

PREMIER GOLD MINING COMPANY, LIMITED

Rept. Dec 31-1924

Mention was made in that report of additional ore possibilities in five different areas beyond the then mine workings, these being as follows:

- (1) Unexplored ground in the northeastern portion of the Company's property, along the main northeastern ore zone.
- (2) Unexplored ground along the same zone but to the southwestward of the mine workings.
- (3) Possibilities in the vein of northwestern strike which intersects the main zone.
- (4) Possibilities from prospecting at depth, various surface showings upon the Pictou and Cascade Falls No. 8 claims.
- (5) Possibilities of persistence of commercial ore at greater depth below the 4th level than has been as yet explored by diamond drilling.

During the past year, considerable success was encountered in the way of opening up additional ore in the first of these five areas, namely, in the northeastern area, and considerable success similarly in the No. 3 area, namely, along the vein of northwestern strike, in the vicinity of the intersection with the main zone, and as a result of this, coupled with fresh ore opened up in proximity to the present mine workings, the ore reserves as of December 31, 1924, are approximately the same as those of a year ago, after producing from the property during 1924, 159,014 tons averaging in recovered values approximately 87 ounces gold and 19.0 ounces silver per ton.

On the other hand, quite extensive explorations in the No. 4 area, to the southward of the main workings, have failed to find, under the Pictou and other outcrops in that vicinity, any commercial ore. Similarly with respect to No. 5 area, the work done upon the 6th level in the way of a long tunnel drive at a depth of 550 ft. below the 4th level has so far failed to find any commercial ore, although a considerable amount of lateral diamond drilling has also been done from this level. A raise from the end of this deep level has been put up approximately 550 ft. to connect with the 4th level, and a level, No. 5, will be driven from about half way up this raise to explore more thoroughly, at that horizon, the main ore zone and thereby ascertain what tonnage of commercial ore there may be below the 4th level.

Practically nothing was done during the past year in the way of exploring area No. 2, namely, the ground to the southwestward of the mine workings along the ore zone, and during 1925 the possibilities of ore in this area will be investigated by suitable diamond drilling and other exploratory work.

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The estimated general average of the 147,880 tons broken in stopes as at December 31st, 1924, is .55 ounces gold and 17.3 ounces silver. With gold figured at \$20. per ounce and silver at 60c per ounce, this represents a gross value of \$21.38 per ton.

A conservative estimate of the assured and probable unbroken ore down to the 4th level of the present mine workings is 420,000 tons averaging .54 ounces gold and 14.1 ounces silver per ton. With gold figured at \$20. per ounce and with silver at 60cents per ounce, this represents a gross value of \$19.26 per ton.

In addition to this, there is a considerable tonnage of ore developed above the 4th level of rather complex mineralization and slightly below profitable grade at present milling capacity, which, later on, it may become possible to treat at a profit.

Also there has been indicated by the diamond drilling so far done below the 4th level, 146,000 tons average .39 ounces gold and 3.2 ounces silver per ton.