

Goldletter INTERNATIONAL

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British Columbia: rich past, prospective future

In late 2003, British Columbia began to experience a significant increase in project financing and property acquisitions. All signs point to a very busy 2004.

Field-related exploration spending in British Columbia in 2003 was Cdn\$ 55 million, up from \$ 40 million in the previous year. Included in this total are 92 projects with budgets in excess of Cdn\$ 100,000.

The number of claims staked increased by about 30% from 2002. The number of drilling programs and the total metres drilled rose significantly, with more than 110 projects aggregating over 300,000 metres.

During 2003, an estimated 76% of exploration expenditures were on advanced projects and 12% on grass-roots programs. The main targets for exploration were auriferous porphyry (37%), vein (30%) and massive sulphide (19%) deposits.

Over two dozen discoveries have been reported.

Mine-site exploration accounted for 12% of total expenditures and was dominated by programs at Eskay Creek, Kemess, Myra Falls, Fording River, Coal Mountain and Line Creek.

The total value of solid mineral production in 2003 was Cdn\$ 2.96 billion.

Production of Barrick Gold's Eskay Creek massive sulphide, high-grade deposit in northwestern British Columbia reached 352,070 ounces of gold and 17.0 million ounces of silver in 2003. Total cash costs per ounce were \$ 52. Gold production for 2004 is estimated at 300,000-310,000 ounces and silver production at 15 million ounces. Proven and probable reserves are estimated at 941,000 ounces of gold.

Surface and underground drilling, totally 35,500 metres, increased known resources in the 21A, 21C and 21E zones. Potentially significant new resources were identified in the 22 zone, 2 kilometres south of the mine.

Imperial Metals has made a significant copper discovery, named the Northeast Zone, at its 100% owned Mount Polley mine in central British Columbia and will restart commercial production upon receipt of the permit amendments required to mine the Northeast Zone.

Proven and probable reserves are estimated at 40.7 million tonnes grading 0.43% copper and 0.31 g/t gold. Total measured and indicated resources, excluding pit reserves, stand at 54.6 million tonnes grading 0.305% copper and 0.256 g/t gold and inferred resources stand at 14.7 million tonnes grading 0.288% copper and 0.297 g/t gold.

Northgate Minerals' principal assets are the 300,000-ounce per year Kemess Mine in north-central British Columbia and the adjacent Kemess North deposit, which contains a proven and probable reserve of 4.1 million ounces of gold.

In 2003 Northgate achieved a record annual production of over 294,000 ounces of gold and 76 million pounds of copper. In the first six months of 2004, gold production was 129,492 ounces at a cash cost of \$ 97 per ounce. In addition, 35.7 million pounds of copper were produced.

Nova Gold's Galore Creek Project is located in northwestern British Columbia west of the Cassiar Highway and 150 kilometres northeast of the tidewater port of Stewart.

Drilling has encountered significant bonanza grade gold-silver-copper mineralization near surface in the West Fork target area 700 metres south of the South West Deposit (three composite intervals totalling 133.7 metres of 2.2% copper equivalent or 3.69 g/t gold equivalent, grading 1.6% copper, 0.9 g/t gold, and 12.9 g/t silver).

Nova Gold is completing exploration and development work on the project and anticipates completing a pre-feasibility study on the project by mid-2005.

Rebirth of the “Golden Triangle” Gold-Copper Belt in Northwest B.C.

The “Golden Triangle”, or the western portion of the “Golden Horseshoe”, the gold-copper belt in northwest British Columbia, is back in the limelight after a 12-year hiatus following the end of the prolific flow-through era in the late 1980’s-early 1990’s. In 1990, mineral exploration reached its peak in the Golden Triangle, with some Cdn\$ 100 million being spent, including about 40 drilling programs. Some 40 companies were active in the area, about half “majors” and half “juniors”.

