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TO: V.A. Prcto

January 17, 1990

RE: MONTHLY REPORT - NOVEMBER/DECEMBER 1989
SOUTHWEST DISTRICT

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ACTION:

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FILE NO: *Monthly Report Victoria*

A) EXPLORATION HIGHLIGHTS

Victoria Mining Division

Mt. Sicker
- Mt. Sicker/Lara: Minnova completed their fall drilling program consisting of 2179 metres in 17 holes at Mt. Sicker and 3539 metres in 15 holes at Lara. At Mt. Sicker, they are testing down-dip on the Lenora-Tyee trend and report intersecting old workings and some new massive sulphides between Tyee and Richard III. At Lara, the recent program consisted of recce drilling on various anomalous zones way from the Coronation zone. Results on both projects are described as "encouraging", but no further details yet.

- Chemainus/Holyoak: Falconbridge completed the fall drilling in early December (6500 metres in 16 holes). No massive sulphides were intersected but they are still optimistic about being on the right track in some areas. The Anita zone at Chipman Creek where they were concentrating effort in previous years has been found to have very limited size and is no longer a priority target. Falconbridge is doing down-hole geophysics on all of their holes and feel it is a valuable tool in recce drilling (Minnova is not using this tool).

- El Capitan: Contrary to my report in the last edition, the drilling at El Capitan did not get started. At the last minute, Omega Gold Corporation cancelled the consulting contract with MPH and decided to manage it themselves. Tim Neale suspects that they are still trying to raise money and no drilling has been done. Omega does not return my calls. Pity! - could be a significant new target in the Sicker belt.

Alberni Mining Division

- Beano: In spite of getting some good gold grades in their 1989 trenching program, Battle Mountain has dropped the option on the Beano skarn-hosted gold prospect at Zeballos. The property owner, Billiken Resources Inc. has now optioned it to MacDougall Development Corporation. No work program has been indicated yet by the new operator.

Debbie
- Debbie/Yellow: All drilling was finished before Christmas and Westmin is presently waiting for the last of the assay data. The fall drilling program included nine underground holes totalling 3964 metres in the Mineral Creek zone, 12 surface holes at the Linda zone and eight surface holes at the 900 zone. Drilling on the Linda zone has returned high gold values comparable to the impressive trench assays reported earlier in the year. Visible gold was seen in quartz veins at Trench 1 where continuous channels across six sections averaged 42.2 g/t Au over a 15 metre length, across an average true thickness of 1.86 metres. Rick Walker anticipates equally interesting assays from drilling on the 900 zone.

Westmin has published a very preliminary calculation of mineral inventory for the project. The total probable inventory for the Mineral Creek, Linda and 900 zones is reported as 243,000 tonnes averaging 5.15 g/t Au. They also have calculated an additional possible inventory of 518,000 tonnes of unspecified grade. It is significant to note that 71% of the probable inventory is in the Mineral

Debate
found

Creek zone and averages only 3.3 g/t Au. The Linda and 900 zones appear at this stage to be small, high-grade plums, while the Mineral Creek zone, where most of the tonnage potential occurs, is disappointingly low-grade. Constraints on the calculation include a cut-off grade of 1.7 grams/tonne and dilution of all intersections to a two metre minimum thickness, but the reported inventory still somewhat resembles a cold shower.

- Abco/Cotter Creek: Small drill programs were completed by Stoney Creek Mines and Gold Parl Resources around the former Abco mine on Cotter Creek. Initial indications are that the results were very disappointing.
- Myra Falls Operations: Steve Juras has passed on the information that Westmin Mines Limited (note formal name change) has approved a 1990 exploration budget of \$7.8 million, an increase of 20% over the 1989 budget. This reflects the serious need to quickly find new reserves at the mine property to extend the mine life beyond this decade. They have had considerable success in 1989 but the search is very slow and expensive since all exploration drilling must be preceded by new exploration drifting. The potential targets are numerous but widely spaced.

