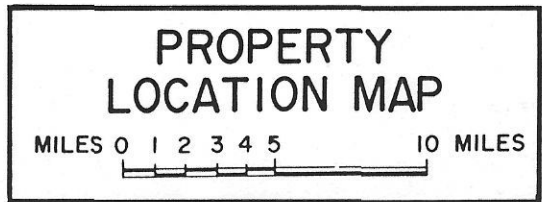


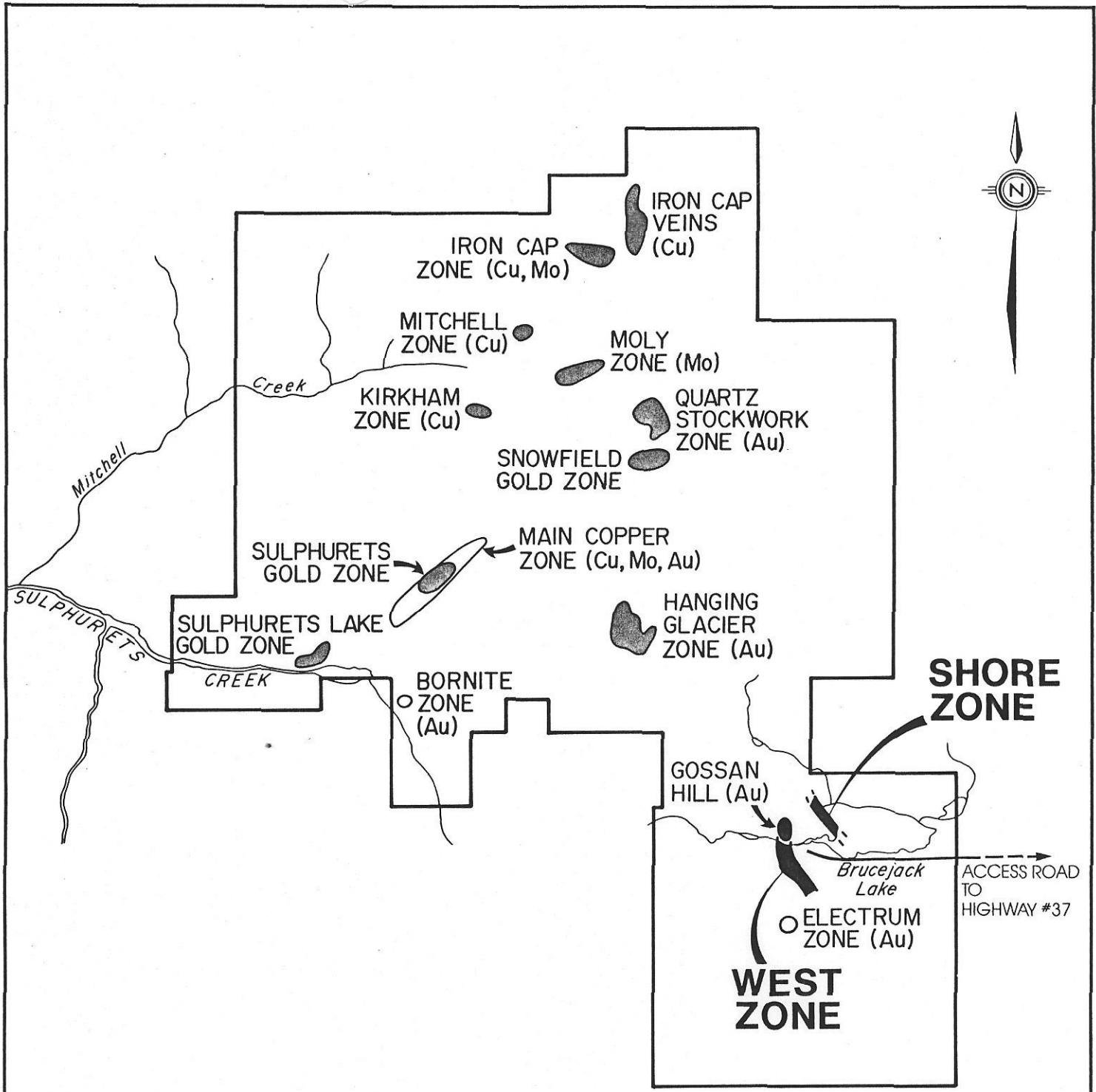
B.C. CANADA
ALASKA, U.S.A.

