

895013

Report for:

NU-ENERGY DEVELOPMENT CORP.

" ERICKSON CREEK " PROPERTY

by: Dr. J. M. Black, P. Eng.

January 17, 1978

Drifting was resumed January 5th and was continued until January 12th. In this week the drift was advanced 34 metres or 115 feet. The first few rounds exposed the vein where it is narrow and low grade. Beyond this short section, the vein is wider and of good appearance. It contains tetrahedrite, chalcopryite and minor gold. It continues like this to the face, where work was stopped. Assay results are not complete - however, the vein is of ore grade.

This is the seventh length of ore exposed in the drift. This one is almost as long as number one, which is the longest one so far found. The drift has demonstrated that at this level, a very high proportion (about 40%) of the vein is of ore grade and width.

The drift now exposes the Jennie vein for 175 metres or 575 feet. Drill intersections east and west of the drift show that the vein continues at least for another 90 metres with the same characteristics. The continuation of the drift westward will undoubtedly expose one or more ore shoots because ore intersections have been obtained both above and below drift level farther west. At the outermost limits drilled, the vein is not weaker and its length may be proven to be substantially greater.

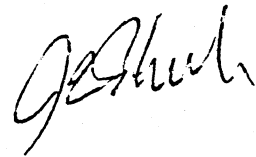
The level for the adit was not selected because of favourable geology or drill results. The level was selected because of ease of access to the portal site and because the overburden appeared to be thinner at the point selected. Since the drift may be considered to have been driven at a random elevation, it is a sample along the vein. As such, it shows that the vein comprises a high proportion of ore.

It has not been demonstrated by a raise that the same proportions of ore exist vertically. However drilling of No. 1 ore shoot show that continuity vertically may be as strong as horizontally. The potential for ore shoots up and down the very great dip length is large. If the vein continues up to the surface in the west, as it is expected to do, the dip length is 1000 feet. Also the vein probably extends appreciably deeper than so far explored.

The excellent results in the drift show that many shoots exist. Therefore it is not necessary now to outline the limits of all these shoots before determining the size of the mill to treat the ore.

Further exploration and development of the Jennie vein and the exploration of the sulphide zones near McDame Lake can be carried on more expediently by the mine staff working from a permanent camp.

Preliminary milling tests showed that using a jig and flotation cells, a recovery of over 98% of the gold was possible. In view of this, and of the great potential for developing many ore shoots, arrangements are being made for the acquisition of a mill with a capacity of 120-150 tons per day.



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McDome Lake
921.9 m

950

Camp

site

Road to Highway

Mill
Site

Tailings
Disposal

Series of
swamps to
east

creek
from
Callison
Lake.

diverted
west of
road

Dam

ERICKSON CREEK GOLD MINE
Vein, Workings, Road, Tailings Pond, Mill site

Scale 1:5000

0 50 100 150 200m

Sheet 1 of 2

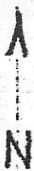
Road to Mine

Erickson's
Creek

To Jennie
vein

1050

MATCH
LINE



[Handwritten signature]

To Millsite
and Camp.

1100

N

Sheet 2 of 2

A. B. Smith

Road

creek

1200

Erickson

1300

1350
(4320)

1400

1500

Drift

Jennie vein
outcrop

Sub out crop

1450

long switch-backs off sketch

