

103P Premier  
Area  
Assess.

FILE ✓  
BWS

811915

April 2, 1957

Mr. Carl Pielsticker  
Draper Dobie & Company  
330 Bay Street  
Toronto, Ontario

Dear Mr. Pielsticker:

I enclose a copy of our engineer's report  
on the Premier-Border Mine and also an extra copy  
of A.G. Pentland's report of 1951 and hope that  
these will be of use to you - I know that you will  
keep them as confidential information.

Please give my best regards to your  
father,

Sincerely,

Blair W. Stewart

BWS/w

Enclosures

REC'D FEB 9 1955  
Action Date

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| A C |   |      |
| E J | / | 2-11 |
| H K |   |      |
| L W | / | 2-9  |

February 8th, 1955.

A = Action C = Comment  
I = Information

Proposal Development (1954) Ltd.,  
604 - 789 West Pender Street,  
Vancouver 1, B. C.

Re: Premier - Proposal No. 5.

Dear Cap,

Under the circumstances and the information  
contained in the final report on the above referenced property,  
we do not wish to proceed further with the investigation.

Will you please be good enough to inform Mr. Pitt  
to this effect officially in writing.

Yours very truly,

CYPRUS EXPLORATION CORPORATION LIMITED

  
Vice-President.

CHES:bmck. ✓  
cc:E.Just

COPY

REC'D FEB 7 1955  
Action Date

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| A C |   |     |
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A = Action C = Comment  
I = Information

February 4th, 1955

Mr. C. H. E. Stewart  
Cyprus Exploration Corporation  
Ste. 802 - 80 Richmond St. W.  
TORONTO. Ont.

Dear Cy:

On January 19th we sent you and Evan copies of the "Premier" report. Yesterday Dale Pitt phoned me having just returned from a very extended trip. I advised him it was my understanding that Cyprus did not wish to proceed any further with the Premier investigation but that I had no authority to end the agreement. He requested me to write to you and get either a definite release or an expression of further interest.

I am to-day releasing to him our reports and map.

Will you write him directly?

Yours sincerely,

DFK

Desmond F. Kidd.

DFK:c

cc - Mr. Evan Just  
Cyprus Mines Corporation  
161 East 42nd St.  
NEW YORK 17, N. Y. ✓

| DOMESTIC SERVICE  |                                     |
|---|-------------------------------------|
| Check the class of service desired; otherwise this message will be sent at full rate telegram |                                     |
| FULL RATE TELEGRAM  | <input checked="" type="checkbox"/> |
| DAY LETTER  | <input type="checkbox"/>            |
| NIGHT LETTER  | <input type="checkbox"/>            |

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# WESTERN UNION

1206

10-51

W. P. MARSHALL, PRESIDENT

| INTERNATIONAL SERVICE   |                          |
|---|--------------------------|
| Check the class of service desired; otherwise the message will be sent at the full rate |                          |
| FULL RATE   | <input type="checkbox"/> |
| LETTER TELEGRAM   | <input type="checkbox"/> |
| SHIP RADIOGRAM  | <input type="checkbox"/> |

| NO. WDS.-CL. OF SVC. | PD. OR COLL. | CASH NO. | CHARGE TO THE ACCOUNT OF     | TIME FILED |
|----------------------|--------------|----------|------------------------------|------------|
|                      |              |          | CYPRUS MINES CORP. telephone | 12:00 noon |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

COPY

DECEMBER 30, 1954

DR. D. F. KIDD  
PROPOSAL DEVELOPMENT (1954) Ltd.  
604 - 789 WEST PENDER STREET  
VANCOUVER, BRITISH COLUMBIA

ACCOUNT RESERVATIONS DIFFICULT PLEASE ADVISE TENTATIVE POSITION PREMIER  
MONDAY LOS ANGELES.

EVAN JUST

EJ:CM

## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeat message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeat message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeat message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Telegraph Company, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: In cities or towns of 5,000 or more inhabitants where the Telegraph Company has an office which, as shown by the filed tariffs of the Telegraph Company, is not operated through the agency of a railroad company, within two miles of any open main or branch office of the Telegraph Company; in cities or towns of 5,000 or more inhabitants where, as shown by the filed tariffs of the Telegraph Company, the telegraph service is performed through the agency of a railroad company, within one mile of the telegraph office; in cities or towns of less than 5,000 inhabitants in which an office of the Telegraph Company is located, within one-half mile of the telegraph office. Beyond the limits above specified the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee. There will be no additional charge for deliveries made by telephone within the corporate limits of any city or town in which an office of the Telegraph Company is located.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

5-52

## CLASSES OF SERVICE

### DOMESTIC SERVICES

#### FULL RATE TELEGRAM

A full rate expedited service.

#### DAY LETTER (DL)

A deferred service at lower than the full rate.

#### NIGHT LETTER (NL)

Accepted up to 2 A. M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegram or day letter rates.

### INTERNATIONAL SERVICES

#### FULL RATE (FR)

The standard fast service at full rates. May be written in any language that can be expressed in Roman letters, or in secret language. A minimum charge for 5 words applies.

#### LETTER TELEGRAM (LT)

Overnight plain language messages. Minimum charge for 22 words applies.

#### SHIP RADIOGRAM

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# CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

# SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1955 JAN 6 PM 2 18

NA 077 13 2 EXTRA=CPR VANCOUVER BC 6 1058A=

=EVAN JUST, CYPRUS MINES CORP:

=161 EAST 42 ND (=OR FORWARD) NEWYORK=

:RETURN HERE DELAYED UNLIKELY FURTHER PREMIER WORK  
WARRANTED REPORT WILL FOLLOW:

=D F KIDD=

REC'D

JAN 6 1955  
Action Date

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| AO |  |  |
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A = Action C = Comment  
I = Information

REC'D

NOV 1 1954

Action

Date

## INTER-OFFICE CORRESPONDENCE

FROM C. H. E. Stewart

CITY Toronto, Ontario.

TO E. Just

A = Action C = Comment

I = Information

SUBJECT

Premier Investigation

Reference: Letter D.F.Kidd, Oct. 27th, 1954.

DATE Oct. 29th, 1954.

From the information contained in the above referenced letter, it is obvious that the above referenced investigation is developing into an operation of greater scope than we originally contemplated.

However, Seraphim is extremely anxious to do a job and I think if we endeavoured to cut down on the amount of work he now contemplates we would seriously damage his morale, in particular, and that of the Kidd organization in general.

I would suggest that we authorize Seraphim to complete his investigation of as many diamond drill holes as necessary.

It is suggested that if you concur you write direct to Kidd in order to save time.

CHEStewart:bMcK.

*Concurred  
11-1-54**Done by CHES*

Mr. Evan Just.

COPY

REC'D NOV 1 1954  
Action Date

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A = Action C = Comment  
I = Information

October 27, 1954

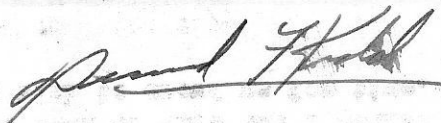
Mr. C. H. E. Stewart,  
802 - 80 Richmond Street West,  
TORONTO, Ont.

Dear Cy,

Seraphim and Dahlstrom went to Premier September 23rd, right after our meeting here. Surface mapping was carried out and the western part of the surface in the immediate vicinity of the workings was pretty well completed by mid-October. They were exceptionally fortunate in their weather. Dahlstrom then returned to Vancouver and Seraphim commenced logging core from holes in the west end of the mine. This he is continuing. He has estimated that there are over 800 holes he needs to log to get a proper picture of the rock types in the west end of the mine. I have only had a couple of brief notes from Seraphim and a discussion with Dahlstrom. They clearly distinguish two porphyries and the volcanics. I gather there will be a considerable revision of the old mapping.

It is my opinion that Seraphim now should continue his core logging and then compile his data, on the old map bases, in the form of geological plans and particularly sections. We should then be able to determine what we want to do next. I have been unable to contact Pitt last week or this but I gather from his secretary that he does not wish to crowd us for time.

Yours sincerely,



Desmond F. Kidd.

DFK:e

cc: Mr. Evan Just. ✓

REC'D SEP 27 1954  
Action Date

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A = Action C = Comment  
I = Information

Suite 802, 80 Richmond St. West,  
Toronto, Ontario.

September 24th, 1954.

Mr. Dale L. Pitt,  
Managing Director,  
Silbak Premier Mines Limited,  
Room 907, Birks Building,  
Vancouver 2, B. C.

Dear Mr. Pitt,

In connection with a possible arrangement whereby Cyprus Mines Corporation and/or its associates might acquire the Silbak Premier property, the following is my understanding of our conversation;

(a) Cyprus would obtain a twelve months working option on the property. During this period they would be free to carry out any geological investigations and other exploratory work as they might see fit.

(b) At the expiration of the twelve month option period they would be entitled to purchase the physical assets of the company (their plant, buildings, equipment, mineral claims, other property held and inventory) at a price of 20¢ per issued share (2,500,000) of the Capital stock of the company. This would entail a total cash payment of \$500,000. if, as and when the said working option were exercised.

It is distinctly understood that the above proposal is tentative only for the time being and subject to certain preliminary investigations by Cyprus and the approval of the Board of Directors of Cyprus Mines Corporation. In turn, any proposed deal is also contingent upon the approval of the shareholders of Silbak Premier Mines Limited.

In the meantime, the field men of Cyprus Mines Corporation will carry out some preliminary geological investigation at the property. This is being done with your consent and knowledge. If, as and when the final agreement and proposal is approved by the Cyprus' Directors, it would then be in order to seek the approval of the Silbak shareholders.

- 2 -

September 24th, 1954.

Mr. Dale L. Pitt,  
Managing Director,  
Silbak Premier Mines Limited.

In the event that an option agreement is finalized and that Cyprus in turn does not exercise same, any information obtained by Cyprus on the property as a result of its investigations would become available to Silbak.

With best personal regards and my thanks for your hospitality on the occasion of our recent meeting in Vancouver.

Yours very truly,

CYPRUS EXPLORATION CORPORATION LIMITED

Vice-President.

CHES:bMcK.

cc: E. Just (2) ✓  
D.F.Kidd

## INTER-OFFICE CORRESPONDENCE

FROM: L. P. Warriner

CITY: New York

DATE: 9/1/54

TO: Evan Just

SUBJECT: Premier Mine--A Report by D. F. Kidd

The situation described by Kidd indicates that the Premier Mine, together with Premier Border Gold Mining Company, have a combined ore reserve of perhaps 100 days for the Premier mill. Kidd's geological conclusions seem to me to express a pious hope that other well-mineralized cupolas of the Premier porphyry may exist with depth. Without a set of maps before me, it is rather difficult for me to conceive how such a situation could exist.

The picture seems to me to indicate a "teaser" which could be extremely expensive.



Lendall P. Warriner

LPW:CM

Premier has 2500 000 shares.

Options on 1000,000 ~~£~~ - Selukwe Bloz  
They Refused 10¢ per share a year ago

10¢ per share salvage value, half <sup>net</sup> ~~gross~~ assets.  
excluding plant.  
At least 5¢ <sup>additional</sup> per share realizable in plant salvage

On one year options, we consider 70¢ per  
share for 100% realistic \$ 500,000

cc E. Just.

COPY

REC'D JUL 23 1954  
Action Date

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| A C |   |      |
| E J | A | 7-30 |
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July 21, 1954  
Action C = Comment  
I = Information

Check last 25  
comments

Mr. C. H. E. Stewart,  
25 King Street West,  
TORONTO, Ont.

Dear Cy,

Re: Premier Mine

This will amplify some aspects of my letter dated June 23rd on this subject.

Dale Pitt has just returned from the Premier mine and I have had a long interview with him. Part of the interview is summarized in my letter to him dated today, a copy of which is enclosed.

In addition he and I have discussed the most effective way of getting Silbak-Premier to make a reasonable deal. As stated in my letter of June 23rd, a single block of 1,050,000 Silbak shares exists. This is owned in England by Selukwe Gold Mining and Finance Company. Dale Pitt, as managing director, is their nominee. I have suggested to him that an 18 month option to buy this block of stock is the key to a deal and he agrees with me. He thinks they will take his advice and is looking into this.

My ideas of a programme are something like this (assuming successive decisions are all favourable):

1. Look at the records at the mine;
2. Option this block of Silbak stock (42%);
3. Conduct a comprehensive examination (1 year);
4. Exercise our stock option so as to control Silbak and then negotiate our own agreement.

I think such an agreement might be about on the following terms:

1. Supply capital needed to restore the mine to full production;

strong arm  
stuff!  
NG

2. Acquire 60% interest in the mine for doing (1) above;

(NOTE - This 60% interest, together with 42% of the remaining 40% interest through ownership of the Silbak block of stock, would give a total interest of 76.8%)

3. Recover capital from 70% or earnings with interest - or perhaps from 80% without interest.

The net final result would be 76.8% interest in the mine and all money advanced back, for an investment of say, \$50,000 for geology and geophysics, plus whatever has to be paid for the Selukwe block of stock. The price very tentatively suggested is 15¢ a share.

The Selukwe block is the key and this I am going into now with Pitt.

This is a progress advice. Your reaction to this information and any suggestions would be welcome.

Yours sincerely,



Desmond F. Kidd.

DFK:e

COPY

July 21, 1954

Mr. Dale L. Pitt,  
Silbak Premier Mines Ltd.,  
718 Granville Street,  
VANCOUVER, B. C.

Dear Mr. Pitt,

This will record my recollection of the principal points in our discussion of yesterday in your office.

We are agreed that the Premier mine should have a comprehensive geological examination to see what ore finding chances remain. If such chances are found money for their exploration and development will be needed.

We are further agreed that the logical steps to implement this suggested programme are:

1. An examination of the mine records so that I can see where your company and its predecessor company did their exploration work and what they found;
2. A decision on my part as to whether a comprehensive surface and underground geological mapping programme, probably aided by geophysical surveying, is warranted. I estimate such a programme would take one year and cost as much as \$50,000;
3. Negotiation of an agreement or agreements with the Silbak Premier Company which will give me an option to supply funds needed for exploration, development and the return of the mine to production, in return for which I will acquire a majority interest in the mine;
4. Carrying out the examination and, perhaps in part concomitantly, doing any exploration warranted;
5. If warranted, rehabilitating the mine and returning it to production.

I understand you will be available about August 9th to help me go over the records.

Yours sincerely,

DFK.

DFK:e

Desmond F. Kidd.

Evan Just

New York

6/29/54

C. H. E. Stewart

Comment on Kidd's Premier Proposal

In order to facilitate your answering Kidd expeditiously, I have the following reactions to his memo of June 23:

1. Without knowing how useful the old plant may be to a new enterprise, I would think that we would have to get fully 70% for assuming the whole financial load of the new venture.
2. Any deal for the Selukewe shares would have to contemplate payment out of income, not entrance fee.
3. If Cyprus should take the initial geological gamble and come up with a favorable result, an arrangement might be contemplated whereby the present owners could increase their interest by financial participation, beginning with the drilling phase.

---

If a deal along some such lines can be made in a very tentative and general way, then I think the next step would be a preliminary geological reconnaissance rather than a one-year geological study. Even before sanctioning this, however, I presume that the answer to the second paragraph in my memo of 6/22/54 can be provided through the literature. It would also be pertinent to know at once what the relationship is between the exploration possibilities in the Silbak-Premier Border boundary area and the theoretical concept set forth in Kidd's preliminary report.

In both the Sherritt Gordon case and this one, it seems to me that Kidd et al are a little bit blithe in assuming that the operator elements at the properties were geologically stupid. The fact that they did not make the most detailed geological study possible does not mean that they did not pick the eyes out of the situation in either case. Possibly my thinking in this respect is unduly conditioned by the fact that every time I have entered into a situation based on the concept that old timers were either foolish, primitive or expensive, I have been disappointed. The old timers usually made a tough fight before they gave up and in most instances didn't do too badly anyway. One might even point out that there are extensive old workings or tailings in the Mediterranean region left by the Romans. These were so well worked by the ancients that with all our presumed benefits

of experience, science and modern equipment, they cannot be touched today. It is easy to dismiss such situations on the basis that the Romans employed slave labor, but after all, slaves had to eat too, and I am not sure but what the comparative exploitation of workers even 30 years ago might be seen in retrospect as an approach to slavery if the will to work then and now is also thrown into the balance.

---

Evan Just

EJ:CM

COPY

c.c. Mr. Evan Just, New York. ✓

REC'D

JUN 28 1954

Action Date

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| A C |   |               |
| E J | A | 6-28          |
| H K |   |               |
| L W | / | 7-1           |
|     |   | June 23, 1954 |

A = Action C = Comment

T = Information

Mr. C. H. E. Stewart,  
25 King Street West,  
Toronto, Ont.

Dear Cy,

June 16 we sent you down a report on "Assessment of Premier Area". In a forenote I said I proposed to sound out the Premier management. This I have now done. The results follow.

The company which owns and operates the Premier Mine property is Silbak-Premier Mines Limited. This company has between 8,500 and 9,000 shareholders. Many are small odd lot shareholders - a carry over from the windup and distribution some years ago of Premier Gold Mines' assets. Some 1,050,000 shares (42%) of the stock is held by an English group known only to me as Selukwe. This group seems to have little or no interest in the affairs of Silbak, being content to leave matters in the hands of Dale S. Pitt, their chosen managing director. My talk has been with Pitt.

The Silbak company has \$125,000 in cash. Their power and mine plants are large and old. One of their main buildings collapsed this winter from snow load. Silbak has 50,000 tons of ore reserves straddling their boundary with an adjoining property, Premier Border Gold Mining Company. Mr. Pitt considers exploration possibilities remain in this section. He also thinks the present layout uneconomic to operate. The Premier Border company has few assets. It is headed by A. E. Jukes of Vancouver - a man so sick as to be unable to attend to any business.

