

Diamond Drilling Report
on the
NORA & TOP 3 m.c.

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

owner
John Schussler

operator
ERICKSON GOLD MINING CORP.
&
NU-ENERGY DEVELOPMENT CORP.

consultant
J. M. Black, PhD., P. Eng.

author
W. G. Botel, P. Eng.

February 25, 1978

part 2 of 3

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
6641
NO. _____

NORA GROUP

<u>Claim</u>	<u>Record #</u>	<u>Record Date</u>	<u>Owner</u>	<u>F.M.C.#</u>	<u>Issued</u>
TCP 1	72283 P	13 Nov./74	John Schussler	159,457	
TOP 2	72284 P	13 Nov./74	John Schussler	159,457	
TOP 3	72285 P	13 Nov./74	John Schussler	159,457	
TOP 4	72286 P	13 Nov./74	John Schussler	159,457	
TOP 5	72287 P	13 Nov./74	John Schussler	159,457	
ROCK	237 (10)	12 Oct./76	John Schussler	159,457	
TIP 1	11 (?)	7 July /75	John Schussler	159,457	
NORA	1359 P	15 Nov./40	John Schussler	159,457	
M. C.	265 (4)	12 April/77	Newcoast Silver Mines Ltd.	166,699	Feb.24/78
K	266 (4)	12 April/77	Newcoast Silver Mines Ltd.	166,699	Feb.24/78
N. A.	267 (4)	12 April/77	Newcoast Silver Mines Ltd.	166,699	Feb.24/78
GC	387 (6)	20 June/77	Agnes & Jennie Mining Co. Ltd.	159,178	Jan. 3 /78
MILL	261 (3)	21 Mar./77	Agnes & Jennie Mining Co. Ltd.	159,178	Jan. 3 /78

