

1999-2000 BRITISH COLUMBIA PROSPECTORS ASSISTANCE PROGRAM

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HIGHLIGHTS

Prospectors in the 1999-2000 program year were successful at finding a number of new mineral occurrences in British Columbia. To date, six prospectors have entered into agreements with companies for the following seven properties.

Aumax – a gold vein showing and scattered boulders with high-grade silver and gold near Lillooet. Discovered by Gary Polischuk. Optioned in fall 1999 to **Gold-Ore Resources**.

Cly – a potential bulk-tonnage gold prospect near Nelson discovered by William Howard. Optioned to private interests.

Demers – an extensive new zinc-copper anomaly near Little Fort located by Robert Bourden and optioned to a mining concern in the summer of 2000.

McPhee – high-grade gold-bearing quartz veins south of Nelson. Discovered by Bruce Doyle. Optioned to **Cassidy Gold Corp.** who could spend \$500,000 on the property over a period of four years.

Carbonado and Mark – Dave Javorsky restaked two known prospects with potential for diamonds, near Golden. These properties were optioned to **Icefield Diamond Mines** and **Kootenay Diamond Mines** respectively in early 2000.

Zinger – Peter Klewchuk discovered several new gold-bearing silicified zones southwest of Cranbrook. Optioned to National Gold Corp. in late 2000 with the agreement calling for \$750,000 to be spent on exploration over a four-year period.

Prospectors funded through this program made several other significant new discoveries, some of which also have excellent potential for being optioned.

There is also ongoing exploration on Prospectors Assistance discoveries made in previous years. For example, a total of \$850,000 dollars has been spent on the Lottie Lake property since its discovery in 1997.

INTRODUCTION

Energy and Mines Minister Dan Miller announced the renewal of the 1999-2000 Prospectors Assistance Program (PAP) on April 9, 1999. The \$500,000 per year program is designed to promote grassroots prospecting for new mineral deposits in British Columbia.

The program is available to individual prospectors who hold a valid British Columbia Free Miners Certificate. Successful applicants can receive a maximum of \$10,000 to cover 75% of their eligible expenses. The grant is paid in 2 amounts, an initial 50% award on approval of the project proposal and a final 50% award upon approval of the final report.

