BRITISH COLUMBIA MINING AND MINERAL EXPLORATION OVERVIEW 2006

Ministry of Energy, Mines and Petroleum Resources

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INTRODUCTION

British Columbia's mineral resources are strategically located to be a significant asset for the international mining industry, particularly as a supplier for North American and Asian markets. The province has a welldefined potential for a wide variety of minerals and deposit types. The geoscience database is extensive and easily accessed and the provincial government is committed to aggressively improving that data and encouraging new developments. With attractive energy costs, a well developed, all-weather highway system, rail links and a number of deep-water ports, British Columbia has the infrastructure to cost-effectively get coal, minerals and resulting products to markets.

Mining is an important economic driver in British Columbia with production valued at more than \$6 billion annually. There were 9 metal, 11 coal and approximately 40 major industrial minerals quarries and mines, numerous placer mines, and more than 1100 aggregate pits in operation during 2006.

Three mines opened during the year: the **Trend** and **Wolverine – Perry Creek** coal mines in the northeast, and the **Table Mountain** gold mine, in the northwest. Two new aggregate mines are under construction and two other metal mines are considering reopening in 2007. There are more than 25 project submissions to government seeking mine development and environmental approvals.

Sixty percent of Canadian exploration and mining

companies are based in British Columbia, which has the world's largest concentration of exploration companies and mining professionals. In 2005, B.C.-based companies raised \$3.2 billion in equity capital for mining or about 50% of the total equity capital raised for Canadian listed exploration companies.

During 2006, British Columbia benefited greatly from the ongoing international resurgence in mining, mine development and mineral exploration. B.C. is the Pacific Gateway to Canada, especially for providing products and services to Asian countries. For example, Chinese mining companies have recently made equity investments into several coal and metal projects in the Province.

Commodity prices for nearly all metals rose over the year, including gold, copper, molybdenum and zinc. Mineral exploration expenditures increased for the seventh consecutive year to approximately \$265 million for 2006, up about 20% from 2005 (Figure 1). Mineral tenure acquisitions are forecast to reach a level of nearly 6 million hectares, an increase of about 20% over the previous year (Figure 2). This is the seventh year in a row that there has been an increase in mineral tenure recording.

Both the *Mining Exploration Tax Credit Program* and *Exploration Investment Tax Credit* for flow-through investors, provide additional incentives to help attract risk capital to the province. *MapPlace*, the British Columbia government's internet geoscience information system, had approximately 6 million hits during 2006, reflecting the strong and renewed interest in mineral resource exploration and development.



Photo 1. The Wolverine (Perry Creek) coal mine opened in July, 2006.

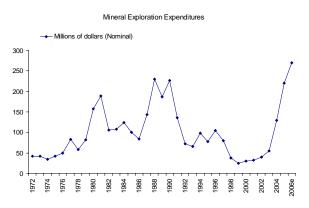


Figure 1. Mineral exploration expenditures (1971-2006).



Figure 2. Mineral tenure acquisitions 1990 - 2006. Mineral Titles Online launched in January 2005.

Mining companies are routinely discussing their proposed advanced projects with local communities and First Nations. Some important partnerships for development of mineral resources with local First Nations have already been signed, such as between the Tahltan First Nation and NovaGold Resources Inc for the **Galore Creek** project, and the First Nations with Polaris Minerals regarding the **Orca** project.

MINING HIGHLIGHTS

New mine openings and major expansions at some producers underline the improved economics of the sector throughout the Province (Figure 3). Gibraltar, Highland Valley Copper, Mount Polley and Trend are expanding their operations. British Columbia traditionally ranks third in Canada for the value of its mineral and coal production.

For 2006, B.C.'s forecast value of solid mineral production is \$6 billion (Figure 4). This is an increase of 24% over 2005. Copper, for the first time in recent history, is the single most important mineral commodity by value, and coal is second (Figure 5). Other important commodities produced are molybdenum, industrial minerals, gold, construction aggregates, silver and zinc.

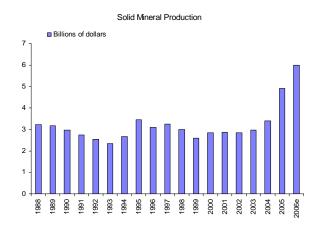


Figure 4. Solid mineral production value in British Columbia, 1988-2006.

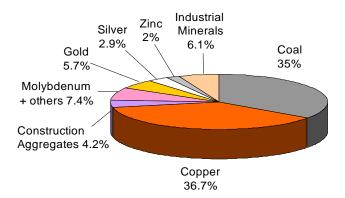


Figure 5. Forecast distribution of British Columbia mineral production by commodity – 2006.

Actual metals production decreased slightly for gold, silver, zinc and molybdenum; only copper production was higher. Coking coal and pulverized injection coal (PCI) production increased in the northeast to 1.6 million tonnes in 2006; however, in the southeast, it dropped significantly from 25.2 million tonnes to 21-22 million tonnes. This drop in the southeast production reflected reduced coal sales and delays related to new tire deliveries at mines and the availability of rail cars for coal transport. Forecast mine production and resources for 2006 are listed in Table 1.

Clean coal production for 2006 is expected to total 23 million tonnes, with a forecast value of approximately \$2.1 billion. British Columbia has three major coal ports on the west coast - **Roberts Bank**, south of Vancouver, has a capacity of 26 million tonnes per year; **Neptune** terminals (Vancouver Port) has a capacity of 8 million tonnes per year and **Ridley Island** terminal, near Prince Rupert, has a capacity of 12 million tonnes per year. There was significant unused capacity for these coal ports. There is a fourth, deep water, ice-free port at Stewart, which may also benefit from increased exports.

British Columbia's industrial minerals production for 2006 (including sulphur) is estimated to be worth \$365 million. The most economically significant industrial minerals in British Columbia are magnesite, white calcium carbonate, limestone, silica, dimension stone, gypsum, sulphur, construction aggregate, and crushed rock. Commodities produced in lesser quantities include jade (nephrite), magnetite, dolomite, barite, volcanic cinder, flagstone, industrial and medical/cosmetic clays, tufa, fuller's earth, bentonite, slag, mineral wool, roofing granules, graphite, and gemstones. There are at least 20 major sites throughout the province where upgrading of industrial minerals into value-added products takes place.

Structural materials production, including the important construction aggregate sector, is estimated to have a value of \$250 million. There are aggregate operations throughout the province and they vary from large pits, which supply the major metropolitan areas to many smaller pits used locally for road construction.

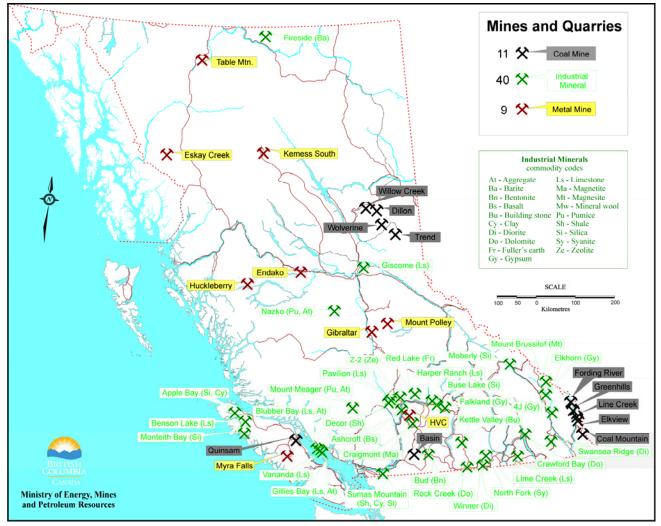


Figure 3. Mines and quarries 2006.

Placer gold production and exploration in British Columbia was concentrated in the Atlin, Dease Lake, Manson Creek, Cariboo and Fort Steele areas, but the majority of the operations are small and seasonal in nature.

The provincial mining industry employed a direct workforce of more than 10 000 people province-wide and generated jobs for another 15 000 contractor and spin-off workers as well.

Northwest - Major Mines

The **Eskay Creek** underground gold-silver mine, owned by Barrick Gold Corporation, is expected to produce 3500 kg of gold and 170 000 kg of silver during 2006. It is one of the world's largest silver producers and among the richest in terms of value per tonne of ore. The mine is projected to continue operations until early 2008.

The **Endako** open-pit molybdenum mine, now operated by Blue Pearl Mining Ltd, has been a low-cost

producer for 36 years. Production during 2006 is forecast at 5480 tonnes of molybdenum. Mine life is estimated to be in excess of 7 years. In September, Blue Pearl Mining acquired the mine through acquisition of Thompson Creek Mining. They expect to develop the Davidson underground molybdenum mine near Smithers and ship ore to Endako.

The **Huckleberry** open-pit copper-molybdenum mine, operated by Huckleberry Mines Ltd, shipped concentrates through the port of Stewart to Japan. Production for 2006 is forecast at 34 000 tonnes of copper and 270 tonnes of molybdenum. The company has applied to mine an extension of the Main zone ore that would extend mine life to 2010.

The **Table Mountain** underground gold mine, operated by Cusac Mines Ltd, re-opened on December 14, 2006, after being closed for 7 years. The company expects to produce approximately 750 kg of gold during 2007.

Seasonal production of barite continued at the **Fireside** mine, located east of Watson Lake. Four jade properties (**Cassiar**, **Polar Jade**, **Provencher Lake** and **TJ**) were active in the Dease Lake and Cassiar areas.



Photo 2. Looking easterly over the Table Mountain gold mine which re-opened in December, 2006 (photo courtesy of Cusac Gold Mines).

Northeast - Major Mines

Western Canadian Coal Corporation continued to produce pulverized coal injection (PCI) coal from its **Dillon** open-pit mine. It produced 540 000 tonnes during 2006, but reserves were exhausted by late 2006. The company received an Environmental Assessment Certificate for its adjacent **Brule** PCI coal project in late 2006, and is preparing for production in 2007.

Northern Energy and Mining Inc (NEMI) opened the **Trend** metallurgical coal mine in January, 2006. They continue to explore the Roman Mountain area in order to increase the reserve base. The company plans to increase production from 240 000 to 2 million tonnes per annum in 2007.

Western Canadian Coal Corporation opened its **Wolverine** (Perry Creek deposit) metallurgical coal mine in September, 2006. Annual production is planned to be over 2 million tonnes in 2007. A large exploration program was also completed on its nearby **Hermann** deposit, which is in the Environmental Assessment Process.

In the fall, Pine Valley Coal Corporation suspended operations indefinitely at its **Willow Creek** mine that produces both metallurgical and PCI coal.

Central - Major Mines

The **Kemess South** open-pit mine, operated by Northgate Minerals Corporation, is expected to produce 9600 kg of gold and 36 000 tonnes of copper during 2006. It is the largest gold producer in the province. Existing reserves will provide mill feed until 2009. An in-fill drilling program confirmed continuity of mineralization immediately east of the Kemess South pit and an economic evaluation of the resource was initiated. The mine life could potentially be extended by more than ten years if the **Kemess North** deposit is put into production.

The **Gibraltar** open-pit mine, operated by Taseko Mines Ltd, is forecast to produce 23 000 tonnes of copper and 360 tonnes of molybdenum during 2006. Taseko recently announced a 40% increase in the mineral reserves as a result of a major diamond drilling program, particularly peripheral to the Pollyana and Granite Lake pits. The reserves include copper and molybdenum grades that are 5% and 11% higher respectively than previous reserve figures. The additional reserves could increase the mine life to more than 21 years. The company embarked on a \$62 million mill expansion and restarted the solvent extraction-electrowinning leach plant.

The **Mount Polley** open-pit mine, operated by Imperial Metals Corporation, reopened in early 2005, and is forecast to produce 26 300 tonnes of copper, 1220 kilograms of gold and 14 000 kg of silver during 2006. Mining is from the Wight (Northeast zone) pit and the now-combined Cariboo and Bell pits. The Southeast zone is planned to start production in 2007. A leach pad was constructed to process approximately 200 000 tonnes of oxidized material from the Springer zone in 2007. Mine life is projected to 2011, with approximately 230 employees. The company also conducted a large, property-wide exploration program, including 23 000 metres of diamond drilling. Several new zones of coppergold mineralization were intersected, including the C zone which is being considered for mining.

Lightweight Advanced Volcanic Aggregates Ltd, the new owner of the **Nazko** lava rock quarry near Quesnel, shipped a limited tonnage of previously screened and stockpiled materials to customers in the Lower Mainland.