No serious geology by an outsider has been done since the heyday of the mine in the early 1920's. Ideas expressed then have been more or less blindly followed by junior mine geologists. Pitt fully concurs with me, indeed in discussion he initiated the suggestion, that the geology of the entire property needs re-study and re-appraisal. To me the property appears a first-class example of a very rich, supposedly nearly exhausted, old mine not fully studied geologically. Mines

# COPY

- 2 -

like this have on occasion been rejuvenated highly profitably.

Pitt and I concur in general on the sequence of steps to be undertaken. These are as follows:

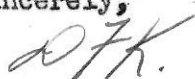
1. Arrive at the main terms of a deal. The deal suggested tentatively was:
  - (a) A period to study the geology;
  - (b) Formation of a new company and transfer to it of all the assets of both Silbak and Premier Border for a minority interest by them in the new company;
  - (c) The majority interest in the new company to go in return for funds supplied for exploration and development again of the mine to production.
2. Make a thorough study of the geology.
3. Implement any recommendations by exploration and development.
4. Secure new mine status for any new ore bodies found.
5. Rebuild mill at a lower site and renovate the entire plant.
6. Resume production.

Mr. Pitt thinks these proposals can be sold to a majority of both Silbak and Premier Border shareholders. He is leaving for the property to review the winter's damage. I have agreed in the meantime to check on whether we would like to go into this thing further.

Some two years ago a deal was nearly signed here whereby the Selukwe interests were to be bought out at 25¢ per Silbak share and a new company to supply extra capital was to be formed. This deal fell through at the last moment. Pitt tells me he recently put out a feeler to the Selukwe people asking if they would take 10¢ a share, but they declined.

My recommendation is that I be authorized to negotiate further. If you do so authorize me, may I have a lead as to your ideas on a deal.

Yours sincerely,



P.S. An adequate study of Premier geology is a major undertaking. In the detail required it would take one year and cost \$25,000 to \$35,000, I estimate.

Evan Just

New York

6/22/54

C. H. E. Stewart

PD Proposal on Premier Mine, B. C.

Warriner and I have gone over the "assessment" submitted with Kidd's letter of May 25. Warriner's observation is "Not too convincing." For my part, there are certain aspects on which not enough detail is given to pass judgment.

In a nutshell, likely targets would be shear intersections in Bear River lavas or porphyry within 300 or 400' vertical distance of the upper portion of the Bear River group which carries the purple tuffs. Inasmuch as the shearing does not penetrate upward into the section carrying the purple tuffs, it becomes pertinent to ask how much of the surface is covered with these upper rocks. In other words, how much of the deeper section in which the shearing develops is in outcrop?

The possible alteration of the upper group as an indicator of underlying shearing seems like a slender thread when one thinks of the amount of drilling that would be necessary to follow through on such a concept, and the cost thereof.

I suggest that any further weighing of this problem ought to assess the feasibility of geophysical or geochemical work or both.

You will probably wish to pass some of these points on to Cap so that in any additional report he can make an effort to satisfy the principal elements of doubt.

---

Evan Just

EJ:CM

COPY

| REC'D  | JUN 1 1954 |
|--------|------------|
| Action | Date       |
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| AK     |            |
| AW     | 1 6-7      |

A = Action C = Comment  
I = Information

May 25th, 1954

Mr. C. H. E. Stewart  
Cyprus Mines Corporation  
25 King St. West  
TORONTO. Ont.

Dear Cy:

I enclose herewith copy of an assessment we have made of the Premier Mine area at Stewart, B.C. This is essentially a Progress report requiring no action. We are following it up when a convenient opportunity presents itself to discuss the future of the Premier Mine with Dale Pitt.

I am getting quite anxious to get something worked out finally with Sherriitt-Gordon.

I may come down east later in the week or early next week and, with your help, go further into the matter.

Yours sincerely,

*DFK*

Desmond F. Kidd.

DFK:c

cc - Mr. Evan Just  
161 East 42nd St.  
New York 17, N. Y.

Underground workings limited.  
Essence of search to find  
shear intersections, which  
do not penetrate upper  
portion of BR group.  
Thus, how much of deeper  
section exposed? Attention  
of upper group seems like  
a weak thread.  
Geophysics or geochem?

6-7-54  
In Warriner's handwriting:  
"Not very convincing."

July 24, 1951

Mr. A. E. Jukes  
President  
Premier Border Mining Company  
840 Hastings Street  
Vancouver, British Columbia,  
Canada

Dear Mr. Jukes:

I am sending you copy of AIME Technical Publication No. 2459 giving a general description of Cyprus Mines Corporation's operations on the Island of Cyprus. This is nearly 5 years out-of-date and we have pretty well exhausted the gold ores which we referred to in the article. We are still actively engaged in producing copper concentrates and iron pyrite - principally from the Mavrovouni mine.

We will be hoping to hear from you relative to the Sheep Creek Lead property.

With kindest regards, I am

Sincerely yours,

James L. Bruce  
Vice President and  
Consulting Engineer  
CYPRUS MINES CORPORATION

JLB:rg  
Encl.

|            |     |             |  |
|------------|-----|-------------|--|
| RECD.      |     | AUG 23 1951 |  |
| ANSD.      |     | BY          |  |
| COMMENT TO |     | FOR         |  |
| RETURN TO  |     | REPLY       |  |
| MSM        | RWM | HTM         |  |
| SGM        | JLB | BWS         |  |
| LWW        | CWS | ENG         |  |
| LCA        | LP  | ALD         |  |

1206-File ✓  
BWS  
SAS

July 11, 1951

To: Blair W. Stewart ✓

From: S. A. Spellmeyer

Re: Premier-Border Mine, at Premier  
near Stewart, British Columbia, Canada  
Visited July 2 to 6, 1951

Accessibility: To arrive at Stewart, B.C., either airplanes or small steamers may be used. The Union Steamship Company operates some steamers which usually call at Stewart weekly. The trip originates in Vancouver and also goes to Prince Rupert, Alice Arm and any of the small ports to which freight or passengers are to be landed. On this trip the boat was boarded in Prince Rupert and the trip to Stewart took 24 hours. The C.P.A. (Canadian Pacific Airways) operated a regular two engined land plane between Vancouver and Sandspit with a stop at Port Hardy on the north end of Vancouver Island. From Sandspit a two engined flying boat operates to Prince Rupert. There are two flights daily. Between Prince Rupert and Stewart, single engined, pontoon equipped planes are operated by Queen Charlotte Airways on a somewhat lax or flexible schedule. From Stewart a good graded dirt road runs to Premier a distance of about 15 miles. Eleven or twelve miles of the road are in Alaska. The Premier Mine is possibly a mile or a mile and a half into British Columbia from Alaska.

General: A copy of Dr. A. G. Pentland's report, which is found to be essentially correct, a balance sheet for 1950 and some production figures are attached. Also some maps of the Premier Border ground showing drill holes and a general map of the Premier (Silbak) and the Premier Border Mines. Locally the Premier-Border is usually called the Northern Light.

Geology: The country rock in the old Premier Mine was a rock presumed to be an andesite locally called the Premier Porphyry. The rock in the part of the mine with which we are concerned is a massive fine grained dark colored basic flow locally called greenstone or lava. No bedding was identified and it was impossible to ascertain its thickness either from work done or in conversation with the engineers of the Silbak. Al Kirby, mine superintendent, engineer-geologist of the Silbak said he had been looking for bedding for a long period but had never been able to identify any though he had an idea, entirely unsupported by any direct evidence that certain phases of the greenstone should be more favorable to deposition of valuable minerals. At times, areas in the greenstone, which are not dikes, grade into a porphyritic texture. This porphyritic

texture could not be correlated to ore deposition. The greenstone has been intruded by dikes of various widths of dark porphyritic rock, which Pentland calls a lamprophyre but which looks and is locally called a diorite and some light colored albite dikes. The area is fairly well cut up by faults both pre-mineral and post-mineral. There seems to be no definite pattern, strike or dip to the post-mineral faulting. Mr. Kirby, when questioned about it, said that he has tried to make a pattern but had been unable to do so. Some of the post-mineral faults are so flat, less than  $20^{\circ}$  that they suggest localized thrusts, the gouge and fault ground material being wider than in the steeper post-mineral faults, which usually strike within  $20^{\circ}$  of north-south either east or west.

The pre-mineral faulting, upon which ore bodies developed in the entire district are of two systems. A steep dipping (northeasterly) system striking northwesterly and a system of northeast faults which are steep at upper levels but which have flattened out to about  $30^{\circ}$  -  $35^{\circ}$  NW at the sixth level (800' above sea level). The effect of the intersection of these two systems is that of a "graben." The original Premier orebody is at the trough formed by the intersection of the foot wall faults of both systems and extending out along both fissures. The trace of the trough starts out dipping northerly and as the northeast system flattens in depth swings increasingly to the northwest.

On the sixth level the northwest fissures still dip very slightly to the northeast and the northeasterly fissures have rather flat (as low as  $30^{\circ}$ ) dip to the northwest, producing a trace dipping and striking northwest.

Pentland and others have remarked about an echelon pattern on the northeast system. This, according to the maps, is noticeable in some of the upper Premier workings. These echelons have not been sufficiently developed in the lower levels to know whether or not they are persistent. In any event they are not apparent nor do they seem to concern the Premier-Border ground.

Ore Bodies: The original Premier ore bodies were worked for 1200 feet or more along the northwest steep dipping fissure and for possibly 2000 feet along the northeast fissure, plus several small ore bodies out in the hanging wall giving the effect of an echelon. No information was obtained as to how or why these ore bodies bottomed. They were originally a rather high grade gold-silver mineralization carrying comparatively small amounts of lead. Without a doubt there was considerable upper horizon secondary enrichment, but whether or not there was an increase of lead-zinc, a fault cut-off or merely a pinchout was not made known to the writer.

About 600 feet in the hanging wall of the old Premier the West Ore Zone was discovered. The West Ore Zone follows the same pattern of steep northwest and flatter northeast fissures. The northwest ore bodies are nearly vertical, usually 4' - 6' wide about 80 feet long. The width may get as great as 10 feet. Up to date lead has been of more importance than zinc. The northeast ore bodies dip about 35° NW; they are wider, showing horizontal distances across up to 45 feet which means an actual thickness of 15 feet. The length along strike of these ore bodies is about 80 feet in one case and an inferred length of about 100 feet in another. The ratio of zinc to lead is higher than in the steep ore bodies. Gold and silver values in both types of veins are much lower than in the Premier.

There is a decided rake to the northwest in all the West Zone ore bodies. It is much more marked in the flatter northeast than the steep northwest ore. The West Zone ore dips and rakes into Premier Border ground. As indicated by the present development the West Ore Zone does not have ore bodies comparable in size to original Premier.

Workings: From the Premier shaft two crosscuts at 1070 feet (5th level) and 800 feet (6th level) have been driven to cut the West Ore Zone. There is an intermediate level between them at 950 feet. About 1200 feet of the 6th level is in Premier-Border ground and about 2000 feet more is in Silbak ground (in the former B.C. Silver claims). The 950 foot level just skirts the Premier Border line for about 800 feet with a X-cut or two into Premier Border ground. Three stopes are worked in Premier Border ground. The 782 N stope is a steep stope 4-10' wide having a length in a horizontal section of 120 feet, raking northwest, entirely within Premier-Border. The 781 A and the 782 A stopes are on the northeast trend veins dipping respectively about 30° and 40° northwest, about 15 feet of vein thickness, a length of 80 feet for 781A and possibly 30 feet for 782A. (Note: These may be the same ore with a fault dividing them.) These last two stopes extend upward and have been extensively worked in Silbak ground. A new ore body on one of the flat veins has been partly developed in 788 drift, well out to the northwest. A diamond drill hole went through ore for 133 feet; slashing has indicated a horizontal width of 45 feet (probable thickness of 15 feet; an adjusted length of about 100 feet. This ore can be correlated to a diamond drill hole on the 950 which went through ore for 78'. There seems to be little doubt that this ore body will extend upward entering Silbak ground and being partly in Premier Border and partly in Silbak ground from the 950 level up. At the present time there is no development work done that will permit sectioning this ore body by diamond drill holes below the 6th level.

Considerable diamond drilling has been done which has in part defined and limited the ore bodies and which has indicated good ore in mineable widths to a depth of 193 feet below the 6th level. During 1950 some 923 feet of development work was done and 5212 feet of core drilling accomplished.

Indicated Ore Reserves: Actual ore in sight estimated by Mr. Kirby and Mr. Pitts in pillars, proven stope extensions and for a few feet below the 6th level (Kirby took only 10 feet as being ore in sight below the 6th) is 40,000 tons approximately. The grade of this ore is:

|             | Gross Value |
|-------------|-------------|
| Au. .08 oz  | \$ 2.80     |
| Ag. 1.98 oz | 1.78        |
| Pb. 4.2 %   | 14.28       |
| Zn. 5.3 %   | 18.55       |
| Total       | \$37.41     |

This ore is assumed to have a net smelter value after losses, treatment, freight, etc. of \$17.80

During 1950 the operating expense charged was \$15.91 per ton which seems rather high even though 923 feet of drifting, X-cutting and raising and 5212 feet of core drilling was done.

The ore potential of the mine for 200 feet below the 6th level (less the 10' taken as positive ore) should be for

|               |             |                 |
|---------------|-------------|-----------------|
| 782 N Stope   | 12,400 tons |                 |
| 781 A)        |             |                 |
| 782 A) Stopes | 101,000 "   |                 |
| 788 Stope     | 61,000 "    | above 6th level |
| 788 Stope     | 82,000 "    | below 6th level |
| Total         | 266,400 "   |                 |

This figure should be discounted about 25% for islands of waste that will be found within the replacement zone. The deepest ore cut by drilling is in the downward extension of the 782N ore body at 193 feet below 6th level which ran considerably higher than the stope average and more than the average width 16 feet of core indicating a true width of 8.4 feet ran Au. .03, Ag. 4.13, Pb. 10.9%, Zn. 14.8% for a total present value of \$92.58

At approximately 160 feet down dip below the 781A - 782A Stopes two strands of ore 5.5 and 6.2 feet wide with 10' of low grade material between are found. The 12 feet of ore ran an average of Au. .10 oz, Ag. 2.61 oz, Pb. 6.5%, Zn. 9.3%. Two other holes about 120' apart approximately at this elevation ran about \$6.00 for 4 feet, too low grade to be ore indicating more or less ends of the stope.

Facilities of the  
Silbak Company:

The Silbak Company has all the facilities of an operating mining organization. Its power requirements are taken care of by a hydro-electric plant with a standby diesel plant of 1000 HP for winter use. In the compressor one large Sullivan Angle Compound judged to be about 1100 cfm and another smaller unit each have a standby diesel engine. The milling plant occupies part of the building of the old Premier cyanide plant. A 30" x 20" Telsmith jaw crusher is followed by an Allis-Chalmers-McCully gyrator breaking ore to about 1" screen before delivery to the grinding section. The grinding units consist of an 8 foot x 36" Hardinge Mill and a 6' x 5' Marcy each with closed circuit classifier. The ore goes through a unit cells where part of the values are floated and then to some cone classifiers. The overflow from the cones goes to flotation and the underflow is reground before being delivered. Flotation is at 1.35 gravity, Pb 8.2 60-70% through 200 mesh. Soda ash is added in the crushing circuit; cyanide is used as a depressant. Bear Brand (Dow) reagents are used as promoters - frother is crysilic acid. Reactivation in the zinc circuit is with copper sulphate where some lime is also added. The two concentrates are thickened in some large Dorr classifiers of the old cyanide mill and then filtered on 5' Oliver Drum filters to about 10% moisture, dropping into concentrate bins. Shipping is in bulk. Concentrate is trucked to the dock in Stewart, dumped into a hopper conveyed by belt to either zinc or lead bins. A belt in the bottom of these bins convey the concentrate to a boom chute for direct loading into boats.

There is a large bunk house, a company store, a concession ship serving coffee, candy, etc., a boarding house run under labor contract with a Chinese firm, offices, assay and engineering offices and a post office. The machine and electrical shops are well equipped and contain more machines and material than is ordinarily expected in a mine of this size, but is probably the inheritance from the old large Premier operation.

Development:

To prove up the ore considered probable and to exploit it will require the sinking of an interior shaft. This shaft should be put down not less than 350 feet, though it could be sunk 200 feet and a development level started at 150 feet. Good ground for the shaft has been located by vertical diamond drilling and should offer no special rock problems. It is impossible to estimate the pumping problem. One of the shaft drill holes is flowing water. It is flowing up 2" - 3" above the casing lip. The country is fairly well drained to the 6th level but below that saturated rock will be found. A rough guess is that preparation for 400 - 500 gals. per minute of pumping should be made. The proposed shaft location is between the newly discovered ore and the known ore and seems to be a logical spot to sink. In view of the rather high costs already indicated in this operation

it must be thought that the cost of sinking the shaft will come to more than \$200.00 per foot. It seems improbable that the new levels will be developed for less than \$25.00 per foot for the main drifting and cross cutting. In other words, the probable cost of getting into position to extract the probable ore will cost between \$150,000 and \$200,000, or between \$1.00 and \$1.50 per ton for the development.

To drill for the downward extension of the new ore body found northwest of the known ore will require more cross cutting into the hanging wall to locate any holes advantageously.

