GIANT YELLOWKNIFE GOLD MINES LIMITED

(NO PERSONAL LIABILITY)

Annual Report

For Year Ended May 31,

1951

Ninth Annual Report

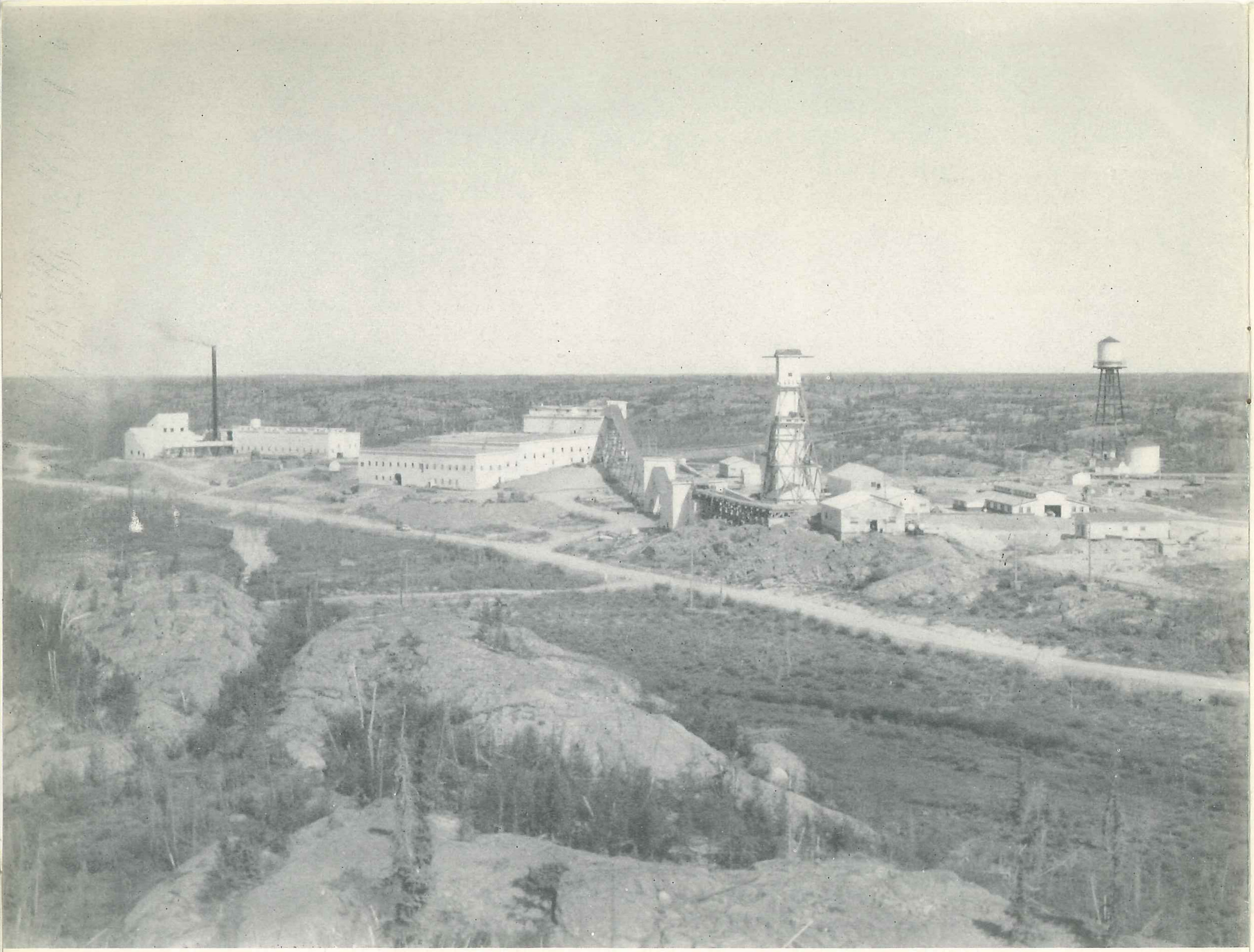
Annual Meeting of Shareholders

Monday, September 17, 1951, at 10 a.m. (E.D.S.T.)

in the Blue Room

King Edward Hotel,

37 King Street East, Toronto, Canada.



PHOTOGRAPH COURTESY
JOHN RENNIE, YELLOWKNIFE, N.W.T.

"C" SHAFT — TREATMENT PLANT AREA.

Giant Yellowknife Gold Mines Limited

(No Personal Liability)

HEAD OFFICE:
25 King Street West, Toronto, Ontario

MINE OFFICE:
Yellowknife, N.W.T.

