



MOTHER LODE

CHAMBER OF MINES OF EASTERN BRITISH COLUMBIA

A non-profit bureau of information providing authentic, reliable data to the general public and the mining industry of Eastern British Columbia

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NEWSLETTER

Note: The views of contributors to this newsletter do not necessarily reflect the views of the Chamber

February 2005

PRESIDENT'S REPORT by Al Gerun

The New Year has been a particularly busy month for mining events so far.

On January 12, the new Mineral Titles Online method of staking was launched after claim staking was frozen since the end of November. The system was initially plagued with computer glitches, but after a few days was in operating order. Most agree that the system as a whole will be more efficient as the system not only allows for online mineral acquisition, but also includes registering of recording exploration, development work and payment (cash in lieu) to be conducted on line.

January 18 saw the release of the BC Mining Plan made from the task force recommendations submitted last year. The plan is intended to guide mining policy in BC for the next decade and is based on four cornerstones: (1) Focus on Communities and First Nations (2) Protecting workers and the Environment (3). Global Competitiveness and (4) Access to Land.

The BC Mining Plan identifies 57 separate actions to be completed. Often the actions involve agencies outside of the Ministry of Mines. These Agencies are identified with the various action items along with the expected implementation date. The Mining Plan varies somewhat from recommendations delivered to the Mining Task Force. However, many action item timelines are open ended and perhaps there will be more work done on the Mining Plan in order to reflect the specific recommendations that were delivered to the Task Force. Copies of the mining plan can be obtained online at: www.gov.bc.ca/em/down/mining_plan_jan_17_05.pdf

On January 20, Senior Habitat Biologist Brian Ferguson from the Federal Department of Fisheries and Oceans gave a presentation which outlined the Fisheries Act that manages and protects Canada's fish habitat - the DFO Policy objective of "No Net Loss" of fish habitat, Canadian Environmental Assessment Act and the Referral process. This presentation came to us at time when there has been so much in the news regarding DFO and its impacts on our industry, particularly the placer mining sector. There was a lot of helpful information presented that informed us as to what the DFO was about, and when and where the DFO would come into effect regarding prospecting and mining operations. Also there was a discussion after the presentation about the Yankee Girl tailings and the liability involved with regard to old tailing sites. This presentation is on disk and can be borrowed for your viewing from the chamber office.

Roundup 2005, "Discovering our Future", was held in Vancouver January 24-27. Attendance was up from last year with approximately 5200 delegates indicating that BC mining exploration and industry sector is on the rise. The convention offered courses pertaining to mineral exploration, addresses from the Politicians on where the mining was going from a political aspect, sessions updating activities in the province and elsewhere, and the prospector's core shack where drill core, mineral specimens and information regarding recent discoveries was displayed.

MINING: GOOD NEIGHBOUR AND PROVIDER TO THE WORLD

Mines Minister Richard Neufeld address talked about the resource sector as being the main economic driver of the BC economy, which went from last in Canada to second in four years. He also mentioned Mineral Titles Online (MTO) which allows one to acquire mineral tenures with more certainty in just minutes. Money saved by this map selection staking will be thus available to spend on the ground. He briefly spoke about the four cornerstones of the Mining Plan.

Pat Bell, Minister of State for Mining, in his address mentions that there was 130 million dollars spent on mineral exploration in BC in 2004. This represents approximately 5% of the exploration dollars that were raised by BC based companies. He mentioned that the Mining Plan is just a first step to the government's commitment to the mining industry and also to be able to deliver on the 57 action items. Minister Bell spoke about Global Competitiveness, stating that we are competing globally for exploration capital and if we are not competitive we are not going to attract the dollars that are needed for mining projects and these exploration dollars will be going elsewhere. The Mine Ministers and the Premier have a commitment to keeping the dollars in BC; 5% of the total exploration money that was raised in BC spent in BC is unacceptable. A One Window Approach to permitting was mentioned, which will enable the government to act as an agency that represents the Mining Industry's interests and ensure that they can be flowed through government in an efficient manner. Taxes and fees will be annually reported upon as a global comparison with other jurisdictions, thus assuring that BC remains competitive.

