

6155

DRILLING REPORT

ASHLU GROUP

VANCOUVER MINING DIVISION

BRITISH COLUMBIA

49° 56' N - 123° 24' W

CLAIM MAP 92-G-14 W/2

by

MICHAEL W. COOPER

ASHLU GOLD MINES LTD.

JANUARY 12, 1977

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
NO. <u>6155</u>

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ENCLOSURES

- GEOLOGICAL CORE LOG (5 pages)
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SCALE 1:1200

Map # 1

DRILLING REPORT

ASHLU GROUP

NTS 92-G-14, VANCOUVER, M.D., B.C.

I. INTRODUCTION

On December 30, 1976, M.J. Cooper (FMC 139554) acting on behalf of Ashlu Gold Mines, Ltd. (FMC 152454) filled \$16,100.00 of diamond drilling costs as assessment work on the Ashlu group.

This report was prepared by M.J. Cooper and submitted to the British Columbia Department of Mines and Petroleum Resources as mandatory under B.C. Reg. 40/75, Regulations Governing Assessment Work Under The Mineral Act.

During the period October 7 - October 31, 1976 Ashlu Gold Mines, Ltd., as operator, undertook a diamond drill program on the Ash #2 mineral claim.

A total of 986 feet was drilled in four holes at a cost of \$19,782.21 of which \$16,100.00 has been applied for assessment work on the Ashlu group.

Elgin Exploration was contracted to do the diamond drilling; Dr. Peter Sevensma, consulting geologist, was hired to supervise the drilling and log and sample the recovered core.

The core is presently stored indoors at the Ashlu mine camp.

II. ASHLU GROUP

The Ashlu group is located in the Vancouver Mining Division, on claim sheet 92-G-14, W/2, about 49° 56' latitude N, and 123° 24' longitude W, 8 miles up Ashlu Creek from its junction with the Squamish River (figs. 1 and 2).

The property is accessible via a highway up the Squamish River and an 8-mile logging road up Ashlu Creek, for a total distance of about 28 miles from Squamish.

Owners of the claims that comprise the Ashlu group are;

Walter Babkirk, FMC 150374 -	ASH 18684 K
107 Woolridge St.	ASH #2 56(11)
Coquitlam, B.C.	ASH 3 UN 74(1)
	ASH 6 UN 72(1)
	ASH 7 UN 98(6)
	ASH 8 UN 99(6)
	CLARA 3 UN 73(1)

Norman J. McLeod, FMC 143803 -	TUFF 26(7)
Box 150, Brackendale, B.C.	GOLD 118(11)

William S. Auld, FMC 143802 -	SHEENA 26323M
Box 1275, Squamish, B.C.	SAM 132 (11)

The Ashlu group of mineral claims consist of 29 contiguous units. Form 1, NOTICE TO GROUP, was received December 30, 1976, Mining Recorders' Office, Vancouver, B.C.

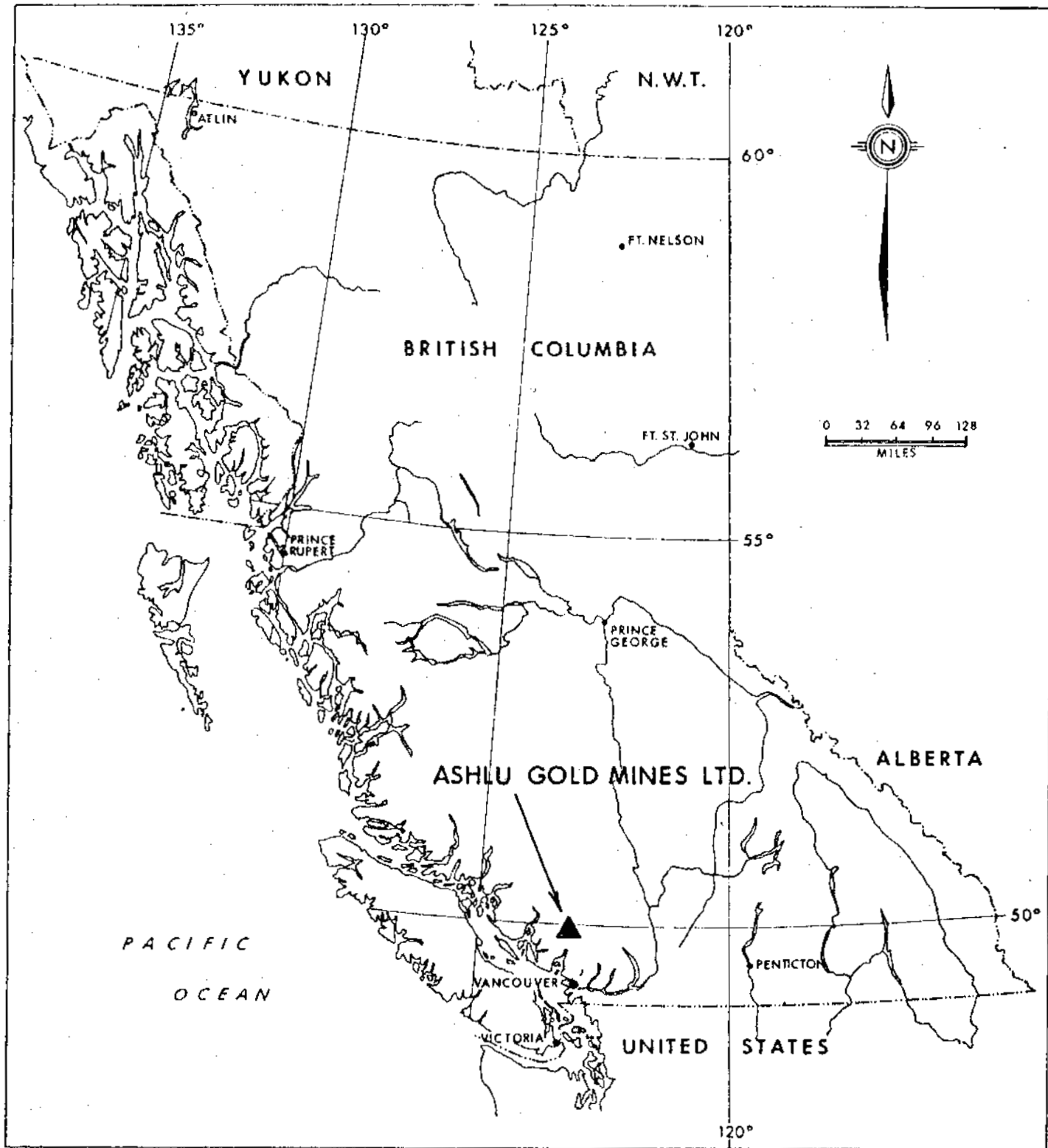


FIG. No. 1

REGIONAL LOCATION MAP

ASHLU GOLD MINES, LTD.

