

Diamond Drilling Report
on the
B. B. and UP claims

Liard Mining Division
104 P/ 4 E
Lat. 59° 13' Long. 129° 40'

owners

The Agnes & Jennie Mining Co. Ltd.

&

Kristian Ross

operator

ERICKSON GOLD MINING CORP.

&

NU-ENERGY DEVELOPMENT CORP.

consultant

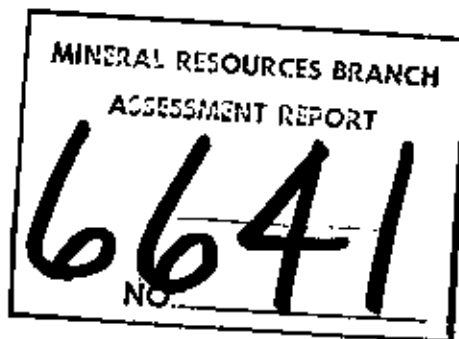
J. M. Black, Ph.D., P. Eng.

author

W. G. Botel, P. Eng.

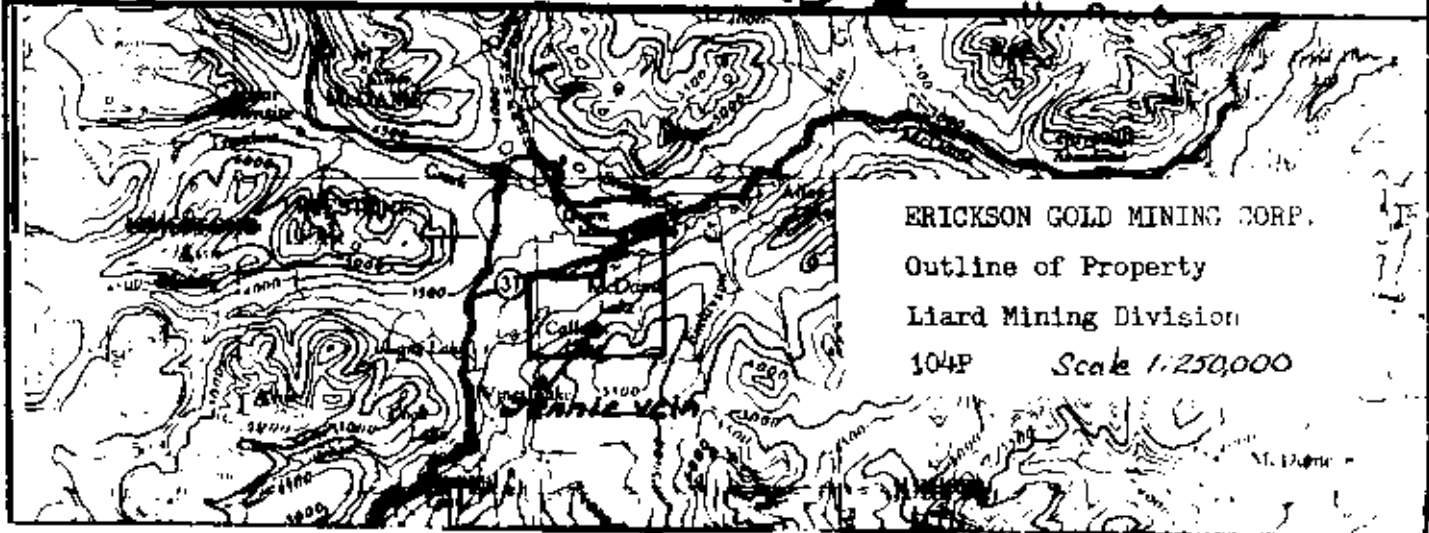
February 25, 1978

part 1 of 3



NED GROUP

<u>Claim</u>	<u>Record #</u>	<u>Record Date</u>	<u>Owner</u>	<u>F.M.C. #</u>	<u>Issued</u>
VAL	259	21 Mar./77	Agnes & Jennie Mining Co.Ltd.	159,178	Jan.3/78
LAKE	258	21 Mar./77	Agnes & Jennie Mining Co.Ltd.	159,178	Jan.3/78
B.B.	386	20 June/77	Agnes & Jennie Mining Co.Ltd.	159,178	Jan.3/78
NED	442	18 July/77	Nu-Energy Development Corp.	159,177	Jan.3/78
UP	14	11 July/75	Kristian Ross	159,179	Jan.3/78



INTRODUCTION

The Jennie vein of the Erickson Gold Mining Corp.'s property was discovered in 1935 by Hans Erickson. The Crawford group located on the south side of McDame Lake also forms part of the property.

