

Premier Gold active on several fronts

by Ellsworth Dickson

The famous Red Lake Mining Camp of northern Ontario is home to the Red Lake Gold Mines Complex of **Goldcorp Inc.** [G-TSX; GG-NYSE], which hosts the highest grade gold mine in the world and is the only producer in the camp. **Premier Gold Mines Ltd.** [PG-TSXV] has several projects in the Red Lake District, including two that are joint ventured with Goldcorp.

Ewan Downie, president/CEO, of Premier Gold, reports drilling continues at the Rahill-Bonanza Project, a joint venture with **Red Lake Gold Mines Ltd.**, an affiliate of Goldcorp, (Premier 49%/Goldcorp 51%) where three target areas are being tested – the Wilmar, Bonanza and the deep mine target. The Bonanza deposit hosts a NI 43-101 compliant inferred resource of 2,283,000 tonnes averaging 6.98 grams gold/tonne over an average width of 3.1 metres. Previous Bonanza drilling returned 13.27 grams gold/tonne across 19.00 metres and other high-grade intersections.

The Rahill-Bonanza Project also hosts the Wilmar deposit, site of a past-producing gold mine that contained unmined reserves at closing (and open to depth), where recent drilling intersected the main horizon in all holes drilled over an area of more than 600 metres below the historic workings and over a strike length of about 300 metres. Assays included 49.0 grams gold/tonne over 1.0 metre and 14.2 grams/tonne over 5.0 metres.

A separate but significant development recently took place when **Agnico-Eagle Mines Ltd.** [AEM-TSX, NYSE; AE9-Frankfurt] provided the funds for a \$50 million private placement with **Gold Eagle Mines Ltd.** [GEA-TSX; GEAFF-OTC]. Gold Eagle owns the claim group adjacent to and west from Premier Gold's primary Red Lake property. This move by Agnico-Eagle indicates the kind of faith that Agnico management has in the potential of the ground next to Premier Gold. The funds will be used for an advanced underground exploration program to follow up the Gold

Eagle's Bruce Channel discovery which recently returned 30.20 metres grading 7.58 grams gold/tonne and 1.50 metres of 33.75 grams/tonne. Gold Eagle's plans include permitting, shaft sinking, reserve estimates, feasibility and surface infrastructure construction – all leading to a commercial mining operation.

Premier Gold's Rahill-Bonanza claim group is located in the heart of the Red Lake Mine Trend between the Gold Eagle claims to the northwest and Goldcorp's producing gold mine to the southeast. Premier Gold has a second Red Lake area joint venture with Goldcorp, the East Bay Project, which is held as to Goldcorp 65%, the operator, and Premier 35%.

Premier Gold is enjoying additional drilling success on another project, including the best results to date in the recently discovered Kailey Zone at the Geraldton Project in northwest Ontario. Drilling in the central part of the Kailey Zone has returned broad gold intersections well in excess of 100 metres where the two broad parallel stringer horizons converge to the east.

Highlights from this drilling include 1.32 grams gold/tonne across 191.2 metres, 2.16 grams/tonne across 92.2 metres, 1.47 grams/tonne across 162 metres and 1.15 grams/tonne across 140.2 metres. True widths estimated at 50% to 70% of intersection widths.

The Kailey Zone is a bulk-tonnage target near and parallel to the historic Little Long Lac Gold Mine which produced over 600,000 ounces of gold between 1934 and 1953 averaging 11.66 grams/tonne. Drilling in the Kailey Zone has identified parallel horizons (K1 – north; and K2 – south) which converge in the central and eastern sections. The latest three intersections have true widths approaching 100 metres. Drilling has cut off the horizon to the east with mineralization remaining open primarily down-plunge, where drilling is currently focused.

These horizons could direct future explo-

ration toward discovering higher-grade mineralization potentially amenable to underground mining methods. Higher-grade intersections of 6.14 grams gold/tonne across 3.0 metres in hole PLL08045 and 7.06 grams/tonne across 3.0 metres in hole PLL08048 demonstrate this potential. Drilling is underway to test the K1 horizon at depth.

Premier can earn a 70% interest in the Geraldton Project from **Roxmark Mines Ltd.** [RMK-TSXV; RMKL-CNQ]. The current drilling is part of a continuing program aimed at confirming Premier's belief that previously untested subparallel mineralized faults occur proximal to the historic Little Long Lac Gold Mine. In addition to the Kailey Zone, drilling is testing two other primary gold targets, the TAZ and Mine Repetition. Veining and mineralization have been identified in both target areas and assays are expected soon.

Later this summer Premier intends to begin exploring, including a major diamond drill program, its 100%-owned PQ North Property in northwest Ontario. PQ North is located immediately adjacent to Goldcorp's Musselwhite Mine and Premier has defined several prospective targets along strike from the mine that have not been previously tested.

In the initial drill program the Santa Teresa Project located in the El Alamo District of Baja California Norte, Mexico, Premier and **Sutter Gold Mining Inc.** [SGM-TSXV] have recently announced the discovery of high-grade gold intersected in numerous parallel mineralized quartz vein zones along strike the past-producing Princessa Gold Mine. Initial assays from Santa Teresa included extremely high-grade drill results including 479.31 grams gold/tonne (13.98 oz. gold/ton) over 2.0 metres. Additional assays are expected to be released in the near future. Premier is earning a 65% interest in the project.

Wolfden Resources Inc. was the predecessor company to Premier Gold Mines. ■