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1978 DRILLING REPORT

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PROVENCHER LAKE JADE PROPERTY LIARD M.D. MAPSHEET 104 I-7E 42 PLACER MINING LEASES

for:

NEPHRO-JADE CANADA LTD. 200-3540 W. 41st. Avenue Vancouver, B.C.

by:

KIRK MAKEPEACE PRIMEX EXPLORATIONS LIMITED

VANCOUVER, B.C.

MARCH 8, 1979

200 - 3540 WEST 41ST AVENUE, VANCOUVER, B.C., CANADA V6N 3E6 TELEPHONE (604) 263-2678 TELEX 04-55477



1978 DRILLING REPORT PROVENCHER LAKE JADE CAMP

INTRODUCTION:

During the period of June 18 to October 8, 1978, a crew averaging 4 men under the supervision of Kirk Makepeace drilled a total of 399 boulders of jade at the Provencher Lake jade camp.

LOCATION AND ACCESS:

Provencher Lake is located 52 miles east of Dease Lake, B.C. as is shown on the accompanying map. The property is 5 miles from Cassiar Asbestos "Kutcho" property at Letain Lake and 10 miles west of the Imperial - Sumac "Kutcho" massive sulphide copper-silver-zinc deposit near Kutcho Creek. Access is by float aircraft based in Watson Lake, Y.T. or by helicopter from Dease Lake, B.C. Supplies, equipment and crew were flown from Watson Lake by Watson Lake Flying Service Ltd. and helicopter services were provided by Yukon Air Ltd. at Dease Lake. A winter tote-road constructed by Cassiar Asbestos Ltd. is used for transporting boulders to Dease Lake in winter, from Dease Lake they are trucked to Vancouver.

CLAIMS:

The company controls 42 placer mining leases and 7 hardrock mining claims as shown on the accompanying maps. A complete list of leases is provided in the appendix.



1978 PROGRAM:

During the 1978 drilling program, 5 drillers were employed (average crew size 4) under the supervision of Kirk Makepeace. The program commenced June 18 and was completed October 8. A total of 399 boulders were drilled for exploration purposes with total footage drilled 1561.5 feet.

Total costs for the program were \$95,965.71. Cost per foot drilled (including all boulders) was \$95,965.71/1561.60 = \$61.45/ft. In application of work on the leases this cost will be rounded out to \$60.00 per foot.

From 399 boulders drilled, 59 were selected for production, representing approximately 275 tons of jade.

Detailed core logs are not kept, but boulders are evaluated for production on the basis of jade quality estimated from core and all cores are kept at Nephro-Jade's office, 200-3540 W. 41st. Ave., Vancouver, B.C.

Detailed cost and exploration drilling data are provided on the following pages.

KIRK MAKEPEACE for NEPHRO-JADE CANADA LTD.



1978 DRILLING DATA-PROVENCHER LAKE

FOOTAGE DRILLED ON LEASES AND LEASE CONSOLIDATIONS

CONSOLIDATION	I GROUP A				
(PML 1520,152 1524,1525,152			123.30ft. @ \$60.00/ft. = \$7,398.00		
CONSOLIDATION	I GROUP B				
(PML 1522,152 1529,1545,155			759.60ft. @ \$60.00/ft. = \$45,576.00		
CONSOLIDATION	I GROUP C				
(PML 1535,153 1551,1532,153	• • •	,	76.5ft. @ \$60.00/ft. = \$4,590.00		
CONSOLIDATION	GROUP D				
(PML 1537,155 1517,1534,153	•		48.8ft. @ \$60.00/ft. = \$2,928.00		
PML292PML537PML715PML290PML913PML1274PML293PML1171PML1554	82.7 ft. 30.9 ft. 5.8 ft. 25.9 ft. 20.7 ft. 24.4 ft. 27.1 ft. 217.3 ft. 10.4 ft.	<pre>@ \$60.00/ft. @ \$60.00/ft. @ \$60.00/ft. @ \$60.00/ft. @ \$60.00/ft. @ \$60.00/ft. @ \$60.00/ft. @ \$60.00/ft. @ \$60.00/ft.</pre>	= \$4,962.00 = 2,388.00 = 348.00 = 1,554.00 = 1,242.00 = 1,464.00 = 1,626.00 = 13,038.00 = 624.00		
TOTAL:	1379.6 ft.	@ \$60.00/ft.	\$ <u>87,738.00</u>		
FOOTAGE DRILLED ON MINERAL CLAIMS					
Rerun Eileen	68.9 ft. 30.4 ft.		$= 4,134.00 \\= 1,824.00$		
TOTAL:	99.3 ft.	@ \$60.00/ft.	\$ 5,958.00		