This report is based on field work consisting of diamond drilling, underground exploration and geophysics carried out in 1977 and January 1978.

LOCATION AND ACCESS

The Erickson Gold Mining Corp. property is located on the north slope of Table Top Mountain between 930 m. and 1500 m. elevation and lies west and south of highway 37 from the Cassiar road junction. The Jennie vein outcrops in Erickson Creek at about 1400 metres.

Access is by highway 37 from the Alaska highway - 80 miles, or by Kitwanga - 407 miles. The property road leads south from highway 37 at Troutline Creek about 2 km. westerly of the Cassiar junction.

HISTORY

Placer mining for gold in the McDame area started in 1874. A rush followed and several profitable operations existed up the McDame River.

Hardrock prospectors discovered many gold bearing quartz veins in the area. Table Top Mountain was first mentioned in 1936 following discovery of the Vollaug vein and the Jennie vein in Erickson Creek.

Cominco optioned the claims and carried out exploration consisting of trenching and diamond drilling but dropped their option the following year.

A small scale mining operation on the Jennie vein was started by the McDame Lake Mining Company in 1938 or 1939. Approximately 130 tons of ore was put through a 10 ton mill. The reported yield was 114 oz. Au and 20 oz. Ag.

No further work of consequence was done on the Jennie vein until it was acquired by the Agnes and Jennie Mining Co. Ltd. in 1973.

Preliminary testing in 1973 indicated a mineralized source extending west of the Jennie outcrop. Percussion drilling in the spring of 1975 resulted in some spectacular gold assays over good lengths. Three diamond drill holes were put down through the Jennie vein in September-October 1975 and again the assays were favourable.

Nu-Energy Development Corporation optioned the property in 1976 and carried out a more extensive drilling program consisting of 18 Winkie drill holes in 1976 and commenced an underground exploration program in January 1977. The underground work consisted of a cross-cut adit collared 235 metres N 30° W of the Jennie vein outcrop in Erickson Creek and 61 metres lower in elevation. This adit cut the Jennie vein at

191 m. and was continued for another 36 m. Thirty-six metres of drifting along the Jennie vein cut through the lower section of the ore-shoot outlined by the previous surface drill holes. Underground drilling of 27 holes during February, March and April 1977 further outlined the vein.

Surface drilling of 29 holes in the summer and fall of 1977 extended the dimensions of the vein laterally to the west and downdip while, at the same time, indicated more ore shoots. Surface drilling was completed in October 1977. Drifting to the west along the Jennie vein started in December 1977 and was completed in January 1978 following a decision by the operators and their consultant, J.M.Black, Phd. P. Eng. that enough ore was in sight to justify production at 100 - 150 tons per day.

SUMMARY OF WORK

Diamond drilling, BQ core. Contractor: D & J Drilling

Diamond drilling of two holes, one on the BB claim, the other on the UP claim. Both holes tested good E. M. - 16 conductors and also tested a coincident quartz vein, pyrite zone on the BB claim.

Both holes encountered sufficient mineralization to verify the existence of the conductors. The BB claim conductor was pyrite with minor gold; the UP claim conductor is a graphitic quartz zone with very minor gold.

Total metres drilled was 117.71.

Diamond drill hole 77 - 33 is located on the UP claim. (see Figure #1, Sheet 1)

Diamond drill hole 77 - 48 is located on the BB claim at McDame Lake. (see Figure #1, Sheet 2)

PURPOSE

Diamond drill hole 77 - 33 and hole 77 - 48 were both to test good E.M. - 16 conductors. Diamond drill hole 77 - 48 also tested a coincident quartz vein and pyrite zone.

RESULTS

Diamond drill hole 77 - 33 was drilled at -50° on a bearing of S 45° W for 68.6 metres. (See drill log page 7) Rocks cored consists of green volcanic flows and buff tuffs. From 23.5 m. to 23.75 m. graphite with small angular quartz fragments were found. From 23.75 m. to 23.9 m. quartz vein with minor graphite. Assays of graphite gave Au 0.01 oz/Ton and Ag 0.08 oz/Ton.

Diamond drill hole 77 - 48 drilled at -45° on a bearing S 25° W for 49.11 metres. (See drill log pages 32-33) This hole cored green volcanics and flow breccias as the host rocks. From 20.13 to 28.5 m. is an altered mineralized zone consisting of either bleached flows or grey tuffs with narrow quartz veins and approximately 3% pyrite. Only minor values in gold were found.

INTERPRETATION

Diamond drill hole 77 - 33 cored green volcanic flows and buff tuffs. The graphitic-quartz zone, while not exposed on surface, forms a part of a long strong E.M. - 16 conductor which cannot be considered as adequately tested with one hole.