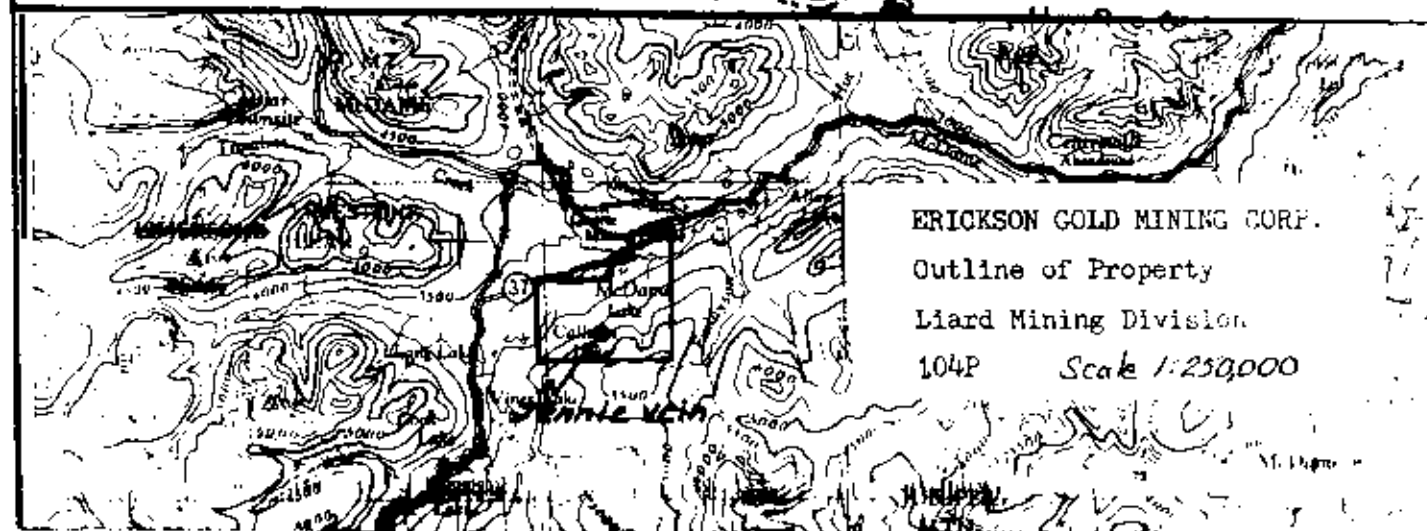
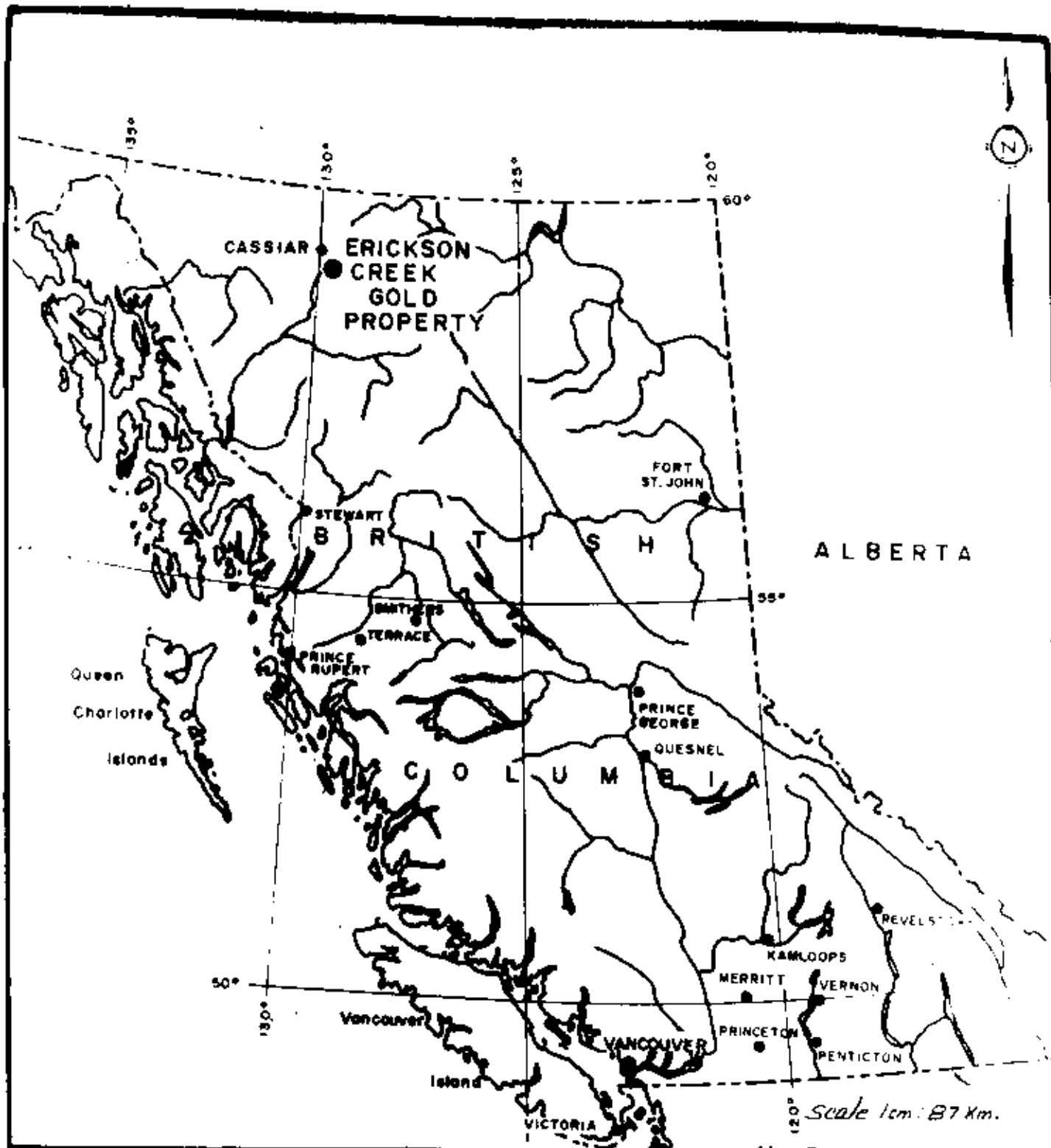


