

83-#192-#11335 original

GEOLOGICAL REPORT
ON
GOLDEN NIB PROPERTY, SKEENA MINING DIVISION
TERRACE, BRITISH COLUMBIA

LOCATION:

NTS: 1031/8W & 9W
LATITUDE: 54° 29' 42"
LONGITUDE: 128° 28' 18"

FOR:

Barrett E. G. Sleeman
2301 - 2075 Comox Street
Vancouver, British Columbia
V6G 1S2

BY:

Peter A. Christopher, Ph.D., P.Eng.
Peter Christopher & Associates Inc.
3707 West 34th Avenue
Vancouver, British Columbia
V6N 2K9



GEOLOGICAL BRANCH
ASSESSMENT REPORT

Peter A. Christopher

May 10, 1983

11,335

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EXPENDITURES

Personnel

P. A. Christopher, P.Eng., April 21-23, 1983 3 Days @ \$325 each	\$ 975.00
B. Sleeman, P.Eng., April 21, 1983 1/2 Days @ \$325 each	325.00

Transportation

Airfaire (Vancouver-Terrace) 2 @ \$280.80 each	561.60
Automobile	116.42

Room and Board

April 21-23, 1983	226.78
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Maps and Reports

27.10

Geochemistry

68.70

Field Supplies

18.38

Report Preparation

Engineering: 2 days (P.A. Christopher)	650.00
Typing, photocopies, office supplies etc.	<u>79.65</u>

TOTAL EXPENDITURES	\$3,047.63
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SUMMARY

On April 21-23, 1983, the writer examined the Golden Nib and Ernest 1 claims for Barrett E. G. Sleeman. The claim boundary can be reached by car from Terrace, a logging centre on Highway 16 in west-central British Columbia. The purpose of the examination was to evaluate showings on the Golden Nib claim and outline a program for further exploration, if warranted. Staking of the Ernest 1 claim was recommended to cover the possibility of parallel mineralized structures or extensions of the main vein. The single adit that remains open revealed an erratically mineralized vein structure that varied from about 50 cm to 2 metres with a mineralized zone which has produced 32 tons at 1.6 oz/ton gold. The property has potential for larger mineralized shoots with high-grade gold.

A Stage I program of geological mapping; soil, silt and rock geochemistry; and geophysics is recommended. A Stage II program of trenching and diamond drilling will be warranted if Stage I results are encouraging. The recommended Stage I program is estimated to cost \$48,000. A contingent Stage II program of trenching and 200 metres of diamond drilling is estimated to cost \$45,000.