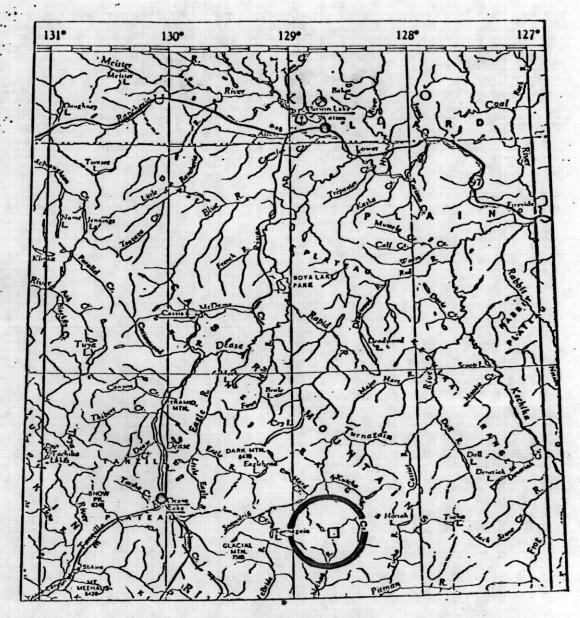


PROVENCHER LAKE AREA

PLACER LEASES

	<u>PML #</u>	OWNER	TERM	FMC
	290	Len Rae	l year	159060
	2 92	M. J. Beley	10 years	159057
	293	B. J. Price	1 year	159058
	339	Nephro-Jade	1 year	175025
	338	Nephro-Jade	1 year	175025
	537	Nephro-Jade	10 years	175026
	714	B. Price	l year	159058
	715	L. Rae	l year	159060
	716	J. Sean	l year	175026
	913	K. Makepeace	l year	159059
	1171	L. Rae	5 years	159060
	1274	K. Makepeace	5 years	159059
	1517	G. A. Ostry	20 years	159061
	1518	n	n T =	"
	151 9	17	11	
	1520	77	11	n
	1521	**	**	
	1522		11	87
,	1523	**	11	11
	1524	11	87	**
	1525	n	11	71
	1526	H	11	**
	1527	11	n	11
	1528	н	11	84
	1529	n	11	**
	1530	11	11	11
	1531	11	H	**
	1532	11	11	89
	1533	п	TT	48
	1534	11	n	64
	1535	"	TI	11
	1536	"	n	n
	1537	11	n	11
	1547	n	tt .	11
	1548	n	11	n
	1550	n	n	**
	1551	"	**	**
	1552	"	11	11
	1553	0	11	rt
	1554	"		83
	1555	"	11	rt
	1566	11	81	11

