

TGS → Sullivan  
Deeps

## Sullivan Deeps Project – Stikine Gold Corporation

### CBC News Transcript

11-June-2004

A BC mining company is betting there is still billions of dollars worth of ore underground near the old Sullivan mine in Kimberley. Stikine Gold Corporation says the new mine could be even bigger than the old one. A BC minister who will tour the site today calls it the most exciting mine exploration project in BC.

Jeff Davies Reports;

It's a multi-million dollar effort that backers hope will bring billions in rewards. Stikine Gold has been drilling since early April, only four kilometers from the old Sullivan mine in Kimberley. Stikine has struck a deal with the BC mining giant Teck Cominco to share ownership of the new mine. The minister of State for Mines, Pat Bell will tour the site today.

Pat Bell *"as the age-old saying goes, if you are looking for elephants, go to where the elephants*

*were, and certainly Sullivan was probably the biggest elephant in terms of mines in BC"*

Before it closed in 2001, the old Sullivan mine had been the world's biggest producer of lead and zinc, 20 billion dollars worth of ore over the course of a century. The President of Stikine Gold, Scott Broughton says geologists believe the new site may contain two or three times as much ore as the old mine.

Scott Broughton *"there is the potential – it is high risk but it is extremely high reward in this case"*.

If Stikine does strike an orebody, it may still take six or seven years before it is in production but the minister says it would provide a big economic boost to the region. At its peak, the old mine employed as many as 2100 people.

Jeff Davies - CBC News, Nelson

## Sullivan Deeps Project – Stikine Gold Corporation

### CBC Daybreak Transcript – Marian Barschel

11-June-2004

*The Sullivan Mine, near Kimberley, was famous for its size and quality. It contained 20 billion, BILLION dollars worth of lead, zinc, silver and other minerals and it helped build the economy of southeast BC. It was closed 2½ years ago, but geologists have believed for decades that its only part of the story; a Vancouver company is trying to dig out the next chapter - BC's minister of state for mining is in Kimberley today to explore what's happening, and Daybreak's David French is in our studio to fill us in on what's happening;*

*So explain, what is going on right now?*

*David French:* "Well, right now, this Vancouver company, Stikine Gold has a drilling rig and they are drilling a very deep hole about 4 kilometers north of Kimberley. It is called the Sullivan

Deeps Project and they are spending about four million dollars in total, about \$800,000 on this first project. As you mention for a long time there is a belief, and there is geology to support the idea, that the Sullivan mine is only part of a much larger deposit.

There is a fault line that runs along the north side of the Sullivan mine, and it has moved over the eons, and where exactly the other part of this deposit went has been a mystery that has puzzled geologist and engineers with Cominco for probably a good thirty years or more.

So what's been going on is, Stikine has spent the last year reviewing all of the information that Cominco engineers and geologists had collected and they believe that the movement along the

fault has been considerably different than what was believed. There was a thought that it had moved to the west about 10 kilometres and there were a lot of holes drilled there, but nothing found. But they believe that the fault has, instead of slipping west has slipped down into the earth about 2000m, and so they believe, based on, there is some information based on a hole drilled in 1996 by Cominco, they believe that there is something there.

What happened in '96 was that they drilled this hole down about 2600m, that's 2½ kilometers, a long ways down, and put some gear down there; they did some electrical conductivity tests and electro magnetism and geochemistry at that level and that testing indicates there is an anomaly there. Now, in mining terms an anomaly means there is something there. So, from the information that they have, and I have read through a lot of the reports that the company has put together, they believe that anomaly is about 100 metres thick, and it covers a wide area, in that hole, and it was only about 25 m away where they actually drilled that hole, only about a stone's throw from where they drilled that hole. So there are some indicators on the surface as well, some mercury so that's what has been going on, they have been drilling for the last little while."

*So to be doing that they've got to think there is something there, and that something is pretty big. How big do they expect it to be?*

*David French:* "Well, from the testing that was done in '96 and the interpretation of that data, and that takes a long time as well, they think that whatever is there is about 3 kilometers by 3 kilometers in size, and 100 metres thick - now the Sullivan mine was 1½ kilometers by 1¾, so several times the size of the ore deposit that was at the Sullivan mine, and that's what has people excited."

*It has people excited, but is there any hard evidence at this point that it is there, have they found anything?*

*David French:* "no - that's the simple answer, and that's why they are drilling. And the drilling started at the beginning of April, they are down about 1500m at last report, they still have to go down to about the 2500m level and so its going to take a good while yet, and so who knows exactly when the results will be out."

*David French of our Daybreak Team, you are listening to Daybreak on CBC Radio One.*

*Joining us on the line now is the Mayor of Kimberley, Ron McRae, to talk a little bit more about this. So what are folks in Kimberley saying about this drilling that's going on?*

*Ron McRae:* "well certainly there is interest from the people in Kimberley in regards to the drilling, not only the speculation around a successful find, but also the fact that it is in one of our watersheds and so people are very keen to see that the drilling activity that is occurring is being done in a safe manner and that our water supply is not affected."

*So is it fair to say that they are looking at it from two different angles, the concerns over the watershed but also looking towards the future?*

*Ron McRae:* "Absolutely, as David said, this is not the first time that exploration has occurred looking for the second part of the original Sullivan deposit or what they consider to be a sister deposit that's probably three times larger than the Sullivan, speculation has been out there for many years. So I think that people are taking it sort of the, part of the activity that has gone on, and will wait and see if they are successful."

