

Yahk
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Sent: Friday, July 23, 1999 3:22 PM
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Subject: Weekly Report - July 23/99

Sultan Minerals has withdrawn early from its initial drilling program at the True Blue property at Kaslo. This impressive, high grade, Cu/Zn/Pb/Au/Ag/Co v.m.s. showing in the Millford Group had been drilled previously (one hole) without extending the zone. Re-examination of the structural setting by Tryg Hoy and others had suggested that the previous hole had been mis-directed and had ignored a strong lineation developed in the host stratigraphy. Sultan's limited initial program was designed to test the down-lineation direction from the showing with a fan of three holes from one set-up. The first hole (I visited while it was in progress on July 9th) intersected nothing of interest. Subsequent downhole geophysics failed to signal any nearby conductors. The company aborted the program at that point.

The Sultan Minerals crew (Linda Dandy et al) has moved to Salmo for a small trenching and drilling program at the Jersey property. Still unknown at this time is how much work, if any, will be done by sister company, Cream Minerals, at Kaslo Silver or Crystal Lake (optioned Surebet claims on Crawford Peninsula). A \$2 million program was planned for Kaslo Silver but the necessary funding is slow coming.

Enough snow has melted now that serious work is fining up in the Purcells (Sullivan target). Ascot Resources is nearing completion of its one hole planned at the Smoker prospect at the head of Semlin Creek. When I visited on Wednesday, the hole was at about 820 metres and is targetting the Sullivan horizon at about 1000 metres. Drilling is occurring adjacent to an extensive surface occurrence of sericitized fragmentals at Sundown time, known as the "Smoker vent". Meanwhile Ascot is doing mapping and geochem. at the Cruz property south of Moyie Lake in preparation for drilling (optioned from Chapleau Resources).

Rio Algom has, for some time, been mapping and carrying out other target definition work at its Kitchener, Yahk, and Pyramid Peak properties, all optioned from Abitibi Mining, and at South Findlay optioned from Eagle Plains. It has submitted NoW's for drilling at Yahk and Pyramid Peak to start in September.

Kennecott has had a small crew working out of a fly camp at Greenland Creek, mapping and doing geochem.

Yesterday I visited the Jubilee Mountain barite project of WWC Consulting Ltd. west of Spillimacheen (optioned from Art Louie), and was surprised at the level of activity and the advancement made in the last year. One exploration adit has advanced to about 260' from the portal and a second is at about 40'. The former is projected to break out to surface on the other side of the ridge for a total length of about 700'. Both adits are following steep barite veins and are intended mainly to collect bulk samples. Meanwhile, further exploration drilling along the ridge is underway and is planned to total 3000' by year end. Total expenditure for the year is projected at \$400,000. The bulk sample (projected to total up to 5000 tons) is being trucked to the company-owned processing plant at its Elkhorn Barite property SE of Windermere.

The barite occurs in a series of near-vertical, NE-trending, veins cutting dolomite, which appear to be spaced equally about 150' apart along the length of the ridge, occupying shear zones with definite sinistral offset. The total size of the resource is still unknown as new veins are still being discovered by prospecting and drilling. The veins pinch and swell up to 10' wide, averaging about 4' to 5'. The barite is generally coarse grained and sulphide-free. The only significant impurity is up to 2 or 3% of powdery red hematite which occurs in a network of hairline fractures throughout the barite.

This prospect, I think, has good potential to replace the soon-to-close Parson mine, although it's probably fanciful to expect at this time that it will have a similar total resource. It does have the added feature that, if successful in