Western
Mines

Nanaimo Mining Division

- Angel: John Stephenson, president of Nexus Resource Corporation, reported that the five holes drilled by Nexus were all located in the immediate vicinity of the original Angel showing. The showing contains narrow Au/Cu bearing quartz veins in the sheared and intensely ferrocyanate altered hanging wall of the regional Angel fault. The drilling results were disappointing in that they did not improve on the narrow and spotty gold intersections found previously in surface trenches and in one earlier drill hole. However, Nexus did define a strong I.P. anomaly with a strike length of 350 metres, still open at both ends, which has not been investigated outside of the showing area.
- Vananda Gold: At the Vananda Gold skarn property on Texada Island, Freeport-McMoRan Gold drilled three holes totalling 787.6 metres in November. They included one hole on each of the Eagle grid, the Sandy grid, and at the Little Billie mine. I have no detailed information yet about the results but Ted Trueman confided that they were quite disappointing (STRICTLY CONFIDENTIAL). It sounds very likely that Freeport-McMoRan, in spite of some good intersections earlier at the Little Billie, the Sandy grid, and elsewhere, are discouraged and may withdraw from the joint venture with Vananda Gold Ltd.

Texada
Is.

- Mt. Washington: Better Resources Ltd. has purchased title to base metals from Imperial Metals Corporation on the major part of the Mt. Washington property. They had previously acquired the base metal rights in the Murex area from Fording Coal. That now gives Better Resources full title to both base and previous metals over the entire property and they can stop pretending that their gold ore does not contain copper!
- Dove: Westmin Mines Ltd. drilled five holes totalling about 600 metres in December on the Dove property (Ideal claims) on the east flank of Mt. Washington. They were testing a series of soil/VLF anomalies strung out along a north-trending, steep-dipping regional structure which they feel has concentrated epithermal gold-copper mineralization. A train of well mineralized boulders is associated with one anomaly. Rick Walker informs that they did get some narrow sulphide intersections in the drilling and are waiting for gold assays (CONFIDENTIAL). Westmin has employed the property owner, FAME grantee Joe Paquet, to do systematic boulder prospecting, a tool they consider very useful in this area of generally thick till cover.

Mt.
Washington

- Bruno: Doromin Resources Ltd. reported encouragement from a short drill program on the Bruno property, located southeast of Schoen Lake Park in central Vancouver Island. A 2.4 metre section in one hole is reported to have assayed 5% copper, 41.1 g/t Ag, and traces of gold. The target is

-> DG- Victoria
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To: V.A. Preto

December 12, 1990

RE: MONTHLY REPORT - NOVEMBER, 1990
SOUTHWEST DISTRICT

A) EXPLORATION HIGHLIGHTS

Victoria Mining Division

- **Mt. Sicker/Lara:**

Minnova has completed the 1990 drill program with a total of 11,167 metres (49 holes) at Lara and 2400 metres (14 holes) at Mt. Sicker. Most of the Lara drilling was concentrated in a new zone of interest which straddles Silver Creek a little north (up-stratigraphy?) of the Coronation horizon. They report several thin m.s. intersections in the zone with very promising geological indicators (CONFIDENTIAL). No work was done in 1990 at the Coronation zone itself and Minnova has still not reported any revised reserve estimate for the Coronation deposit. No work was done at Mt. Sicker during the fall drill season and the indications are strong that Minnova is losing interest in Mt. Sicker.

- **Chemainus/Holyoak:**

Falconbridge has completed the 1990 drill program at Chemainus with a total of 7202 metres (24 holes) and an expenditure of \$900,000. They were testing various targets close to and on both sides of the Lara property. Bob Stewart indicates that Falconbridge will probably only do property evaluations on Vancouver Island in 1991, meaning that Chemainus and Catface are both going back on the shelf.

ALBERNI MINING DIVISION

- **Debbie:**

Westmin has completed the 1990 program which included only 4 short drill holes to test a new zone, called "1050", a gold-bearing quartz vein located about 300 metres west of the 900 zone. It was discovered by trenching an intense gold anomaly in soils. Some narrow but high grade intersections are reported from the brief drill test. No underground work was done in 1990, nor was any significant surface work done on the three zones of previous interest. The junior joint venture partner, Pacific Gold, did not contribute any funds in 1990 and did not do any work on their self-managed Yellow claim.

