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NEMCO EXPLORATIONS LTD

PROGRESS REPORT

VIC GOLD PROPERTY
Taseko Lake, B.C.

92 0 5E 51 22½N 123 37½W

NOVEMBER 28, 1974

L.J. MANNING AND ASSOC

Gerhard E.A. von Rosen, P.Eng.

L. J. MANNING & ASSOCIATES LTD.

CONSULTING MINING AND GEOLOGICAL ENGINEERS

310-890 WEST PENDER STREET VANCOUVER 1, B. C.

OFFICE PHONE:
603-5061

RESIDENTIAL PHONE:
L. J. MANNING - 985-5690

November 26, 1974

Nemco Explorations Ltd. (N.P.L.)
604 - 603 7th Avenue S.W.
Calgary, Alta. T2P 1T1.

Attention: Mr. Paul Conroy

PROGRESS REPORT

VIC GOLD PROPERTY
Taseko Lake, B.C.
92 0 5E 51 22½N 123 37½W

SUMMARY

Gold has been discovered assaying up to 3 ounces per ton over 30 inches as a result of the 1974 program of exploration on the VIC Gold Property. Three linear deposits of potentially interesting grades are now known to lie on the same NE-SW 3200 foot strike extension of this vertical vein system. The probing of their interconnection and their extent within the 2400 feet of backs remains for immediate exploration.

A program estimated to cost \$50,000 planned to follow the gold within one such zone by actual mining and possible stockpiling and extraction of the gold is recommended to begin as soon as weather permits.

LOCATION AND ACCESS - 92 0 5E, 51 22½N, 123 37½ W

This property staked by Carl F. Zuber and Brian Fenwick-Wilson is situated on the west side of Taseko River about one half mile northerly of the northern end of Lower Taseko Lake.

The claims cover a zone trending up the steep cliffs of "Vic Mountain" through a relief of 3400 feet between 4500 and 7900 feet above sea level.

The property is reached from Williams Lake, B.C. via 120 miles of gravel road.

Camp this 1974 field season was on the east side of the river and the crews were transferred across the swift 100 foot stretch of water by motor boat. Cable crossing was used in former times and remains of camp buildings can be found on both sides. At low water, the river can be forded farther up the river.

CLAIMS

Vic 1-8 were staked on March 8, 1974, by Carl F. Zuber. Later in the season Brian Fenwick-Wilson expanded on the staking while prospected on top of the mountain and recorded a further 4 claims.

CLAIMS RECORD

Vic 1 - 8	31918 - 31925	March 6, 1974	March 8, 1974	C.F. Zuber
Vic 9 -12	32145 - 32148	Sept. 9, 1974	Oct. 8, 1974	B. Fenwick- Wilson

GEOLOGY

"Vic Mountain", just northwest of the north end of Lower Taseko Lake, lies at an intersection of regional faults and contacts on the eastern fringe of the Coast Range batholith.

Generally speaking Lower Cretaceous sediments to the north underlie slightly older volcanic rocks along an E-W contact along steeply south dipping beds. Faulting complicates this picture in detail.

A NE-SW fault zone, (one of several parallel ones) cuts these volcanic beds on Vic Mountain and provides the "plumbing" for pyrite-chalcopyrite gold-silver veins on the Vic property. Contact between dikes and sills of diorite intruded into certain volcanic beds appear to control the gold deposition.

HISTORY

Property history includes the following stages:

1932	C.M. Vick, found property, staked and prospected
1934	C.M. Vick, added claims
1935	C.M. Vick, drifted on veins and Dr. V. Dolmage inspected
1935	B.T. O'Grady, Minister of Mines Report pp F26

- 1937 C.M. Vick, two adits have been advanced, lower is now 370 feet, upper is 126 feet (Minister of Mines Report 1937).
- 1939 C.C. Cartwright, Michael Gold Mines Company bought off C.M. Vick. Reported 800 feet of vein at one place 7 ft wide. Sample taken by Cartwright along the vein for about 800 feet gave 8.66 ounces gold per ton. Samples taken across vein at different spots along the 800 foot exposure gave 9.48 ounces. The lower adit was driven using rails and one rail car. Metal air pipe was used for ventilation. Ten years assessment was filed and Cartwright vanished during the war.
- 1966 E. Miller staked, apparently no work done.
- 1969 John Murdock staked, no work.
- 1971 Ed Asano, Nadas Enterprises staked; no work done; sold to Jack Squires.
- 1972 Gold price rises to \$65 per ounce
- 1973-74 Open
- 1974 Spring - staked by C.F. Zuber and B. Fenwick-Wilson
- 1974 July/August - Start surface exploration by Nemco/Zuber/Fenwick-Wilson Agreement
- 1974 October - Final sampling in lower areas where snow receded sufficiently to expose gold chalcopyrite-pyrite veins.