ASHLU GROUP

BRITISH COLUMBIA

MINERAL RESOURCES BRANCH

ASSESSMENT REPORT

NO. 6155

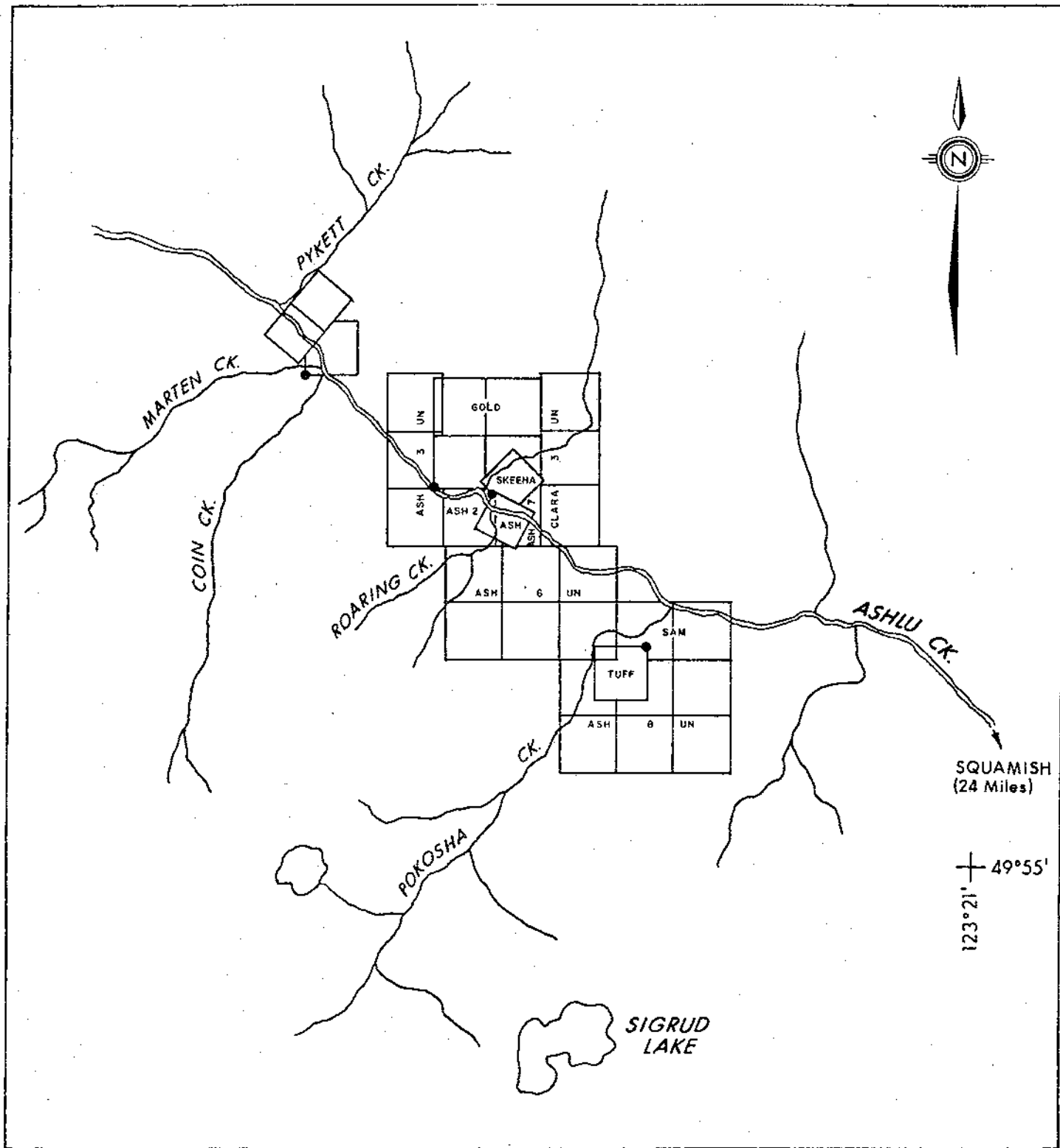


FIG. No. 2

ASHLU GOLD MINES
 CLAIM MAP
 ASHLU GROUP
 VANCOUVER MINING DISTRICT
 BRITISH COLUMBIA

MINERAL RECORDS BRANCH
 ASHLU GROUP
 No. **6155**

0 5000
 FEET

III. DIAMOND DRILL HOLES

The following core-holes were drilled on the Ash #2 mineral claim (see enclosed map Ash #2 mineral claim).

<u>DDH NO.</u>	<u>LAT.</u>	<u>LONG.</u>	<u>AZIMUTH.</u>	<u>INCL.</u>	<u>LENGTH</u>	<u>ELEV.</u>
76-1	820'S	390'W	-	-90°	258'	1480'
76-2	820'S	390'W	220°	-65°	300'	1480'
76-3	710'S	500'W	220°	-65°	286'	1500'
76-4	750'S	770'W	130°	-65°	<u>142'</u>	1600'
					986'	

All drill core has a core diameter of 1-7/16 inches.

Respectfully submitted,



M.J. COOPER

ASSAY — LOG

P. H. Sevensma Consultants Ltd.
~~745 — 850 West Hastings St., Vancouver 1, B.C.~~

COMPANY ASHLU GOLD MINES LTD.

