

CONCLUSIONS

The major veins:

- 1) Occupy major fault fissures.
- 2) Have a complex history and probably formed over a long period.
- 3) Contain primary native gold and ore shoots.
- 4) Are similar to veins of Bralorne-Pioneer Mines.

RECOMMENDATIONS

- 1) Continue present drill program.
- 2) Plan to explore a larger area that now has ore potential.

INTRODUCTION

The Erickson Creek property of Nu-Energy Development Corporation continues to be explored with encouraging results. At a depth of 225 feet below the apex of the Jennie vein and at a level about 125 feet below the bottom of the drill intersections, a cross-cut adit has been driven south-southeastward. At a point 630 feet from the portal, it exposes a vein 2 to 3 feet wide. It was discovered on Valentines Day and has been named the Valentine Vein. It is the first exposure underground of a vein on this property.

It contains free gold. This is significant because it establishes the fact that the gold occurs free in these veins below the level of weathering and is not limited to near-surface exposures where it has been freed from sulphides by weathering processes.

GEOLOGY

The rock in the cross-cut comprises impure tuffs. In part these are

massive. Elsewhere they are thin-bedded. No distinctive bed or group of beds has yet been identified.

ALTERATION

Near the Valentine Vein and also near the Jennie Vein, explored last year, silicification is widespread. This may have had the desirable effect of transforming relatively weak beds into a hard, competent suite of beds.

The beds near the veins have been otherwise altered. This is most notable in the hanging wall of the Jennie Vein at and near the surface. However, it occurs near the Valentine Vein. The rock is greenish colored, largely because of the presence of mariposite mica. In small part, it is due to the presence of minute grains of tetrahedrite, which have become surrounded by a halo of malachite.

The green-colored alteration is exposed fairly abundantly to the west of the present exploration area, considering the paucity of outcrops. This suggests that favorable alteration zones extend westward on the property.

VALENTINE VEIN

At the cross-cut this vein dips steeply southwestward. This attitude is unlike that of the Jennie Vein. Moreover, the location of this vein does not correspond to the projected extension of the Jennie Vein. This vein may be an extension of a vein that diverges downward from the Jennie. Some indication of this vein was obtained in holes drilled from the surface in 1976.

The Valentine Vein was drifted on for 90 feet to the southeast and 30 feet to the northwest. The vein or vein zone continues beyond these points. Drifting was discontinued in order that the camp could be used by a drill crew. At the east end of the drift the vein swings more easterly and splits. If it continues in that direction, it may join up with the vein zones cored in d.d. holes 17 and 18, 1976.

The Valentine Vein is complex. In places it is bounded by fault walls. At other points irregular gash veinlets and veins extend into the walls. At some points the vein is bounded by a dyke. From drill holes it has been learned that this dyke, which is from 2 to 4 feet wide, occupies most of the length of the fault zone that has been explored. Quartz veins occur on one side of the dyke or both sides. Some of the vein quartz is massive. Elsewhere, it has been shattered and it is intensely fractured.

The vein comprises several veinlets which are separated longitudinally by thin septa or films of dark material, probably wall rock. The vein thus has a ribboned appearance. Some of the dark material is carbonaceous and may have come from black argillites that occur on the property. The veins have vugs and also voids, which may have been filled with gouge and which now have been washed out.

The vein curves and also pinches and swells markedly. These are characteristics of veins which fill a fault, along which there has been movement. They probably extend for a considerable distance and continue beyond the limits of the area explored.

Minor carbonates are present, together with some blocks of wall rock. Metallic minerals are scant. Fine-grained pyrite is present and very

small amounts of chalcopyrite. Tetrahedrite has not been recognized in it and in this respect it differs from the Jennie Vein.

VALENTINE ORE SHOOT

The results of sampling the drift and some of the drill core, outline an ore shoot that rakes downward to the northwest. The reason for this direction is not known. It is shown on Figure 1 and is open at both ends. The result from twelve samples, taken across the vein at nine points, is as follows: average width 31"; silver 0.4 ounces per ton; gold 0.97 ounces per ton. The high ratio of gold to silver probably reflects the absence of tetrahedrite and indicates the ratio of gold to silver in the native gold. This is distributed erratically within the shoot.

The reason for a shoot at this point is uncertain. Here the vein is dipping southwestward. This is unlike the other veins on the property and may be an attitude which here facilitated deposition of gold. Other shoots may be expected at changes of attitude or width, etc.

WALL OF VALENTINE VEIN

At a point 14 feet southeast of the centre of the cross-cut, numerous veinlets extend into the foot wall. A sample here across 42" (including wall rock between the veinlets) ran 0.156 ounces gold per ton and 0.20 ounces silver per ton. If much material of this grade can be found, it may be possible to mine it and to sort out enough waste rock to bring the grade up to that of mill feed.

VALENTINE VEIN CONTINUED

This vein has recently been cored in several holes drilled southwest-

ward from the cross-cut. In these, substantial thickness of vein and dyke were cored. This shows that the vein zone continues northwestward as expected. Assay results are not available.

JENNIE VEIN

This vein, by last year's drilling, was shown to be wider and higher grade than the ore shoot now found on the Valentine. Two holes drilled upward toward the Jennie Vein, have not cored it, for reasons not known. Drilling toward it is continuing.

VEINS GENERAL

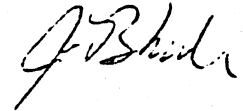
The veins and the fissures they occupy probably have a long history of movements and repeated introductions of quartz. On this property are at least two major vein fissures containing ore shoots. Lesser veins, as yet unexplored, split off from them.

SIMILARITY WITH BRIDGE RIVER CAMP VEIN SYSTEM

The exploration of the Erickson Creek vein zones is at an early stage. However, these zones have characteristics that are very similar to those of the vein zones mined in the Bralorne and Pioneer Mines. In both camps the veins are in long, curving fissures, some of which are also occupied by dykes. Pinches and swells are common, as are splits. Also, gouge and vugs are common. Also, the veins have a similar ribbed appearance and a scanty proportion of metallics, though including some native gold. They also have alteration zones somewhat similar in appearance.

To the extent that this resemblance is of value, it provides encouragement for the exploration of the Erickson Creek camp. This, plus the results so far, makes it advisable to explore an extensive area, west of

the present known veins, where indications of favorable alteration are seen. Likewise, exploration needs to be extended east of Erickson Creek, in an area of very few outcrops.

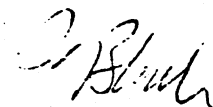


J. M. Black, P.Eng., Ph.D.
Consulting Geologist
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Appendix re recommendations

1. The present drill program can be continued, modified as drill targets become available, using present funds.
2. For exploration of the large area that is now considered to be worth exploring, the following estimate has been made. Some of the procedures or plans may be revised. However, the costs probably will be close to the estimate.

Construction of pre-fab camp	\$ 15,000
Air photos and to make map and model from them	5,000
Subsidize dining room	6,000
Grid for survey	2,500
Geochemical survey and assays	6,500
Stripping and trenching of anomalies	4,000
Supervision	4,000
Geology	10,000
Transportation	4,000
Reports	4,000
Drilling 5,000' @ \$15	75,000
Assaying	3,000
Adit drift 650' @ \$100	<u>65,000</u>
	204,000
Contingencies 10%	<u>20,400</u>
Total	\$224,400



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