Kootenays - Major Mines

Elk Valley Coal Corporation in southeastern British Columbia operates 5 coking coal mines, **Fording River**, **Greenhills, Line Creek, Elkview** and **Coal Mountain** providing it with flexibility to blend coals from different mines to meet customer needs. Over the past several years, these 5 mines have produced in excess of 25 million tonnes of coal annually and represent the province's largest solid mineral production commodity by value at approximately 38%. The company forecasts production of about 21.3 million tonnes during 2006. The Corporation, 62% owned by Fording Canadian Coal Trust

	Mine	Operator	Deposit Type / Commodity	Forecast Production in 2006 (tonnes or kilograms)	Proven and Probable Reserves (on Jan. 1, 2006)
Metals					
metais	Endako	Blue Pearl Mining Ltd & Sojitz Moly Resources Inc	Calcalkalic porphyry Mo	5480 t Mo	Endako Pit, 21 700 000 t at 0.069% Mo; Denak Pit, 22 700 000 t at 0.069% Mo; Stockpile, 22 500 000 t at 0.046% Mo (Oct. 1, 2006)
	Eskay Creek	Barrick Gold Corp	Transitional Epithermal-VMS Au-Ag	3500 kg Au, 170 000 kg Ag	243 000 t at 27.8 g/t Au and 1435 g/t Ag (Dec. 31, 2005)
	Highland Valley Copper	Teck Cominco Ltd / Highmont Mining Company Ltd	Calcalkalic porphyry Cu-Mo	161 000 t Cu, 2000 t Mo, minor Au and Ag	318 700 000 t at 0.43% Cu and 0.008% Mo
	Gibraltar	Taseko Mines Ltd	Calcalkalic porphyry Cu-Mo	23 000t Cu, 360 t Mo	232 600 000 t at 0.318% Cu and 0.010% Mo
	Huckleberry	Huckleberry Mines Ltd / Imperial Metals Corp	Calcalkalic porphyry Cu-Mo	34 000 t Cu, 270 t Mo	12 250 000 t at 0.526% Cu, 0.015% Mo (Dec. 31, 2005)
	Kemess South	Kemess Mines Ltd (Northgate Minerals Corp)	Calcalkalic porphyry Au-Cu	9600 kg Au, 36 000 t Cu	68 030 000 t at 0.65 g/t Au & 0.21% Cu; Kemess North (Probable) 414 000 000 t at 0.3 g/t Au and 0.16% Cu
	Mount Polley	Imperial Metals Corp	Alkalic porphyry Cu-Au-Ag	26 300 t Cu, 1220 kg Au, 14 000 kg Ag	40 980 000 t at 0.448 % Cu & 0.318 g/t Au
	Myra Falls	NVI Mining Ltd (Breakwater Resources Ltd)	VMS, Zn-Cu-Au- Ag	750 000 t of 5.9% Zn, 1.1% Cu, 1.4 g/t Au, 42.9 g/t Ag	6 000 000 t at 6.4% Zn, 1.1% Cu, 1.43g/t Au, 4 g/t Ag
	Table Mountain	Cusac Gold Mines Ltd	Mesothermal vein Au	Restarted Dec. 14 2006	40 000 t at 16.9 g/t Au
Coal					
	Basin	Compliance Energy Corp	Thermal coal	42 000 t	
	Coal Mountain	Elk Valley Coal Corporation	Metallugical coal	2 000 000 t	26 000 000 t
	Dillon	Western Canadian Coal Corp	PCI coal	500 000 t	579 600 t
	Elkview	Elk Valley Coal Corporation	Metallugical coal	4 800 000 t	246 000 000 t
	Fording River	Elk Valley Coal Corporation	Metallugical coal	8 100 000 t	239 000 000 t
	Greenhills	Elk Valley Coal Corporation	Metallugical coal	4 100 000 t	100 000 000 t
	Line Creek	Elk Valley Coal Corporation	Metallugical and thermal coal	2 300 000 t	17 000 000 t
	Quinsam	Quinsam Coal Corp (Hillsborough Resources Ltd)	Thermal & PCI coal	520 000 t clean coal	25 700 000 t (reserves and resources)
	Trend	NEMI Northern Energy & Mining Inc	Coking Coal	200 000 t	1 680 000 t
	Willow Creek	Pine Valley Mining Corp	Metallurgical & PCI coal	200 000 t PCI coal 150 000 t Coking coal	12 620 000 t (in-place measured and indicated July, 2005)
	Wolverine	Western Canadian Coal Corp	Coking Coal	550 000 t	32 730 000 t (Perry Creek deposit)

TABLE 1. FORECAST MINE PRODUCTION 2006

Industrial Minerals

Mine	Operator	Deposit Type / Commodity	Mine	Operator	Deposit Type / Commodity
4J	Georgia-Pacific Canada Inc	Gypsum	Kettle Valley quarries	Kettle Valley Stone Company	Ashlar, flagstone, thin veneer
Apple Bay	Electra Gold Ltd	Geyserite	Lime Creek	Imasco Minerals Inc	Limestone
Ashcroft	IG Machine and Fiber Ltd (IKO Industries Ltd)	Basalt roofing granules	Moberly	HCA Mountain Minerals (Moberly) Ltd	Silica sandstone
Benson Lake	Imasco Minerals Inc	Limestone	Monteith Bay	Lehigh Northwest Cement Ltd	Geyserite
Blubber Bay	Ash Grove Cement Corp	Limestone aggregate, dolomitic lst	Mount Brussilof	Baymag Inc	Magnesite
Bud	Absorbant Products Ltd	Bentonite	Mount Meager	Great Pacific Pumice	Pumice
Buse Lake	Lafarge Canada Inc	Volcanic ash (alumina- silica)	Nazko	Lightweight Advanced Volcanic Aggregates	Lava rock
Craigmont	Craigmont Mines Joint Venture	Magnetite tailings	North Fork	Roxul (West) Inc	Syenite (mineral wool)
Crawford Bay	Imasco Minerals Inc	Dolomite	Pavilion	Graymont Western Canada Inc	Limestone
Decor	Pacific Bentonite Ltd	Burnt shale (alumina and landscape rock)	Red Lake	Absorbant Products Ltd	Diatomaceous earth, leonard
Elkhorn	BPB Canada Inc	Gypsum	Rock Creek	Mighty White Dolomite Ltd	Dolomite
Falkland	Lafarge Canada Inc	Gypsum	Sumas Mountain	Clayburn Industries Ltd and cement manufacturer partners	Clay, shale and sandstone
Fireside	Fireside Minerals Inc	Barite	Swansea Ridge	Canadian Pacific Railway	Diorite (mineral wool)
Gillies Bay	Texada Quarrying Ltd (Lafarge Canada Inc)	Limestone, aggregate	Vananda	Imperial Limestone Company Ltd	Limestone
Giscome	Pacific Lime Products Ltd	Basalt (railroad ballast)	Winner	Roxul (West) Inc	Diorite (mineral wool)
Harper Ranch	Lafarge Canada Inc	Limestone	Z-2	Industrial Minerals Processors	Zeolite

and 38% by Teck Cominco Limited, is the world's second-largest supplier of seaborne metallurgical coal. Elk Valley Coal continues to adapt to changing market conditions and anticipates an increase in production during 2007.

During 2006, production of 90 000 tonnes of silica by HCA Mountain Minerals (Moberly) Ltd, was forecast from the **Mt. Moberly** mine, located near Golden. Northeast of Radium Hot Springs, Baymag Inc produces high-quality magnesite from its **Mount** **Brussilof** open-pit mine. Production in 2006 was projected to be 120 000 tonnes.

Farther south, BPB Canada Inc operates the **Elkhorn** gypsum mine, east of Windermere, and Georgia-Pacific Canada Inc produces gypsum from the **Four J** mine, southeast of Canal Flats. Production at the Elkhorn and Four J mines for 2006 was projected to be approximately 550 and 175 thousand tonnes, respectively. Imasco Minerals Inc produces a variety of crushed and ground rock products at its Creston Operations plant near Sirdar.

These products are derived from an underground dolomite mine at **Crawford Bay**, a limestone quarry at **Lime Creek** east of Salmo and a granite quarry at **Sirdar**. Mighty White Dolomite Ltd produces a range of crushed and ground dolomite products from its quarry and plant at **Rock Creek**. The **Winner** and **North Fork** quarries, west and north of Grand Forks, respectively, ship diorite and syenite-monzonite, respectively, to the Roxul (West) Inc mineral wool manufacturing plant in Grand Forks. The **Swanse**a operation is the major railway ballast producer.

South-Central - Major Mines

The **Highland Valley Copper** open-pit mine near Kamloops, operated by Teck Cominco Limited (97.5%) and Highmont Mining Company (2.5%), is Canada's largest base metal mine. It is the fifth largest open pit mining operation in the world, with a daily mill throughput averaging 136 000 tonnes of rock. Production in 2006 is expected to be 161 000 tonnes of copper, 2000 tonnes of molybdenum and minor byproduct gold and silver. In 2006, a decision was made to extend the mine life from 2009 to 2013, and further extensions are being considered. Mining in the Highmont East pit, for higher grade molybdenum ore, re-commenced in late 2005. Teck Cominco is also considering building a modern hydrometallurgical smelter on site.

During 2006, Compliance Energy Corporation mined about 42 000 tonnes of thermal coal from its **Basin** property, near Tulameen. The site was placed on seasonal care and maintenance status in early September.

Over 250 people are employed at more than 15 industrial mineral mines, quarries and processing plants in the South-Central region. The Kamloops cement plant and Harper Ranch limestone quarry of Lafarge Canada Inc were expected to operate close to capacity in 2006. Near Cache Creek, Graymont Western Canada Inc operates the **Pavilion** limestone quarry and lime plant. Employing mainly First Nations workers, the operation produces lime used in pulp mills, mines and other industrial processes. The Ashcroft basalt quarry and roofing granule plant east of Ashcroft, operated by IG Machine and Fiber Ltd, produces about 250 000 tonnes of roofing granules in at least nine distinct colours. Craigmont Mines Ltd processes and recovers about 70 000 tonnes of magnetite annually from its Craigmont tailings operation near Merritt. The magnetite is used in most coal washing plants in western Canada.

Western Absorbant Products Ltd manufactures a variety of products at its plant in Kamloops, using raw materials from its **Red Lake** diatomaceous earth quarry northwest of Kamloops and its **Bud** bentonite quarry at Princeton. Zeolite was mined from Industrial Mineral Processors' **Z2** quarry near Cache creek and processed at a plant in Ashcroft. At Princeton, Heemskirk Canada Ltd processed zeolite from its **Zeo** quarry.

Opal Resources Canada Inc produces attractive fire opal gemstones and jewelry from its **Klinker** property, west of Vernon. Decorative rock and dimension stone are produced at numerous small quarries throughout the region (*e.g.*, **Begbie** quarry) by small companies. The Nipple Mountain quarry operated by Kettle Valley Stone Company in Kelowna is the best known and one of the largest of these operations.

Southwest - Major Mines

The **Myra Falls** underground mine, west of Campbell River, has been in operation for forty years, since 1966. The mine is operated by NVI Mining Ltd, a subsidiary of Breakwater Resources Ltd. Just over 750 000 tonnes of ore were estimated to be processed during 2006 in the mill, producing copper, zinc-silver and gold concentrates. Mill upgrades in 2006 have resulted in better zinc, copper and gold recoveries, as well as the production of a new lead concentrate. Early in 2006, the company reassembled its exploration department and a large, district-scale exploration program is underway.

The largest limestone production center in the province is **Texada Island**, where three quarries, **Gillies Bay**, **Blubber Bay** and **Vananda** are forecast to ship close to 6 million tonnes during 2006. White calcium carbonate is produced from **Gillies Bay** and also from the **Benson Lake** quarry on northern Vancouver Island. **Texada Island** limestone producers are capitalizing in the rapidly expanding market for crushed rock, the natural byproduct of their limestone operations. Construction Aggregates Limited ships aggregate from its facility at **Sechelt** to the San Francisco Bay area. Nineteen large aggregate quarries and pits in the Lower Mainland and coastal area are forecast to produce about 17 million tonnes in total in 2006.

Sumas Shale Ltd processes 500 000 tonnes of clay from its **Sumas Mountain** operation and Clayburn, Lafarge Canada Inc and Lehigh Northwest Cement Ltd produce shale and sandstone from their **Sumas** quarry. Ironwood Clay Company Inc produces cosmetic/medical clay seasonally from its **De Cosmos Lagoon** quarry on Hunter Island, west of Bella Coola.

Westcoast Granite Manufacturing Inc, Margranite Industries and Matrix Marble Corporation operate stoneprocessing plants. Dimension stone is quarried from several locations, including **Skagit Valley**, **Whistler**, **Tahsis**, **Hardy Island**, **Fox Island**, **Gordon River**, **Hisnet Inlet** and **Haddington Island**. Great Pacific Pumice Ltd expects to produce as much as 20 000 tonnes of pumice from its **Pum** deposit at Mount Meager.

Electra Gold shipped approximately 120 000 tonnes of chalky geyserite (silica and alumina) from its **Apple Bay** property, west of Port Hardy, to supply cement plants in Vancouver and Seattle. On western Vancouver Island, Lehigh Northwest Cement produced 30 500 tonnes of silica-alumina product from its quarry at **Monteith Bay**. Hillsborough Resources Ltd is forecast to produce some 520 000 tonnes of clean thermal coal from its **Quinsam** mine on Vancouver Island. As part of a longterm exploration project, drilling on the nearby Quinsam North property led to the identification of significant additional resources which could extend the current mine life beyond its 9 years.

MAJOR DEVELOPMENT PROJECTS

Since 2004, more than 10 mining projects have been permitted. As of December, 2006 there are 7 coal, 3 industrial mineral and 16 metal projects submitted to the government for consideration as mine developments (Figure 6 and Table 2).

