

(0.01% Mo) also occurs in the porphyry system but is peripheral to the Au-Cu zone and its recovery is no longer proposed (Yeagher). Grade at Bronson Slope is low but in the same range as Kerness and Taurus. My concerns about the project relate to sparse drilling (confidence of resource definition), engineering of this very challenging site and whether high gold and copper recovery can be achieved.

*Cirnota*

\***Harmony Gold** (103F 034) project was toured with Robin Tolbert and Brian Bower of Misty Mountain Gold Ltd. on June 19. During the winter 49 holes (10 000 m) were drilled and a second round (125 holes, 25 000 m, \$4.5 million) was just underway. This is a low sulphide epithermal hot spring gold deposit related to a major structure, the Sandspit/Specogna fault. Gold occurs in silicified clastic sediments in the hanging wall of the fault, within rhyolite (14 Ma) intruded along the fault, and in dilational quartz veins. Pervasive silica is abundant, locally quartz has replaced bladed calcite. The deposit is being re-drilled in the opposite direction to that of City Resources to determine continuity of dilational veins (030° strike, subvertical dip) which contain 5-20 g/t Au. These banded veins are well represented in the 500 metre underground drift and crosscut. One development option is to recover free gold from the veins by gravity separation and produce a sulphide concentrate to be shipped off-site (eg Premier Gold). This option would forego economic and environmentally difficult treatment of 0.5-2 g/t Au from the wallrocks. Misty Mountain hopes to drill a couple of deep holes in hope that the deposit narrows to a bonanza zone below the known deposit. There is promising geochemical and geophysical expression of epithermal gold to the south at the Canyon zone. About 12 major companies have reviewed the Harmony project.

*Endako*

\***Endako** mine visited on June 27 with mine geologist Glenn Johnson. Tom Schroeter, Don MacIntyre (GSB), Bert Struik (GSC) and Geoff Goodall (Fox Geological) participated. Formation of the deposit is related to emplacement of final intrusive phase of the Jurassic Francois granite batholith. Doming of the earlier Endako quartz monzonite phase resulted in northwest and northeast faulting and dilation along a WNW trend similar to the late-stage Casey alaskite. The main controlling structure of the hydrothermal system is the E-W South Boundary fault. Other faults and dilational fractures (moly veins) splay off it to the WNW to NW (110° to 170°) in horsetail fashion. Pre-ore dikes were emplaced along NE faults. Both NW and NE structures were reactivated during Eocene extension and intrusion of 'basalt' dikes (trachyte, Ootsa equivalent?). Adjacent these structures coarse moly is converted to fine moly encapsulated in quartz ("black quartz") with increased kaolinite, both contributing to lower metallurgical recovery. Current pit mapping aims to resolve Jurassic vs Eocene fault offset by comparing displacement of pre-ore granitic dikes and post-ore basalt dikes. Reserves are approximately 100 million tonnes at 0.126% MoS<sub>2</sub>, sufficient for 10 years production. The geophysical signature is a magnetic high (associated magnetite) within an IP response caused by a marginal pyrite zone. An IP survey is being undertaken northwest of the mine. There is a deep exploration target on the South Boundary fault for the intrusion responsible for mineralization.

*Mac*

\*The **Mac** Mo-Cu exploration project of Spokane Resources was examined on June 28. Geoff Goodall (Fox Geological) provided an excellent overview and assisted with transportation to the site. The Mac was discovered by Rio Algom using lake silt geochemistry in 1982. A quartz porphyritic quartz monzonite stock correlative with the Francois batholith (136 Ma) intrudes mafic volcanics assigned to the Cache Creek. Quartz "sweats" in the hornfels zone appear to be derived from the quartz-rich intrusion. A moly bearing quartz stockwork is developed in the stock and a fracture-controlled chalcopyrite-molybdenite zone is developed in the hornfels zone on the east and west margins. The south margin is truncated by a NW fault. Marginal phase of the stock is biotite granodiorite that resembles the Babine intrusions. Drilling is permissive for 50-80 million tonnes at 0.25% MoS<sub>2</sub> and 0.3% Cu in the hornfels, and 100 million tonnes @ 0.08%

*Table Mtn.*  
\*Table Mountain mine sustained a poor first quarter with mill head grades running at 0.36 oz/ton Au whereas 0.5 oz/ton is required. Urgent need for better results in the second quarter. Minerals North presentation by Ross Hollinger withdrawn.

### EXPLORATION ACTIVITY

\*Todd Creek, South zone (207,000 tonnes at 5.48 g/t Au) has been acquired by staking by Geofine Exploration Consultants and will be added to its surrounding claim package that has been optioned to Island Arc Resources. Hemlo Gold drilled the South zone resource in 1987 but Hemlo's assets were acquired by Battle Mountain Gold who allowed the remaining core claims to lapse in early April. This addition will greatly enhance Island Arc's ability to raise financing for a proposed drill program this year.

\*An airborne EM-Mag survey is being conducted on the Delta/Fox claims on Oweege dome acquired from Geofine Exploration Consultants by Cordal Resources Limited.

\*American Bullion has shelved its effort to sell (or at least involve a new partner) at Red Chris. Instead the project will be re-evaluated at some smaller production rate than 90,000 tpd which was recommended by Fluor Daniel Wright at a (prohibitive?) \$541 million capital cost.

