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

Created: 18-Mar-1997 02:03pm PST  
Sent: 01-Apr-1997 09:55am PST  
From: Robert Pinsent of EI  
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: MARCH II

EXPLORATION:

\* - Verdstone submitted a NOW for six holes and an aggregate depth of 2400 metres of drilling in the Float Creek/Plug Creek area of the Salal Creek molybdenum deposits.

\* - Applied Mine Technologies will spend \$1.0 million by 31st January, 1998, and a further \$1.4 million by 31st December, 1998, to earn a 40% undivided interest in the Valentine Mountain gold property.

LAND-USE:

- Provided G.E. Bridge and Associates with information for a socio-economic "base case" evaluation of the Central Coast Land Resource Management Planning Area.

- Provided G. Holman and Smithers Office with background on the past exploration in the Queen Charlotte Islands for the QCI socio-economic "base case".

- Reviewed Road Access Management Plan for the Ashlu Creek drainage, near Squamish. The area includes an old mine and a current hydro-electric proposal.

- Road Access Management requests for Britannia Creek and Upper Squamish River. Also (rather belatedly) for the Kennedy River area where unrefereed reclamation work has already severely impacted a tenure holder.

OFFICE:

- Preparation for KEG RG and Kamloops Land-Use presentations.

- Reviewed early Prospector's Assistance Grant Program submissions.

- Tom on vacation. Steady flow of old and new customers looking for and expecting assistance.

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

Created: 01-Apr-1997 09:59am PDT  
Sent: 15-Apr-1997 10:07am PDT  
From: Robert Pinsent of EI  
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TO: See Below

Subject: SOUTHWESTERN REGION MONTHLY REPORT: APRIL I

EXPLORATION:

Coal  
- Hillsborough Resources announced good financial results for 1996 calendar year. Quinsam produced 894,000 tonnes of clean coal (up from 589,000 the previous year) at a cost of \$37.84/tonne (down from \$38.33/tonne in 1995). The coal sold for \$45.79/tonne (up from \$43.30/tonne in 1995), allowing the company to post earnings of \$0.31/share (up from \$0.08/share in 1995).

Hillsborough plans to continue with exploration at T'Sable River. It has just completed a seismic geophysical survey.

Hannah  
- Goldzone Exploration Inc. has optioned the Hannah property, on Hoodoo Creek at the Head of Knight Inlet. It plans to spend \$160,000 on IP, mapping etc. to delineate known Au, Ag, Cu, Mo mineralization associated with a Tertiary quartz monzonite stock. This is, potentially, an important development in the Central Coast.

Valentine Mtn.  
- Applied Mine Technologies has submitted a NOW for 3000 metres of drilling in 16 holes along the trend of the Valentine Mountain gold vein system. The company plans to test a 4.0 km long geochemical anomaly on strike with the "discovery" vein system. (86)

Quet (Hot Spring)  
- Mount Hope Resources Ltd. has submitted a NOW for a drill program on the Quet (Hot Spring) gold property on Sloquet Creek, north of Harrison Lake.

The company has also submitted a NOW for a trenching program near the old Emancipation Mine, 3.0 km southeast of Athabasca Resources' Ladner Creek (Carolin) mine-site.

- Aquaterre Mineral Development Ltd. plans to spend between \$250,000 and \$300,000 drilling the J1 (VMS & porphyry) property on Jervis Inlet. The program is predicated on funding and receipt of a licence to cut.

- Verdstone Gold Corp. and Molycor Gold Corp. announced final results for their 13 hole, 600 metre drill program on the Margie Mine property at Hope. Those holes that weren't abandoned in faults returned