Hole 77 - 48: The 8.37 metre section of altered mineralized flow and quartz veins forms part of a good E.M. - 16 conductor trending under McDame Lake and easterly onto the Top #1 m.c. The zone is probably fault induced.

CONCLUSIONS

1. Holes 77 - 33 and 77 - 48 found adequate mineralization to explain the E.M. - 16 conductors.
2. Very minor values of gold were found in both holes.
3. Rock type in hole 77 - 48 is predominantly green volcanic flows.
4. Rock types in hole 77 - 33 is mixed volcanics and tuffs.

COSTS

Diamond drilling costs are charged out on a per metre basis and include related costs as follows:

3235.01 metres of BQ diamond drilling	\$163,956.98		\$163,956.98
Mobilization and demobilization	3,695.20		3,695.20
Camp set-up	3,374.39	4/7 of	5,623.99
Engineering	13,785.42	4/7 of	22,975.70
Cat rental	12,236.42	4/7 of	20,394.03
Trailer rentals	4,325.13	4/7 of	7,208.55
Camp and field supplies	22,407.33		22,407.33
Contract bulldozing	1,260.00		1,260.00
Cook - 5 months @ \$1,113.99 say \$1,114.00	5,569.97		5,569.97
Vehicle	2,641.05	4/7 of	4,401.75
Core Storage	800.00		800.00
Assaying 125 samples for Au & Ag @\$8.00	(1,000.00	out)	
Hole 77-45, 77-46: 13 @\$8.00	(104.00	out)	
	\$234,051.89		\$258,293.50

\$234,051.89 ÷ 3235.01 m. = \$72.35 per metre

The diamond drilling occupied a period of 4 months, i.e. June 1977 to October 1977 on a two 10 hour shift basis. The program commenced in June with the setting up of camp in preparation for the drill crew. Thus costs of related services are proportioned on a 4 month out of 7 month basis.

Engineering: W. G. Botel, P. Eng. = 150 days @ \$100 =	\$15,000
J. M. Black, P. Eng. = 10 days @ \$150 =	<u>1,500</u>
Total	<u>\$16,500</u>

D.D.H. 77 - 33, 77 - 48: Total metres	117.71	
117.71 metres x \$72.35 =		\$8,516.32
Assaying for Au & Ag = 9 @ \$8		72.00
Report preparation, W. G. Botel		<u>400.00</u>
Total		<u>\$8,988.32</u>

W.G. Botel

The Agnes & Jennie Mining Co. Ltd.

Diamond Drill Record

Hole No. 11-33

Property: Ericksen Electric Mining

Co. Ltd.

Co-Ords: _____

Azimuth: S 45° W

Dip: -50

Drill Type & Size: _____

Location: UP

Elevation: _____ Date Started: July 9 1977

Length: 68.6m Date Completed: July 10 1977

Section: _____ Logged By: [Signature]

Purpose: _____ Date Logged: _____

Footage/Metres		Description	Sample No.	Footage/Metres		Length	Au	Ag
From	To			from	to			
	6.4	surface weathered, broken						
0	7.8	Flow - green partly tuffaceous?						
7.8	8.5	Tuff buff 50° contacts fine py in dark bands (intersecting)						
8.5	12.2	Flow - green/gray possibly agglomeritic						
12.2	17.5	Tuff breccia - may be tectonic. crumpled fine black stringers. becomes blacker towards 17.5.						
17.5	20.67	Tuff black, due to carbon material. minor py.						
20.67	23.5	Tuff - cream/buff, altered, faulted. Black streaks.						
23.5	23.75	Graphite with qtz fragments - angular. also rock frags.	64975				0.01	0.08
23.75	23.9	Quartz vein 60° brecciated. Some carbon.						
23.9	37.8	Tuff - highly fractured, reheated. black streaks. Prob. breccia - 33.1-34. Carbonaceous.						
37.8	45.8	Tuff or flows greenish grey. Few large. Some rounded frags.						
45.8	49.9	Tuff buff f. qtz lg py bands - becomes greener towards 49.9						
49.9	54.1	Tuff, greenish with buff sections. Parallel fractures.						
54.1	60.5	Flow, green/gray massive f.g.						
		buff 4mm 35° qtz vein						
60.5	68.6	Tuff (ash) buff unaltered, fractures healed with silica. minor py.						