INTRODUCTION

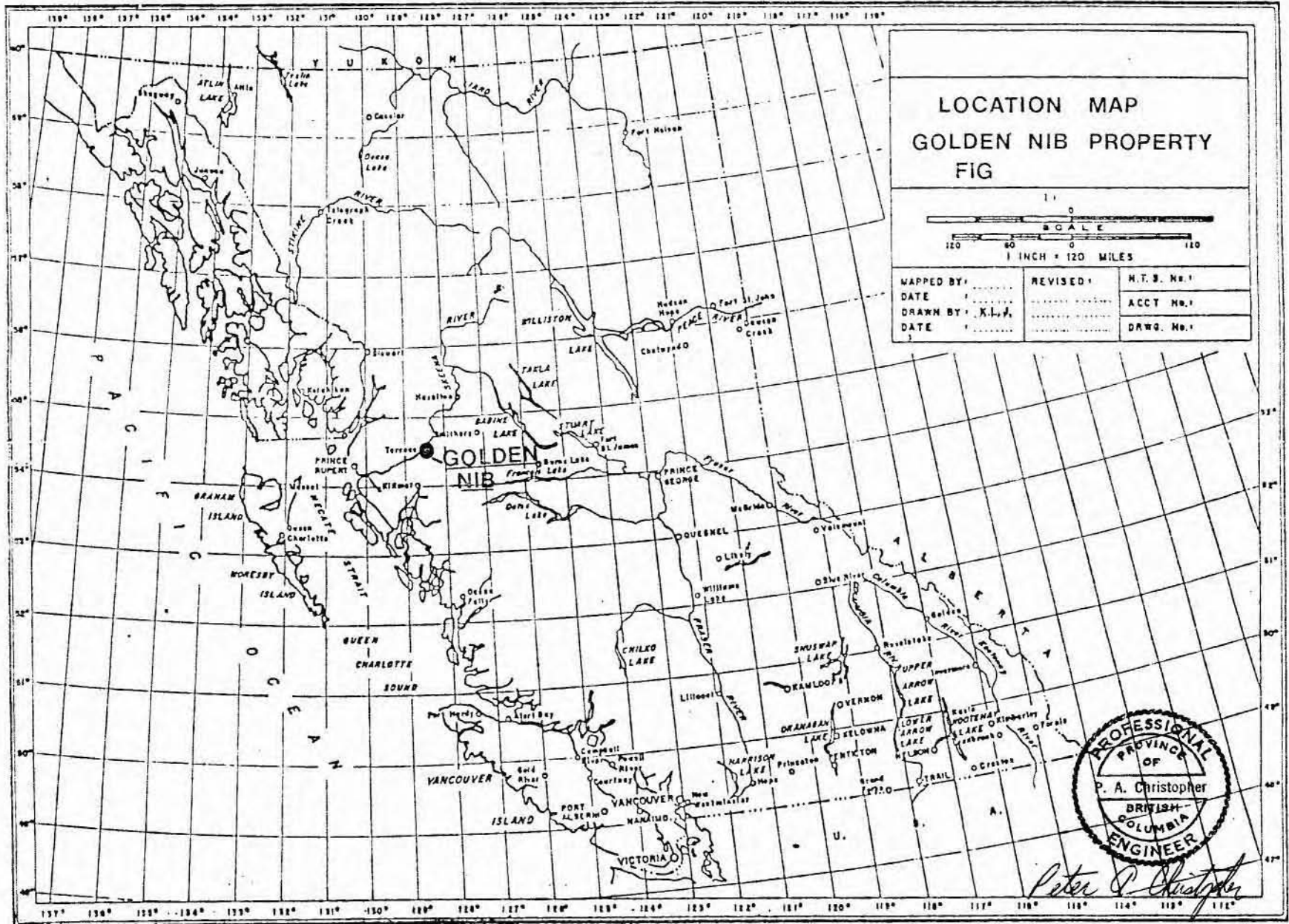
The Golden Nib Property, consisting of the Golden Nib and Ernest 1 claims, was examined by the writer on April 21-23, 1983. The Ernest 1 claim was staked on April 22, 1983 to cover ground that surrounds the Golden Nib claim and has potential for mineralized vein structures like the Golden Nib vein. Production of 32 tons of 1.6 oz/ton gold and 1.35 oz/ton silver has been reported for the Golden Nib vein (B.C. Ministry of Mines, Mineral Inventory #103I-095).

This report reviews the geological setting of the Golden Nib Property and presents an exploration program for evaluating the mineral potential of the property. Cost estimates for a proposed Stage I geological, geophysical and geochemical program and possible follow-up (Stage II) diamond drilling and trenching program are presented.

LOCATION AND ACCESS (FIGURE I and II)

The Golden Nib Property is situated on the westerly slope of Mt. Thornhill, about eight kilometres east-southeast of the centre of Terrace, British Columbia. The old Terrace-Lakelse Road passes within about 100 metres of the property and a forestry access road passes by the legal corner post for the Ernest 1 claim and cuts across the property at an elevation of about 550 metres.

Showings are situated at about 335 metres and are an easy 10 minute walk from the Ernest 1 legal corner post. A lower caved building at about 270 metres may have had associated underground workings. Only one adit is presently open. Two adits have caved along the regional schistosity and the location of the fourth was not determined.