Access to land and the security of tenure was highlighted. Once money has been spent exploring and proving up a deposit there will be certainty that the benefits of the investment can be obtained.

At the Awards Dinner, Premier Campbell announced that the province will seek legislative approval for a \$25 million grant to the BC and Yukon Chamber of Mines for a new BC centre for geosciences.



Minerals and Metals Sector Update

MMS is a leader in the dissemination of national statistics and knowledge on the Canadian mining industry. To broaden the reach of our communications, the sector publishes a regular communiqué. Each Update provides news on three or four MMS activities, including advances in policy and mineral technology research.

Issues of the Updates are available below. For more information see www.nrcan.gc.ca/mms/hm_e.htm

- ISSUE 7, 2005 (Jan)** www.nrcan.gc.ca/mms/date/upjan_e.pdf
- ISSUE 6, 2005 (Dec)** www.nrcan.gc.ca/mms/date/upddec_e.pdf
- ISSUE 5, 2004 (Sept)** www.nrcan.gc.ca/mms/date/updsept_e.pdf
- ISSUE 4, 2004 (July)** www.nrcan.gc.ca/mms/date/updjuly_e.pdf
- ISSUE 3, 2004 (June)** www.nrcan.gc.ca/mms/date/updjune_e.pdf
- ISSUE 2, 2004 (April)** www.nrcan.gc.ca/mms/date/updapril_e.pdf

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MINING/EXPLORATION NEWS IN B.C.

EXCERPTS FROM COMPANY NEWS RELEASES



January 11, 2005 - Western Keltic Mines Inc. is pleased to announce new resource estimates at the Kutcho Creek Project, in north-central British Columbia. The Project contains 672 million pounds of copper and 959 million pounds of zinc at an average copper equivalent (CuEq*) grade of 3.65% within the two deposits. The resource estimates follow completion

of 41 drill holes during the 2004 exploration program. Resources were estimated using 158 drill holes in the Kutcho deposit and 44 drill holes in and around the Esso West deposit. All assayed samples have an associated specific gravity value. Three dimensional solids models were constructed to outline the sulphide deposits. Copper, zinc, silver and gold grades and specific gravity for each block within the models were estimated using an inverse distance cubed interpolation. www.keltic.com



January 11, 2005 - Wildrose Resources has received drill results from the Phase II drill program completed at the Woodjam gold-copper property located in central British Columbia. The program,

completed in December 2004, consisted of six angled holes totaling 1,914 m, which significantly expanded the extent of gold and copper mineralization on the Property's Megabuck Zone. Select assay results include Hole 04-37 which intersected 397.5 m grading 0.77 g/t Au and 0.13% Cu; this hole is of importance since 04-37 was drilled at a right angle to discovery hole 04-32 (reported July 6, 2004) which graded 0.81 g/t Au and 0.12% Cu over 378 m. Hole 04-41 intersected 46.5 m grading 1.29 g/t Au and 0.12% Cu within a wider interval which graded 0.83 g/t Au and 0.08% Cu over 82.3 m from 3.1 m downhole. www.easfieldgroup.com/wildrose/



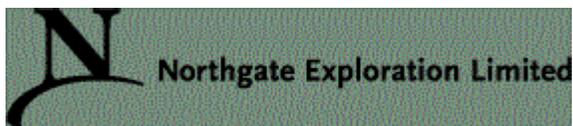
January 6, 2005 - Imperial Metals has announced the discovery of a new copper-molybdenum zone, referred to as the northwest target, directly north of the Huckleberry main zone pit. Drilling results included intersections of

up to 270 m grading 0.54% Cu and 0.006% Mo in hole 04-314 and 165 m grading 0.35% Cu and 0.043% Mo. Further exploration will be carried out in 2005 to expand the northwest target. Imperial owns 50% of the shares of Huckleberry Mines Ltd., the owner of the mine, with the other 50% owned by a consortium consisting of Mitsubishi Materials Corp., Marubeni Corp., Dowa Mining Co. Ltd. and Furukawa Co. www.imperialmetals.com



