

See GC 199, 1977

See GC 208, 1977

PROGRESS REPORT TO DIRECTORS
NU ENERGY DEVELOPMENT CORP.

895014

The underground program has proceeded well.

The drift westward in the Jenny vein exposed ore where it was expected. In addition, where the drift was advanced into an area about which little was known, new sections of ore were found. The drift again demonstrates that the Jenny is a major vein and that a high proportion of it is ore.

The drift has been advanced 112 meters or 365'. It is now more than half way to the most westerly point drilled. Work was stopped December 20th for holidays. The face was sampled after each round.

In eighteen days, sixty-two rounds were drilled, blasted and mucked. This is an average of $3\frac{1}{2}$ rounds per day. The average advance per round was .8 meters or 6'. The ground stands up well and does not need to be timbered.

The Jenny vein flanks the dyke as described previously. Where the drifting started, the vein dips steeply. Toward the west it dips less steeply, and at the west face dips about 45° northward.

The vein, which is well-fractured, ranges up to two meters wide. It has an erratic gold content, which ranges up to 8 oz. per ton. The average grade in five sections exposed is 1.21 oz. gold per ton and 0.68 oz. silver per ton.

It differs from other parts of the vein, inasmuch as no gold is visible. It is presumed that free gold is present in very fine particles. A fair amount of chalcopyrite and fine-grained tetrahedrite is present.

Some of the high values are in sheared zones, alongside the walls of the dyke. This suggests that the gold was introduced late in the mineralization sequence, after the dyke and after late faulting parallel to the dyke.

In the first part of the drift, near some drill intersections that were not encouraging, a section "A", 11 meters long, is of ore grade. (See figure.)

Further west, two more ore sections, "B" and "C", are exposed. These are below No. 2 ore shoot as it was outlined from drill results. These ore sections appear to be the downward continuation of this shoot. The more westerly of these, "C", is wide and high grade. It is probable that it will extend below the level for an appreciable distance. It may be that this was one of the channels whereby gold-bearing solutions moved upward.

These sections, "B" and "C", almost certainly extend upward. If they do, and "A" also does, it raises the possibility that ore shoot 2 may join or be connected with ore shoot 1, which would thereby be appreciably larger.

Jan 3/78 assays reported to 8 oz.

In the most westerly part of the drift, two more ore sections, "D" and "E", are exposed. These are in an area about which little was known.

Generally, it may be said that at this horizon about one-third of the vein is of ore grade. This is a high proportion. If it prevails elsewhere, it means that much more ore remains to be found.

All five of the ore sections may extend above or below the level of the drift. These possible extensions can be sought by short holes drilled from short cross-cuts driven from the drift.

The drift exposed drill holes 40 and 44. The core from these holes was low grade and ran 0.03 and 0.01 oz. gold per ton respectively. The face of the drift close to hole No. 40, runs 0.104 oz. gold per ton. No. 44 is exposed between two faces that run 0.180 and 0.486 oz. per ton. From this, it can be seen that the core samples run appreciably lower in grade than the face samples. This can be attributed to the possibility that some fine tetrahedrite and fine gold are not completely recovered with the drill core.

The data on the five ore sections are as follows:

	<u>Width Cm</u>	<u>Gold Oz/Ton</u>	<u>Silver Oz/Ton</u>
A	84.4	0.444	0.272
B	115.0	0.703	0.515
C	180.0	1.829	1.107
D	48.0	0.529	0.284
E	38.2	1.07	0.43

Combining the five sections, the average width is 100 cm. or 3.28' and the grade is 1.21 oz. gold per ton and 0.68 oz. silver per ton.

For comparison, the most easterly ore section in drift averages 83.3 cm. width and runs 1.24 oz. gold per ton and 0.398 oz. silver per ton. That is, the grade is practically the same. It is somewhat lower than the grade of the ore shoots as reported earlier.

No. 1 ore shoot has a higher grade than that section of it exposed in the drift. This is attributed to the fact that the drift is at the outer margin of the shoot and the values increase towards the centre of the shoot. If the five new ore sections also are at the margins of ore shoots, the shoots may be higher grade than the sections in the drift.

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Recommendation:

drifts to be extended to be followed by cross-cuts from which to drill holes to test extent of the shoots.