

File → ELK

MEMORANDUM

TO: V.A. PRETO
FROM: R.E. MEYERS

November 13, 1989.

882656

RE:

MONTHLY REPORT - SEPTEMBER, OCTOBER 1989
SOUTH-CENTRAL DISTRICT

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ACTION:			
VGS			
FILE NO: DG - Kamloops			

EXPLORATION HIGHLIGHTS

* Minnova Inc. officially opened the Samatosum Mine on October 25th. Total Capital Costs were \$30.3 Million including \$7.2M for pre-production development. Current diluted mineable reserves are:

766,682 tonnes @ 993 g/t Ag, 1.6 g/t Au, 1.1% Cu, 1.4% Pb, 3.0% Zn, with a 18.4:1 W/O stripping ratio.

ELK * Fairfield Minerals Ltd. are drilling the ELK property. They recently announced high grade gold mineralization in trench exposures on the Siwash North Zone. The zone is a quartz vein system in Pennask granodiorite that is more or less continuous at surface for about 600-800 metres. The zone is regionally associated with the Otter Lake intrusions (Tertiary) and may result from hydrothermal/epithermal processes active during their emplacement. This may be the most important new gold discovery in the district for 1989.

* Homestake Mining Canada Ltd has started a 4500 metre drilling program on the Kamad 7 claim, adjacent to the Samatosum property. Esso Minerals previously outlined approximately 220,000 tonnes grading 7.36 g/t Au, 69.2 g/t Ag, 7.32% Zn, 6.19% Pb, 0.54% Cu. Homestake is also drilling the Twin property in the same area, where Esso intersected a high grade zone in 1988.

* Huntington Resources are undertaking a \$70K third phase drilling program on the Brett property to further test the northern extension of the Main Shear Zone, where Corona intersected encouraging gold values earlier this year. These expenditures will reverse the JV ownership to Huntington 51% and Corona 49%. I suspect that Huntington will be looking for other JV partners to finance this property in 1990.

reserves * Open pit studies on the Chu Chua deposit by Mintec Inc. for Minnova Inc. and partners have resulted in the following reserves options:

1.15 MTons	@ 2.97% Cu	3:1 W/O ratio	1% Cu cutoff
0.89 Ktons	@ 3.49% Cu	4.2:1 " "	1.5% Cu "

* Following a major trenching and drilling program on the Spokane property, MacNeill Industrial have undertaken a \$250K drilling program on the Cub 200 Mo-Cu zone discovered by Bob Gabba during the Shulaps mapping project this summer.