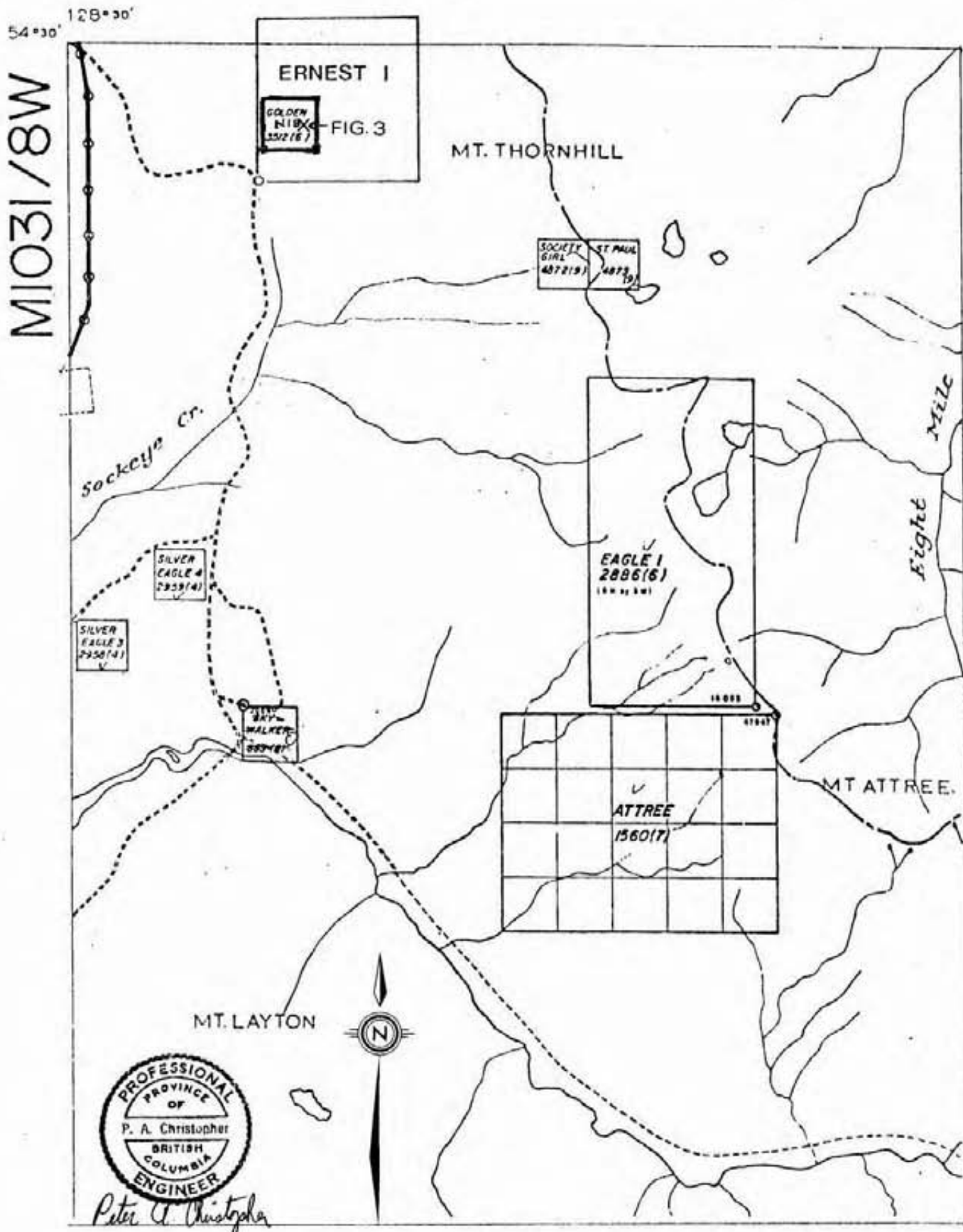


Figure 2. Claim location map for the Golden Nib and Ernest 1 mineral claims.
SCALE 1:50,000.

Terrace is serviced by daily CP Air flights from Vancouver, British Columbia. Most supplies and services can be obtained in Terrace. The Prince Rupert line of the Canadian National Railways runs along the north and west side of the Skeena River and a branch line connects Terrace with Kitimat.

TOPOGRAPHY AND VEGETATION

Elevations on the property vary from about 210 metres near the legal corner post for the Ernest 1 claim to 1,130 metres along the eastern boundry of the Ernest 1 claim. The property has a relief of 920 metres with moderate relief in the western part of the claim and rugged relief on the upper slopes of Mount Thornhill.

The type and density of forest cover varies with elevation, but can generally be classed as rain forest. Larger trees are mainly western hemlock, lodgepole pine and white spruce, while recently cut or burned areas are choked with a dense tangled growth of alder and willow.