OFFICERS:

T. LINDSLEY
President

A. J. ANDERSON
Vice-President

W. B. MALONE
Treasurer

A. C. CALLOW
Secretary

DIRECTORS:

T. LINDSLEY
A. K. ROBERTS, K.C.
R. PIELSTICKER
E. V. JAEGER
A. J. ANDERSON
J. BRADLEY STREIT
W. F. JAMES

A. K. MUIR
General Manager

A. S. DADSON
Consulting Geologist

E. V. NEELANDS
Consulting Engineer

TRANSFER AGENTS AND REGISTRARS:

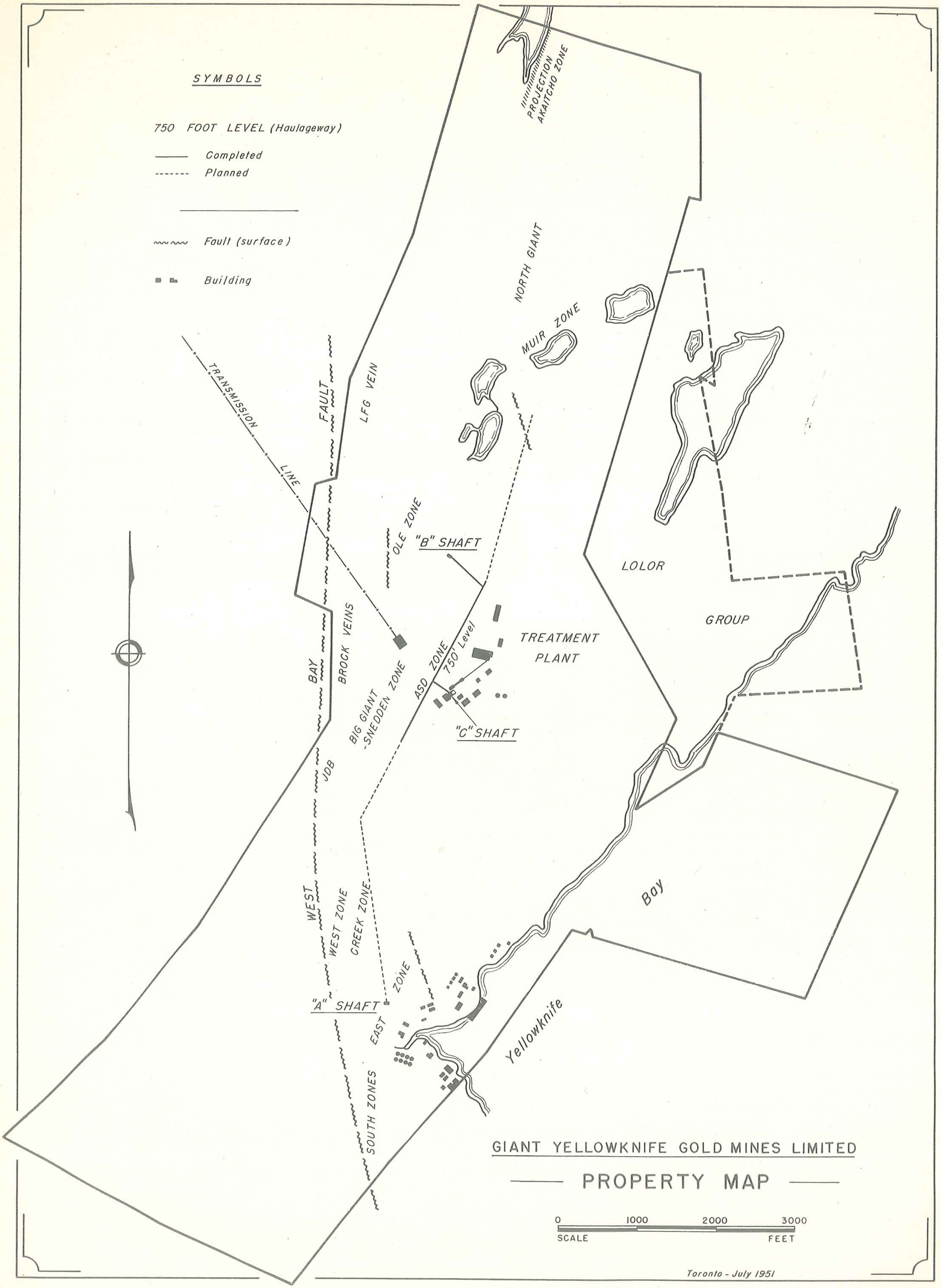
THE STERLING TRUSTS CORPORATION
372 Bay Street, Toronto 1

REGISTRAR AND TRANSFER COMPANY
2 Rector Street, New York 6, N.Y.,
15 Exchange Place, Jersey City 2, N.J.

BANKERS:
THE CANADIAN BANK OF COMMERCE
Toronto, Ontario

AUDITORS:
GUNN, ROBERTS AND CO.
Toronto

SOLICITORS:
ROBERTS, ARCHIBALD, SEAGRAM & COLE
Toronto


SYMBOLS
750 FOOT LEVEL (Haulageway)
Completed
Planned
Fault (surface)
Building
PROJECTION AKAITCHO ZONE
NORTH GIANT
MUIR ZONE
TRANSMISSION LINE
FAULT
LFG VEIN
OLE ZONE
"B" SHAFT
LOLOR
GROUP
TREATMENT PLANT
750' Level
ASD ZONE
BAY
BROCK VEINS
BIG GIANT -SNEDDEN ZONE
"C" SHAFT
JDB
WEST
WEST ZONE
CREEK ZONE
Bay
"A" SHAFT
EAST ZONE
SOUTH ZONES
Yellowknife
GIANT YELLOWKNIFE GOLD MINES LIMITED
PROPERTY MAP
0
1000
2000
3000
SCALE
FEET
Toronto - July 1951

Giant Yellowknife Gold Mines Limited

(No Personal Liability)

REPORT OF THE PRESIDENT

Toronto, Ontario,
August 9th, 1951.

To the Shareholders,
Giant Yellowknife Gold Mines Limited.

