

TULSEQUAH CHIEF (Aug '93)

- **Tulsequah (104K002) exploration project of Redfern Resources was examined with Terry Chandler, Vice President and project manager, and Tom Schroeter of BCGS on Aug 31-Sept 1. A crew of 40 are engaged in geophysics, mapping and drilling (2 surface machines, 2 underground). Orientation of all EM and IP systems shows that only IP is useful. It outlines alteration but not ore directly. A grid IP and mapping survey has been completed of the 10 km strike length between Tulsequah Chief and Big Bull. Surface drilling is directed to the Big Bull area (6 holes completed) and to testing two large IP anomalies near Tulsequah Chief. Big Bull is complicated by isoclinal folding, but some significant mineralizations has been encountered and more drilling is planned. The Banker target has been downgraded, weak mineralization is related to early Tertiary Sloko dikes. Underground drilling on Tulsequah Chief has had mixed success (9 of 18 planned holes completed). Five holes aimed at expanding the east margin of the H and G-zones were unsuccessful but two fill-in holes encountered exceptional grades and widths. (Eg 72.2 feet of 1.33% Cu, 2.69% Pb, 13.97% Zn, 3.9 opt Ag, 0.087 opt Au) Fill-in drilling is aimed at confirming ore reserve interpretation and reducing intercept spacing to 60 meters, still very wide for this type of deposit. Three major companies are reported to be seriously interested in the project. Exploration will continue into early October.**

LAND USE

- **Assembled data on Spectrum property and began mineral potential study of Mt. Edziza Recreation Area (also see Ball Creek write-up).**
- **Visited Tutshi Pas study area (see Pavey write-up).**

EXPLORATION AND MINESITE ACTIVITY

- **International Taurus Resources announced discovery of gold zone on its property near Erickson. A drill program is proposed.**
- **Mets property returned to joint owners Golden Rule Resources and Manson Creek Resources by Cheni Gold Mines.**
- **Habsburg Resources and Timmins Nickel have reached an out-of-court settlement that will permit reactivation of the Dome Mountain gold mine.**

OFFICE ACTIVITIES

- **Met with prospectors (Bob Hamblin, Ralph Keefe) and geologists (Jim Morin - Inco, Nick Carter - consultant).**

NOTICES OF WORK

41 Mineral notices received in August.

GSB - TULSEQUAH PROJECT

Schroeter
Aug. '93
[MR]

On August 30 Paul Wojdak and I visited the GSB Tulsequah Project with base camp located at Redfern Resources' Tulsequah Chief camp. Members of the crew were Mitch Mihalnyk (project leader), Moe Smith, Steve Dukas, and Kirk Hancock. The weather during the summer apparently was the best in modern history allowing the crew to accomplish more work than perhaps anticipated. Stikinia Terrane rocks (oceanic) are have been "built on to" graphitic schists of the Whitewater Group. Packages of rocks have been separated by structural blocks (e.g. Mt. Eaton block of Paleozoic rocks), bounded by faults. The large scale regional Llewellyn Fault is postulated to run down the Tulsequah River valley and may 'peeter out' to the southeast. GSB Tulsequah have mapped rocks seen at the Tulsequah Chief property westerly across the Tulsequah River, thus opening up some further potential for mineralization. They have also identified a northeasterly trending cross fault which appears to offset (dextral) the Chief Fault to the west side of the Tulsequah River and consequently raising the possibility of "mine series" rocks to the northeast (75 to 100m maximum offset) of the current focus of attention at the Tulsequah Chief property. Further to the southeast, across the Taku River (towards Whiting Lake) the favourable package of rocks appears to extend. GSB Tulsequah was going to spend 1/2 day on a reccee flight into the area to evaluate the possibility of a regional mapping project there next season.

To the north of Shazah Creek, the Mt. Eaton package of rocks abut into volcanic rocks of the Tertiary Sloko Group. Near the contact (southern), Mitch found a new copper showing (6" to 8" vein of near massive chalcopyrite plus minor galena at the contact with a limestone 'bed' and volcanoclastic rocks. During our brief visit to the showing area, I found a new epithermal (quartz veinlet(s) with grey sulphides/sulphosalts) showing located in a creek canyon (see photo). The potential regional significance of the Sloko volcanic rocks (visa viz caldera setting; spatial association to the Llewellyn Fault) with respect to mineralization needs to be addressed.