January 7, 2005 - Cangold Limited and Rimfire Minerals Corporation are pleased to announce the discovery of a new zone of gold-silver-copper mineralization on the North Grid of the Thorn Property. Drill-hole THN04-29 intersected 56.1 metres of 1.27 g/t Au, 16.7 g/t Ag, & 0.19% Cu, including higher grade intercepts such as 4.48 g/t Au, 65.3 g/t Ag, & 0.65% Cu over 3.6 m. This new zone, dubbed the Talisker Zone, represents a significant discovery in that the mineralization does not outcrop and the IP chargeability

anomaly targeted by drill-hole THN04-29 is interpreted to be at least 500 metres long. www.rimfire.bc.ca



January 13, 2005 - Northgate Minerals is projecting lower gold and copper production in 2005 at its Kemess mine in north-central British Columbia, following record production last year, but is looking to make acquisitions to boost near-term output, the

Vancouver miner said Tuesday. Northgate said its 2005 production forecast for Kemess calls for 280,000 ounces of gold and 76 million pounds of copper. The company had gold production of 303,475 ounces and copper output of 78.3 million pounds in 2004. www.northgateexploration.ca



January 10, 2005 - A significant new Inferred Category resource estimate completed by independent engineering firm, Hatch Ltd. of Vancouver, BC, Canada, shows that the Copper Canyon target at the Galore Creek

project in Northwestern British Columbia contains over 2.86 million ounces of gold, 37.9 million ounces of silver and 1.16 billion pounds of copper at a 0.35% copper equivalent cut-off grade (CuEq)(1) (See Table 1 below). Copper Equivalent grades are based both on long-term average metal prices and estimated recoveries based on extensive metallurgical data from the adjacent Galore Creek Central/SW deposit. The estimate utilized a geologic model developed from the previously announced drilling at Copper Canyon during 2004 by NovaGold and historic results which had encountered significant widths of gold, silver and copper mineralization.

<http://www.novagold.net/>



January 13, 2005 - Abacus Mining and Exploration Corp. is pleased to announce further results from the 2004 drilling program on the DM, Audra and Crescent zones on the Afton Project near Kamloops, British Columbia. This phase of drilling

successfully expanded the mineralization at depth, increased strike extensions, and filled in areas where previous drilling was widely spaced.

Several of these target areas still remain open and will require further drilling. Results for four prospect holes located on the Coquihalla zone remains pending. Company geologists are presently refining the technical databases for both the Rainbow and DM/Audra zones, in preparation for geo-statistical studies and resource estimates. These studies will aid planning of the next drilling phase scheduled for late February 2005.

www.amemining.com



January 12, 2005 - Redcorp Ventures Ltd. is pleased to provide an update on progress in finalizing environmental permitting for the proposed Tulsequah Chief Mine re-development project. The Tulsequah Chief property is owned and operated by Redfern

Resources Ltd. – the Company's wholly-owned subsidiary - and is located in northwestern British Columbia, 100 kilometers south of the town of Atlin.

Redfern previously received a Project Approval Certificate from the province of British Columbia on December 12, 2002, marking satisfactory conclusion to the extensive BC Environmental Assessment Act review and decision process. Included in that Certificate were requirements to satisfy two pre-development conditions for further studies related to proposed mine tailings dam site stability and chronic toxicity testing of proposed effluent from the mine wastewater treatment plant. Redfern has received letters from the Ministry of Energy and Mines and the Ministry of Water Land and Air Protection, respectively, confirming that it has satisfied the requirements of these conditions.

www.redcorp-ventures.com



January 27, 2005 - Imperial Metals has encountered additional high-grade drill intercepts on the northern extension of the Northeast zone of the Mount Polly property northeast of Williams Lake in central British Columbia, Canada. Significant intersections in holes WB04-161 and