Property :
ASH CLAIMS

Sample no.	From	To	Length	Rec. %	Rock type	Oz/St Au					
	0	44'	44'	NIL	Overburden						
	44'	120'	76'	100%	Hfs. and Mz						
	120'										
	120'	124'	4'	100%	Mine dyke						
746	124'	125.5'	1.5'		Mine dyke and 5% sulphides	.034					
	125.5'	131.5'	6'	100%	Mine dyke						
	131.5'										
	131.5'	132'	6"	100%	Bleached zone						
	132'	258'	126'	100%	Hfs. and Mz						
	258'				End of hole						

P. H. Sevensma

ASSAY — LOG

P. H. Sevensma Consultants Ltd.
 715 — 850 West Hastings St., Vancouver 1, B.C.

COMPANY ASHLU GOLD MINES LTD.

Property :
ASH CLAIMS

Sample no.	From	To	Length	Rec. %	Rock type	Oz/St Au					
	0	14'		NIL	Overburden						
	14'	118'	104'	100%	Monzonite with bands dark hfs.			Typical hanging-wall formation			
	118'							Start of vein structure			
736	118'	119'	1'	50%	White quartz	.006					
737	119'	123'	4'	90%	Mine dyke	.002					
738	123'	124'	1'	100%	Mine dyke and pyrrhotite belbs	.004					
739	124'	125'	1'	60%	White Quartz	.004					
740	125'	127'	2'	100%	Mine dyke	.002					
741	127'	129'	2'	100%	Wh. quartz, some hfs. and pyrite	.002					
742	129'	131'	2'	100%	Silicified hfs.	.002					
743	131'	132.5'	1.5'	100%	White Quartz	.002					
744	132.5'	134'	1.5'	90%	Chloritized hfs.	.002					
745	134'	136'	2'	25%	White Quartz	.038					
	136'							End of vein structure			
	136'	268'	132'	100%	Mostly Mz						
	268'	300'	32'	100%	Dark granodiorite						
	300'				End of hole						

[Handwritten signature]

ASSAY — LOG

P. H. Sevensma Consultants Ltd.

715 - 850 West Hastings St., Vancouver, B.C.

COMPANY ASHLU GOLD MINES LTD.

Property :

ASH CLAIMS

Sample no.	From	To	Length	Rec. %	Rock type	Oz/St Au	Oz/St Au			
	0	88			Overburden					
	88'	241'	153'	95%	Monzonite with 4" to ⁺ 3' sections of dark hornfels 1/4" veinlet Py					
	241'	257.5'	16.5'	90%	Heavily biotitized Mz and hornfels					
751	257.5'	260.9'	3.4'	80%	7" altered Mz 16" Qtz, Minor Py. 7" Brown Hfs. 3" Qtz., v. minor Py.	.002	trace			
	260.9'	262.6'	1.7'	70%	Brown hfs. typical	Mine dyke				
	262.6'	264.9'	2.3'	75%	Br. hfs. and 2" wh. Qtz.	Mine dyke				
	264.9'	270.4'	5.5'	20%	Altered Mz.	(Note poor core recovery)				
	270.4'				End of Core					

P.H. Sevensma

CERTIFICATE

I, Peter H. Sevensma, of 7052 Sierra Drive,
Burnaby, B.C., DO HEREBY CERTIFY

1. That I am a Consulting Geologist with business address as above.
2. That I graduated at the University of Geneva, Switzerland in 1937 and that I obtained my Ph.D. in Geological Sciences in 1941 at the same institution.
3. That I am a Registered Professional Engineer, member of the Association of Professional Engineers in British Columbia.
4. That I have practised my profession for the last 38 years.
5. That I have personally logged and sampled the cores obtained in the drilling of holes 76 - 1, 2 and 3 on the Ash Claims of Ashlu Gold Mines Ltd.
6. That I have no interest, directly or indirectly, in any of the securities or properties of Ashlu Gold Mines Ltd. and do not expect to acquire or receive any.



P.H. Sevensma, Ph.D., P. Eng.

Burnaby, B.C.
January 7, 1977

STATEMENT

Elgin Exploration Company Limited

3504A - 72 Avenue South East
 CALGARY, ALBERTA T2C 1J9
 Phone (403) 279-4469

By

Party No.

76-3

From

7/76.

DATE

November 16, 1976.

To

TO

Ashley Hole Drilling Ltd.

Oct. 31/76.

310 - 100 Street, W. S.E.
 Calgary, Alberta.
 T2C 1J3

Kind Drilling

Location
 Squamish, B.C.

Atten: Mr. Lee Hutchison

Received

DESCRIPTION

Statement Due

Diamond Drill Services Rendered Oct. 7 - 31, 1976.
 E.C. Core Drilling On Ashley Property, North Of Squamish B.C.
 Elgin Longear '3" Drill Mounted On Combarrier.
 Supervisor: V. Grenier.

- 8: Leave Calgary to Hope B.C.
- 9: Leave Hope to project, road blocked by log trees and rain.
- 9: Haul Equipment back to mile 20 from Squamish, unload and haul two pickup loads to drillsite.
- 10: Haul trailer and pipe etc. to drillsite with pickup and Combarrier.
- 11: Set up camp and drill, and drill in anchor.

Two to three days extra time here not charged for.

Date	Hole	Core ft.	BU case ft.	NW Case ft.	Casing hrs.
12	1	- "	30 "	4 "	11 "
13	1	5 "	20 "	- "	10 "
14	1	35 "	- "	- "	- "
15	1	16 "	- "	- "	- "
16	1	12 "	- "	- "	- "
17	1	50 "	- "	- "	- "
18	1	35 "	1 "	- "	- "
		214 "	30 "	4 "	21 "

Total cost hole # 1 (except excess on core diamond over \$ 4 per ft.)

Drilling Overburden	21 hours @ \$ 40.00 hrs.	\$ 840.00
Coring 214 ft. @ \$ 16.00		\$ 3424.00
Overburden Material, 1 Bq anchor rod		\$ 30.00
1 Bq bit # 1011252		\$ 200.00
1 tri-cone, supplied		-
1 NW shoe # 1020370		157.10
1 BW shoe # 1020376		157.10
7% B.C. tax on materials		30.90
		<u>\$ 4,857.10</u>

TOTAL Due

\$ 4,857.10

Forward to page two.