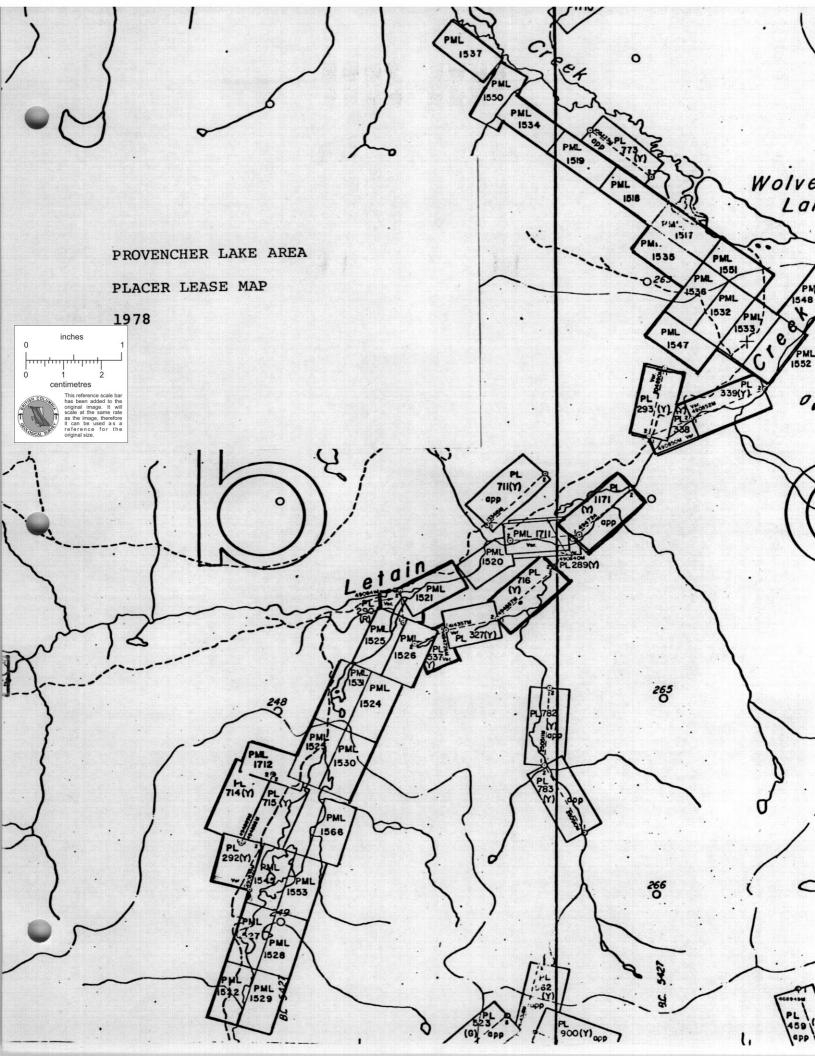


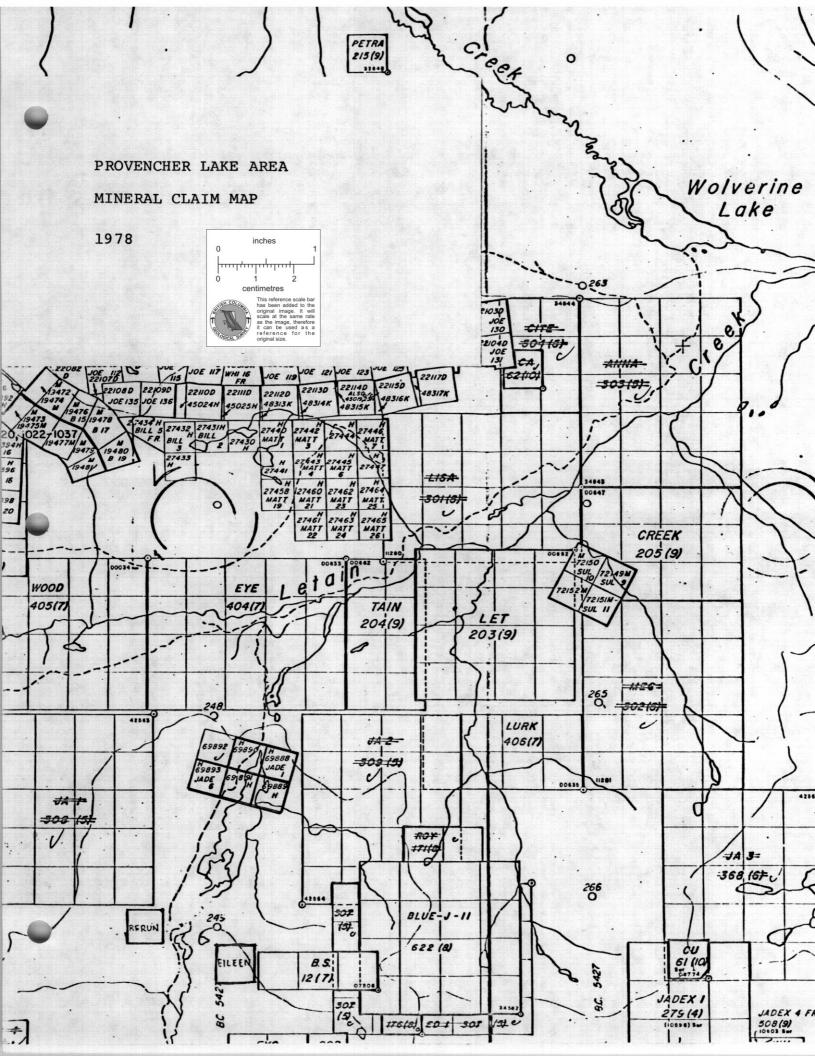


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FIG. 1. Location map of Dease Lake - Watson Lake area. Large circle outlines Provencher Lake area. Scale: 1 in = 30 mi.









PROVENCHER LAKE

1978 DRILLING COSTS

A. WAGES: (including overtime & bonuses)

NAME	RATE	D	ATES	TC	TAL
Wilson Lo John Makepeace Doug Smith Russel Nehass Bill Nehass *Kirk Makepeace Len Rae	<pre>\$1,000/mo. \$1,250/mo. \$1,500/mo. \$1,500/mo. \$1,650/mo. \$2,000/mo. \$2,000/mo.</pre>	July 26 June 15 June 15		5 6 7 8 16	,700.60 ,196.67 ,947.50 ,448.40 ,950.30 ,600.00 ,000.00
	TOTAL WAGES			\$56	,843.47
B. SUPPLIES & SER	VICES				
Aircraft: Yukon Air Watson Lake Flying Service			\$ 1,291.24 9,137.00		
				\$10	,428.24
	n Propane Petroleum				278.67 343.89
				Ş	622.56
Supplies and Equipment:					
Magneto	halley ent and Awning			\$	168.86 196.00 180.65 339.85 834.27
				\$ 1	,719.63
Drilling Supplies:					
J. K. Si	mit Ltd.			\$14	,983.18

*including season end bonus



PROVENCHER LAKE 1978 DRILLING COSTS (continued)

Food:	Kelly Doug Campground	glas 1 Services		\$	1,206.37 3,225.05 4,431.42
Travel and	1 Accommodat	tion:			
	Wankow Tra Travel P.(C.P. Air Belvedere	avel C.		\$	1,712.00 181.44 194.38 267.55
				\$	2,355.37
Freight:	Canadian I	Freightways		\$	418.27
Communicat	Communications:				
	B.C. Telep C.N. Teleo	phone communication	S	ş	264.28 86.65
	•			\$	350.93
Vehicle Re	ental:				
	Tilden			\$	1,557.33
Miscellaneous Expenses:			\$	2,255.31	
TOTAL: Supplies & Services				\$	39,122.24
Wages		\$56,843.47			
Supplies 8	Services	\$39,122.24			
		\$95,965.71	TOTAL SEASON	COST	