Table of Contents

Introduction	page 1
Location and Access	page 1
History	page 2 & 3
Summary of work	page 3
Purpose	page 3 & 4
Results	page 4
Interpretation	page 4 & 5
Conclusions	page 5
Costs	page 5 & 6
Topographic Composite Plan; Claims, Diamond Drill Holes. Scale 1:5000	Fig.1, Sheet 2
Topographic Composite Plan; Claims, Diamond Drill Holes and Geophysical Grid.	Fig.1, Sheet 1

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

Work relating to this report consisted of drilling 3 BQ holes, 2 of which were drilled with great difficulty and expense through an old riverbed and the other through gravel into a faulted edge of a quartz vein. This hole was abandoned after the casing was cut off twice.

Total metres drilled was 205.9.

Diamond drill holes 77-45 and 77-46 were drilled on the Nora M.C. Hole 77-47 was attempted on the Top No. 3 M.C. (See Fig.1, Sheet 2 for detailed location.)

PURPOSE

Diamond drill hole 77-45 was put down roughly coincident to previous hole 77-6, drilled in 1975 by John Schussler, to verify gold values encountered in D.D.H. 75-6. At the same time it was designed to test

an E.M. - 16 conductor. Hole 77-46 was laid out to test a magnetometer anomaly and a weak E.M. - 16 conductor. Hole 77-47 was to test at depth an exposed gold bearing quartz vein.

RESULTS

(See drill log sheets, pages 27 to 30.)

Hole 77 - 45 -54° North, Depth of overburden 18.6 metres.

Rocks cored were predominantly green to grey flows - in part tuffaceous. Grey silicified sections contained fine pyrite and thin gash veinlets of quartz. Section 58.5 m. to 66.8 m. contained enough fractures with pyrite to form the E.M. - 16 conductor.

D.D.H. 77 - 46 -50° North, Depth to bedrock 40.9 metres.

Rocks cored were green flows with a relatively high magnetite content. Several narrow quartz veins - one containing a speck of visible gold were encountered. Most of the quartz veins occurred in bleached, silicified sections with fine pyrite. One 2.7 m. section assayed 0.310 oz/ton Au. Another, with the speck of gold ran 0.532 oz/ton Au and 0.2 oz/ton Ag. over 0.8 m.

No conductive zones with large enough dimensions were found to explain the E.M. - 16 anomaly although it may be due to magnetite.

INTERPRETATION

The underlying rocks are volcanic flows with variable magnetite content near hole 77-46. Fracture zones have been silicified, pyritized and bleached. They sometimes contain significant gold.

Scarcity of outcrop and lack of drill holes makes interpretation of the pyritized, fractured zones impossible.

CONCLUSIONS

Underlying formations consist of predominantly green-grey volcanic flows which have been fractured. The fractures have probably served as channel-ways for mineralization by pyrite and gold. More drilling is required as the grades and widths obtained is indicative of a source of ore.

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, ie. 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. 77-45, 77-46	Total 205.9 metres	
205.9 metres x \$72.35	=	\$14,896.86
Assaying for Au & Ag	= 13 @ \$8	104.00
Report preparation		<u>400.00</u>
Total		<u>\$15,400.86</u>

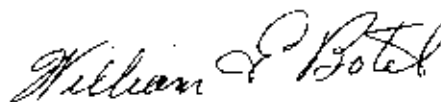
W. G. Botel

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.