Your Directors respectfully submit for your consideration the Annual Report of your Company for the year ended May 31st, 1951. A report by the General Manager, and a Balance Sheet with Statement of Operations, are included.

Production results for the year were encouraging; net profit after all write-offs amounts to $1,205,889.94. In accordance with the long-range policy of building up the operation to its maximum economic rate, substantial expenditures were made on the construction of plant and camp buildings and on the major development program at C (No. 3) Shaft. The entire cost of the development and expansion program during the year, amounting to more than one and a half million dollars, was paid for from earnings, all loans were fully paid off, and working capital was increased by approximately $580,000.

As three years of operation were completed on May 31st, 1951, the exemption from Dominion income tax as a new mine ceased on that date. However, in its taxable years, the Company will be allowed substantial write-offs, including those amounts written off on its books during the exemption period but which were deferred for tax purposes.

This year's financial statements include a statement of Source and Application of Funds which shows the disposition made of the earnings of the Company. You will note that construction supplies and mine stores were increased; this is chiefly to provide for the materials required for the expansion program. Additions to buildings, machinery and equipment include the C Shaft headframe and bins, shops and warehouses, new bunk houses and other housing in the camp area, and the major portion of the cost of the Cottrell plant which is to be completed this summer. Deferred development consisted chiefly of the completion of the sinking program at C Shaft, and lateral development from the new levels established at that Shaft.

Steady progress is being made towards the objecive of a production rate of 700 tons per day, which it is hoped will be achieved in a year from now. Plans are also being prepared for a further increase to 1,000 tons per day if conditions permit. The mine is capable of expansion well beyond that point but, until the picture is clearer regarding the future of gold, perhaps it would be wise to postpone consideration of anything beyond 1,000 tons per day for the present.

Development work from C Shaft is proceeding actively and the disclosures so far are well up to expectations. The General Manager's Report will give you the details. Before long, consideration will have to be given to a new exploratory shaft situated somewhere between B Shaft and the northern boundary. Your Directors believe that this section offers attractive possibilities and the area will be attacked as soon as conditions permit.

The supply of skilled miners is at present a source of concern to your Directors, and the intense mining and industrial activity in the Western Provinces is drawing many miners to that area.

Once more your Directors wish to express their gratitude for the excellent conduct of the affairs of your Company by your capable General Manager, Mr. A. K. Muir, and his loyal staff and employees.

On behalf of the Board,

T. LINDSLEY,
President.

Giant Yellowknife Gold Mines Limited

(No Personal Liability)

STATEMENT OF EARNED SURPLUS

For the year ended May 31, 1951

Balance at June 1, 1950		$ 624,645.93
Net profit for the year ended May 31, 1951		1,205,889.94
		$ 1,830,535.87
Deduct interest in Resdelta Timber Ltd. written off		24,000.00
Balance at May 31, 1951		$ 1,806,535.87

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended May 31, 1951

Funds were obtained from operations as follows:		
Net profit as per statement of operations	$ 1,205,889.94	
Add amortization, depreciation and loss on disposals of buildings, machinery and equipment which did not require current cash outlays	1,229,282.90	
	$ 2,435,172.84	
Deduct interest in Resdelta Timber Ltd. written off to surplus during year	24,000.00	
Total of available funds		$ 2,411,172.84
Funds were applied as follows:		
Increase in construction supplies and mine stores	$ 288,621.97	
Additions to buildings, machinery and equipment less proceeds from disposals	1,133,244.39	
Payment on option to purchase Lolor Group mining claims (and exploration expenditures thereon)	28,548.37	
Shaft sinking and other deferred development expenditures	382,026.31	
Increase in sundry deferred charges and prepaid expenses	46,934.18	
	$ 1,879,375.22	
Less decrease in advances on machinery orders and to contractors	47,903.97	1,831,471.25
Leaving a balance to increase working capital of		$ 579,701.59
Working capital at May 31, 1950	$ 43,106.35	
Add increase as above	579,701.59	
Working capital at May 31, 1951	$ 622,807.94	

Giant Yellowknife Gold Mines Limited

(No Personal Liability)

STATEMENT OF OPERATIONS

For the year ended May 31, 1951

Metal Production:		
Gold 111,496.799 oz.	$ 4,164,439.96	
Silver 35,039.45 oz.	30,704.32	
Deduct:	$ 4,195,144.28	
Marketing expenses	37,106.64	$ 4,158,037.64
Add:		
Estimated assistance under The Emergency Gold Mining Assistance Act		267,873.99
		$ 4,425,911.63
Operating Expenses:		
Surface exploration	$ 34,774.50	
Current mine development	131,584.60	
Stope preparation	141,016.82	
Stoping	555,994.45	
Milling and roasting	651,124.29	
Undistributed cost of primary power used for secondary purposes	38,223.11	
Engineering, geological, warehousing supervision and mine office expenses	170,970.04	
General expenses at the property	188,441.73	
Administrative and corporate expenses	63,528.24	
Interest on bank loans	3,586.17	1,979,243.95
		$ 2,446,667.68
Amortization of preproduction expenses	$ 324,258.97	
Amortization of shaft sinking and other deferred development expenses	112,595.94	
Depreciation of buildings, machinery and equipment	777,497.12	
Loss on disposals of buildings, machinery and equipment	14,930.87	1,229,282.90
Deduct:		$ 1,217,384.78
Provision for royalty to Government of Canada	$ 30,758.22	
Less prior year adjustment	12,929.73	17,828.49
		$ 1,199,556.29
Miscellaneous income		6,333.65
Net Profit		$ 1,205,889.94

Note: The Company is exempt from income taxes of Canada for the year ended May 31, 1951, under Section 74 of The Income Tax Act.

