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**BACTECH MINING CORPORATION** : <http://www.bactech.com/> : *News Releases*

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☐ **Wed Jun 23, 2004**

## **Bactech Proceeds With McKinnon Creek Field Program**

**PR-040623**

Toronto, Canada, June 23, 2004 - BacTech Mining Corporation ("BacTech") announced today its development program for 2004 on the McKinnon Creek project is in progress. The 2004 program includes environmental field work, drilling, laboratory testing and project engineering and evaluation. The total budget for 2004 is approximately CDN\$1.6 million.

The objective of the program is to further develop the project towards a production decision from an independent pre-feasibility study, and provide the necessary information and engineering for permit applications. The program is being managed by an independent consultant based in Kamloops, British Columbia, and the primary field contractor is Golder Associates Ltd. ("Golder"), headquartered in Vancouver, B.C..

### **Environmental Program**

A permitting schedule has been recommended by Golder towards a goal of completing project approvals in 2006. The main activities planned in the 2004 program include initial meetings with the Environmental Assessment Office, First Nations and public consultation. In addition, Golder will prepare permit applications for the 2004 field work and develop the project Description and Terms of Reference to initiate the review process.

The field work planned for 2004 will be directed toward review and collection of site information to support the baseline Studies and reporting necessary to complete an Environmental Assessment Report in 2005. The field studies will include fisheries and water quality data, an aquatic field program, a terrestrial field program, air quality assessment, acid rock drainage and metals leaching studies, and compile existing socio-cultural and archaeological information.

### **Drilling Program**

A diamond drill program is planned for later in the summer, subject to permits, to complete approximately 1,000 meters of drilling to provide information and samples to support the environmental assessment work, as well as provide fresh core samples to conduct metallurgical test work. The mineralized zone is open at depth and this program will also include drilling to determine potential additions down dip.

### **Production Concept**

The production concept, based on previous studies completed on the property, is to produce separate zinc and lead concentrates for shipment and sale to a smelter, as well as produce a high grade gold and silver concentrate that can be treated at BacTech's Tonkin Springs project in Nevada for gold and silver recovery. Initial production estimates are

based on a 1,000 tonne per day underground mine operation with the mill tailings reporting to the underground mine as backfill. Under this scenario, the project would produce approximately 8,000 tonnes of zinc, 6,000 tonnes of lead, 60,000 ounces of gold and 600,000 ounces of silver per year. Engineering work planned during 2004 will provide an independent economic analysis of the production concept.

The McKinnon Creek property is located 45 km north of Revelstoke, British Columbia. There are two main deposits on the property; the Main Zone that hosts the gold resource and is the focus of BacTech's attention, and the Yellowjacket Zone, which is a lead-zinc carbonate replacement deposit. The Main Zone is a continuous, tabular, structurally controlled arsenopyrite-precious metal bearing massive sulphide body hosted in a low angle, intensely sheared structure. It has been traced on surface and underground for over 3 km and currently has a drill-indicated strike length of 1.8 km. The average thickness is 2.5 metres and swells to 10 metres in places. High gold content is associated with arsenopyrite. Drill indicated geological resources for the Main Zone, as published by H. A. Simons in 1996, show a total resource of 3.6 million tonnes grading 7.24g Au and 81.0g Ag.

## **CORPORATE PROFILE**

BacTech has developed and patented bioleach technology for the treatment of refractory ores and concentrates to enhance the recovery of gold, silver, and base metals. BacTech has commissioned three commercial bioleach plants for gold, and in 2000, successfully demonstrated its technology in the selective recovery of base metals from complex sulphide concentrates.

BacTech acquired a 55% stake in Tonkin Springs LLC, the owner of the Tonkin Springs gold project in north central Nevada, in July 2003. BacTech has also acquired an option on 100% of the McKinnon Creek polymetallic deposit near Revelstoke, British Columbia. Finally, BacTech entered into a series of agreements that will see the Company participating in the Chinese gold industry through equity and project participation.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Except for statements of historical fact relating to the Corporation, certain information contained herein constitutes "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other ecological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors described in the section entitled "General Development of the Business of the Company -- Risks of the Business" in the Corporation's annual information form dated May 17, 2004. The Corporation undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking

statements.