PROPERTY EXPLORATION 1974

The attached plans and sections show the favourable layout of the gold veins with respect to verticality, vertical and horizontal continuity of structure, and the swift appreciation of "backs".

Airphoto study confirms the strength of the shear zone containing the Vic vein system which is traceable as a sharply incised sheer-walled canyon reaching from the top of scree to the crest of Vic Mountain. Much of the 15 foot wide canyon bottom is covered with rubble and coarse debris, possibly 10 feet thick in sections. Late spring 1974 caused less melting of snow and much of the shear zone in the canyon bottom was thereby obscured.

Exploration, with ropes for support, consisted of climbing steep snow and rock faces in search of the reported adits. These were found later in the season (after the exploration agreement with Nemco). The adits were carefully sampled. Most trips up on the refurbished original trail, ended at the "Island Showing"

PROPERTY EXPLORATION 1974 (Cont)

at 6085 feet altitude. One trip, using ropes for safety, was made down from the crest of Vic Mountain late in the season. Even at this time much of the snow had not melted and will stay until next year. Hence a large portion of the zone has not been prospected this season and the 800 foot reported exposure of the Vic vein remains to be located and the validity of the 8-9 ounce gold assays confirmed.

Results of the work on the "face" of Vic Mountain are plotted on the attached sections. Three main targets of interest become evident from the results of this season's investigation by the vendors, of which one, near the adits, should be followed up with an underground program. This, the best zone found thus far, extends 50 feet on canyon slope and grades 2 oz gold and 1½ ozs silver over 4 feet. It is located just above the upper adit and may have been C.M. Vick's reason for driving the underground workings. The Island showing is the second exposure, the intervening canyon being covered with rocks. This showing, covered with rubble on its lower end and snow the upper end, appears to be 3' wide and about 150' long, grading about 0.25 oz gold. The upper zone, third zone known at present, has only been climbed once. It may be considered to join up and include the showings on the crest of Vic Mountain. This area returning assays up to 1 ounce over 2.3 feet has yet to be explored from a camp on the top.

ORE CONTROLS AND POSSIBILITIES

The structure, harboring the aforementioned gold intersections, is definitely continuous over a plan length of 3200 feet and a vertical exposure of 2400 feet. The shear structure branches and joins in at least two sets of parallel canyons. Mineralized veins have been found in several different sections of these canyons, but intervening rubble and snow conceal their true extent and possible interconnection.

The writer's observations indicate the following:

The structure is strong and continuous. Economic values in gold appear to occur where the diorite altered the host volcanic rocks during its intrusion as dikes or sills, and especially at those contacts where certain volcanic beds displayed favourable chemistry. A dip projection on the "favourable"

ORE CONTROLS AND POSSIBILITIES (Cont)

lava beds would therefore result in steep shoots of higher grade gold mineralization near diorite contacts.

A look at the figure "Hypothetical Sections" suffices to indicate to the observer that if the beds dip into the mountain then these ore shoots would be encountered at certain intervals, either in the canyon floors, or any horizontal underground workings. The possibility of establishing economic mineable material becomes immediately evident, but the width and grade must be confirmed.

With such possibilities further exploration expenditure is certainly recommended.

FUTURE EXPLORATION

Following the rule of the old timers, "stay on the ore", the following exploration will test and expose controls such as described. To conduct this work a scraper set up to remove loose rock in the ten foot canyon bottom would allow washing down, prior to sampling, the high grade gold zone and then declining on the mineralization using ordinary small scale mining methods.

The high grade, sorted according to sulphide content, could be cobbled and stockpiled on site. Sufficient quantities of such material may then support a small scale operation whereby the gold extracted would finance (after government deductions) a portion of exploration costs.

