

contains 1.2 million tonnes of acid soluble copper grading 0.37% Cu, as well as 1 - 2 years of sulphide copper millfeed. The remaining mine life is reported as 12 years, but this excludes the Gib North (40 million tonnes grading 0.4% Cu at an average depth of about 90 metres) and Sawmill zones. The Moly circuit, which ran briefly last year, will start up again in July. The Moly recovery rate is about 40%. Employment at the mine is 270-275.

The 1996 exploration budget is \$120,000 and includes a nearly completed 16-hole, 2400-metre diamond drill program. The main target areas are the Sawmill and GM zones.

The company is also using K/Na ratios with coincident geophysical signatures as a means of identifying new exploration targets on the property. It was suggested that the company might like to investigate the usefulness of an airborne gamma ray survey.

QR. On June 19, Jim Fortin, Mine Geologist, outlined Kinross's exploration project and brought Tom Schroeter and I up-to-date on mine developments at the site. The proposed \$500,000 exploration budget includes a 27-hole, 5300-metre diamond drill program. At the time of our visit, diamond drilling was just getting underway on the Hillside anomaly, southeast of the Main zone pit. This first hole is scheduled to be 500 metres in length and is designed to intersect the siltstone-diorite intrusive contact. Several other targets will also be drilled this year, including areas of the West zone, the North zone (below Walleys fault), and shallow mineralization on the Midwest zone.

Mining is continuing from the Main pit, however metal production so far this year is well behind schedule (due mainly to poor mill performance). The mill is now operating at 1200 tpd, above its designed capacity, and should help the operation close in on its production targets.

Approximately 4500 tonnes have been mined and milled from the West zone yielding 40 000 grams of gold.

A decline has been collared on the Midwest zone and the underground workings should reach the ore zone in about 6 weeks. The decline will advance about 9 metres per day. The cutoff grade underground on the Midwest zone is 2.5 gpt Au. 8-yard scoop trams and 26 tonne haul trucks are being utilized.

The +1gpt Au low grade stockpile (80,000 tonnes averaging 1.2 gpt Au) will be blended at a rate of 10-15% with higher grade material and milled. The +0.5 gpt low grade stockpile has been reclassified as waste.

Quintette. Kevin Sharman, Mine Geologist, took Dave Lefebure, Barry Ryan and me for a tour of the Shikano pit at Teck's Quintette coal operation on June 10. Mining first started from Shikano in 1987 and the pit will be in operation for another 1.5 years before reserves are exhausted. At that time Babcock will be mined in conjunction with Mesa and Mesa Extension. Geology in the pit is structurally complex resulting in slow and costly mining techniques.

EXPLORATION MONITORING:

NECHAKO PLATEAU

Wolf. A 2700-metre diamond drilling program, focused mainly on the Ridge zone, will begin in July.

QUESNEL TROUGH

Lloyd Nordik. Assay results from the first 9 holes drilled in 1996, have been released. Results include a 70-metre intersection (ddh 95-50) averaging 0.44% Cu and 0.14 gpt Au (at a depth of 75 metres) and an 8.2-metre intersection grading 0.60% Cu and 0.75 gpt Au. Drilling is continuing.