GIANT YELLOWKNIFE G

(NO PERSONAL

(Incorporated under the Laws

Balance Sheet —

ASSETS

Current Assets:			
Cash on hand and in bank		$ 782,213.83	
Bullion on hand and in transit		227,514.41	
Government bonds on deposit with Northwest Territories Power Commission at cost (market value $46,450.00)		49,875.00	
Accounts and accrued interest receivable		26,844.82	
Estimated amount receivable under The Emergency Gold Mining Assistance Act		213,000.00	$ 1,299,448.06
Fixed Assets:			
Mining claims acquired for 1,200,000 shares issued at par and $500.00 cash		$ 1,200,500.00	
Buildings, machinery and equipment at cost	$ 5,322,597.47		
Less depreciation provided to date	1,916,381.82	3,406,215.65	4,606,715.65
Construction Supplies and Mines Stores at Cost:			
On hand		$ 801,151.67	
In transit		495,425.49	1,296,577.16
Option to Purchase Mining Claims Contiguous to Company's Properties			50,000.00
Other Assets:			
Advances to contractor		$ 3,500.00	
Prepaid expenses		36,347.25	
Deposits and other assets		6,429.00	46,276.25
Expenditures Deferred to Future Operations:			
Preproduction expenses	$ 2,161,726.50		
Less amortized to date	972,776.93	$ 1,188,949.57	
Deferred shaft sinking and other development expenditures	$ 750,639.60		
Less amortized to date	176,176.53	574,463.07	
Sundry deferred charges		58,022.33	1,821,434.97
			$ 9,120,452.09

AUDITORS' REPORT TO T

We have made an examination of the balance sheet of Giant Yellowknife Gold Mines Li
and earned surplus for the year then ended and have obtained all the information and explana
auditing standards, and accordingly included such tests of the accounting records and such oth

In our opinion the above balance sheet and related statements of operations and earne
results of its operations for the year then ended, in conformity with generally accepted accoun
the best of our information and the explanations given to us, and as shown by the books of th

Toronto, August 9, 1951.

GOLD MINES LIMITED

IAL LIABILITY)

aws of the Province of Ontario)

— *May 31, 1951*

LIABILITIES

Current Liabilities:		
Payrolls payable	$ 45,527.83	
Accounts payable and accrued liabilities	631,112.29	$ 676,640.12
Capital and Surplus:		
Capital Stock:		
Authorized—4,000,000 shares of $1.00 each		
Issued —4,000,000 shares	$ 4,000,000.00	
Premium less discount	2,637,276.10	
	$ 6,637,276.10	
Earned surplus as per statement	1,806,535.87	8,443,811.97
		$ 9,120,452.09

TO THE SHAREHOLDERS

ies Limited (No Personal Liability) as at May 31, 1951, and the related statements of operations
planations we have required. Our examination was made in accordance with generally accepted
h other auditing procedures as we considered necessary in the circumstances.

earned surplus present fairly the financial position of the company at May 31, 1951, and the
counting principles applied on a basis consistent with that of the preceding year, according to
of the company.

GUNN, ROBERTS and CO.,
Chartered Accountants.

Giant Yellowknife Gold Mines Limited

(No Personal Liability)

REPORT OF THE GENERAL MANAGER

August 1st, 1951.

The President and Directors,
Giant Yellowknife Gold Mines Limited.

Dear Sirs:

The following report on the operations of the Company for the fiscal year ended May 31st, 1951, is submitted for your consideration.

The major projects during the year were the completion of sinking at C (No. 3) Shaft and commencement of lateral development from that opening, the construction of additional service buildings in the C Shaft — Treatment Plant area and of living accommodation at the main camp, and the preliminary work in connection with the proposed increase in the milling rate to 700 tons per day.

Sinking at C Shaft was completed to the initial objective of 1,029 feet during the summer of 1950. At the end of the fiscal year, lateral work was well advanced on the bottom (750) level with very encouraging results in the development to date. The connection on 750 level to B (No. 2) Shaft workings was made in June, 1951, and this drive, and its extension to the north, will be used for ore haulage to C Shaft and for development of the B Shaft structure, including the 409 and "Lower" orebodies, on this level. At B Shaft, from which practically all the mill feed was obtained during the year, work was confined to stope preparation and mining, with minor primary development on the first level. Stoping operations have continued to produce consistently high grade ore at this shaft.

The milling rate was maintained at an average of approximately 415 tons per calendar day with mill heads averaging 0.84 oz/ton. At this tonnage, and with the ratio of concentration being obtained on B Shaft ore, the roasting plant is operating at about its effective capacity. Overall extraction, at 87.2%, was slightly improved over the previous year.

As noted in the last Annual Report, orders were placed for a Cottrell plant for the collection of arsenic from the roaster fumes. The electrical equipment was delivered to the property last summer, but delays in fabrication of the building steel work prevented delivery during the navigation season. In order to expedite the installation of this plant, the steel work was shipped from the railhead to the mine by winter freight during April and May, and erection of the plant was commenced immediately.

