

The Chamber of Mines of Eastern B.C. is an independent, non-profit, volunteer organization founded in 1925 and dedicated to education, support and encouragement of mining, mineral exploration and investment in British Columbia. We are an information bureau providing reliable data to industry and to the general public.

OVERVIEW OF THE KOOTENAY- BOUNDARY REGION - INFRASTRUCTURE - INFRASTRUCTURE - INFRASTRUCTURE!

SOUTHEAST BC
● WORLD CLASS SMELTER ● GREAT INFRASTRUCTURE ABUNDANT HYDRO POWER EXCELLENT TRANSPORTATION

MAJOR GOLD CAMPS MAJOR SILVER CAMPS MAJOR BASE METAL CAMPS MAJOR INDUSTRIAL MINERALS MAJOR COAL DEPOSITS

Mining built the Kootenay-Boundary Region of B.C. Over 40 Billion dollars of metals has been mined from the Region and not only built towns but also built great companies such as Cominco and Placer. The Region has a mild temperate climate, great geology and great infrastructure including the Teck Resources facility in Trail which is one of the largest zinc and lead smelting and refining complexes in the world. In addition, Teck Coal Limited is the world's second-largest supplier of seaborne metallurgical coal and operates five large open-pit coal mines in Southeastern B.C. The region is well-developed with a strong highway and forest road network, rail lines, hydro-electric power generation capacity, and a highly skilled work force. The potential exists to produce many more billions of dollars in metals and generate jobs and taxes for social programs and hospitals. The trick is to first find the hidden mineral deposits and mine the deposits when they are found.

REGIONAL GEOLOGY

There is a wide variety of mineral deposit types present in our Region. We are Canada's premier coal producing region. The world famous Sullivan zinc-lead mine operated for over a century before finally being exhausted in 2001 after producing some \$30 billion of mineral products. This is Elephant country!

The Kootenay Arc stretching from Revelstoke through Salmo and into the US hosts significant base metal deposits such as the Reeves, Jersey and HB mines which produced over \$1 billion each. This belt at one time produced over 80% of BC's mineral wealth.

MANDATE OF THE CHAMBER OF MINES OF EASTERN BC

The Chamber of Mines today continues in its role as the prospector's advocate, maintaining close links with the prospecting fraternity and with mineral exploration and mining companies and individuals. We provide a forum for information exchange and education about our industry and a link between prospectors, government, industry and the general public. The Kootenays may have tens of Billions of dollars of minerals hiding under the surface but how does it generate wealth? B.C. relies on individual prospectors, (any B.C. citizen can be a prospector), junior exploration companies and major mining companies to find and then mine, mill and smelt ores into a saleable product creating exploration jobs, mining jobs, milling jobs, smelting jobs, and all the spinoff jobs from the supplier and service industries.

We function as a resource/research facility for the industry. Remember, one sentence in an old book can lead to a forgotten mineral showing. We are a valuable source of mining & exploration information. We maintain an extensive collection of reference materials dating back to 1874 including a complete set of Ministry of Mines Annual Reports, many Geological Survey of Canada reports, numerous miscellaneous volumes pertaining to the mineral industry and most original hardcopy Assessment Reports for Southeastern B.C. We have many maps including geological, magnetic, geochemical, topographic, Crown Grant survey field notes, mine maps & plans and old claim maps. We have an extensive rock and mineral collection which includes many samples from B.C. and around the world. Our rock and mineral collection has been referred to as one of the best in the world at events at which it was exhibited.

Every year, the Chamber hosts numerous visits by school classes ranging from elementary to high school level. The Chamber of Mines holds an annual "Prospecting Course" designed for the beginner to intermediate prospector and when in demand we host advanced exploration training courses. Other courses we have held over the years include "Gemstones of the World", "Crystals" and "Gold Panning". We have also hosted the first Industrial Mineral Course in B.C. and various Petrology and Rock Alteration Courses.

The Chamber of Mines of Eastern BC publishes a monthly newsletter, the Motherlode, to keep members informed of exploration & mining activities in B.C. and of the various issues affecting our industry. We include low-cost classifieds in our newsletter for those who wish to advertise. This helps generate income to support the day to day operation of our Chamber.



