

Province of
British Columbia

Ministry of
Energy, Mines
Petroleum Resources

M E M O R A N D U M

April 12, 1988

To: Vic Preto

Re: FRASERGOLD PROJECT

On January 19th, John Kerr representing Eureka Resources, visited the office to discuss what was happening at the Frasergold project. Apparently the ownership of the property was in court with the other parties being Southlands Mining (25%) and Sirius Resource Corp. (25%). John contended that they were spending money on the project without Eureka's consent. The projected budget was around 1.5 million dollars (all flow-through I suspect). At that time he believed they were over 30 m underground with an adit.

Recognizing the potential ownership problem and the type of project underground (i.e. large bucks and a government FAME grant "in the air", so to speak) I telephoned on January 20th District Geologist Ted Faulkner with this background information. I raised a "flag" to keep his ears open and also to check when the last inspections had been made by our Inspection Branch and more importantly when the next one was scheduled. That same day John Kerr telephoned to inquire if anyone from the Geological Survey Branch planned a visit to the site in the near future. He felt they would be finished the underground program shortly and that if a visit was going to be made it should be done quickly. With this in mind, when Ted called back on January 21st to report that the last inspections were done on Dec. 9th and 14 and that none was planned for the near future, I suggested that he should try to visit the site. He explained of course, that he was busy preparing for Cordilleran Roundup (Feb. 2-5); however, he did say that he would attempt to visit the site on his way back to Prince George from Vancouver.

I heard nothing else prior to April 7th when Mark Rebagliati, consultant for the project for Southlands and Sirius, visited the office and made an inquiry (complaint) why the District Geologist for the region had not visited the site. When I attempted to "apologize" Mr. Rebagliati hastily invited me on a specially arranged tour to the site on April 8th.

I found the visit very beneficial not only from a technical aspect but also from the timing aspect.

Yours sincerely


Tom Schroeter

Senior Regional Geologist