

Premier
880500

DG - Smithers
June 93

Red Mountain

* **Red Mountain (103P086)** exploration is well underway, underground equipment was transported by helicopter and the decline was being collared on June 29-30. Lac has submitted a development prospectus. Road construction is being deferred until more confirmation drilling can be done. Three drills are in use (about 8,000 feet drilled to June 30) and a fourth is to be added soon, so that the road decision might be made by August. The purpose of the road is to access the lower tram station, hence the need to define production rate and mill location so that the tram can be sized accordingly. Much of the "reserves" in AV zone is geologically inferred from a few wide spaced holes. Early drill results of AV zone fill in holes are positive although few assays are in. The AV zone was intersected further southeast than previously known, indicating the zone is open in that direction as well as to the northwest. Lac's understanding of geology and ore controls continues to evolve. Structural consultant Tom Calom (Memorial University) is developing a model.

Premier

* **Premier Mine (104B153)** was visited on June 28. Underground mining continues to locate good grade ore and operate profitably. Three long exploration holes were completed to test the Sebakwe ore trend below and north of the Bush showing.

LAND USE

* Prepared a report and rough maps on "Mineral Values in the Lower Stikine River Management area." The area is 15x125 km, parts of 104G/4,5,11,12,14, 104B/12,13.

* Public meeting held in Stewart on revised Bear Pass PAS proposal. Poorly advertised and poorly attended.

* Participated in PAS agency information meeting.

EXPLORATION AND MINESITE ACTIVITY

Huckleberry

* **Huckleberry (93E037)**- 500 line km IP survey initiated. New Canamin have established a Smithers office with 3 employees. East Zone is now 31 million tonnes at 0.62% Cu, open to the east and west but limited to less than 200 meters wide by climbing topography of Huckleberry Mountain to the north and an east-west structure to the south. East Zone mineralization has a higher pyrite content than the non-acid generating "Main" zone. Definition drilling has recommenced at 60 meter spacing, exploration drilling will follow. New Canamin does not say much about results of Main Zone drilling but it is apparent the high grade core is only about 6 million tonnes of 0.7% Cu.

* **Ball Creek (104G042)**- 700 meter drill program planned on this Cu-Au porphyry.

* **Hearne Hill (93M006)**- trenching and drilling program planned.

* **Teepee (104M048)** and **Pavey (104M002)** Option- Noranda exploration program depends on satisfactory reclamation of previous work by property owner. Liability for historic work is a growing concern for exploration.

* **Tulsequah (104K002)**- Redfern is upset that they have been denied re-opening of the old access road.

*Premier
Sept 1993
(Smithers)*

- * **Westmin Resources** has acquired **Johnston River** and **Woodwodski Island** massive sulphide properties in Alaska with a view to custom milling at **Premier**.

- * **Brenda** Cu-Au porphyry has produced good results from 2 drill holes for **El Condor Resources** and the drill has returned to the property.

- * **Duthie** Minesite reclamation is being assessed by **Max Holtby**, geologist with **Silver Standard Resources Inc.** Acidic mill tailings would be relocated onto a clay layer and then covered with a clay seal.

- * **Corey** property (adjacent **Eskay** and **Sulphurets** properties) exploration by **Ambergate Explorations Inc** and **Kenrich Mining Corp** has produced sufficient encouragement from grassroots exploration that additional fieldwork (trenching, drilling??) is being undertaken. Refer to **PJW** July report for geology.

- * **Skyline's Johnny Mountain** mill rehab work reported to be completed.

OFFICE ACTIVITIES

- * **Mineral Potential** meeting held in **Smithers** on **Sept 9**. Overview by **Ward Kilby**, **Nass-Skeena** and **Mid-Coast** geologic compilation maps presented by **Don McIntyre**, **Chris Ash**, **Dani Alldrick** and **Kim Bellefontaine**. Attendance of 12 industry and 4 government was disappointing but interest level was high and there was good interchange. Commendations and thanks to **GSB** staff for excellent presentation.

- * Participated in conference call on **Exploration Review** articles, **Map 65** and exploration table.

- * Arranged **Equity Mine** visit for **Walnut Park Grade 3** class.