STATEMENT

Elgin Exploration Company Limited

3504A - 72 Avenue South East
 CALGARY, ALBERTA T2C 1J9
 Phone (403) 279-4469

By

Party No.

From

To

Type

Location

Received

DATE November 16, 1976.

TO Ashlu Gold Mines Ltd.

Page two:

DESCRIPTION

Statement Due

Diamond Bits Used Coring Hole # 1 (Nothing charged her until project completed)

1 BQ Bit 14Z2502 \$ 200.50
 1 BQ Bit 14Z2173 200.50
 1 BQ Bit 14Z2245 200.50
 1 BQ Bit 14Z2245 200.50
 1 BQ Bit 14Z2245 200.50
 7% B.C. Tax. 57.03
\$ 1,330.28

Hole # 2

Date	Hole	Core ft.	NW case ft.	NW case ft.	Case hrs.	Coment hrs.
Oct. 19	2	- "	11 "	10 "	6 "	- "
20	2	29 "	5 "	- "	2 "	- "
20N	2	36 "	- "	- "	- "	- "
21	2	51 "	- "	- "	- "	- "
21N	2	23 "	- "	- "	- "	- "
22	2	34 "	- "	- "	- "	- "
22N	2	44 "	- "	- "	- "	- "
23	2	46 "	- "	- "	1 "	- "
23N	2	22 "	- "	- "	- "	- "
		<u>285 "</u>	<u>16 "</u>	<u>10 "</u>	<u>10 "</u>	

Coring 285 ft. @ \$ 16.00 \$ 4,560.00
 Case 16 ft. @ \$ 16.00 256.00
 1 BQ anchor rod 30.00
 1 NW shoe 14ZW355 Charged hole 1 -
 1 BW shoe 14ZW946 " " " -
 1 BQ Bit 14Z2245 " " " -
 1 BQ Bit 14Z2245 " " " -
 1 BQ Bit 14Z2173 " " " -
\$ 4,846.00

\$ 4,846.00

Diamond bits used coring Hole # 2 (nothing charged here until project completed)

1 BQ Bit 14Z2508 \$ 200.80 1 BQ Bit 14Z2506 \$ 200.80
 1 BQ Bit 14Z2507 200.80 7% B.C. Tax. 51.34
 1 BQ Bit 14Z2505 200.80 \$ 1,289.14
 1 BQ Bit 14Z2503 200.80 TOTAL Due
 1 BQ Bit 14Z2504 200.80

\$ 9,703.10

Forward to page 3

Elgin Exploration Company Limited

3504A - 72 Avenue South East
 CALGARY, ALBERTA T2C 1J9
 Phone (403) 279-4469

DATE November 16, 1976.

TO Ashlu Gold Mines Ltd.

Page three:

DESCRIPTION

Statement Due		Hole # 3		Case Cement		
Date	Hole	Core ft.	BW case ft.	NW case ft.	hrs.	hrs.
Oct. 24	3	-	-	"	"	4
24N	3	-	35	"	33	12
25	3	-	25	"	-	12
25N	3	-		abandon	-	12
26	3A	-	39	"	39	12
26N	3A	-	36	"	-	12
27	2A	18	12	"	-	8
27N	3A	33	-	"	-	-
28	3A	35	-	"	-	1
28N	3A	-	-	"	-	12 cementing
29	3A	-	-	"	-	12 cementing
29N	3A	-	-	"	-	12(Drill out 85 ft cement.)
30	3A	7	-	"	-	-
30N	3A	40	-	"	-	-
31	3A	44	-	"	-	-
31N	3A	16	-	"	-	-
		194	147	"	72	37

twist off, lost 260 ft. rods & casing, will be charged in Nov.

Coring 194 ft. @ \$ 16.00 \$ 3,104.00
 Casing 72 hrs. @ \$ 40.00 2,880.00
 Cement 37 hrs. @ \$ 40.00 1480.00
 Case Material 2 BQ rods anchor 60.00
 1 BW shoe 14ZW696 137.55
 1 BQ shell M7YH730 225.28
 1 NW shoe J4ZW269 185.95
 1 BQ Bit M4Z2506 used from coring -
 1 BQ Bit M4Z2507 used from coring -
 BC Tax. on materials @ 7% 42.61
\$ 8,119.39

\$ 8,119.39

TOTAL Due

\$ 17,818.49

Forward to page four

Service Charge of 1½% per month (18% per annum) charged on past due accounts outstanding over 30 days from above statement date.

Party No.

By

From

To

Type

Location

Received

Statement Due

Form No. 3

STATEMENT

Elgin Exploration Company Limited

3504A - 72 Avenue South East
 CALGARY, ALBERTA T2C 1J9
 Phone (403) 279-4469

By

DATE November 16, 1976.

TO Ashlu Gold Mines Ltd.

Page four

DESCRIPTION

Diamond Bits Used Coring Hole # 4

1 BQ Bit MHL22H4	210.55
1 BQ Bit MHL1532	210.40
1 BQ Bit MHL1533	210.40
1 BQ Bit MHL1740	232.25
1 BQ Bit MHL1736	232.25
B.C. Tax. 7%	62.73
	<u>\$1,254.60</u>

Phil Walton Enterprise Hauling, Ltd.
 Moving crew to site
 Core boxes E.G. Whalen & Son

\$ 1,330.15
500.00
<u>133.57</u>

\$ 1,963.72

TOTAL Due

\$ 19,702.21

Service Charge of 1½% per month (18% per annum) charged on past due accounts outstanding over 30 days from above statement date.

