

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

Created: 18-Jul-1996 08:41am PDT  
Sent: 18-Jul-1996 11:01am PDT  
From: Mike Cathro of EI  
MCATHRO  
Title. Regional Geologist  
Dept: Employment & Investment  
Tel No: 828-4566

*Watson Bar  
889407*

TO: Rick Meyers of EI ( RMEYERS )  
CC: Jim Britton of EI ( JBRITTON )  
CC: Bruce Madu of EI ( BMADU )  
CC: Tom Schroeter of EI ( TSCHROETER )

Subject: Weekly Report to 7/18/96

EXPLORATION NEWS:

\*Watson Bar Project, Stirrup Creek Gold released results of first two holes from Zone V (the high grade trench). Best intercept is 27.2 m grading 1.37 g/t Au - a good bulk tonnage type result. The company will start trenching a new zone NE of zone V. Rudi Durfeld says that the rock sampling of Zone IV (stibnite-realgar veins - we visited) has been negative so far. I hope to visit again next week to start work for a short paper.

\*Elk (Siwash North). Meeting with Andy Smith of Aurizon Mines to discuss their plans as operator of the project. They aim to drill test the deposit to 600 m depth (currently about 300 m) to define a 500,000 oz resource. An aggressive \$1m program of drilling will proceed soon with two drills. A due diligence period ends Sept 5. The long term goal is to establish a shaft and 500 tpd gravity/floatation mill (Cap. cost \$50 m). The mine operating experience of Aurizon will certainly give the project a boost. As a side note, Fairfield was drilling off open-pit reserves until the deal was closed last week.

\*Rose-Munro Lake. Almaden currently drilling on 3rd hole. So far they have intersected a pyritic zone with quartz veins, minor Cu-Mo and minor alteration selvages along veins. Au-Ag assays are awaited. I will visit tomorrow (July 19).

\*Crow-Rea. Verdstone/Molycor reported results from hole 96-68 of 16.1 m grading 0.302% MoS<sub>2</sub>. "The consulting geologists believe there is a significant shallow open-pittable high grade sheeted orebody at the Webbsite zone..." I will visit on Saturday (July 20).

\*Brett. Tom reports that Huntington made its first shipment of about 200 tons grading about 1 opt Au. Surface mining continues on the RW zone and another 300 tons grading 1.25 opt could be sent in late July. Trench 21 will be opened-up next.

\*Kelly Lake. Continental Lime building road to second drill site. No plans to drill this year.

OTHER ACTIVITIES

\* Sept 19 Eagle Bay field trip announcement prepared with Sibbick and Bobrowsky. To be advertised with CIM (possibly), KEG, Gangue etc. Pre-trip info session arranged for evening of Sept 18 at Stockmen's.

\* Deadman Hoedoes PA meeting today with Parks, Forests & Western Ind. Clay Prods.

INTEROFFICE MEMORANDUM

VOS → R G  
- Kam traps

Created: 09-Aug-1996 03:45pm PDT  
 Sent: 09-Aug-1996 04:49pm PDT  
 From: Mike Cathro of EI  
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 Title: Regional Geologist  
 Dept: Employment & Investment  
 Tel No: 828-4566

TO: Rick Meyers of EI ( RMEYERS )  
 CC: Jim Britton of EI ( JBRITTON )  
 CC: Bruce Madu of EI ( BMADU )  
 CC: Tom Schroeter of EI ( TSCHROETER )  
 CC: Eric Beresford of EI ( EBERESFORD )