STATEMENT OF QUALIFICATIONS

I, William G. Botel, of 14218 Marc Road, Maple Ridge, B.C. do hereby certify that:

- (1). I am a graduate of the University of British Columbia B. Sc. 1959, a fellow of the Geological Association of Canada and a member of the Association of Professional Engineers of British Columbia. I have practised my profession for 18 years.
- (2). I am the author of this report, which is based upon work under my personal supervision during 1977 and 1978 on the Erickson Creek property of Nu-Energy Development Corp. and Erickson Gold Mining Corp. near Cassiar, B.C.
- (3). While supervising the Erickson Creek property work I was under the direction of J. M. Black, Phd. P. Eng., consultant to Nu-Energy Development Corp. and Erickson Gold Mining Corp.
- (4). I have no interest either direct or indirect in either Nu-Energy Development Corp. or Erickson Gold Mining Corp.

Respectfully submitted,



William G. Botel, P. Eng.

North Vancouver, B.C.

February 25, 1978

Co-Ords:	The Agnes & Tommie Mining Co. Ltd.	Hole No.	
Azimuth: <u>S 25° W</u>	Diamond Drill Record	77-48	
Dip: <u>-45</u>	Drill Type & Size:	Property: <u>(N.A.S.) by cabin</u>	
Elevation:		<u>Enoch Gold Mining Corp.</u>	
Length: <u>49.11 m</u>		Location: <u>B B claim</u>	
Section:		Date Started: <u>Aug 18, 1977</u>	
Purpose:		Date Completed: <u>Aug 19, 1977</u>	
		Logged By: <u>H. B. ...</u>	
		Date Logged:	

	Footage/Metres		Description	Sample No.	Footage/Metres		Length	Au	Ag
	From	To			from	to			
	0	2	overburden						
	2	4.9	Flow, dark green, f.g. broken						
*	4.9	5.64	Quartz vein, heavily oxidized fractures, py no Au vis	65047			0.01	0.16	
	5.64	6.1	Altered bleached pyritized zone, grey						
	6.1	6.25	Dyke? grey, diss py. - poss. bleached volcanic.						
	6.25	11.55	Flow green f.g. blocky						
*	11.55	12.5	Flow - altered, bleached grey pyritized (2%)	65048			0.014	0.18	
	12.5	20.13	Flow, green, f.g. with bleached sections + minor glz stringers						
	20.13	28.5	Alteration, mineralized zone, either bleached flow or grey tufts - py 2%						
			21 - 10 cm glz vein						
			21.9 - 10 cm glz vein						
			24 - 19 cm glz vein						
			24.2 - 2 cm glz vein						
			24.5 - 2 cm " "						
			26.6 8 cm glz vein						
*			23-23.3 30cm glz vein - some py.	65051			0.01	0.21	
x			20.13 - 21.05	65049			0.018	0.32	
x			21.05 - 23.03	65050			0.032	0.20	
x			23.3 - 24.7-24.95	65052			0.04	0.16	
x			24.95 - 26.54	65053			0.012	0.12	
x			26.54 - 28.5 (28.5)	65054			0.022	0.14	
	28.5	30.3	Volc. breccia or Tuff breccia - light grey/green - swirl flow lines around angular light grey/green fragments to 3cm. - lines roughly 20° to core.						



M.C.
265 (A)
2 units

BB
384 (L)
1 unit

NED 1
442 (7)
3 units

LAKE
228 (A)
1 unit

MILL 241 (B)
4 units

VAL 259 (S)
20 units

UP 100
5 units

SUN 12 (M)
8 units

SKY 242 (N)
18 units

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
6641
NO.

ERICKSON GOLD MINING COOP
Combined
CLAIM MAP and GEOMETRICAL GRID
Diamond drill hole locations
w.o. Best Plan. Feb. 16, 1978

