

Company either by option or location until the end of August, 1966.

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What the future of the property and the Company will be, depends largely on the position which Mineral Development Co. Ltd. will take during the present season. 104K

Also you will find enclosed herewith, a copy of the Company's Financial Statement for the period ended 31st March, 1966 as prepared by the Company's Auditors, Clarkson, Gordon & Co.

April 23, 1966

"Gentlemen:

The following is a summary of field operations on the Ericksen-Ashby Mines Ltd. S.I.L. Group of mineral claims located on Mt. Ericksen in the Tulsequah district of British Columbia. This exploration work was performed prior to August 31, 1965 by Messrs. W.J. McKenzie and E. W. Johnson for Mineral Development Company.

The start of operations was complicated by a very late Spring break-up, and an appreciable number of man-days of work and helicopter flying hours were utilized in setting up camp to replace the 1964 facilities which had been destroyed by snowslides. Fortunately the summer months were the most rain and cloud-free in more than 30 years.

Trenching commenced on June 17th and proceeded without interruption until September 27th, with a crew of five men. A total of 613 cubic yards of rock were removed from 25 trenches varying in length from 9 ft. to 163 ft. for a total trench length of 1,016 feet. 219 samples, with a total length of 878 feet, were cut and assayed.

The McElhanney Associates surveyors completed a topographic survey and prior maps of mineral locations, claim lines and geology were tied into the survey. J. L. Sullivan, P. Geol. Engineer, acting as Consultant on the project, recommended additional trenching between Nos. 8 and 10 Zones, and a self-potential survey over a grid from the Bracken Fault to Zone 11. This was completed during the season and the anomalous areas were sampled.

Prospecting and trenching, plus the self-potential survey, indicated probably continuous mineralisation from the Bracken Fault northerly to No. 11 Zone, a horizontal

distance of 1600 feet and a vertical range of some 400 ft. No. 12 Zone was discovered 700 ft. north on No. 11 but does not lie on the strike of the main mineralized zone and time did not permit tracing it south.

The assay results of trench sampling north of the Bracken Fault, with the possible exception of those from Zone 8A, did not reveal commercial widths of mineralization. Similar results were obtained from sampling above the Bracken Fault from one trench in the Glory Hole, two trenches in No. 2 Zone, outcrop sampling across No. 6 Zone and the upper section of No. 1 Zone. The lower section of No. 1 Zone produced satisfactory values but did not compare with the high silver and lead assays obtained by earlier C.M. & S. and Ericksen-Ashby sampling.

As a result of the season's work, it would appear that the ore picture of the property is as follows:

Zones 2, 2, and 5-8 show 476,000 tons with a grade of 2.47 oz. Ag/T, 1.30% Pb/T, 3.5% Zn/T. 47 samples were used in this calculation.

Using metal prices of silver at \$1.39 per ounce, lead at .14¢ per pound and zinc at .14¢ per pound, the result is \$17.00 per ton ore, which is marginal in the location concerned.

Future work recommended is (1) to sample the Glory Hole, (2) Trench north and south of Zone 8A to determine the continuity of the high silver-lead values exposed in Trench 8A-1 and (3) Extend the self-potential survey over all of the known limestone area and consider the advisability of an electro-magnetic survey over selected areas.

The showings have been evaluated on the geological theory that limestone units in areas of folding and brecciation favour the localization of sulphides. The mineralized shoots may be controlled by folding; may be pipe-like in shape with lengths up to several hundreds of feet and depths relatively short. To prove or disprove this theory, it is also recommended that a small amount of surface diamond drilling be applied. For a total of 1,200 feet, the cost of such a drill program would be approximately \$13,000,000.

At the end of the season, owing to the unavailability of the heavy helicopter, compressors, pumps, lighting plants and other equipment was moved to safe positions on the property and secured for the winter. "

Respectfully submitted

"E. Percy Sheppard," P. Eng.

BY ORDER OF THE BOARD

J. D. FORIN  
Secretary

VANCOUVER, B.C.