All mine project proposals in British Columbia are required to have a Mine Permit and larger mines must also have an Environmental Assessment Certificate. Both these processes involve evaluation and approvals from multiple government agencies and consultation with communities and First Nations.

Both the **Swamp Point** and **Orca** sand and gravel, as well as the **MAX** molybdenum mine are under development, with production forecast in 2007. Other potential mine developments in the next two years could include **Brule**, **Hermann**, **QR**, **Sandon** and **Trend** (expansion).

Northwest - Major Development Projects

During 2006, Redfern Resources Ltd completed 23 000 metres of drilling at its **Tulsequah Chief** and **Big Bull** volcanogenic massive sulphide deposits, south of Atlin. The company holds a Development Certificate for the Tulsequah project. New areas were identified where mineral resources may be increased when incorporated into a new feasibility study.

Adanac Molybdenum Corporation released a feasibility study on its **Ruby Creek** molybdenum project, located east of Atlin. They also filed a *Project Report* to



Photo 3. Looking southerly over the Galore Creek copper-goldsilver project (200-person base camp in the foreground).

the B.C. Environmental Assessment Office (EAO), for a proposed open-pit mine with a 20 000 tonnes per day milling operation.

East of Dease Lake, Western Keltic Mines Inc completed numerous surveys to support its Environmental Assessment Application for its **Kutcho Creek** project. The company proposes both open pit exploitation of the higher-grade core, along with underground development of the adjacent Esso West deposit. A pre-feasibility study is in progress.

At its **Mount Klappan** anthracite coal property, 75 kilometres southeast of Dease Lake, Fortune Minerals Limited continued several studies to support its Environmental Assessment Application. They have proposed a 1.5 to 3 million tonnes per year open-pit operation with a possible direct road route from the site to Highway 37. The company is also conducting a prefeasibility study of building a 300 megawatt coal-fired power plant at the mine site that would be linked to the B.C. power grid.

In August 2005, bcMetals Corp received an Environmental Certificate for its **Red Chris** copper-gold project, east of Iskut. Its feasibility study identifies the potential for a 30 000 tonnes per day milling operation, producing about 47 000 tonnes of copper and 2200 kilograms of gold annually, over a mine life of 25 years. In 2006, the company made an agreement with Jiangxi Copper Mining Company Ltd to develop the project. Since then, takeover bids have been filed by Imperial Metals Corp and Taseko Mines Ltd. In 2006, further confirmation drilling was carried out on the Main and East zones, and exploration drilling was completed on the nearby Gully zone.

Once again, the largest exploration program in the province was at the **Galore Creek** gold-copper-silver project, located southwest of Dease Lake. NovaGold Resources Inc filed its *Project Report* with the Environmental Assessment Office and released its feasibility study in October, 2006. Proven and probable reserves total 540 million tonnes, grading 0.557% Cu and 0.303 g/t Au at a cut-off grade of 0.25% copper equivalent, which are contained within a measured and indicated resource of 749 million tonnes grading 0.52% Cu-equivalent cut-off. Additional mineralization was discovered in the Bountiful zone, which lies at depth, and to the east of the proposed Central zone pit.

South of Stewart, Ascot Resources Ltd's **Swamp Point** aggregate project received approval. Construction has commenced in October and the quarry is expected to be in production in 2007. Initial deliveries of crushed and screened material will be made by barge to Prince Rupert for the port expansion project. The company continues to target the export market. At Stewart, Beacon Ventures Inc's **Bear River** aggregate project continued review under the Environmental Assessment Process. It proposes to extract 1.7 to 3.4 million tonnes of gravel annually

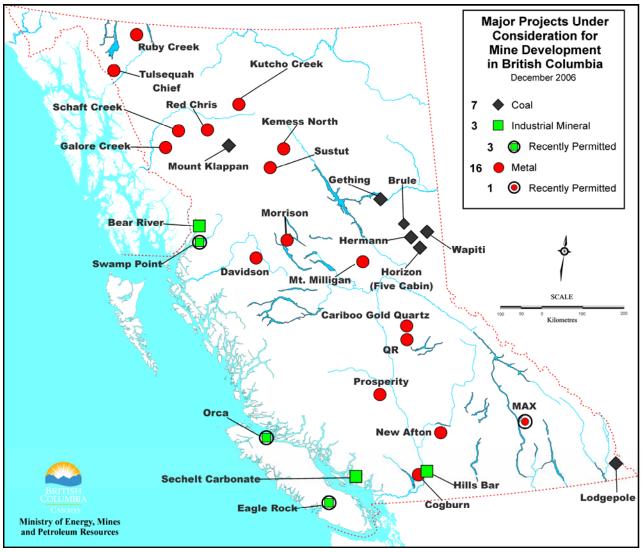


Figure 6. Major Projects Under Consideration for Mine Development.



Photo 4. Orca sand and gravel operation near Port McNeil, northern Vancouver Island. Preparation of new conveyor belt system.

from the Bear River. This project would not only produce gravel, but could reduce the annual flood hazard for the town of Stewart.

In the Smithers area, Blue Pearl Mining Ltd completed 2658 metres of in-fill underground drilling on its **Davidson** (Yorke-Hardy) molybdenum-tungsten property. The drilling defined a higher-grade portion of the resource (75.3 Mt of 0.177% Mo), and led to the discovery of the Lower Zone 300 metres below previous mineralized intersections. Blue Pearl now owns the Endako molybdenum mine which could process ore from the Davidson deposit. A feasibility study is expected by the end of 2007.

In the Babine camp, Pacific Booker Minerals Inc continued to study the feasibility of advancing its **Morrison/Hearne Hill** copper-gold project to production.

TABLE 2. MAJOR PROJECTS UNDER CONSIDERATION FOR MINE DEVELOPMENT IN BRITISHCOLUMBIA, 2006

Project Name	Owner/Operator	Commodities
Bear River	Beacon Ventures Inc	Aggregate
Brule	Western Canadian Coal	Coal
Cariboo Gold Quartz	International Wayside Gold	Au
Cogburn	North Pacific Alloys Ltd	Mg
Davidson	Blue Pearl Mining Ltd	Мо
Galore Creek	NovaGold Resources Inc	Cu-Au-Ag
Gething	Canadian Dehua Int'l	Coal
Hermann	Western Canadian Coal	Coal
Hills Bar	Qualark Resources Inc	Aggregate
Horizon	Hillsborough Resources Ltd	Coal
Kemess North	Northgate Minerals Corp	Au-Cu
Kutcho Creek	Western Keltic Mines Inc	Cu-Zn-Au-Ag
Lodgepole	Cline Mining Corp	Coal
Morrison/Hearne Hill	Pacific Booker Minerals Inc	Cu-Au
Mount Klappan	Fortune Minerals Ltd	Coal
Mt. Milligan	Terrane Metals Ltd	Cu-Au
New Afton	New Gold Inc	Cu-Au
Prosperity	Taseko Mines Ltd	Au-Cu
Red Chris	bcMetals Corp	Au-Cu
Ruby Creek	Adanac Molybdenum Corp	Мо
Schaft Creek	Copper Fox Metals Ltd	Cu-Mo-Au-Ag
Sechelt Carbonate	Pan Pacific Aggregates Ltd	Limestone/dolomite
Sustut	Doublestar Resources Ltd	Cu-Ag
Tulsequah Chief	Redfern Resources Ltd	Cu-Zn-Au-Ag
Wapiti	Hillsborough Resources Ltd	Coal

Northeast - Major Development Projects

The Burnt River (Dillon) coal property includes the nearby 30-million tonne **Brule** deposit owned by Western Canadian Coal Corporation. The company received an Environmental Assessment Certificate for this deposit in 2006 and hopes to bring the mine into production in mid-2007. Western Canadian Coal also submitted its **Hermann** project to the Environmental Assessment Office, and are in the pre-application phase.

Peace River Coal Inc (Hillsborough Resources Corp, Anglo Coal Canada Inc and Northern Energy and Mining) completed several studies to support their Environmental Assessment *Project Report* submission for their Horizon (Five Cabin) coal mine.

Canadian Dehua International Ltd conducted studies on its **Gething** project, northwest of Tumbler Ridge, in support of its Environmental Assessment application. Hillsborough Resources Ltd is completing a pre-feasibility study for its **Wapiti** open-pit and underground thermal coal project, northeast of Tumbler Ridge. It is proposed that the coal would be used to power a coal-fired power plant.

Central - Major Development Projects

In the Toodoggone region, Northgate Minerals

Corp's **Kemess North** project, near its Kemess South mine, is being reviewed by a joint Federal and Provincial panel. The review of Kemess North is expected to be completed by mid-2007. If approved, the combined operations of the mine and the Kemess North deposit could extend the mine life to 2020. Kemess North has proven and probable resources of 424 million tonnes grading 0.3 g/t Au and 0.155% Cu. During 2006, a large deep drilling program targeted the deep KN Offset and Kemess East zones.

Sable Resources Ltd completed a 20-hole drilling program on its Shasta epithermal gold-silver deposit, east of its Baker (Chappelle) mine. In 2005, Sable produced 15 kg of gold and 321 kg of silver from an open cut at Shasta. The company plans to mine highgrade ore in 2007 and will utilize its nearby 100-tonneper-day mill and tailings facility at Baker.

Cross Lake Minerals Ltd collared a portal and commenced drifting towards the North zone mineralization at its dormant QR gold-skarn mine, located southeast of Quesnel. The current measured and indicated resource totals 670 500 tonnes grading 4.9 g/t Au. The company hopes to be able to add significant tonnage to this by conducting detailed underground drilling. The company received government approval in December to restart the mine; production is scheduled for the summer of 2007.

In the Wells-Barkerville gold belt, International Wayside Gold Mines Ltd conducted pre-feasibility studies of the Bonanza Ledge gold deposit on its **Cariboo Gold Quartz** property. The company plans to operate an open-pit mine with replacement and vein-type resources estimated at 250 000 tonnes grading 7.3 g/t Au.

South-Central - Major Development Projects

Taseko Mines Limited completed a scoping study as part of its revised feasibility study on its **Prosperity** copper-gold project, southwest of Williams Lake. Ongoing ground and research work to support the company's Environmental Assessment Application was completed. Measured and indicated resources are estimated at 491 million tonnes grading 0.43 g/t Au and 0.22% Cu.

Northwest of Clinton, J-Pacific Gold Inc completed a drilling program aimed at identifying additional resources which might lead to a decision to re-start the mill at its **Blackdome** gold-silver epithermal vein deposit.

The historic **Bralorne** mesothermal gold mine near Goldbridge was the focus of considerable underground and surface drilling by Bralorne Gold Mines Ltd. Drilling tested the Maud's structure, the Noelton Vein and the King-Bralorne Mine gap. Almaden Minerals Ltd completed infill drilling at the WD vein on its past-producing **Elk** gold-silver mine, 45 kilometres southeast of Merritt. Additional holes tested the Siwash East and B zones. The company owns a 100 tonne-per-day mill and hopes to put the mine back into production in the next few years.

In the Kamloops region, New Gold Inc completed about 30 000 metres of surface and underground drilling on its **New Afton** porphyry copper-gold-silver deposit. The deposit sits directly beneath an open pit from which there was production from 1977 to 1987. Combined measured and indicated resources are estimated at 66 million tonnes grading 1.02% Cu, 0.77 g/t Au and 2.59 g/t Ag. This estimate did not incorporate some of the significant deep drilling results obtained from the Czone, which lies vertically below the current resource. Underground block caving with some sublevel caving is proposed. Following completion of a feasibility study in early 2007, the company plans to quickly advance the project towards a production decision to construct an underground mine, perhaps as early as 2009.

International Bethlehem Mining Corp is evaluating the viability of reprocessing the zinc and copper contained in the mill tailings pond on its dormant **Goldstream** property, north of Revelstoke. Metallurgical studies have recently been completed and results are expected in 2007.

Southeast – Major Development Projects

Roca Mines Inc's **MAX** porphyry molybdenum project, southeast of Revelstoke, has been in the construction phase throughout 2006, after receiving its Mine Permit in late 2005. The company expects to commence production in 2007. Initial underground mining will target a high-grade measured and indicated resource of 280 000 tonnes grading 1.95% MoS₂. It plans an initial annual production of 72 000 tonnes, which could be doubled with the assembly of a second mill circuit.

Cline Mining Corp entered the Environmental Assessment Process with its **Lodgepole** coal project, located 30 kilometres southeast of Fernie. Cline continued baseline environmental monitoring in 2006.

Southwest - Major Development Projects

In recent years, the most significant industrial minerals trend in British Columbia has been an increasing export of crushed stone and natural aggregate to urban centres along the west coast of the United States and higher sales within British Columbia's Lower Mainland. These markets continue to be very competitive as industry identifies new potential for development. A good example of this is Polaris Minerals Corp's Orca project near Port McNeil on



Photo 5. Looking northeasterly over the millsite construction area towards Trout Lake, MAX project (photo by T. Schroeter).

northern Vancouver Island. The recently permitted **Orca** sand and gravel project is scheduled to commence production by the end of 2006. First year sales are estimated at 1.4 million tonnes; the company hopes to eventually ramp production up to over 6 million tonnes annually. The focus is on the California market. Polaris is also permitted for the **Eagle Rock** quarry, a construction aggregate complex and ship-loading facility near Port Alberni. The project has a large resource of granite (690 Mt); however, a feasibility study is on hold as the company's focus has shifted to its Orca quarry.