Should spring be warm, further exploration in search of the reported 800 foot by 7 foot 8 ounce gold vein should also be continued.

Without detailing, the following expenditures are estimated to permit continuing the recommended program.

- (1) Road to enable compressor and mining equipment to be within working distance of target area
- Expenditure to be incurred late 1974 \$ 5,000.00
- (2) 1975 Spring -
- Clear road, establish camp west side of river 5,000.00

Equipment Rentals

	<u>Value</u>	<u>Mo. Rental</u>	
Compressor	\$25,000		
Slusher	3,000		
Jack leg and stoper	<u>6,000</u>		
	\$34,000	\$3,600	7,200.00

Consumables (300 Feet)

(Explosives			
(Bits, steel, etc.			
(Fuel			
(Groceries			10,000.00
Labour - 4 men, 1 month			10,000.00
Supervision			4,000.00
Reports and miscellaneous prospecting, etc.			3,800.00
Contingencies			<u>5,000.00</u>
			<u>\$50,000.00</u>

Yours truly

G.E.A. von Rosen, P. Eng.



L.J. MANNING AND ASSOCIATES LTD

Gerhard von Rosen, P.Eng.
GEOLOGIST

The President and Directors
New Pyramid Gold Mines Inc.
300-890 West Pender Street
Vancouver, B.C.

November 14, 1975

Progress Report
VIC Gold Property
Taseko Lake, B.C.

SUMMARY

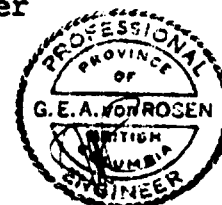
An estimate expenditure of \$51,000 will be necessary to perform the indicated underground drilling program on your newly acquired VIC Gold Property

INTRODUCTION

Your company recently acquired rights to explore the VIC gold property. This author in a November 26, 1974 report recommended an exploratory underground mining program to test the extent of one of the high grade gold veins found on this property. This program, however was formulated with summer conditions in mind. The present report intends to outline exploration feasible in presently prevailing weather conditions.

RECENT WORK

Access to the showings has recently been completed by the construction of a road to within about 1000 feet of the portal of the long adit. Fording of Taseko river is now possible because the water level in winter is low. A campsite has been cleared ready for installation of housing for the workmen.



ASSAYS

The November 26, 1974 report by this author includes one plan and one section of the two adits prepared by string measure, compass and clinometer. All assays available to the author are shown relative to their positions, obtained near the upper adit, on the plan and section. Following is a tabulation of results, to which have been added assays quoted from the Minister of Mines Reports 1935, pages F26, F27, and F28 by Victor Dolmage.

<u>Sample No.</u>	<u>By</u>	<u>Width</u>	<u>Gold</u> (oz./T.)	<u>Silver</u> (oz./T.)	<u>Copper</u> (%)
R1	GvR	006"	0.10	0.03	ND
R2	GvR	7'	0.002	TR	ND
R3	GvR	003'	0.398	0.03	ND
R4	GvR	2'	0.003	0.03	ND
R5	GvR	034"	0.201	0.05	ND
R6	GvR	24"	0.004	TR	ND
B7	BFW	005"	1.210	0.80	2.74
B8	BFW	04"	0.082	0.03	0.09
B9	BFW	012"	0.026	TR	0.03
61	CZ	008"	0.269	0.24	0.13
62	CZ	27"	0.241	0.55	0.12
94	CZ	34"	{ 0.259 }	0.14	0.15
			{ 0.243 }		
95	CZ	18"	{ 0.196 }	0.16	0.27
			{ 0.308 }		
R9	GvR	06"	0.173	0.43	ND
R10	GvR	34"	2.23	3.74	ND
R11	GvR	12"	0.32	0.03	ND
R12	GvR	24"	0.048	0.13	ND
R13	GvR	24"	0.026	TR	ND
B1	BFW	05"	0.210	1.32	0.68
B2	BFW	24"	0.044	0.32	0.34
56	GvR	34"	2.32	0.59	ND
57	GvR	34"	2.62	0.94	ND
63	CZ	30"	3.54	2.68	7.0
64	CZ	06"	5.35	5.17	2.5
65	CZ	06"	2.80	8.10	5.0
U1	BFW	40"	TR	0.08	0.01
U2	BFW	18"	TR	0.03	0.03
U3	BFW		0.003	0.18	0.01
B3	BFW	24"	0.032	TR	0.10
B4	BFW	11"	0.278	0.12	0.02
B5	BFW	10"	0.064	0.03	0.01
B6	BFW	09"	0.108	0.05	0.07
B12	BFW	24"	0.050	0.05	0.18
82	CZ	16"	0.069	0.03	0.01
83	CZ	06"	0.147	0.08	0.01
92	CZ	30"	{ 0.089 }	0.15	0.78
			{ 0.104 }		