CLAIMS AND HISTORY

The Golden Nib name has been applied to this property by several previous owners. The names Globe, Iron Hat, and Star have also been used for the property. The present Golden Nib claim is a two post claim staked by David Price on June 14, 1982. The Ernest 1 grid claim is a 3 by 3 unit claim which encloses the Golden Nib and may also cover part of the La Libertad gold occurrence. The Ernest 1 claim was staked by Barrett Sleeman on April 22, 1983. Table I summarizes pertinent claim data.

The occurrence of commercial grades of gold ore has been demonstrated for the Golden Nib and several nearby occurrences (eg. La Libertad; Beaver; Ptarmigan; Kindle, 1936 and 1927; various B.C. Minister of Mines reports). Production of 32 tons of 1.6 oz/ton gold and 1.35 oz/ton silver was mainly stoped from the upper workings (B.C. Ministry of Mines, Mineral Inventory #103I-095). The lower workings do not appear to have been driven to the high-grade shoot (Figure III). An initial shipment of about 30 tons was made from the Golden Nib (Globe) in 1926 and about 2 tons were shipped in 1938. A small test of about 0.02 tons was made in 1941. Little indication of recent exploration work was seen on the property. The presence of several sets of claim posts indicates that the claim has been regularly relocated.

TABLE 1

Pertinent Claim Data on Golden Nib and Ernest 1

<u>Claim Name</u>	<u>Record #</u>	<u>Date Staked</u>	<u>Date Recorded</u>	<u>Work Due</u>	<u>Staker</u>
Golden Nib	3512	June 14/82	June 14/82	June 14/83	David Price
Ernest 1	3861	April 22/83	April 26/83	April 26/84	Barrett Sleeman

GEOLOGY

The geology of the Terrace area has been mapped by Duffell and Souther (G.S.C. Map 1136A, 1964). Their mapping shows remnants of Paleozoic (Units 1&2) and Triassic rocks (Unit 3) in diorite or granodiorite (Unit 7) of the Coast Intrusions. The sedimentary rocks are composed of shale, limestone, greywacke and conglomerate. In the area of the main vein on the Golden Nib claim (Figure III), greywacke has been altered to greenstone and quartz has been introduced along shears that sub-parallel the schistosity. The schistosity is about N60°E with 70°-76° southeast dips. Two northerly trending faults with 50°-70° west dips were mapped in the lower adit (Figure III). Faults appear to control the nature of the vein and probably localized the gold bearing sulphide concentration.

Mineralization is erratic and consists mainly of iron sulphides and minor chalcopyrite in a quartz vein that varies from about 50 cm to two metres. Samples indicate that auriferous sections are restricted to high sulphide sections and that the presence of copper mineralization does not provide a specific guide to gold mineralization. The location of auriferous sulphide rich zones within vein structures is the exploration objective.