MINERAL EXPLORATION

There were approximately 240 exploration projects in British Columbia with budgets in excess of \$100 000 (selected projects listed in Table 3 and shown in Figure 7), up 20% from 2005. This includes 72 projects with expenditures in excess of \$1 million, up 67% from 2005, and representing approximately 78% of total expenditures.

The total metres drilled rose significantly, with about 240 projects aggregating approximately 830 000 metres, up 26% from 2005. Approximately 82% of exploration spending was on advanced projects, while 14% and 4% was on grassroots and minesite programs, respectively (Figure 8). Porphyries and related targets account for half of the total (Figure 9), including approximately 10% for molybdenum porphyries (42 projects).

An estimated 620 exploration projects were carried out during 2006, with seasonal jobs directly related to these projects totaling approximately 4550. In addition, more that 600 full-time mineral exploration jobs are based out of major urban centres in B.C.

Many companies were unable to complete programs during 2006 due to a shortage of drills, drillers, field crews and/or helicopters. As well, delays in receiving analytical results were common. As a result, some programs were not completed before the onset of severe

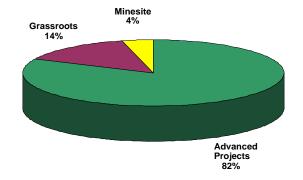


Figure 8. Exploration expenditures by type of program - 2006.

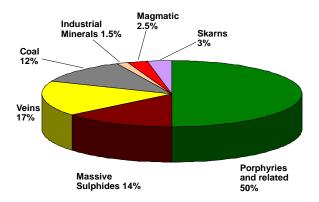


Figure 9. Percentage of project expenditures, focused on specific deposit types in 2006.

winter weather either slowed or shut them down.

Provincial exploration expenditures for coal decreased by 20% to about \$32 million in 2006, as lower coal prices reduced the number of projects. Twenty-four drilling projects with an aggregate of approximately 122 000 metres were completed. Exploration expenditures on industrial minerals projects are estimated at \$3.5 million.

At least 30 new mineral discoveries were reported in 2006 throughout the province (Figure 10). They are porphyry, polymetallic massive sulphide, vein or skarn prospects.

Northwest - Major Exploration Projects

In the northwest corner of the province near the historic Atlin placer gold camp, Prize Mining Corp commenced a bulk sampling program on its **Yellowjacket** gold property.

Across the Tulsequah River west of the Tulsequah Chief deposit, Canarc Resource Corp completed 24 000 m its **New Polaris** gold property. The C vein has been traced to 350 m below surface, and several high-grade and bulk of in-fill drilling at 30-m centres on the C vein system of mineable intersections were reported. Underground

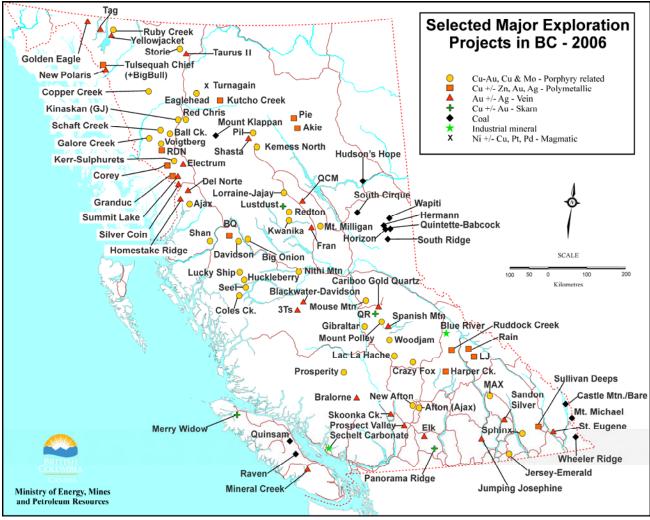


Figure 7. Selected major exploration projects in British Columbia - 2006.

drilling will commence early in 2007.

Near Cassiar, Cusac Gold Mines Ltd discovered new gold mineralization in the Oro vein on its **Taurus 11** property, which adjoins the Taurus bulk-mineable project on the south. Columbia Yukon Resources Inc completed 5000 metres of drilling on its **Storie** molybdenum prospect, as a first step toward verifying results of historic work conducted by Shell Canada Resources in the 1980s.

Northwest of Dease Lake, Hard Creek Nickel Corporation completed over 19 000 m of drilling on its bulk-tonnage **Turnagain** nickel deposit. The company hoped to increase the measured and indicated resource of 105.7 million tonnes grading 0.21% Ni contained in sulphides, as well as evaluating the platinum and palladium content of the serpentinized ultramafic body. West of Iskut, the Donnelly North zone was discovered by Canadian Gold Hunter Corp on its **Kinaskan (GJ)** copper-gold property, as part of its 18 230-m drilling campaign. It also delineated shallow high-grade mineralization in the Donnelly zone. Copper Fox Metals Inc continued drilling to confirm grades and to collect samples for metallurgical testing on its **Schaft Creek** porphyry coppermolybdenum-gold-silver porphyry deposit, located 50 km south of Telegraph Creek. Historic measured and indicated resources are estimated at 629 million tonnes grading 0.35% Cu, 0.026% Mo and 0.21 g/t Au, at a 0.3% Cu- equivalent cut-off. The company entered the project into the Environmental Assessment Process.

Seabridge Gold Inc completed 9100 metres of drilling on the Sulphurets Gold and Mitchell zones on **Kerr-Sulphurets** bulk-tonnage. its copper-goldmolybdenum property, 40 km north of Stewart, for which there are previous resource estimates. Immediately to the east, Silver Standard Resources Inc reactivated exploration on its Snowfield gold molybdenum project. Drilling in 2006 identified a higher-grade core within newly reported measured 4 707 000 tonnes grading 2.2 g/t Au and 0.009% Mo and indicated 15 373 000 tonnes grading 2.09 g/t Au and 0.014% Mo, as well as inferred 5.5 million tonnes grading 1.96 g/t Au and 0.012% Mo, at a 1.5 g/t Au cutoff grade.

TABLE 3. SELECTED MAJOR EXPLORATION PROJECTS IN BRITISH COLUMBIA IN 2006

Property	Operator	Minfile (NTS)	Commodity	Deposit Type	Work Program	Regio
3Ts	Silver Quest Resources Ltd	093F 055, 068	Au-Ag	Epithermal vein	G; DD (~4000 m)	С
Afton Area (West Ajax, East Ajax, DM, Audra)	Abacus Mining and Exploration Corp	92INE012, 013, 030	Cu, Au, Ag, Pd	Alkalic Porphyry	DD (~35 000 m)	SC
Ajax Ajax	Tenajon Resources Corp New Gold Inc	103P 223 92INE012, 013	Mo Cu, Au	Porphyry Alkalic Porphyry	DD (~3400 m, 6 holes) DD (~2500 m)	NW SC
Akie	Mantle Resources Inc	094F 031	Zn-Pb-Ag	Sedex	G; GC; DD (4881 m, 11 holes)	С
Albert's Hump (Ranch)	Guardsmen Resources Inc	094E 079	Au	Epithermal Vein	G; GC; DD (645 m, 7 holes)	С
Axe	Westar Resources Corp / Bearclaw Capital Corp	92HNE143, 040, 142	Cu, Au, Ag	Alkalic Porphyry	DD (1700 m, 5 holes)	SC
Ball Creek	Paget Resources Corp	104G 018, 042	Cu, Au	Porphyry	Geol; DD (~900 m, 4 holes)	NW
Barbara	Mountain Boy Minerals Ltd		Ag, Pb, Zn	VMS	DD (1183 m, 14 holes)	NW
Barnes Creek	Columbia Yukon Explorations Inc	82L/01W	Au, Ag	Epithermal Vein	DD (~800 m); TR (~1200 m)	SC
Beale Lake	Sutcliffe Resources Inc	1041 098	Au	Intrusion- related	DD (1928 m, 10 holes)	NW
Belcourt-Saxon	Peace River Coal Partnership	093l 014, 016	Coking Coal	Sedimentary	G; GP; RD (430 m); CQ; PF; FS	NE
Big Nic / Emory Creek	Pacific Coast Nickel Corp	(92H/11W)	Ni-Cu-PGE	Magmatic	G; MG (2.4 km); AB (74.4 km)	SW
Big Onion	Eagle Peak Resources Ltd	93L 124	Cu, Mo, Au	Porphyry	DD (2700 m, 11 holes)	NW
Blackdome Mine	J-Pacific Gold Inc	920 053	Au, Ag	Epithermal Vein	DD (~4000 m)	SC
Blackwater-Davidson	Silver Quest Resources Ltd	093F 037	Au-Ag	Epithermal Vein	DD (353 m)	С
Blue River (Upper Fir, Fir and Verity)	Commerce Resources Corp	83D 005, 035	Ta, Nb, Phosphate	Carbonatite	DD (3400 m, 17 holes); EN; FS; G; MS; PF	SC
BQ	Endurance Gold Corp	None	Au	Epithermal	G; IP; DD (2017 m, 11 holes)	NW
Bralorne (New Vein - Noelton Vein, Shaft, Maud, Pioneer)	Bralorne Gold Mines Ltd	92JNE001	Au, Ag	Mesothermal Vein	DD (10 278 m); FS	SC
Bronson Slope	Skyline Gold Corp	104B 077	Au, Cu	Porphyry	DD (700 m, 4 holes)	NW
Burnt River (Dillon & Blind)	Western Canadian Coal Corp	093P 007, 008	PCI Coal	Sedimentary	RD (1510) m; GP; CQ; PF; FS	NE
Cariboo Gold Quartz (incl. Bonanza Ledge, Mucho Oro)	International Wayside Gold Mines Ltd	093H 019	Au	Replacement, Mesothermal Vein	A; G; TR; DD (~4500 m); GT; PF; EN	С
Carmi	Hi Ho Silver Resources Ltd	082ENW036	Мо	Porphyry	IP; DD (2000 m)	SE
Castle Mountain/Bare Mountain	Elk Valley Coal Corporation	082JSE006, 008	coal	Sedimentary	A; RC (23 871 m, 66 holes)	SE
Chappelle (Baker mine area)	Sable Resources Ltd	094E 026	Au-Ag	Epithermal Vein	DD (1372 m, 8 holes)	С
Chu	TTM Resources Ltd	093F 001	Мо	Calc-Alkalic Porphyry	A; G; GC; DD (est. 600 m)	С
Clone	Canasia Industries Corp	103P 251	Au	Shear Vein	AB-EM; DD (988 m, 7 holes)	NW
Coal Creek	West Hawk Development Corp.	93L 147	Thermal coal	Coal	RC (1474 m, 15 holes)	NW

