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Date: 30-Jun-1995 11:59am PDT  
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TO: (see below)

Subject: MONTHLY REPORT for JUNE 6-30, 1995

Regional Geology and Planning Issues  
South-Central Region

HIGHLIGHTS:

- Drilling has started at the Rainbow project near Afton. This will be a big project as Teck is trying to define reserves at the Rainbow #2 and Galaxy deposits.

- Rex Property (Lillooet area). Spokane Resources plans a \$650,000 exploration program this year including 19,000 ft of drilling. 51 intersections from previous work confirmed a 2000 ft strike length for the vein, with an average width of 11.2 ft (to a depth of 300 ft). The average grade for these drillholes is 0.261 oz/ton Au and 0.95% Cu.

AMPLE/  
GOLD

\* Homestake has taken an option on the Ample/Goldmax property located near Lillooet. It is owned by Gary Polischuk and perennial PAP grant recipient Dave Javorsky. Homestake plans a 1.5 km road plus trenching and drilling.

\* (CONFIDENTIAL) Private company, Barker Minerals Ltd. (Louis Doyle) appears to have made a very significant discovery on their fast-growing Ace property, near Likely in the Prince George Region. I viewed rock samples which show both vein and massive sulphide textures. Doyle indicates that tellurium, bismuth and arsenic minerals are present and are associated with high base and precious metal values. Host rocks are shale, quartzite and gneiss, probably part of the Barkerville terrane. Since we have no RG in Prince George, I offered to visit.

ACE

LOWLIGHTS:

- An exploration project valued at 150-300K dollars is in serious jeopardy after a large portion of Zalmac Mines' Lightning Peak property was included in the Granby Protected Area (West Kootenay Land Use Plan). Zalmac has applied for an explore BC Grant! (more info below)

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- Forests-Recreation Branch in Golden want to expand a Recreation site from 80 to 860 Ha and "designate" it under FPC. They propose restrictions such as "No motorized access, except snowmobiles", and "no campfires, for any reason". Call me paranoid but this smells like a park! Who is going to try to explore there? The area is designated as "Integrated Use" in the East Kootenay Land Use Plan. The bottom line is that there are going to be LOTS of these requests under FPC, and I'm not sure how we're supposed to stop them. It appears the level of uncertainty is still rising, despite the completion of the Kootenay plan.

- A similar deal is going on in the Cariboo. The Churn Creek LRUP has proposed "no harvest" and "modified harvest" zones in the South Chilcotin Special

Property was visited on June 15 in the company of Leo Lindinger, the owner. The property is located on the east side of Napier Lake, 35 km south of Kamloops. A zone of quartz-sericite-pyrite alteration is developed over an area exceeding 1500 m by 300 m, in rocks interpreted to be part of the Nicola volcanics. Up to 10% finely disseminated pyrite is present in the rock. Cu values over 1% and Au values to 540 ppb are reported from pits. Drilling took place in the 1970's with the best results being 0.21% Cu over 33.5 m and 230 ppb Au over 15 m. An interesting target with good untested potential for porphyry or shear hosted Cu-Au. Another example of the good properties that have come open in the province lately.

RG- Kamloops  
June 95

- Microgold property (Cindy; MINFILE 92ISE134), Canquest Resource Corp. I also visited this interesting property with Leo Lindinger, consultant to the property owners. Located north of Stump Lake, epithermal-style chalcedonic silica zones ("caps") are developed in Nicola volcanics. Previous exploration has outlined anomalous Au, Ag, Mo and Fluorite. CanQuest plans geological mapping to follow up new resistivity anomalies indicated by a 1994 airborne survey. Drilling is possible in the fall.

MICROGOLD

#### EXPLORATION AND DEVELOPMENT NEWS:

- Notices of work were received for large projects at the Summit gold property near Lillooet, Getty (Krain) and Alwin Mine properties in the Highland Valley, the Rain property near the Goldstream Mine, and Westpine Metals' Taseko property.
- Similco Mine, Princeton Mining Corp. A small portion of the throughput is now coming from the Ingerbelle pit. 100% of production is slated to come from this pit by the 4th quarter of 1995.
- Elk (Siwash North), Fairfield Minerals Ltd. 1880 ft of decline extension done was completed to allow underground drilling (to 500 ft depth) and mining development. Planned expenditures of over \$3,500,000 for 1995 will determine the feasibility of full scale underground production. Sales of high grade ore will resume this summer from stockpiles. The company has completed about half of a 25,000 foot, 200 drillhole program of underground and surface drilling. The surface portion of this program will begin in July.

#### LAND USE ISSUES:

- At the eleventh hour, we helped Lynn Grexton get her Da Vinci claims "save and excepted" from the new Two Spring protected area. This exclusion was originally agreed to in the Kamloops LRMP, but had been mysteriously ignored. A rare and welcome land use success!
- Zalmac Mines was not so lucky with their property in the Lightning Peak district in Greenwood and Vernon Mining Divisions. About 1/3 of this Mo-Cu-Au-Ag property lies within the new Upper Granby Protected Area. The company filed a notice of work in June to do geophysics and drilling this year. Bob Yorke-Hardy told me they were planning to spend 150K to 300K this year. At least part, if not all of that work will now be canceled.
- The Kamloops LRMP "Follow-Up Committee" (a poor acronym, in my humble opinion) had its first meeting to solve three leftover issues. Deadline is Dec.
- Kamloops RPAT/IAMC sent a list of Areas of Interest to LUCO/Cabinet so they could be upgraded to full Study Area status before the house recess. We still have concerns over mineral impacts and these were forwarded to Victoria

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