Discussion: The Premier Border ground may contain 300,000 tons or more of mineable ore. Some of this is in sight and the rest either probable or possible. In general it is thought that the intersections of the northwest and northeast fissures are the channels through which the solutions entered and which spread out laterally forming replacement ore bodies when areas of rather intense mechanical preparation were available. The most thorough gridding and ground preparation was in the two main pre-mineral fissures where the original Premier mine was found. The hanging wall ore bodies are probably subsidiary and adjustment faults paralleling the main fissures. The first surge was probably calcite quartz and barren pyrite as those areas in which only minor fracturing took place such as slightly fractured blocks within an ore body, the ends of ore bodies not cut off by faulting, and in the walls the cracks are filled with barren pyrite, calcite and quartz. The pyrite deposition was probably continuous throughout the entire period with the quartz and calcite lapsing. The gold silver values may have started before the lapse of the quartz calcite and continued later. The lead zinc mineralization could be the result of zoning but it is more likely to be a late surge which was forced into the deeper and hanging wall fracturing because the original easy channels were sealed off. The possibility of more lead-zinc ore bodies in the hanging wall exists with a probability that they will shorten in strike length away from the main fissures unless other important pre-mineral fissuring is found. There is nothing to indicate that other fissuring does exist but it could as the greenstone toward the north is covered by a blotchy purple-green-red flow which has the distinct appearance of the very late tertiary hornblende andesite which frequently covers more favorable rock.

There seems to be a possibility that the present indicated ore bodies would return a net operating profit above development and exploitation of about \$600,000 of which about 1/2 would be the share of Premier-Border.

X  
The costs charged to Premier-Border for past work seem rather high. It will be noted that a charge of \$15.91 per ton for operating expense was made after marketing had been already charged off. In other words the actual cost was \$20.807. True, this included a certain amount of development work and drilling but this should have been less than \$4.00 per ton. Then after all the costs and charges had been made Silbak received as its share 1/2 the net.

The impression is gained that the organization may be a little top heavy in clerical staff, services, shops, etc., with the exception of geology and engineering. More detailed geology and mine development planning might pay off. Many of the shops, services and probably the accounting are inheritances from a lush period of high tonnage and high values.

The underground pace, in spite of an existing bonus pay system seemed rather leisurely and with some indication of carelessness. In one stope a dozen sets of unused throwaway bits were found rusting in a corner. Several missed holes with powder in them were seen. Hand mucking was being done in some drifts while somewhere behind a mucking machine stood idle for lack of some minor repair. It is true that the stations track and main drifts were clean, several men seeming to be at that work. It is possible that there are some union slow down tactics, an idea partly confirmed by listening to some half drunk miners who had just quit or were discharged. From what was overheard and from Mr. Pitts' talk there is little doubt of ill feeling between the miners union and the management. That union is rather red.

The Premier-Border ore is ore only because of the facilities offered by Silbak. There is insufficient assured ore to justify the development and construction expense to make Premier-Border an independent operation.

There is one more question that is bound to come up and that is what are the chances for ore in Silbak ground? The question cannot be answered by any information gathered during this examination. Apparently much of the old workings have become inaccessible and no one now in authority was in on the final phases of the old Premier operation. The possibilities of a base metal ore body below the old mine seem worthy of investigation. At the time it was shut down zinc and lead were worthless and were not even reported in the assay books. The possibilities could probably best be studied under some of the "echelon ore" to the northeast on the 5th and 6th level, ground in which some work has been done but as yet inadequately explored.

Conclusion: By sinking a 200 foot interior shaft there is a fair possibility that a net profit of \$600,000.00 may be had from indicated ore bodies in Premier-Border ground. Adequate development work, planning of attach, attention to detail could reduce the costs and make a better profit. Geological study might find other ore bodies either along the same fissures or in parallel fissures farther in the hanging wall. Premier-Border's share of the \$600,000.00 under the recent contract would have been \$300,000.00 which on the basis of 5,000,000 shares means only 6¢ per share less any taxes assessed against profits or dividends. Unless a deal is worked up where a new investment is returned first, an investment to finance the new development work does not seem to be attractive.

SAS/a



S. A. Spellmeyer

A. G. PENTLAND REPORT  
DATED MAY 21, 1951 TO  
TORONTO STOCK EXCHANGE

1. Location: Premier Border property is situated in the Portland Canal Mining Division of British Columbia about 15 miles by a good road north of Stewart. Transportation is by boat or air craft to Stewart and thence by truck or car to the mine. The road from Stewart to the mine passes through the southern tip of Alaska.

The property adjoins that of Silbak Premier Mines.

2. Property and ownership: The property consists of the following Crown granted mineral claims:

|                         |          |
|-------------------------|----------|
| Northern Light Fraction | Lot 4057 |
| " " No. 1 Fraction      | 4048     |
| " " No. 1               | 4058     |
| " " "                   | 2        |
| " " "                   | 3        |
| " " "                   | 4        |
| " " "                   | 5        |
| " " "                   | 6        |
| " " "                   | 7        |
| " " "                   | 8        |
| " " 9 Fraction          | 4063     |
|                         | 4454     |

The property is owned by Premier Border Gold Mining Company Ltd. Mr. A. E. Jukes, 840 Hastings Street West, Vancouver, B. C., is President, Mr. L. C. Aggett is Secretary-Treasurer.

3. First mention of the Northern Light claims is in the Reports of the Minister of Mines was in 1917. This report states that the property was owned by Bunting Bros. and that surface trenches were dug and an adit 28 feet long was driven. The property was optioned several times during the next few years but little work was done until 1929 when Premier Border Gold Mining Co., Ltd. took over. A survey of the surface geology was made and an adit was started. During 1929 and 1930, this adit was driven 1800 feet toward the Premier property, a small amount of lateral work was done, and six diamond drill holes having a total length of 1350 feet were drilled.

In 1939, the Silbak Premier Mines, Ltd. (a company formed from the old Premier, B.C. Silver and Sebakwe Companies) started an extensive exploration program during the course of which a long diamond drill hole encountered ore some 600 feet northwest of any previously known ore body. Subsequent development of this ore, known as the West Ore Zone, disclosed that it dipped into Premier Border property.

An agreement was made whereby Silbak would mine, mill and market the ore from both properties.

4. Production: During 1950, Silbak milled 7,629 tons of ore from Premier Border's properties. The average mill head was gold .107 oz, silver 2.71 oz, lead 5.03%, zinc 6.30%.
5. Development: Early development consisted of numerous surface trenches, an 1800 foot adit level, a small amount of lateral work, and 1,380 feet of diamond drilling. In more recent years, Silbak extended its #5 and #6 levels into Premier Border's ground. No. 5 level was connected with the old adit for the purpose of ventilation and No. 6 level was driven along the vein.

Development during 1950 was as follows:

|               |            |
|---------------|------------|
| Drifting      | 425 feet   |
| Cross-cutting | 414 "      |
| Raising       | 84 "       |
|               | <u>923</u> |

|                 |            |
|-----------------|------------|
| Diamond Drill-  |            |
| ing             | 4668       |
| Core test holes | <u>544</u> |
|                 | 5212       |

6. Geology: The country rock surrounding the West Ore Zone is dark green to black lava, locally called greenstone. The rocks are generally massive and the texture fine grained. It is difficult to identify the individual flows and therefore to determine the structure. The lava is cut by lamprophyre and felsite dikes.

The ore zones appear to be localized near the junction of northeasterly and northwesterly trending fractures. The ore along the northeastern fractures generally has a steep dip to the northwest in the upper part but may flatten to 30 or 35 degrees near the lower part. The ore along northwestern fractures stands nearly vertically. The northeastern fractures have an echelon structure with the result that the ore in them may occur as small, isolated bodies.

The ore bodies are made up of highly fractured greenstone which has been recemented and partially or almost completely replaced by quartz calcite, pyrite, sphalerite, galena and chalcopyrite. In addition the ore contains minor amounts of pyrrhotite, tetrahedrite, polybasite and electrum.

7. Ore: The large scaled exploration program that was carried on during the past year was fully justified by the results. Nine out of 14 diamond drill holes intersected ore below the No. 6 level at depths ranging from 50 to 193 feet. This proved the downward continuation of known ore below the bottom level. In addition an entirely new ore body was discovered.

Little is known about the new ore body, but slashing is being carried on to determine its size and structure. One diamond drill hole at plus 3 degrees, intersected scattered sulphides for a distance of 133 feet. A continuous section of 45 feet gave an average of gold .10 oz, silver 1.32 oz, lead - trace, and zinc 10.2%.

Proven ore reserves about the No. 6 level are very small, but the new ore body may change this picture when it has been opened up. Ore indicated by diamond drilling is in the order of 40,000 tons having a net smelter value of \$20.00 per ton at the present metal prices. Several holes have two high grade sections with a low grade section between. The low grade part was not included in the figure given above. It is probable that when a new level has been established and stoping has started, both low grade and high grade sections will be mined in stopes that have a total width of some 30 - 40 feet. If this proves to be true the result will be that the tonnage will be greatly increased but the grade will be correspondingly down.

Plans for the  
Coming Year :

Slashing is now in progress on the new ore body. It is proposed to open this ore to its full width and length on No. 6 level and to start stoping above the level as soon as possible. This will provide ore for the mill and at the same time determine the structure so that more drill holes can be laid out to explore for this ore below the level.

Tentative plans for a 3 compartment winze have been drawn up and it is hoped that sinking will be started as soon as men are available. The location of this winze is between the old and the new ore bodies so that it can serve as an entrance to both at depth with a minimum of cross cutting. It is planned to sink the winze 200 feet and to establish a new level at 150 feet below No. 6. There seems little doubt that the winze will have to be extended at least one more level in the future because two of the holes intersected high grade ore at nearly 200 feet below No. 6. The Silbak management considers that 200 feet is too great an interval between levels, and there seems to be little doubt that the ore will extend below this depth.

Financial: There appears to be sufficient ore above No. 6 level to pay for the cost of the winze down 200 feet. This ore will be mined at the same time the winze is being sunk. Diamond drill holes indicate that the ore will be high enough grade in the new level to pay for the development on the level. The greater part of the development will be in ore. Therefore, it is not anticipated that money will have to be advanced to carry on the new program as outlined here.

Diamond drilling will be curtailed for the present because it is not possible to drill more holes from the existing workings to intersect the probable position of the ore at a favorable angle.

(Signed by)

A. G. PENTLAND

(Professional)  
(Seal)

Sheep Creek, B.C.  
May 21, 1951

\* \* \* \* \*

Pentland:

B.A. University of Manitoba  
M.A. in Geology University of Toronto  
Ph.D. in Geology University of Wisconsin  
Member Assn. of Prof. Eng. of Province of B.C.  
20 years experience in mining geology

2 examinations - Sept., 1950 and April, 1951

Pentland owns 3,000 shares of Premier Border

PREMIER-BORDER BALANCE SHEET BEGINNING 1951

ASSETS

Property Account:

Northern Light Claims paid for by  
issue of 2,061,500 shares, fully paid

|                            |                   |
|----------------------------|-------------------|
| Paid in cash               | \$ 50,000.00      |
| Buildings                  | 4,365.17          |
| Development - cash account | <u>139,780.30</u> |
|                            | \$ 194,145.47     |

Investments at Cost:

|  |                      |
|--|----------------------|
| Foster Ledge Gold Min.Co.Ltd. 426,800 shs. | \$ 11,171.10         |
| Sheep Creek Gold Mines Ltd. 5,500 shs.     | 7,165.88             |
| Fern Mines Ltd. 350,000 shs.               | 100.00               |
| Silbak-Premier Gold Mines Ltd.             | 14,398.80            |
| Cash in Bank                               | <u>399.82</u>        |
|  | 33,235.60            |
|  | <u>\$ 227,381.07</u> |

Receipt:

|                       |           |
|-----------------------|-----------|
| Dividends Sheep Creek | \$ 366.00 |
|-----------------------|-----------|

EXPENDITURES

|                                      |                              |
|--------------------------------------|------------------------------|
| Office - secretary - clerical        | \$ 600.00                    |
| Audit Fee                            | 35.00                        |
| Stock Exchange and Government fees   | 148.04                       |
| Printing                             | 91.75                        |
| Fees re inspection of property       | <u>433.03</u>                |
|                                      | \$ - 941.82-(apparent error) |
| Silbak - operating                   | <u>16,673.41</u>             |
|                                      | \$ -15,731.59                |
| Balance from last statement          | <u>138,007.83</u>            |
|                                      | \$ 122,276.24                |
| Fern Mines (write off)               | 17,400.00                    |
| Sheep Creek loss on sale 575* shares | <u>104.06</u>                |
|                                      | \$ 139,780.30                |

LIABILITIES

|                                      |               |
|--------------------------------------|---------------|
| Authorized 5,000,000 shares - no par |               |
| Issued - 4,000,000                   | \$ 227,380.87 |

(Note - above figures copied from data in office of A.E.Jukes.)

PREMIER-BORDER OPERATION 1950

|                          |               | <u>Per Ton</u> |
|--------------------------|---------------|----------------|
| Gross smelter value      | \$ 192,076.52 | 25.177         |
| Marketing cost           | 37,356.11     | 4.897          |
| Net smelter              | 154,720.41    | 20.280         |
| Operating expense        | 121,373.60    | 15.910         |
| Operating profit         | 33,346.81     | 4.370          |
| Silbak share (50%)       | 16,673.40     |                |
| Premier Border net (50%) | 16,673.40     |                |

|                               |       |
|-------------------------------|-------|
| Tons milled                   | 7,629 |
| Tons Pb. concentrate produced | 716   |
| " Zn. "                       | 563   |

Mill Heads:

Au. 1.07, Ag. 2.71, Pb. 5.03, Zn. 6.30.

| <u>Reserves:</u>          | <u>Dec. 31, 1950</u> | <u>Dec. 31, 1949</u> |
|---------------------------|----------------------|----------------------|
| Broken                    | 3,906                | 2,619                |
| Unbroken                  | 10,875               | 2,172                |
| Au.                       | .08                  | .12                  |
| Ag.                       | 1.98                 | 2.80                 |
| Pb.                       | 4.2                  | 4.26                 |
| Zn.                       | 5.3                  | 5.67                 |
| Net smelter value per ton | 17.80                | 20.01                |

Ore to mill - 7,811 tons from

|             |       |
|-------------|-------|
| Development | 1,236 |
| Stoping     | 6,301 |
| Pickup      | 274   |

Development

|                   |                          |
|-------------------|--------------------------|
| Drifting          | 425 feet                 |
| X-cutting         | 414 "                    |
| Raising           | 84 "                     |
| Total             | 923 "                    |
| Large drill holes | 4,668 - (Ex cores)       |
| Core test holes   | 544 - (1/2" - 5/8" core) |
|                   | 5,212                    |

(Note - above figures copied from data in office of A.E.Jukes)

During January and up to February 6, 1951 when old agreement was cancelled the mine was worked hard and made the following:

January:

|          |   |                      |
|----------|---|----------------------|
| Milled   | - | 4,735 tons producing |
| Pb conc. | - | 443 "                |
| Zn "     | - | 448                  |

|                  |   |            |       |
|------------------|---|------------|-------|
| Gross value      | - | 154,438.77 | 32.62 |
| Marketing        |   | 26,104.36  | 5.52  |
| Net smelter      |   | 128,334.41 | 27.10 |
| Production cost- |   | 41,766.20  |       |
| Profit           |   | 86,568.21  |       |

Production cost was:

|         |   |  |
|---------|---|--|
| Mining  | - | 3.37 includes drilling & dev.                      |
| General | - | 1.84 & maintenance                                 |
| Milling | - | 3.196  |
| Hauling | - | 968.5 tons wet conc. 2.018 per ton = \$.41/ton ore |

Lead Conc.

Zn. Conc.

|                  |           |       |
|------------------|-----------|-------|
| Au.              | .909 oz.  | .059  |
| Ag.              | 24.38 oz. | 5.26  |
| Pb.              | 52.34     | 4.81  |
| Zn.              | 9.22      | 48.33 |
| Fe.              | 10.88     | 9.00  |
| Ins.             | 2.38      | 3.02  |
| H <sub>2</sub> O | 6.25%     | 9.70% |

|                            |                |       |            |
|----------------------------|----------------|-------|------------|
| Treatment of Pb conc. cost | \$8.63 per ton | -     | \$3,819.72 |
| Freight and discharging    | 16.10          | -     | 7,601.13   |
| Bullion tax                |                | total | 738.23     |
| Control assay              |                |       | 16.80      |
| Marine ins.                |                |       | 200.60     |

|                         |           |   |          |
|-------------------------|-----------|---|----------|
| Zn. conc treatment      | \$13.00   | - | 5,826.99 |
| Freight and discharging | 16.83 wet | - | 8,354.08 |
| Control assays          |           | - | 44.00    |
| Marine ins.             |           | - | 102.91   |

Considerable of the production reported during this period was of ore already broken. It was pulled out and milled.

