

President's Report

January 7, 1947.

To the Shareholders,

Big Four Silver Mines Ltd. (N.P.L.):

The consolidation of groups composing the property now owned by Big Four Silver Mines Ltd. (N.P.L.) constitutes thirty-eight claims and fractions extending from the Western slope of Mt. Rainey over the top and down the Eastern slope, where the Porter-Idaho and Prosperity holdings of the company are located, and which produced 1,700,000 ozs. of silver from 23,300 tons of shipping ore in the eighteen months of operation in 1929, 1930.

As the six mile aerial tramway which was used to mine the Prosperity and Porter-Idaho groups had fallen into disrepair and the expense of rehabilitation would have been considerable, it was decided to conduct operations from the Western or Silverado side of the mountain.

The former operations there had been supplied by pack trail, but it was felt that this would be too costly and inefficient under present conditions. Therefore, a tractor road connecting with the town of Stewart was built up the lower slope of the mountain, and part of the aerial tramway was brought from the Eastern side and a tramway approximately three quarters of a mile in length has now been constructed to connect the tractor road with the workings at the main tunnel and the camp buildings on the Silverado group.

In addition to building the road and the tramway, camp buildings have been erected and repaired for the accommodation of twenty men. The necessary equipment to proceed with an aggressive development programme has been purchased or is on order and a large part of it is now at the property.

The difficulties that have had to be overcome in getting the property equipped to carry on an orderly programme of development have been very great, and it has been a disappointment to your Directors that more development results have not been obtained and that the costs have been greater than was originally anticipated.

While it has been possible, because of necessary preparatory work, to accomplish only a limited amount of underground development to date, an examination of the old workings, plus new surface discoveries, indicates the possibility of substantial amounts of milling and shipping grade ore. It is expected that further development will rapidly and substantially increase this.

Since these properties were operated in 1930 the glacier cap covering the mountain top has receded several hundred feet, thus allowing surface exploration of favourable areas not previously exposed. It was, therefore, possible to sample important additional lengths of three previously known veins, with encouraging results. These veins continue to be well mineralized where they disappear under the glacier and pieces of float picked up at this point on No. 4 vein ran as high as 1.05 ozs. of gold and 2740.1 ozs. of silver per ton.

The recession of the glacier has also exposed a large mineralized area, not before known. Where exposed it has a width of over two hundred feet with twenty-five to thirty feet of heavy mineralization, and the fact that it is adjacent to the area in which the Silverado veins appear to intersect, strengthens the possibilities of extensive mineralization also in this area now covered by the ice cap. One grab sample from the exposed zone, not from the heavily mineralized section, taken just before weather conditions stopped outside prospecting, gave an assay of .02 oz. of gold, 14.6 oz. of silver and 14.5% lead per ton.

In order that the shareholders may get a more comprehensive idea of the property, there is included herewith a sketch of the mountain showing mineralized zones, a cut of a photograph of the mountain, and a report by the Company's Consulting Geologist, Dr. J. T. Mandy.

On November 28th the underwriters who have been financing the development of the property entered into a new agreement with the Company whereby 200,000 shares of treasury stock were purchased at 20c a share, and future options were amended as follows: 400,000 shares at 20c per share, 300,000 shares at 25c per share, and 275,000 shares at 40c per share with payments to be made to the Company at the rate of \$30,000.00 every six months commencing May 1, 1947.

With the completion of outside construction, underground development will proceed immediately and a programme of drifting, raising and diamond drilling has been laid out. Your Directors hope that within the next few months favourable reports on ore developed will be forthcoming.