HIGHLIGHTS OF 2012 ACTIVE PROJECTS IN THE KOOTENAY-BOUNDARY REGION:

Altair Gold Inc. carried out drilling at the **Kena** property located 8 kilometres South of Nelson. Results included 95.35m grading 1.37 g/t Au in drill hole 12GM-01 (Gold Mountain Zone). Updated 2012 resource estimates include 10.85 million tonnes measured plus indicated grading 0.71 g/t Au in the Gold Mountain Zone and 14.68 million tonnes grading 0.64 g/t in the Kena Gold Zone. This represents a combined measured plus indicated gold resource of 549,000 contained ounces in the two zones.

Anglo Swiss Resources Inc. completed an airborne electromagnetic (EM) survey on its **Blu Starr** Flake Graphite property in the Slocan Valley. Exploration is being conducted in search of high-quality flake graphite. A total of 452 line-kilometres were flown by Aeroquest Airborne Limited utilizing its AeroTEM IV system. The Company also completed a 5 hole drill program on the Kenville Gold Project. Results in 2012 included 3.08 m grading 14.14 g/t Au in drill hole KE12-01. The same drill hole intersected ten separate gold-bearing veins over a core length of 400 m.

Baymag Inc. produced high-quality magnesite from its open pit mine near **Mount Brussilof** in the Rocky Mountains Northeast of Radium. Production in 2012 is projected to be approximately 180,000 t.

Centremount Coal Ltd. continued to evaluate the **Bingay Creek** coal property. The focus was on drilling for geotechnical and hydrological data, geological interpretation and coal quality. The project entered the Environmental Assessment Process in 2012 for a proposed open pit and underground coal mine referred to as Bingay Main.

Crows Nest Pass Coal Mining Ltd. carried out a rotary drilling program on its **Coal Creek** property located 8 km East of Fernie.

Eagle Graphite Corp. operated the **Black Crystal** flake graphite operation. Graphite ore is produced from the quarry on Hoder Creek, 22 kilometres West of Slocan City, and processed at the pilot plant near the confluence of Koch Creek and the Little Slocan River. In 2012 the company processed stockpiled ore and made a shipment of flake graphite to a customer as part of an off-take agreement. This represents the first such agreement for regular shipment of product.

Eagle Plains Resources Ltd. and **Providence Capital Corp** continued diamond drilling on the **Iron Range** property located about 15 kilometres northeast of Creston. Most recent exploration has been focused on a potential sedex target near the South end of the Iron Range. Results indicate significant levels of gold associated with massive sulphides containing Ag, Pb and Zn at and near the Sullivan horizon, possibly formed in a hydrothermal vent system. This new discovery is termed the Talon Zone.

Eagle Plains Resources Ltd. completed 2 diamond drill holes on its **Black Diamond** project located 35 kilometers West of Invermere. The holes were drilled to test the Black Diamond Zone down-dip and along strike to the West.

Emgold Mining Corp. completed 1,495.3 metres of BTW-sized diamond core drilling in 15 drill holes on the **Rozan** property located about 11 km south of Nelson. Highlights of the 2012 drill program include: 11.13 grams per tonne gold over 1.45 metres in drill hole 12ROZ-08 in the Sheeted Vein zone and 1.65 grams per tonne gold over 1.00 metre in drill hole 12ROZ-01 in the Main Vein zone.

Excalibur Resources Ltd. drilled the **Cariboo** property located 8 kilometres south of Nelson. The highest grade mineralization on the property occurs in brecciated, quartz vein bearing shear zones containing variable amounts of pyrite, galena and sphalerite. Drill results in 2012 included 11.1 g/t Au and 92 g/t Ag over 1.3 m.

Grizzly Discoveries Ltd. carried out exploration on its large **Greenwood Gold** project. Activities in 2012 included diamond drilling at the Overlander and P5 gold targets in the Mount Attwood area about 9 kilometres Southeast of Greenwood.

Hellix Ventures Inc. carried out an infill soil sampling program in 2012 on the Athabasca gold property which is located just South of Nelson. Soil geochemistry continues to return significant values of gold-in-soil, with several individual samples returning over 1000 ppb gold. In addition, a diamond drill program was completed.

