



SEP 13 1993

Geological Survey Branch
MEMPR

MONTHLY REPORT - AUGUST 1993

887001
Red mtn.

by

Paul Wojdak, NORTHWEST DISTRICT GEOLOGIST

HIGHLIGHTS

- **Red Mountain Project update to August 12:**
Surface drilling- 42 holes completed, 15,000 meters
- objectives are to outline AV zone, explore strike projections and the parallel GY zone.
Results are CONFIDENTIAL but no major changes are expected from the geological resource of 2.5 million tonnes at 12.8 gm/T Au and 38.1 gm/T Ag inferred from very limited data in 1992 in the Marc and AV zones.
New JW zone has 3 ore intercepts and potential to add tonnes
Underground development- first crosscut into Marc zone
-decline is behind schedule
Bitter Creek access road construction deferred
Tram proposal modifications in progress
- poor rock conditions at upper terminal site
- new lower terminal site to eliminate mid-station tower and reduce length to 2.4km from 3.6km.
- Skyline's Johnny Mountain Mine reactivated.
- Tulsequah pulls two exceptional ore intercepts from in-fill drilling.
- Yukon 1993 exploration expenditures are estimated at \$20 million, compared with \$17.5 million for northwest BC.
- No (zero) PAS meetings this month!

FIELD ACTIVITIES

• Red Mountain (103P086) was visited on August 12 with Hans Smit, Marc Prefontaine (Lac Minerals geologists) Richard Walker and John Watkins (consultants). Underground exposure of the Marc Zone shows that ore is hosted by brecciated siltstone. Brecciation and fracturing appear to be the predominant rock textures in the ore zone rather than primary volcanoclastics. Gold is associated with coarse grained, heavily disseminated to semi-massive pyrite. Deep drilling has revealed a pyrite-gypsum zone below the gold zones. The current ore model is structurally controlled zones above a (weak?) copper-moly porphyry system. Pyrrhotite-sphalerite flanks both sides of the gold-pyrite zones. The ore system is being followed northwest on 100 meter spaced sections with intercepts spaced 75 to 100 meters on section. This wide spacing is necessary because climbing topography combined with 15 degree plunge of ore zones results in current hole depths of 2,000 feet. A further 200 meters of strike length can be drilled before reaching the ice-filled Rio Blanco gorge which topographically truncates the ore system.

Red
Mtn.
(Aug. 1993)



MONTHLY REPORT - SEPTEMBER 1993

5 1993

by

Paul Wojdak, NORTHWEST REGIONAL GEOLOGIST

HIGHLIGHTS

- **Exploration spending** now estimated at **\$22 million** in 1993 for Northwest British Columbia, up from \$16 million in 1992.
- **Red Mountain** underground development and exploration will continue through the winter. Lac Minerals announced results of this year's work "has expanded the geological resource (of 1 million ounces) and indicates the potential for delineation of greater than 2 million ounces of gold".
- Smithers Exploration Group 21st Annual Golf Tournament drew 90 registrants.
- Prince Rupert Gap Analysis has determined that this region now has **10.87% fully protected** and **1.87% partially protected** (Recreation and Forest Wilderness areas). **Total 12.74%**. Is PAS toast?
- **Mount Edziza Recreation Area** mineral potential report will be ready within a few days for review by Land Use and GSB, prior to submission to IAMC.
- **LOWLIGHT**: Badly sprained foot on Sept 23 is slowing work field (severely) and office work (moderately).

FIELD ACTIVITIES

- Red Mtn.
- **Attended Red Mountain Open House** on Sept 29. Discovery of new 141 Zone was announced, southwest of Marc Zone. 1993 surface drilling at Red Mountain will total 100,000 feet, plus 20,000 feet of underground drilling, by the end of October. Program cost, \$7.5 million announced. Year-end budget and underground footage will be much greater with the decision to continue exploration through the winter. Total of Lac staff and contractors on site is 83. Open House was impressive public relations display as it included five Lac senior management from Toronto and Denver including Craig Nelson, senior vice president of exploration. The same presentation was made to the Nisga'a in Aiyansh the previous day.
 - **Dual (93E072)** property owned by Mike Shelford, Bob Hamblin and other Houston prospectors was examined on Sept 14 with Tom Schroeter and Bob Lane. Weak porphyry copper-moly veining is present in an unmapped hornblende granodiorite stock and in nearby intruded andesite. A barite-galena vein has been found 3-4 km west of the porphyry showing within propylitic veined andesite. It is a new occurrence with very high silver content. An option agreement with a major company is expected to be completed soon.



