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MAJOR GOLD DEVELOPMENT LOOMS

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May 4th, 1950

MAJOR GOLD DEVELOPMENT LOOMS AT NEW GOLDVUE MINES LIMITED

In the history of Canadian mining, the discovery and development of big gold deposits have been rare events. With a few notable exceptions such as Hollinger, Dome and McIntyre which were spectacular from birth major gold deposits are slowly developed. Moreover, their advent is received with considerable skepticism by the general public.

Even when there is factual evidence that a deposit may be large it takes time to reveal the entire picture and, of course, it takes money. The development steps are logical and well-established. Surface work, diamond drilling, shaft sinking, lateral work, blocking out of ore and construction of a mill follow each other in regular sequence. These steps are taken whether the deposit proves to be small, medium or large.

DEVELOPMENT PROBLEMS: If in the course of ore development, or even in the exploration stage, evidence is produced that the deposit may indeed be large, directors are faced with a number of difficult problems. The alternative of starting production at a low rate and gradually building it up or laying plans at once for large scale operations presents itself. In most cases it simply is not possible to finance a large mine in one move. It is necessary to nurse the project along. This was even true in the case of Kerr-Addison which is only now hitting its normal stride with a 3,000 ton mill, after seven years of intensive and large scale development.

Kerr-Addison was a case of a deposit which lay idle for nearly 25 years before its real potentials were believed. The structure was new to gold mine operators and for a long time they did not realize its significance. Gold was found in a series of narrow veins in carbonates; these veins ran in various directions, parallel and transverse. Ordinary sampling did not secure definite results suggesting large tonnages.

Later a determined attempt to solve the tantalizing problem was made and it succeeded. Kerr-Addison is now the largest gold producer in Canada.

PROFESSIONAL OPINION: The New Goldvue property offers a similar condition. Mr. Reginald E. Hore, consulting geologist, one of the first professional men to study the Kerr-Addison years ago, visited the New Goldvue property recently and the following comments are taken from his report: "What I saw at the Goldvue reminded me particularly of early exploration at Larder Lake where I first saw, in 1906, the gold discoveries on what is now the Kerr-Addison. Many years passed before the nature of the ore deposits at Larder Lake were fully understood. The information now available from productive operations there and in other parts of the Pre Cambrian will be useful in your further development of the Goldvue Mine. THE GOLDVUE DEPOSITS RESEMBLE THE KERR-ADDISON MORE THAN DO ANY OF THOSE GOLD DEPOSITS THAT I HAVE SEEN IN OTHER PRODUCING AREAS."

After reviewing results of development, Mr. Hore continues: "What has been learned underground at the Goldvue shows that your mining has disclosed many features known to be favorable AND THAT YOU HAVE AN EXCEPTIONALLY GOOD CHANCE OF MAKING AT LEAST ONE PRODUCER ON YOUR LARGE PROPERTY. IT MAY BECOME A BIGGER MINE THAN YOU, YOURSELVES, REALIZE. IT HAS MANY OF THE EARMARKS OF A BIG ONE."

Only about 8 acres of the 2,500 acres covered by the New Goldvue property have as yet been tested. Work done to date on this acreage includes: surface bulldozing which revealed a series of veins, some showing visible gold; extensive diamond drilling from surface; the sinking of a three-compartment shaft to 400 feet; the opening of two levels at 190 and 350 feet; the driving of crosscuts and drifts, widespread underground diamond drilling. The shaft is now being deepened to 850 feet, with three new levels to be opened at 500, 650 and 800 feet.

ACTUAL ORE RESULTS: Underground work on the 190 and 350-ft. levels quickly established a set of ore conditions in the carbonates which resembles those of Kerr-Addison. Several veins were encountered in crosscutting through the carbonates. Of these the more important appear to be: "A", "B", "C", "D", "E", "F" and "G". On the "D" vein 590 feet of drifting was done and left open at both ends. Of this length 500 feet was sampled by blasting down the roof of the drift and 150 tons were sent to the Quebec Government laboratory where it averaged in excess of $7.00 per ton (gold at $35 an ounce). Later development of "E" vein tended to give it superiority over "D" vein in widths and values. Recently diamond drilling has extended the length of "E" vein to 200 feet and at the north end a hole lately cut a 17.5 ft. true width of ore grading $5.13 per ton, 7.0 ft. of which assayed $8.22 per ton. Another vein which has offered substantial promise is called "C", in "C" zone, which has a width of at least 125 ft. in the carbonates and in which large tonnages of commercial ore have been indicated. Actually this appears to be the most important area in the mine yet tested, because of its large size and consistent values.

Gold values are found in such veins as "C", "D" and "E" which are almost vertical in posture; in cross fractures which cut the main vein at angles; in flat veinlets and in the carbonates themselves. Bulk sampling, such as that done on "D" vein, is essential to get a real idea of the values. It is obvious that the gold bearing structure is extensive.

There is a definite suggestion in the entire development of New Goldvue that it is in the intermediate stage of becoming a major gold mine. This opinion is growing amongst engineers and geologists who have been studying the property independently and who have carefully noted the similarity of conditions with those which resulted in the development of the Kerr-Addison.

While it would be entirely possible at this stage to estimate sufficient ore in sight to justify the erection of a 500-ton mill, - based on actually developed ore and on tonnages indicated by diamond drilling - the ultimate objective is much more important.

THE REALISTIC OUTLOOK: New Goldvue shares should not be regarded as a "turn-over" proposition for a quick and small market profit. On the contrary, the ore outlook is such that the whole project should be considered from the viewpoint of holding for future developments. While this kind of suggestion might be made on many developing mines it has peculiar weight in this instance.

Development will take some time, a lot of hard work and considerable money. The effort to date has been amply rewarded, considering that mines which have a multiplicity of veins and an embarrassment of ore faces make apparently slower overall progress than those which are working a single vein. Yet the aggregate of ore results is immensely important.

It is almost impossible to suggest in bald engineering terms the potentialities of a property, nearly 90% of which is covered with a mantle of earth, but which has, where uncovered, drilled and tested undergound, responded so quickly and generously. The structure is such that it may be repeated many times on the 2,500 acre property. Of course, the immediate concern of directors is to develop the mine at the present location and to go on from there.

It is a proven adage in the mining industry that nobody ever lost money buying an interest in big ore bodies, particularly in the early development stages.

RECOMMENDATION

TO THOSE WHO ARE SEEKING AN INTEREST IN A GOLD DEPOSIT WHICH PROMISES TO DEVELOP INTO A MAJOR PRODUCER NEW GOLDVUE IS RECOMMENDED AS A PURCHASE TO HOLD.