<u>Sample No.</u>	<u>By</u>	<u>Width</u>	<u>Gold</u> (oz./T.)	<u>Silver</u> (oz./T.)
page F28	V Dolmage	Select	9.34	5.4
page F28	V. Dolmage	12"	0.68	
page F28	V. Dolmage	12"	1.10	
page F28	V. Dolmage	06"	5.52	
page F28	V. Dolmage	10"	0.51	

FUTURE WORK

In view of present winter conditions the following changes should be made in the exploration program recommended in the November 26, 1975 report by G. von Rosen, P.Eng. Instead of exploring the grade and extent of the high-grade surface showings by incline mining methods from surface, which was recommended for a summer operation, an underground drilling is now more feasible. Underground diamond drilling collared within the upper VIC adit can be targeted to test the high-grade gold-quartz-sulfide veins of the VIC Gold structure.

ESTIMATED COSTS

Exploration of the VIC vein by a 1000 foot BQWL under ground drilling program can be performed in the upper adit by the use of an air machine. The use of air will also facilitate slashing the existing adit to allow setting-up of equipment.

Estimated costs of the 1000 foot winter drilling program are as follows:

A	Establish camp west side of river	\$ 5,000
B	Equipment rentals	
	-compressor, mining equ., drilling equ.,	
	dozer, transportation, camp: one month RENT	7,000
C	Consumables	
	-fuel, groceries	10,000
	-labour	5,000
	-supervision	7,000
	-reports	3,000
	-diamond drilling, assays	10,000
D	Contingencies	<u>4,000</u>
	<u>Total Estim. Cost 1000' BQWL underground</u>	<u>\$51,000</u>

Yours truly,

Gerhard von Rosen, P.Eng.



CERTIFICATE OF QUALIFICATIONS

I, Gerhard von Rosen, hereby certify that:

I am residing at 1170 Queen's Avenue, Vancouver, B.C.

I am a geological engineer registered in British Columbia

I graduated from the University of British Columbia with a Bachelor of Science degree in 1962, and a Master of Science degree in 1966, both in geology.

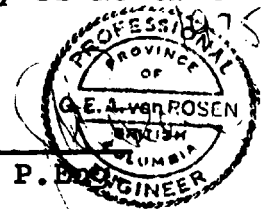
I have performed mining, exploration, and consulting activities in Alberta, British Columbia, Yukon Territory, North West Territories, Nevada, California, on precious metal as well as base metal lode and open pit situations since my graduation.

I wrote this report based on my visit of the property in October, 1974 (Report dated November 26, 1974), and my inspection by helicopter of the situation on November 14, 1975.

I have no control or interest in New Pyramid Gold Mines Inc, its shares, properties, or affiliated companies, nor do I expect to receive any.

Dated at Vancouver, British Columbia this 16th day of November

G.E.A. von Rosen, P. Eng.



DELOITTE, HASKINS & SELLS

Offices across Canada and associated firms throughout the world

Chartered Accountants

BOX 11114, ROYAL CENTRE, 1055 WEST GEORGIA STREET, VANCOUVER, BRITISH COLUMBIA V6E 3P8

To the Shareholders of
Pyramid Mining Co. Ltd. (N.P.L.):

We have examined the balance sheet of Pyramid Mining Co. Ltd. (N.P.L.) as at October 31, 1974 and the statements of loss and deficit and changes in financial position for the nine months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at October 31, 1974 and the results of its operations and the changes in its financial position for the nine months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year (after restatement of the financial statements for that year as explained in Note 6).