Party No.
 From
 To
 Type
 Location
 Received

Objective:

Drilling Started:

Drilling Completed:

Logged by: P.H. Sevensma

Date: October 25, 1976

Samples Submitted to:

(Lab.)-Date:

Lat.:

820 S

Long.:

390W

Place:

Mine Road

App.Bear.:

App.Dip.: - 90°

Length:

258'

From	To	Length	Recov.	Remarks:
0	44'		NIL	Overburden.
4'	119.5'	75.5'	100%	Dark hard biotite hornfels with bands of monzonite to 96', bands of mz. are diffuse, sometimes with stringers of 1/8" feldspars.
				Good bands of mz. are as follows: 96' - 98.5', contacts broken. 106.5' (30°) - 109' (45°)
9.5'	120'		100%	Transition zone with dense light-green chlorite alterations.
10'	131.5'		100%	Speckled brown bio-hfs, as in mineralized zone in hole 2 - 76
				Wavy hairline calcite veinlets (at + 55° to core) and 1/32 - 1/8" feldspar crystals are diagnostic, as in hole 2 - 76. This is the mine-dyke.
				5% crudely banded sulphide blebs occur from 124 - 125.5' and in diminishing amounts from 127 - 128'.
24'	125.5'		100%	Sample 746.
31.5'	132'		100%	Bleached zone.
32'	139'		100%	Dark hard hfs with bands of monzonite. Main monzonite: 132 - 133'
				Rest are small discontinuous bands.
39'	157'		100%	Medium gr. mz. + hfs inclusions.
57'	172'		100%	Alternating hfs and mz. in ± 6" - 12" bands.
72'	182'		100%	Mz.
82'	258'		100%	Alternating mz and hfs. Good mz.: 207.5 (30°) - 209' (40°); 216.5 (30°) - 218 (25°); 229.5 (60°) - 234 (80°); 237 (?) - 242.5 (65°); 244.5 - 248' (?).
58'	End.			

Scale:

Lithology

Sampling

Property: ASH CLAIMS

Hole No.: 76 - 1

Core Size: 1 7/16"

Page 1 - 1

P.H. Sevensma

Objective:

Drilling Started:

Drilling Completed:

Scale:

Lithology

Sampling

Logged by: P.H. Sevensma

Date: October 24, 1976

Samples Submitted to:

(Lab.)-Date:

Lat.:

820 S

Long.:

390 W

Place:

Same as 76 - 1

App.Bear.:

S W

App.Dip.:

- 65°

Length:

300'

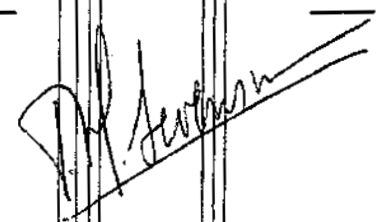
From	To	Length	Recov.	Remarks:
0	14'	14'	NIL	Overburden.
4'	36.5'	22.5'	100%	V.f. gr. dark hornfels, hard massive; occas. vague banding. In some sections, abundant feldspar "ghosts", especially 28'-33' with some 1/8" wide bands \pm 90° of more abundant small feldspars. Could be altered f.gr. granodiorite rock.
				At 36/, 2"-3", of typical light coloured "monzonite" forms a later vein.
6.5'	105'	68.5'	100%	Alternating bands of f.gr. dense biotite hornfels and m.gr. biotite-speckled monzonite.
				Main monzonite bands are as follows:
				36.5' (40°) - 40.5' (30°) 44' (20°) - 45' (25°) 69' (60°) - 75.5' (55°)
				76.5' (indef.) - 80' (75°) 81' (75°) - 82' (85°) 86.5' (30°) - 88' (30°)
				91' (28°) - 92' (25°) 104' (55°) - 105' (75°) >< granodiorite)
5'	106.5'	1.5'	100%	M.gr. biotite-granodiorite 75° at 105' 45° at 106.5'.
				Looks like a dyke. Contacts well defined, sharp.
6.5'	115'	8.5'	100%	Mixed zone of "granitized" looking material, i.e. monzonite, some hfs and "monzonitized" hornfels with diffuse feldspar and hornblende.
5'	118'	3'	100%	Good, typical monzonite, bleached from 117' - 118'.
8'	119'	1'	6"	First qtz. vein, white. Some pyrite, but only 50% recovery
9'	123'	48"	44"	Brown, speckled hfs, softer than black one. White speckles are \pm 1/16" feldspar; also v. fine (1/32" or less) calcite veinlets. Some core ground at about 121'.
3'	124'	12"	12"	Same, but starts with 1/4" of massive Po or telluride veinlet at 123'; 3/8" thick + calcite. Also 1 1/2" wide qtz vein at 90°. Po veinlet at 75°.
				This is the mine dyke.
4'	125'	12"	7"	Wh. qtz. vein at 55°, poor recovery; some py. and hfs. fragments
5'	127'	24"	24"	Brown hfs.

Property: ASH CLAIMS

Hole No.: 76 - 2

Core Size: 1 7/16"

Page 1 - 2



Diamond Drill Geological Log

P.H. SEVENSMA CONSULTANTS LTD.

215 - 850 West Hastings St., Vancouver 1, B.C.

COMPANY

ASHLU GOLD MINES LTD.

#6155
GRAPHIC LOG

Objective:

Drilling Started:

Drilling Completed:

Scale:

Lithology

Sampling

Logged by: P.H. Sevensma

Date: October 24, 1976

Samples Submitted to:

(Lab.)-Date:

Lat.:

Long.:

Place:

App.Bear.:

App.Dip.:

Length:

300'