(Note - above figures copied from data in office of A.E.Jukes)

|         | <u>Assay</u> | <u>Contents</u> | <u>Paid<br/>Contents</u> | <u>Net Metal<br/>Quotation</u> | <u>Value</u> |
|---------|--------------|-----------------|--------------------------|--------------------------------|--------------|
| Gold    | 059 oz       | 26.51oz         | 21.21 oz                 | \$35.00 oz                     | \$ 782.96    |
| Silver  | 5.26 oz      | 2356.32oz       | 1885.06 oz               | .938 "                         | 1,768.19     |
| Pb.     | 4.81%        | 43,142lbs       | 34,177 lbs               | .1385 lb                       | 4,733.51     |
| Zn.     | 48.33%       | 433,054 "       | 346,443 lbs              | .15125 lb                      | 52,399.00    |
| Cadmium | .50%         | 4482.30 "       | 2241.15 "                | 2.267 lb                       | 5,080.69     |

(Note - above figures copied from data in office of A.E.Jukes)

| DOMESTIC SERVICE  |              |
|---|--------------|
| Check the class of service desired; otherwise this message will be sent at full rate telegram |              |
| FULL RATE TELEGRAM  | SERIAL       |
| DAY LETTER  | NIGHT LETTER |

# WESTERN UNION

1211

| INTERNATIONAL SERVICE  |              |
|--|--------------|
| Check the class of service desired; otherwise this message will be sent at the full rate |              |
| FULL RATE  | DEFERRED     |
| CODE   | NIGHT LETTER |

W. P. MARSHALL, PRESIDENT

| NO. WDS.-CL. OF SVC. | PD. OR COLL. | CASH NO. | CHARGE TO THE ACCOUNT OF | TIME FILED |
|----------------------|--------------|----------|--------------------------|------------|
|                      |              |          |                          |            |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

## STRAIGHT WIRE

LOS ANGELES, CALIFORNIA  
JULY 17, 1951

RALPH PIELSTICKER  
DRAPER DOBIE & CO.  
330 BAY ST.  
TORONTO, CANADA

HAVE DECIDED WE WILL NOT BE INTERESTED IN ACQUIRING MINORITY  
POSITION AND WE ARE CONVINCED THAT SHAREHOLDERS UNWILLING OFFER  
CONTROLLING INTEREST AT PRICE ATTRACTIVE TO US CONSEQUENTLY  
PLEASE DISCONTINUE CONSIDERATION. MANY THANKS FOR OPPORTUNITY  
TO INVESTIGATE.

BLAIR W. STEWART

CHG: Cyprus Mines Corp.

JLB/w

1206-F ✓ 1206-B  
JLB BWS HTM  
Charge

|            |     |             |  |
|------------|-----|-------------|--|
| RECD.      |     | JUL 17 1951 |  |
| ANSD.      |     | BY          |  |
| COMMENT TO |     | FOR         |  |
| RETURN TO  |     | REPLY       |  |
| HSM        | RWM | HTM         |  |
| SGM        | JLB | BWS         |  |
| LWW        | CWS | ENG         |  |
| LCA        | LP  | ALD         |  |

## ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the un-repeated message rate is charged in addition. Unless otherwise indicated on its face, this is an un-repeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the un-repeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid, and an additional charge equal to one-tenth of one percent of the amount by which such valuation shall exceed five thousand dollars.

3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Company, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: In cities or towns of 5,000 or more inhabitants where the Company has an office which, as shown by the filed tariffs of the Company, is not operated through the agency of a railroad company, within two miles of any open main or branch office of the Company; in cities or towns of 5,000 or more inhabitants where, as shown by the filed tariffs of the Company, the telegraph service is performed through the agency of a railroad company, within one mile of the telegraph office; in cities or towns of less than 5,000 inhabitants in which an office of the Company is located, within one-half mile of the telegraph office. Beyond the limits above specified the Company does not undertake to make delivery, but will endeavor to arrange for delivery as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee. There will be no additional charge for deliveries made by telephone within the corporate limits of any city or town in which an office of the Company is located.

5. No responsibility attaches to this Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the agent of the sender.

6. The Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Company, (a) within sixty days after the message is filed with the Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Labrador, Mexico, Newfoundland and St. Pierre & Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934.

7. It is agreed that in any action by the Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Company is authorized to vary the foregoing.

1-49

## CLASSES OF SERVICE

### DOMESTIC SERVICES

#### FULL RATE TELEGRAM

A full rate expedited service.

#### DAY LETTER (DL)

A deferred service at lower than the full rate.

#### SERIAL (SER)

Messages sent in sections during the same day.

#### NIGHT LETTER (NL)

Accepted up to 2 A. M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegram or day letter rates.

### INTERNATIONAL SERVICES

#### FULL RATE (FR)

The standard fast service at full rates. May be written in any language that can be expressed in Roman letters, or in cipher.

#### CODE (CDE)

A fast message service consisting of code words not exceeding 5 letters each. Minimum charge for 5 words applies.

#### DEFERRED (LC)

Plain language messages, subordinated to full rate and code messages. Minimum charge for 5 words applies.

#### NIGHT LETTER (NLT)

Overnight plain language messages. Minimum charge for 25 words applies.

| DOMESTIC SERVICE  |              |
|---|--------------|
| Check the class of service desired; otherwise this message will be sent at a full rate telegram |              |
| FULL RATE TELEGRAM  | SERIAL       |
| DAY LETTER  | NIGHT LETTER |

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

1211

| INTERNATIONAL SERVICE  |              |
|--|--------------|
| Check the class of service desired; otherwise this message will be sent at the full rate |              |
| FULL RATE  | DEFERRED     |
| CODE   | NIGHT LETTER |

| NO. WDS.-CL. OF SVC. | PD. OR COLL. | CASH NO. | CHARGE TO THE ACCOUNT OF | TIME FILED |
|----------------------|--------------|----------|--------------------------|------------|
|                      |              |          |                          |            |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

## DAYLETTER

LOS ANGELES, CALIFORNIA  
JULY 16, 1951

RALPH PEELSTICKER  
c/o DRAPER DOBIE & CO.  
330 BAY STREET  
TORONTO 1, CANADA

REGRET INFORM YOU PREMIER BORDER NOT ATTRACTIVE UNDER PRESENT  
CONDITIONS TO CYPRUS OR INDIVIDUALS HERE WHO HAVE GIVEN MATTER  
SERIOUS THOUGHT. WE GREATLY APPRECIATE AND THANK YOU FOR THE  
OPPORTUNITY AND TRUST OUR DECISION WILL NOT PREVENT YOU FROM  
CONSIDERING US AGAIN. WE HAVE TELEPHONED JUKES TODAY OF OUR  
DECISION. BEST REGARDS.

BLAIR W. STEWART

CHG: Cyprus Mines Corpn.  
BWS/w

1206-F ✓ 1206-B  
BWS HTM  
Charge

| RECD.      |     | JUL 13 1951 |  |
|------------|-----|-------------|--|
| ANSD.      |     | BY          |  |
| COMMENT TO |     | FOR         |  |
| RETURN TO  |     | REPLY       |  |
| HSM        | RWM | HTM         |  |
| SGM        | JLB | BWS         |  |
| LWW        | CWS | IE G        |  |
| LCA        | LP  | ALD         |  |

| DOMESTIC SERVICE  |              |
|---|--------------|
| Check the class of service desired; otherwise this message will be sent as a full rate telegram |              |
| FULL RATE TELEGRAM  | SERIAL       |
| DAY LETTER  | NIGHT LETTER |

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

1206

| INTERNATIONAL SERVICE  |              |
|--|--------------|
| Check the class of service desired; otherwise this message will be sent at the full rate |              |
| FULL RATE  | DEFERRED     |
| CODE   | NIGHT LETTER |

| NO. WDS.-CL. OF SVC. | PD. OR COLL. | CASH NO. | CHARGE TO THE ACCOUNT OF | TIME FILED |
|----------------------|--------------|----------|--------------------------|------------|
|                      |              |          |                          |            |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

## FULL RATE TELEGRAM

LOS ANGELES JULY 11, 1951

A E JUKES  
840 WEST HASTINGS ST.  
VANCOUVER, B. C.

|            |       |       |  |
|------------|-------|-------|--|
| ANSD.      |       | BY    |  |
| COMMENT TO |       | FOR   |  |
| RETURN TO  |       | REPLY |  |
| IHSM       | I RWM | IHTM  |  |
| ISGM       | I L B | IBWS  |  |
| ILWW       | I CWS | IENG  |  |
| ILCA       | I LP  | I ALD |  |

WILL BE UNABLE ADVISE YOU RE YOUR PROPOSAL HENRY MUDD BEFORE JULY 12.

BLAIR W. STEWART

BWS/a

Charge: Coronado Copper & Zinc Co.

1206-File - Charge - BWS

**DRAPER DOBIE & COMPANY**

H.W. KNIGHT  
GEO. W. GOODERHAM

H.W. KNIGHT JR  
EDWIN A. HILL

**STOCK & BOND BROKERS**

TELEPHONE EMPIRE 3-9171

|                               |     |
|-------------------------------|-----|
| RECD. JUL 9 1951              |     |
| ANSD.                         | BY  |
| COMMENT TO                    |     |
| MEMBERS RETURN TO             |     |
| THE TORONTO STOCK EXCHANGE    |     |
| NSM                           | HTM |
| SGM                           | BWS |
| JLB                           | ENG |
| OWS                           | AID |
| NORTHERN ONTARIO BUILDING     |     |
| 330 BAY ST. TORONTO 1, CANADA |     |

July 6 1951

Dear Mr Stewart.

As soon as you return to the office I would like you to phone me about Premier Border. I have some plans and ideas about this situation which will fit in with what you and your associates may do.

I have tried to phone you this week but was told you were at home sick. I hope by now you are feeling well again.

With my regards

I am sincerely yours

Ralph Pickelicker

Pickelicker  
Phoned me  
7/12/51  
Don't  
my reply to this  
necessary.

RECD.

JUL 5 1951

ANSD.

BY

COMMENT TO

FOR

RETURN TO

REPLY

✓ HSM

✓ RWM ✓

✓ HTM

SGM

JLB

✓ BWS ✓

LWW

CWS

ENG

LCA

LP

ALD

July 1 '51

Dear Henry

Mr. Jakes had considerable detailed information on diamond drilling results, and maps showing drillhole locations with respect to those workings of Silbak Premier which extend over the line into Premier Border. Also one general map - not up to date - showing the relationship of the Premier Border workings with the Silbak Premier and the Premier. He had no geological maps of surface or of underground workings and said that the only other available maps were at the mines. He had cost data in great detail and it seemed obvious that the Premier Border Co is on its toes all the time to see that the operating partner - Silbak Premier - excludes from costs all items not properly chargeable against the Prem. Border operation or development.

The ore occurrence lies just to the north of an easterly-westerly border line between Silbak Premier & Premier Border. It is developed on the 6th level of Silbak Premier & appears to lie in a curving shear zone in an andesitic greenstone at points where mineralized veins intersect the shear zone. The higher grade ore lies "en echelon" in the shear with low grade or waste material between higher grade lenses. On the maps the distribution of mineral seemed to be somewhat similar to

the occurrences in the developments from the Galeua shaft in Cedar d'Almeida. The synclinal curving shear zone comes into Premier Border ground from Silber Premier ground about 100' to 200' above the 6th level & passes downward on a rather flat dip getting further into Pr. Border ground as it goes down. Diamond drill holes from the drifts & crosscuts on 6th level have demonstrated ore of good grade from 50' above the 6th level to 200' below 6th level. Approx 10 holes out of approx 20 holes drilled have shown good ore. By good ore I mean ore which will yield \$10 to \$20 per ton mined, after allowing for mill losses, trucking, freight, & smelter charges and deductions but before deducting mining & milling costs which appear to have been \$8<sup>75</sup> to 9<sup>00</sup> per ton when operating with capacity tonnages. These figures are based on current metal prices, and consideration of the analyses of cores & production will give a better idea of the grade of the ore which will be produced. At high metal prices it will pay to include much of the low grade ore. At low prices mining must be carefully

selective. I view<sup>3</sup> it as a rather low grade orebody which can be mined cheaply. The length so far developed is about 350' with fair prospects of developing greater lengths along curving strike & on downward dip into Premier Border ground. I believe we can assume 150,000 to 200,000 tons with reasonable assurance. Anything more depends on further developments. Prem. Bor. & Sil. Pr. have decided that existing developments justify the sinking of a winze, equipped with underground hoisting station from 6th level to point about 350' vertically lower. Dale Pitt has estimated cost at \$125,000 which appears to me to be somewhat inadequate unless they have cheap equipment in view.

The 6th level is driven at approx 800' elevation, from Sil. Pr. hoisting shaft which raises the ore to the level of the adit which leads directly to the Sil. Pr. mill (the old Premier mill). Premier Border Co has an adit 1800' long which is driven from the portal (not near Sil. Pr. mill) to a point near the

new ore body and 100' (approx) above the 6<sup>th</sup> level. This adit would be used for access in case Pr. Border operation was divorced from Sil. Pr.

The existing agreement - terminable by either party on 30 days notice - provides for mining and milling operation by Sil. Pr. with 50/50 split of profits. Diamond drilling is chargeable to operating costs (for inc. tax accounting also). Operating losses of any month can be carried forward to subsequent months but only within the semi-annual accounting period. Any loss at end of 6 mo period is borne by Sil. Pr.

Sil. Pr. has requested Pr. Bor. to put up 50% of the \$125,000 required for wage & has asked for 6 mo. cancellation notice. \$125,000 to be repaid ( $\frac{1}{2}$  to each party) before resuming division of profits. Mr. Jones is of opinion that \$125,000 would not be considered "capital expend." for income tax. At any rate believes that operation will be free from income tax for 3.5 years from date of discovery. Jones expects to insist that Pr. Border must put up entire \$125,000 but willing that this be repaid to Sil. Pr. before resuming

50/50 distrib. of profits.

Prem Border 5,000,000 auth 4,000,000 issued  
shares sold about 1 yr ago 6¢ to 7¢ now 33¢  
not much cash in treas

Sil Prem. 3,000,000 auth 2,500,000 issued  
excess quick assets incl. <sup>& supplies</sup> ~~concent~~ may be about \$500,000  
shares now quoted about 40¢

Controlled by Cromwell Hochley Pres  
& Rt Hon Lord Gifford

Mr Jukes states that Pr. Bor. shareholders will not consider sale of treas. stock at less than 40¢ but would like to strengthen their cash position on this basis. I told him that I considered this much too high on basis existing developments. He says that Sil Pr able to finance wing etc but they wish to conserve their capital for devel on Sil Pr property & other purposes. I then stated that there does not seem to be any situation in which O.M.C. can participate usefully. I said that there is a bare possibility that some of our individuals would lend money - to be repaid out of first profits - in return for stock options on Prem Border or Sil. Pr or both but doubted this as share prices seem too high. Jukes believes that Sil. Pr. will be interested. I believe loan would be reasonably safe if properly secured but the value

of an option at about 40¢ on either stock would be dependent on overvalued market appreciation (not uncommon in Canada) or on considerable extension of ore now indicated. Prospects of considerable extension will be more predictable after Spellmeyer reports.

In Victoria I called on <sup>John</sup> ~~John~~ Walther Deputy Minister of Mines (acting Minister as MacDonald is in east) & lunched with <sup>P. J. MULCAHY</sup> ~~John~~ Gold Commissioner. They class Victor Dolmage at top of list of consultants, and give Henry Hill a high rating. I believe <sup>P. S. Portland</sup> ~~John~~ acts as consultant for Prem. Border & Sil. Pr.

I am out of luck here as Govt offices closed July 1, 2, & we leave on 3rd. Will be with Howard Washburn, Casco Bay, Coeur d'Alene Idaho evening July 6 & 7: - at Challenger Inn Sun Valley, Idaho July 9, 10, 11. After that uncertain.

I enclose some scribbled notes which give indications of core assays & development ore. Please send to my desk.

Will you please pass this together with enclosures to Blair, your father, & Roy.

Sorry that I could not go myself to the mines but couldn't figure out a practical schedule.

P.S. Reports of highgrade ore With best wishes don't apply to any considerable tonnage. only high-grade narrow bands JLB

J. B. Bruce

35¢

50¢

300000

200000

Wine  
Jules  
9/11/51  
6 mo

75% - 25% Libak

Stikes  
Pac 2311  
Vancouver

\$  
40000 [20%]

Seattle - Cedarburg Hotel  
Neville Hotel - Cheney Lake  
Commence

---

Premium Bonding

150,000 post-prot.  
ton \$20 3m  
largely  
40,000 post (hitter)

---

Send West Union Seattle.  
\$200.00

Notice to Cedarburg  
Hotel.

Lucille Phone



OPERATED BY THE VANCOUVER HOTEL COMPANY LIMITED  
UNDER THE JOINT MANAGEMENT OF THE  
CANADIAN NATIONAL AND CANADIAN PACIFIC RAILWAY COMPANIES.

Hotel Vancouver

VANCOUVER, B.C.

|                   |       |
|-------------------|-------|
| RECD. JU. 2. 1951 |       |
| ANSD.             | BY    |
| COMMENT TO        | FOR   |
| RETURN TO         | REPLY |
| HSM               | RWM   |
| ISGM              | JLB   |
| LCAL              | CWS   |
| LP                | HTM   |
|                   | BWS   |
|                   | ENG   |
|                   | AID   |

June 29 1951

Dear Blair:-

Got here about noon today. Mr Jukes had reservations made for everything including this hotel room. If they charge for it by the size it is going to be expensive. The schedule as set lined is

Leave Vancouver 11:30 Sunday by air getting to Prince Rupert at 4 P.M.

Leave Prince Rupert by S.S. Camosun at 11 P.M. getting to Stewart next morning where I am supposed to be met by Pitts in his car.

On the return trip Leave Stewart by air July 6th at 11 A.M. - Arrive Prince Rupert 12:30 P.M. Leave Prince Rupert at 2:10 and get back to Vancouver at 7:20 P.M.

Jukes place of business is the firm A.E. Jukes Ltd. Stock brokers. 840 Hastings St West Vancouver B.C. in case you want to get in touch with me

I sent you some samples from the Silver Peak near Reddick, Oregon. The descriptions are on the reverse of this sheet

19900 - Silver Peak Mine, Riddle Oregon  
Tunnel #3 - Main Xcut - Chips from  
foot wall vein - Heavy sulphide W. 5.0 feet  
Assay for Au Ag Cu Zn.