SULPHURETS PROJECT

LEGEND

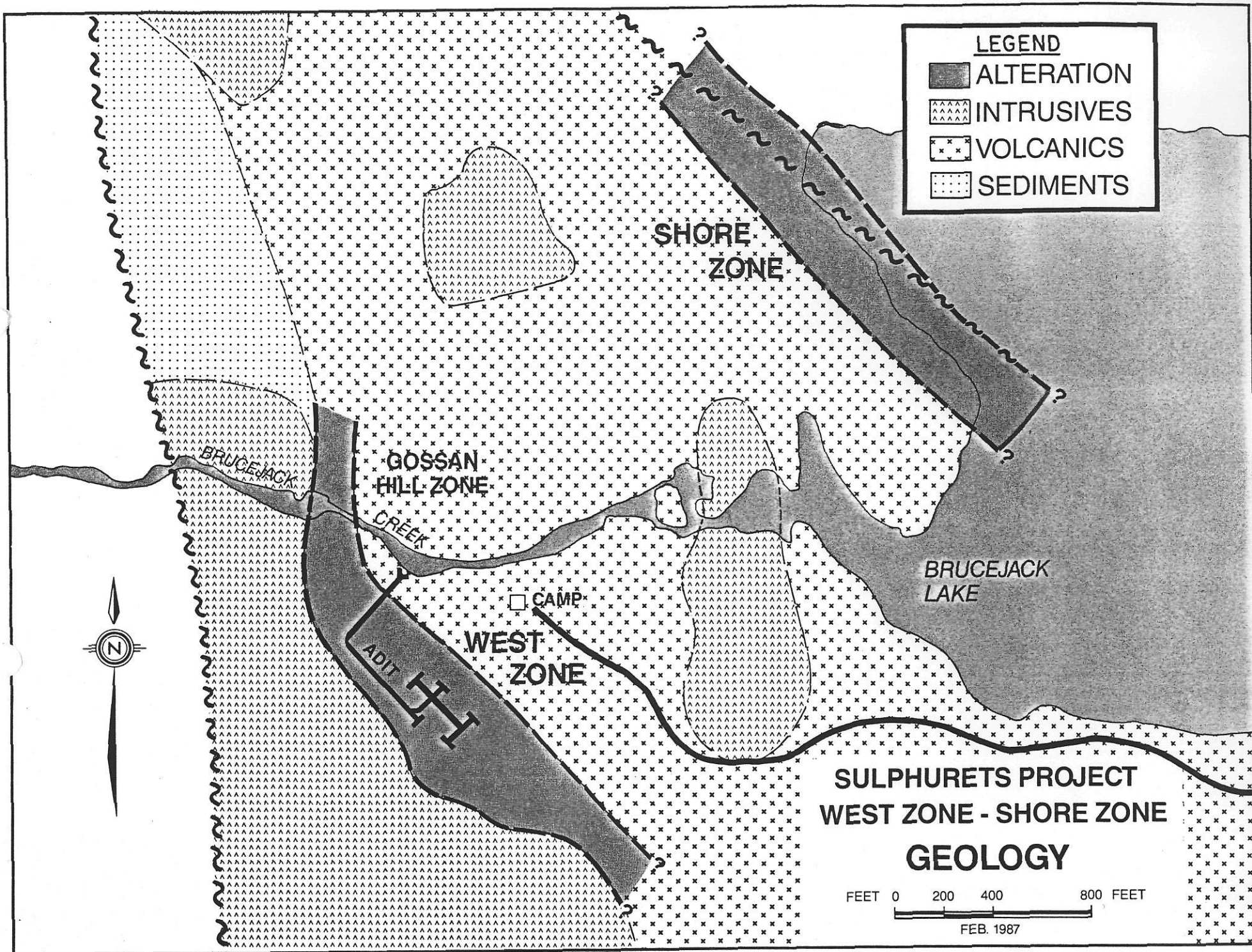
- LOGGING ROAD COMPLETION 1988
- TEMPORARY BARGE ROUTE
- FUTURE PERMANENT ALL WEATHER ROAD
- COMPLETED ROAD