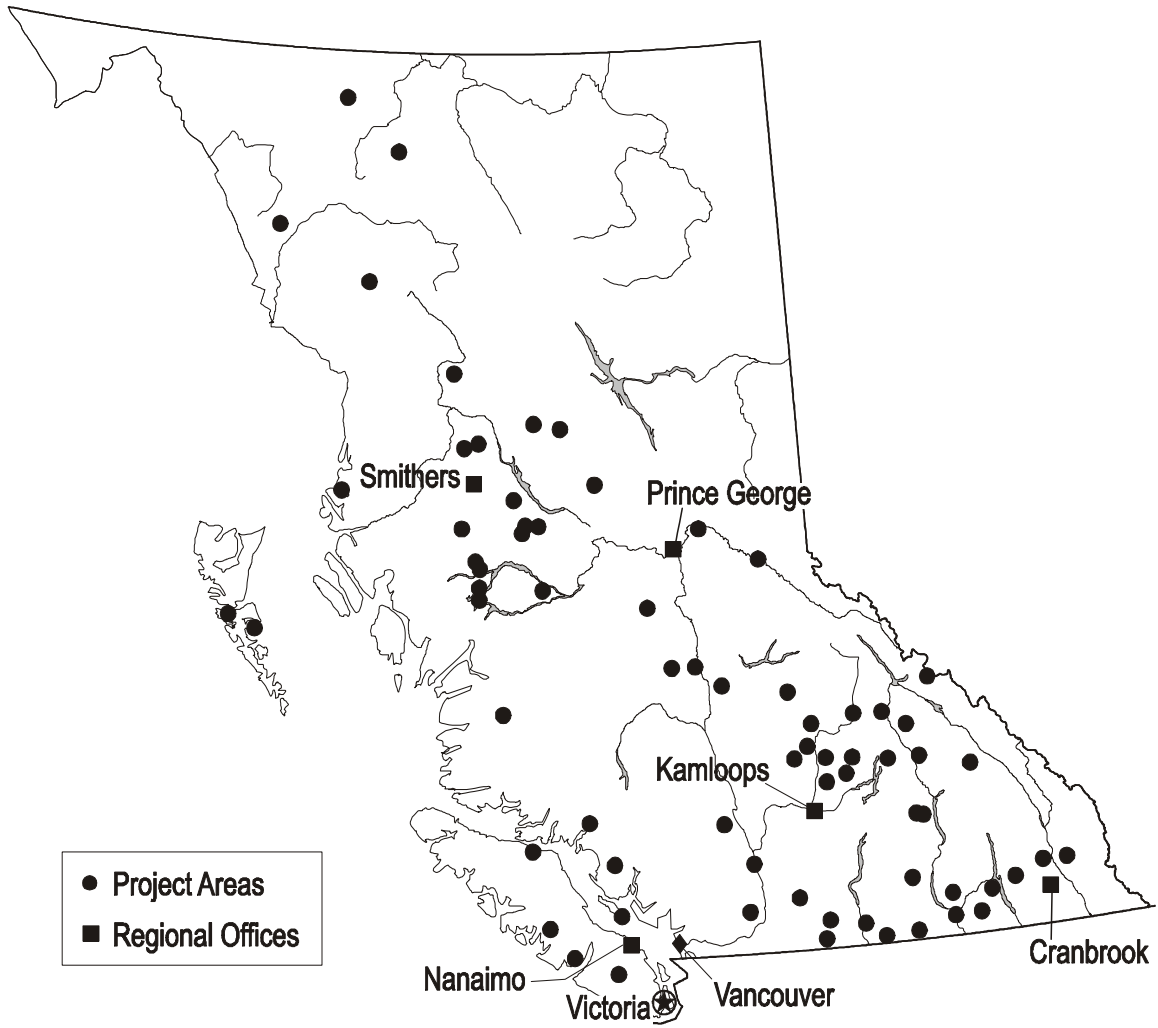
PROSPECTING PROGRAMS

Deadline for applications was set for the third Monday in April - in the 1999 program year, April 19. A total of 137 applications were received by the deadline. All applications were initially reviewed by the Victoria office to ensure that they met the criteria as outlined in the guidebook. Qualifying applications were then sent to the appropriate Regional Geologist for evaluation by May 15. Applications were evaluated on the basis of the following criteria:

- Quality and documentation of proposal 45%
- Financial commitment of applicant 25%
- Experience and training of applicant 10%
- References and past performance 20%

The five Regional Geologists reviewed all applications for their respective regions and rated them according to specific evaluation guidelines. Grant amounts were determined by allowing the 26 highest rated applicants 100 per cent of their maximum allowable grant (to a maximum of \$10,000)

Figure 1. Distribution* of 1999 Prospector Grant Projects



*Some programs have multiple prospecting locations and have been assigned more than one plot symbol

and the following 25 applicants, 75 per cent of the maximum allowable grant (up to \$7500). A total of 51 grants averaging \$8,525 were approved in 1999-2000.

The prospecting programs were distributed throughout the province as shown in Figure 1. Of the 137 applicants, 68 (49.6%) had never received a grant before. Of the 51 applicants receiving grants, 19 (37.3%) had never received grants before.

Final prospecting reports were due in the Victoria office no later than January 31, 2000. These reports were logged in and sent off to the appropriate regional geologist for evaluation. The quality of the program was assessed by the regional geologist in terms of the commitment and ability of the grantee

to carry out the program as originally proposed. Program elements looked for in the report included the plotting of sample locations and other data on good maps, a good diary of day to day prospecting activities, a summary of overall results and a list of actual expenditures along with major receipts.

