

SECOND ANNUAL REPORT TO THE STOCKHOLDERS OF THE
SUMMIT QUEEN MINING COMPANY5/82
ITEM 23


Development work for the year 1949 was carried on as vigorously as possible considering the different kinds of work and the different places in the mine as was necessary to explore the vein showings previously discovered. This work consisted of tunnel work in the form of cross cutting and drifting, sinking operations, surface stripping operations and extension drill operations.

The shaft during the year was deepened to 300' from a depth of 275' and equipped with air, water and ventilation pipe. The cross-cut tunnel to the north of the shaft was extended in a northerly direction approximately 125 feet in addition to a number of small drifts to explore small veins encountered in the cross cutting. Careful sampling of all the veinlets encountered in this work and the assay results therefrom showed a continual drop in values the further the tunnel penetrated the formations in this north direction. At different intervals in this area where there appeared any reason to, drill holes as deep as was possible at that time with the equipment we then had were run to further explore any small showings and the cuttings therefrom carefully examined. The shaft from the 275' level to its present bottom of 300' did not produce any ore or other showings to justify any further deepening at this location. The bottom of this shaft is well below the deepest known ore bodies on this structure which exist to the east of and adjoining this company's claims.

The best showings for ore in all the development to date has been from the workings on the 235' level of the shaft to the south about 70' to 100' or over a width of approximately 30 feet. In this area there exists a well defined vein of quartz heavy in iron sulphides and carrying values sufficient in spots to warrant the thought that it may be the extended ore body from the east that is believed to cross this property in an easterly to westerly direction. In developing work to extend the exposure of this vein it was explored by drift tunnel to the east and west and the results therefrom showed this vein to be badly distorted by fault dragging and as a result of this condition being encountered over approximately 150' further work was suspended at this point. All indications point to the belief that considerable faulting vertically and horizontally has taken place to move the ore body a considerable distance in a northerly direction. The writer became aware of this possibility early in the development of the property after the shaft had been deepened less than 100' and at that time set about to acquire the mine claims adjoining on the north. These claims were finally acquired and the company is now protected by a width of 1200' north and south as against the original 600' width.

After the above work just described was finished the company undertook the study and development of an oxidized vein showing at a point beginning about 30 feet south of the shaft in the cross cut tunnel from the 50 foot level. Drift tunnel work was started first by hand by the writer and after making by hand 15 feet of such development, the showings were sufficient to warrant further work by machine drilling. As a result of this tunnel being extended about 36 feet eastward there was exposed what is believed to be the coveted orebody - and having an almost east and west strike with a dip at the face where it is quite closely consolidated of about 70 degrees to the south. The values at this point were low. Some sinking was done on this vein showing about 20 feet from the main tunnel, also extension drilling was done at the bottom of the face on the vein in line with the dip as there shown - both of these operations exposed faulted conditions causing one to believe the vein below this tunnel level had been thrown possibly to the north., and probably a considerable distance.

As a result of this find on the 50' level an effort was made to locate the ore body on the 235' level and the cross cut tunnel was then extended southeast to be under the same position the showing was encountered on the level above. The cross cut was then carried a matter of 100' to the south line of the claim near the corner but no other ore bodies or veins were encountered. Further exploiting was carried on at the face by extension drilling to the south a matter of about 36' and from the roof of the tunnel near the same position a hole was drilled upward approximately 30' and in neither hole was any ore showings found. Numerous other extension drill holes were bored at various spots on this level at points advantageous to explore further the immediate vicinity of the vein mentioned but in all these no ore was encountered. Particular drilling effort was made on the west end of the drift tunnel that followed what of the vein that could be found as it meandered westward, twisting to the north, but without results. Over two hundred feet of such drilling in all was done on the 50' and 235' levels.

Stripping operations with a very heavy dozer were carried out at six different points on the middle to the western end of the Honolulu claim on the south side and in each case a strip was cut as deep as the dozer could go and from 10 to 15 feet wide and from 40 to 90 feet in length. In this operation below the overburden numerous small stringers of a very mealy quartz was uncovered which add to bear out the earlier contention as to the apex of this vein, its width and to some extent its length. The results of panning of these small veins showed some of them to carry free gold and numerous assay results show that none of them were entirely barren of gold value.

On the claim adjoining the Honolulu on the south on the ground of another company a shaft was started by this company in August of 1949. This shaft is located approximately 400' west of the shaft on the Honolulu and about 200' south of the Honolulu side line. The apex of the vein system on the Honolulu north of this shaft is quite close to the south side line of the Honolulu claim and would be probably no farther than 200' north of the shaft on the adjoining claim. If the faulting shown in the Honolulu shaft and workings should extend no further west than 300' as some engineers seem to think it may not, then and in that event the neighboring shaft on the south would cut our ore body at some point between 300' and 500' in depth, but should it not cut the orebody it would be quite conclusive that the faulting had moved the vein system to the north and most likely reversed it's dip to the north. The depth of the shaft to the south is reported at this time as being about 260' deep and making progress at the rate of about 3 feet daily.

Intensive development work has been curtailed by this company temporarily as the directors wish to be as certain as possible as to the most likely spot at such time as the next extensive development program is undertaken, and they feel that the shaft being constructed to the south if carried to a depth of as much as 400' feet would be of very great help in determining the possible whereabouts of the Dan Tucker vein, the known vein to the east that has been developed over approximately 1600' feet in length in an easterly and westerly strike with a dip of about 40 to 45 degrees to the south, and to an incline depth that would correspond with about 235 feet in our vertical shaft.

Respectfully submitted,

SUMMIT QUEEN MINING COMPANY

By its entire Board of Directors, S. G. Baker
M. G. Wolff
H. Pelizzarri

(This report is for the perusal of the Stockholders of the Company and is not to be made available to anyone other, or for reprint, or for publication without the written consent of the Board of Directors.)

LEGEND.

SCALE 1 INCH = APPROXIMATELY 300'

TUNNELS ##### • VEINS ~~-----~~

VEIN DIPS = ▽ DRILL HOLES = —○

SHAFTS = □

SUMMIT-QUEEN MINING CO. CLAIMS = S.Q.C.

SUMMIT-KING MINING CO. CLAIMS = S.K.C.

NOT DRAWN TO EXACT SCALE.