Huakan International Mining Inc. carried out drifting and 9725 metres of underground drilling at the **J&L** gold-silver-zinc-lead property located 35 kilometres North of Revelstoke. Results included 9.41 g/t Au, 101 g/t Ag, 2.17% Pb and 4.31% Zn over 8.48 m in the Main Zone. Information from the Phase 2 drilling campaign was incorporated in a new NI 43-101 resource estimate which includes 3.953 Mt measured-plus-indicated resources grading 5.68 g/t Au, 56.5 g/t Ag, 1.94% Pb and 3.56% Zn in the Main Zone. This represents 722 000 ounces of gold in the measured and indicated categories.

Jameson Resources Ltd. carried out a drilling program on the **Crown Mountain** property about 15 kilometres Northeast of Sparwood. The objective was to enable a resource estimate and to collect samples for coal quality. Seam characteristics are expected to be comparable to those at Line Creek and Elkview.

Klondike Silver Corp. main focus of activity was underground, specifically rehabilitation in the **Silvana** and the location and recovery of remnant ore in the **Silvana** and **Hinckley** past producers. The company has an arrangement for a smelter to accept concentrates. The overall goal of the company is to locate sufficient ore to operate the mill at maximum capacity.

MMG Ltd. carried out a helicopter-supported drill program on the **Findlay** property about 40 kilometres Northwest of Kimberley. Targets include the Sullivan horizon in the Aldridge Formation which hosts the Pb-Zn-Ag Sullivan Mine.

Noram Ventures Inc. drilled the **Kokanee** property about 35 kilometres Northeast of Nelson near Crawford Bay. The property has been explored for base metals since the early 1900s after the discovery of large massive sulphide-bearing boulders. This year's program represents the first assessment for graphite potential. The 2012 drilling was conducted where sampling has confirmed the presence of large-flake graphite over an area about 2 km in strike length and 200 to 300m in width, coincident with an EM anomaly.

Omineca Mining and Metals Ltd. diamond drilled one hole on the **Sully** property located 22 kilometres Northeast of Cranbrook. The objective of the drilling program was to test a significant sub-surface gravity anomaly, which, when considered in conjunction with other geophysical and geological evidence, suggests potential for a Sullivan Type sedex mineral occurrence.

PJX Resources Inc. carried out diamond drilling on the **Zinger** property located 28 kilometers West of Cranbrook and on the **Eddy** property located approximately 20 km Southwest of Cranbrook. 2012 drilling targets were identified through airborne geophysics.

Rainbow Resources Inc. undertook an initial drilling program on the **Gold Viking** Ag-Au-Pb-Zn property located 2 km Northeast of Slocan City. Mineralization, comprising galena, sphalerite, pyrite, & chalcopyrite is associated with quartz veins in North and Northeasterly trending shear zones. Gold is believed to be associated with pyrite. A pyrite-rich stockwork vein system and breccia zones within altered quartz monzonite were observed in 2012 drill core. Drilling was also done at the **International Silver** property.

Silver Mountain Mines Inc. drilled the Ptarmigan polymetallic property located 27 kilometres West of Invermere. Drilling was focused on the Ptarmigan Mine and the Upper Ptarmigan and East Ptarmigan zones. The program was designed to define known mineralized zones, and it also identified new silver-bearing veins and semi-massive to massive manto style mineralization. Drilling results in 2012 included 6.8 m grading 0.52 g/t Au and 452 g/t Ag.

Taranis Resources Inc. carried out sampling of a number of newly discovered outcrops containing gold values assaying up to 90.1 grams per tonne. The discoveries were made on its 100% owned **Thor** VMS deposit near Trout Lake. 7 grab samples were taken from a 20m by 15m outcrop (named the SIF Occurrence) and ranged from 0.74 to 90.1 g/tonne gold, averaging 27.5 g/t Au.