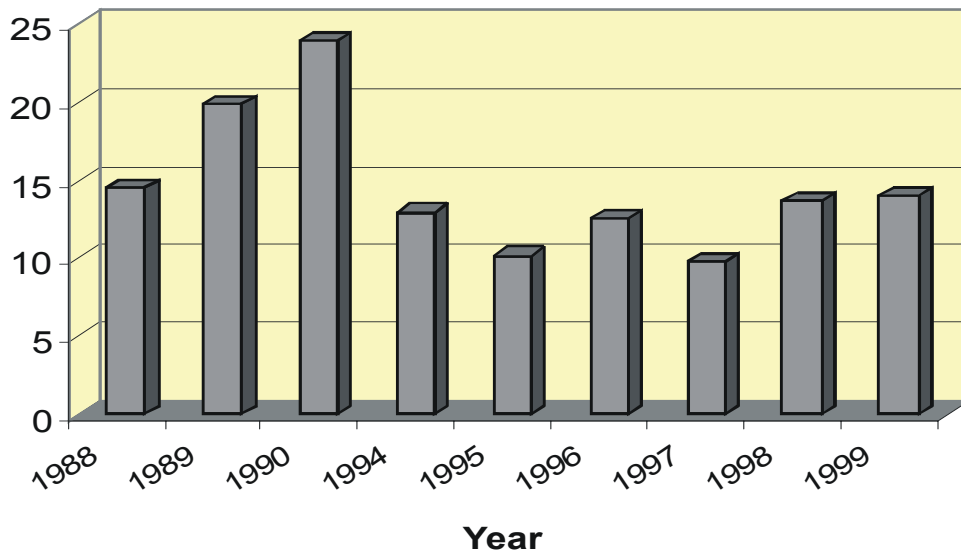
The final report evaluation form was returned to Victoria where a final payment cheque was issued to those grantees that had successfully completed their program.

Twenty-six of the 49 grantees active (those who completed their program) staked mineral claims while working under the terms of their grant. A total of 687 units were staked (Table 1). This is up

Table 1. Summary of Prospecting Activities.

<i>Item</i>	1988-89	1989-90	1990-91	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Total Prospecting days in the field	4709	3414	2672	2816	2440	3102	1846	2459	2704
Average prospecting days in the field, active grantees	37	46	35	45.4	41.3	51.7	45	50	55
No. of Active Grants	128	74	76	62	59	60	41	49	49
No. of claim units staked during/after prospecting activity	1860	1483	1843	816	604	759	403	672	687
No. of Units Staked/Active Grantees	14.5	20	24	13	10.2	12.6	9.8	13.7	14
No. of Option agreements (signed or under negotiation)	23	8	6	15	16	14	2	8	7

Figure 2. Claim units staked/grantee.



slightly from the previous year and is consistent with staking levels since 1994 (see Figure 2). The fewer numbers of claims staked after 1994 reflects a depressed market for exploration properties that has continued through much of the 1990s.

RESULTS TO DATE

The following notable developments and prospecting discoveries are an indication of the program's value in the search for untapped mineral wealth, the first step towards developing tomorrow's mines for British Columbia.

NEW DISCOVERIES AND DEVELOPMENTS

Robert Anderson discovered numerous agate and common opal occurrences and staked several claims in the Burns Lake area.

Camille Berube located an area of scheelite-bearing skarn and pegmatite boulders in the "Water Tank" area of the **Lucky Bear** claims. A grab sample collected by regional geologist Mike Cathro yielded 0.44% tungsten, 0.15% zinc and 205 ppm bismuth.

Dave Bennett located several unstaked gold anomalies, which will be followed up in 2000.

Arndt Burgert discovered a 20-centimetre thick lens of massive sulphide while exploring an area north of Powell River in 1998. Follow-up work on his **Lorax** property in 1999 turned up a second lens measuring up to 0.7 metres thick. This VMS style mineralization is hosted in felsic rocks of the Gambier Group. Samples yielded peak values of 7.38% zinc, 1.90% lead, 0.7% copper, 211 g/t silver and 2.6 g/t gold.

Dan Ethier explored his **Knoll** property, a massive sulphide target associated with a Cretaceous submarine rhyolite dome. Rhyolite containing 1 to 6% pyrite occurs over a 3 kilometre strike length. Values of 0.12 to greater than 1% zinc were obtained from rock samples over a 275 metre length. Significant values in lead and silver were also reported.

Warner Gruenwald discovered several new pegmatite-related Au-W-Cu-Bi skarn occurrences northeast of Shuswap Lake and the **GQ** claims were staked in the fall of 1999. Calc-silicate quartz-sulphide zones occur over an area of 1.5 by 1.5 kilometres and anomalous gold values occur at several

showings. Mineralization consists of 10 to 30-centimetre wide lenses of calc-silicates, quartz and sulphides along the margin of pegmatite where in contact with marble or schist (Shuswap metamorphic complex). Gold ranges up to 3 g/t.

Dave Haughton discovered a new magmatic nickel-copper showing near Harrison Lake. The **Jason** claims were staked over an area of previously unidentified outcrops of ultramafic rock and hornblende. Polished sections showed net texture sulphide consisting of pyrrhotite, pyrite, chalcopyrite and exsolved pentlandite. Maximum values obtained from float and outcrop include 0.22% nickel, 0.20% copper and 0.14% chromium. Associated elevated platinum and palladium values also occur.