- * Two months behind in maintaining **Notice of Work** dbf.

- * No maintenance of **Reserves** database file carried out this year.

LAND USE

- * **Joint RPAT-IAMC** meeting on Sept 24. Allan Lidstone (MoF, Victoria) and Boyd Brown (MoF, Smithers) made presentation on LRMP's. Concept delivered by Lidstone that PAS is to be delivered through sub-regional LRMP process came as a shock, and did not sit well with Prince Rupert IAMC. Difficulties discussed at length, eg Terms of Reference for Smithers Community Resources Board (who input community values to Bulkley Valley LRMP) appear to need revision. Issue remains unresolved.
- * **Kitlope PAS** process debated at IAMC. Study Team to be composed of provincial agencies, local government, Haisla government, West Fraser Lumber, environmental groups, trade unions and interested public. EMPR will participate because of high mineral potential of eastern Kitlope. It will be co-chaired with Haisla. Does this set a precedent for other Area Study Teams? High political pressure orchestrated by Oregon-based Ecotrust, is Kitlope a "done deal", like Tats? Compensation would be major issue, area is covered by a Tree Farm License.
- * **Bear Pass** Briefing Note prepared for signature by IAMC Chair requesting decision by PAS ADM's Committee on Nisga'a impasse.
- * Responded to RPAT draft PAS communication plan.
- * **Ann Havard** providing contract drafting services for Edziza mineral potential report.

EXPLORATION AND MINESITE ACTIVITY

- Galore (k)*
- * **Cominco** sold its 5% interest in Stikine Copper (**Galore Cu-Au deposit**) earlier this year because Cominco could have been held legally liable for 100% of the reclamation costs because Stikine Copper's major shareholders (Kennecott and Hudson Bay Mining and Smelting) have no assets in BC.
 - * Attended meeting of **Cusac Industries** with MoE and EMPR on Sept 23 re- underground development and mining of the West Bain Vein at Erickson. Reserves are 34,700 tons of 0.502 (cut) opt Au. Refer to Wojdak July report. Smithers MoE staff should be commended for their expediency and knowledge, paving the way for speedy renewal of permits. Cusac reports having raised \$2.6 million.
 - * **Big Bull** assay results released by Redfern Resources. Modest base metal grades are augmented by very good precious metal grades and deeper drilling (6500 feet in 5 holes) is planned to test down plunge (see PJW August report). **Tulsequah** Chief drilling has produced little change in reserves, as inferred from August visit.
 - * **Greens Creek Mine** in Alaska remains closed as 4 partners are at an impasse over mill expansion. Hecla Mining holds the smallest share in the project but has little money and is able, under terms of the joint venture, to block capital spending. Perhaps there is hope yet for custom milling of Greens Creek ore at Premier Gold.

*Premier
Sept 24
Smithers*

Wojdak-oc'93

Premier

* **Premier Gold Mine** continues to operate profitably supplied solely by ore produced from underground at a rate of 700 tonnes per day (based on a 5-day week). Stability is improved to the point that Premier is no longer on a month-to-month basis, it appears that it would take one or two disappointing quarters for closure to be considered. Milling ore from caved stopes has been very successful and will be continued from the old Silbak Premier 2-level drift, accessed from the Premier open pit. A large long-hole stope is being developed in the West zone (Northern Light) on 1070 level.

