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Swan/Rap

Midwest zone on June 25th. Approximately 500 metres of drifting has been completed so far this year and the 985 level is now fully developed. Several new, but small, ore zones have been encountered (including ore grade material located entirely within the siltstone unit (hanging wall) and a zone of disseminated tetrahedrite in the volcanics at the siltstone-volcanic contact. Other activity includes: reserve drilling on the fringes of the West zone and diamond drilling on the North zone (2 holes completed so far). Additional drilling is scheduled for the North and East zones and a mapping and sampling program will proceed on Kinross' claims south of the Quesnel River.

Our visit included an examination of the pending failure in the ramp area of the Main pit. Movement of approximately 12 cm has occurred along one fracture plane that dips toward the base of the pit. Several cracks have also appeared in the ramp. The company and its consultants are considering several options to stabilize the situation including backfilling part of the pit with waste rock from the West zone open pit development.

Hampton Placer Claims. Bob Hampton provided Ed Beswick and me with a tour and overview of activity on his placer leases, near Likely, on June 25. The property is not currently active, but some prestripping has been completed. Mining will only proceed when/if the price of gold rebounds to the US\$400 per ounce level.

Lloyd-Nordik. Visited with Lloyd Tattersall and Stu Tennant of Big Valley Resources on June 27. Diamond drilling on the Lloyd 2 zone and its western extension has been temporarily suspended. The drill has been moved to the company's Morehead Creek project, located 3 km south of QR. A total of 22 holes were completed on the western extension. An examination of the drill core suggest that this zone is a more typical alkalic porphyry system (disseminated pyrite and chalcopyrite in potassically altered monzodiorite and intrusion breccias) than is the Lloyd 2 zone. Assay results are generally low grade (i.e. hole 97-99: 104 metres grading 0.12% Cu and 0.02 g/t Au).

Layers. Owner/operator Don Williams provided Ken MacDonald and me with a tour of the Layers 1-4 claims on June 30. Industrial mineral potential is in varicoloured, cherty or chalcedonic quartz layers, exposed along the east bank of the Fraser River. Individual beds are up to 0.5 metres thick and colours range from a vitreous pale green to dark grey to red. Low grade rhodonite (white to pale pink with abundant manganese oxide) was also noted. The claims produced aggregate and stucco dash in the late 1960s.

EXPLORATION MONITORING

Brenda. Diamond drilling has begun on the Brenda Cu-Au porphyry prospect in the Toodoggone.

JD. A due diligence of AGC Americas Gold Corp., and its holdings in the Toodoggone region, by Antares Exploration and Mining, was to be completed by June 30. The pending deal would secure several years worth of exploration funding for the Toodoggone properties, including JD, Al and Moose, as well as the Lawyers past producer, and result in Antares becoming the majority (55-60%) owner.

Received NoW for exploration programs on the Pine (north of Kemess) porphyry prospect, Scup (Johanson Lake area) gold-magnetite skarn prospect, Other Activities

Swan. Stratabound Minerals Corp. plans to drill 6 holes on its MVT Zn-Pb-Ag prospect south of the Swannell River in the Lay Range.

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