## **CASH COSTS**

"Total cash cost" figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. Total cash costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of amortization, reclamation, capital and exploration costs. These costs are then divided by ounces produced to arrive at the cash operating costs of production. Total cash costs are then divided by ounces produced to arrive at the total cash costs of production. The measure, along with production, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of operating costs presented under GAAP.

## **CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES**

This presentation uses the terms "Measured", "Indicated" and "Inferred" Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize them. "Inferred Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.**

## **WHERE TO FIND FURTHER INFORMATION**

For further details of the proposed transaction, please refer to the Annual Information Form of the Corporation for the year ended December 31, 2003 dated May 17, 2004 and Press Releases and Material Change Reports filed by the Corporation after May 17, 2004, on the Corporation's website at [www.bactech.com](http://www.bactech.com) or by accessing the Corporation's disclosure documents available from the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

- 30 -

For more information contact:

Ross Orr, President & CEO  
Telephone: (416) 813-0303  
Email: [info@bactech.com](mailto:info@bactech.com)  
Or visit: [www.bactech.com](http://www.bactech.com)

Flora Wood, Linear Capital Corporation  
Toll Free: (877) 600-6001  
Direct: (416) 364-2266  
Email: [flora@linearcapital.com](mailto:flora@linearcapital.com)

Shares Outstanding 37,342,444  
**TSX-V: BM**

The TSX Venture Exchange has not reviewed and does not accept any responsibility for the adequacy or accuracy of this release.

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For more information, send questions and comments to [info@bactech.com](mailto:info@bactech.com)  
*This page was created on Thu Jun 24, 2004 at 8:22:05 AM Pacific Time.*

## Schroeter, Tom EM:EX

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**From:** Schroeter, Tom EM:EX  
**Sent:** Thursday, June 24, 2004 8:30 AM  
**To:** Cathro, Mike EM:EX  
**Subject:** RE: BacTech - McKinnon Creek

Thanks, Mike. Shall we apply the full \$1.6M figure to "exploration", or take a percentage (I'm happy to take the full amount, provided it is deemed necessary to provide info for the revised feasibility study; however, anything that could be deemed as 'development' work for future mining, I would not include).

### Tom

Tom Schroeter, P.Eng./P.Geo.  
Senior Regional Geologist  
Geological Survey and Development Branch  
Mining and Minerals Division  
Ministry of Energy and Mines

Direct Telephone 604 660-2812  
Messages & Enquiries 604 660-2708  
Facsimile 604 775-0313  
email tom.schroeter@gems6.gov.bc.ca  
Autotel 604 662-9091

-----Original Message-----

**From:** Cathro, Mike EM:EX  
**Sent:** Wednesday, June 23, 2004 5:42 PM  
**To:** Errington, John EM:EX; Wuschke, Steven EM:EX; Schroeter, Tom EM:EX; Lefebure, Dave EM:EX; Rothman, Stephen EM:EX; Seguin, Joe EM:EX  
**Subject:** BacTech - McKinnon Creek

FYI - some good news - here is a BacTech Mining news release detailing a \$1.6 million project on the McKinnon Creek (J&L) project, moving towards Env. Assessment Report in 2005. Mainly comprises environmental baseline work but some drilling too.

Another advanced project which could require our participation during EAO review.

[http://www.bactech.com/s/NewsReleases.asp?ReportID=83269&\\_Type=News-Releases&\\_Title=Bactech-Proceeds-With-McKinnon-Creek-Field-Program](http://www.bactech.com/s/NewsReleases.asp?ReportID=83269&_Type=News-Releases&_Title=Bactech-Proceeds-With-McKinnon-Creek-Field-Program)

*Mike*

Mike Cathro, P.Geo  
Regional Geologist, Mining Operations Branch  
B.C. Ministry of Energy and Mines  
162 Oriole Rd., Kamloops, B.C. V2C 4N7

tel 250 371-6069  
cel 250 318-4202  
fax 250 371-6070