\*Canarc continues its major underground program at New Polaris with rehabilitation, dewatering, installation of a hoist and drilling of 150 holes (30,000 m). A bulk sample will be extracted for metallurgical testwork and environmental studies are underway.

\*Rock and Roll drilling completed in mid-April by Redstar Resources Corp. but no results announced yet. All holes targeted extension of the Black Dog massive sulphide horizon, outside of the indicated resource of 580,544 tonnes of 0.64% Cu, 0.8% Pb, 3.08% Zn, 336 g/t Ag and 2.4 g/t Au.

\*Calgary based juniors will be active in the north Iskut area. The Yeti gold-silver-copper property, 35 km north of Galore Creek will be explored by Gold Win Ventures and Raindrop Resources has acquired claims west of Newmont Lake (104B 282, 333?) at the head of McClymont Creek.

\*Yorke-Hardy (aka Hudson Bay Mountain) molybdenum deposit has been optioned by Verdstone Gold Corp and Molycor Gold Corp in a 50/50 joint venture. Cyprus Amax Minerals Company retains a 40% back-in right. The deposit has a high grade reserve of 22.7 million tons at 0.401% MoS<sub>2</sub> and 0.041% WO<sub>3</sub> (at 0.2 % cut-off) and an incompletely defined lower grade resource of 90 -140 million tons of 0.15 - 0.25% MoS<sub>2</sub> (open to depth). The companies plan to do work to test the feasibility of production from the high grade zone.

*Specogna  
Cinola  
(Specogna)*

\*Re-commencement of Harmony drilling has been postponed, tentatively until July while metallurgical tests are performed to satisfy interest of Homestake Canada Inc.

\*Reed Haskin zinc-copper-lead-silver skarn prospect in the Cassiar area will be drilled by Demand Gold Ltd. Potential to find a porphyry moly deposit instead.

\*Airborne EM-Mag survey being performed on Smithers area properties: Limonite, Pass and Del by Telkwa Gold Corp.

*Paul Wojdak - MR, Apr. '97*

grade gold intersections have been discovered. The Serpentine zone, a Y-vein system, has been traced 200 m horizontally, 75 m vertically and remains open. D zone is a new "junction arc" which links north-trending Y veins with the southeast trending AB vein system. Drilling is now underway on the Polaris level which has been rehabilitated. Down holes targeting the 150 level are said to be encountering excellent results. De-watering of lower levels is in progress. Successful resolution of a two year old claim dispute on the north boundary clears the way to continue exploration of the North zone.

*Specogna* \*Harmony Gold presentation by Tara Case (Misty Mountain Gold) at Rock Talk did not contain any sections showing correlation of dilational veins. This may imply that vein correlation and/or gold grade continuity is poor and that the resource is still best considered as an open pit (rather than underground) deposit. The deposit has a high resistivity, low magnetic signature. The deepest hole drilled on the property remained in gold mineralization to the end (474 metres at -45°). Separate discussion with other explorationists suggest that mercury is not analyzed in Misty Mountain's program, and that metallurgical difficulties (silica encapsulation of gold and high carbon content) are most prevalent within the top 60 metres of the Specogna deposit.

\*Bronson Slope presentation by David Yeagher (International Skyline) at Rock Talk included pit parameters of 50° pit slope and strip ratio of 0.5 - 1.0 (originally the company projected that all material would be processed in the mill as ore).

\*Rock and Roll drilling began in late March by Redstar Resource Corp. to extend exhalative mineralization in the Black Dog zone, estimated to contain 580,000 tonnes grading 0.6% Cu, 0.8% Pb, 3.1% Zn, 336 g/t Ag, 2.4 g/t Au. Pamicon Developments Ltd. is managing a 6,000 ft program testing strike extension primarily to the south. Northerly projection extends onto other claims.

\*Cominco has staked about 100 (?) claim units in response to GSB releases in the north Gataga sedex zinc-lead district, confirming confidential information received at Roundup. Additional claims have been staked by a prospector/promoter in the Horseranch emerald play.

#### OFFICE ACTIVITIES

\*Attend excellent SEXG presentation by Tony L'Orsa on Dome Mountain gold deposit on March 19 (30 present). Current property status: negotiations are near-final (?) for DMR Resources Limited, a Calgary company to settle the \$900,000 debt incurred by Timmins Nickel that is owed to local contractors (rumoured to be at \$.35 on the dollar). DMR Resources is the evolved name of Teeshin → Habsburg → Dome Mountain Resources → DMR Resources Limited. This could allow renewed work on the property in 1997.

\*Minerals North conference organization meeting in Houston on March 13. Bill Myckatyn (President and CEO, Princeton Mining) and Charles Kang (Deputy Minister, MEI) confirmed banquet speakers. All but one technical and non-technical session speakers confirmed. Houston high school involvement being developed.

\*Telkwa Coal Open House (March 25, 26) an exceptionally well planned and comprehensive display. An outstanding profile for Manalta Coal. About 100-120 people attended a Q and A session chaired by Norm Ringstad (EA office). A strident minority(?) of participants raised local citizenry participation on the EA-Telkwa

*Wojdak - Mar. '97 MR*