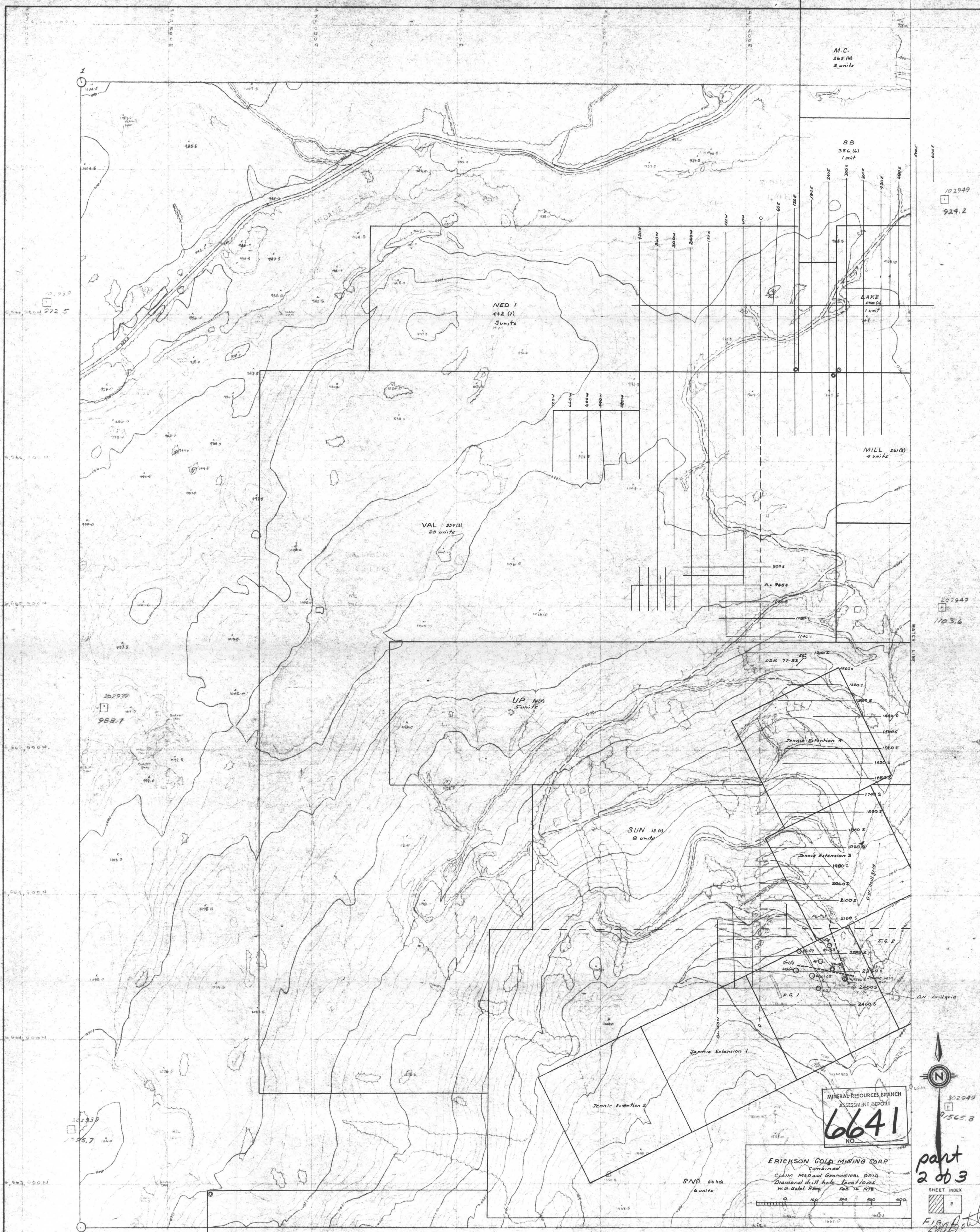
North Vancouver, B.C.
February 25, 1978

Co-Ords: <u>near 75-6 J. Schuster hole.</u>		The Agnes & Jennie Mining Co. Ltd.		Hole No. <u>77-45</u>	
Azimuth: <u>N.</u>		Diamond Drill Record		Property: <u>NORA</u>	
Dip: <u>-54</u>		Drill Type & Size:		Location: <u>NORA m.c.</u>	
Elevation:				Date Started: <u>Aug 2, 1977</u>	
Length: <u>91.5 m</u>				Date Completed: <u>Aug 5, 1977</u>	
Section:				Logged By: <u>[Signature]</u>	
Purpose:				Date Logged:	
				<u>7 assays</u>	