Property	Operator	Minfile (NTS)	Commodity	Deposit Type	Work Program	Regio
Coles Creek	Callinan Mines Ltd	93E 042	Cu, Mo	Porphyry	GC; IP; DD (4495 m, 8 holes)	NW
Congress (Lou, Howard, Golden Ledge)	Levon Resources Ltd	92JNE029, 131, 132	Au, Ag, Cu, Sb	Mesothermal Vein	DD (~2000 m)	SC
Copper Ace South	Copper Ridge Explorations Inc	093B 061, 062	Cu-Mo	Calc-Alkalic Porphyry	G; DD (801 m, 3 holes)	С
Copper Creek	Firesteel Resources Inc	104J 035	Cu, Au	Porphyry	TR (1700 m)	NW
Corey	Kenrich Eskay Mining Corp	104B 011, 355	Au, Ag	Epithermal VMS	DD (12 914 m, 54 holes)	NW
Coyote Creek	Eagle Plains Resources Ltd./CGC Inc	82FNW071, 077, 078	Gypsum	Evaporite	DD (1614 m, 3 holes)	SE
Crazy Fox	Newmac Resources Inc	092P 014, 015, 016	Mo, W	Porphyry	DD (7490 m, 33 holes), TR (~1200 m)	SC
Crowsnest	La Quinta Resources Corporation	082GSE070	Au	Intrusion-related	A; TR	SE
Davidson (Yorke-Hardy)	Blue Pearl Mining	93L 110	Мо	Porphyry	EN; UG (50 m); DD (7568 m, 30 holes)	NW
Del Norte	Sabina Resources Limited	104A 176, 161	Au, Ag	Epithermal Vein	DD (~2000 m, 12 holes)	NW
Dobbin	Molycor Gold Corp / Goldrea Resources Corp	82LSW005	Cu, Pt, Pd	Magmatic; porphyry?	DD (1750 m)	SC
Double Ed (Coastal)	Kenrich Eskay Mining Corp	103P 025	Cu, Zn	VMS	AB-EM; DD (13 000 m, 51 holes)	NW
Eaglehead	Carmax Explorations Ltd	1041 008	Cu, Au	Porphyry	DD (3076 m, 10 holes)	NW
Electrum	American Creek Resources Ltd	104B 033	Au, Ag	Vein	TR; DD (2797 m, 21 holes)	NW
Elk (Siwash North)	Almaden Minerals Ltd	92HNE096	Au, Ag	Mesothermal Vein	DD (8874 m, 45 holes); TR (300 m); GC; EN; PF	SC
Empire	American Creek Resources Ltd	92INE082, 086 ,088, 161	Au, Ag	Vein, Porphyry	AB-MG; AB-RD (1070 km); P; GP; G	SC
Endako	Blue Pearl Mining Ltd	93K 006	Мо	Porphyry	DD (5941 m, 35 holes)	NW
Fireweed	Argentor Resources	93M 151	Ag, Pb, Zn	Manto, Replacement	DD (937 m, 5 holes)	NW
Fox 1-21 (Deception)	Happy Creek Minerals Ltd	none	W, Mo, Zn, Au	Skarn	GC; G; TR (~1650 m)	SC
FR	Mountain Boy Minerals	104A 117, 118, 119	Ag	Vein	DD (1500 m)	NW
Fran	Yankee Hat Minerals Ltd	093N 207	Au-Cu	Alkalic Porphyry	A; G; GC; GP; DD (2060 m, 14 holes)	С
Frank Creek, SCR, Ace	Barker Minerals Ltd	093A 142, 143, 153	Cu-Zn-Pb-Au- Ag	VMS; Mesothermal Vein	A; G; GC; TR; DD (2037 m, 5 holes)	С
Galaxy	Discovery - Corp Enterprises Inc	92INE007	Cu, Au	Alkalic Porphyry	G; GC; DD (286 m, 3 holes)	SC
Galore Creek	NovaGold Resources Inc	104G 090	Cu, Au	Skarn, Alkalic Porphyry	DD (~35 000 m, 62 holes); FS	NW
Giant Copper	Imperial Metals Corporation	92HSW001, 2, 27, 161	Cu±Mo±Au	Porphyry	DD (1212 m, 2 holes)	SW
Gibraltar	Taseko Mines Ltd	093B 005-008, 011-013	Cu-Mo	Calc-Alkalic Porphyry	G; GC; DD (~26 000 m)	С
Golden Eagle	Signet Minerals Inc	104M 057, 075, 085	Au	Epithermal Vein; Skarn	DD (945 m, 6 holes)	NW
Goodrich Central-South	First Coal Corporation	093O 034	Coking Coal	Sedimentary	A; G; GP; DD (6500 m); RD (4000); CQ	NE

Property	Operator	Minfile (NTS)	Commodity	Deposit Type	Work Program	Regio
Greenhills Mine (Cougar North)	Elk Valley Coal Corporation	082JSE007	Coal	Sedimentary	RC (5115 m)	SE
Greenwood Gold	Merit Mining Corp	082ESE032, 033, 041, 042	Au, Cu	Mesothermal Vein/polymetallic Vein	TR; PF	SE
Harper Creek	Yellowhead Mining Inc	82M 009	Cu, Ag, Au, Zn, Mo	Stratiform Disseminated	DD (5000 m); GP-IP (45 km); GC; G	SC
Hen	Swift Resources Inc	093A 048	Au	Mesothermal Vein	G; GC; TR	С
Hepburn Lake	Acrex Ventures Ltd		Au	Mesothermal Vein	A; G; GC; DD (1958 m, 11 holes)	С
Hermann	Western Canadian Coal Corp	093I 031	Coking Coal	Sedimentary	RD (2940 m); DD (1575 m); CQ; EN; PF; FS	NE
Highland Valley Mine	Highland Valley Copper	92ISW012, 045, 92ISE013	Cu, Mo	Porphyry	DD (6482 m, 12 holes)	SC
Homestake Ridge	Bravo Venture Group Inc	103P 216	Au, Ag	Vein	DD (6532 m, 28 holes)	NW
Horizon (Five Cabin)	Hillsborough Resources Ltd		Coking Coal / PCI Coal	Sedimentary	A; G; TR; RD (10 532 m); CQ; EN; PF	NE
Howell	La Quinta Resources Corporation	082GSE037, 048	Au	Intrusion-related	DD (1070 m, 9 holes)	SE
HPH	New Livingstone Minerals Inc	092L 069	Ag, Zn, Pb, Cu, Au, Mag	Skarn/Manto TR	BU (900 t)	SW
Hudson's Hope	Kennecott Canada Exploration Inc		Coking Coal	Sedimentary	G; GP; CQ; RD (470 m)	NE
Iron Lake	Argent Mining Corp. / Eastfield Resources Ltd	92P 132	Cu, Au, Pd, Pt	Magmatic PGE	UT; DD (680 m)	SC
Irony	Jasper Mining Corp.	(082M076)	Zn-Pb-Ag	Sedex	DD (400 m); AB-EM; AB- MG (564 km); GC	SC
Isintok Lake	Jasper Mining Corp.	82ENW093	Ag, Cu, Mo	Porphyry	DD (~5000 m); IP (16 km); GC	SC
Jake, CLO	Rimfire Minerals Corp	None	Au	Porphyry / Mesothermal Vein	GP-EM; VLF; GC; TR (~1000 m)	SC
Jamieson - Bullion	American Creek Resources Ltd	92INE082, 086, 088	Au	Mesothermal Vein	DD (~1000 m)	SC
Jersey-Emerald	Sultan Minerals Inc	082FSW009, 010, 011, 218	Mo, W	Porphyry (Mo), Skarn (W)	DD (389 m)	SE
JJ	Astral Mining Corp	082E083, 084, 085, 086, 087	Au	Intrusion-related	G; GC; AB-GP; TR	SE
JTM (Misty, Slide)	Teck Cominco Limited	093N 001	Cu-Au	Alkalic Porphyry	G; GC; DD (3070 m)	
Kamloops Gold	Williams Creek Explorations Limited / New Gold Inc	921.086	Cu, Au	Alkalic Porphyry	DD (4048 m)	SC
Kemess North area	Northgate Minerals Corporation	094E 021	Au-Cu	Calc-alkalic Porphyry	A; G; GC; IP; DD (8632 m, 35 holes); FS	С
Kemess South	Northgate Minerals	094E 094	Au-Cu	Porphyry	DD (2936 m)	С
Kena (Silver King zone)	Corporation Sultan Minerals Inc	82FSW176	Ag, Cu, Au	Polymetallic Veins	DD (496 m)	SE
Kerr-Sulphurets	Seabridge Gold Inc	104B 103, 182	Cu, Au	Porphyry	DD (9129 m, 29 holes)	NW
Ketchan	Copper Belt Resources Ltd	92HNE115, 118	Cu, Au, Ag	Alkalic Porphyry	DD (~2000 m)	SC
Kinaskan (GJ)	Canadian Gold Hunter Corp	104G 034, 086	Cu, Au	Porphyry	G; DD (18 133 m, 62 holes)	NW
Kliyul	Geoinformatics Exploration Inc	094D 023	Cu-Au	Porphyry	G; GC; DD (751 m, 2 holes)	С

Property	Operator	Minfile (NTS)	Commodity	Deposit Type	Work Program	Regior
Kutcho Creek	Western Keltic Mines Inc	1041 060	Cu, Zn, Ag, Au	VMS	EN; DD (~2200 m)	NW
Kwanika	Serengeti Resources Inc	093N 018, 073	Cu-Au	Alkalic Porphyry	G; GC; IP; DD (1889 m, 10 holes)	С
Lac La Hache (Aurizon, Peach lake, Peach Melba, Ann North, Spout Lake, North and South Zones)	GWR Resources Inc	092P 001, 002, 034, 035, 108, 120, 153	Cu-Au	Porphyry/Skarn	TR; DD (~6000 m)	SC
₋ang Bay	Electra Gold Ltd	092F 137	Kaolinite, clay	IM	DD (457 m, 6 holes)	SW
awyers	Bishop Gold Inc	094E 068	Au-Ag	Epithermal vein	G; GC; DD (645 m, 5 holes)	С
_ehigh Texada	Lehigh Northwest Materials Ltd	092F 104	Limestone	IM	A, DD (2000 m, 15 holes)	SW
Line Creek Mine (Horseshoe Ridge)	Elk Valley Coal Corporation	082GNW021	Coal	Sedimentary	RC (2076 m, 15 holes)	SE
_J	Consolidated Venturex Holdings Ltd	82M 264	Zn, Pb, Cu, Au, Ag	Besshi VMS	G; DD (1542 m, 10 holes)	SC
loyd-Nordik	Valley High Ventures Ltd	093A 160	Cu-Au	Alkalic Porphyry	G; GC; IP; MAG; DD (~5600 m, 7 holes)	С
_orraine-Jajay	Teck Cominco Limited	093N 002, 066, 224	Cu-Au	Alkalic Porphyry	A; G; GC; DD (2606 m)	С
Louise Lake	North American Gem Inc	93L 079	Cu, Au, Mo	Porphyry	DD (3387 m, 12 holes)	NW
ucky Ship	New Cantech Ventures	093L 053	Мо	Porphyry	DD (~6000 m, 18 holes)	NW
Lustdust	Alpha Gold Corp	093N 009, 008	Au-Ag-Cu-Zn- Pb	Skarn; Manto; Mesothermal Vein	A; G; GC; TR; DD (6287 m); RC (3196 m)	С
Macktush	SYMC Resources Ltd	92F 012	Au-Ag-Cu+Mo	Vein, Porphyry	G, GC, DD (860 m)	SW
Naple Leaf	Saturn Minerals Inc	104K 117	Cu, Zn, Ag,	VMS	DD (1346 m, 7 holes)	NW
Merry Widow	Grande Portage Resources Ltd	092L 044	Au Au-Ag-Cu± Co	Skarn	DD (~4500 m, in progress), AB, IP (8.85 km)	SW
Mess Creek	Paget Resources Corp	104G 040	Cu, Au	Porphyry	DD (~800 m)	NW
Midnight/IXL/OK	West High Yield (W.H.Y.) Resources Ltd	082FSW119, 116, 117	Au	Mesothermal Vein	DD (2725 m, 23 holes)	SE
Mineral Creek	Bitterroot Resources Ltd	092F 079, 331	Au-Ag	Vein	DD (9000 m, 44 holes)	SW
Aolybdenum Creek	BCM Resources Corp	1031 016	Мо	Porphyry	DD (~1000 m, 3 holes)	NW
/olygold	TTM Resources Inc	092JW007,	Cu-Mo	Porphyry	DD (2000 m); IP; GC	SW
Monroe Lake	St. Eugene Mining Corporation	017, 018 082GSW035	Pb, Zn, Ag	Polymetallic Vein	AB-GP; DD (624 m, 5 holes)	SE
Mount Klappan	Fortune Minerals Limited	104H 021	Anthracite	Coal	EN; FS	NW
Mount Polley	Imperial Metals Corporation	093A 008, 093A 164	Cu-Au-Ag	Alkalic Porphyry	G, GC, TR; DD (~23 000 m); PF; FS	C
Mouse Mountain	Richfield Ventures Corp	093G 003	Cu-Au	Alkalic	G; GC; 3D IP; TR	С
Mt. Michael	Elk Valley Coal Corporation	082GNE022	Coal	Porphyry Sedimentary	A; RC (9051 m, 33 holes)	SE
Mt. Milligan	Terrane Metals Corp	093N 191, 194	Au-Cu	Alkalic Porphyry	G; DD (~8500 m); MT; FS	С
Murphy Lake	Candorado Operating Co Ltd	93A 044, 073, 113, 063, 92P	Cu, Au	Alkalic Porphyry	DD (800 m); IP, AB-RD; AB- MG, GC	SC
Murray River	Kennecott Canada Exploration Inc	004 -	Coking Coal	Sedimentary	G; GP; CQ; RT (512 m)	NE
Myra Falls mine	Breakwater Resources	92F 330, 071,	Cu-Zn-Au-Ag-	VMS	DD (~5000 m, in progress),	SW