Following the decision to increase the milling rate to 700 tons per day, designs were completed and orders placed for the additional flotation and cyanidation equipment required, and for a roaster of the fluo-solids type. Roasting capacity in the new and existing units will be about 110 tons of concentrates per day, equivalent to a milling rate of from 800 to 1,000 tons per day at the average ratio of concentration expected from the ore developed to date. The addition to the existing mill building will be of the same size as the original unit so that additional grinding and other equipment can be installed for further expansion when warranted. Construction work was commenced on this project during the year under review, and if deliveries are made on schedule and the additional labour is available, the increase should come into effect during the second quarter of 1952.

The cost of labour and supplies increased substantially during the year, but operating costs per ton were reduced, due chiefly to the increase in the average milling rate as compared with the previous fiscal year. Labour turnover continued to be high, and there is no indication at present of any improvement in this situation.

TREATMENT PLANT

The following is a summary of operating data, extraction and recoveries. During the year, the average price received for gold was $37.35 per ounce, while the price of Silver averaged 87.6 cents per ounce.

Dry Tons Milled: Year	151,814	
Average per day	415.9	
Calculated Mill Heads, per ton	0.842 oz.	$ 31.45

Recoveries

(a) by Amalgamation	22,190.05 ozs.	
(b) in Flotation Concentrates		
Tons Concentrates produced	17,659	
Average Grade, per ton	5.597 oz.	$209.05
Ratio of Concentration	8.6 to 1	
Flotation Tailings, per ton	0.051 oz.	$ 1.90
Combined Extraction by Amalgamation and in Flotation Concentrates	94.65%	
(c) by Roasting and Cyanidation		
Tons Treated	17,659	
Gold recovered	89,306.75 ozs.	
Extraction	90.35%	
Cyanide Residues, per ton of calcine	0.691 oz	$ 25.81
Indicated Overall Extraction	87.2%	

Summary of Recoveries

Gold: by Amalgamation	22,190.05		
by Cyanidation	89,306.75	111,496.80 ozs.	$ 4,164,439.96
Silver: Total Recovered		35,039.45 ozs.	30,704.32
Gross Value of Production			$ 4,195,144.28

UNDERGROUND OPERATIONS

C (No. 3) Shaft

Sinking of this main production opening reached the initial objective at 1,029 feet in July, 1950, with partial station cutting at the 100, 250, 425, 575, 750 and 950 levels, and at the 900 ft. horizon for the main loading pocket. Initial station cutting was also carried out at the 810 ft. horizon for a future underground crusher station. During the following months, station cutting was completed on all levels from the 250 to the 750 horizons and ore and waste passes were driven from the loading pocket to the 750 and 575 levels. Drifting on the 750 horizon, the bottom working level, was started in January, 1951, at three shifts per day to the north and on a two-shift basis to the south. At May 31st, these headings were respectively 1,450 feet north and 860 feet south of the C Shaft section. The crosscut westerly from the north heading for the connection to B Shaft had advanced to within 60 feet of its objective by May 31st, and the connection was made in early June.

Cross-sectional diamond drilling at 100 ft. intervals was carried out contemporaneously with the drifting to the north and south on the 750 level. From the shaft crosscut to the north, a length of 1,300 feet of apparently continuous ore was indicated by this drilling, for which preliminary estimates show approximately 150,000 tons averaging 0.53 oz/ton, without dilution allowance, between the 750 and 575 levels. To the south of the shaft results to date have been more erratic. Although important intersections have been obtained, these are difficult to correlate, and more closely spaced holes will be required before ore shoots can be defined.

Initial development was also started in the upper horizons of the ASD' zone from C Shaft and it is planned to prepare the area immediately north of the shaft for mining as soon as practicable.

The following is a summary of the work accomplished at C shaft to the end of the fiscal year.

		During Year Ended May 31, 1951	Total to May 31, 1951
Shaft Sinking	(ft.)	179	1,029
Station Cutting	(cu. ft.)	70,430	122,684
Loading Pocket	(cu. ft.)	6,168	6,168
Ore and Waste Passes: Raising	(ft.)	1,226	1,226
Slashing	(cu. ft.)	15,720	15,720
Sumps	(cu. ft.)	23,850	23,850
Drifting and Crosscutting	(ft.)	4,226	4,226
Slashing	(cu. ft.)	33,148	33,148
Underground Diamond Drilling	(ft.)	15,973	15,973

B (No. 2) Shaft

The following is a summary of the development at this shaft to the end of the fiscal year.

		During Year Ended May 31, 1951	Total to May 31, 1951
Shaft Sinking	(ft.)	--------	780
Station Cutting	(cu. ft.)	--------	43,902
Loading Pockets	(cu. ft.)	--------	13,260
Sumps	(cu. ft.)	--------	27,192
Drifting and Crosscutting	(ft.)	2,234	15,461
Raising—Development	(ft.)	295	2,764
Stope	(ft.)	321	1,180
Fill	(ft.)	1,069	1,095
Box Holes—X-Cutting and Raising	(ft.)	1,058	9,291
Slashing	(cu. ft.)	18,308	165,478
Underground Diamond Drilling	(ft.)	26,058	117,261

The major portion of the lateral work carried out during the year was for fill distribution in the new cut-and-fill stopes. A limited amount of drifting was done on the first level in a previously unexplored area south of the original workings. This work indicated important amounts of medium grade ore, but further development is required before definite tonnages can be established. As noted previously in this Report, the 409 and Lower orebodies will be developed during the current fiscal year from the main haulage drift on the 750 level which is being driven to this area from C Shaft.