Footage/Metres From	To	Description	Sample No.	Footage/Metres from to	Length	A _a	A _g
0	18.6	overburden with bedrock near bottom					
18.6	27	Tuff grey buff, disc py. a lightly scattered. Some black staining. Greenish sand towards bottom. 2 gtz veins 1 cm. 40-45°					
27	29.25	Flow, green. minor py.					
29.25	31.25	Green dyke. 45° contacts					
31.25	32.7	Flow, green. with lighter green/buff outcrops. same as 27-29.25					
32.7	38.7	Tuff - greenish grey - part altered flow. 32.7-34.4 - grey, altered. good py. in bands & darkophanites. 36.6-37.8 py. split.	65042			10.003	
38.7	43.5	Flow dark green, fig.					
43.5	43.9	Tuff (ash) & light buff/grey 80°					
43.9	44.1	Tuff or flow, dark green very fig.					
44.1	44.3	Tuff (ash) light buff/grey					
44.3	44.6	Flow dark green					
44.6	47.4	Tuff or flow light grey, partly buff whitish 1 mm spots minor py.					
47.4	50.6	Tuff or flow, grey dark 1 mm spots caused by fine py aggregates. 48.2-50.6 spotted py					
50.6	52.2	Tuff. disc & fracture py grey as 47.4-50.6	65039			0.003	
52.2	54.3	"	65040			0.003	
54.3	56.4	"	65041			0.003	

Footage/Metres		Description	Sample No.	Footage/Metres		Length	Au	Ag
From	To			from	to			
56.4	58.5	Flow, dark green minor red hematite + white gash veinlets.						
58.5	61.8	Tuff, grey-green with healed fractures = gash py veinlets.						
		Series of fine grained varied colored tuff beds or series of thin flows. Tuff? common throughout.						
		8m Qtz vein @ 64.7 in light grey ash bed.						
		68.9 - 59.4 - Bleached py. tuff.						
		61 - 61.61 - Qtz rock py veins @ 50°						
66.8	73.6	Flow, fine grained, massive, green 45% Qtz stringers.						
73.6	74.25	Altered section - light grey, grad. to green flow.						
		Qtz vein 73.9 - 74.04 50° contacts. Diss. py. decreases out from vein edges. Poss. tuff bed but more likely an altered flow along quartz vein.						
74.25	77.6	Flow, f.g. massive, green.						
77.6	78.4	Altered section - light grey, minor py.						
		78.6 - 79.2 Qtz stringers with py. 50°						
		This is also a possible tuff.						
78.4	83.6	Flow f.g. massive, green, alteration speckles.						
		81.65 - 80m, 50° Qtz vein: light grey rock alongside.						
83.6	88	Flow altered grey or Tuff. 3% diss. py.						
		Qtz vein 84 - 84.2	65038				0.142	0.18
		plus minor stringers.	65039				0.532	0.20
		84.8 - 88 light grey rock with 3% diss. fract. py.	65037				0.04	0.02
88	91.2	Flow, f.g. green, green alteration with swirls patches.						
		very minor Qtz stringers.						
		and.						
		Rocks logged as Tuffs (light grey) may in fact be bleached flows.						