We traversed in the Wendy Lake area where a 'band' of sedimentary rocks trends north-south towards the Big Bull deposit. In the area a synclinal package of rocks plunges to the south (cf. antiform plunging @ 60° to the north at Tulsequah Chief). The sedimentary rocks appear to have accomodated more strain than the andesitic pyroclastic volcanic rocks. A second structural event which has resulted in E-W cross folds has further complicated stratigraphic relationships.

We took a fly pass by the Maple Leaf prospect and landed very briefly at the Rhiz Showing (onion skin of mineralized float core by ice on a glacier - see photos).

TULSEQUAH CHIEF - [MI 104K 002]

On August 30, 31 and September 1, Paul Wojdak and I visited Redfern Resources' Tulsequah base camp, and both the Tulsequah Chief and Big Bull sites. Terry Chandler was in charge with Garnet Dawson second in charge. Other contract geologists on site included Kerry Curtis and Bob Carmichael.

The MDRU VMS Project representatives present included: Ross Sherlock and Rod Allen (consultant). Fiona Childs, working on geochronology, had previously departed. At one point in time the camp consisted of 40 persons (incl. 16 geologists). This years expenditures (Tulsequah Chief and Big Bull) are estimated at \$2.35 million. The drilling

programs are designed 50% in-fill, and 50% exploratory (with about 50% success to date). Terry estimates that the reserve tonnage may now be slightly less than 7 million tonnes however, he feels the grade is better. The drill spacing is still too wide to permit accurate correlations in the "mine series". At Tulsequah Chief, approx. 80% of the ore reserves mined/outlined to date exist between the 5300 fault (Growth Fault?) and the 4400 Fault.

Approximately 40 ore grade drill intercepts have been outlined. The prime target is the H lens which structurally and stratigraphically overlies the AB Lens. The G Lens on the east side of the property is also a target.

Besides a large drilling program (2 underground and 2 surface drills), large grids have been cut on the Tulsequah Chief, Banker, Big Bull areas, and follow-up geophysics (by Delta Geophysics) has been in progress. It appears that E-M surveys do not work; however, IP surveys have outlined several targets (@ 180 to 200 m depths). Some of these will be drilled this season especially a large area located to the south (along strike) of the historical workings at Tulsequah Chief, and an area immediately south of the 5200 level portal (drilling from Tulsequah River floor).

We had a brief underground tour on the 5400 level with Terry. (See Schroeter Monthly Rpt. Sept. '90) Rehabilitation of the 5900 level workings was about to begin with heaving equipment being lifted to the site with the aid of an A-Star helicopter from Juneau.

We examined core from the 1993 program. The presence of cordierite (in both the footwall and hangingwall) ± quartz filled amygdoloidal basalt in the footwall was notable. (see photos) We examined ore grade intersections from underground holes (H and G zones) TCU 93048, 049, and 050, for which the following assays had previously been released:

048 - 72.2 ft @ 1.33% Cu; 2.69% Pb; 13.97% Zn; 3.932 opt Ag and 0.087 opt Au.

049 - 60.3 ft @ 3.99% Cu; 1.24% Pb; 6.66% Zn; 4.106 op Ag and 0.087 opt Au.

The massive sulphide 'facies' occur in a volcanic debris flow setting with examples of sulphide clasts.

Cambrian Atan carbonate, dark-weathering Cambro-Ordovician Road River shale, orange-weathering Silurian Kechika siltstone and grey Devonian Gunsteel shale formations, but fold and thrust structures are complex. An important element of their work is to test the successful exploration model derived by Rob Carne for Archer Cathro during exploration circa 1980. Carne concluded that all sedex deposits between Cirque and Driftpile are within 1 km of a paleo-growth fault which, during northeasterly compression was transformed into the Mt Waldemar thrust superposing Cambrian to Silurian strata over Devonian. Delineation of this thrust, combined with Teck's activity will stimulate exploration interest. It is unfortunate that initial mapping in the area, carried out for GSB under contract in 1989 has not been completed and is unavailable to Fil and JoAnne. Some of their findings are; all units thin (shale out) to the northwest, Cambrian clastic strata varies between fault panels (suggestive of local, continent marginal faulting) and a new barite horizon in the Gunsteel Formation.

