

OLD NICK [MI-82ESW055]

On May 7, 1996 I accompanied Trygve Hoy, Gerry Ray, Larry Jones, Mike Cathro and Paul Wilton to the Old Nick Ni-Co deposit located 36 km east of Osoyoos. Gold City Mining very kindly provided an information booklet and John Chapman toured us around.

Guy F. Atkinson Holdings Ltd. (San Francisco), Gold City Mining Corp., Phoenix Gold Res. Ltd, and Sway Resources are negotiating an option agreement. A current "in-house" estimate of resources by Gold City suggests a drill indicated geological potential for 15 million tonnes of nickel-cobalt mineralization with grades around 0.22% Ni. The company feels there is also very good potential for a further 30 million tonnes. If the company identifies a base resource (eg. 70 to 100 million tonnes), it estimates a capital cost of \$260 million for a mill with a daily capacity of 20,000 tonnes. The company is currently evaluating the feasibility of electrowinning processed material on site (similar to SX-EW operations to recover copper). It is conducting acid leach tests, followed by SX-EW testing (at UBC?).

Nickel is contained in both ultramafics and "quartzites"--an unusual setting. The company plans a 4000 foot diamond drilling program to be used for metallurgical tests.

[Ref. Schroeter MR, June '94].