Production

During the year, 151,814 tons of ore were milled, of which 147,393 tons were obtained from B shaft workings and 4,421 tons from final clean-up of No. 1 Ore Dump.

B Shaft production was obtained from fifteen active stopes, of which six were in course of preparation during the year, with a limited tonnage from development on the first level.

Ore Position (B Shaft)

Developed ore reserves at this shaft at the end of the fiscal year were estimated at 590,000 tons averaging 0.73 oz/ton, including pillars and allowing for normal dilution. Broken ore reserves, which are included in this total, reached a maximum of 103,500 tons in November, 1950, and have since been reduced to 91,000 tons averaging 0.72 oz/ton at the end of the fiscal year. This reduction is largely due to the change-over to cut-and-fill methods of stoping.

Preliminary estimates from diamond drilling only in the 409 and Lower orebodies, including additional drilling during the fiscal year, indicate approximately 676,000 tons averaging 0.62 oz/ton, including dilution allowance, above the 750 level. The development planned for the present fiscal year will bring at least a portion of this tonnage into the Developed Ore category.

RESUMÉ OF THE DEVELOPMENT PROGRAM

With completion of sinking at C Shaft, lateral development is being carried to the north and south on the 750 level and drifting has also been started in the upper horizons of the ASD zone. Connection to B Shaft has been made from the 750 level north heading, and this drive will be continued to the north to develop the 409 and Lower orebodies. As noted previously, cross-sectional diamond drilling from this heading has already indicated apparently continuous ore of good grade for a length of 1,300 feet north of the shaft crosscut.

The south heading on the 750 level has as its objective the development of the ASD Zone south of C Shaft and connection with A (No. 1) Shaft, which will be deepened to that horizon. Development of the Creek Zone, West Zone, East Zone, and the South Zones will be carried out as soon as the connection to A Shaft workings is completed. The earlier work in these zones, including surface diamond drilling and preliminary development from A Shaft, indicated approximately 1,000,000 tons of ore averaging 0.40 oz/ton, with normal dilution allowance, above the 325 level; of which over 80% was well above this average grade.

EXPLORATION FROM SURFACE

Surface drilling, amounting to 14,285 feet, was carried out during the summer of 1950, chiefly as exploratory drilling in the northern portion of the property. While the holes were widely spaced, three potential ore structures were indicated, — the southerly extension of the Akaitcho zone, the flat-lying North Giant zone, and the easterly dipping Muir zone.

In the Muir zone, important intersections were obtained in four holes at depths between 300 and 500 feet; respectively 5.5 feet at 0.53 oz/ton, 29 feet at 0.57 oz/ton, 154 feet averaging 0.47 oz/ton, and 5 feet of 1.00 oz/ton. Although further work is required to determine its shape and extent, it is considered from previous drilling experience that the presence of an orebody has been established.

No ore was proven in the North Giant zone, but several intersections of good grade were obtained, indicating the possibility of defining ore shoots by more detailed work in this area.

Two holes, drilled on a section 600 feet south of the Akaitcho boundary, intersected the extension of the Akaitcho zone. The upper hole obtained a core length of 14 feet averaging 0.18 oz/ton at a depth of 500 feet and the lower hole cut 12 feet at 0.26 oz/ton at a depth of 600 feet. The presence of the Akaitcho zone at this location on the property opens up excellent possibilities for exploration of this structure both on strike and dip.

Two holes drilled jointly by Atlas Yellowknife, Mate Yellowknife and the Company at the common corner of the three properties, intersected a shear zone which may represent the northerly extension of the North Giant structure. Both these holes flattened excessively and were stopped before the shear zone was crosscut completely.

CONSTRUCTION

At C Shaft, the permanent ore and waste bins were erected and sprinklers installed in the headframe. Conveyor "A", from the shaft ore bin to the crushing plant, was installed and is now in operation on ore hoisted from development in C Shaft. The main warehouse, 40 ft. by 100 ft. in area, and of metal-sheathed, steel frame construction, was completed and occupied last fall.

In the Treatment Plant area, rock excavation and foundation work were completed at the Cottrell Plant but erection of the steel-frame building and installation of the arsenic precipitation equipment were not commenced until May of this year because of non-delivery of the steelwork last summer. In order to reduce the hazard to existing buildings later, rock excavation was carried out for a possible third mill addition in the future. Installation of the sprinkler system in the main buildings at the plant was completed last fall and a substantial reduction was then obtained in the blanket fire insurance rate. This rate will be further reduced when the 75,000 U.S. gallon gravity tank, now being erected, is connected to the system.

At B Shaft, surface facilities were completed for handling mine fill, and an oil-fired heater of 11,500 c.f.m. capacity was installed to raise the temperature during the winter of the outside air entering the mine ventilation system.

Construction at No. 1 camp included two modern bunkhouses, one for 18 and the other for 35 men; a firehall with living accommodation for nine men, and one duplex and five single-family residences. New pipe boxes, carrying water, heating and sewage lines were laid to all these buildings. Two additional residences were purchased on the Yellowknife townsite.