SULPHURETS PROJECT
MINERAL ZONES





Northern Miner

Founded 1915

CANADA'S MINERAL RESOURCES NEWSPAPER

September 23, 1985

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efforts perty

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See Page 2

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medium-grade intercepts have been drilled.

The best of these had a continuous 285-ft. intersection to the 800-ft. horizon averaging 0.25 oz. gold per ton. Another intersected 385 ft. of 0.09 oz. gold. Both were stopped in ore at 800 ft.

Over-all grades varied from 0.20-0.63 oz. in narrower 15-50-ft. sections.

It is probable that certain sections could be mined selectively with the higher grade portions milled and lower grade heap or dump leached, the company said.

The zone is open at depth and on all four sides.

A total of more than 20 holes has been drilled to a depth of 800 ft. and results indicate continuity of mineralization and a possible correlation of higher grade zones.

Preliminary exploration on this prospect, known as Genesis, and others on Newmont's 400-sq.-mi. ranch property indicates an additional 50 million tons of reserves. However, the actual strike length has yet to be determined.

The total indicated resources and proven ore reserves in the district is now set at 236 million tons containing an approximate 17 million oz. of gold — \$5.4 billion at today's prices — though some care See Page 2

Sulpetro close to selling off its

Lacana and Newhawk focus on B.C. bet

by Olav Sveta

Lacana Mining Corp. and Newhawk Gold Mines have been pulling consistently good results — and occasionally spectacular holes — at the jointly-held Sulphurets project near Stewart, B.C.

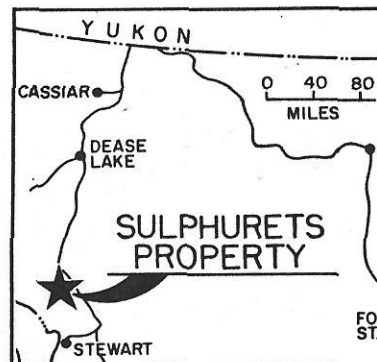
Two separate zones have been identified, a high-grade area known as the Brucejack and a low-grade zone which may hold potential for a large tonnage deposit.

Some of the intercepts from recent drilling have been remarkable.

For example, Hole S-85-110 drilled on the Brucejack cut 23 ft. of 1.97 oz. gold per ton and a whopping 260.96 oz. silver. Hole S-85-111 intersected 14 ft. of 0.90 oz. gold and 65.13 oz. silver.

"It's the best values we've seen for a long while," said Lacana President E. G. Thompson. He added the values were not the result of high grade nuggets but come from fairly consistent mineralization.

Drill spacings, between 60-300



ft., have been erratic owing to the rough terrain in the area. The latest program has consisted of some infill drilling to test between holes previously cored by Esso Minerals, which once was exploring the ground. However, Esso was concentrating on porphyry copper indications.

In fact, it was one of the infill holes drilled by the Newhawk-Lacana group that returned the highest values so far.

The Brucejack material, of See Page 2

Coal conference addresses realities of marketplace

by David Duval

VANCOUVER — Despite some serious problems facing the industry, coal is still king in western Canada — ahead of the metals sector. Both have been victimized by chronic oversupply and low prices. And like its metal counterpart, coal producers are meeting head-on the realities of today's marketplace, against a backdrop of falling prices and generally static demand.