WB04-179 have confirmed the presence of a higher grade zone within the Northeast zone, called the Green zone, that could be amenable to underground mining. These intersections include 25.1 m grading 4.43 % Cu, 1.28 g/t Au and 26.92 ppm Ag in hole WB04-161, and 15 m grading 5.86 % Cu, 3.13 g/t Au and 39.06 ppm Ag in hole WB04-179 including 10.6 m grading 5.43 % Cu, 3.08 g/t Au and 30.22 ppm Ag in previously reported hole WB04-158, has been identified over a 70-metre strike length and is open along strike in both directions. Further delineation and testing of the Northeast zone, along with the Springer zone and numerous geological targets within the Mount Polley property, will resume on Feb. 1, 2005, with four drills.

www.imperialmetals.com



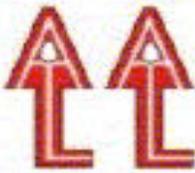
January 24, 2005 - Stikine Gold Corporation announces that a second drill rig has commenced drilling at its Sullivan Deeps Project located 4km (2.5 miles) north of the famous Sullivan Mine at Kimberley in southeastern British Columbia. The new hole, dubbed "SD2", is collared at a site located approximately 1.3 km (0.8 miles) north-east of the Company's Discovery

hole SD#04-01, completed in September 2004. SD2 will test an area near the centre of the Sullivan Deeps SEDEX system based on interpreted geological information from the Discovery Hole core and from a recently completed downhole UTEM4 (University of Toronto Electro Magnetics) geophysical survey. The UTEM4 survey successfully delineated a strong conductive anomaly at and around the Sullivan Deeps Discovery intersection in SD#04-01 and shows a large-scale footprint in the area previously identified by a 1996 UTEM survey. The UTEM 4 results also suggest that future drill holes will intersect the target at shallower depths over much of the target footprint area. Drilling activities at the Company's first drill site have been suspended temporarily as the Company's drill contractor is awaiting the delivery of new drill rods to replace many of those used in the previous hole. Wedge drilling at the SD1 site will commence again as soon as those new rods have been delivered, anticipated for late February. www.stikinegold.com



January 27, 2005 - Rimfire Minerals has signed a memorandum of understanding with Barrick Gold to jointly explore the Kizmet project in northwestern British Columbia, Canada. Recent mapping and age-dating identified a Cretaceous-aged belt of volcanic and associated intrusive rocks distinct in age with coincident strong gold-silver-arsenic geochemical signatures as highlighted in regional government geochemical silt sampling.

Similar Cretaceous-aged igneous rocks with the same anomalous RGS geochemical signature host high-sulphidation gold-silver-copper mineralization at its Thorn property. Reconnaissance silt and soil geochemistry, mapping and prospecting were completed on four target areas of Kizmet in 2004, with positive results. www.rimfire.bc.ca



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ASSAYING AND GEOCHEMICAL ANALYSES



From the Desk of Pat Bell

British Columbia experienced a major surge and growth in the mining sector in 2004, and the forecast for 2005 looks to be just as good, if not better. As of today we have 13 mines that are in the Environmental Assessment process. Once these mines are up and running, the total operating mines in BC will be back to where we were in 1990.

One area where the benefits are most notable is the increase in job opportunities in the industry. The most recent employment survey points out that growth is strongest in Western Canada as mining has a net employment growth forecast of 38% Canada wide. This is the highest projected Net Employment Outlook for the mining sector in the history of the survey and the brightest outlook for jobs in the past four years.

In Western Canada alone there is a net employment forecast of 46% with a majority of employers expecting to hire this year. And of the major centers that were surveyed, employers in Vancouver are expected to have the best hiring opportunities.

Pat Bell, Minister of State for Mining

See www.em.gov.bc.ca for more information

??? 3 QUESTIONS ???

What three mining related questions would you like to ask the major political parties for the upcoming election? Send them to the Chamber by February 17 and the top three questions will be drafted into a letter so we can see the stance the various parties are taking on mining.