In late 1988, Prime Resources announced the discovery of the world-class, high-grade Eskay Creek gold-silver deposit; it has been produced since 1995. The discovery fuelled the federal government’s flow-through financing initiative, especially in the northwest of British Columbia. In 1990 the “Golden Triangle Fund” spearheaded the rush into the area. Several new mineral showings were discovered and a few have since become significant mining operations (e.g. Eskay Creek, Snip, Golden Bear and Premier). However, many sat idle until recently when metal prices have risen and new government policies are attracting investment back to British Columbia.

This time around, during the rebirth of the “Golden Triangle”, the juniors are leading the way in exploration, and it seems only a matter of time until the majors follow suit.

The “Golden Triangle” encompasses nearby 10,000 square kilometres, extending from the Telegraph Creek area in the north to the Stewart area in the south and from the Coast Range on the west inland to the east for about 75 kilometres.

British Columbia’s Cariboo Region shows considerably growing activity

The Cariboo region in central British Columbia has a long and exiting mineral exploration history that began with the discovery of the first major gold mines in British Columbia in the 1850’s, near the village of Likely. Placer Mining still goes on, and gold exploration remains very active in this rich mineral terrain.

The copper boom of the 1960’s brought intense, renewed interest to the Cariboo as many companies explored the region for porphyry copper-gold and copper-molybdenum deposits. Numerous occurrences were discovered, and the regional exploration boom carried into the early 1970’s when the price of gold waned. A short-lived flurry of exploration occurred in the mid 1980’s, but the area has been generally inactive for over a decade.

The geology of the area is very prospective for the discovery of alkalic copper-gold porphyry deposits, such as the Mount Polley Mine near Horsefly, and for bulk mineable and underground gold deposits. Activity has grown considerably over the last three years in anticipation of a resurgence of metal prices.

Overview of gold exploration companies active in British Columbia

<i>October 21, 2004</i>	Trading Symbol		Recent share price in Cdn\$	H+L 12 months	Net shares outstanding in million	Market cap. in Cdn\$ million
NovaGold Resources	NG	TSX	8.50	8.70-4.72	63.2	537.2
DRC Resources Corp.	DRC	TSXV	5.00	9.50-4.30	13.7	68.5
Stealth Minerals Ltd.	SML	TSXV	0.30	0.76-0.24	86.9	26.1
Bralorne Gold Mines Ltd.	BPM	TSXV	4.20	9.50-2.11	5.5	23.1
J-Pacific Gold Inc.	JPN	TSXV	0.50	0.90-0.27	44	22.0
Eagle Plains Resources Ltd.	EPL	TSXV	0.58	0.65-0.30	36.4	21.1
Redcorp Ventures Ltd.	RDV	TSX	0.26	0.50-0.25	70.5	18.3
Canadian Gold Hunter Corp.	CGH	TSX	0.62	1.28-0.43	27.6	17.1
Abacus Mining & Exploration Corp.	AME	TSXV	0.38	0.67-0.19	37.2	14.1
bcMetals Corp.	C	TSXV	0.59	1.80-0.59	23.4	13.8
Gold City Industries Ltd.	GC	TSXV	0.22	0.44-0.15	61.4	13.5
Conquest Resources Ltd.	CQR	TSXV	0.19	0.39-0.14	58.4	11.1
Alpha Gold Corp.	ALQ	TSXV	0.45	0.69-0.43	24.1	10.8
Cream Minerals Ltd.	CMA	TSX	0.35	0.90-0.26	28.9	10.1
Sultan Minerals Inc.	SUL	TSXV	0.15	0.31-0.11	41.7	6.3
Roca Mines Inc.	ROK	TSXV	0.24	0.36-0.13	23.6	5.7
Western Keltic Mines Inc.	WKM	TSXV	0.24	0.62-0.20	21.8	5.2
Firesteel Resources Inc.	FTR	TSXV	0.20	0.28-0.08	24.4	4.9
Teuton Resources Corp.	TUO	TSXV	0.24	0.35-0.18	20.0	4.8
Lateegra Resources Corp.	LEG	TSXV	0.14	0.36-0.13	34.1	4.8
Hathor Exploration Ltd.	HAT	TSXV	0.28	0.70-0.19	15.6	4.4
Southern Rio Resources Ltd.	SNZ	TSXV	0.10	0.38-0.09	42.9	4.3
Pinnacle Mines Ltd.	PNL	TSXV	0.62	0.95-0.35	6.1	3.8
Kermode Resources Ltd.	KLM	TSXV	0.24	0.55-0.19	14.4	3.5
Mountain Boy Minerals Ltd.	MTB	TSXV	0.28	0.37-0.13	10.3	2.9