Subject: Weekly Report

- 1) Afton announced it will begin downsizing its workforce in Nov with full shutdown planned for April '97.
- 2) Teck Exploration is reviewing the potential economics of underground bulk mining at Rainbow, adjacent to Afton. A decision on whether to proceed on a \$1m deep drilling program to define deep, higher grade reserves will be made in the fall (confidential from Jim Gillis, President of Getchell Resources). The deep high grade mineralization (1 to 5% Cu with Au, Pd, Mo in a breccia) may be the best hope there is for new, long term ore reserves to keep Afton going. Other new zones (e.g. near Pothook pit) may be drilled in the fall also.
- 3) Similco announced it will stop mining on Nov 10 and stop milling in mid-Dec. Drilling at Alabama will proceed this summer. That makes it Nickel Plate, Goldstream, Afton, Similco and the Hedley Tailings operation all goingdown in about an 18 month period.
- 4) Fairfield has discovered a new vein (WD Vein) 200 m north of the Siwash North vein. Grade and width appear similar. It is interesting that the new Fairfield management is also beginning to report some wider intercepts such as 69.5 ft grading .039 opt Au and 29.3 ft grading .117 opt Au. This suggests to me that they are evaluating the idea of bulk mining zones where there are multiple, parallel narrow quartz veins - a good thing to try.
- 5) Stirrup Creek Gold reported two more decent holes from the Watson Bar project. The best, #96-08, hit nearly 68 ft grading .042 opt Au - another good bulk tonnage type result. I understand the project will soon shut down to allow the results to be evaluated.
- 6) John Bissett of Canquest was in and indicated that financing is nearly complete. Approx. \$250K will be spent on drilling at each of Microgold and Cottonbelt. IP will be done at Microgold first.
- 7) Kingfisher Marble. The Co. has purchased a 64 inch saw allowing them to produce about 20 tonnes/day of ashlar. Saw is in Enderby. Margranite is taking some samples of their leocogranite (pegmatite) for testing. If suitable, it would be cut into slabs for tables and counters (high-end products).
- 8) Truck work done for about \$1000. New tires to go on next week.

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

TGS → RG  
- Kamle

Created: 15-Aug-1996 02:02pm PDT  
Sent: 15-Aug-1996 02:29pm PDT  
From: Mike Cathro of EI  
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Title: Regional Geologist  
Dept: Employment & Investment  
Tel No: 828-4566

TO: See Below

Subject: Weekly Report to 8/15

FIELD WORK

Visited Mariko claims and Golden Eagle claims owned by PAP grantees Mary and Larry Lutjen. Both properties are on NTS 82M/3 near Scotch Creek north of Shuswap Lake. At Mariko week galena mineralization occurs in quartz veins cutting marble. 600 m north weekly disseminated and very thin laminations and stringers of pyrite occur in black shale (Sicamous Fm?) suggesting a (longshot) potential for Sedex Pb-Zn. On the Golden Eagle property west of the Scotch Creek Fault, disseminated pyrite (+aspy?) occur in sericitized Cretaceous granite uphill from a productive portion of the Scotch Creek placer. About 400 soil and rock samples have been collected on each property. No assays yet. The presence of "massive sulphides" and "barite" described by Larry in the PAP grant application seems to be an exaggeration.

EXPLORATION NEWS

Getty South - Tom reports that drilling results have been dissappointing - ~~tonnage potential~~ limited. No further work planned.

Watson Bar - Durfeld reports that 14 holes totalling a bit over 5000' were drilled, all in the vicinity of the main trench at Zone V. Waiting for assays now before deciding on the next phase of work.

Munro Lake - Tom reports 7 ddh completed with assays pending.

Rabbit - Proam Explorations Corp have optioned this Cu-Mo property from R. Bruaset and plan 15 ddh (NOW).

OTHER ACTIVITIES

Sent out approx 100 faxes/notices for Sept 19 field trip to Eagle Bay. About 15 people signed up so far.

Plans complete for Sept 17 RG field trip to Watson Bar. Agenda for Sept 18 meeting nearly ready to go to managers etc.

Met with Robin Whiteaker to go over Lac La Hache paper for Fieldwork.

Mike

Distribution:

TO: Rick Meyers of EI ( RMEYERS )  
CC: Tom Schroeter of EI ( TSCHROETER )  
CC: Bruce Madu of EI ( BMADU )  
CC: Jim Britton of EI ( JBRIITON )  
CC: Eric Beresford of EI ( EBERESFORD )  
CC: Vic Preto of EI ( VPRETO )

INTEROFFICE MEMORANDUM

YOS → RG  
- kam/ops

Created: 04-Oct-1996 02:18pm PDT  
Sent: 04-Oct-1996 02:28pm PDT  
From: Mike Cathro of EI  
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Title: Regional Geologist  
Dept: Employment & Investment  
Tel No: 828-4566

TO: See Below

Subject: Regional Geology Monthly Report

HIGHLIGHTS:

\*Field visit to Harper Creek copper project near Vavenby. American Comstock Exploration Ltd is drilling nine, widely-spaced step-out holes totalling about 3000 m. The deposit has not been drilled since 1972 (Noranda-US Steel). Excellent potential exists to increase the known resource estimate of 96 million tonnes grading 0.41% copper with minor moly, gold and silver credits.

\*The Eagle Bay field trip on Sept. 19 was a success with about 40 industry participants and numerous compliments. The info session on the previous night was also well attended. Thanks to Vic, Peter, Steve, and Liz of the GSB. Awareness is being raised on the high mineral potential of the area and the upcoming GSB data release.