Ralph Keefe discovered a new massive sulphide (skarn?) showing and staked the **Chess** claims. The prospect is reported to occur continuously throughout a large rock quarry that is 90 metres long by 15 metres wide.

John Kerr located a new showing near Rock Creek. A narrow shear in a gossanous rock was revealed to host gold, silver, lead and zinc. The **JJ** and **J&J** claims were staked.

Leo Lindinger discovered a quartz vein stockwork in intrusive rocks near Blue River with up to 0.2% Cu and 0.09% Mo. He staked the **Cu-Mo** claims to cover the new occurrence.

Bill Poole discovered a new wollastonite occurrence on the **Murray** claims northwest of Quesnel.

Dave Ridley discovered a new W-Mo skarn showing northwest of Canim Lake. Ridley staked the **Fox** claims to cover the showings that yielded up to 3.1% Mo, 1.6% W and 0.15% Zn in garnet-diopside(?) - actinolite-wollastonite skarn.

Dennis Schaefer discovered good quality precious opal on his **Firestorm** claims near Burns Lake.

John Telegus has further defined a previously known gold showing near Ursus Creek on central Vancouver Island. Samples of quartz vein from the **Thunder** claims (Elmer zone) yielded up to 38 g/t gold.

Adam Travis explored his **Nicol Creek** property where he located narrow, massive tetrahedrite veins and numerous new geochemical anomalies.

Shawn Turford discovered massive sulphides occurrences with zinc, copper and gold on his TSA project; and copper, silver and gold on his Comb project.

Lorne Warren explored his **Vent** and **Diver Lake** properties, east of Takla Lake, for VMS mineralization. He identified several zones of alteration and/or mineralization within rocks of the Sitlika assemblage.

Paul Watt found a new (epithermal?) Au vein occurrence northwest of Little Fort.

PROPERTIES OPTIONED

Aumax

Gary Polischuk worked on his Aumax property, located near Lillooet. Two mineralized zones have been discovered, a mesothermal gold-quartz vein showing, and float boulders of high-grade silver-gold vein material. This property was optioned briefly in the fall of 1999 to **Gold-Ore Resources** but was dropped because the high-grade Ag-Au was found to be coming from transported rock material.

Cly

Located southwest of Salmo, the Cly prospect was staked by **William Howard** to cover a potential bulk-tonnage gold prospect with many characteristics of the plutonic-related gold model. The Cly was optioned to private Alberta interests for a \$30,000 commitment in 2000.

Demers

Robert Bourdon located an interesting 10-kilometre long, linear Zn-Cu-Cd-As-Sb-Ba-Hg anomaly in till and soil. The bedrock source has yet to be determined. This was a follow-up of high geochemical values from a Geological Survey Branch till survey northwest of Little Fort. Bourdon and partner Lloyd Addie staked the Demers claims to cover the prospect and optioned it in the summer of 2000. Details of the option are confidential.

McPhee

Bruce Doyle discovered several gold-bearing quartz veins on his McPhee claims east of Castlegar.

Cassidy Gold Corp. recently took an option on this new find. The property hosts gold-bearing veins in weakly altered, fractured granitic rocks. A chip sample from one vein assayed 202 grams per tonne gold and 127 grams per tonne silver over 0.3 metres. Visible gold can be seen in several locations along this steeply dipping vein. Other gold-bearing veins have been located more than 50 metres from the discovery site. Cassidy must make staged cash payments totalling \$100,000, issue 200,000 common shares, and spend at least \$500,000 in exploration and development work on the property over a period of four years. Five short holes were drilled in 2000.