From	To	Length	Recov.	Remarks:
127'	128'	12"	12"	Wh. qtz. and hfs. fragments in places.
128'	131'	36"	36"	Silicified and feldspathized hfs., with some very white calcite blebs 1/8"-1 1/2" across.
131'	132.5'	18"	18"	Wh. qtz. vein, walls broken, no dip visible.
132.5'	134'	18"	16"	Chloritized hfs., cleaved at $\pm 40^\circ$ to core.
134'	136'	24"	6"	6" of broken wh. qtz. + some pyrite at walls at about 60° . Not certain that all core is crushed in this part of section between blocks 131' & 137', in which 6', about 18" of core is missing between 132.5' and 137'.
136'	136')	18"	15'1"	This is the main vein zone. 15' of core recovered out of 18'=3'lat. = 16%. 84% recovery.
136'	137'			Altered monzonite.
137'	164'	27'	100%	Hard dark hfs. with 2"-18" streaks of monzonite, often partly "dissolved" into clusters of 1/8" of feldspars. Characteristic are areas with minor light-green epidotization (?) 162'-164' looks like "hornfelsic f.gr. monzonite", slightly biotitized throughout.
164'	192'	28'	100%	Good monzonite with occasional sections high in fine biotite.
192'	223'	30'	100%	Granodiorite, characterized by 1/8-1/4" clots of fine biotite replacing hornblende
223'	237'	14'	100%	Quite homogeneous m.gr. monzonite.
237'	249'	12'	100%	A porphyritic looking "monzonitized" hfs. Heterogenous; varies from straight mz. to straight hard hfs.
249'	253'	4'	100%	Typical m.gr. monzonite.
253'	268'	15'	100%	Streakely biotitized monzonite with occas. 6" hfs.
268'	300'	32'	100%	Dark dioritic gd., biotitized in clots. Some schistosity.
300'	End.			

Property: ASH CLAIMS

Hole No.: 76 - 2

Core Size:

Page 2 -2

P.H. Sevensma

#6155

Diamond Drill Geological Log

P.H. SEVENSMA CONSULTANTS LTD.

COMPANY

ASHLU GOLD MINES LTD.

GRAPHIC LOG

~~713 - 850 West Hastings St., Vancouver, B.C.~~

Scale:

Objective:

Drilling Started:

Drilling Completed:

Logged by: P.H. Sevensma

Date: November 6, 1976

Samples Submitted to:

(Lab.)-Date:

Lat.: 710 S

Long.: 500 W

Place: Mine Road

App.Bear.: S.W.

App.Dip.: -65°

Length: 286' (?)

Lithology

Sampling

From	To	Length	Recov.	Remarks:
0	88'			Overburden
8'	241'			Monzonite with 4" to 3' sections of dark hornfels 1/4" veinlet Py.
231)				1/4" veinlet Py.
41'	257.5'	16.5'	90%	Heavily biotitized Mz and hornfels. Core-loss at about 245' (\pm 1') and 255.8 to 257.5 (6")
57.5'	260.9'	3.4'	80%	(Sample 751) 7" altered Mz 16" Qtz, minor Py. 7" Brown hfs. 3" Qtz, v. minor Py.
50.9'	262.6'	1.7'	70%	Brown hfs. typical - Mine dyke
52.6'	264.9'	2.3'	75%	Brown hfs. and 2" wh. Qtz. - Mine dyke
54.9'	270.4'	5.5'	20%	Altered Mz.
70.4'				(End of core) Core barrel and rods stuck in next run.
70.4'	286'		NIL	End of hole at 286' not checked.

Equipment became stuck and part of rods and casing were lost in the hole.

Property: ASH CLAIMS

Hole No.: 76 - 3

Core Size: 1 7/16"

Page 1 - 1

P.H. Sevensma

THIS AGREEMENT made this 13th day of October 1976.

Between: Ashlu Gold Mines Limited
320 Monument Place South East,
Calgary, Alberta. T2A 1X3

MINERAL RESOURCES BRANCH

ASSESSMENT REPORT

NO. 6155

(hereinafter referred to as the "COMPANY")

And: Elgin Exploration Company Limited
3501A - 72 Ave. S.E.
CALGARY, Alberta. T2G 1J9

Whereas the COMPANY hereby requests that the CONTRACTOR carry out certain surface diamond drilling and other services, on properties, in the area, approximately twenty eight miles North of Squamish, B.C.

AND WHEREAS the CONTRACTOR hereby agrees to perform said diamond drilling and other services requested, under the terms and conditions hereinafter contained.

1. DESCRIPTION OF WORK:

The Work is to consist of a series of drill holes, drilled at locations specified by the COMPANY. No minimum or maximum footage shall be specified, however the drilling will be agreed to continue as long as the weather conditions permit, estimate November 27, 1976. Holes shall be drilled with BQ coring equipment, which produces a 1 7/16" diameter core. Maximum depth of any hole shall not exceed 600 feet. The contractor will not be called upon to drill any hole at a flatter angle than 45 degrees unless mutually agreed upon. Measurement of all holes shall be taken from the top of the casing, and each foot drilled shall be paid at the rate specified below.

2. COMMENCEMENT AND EXECUTION OF WORK

The equipment will be shipped by transport on Oct. 7, 1976, with the drilling to commence as soon as possible.

3. LABOR EQUIPMENT MATERIALS AND SUPPLIES AND SERVICES

All labor, equipment and material supplies and services necessary to the normal operation or maintenance of the drilling equipment shall be furnished by the CONTRACTOR, except as specified otherwise in this agreement.

4. SCHEDULE OF RATES

Subject to all of the other provisions hereof, The COMPANY agrees to pay the CONTRACTOR for the work performed, services rendered and the materials, equipment and supplies furnished by CONTRACTOR a sum as hereinafter prescribed.

- (i) BQ Drilling and coring
From bedrock to final depth at \$ 12.00 per foot.
- (ii) Overburden Drilling
0 - 20 feet at \$ 16.00 per foot.
For overburden drilling or casing in bedrock greater than 20 feet in depth if costs are greater than \$16.00 per foot then the rate shall be \$40.00 per hour plus all in hole drilling costs.

(iii) TRANSPORTATION AND MOVES

It is agreed that the COMPANY shall pay for the trucking of the drilling equipment, and other transportation costs, to the initial drillsite and return to the CONTRACTORS warehouse in Calgary when the job is terminated.

It is also agreed that the Company shall pay a sum of \$500.00 each way for the transportation of the drill crew to the drilling site and return.

(iv) FIELD COSTS

- (a) Operating field costs.

Two men and equipment at \$ 40.00 per hour

(b) DELAYS

Delays occasioned by Company representative or engineer will be for the COMPANY'S account at the rate of \$ 25.00 per hour.

Delays occasioned because of cementing, drilling out cement at \$ 40.00 per hour plus in hole costs, and setting time of cement shall be for the COMPANY'S account at \$ 25.00 per hour.

