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From: Cathro, Mike EM:EX
Sent: Friday, July 19, 2002 3:55 PM
To: Adams, Rick EM:EX; Britton, Jim; Brown, Derek; Grant, Brian EM:EX; Lefebure, Dave; Logan, Jim EM:EX; Ludwig, Allan; Madu, Bruce; McArthur, Gib; Schroeter, Tom; Simandl, George EM:EX; Smith, Don; David Terry; Houle, Jacques; Lane, Bob; Wojdak, Paul
Subject: Cathro Weekly to 7/18/2002

HIGHLIGHTS

Trans-Canada Highway - The National Post reports that the Federal government is considering a \$10-15 billion dollar plan to four-lane the TCH right across Canada. Given that about half of BC's two-lane TCH falls in the South-Central region, this would be a huge boon for the local mining and construction industry, especially suppliers of cement, aggregate and other raw materials.

Hat Creek Coal and Thermal Generating Station - Attended BC Hydro info session in Cache Creek on 7/16. The company has updated the technical and cost data from the previous (1981) study. Despite improvements in costs, generating technology and environmental controls, Hydro has decided to NOT proceed with development in the near future. Roughly 6 billion tonnes of high-ash thermal coal are known. Interestingly, Hydro has determined that they do NOT own the methane rights to this area.

Lillooet LRMP - all quiet on the western front, although the Sierra Club is running an PR campaign in support of the "South Chilcotin Rainshadow Wilderness" (Spruce Lake Park). Here is a link to an ad they ran in the Vanc. Sun, showing a nice picture of Eldorado Basin. <http://www.sierraclub.ca/bc/Campaigns/Lillooet/VanSunad.pdf>

Red Lake (Western Industrial Clay Products) - attempting to become house-brand pet litter supplier for Walmart USA. This would be a big market and very positive for the company. WICP is having little success in trying to develop a market for their "leonardite"-based potting soils, however, they will continue to produce humic and fulvic acids from leonardite. These are used in hydroponic gardening, for which BC is world famous.

FIELD VISITS

Elk (Almaden Minerals Ltd.) - A \$350,000, 4000 metre drilling program is underway on this property located near the Elkhart exit on the Okanagan Connector. The "Deep B" zone (currently 12,200 tons grading 2.93 oz/ton Au) of the Siwash North vein and the WD vein (16,700 tons grading 1.55 oz/ton) are the main targets, although two holes were drilled on a new target in the Bullion Creek area. The total resource/reserve on the property is 123,000 tons grading 1.153 oz/ton.

Au-Wen-Mal (Lateegra Resources) - As of July 15th, 2 holes had been drilled on the Malechite 1 skarn Cu prospect (92HNE002) hosted by the Nicola Group east of Aspen Grove. Eight to 12 metre-wide skarn beds consist of chalcopyrite with magnetite, garnet and epidote. At least one more hole will be drilled on this prospect prior to moving the drill to the Wen gold prospect for 3 more holes.

Sadim (Toby Ventures) - Briefly viewed core of 12 recently completed holes in Aspen Grove on 7/15. Nine holes tested quartz vein-hosted gold targets and three tested sericite-altered Nicola with disseminated pyrite.

Ashcroft Quarry and Roofing Granule Plant - Visited on 7/16 with G. Simandl. Plant at 50% capacity awaiting Regional MBRC approval to go from 250,000 to 500,000 tonnes per year. Currently 55 people are employed in plant and another 25 on construction. Another 20 or so will be hired when they go to full production. 30% of production goes by truck to the IKO plant in Sumas, Wa, with the remainder going by rail to their plants in Calgary, Winnipeg and Chicago.

WK bentonite (Willy Kovacevic) - Visited this new bentonite occurrence located north of Cache Creek. The property also hosts a deposit of pozzolan.

Clinton Tufa - visited this past producing tufa quarry located just west of Clinton. Ownership is in question between mineral claim owner (Adam Travis) and private surface owner (Quadra Stone). This interesting material would make nice flagstone or landscape rock.

Barbecue-Landscape (Fayz Yacoub) - Visited this lava rock prospect near Cache Creek. Minor trenching and stockpiling of rock has taken place, in preparation for crushing and screening.