The construction program for this year is again a major one, with early completion of the Cottrell plant and erection of the mill addition and the new roasting plant as the main projects. Outside work was commenced early in May, and subject to deliveries as promised, particularly of the roasting plant steelwork, it is expected that the program will be completed on schedule. Two new 35-man bunkhouses, which will be required for the additional working force at 700 tons per day, are well advanced at date of writing. The original headframe at A Shaft, which is to be deepened to the 750 level during the current fiscal year, has been winterized and a sinking bin erected. Other surface work planned this summer includes erection of three residences at the camp and installation of sprinklers in the mill addition, the diesel plant and the main boiler house. Other equipment which is to be installed to handle the proposed increase in the milling rate includes additional transformers at C Shaft and at the Roasting Plant, and a second 1000 K.W. electric boiler to supply the increased heating requirements at the Treatment Plant.

GENERAL

Operating costs were reduced by approximately $1.25 per ton milled from the previous fiscal year, due chiefly to the increase in the average milling rate. Substantial increases were made in wage and salary rates, and the cost of all major items of operating supplies was higher than last year.

The cost of primary power contracted for from the N.W.T. Power Commission amounted to a total of $250,000.00 for the year, or $1.65 per ton milled. A portion of the primary energy was used for plant heating and, in addition, secondary power was purchased for this purpose. The total cost of hydro power was $266,117.68, equivalent to $1.75 per ton milled.

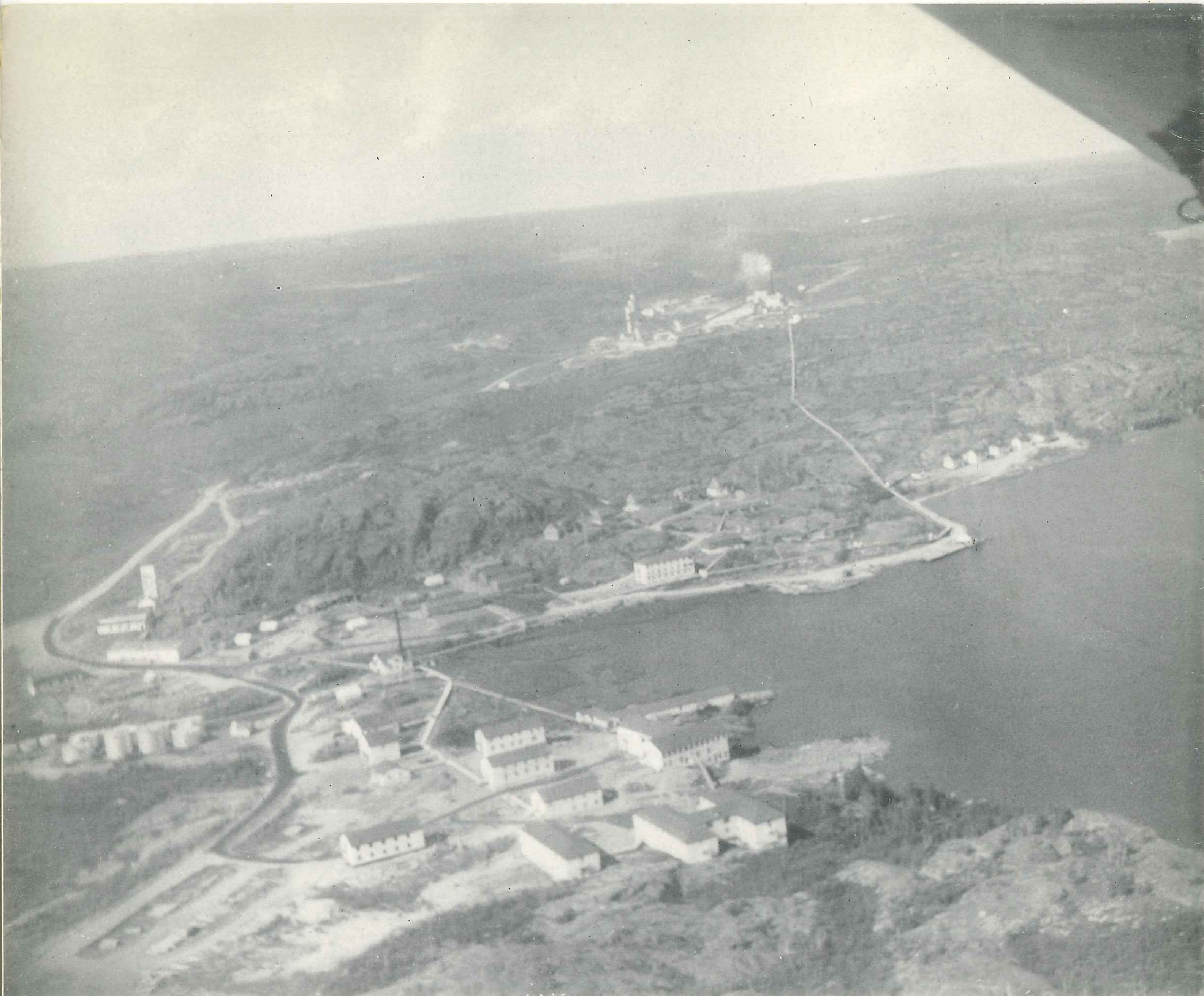
The working force averaged 302 during the period, with 30 employees directly on construction in addition to contractors' personnel during the building season. Labour turnover was high and costly and the effect of the current boom in industrial and mining development in Western Canada is being reflected in a shortage of experienced miners and tradesmen.

The support of the President and Directors, and the co-operation of all employees are gratefully acknowledged.

Yours very truly,

A. K. MUIR,
General Manager.

Yellowknife,
Northwest Territories.