OFFICE ACTIVITIES

- * **Big Onion** discussed with John Baker and property owner, Jack Hemmelspeck. Hemmelspeck donated suite of core samples.
- * **Nephrite?** jade sample submitted by Dease Lake area placer miner sent to Mac Chaudry for mineral identification by XRD.
- * Criteria for "Major Projects" to be included in Exploration Summary table reviewed with other regional geologists and Tom Schroeter.
- * Memo to Brian Parrott suggesting **Prospector Assistance** program in 1994.
- * **Big Onion** paper written on own time for Porphyry Sequel volume.
- * **Granduc** drill core moved from J.T. Thomas yard to inside storage site.
- * Presented 1993 exploration highlights on 12 major projects to Northwest Mine Development Review Committee on Oct 28. Two-day NWMDR committee was updated on Red Mountain and Eskay projects by the respective companies. Two day meeting also considered 17 other minesites (issues in brackets): Premier Gold (ARD and closure plan), Johnny Mountain (underbonded, site condition), Snip (ARD monitoring, hovercraft), Bell Copper (Babine Lake band have hired environmentalist to review closure plan), Cinola, Golden Bear (road), Cassiar (Black Swan bonding, tailings disposal), Dome Mountain (reclamation liability, bonding), Mount Klappan (decommissioning), Table Mountain (Cusac start-up, permits), Taurus (minor reclamation, property sale), Catear (equipment, reclamation), Kitsault (ARD in pit), Duthie (ARD of tailings), Engineer (prospectus anticipated), Midway, Telkwa Coal (ARD, public consultation).
- * **Minerals North 1994** in Mackenzie on April 14-16. Planning begun with Tom Brazil, Mackenzie Chamber of Commerce. Late date due to Mackenzie desire to hold trade show in ice arena which is not available before early April. Arrange conference call for Nov. 17.
- * Mailout of letters requesting information on 1993 exploration.
- * Office Rock Library updated with 1993 property visits.
- * Spoke to Walnut Park Grade 3 class on rocks, minerals and Equity Mine.

Jim Hutter - nearly completed excavator trenching (on July 7) at the Golden Eagle (93L 015) high-grade silver vein prospect 9 km north of Topley. Flag grid for a VLF-EM survey was in progress. Recent work by Don MacIntyre determined host strata are Saddle Hill Formation of Hazelton Group of similar age to Eskay Creek, hence mineralization warrants re-evaluation. Trenching was successful in following/exposing the vein but little tetrahedrite-jamesonite and galena were evident. Core stored on the property (Bishop Resources, 1983-86) from Golden Eagle and nearby Silver Cup is in poor condition but cursory examination suggests veins are related to felsite dikes? (rhyolite described in MINFILE?)

Table
MTH
RECLAMATION

Cusac has announced signing of a letter of intent to acquire 100% of 906459 Alberta Ltd., a private oil and gas exploration and development company and producing properties. It is hoped that this acquisition will provide Cusac with the revenue to complete care and maintenance work at the Cusac site. Due to various reasons there are a number of issues which need to be addressed in the near future. The main issues are tailings management, slope stability and housekeeping on the site in general.

Snip: Homestake has a four man crew on site doing final clean-up and re-sloping. Company personal were able to go underground on the 300L to observe the oxygen concentrations and maximum height of the water build-up. Oxygen levels were depleted slightly [19.5-20%] and water level high appears to have been high enough to flow out the 300L portal. It is expected that the "P" trap configuration will work once the holes in the two dykes are plugged.

Golden Bear: Road de-activation is progressing very well. The use of the large excavator plus a very skilled operator has produced very acceptable results. Ursa Pad is undergoing detoxification now. Fleece Bowl Pad has been undergoing rinsing for some time now and is at the point of solution going straight to the receiving environment.

Premier Gold: Company has received some interest in various pieces of mill equipment. Mine manager has been advised on appropriate course of action when dealing with equipment dismantlers. Still outstanding issues related to tailings dam [sinkholes] and Cascade Creek Diversion.

PLANNING

As the Ministry of Sustainable Resources starts to take shape a concern that I have is how much representation mineral values will receive in planning processes. It seem that at this time, as an outsider looking in, there is a lot of focus on forestry and environmental values with little recognition of minerals so far. Will be monitoring to see how "balanced" representation and consideration of mineral values becomes in the future.

GENERAL

Major Drilling Group will close its Smithers office at the end of August. Predecessor J.T. Thomas Diamond Drilling was an institution in NWBC exploration for decades and was bought by Major about 3-4 years ago. Eight employees are affected by the closure. Major will handle any future BC drill jobs through MidWest Drilling (Winnipeg), which was also bought by Major. Britton Brothers, Hy-Tech and Peak remain as Smithers-based drill contractors.

With a mix of sadness and happiness regional staff said farewell to Esther Burchett as she retired from government. Esther will be missed from the office, yet everyone wished Esther much happiness in her retirement. Esther and Will have purchased a house in Vernon and are looking forward to some much needed sun and travel.

