

# KUDZ ZE KAYAH PROPERTY

## Teck

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Stock symbol: TCK.A (Toronto Stock Exchange)

## PROJECT STATUS

Inactive



### Location

110 air-km southeast of Ross River

### Ownership

Teck

### Commodity

Copper, lead, zinc, silver, gold

### Ore type

Sulphide

### Mineral resource (ABM deposit)\*

Inferred resource: 12.8 million tonnes grading  
0.8% Cu, 1.7% Pb, 5.9% Zn and 1.4 g/t Au

\*Historical resource; not NI 43-101 compliant,  
from Teck-Cominco 2007 Annual Report

### Mineral resource (GP4F deposit)\*

Inferred resource: 1.5 million tonnes grading  
0.14% Cu, 3.1% Pb, 6.4% Zn, 90 g/t Ag and  
2.0 g/t

\*Historical resource; not NI 43-101 compliant,  
from Teck-Cominco 1998 Annual Report

### Mining method

Open pit

### Processing method

Conventional mill, 365 days per year

### Mine life

11 years

### Employees

170

## HISTORY

Cominco carried out a geochemical survey in 1977 in the Finlayson Lake area, but the survey was too wide-spaced to reveal evidence of the ABM deposit (later renamed Kudz Ze Kayah). In 1992, Cominco returned to the area to follow up on anomalous base metal stream silt samples which had been collected in 1988 by the GSC. In late 1993, quartz-sericite altered rhyolite rocks and a 15-cm piece of banded massive sulphide-magnetite float were noted, but the source of mineralization was not found until geophysical surveys revealed a major anomaly under the valley. The initial discovery hole was drilled in April, 1994. A large regional airborne electromagnetic and magnetic survey was flown and a total of 8500 m

in 52 diamond-drill holes were completed in 1994 in a helicopter-supported, low impact exploration program.

The 1995 exploration program included construction of a tote road from the Robert Campbell Highway (approximately 20 km), 15 000 m of diamond drilling in 120 holes, sampling, and engineering and environmental studies. The purpose of the drilling was to define the ore reserve, assess mining methods and confirm the absence of important mineralization under possible locations for mill, tailings, and waste rock sites. Cominco spent \$3.5 million during 1995 on advanced exploration and \$800 000 on grassroots exploration. A 50-person camp was constructed on-site.

During 1996 and 1997, Cominco drill-tested targets outlined by airborne geophysics. The company's 1997

exploration budget for the area was about \$2 million compared with \$4.2 million in 1996. Environmental permitting began in 1996 and was completed in December, 1997.

In 1998, Cominco carried out diamond drilling and geological work on the Kudz Ze Kayah property and discovered the GP4F deposit, 5 km southeast of Kudz Ze Kayah.

In 1999, Cominco conducted a small geophysics program. In total, Cominco spent a total of \$11 million to find and delineate the Kudz Ze Kayah deposit, and take it to the pre-feasibility stage. The company received its Type A Water License late in 1999.

On March 1, 2000, Expatriate Resources Ltd. announced an agreement to purchase 560 square km of prime exploration lands from Cominco Ltd., including the Kudz Ze Kayah and GP4F deposits. The Finlayson project consolidated the Kudz Ze Kayah, GP4F and Wolverine deposits into a single development plan. A positive pre-feasibility study was completed by Hatch Resources and additional drilling was completed by Expatriate Resources on the Wolverine deposit.

In September, 2001, Expatriate Resources terminated the acquisition agreement with Teck Cominco for the Kudz Ze Kayah project.

## PROPERTY SUMMARY

The Kudz Ze Kayah property, host of the ABM mineral deposit, is owned by Cominco Ltd. and located 110 air-km southeast of Ross River, Yukon. The gently dipping sheet-like ABM deposit lies below a U-shaped valley, covered by 2 to 10 m of glacial overburden. An unnamed north-flowing tributary to Finlayson Creek, locally called "Geona Creek," drains beaver ponds which, in part, overlie the deposit. Finlayson Creek drains into the Finlayson River which forms part of the Upper Liard system draining to the Beaufort Sea.

### Geology, mineralogy and ore reserves

The Kudz Ze Kayah deposit is hosted by a thick sequence of Devonian-Mississippian felsic volcanic pyroclastic rocks comprising quartz and feldspar crystal tuffs, fine lapilli ash tuffs, and ash tuffs with lesser rhyolite flows or sills. Immediately above the deposit are felsic pyroclastic rocks which are intensely deformed and altered to quartz-muscovite-carbonate schists containing fine pyrite and quartz veinlets.

The deposit is a tabular mineralized body that contains several lenses that collectively provide thicknesses up to 22.5 m. The deposit dips moderately to the north near its subcrop and becomes flatter dipping with depth.

Exploration work in 1994 delineated the approximate extent of the ABM deposit, roughly estimated to contain 13 million tonnes grading 1.0% Cu, 1.3% Pb, 5.5% Zn, 125 g/t Ag and 1.2 g/t Au. This estimate was based on 50 holes drilled on 100-m centres. By the end of 1996, a total of 139 drill holes had outlined a mineable open-pit reserve of 11.3 million tonnes grading 5.9% Zn, 1.5% Pb and 0.9% Cu, plus 1.3 g/t Au and 133 g/t Ag, based on 50-m spacings, and in some cases, 25-m spacings. Teck-Cominco's 2007 annual report outlined a new resource calculation for the ABM deposit that moved the indicated resource into the inferred category: 12.8 million tonnes grading 0.8% Cu, 1.7% Pb, 5.9% Zn and 1.4 g/t Au.

The GP4F deposit, discovered in 1998, contains an inferred resource of 1.5 million tonnes (Teck-Cominco 1998 Annual Report) grading 0.14% Cu, 3.1% Pb, 6.4% Zn, 90 g/t Ag and 2.0 g/t Au.