PHOTOGRAPH COURTESY
JOHN RENNIE, YELLOWKNIFE, N.W.T.

AERIAL VIEW OF NO. 1 CAMP WITH "C" SHAFT AND TREATMENT PLANT IN BACKGROUND.

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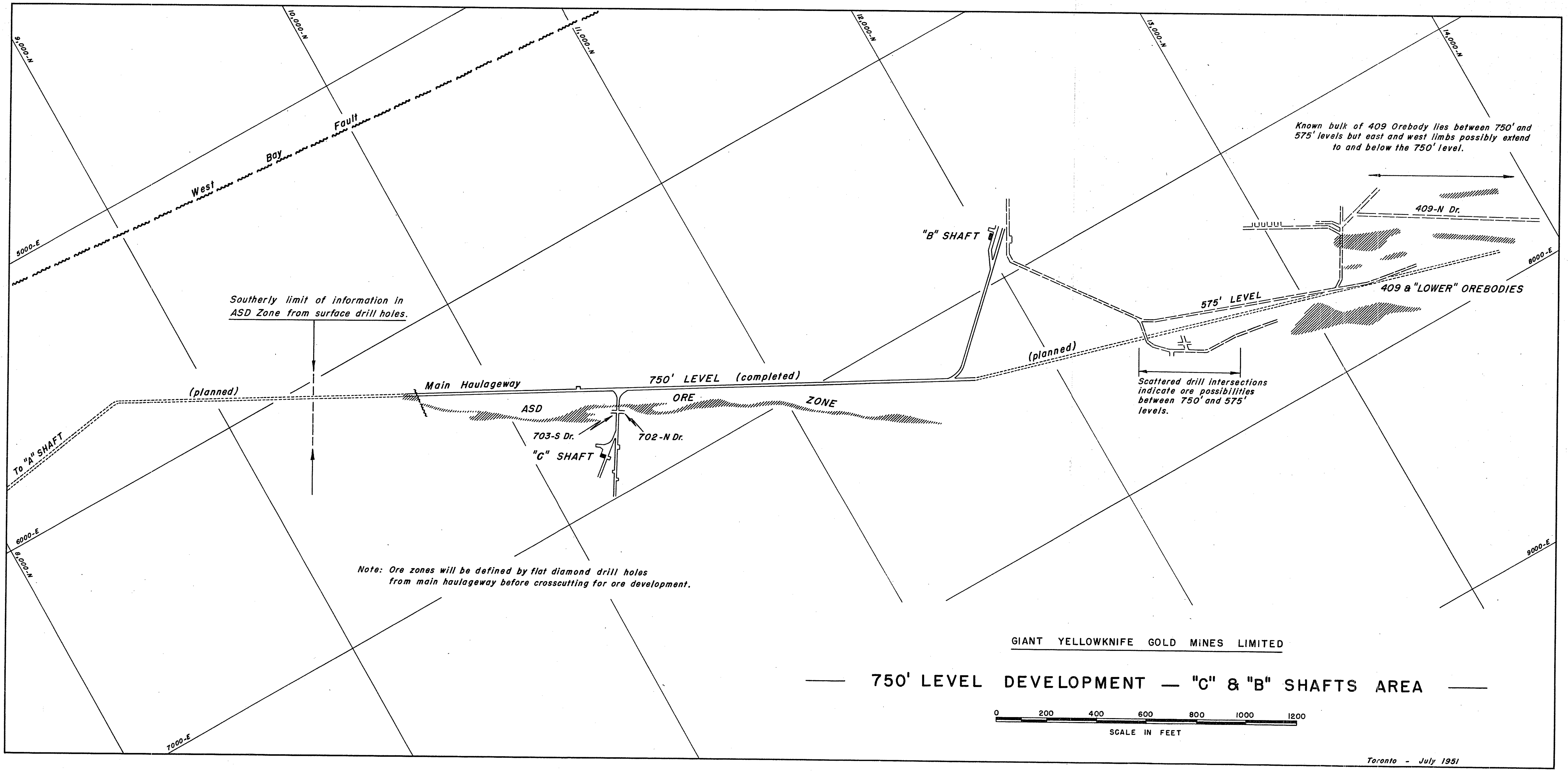
NORTHERN MINER PRESS LIMITED
TORONTO, ONTARIO


9,000-N
10,000-N
11,000-N
12,000-N
13,000-N
14,000-N
5000-E
6000-E
7000-E
8000-E
9000-E
8,000-N
West Bay Fault
Known bulk of 409 Orebody lies between 750' and 575' levels but east and west limbs possibly extend to and below the 750' level.
409-N Dr.
"B" SHAFT
409 & "LOWER" OREBODIES
575' LEVEL
Southerly limit of information in ASD Zone from surface drill holes.
(planned)
Scattered drill intersections indicate ore possibilities between 750' and 575' levels.
Main Haulageway
750' LEVEL (completed)
ASD ORE ZONE
703-S Dr.
702-N Dr.
"C" SHAFT
To "A" SHAFT
Note: Ore zones will be defined by flat diamond drill holes from main haulageway before crosscutting for ore development.
GIANT YELLOWKNIFE GOLD MINES LIMITED
750' LEVEL DEVELOPMENT — "C" & "B" SHAFTS AREA
0 200 400 600 800 1000 1200
SCALE IN FEET
Toronto - July 1951