\*Successful Regional Geologists meeting (Sept 18) and field trip (Sept 17) to Watson Bar project of Stirrup Creek Gold Ltd. We have tentatively set Nov. 20 to present our annual exploration review talks to MEI staff in Victoria.

\*Presented talk to CIM District 6 Meeting titled "Current Exploration and Development Highlights in South-Central BC".

FIELD VISITS:

\*The Watson Bar project (MF 920051) of Stirrup Creek Gold Ltd. was visited on Sept. 17 with project geologist Rudi Durfeld, the other four Regional Geologists and Tom Schroeter. The trench at Zone V has been greatly expanded and now exposes gently SW dipping carbonaceous fault zones and subparallel scorodite-stained quartz veins over a strike length of nearly 80 m. In August a 60 m portion of the zone in the trench was reported to assay 19.72 g/t Au over an average width of 3m. Over the summer 14 holes were drilled down dip of the trench with generally positive results. For example, hole 96-11 pierced the zone 160 m down dip of the trench and returned 26.19 g/t Au over 3.66m. The gold is associated with very high As values and anomalous Cu, Zn, Pb and Sb. Good potential remains along strike, down dip and at other showings on the property. Additional drilling may take place this fall. The adjacent MAD property of BHP has been optioned by First Point Capital Corp (Ron Britten et. al.) I am working on a short paper for Fieldwork '96 on the area.

\*The Harper Creek project (MF 82M009) was toured on Sept 25 with Mike Sanguinetti, consultant for American Comstock. Low-grade copper mineralization occurs as stratabound zones in quartz, sericite and chlorite phyllites of Unit EBA of the Eagle Bay Assemblage. The mineralized zones

## INTER OFFICE MEMORANDUM

VBS → R6  
-kamloops

Created: 26-Jun-1998 11:12am PDT  
 Sent: 26-Jun-1998 11:59am PDT  
 From: Mike Cathro of EI  
 MCATHRO  
 Title: Regional Geologist  
 Dept: Ministry of Energy & Mines  
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TO: See Below

Subject: weekly report

## Highlights:

\*Two short term students will begin Monday - Brian Kay (11 weeks) and Andrea Cade (6 weeks). Brian has been working for Placer Dome and Andrea for Getty Copper. Both are UCC students. They are being paid from the Lillooet LRMP money.

\*Bonaparte (Orko Gold Corp) - visited on Thurs 25th with Egil Livgard and J. Seguin. Currently drilling on 8th hole of an 18 hole program (\$225K budget). The property is located near Wentworth Lake, approx 40 km NNW of Kamloops. In 1994 Claimstaker Resources mined approx 3700 tonnes grading 26 g/t Au from the Crow vein in a small open pit. At least 6 other parallel veins are known and are hosted in (qtz-hb) dioritic rocks thought to be part of the Jurassic Thuya suite. Mo-Cu bearing pyritic biotite-quartz hornfels is well-developed in argillaceous rocks (Harper Ranch Group?) around the margins of the intrusion. Gold is associated with silver-grey minerals (bismuth? tellurides?) in quartz veins ranging from 0.2 to 2.0 m in width. These veins also contain up to 2-3% pyrite, and traces of chalcopyrite and moly (reported). There is also arsenic and antimony reported in old sampling, but I can find no reference to assaying for Sn or W. Veins appear to be associated with dikes of dark, feldspar porphyry. Alteration of the diorite is minimal consisting of thin selvages of sericite and local biotite and silica flooding. I wonder if this could be a variation on the plutonic-related (Fort Knox) gold model.

\*Watson Bar (Stirrup Creek Gold) - Drilling to take place in July (approx 2000 m, budget of about \$300K). Exploration will be focussed on an unexplained silt anomaly up Trimble Creek, and the IP anomaly between zones I and V. Zone V is reported to contain about 137K tonnes grading 14.33 g/t Au in a shallowly dipping thrust vein of epithermal origin.

\*Getty North (Getty Copper Corp.) Bruce Perry advises that stripping of the deposit has begun in preparation for a 1500 tonne bulk sample. The company will make a decision shortly on whether or not to purchase a pilot SX-EW plant from Mexico to test the leaching characteristics.

Mike

## Distribution:

TO: Rick Meyers of EI ( RMEYERS )  
 CC: Bob Lane of EI ( BLANE )  
 CC: Paul Wojdak of EI ( PWOJDAK )  
 CC: Paul Wilton of EI ( PWILTON )  
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