

NEW ORE AND INCREASED MILL TONNAGE
REPORTED AT GIANT YELLOWKNIFE MEETING

TORONTO - D J - GIANT YELLOWKNIFE MINES LTD
HAS MOVED ITS MILLING RATE UP TO 350 TONS PER
DAY AND NO OPERATING DIFFICULTIES HAVE BEEN
EXPERIENCED WITH THIS 50 PC INCREASE A K MUIR
GENERAL MANAGER TOLD STOCKHOLDERS AT ANNUAL
MEETING

A SECOND FINE ORE BIN AND OTHER EQUIP-
MENT IS BEING INSTALLED - BY THE FIRST OF
THE NEW YEAR IT IS PLANNED TO HAVE THE RATE
UP TO 400 TONS PER DAY - THIS RATE WILL PROBABLY
BE CONTINUED FOR ABOUT SIX MONTHS AT WHICH
TIME A FURTHER INCREASE CAN BE EXPECTED -
MILLHEADS ARE EXPECTED TO CONTINUE AT OVER 0 60
OUNCE PER TON

COSTS HAVE BEEN NECESSARILY HIGH DURING THE
PERIOD OF STOCKPILE RE-TREATMENT - T IS OPER-
ATION WAS COMPLETED SEPT 15 - A SUBSTANTIAL
REDUCTION IN COSTS IS ANTICIPATED WITH THE
INCREASED MILLING RATE - AT THE 400 TON DAILY
RATE COSTS ARE ESTIMATED AT 13 DLS TO 14 DLS
PER TON - PROBABLE CAPACITY OF 500 TO 600
TONS PER DAY WITH PRESENT PLANT OPERATING
COSTS BELOW 12 DLS PER TON ARE EXPECTED MUIR
SAID

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ADD- GIANT YELLOWKNIFE MEETING

TORONTO - D J - THAYER LINDSLEY PRESIDENT SAID THE COMPANY WAS NOW FREE TO PUSH AHEAD ON EXPLORATION AND DEVELOPMENT OF THE MINE TO DETERMINE ITS FULLEST POTENTIALITIES - HE VISIONED THE PROPERTY OPENING UP TO A SCALE OF 1 000 TONS PER DAY.

A J ANDERSON VICE-PRESIDENT STATED THAT PRODUCTION WILL BE AT A SCALE TO LIQUIDATE THE CO-S INDEBTEDNESS PAY FOR THE EXPLORATION AND DEVELOPMENT PROGRAM AND BUILD UP A SURPLUS FOR FUTURE REQUIREMENTS - ONE OF THE IMPORTANT REQUIREMENTS HE SAID WILL BE DIVIDENDS

ANDERSON SAID IT IS BECOMING INCREASINGLY APPARENT THAT THE UNITED STATES WILL HAVE TO CONSIDER INCREASING THE PRICE OF GOLD PROBABLY BY A SUBSTANTIAL AMOUNT AND DIRECTORS MUST THEREFORE CONSIDER THE ADVISABILITY OF MINING AT A REASONABLE RATE AND NOT WASTING THE MINE-S ASSETS.

DURING THE FOUR MONTHS SINCE THE END OF THE FISCAL YEAR THE CO-S BANK LOAN HAS BEEN REDUCED A FURTHER 315 000 DLS AND NOW STANDS AT 667 500 DLS - BULLION ON HAND OR IN TRANSIT PLUS PAYMENTS DUE UNDER COST-AID AMOUNT TO OVER 600 000 DLS.

THE 10 PC INCREASE IN THE CANADIAN GOLD PRICE WILL EFFECT AN IMPROVEMENT IN THE CO-S INCOME OVER WHAT WOULD HAVE BEEN RECEIVED IN 1950 HAD THE CANADIAN DOLLAR NOT BEEN DISCOUNTED HE SAID

AT THE NEW NO-3 SHAFT WHICH WILL BE THE CENTRAL PRODUCTION OPENING THE COLLAR HAS BEEN SET AND HEADFRAME ERECTED - ACTUAL SINKING IS EXPECTED TO GET UNDERWAY SHORTLY - DEVELOPMENT FROM THIS SHAFT WILL BE CARRIED ALONG THE -ASD- ZONE BOTH NORTH AND SOUTH

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ADD- GIANT YELLOWKNIFE MEETING

