

INTEROFFICE MEMORANDUM

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TO: Tom Schroeter of EI

(TSCHROETER)

Subject: PREMIER GOLD

768

PHASE II UNDERGROUND DRILLING CONTINUES, 32,000 FT DRILLED TO OCT 21, EXPECT TO DO ABOUT 42,000 FT BY YEAR END AT COST OF \$1 MILLION. OBJECTIVE IS 600,000 TONS AT 0.2 OPT AU IN MAINLY PROVEN ORE RESERVES. DRILLING IS AT 30-40 FT SPACING. AREA OF DRILLING IS BETWEEN 4 AND 6 LEVELS OF PREMIER SECTOR (ie, not northern light nor BC Silver). The 600,000 tons represents 3 years of production. Met testing to look at feasibility of producing a Zn conc is going on. Drilling results are encouraging, production may resume next year.

Premier is no longer treating Snip concentrate. Apparently conc characteristics changed, became more Cu-rich and gold recoveries fell. Unfortunately Westmin is obligated under the contract to pay for off-site treatment.

Telkwa coal exploration \$ = 2,349,000 (confidential!)

Red Chris permitting cost this year = \$1 million.

Tulsequah environmental/permitting = \$860,000+ (also confidential)

I will pass on other updates as available.

Cheers!
Paul

Needs updating!

2.35
1.50

0.85
2.14

3.25



Province of
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Ministry of
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MEMORANDUM

Smithers — Telephone: (604) 847-7383 Fax: (604) 847-7603

MONTHLY REPORT - AUGUST 1995

by

Paul Wojdak, NORTHWEST REGIONAL GEOLOGIST

HIGHLIGHTS

*Windy Craggy compensation and Royal Oak acquisition of Kemess Cu-Au porphyry and Red Mountain Au prospects announced on Aug 18. Royal Oak will establish B.C. divisional office in either Prince George or Smithers for exploration, development, construction and administration of the two projects. Jacques Houle of Royal Oak, who will head up that office visited Smithers, including the EMPR office, on Aug 25.

*Golden Bear update: Good drilling results from the Ursa zone but exploration on the Grizzly zone has been halted and the decline will be allowed to flood. From published data, I estimate 540,000 tonnes at 20 g/t Au (uncut) in the Ursa deposit. Continued exploration will focus on the 6 x 3 km carbonate that hosts Kodiak and Ursa, with particular emphasis on new targets along the 900 meter Kodiak fault, the ore controlling splay of the Ophir Break.

*Security/ preservation of Cheni property maps and data at the idle mine site is a concern (see Cheni below).

*Eskay mine operating at much higher gold cut-off grade than anticipated. Rock grading 20 g/t Au is going into Albino lake as ARD generating waste (see Eskay below).

FIELD ACTIVITIES

PREMIER
*I visited Premier Gold mine on Aug 4 for an update on mining and exploration from Rex Johnston (geologist) and Brian Miller (mine superintendant). Unfortunately Charlie Greig and Paul Lhotka were on break. Current production is 600 tons per day; 2/3 Glory Hole fill recovered via a decline from 515 bench in the open pit and grading 0.086 oz/t Au, 2 oz/t Ag and 1/3 ore supply from pillars etc on 4-level. About 6 employees were laid off in June reducing on-site personnel to 70. Targets being worked up include 5-level and West zone above 3-level that will be pursued with a \$465,000 mine exploration program. The critical operating problem at Premier is freezing up of Glory Hole muck in cold winter weather which nearly forced closure last winter.

TIDE
*Tide (104B 129) project was visited on Aug 5 with Rick Kemp of Hemlo Gold Mines. Tide is a minor program with promise of becoming a major project. The property is underlain by late Triassic to early Jurassic Unuk River Formation near the Summit Lake stock, a coeval hornblende diorite. Hemlo's regional geochem database shows Tide to be strongly anomalous; a 1 x 2 km area contains over 100 ppb Au in rocks and soils. Gold occurs where NE carbonate-sericite-pyrite shears, interpreted as splays of



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MEMORANDUM

Smithers telephone: (604) 847-7383

VGS → DK - 5/2/94

T. L. ...

APR 7 1994

Geological Survey Branch
MEMPR

MONTHLY REPORT - MARCH 1994

by

Paul Wojdak, NORTHWEST REGIONAL GEOLOGIST

HIGHLIGHTS

* **Porcher Island (103J 017)**, a dormant gold mine is proposed to be re-opened for mining by Westmin Resources Ltd. An exploratory meeting was held with NW Mine Development Review on March 2 (while I was at Premier Gold mine). Porcher Island was explored during 1987-1989 by Cathedral Gold and a resource of 1.3 million tonnes grading 6.85 gpt Au identified in the AT zone, and 225,000 tonnes at 8.91 gpt Au outlined in the nearby Edye Pass deposit (103J 015). The gold mine is on tide water 20 km south of Prince Rupert and ore would be barged to Premier Gold for milling.

Porcher Island is a PAS study area! Westmin's work would not add to existing disturbance of natural systems, there is no environmental risk such as ARD. **EMPR is taking a leadership role to ensure this project is not derailed by PAS.**

* **Mineral Potential reports of Recreation Areas** in Prince Rupert PAS region are being prepared with assistance of GSB staff:

- | | |
|----------------------|---------------------------|
| Fiordland, Hakai- | Kim Bellefontaine |
| Atlin | Mitch Mihalynuk |
| Stikine River | Jim Logan |
| Rainbow, Lindquist | Larry Diakow/ Paul Wojdak |
| Swan Lake, Gitnadoix | Paul Wojdak |

* **Evaluated mineral potential of 25 official Study Areas and Areas of Interest** in preparation of reducing the massive inventory of Protection + PAS candidates to 18% of the land base.

FIELD ACTIVITIES

* **Premier Gold mine** was visited with 11 people attending Smithers Exploration Group, Rock Talk on March 2. Re-development of 4-level (the 1920-1953 mill level) is underway with plans to recover stope pillars from 4M stope near the portal to 2400N (approx 400 meter strike length). A minimum of 20-30,000 tons is estimated in stope pillars. One or two new shrinkage stopes will be developed and also a high grade pocket on 450 sub-level near 601 Raise. No production from caved stopes on 2-level at the time of our visit, recent cold weather caused run-off water to freeze the muck. Underground mining at Premier Gold has been underway for 14 months. Employment is now up to 60, and with the increase above an initial skeleton crew 1800 oz of gold per month is required to break even on costs. As an example of production in a good month, December was:

- 6,426 tons from 6-level @ 0.283 opt Au, 1.04 opt Ag
- 18,755 tons from 2-level @ 0.052 opt Au, 2.57 opt Ag.

Westmin might spend \$500K on expl'n in '94 at Premier

Premier