Teck Coal Limited, the world's second largest exporter of metallurgical coal, continued to operate five large open-pit coal mines in the Elk Valley area in 2012. Total 2012 clean coal production at Teck's operations in the East Kootenays is projected to be 24.2 million tonnes. The mines have 3665 full-time employees and make a major contribution to the East Kootenay and Provincial economies. Proven and probable raw coal reserves at the five mines are very significant. Teck Coal drilled at several sites within the general Elkview Operations area immediately east of Sparwood and continued to assess the potential of the **Marten-Wheeler** property located roughly 19 km northeast of Fernie. This site represents a possible expansion area for Coal Mountain Operations. It encompasses Marten and Wheeler ridges in the western part of the Crowsnest Coalfield. A major rotary drill program was carried out in 2012, along with diamond drilling for geotechnical (mine design) and coal sampling purposes.

ACTIVE EXPLORATION PROJECTS IN SOUTHEASTERN B.C. IN 2012

<u>COMPANY</u>	<u>*STOCK SYMBOL</u>	<u>PROPERTY</u>	<u>COMMODITY</u>	<u>WEBSITE</u>
Altair Gold Inc.	AVX	Kena	Gold-Copper	www.altairgold.com
Anglo Swiss Resources Inc.	ASW	Kenville	Gold-Silver-Copper	www.anglo-swiss.com
Centremount Coal Ltd.		Bingay Creek	Metallurgical Coal	http://bingaycoal.com
Crowsnest Pass Coal Mining Ltd.		Coal Creek	Coal	http://crowsnestpasscoal.com/
Duncastle Gold Corp.	DUN	Yankee-Dundee	Gold-Silver (Lead-Zinc)	www.duncastlegoldcorp.com
Eagle Plains/Providence Res.	EPL	Iron Range	Gold-Zn-Pb-Ag-Fe-Cu	www.eagleplains.com
Emgold Mining Corp.	EMR	Rozan	Gold-(Ag-Cu-Pb-Zn)	www.emgold.com
Excalibur Resources Ltd.	XBR	Cariboo	Gold-Silver	www.excaliburresources.ca
Golden Dawn Minerals Inc.	GOM	Greenwood Project	Copper-Gold	http://goldendawnminerals.com
Grizzly Discoveries Ltd.	GZD	Greenwood Gold	Gold-Cu-Ag-Mo-Zn-Pt	www.grizzlydiscoveries.com
Hellix Ventures Inc.	HEL	Athabasca	Gold	www.hellixventures.com
Huakan International Mining Inc.	HK	J&L	Gold-Silver-Lead-Zinc	www.huakanmining.com
Jameson Resources Ltd.	JAL:ASX	Crown Mountain	Coal	www.jamesonresources.com.au
Kingsman Resources Ltd.	KSM	International Basin	Gold-Silver (Cu-Pb-Zn)	www.kingsmanresources.com
Klondike Silver Corp.	KS	Slocan Silver Project	Silver-Lead-Zinc	www.klondikesilver.com
MMG Limited	MMG:HKE	Findlay	Lead-Zinc-Silver	www.mmg.com
Noram Ventures Inc.	NRM	Kokanee Graphite	Flake Graphite	www.noramventures.com
Omineca Mining & Metals Ltd.	OMM	Sully	Lead-Zinc-Silver	www.ominecamining.com
PJX Resources Inc.	PJX	Eddy	Gold (Cu-Pb-Zn-Ag)	http://pjxresources.com
PJX Resources Inc.	PJX	Zinger	Gold	http://pjxresources.com
Providence Res./Eagle Plains Res.	PV	Iron Range	Gold-Zn-Pb-Ag-Fe-Cu	www.providenceresources.ca
Rainbow Resources Inc.	RBW	Gold Viking	Silver-Gold-Lead-Zinc	www.rainbowresourcesinc.com
Rainbow Resources Inc.	RBW	International Silver	Silver-Lead-Zinc	www.rainbowresourcesinc.com
Silver Mountain Mines Inc.	SMM	Ptarmigan	Silver-Gold-Cu-Zn	www.silvermountainmines.com
Teck Coal Ltd.	TCK	Elkview Operations	Coal	www.teck.com
Teck Coal Ltd.	TCK	Fording River Operations	Coal	www.teck.com
Teck Coal Ltd.	TCK	Greenhills Operations	Coal	www.teck.com
Teck Coal Ltd.	TCK	Line Creek Phase 2	Coal	www.teck.com
Teck Coal Ltd.	TCK	Marten-Wheeler	Coal	www.teck.com
Valterra Resource Corp.	VQA	Star and Toughnut	Gold-Silver-Copper	www.valterraresource.com
West High Yield (W.H.Y.) Res. Ltd.	WHY	Record Ridge	Magnesium-Gold-Ni-Co	www.whyresources.com