TORONTO - D J - TO THE NORTH IT WILL TIE IN WITH THE PRESENT DEVELOPMENTS AT NO-2 SHAFT WITH FIRST CONNECTION PLANNED AT 725 FT OR THE 5TH LEVEL WHICH IS BELOW THE PRESENT WORKINGS AT NO-2 SHAFT

TO THE SOUTH A LEVEL WILL BE DRIVEN AT 575 FT TO EXPLORE BELOW MOST OF THE DRILLING THAT HAS BEEN DONE IN THE SOUTHERLY PART OF THE PROPERTY - THIS WORK WILL OPEN UP A LOT OF NEW ORE AND MAKE ADDITIONAL WORKING FACES AVAILABLE AND WILL PROVIDE OPENINGS FOR DIAMOND DRILLING Laterally AND TO DEPTH

DIAMOND DRILLING THIS SUMMER IN THE WEST ZONE INDICATED A SUBSTANTIAL BLOCK OF EASILY AVAILABLE ORE WITHIN A LENGTH OF 400 FT AT THE SOUTH END OF THE ZONE AND ABOVE THE 200 FT LEVEL. MUIR SAID - THIS IS ESTIMATED TO CONTAIN FROM 300 000 TO 380 000 TONS AVERAGING 0.48 OUNCE GOLD WITHOUT ALLOWANCE FOR DILUTION

MINERALIZATION WAS TRACED AN ADDITIONAL 400 FT TO THE NORTH AND WHILE MOST INTERSECTIONS WERE LOW GRADE IT IS THOUGHT THAT FURTHER WORK WILL IMPROVE THE PICTURE IN THIS SECTION

RESULTS TO DATE INDICATE SOME 160 000 TONS AVERAGING 0.20 OUNCE IN THIS NORTHERN PORTION - FOR THE TOTAL LENGTH OF 800 FT INCLUDING THE LOW GRADE AT BOTH ENDS THE WEST ZONE IS NOW ESTIMATED TO CONTAIN ABOUT 570 000 TONS AVERAGING 0.36 OUNCE WITHOUT DILUTION 685 000 TONS AT 0.3 OUNCE WITH 20 PC DILUTION ALLOWANCE

THE LAST HOLE IN THE SUMMER-S PROGRAM WAS DRILLED BETWEEN THE WEST AND EAST ZONES AND GAVE DEFINITE EVIDENCE OF IMPORTANT ORE-BEARING CONDITIONS IN THE DEEPER HORIZONS IN THE NO-1 SHAFT AREA - PROPOSED EXPLORATION AT 575 FT FROM NO-3 SHAFT WILL INVESTIGATE THE INTERSECTIONS IN THIS AREA

DRILLING BELOW THE FOURTH LEVEL AT NO-2 SHAFT HAS CONFIRMED THE PRESENCE OF SUBSTANTIAL OREBODIES INDICATED IN EARLIER SURFACE DRILLING - THIS DRILLING IS CONTINUING AND SHOWS THAT ORE HAS BEEN INTERSECTED OVER A LENGTH OF 100 FT TO DATE BELOW THE 4TH LEVEL HORIZON

THESE RESULTS SHOW A LARGE TONNAGE OF GOOD GRADE ORE IMMEDIATELY BELOW THE LOWEST MINING LEVEL AT NO-2 SHAFT. MR MUIR SAID - THE IMMEDIATE OBJECTIVE OF LATERAL WORK FROM NO-3 SHAFT WILL BE TO OPEN UP THIS ORE ON THE 725 FT LEVEL

NO-1 ORESHOOT HAS BEEN INTERSECTED IN TWO HORIZONTAL DRILL HOLES 100 FT APART ON THE 4TH LEVEL GIVING 4 1-2 FT OF 0.99 OUNCE AND 9 1-2 FT AT 0.62 OUNCE - CROSSCUTTING IS NOW UNDERWAY TO THIS OREBODY - DEVELOPMENT IS ALSO IN PROGRESS IN THE NORTH -ASD- ZONE ON THE 4TH LEVEL

MUIR SAID DILUTION EXPERIENCED TO DATE IN MINING OPERATIONS HAS APPARENTLY BEEN SUBSTANTIALLY LESS THAN THE ORIGINAL ESTIMATE OF 20 PC - HOWEVER UNTIL FURTHER EXPERIENCE IS GAINED THE 20 PC ALLOWANCE WILL BE CONTINUED HE SAID

OVERALL EXTRACTION HAS NOW REACHED THE FIGURE OF 86 PC TO 87 PC AND FURTHER IMPROVEMENT IS LOOKED FOR

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