

I N T E R O F F I C E M E M O R A N D U M

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Subject: SOUTHWESTERN REGION MONTHLY REPORT: JANUARY

EXPLORATION:

- MYRA FALLS*
- Boliden Limited succeeded in its hostile take over bid for Westmin Resources Limited. It now owns 89% of the outstanding common shares and is busy mopping up the remainder. The implications for Westmin are uncertain, however Boliden is new to Canada and views Westmin as "a platform for growth in the Americas".
 - Boliden is strongly supportive of Westmin's exploration program at Myra Falls. The company will spend approximately \$4.0 million in 1998. It will concentrate on exploring the Marshall zone and on drilling the newly discovered Trumpeter trend. It is already drilling the latter.
 - Quinsam Coal Corporation lost two miners killed by a rock fall on 15th January. The operation was shut down for four days but is now up and running again as investigations continue.
 - THUMB PK.* - Sand River Resources Ltd. closed a private placement for \$100,000 for work on their Thumb Peak massive sulphide property this summer.
 - SNOW* - Snowfield Resources Limited has listed on the VSE. It plans to spend \$215,000 drilling gold-bearing quartz & quartz carbonate veins on the Snow property, west of the Tay property near Port Alberni. The claims impinges on the Clayquot Sound Special Management Area!
 - Phrygian Mining Corporation sold the Privateer gold mine and mill at Zeballos to Proprietary Energy Industries of Calgary for \$100,000. The latter and JV partner Kilo Gold Mines plan to reopen the mine and explore some of the veins for down-dip extensions.

LAND-USE:

- Lower Mainland IAMC met to discuss land-use issues, including Silverdaisy Intergrated Resource Management Plan. MEI concerns about MELP statements implying "park in waiting" status still to be resolved.