Addressing the Coal Association of Canada's biennial conference, Jack H. Morrish, president and chief executive officer of **Fording Coal**, echoed the sentiments of traditional coking coal suppliers. He argued for a "distribution of the oversupply situation to new mines, as well as traditional," implying that coal producers in northeastern B.C. were not accepting their share of the burden. This See Page 6

Terra planning to install pilot plant at Bullmoose

VANCOUVER — Terra Mines is going to install a pilot plant on its Bullmoose gold project in a bid to gain a better understanding of

Some of the veins are widening at depth, although they often pinch and swell, presenting difficult prob- See Page 2

Carlson mine

prolific structure.

Newmont once had a strong presence in Canada. In the 1930s had several operating mines, has the Northern Empire near Ardmore, Ont., and the Tombill and Magnet Lake mines near Raldton.

It holds a 34.7% interest in Merritt Gordon Mines. Newmont's Canadian exploration arm has interests in the Casa Berardi and of Quebec.

The shares of Newmont Mining Corp. are listed on the New York Stock Exchange.

Barrick consolidation

A share consolidation has been proposed by Barrick Resources on the basis of one new share for each share held. Subject to shareholder approval, the consolidation will reduce the number of outstanding shares from approximately 95 million to less than 24 million shares.

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Yvon Collin

Flanagan

From Page 1

exploratory step-out holes. This work has confirmed the continuance of the zone west of the Magnacon discovery. Some of the better step-out intersections include 0.12 oz. gold per ton across 30 ft.

Towards the east, the zone has only been tested by preliminary drilling and surface trenching.

Drilling, which is expected to be completed by year-end, is part of a \$1 million 1985 exploration budget established for the Mishibishu Lake project.

The impressive drill results from the property are no doubt a factor behind the decision by other companies to commit themselves to exploration in the Mishibishu Lake area.

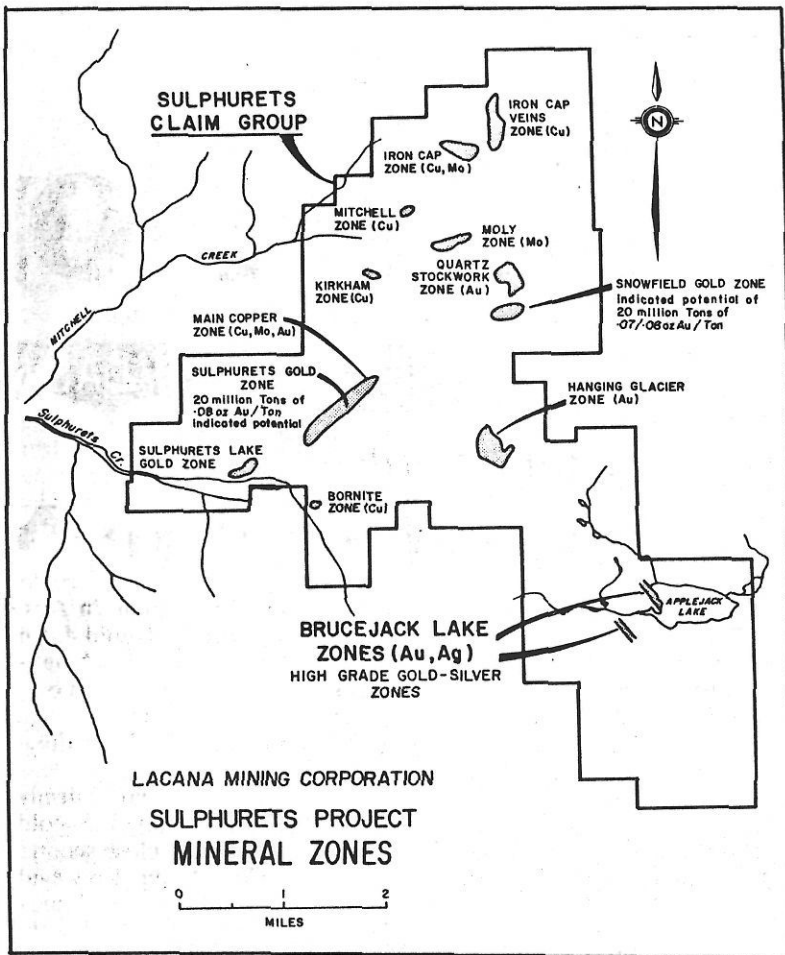
More than 42,000 acres of ground surrounding the Flanagan-Muscocho-Windarra holdings will be the focus of a major exploration effort this year by Granges Exploration (N.M., Sept. 16/85). The aggressive junior explorer and developer recently signed a \$3 million option deal with MacMillan Energy which will see Granges spend \$500,000 in 1985 on MacMillan's Mishibishu holdings.