Carbonado

Initially staking the Carbonado claim to cover the **Jack** alkaline diatreme near Golden, **Dave Javorsky** later optioned the property to **Icefield Diamond Mines** in early 2000. In 1983, treatment of seven bulk samples from an upper breccia portion of the diatreme produced pyrope garnets, ilmenites and chromites. More significantly, one 29.5-kilogram bulk sample of sandy marl from the diatreme breccia

Grantee	Optionee	Amount	Comments
Robert Bourdon	Confidential	undisclosed	Demers claims
Bruce Doyle	Cassidy Gold Corp.	\$500,000 over 4 years	McPhee property
William Howard	Private Interests	\$30,000 in 2000	Cly property
Dave Javorsky	Kootenay Diamond Mines	\$25,000 in 2000	Mark property
Dave Javorsky	Icefield Diamond Mines	\$25,000 in 2000	Carbonado claim
Gary Polischuk	Gold-Ore Resources	\$20,000 (estimated)	Aumax claim.
Peter Klewchuk	National Gold Corp.	\$750,000 over 4 years	Zinger claims
	TOTAL	>\$1,350,000	

Table 2: Option Agreements Reported by 1999 Grantees as of January 2001.

was reported to have produced an excellent quality octahedral microdiamond weighing 0.00037320 carats. Further sampling and analysis and diamond drilling in 1985 and 1986 failed to confirm the presence of macro or microdiamonds. Icefield must spend a minimum of \$25,000 on the property in 2000.

Mark

Dave Javorsky staked the Mark 2000 and Mark 2001 claims to cover the Mark alkaline diatreme near Golden and was later able to option the property to **Kootenay Diamond Mines** in early 2000. In 1983, a 30-kilogram portion of a 160-kilogram bulk sample of a diatreme produced one ilmenite and thirteen chromites and one 0.00015820-carat microdiamond fragment. Further examination, sampling, processing and analysis in 1986, 1988 and 1990 has identified ilmenite, chromite and garnet but failed to reveal or substantiate the presence of macro or microdiamonds. However, scanning electron microscope (SEM) studies identified corundum - several blue sapphires were present in the fused concentrates of three samples of diatreme material. Kootenay Diamond Mines must spend a minimum of \$25,000 on the property in 2000.

Zinger

Peter Klewchuk discovered several new gold-bearing silicified zones about 30 kilometres southwest of Cranbrook and staked the Zinger claims. Bedrock sampling indicates gold mineralization is scattered over an area measuring 3.5 square kilometers. Soil sampling over three discontinuous grids further expands the area of mineralization over an additional 1 square kilometer area. To date the limits of the scattered gold mineralization on the property have not been defined. Klewchuk optioned the property to National Gold Corp. in the fall of 2000. National Gold must spend \$750,000 on exploration over a four-year period.

ACTIVE PROPERTIES DEVELOPED BY PREVIOUS GRANTS PRIOR TO 2000

The following are only the known active properties picked up by companies because of work done by PAP grantees under previous programs dating from 1988 to 1998. The actual amount of exploration activity flowing from PAP sponsored discoveries is likely to be far greater than that captured below.

Ample-Goldmax

In 1995, **David Javorsky** received a grant to work on the Ample property near Lillooet. In 1995, the property was combined with the adjacent Goldmax property of **Gary Polischuk** and optioned to **Homestake Canada Inc.**, who held the property from 1996-1997, drilled 28 holes totalling 4600 me-

tres, spent over \$600,000 and discovered a new, shallowly dipping mesothermal gold prospect. In 1999, **Gold-Ore Resources Ltd.** drilled an additional nine holes to better define a moderate to high-grade (7 to 31.5 g/t Au) northeast-plunging gold shoot, 50 to 100 m wide, 1.5 to 8 metres thick and at least 200 metres long, which is open down-plunge to the northeast. Gold Ore spent approximately \$250,000 on the property since 1998. The property was returned to the vendors in late 1999.

Bow

In 1997, two areas of copper±zinc±gold±silver float were staked by **Martin Peter** southeast of Prince George, a direct result of a \$5721 PAP grant. Samples of massive fine-grained pyrite with faint bands of chalcopyrite, yielded up to 7% copper, 1% zinc, 4 g/t gold and 7 g/t silver. **Eureka Resources Inc.** optioned Peter's Bow and Tow claims in December 1997 and identified two prominent airborne EM conductors in 1998. Follow-up surveys further defined the VMS targets, which the company planned to drill in 1999. Estimates of expenditures in 1998 are \$140,000. Eureka subsequently optioned the Bow to Hudson Bay Mining and Smelting in 1999 who spent \$650,000 on exploration in 2000 on the combined Bow and Lottie properties (a group of 850 contiguous claims). Eureka announced in January of 2001 that Hudson Bay would not be exercising its option to conduct further exploration on the Lottie Lake Property.