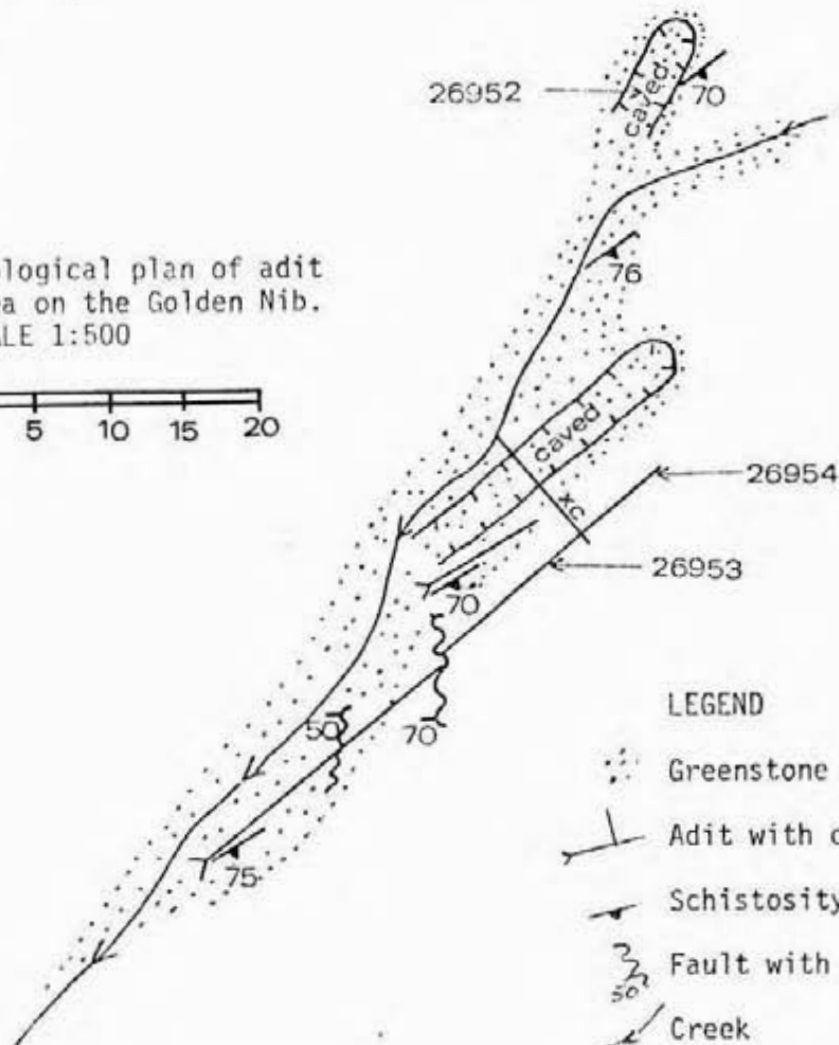
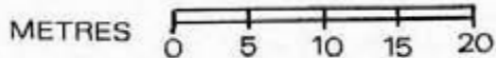
DISCUSSION OF GOLDEN NIB PROPERTY

The Golden Nib Property has produced 32 tons of 1.6 oz/ton gold from an ore shoot in a strong vein structure. The vein has been explored by four adits but only one is accessible at the present, and although this adit does not appear to have reached the main shoot, it contains some gold mineralization (select chip sample #26954 assayed 0.224 oz/ton gold).

The property was explored during the early part of the century, before modern geophysical and geochemical techniques existed. The Golden Nib claim and adjacent ground held as the Ernest 1 claim warrants a basic exploration program of mapping; soil, silt and rock geochemistry; and geophysics. A VLF-EM survey should be run to locate extensions of the vein and near surface sulphide concentrations. Induced polarization should be tested over the main vein and if results are encouraging, used to test EM and geochemical anomalies. Soil samples should be collected on a grid basis over the property and analysed for Au, Ag, Cu, Pb and Zn, and the adits should be opened and rock sampled.



FIGURE 3. Geological plan of adit area on the Golden Nib.
SCALE 1:500



LEGEND

- Greenstone Outcrop
- Adit with crosscut
- Schistosity
- Fault with dip
- Creek
- Caved

Sample No.	Oz./ton Au,	Oz./ton Ag,	%Cu
26952	0.003	0.26	0.41
26953	0.003	0.01	0.01
26954	0.224	0.10	0.01



Peter A. Christopher

CONCLUSIONS AND RECOMMENDATIONS

The Golden Nib Property and several nearby precious metal properties have commercial grade occurrences of limited size. These showings were mainly located during the early part of the century and worked before modern geochemical and geophysical methods were developed. A Stage I program of geological mapping, silt, soil and rock geochemistry and geophysics is recommended. The present geology should be mapped at a 1:5000 scale with more detailed grid mapping as required. Geochemical samples should be analysed for gold, silver and copper. Soil samples should be collected at 25 metre interval along lines spaced at 100 metre intervals. Sample lines should be as normal to the N60°E vein direct as condition permit. VLF-EM and IP methods should be tried over the Golden Nib vein and over any geochemically anomalous areas. VLF-EM readings should be collected along all geochem lines. If the Stage I program locates significant anomalies, then a Stage II, 200 metre diamond drill program will be warranted.

The Stage I program is estimated to cost \$48,000 and the Stage II program is estimated to cost \$43,000.