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Mineral Titles Online

Chamber member Lloyd Addie submitted the following article:

The new MTO system is up and running and most people like it. It is a good system but there are some transitional issues that need to be looked out for. The MTO staff are working hard and over time these problems will vanish.

Before you buy cells through the MTO system, you should research the MIDA PDF maps at

<http://srmwww.gov.bc.ca/mida/pdf/mineral.shtml>

The reason you should look at the PDF map is there are some valid legacy claims that don't show up on the MTO maps for some unknown reason. If you see a legacy claim on the PDF map (or on the paper copy at the local Gold Commissioners office), write down the record number and check if it's still valid at

<http://srmwww.gov.bc.ca/mida/index.html>

The other things to look out for are still valid Crown Grants or parks or other types of reserves. Some people are making the mistake of not turning on the "Survey Parcels Layer" in the MTO system and then buying cells over what they think is open ground. Crown Grants are a different form of title so they are not shown on the mineral tenure layer in the MTO unless you click on "Survey Parcels Layer". When you click on the Survey Parcels layer, all Crown Grants are shown, however some of those lapsed years ago so for this transition period it is still best to look at the Mida PDF maps as they only show Crown Grants in good standing. You are allowed to buy cells overtop of Crown Grants because sometimes they hold only certain mineral rights and you may want to acquire a different mineral right.

Crown Grants are complicated and you will have to pay a fee at the land titles office to research what mineral rights were issued with the Crown Grant. The majority of the time you would be wasting your money if you bought a cell on top of a still valid Crown Granted mineral claim.

If you own mineral claims don't wait to the last moment to sign up for your Bceid and MTO password. To file assessment work on your existing claims, you must be signed up.

<http://www.mtonline.gov.bc.ca/>



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WHAT ELSE IS HAPPENING?

The following story by Shari Gardiner appeared in the Hunter Dickinson Inc. Insider (January 2005, Issue XIV) and was reprinted with permission. Her primary source for the information was from the Mineral Deposits Research Unit (<http://www.mdru.ubc.ca/>):

MINING COULD REDUCE GLOBAL WARMING

Research by a scientist from the University of British Columbia indicates that mine tailings, the finely ground waste material left from mining, may help to decrease global warming. According to Greg Dipple's studies at five locations worldwide, tailings are absorbing carbon dioxide, a major component of greenhouse gases that accumulate on the surface of the earth and contribute to global warming.

Tailings are disposed of in ponds with a large surface area. Carbon dioxide diffused in rainwater falls on the tailings and a reaction that occurs that binds the carbon dioxide to the rock. Since chemical reactions depend on the surface area available, the tailing pond becomes "a large CO₂ converter". Dipple and his colleagues think that there is potential for tailings to absorb all, or potentially even more than, the greenhouse gases actually emitted by a mining operation, providing a net benefit or "carbon credit".

For more info: <http://north.cbc.ca/regional/servlet/View?filename=tailings-mine-11262004>

BC MINING PLAN BOOSTS INVESTMENT IN SUSTAINABLE EXPLORATION AND MINING

The British Columbia government recently announced the BC Mining Plan, a comprehensive action plan to ensure recent successes in exploration and mining continue in the long term.

The Mining Plan presents a vision of a healthy, sustainable mining sector for the next decade and beyond. It completes the work begun by the MLA Task Force on mining that toured the province in 2003 receiving input from BC communities and the mineral exploration and mining sector.

The Plan identifies four cornerstones of a healthy, responsible industry. The cornerstones are:

- Focus on Communities and First Nations — a made-in-BC approach to sustainable exploration, mining and communities;
- Protecting Workers, Protecting the Environment — continued leadership by industry and government in worker safety and environmental stewardship;
- Global Competitiveness — actions to increase investment, streamline regulation and improve geoscience information; and
- Access to Land — enhancing the two-zone system through improved integration of exploration and mining with other land uses.