Bizar/Goldstrike

Located near Blue River, the Bizar prospect is a gold-bismuth-copper prospect discovered by **Leo Lindinger** during the execution of his 1998 PAP program, for which he received a \$10,000 grant. Quartz-sulphide veins cut micaceous quartzite and mica schist. A chip sample across a 20-centimetre vein yielded 56 g/t gold, 0.5 per cent bismuth and 0.34 per cent copper, along with anomalous silver, cobalt, molybdenum, nickel, selenium, tellurium and tungsten. **Cassidy Gold Corp.** optioned the Bizar claims in 1998 and renamed the property **Goldstrike**. Cassidy drilled five short holes in late 1999, intersecting several narrow veins with anomalous gold values. The best was 6 g/t over 20 centimetres. The company reported \$46,762 in expenditures in 1999. A total of \$500,000 was to be spent by the end of the fourth year. Further work is expected in 2000.

Cam-Gloria

Located west of Adams Lake, the Cam-Gloria gold prospect was discovered by prospector **Camille Berube** in May 1997 while following up two anomalies from a BC Geological Survey till geochemistry survey. A quartz vein hosted by granitic rocks contains pyrite, pyrrhotite, and rare galena and chalcopyrite and is up to 10 metres wide and 200 metres in length. Berube conducted blast trenching, hand trenching and geochemical sampling of the vein in 1998, supported by a \$10,000 PAP grant program. In mid 1999, the property was optioned to **Teck Corporation** who conducted a mapping program followed by excavator trenching and the drilling of 7 holes. The Teck work shows that the vein system consists of a series of sub-parallel quartz veins within a sercite-altered zone up to 40 metres wide. The area of alteration and veining has now been traced along strike for about 700 metres. Expenditures by Teck in 1999 were approximately \$100,000. The property was returned to Berube in 2000.

Dominion Creek

Allan Raven's 1998 prospecting grant provided funding that was instrumental in acquiring the additional data necessary to promote the property and finally option it in 2000 to **Gold City Industries Ltd.** The Dominion Creek property, northeast of Wells, hosts a series of auriferous quartz-sulphide vein, stringer and replacement zones. Mineralization is lithologically and structurally controlled and occurs within argillaceous limestone of the upper Isaac Formation. A bulk sample comprised of material from the 2B and 3B veins totaled 1180 tonnes and averaged 14.1 g/t Au. Expenditures by Gold City in 2000 totaled \$220,000.

Findlay Creek

These properties are located 35 kilometres northwest of the Sullivan Mine and cover the same stratigraphic sequence which host this world-class deposit. **Tim Termuende** staked initial claims in the Findlay Creek area in early 1995 in anticipation of an airborne geophysical survey funded by the B.C. Geological Survey and the Geological Survey of Canada. Termuende was able to carry out initial prospecting on the Core, Fin and Doc claims in 1995 after receiving a PAP grant in the amount of \$8,800. Later in the same year, the claims were sold to **Eagle Plains Resources** and **Miner River Resources** who did follow-up work in 1996, including drilling.

Kennecott Canada Exploration Inc. optioned the property in 1996 and carried out \$1.3 million worth of work in 1997 and 1998 including the drilling of 5 holes. An extensive sheeted vein system containing lead and zinc (with accessory cadmium, copper and tungsten) mineralization was encountered in one drill hole. Another drill hole tested an extensive tourmalinite alteration zone and encountered significant base-metal enrichment over 105 metres. Within this interval, 46 individual thin stratabound mineralized horizons were intersected. Kennecott, electing to direct its exploration southward, dropped the Findlay option in 1999 and picked up the adjoining **Greenland Creek** option from Eagle Plains and Miner River. Kennecott spent \$240,000 on a first phase program in 1999. In 2000, Kennecott drilled a single 295 metre hole, which was to test a prominent zinc in soil geochemical anomaly delineated during the 1999 program field season. The hole intersected a thick gabbro sill from 90 metres to 209 metres, then at 228 metres the hole entered granitic pegmatite that persisted to the bottom of the hole. Kennecott decided in 2000 not to continue with the option.

Rio Algom Exploration Inc. took an option on the **South Findlay** property (a portion of the original Findlay Creek property) in early 1999. The company drilled 2,578 metres in three holes in 2000 and subsequently terminated their option. Some of the results, however, were reported to be encouraging. **Billiton Exploration Canada Limited** entered into an agreement with Eagle Plains in the spring of 1999 to option the **North Findlay property**, the remaining 149 claims of the original Findlay Creek property. Eagle Plains used partial funding from the financing as operator, to carry out a \$400,000 diamond drilling program during 1999. It was announced in March 2000 that Billiton would not proceed with its option on the North Findlay property. Eagle Plains is presently seeking participation on the Findlay Creek project by interested parties.

