

New Jericho Development Corporation Ltd. (N.P.L.)

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August 17, 1973

PROGRESS REPORT ON THE NEW GOLD PROPERTY AT AMAI INLET, B. C.

Your Company's engineer reports the results of field work on the Gold property optioned by New Jericho Development Corporation Ltd. (NPL).

In the engineer's report dated August 13th, he confirms the establishment of the base camp on the Inlet and the field camp at the main workings, sampling of the main workings, examination of the strike along the main shear zone to trace the structure and to expose bedrock for the purpose of sampling.

Also, in this report he mentioned that the main workings on the UOI claims are in a strong shear zone in granitic intrusive (Granodiorite to quartz diorite) which has been altered, silicified, serpentine developed, and at least in part mineralized by free gold and sulphides carrying gold values, and which has been traced for a distance of 1500 feet north. Field work to open up the face was accomplished, and a bulk sampling of approximately 250 lbs. of rock was taken from the exposure. The 250 lbs. comprised fifteen bags, two bags were sent for testing, and these assayed;

4.17 and 4.35 oz. of Gold per ton

At today's price this is over \$400 rock.

A sample taken from the fresh face of the exposure at the strongest shear assayed 9.64 oz. Gold per ton. A sample taken from the wallrock adjacent to the strong shear, showing some sulphides but no visible gold, assayed 1.62 oz. Gold per ton. Here again at today's approximate price of \$100 per oz. this would be \$162 rock. Emphasis is given to the wallrock as this is considered an important factor in creating tonnage.

Trenching is continuing along the strike of the shear zone in an endeavour to trace the mineralization from its present elevation of 1500 feet to the lower levels. The structure has been traced, and the crew are at present blasting exposures for mapping purposes.

Sufficient work has been recorded to keep the claims in good standing for two to three years. Further bulk sampling will be shipped to Vancouver and arrangements will then be made to treat this bulk sampling to determine the recovery of gold values.

Since we are dealing with rock which contains free gold, only crushing and refining are necessary to obtain the values of the Gold contained in this rock.