Property	Operator	Minfile (NTS)	Commodity	Deposit Type	Work Program	Regio
New Afton	New Gold Inc	92INE023	Cu, Au, Pd, Ag	Alkalic Porphyry	CD; FS; EN; GD; MS; PF; DD (~30 000 m);	SC
New Polaris	Canarc Resource Corp	104K 003	Au	Mesothermal Vein	DD (24 394 m, 69 holes)	NW
Newmac, Bluff	Newmac Resources Inc	92N 030, 054, 055, 021?	Cu, Ag, Au	Porphyry, Vein	DD (est. 800 m); IP	SC
Newmont Lake	Romios Gold Resources Inc	104B 281, 282	Au, Cu	Skarn	IP; DD (771 m, 10 holes)	NW
Newton Hill	High Ridge Resources Inc	0920050	Cu, Au	Porphyry	DD (2019 m, 12 holes); TR (3000 m)	SC
Nicomen River	Tanqueray Resources / Almaden Minerals Ltd	(0921014)	Au, Ag	Epithermal vein	GC; TR (425 m)	SC
Nithi Mountain	Leeward Capital Corp	093F 006-016	Мо	Calc-Alkalic Porphyry	A; G; GC; DD (3275 m, 16 holes)	С
ОК	Goldrush Resources Ltd	92K 008, 057,	Cu-Mo	Porphyry	A; GC	SW
Oscar (Oxide)	Dajin Resources Corp	155 082FSW022	Zn, Pb	Oxide	A	SE
Panorama Ridge	Goldcliff Resource Corp	82ESW052,	Au	Skarn	DD (2213 m); TR (1450 m);	SC
Pat (Giscome)	Graymont Western Canada Ltd	259 093J 025	Limestone	Sedimentary	A; G; GC; DD (~2400 m)	С
Peak	Grizzly Diamonds Ltd	93M 015	Au, Ag	Vein	AB-EM; DD (1445 m, 7 holes)	NW
Pearson (Reko, Bugaboo)	Emerald Fields Resource Corp	092C 022	PGE, Ni, Cu	Mag, Skarn	AB-MG (1970 km)	SW
Pie	Ecstall Mining Corp	094F 023	Zn-Pb-Ag	Sedimentary- Exhalative	G; GC; DD (4263 m, 14 holes)	NE
Pil North	Finlay Minerals Ltd	094E 029, 083, 213, 216	Au-Cu	Porphyry	A; G; GC; TR; DD (1945 m, 12 holes)	С
Poly	Lateegra Resources Corp	104A 026, 128	Au	Shear Vein	DD (~700 m)	NW
Porcher Island	Cross Lake Minerals Ltd	103J 017	Au	Vein	DD (est. 1500 m)	NW
Princeton	Anglo Canadian Uranium Corp	092HSE033	Cu, Au, Pd, Ag	Porphyry	DD (~1500 m, 12 holes)	SC
Prospect Valley	Consolidated Spire Ventures Ltd	92ISW105(?)	Au, Ag	Epithermal Vein	GP (48 km); DD (3734 m, 20 holes)	SC
Prospect Valley (NIC)	Consolidated Spire Ventures Ltd / Almaden Minerals Ltd	none	Au, Ag	Epithermal Vein	GP; DD (1500 m, 5 holes)	SC
Prosperity	Taseko Mines Ltd	92O 041	Cu, Mo, Au	Porphyry	FS; EN;	SC
Purcell Block	Ruby Red Resources	082FSE116	Au	Sedex	G; GC; A; TR	SE
QCM	Canadian Gold Hunter Corp	093N 200	Au	Mesothermal Vein	IP; EM; MG; DD (1529 m, 10 holes)	С
QR	Cross Lake Minerals Ltd	093A 121	Au	Skarn	A; UG; G;	С
Quinsam Coal mine	Quinsam Coal Corp (Hillsborough Resources Ltd)	092F 319	Thermal coal	Sedimentary	RD (800 m)	SW
Quintette-Babcock Window	Elk Valley Coal Partnership	093I 011	Coking Coal	Sedimentary	A; G; GP; RC (3262 m); RD (2559 m); CQ	NE
Rain (Sorcerer)	International Bethlehem Mining Corp	82M 156	Cu, Mo, W	Skarn	AB-EM; AB-MG (590 km); DD (800 m, 4 holes)	SC
Rateria	Happy Creek Minerals Ltd	92ISE092, 150, 060	Cu, Mo	Calc-alkalic Porphyry	DD (~3000 m, 6 holes)	SC
Raven	Compliance Energy Corp	092F 333	Metallurgical coal	Sedimentary	GP (21 km seismic); RD+DD (2850 m, 12 holes); BU (12 t)	SW
RDN	Northgate Minerals Corp	104G 144	Au, Ag, Pb, Zn	VMS	AB-EM; DD (1350 m, 4 holes)	NW

Property	Operator	Minfile (NTS)	Commodity	Deposit Type	Work Program	Regior
Red Bird	Torch River Resources Ltd	93E 026	Мо	Porphyry	DD (2134 m, 7 holes)	NW
Red Chris	bcMetals Corporation	104H 005	Cu, Au	Porphyry	DD (4676 m, 14 holes)	NW
Red Hill	Avalon Ventures Ltd	92INW042	Cu, Zn, Au, Ag	VMS	DD (1120 m, 4 holes); G; GP	SC
Redton	Geoinformatics Exploration Inc	093N 067, 082, 095	Cu-Au	Alkalic Porphyry	G; GC; GP; DD (4032 m, 12 holes)	С
Reesor	Anglo Coal Canada Inc	093P 017	Coking Coal	Sedimentary	A; G; GP; RD (1250 m)	NE
Ruby Creek	Adanac Molybdenum	104N 052	Мо	Porphyry	DD (2688 m, 13 holes)	NW
Ruddock Creek	Corp Selkirk Metals Corp / Doublestar Resources Ltd	082M 084	Zn, Pb, Ag	Stratiform	DD (14 551 m, 38 holes); AB-EM; AB-MG; GP; GC	SC
Sandon Silver	Klondike Silver Corp	082FNW043	Ag, Pb, Zn	Polymetallic Veins	GC; AB-GP; MG; GC; TR	SE
Schaft Creek	Copper Fox Metals Inc	104G 015	Cu, Mo, Au	Porphyry	DD (9008 m, 42 holes); EN	NW
Sechelt Carbonate	Pan Pacific Aggregates Ltd	092GNW031	Dolomite and other	Sedimentary	DD (9000 m); AB-EM (740 000 m); G ; GC	SW
Seel	Gold Reach Resources Ltd	93E 105	Cu, Au	Porphyry	DD (6046 m, 25 holes)	NW
Seneca	Carat Exploration Inc	092HSW013	Zn-Cu-Pb-Ag- Au	VMS	DD (~3000 m, in progress); G; GC; AB (1 080 000 m)	SW
Shan	BCM Resources Corp	103I 114	Мо	Porphyry	DD (3550 m, 20 holes)	NW
Shasta	Sable Resources Ltd	094E 050	Au-Ag	Epithermal Vein	DD (1511 m, 20 holes)	С
Silver Coin	Pinnacle Mines Ltd	104B 095	Au, Ag, Pb, Zn	Vein	DD (24 206 m, 115 holes)	NW
Skoonka (JJ, Discovery)	Strongbow Exploration Inc / Almaden Minerals Ltd	92ISW104, 105	Au, Ag	Epithermal Vein	DD (4500 m); AB-GP; GP; GC; G; TR	SC
Snip North	Newcastle Minerals Ltd	104B 089	Au, Cu	Porphyry	DD (1095 m, 5 holes)	NW
Snowfield	Silver Standard Resources Inc	104B 179	Au	Porphyry	DD (6141 m, 26 holes)	NW
South Cirque	First Coal Corporation	093O 034	Coking Coal	Sedimentary	A; G; GP; DD (4500 m); CQ	NE
South Ridge	Anglo Coal Canada Inc		Coking Coal	Sedimentary	A; G; GP; RD (9900 m); DD;	NE
Spanish Mountain	Skygold Ventures Ltd / Wildrose Resources Ltd	093A 043	Au	Mesothermal Vein	CQ A; G; GC; AB-EM, MAG; RC (5040 m); DD (21 846 m)	С
Spences Bridge (Mag/LP, Silk, Southern Belle, Inn, Shovelnose)	Strongbow Exploration Inc	O92I	Au, Ag	Epithermal Vein	GC; G; Prosp.	SC
Sphinx	Eagle Plains Resources Ltd	082FNE004, 094, 095	Mo, W	Porphyry	DD (1700 m, 3 holes)	SE
St. Eugene	St. Eugene Mining Corporation	82GSW023, 025, 030	Pb, Zn, Ag	Polymetallic Vein	AB-GP; DD (1421 m, 4 holes)	SE
Stirrup	Anglo-Canadian Uranium Corp	(0920054)	Au	Epithermal Vein	DD (~3000 m, 10 holes)	SC
Storie	Columbia Yukon Explorations Inc	104P 069	Мо	Porphyry	DD (~5000 m, 20 holes)	NW
Strebbe	S. Strebchuk, Galena Construction	082FNW255	Au	Skarn	A; UG (110 m)	SE
Sukunka	Canadian Dehua International Mines Group Inc	093P 011	Coking Coal	Sedimentary	G; RT (460 m, 2 holes)	NE
Sullivan Deeps	Stikine Gold Corporation	082G 09E	Zn, Pb, Ag	Sedex	A; DD (2400 m)	SE
Summit Lake	Tenajon Resources Corp	104B 034	Au	Intrusion- related vein	UG (110 m); DD 3650 m, 26 holes)	NW
Table	First Coal Corporation		Coking Coal	Sedimentary	G; GP; DD (1500 m); CQ	NE

Property	Operator	Minfile (NTS)	Commodity	Deposit Type	Work Program	Region
Tag	CZM Capital Corp	104M 079, 080	Au, Ag	Epithermal Vein	DD (3108 m, 23 holes)	NW
Taurus II	Cusac Gold Mines Ltd	104P 016, 077	Au	Orogenic gold	G; GC; TR; DD (3300 m, 21 holes)	NW
Tchentlo	Serengeti Resources Inc		Cu-Au	Alkalic Porphyry	G; IP; DD (213 m, 3 holes)	С
Tentfire/Prospect	Anglo Coal Canada Inc		Coking Coal	Sedimentary	G; GP; RT (1200 m); CQ	NE
Thomlinson Creek	Dentonia Resources Ltd	93M 122	Мо	Porphyry	DD (837 m, 3 holes)	NW
Todd Creek	Goldeye Exploration Ltd	104A 001	Cu, Au	Vein	DD (1331 m, 8 holes)	NW
Tonga	Teuton Resources Corp	103P 156	Ag, Au	Vein	AB-EM; DD (1372 m, 7 holes)	NW
Trend (Roman)	NEMI Northern Energy & Mining Inc	0931 030	Coking Coal	Sedimentary	A; G; GP; TR; DD (1237 m); RD (4993 m); CQ; EN; PF; R	NE
Trident (Missy)	Action Minerals Inc / Aries Resource Corp	094K 005, 006, 008, 010, 011, 013, 018, 037, 043, 049, 056, 070, 073, 088	Copper	Mesothermal Vein	G; GC; DD (~2000 m)	NE
Tulox (Joe)	Amarc Resources Ltd	(092P026)	Au	Vein?	GC; IP (36.5 km)	SC
Tulsequah Chief (+Big Bull)	Redfern Resources Ltd	104K 001, 002	Cu, Zn, Ag, Au	VMS	DD (~24 000 m, 67 holes); FS	NW
Turnagain	Hard Creek Nickel Corp	104I 051, 119, 120	Ni, Pd, Pt	Magmatic	DD (19 122 m, 68 holes)	NW
Voigtberg	BC Gold Corp	104G 146	Au	Intrusion- related	G; DD (717 m, 4 holes)	NW
Wapiti	Hillsborough Resources Ltd	093P 021	Thermal Coal	Sedimentary	A; G; RD (1622 m); TR; CT; EN; PF	NE
Wasi Creek	Selkirk Metals	094C 024	Zn-Pb-Ag	Mississippi- Valley Type	A; G; GC; DD (~1000 m)	С
Waterfall	Hillsborough Resources Ltd	-	Coking Coal / PCI Coal	Sedimentary	A; G; TR; RD (4860 m); CQ;	NE
Westport	Williams Creek Explorations Ltd		Au	Mesothermal Vein	A; G; GC; DD (~2000 m, 10 holes)	С
Wheeler Ridge	Elk Valley Coal	093H 027, 034 082GNE006	Coal	Sedimentary	A; RC (5869 m)	SE
Williams Gold	Corporation Arcus Development Group Inc	94E 028	Cu, Mo, Au	Porphyry	DD (864 m, 5 holes)	NW
Wolverine (Perry Creek)	Western Canadian Coal Corp	093P 015, 025	Coking Coal	Sedimentary	RD (4860 m); GP; GT; CD	NE
Woodjam	Fjordland Exploration Inc / Wildrose Resources Ltd	093A 078, 124	Au-Cu	Calc-Alkalic Porphyry	A; G; GC; DD (8172 m)	С
Yellowjacket	Prize Mining Corp	104N 043	Au	Orogenic gold	DD (750 m, 10 holes)	NW
Yuen	Ecstall Mining Corp	094F 013	Zn-Pb-Ag	Sedimentary- Exhalative	G; DD (847 m, 2 holes)	NE

A = access; trail, road construction on claims; AB-EM = airborne electromagnetics; AB-MG = airborne magnetics; AB-RD = airborne radiometrics; BU (X tonnes) = bulk sample (weight in tonnes if known); CD = condemnation drilling; CQ = coal quality testing; CT = carbonization test (coal); DD (Xm) = diamond drilling totaling X metres; EN = environmental baseline studies/monitoring, remediation work; FS = feasibility studies; G = geology, mapping, etc; GC = geochemical sampling (rock, soil, silt, etc); GD = geotech drilling; GP = geophysics (general); IP = Induced Polarization; 3D-IP; MG = magnetics; MK = marketing-primarily for industrial mineral products; MS = metallurgical studies; OB = overburden drilling; P = prospecting; PD = percussion drilling; PF = pre-feasibility studies; R = reclamation; RC = reverse circulation drilling; TR = trenching, UG (X m) = X metres of underground development; UG-BU = underground bulk sample; OP-BU = open-pit bulk sample; UT = UTEM; VLF; WT = washability test (coal)

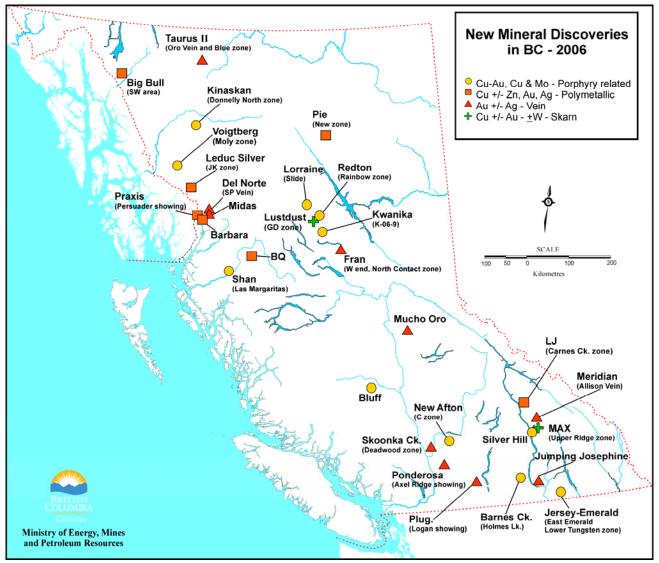


Figure 10. New mineral discoveries in British Columbia in 2006.