Yours very truly,

W. B. MILNER,
President.

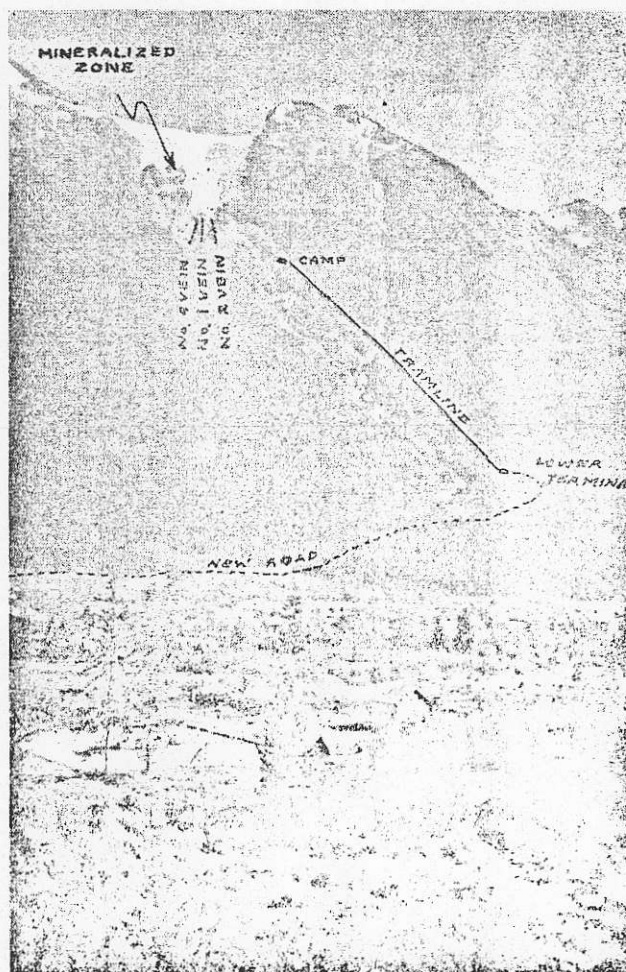


Photo of Mount Rainey from Stewart, B.C., showing Silverado workings.

Consulting Geologist's Report

The President and Directors,
Big Four Silver Mines Ltd. (N.P.L.),
Royal Bank Building,
Vancouver, B.C.

January 3rd, 1947.

Gentlemen:

During the past season the necessary transportation and camp facilities have been installed and the necessary mining equipment purchased or ordered, so that underground development can now proceed on an efficient basis.

The surface prospecting that was done during the 1946 season, while limited, has shown encouraging results. The known veins have been found to continue on the surface with good definition and widths and rich float appearing from under the glacier indicates the presence of high grade ore under the ice-cap. Seven new possible ore-shoot areas have been indicated by preliminary sampling of natural exposures on No. 2, No. 1 and No. 4 veins.

A very interesting ore-shoot area in No. 2 vein shows values of 0.04 oz. gold per ton and 22.9 oz. silver per ton across 3 feet for a length of 25 feet, and 0.03 oz. gold and 29.1 oz. silver across 3 feet for a length of 30 feet, with the interval of 100 feet between these areas covered by 4 feet of moraine and impossible to examine. The second shoot is open at the interval. It is possible that this may be a continuous shoot of 155 feet with commercial values extending throughout this length.

The ore potential indicated in the fracture zone by the four new possible ore-shoot areas in No. 4 vein is encouraging. In a projected (not stripped or open cut) length of 800 feet there is indicated 344 feet (plus) or 43% (plus) of possible ore-shoot area. With 6,000 feet of unexplored fracture structure between Silverado and Prosperity workings, the ore possibilities ahead are definitely important. The probable intersection of No. 1 and No. 4 veins some 1100 feet southeastward of the present face of zero level is a most interesting ore potential region.

The probable strike intersection of Silverado and Prosperity structures at about 4,000 feet southeastward of "Zero" level face can also be considered as a favourable area ahead of present Silverado workings.

The recent discovery by company prospectors of a wide well-mineralized area adjacent to the region of these intersections strengthens the expectation of favourable ground in this area.

That these inferred ore-shoot areas warrant intensive exploration is illustrated by the partly developed ore-shoot in the old workings off "Zero" level in which a gross value of \$130,000.00 is indicated in 8,000 tons of ore.

The possibility is indicated that sufficient ore may be developed as the workings proceed southeastward, to give an ore-factor sufficient to sustain the cost of the Silverado development as it proceeds towards Prosperity.

The present proposed development programme of raising and drifting southeastward on No. 1 vein with diamond drilling of adjacent veins as advance proceeds is based on the objective of developing ore as cheaply and quickly as possible in correlation with maximum penetration southeastward into the mountain at an elevation as close as possible to the bottom of the indicated ore horizon.

It is recommended that this development programme be proceeded with as quickly as possible.

Yours very truly,

JOSEPH T. MANDY,

Consulting Geologist.