DRIFTPILE

* **Braid** (aka **Rough**, 094L 011) Zn-Pb-barite prospect owned by Ecstall Mining Corp and located 20 km northwest of Driftpile was examined with JoAnne Nelson on Aug. 3. Medium grained sphalerite, pyrite and galena are hosted by argillite breccia in the Mt. Waldemar fault contact between Cambrian carbonate and Kechika siltstone. We traced mineralization more than 1 km along the fault and the zone is up to several meters wide. Interpreted according to Carne's model outlined above, the fault is the Gunsteel basin-bounding growth fault and Rough mineralization is a feeder to exhalative mineralization. A nearby barite horizon in Gunsteel on the Braid claims is a prime target.

DRIFTPILE

* Stopped at Cusac's **Table Mountain** mine on Aug. 4. A major surface exploration program will not proceed, not receiving an Explore B.C. grant was blamed. Underground development of ore (10 g/t Au over 2.5 m) and exploration drilling continue. A small open pit (60m long by 20 m deep) is being discussed for the Katherine vein.

*Visited Bud Berg's placer operation on the **O'Donnel River** in the Atlin district on Aug 5. Bedrock derivation of gold is suggested by Berg but I could not endorse bedrock exploration because exposed rock shows no evidence of mineralization, being unaltered Cache Ck mafic volcanics, argillite and limestone.

*Prospector Gary Thompson, Grant recipient for work on the **Mass/Quantity** (104M 079,080) was visited on Aug 5. The target is epithermal Au-Ag quartz vein stockwork and breccia in a splay of the Llewellyn fault, analagous to the Engineer deposit further south on Tagish Lake.

*Accompanied Ron McMillan (prospector grant) and Ralph Keefe on Aug 6 in prospecting the **Eagle** epithermal Au-Ag showing (104M 070) set in the Bennett Lake Tertiary caldera.

Tulsequah

*Reviewed GSB's **Tulsequah South** regional mapping program with Mitch Mihalyuk on Aug. 7 while Mitch briefed assistant Bruce Madu's replacement. Objective of mapping is to determine if a large area formerly mapped as Stuhini volcanic rocks can be correlated with Paleozoic strata which host Cu-Zn-Pb-Au-Ag sulphides at Tulsequah. Unfortunately Mitch is reassigning these rocks to the Tertiary Sloko Group, thereby downgrading their exploration potential for VMS mineralization. On a positive note, several new showings in at least three structural settings may stimulate exploration interest. Bruce Madu (ex-Prince George office)

Wojdak, Aug. 94

has begun work with the Lands Ministry in Smithers, interestingly his interview presentation concerned future land use conflicts in the Taku valley (see below).

Taku valley
(Chief)

*Reviewed progress of Redfern Resources' exploration at **Tulsequah** (104K 002) and **Big Bull** (104K 003) on Aug. 8 with geologists Kerry Curtis and Georgina Price. Redfern has been strongly discouraged by Alaskan authorities from seeking road access to tidewater at Swede Point on the Taku River due to conflict with tourism. Apparently, a dozen Juneau-based helicopters carry cruise ship tourists to view calving glaciers. Consequently Redfern is assessing an alternative road to Atlin. Endorsement by the Taku Tlingit is crucial to this alternative but, equally important, higher capital and operating costs are a serious threat to project viability. The Taku valley has competing(?) high values in minerals, wildlife, forestry, fish and tourism. Big Bull drilling has been completed and results appear to be disappointing. Three of 12 holes (4700 m) gave significant intercepts but are not easily related to last year's results to indicate an ore zone. Drilling from the river flats to test a south plunge has not been possible because access during spring low water was missed. Ten holes (3050 m) had been completed on the Chief deposit. An excellent fill-in hole has been drilled in the H zone, moderate success has been encountered in F and G zones, and surface drilling of the 5200 alteration zone was in progress.