COST ESTIMATES

Stage II: Road Building, Trenching, Diamond Drilling (Contingent)

<u>Cat Rental</u>	30 hours @ \$80 each	\$ 2,400.00
<u>Diamond Drilling*</u>	200 metres @ \$175 each	\$35,000.00
* All inclusive (engineering, assay, drilling etc.)		<u>\$37,400.00</u>
	Contingency (about 20%)	<u>7,600.00</u>
	STAGE II TOTAL:	<u>\$45,000.00</u>



Peter A. Christopher

REFERENCES

- Duffell, S. and Souther, J.G., 1964. Geology of Terrace Map-Area, British Columbia (103 1 E 1/2); G.S.C. Memoir 329.
- Kindle, E.D., 1936. Mineral Resources of Terrace Area; G.S.C. Memoir 205.
- Kindle, E.D., 1937. Mineral Resources, USK to Cedarvale, Terrace Area, Coast District, British Columbia; G.S.C. Memoir 212.
- British Columbia; Minister of Mines Annual Reports 1903-1941.



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• ANALYTICAL CHEMISTS

• GEOCHEMISTS

• REGISTERED ASSAYERS

CERTIFICATE OF ASSAY

TO : ERNEST RESOURCES LIMITED

2301 - 2075 COMOX STREET
VANCOUVER, B.C.
V6G 1S2

cc: Peter Christopher
3707 West 34th Ave.
Vancouver, B.C.
V6N 2K9

CERT. # : A8311076-001-
INVOICE # : 18311076
DATE : 29-APR-83
P.O. # : NONE
ER #1

ATTN: BARRETT SLEEMAN; CC: PETER CHRISTOPHER

Sample description	Prep code	Cu %	Ag FA oz/T	Au FA oz/T			
26952	207	0.41	0.26	0.003	--	--	--
26953	207	0.01	0.01	<0.003	--	--	--
26954	207	0.01	0.10	0.224	--	--	--

B. Swaiter

.....
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• ANALYTICAL CHEMISTS • GEOCHEMISTS • REGISTERED ASSAYERS

CERTIFICATE OF ANALYSIS

TO : ERNEST RESOURCES LIMITED
 2301 - 2075 COMOX STREET
 VANCOUVER, B.C.
 V6G 1S2

cc: Peter Christopher
 3707 West 34th Ave
 Vancouver, B.C.
 V6N 2K9

CERT. # : A8311077-001
 INVOICE # : 18311077
 DATE : 28-APR-83
 P.O. # : NONE
 ER #1

ATTN: BARRETT SLEEMAN; CC: PETER CHRISTOPHER

Sample description	Prep code	Cu ppm	Pb ppm	Zn ppm	Ag ppm	AU-AA ppb
26951	201	110	2	85	0.1	110

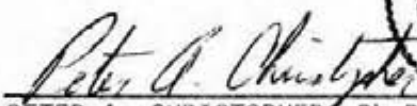
Certified by ... *Hart Bichler*




CERTIFICATE

I, Peter A. Christopher, with business address at 3707 West 34th Avenue, Vancouver, British Columbia, do hereby certify that:

- 1) I am a consulting geological engineer registered with the Association of Professional Engineers of British Columbia since 1976.
- 2) I am a Fellow of the Geological Association of Canada and a member of the Society of Economic Geologists.
- 3) I hold a B.Sc. (1966) from the State University of New York at Fredonia, a M.A. (1968) from Dartmouth College and a Ph.D. (1973) from the University of British Columbia.
- 4) I have been practising my profession as a Geologist for over 15 years.
- 5) I have no direct or indirect interest, nor do I expect to receive any interest directly or indirectly in the property or securities of Ernest Resources Limited.
- 6) I have based this report on all available geological data on the property and on a field examination of the property on April 21-23, 1983.
- 7) I consent to the use of the report by Ernest Resources Limited for whatever purposes it deems necessary.


PETER A. CHRISTOPHER, Ph.D., P.Eng.



May 10, 1983

Barrett E. G. Sleeman
2301 - 2075 Comox Street,
Vancouver, British Columbia
V6N 2K9

Dear Sirs:

I, Peter A. Christopher, Ph.D., P.Eng., hereby consent to the use of my report dated May 10, 1983 on the Golden Nib and Ernest #1 claim, Skeena Mining Division, British Columbia, in any Filing Statement, Statement of Material Facts or Prospectus to be issued by Ernest Resources Ltd.

DATED at Vancouver, British Columbia, this 10th day of May, 1983.



Peter A. Christopher
PETER A. CHRISTOPHER, Ph.D., P.Eng.