Hardy Island

Prospecting for dimension stone in 1998 led **Helgi Sigurgeirson** to the waters near Jervis Inlet where he restaked the Hardy Island quarry on Hardy Island (last worked in the 1920s). This quarry was originally one of the Jervis Inlet Granite quarries, a group of quarries which supplied most of the granite for numerous historic buildings erected during the early part of the century. Landmarks of note using stone from the Hardy Island quarry include the breakwater at Ogden Point in Victoria and the Lions at the old courthouse in Vancouver. Sigurgeirson applied for and received a quarry permit in 1999.

PROPERTY	PROSPECTOR	PRESENT OPERATOR	EXPENDITURES TO DATE	PLANNED EXPENDITURES
Ample-Goldmax	Dave Javorsky Gary Polischuk	Gold Ore Resources	\$850,000	Nil
Bow	Martin Peter	Hudson Bay Mining and Smelting	\$140,000	Combined with Lottie
Bizar/Goldstrike	Leo Lindinger	Cassidy Gold Corp.	\$47,000	\$500,000
Cam-Gloria	Camille Berube	Teck Corp.	\$100,000	Nil
Dominion Creek	Allan Raven	Gold City Industries	\$220,000	undisclosed
Findlay Creek	Tim Termuende	Eagle Plains Res.	\$2,000,000 plus	Undisclosed.
Lottie	Martin Peter	Hudson Bay Mining and Smelting	\$720,000	Nil
McNeil Creek	Frank O'Grady	National Gold Corp.	\$85,000	\$1,000,000
Quill	Allan St. James	Petra Resources	\$120,000	Nil
Red Mountain	Charles Kowall	Wheaton River Minerals	>\$200,000	Undisclosed
Zymo	Robin Day	Freeport MacMoRan	\$200,000	Nil?
	TOTAL		\$4,682,000	\$1,500,000

Table 3. PAP-Associated properties discovered prior to 1999 and recently active.

Approximately 1600 tonnes of blocks were shipped from the quarry in 1999, and a further 2500 tonnes was expected to be shipped in 2000, much of which will be exported to the United States. Most of the blocks are processed into split facing, but much is used for custom sizes such as coping. Hardy Island Granite Quarries Ltd. has also recently supplied the stone for work on the Lions Gate Bridge. Though there are subtle differences among the stones from the quarries on Nelson, Kelly, Fox and Hardy islands, all are light grey, medium grained, biotite hornblende granodiorite. The stone at Hardy Island has excellent splitting qualities and well developed jointing.

Lottie

Located just north of the town of Wells, the Lottie claim was staked by 1998 PAP grantee **Martin Peter** in order to cover the area around a new discovery of massive sulphide float. Boulders of mineralized chert and altered volcanic rock occur over a distance of about 75 metres in an area underlain by the Mississippian Antler Formation, potential host to VMS-style mineralization. A sample from one boulder assayed 24.3% copper, 0.4 gram per tonne gold, 19.6 grams per tonne silver, 0.06% cobalt, 0.12%

molybdenum, 0.02% lead and 0.04% zinc. The Lottie was optioned to **Eureka Resources Inc.** early in 1999 who spent about \$70,000 on exploration before optioning the property to **Hudson Bay Mining and Smelting** in the same year. Hudson Bay spent approximately \$650,000 on exploration in 2000 on the combined Lottie and Bow properties, now called **Lottie Lake**. This group consists of 850 contiguous claims. In January 2001, Eureka announced that Hudson Bay would not be exercising its option to conduct further exploration on the Lottie Lake Property.

McNeil Creek

The McNeil Creek property is located 18 kilometres southwest of Cranbrook. **Frank O'Grady** explored the area in 1995 and 1996 after being funded by a PAP grant in each of those years. Underlain by Moyie intrusive rock and Middle Aldridge sediments, O'Grady's Phantom, Mar and Cubby claims represent a Sullivan-type massive sulphide target. In 1996, O'Grady optioned his claims to **Sedex Mining Corp.** In 1998, Sedex drilled a hole to a point just below the Lower-Middle Aldridge contact, encountering minor sulphides. Sedex subsequently optioned the property in 1999 to **Webb Bay Resources Ltd.**

later re-named **National Gold Corp.** which has committed to spend \$1,000,000 over four years.