Golden Bear
Real

***Golden Bear** minesite was toured on Aug 15-16 with Tom Schroeter. Our hosts were Lee Pigage and Dunham Craig; company executives Vic Jutronich and Peter Tredger were also on site. All personnel are proud of taking **Kodiak** from a discovery trench and initial drilling in October 1993 to mining in 10 months and have been very complimentary of the review process. MDRC approval of the Kodiak heap leach has triggered lots of activity and excitement about new exploration targets. Much lower grades are economic due to greatly reduced gold recovery costs of cyanide heap leach versus milling/roasting (cost=\$70/tonne). Mining cut-off grade is 1 g/t in Kodiak pit vs 12 g/t in Bear underground. Even waste rock from the Bear pit has been re-named the Low Grade Stockpile with an average grade of 1.5 g/t Au. Material handling options, including an improvised dragline, are being considered. Kodiak development calls for complete mining of the zone in a tight 78 day schedule before winter (pit elevation is 1900m). Tercon, the contractor is to mine 325,000 tonnes of rock with an estimated grade of 5.04 g/t Au and truck it to a cyanide heap leach pad. Two nearby zones are also indicated to be amenable to heap leaching: a portal will be collared this season in Kodiak B (aka Fleece B) 500 meters south of Kodiak pit and trenching is in progress 800 meters north at Kodiak North (best result is 4 g/t Au over 18 m) with drilling to follow. Kodiak heap leach in winter using heated cyanide solution is expected to work well, similar operations in Montana and South Dakota operate under colder conditions. Kodiak development is crucial to survival of the operation because underground mining of the Bear deposit has ceased and miners laid off. The mill/roaster will shut down on Sept. 14 but will be reactivated if underground refractory ore is developed in the **Grizzly** zone. The decline into the Grizzly zone was on hold but has been resumed now that Kodiak is in development and cash flow is anticipated. Grizzly zone underground exploration drilling is scheduled to begin in November. Until discovery of the Kodiak zone gold exploration focused on major faults but Kodiak, and especially the new Kodiak North zone are up to 200 meters from the Ophir Break greatly expanding exploration potential. Kodiak ore is completely nondescript silicified limestone, variably hematitic but containing no pyrite. Gold occurs over a 40 meter width in the footwall to a very subtle splay of the Fleece fault. The zone can barely be detected by a close-spaced EM survey. At Kodiak North there is very little silicification of limestone, again expanding the exploration target.

Wojdak, Aug. 1994

MEMORANDUM

To: Doug Flynn, Acting Manager Northwest Region

MONTHLY REPORT - DECEMBER 1996

by

Paul Wojdak, NORTHWEST REGIONAL GEOLOGIST

HIGHLIGHTS

*Exploration spending estimate revised to \$49.3 million. Drilling estimate 198,565 metres.

*Smithers Exploration Group luncheon presentations on Telkwa Coal Project by Allan Flemming of Manalta Coal (Dec 4) and Mine and Exploration Developments in NWBC by Paul Wojdak (Dec 17) each attended by 35-40.

*Huckleberry mill roof and siding completed. Heat installed so that internal work on foundations, piping, electrical and mechanical can begin in January. Construction of the tailings dam has been completed to a point that sufficient water can be impounded for mill start-up next fall. Foundations for the primary crusher are also complete. Project costs are 52% of the \$137 million target and are under budget.

PROPERTY VISITS - None

EXPLORATION AND MINESITE ACTIVITY

*North American Metals has received approval to construct the Ursa open pit and heap leach pad at Golden Bear. In a six year mine life the Ursa and Kodiak pads are projected to yield 214,000 oz of gold from 1,528,000 tonnes grading 5.1 g/t Au. Production cost is estimated to be \$232 (US) per ounce. Past production (1989-1994) at Golden Bear is 218,000 oz from 535,000 tonnes of refractory ore grading 12.6 g/t Au.

*Anxiety at Endako over impending sale of mine property by Placer Dome. Exploration drilling deferred.

TC
*Tulsequah Chief Project Report proposes a 2466 tonne/day mine based on a diluted mineable reserve of 7,910,000 tonnes grading 1.27% Cu, 1.18% Pb, 6.35% Zn, 2.42 g/t Au and 100.9 g/t Ag. Mining will be by low-cost longhole and sub-level longhole stoping. Ore and waste will be crushed underground. Milling of ore will produce 4 concentrates;

76
gravity gold prior to flotation (recovering 29% of contained gold),
copper-lead with most of the remaining gold and silver,
zinc,
waste pyrite, to be returned underground as ARD mitigation.