Translating the cornerstones into results, the Plan sets out 14 broad strategies and over 50 targeted actions to support growth in mining sectors such as coal, metals, industrial minerals, placer and aggregate. BC's prospectors and miners are global leaders in modern exploration and mining as well as in the protection of the environment. The BC Mining Plan builds on this impressive record, presenting a vision and strategy for sustainable, responsible mining designed to increase investment, jobs and economic benefits for the entire province. To view the Mining Plan visit http://www.gov.bc.ca/em/popt/mining_plan.htm.



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TOTAL	\$ _____

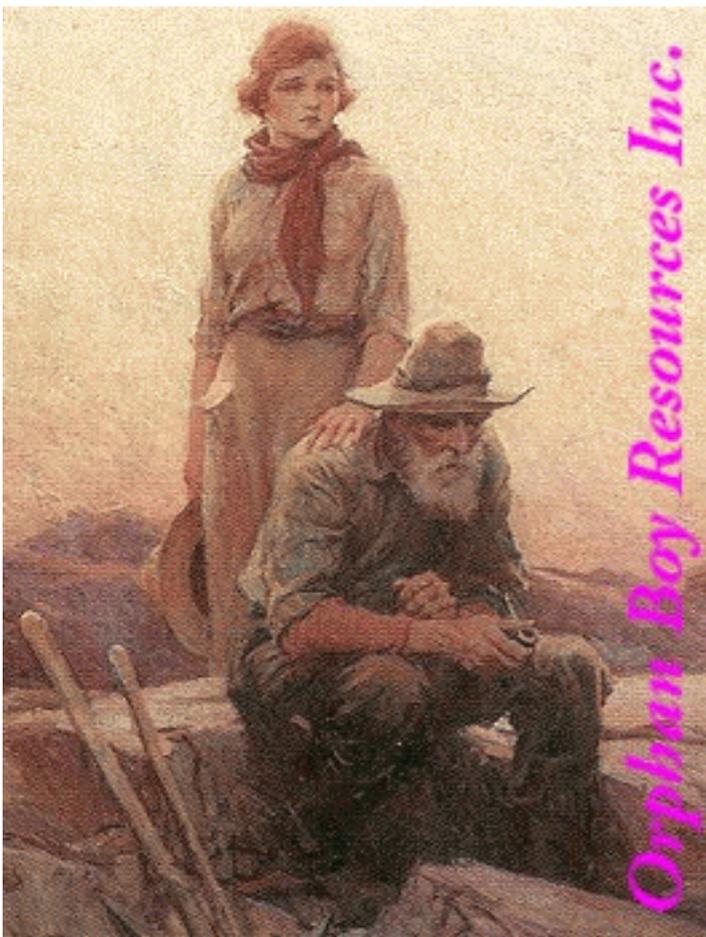
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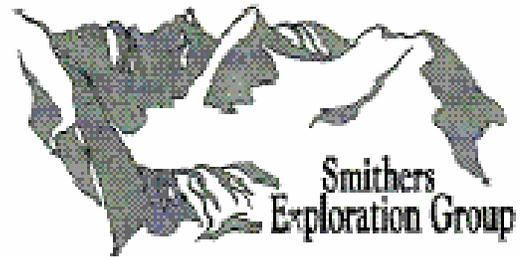
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UPCOMING EVENTS


CHAMBER OF MINES
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ANNUAL GENERAL MEETING
February 17, 2005
215 Hall Street, Nelson, BC



SEG XVI th Rock Talk
Monday Feb 21 – Tuesday Feb 22
Smithers, BC

<http://www.bc-mining-house.com/SiteCM/U/D/64AACA4FEE2DAF21.pdf>


CHAMBER OF MINES
of Eastern British Columbia
ANNUAL BANQUET
March 12, 2005
Location and time TBA

NELSON COMMUNITY BAND CONCERT
Presents a fund raiser concert
Saturday, March 12, 2005
7:30pm at the Capitol Theatre
Featuring a silent auction, door prizes
and a lot of great music
admission \$10 sen/students \$8.00

**WEST KOOTENAY PLACER
MINER'S ASSOCIATION**
Meets every 2nd Thursday starting Feb10
6:30 pm
contact Gerald York @ 250-365-3914