Deloitte, Haskins & Sells

January 8, 1975

Auditors

SCHEDULE TO STATEMENT OF MATERIAL FACTS OF NEW PYRAMID GOLD MINES
INC. DATED DECEMBER 15, 1975

Item 1

A. Underwriting Agreement dated December 15, 1975

Canarim Investment Corporation Ltd.,
424 Burrard Street,
Vancouver, B. C.

Underwriting firm purchase of 400,000 shares at 25¢ per share to net the Company \$100,000.00, payable forthwith upon acceptance of this Statement of Material Facts by the Vancouver Stock Exchange (hereinafter called the "effective date").

Shares underwritten will be sold to the public through the facilities of the Vancouver Stock Exchange at prevailing market prices. There are no underwriting commissions. There are no sub-underwriting agreements and to the knowledge of the signatories only the contracting underwriter has any interest direct or indirect in the underwritten shares.

The range of the market price for the previous 90 days was a high of 89¢ per share and a low of 26¢ per share.

Item 4

The proceeds of the underwriting, amounting to \$100,000.00 will be used as follows:-

- | | |
|--|----------------------|
| 1. To pay the vendors of the Taseko Lake gold property as referred to in Item 12 | \$ 35,000.00 |
| 2. To pay exploration costs to date on the Company's uranium property at Hottah Lake and to continue diamond drilling on the Taseko Lake gold property pursuant to the recommendations of L.J. Manning & Associates in their report dated November 14, 1975 (a copy of which is attached hereto and forms part of this Statement of Material Facts.) | 50,000.00 |
| 3. Payment of accounts payable regarding the Hottah Lake property | 15,000.00 |
| | <u>\$ 100,000.00</u> |

None of the proceeds from the offering will be spent on any other properties other than those referred to in this Statement of Material Facts without first filing satisfactory engineer's reports with the Vancouver Stock Exchange.

ITEM 6 - Officers and Directors

<u>Name and Address</u>	<u>Principal Occupation for Past five years</u>	<u>Position with Company</u>
Alexander H. Lenec 3393 West 18th Avenue, Vancouver, B. C.	Mining Executive	President and Director
John Wishart 2312 Mathers Avenue West Vancouver, B.C.	Mining Executive	Vice-President and Director
Kerr E.G. Gaff 4060 Delbrook North Vancouver, B. C.	Barrister & Solicitor	Director
Nin Quan 366 East 59th Avenue Vancouver, B. C.	Accountant	Secretary

Item 10

CANARIM INVESTMENT CORPORATION LTD.

<u>Name and Address</u>	<u>No. of Shares</u>	<u>Percentage</u>
Alfred E. Turton 225 - 1 Lakeview Square 155 Carleton Winnipeg, Manitoba	24,119 Common	54%
Estate of Harold H. Hemsworth 424 Burrard Street Vancouver, B. C.	14,086 Common	31%
Peter M. Brown 424 Burrard Street Vancouver, B. C.	6,751 Common	15%

ITEM 12 Taseko Lake Property, British Columbia

1. The Company, by separate agreements, both of which are dated November 14, 1975, has obtained options to acquire the following located mineral claims from Carl Zuber and Nemco Explorations Ltd.:

<u>Claim Name</u>	<u>Record Number</u>
Vic 1 - 8	31918 - 31925
Vic 9 - 12	32145 - 32148

Under the provisions of the agreements Nemco Explorations Ltd. has granted the Company an option to purchase an 80% interest in the claims and Carl Zuber has granted the Company an option to purchase a 20% interest in the claims. In order to acquire Mr. Zuber's interest in the claims the Company must pay him a total of \$70,000.00 as follows:-

- (a) \$30,000.00 on acceptance of this agreement by the Vancouver Stock Exchange;
- (b) \$20,000.00 within 90 days of the acceptance date and a further \$20,000.00 within 180 days of the acceptance date

In addition Mr. Zuber will be paid a royalty of 1½% of all net smelter returns derived from the claims.

In order to acquire Nemco Explorations Ltd.'s 80% interest in the claims the Company must pay Nemco \$5,000.00 on acceptance of this agreement by the Vancouver Stock Exchange and conduct exploration and development work on the claims at a cost of \$125,000.00 on or before December 31, 1976 and a further \$150,000.00 exploration and development work on the claims on or before December 31, 1977.