MONTHLY REPORT - MAY 1994

by

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JUN 6 1994 - Smithers
Geological Survey Branch
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HIGHLIGHTS

SNIP

* First shipment of **Snip concentrate** (500 sacks) to be treated at Premier Gold arrived at the mine-site for production of gold dore. Sacks weigh approximately 1.5 tons and average about 7 opt Au.

* Habsburg Resources Inc. has reached a tentative settlement with 12 creditors owed \$1 million, that would permit reactivation of mining at **Dome Mountain**. There are hurdles to overcome; outstanding mine safety issues, reclamation bond, milling contract (with Equity closed, Premier Gold is the only option).

FIELD ACTIVITIES

EQUITY SILVER

* Toured two visitors from P.T. Kelian Equatorial Mining to **Equity Silver Mine** on May 3. Kelian is a large (20,000 Tpd), 2-year old, open-pit gold mine in central Borneo with a substantial ARD problem. The Mine Superintendent and Environmental Officer came to benefit from Equity's experience. There is a mining boom in Indonesia that has outpaced government policy but Kelian's parent company (CRA Group of Australia) intends to operate to "international" standards.

MORNING STAR

* **Morning Star** (103P 034, 039) drilling program near Kitwanga was visited on May 12 and 19. Mineralization is related to a cluster of five small quartz monzonite stocks and comprises a zonation from quartz-molybdenite stockwork to peripheral veins containing arsenopyrite, sphalerite, chalcopyrite and galena. Amax mapped and 'geochemed' Morning Star in 1980 as a moly target, and Equity Silver drilled the arsenopyrite zone for gold-silver in 1991. Owner-pro prospector Ed Carlson is also targeting the arsenopyrite veins; however the S.P. anomaly tested in the first two holes proved to be graphite in the Skeena Group country rocks. Unfortunately Carlson was unaware useful data in Amax's assessment report which I provided to him, and alternate targets are being considered for remainder of the program.

RED MTN.

* **Red Mountain** (103P 086) was visited on May 10. Underground development is 25 meters behind schedule. Underground drilling has been slowed as a result but reserve definition of the AV zone is expected by the end of June. Analysis of 1993 work shows that gold grade determined by bulk sampling in two of three Marc zone cross cuts is comparable to drill indicated grade; in the third cross cut the bulk sample grade is higher. Drilling of the 141 zone has given mixed results, geometry of the zone is not clear and is to be addressed by surface drilling to begin in early June. Current plans favour an underground mill on site, rather than custom milling at Premier. Another tailings disposal option, suggested by MoE is being considered; separate pyrite and dispose of it underground (as backfill) and discharge the benign component of the tails under Cambria Icefield.

GS -> DG - Smithers



Province of
British Columbia

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APR 14 1993

Geological Survey Branch
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MONTHLY REPORT - MARCH 1993

by

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HIGHLIGHTS

* BC Parks agreed to decrease its **Bear Pass PAS** proposal to a small area over the Bear Glacier and Strohn Lake, leaving the remainder of Bear Pass open to exploration and development, as a result of meeting March 11 with BC Parks, Stewart Regional District, Cameco, Tournigan, Lac Minerals, Trev Corp and Westmin Resources. Mineral industry pleased with outcome. Nisga'a consultation scheduled for April 20, public meeting in Stewart to follow.