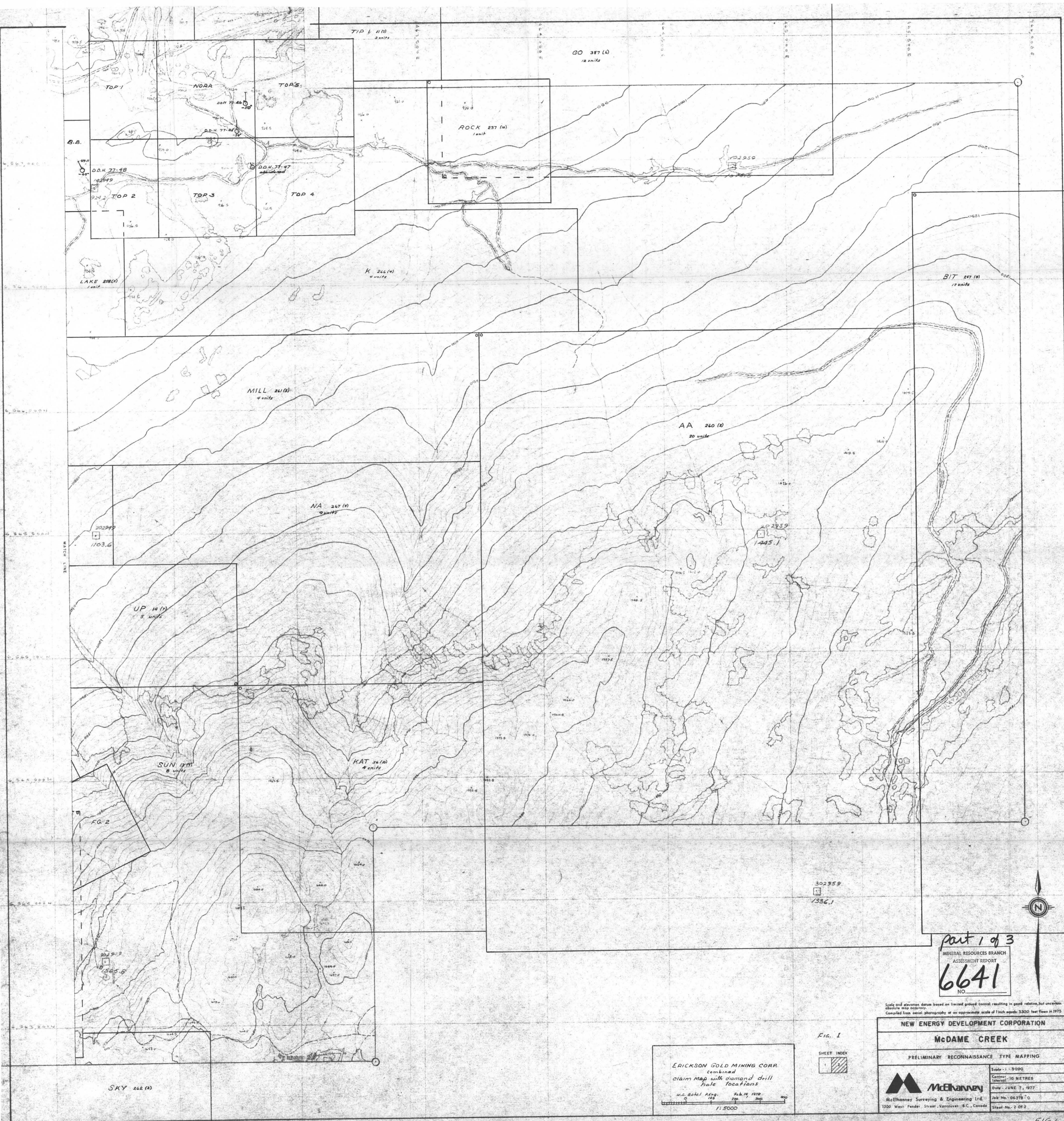
NEW ENERGY DEVELOPMENT CORPORATION
McDAME CREEK
PRELIMINARY RECONNAISSANCE TYPE MAPPING

McHanney
McHanney Surveying & Engineering Ltd.
1200 West Pender Street, Vancouver, B.C., Canada

Scale - 1:5000
Contour - 10 METRES
Interval
Date - JUNE 7, 1977
Job No. - 06378-0
Sheet No. - 1 of 2

Scale and elevation datum based on limited ground control resulting in good relative, but uncertain absolute map accuracy.
Compiled from aerial photography on an approximate scale of 1 inch equals 3300 feet flown in 1975

part
1 of 3
SHEET INDEX
2
FIG. 1



part 1 of 3
 MINERAL RESOURCES BRANCH
 ASSESSMENT REPORT
6641
 NO.

Scale and elevation datum based on limited ground control resulting in good relative, but uncertain absolute map accuracy. Compiled from aerial photography at an approximate scale of 1 inch equals 3300 feet flown in 1975.

NEW ENERGY DEVELOPMENT CORPORATION
McDAME CREEK

PRELIMINARY RECONNAISSANCE TYPE MAPPING

McElhanney
 McElhanney Surveying & Engineering Ltd.
 1200 West Pender Street, Vancouver, B.C., Canada

Scale: 1:5000
 Contour Interval: 10 METRES
 Date: JUNE 7, 1977
 Job No.: 06378-0
 Sheet No.: 2 OF 2

ERICKSON GOLD MINING CORP.
 combined claim map with diamond drill hole locations
 U.S. Geol. Surv. 1960 E.L.M. 1978
 1:5000

Fig. 1
 SHEET INDEX