

Silvana
887709

VOS → RG
- Cranbrook

Schroeter, Tom EM:EX

From: Wilton, Paul EM:EX
Sent: Friday, December 04, 1998 12:50 PM
To: Whale, Andrew EM:EX
Cc: Grieve, Dave EM:EX; Turner, Jim EM:EX; Wuschke, Steven EM:EX; Dittrick, Maggie EM:EX; Roach, Dennis EM:EX; Rosentreter, Rieva EM:EX; Taje, Eddy EM:EX; Campbell, Karen EM:EX; Smolik, Valerie EM:EX; Downie, Arlene EM:EX; Berdusco, Ricci EM:EX; MacDonald, Garry EM:EX; MacDonald, Linda EM:EX; Cathro, Mike EM:EX; Wojdak, Paul EM:EX; Lane, Bob EM:EX; Schroeter, Tom EM:EX; Pinsent, Robert EM:EX; Smyth, Ron EM:EX; Brown, Derek EM:EX; McMillan, Bill EM:EX; McArthur, Gib EM:EX
Subject: Weekly Report - Dec. 4 /98

SILVANA

- Ed Taje has learned that the proposed deal between Tremingo and Regeena Resources for acquisition by Regeena of the Silvana mine and mill at Sandon has fallen through. Now Klondike Gold Corp., a Richard Hughes company, has reportedly put a deposit on the property and may gear up to do some small scale mining in the new year. Klondike Gold has acquired the nearby Wonderful mine and carried out some rehabilitation and sampling there earlier in the year. The status of the Willa property near Silverton, which had been included in the proposed deal with Regeena, is unknown.

Koot

- Dan Hora tipped us to the fact that Westroc Inc., operator of the Elkhorn gypsum quarry at Windermere, is currently drilling at the Koot gypsum prospect on Kootenay River NE of Canal Flats. The permit issued earlier in the year was for about 3000 feet of core drilling. A significant resource of good-quality gypsum has been known for some time and is important to Westroc as the most likely successor to the Elkhorn quarries in a few years.

Old Nick

- A NoW has been received from Gold City Industries Ltd. for a program of geological mapping, an I.P. survey, and 1000m of rotary drilling at the Old Nick nickel/cobalt prospect near Bridesville. The work is proposed to be done between now and Dec. 31st - mapping in December?

Sullivan

- Visited for a while on Monday with Ken Pride and his staff at Cominco's Cranbrook exploration office. The staff consists of five geologists counting Ken with one more to come - no support staff. They confirmed that, for now, they are not going to be doing any more work in the Aldridge sedex play but have optioned three of their properties to the Hastings Management group. The one exception is the proposed deep hole at Mark Creek where they hope, in 1999, to do another test of the deep stratiform mineralization on the north side of the Kimberley fault. (CONFIDENTIAL and subject to Directors' approval).

New D.S.C Regional

Their major interest right now is to pursue new Zn/Pb/Ag reserves close to Trail, i.e. in the Kootenay Arc. They spent about \$250,000 in 1998 on grassroots (they prefer to call it "target development") in the part of the Arc between Kootenay Lake and the U.S. border. This work has generated some very attractive drill targets which they feel will definitely see drilling in 1999. Neil O'Brien, who leads their Kootenay Arc work, mentioned to me, as have two other companies currently active in the area, that he has found major problems with the stratigraphic interpretations and correlations that resulted from the very old mapping of Fyles and Little. He would support any new government mapping initiatives and recommended an initial reconnaissance type assessment of the problem followed by 1:20,000 mapping in key areas, as opposed to 1:50,000 mapping of the whole belt or a specific map sheet.

On the political side, Cominco obviously has strong concerns, at high levels in its exploration group, about the security of mineral tenure, access to land in the long term, and, particularly, the possible negative impact of pending aboriginal land claim agreements, in the region. Ken indicated that he has twice written to Sophie Pierre, Administrator of the Ktunaxa tribal council and Chief of the St. Mary Band, asking for a meeting to discuss the policies and attitude of her organizations toward the mining industry. Neither letter has apparently received even the courtesy of an acknowledgement. If true, that sort of arrogance will do nothing to dispel cynicism and concern within the region's major industry.

- thazawfermow - HPW.

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TOS -> Reg. Mgr
- Cranbrook

Schroeter, Tom EM:EX

From: Whale, Andrew EM:EX
Sent: Friday, December 11, 1998 2:25 PM
To: Anderson, Duane; Berkes, Carron; Cheetham, Pat; German, Gerald; Hesketh, Joan; Jorgensen, Sharon; Marsman, Talitha; McLaren, Graeme; Phelan, Bill; Schmitt, Rolf; Schroeter, Tom; Starkes, Terri; Stewart, Linda; Campbell, Karen; Dittrick, Maggie; Downie, Arlene; Grieve, Dave; Roach, Dennis; Rosentreter, Rieva; Smolik, Valarie; Taje, Eddy; Whale, Andrew; Wilton, Paul; Wuschke, Steven; Hermann, Fred; Lieutard, Denis; Smyth, Ron; Berdusco, Ricci; MacDonald, Garry; MacDonald, Linda; Booth, Richard; Carter, Tom; Eaton, Tim; Errington, John; Hoffman, Al; McKillop, Greg; Rennie, Lorna; Beresford, Eric; Bergen, Wally; Beswick, Ed; Hall, Ted
Subject: Kootenay Review - December 11, 98
Sensitivity: Private

* At Line Creek Mine on December 7th, a driller received severe injuries including multiple fractures to right femur, tib and fib, and ankle. During the second attempt to position the pipe truck adjacent to the rotary drill, 7 drill steels rolled from a truck deck and struck the driller who was standing close to the rear of the truck directing the driver.

* The 51 Goal 2 Protected Area Candidates in the West Kootenay/Boundary have been sent out for public comment to key stakeholders (not full consultation)

PAUL-MIKE

* Dia Met are still working on their deep hole on the Paul-Mike property near Wasa. Depth + 930metres last week.

SULLIVAN

Cominco has reactivated their proposed latest deep hole (+2700m) in Mark Creek north of Sullivan mine.

* The Aldridge is still a popular target. It is rumored that Rio Algom hope to get into the Aldridge; and Cranbrook based Chapleau Resources, which swore last year that it would never work again in BC, is reconsidering.

SILVANA

* It appears that Treminco's attempts to sell the Silvana mine and the Willas property to Regeena Resources has fallen through (probably because Regeena failed to get any agencies of government to lend them \$\$\$s). Now it appears that Klondike Gold Corporation, a Richard Hughes company, is interesed in purchasing the Silavana mine. Regional staff have cautioned all potential buyers that the existing mill and tailings ponds, while permitted for the Silvana ore, will require a permit amendment to prior to processing tailings from other sites, such as Willa, which are acid generating.

* No word yet when/if the Ainsworth Mill will restart. Although provincial MEM and MoE permits are in place, DFO adamantly object to any lake discharge.

FYI

Ed Taje conducting inspections at Quinsam Mine this week

Rieva Rosentreter in Vancouver at ARD seminar

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