(c) MATERIALS

Additional materials such as drilling mud and other additives required for the coring shall be furnished by the CONTRACTOR, materials required for cementing, drilling out cement, casing and overburden drilling shall be for the COMPANY'S account.

(d) CORE BOXES

Core boxes and lids if required shall be supplied by the COMPANY.

(e) EQUIPMENT

The contractor will supply a Longyear Model '38' Diamond Drill mounted on a bombardier with a 3/2 ton service truck. The CONTRACTOR will also supply a self contained trailer or trailers to accommodate the drill crew. Should additional equipment be required such as a cab or four wheel drive truck, it will be for the COMPANY'S account.

(f) ROOM AND BOARD

Room and board for the CONTRACTOR'S personnel will be provided by the contractor at no cost to the COMPANY.

5. WATER

The maximum distance to water for drilling purposes to be 300 feet. The cost of pumping water further than 300 feet for drilling will be for the COMPANY'S account.

6. MOVES

All moves over 3/4 mile to be paid by the COMPANY at field rate.

7. LOST EQUIPMENT THROUGH

The actual cost of all equipment lost in the hole such as drill rod, casing, shoes, bits, core barrels etc. to be at the COMPANY'S expense.

8. ACCESS AND TIMBER RIGHTS

The company shall provide at no cost to the CONTRACTOR all rights of ingress and egress to all lands that may be required to enable the CONTRACTOR to carry out the specified work.

The CONTRACTOR shall be permitted to cut and sell any timber on the COMPANY'S property as may be required in the course of the work hereunder, and the COMPANY shall indemnify and save harmless the CONTRACTOR from any assessment or other charges of every kind and nature whatsoever.

9. The CONTRACTOR agrees to core and drill on the site and at angles selected by the COMPANY representative and to follow the instructions of the COMPANY representative relating to the place and time of drilling.

The CONTRACTOR shall at all times enforce discipline and maintain good order among its employees and shall not retain on the job any person not skilled in the work assigned to him.

Any employee of the CONTRACTOR who are objectionable or unsatisfactory to the COMPANY shall be removed from the job and replaced by an employee satisfactory to the COMPANY.

The drilling shall be conducted so as to produce as high a percentage of core as the nature of the ground being drilled shall allow. All core recovered shall be delivered to the COMPANY at the drill site, carefully marked.

10. CAVITIES

In the event that cavities or loose and caving materials or excessive water flows are encountered of a nature so as to prevent the successful completion of any hole, the CONTRACTOR does not, under such conditions guarantee to drill

to a predetermined depth and, in the event that it becomes necessary to abandon the hole, the COMPANY agrees to pay for such uncompleted holes at the rates herein specified for all footage completed. However, should the COMPANY request that further work be carried out in the hole beyond this point, then the CONTRACTOR shall continue work in the hole, but such work shall be at field cost rates.

11. HOLE DIRECTION AND DEPTH

The CONTRACTOR does not guarantee the direction of the hole beyond the collar nor guarantee to drill any hole to any specified depth. The CONTRACTOR will however, expend every reasonable effort to complete all holes to the satisfaction of the COMPANY.

12. SECURITY

The CONTRACTOR will not give out any information regarding drill results or permit any access to drill core to any individual other than the COMPANY'S representative, except upon specific permission of responsible officials of the COMPANY.

13. LIENS

The CONTRACTOR shall be responsible for, and will pay promptly all costs and charges, incurred by itself for labor, machinery, tools and supplies used in completing the work hereunder so that no lien or other such charge relative to the CONTRACTOR, may be registered against the COMPANY or the property. The COMPANY agrees that all invoices for work completed will be paid promptly or the CONTRACTOR may register a lien against the property. The CONTRACTOR shall be responsible for the payment of all assessments for Workman's Compensation, Holiday pay, Canada Pension, Unemployment Insurance, Sales Tax, or other such applicable charges relative to its own labor and supplies purchased.

14. WASTE REMOVAL

During the course of the work, the CONTRACTOR shall keep the site of any drilling and camp areas free from accumulation of waste materials, rubbish or garbage and upon completion of the work, shall remove all tools, scaffolding, surplus materials, rubbish and garbage and leave the working and camp site in a clean condition. The CONTRACTOR shall be responsible for any violations of Federal and Provincial laws, regulations and orders relating to prevention of forest fires and pollution in the area and shall be responsible for any negligence thereof.

15. INVOICES

The COMPANY shall pay the CONTRACTOR for the services and/or material and equipment furnished by the CONTRACTOR at the rate stipulated in this agreement within thirty days of invoicing. Invoices shall be submitted twice monthly.

16. INSURANCE

The COMPANY shall save the CONTRACTOR harmless from all claims and demands arising directly or indirectly out of or in connection with this work, whether such claims or demands are made by members of the public or persons employed or engaged on or in connection with the work; and the CONTRACTOR shall compensate the COMPANY for any damage done to its buildings, machinery, and equipment arising out of or in connection with the work.

The COMPANY and the CONTRACTOR shall each provide, maintain and pay for Comprehensive General Liability insurance for themselves, and others, against any damage arising from personal injury (including death) and from claims for property damage which may arise out of this operation under this contract. Such insurance shall;

- (i) Have a limit of liability of not less than \$ 500,000.00 inclusive for any one occurrence
- (ii) Cover all liability arising out of products, either the CONTRACTOR'S, or the COMPANY'S supplied by them, completed operations, contingent employer's liability, and other liability assumed by them under this contract.

Evidence of insurance, in such form as may be required, shall be lodged with the COMPANY'S and CONTRACTOR'S representatives before the work is commenced.

The COMPANY and the CONTRACTOR shall also provide, maintain and pay for automobile insurance on their own vehicles and non-owned automobile insurance protecting himself, and others, against damage arising from personal injury (including death) and from claims for property damage arising out of their use

on their operations under this contract. Such insurance shall have a limit of liability of not less than \$ 500,000.00 inclusive for any one occurrence.