* Note: All Stock Symbols above are TSX unless otherwise indicated

PRODUCING COMPANIES IN SOUTHEASTERN B.C. IN 2012

<u>COMPANY</u>	<u>SYMBOL</u>	<u>PROPERTY</u>	<u>COMMODITY</u>	<u>WEBSITE</u>
Baymag Inc.		Mt. Brussilof	Magnesite	www.baymag.com
CertainTeed Gypsum Canada Inc.		Elkhorn, Windermere	Gypsum	www.bpb-na.com/canada
Heemskirk Canada Ltd.		Moberly Mine	Silica sand	www.heemskirkcanada.com
Eagle Graphite Corp.		Black Crystal	Graphite	www.eaglegraphite.com
Georgia-Pacific Canada Inc.		4J Mine, Canal Flats	Gypsum	www.gp.com
Gerex Developments Ltd.		Porcupine Pass	Flagstone	
Imasco Minerals Inc.		Crawford Bay	Dolomite	www.imascominerals.com
Imasco Minerals Inc.		Lime Creek	Limestone	www.imascominerals.com
Imasco Minerals Inc.		Sirdar	Granite	www.imascominerals.com
Porcupine Mines Ltd.		Porcupine Creek	Flagstone	www.naturalstonesite.com
Roxul Inc.		Winner	Gabro (Mineral Wool)	www.roxul.com
Teck Coal Ltd.	TCK	Line Creek	Metallurgical, PCI & Thermal Coal	www.teck.com
Teck Coal Ltd.	TCK	Coal Mountain	PCI & Thermal Coal	www.teck.com
Teck Coal Ltd.	TCK	Elkview	Metallurgical Coal	www.teck.com
Teck Coal Ltd.	TCK	Greenhills	Metallurgical, PCI & Thermal Coal	www.teck.com
Teck Coal Ltd.	TCK	Fording River	Metallurgical & Thermal Coal	www.teck.com

MINERALS SOUTH CONFERENCE & TRADE SHOW

The Chamber of Mines of Eastern B.C. hosted a very successful Minerals South 2012 Conference & Trade Show on November 6th to 8th, 2012. Many thanks to all the volunteers, sponsors, speakers, exhibitors and delegates. The purpose of Minerals South is to educate prospectors and geologists with the latest techniques and ideas, attract exploration spending to this region by showing attendees the mineral potential of this area and interacting with the public through the free Trade Show and Displays. The fossil, gemstone and gold panning displays were again a big hit with local school kids. The 3 day Conference started out with a one day Short Course "Exploration Geochemistry: Principles, Strategies & Tools" led by Dave Heberlein of Heberlein Consulting and sponsored by Geoscience B.C. The course was followed by 2 days of Technical Presentations and Tradeshow.

During the first week of November 2014, the Chamber of Mines of Eastern B.C. will again be hosting the Minerals South Conference & Trade Show in Nelson at the Prestige Lakeside Resort & Convention Centre. We plan a format much the same as in 2012. Minerals South 2014 promises to be educational, entertaining, friendly and fun. As in past years, expect an excellent Short Course and great Technical Sessions presented by top notch speakers from both Government and Industry. And make sure to get here in time for the Icebreaker. The banquet has always been a hit with great food and after-dinner entertainment. Who should attend? Prospectors, geologists, investors, and anyone who is involved in the mining and exploration industries. Be sure to watch our website www.cmebc.com for updates. **Please Note:** The Minerals South 2013 Conference & Tradeshow will be hosted by the East Kootenay Chamber of Mines. For updates on the 2013 Conference visit: <http://www.ekcm.org/chamber/>

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