

H. GRANT HAR

ECONOMIC GEOL

314 HENDON AVENUE
WILLOWDALE, ONTARIO



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MEMBER: C.I.M.M.
G.A.C.
BOARD OF TRADE

November 18, 1974.

Officers and Directors,
Gateford Mines Ltd.,
1402 - 390 Bay St.,
Toronto

Interim Report - Teck & Otto Twps.

Gentlemen,

To date, 8 holes totalling 2879 linear feet have been drilled, logged, sampled and assayed. One hole (421 feet) was drilled for assessment purposes. One hole (350 feet) was drilled in a barren area. One hole (400 feet) was drilled east of the Main Diabase Dike and located a new area warranting further drill exploration. The remaining 5 holes (1708 feet) were drilled west and south of the Main Shaft and have located an area containing several veins carrying appreciable amounts of gold. Drilling is continuing with one hole now nearing completion and 3 holes spotted.

Area West of Main Shaft

5 holes drilled - 1708 linear feet.

<u>Hole No.</u>	<u>Footages</u>	<u>Length - feet</u>	<u>Oz. Au</u>
G74-2	147- 152	5.0	0.32
G74-4	138 - 139.2	1.2	1.35
	208 - 212.6	4.2	0.14
	269 - 271.2	2.2	0.47
G74-8	110 - 115	5.0	0.085
G74-9	238 - 240	2.0	0.42
	240 - 243	3.0	0.17
G74-10	303.5 - 308.5	5.0	0.14

The veins intersected in the above drill holes lie some 400 feet west and south of the Main Shaft. An old stope lies approximately 100 feet north of the intersections and several of the holes ended when they broke into the stope. Another stope lies south of the drill hole collars. Thus, surface drilling in this area is physically limited while

underground drilling would be relatively easy and possibly cheaper. The vein system is still open to the east and west. Currently, one more hole is planned to the east. In my opinion, drill results to date justify further drilling in this area but I am not certain that it is in the best interests of the Company to do so.

The goal of the Gateford surface drill program is to locate sufficient vein intersections of reasonable grade to warrant de-watering the mine. Ore shoots at the Gateford were relatively short and rich and because of the proximity of the mine workings new vein intersections can be appraised more accurately and in greater detail from underground than from surface. In my opinion the general area described above can best be evaluated by underground methods and therefore the surface drill should be used to search for other, similar areas so that the mine can be de-watered as soon as practical.

Area East of Main Diabase Dike

1 hole drilled - 400 linear feet.

<u>Hole No.</u>	<u>Footages</u>	<u>Length: feet</u>	<u>Ozs. Au</u>
G74-6	310 - 311.3	1.3	0.17
	311.3 - 312.3	1.0	11.18

This area lies approximately 600 feet east of the Main Shaft, just east of the Main Diabase Dike, some 500 feet east of the 225 foot level heading, and some 250 feet east of the 475 level heading. The vein intersection is a brand new discovery and is readily accessible from the mine workings.

None of the Gateford mine workings lie east of the Main Diabase Dike. Therefore, the possibility of finding a new series of veins east of the Main Dike is clearly indicated by the results of G74-6. At present a 60 degree hole beneath G74-6 is being drilled and a second hole, 50 feet to the east and parallel, is spotted.

The rich vein intersection was discovered as a result of a routine cross-sectional drill program east of the Main Dike and G74-6 was the first of the planned cross-sectional drill holes. A second cross-sectional drill hole has been spotted and will be drilled in the near future.