19901 - Tunnel #3 Main Xcut Hanging  
wall vein. - Sulphides - Width 18.0 ft  
Assay for Au Ag Cu Zn

19902 Tunnel #3 60' south west from  
Main Xcut - softer pyrite + pyrrhotite  
Width 5 1/2 feet Assay Au Ag Cu Zn.  
Hanging wall vein

19903 - Tunnel #3 - 40' SW from Xcut  
Hug. Wall vein - fading out W. 4.0 feet  
Au Ag Cu Zn

19904 Tunnel #3 40' NE from Xcut  
chips from vein where it could be needed  
Stope width 8.0 feet Au Ag Cu Zn

19905 Tunnel #4 - SE edge of 28 foot  
vein Width 2 1/2 Au Ag Cu Zn.

19906 Tunnel #1 - Specimens of pyrite  
from vein 6'-8' wide. Au Ag Cu Zn.

19907 - General from a number of places  
including the dump. Specimen rock of  
sulphide for a float test - We should assay  
and see if commercial concentrates could  
be made - particularly a copper concentrate  
a zinc concentrate and an iron concentrate

Sorry to hear that you are sick - You sounded  
as if you had a cold the other day.

Sincerely

Spelt.

A. E. JUKES  
840 WEST HASTINGS STREET  
VANCOUVER, B. C.

June 28th, 1951

James L. Bruce, Esq.,  
c/o Miss J. E. M. Bruce,  
204 Woolworth Building,  
Victoria, B. C.

Dear Mr. Bruce,

*see overleaf* (A) → I tried to get in touch with you before you left this morning on the Nanaimo boat but was not successful. I wished to show you the copy of letter enclosed which I have just received from Mr. Dale Pitt, supplementing his letter of June 13th. This letter is not in reply to my last letter to him; they apparently crossed in the mails.

This is very good news regarding the big ore body that is being developed at the Premier Border property at depth; it is most encouraging.

*ret?* { I would appreciate receiving the enclosed copy of letter back as soon as you have finished with it.

With kind regards, I am

Yours sincerely,

*A. E. Jukes*

M

Enc.

P.S. Mr. Spellmeyer is going up on Sunday morning from here and will be here tomorrow  
*ASJ*

HOLE 2018  
787 X Cut N 7321 E 4616 - El col 797 N 74° E - 54° Cut 265'

|           |                | AD  | AG             | PB             | ZN   | NET SM VAL |
|-----------|----------------|-----|----------------|----------------|------|------------|
| 152-157   |                | .03 | 2.67           | 5.4            | 3.2  | 15.94      |
| 157 161   |                | .03 | 2.10           | 3.7            | 0.9  | 10.22      |
| 191-196   |                | .02 | 1.18           | 2.7            | 3.5  | 10.56      |
| 219.5-224 | T <sub>N</sub> | .15 | 8.4            | 18.4           |      | 34.10      |
| 224-228   |                | .04 | 3.66           | 11.7           | 17.5 | 46.83      |
| 228 231   |                | .04 | 3.66           | 9.1            | 20.2 | 45.88      |
| 231 236   |                | .02 | 0.68           | T <sub>N</sub> | 1.2  | 2.53       |
| 236 240   |                | .03 | 0.87           | T <sub>N</sub> | 3.2  | 5.57       |
| 240 245   |                | .04 | 1.76           | 1.3            | 11.6 | 19.81      |
| 245 250.5 |                | .02 | 1.08           | 1.0            | 10.5 | 16.89      |
| 250.5 252 | T <sub>N</sub> | .45 | T <sub>N</sub> | T <sub>N</sub> |      | .22        |
| 252 257   |                | .02 | .98            | 0.5            | 3.3  | 6.34       |

18.2 Av #22.72

HOLE 2016  
786 X Cut N 7346 E 4934 El col 802 S 40° N + 36° Cut 279

|         |                |                |                |      |       |
|---------|----------------|----------------|----------------|------|-------|
| 175 180 | .03            | .32            | T <sub>N</sub> | 1.7  | 3.32  |
| 180 182 | .04            | 1.96           | 3.8            | 11.9 | 24.66 |
| 182 186 | T <sub>N</sub> | T <sub>N</sub> | T <sub>N</sub> | 0.7  | .93   |
| 186 190 | .06            | 1.34           | 3.8            | 7.3  | 18.83 |
| 190 196 | .09            | 1.61           | 3.0            | 9.6  | 21.53 |
| 196 201 | .02            | 1.03           | 0.6            | 3.5  | 6.83  |
| 201 206 | .07            | 1.32           | 2.8            | 8.1  | 18.46 |
| 206 211 | .07            | .84            | 0.7            | 6.7  | 12.78 |
| 211 216 | .09            | .71            | 1.6            | 8.7  | 17.45 |
| 216 221 | .11            | .39            | 0.5            | 4.7  | 10.61 |
| 221 225 | .17            | 0.68           | 1.0            | 5.1  | 13.91 |
| 225 229 | .20            | 1.00           | 1.8            | 6.4  | 18.16 |
| 229 234 | .11            | .49            | 0.6            | 6.0  | 12.58 |
| 234 239 | .14            | 1.76           | 2.8            | 7.4  | 19.72 |
| 239 245 | .06            | .69            | 1.2            | 2.9  | 8.11  |
| 245 250 | .16            | 2.04           | 2.7            | 9.2  | 22.87 |
| 250 255 | .10            | 2.30           | 4.6            | 6.8  | 23.90 |
| 255 258 | .05            | .80            | 1.2            | 1.7  | 6.26  |

Collar to 230 in Premier Border ground

Above from Dale Pitto letter # (A)

"Net Sm Val" shown above is I believe after allowing for mill losses  
trunching, fat, smelt chips & deduct.

JB

✓ 13.62.5.

June 27, 1951

MEMORANDUM: Telephone call from Mr. Bruce in  
Vancouver, - June 27, 1951

Mr. Bruce called from Vancouver. He has seen Jukes and his conclusion, without of course visiting the property, is that the current price for Premier Border stock, 32 or 33 cents, is not cheap. He at first suggested that there was therefore no good reason why we should send an engineer to the mine, but he then said that Spellmeyer, because of weather conditions, would have about a week's time on his hands and that it might be worthwhile sending him there. The only drawback is that by doing so we may cause Premier Border to think we are more interested in the stock than is the fact.

Spellmeyer can be reached at the Cedarberg Hotel in Seattle, telephone Elliott 1765. He should communicate with Jukes promptly and Mr. Bruce thinks he should spend not less than five days at the mine and perhaps ten. Flights leave Victoria or Vancouver Wednesdays and Saturdays.

Mr. Bruce did not see Dale Pitt as he was at the property. He says he thinks that AS&R are not interested now.

The story is a very complicated one. Apparently Premier Border has the mine and Silbeck has the surface plant; they both therefore need each other. If for any reason the agreement between them, which is cancellable on 30 days' notice, should be cancelled, Premier Border will need a large sum for development and surface plant. Cancellation of the agreement seems unlikely.

Mr. Bruce thinks that our interest in the property may be used by Jukes to improve Premier Border's position vis-a-vis Silbeck.

Mr. Bruce says that 9,000 shares are now available at 33 cents and that possibly up to 100,000 might be obtained for a price of 35 to 40 cents. The only way an option can be obtained would be in consideration of a loan to Premier Border.

Jukes apparently does not know Pielsticker well.

HTM/w

(June, 1951)

JLB notes

Prem Bord: '49 Can M Hbook 5000000 with 4000000 issued  
422000 sh Foster Ledge G M Co

Nor Light prop 50/50 div of prof. owns 350000 " Fern ML Fin

1945 2875 t milled #38930 gross 7109 no liab

1944 4088 50389

early '48 made agree with Sil Pr to oper 50/50 basis

1946 1450 29519

1947 1st Q 655 7852

work stopped mid '48 when Silbak suspended  
opened late '49 operated 64da

Tramway abandoned 49? trucks now used

1950 Can M Hbook Sil Pr G Bruce Duncan Vancouver Chair Dale Pitt M. Dir  
Auth 3000000 is 2500000 J C McUTCHEON Mgr a Kirby Jr Mrie Sup  
SF Macdonald Mill Sup

Dividends started 1938 Total to Apr '46 \$2,375,000 none since '46

Formed to amalg Premier, B.C. Silva, Selubwe, Sebakwe,

Operating Nor Light of Prem on 50-50 basis

Does Prem Bord own Nor L. (or Lease)

1945 65801 tons \$8.62

46 34804 9.77

47 59343 10.57

48 41360 11.84

49 10142 9.51

Losses \$613,000<sup>00</sup> after 39,000 depre & depl.

At end of 49 Net current assets \$341000

From May 15 '37 when Silbak took over Premier M & M to 12/31/46 to 1324,000 t for \$11,358,000<sup>AM</sup> net.

Ask about agree with Danyig Mines Inc W coast Vancouver to 60/40 basis  
Get smelter sales contracts, transport costs. Sil Dany

Victoria May '50

RC Macdonald Min of M

John F Walker Dep " met at his home

James Strang Chief Inspector

~~Ly Caver - Brown - Caver~~

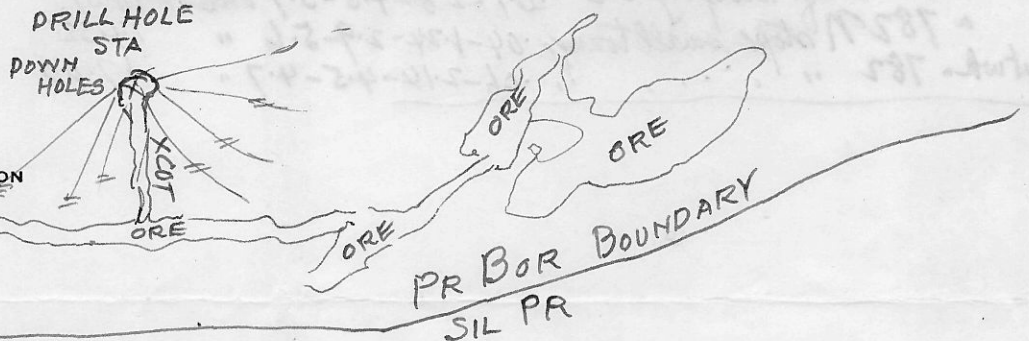
Hartley Sargent Chief Min Engr ← Could not arrange to see him.

P.J. Mulcahy Chief Gold Commis. - lunched with him, bro-in-law of my sisters friend Jack Gillan

# Lions Gate Tourist Court

329 MARINE DRIVE  
HOLLYBURN P. O. BOX 93  
WEST VANCOUVER, B. C.

- HOSPITALITY AND COMFORT
- TEN MINUTES FROM CITY CENTRE THROUGH STANLEY PARK
- CENTRAL HEATING
- SPRING-FILLED MATTRESSES
- SINGLE AND DOUBLE ACCOMMODATION
- PIPING HOT WATER - SHOWERS OR BATHS IN ALL CABINS
- MAID SERVICE
- COOKING FACILITIES
- REASONABLE RATES
- REFRIGERATION



*as follows*

|             | an  | Ag   | Pb   | Zn   |                                     |
|-------------|-----|------|------|------|-------------------------------------|
| 12.2M width | .03 | 2.29 | 5.5  | 5.7  |                                     |
| 8.4M "      | .03 | 4.13 | 10.9 | 14.8 | about 160 feet below                |
| 4.3M "      | .02 | 1.38 | 1.5  | 7.7  | } plus lead = 66.2M .03 .68 0.8 3.2 |
| 5.1M "      | .12 | 1.78 | 2.0  | 5.2  |                                     |

| same hole |     |      |      |      |                                       |
|-----------|-----|------|------|------|---------------------------------------|
| 9.3M      | .24 | 4.27 | 6.7  | 10.3 | } plus lead = 64.6M .055 .85 1.35 2.3 |
| 2.6M      | .04 | 1.41 | 4.8  | 2.0  |                                       |
| 2.1M      | .04 | 4.96 | 11.0 | 7.1  |                                       |

| same hole |     |      |     |      |  |
|-----------|-----|------|-----|------|--|
| 7.3M      | .04 | 2.13 | 1.9 | 11.9 |  |
| 3.7M      | .01 | 0.89 | .9  | 5.3  |  |
| 3.7M      | .05 | 0.46 | 0.8 | 5.2  |  |

| same hole |     |      |     |      |  |
|-----------|-----|------|-----|------|--|
| 6.2M      | .14 | 3.19 | 8.7 | 12.5 |  |
| 5.5M      | .07 | 2.03 | 5.2 | 6.2  |  |

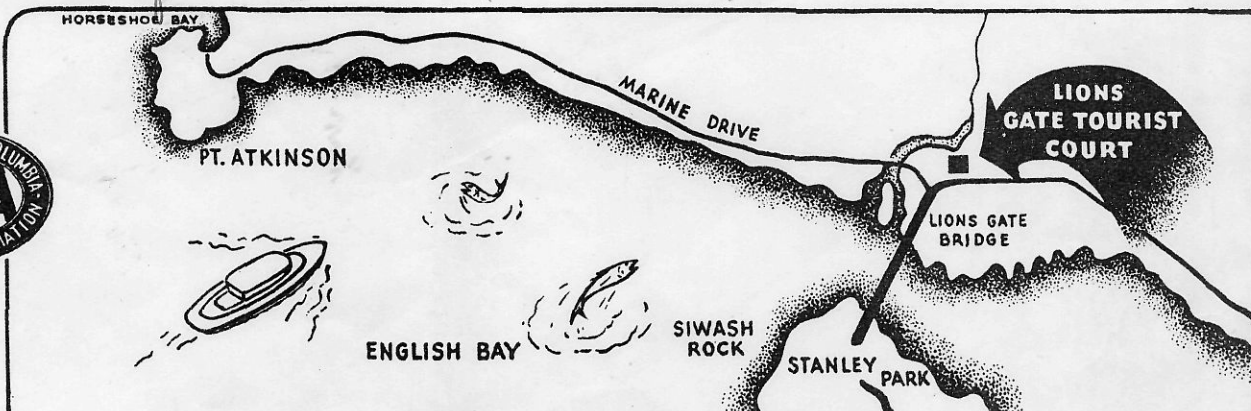
strike  $\epsilon = \pm 350$   
Vert

Note "N width" means normal width corrected for hole inclination to vein (estimated)

See overleaf

Sillb Prem  
Cromwell Hockley Pres  
Rt Hon Lord Gifford  
3,000,000 Quils  
2,500,000 issued

|              |      |               |
|--------------|------|---------------|
| Cur Assets   | Cash | 203,000       |
| Concent etc  |      | 284,000       |
| Supplies     |      | 198,000       |
|              |      | <hr/> 690,000 |
| Cur Liab     |      | 150,000       |
| Accs pay etc |      | -             |



Sale Pitto letter 6/13/51 AU AG PB ZN  
 788 Dr (Wend) adv 5.0' - .04 2.8 4.5 5.7 val \$18.07  
 in zone where D.D.H. cut 130' w of min \$19.36 + 25.30 + 19.20 + 9.64 + 6.22 + 27.5 + 4" + 8" + 9" + 9" etc  
 788 Dr next wk 20.0' adv .12-1.84-1.3-5.6 val \$14.25

Several dd holes completed in Apr (735' in Apr) to prove ore above & below sixth level  
 The only hole revealing commerce ore No 2012 drilled from 787' cut at plus L of 15 1/2°  
 cut 1.5 ft .03-9.07-19.2-25.0 val \$72.36

In 788 drift sweeping ore .04-2.8-4.5-5.7 val \$18.07  
 " 782 N slope small tonnage .04-1.24-2.9-5.6 " 14.35  
 next wk 782 " " " .06-2.14-4.5-4.7 " 17.00

- REFRIGERATION
- REASONABLE RATES
- COOKING FACILITIES
- MAID SERVICE
- OR BATHS IN ALL CABINS
- PIPING HOT WATER - SHOWERS
- SINGLE AND DOUBLE ACCOMMODATION
- SPRING-FILLED MATTRESSES
- CENTRAL HEATING
- THROUGH STANLEY PARK
- TEN MINUTES FROM CITY CENTRE
- HOSPITALITY AND COMFORT

at 11 feet  
 1 block before  
 1 block before  
 1 block before  
 1 block before

Box  
of 11 before  
black & white  
Gummi & water  
black & white

**A. E. JUKES & COMPANY**

840 West Hastings Street  
VANCOUVER, B. C.

TELEPHONE:  
Pacific 5311

Extract from the  
"Northern Miner"  
June 21st, 1951.

PREMIER BORDER GOLD MINING CO.

Listed on Toronto Stock Exchange

To Open No. 6 Level Fully

Premier Border Gold Mining Co. was listed on the Toronto Stock Exchange this week. The company owns the Northern Light property, eight Crown-granted claims and three fractions, adjoining Silbak Premier Mines in the Salmon River valley, about 15 miles from Stewart, B. C.

Border proposes to open ore to full width and length on No. 6 level and to start stoping above the level as soon as possible according to A. G. Pentland, consulting geologist. The company has no equipment, all equipment on the property being owned by Silbak. The latter mines and mills Border's ore and splits the operating profits 50-50.

Tentative plans for a three compartment winze have been drawn up, sinking to be started when men are available. Plans call for sinking the winze about 200 ft. and establishing a new level at 150 ft. below No. 6 level.

350' now JB

Financial Position Last Month

Production has amounted to approximately 15,000 tons in 1950 and up until late in May, 1951. A financial statement at May 31st, 1951, showed the company had \$49,613 cash, investments at cost of \$35,589, and 350,000 shares of Fern Mines Ltd. valued at \$100. There were no current liabilities.

