

## Work Proceeding Near Cassiar At Erickson Creek Gold Mine

**Nu-Energy Development Corporation** reports that their geological consultant, Dr. J.M. Black, has completed a new geological interpretation for a part of the Jennie Vein at the Erickson Creek gold mine near Cassiar, B.C.

Average grade of ore milled to date is approximately 0.75 oz gold per ton, with a similar amount of silver.

The second production adit is now being driven approximately 270 feet down dip from the first level and, when completed, will provide two main working and production levels.

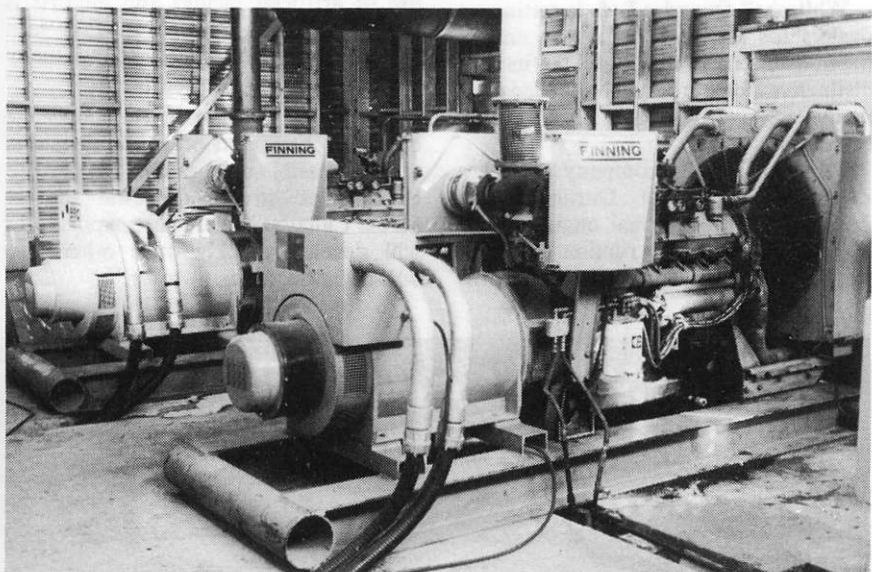
Funds are now being allocated for major exploration programs in 1980. These programs are designed to increase the speed of development, both above and below the new level.

In addition to the Jennie Vein and the placer ground, a geophysical survey on acquired property showed a good conductor within a magnetically anomalous area. Two holes were drilled in this area, and both encountered ore-grade intersections. Dr. Black reports that the zones are relatively wide and present the possibility of providing considerable tonnage. Their form, extent and grade need to be determined. These targets are contained within the area of the agreement with **Esso Resources**.

The year 1980 will see a major effort to evaluate and explore the placer ground. In excess of \$270,000 has been budgeted for Phase I of this project, which will include engineering and planning, seismic work and test drilling.



The 150-ton-capacity mill at the Erickson Creek gold mine.



Two of the three generators at the Erickson Creek mine. One will operate the mine and mill.

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## Cusac Industries

Advancing of the seven-foot by seven-foot, tracked, main haulage level on the Cusac Industries Limited gold mine at Cassiar, B.C., resumed on April 20, 1983. The two shift per day program has advanced the drift 1075 ft. from the portal at press time.

The primary objective of the drift was the "Hot" vein, 1050 feet from the portal, 150 feet below surface, and about 50 feet below a diamond drill hole which confirmed the vein and gold values to that depth. At 1050 feet in the drift the "Hot" vein was intersected. The vein is 3½ feet wide and at this point, strong and well defined and displays similar characteristics as found on surface and in drill holes. Drilling above this level indicated grades in the .4 to .6 oz. of gold per ton range. John Poloni P. Eng., is due to arrive at the property shortly to supervise the sampling program to define ore shutes in preparation for mining. In recommending the driving of the level, Mr. Poloni, calculated reserves on the property at 37,250 tons grading 0.43 oz. gold per ton, including 12,000 tons in the "Hot" vein above the 120-foot level. Included within the reserve grade calculations are a number of areas where the values range between 3.0 and 7.0 oz. gold per ton. While these high values are excluded in ore reserve calculations, it is hoped that when mining and milling operations are underway these higher grade areas will add to the head grade in a significant way.

At the same time as this underground development is underway, the company has let a contract for a minimum of 4,000 feet of diamond drilling to test for extensions of the "Hot" and "Freddy" veins and other targets. Five holes have been completed with encouraging results. Assays are expected shortly.

The company has completed construction of a 50-ton per day concentrating plant which was tested in the fall of last year. Cusac has retained Doug Redden,

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## Cusac Industries

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who has had considerable experience operating similar plants, as mill manager. Tuning up of the plant has started in anticipation of full operation this month. The company has a surface stockpile of about 800 to 1,000 tons grading between 0.25 and 0.30 oz. gold per ton. This material will be used in the tune up period and as mining and milling capacities increase.

At approximately 178 feet from the portal of the main level, the crosscut intersected the "Freddy vein across a 6-foot width grading 0.55 oz. gold per ton. The "Freddy vein was drifted along for some 60 feet across an average width of 6 feet grading between 0.35 and 0.45 oz. gold per ton.

The extensions of this vein will be drifted along as a second phase of exploration and development in the current program. The underground values on the "Freddy" vein have been in the 0.3 to 0.6 oz. gold per ton range and indicate a three to four times increase from the 0.1 to 0.15 oz. gold per ton values obtained in the diamond drilling from surface. The company has drilled a total of 46 holes from surface on the property; most have been to depths of less than 100 feet. The work to date has shown no diminution of grade at depth. The depth potential for these veins is considered similar to that at the nearby Erickson Gold Mine where gold values are making ore at 750 feet below surface and where the geological conditions are considered similar to those on the Cusac mine.

A further target for the exploration

program is the Dino vein which has yielded, in a mining test, 500 tons grading 2.19 gold per ton. This vein is open to extension down dip and along strike and will be tested this season.