Mill tailings will contain less than 1% sulphide but as a further precaution will be mixed with crushed limestone from an on-site quarry. ARD waste rock will be disposed underground. Power supply will be six 1.6 MW generators. Concentrate will be hauled 517 km to Skagway for shipment. Approximately 160 km of new and up-graded road is required from the minesite to Atlin. Once the mine is built, estimated direct employment is 259, including trucking of concentrate to the deep sea terminal at Skagway.

Telkwa
*Manalta estimates the capital cost to develop a 1.0-1.5 million tonne per year open pit mine at Telkwa Coal to be \$70-90 million. Mineable reserves are 46 million metric tonnes. The first 20 years of a 25 year mine life would be based on the Tenas, Pit 3 and Pit 3 satellite deposits on the south side of the Telkwa River. Project application report is anticipated by about February.

Polaris Taku
*Canarc (Golden Angus) is considering a wide variety of development options for Polaris Taku ranging from on-site processing linked to Tulsequah Chief's Atlin road to off-site processing at Premier Gold (Canarc is considering purchase of the facility) or Greens Creek utilizing road/barge transport down the Taku River. They will have to narrow the range before making its Project application report, or face an overwhelming array of base line studies.

*Large claim block staked near Portland Canal north of Maple Bay (20 four-post claims).

*Hera Resources has enlarged their Loring property near Smithers to 200 units.

*Quartzrock (Taurus) gold resource announced by International Taurus Resources,
Inferred 13.7 million tonnes at 1.01 g/t Au (445,743 oz)
Indicated 25.1 million tonnes at 0.67 g/t Au (539,733 oz)
TOTAL 38.8 million tonnes at 0.79 g/t Au (985,476 oz)

*Snip concentrate is being shipped with Eskay ore to DOWA 's smelter in Japan.

Eskay Creek reserves expanded by summer drilling:

21B zone	107,000 tons at 3.81 oz/t Au eq
109 zone	136,000 tons at 0.67 oz/t Au eq
NEX zone	123,000 tons at 1.35 oz/t Au eq

These are diluted geological resources.

*Acquisition of Sulphurets (Brucejack gold-silver deposit) by Canamera not completed. Apparently the company wants to ensure that Granduc Mines does not have a backin right.

P. Wojdak, Dec. '96

→ Tulsequah Chief

Analysis

- The latest Chinese trade statistics suggest a turnaround in the apparent Chinese copper consumption. Copper imports and apparent consumption (production plus imports less exports and exchange inventory changes) showed increases of .5% and 9.7% in October, respectively.
- It is believed that the State Reserve Bureau (SRB) has been a major seller of refined metal into the market and this metal is not included in the apparent demand estimates. Magnitude of the SRB sales is between 200,000 and 450,000 tonnes between January and October. It is believed that SRB selling has stopped.
- Apparent consumption is down; however the outlook for growth in apparent demand is good, providing the SRB has stopped destocking. We believe that actual Chinese copper consumption including destocking will increase by 10% and provide a strong base for consumption growth in 2007.
- Our outlook for copper is bullish and we maintain our copper price forecast of \$3.45 per pound for 2007.