17. FORCE MAJEURE

Neither the COMPANY nor CONTRACTOR shall be liable for the other for any delays or damages or any failure to act due, occasioned, or caused by reason of Provincial Laws or the rules, regulations or orders of any public body or official purporting to exercise authority or control respecting the operations covered hereby, including the use of tools and equipment, or due, occasioned, or caused by strikes action of the elements, or causes beyond the control of the elements, or caused beyond the control of the parties affected hereby, and delays due to the above causes, or any of them shall not be deemed to be a breach of or failure to perform under this agreement.

18. NOT ASSIGNABLE

It is mutually agreed that this Agreement shall be binding upon and entire to the benefit of the parties hereto, their respective successors and permitted assigns, but shall not be assignable by either party without the consent in writing of the other first had and obtained.

19. MAILING ADDRESSES

That any notice required to be given hereunder shall be properly given if mailed by registered letter addressed to the COMPANY as follows:

AGRIUM GOLD MINES LIMITED,
222 Main Street, Place SouthEast
Montreal, Alberta
T2R 1G9

or to the CONTRACTOR by registered letter addressed as follows:

ELGIN EXPLORATION COMPANY LIMITED
3501A - 72 Ave. S.E.
CALGARY, ALBERTA
T2B 1G9

20. TERMINATION OF CONTRACT

Time is expressly declared to be the essence of this contract. If either party hereto defaults in the performance of this contract or work commenced under work orders as provided herein, the other party has the option to terminate this Contract and the work order involved.

IN WITNESS WHEREOF THE COMPANY AND THE CONTRACTOR SET THEIR HANDS

This 13th day of October 1978.

Witness

COMPANY - Agrium Gold Mines Limited

[Signature]

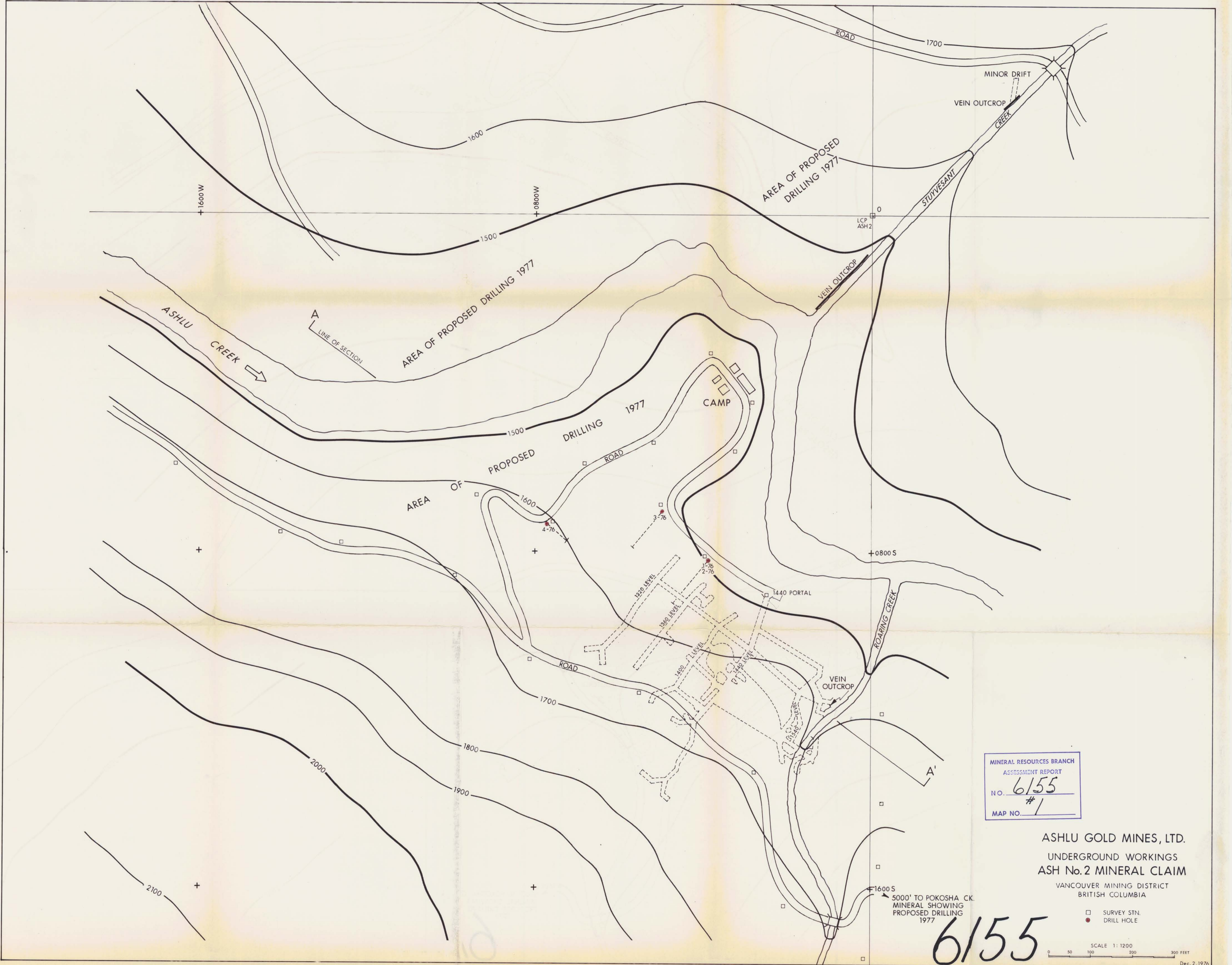
[Signature]

Witness

CONTRACTOR - ELGIN EXPLORATION COMPANY LIMITED

[Signature]

[Signature]



MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
 NO. 6155
 # 1
 MAP NO. _____

ASHLU GOLD MINES, LTD.
 UNDERGROUND WORKINGS
 ASH No. 2 MINERAL CLAIM
 VANCOUVER MINING DISTRICT
 BRITISH COLUMBIA

5000' TO POKOSHA CK.
 MINERAL SHOWING
 PROPOSED DRILLING
 1977

□ SURVEY STN.
 ● DRILL HOLE

6155

SCALE 1:1200
 0 50 100 200 300 FEET