Red Mountain

* **Red Mountain** project reviewed by Lac Minerals at NW Mine Development Review meeting. Conceptual plan is 1500 tpd underground mine. Milling options are an underground mill on site or milling at Premier, with Oct 93 being decision date. Production target is 4 million tons. Current inventory is 2.8 million tons at 0.37 oz/ton gold in AV and Marc zones, which have a tabular shape and an echelon northwest pattern. Limits of AV zone may have been reached but there is evidence of another echelon zone, as yet unnamed, northwest of the AV zone. Evidence of a possible parallel set of new zones (GY-11 zone has ore grade intercept, Rio Blanco). Due to constraints of surface topography and ice cover underground drill platform is necessary to properly explore all zones. 1993 program to include underground development from two portals (one into Marc zone, second to start toward GY-11) and 6000 meters of U/G drilling in addition to 13000 meters of surface drilling.

* **Cheni Gold** will not mine Mets deposit in 1993, due to the low gold price. Exploration program planned for Duke's Ridge at Lawyers property, 10-15,000 ft of drilling, \$250,000 program. Shut down of Lawyers mine and mill will continue.

* **Golden Bear** shut down will continue, exploration program has been cancelled and Homestake intend to sell their interest in North American Metals. Once ore stockpile is milled (early September) the mine and mill will be on a care and maintenance basis if a new owner has not been found.

* Important news release on **Huckleberry** drill program expected soon.

* **MINERALS NORTH 1993** was successful and well received by at least 116 participants. High level of discussion/questions/dialogue. Effort to involve general public in mining industry's problems was moderately successful.

FIELD ACTIVITIES - None

LAND USE

* **RPAT** meeting on March 12. Bear Pass terms of reference prepared by EMPR and Parks. Who will lead LRMP process in northern regions where forest values are low, EMPR? Participation by EMPR in Kitlope study team?

VOS → KG-Smithers



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MONTHLY REPORT - SEPTEMBER 1995

by

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OCT 5 1995
Geological Survey Branch
MEMPR

HIGHLIGHTS

Red Mt.

***Royal Oak BC** regional office to be located in Smithers. Peggy Witte and an entourage of investors visited Stewart, Red Mountain and Kemess in early Sept. Royal Oak is having trouble hiring capable geological personnel with Red Mountain experience (everyone is busy/ committed). Major 1995-96 exploration program planned for **Red Mountain** to include an extension of the exploration decline plus surface and underground drilling. Metallurgical test sample to be extracted at **Kemess** by surface excavation.

SNIP

***Cominco-Snip** is preparing an underground development proposal to evaluate its new Twin West discovery (refer to my Aug report for description).

HEARNE HILL X

***Booker Gold** have encountered good grade porphyry copper and breccia mineralization in drilling at **Hearne Hill** in the Babine camp.

***Teuton Resources** have discovered new bonanza grade gold mineralization in their EXPLORE BC funded exploration near Red Mountain.

FIELD ACTIVITIES

Telkwa Coal

***Manalta Coal's Telkwa** project was visited with Bruce Graff on Sept 6. We reviewed the project with Terry Brazzoni (Exploration Superintendent), Kendall Umscheid and Glenn Seve. Manalta's program consists of 2-300 meter spaced drilling of the Tenas deposit and broader, 7-800 meter spaced drilling to test their extensive coal licenses for coal-bearing stratigraphy. The reconnaissance drilling has encountered glacial overburden up to 160 m thick and except for one 6 m intersection, not much coal. The Tenas deposit is emerging as the best resource on the Telkwa property. The coal seam is up to 9 m thick, dips 10-15° west and is bounded on the west by a normal fault. Geometry is ideal for a shallow open pit. Coal quality is very good: high BTU thermal coal with low sulphur content and locally clean enough not to require washing. Manalta is likely to re-evaluate proposed development and locate the plant site south of Telkwa River, instead of on the north side near the #7 and #8 deposits which were proposed for initial mining. The 1995 program will comprise 95-100 rotary and a few diamond drill holes, and 4 trenches to test ARD potential of the enclosing Skeena Group sandstone and shale.

*Organized/ participated in the **Babine Field Trip** with Don MacIntyre and Co. held on Sept 7. There were 13 registrants (advertised as 15 max) with representatives from Inco, Teck, Kennecott, Rio Algom and several junior companies.