Other Companies

Tul. Chief / Big Bull

- Redcorp Ventures (RDV) has discovered a new high-zone on its Big Bull Deposit which is located within the Tulsequah Project property and is approximately nine kilometers south of the Tulsequah Chief Deposit. The intersection in this hole returned 20.0 gpt gold, 253.4 gpt silver, 11.59% lead and 26.63% zinc over 7.1 metres. The new zone remains open down dip, and may be contiguous with a second mineralized intersection in hole BB06060 located 290 metres to the north. Historic production at Big Bull totaled 360,073 tonnes grading 1.2% copper, 1.9% lead, 7.3% zinc, 5.14 g/tonne gold and 154.29 g/tonne silver.
- Silver Wheaton Corp. (SLW) has acquired, by way of private placement financing, 9,600,000 units of Revett Minerals Inc. ("Revett") at a price of C\$1.13 per unit for total consideration of C\$10,848,000. Each unit is comprised of one common share and one-quarter of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of Revett at a price of C\$1.36. Silver Wheaton will own 12,382,900 common shares of Revett and warrants exercisable to acquire an additional 2,400,000 common shares, representing approximately 17.3% of the outstanding shares of Revett on an undiluted basis, and 19.9% after giving effect to the exercise of the warrants held by Silver Wheaton.
- Lundin Mining Corporation (LUN) has entered into a financing arrangement with Mantle Resources Inc. (MTS), pursuant to which Lundin Mining will subscribe for 3,685,000 units of Mantle by way of a non-brokered private placement at a price of Cdn \$0.78 per unit for an investment of Cdn \$2,874,300. Each unit will consist of one common share of Mantle and one common share purchase warrant. Each warrant will be exercisable into one additional common share of Mantle at a price of \$0.78 for a period of two years from the closing of the private placement. Over the past year, Mantle has been exclusively focusing on exploring the Akie zinc-lead property located in northeastern British Columbia. Pursuant to an option agreement with Ecstall Mining Corporation, a public junior exploration company, Mantle is earning a 65% interest in the Akie property. Recent drilling on the property yield the following intersections:
 - o A-05-30: 37.05 meters grading 10.98% zinc, 2.61% lead and 21.2 g/t silver ;
 - o A-05-32: 26.70 meters grading 11.95% zinc, 2.74% lead and 22 g/t silver;
 - o A-05-33: 19.2 meters grading 8.71% zinc, 1.83% lead and 16.01 g/t silver;
 - o A-06-35: 21.90 meters grading 8.88% zinc, 1.80% lead and 15.6 g/t silver ;
 - o A-06-37A: 25.50 meters grading 8.45% zinc, 1.74% lead and 14.6 g/t silver;
 - o A-06-38: 19.40 meters grading 8.27% zinc, 1.45% lead and 9.72 g/t silver
- Paladin Resources Ltd. (PDN) advises that the 2006 drilling of the mineralized palaeochannel extending east from the Detail 1 orebody has returned encouraging results. This drilling program of 6,355m of RC drilling from 231 holes was confined to Details 3, 4, 5 and 6 shown on the map below. Mineral resource specialists Hellman and Schofield (H&S) have completed a revised mineral resource estimate for the Langer Heinrich Deposit and the results are reported below using a 250ppm cut off. The mineral resource totals 80.5 million tonnes grading .06% U3O8 for 105.6 million pound.

Industry

- Xstrata Nickel and its partner SMSP announced the successful completion of the first stage of renewal for their Koniambo Project in New Caledonia's North Province. Xstrata Nickel remains committed to developing Koniambo, one of its anchor growth projects. More than US\$400 million has been committed to the Koniambo Project to date and an additional US\$100 million of investment is planned during the current ongoing strategic renewal phase. Koniambo is a pyrometallurgical complex for the production of ferronickel, highly anticipated by stainless steel producers. Production is targeted to begin in 2009/2010 and is expected to reach 60,000 tonnes of nickel per year, which represents approximately 5% of current world consumption.
- Atlas Copco (STO) has won an order to supply underground mining equipment for blast hole drilling, rock bolting, loading and haulage for the Kamoto Mine in the Democratic Republic of Congo. The Kamoto Mine in the Katanga province of the Democratic Republic of Congo is currently undergoing extensive development and rehabilitation work in order to restart production of copper and cobalt in 2007. The mine is expected to go into production in the fourth quarter of 2007, ultimately reaching an annual production of 150 000 tonnes of copper and 5 000 tonnes of cobalt.

HU - Nov. 27/06

→ Tulsequah Chief

Analysis

- Over the last 3 days zinc inventories in the Singapore warehouse have increased by over 5,000 tonnes. Does this increase in LME stocks represent a turning point in zinc or does this change in stocks reflect some thing else.
- The recent changes in Chinese export taxes whereby the VAT rebate on exports has been cancelled as of the end of December has led to a rush of exports as Chinese traders tried to beat the tax deadline. We believe that the increase in stocks in Singapore reflects this situation and once the rush is over, the zinc inventories will be reimported into China.
- We maintain our bullish outlook on zinc and continue to believe that zinc inventories will continue to fall throughout the next year.