Exploration companies active in Cariboo region of British Columbia

Taseko Mines Ltd.	TKO	TSXV	1.82	3.01-0.69	94.8	172.5
International Wayside Gold Mines Ltd.	IWA	TSXV	0.11	0.39-0.10	149.2	16.4
Cross Lake Minerals Ltd.	CRN	TSX	0.14	0.28-0.09	86.5	12.1
Fjordland Exploration Inc.	FEX	TSXV	0.23	0.41-0.05	30.5	7.0
Eastfield Resources Ltd.	ETF	TSXV	0.15	0.56-0.11	40.7	6.1
Wildrose Resources Ltd.	WRS	TSXV	0.23	0.44-0.08	13.8	3.2
Argent Resources Ltd.	AOU	TSXV	0.09	0.25-0.06	22.1	2.0
Skygold Ventures Ltd.	SKV	TSXV	0.13	0.17-0.09	14.8	1.9

Bralorne Gold Mines Ltd. (Cdn\$ 3.70 – TSX-V: BPM)

- **gold production reactivated in largest historic gold mines complex in the Canadian Cordillera, B.C.**

October 2004



Company profile

Bralorne's principal business activities for the last eight years have been the exploration and development of certain mineral properties located in the Lillooet Mining District in the Canadian Cordillera of British Columbia, specifically referred to as the Bralorne Gold Mine.

The property includes mineral properties that have been produced in the past approximately 4 million ounces of gold over 40 years in the historic Bralorne gold camp in B.C.

The property, that includes 100% of the Bralorne, Pioneer and King mines, consists of 154 Crown granted mineral claims, 10 freehold parcels of land, 5 reverted Crown granted claims, 4 located mineral claims and 2 placer leases that include the former Bralorne-Pioneer gold mine in the historic Bridge River gold mining camp of southwest British Columbia.

Projects

➤ **Bralorne-Pioneer Complex**

The property contains the largest historic gold mines in the Canadian Cordillera, with past production of 4.16 million ounces of gold from 7.2 million tonnes, containing 17.95 grams gold per tonne.

The Company constructed a mill to initially treat 100 tonnes per day from stockpiles of development muck, from inferred mineral resources outlined in the historic mine working above the 800 level (448,056 tons at 0.31 ounces per ton gold) and in the Peter Vein (28,779 tons at 0.28 g/t).

Based on the recommendation of a Report on 2002 and 2003 drilling and Trenching prepared by David St. Clair Dunn in October 2003, the Bralorne Gold Mine has become ready for sustained production in 2004. In March 2004, after 33 years, the Bralorne Mine re-opened for bulk sampling on 10,000 tons of material from various areas of the property. In April 2004 Bralorne poured a 40-ounce gold bar.

Bralorne Gold Mines expended Cdn\$ 2.38 million in fiscal year 2005 on mineral exploration on its Bralorne Mine and Mill Construction, including Cdn\$ 1.26 million in the second quarter.

From October 2004, with the mill fully commissioned, Bralorne has begun processing higher-grade material from the Peter Vein.

By year-end of 2004, the mine should be generating gross revenue and it is expected that 2005 will be Bralorne's first profitable year.

Corporate

In August 2004, the Company changed its name from Bralorne-Pioneer Gold Mines to Bralorne Gold Mines and consolidated its capital on a 10 old for 1 new basis, with 5.52 million shares issued.

In December 2003, a gold loan conversion financing raised Cdn\$ 4.2 million, bringing total funds raised for the year to over Cdn\$ 8 million.

The Company has no debt, and had a total working capital of approximately Cdn\$ 2.9 million at the end of July 2004.