The company received \$56,187 in the five months from December 31st, 1950, \$467 dividends from Sheep Creek Gold Mines (16,000 shares are held), and \$55,720 from Silbak Premier as its share of profits won from treatment of ore. With expenditures of \$2,859, this left an operating profit (subject to income tax) of \$53,328 for Border.

An agreement will be entered into soon with Indian Mines (1946), allowing part of that company's tramline to cross some of the Border claims. Silbak is building the tramline preparatory to the mining and milling of Indian ore.

Silbak  
money  
required  
for this  
other plans JB

The Toronto listing covers Premier Border's entire authorized capital of 5,000,000 shares, of which 4,000,000 have been issued, none escrowed. The company is presently listed on the Vancouver Stock Exchange.

.. .. .

As you are interested in the above company, we are passing this on to you for its informational value.

# A. E. JUKES & COMPANY

STOCKS & BONDS

MEMBERS:  
VANCOUVER STOCK EXCHANGE  
MONTREAL STOCK EXCHANGE

840 WEST HASTINGS STREET  
VANCOUVER, B.C.

June 19th, 1951

James L. Bruce, Esq.,  
1206 Pacific Mutual Building,  
Los Angeles, California.

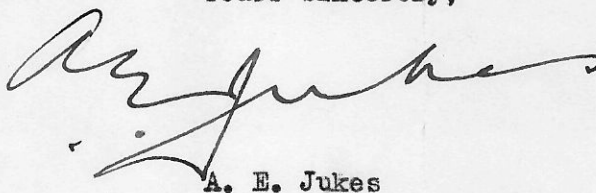
Dear Mr. Bruce,

After our telephone conversation yesterday, I 'phoned  
Mr. Dale Pitt's office to find that he is up at the mine and  
will be there for at least two more weeks.

It might be wise to send your geologist up to  
see the property as soon as possible if you want to talk to  
Mr. Pitt while he is on the ground.

Looking forward to seeing you on the 27th of  
June, I am

Yours sincerely,



A. E. Jukes

J:M

AIRMAIL

To BWS ✓  
JLB ✓

|            |     |             |  |
|------------|-----|-------------|--|
| RECD.      |     | JUN 15 1951 |  |
| ANSD.      |     | BY          |  |
| COMMENT TO |     | FOR         |  |
| RETURN TO  |     | REPLY       |  |
| HSM        | RWM | HTM         |  |
| SGM        | JLB | BWS         |  |
| LWW        | CWS | ENG         |  |
| ECA        | LP  | ALD         |  |

1206-File  
BWS

June 15, 1951

(AIRMAIL)

Mr. Ralph Pielsticker  
Draper Dobie & Company  
330 Bay Street  
Toronto 1, Ontario  
Canada

Dear Mr. Pielsticker:

Thank you for your letter of June 13th relative to the arrangement for the meeting of Mr. Bruce and Mr. Jukes.

It appears now that Mr. Bruce can leave here on the morning of June 23. He is motoring but will arrive in Vancouver by midweek. We do not know how urgent you consider the matter. If you think an earlier date is advisable we could probably arrange one although it would greatly disrupt agenda. We realize, of course, market trading waits for no one and increased buying on the strength of the new ore body may well increase the price of the stock beyond the point of attractiveness.

Are there any large blocks of stock that could be optioned, or otherwise for sale? The question with us of course, since there appears to be no chance to obtain the 1,000,000 treasury shares of Premier Border, can enough shares be obtained at a favorable price to give a substantial holding. Would the shares be purchased through you, or Draper Dobie & Company?

The reports and balance sheets for Premier and Silbak will be very helpful. Please write me fully your ideas regarding the questions I've raised.

Again many thanks, and with kindest personal regards,

Sincerely,

BWS/a

Blair W. Stewart.

DRAPER DOBIE & COMPANY

H.W. KNIGHT  
GEO. W. GOODERHAM

H.W. KNIGHT JR  
EDWIN A. HILL

STOCK & BOND BROKERS

TELEPHONE EMPIRE 3-9171

Recd  
June 15  
H.B. ✓  
B.H. ✓  
MEMBERS

THE TORONTO STOCK EXCHANGE

NORTHERN ONTARIO BUILDING

330 BAY ST., TORONTO 1,  
CANADA

June 13 1951

Dear Mr Stewart.

Following our telephone conversation this morning, I talked with Mr Jones' office. He was away today but I spoke to his associate Mr Lefever who told me Mr Jones will be in his office to meet Mr Bruce and will be glad to give him all information. They will send report and balance sheet of both Premier Borden and Seloe to Mr Bruce. —

My kindest regards to you

Sincerely  
Ralph Pelletier

**DRAPER DOBIE & COMPANY**

H.W. KNIGHT  
GEO. W. GOODERHAM

H.W. KNIGHT JR  
EDWIN A. HILL

**STOCK & BOND BROKERS**

TELEPHONE EMPIRE 3-9171

|            |     |                            |                     |
|------------|-----|----------------------------|---------------------|
| RECD.      |     | JUN 9 1951                 |                     |
| ANSD.      |     | BY                         |                     |
| COMMENT TO |     | FOR MEMBERS                |                     |
| RETURN TO  |     | THE TORONTO STOCK EXCHANGE |                     |
| HSM        | RWM | HTM                        |                     |
| SGM        | JLB | NORTHERN                   | ONTARIO BUILDING    |
| LWW        | CWS | EN3D                       | BAY ST., TORONTO 1, |
| ILCA       | LP  | ALD                        | CANADA              |

June 7 1951

Dear Mr Stewart.

Referring to Premier Border about which I spoke to you on the phone yesterday, the Northern Miner has reports on the property in the following issues:—

|          |      |                         |
|----------|------|-------------------------|
| April 12 | 1951 | Page 24                 |
| May 10   |      | Page 3 - Silbac Premier |
| May 17   |      | Page 19                 |
| May 19   |      | Page 22 Silbac Premier  |
| May 24   |      | Page 4                  |

This will give you some idea of the operation. The Company is an old one, Capitalised at 5,000,000 shares, 4,000,000 issued. The President is A.E. Jukes of Vancouver, a man of excellent standing and reputation. He has told me the Company has no intention of selling any treasury stock and no one has any options. —

In my opinion this stock is very much undervalued and has very big possibilities. I think it would be well worth bringing this to Mr Mudd's attention with a view to your making an examination of the property. With kindest regards

I am Sincerely yours  
Ralph Pielsticker

HTM ✓  
BWS ✓

June 7, 1951

Following excerpt from The Northern Miner, March 29, 1951:

PREMIER BORDER - Results of Joint Operation Reviewed by  
Silbak Premier.

"Silbak Premier Mines, Ltd., treated 7,629 tons of ore from the property of Premier Border Gold Mining Co., Ltd., Premier, B.C., during the year ending December 31st, 1950. The ore averaged 0.107 oz. gold and 2.71 ozs. silver per ton, 5.03% lead and 6.30% zinc, and was productive of 716 tons of lead concentrate and 563 tons of zinc concentrate.

"The gross smelter value of the ore milled was \$192,077, equivalent to \$25.18 per ton. Marketing cost was \$37,356 (\$4.90 per ton) and operating expense \$121,374 (\$15.91 per ton), leaving an operating profit of \$33,346 to be shared equally by Silbak Premier and Premier Border.

"Ore reserves of Premier Border, at the end of 1950, were estimated at 3,906 tons of broken ore and 10,875 tons of unbroken ore, the whole averaging 0.08 oz. gold and 1.98 ozs. silver per ton and 4.2% lead and 5.3% zinc for a value of \$17.80 per ton.

"During the year, 1,236 tons of development ore and 6,301 tons of stoped ore were treated. Development footage including converted swiping was 425 ft. of drifting, 414 ft. of crosscutting, and 84 ft. of raising. Diamond drilling consisted of 4,668 ft. of large drill holes and 544 ft. of coretest holes.

"In his report to the directors of Premier Border Gold Mining Co., Ltd., Dale L. Pitt, managing director of Silbak Premier Mines, Ltd. stated:

'The heavy development program carried on represents a cost of \$4.256 per ton of ore milled, and is 32.5% of the total mining cost. The results of this diamond drilling have justified the expenditure, because there is now sufficient evidence to warrant the conclusion that ore continues to depths varying from 50 to 193 ft. below Silbak's No. 6 level. (Silbak's No. 6 level extends into Premier Border ground). Eight out of 12 holes drilled below the No. 6 level horizon intersected good ore.

'The possibility of a new orebody has been indicated in drilling from the No. 6 level, the president adds.'

"He" explains that the figures for ore reserves are conservative inasmuch as they include extensions of only 25 ft. below the 782 N. drift orebody and 45 ft. below the 782 drift body."

\* \* \* \* \*

Excerpt from The Northern Miner, April 26, 1951:

FIRST PROFIT SINCE 1944 FOR SILBAK PREMIER

"Reflecting the first full 12-month period of continuous production since 1947, Silbak Premier Mines Ltd. recorded a net profit of \$164,891 or 6.5¢ per share in 1950. This compares with a loss of \$174,464 in 1949 when production was for two months only. From 1945 through to 1949 the company has suffered a loss each year and since 1947 production was hampered by insufficient labor.

"Gross smelter value was \$1,392,945 from 79,167 tons milled averaging 0.228 oz. gold per ton, 2.121 ozs. silver, 2.33% lead and 3.33% zinc. Ore reserves at year end totalled 58,927 tons averaging 0.19 oz. gold per ton, 2.51 ozs. silver, 2.2% lead and 3.1% zinc. At the end of the previous year reserves were estimated at 61,966 tons averaging 0.24 oz. gold, 2.45 ozs. silver, 2% lead and 2.6% zinc.

"Working capital at December 31st, 1950, was \$540,542, an increase of \$198,993 from 1949."

\* \* \* \* \*

Excerpt from The Northern Miner, May 17, 1951:

PREMIER PROGRESS PLEASES

"Under the operating agreement with Premier Border, Silbak has carried out a vigorous exploration and development program on Border property and has milled 7,629 tons of Border ore in 1950 and 4,735 during January and February of 1951. Half the profit from Border operation is for Silbak's account. This development work has indicated a major body of lead-zinc ore below the sixth level horizon with excellent values. Plans are laid for the sinking of a shaft from which this ore will be mined. This is an important factor for Silbak."

|   |   |   |  |
|---|---|---|--|
| RECD.                                   |   | JUN 6 1951                              |  |
| ANSD.                                   |   | BY <i>BWS</i>                           |  |
| COMMENT TO                              |   | FOR                                     |  |
| RETURN TO                               |   | REPLY                                   |  |
| <input checked="" type="checkbox"/> HSM | <input checked="" type="checkbox"/> RWM | <input checked="" type="checkbox"/> HTM |  |
| <input checked="" type="checkbox"/> SGM | <input checked="" type="checkbox"/> JLB | <input checked="" type="checkbox"/> BWS |  |
| <input checked="" type="checkbox"/> LWV | <input checked="" type="checkbox"/> CWS | <input checked="" type="checkbox"/> ENG |  |
| <input checked="" type="checkbox"/> LCA | <input checked="" type="checkbox"/> LP  | <input checked="" type="checkbox"/> ALD |  |

1206-File  
BWS

June 6, 1951

# MEMORANDUM

PREMIER BORDER GOLD MINING COMPANY, LTD.  
PORTLAND CANAL DISTRICT  
BRITISH COLUMBIA

Mr. Ralph Pielsticker of Toronto, Ontario, telephoned me this morning from that city relative to the possibilities of the Premier Border mine. The Premier Border mine is located in the Portland Canal District of British Columbia and owns the Northern Light group of claims. The company has a profit sharing operating agreement with Silbak Premier Mines, Ltd. The agreement calls for 50-50 division of profits. Mining was resumed on the property in mid-1950 following a strike at both Silbak's adjoining property and Premier Border mines. Development and exploration in the latter has disclosed a large body of gold-silver-lead-zinc ore on the 6th level, and recent diamond drilling and development has extended that zone to the 800 level and laterally 300 feet. The actual dimensions of the ore body, as it stands today, were not definitely known by Pielsticker. However, the showing is quite impressive and said to run .14 oz. gold, 41 oz. silver, 36% lead, 6% zinc. According to Pielsticker the diamond drill holes have all encountered ore. In fact, the reports that are relayed to him by Fraser, a well known mining engineer of Toronto who has studied the maps and data in Vancouver, indicate that the ore body is quite substantial in size and promises well to be a major new discovery.

Mr. Pielsticker stated that he thought the stock would be of interest, not to our Company, but perhaps to Mr. Mudd or to any other individuals in our organization, and that if we wished to go into the matter more fully he would arrange through his friend, B. A. Jukes, President of Premier Border, for an examination. The Premier Company's address is, 840 West Hastings Street, Vancouver, British Columbia (telephone, Pacific 5311). The company has an authorized capitalization of 5,000,000 shares, no par value; 4,000,000 shares are issued and widely held; 1,000,000 shares remain in the treasury, but the Premier Border Company does not want to sell, nor needs to sell, any of these treasury shares. Mr. Pielsticker stated that shares would have to be picked up on the market but he felt that there were several substantially large blocks that could be acquired rather readily.

Current price in Vancouver today of the shares is 32¢ bid - 34¢ asked. He said that the stock will be listed on the Toronto Exchange within sixty days and that an application for that purpose has already been filed, and is already listed on the Vancouver Exchange.

Offhand it would seem that it might be difficult in buying large blocks of stock not to create a correspondingly substantial increase in the market price. However, the company seems to have a very worthwhile ore deposit and an operating agreement with a quite substantial English company. The Premier Border stock may go to many times its present value in the immediate future. Mr. Pielsticker stated that in May, 5700 tons of the Premier Border ore were milled by Silbak. This 5700 tons had a gross smelter return of \$28.00. Silbak's mining and milling costs totaled \$8.00. The actual profit received from the ore by Premier amounted to exactly \$10.00 per ton. Silbak has a 600-ton mill and is mining in its own property which lies adjacent to Premier Border.

In addition to the Northern Light group of claims the Premier Border Company owns 421,860 shares of Foster Ledge Gold Mining Company, Ltd; 350,000 shares of Fern Mining, Ltd; 4,075 shares Sheep Creek Gold Mining, Ltd.; and stated to have no current liabilities.

The Silbak Company was formed in 1935 under a British Columbia charter with an authorized capitalization of 3,000,000 shares - \$1.00 par value; 2,500,000 issued. G. Bruce Duncan of Vancouver is Chairman; Cromwell Hockley, London, England, President; A. L. Pitt, Vancouver, Managing Director. The Right Honorable Lord Gifford, London, England and W. H. Moat, Vancouver, Directors.

DALE

Although I was told by Mr. Pielsticker that Silbak Company was an A. S. & R. subsidiary, I believe he was confused in this regard as actually the Silbak Premier Mines was formed to amalgamate Premier Mine of the Premier Gold Mining Company, Ltd.; the holdings of the British Columbia Silver Mines Ltd.; and two or three other groups in the Portland Canal District of British Columbia by the Selukwe Gold Mining and Finance Company of London, England.

I told Mr. Pielsticker that we would look into the matter and would advise him shortly whether or not we would be interested and, if so, we might wish for him to arrange for an examination by us. The only person who might be used for the examination that I know of in Vancouver is Dr. Victor Dolmage. I do not know him personally, but he has a good reputation and has done a lot of important work for some of the major U. S. companies in Canada, as well as the Dominion Geological Survey and the British Columbia Department of Mines. I do not know, of course, whether he would be available. Dr. Dolmage is a mining geologist.

*Return to JLB*

# PREMIER BORDER GOLD MINING COMPANY LIMITED

## *Annual Report*

### PRESIDENT'S REPORT

640 West Pender Street,  
Vancouver, B.C.  
March 2nd, 1951.

To the Shareholders,  
Premier Border Gold Mining Company Limited.

Your Directors submit herewith the Company's Balance Sheet as at December 31st, 1950, and Development Account for the year ending December 31st, 1950, as certified by the Auditors of the Company.

Development and milling operations on the property are, as you know, conducted by the Silbak Premier Mines Limited. Your Directors decided that the Overhead Costs being charged to the property were excessive, and as our Agreement with the Silbak Premier contained a 30-day clause by which we could cancel the Agreement, this clause was exercised in order to make a more satisfactory new Agreement. A new Agreement was drawn up, and while we feel that the Overhead Costs are still rather high, in view of all the circumstances, Your Directors decided to carry on with Silbak Premier Mines Limited, and the new Agreement was accordingly entered into as of February 7th, 1951.

During the year under review, report of which is attached, the discovery of larger and higher grade ore bodies on your property was most encouraging. Since January 1st, 1951, diamond drilling has revealed some interesting situations. One of the last holes drilled, No. 1956, was deepened from 210 to 325 feet and cut an ore zone having a true width of about eight feet and an average grade of over 25% combined lead and zinc. This hole encountered the ore at 200 feet below the No. 6 level and, therefore, has indicated that the ore instead of pinching out at something less than 100 feet probably continues 200 feet below the No. 6 level. If further work shows this to be true, it will mean a large increase in ore reserves at Premier Border.

We will be faced with large development costs and the Silbak Premier may have to sink the winze on our property two levels instead of one, but the combination of a larger tonnage of high grade ore and a more favourable Agreement for the treatment of the ore makes Premier Border's position look bright.