Other Mines

- Redcorp Ventures Ltd (RDV) and Redfern Resources Ltd. provide additional drill results from Redfern's exploration program on the Big Bull Deposit. The Big Bull Deposit is located within the Tulsequah Project property and is approximately nine kilometers south of the Tulsequah Chief Deposit.
 - BB06053 cut 2.1 meters of 28.26 gpt Au, 731.30 gpt Ag, 0.63% Cu, 4.66% Pb, and 4.86% Zn. This intercept is located at the southern end of the Big Bull trend and remains untested to the south and down dip.
 - BB06057, drilled on section 400N, cut an altered package of volcanics in the position of east limb mineralization and returned no significant assays.
 - BB06059, drilled on section 800N, cut a late felsic intrusive and altered volcanics in the west limb mineralization and east limb mineralization positions, respectively. While significant grade mineralization was not intersected, company geologists are encouraged by the predictability of the mineralized horizons, as evidenced by associated alteration.
- Teck Cominco (TCK.b) and Xstrata are on track to restart of the Lennard Shelf zinc mine in Western Australia in January 2007. The joint owners plan to ramp up to full production of 80,000tpy of contained zinc. Dan Gignac, general manager of the mine, was quoted as saying he is confident that the January deadline will be met, an increasingly unusual phenomenon in the country, which is suffering from severe shortages of skilled personnel due to the ongoing mining boom.
- Yukon Zinc Corporation has received its Quartz Mining License for development of the Wolverine Project in south central Yukon. The license provides for the development of the Wolverine project as a 1500 tonne per day underground mine producing zinc, copper and lead concentrates containing significant silver and gold. A production decision to build the mine is dependent upon the completion of an Optimization Study that reviews, and revises where appropriate the May 2006 bankable feasibility study and the securing of project financing over the coming months. Shortly, the Company intends to file with the Yukon Water Board, its detailed plans regarding water usage and disposal in support of its Type a Water Licence application. The Water Licence is required for construction and operation of certain facilities in the proposed mine and usage of water, disposal of waste in water, and discharge of water from treatment facilities.
- Canadian Zinc Corporation (CZN) reported the assay results of the first two underground diamond drill holes from the Company's 100% owned Prairie Creek Mine in the Northwest Territories, where Hole 001 reported an intersection of 4.6 meters grading 23.87% zinc, 9.11% lead and 5 oz/t silver. So far nine holes totaling 1610 meters of core have been completed from this station. The current phase of drilling is proposed to continue throughout the first quarter of 2007.
- Aurizon Mines Ltd. (ARZ) has poured its first gold dore bars at its 100% owned Casa Berardi Mine, situated in the Abitibi region of north-western Quebec. Aurizon expects to achieve commercial production at Casa Berardi in the first quarter of 2007, with the production gradually increasing from the initial planned rate of 1,600 tonnes per day to 2,200 tonnes per day by the end of 2007. It is estimated that Casa Berardi will produce approximately 185,000 ounces of gold in 2007 at an estimated total cash cost of US\$250 per ounce, using a Canadian dollar exchange rate of 1.13. Casa Berardi is currently forecast to produce 1,092,000 ounces of gold from 4.8 million tonnes of ore over the initial 6.2 year operating plan, based on current mineral reserves. Additional mineral resources comprise 2.7 million tonnes of indicated resources with an average grade of 5.1 grams of gold per tonne and 5.6 million tonnes of inferred resources averaging 6.5 grams of gold per tonne.
- Osisko Exploration Ltd. (OSK) announced an inferred resource estimate from its 100%-owned Canadian Malartic deposit, located in the Abitibi region of Quebec. Based on a lower cutoff grade of 0.5 g/t Au and the inferred resource is estimated at 178 million tonnes grading 1.14 grams gold for 6.54 million ounces gold.
- UEX Corporation ("UEX") announced the results from the final 11 drill holes of the Summer/Fall 2006 advanced exploration program at the Horseshoe Deposit. The Raven and Horseshoe Deposits ("Raven-Horseshoe") are located within UEX's 100% owned Hidden Bay Project in the eastern Athabasca Basin of northern Saskatchewan, Canada, close to Cameco Corporation's ("Cameco") Rabbit Lake and AREVA's McClean Lake milling operations.
 - Raven-Horseshoe hosts a total historical resource estimate of 6.7 million tonnes at an average grade of 0.16% U₃O₈, representing approximately 23 million contained pounds of U₃O₈.

