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Banks
103G, HGS → RG
- Smith**Schroeter, Tom EM:EX**

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Sent: Friday, November 02, 2001 9:20 AM
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Subject: 2-week report to Nov 2, 2001

Exploration Summary - Estimate \$7.14 million (up from \$6.5 million in 2000) and 39,500 metres of drilling (31,735 m in 2000). Data includes projected figures for Morrison which is still active (see below).

Morrison (93M 007) - Drilling resumed, expected to continue to end of Nov. Assays from five more holes on this Babine copper-gold porphyry have been released. Good intercepts though some (cynics) say no better than what was left in the pit at Bell Copper. Revised resource estimate by Kilborn, expected in spring 2002, awaited with interest. Other work that is necessary to advance the Morrison project to development stage is not being done; minimal base line environmental, no tailings site investigation, no ARD work.

DDH	From	To	Interval	Cu%	Au g/t	Area
39	96	160	64 metres	0.26	0.16	East fault
	169	248	79 metres	0.30	0.24	
40	44	151	107 metres	0.39	0.28	East fault
	178	400	222 metres	0.50	0.24	
41	17	236	219 metres	0.39	0.15	Southeast
42	93	297	204 metres	0.47	0.20	Southeast
43	4	72	68 metres	0.48	0.19	Southeast
	93	160	67 metres	0.46	0.16	

Eskay - 3rd quarter financial report shows that cost of production has increased to \$60/oz compared with \$33 a year ago, as more ore comes from smaller and lower grade stopes. Eskay is now in the mid-years of its life. Water Tower zone discovered by summer drilling. A modest zone, in footwall rhyolite, perhaps related to, but separate from 21C zone. Continued drilling planned next year.

Endako - Visited on Oct 25, discussions with Al Morrish, mine manager and Ian Thompson, mine engineer. Outcome of twice-delayed meeting with Japanese/American co-owners (on Nov 2) to set mine budget for new fiscal year is important to future of Endako mine. Stripping waste rock on the south wall of the Endako pit must resume in the new year (Oct 1-Sept 30 fiscal year at Endako) in order to avoid a future 4 month shutdown to catch up. Uncertainty is increased by recent dip in Mo price to \$2.30/pound range. Endako's cost of production is believed to be about \$2 per pound (due to success of in-pit crusher and no stripping of waste) but the end of power savings (in January?) arranged by the Job Protection Commission will increase costs by \$0.20 per pound. The south ramp is being mined out, the ore is hauled down to the in-pit crusher. Pit access is maintained by north ramp. Mining of the ramp was halted briefly during the summer by sudden 1.5 metre sub-horizontal movement of the ramp. Water infiltration into the upper benches along the steep dipping South Basalt fault intersected moly-shear veins that dip 20 degrees north, into the pit. Failure occurred along the moly gouge zones, the problem was easily solved by diverting runoff water away from the South Basalt fault. Continued mining will diminish the load, no further problems anticipated.

Omineca-Stewart road - presentation to Omineca Road Committee on mineral/energy activity and potential in vicinity of proposed Omineca-Stewart connector.

Adanac (104N 052) near Atlin- Stirrup Creek Gold Ltd acquired this 70 Ma porphyry deposit (152 million tonnes of 0.063% Mo) by staking. Resource estimate based on 32,000 metres of drilling and 1100 metres of underground development. Placer Development considered mine development in 1981. The Adanac deposit area includes 11 other Minfile listings with significant tungsten (as scheelite and wolframite) and interesting amounts of tin (as cassiterite), gold and fluorite. Stirrup plans to evaluate the best targets for tungsten and gold.

Banks Island platinum-palladium target (103G 039) staked by Santoy Resources (72 units acquired). Suggest North Coast continuation of Alaskan-type zoned ultramafites as a new GSB project.