Wally Bergen

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Aug. 3/01

*Decorative facing stone samples were collected from road accessible sites in the Smithers-Houston area for office display: Equity bladed feldspar gabbro and Nanika granite. Limestone yet to be collected from site near Granisle.

*Fireweed core review begun. Little published material available in ARIS or elsewhere on this silver-lead-zinc prospect. Aim is to attract interest in it.

MINESITE NEWS

- 1) *Endako expects to mill 10.6 million tonnes at 0.131% MoS₂ in 1997 from 20.8 million tonnes of rock, producing 14.3 million pounds of molybdenum (Lyal Chapman, Minerals North). In addition to a 10 year ore reserve, Endako has an additional 10-12 year resource. Depending on approach taken by Thompson Creek Mining, \$1.5 million may be spent on exploration over the next 2-3 years and, if successful, production increased from nominal 30,000 tpd to 36,000 tpd. In conjunction with mine expansion the grinding and milling circuits would be further automated, a new crusher and a second roaster installed.
- 2) *Snip mine operating costs increased to US \$204 per ounce compared to US \$185 in the first quarter of 1996, due to increased reliance on more labour intensive narrow vein mining methods. Completion of the Iskut road would help reduce costs.
- 3) *Golden Bear has re-commenced site work on the gold heap leach operation. Two deep holes are being drilled on the Grizzly zone.
- 4) *Table Mountain produced 1523 ounces of gold in the first quarter, down 16% from 1996. The mill was shut down for 5 weeks while development work was completed. Cusac lost \$1.38 million in the first quarter. Production throughout 1997 will come from the Vollaug vein. First quarter average grade was 0.354 oz/t Au but grade and ore production are expected to increase.
- 5) *Premier Gold has been reviewed by about 6 companies (Canarc, Royal Oak, Treminco, Kinross?, etc). A tentative purchase agreement is expected by late June.

EXPLORATION ACTIVITY

Red Cap *Claim staking continues to be active. Areas of note include Anyox, Todd Creek (reported last month), upper Copper River (near Smithers), Babine camp, north Iskut (Sphaler Creek) and Taku (Red Cap).

Sulphurets *Sulphurets-Bruceside (Brucejack) to be acquired by Treminco Resources Ltd. for \$4 million with closure on Sept 8. The property has a MDC and the company's intent is to place it into production as soon as possible. Treminco owns and operates the 275 tpd Ptarmigan gold mine near Yellowknife, and owns the Silvana mine/mill near New Denver.

Galore Ck. *Kennecott's 55% interest in the Galore porphyry copper deposit will be put up for sale. This is one of the premiere undeveloped resources in B.C. Total resource in three zones is 284 million tonnes at 0.67% Cu and about 0.33 g/t Au. Hudson Bay Mining and Smelting owns the other 45%.

Wojdak - AR May '97



Figure 39
GENERAL GEOLOGY
 OF THE
SILBAK PREMIER MINES LTD. AREA
 SHOWING ORE SHOOT PROJECTIONS

- | | | | | | | | |
|--|---------------------------|--|---|----------|-----------------------------------|--|----------------------------------|
| | PREMIER DYKES | | TEXAS CREEK GRANODIORITE (+equiv.) | <i>P</i> | -Pyrithization | | Lineament (air photo) |
| | LAMPROPHYRE DYKES | | H4 GREEN VOLCANIC BRECCIA, ETC. | <i>K</i> | -Feldspathization | | Mining Property |
| | ORE SHOOTS SHOWING PLUNGE | | M1 GREEN CATACLASITES, MYLONITES, SCHISTS | <i>S</i> | -Silicification | | Adit |
| | | | M2 (BLACK, PURPLE, GREEN) MYLONITE | <i>h</i> | -Metasomatic Hornblende Prominent | | Mineral Lineation (Inclined) |
| | | | | | Mine waste dump | | Schistosity (Inclined, Vertical) |
| | | | | | Building | | Fledding (Vertical, Horizontal) |
| | | | | | Mine Glory Hole | | |

SCALE 0 1,000 2,000 FEET

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