Other Possibilities

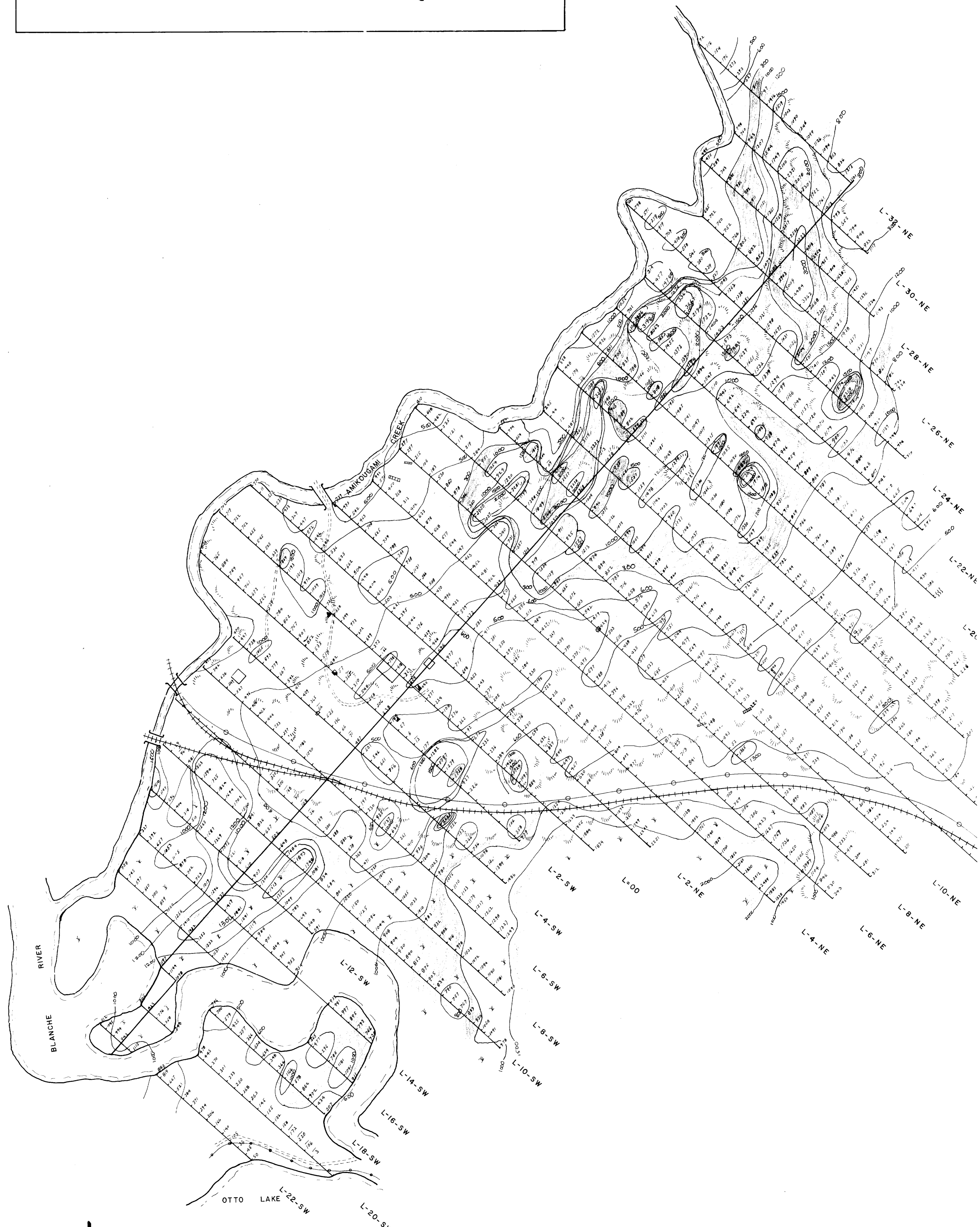
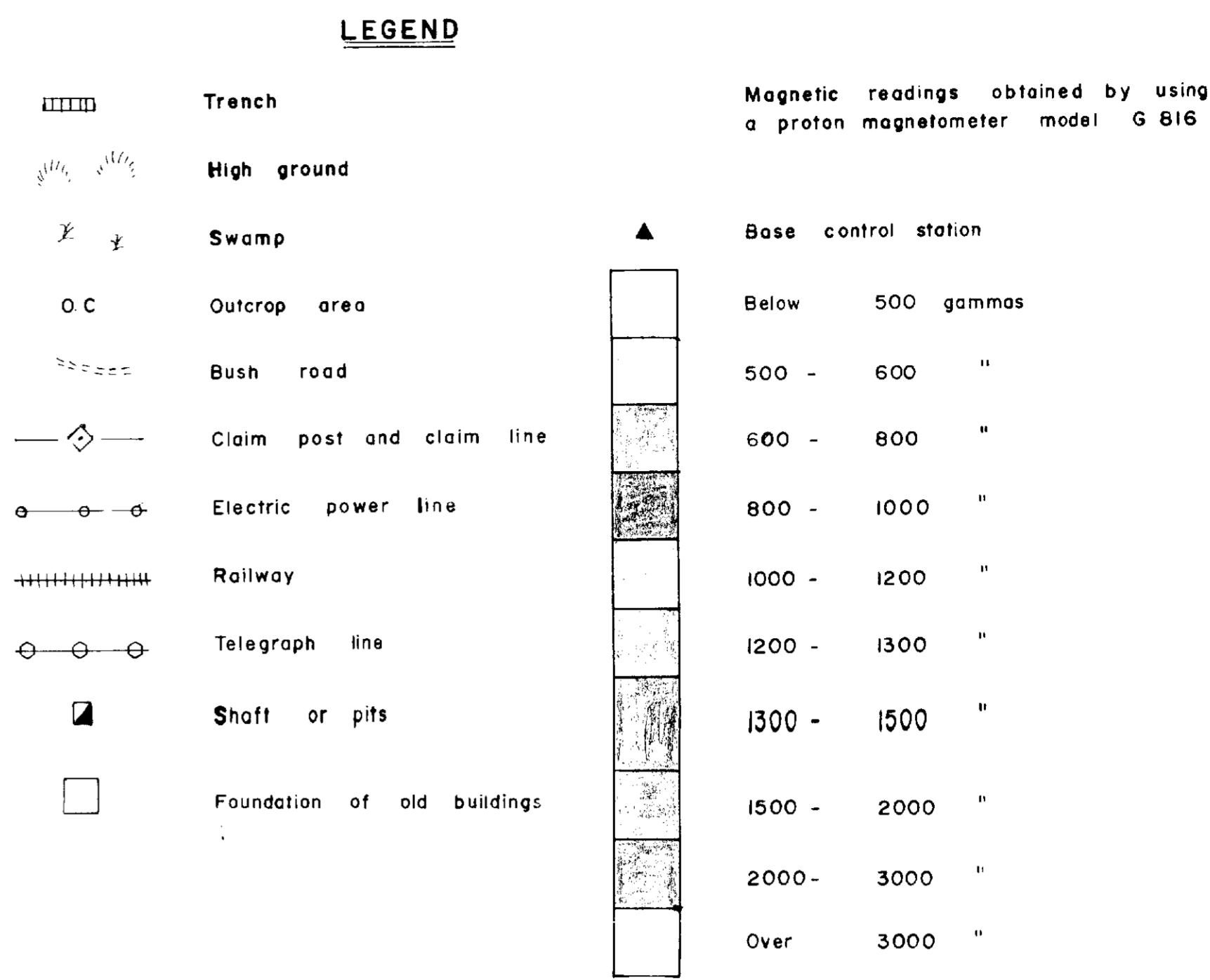
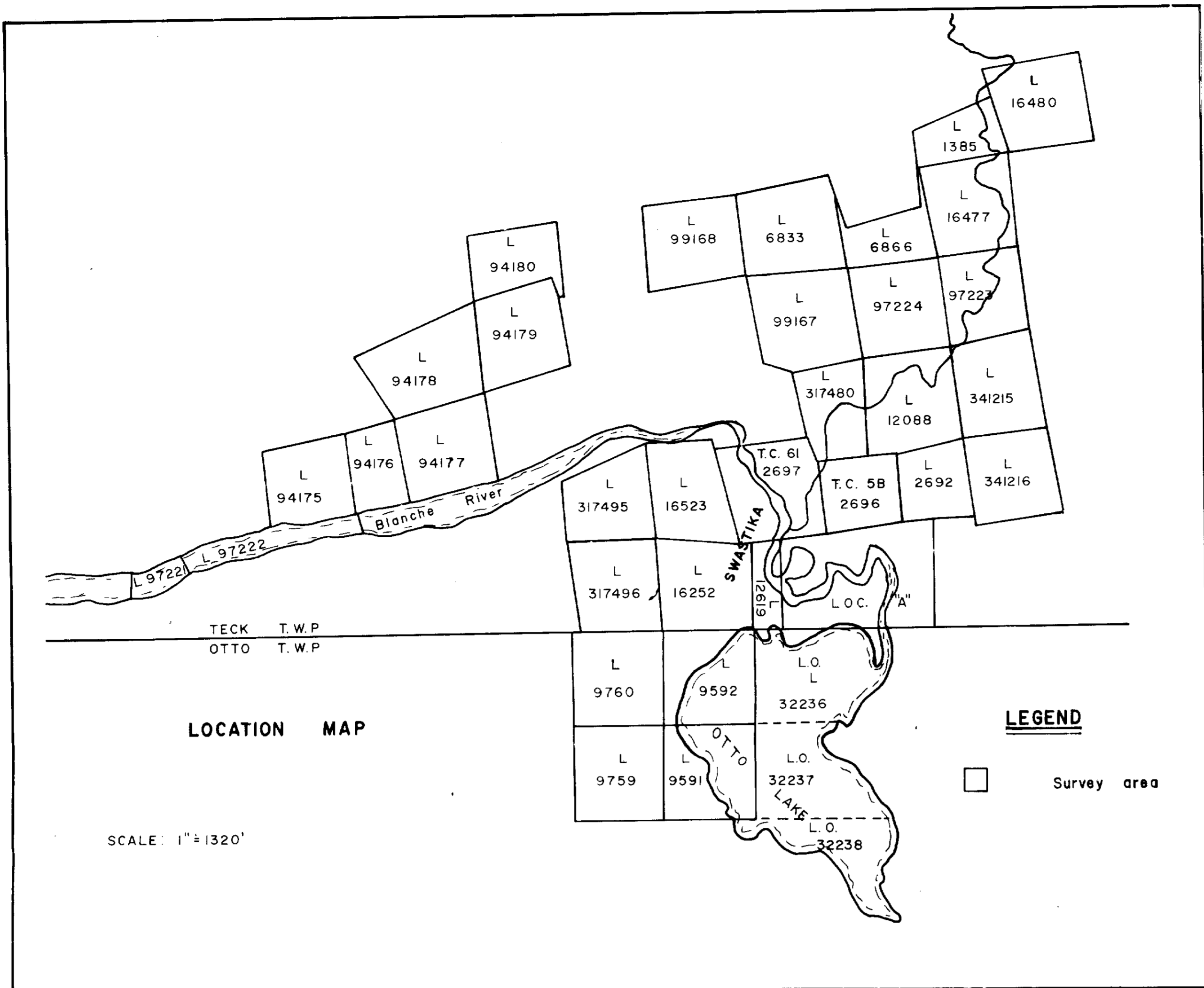
There are other locations in close proximity to the Gateford mine workings where surface drilling may locate unmined gold bearing veins. One of these lies immediately west of the Main Diabase Dike, some 300 feet southeast of the Main Shaft and above the 475 level workings. Another attractive area lies some 700 feet southwest of the Main Shaft and beneath the railway tracks. It is the writer's opinion that these areas should be probed to a limited degree and if several favourable intersections can be encountered then the Company should consider the practicality of underground evaluation.

CONCLUSIONS AND RECOMMENDATIONS

1. With 8 holes and 2879 feet of drilling completed the Gateford surface drill program has defined one area where underground evaluation is highly desirable.
2. One drill hole has intersected an unusually high grade vein in an unmined area that is readily accessible through the mine workings.
3. There are at least two other areas which appear attractive as drilling bets. These are also accessible through the mine workings.
4. I recommend that the Company pursue its present policy which is to establish a sufficient number of areas containing gold bearing veins to justify de-watering the mine at which time the several veins can be accurately evaluated. Such areas can be located and tested by surface drilling. It is estimated that this will require a minimum of 3000 linear feet of drilling and will cost about \$40,000.

Respectfully submitted,

H. G. Harper.



GEND

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GATEFORD MINES LIMITED

TECK & OTTO TOWNSHIPS
LARDER LAKE MINING DIVISION

Magnetic readings obtained by using
a proton magnetometer model G 816

MAGNETIC SURVEY DATA

SCALE: 1" = 200'