North of Stewart, Bell Resources Corp continued to drill the southern extension of the Granduc deposit. The JK magnetite iron formation zone was discovered by prospecting, north of Granduc. Tenajon Resources Corp completed underground drilling at its dormant Summit Lake gold mine, as well as surface drilling at its adjacent Blueberry vein target. At Summit Lake, highlights included a 1.86-metre interval grading 11.38 g/t Au from the M zone, and a 2.13-metre interval grading 9.26 g/t Au from its newly discovered R zone. Nearby at the Electrum (East Gold) gold-silver property of American Creek Resources Ltd, two drilling campaigns tested an extensive alteration zone containing quartz-sulphide veins with significant precious and base metals. Pinnacle Mines Ltd and Mountain Boy Minerals Ltd completed 24 000 m of drilling on their Silver Coin precious and base metal property, which adjoins the historic Silbak-Premier mine on the west side. The property includes Tenajon Resources' Kansas claim.

East of Stewart. Sabina Silver Corp drilled the K-LG and newly discovered SP gold-silver veins on its Del Norte property. South of Stewart, Bravo Venture Group Inc completed 6532 metres of drilling on its Homestake Ridge gold-silver prospect. Significant gold assays were reported over a 300-m strike length, with the highest grades associated with quartz-chalcopyrite vein and breccia mineralization occurring 250 m below historic open cuts. Tenajon Resources Corp conducted a deep drilling program on its Ajax molybdenum prospect and extended mineralization 300 m below the level of Samples historic drilling. were collected for metallurgical testing, and the company is studying a possible road connection from Alice Arm. Kenrich-Eskay Mining Corp drilled 13 000 metres on the Double Ed deposit on its Coastal Copper property in the Anyox district. It also tested anomalies north of the Hidden Creek and Redwing deposits.



Photo 6. Looking westerly over the Homestake Ridge coppergold project (photo by P. Wojdak).

BCM Resources Ltd intersected 0.118% Mo over 59.65 metres in its first drillhole on the **Shan** porphyry property, located 20 kilometres east of Terrace. An expanded drill program totaling 20 holes was completed late in the year.

Just east of Smithers, Eagle Peak Resources twinned a number of holes on its **Big Onion** copper porphyry property. The company plans to complete a NI 43-101 resource calculation of resources in 2007. Just west of Smithers, North American Gem Inc continued to drill its **Louise Lake** copper-gold-molybdenum porphyry deposit.

New Cantech Ventures Inc completed a 5600-metre, infill drilling program on its **Lucky Ship** porphyry molybdenum property, which is located 65 kilometres southwest of Houston. Indicated resources were estimated at 29 million tonnes grading 0.09% Mo, at a cut-ff grade of 0.06% Mo. Late in 2006, New Cantech announced an agreement with Palm Clean Energy Inc of Korea which will finance part of the on-going exploration and production-based programs.

Gold Reach Resources Ltd completed additional drilling on its **Seel** porphyry copper-molybdenum-gold project, located 7 kilometres south of the Huckleberry mine. One hole intersected 138 metres grading 0.845% Cu and 23 g/t Ag. Torch River Resources Ltd drilled its **Red Bird** porphyry molybdenum-copper property, 125 kilometres south of Houston. An inferred resource of 75 million tonnes grading 0.065% Mo was calculated from historic drilling.

Northeast - Major Exploration Projects

Coal exploration spending on Peace River coalfields on 17 projects totalled approximately \$20 million and included approximately 66 000 metres of drilling. The deposits lie within a 400-kilometre northwest trending belt extending from the Alberta-British Columbia border past Hudson's Hope. Much of the coal in this belt can be used in the steel industry as either a coking coal or for pulverized coal injection. The primary markets for these coals are international and particularly in Asia.

In 2006, Anglo Coal Canada Inc agreed to join a consortium of northeastern coal producers known as the Peace River Coal Limited Partnership, comprising Anglo Coal Canada Inc, Hillsborough Resources Ltd and NEMI. The Partnership is planning to raise its annual production to around 5 million tonnes within 5 years, compared with 240 000 tonnes during 2005.

Major exploration programs, most including drilling, were completed on the following projects: **Belcourt Saxon** (Peace River Coal Inc), **Goodrich-Central South** (First Coal Corp), **Horizon** (Peace River Coal Inc), and **Hudson's Hope** (Kennecott Canada Exploration Ltd). Other significant exploration programs included: **Quintette-Babcock Mountain** (Elk Valley Coal Corp), **Trend-Roman Mountain** (NEMI), **Wolverine-Perry Creek** (Western Canadian Coal Corp), **Reesor** (Hillsborough Resources Ltd), **South Cirque** (First Coal Corp), **South Ridge** (Hillsborough Resources Ltd) and **Table** (First Coal Corp).

In the Gataga sedex belt north of Prince George, Mantle Resources Inc drilled its **Akie** zinc-lead-silver deposit, focusing on the Cardiac Creek zone. The mineralized horizon is up to 30 metres thick. Hole A-06-39A intersected 18.1 metres grading 8.16% Zn, 1.58% Pb and 13.9 g/t Ag. Ten kilometres along trend to the northwest, Ecstall Mining Corp identified a new sedex system on its **Pie** property, and tested its **Yuen** property which is located farther to the northwest.

Aries Resource Corp began drilling on its **Trident** high-grade vein-copper property, near the historic, pastproducing Magnum-Churchill mine, 145 kilometres southwest of Fort Nelson. It plans to test numerous Iron Oxide-Copper Gold targets.

Central - Major Exploration Projects

Exploration projects in the Toodoggone included: **Pil North** (Finlay Minerals Ltd), **Brenda** (Canasil Resources Ltd), **Sofia**, **Regal**, **Mac**, **FogMess** and **Louis** (Stealth Minerals Ltd), **Pine** (Cascadero Copper Corp), **Lawyers** (Bishop Gold Inc), **Al** [Ranch] (Guardsmen Resources Ltd), and **Porphyry Pearl** (Starfire Minerals Inc).

Teck Cominco Limited carried out property-wide exploration, including drilling, on the large **Lorraine-Jajay** and **JTM** (Tam and Misty) copper-gold porphyry properties, northwest of Fort St James. Near the Slide showing, drillhole JTM-06-07 assayed 0.72% Cu and 0.07 g/t Au over a 55.5-metre interval. A major drill program is planned for 2007. Alpha Gold Corp drilled its auriferous Canyon Creek copper-skarn zone on its **Lustdust** property, northwest of Fort St James. Drillhole LD06-18 assayed 1.98 g/t Au, 46.9 g/t Ag and 2.17% Cu over a 13.8-metre interval.



Photo 7. Looking northwesterly over the Slide prospect, Lorraine copper-gold project (photo by T. Schroeter).

Serengeti Resources Inc identified a new porphyry copper-gold-molybdenum occurrence with drillhole K-06-09 on its **Kwanika** property, southeast of the Lustdust property. The company reported a 131-metre mineralized interval (visual), which included an upper 33-metre interval containing native copper within a hematitic breccia, a middle 3-metre section containing supergene chalcocite and a lower 89-metre interval comprising hypogene chalcopyrite, pyrite, bornite and molybdenite within a strongly altered monzonite. A 111.13 metre interval assayed 0.69% Cu and 0.54 g/t Au, including a high-grade zone averaging 1.49% Cu and 1.9 g/t Au over 22.5 metres. This discovery precipitated a large, in-fill staking rush between the Kwanika and Lorraine-Jayjay properties to the north.

Geoinformatics Exploration Inc completed a drill program on its large **Redton** porphyry copper-gold property, farther to the east. A 167-metre intersection



Photo 8. Hypogene copper-gold mineralization in core, drillhole K-06-09, Kwanika project. Top: Hematitic breccia with native copper fracture infillings. Middle: Quartz-sulphide (cpy-py)-tourmaline breccia. Bottom: Quartz-sulphide (cpy-py) stockwork in highly altered monzonite (photo courtesy of Serengeti Resources).

grading 0.319% Cu was reported from the Red showing. Late in 2006, Amarc Resources Inc optioned the **Diver Lake (Bodine)** volcanogenic massive sulphide property from Lorne Warren, a Smithers' prospector. The company then staked more than a 100-kilometre strike length of Sitlika Assemblage rocks, east of Takla Lake.

Northeast of Fort St. James, Terrane Metals Corp, new owner of the **Mt. Milligan** copper-gold porphyry deposit, conducted drilling on the WBX and DWBX zones to upgrade the resource classifications. Measured and indicated resources total 206 million tonnes grading 0.247% Cu and 0.6 g/t Au. The project re-entered the Environmental Assessment Process in 2006, and a feasibility study will be released later in 2007.

Yankee Hat Minerals Ltd completed a major drilling and trenching program on the North Contact gold zone on its **Fran** porphyry-related property. Drillhole FR-59 intersected 4.85 metres grading 10.96 g/t Au, 40.15 g/t Ag and 1.48% Cu within a 54.6-metre interval grading 1.18 g/t Au.

Just southeast of the Endako mine, Leeward Capital Corp completed a large drilling program on its **Nithi Mountain** molybdenum deposit. A resource calculation is being prepared.

South of Vanderhoof, Silver Quest Resources Ltd explored several epithermal gold-silver prospects, including **Blackwater-Davidson** and **3Ts**. At 3Ts, previous resources were calculated for the Upper Tommy and Upper Ted epithermal veins. The company plans to release a resource estimate for the Lower Ted vein.

Skygold Ventures Ltd (70%) and Wildrose Resources Ltd (30%) continued drilling (~26 000 metres) on their sediment-hosted **Spanish Mountain** bulk tonnage, gold target near Likely. Mineralization in the favourable argillites and metasiltstones has been traced over 1200 metres and for greater than 450 metres across its axis in the Central Main zone. Significant results have been reported (*e.g.* 94.5 metres grading 1.81 g/t Au, including 22.9 metres grading 5.04 g/t Au). The company plans to complete a resource estimation in 2007 for this zone. A limited amount of drilling was completed on other zones with encouraging results.

South of the Mount Polley mine, Fjordland Exploration Ltd (under a joint venture agreement with Wildrose Resources Ltd) continued to drill potentially significant gold-copper mineralization in the Megabuck and Takom zones on the **Woodjam** property. On the southern extension of the Megabuck zone, drillhole 06-051 intersected 208 metres grading 0.55 g/t Au and 0.12% Cu. Adjoining the Mount Polley mine to the north is Valley High Ventures Ltd's **Lloyd-Nordik** porphyry copper-gold property. Drilling on the Boundary zone targeted the continuation of similar-style mineralization as that in Imperial's Northeast zone. The best intersection during the 2006 program was a 21-metre intersection grading 2.01% Cu and 0.68 g/t Au.

In the Wells-Barkerville gold belt, International Wayside Gold Mines Ltd drill tested its **Mucho Oro** gold zone, a few hundred metres southeast and along trend from its Bonanza Ledge zone. Williams Creek Explorations Ltd drill tested its **Westport** mesothermal vein property, which is an easterly projection of the Mucho Oro zone.

Northeast of Quesnel, Richfield Ventures Corp completed an extensive trenching program on its **Mouse Mountain** alkalic porphyry prospect.

South-Central - Major Exploration Projects

North of Revelstoke, Selkirk Metals Corp completed another large drilling program on its Ruddock Creek Broken zinc-lead-silver, Hill-type property. It successfully traced the faulted-off western extension of the E zone mineralization and extended the mineralized horizon into the Oliver Creek valley, approximately 5 kilometres along the projected strike of the E zone mineralization. The company initiated development planning for a decline near Light Lake to facilitate underground delineation drilling and bulk sampling of the E zone. Consolidated Venturex Holdings Ltd intersected zinc-lead-silver sedex mineralization in drilling on the Carnes Creek zone of its LJ property, also north of Revelstoke.