On behalf of the Board,

A. E. JUKES,  
President.

# PREMIER BORDER GOLD MINING COMPANY LIMITED

Balance Sheet as at December 31, 1950

## ASSETS

### PROPERTY ACCOUNT:

|   |              |              |
|---|--------------|--------------|
| Northern Lights claims paid for by issue of 2,061,500 shares as fully paid— |              |              |
| Paid in Cash.....   | \$ 50,000.00 |              |
| Buildings Cash.....   | 4,365.17     |              |
| Development Account Cash.....   | 139,780.30   | \$194,145.47 |

### INVESTMENTS AT COST:

|   |              |           |
|---|--------------|-----------|
| Foster Ledge Gold Mining Company Ltd. — 426,860 shares..... | \$ 11,171.10 |           |
| Sheep Creek Gold Mines Ltd. — 5,500 shares.....             | 7,165.88     | 18,336.98 |

FERN MINES LIMITED — 350,000 shares valued at..... 100.00

SILBAK PREMIER GOLD MINES LTD..... 14,398.80

CASH IN BANK..... 399.62

\$227,380.87

On behalf of the Board:  
A. E. JUKES, Director  
J. BRYDEN STEVENSON, Director.

## DEVELOPMENT ACCOUNT December 31, 1950

### RECEIPTS:

Dividends Sheep Creek Gold Mines Ltd..... \$ 366.00

### EXPENDITURES:

|  |           |          |
|--|-----------|----------|
| Office, Secretary and Clerical.....          | \$ 600.00 |          |
| Audit Fee .....                              | 35.00     |          |
| Stock Exchange and Government Fees, etc..... | 148.04    |          |
| Printing .....                               | 91.75     |          |
| Fees re Inspection of Property.....          | 433.03    | 1,307.82 |

SILBAK PREMIER MINES LTD.—Operating..... \$ 941.82  
16,673.41

BALANCE FROM LAST STATEMENT..... \$ 15,731.59  
138,007.83

FERN MINES LTD.—Shares write off..... \$ 17,400.00

SHEEP CREEK GOLD MINES LTD.—Loss on Sale of 575 shares  
(calculated on average cost)..... 104.06 17,504.06

\$139,780.30

## LIABILITIES

### CAPITAL STOCK:

|                                     |              |
|-------------------------------------|--------------|
| Authorized 5,000,000 shares No Par. |              |
| Issued, 4,000,000 shares.....       | \$227,380.87 |

\$227,380.87

Certified as part of our report.

MARTIN, BROWNING & CO.,  
Chartered Accountants.

## AUDITORS' REPORT

Premier Border Gold Mining Company Limited,  
Vancouver, B.C.

Gentlemen:

We have audited your Accounts for the year ended December 31, 1950, and present herewith your Balance Sheet as at that date.

Certificates of Charge issued May, 1929, covering Mining Properties Lots 4047 to 4052, 4055, 4404, 4057, 4058 and 4063, also Certificate of Title to Claim 553 have been produced for our inspection. These Claims are under operational agreement with Silbak Premier Mines Limited.

Investments as detailed on the Balance Sheet have been produced for our inspection.

The attached Balance Sheet is, in our opinion, a full and fair Balance Sheet, and is properly drawn up to exhibit a true and correct view of the Company's affairs, according to the best of our information, the explanations given to us, and as shown by the books.

All our requirements as Auditors have been complied with.

Vancouver, B.C.  
February 5, 1951.

MARTIN, BROWNING & CO.,  
Chartered Accountants.

# YEARLY REPORT, 1950

I submit herewith, a brief summary of the operations of the Premier Border Mine, as conducted by Silbak Premier Mines Limited and the financial outcome, under the agreement between the two companies for the year ending December 31, 1950.

|   |                     |                |
|---|---------------------|----------------|
| Gross Smelter Value Ore Milled .....                  | \$192,076.52        | <b>Per Ton</b> |
| Marketing Cost .....                                  | 37,356.11           | \$25.177       |
| Net Smelter Value .....                               | \$154,720.41        | 4.897          |
| Operating Expense .....                               | 121,373.60          | \$20.280       |
| Operating Profit .....                                | \$ 33,346.81        | 15.910         |
| Silbak Premier's Share .....                          | 16,673.40           | \$ 4.370       |
| Premier Border's Net Profit .....                     | <u>\$ 16,673.40</u> |                |
| Tons Milled .....                                     |                     | 7,629          |
| Tons Lead Concentrate Produced .....                  |                     | 716            |
| Tons Zinc Concentrate Produced .....                  |                     | 563            |
| Assay Mill Heads:                                     |                     |                |
| Gold .107 oz. Silver 2.71 oz. Lead 5.03%. Zinc 6.30%. |                     |                |

The following is a summary of the mining operations:

|   |                          |                          |
|---|--------------------------|--------------------------|
|   | <b>December 31, 1950</b> | <b>December 31, 1949</b> |
| Broken Reserves .....                   | 3,906 tons               | 2,619 tons               |
| Unbroken Reserves .....                 | 10,875 tons              | 2,172 tons               |
|   | <u>14,781 tons</u>       | <u>4,791 tons</u>        |
|   | <b>Assays</b>            | <b>Assays</b>            |
| Oz. Au per ton in total reserve .....   | 0.08                     | 0.12                     |
| Oz. Ag per ton in total reserve .....   | 1.98                     | 2.80                     |
| % Pb per ton in total reserve .....     | 4.2                      | 4.26                     |
| % Zn per ton in total reserve .....     | 5.3                      | 5.67                     |
| Net Smelter value per ton reserve ..... | \$17.80                  | \$20.01                  |

During the year 7,811 wet tons of ore were trammed to the mill which was derived from the following sources:

|                     |                 |                               |
|---------------------|-----------------|-------------------------------|
| <b>Source</b>       | <b>Wet Tons</b> | <b>Percent of Tons Milled</b> |
| Development .....   | 1,236           | 15.8                          |
| Stoping .....       | 6,301           | 80.7                          |
| Pick-up .....       | 274             | 3.5                           |
| Total to Mill ..... | <u>7,811</u>    | <u>100.0</u>                  |

Development footage which includes converted swiping was:

|                    |                 |
|--------------------|-----------------|
| Drifting .....     | 425 feet        |
| Crosscutting ..... | 414 feet        |
| Raising .....      | 84 feet         |
| Total .....        | <u>923 feet</u> |

Total Diamond Drill footage was:

|                       |                   |
|-----------------------|-------------------|
| Large drill .....     | 4,668 feet        |
| Core Test Holes ..... | 544 feet          |
| Total .....           | <u>5,212 feet</u> |

The heavy development program carried on represents a cost of \$4.256 per ton ore milled, and is 32.5% of the total mining cost. The results of this diamond drilling have justified the expenditure, because there is now sufficient evidence to warrant the conclusion that commercial ore continues to depths varying from 50 to 193 feet below Silbak's No. 6 Level. Eight out of 12 holes drilled below the No. 6 Level horizon intersected good ore.

A drill hole on the No. 6 Level horizon, out in a new section, picked up a mineralized zone some 100 feet along the drill hole, which averages over the whole length \$11.63 net smelter value. This is a very interesting development and indicates the possibility of a new commercial ore body.

The ore reserves tabulated above are a conservative figure, as they include in Unbroken Reserves, downward extension of only 25 feet below 782 N. Drift ore body, and 45 feet below 782 Drift ore body.

Yours very truly,

DALE L. PITT,

Managing Director,  
Silbak Premier Mines Limited.

Old Correspondence 1929

## SPECIAL REPORT

OFFICE COPY  
OF  
S. W. MUDD

### STOBIE, FORLONG & CO.

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### Premier Gold Mining Company, Limited Stewart, British Columbia

About twenty years ago metal-bearing minerals and anthracite coal created a big boom around Stewart, at the head of Portland Canal, Northern British Columbia. At a still later date the great Premier mine was discovered. It is a mine of extraordinary richness in gold and silver. In the brief space of a little over three years it has returned to its shareholders more than \$6,000,000 in dividends, and probably put back into properties, equipment and development from earnings a sum equal to \$2,500,000. So well organized and profitable has its business become that an early increase in dividend rate is expected. At the present time the ratio of dividend payments to current market prices is greater than any other Canadian mining enterprise.

#### HISTORY

The mineral deposits of the Salmon River district were first observed about 1898, but the isolation of the field and the difficulty of prospecting held back its development. After 1910 some of the claims now making up the Premier property were acquired by O. B. Bush, a mining man of Vancouver, B.C. He formed the Canadian Mining & Exploration Co. Not until 1914, however, did he find high-grade ore. This ran \$500 to the ton, and started a rush into the new field.

The excitement attracted the attention of William Boyce Thompson, the New York capitalist, who arranged a deal for the Bush company early in 1915. The Salmon-Bear River Gold Mining Company was formed, and spent between \$60,000 and \$80,000 in the next 18 months without striking more rich ore.

Soon after, R. K. Neill, a very successful Canadian miner, representing a small syndicate from Fernie, B.C., decided that the previous work had paralleled the real ore zone, and for that reason operations had not been successful. Backing his judgment with his money, on March 7, 1917, he bonded the property for \$10,000. Within a month, he had shipped in supplies for five men and started work.

The principal working was the No. 1 tunnel, about 250 feet below the surface. A point about 80 feet in from the portal was selected for the first test. Two rounds of shots opened good ore, running \$65 to the ton. This was surprisingly quick confirmation of theory. Another crosscut was then started, at about 184 feet in from the tunnel portal. Here the first round of shots broke into high grade, averaging \$60 a ton, over 8 or 9 feet width. A third test was then made close to the tunnel face. A shot or two, and bonanza ore 6 feet wide ran \$300 to the ton. The full width proved to be 65 feet, with the general average value \$55. The future of Premier was no longer in doubt—the mine was made.

Within two seasons the whole investment of the four venturesome partners had been repaid, and a handsome profit earned, entirely from shipment of high-grade ore to the Tacoma smelter, despite the heavy cost.

Big capital now had its eye on the Premier bonanza. In the summer of 1919, several strong financial groups arrived on the ground and bid against each other for control of the property. Among the bidders for the property was Mr. Weyland H. Young (Mining Engineer), representing Boston Capital; M. Samuel I. Silverman and H. B. Price, representing Minor C. Keith and Isaac Untermeyer, and Mr. H. A. Guess, representing the Guggenheim interests, and while Mr. Silverman and Mr. Price were making an examination of the property, Mr. Guess joined them and formed the combination of the Guggenheims, American Smelting & Refining Company and the Keith and Untermeyer interests, shutting out all other bidders. From the time of the examination until the deal was completed required only 30 days, whereby the named interests purchased over 51% of the issued shares of the Premier Gold Mining Company.

So far, more than \$6,000,000 has been returned to stockholders in dividends. Production has passed the \$10,000,000 mark, yet more than \$13,500,000 has been reported outlined in ore reserves at the end of 1923. Only a small part of Premier's large claim holdings has been tested and important ore discoveries indicate that the total reserve will be steadily raised. The latest ore strike, at a depth of about 1,400 feet below the surface, illustrates the great persistence of the Premier deposits. The future of this property may be regarded with confidence for years to come.

## LOCATION

The Premier mine is located in the Salmon River mining district in northern British Columbia, 11½ miles above Stewart, which lies at the head of the Portland Canal, one of the largest fiords in the Coast Range. It is about 700 miles from Vancouver. The mineralized area covers perhaps 60 square miles, close to the International Boundary.

## CAPITAL

Premier Gold Mining Co., Ltd., was incorporated in February, 1919, in British Columbia, with \$5,000,000 authorized capital, which is divided into 5,000,000 shares of \$1 par value, all issued. Stock is very closely held, and, because of the small floating supply, has never commanded the share market position to which its superior earning power and high intrinsic value entitle it. Shares are traded in the New York Curb Market and upon the Vancouver Stock Exchange. Trading has only been in small volume, however. The range in New York so far this year is from \$2.50 to \$1.75. In 1923, upon a total volume of 41,250 shares, quotations ranged between \$4.50 and \$1.88. Plans are now being made to list Premier stock in Toronto.

## OFFICERS

R. W. Wood, President, Fernie, B.C.

H. A. Guess, Vice-President and Managing Director, 120 Broadway, New York.

Minor C. Keith, Vice-President, 17 Battery Place, New York.

J. C. Emison, Treasurer, 120 Broadway, New York.

W. E. Merris, Secretary, 120 Broadway, New York.

Directors—H. A. Guess, R. W. Wood, R. K. Neill, Minor C. Keith, W. R. Wilson, Isaac Untermeyer, Geo. Warren Tower, Jr.

Mine Manager, Dale L. Pitt.

Assistant Mine Manager, Bert F. Smith.

Main Company Office, 120 Broadway, New York; 626 Pender St. West, Vancouver, B.C.

Mine Office, Premier, B.C.

## PROPERTY

The Premier property is made up of about 60 mining claims, of which 32 form the one compact main group. The other holdings are scattered to north and south. In addition, the Company owns 38% of 1,500,000 shares in the adjoining B. C. Silver Mines Co., Ltd., which is just beginning to ship high-grade ore. This property is in line with the trend of the main Premier lode, and may ultimately be of considerable importance.

The Premier mill has been enlarged to handle 6,000 tons of ore monthly. The 11½ mile aerial tram has a rated capacity of 10,000 tons a month. The Stewart terminal has a 1,500 ton ore bunker for loading steamers. A hydro-electric power plant develops 900 H.P. This is supplemented by a semi-Diesel oil burning engine installation to assure an ample supply of power at all times. Miners are accommodated in a 117-room hotel. Salaried men live in a large apartment house. Around 325 men are now on the payroll.

## GEOLOGY

The Salmon River mining district lies at the eastern contact of the grano-diorite intrusive which forms the Coast Range, and a thick series of sedimentary and volcanic rocks. This contact is known as one of the most prolific mineral provinces in the world, extending over a thousand miles from the Yukon on the north into southern British Columbia. Its course is marked by such important mining fields as Keno Hill ((Mayo), Atlin (Engineer mine), Unuk River, Salmon River (Premier), Bear River (Dunwell), Alice Arm (Dolly Varden), Hazelton, Telkwa, Bridge River and Coquihalla. In the neighborhood of Vancouver the contact turns to the east, and is followed through Ainsworth, East Kootenay (Sullivan mine of Cons. M. & S. Co.), Slocum, Lardeau and Revelstoke. The mines along this eastern contact, as may be seen, are noted particularly for their rich gold, silver and lead ores.

Most of the ore-bodies in the Salmon River district are found in association with quartz porphyry sills, generally at their intrusive contact with the older volcanic tuffs. Deposition has also taken place in certain easily-replaceable beds of tuff, or even within the porphyry sills. The latter, by reason of its pronounced color, is locally termed "greenstone."

Ore deposits of the district fall into three main groupings:—

1. Silver-gold type, rich in silver and gold minerals.  
Best exemplified by Premier, also Silver Tip, as well as certain ore-bodies in Big Missouri, Forty Nine and Mineral Hill.
2. Low grade complex siliceous type, values in base metals.  
Big Missouri, Hercules, Province and some ore-bodies in Forty Nine fall in this class.
3. Pyritic-siliceous type, with high gold values.  
This has been found in only one ore-body in Premier.

Most of the ore-bodies occur as lenses within intensely sheared zones, which strike roughly N-80°-E. The ore lenses are characteristically irregular, showing no well-defined walls or sharp limits.

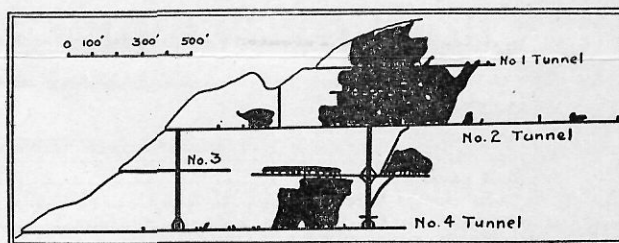
Pronounced cross-fissuring, at an angle of 45 degrees to the main line of shearing seems to have determined the occurrence of oreshoots. Most of the high-grade silver and gold deposits have been formed at such intersections, largely from secondary enrichment. It is thought that surface water, sinking through the rocks, has dissolved metal values from the lode, and has carried them to the intersections of cross fractures and shear zone, where favorable conditions for chemical precipitation existed. In this way some fabulously rich ore concentrations, particularly of silver, have resulted.

That excellent primary ore extends to great depth has been proven in diamond drill holes. Our test showed a 4 foot vein of \$50 over about 130 feet lower than the No. 4 tunnel, or approximately 1,000 feet from the surface. More recently, it was reported that an oreshoot was discovered on the No. 6 level, or 1,400 below the surface, and average values of \$30 a ton have been mentioned. Evidently commercial ore-bodies extend still deeper.

Although only a small part of the Premier property has as yet been adequately tested, three main ore zones have been outlined. Two of these are replacement deposits, following a porphyry contact along a northeast-southwest strike, and dipping to the northwest. The third zone, which carries irregular shoots of good grade ore, runs almost at right angles to the other two, striking northwest and dipping southeast. This deposit seems to be unusually persistent, and may prove to be over 2,500 feet in length. The wide surficial distribution and exceptional vertical range of Premier ores indicate that the actual productive possibilities of the property still remain to be demonstrated.

## DEVELOPMENT

The Premier mine is opened through a series of tunnels, so that expensive pumping and hoisting are completely eliminated. To the end of 1923 there had been completed 19,933 feet of underground workings, in addition to 151 diamond drill holes, aggregating 35,744 feet.



Vertical Projection of Main Workings in Premier Mine.

## ORE RESERVES

As of December 31, 1923, Vice-President and Managing Director H. A. Guess reported the following:—

|   | Tons.          | Avg. Value.  | Gross Value.      |
|---|----------------|--------------|-------------------|
| Broken in stopes.....                   | 98,000         | \$24.60      | \$2,287,800       |
| Blocked out and probable above 4th..... | 860,000        | 27.20        | 9,792,000         |
| Diamond drilled below 4th.....          | 146,000        | 10.00        | 1,460,000         |
| <b>TOTAL ORE RESERVES.....</b>          | <b>599,000</b> | <b>22.60</b> | <b>13,539,000</b> |

The 93,000 tons broken in stopes average 0.67 ozs. gold and 16.5 ozs. silver to the ton. With gold at \$20 an ounce and silver at 68 cents, this gives an average value of \$24.60 a ton.