*If they are successful, if they do find something, and it looks like they could set up another mine, what could that mean to Kimberley?*

*Ron McRae:* "well certainly it would mean a major economic benefit to the community, not dissimilar to the benefits to the community received from the previous Sullivan, but it will also put the community into a situation where it has to reflect on a resource development and how it sits with where we are going now, which is in the tourism

sector, and building on our environment that's around us to support a strong and healthy tourism economy."

*I was going to ask, after going through the experience of shutting down the Sullivan mine, do you get the feeling that people want to see something else start up that could eventually lead to another shut down?*

*Ron McRae:* "I don't think so much in the context of another shutdown because certainly if this mineral deposit was discovered it would have the same life as the previous Sullivan. Again, its people wanting to see that the community is able to manage through the last shutdown and looking for economic opportunities that will see the community be successful in the future."

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## Sullivan Deeps Discovery: SEDEX Sulphides Intersected at 'Sullivan Time' Horizon

Friday October 1, 2:41 pm ET

KIMBERLEY, BRITISH COLUMBIA--(CCNMatthews - Oct. 1, 2004) - Stikine Gold Corporation (the "Company" or "Stikine") announces that diamond drill hole SD#04-01 at the Sullivan Deeps Project has intersected sedimentary exhalative (SEDEX) style mineralization, including laminated and massive sulphides, at a depth of 2,735.90m (8,976 feet) extending in five discrete bands, (summarized below) over a total drill-interval of 7.65 m (25 feet).

The Sullivan Deeps Target is defined in-part by a large-scale 3 km x 3 km UTEM anomaly that is now demonstrated to be coincident with the discovery of SEDEX sulphides in SD#04-01. Both the discovery drill hole and UTEM anomaly are located at 'Sullivan Time' stratigraphy and within the projected extension of the Sullivan sub-basin. The stratigraphy, mineralogy and observed thickness of the SEDEX massive sulphide interval suggests that SD#04-01 has intersected the western margin of a newly discovered SEDEX system and that future drilling should target areas to the east and north of the present hole.

Diamond drilling of SD#04-01 has now been completed to a depth of 2,766 m (9,075 feet) as of this morning and recent observation of the core confirms that the drill has entered footwall rocks below the 'Sullivan Horizon'. The absence of footwall rock alteration (related to a vent or feeder system) and the observed sulphide interval mineralogy suggests that this initial intersection of massive sulphides lies distal to the vent or feeder system.

Stikine is now planning to accelerate its Sullivan Deeps exploration program to include a downhole UTEM4 geophysical survey in SD#04-01, followed by several short 'wedge' holes to be targeted toward the northeast of SD#04-01. The Company is also planning to mobilize a second diamond drill to the project to test a location more central to the original UTEM anomaly approximately 1.5 km northeast from the bottom of SD#04-01. This geophysical and 'step-out' drill program will further refine the original 3 km x 3 km UTEM anomaly and test the extent of the SEDEX mineralization at the Sullivan Deeps target horizon.

The following drill core intervals from SD#04-01 were measured and described by Mr. Paul Ransom, Project Manager for the Company, (Mr. Ransom was a mine and exploration geologist for Cominco Limited for 33 years and is a recognized expert in the geology of the Sullivan Mine);

### Summary of Sulphide Bands intersected in SD#04-01

From	To	Interval	Estimated True Thickness	Description
2,735.90 m (8,976 feet)	2,736.70 m (8,979 feet)	0.80 m (2.6 feet)	0.72 m (2.4 feet)	Laminated sulphides (15%) comprised of pyrrhotite and pyrite in argillite
2,737.60 m (8,982 feet)	2,737.90 m (8,983 feet)	0.30 m (1.0 feet)	0.27 m (0.9 feet)	Laminated sulphides (80%) comprised of pyrrhotite and pyrite
2,738.20 m (8,983 feet)	2,738.85 m (8,986 feet)	0.65 m (2.1 feet)	0.59 m (1.9 feet)	Massive sulphides (90%) comprised of pyrrhotite, pyrite and sphalerite laminations
2,739.25 m (8,987 feet)	2,740.00 m (8,990 feet)	0.75 m (2.5 feet)	0.68 m (2.3 feet)	Laminated sulphides (70%) comprised of pyrrhotite, pyrite,

and sphalerite  
laminations

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2,742.47 m    2,743.55 m    1.08 m    0.98 m    Massive sulphides  
(8,997 feet) (9,001 feet) (3.5 feet) (3.2 feet) (90%) comprised of  
pyrrhotite, pyrite,  
sphalerite with  
clast textures  
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Zones between these discrete bands are also variably mineralized. Sampling and assays are pending for the above interval and will be reported as soon as they are available. A drillhole survey will also be completed to confirm the hole location and temperature at various depths.

The Company considers the completion of SD#04-01 an historic achievement for all involved. The Sullivan Mine was a prolific metal producer and upon its closure in 2001 it had operated for almost a century and produced approximately 18.5 billion pounds of lead, 17.5 billion pounds of zinc, 297 million ounces of silver and several other metals. Other than the Sullivan Mine itself, yesterday's discovery of SEDEX-style massive sulphides at "Sullivan Time" stratigraphy is believed to be the first in the history of British Columbia exploration.

This news release was prepared by Scott Broughton, P.Eng. a qualified person as defined by NI 43-101.

STIKINE GOLD CORPORATION

Scott Broughton, P.Eng. - President

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