Co-Ords:		The Agnes & Tannie Mining Co. Ltd.		Hole No. <u>77-46</u>				
Azimuth: <u>N°</u>				Property: <u>NORA- (N.V. ENERGY)</u>				
Dip: <u>-50°</u>		Drill Type & Size:		Location: <u>NORA m.c.</u>				
Elevation:				Date Started: <u>Aug 6, 1977</u>				
Length: <u>114.4 m.</u>				Date Completed: <u>Aug 16, 1977</u>				
Section:				Logged By: <u>W. B. B.</u>				
Purpose:				Date Logged:				
1st Hole abandoned in overburden @ 66'								
Footage/Metres		Description	Sample No.	Footage/Metres		Length	Au	Ag
From	To			from	to			
0	40.9	River bottom overburden.						
40.9	42	Flow massive green						
42	42.6	Bleached altered section py, chalc						
42.3	42.5	42.3 - 42.5 gtz vein with chalc, py & ore speck Au.	65043				0.794	0.30
42.6	50.1	Flow f.g. green same as 40.9-42 minor narrow gtz stringers jasper patches, some brecciation.						
50.1		42.8-44.9 slightly altered ie bleached. low py. Flow into talc. massive, green, hard. High magnetite contents scattered jasper.						
		61m. 2cm 35° gtz vein & chalc.						
		63.2 - 65. Bleached						
		65 - gtz, jasper, py						
		magnetite decreasing markedly at 59m. - Thereafter occurs mainly near fractures.						
		74.1 - 74.5 bleached py in shear. 50°						
		75.6 - 78.4 bleached good py 77-78.4 - 1 speck Au @ 77.5m	65044				0.310	0.20
		- 1 cm 50° gtz vein						
		86.1 - 88 bleached - pyritized gtz stringers - barren 45° & 40°						
		87.3 - 87.5 gtz vein - barren 45° Py both walls						
		89.25 - 89.4 pinkish white zone magnetite. - flecks of jasper. quartz.						
		90.6 - 90.7 same 40°						
		91.9 - 95 same 40°						
78.14	80	1 cm 5 magnetite -	65070				<0.003	0.04
74.45	75.6	1 cm 5 minor magnetite	65071				<0.003	0.04



M.C.
265 (9)
2 units

B.B.
356 (4)
1 unit

LAKE
278 (0)
1 unit

MILL
261 (3)
4 units

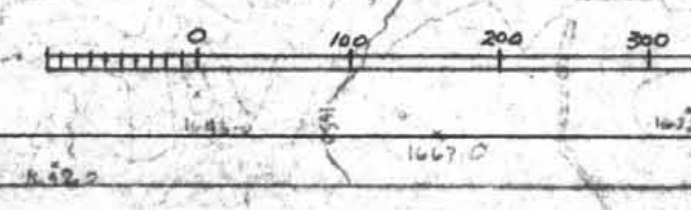
VAL
259 (3)
20 units

UP
140
5 units

SUN
13 (1)
8 units

MINERAL RESOURCES BRANCH
ASSESSMENT REPORT
6641
NO.

ERICKSON GOLD MINING CORP.
Combined
CLAIM MAP and GEOGRAPHICAL GRID
Diamond drill hole locations
w.a. Best Plot Feb. 14, 1978