Nine kilometres southeast of the Afton mine, Abacus Mining and Exploration Corp conducted a deep drilling program for copper and gold below its **Ajax West** pit. Drilling results confirm the continuity of mineralization to a vertical depth of at least 300 metres below the existing pit. A resource estimate is expected in 2007.

In the Merritt area, Almaden Minerals Ltd explored several new epithermal gold-silver showings, including the **Prospect Valley (RM zone)**, **Merit** and **Ponderosa** properties. The latter two showings involved their joint venture partner, Consolidated Spire Ventures Ltd. Strongbow Exploration Inc, under an option agreement with Almaden, drilled the JJ prospect on its **Skoonka Creek** epithermal gold target. It also identified new targets within the Discovery-Backburn trend. These are a



Photo 9. Looking easterly over the Ruddock Creek zinc-leadsilver property (photo by T. Schroeter).

few of the projects within the emerging Spences Bridge epithermal gold belt between Merritt and Lillooet.

Goldcliff Resource Corp continued to drill its **Panorama Ridge** auriferous skarn property, adjacent to the former Nickel Plate gold mine near Hedley.

Ten kilometres southwest of Vavenby, Yellowjacket Mining Inc completed in-fill and step-out drilling on its Harper Creek copper-zinc volcanogenic massive sulphide deposit. Historic geologic resources were estimated at 96 million tonnes grading 0.41% Cu and 0.05 g/t Au. South of Blue River, Commerce Resources Corp completed a large exploration program at its **Blue River** (Fir/Upper, Fir/Verity) tantalum-niobium bearing carbonatite properties. Besides drilling at Upper Fir, the company began environmental and economic scoping studies and intends to apply for a bulk sampling permit in early 2007 for metallurgical and marketing studies.

East of Lac La Hache, GWR Resources Inc continued drilling on its **Lac La Hache** alkaline porphyry coppergold property. The company reported its first hole (AZ-06-01) on the Aurizon zone of the Ann property intersected 257 metres grading 0.439 g/t Au and 0.223% Cu, including a higher grade interval of 80 metres grading 0.563 g/t Au and 0.28% Cu.

Kootenays - Major Exploration Projects

Major tungsten and molybdenum exploration drilling programs in the Kootenays were at **Jersey Emerald**, southeast of Salmo and **Sphinx**, southeast of Crawford Bay. Sultan Minerals Ltd announced measured and indicated resources of 2.5 million tonnes grading 0.37% WO₃, at a 0.15% WO₃ cut-off for Jersey Emerald. Eagle Plains Resources Ltd reported inferred resources of 62 million tonnes grading 0.035% Mo, at a 0.01% Mo cut-off for Sphinx.

Exploration spending by Elk Valley Coal Corp on 7 coal projects totalled approximately \$6.7 million, including some 47 000 metres of drilling. Exploration was conducted on or adjacent to the Elkview, Fording River (Castle Mountain and Bear Mountain), Greenhills (Cougar North Extension), Line Creek (Horseshoe Ridge) mines, as well as on the Wheeler Ridge property 15 kilometres south of Sparwood and the Mt. Michael (Line Creek) property.

Northwest of Kimberley, Stikine Gold Corp drilled a third deep hole (SD 3) following up on its discovery of Sullivan-style mineralization at its **Sullivan Deeps** project in 2004 and 2005. South of Cranbrook, St. Eugene Mining Corp explored the **St. Eugene** mine area and the **Monroe Lake** vein-type base metal prospects.

Klondike Silver Corp continued to expand its holdings in the historic **Sandon** Ag-Pb-Zn camp. The company hopes to place its Silvana mine back into production in 2007.



Photo 10. Sullivan Deeps property drillhole SD3 by Stikine Gold Corporation (photo by D. Grieve).

In the Rossland camp, West High Yield Resources Ltd completed a large drilling program on its **Midnight** mesothermal gold vein mine.

In the Greenwood camp, Merit Mining Corp continued its preliminary assessment of its **Greenwood Gold** project, which includes the **Lexington** and **Golden Crown** properties. The company has approval for removal of a 10 000-tonne bulk sample from the Lexington deposit, as well as approval to construct a 250tonnes-per-day concentrator on the **Zip** property.

Southwest - Major Exploration Projects

On northern Vancouver Island, Western Copper Corp (formerly Lumina Resources Ltd) plans a drilling program in early 2007 on its **Hushamu** deposit, which contains 231 million tonnes grading 0.28% Cu and 0.31 g/t Au). Near Port Alice, Grand Portage Resources Ltd drilled its **Merry Widow** gold skarn property, testing Merry Widow trend. The company also plans to target the historic Old Sport horizon in 2007 for its bulk tonnage potential. In the historic Cumberland coalfield on Vancouver Island, Compliance Energy Corp drill tested the **Raven** coal property, with historic resources estimated at 38.5 million tonnes of metallurgical coal. Near Port Alberni, Bitterroot Resources Ltd drilled its **Mineral Creek** (Debbie and 900 zones) gold deposits. It plans bulk sampling on the Lower Linda vein and on the 900 zone in early 2007.

Eastfield Resources Ltd released an inferred resource estimate of 87 million tonnes grading 0.31% Cu and 0.016% Mo, at a copper cut-off of 0.2% for its **OK** porphyry property, 40 km north of Powell River, Fifteen kilometres north of Sechelt, Pan Pacific Aggregates Plc drilled its **Sechelt Carbonate** property. A new resource estimate is planned.

In the Harrison Lake area, Pacific Coast Nickel Corp conducted airborne and surface geophysical surveys, as well as geological mapping and prospecting, on its **Big Nic**, **Emory Creek** and **Mount Parker-Mount McNair** magmatic nickel properties. Drilling is planned in 2007.

Thirty five kilometres southeast of Hope, Imperial Metals Corp drilled two holes into the AM breccia zone on its **Giant Copper** porphyry/breccia property. The first hole intersected a 296.7 metre interval grading 0.53% Cu, 0.201 g/t Au, 13.44 g/t Ag and 0.027% Mo., including a higher grade interval of 45.7 metres grading 1.08% Cu, 0.43 g/t Au, 18.73 g/t Ag and 0.036% Mo.



Photo 11. Drilling at Giant Copper by Imperial Metals, fall of 2006 (photo by S. Robertson).

BRITISH COLUMBIA EXPLORATION AND MINING INITIATIVES

During 2006, the Government of British Columbia continued a number of measures to assist mineral resource planning, exploration and development, including the release of the provincial Mining Plan.

- The British Columbia Mining Exploration Tax Credit Program provides a 20% refundable tax credit towards B.C. taxes. This program was extended 10 years to December 31, 2016. The combined federal and B.C. Flow Through Shares tax credit programs (referred to as Super Flow Through Shares) were extended to December 31, 2008.
- The B.C. Geological Survey completed geoscience surveys in the northwest VMS and rift area, Terrace

area, northeast coal region, Mountain Pine Beetle infested areas within central B.C., Spences Bridge Gold belt, northern Vancouver Island, Canim Lake area and the Boundary district. Economic geology studies were also carried out on porphyry copper deposits in the Quesnel arc, on industrial minerals and on regional geochemistry (*see* Figure 11).

- MapPlace, MINFILE, CoalFile and Assessment Report databases were significantly upgraded and expanded, and made more accessible to clients: www.em.gov.bc.ca/geology. Clients can now access over 96% of company mineral assessment reports from the ARIS database on line, for the years from 1947 to the present.
- The Minister of State for Mining led joint government and industry trade missions to China and Toronto.
- Staff completed marketing projects in Denver, Toronto and Vancouver to attract global mineral industry investment to British Columbia, and participated in regional conferences around the province to profile exploration and investment opportunities. Numerous offshore trade delegations met with government representatives in Vancouver and Victoria, regarding the acquisition of a variety of projects and their products.
- Over the past year the B.C. Geological Survey published *Geological Fieldwork 2006, Exploration and Mining in British Columbia 2006*, 14 Open File maps and reports, 7 Geoscience Maps, 11 GeoFile maps, reports and data and 5 Information Circulars. All geoscience publications are routinely posted to the Ministry of Energy, Mines and Petroleum Resources' website at: www.em.gov.bc.ca/Geology.

Using funding provided by the B.C. government, Geoscience B.C. sponsored a number of geoscience projects throughout the province. This industry-focused, not-for-profit society forged new partnerships with industry and government agencies to complete a wide variety of projects designed to attract mineral and oil and gas investment to British Columbia.

- Geoscience B.C. released airborne gamma-ray spectrometric and magnetic surveys over the Bonaparte Lake (NTS 92O) area, south-central B.C.. It also contracted an aeromagnetic geophysical survey over the Jennings River (NTS 104) area, northern B.C.; results will be released in early 2007.
- Regional geochemical survey data was released for the Anahim Lake (NTS 93C) and Nechako (NTS 93F) areas by Geoscience B.C. in July, 2006. Several new claims blocks were acquired.

MINERAL EXPLORATION AND DEVELOPMENT OUTLOOK FOR 2007

The positive trends shown by the mineral exploration industry in 2006 include:

- Mineral tenure acquisitions up 20%
- Exploration spending up 20%
- Mineral tenure acquisitions up 20%
- Value of solid mineral production up 24%
- Metres drilled up 26%
- 25 project submissions to government seeking mine development
- Three new mines opened

When these numbers are considered with the number of significant property acquisitions, it should be a busy 2007 exploration season in British Columbia. Many junior companies with projects in the province are already well funded for 2007 programs. As well, many advanced exploration projects expect to have a feasibility study completed in 2007 (*e.g.* Blue River, Bralorne, Davidson, Elk, Mt. Milligan, New Afton, Schaft Creek, and Ruddock Creek).

Copper, molybdenum, gold, coal, silver, zinc, nickel, limestone, aggregate and industrial clays are expected to be a focus of exploration throughout the province. Some late-season, large blocks of ground that were acquired in the Quesnel arc and in the Sitlika Assemblage indicate that grassroots exploration is active in the province.

Porphyry copper and molybdenum targets will continue to attract the most investment dollars. The potential for new, high-grade **Eskay Creek**-style, Au-Ag occurrences continues to attract attention, particularly in the northwest for which new geological mapping and deposit models have been released by the B.C. Geological Survey. Precious metals-enriched volcanogenic massive sulphide deposits are also good targets. With the strong zinc and lead prices, the search for sedex deposits in the southeast and, in the Gataga belt in the northeast, and Broken Hill-type deposits in the Revelstoke area is expected to intensify.

Production, development and exploration activities in the northeast (*e.g.* **Belcourt Saxon**, **Brule**, **Horizon**, **Perry Creek**, **Trend** and **Goodrich-Central**) and southeast (*e.g.* **Lodgepole**) will continue to increase. In the northwest, the **Mount Klappan** anthracite coal deposit is being considered for development. The numerous new discoveries in 2006 will be explored in detail; hopefully some will be advanced to the drilling stage.

In 2007, seven new mines (or reopenings/expansions) Brule, MAX, Orca, QR, Sandon, Swamp Point and Trend expansion may start up, with total capital costs estimated at \$450 million and creating over 600 new full-time jobs.

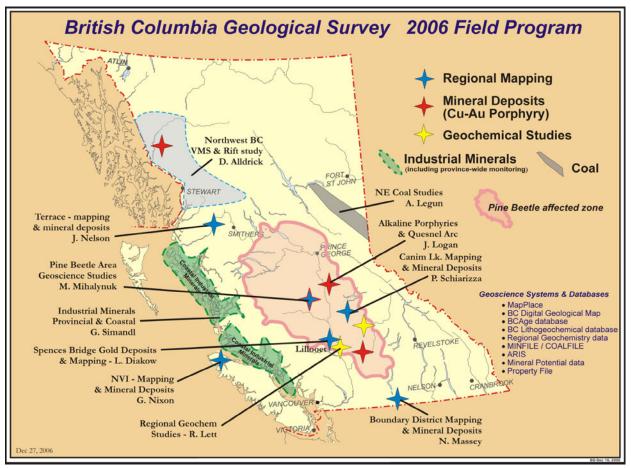


Figure 11. Geoscience survey activity by the BC Geological Survey, 2006.

Coal production from the Peace River coalfields is expected to increase dramatically as the new **Trend** and **Wolverine** mines mature and expand production and the **Brule** deposit is brought into production. The general attractiveness of these coal resources is underlined by Anglo Coal Canada Inc's recent significant investment in the Peace River coalfields.

Operating mines, such as **Gibraltar** and **Highland Valley Copper**, will focus their efforts on programs aimed at extending their respective mine lives.

Industrial minerals production continues to grow steadily through developing additional markets and mining more commodities. In particular, offshore aggregate shipments to the Californian markets are poised to start in substantial quantities. In 2007, it is anticipated that industrial clays, limestone and aggregate sales will improve. Sulphur sales are expected to be particularly strong again next year.

More investment by international companies is expected, particularly for mine development projects. This has been foreshadowed by the recent interest by Chinese companies in the northeast coalfields (*e.g.* Canadian Dehua International), as well as in the metals sector (*e.g.* Jiangxi Copper). The province has great potential for increased exports to Asia and the important role it can play in the future as Canada's Pacific Gateway.

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