HV - Dec. 7/06

Lakeshore now has more than 2.4 kilometers of the Bell Creek-Hoyle Pond stratigraphy to expand the resource base. An additional 1.6 kilometers of under explored stratigraphy immediately to the west of the Bell Creek Mine gives Lake Shore a total of four kilometers of prospective strike length on this belt.

- The new intersections contained visible gold in or on the margins of typical quartz carbonate veins and associated stringers in eight of the ten holes. Minor sulphides and black tourmaline are associated with the veins and quartz-ankerite stringers.
- Drilling also continues at Timmins West and is focused on expanding the high grade vein zone (veins 1, 2, 3 and Main zones), marginal to the Ultramafic and Footwall zones. The due diligence team for the Bell Creek Mine and Mill complex purchase is in place and no delays in the process are anticipated.

Analysis

- The WBMS estimates that the zinc market was in deficit by 194,000 tonnes during 2006, with reported stocks at about 331,000 tonnes lower. The proportion of total stocks held in LME warehouses has declined from 47% at the end of 2005 to just over 18% at the end of December 2006.
- Mine production was 9.51 million tonnes in 2006, with the December production set at more than 800,000 tonnes. Refined production rose by 485,000 tonnes to 10.67 million tonnes, with Asian countries – especially China – contributing an additional 403,000 tonnes to the world output. European output fell by 0.4% and American production was 2.9% higher.
- The WBMS also estimates that world demand was 368,000 tonnes higher than in 2005, with most of the increases recorded in Asia and America. Chinese demand was 3.1 million tonnes – 29% of the global total. No allowance is made in the consumption calculation for unreported stock changes. In December, world slab zinc production was 955,000 tonnes and demand totalled 933,000 tonnes.
- While we do not completely agree with the WBMS estimates, they do imply some interesting conclusions:
 - Over the course of 2006, the WBMS suggests zinc consumers were stocking up in the face of higher zinc prices. We believe this is highly unlikely, and that zinc demand was higher than the WBMS estimate of 10,864,000 tonnes, by about 300,000 tonnes.
 - In 2006, the gap between zinc smelter production and zinc mine production was 1.16 million tonnes, or an average of roughly 96,000 tonnes monthly. The December gap for the same was 155,000 tonnes. This implies that smelters must have increased their drawdown of zinc concentrate inventories. This would fit with reports that smelters were drawing down their seasonally delivered Red Dog concentrates to avoid purchasing zinc concentrates in the market place.

Other Companies

- Redcorp Ventures Ltd. (RDV) has executed a letter agreement with the Taku River Tlingit First Nation ("TRTFN") governing the framework for work plans and funding for the evaluation of the proposed barging access amendment plan for the Tulsequah Project. The agreement also encompasses plans for defining an additional work plan and funding to evaluate the scope and content of a potential future Impact and Benefits Agreement between the parties and contributions to discussions between the TRTFN and government of British Columbia concerning a potential Accommodation Agreement. In arriving at this letter agreement the TRTFN have not agreed on an affirmative position or acceptance of the barging amendment or the Tulsequah Project pending their determination of the acceptability of the environmental mitigation for the project and any associated defined benefits and accommodation for the TRTFN. Tulsequah Chief
- Messina Minerals Inc. (MMI) has received assays from Hurricane hole GA07-209 drilled on section 3925E. The 5.3-meter intersection of massive sulphides from 261.25 to 266.55 meters assays 19.1% zinc, 9.6% lead, 1.4% copper, with 177 g/t silver and 0.9 g/t gold. The true width of this mineralization is approximately 4.2 meters. The discovery of this highly base-metal-enriched intersection represents the first at Hurricane to exceed a horizontal minimum width of 2.5 meters. This intersection validates the geological model and upgrades the potential of the Hurricane target area to host a significant base-metal-enriched resource. The intersection also contains the highest copper concentration of any Hurricane intercept to date. From the limited information available, zonation models suggest the greater potential for Hurricane mineralization lies west of the GA07-209 intersection. Hurricane remains open for at least 300 meters to the west and is also open down dip.
- Lundin (LUN) reported 2006 results;
 - Lundin reported earnings per share of US\$1.01 for 2006. EBITDA was US\$291,181,000 and net income was \$152,949,000 dollars. Weighted average shares outstanding (diluted) were 151,152,105. Numbers of shares outstanding at end of period were 284,800,065.

HV - Feb. 22/07