Quill

The Quill property is located 65 kilometres northwest of Stewart, lying on McQuillan Ridge at the confluence of the Unuk and South Unuk rivers. Allan St. James found mineralized boulders in an area where Jurassic diorite intrudes Stuhini and Unuk River volcanic and sedimentary rocks. A large angular diorite boulder with quartz vein containing chalcopyrite, pyrite and marcasite yielded 102 grams per tonne gold, 36 grams per tonne silver, 5.32% copper, 0.01% lead and 0.01% zinc. Other sulphide-bearing quartz vein float contained predominately galena and lead. Prospecting did not locate the source of the high-grade gold-quartz vein boulders but a 250-metre-long open-ended conductor underlying the boulder field was defined during the 1998 PAP-funded geophysics program. With a potential drill target now in place, Petra Resources Corp. optioned the Quill property at the end of 1998. Petra spent \$120,000 on exploration in 1999 but elected not to retain the property afterwards.

Red Mountain

Prospector **Charles Kowall** discovered significant gold-silver mineralization on Willoughby Creek east of Stewart while prospecting under a PAP grant received in 1988. Kowall was able to option the property to **Bond International Gold Inc.** who then spent several hundred thousand dollars on exploration. The Company subsequently made further significant discoveries on nearby Red Mountain. Close to \$10,000,000 has been spent on the Red Mountain property since Kowall's initial find at Willoughby Creek. The present owners **Wheaton Rivers Minerals** are currently re-examining drill core and evaluating the potential for mining the deposit's higher-grade core.

Zymo

This new porphyry copper-gold target west of Smithers was identified in 1996 by PAP grantee, **Robin Day**. The targets were further outlined and defined with the help of grants in 1997 and 1998. In 1998, **Freeport Copper Company (FCC)**, a subsidiary of Freeport McMoRan Copper and Gold Inc., entered into an option agreement to carry out exploration on the Zymo. Six holes were then drilled totaling 1600 metres in 1999. The Zymo property is underlain by a phyllic-altered, pyritic quartz diorite

stock with local copper, zinc, lead, silver and gold mineralization and anomalous arsenic+/-antimony rock geochemistry. The presence of extensive phyllic alteration with local copper-silver-gold mineralization is considered encouraging. The property is similar to the Louise Lake prospect, 7 kilometres to the east, which has a calculated resource of 50 million tonnes. About \$200,000 was spent on the property in 1999. Freeport has since dropped the Zymo option.

CONCLUSIONS

Again this year the program produced significant benefits for the province. Program funded prospectors were able to option 7 recently discovered mineral occurrences to mining companies for further exploration that has the potential to generate more than \$1.35 million worth of exploration activity over the next few years. The funding played a critical role in allowing these grantees to find and then develop their discoveries to a level that excited corporate interest.

A number of other new mineral occurrences were discovered by grantees in 1999 that will see further exploration over the coming years, and in all likelihood lead to more company investment. As well, work done by grantees in previous years continues to generate corporate exploration investment in the province. These previous discoveries by grantees continue to be evaluated and have generated over \$4.5 million worth of exploration activity so far. Properties such as Dominion Creek, Red Mountain, McNeil Creek and Findlay Creek will continue to have major exploration development and are a testimonial to the success of the grant program. The newly opened Hardy Island quarry, which is presently providing granitic dimension stone for the BC and the US market, is another confirmation of the program's success.

The overall performance of the active grantees in 1999 was excellent. The average number of prospecting days per grantee was 55, the highest for the past 10 years. The final report evaluations were high with 38 (77.6%) of the active grantees scoring 8 out of 10 or higher and only 1 (2%) scoring 5 or lower. The average score was 8.6. These are indicators of the commitment and high quality delivered by the grantees.

Since the end of the 1980s, relatively few companies have been putting up grubstakes for prospectors and the grants have played a much larger role than

normal in keeping prospectors active in this province. Limited funds and the growing number of applicants are the reasons that once again a number of good proposals did not receive funding.

FOR FURTHER INFORMATION

Please contact the Prospectors Assistance Program office, a Regional Geologist or visit our website at:

www.em.gov.bc.ca/Mining/Geolsurv/Prospectors

Prospectors Assistance Office

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