A prime target will be MacMillan's ground west of the Magnacon discovery which is hosted in a structure believed to strike into MacMillan's ground.

Silver Lake Resources has completed a second private placement through a London-based European banking group.

The company placed 100,000 shares at \$1.75 per share.

Sulphurets property



The claim group is a large block with several targets.

From Page 1

epithermal origin, is in a quartz carbonate breccia zone. The quartz vein stockwork has sandstone on one wall and volcanic fragmentals on the other.

In the lower-grade Snowfields zone Hole S-85-113 assayed 0.055 oz. gold across 495 ft. and beginning near surface. The hole bottomed at 498 ft. The first 222 ft. graded 0.072 oz. A second and third holes are still being assayed.

More drilling is planned before the end of the current season.

To date about \$2.7 million has been spent on the 246-claim group. More than 26,000 ft. were drilled in 73 holes. The primary target this year is the Brucejack.

A consultant has estimated reserves in the Brucejack totalling one million tons at a gold equivalent (gold and the gold equivalent of the silver content) of 0.7 oz. per ton.

In the Snowfield zone there is a reserve potential estimated at 20 million tons grading 0.09 oz. gold. At least 18 targets have been identified.

Newhawk vice-president exploration, Fred Hewitt, said the high grade silver values in the Brucejack likely do not represent a larger deposit, but he hopes they will average 20-60 oz. per ton. The zone has been followed along strike for about 1,000 ft.

At least 13,000 ft. of drilling will be done before this year's program is finished. Bulk samples will also be submitted for assay.

Lacana and Newhawk have an option to earn a 60% interest from Granduc Mines, which will hold the remaining 40% once the other two spend \$2 million on exploration.

Newhawk President Donald McLeod was first granted the option from Granduc. Lacana came onto the scene after Newhawk began searching for a major joint venturer.

The Sulphurets property is 50 miles northwest of Stewart, B.C., and though it is remote, a logging road comes within 10 miles of it.

Results from recent Brucejack drilling are as follows:

| Hole No. | Footage | Interval (ft.) | Assay (oz./t) | gold | silver |
|----------|-----------|----------------|---------------|--------|--------|
| S-85-106 | 225-235 | 10 | 0.17 | 20.08 | |
| S-85-107 | 310-316 | 6 | 0.12 | 9.02 | |
| | 336-346 | 10 | 0.24 | 2.92 | |
| S-85-108 | 508-510 | 2 | 0.34 | 0.31 | |
| S-85-109 | 232-236 | 4 | 0.31 | 0.23 | |
| S-85-110 | 160-183 | 23 | 1.97 | 260.96 | |
| | 214.5-221 | 6.5 | 0.80 | 37.65 | |
| | 253-257 | 4 | 0.23 | 11.30 | |
| S-85-111 | 274-288 | 14 | 0.90 | 65.13 | |

In gold equivalent terms Hole S-85-111 across 116.5 ft. ran 0.40 oz. gold per ton. S-85-110 assayed 2.98 oz. gold per ton across 61 ft. between 160-221 ft.

Ripley's Believe It or Not!

Canadian mining is justifiably famed throughout the world for its pioneering use of aircraft in exploring and developing remote areas.

Opening up of one of the world's richest iron ore areas, the Quebec-Labrador trough, in the early postwar years was made possible by a massive and outstandingly successful peacetime airlift.

Charles Hoyt, operations manager for Hollinger-Ungava Transport, mobilized more than 75 bush pilots with planes of all sizes — on floats, wheels and skis. This unusual air fleet carried upwards of