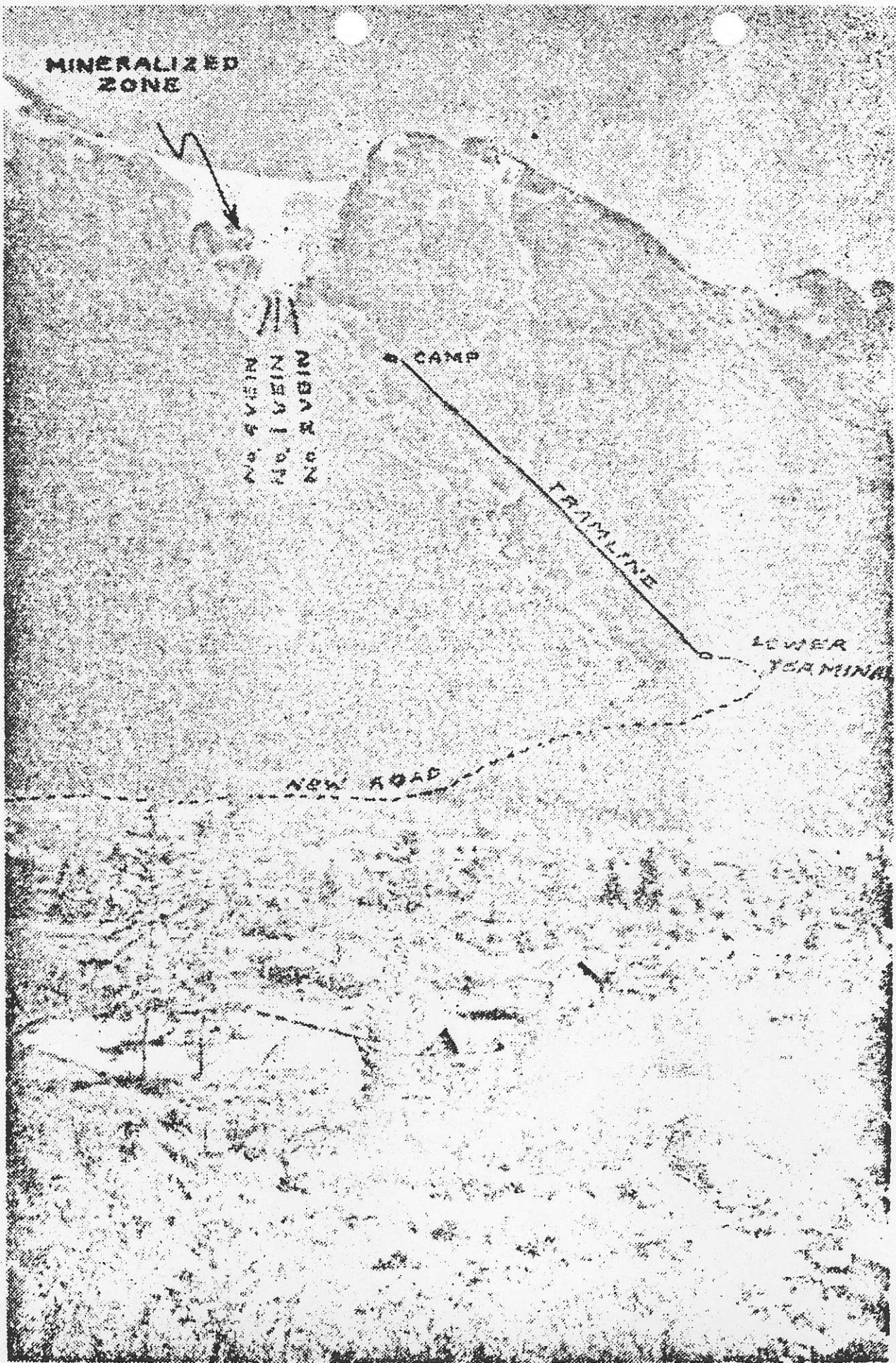


Photo of Mount Rainey from Stewart, B.C.,

Large mineralized zone uncovered by retreating ice.

Intersection of No 1, 2, & 4 Leads

Ice Cap

Approximate area of intersection of Silverado and Porter-Idaho Prosperity Structures.

SILVERADO WORKINGS

PROSPERITY, PORTER-IDAHO WORKINGS

No 4 Lead (surface)
No 1 Lead (surface)
No 2 Lead (surface)
No 3 Lead (surface)
0 Level
201 Drift

Main Crosscut

Canyon Lead

Flat vein

No 3 Tunnel
D Tunnel
No 1 Tunnel
I Tunnel
C Tunnel
Prosperity Lead (surface)
101 DN
307 DN
207 DN
305 DN

Ice Cap

Estimated Limit of productive horizon

Flat vein

Proposed Development

0 Level 3450' El.
201 Drift 3162' El.
Main Crosscut 2955' El.

101 DN 5392' El.
201 DN 5246' El.
305 DN 5085' El.

D Tunnel 4691' El.

I Tunnel 4228' El.

SKETCH OF BIG FOUR SILVER MINES LTD. N.P.L.



S. S. Gilmour Dec. 1946

Compiled from information believed to be correct.
Information contained hereon is not guaranteed.