Assured and probable ore to the No. 4 tunnel level is placed at 360,000 tons, running 0.86 ozs. gold and 15 ozs. silver to the ton, worth \$27.20 at current prices. The figures, it is stated do not include a considerable tonnage of rather complex ore developed above the bottom level, which may later on be profitably treated, when new milling facilities are provided.

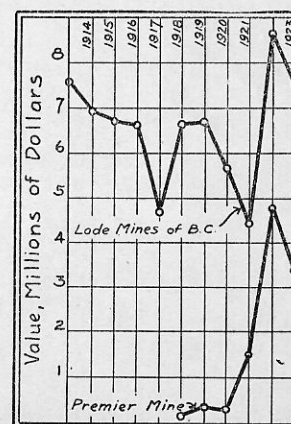
Below the No. 4 tunnel level, diamond drilling has indicated 146,000 tons of ore, containing 0.39 ozs. gold and 3.2 ozs. silver, worth \$10 a ton. Some of the ore in this region is high grade, however, as a diamond drill hole cut a 4 foot vein averaging \$50 a ton, at a depth of 130 feet, below the No. 4 level.

## PRODUCTION

Figures of production to the end of 1923 are tabulated:—

| Year.      | Tons Ore.       | Ozs. Gold. | Ozs. Silver | Value Yield.  |
|------------|-----------------|------------|-------------|---------------|
| 1916 ..... | 10              |            |             |               |
| 1917 ..... | several hundred |            |             |               |
| 1918 ..... | 26              | 182        | 2,268       | \$ 6,000 app. |
| 1919 ..... | 488             | 3,209      | 108,285     | 180,000       |
| 1920 ..... | 799             | 2,283      | 77,180      | 130,000       |
| 1921 ..... | 18,750          | 35,147     | 1,136,249   | 1,400,000     |
| 1922 ..... | 102,334         | 127,827    | 4,474,367   | 4,782,885     |
| 1923 ..... | 145,655         | 117,294    | 2,746,551   | 3,252,917     |

Total output to the end of 1923 is placed close to \$10,000,000.



## FINANCES

Income statements for the past two years show:—

|   | 1923.       | 1922.       |
|---|-------------|-------------|
| Value ore sold.....                       | \$3,252,917 | \$4,782,885 |
| Operating and miscellaneous expenses..... | 1,104,416   | 1,022,507   |
| Earnings from mine operation.....         | 2,148,501   | 3,760,379   |
| TOTAL EARNINGS.....                       | 2,135,019   | 3,760,605   |
| Depreciation, etc. ....                   | 1,302,233   | 2,321,150   |
| BALANCE .....                             | 832,785     | 1,373,637   |
| TOTAL EARNINGS PER SHARE.....             | 42.70c      | 75.20c      |

Balance sheets for the past two years are compared:—

|  | Dec. 31, 1923. | Dec. 31, 1922. |
|--|----------------|----------------|
| <b>FIXED ASSETS:—</b>                    |                |                |
| Property, Plant, etc., depreciation..... | \$3,411,271    | \$4,274,781    |
| Stock Investment, B. C. Silver.....      | 129,454        | 129,454        |
| <b>CURRENT ASSETS:—</b>                  |                |                |
| Materials and supplies.....              | 162,894        | 206,108        |
| Ore sold, in process.....                | 575,932        | 997,675        |
| Accounts receivable.....                 | 317,419        | 130,024        |
| Cash .....                               | 34,401         | 257,026        |
| Total current assets.....                | 1,090,647      | 1,590,827      |
| TOTAL ASSETS.....                        | 4,631,373      | 5,995,063      |
| <b>FIXED LIABILITIES:—</b>               |                |                |
| Balance, Capital stock.....              | 3,942,127      | 4,847,842      |
| <b>CURRENT LIABILITIES:—</b>             |                |                |
| Accounts payable.....                    | 102,571        | 92,668         |
| Accrued Taxes.....                       | 162,910        | 299,945        |
| Dividend payable.....                    | 410,000        | 750,000        |
| Total current liabilities.....           | 675,481        | 1,142,613      |
| Miscellaneous suspense accounts.....     | 13,764         | 5,108          |
| TOTAL LIABILITIES.....                   | 4,631,373      | 5,955,063      |
| <b>WORKING CAPITAL.....</b>              | <b>815,166</b> | <b>448,214</b> |
| Dividend paid in year.....               | 1,738,166      | 1,142,613      |

## DIVIDENDS

Premier paid its first dividend March 31, 1921, just as production became launched upon an important scale. Thereafter the steady stream of large distributions has attracted great attention. To date, more than \$6,500,000 has been returned to stockholders, or over a million dollars above the entire capital. Payments are detailed:—

| Date Paid.            | Amount    | Total For Year. | Date Paid.            | Amount  | Total For Year. |
|-----------------------|-----------|-----------------|-----------------------|---------|-----------------|
| March 31, 1921.....   | \$500,000 |                 | July 5th .....        | 409,000 |                 |
| December 31.....      | 400,000   | \$ 900,000      | October 5th .....     | 409,000 | \$2,078,000     |
| March 30, 1922.....   | 515,625   |                 | January 3, 1924 ..... | 410,000 |                 |
| June 29.....          | 757,000   |                 | March 5th .....       | 410,000 |                 |
| September .....       | 750,000   | 2,022,625       | July 3rd .....        | 410,000 |                 |
| January 8, 1923 ..... | 750,000   |                 | October 3rd .....     | 410,000 | 1,640,000       |
| April 4th .....       | \$510,000 |                 | TOTAL .....           |         | \$6,640,625     |

## CONCLUSION

Notwithstanding the impressive production, profits and dividend records Premier has already established, it is not an exaggeration to declare that the mine is but little more than well launched upon its productive career. To repeat what was said two or three years ago, that "Premier will be an \$80,000,000 mine," no longer sounds wildly fantastic. In fact, new ore discoveries necessitate the scaling upwards of previous ore reserve estimates. Certainly it is absolutely safe to count upon years of highly profitable production, so that this remarkable company may, in all conservatism, be accurately described as "a real mining investment" with most attractive speculative possibilities.

Premier Gold Mining Co. B.C.

OFFICE COPY  
C.7  
H. S. MUDD

1st October, 1929

Mr. R. E. McConnell,  
New York.

Dear Mac:

The enclosed clipping was sent to me by Perk Browning in response to an inquiry about Premier. Perk telegraphed a week or more ago that he did not think there had been an important strike at either property for otherwise he would have heard something about it.

I cannot, however, reconcile Mr. Guernsey's telegram with the statements of Bridgeman and Guess. Guernsey is a good man and he said that his information was reliable. Bridgeman and Guess should know and their opinion, if candidly given, which I do not doubt, disposes of the matter.

Sincerely yours,

HSM-P

27th September, 1929

Mr. F. W. Guernsey,  
736 Granville Street,  
Vancouver, B. C.,  
Canada.

Dear Mr. Guernsey:

Many thanks for your prompt reply to my inquiry about Premier and Selukwe. I had heard rumors of an important strike and I sought to confirm them by telegraphing to you.

Texas Gulf seems to be holding its own in all fields. The new mine at Boling is producing but so far as I know no sulphur has been shipped from there. I understand that a new pulp mill is to be built in the northwest and I hope its sulphur business will fall into our hands.

I hope you will not fail to call upon me if I can be of any assistance in southern California.

With kindest regards and best wishes,

Sincerely yours,

HSM:LF

27th September, 1929

Mr. C. P. Browning,  
Britannia Mining & Smelting Co.,  
Britannia Beach, B. C.,  
Canada.

Dear Perk:

Many thanks for your telegram in response to my inquiry about Premier and Selukwe. I had heard rumors of an important strike and I was endeavoring to confirm them.

With best wishes,

Sincerely yours,

HSM:LF

Copy for Mr. Mudd

RECEIVED  
OCT 5 - 1929  
Ans'd ✓

September 27 1929

Mr. R. E. McConnell  
14 Wall Street,  
New York

Premier ?

Dear Boh:

I herewith return Harvey's note to you of September 10th, relating to reported discovery of chalcopyrite near Kimpkish Lake in the northern part of Vancouver Island. I have written Blaylock to find whether he can tell me anything regarding this new strike.

Yours sincerely,  
(signed) W. H. Aldridge

## CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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NEWYORK NY 340P SEP 24 1929

H S MUDD

1206

*Premier*  
GUESS BRIDGMAN DENY ANY IMPORTANCE ~~VACAF~~ RECENT DEVELOPMENTS STOP AKTAP *Kennecott*

*A.S.P.* *.18* *Anacosta*  
AGGLE CONTENT WITH KIGMI PRICE AGGUT UNWILLING SELLER THIS MARKET STOP

*Anacosta* BELIEVE PREVALENT CONSUMERS HAVE SUBSTANTIAL ORDERS ON BOOKS UNCOVERED

*Anacosta* AGGUT MAINTAINS WHEN THIS BUYING STARTS THEY *will raise price* *STOP* *Roll City Bank* *VIBBO* VAHFY/FEEL SURE *JAWGE*

STILL LONG VERY SUBSTANTIAL BLOCK STOCK RUMORS TODAY PREVALENT INCREASED

*Anacosta*  
DIVIDEND AGGUT

R E MCCONNELL

122P

| CLASS OF SERVICE DESIRED |                 |
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| TELEGRAM                 | FULL RATE       |
| DAY LETTER               | DEFERRED        |
| NIGHT MESSAGE            | CABLE LETTER    |
| NIGHT LETTER             | WEEK END LETTER |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

|             |              |
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| OFFICE COPY |              |
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| H. S. MUDD  |              |
| CHECK       |              |
| TIME FILED  |              |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

(EXCERPT FROM TELEGRAM FROM REM SEPT. 24 1929.)

FOLLOWING FROM WRIGHT QUOTE WETZLAR HAS QUITE GLOWING RECENT REPORTS  
REGARDING NEW DISCOVERIES PREMIER AND SELUKWE MINES BRITISH COLUMBIA  
THINKS POSSIBLY WORTH YOUR WHILE MAKE INQUIRIES .

- - -

## CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable sign above or preceding the address.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

## SIGNS

|                       |
|-----------------------|
| DL = Day Letter       |
| NM = Night Message    |
| NL = Night Letter     |
| LCO = Deferred Cable  |
| CLT = Cable Letter    |
| WLT = Week-End Letter |

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at 522 Pac. Mutual Bldg., Los Angeles, Calif. Phone TRinity 4321  
Sta. 21

39S MA 22

BRITANNIA BEACH BC 1108A SEP 23 1929

H S MUDD

1206

RETEL NO KNOWLEDGE EXCEPT PRESS REPORTS SHOWING ADDITION ORE UNKNOWN  
EXTENT SIXTH LEVEL / DOUBT IF IMPORTANT / OTHERWISE WOULD HAVE HEARD  
FURTHER REGARDS

C P BROWNING

1137A

| CLASS OF SERVICE DESIRED |                 |
|--------------------------|-----------------|
| DOMESTIC                 | CABLE           |
| TELEGRAM                 | FULL RATE       |
| DAY LETTER               | DEFERRED        |
| NIGHT MESSAGE            | CABLE LETTER    |
| NIGHT LETTER             | WEEK END LETTER |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

|            |              |
|------------|--------------|
| NO.        | CASH OR CHG. |
| CHECK      |              |
| TIME FILED |              |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Los Angeles, Sept. 23, 1929

Robert E. McConnell,

14 Wall Street, New York, N.Y.

T-G is  
Guernsey who represents anby in northwest and mining engineer formerly  
with Aldridge at Trail wires quote Informed by authority development  
lower levels at Premier last few months important and improved position  
of mine very materially stop Development at Selukwe recently has  
discovered two ore bodies extent not fully determined Said to be of  
great promise stop Information direct and reliable end quote  
Party formerly high official Shattuck Denn about six <sup>weeks</sup> ~~months~~ ago  
expressed opinion their orebody was dipping into <sup>C&A</sup> Agsog ~~in~~ ground between  
which companies is vertical side line agreement stop He though stock  
was unattractive stop Wickes has not reported any new development of  
importance in Denn.

H. S. MUDD

CHG H S MUDD

## CLASS OF SERVICE

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# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

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Received at Main Office, 608-610 South Spring St., Los Angeles, Calif. Always Open

48-427  
-PRA345 44-NL=GR VANCOUVER BC 21

H S MUDD=

PACIFIC MUTUAL BUILDING LOSANGELES CALIF=

INFORMED BY AUTHORITY DEVELOPMENT LOWER LEVELS AT PREMIER LAST  
FEW MONTHS IMPORTANT AND IMPROVED POSITION OF MINE VERY  
MATERIALLY STOP/DEVELOPMENT AT SELUKWE RECENTLY HAS DISCOVERED  
TWO ORE BODIES EXTENT NOT FULLY DETERMINED SAID TO BE OF  
GREAT PROMISE STOP/INFORMATION DIRECT AND RELIABLE =

F W GUERNSEY.

Telephone No.

Telephoned To

Telephone No.

Telephoned To

Time Delivered

By

To be

Attempts

Deliver

THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE

D SEP 22 AM 10 26

5 SEP 22 AM 10 23

Wf  
10/10  
4100  
Cm

| CLASS OF SERVICE DESIRED |                 |
|--------------------------|-----------------|
| DOMESTIC                 | CABLE           |
| TELEGRAM                 | FULL RATE       |
| DAY LETTER               | DEFERRED        |
| NIGHT MESSAGE            | CABLE LETTER    |
| NIGHT LETTER             | WEEK END LETTER |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

|            |              |
|------------|--------------|
| NO.        | CASH OR CHG. |
| CHECK      |              |
| TIME FILED |              |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Los Angeles, Sept. 20, 1929

C. P. Browning,

Brittania Mining & Smelting Company,

Britannia Beach, B.C. Canada.

OFFICE COPY  
OF  
H. S. MUDD

Have you any knowledge recently reported discoveries at Premier and Selukwe mines Will appreciate telegram if you have information which you may be able to give Regards.

H. S. MUDD

CHG H S MUDD

| CLASS OF SERVICE DESIRED                          |                 |
|---|-----------------|
| DOMESTIC  | CABLE           |
| TELEGRAM  | FULL RATE       |
| DAY LETTER  | DEFERRED        |
| NIGHT MESSAGE <input checked="" type="checkbox"/> | CABLE LETTER    |
| NIGHT LETTER                                      | WEEK END LETTER |

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

|            |              |
|------------|--------------|
| NO.        | CASH OR CHG. |
| CHECK      |              |
| TIME FILED |              |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Los Angeles, Sept. 20, 1929

F. W. Guernsey,

736 Granville St., Vancouver, B.C. Canada.

OFFICE COPY  
OF  
H. S. MUDD

Have you any knowledge recently reported discoveries at Premier and Selukwe mines Will appreciate telegram if you have information which you may be able to give Regards.

H. S. MUDD

CHG H S MUDD

Charge to the account of \_\_\_\_\_

\$ \_\_\_\_\_

| CLASS OF SERVICE DESIRED |                 |
|--------------------------|-----------------|
| DOMESTIC                 | CABLE           |
| TELEGRAM                 | FULL RATE       |
| DAY LETTER               | DEFERRED        |
| NIGHT MESSAGE            | CABLE LETTER    |
| NIGHT LETTER             | WEEK END LETTER |

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# WESTERN UNION

NEWCOMB CARLTON, PRESIDENT

J. C. WILLEVER, FIRST VICE-PRESIDENT

|            |              |
|------------|--------------|
| NO.        | CASH OR CHG. |
| CHECK      |              |
| TIME FILED |              |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

DAY LETTER

September 20 1929

MR H S MUDD  
1206 Pacific Mutual Bldg  
LOS ANGELES CALIF

RECEIVED  
SEP 25 1929  
Ans'd

FOLLOWING FROM WRIGHT QUOTE WETZLAR HAS QUITE GLOWING RECENT REPORTS

REGARDING NEW DISCOVERIES PREMIER AND SELUKWE MINES BRITISHCOLUMBIA

THINKS POSSIBLY WORTH YOUR WHILE MAKE INQUIRIES ALSO SUGGESTS CONSULT

HONNOLD REGARDING CONSOLIDATED DIAMONDS SOUTHWEST AFRICA UNQUOTE TODAY'S

LONDON PRICES  $2\frac{1}{4}$  1 10/3d 3 7/16  
9 13/16 3 13/16 2 11/32 1st N/B  
KOCBO KIZBA SELECTION TRUST KOBTY KIZBA ROANANTELOPE KOBBO KIVAX JATAL

8200 8300  
QUOTED OLGUC OLGVB

R E McCONNELL

Chge Foster McConnell &amp; Co

original in R E Mc  
folder Mayflower #2

THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE

MEMORANDUM

FROM: ROY W. MOORE

September 20, 1929

TO: HARVEY S. MUDD

---

J. B. Stapler advises that, in a conversation with Dr. Mandy, the latter told him that B. C. Silver has been working a property adjoining the Premier for a number of years, but that their efforts have been expended in the wrong direction. More recently they have been doing considerable crosscutting and have encountered what they believe to be the extension of the Premier shear zone. The grade and quality of ore could not be given by Dr. Mandy, but he understood that the grade was similar to that mined at the Premier.

ROY W. MOORE



RWM:DL