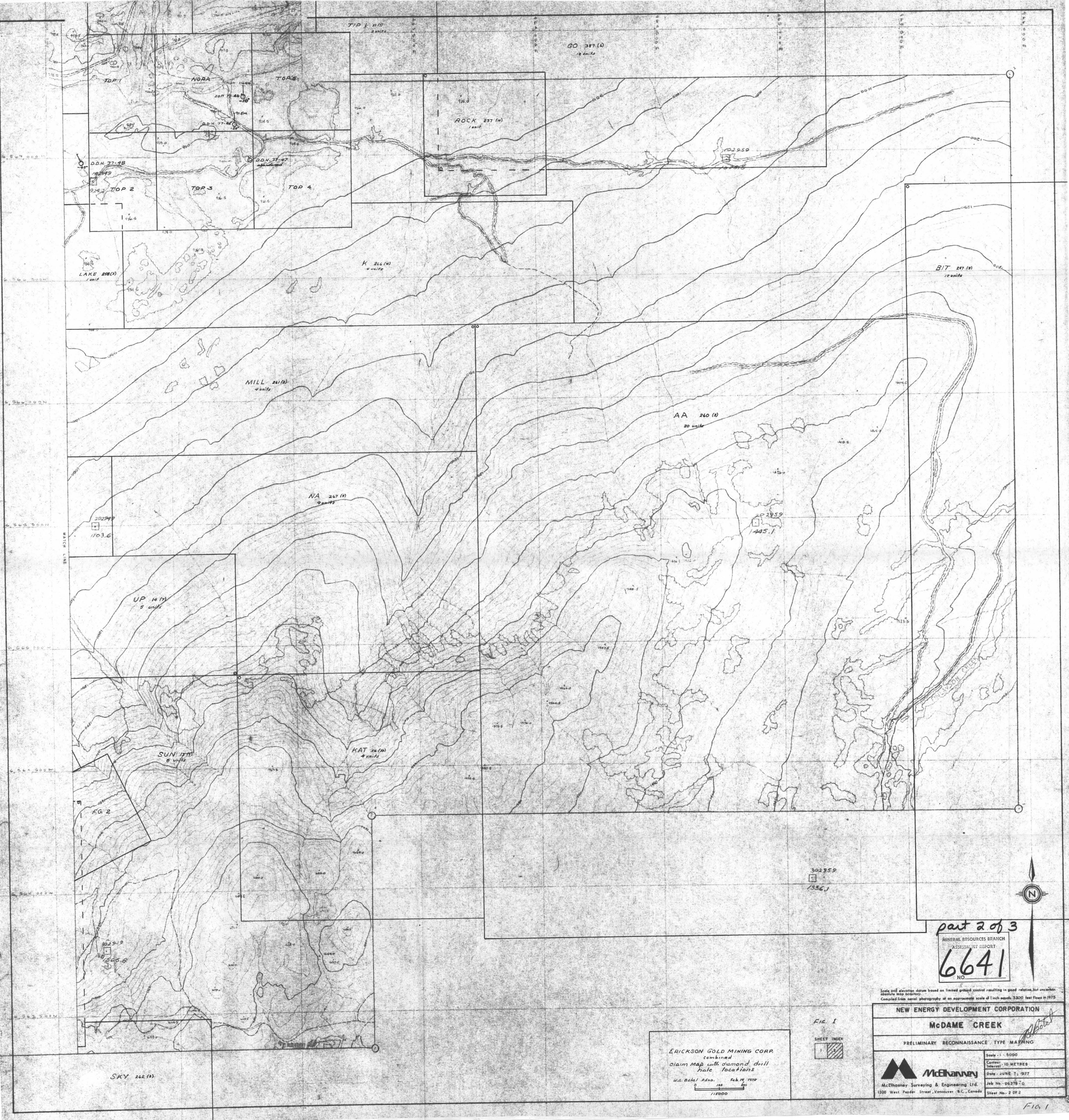
NEW ENERGY DEVELOPMENT CORPORATION
McDAME CREEK
PRELIMINARY RECONNAISSANCE TYPE MAPPING

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 at an approximate scale of 1 inch equals 3300 feet flown in 1975

part
2 of 3
FIG. 2
924.2
102949
1103.6
302949
81565.8



part 2 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	
	Scale - 1 : 5000
McElhannay	Contour - 10 METRES
McElhannay Surveying & Engineering Ltd.	Interval
1200 West Pender Street, Vancouver, B.C., Canada	Date - JUNE 7, 1977
	Job No. - 06376-0
	Sheet No. - 2 OF 2

ERICKSON GOLD MINING CORP.
combined
claim map with diamond drill
hole locations
W.C. Bohl Amd. Feb. 14, 1978
1:15000

FIG. 1
SHEET INDEX
1 2