

WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

METALLINE RESOURCES INC.  
Suite 432.12 Richmond Street West



31M04SW0099 63.3303 STRATHY

ONTARIO SECURITIES  
APR 10 1975  
COMMISSION  
010 63.3303

NEW ISSUE: 200,000 underwritten shares and 300,000 optioned shares as follows:

<u>Firmly Underwritten</u>	<u>Under Option</u>	<u>Price Per Share</u>	<u>Net Proceeds to Corporation</u>	<u>Maximum Offering Price of These Shares to Public</u>
200,000		17¢	\$ 34,000	34¢
	150,000	22¢	33,000	44¢
	150,000	27¢	40,500	54¢
			<u>\$107,500</u>	

There is no obligation upon the Underwriter-Optionee and there is no assurance that any of the optioned shares will be purchased.

PLAN OF DISTRIBUTION:

The Underwriter-Optionee, acting as principal, will offer the underwritten and optioned shares over-the-counter in the Province of Ontario, within the maximum price ceilings set forth above. Sales of the underwritten and optioned shares may also be made through other registered dealers acting as agents who will be paid commissions not exceeding 25% of the selling price of the shares so offered.

DISTRIBUTION SPREAD:

The Underwriter-Optionee may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public.

PURPOSE OF OFFERING:

The purpose of this issue is to secure funds for the general expenses of the Company and particularly to provide funds for the carrying out of development work on the Company's property referred to under "USE OF PROCEEDS" in this Prospectus.

SECONDARY OFFERING:

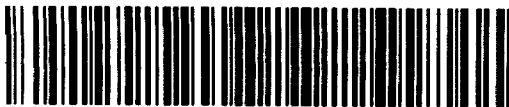
72,750 shares referred to in this Prospectus under the caption "OFFERING" by the Underwriter-Optionee. The proceeds from the sale of these shares will accrue to the Underwriter-Optionee and not to the treasury of the Company. The Underwriter-Optionee will not offer any part of the Secondary Offering unless and until the 300,000 treasury shares under option have been purchased by it and sold.

THERE IS NO MARKET FOR SHARES OF THE COMPANY.  
THESE SHARES ARE SPECULATIVE.

Particular reference should be made to the captions "HISTORY AND BUSINESS", "OFFERING", "PROMOTER" and "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS".

UNDERWRITER-OPTIONEE  
GLANDFIELD & CO. LIMITED  
Suite 129, 17 Queen Street East, Toronto,  
Ontario

STRATHY TWP.



31M04SW0099 63.3303 STRATHY

HISTORY AND BUSINESS ..... 1

    Strathy Township Mining Claims ..... 1

        Description ..... 1

        Location and Access ..... 1

        History ..... 1

        Geologist's Report ..... 2

        Title ..... 3

        Acquisition ..... 4

USE OF PROCEEDS ..... 6

OFFERING ..... 6

    Secondary Offering ..... 8

DESCRIPTION OF CAPITAL STOCK ..... 8

CAPITALIZATION ..... 8

MANAGEMENT ..... 9

REMUNERATION OF MANAGEMENT ..... 9

PRINCIPAL AND SELLING SHAREHOLDER ..... 10

PRIOR SALES OF SHARES ..... 11

ESCROWED SHARES ..... 11

DIVIDENDS ..... 11

AUDITOR ..... 12

REGISTRAR AND TRANSFER AGENT ..... 12

PROMOTER ..... 12

INTEREST OF MANAGEMENT AND  
OTHERS IN MATERIAL TRANSACTIONS ..... 12

PRELIMINARY EXPENSES ..... 13

MATERIAL CONTRACTS ..... 13

PURCHASER'S STATUTORY RIGHTS OF  
WITHDRAWAL AND RESCISSION ..... 14

FINANCIAL STATEMENTS ..... 15

SIGNATURE PAGE ..... 18

METALLINE RESOURCES INC.

HISTORY AND BUSINESS

Metalline Resources Inc., (the "Company") was incorporated under The Business Corporations Act (Ontario) by Articles of Incorporation dated February 6th, 1975, to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits. The head office of the Company is located at Suite 432, 12 Richmond Street East, Toronto, Ontario. None of the mining claims in which the Company has an interest, contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore.

Strathy Township Mining Claims

Description

The Company is the beneficial owner of 9 contiguous unpatented mining claims covering an area of approximately 360 acres situate in the south central part of Strathy Township, Temagami, Ontario, which are recorded in the office of the Local Mining Recorder for the Sudbury Mining Division as mining claims numbered 367801 to 367809 inclusive.

Location and Access

The mining claims are located one and three quarters miles west of the Town of Temagami, which is on main Highway No. 11, a distance of 300 miles north of Toronto. From Temagami, the mining claims may be reached by driving 1 mile north on Highway No. 11 and 1 mile west on a paved access road leading to the Sherman Iron Mine. This road traverses the most southerly claim of the group. A hydro-electric power transmission line and a natural gas pipeline both traverse the south claim of the group and an east-west spur line of the Ontario Northland Railway is located immediately south of the mining claims. The mining claims are heavily wooded with a growth of pine, spruce, birch and poplar trees. The south part of the claims contains 10% rock outcropping and the north and west parts contain sparse outcrops. Overburden consists of swamp and a thin mantle of gravel. Only one small lake and creek lie within the boundaries of the mining claims and the topographic relief is low rolling hills.

History

Exploration in the central part of Strathy Township, Ontario, has been carried out by a number of companies

over the past 75 years and the results have firmly established the presence of widespread mineralization associated with favourable geology and structure. In the immediate area, that is within one mile to the north and east, three prospect shafts were sunk in past years on gold surface showings. While in each operation the developments were unsuccessful in outlining economic tonnages the presence of such known occurrences supports the recognition of these geological horizons as meriting new investigations.

In 1974, Mr. J.G. Willars, referred to under the caption "Geologists Report" systematically surveyed the mining claims using geology, electromagnetic and magnetic methods. In the north-central part of the mining claims, 3 valid electromagnetic conductors were located which are not of high intensity and are likely caused by pyritized fractured areas characteristic of the gold deposits of Strathy Township. These conductors are 300 feet, 300 feet, and 600 feet long, and essentially parallel to the trend of the country rocks. They are disrupted by faulting in an area that is 95% overburdened by swamp.

In the north-east part of the mining claims, a 1 line conductor was observed and south of the main conductors, 3 reverse profiles were observed. The cause of this is not known but possibly metal mineralization contributes to them.

Several old pits and trenches were observed on the mining claims which contain rusty oxidation. Some of these occurred in the alteration areas surrounding rhyolite porphyry bodies. No obvious mineralization of consequence was noted in these areas nor did the electromagnetic survey obtain any response in this area of the mining claims.

#### Geologist's Report

The following is management's summary of the conclusions and recommendations of Mr. J.G. Willars, P.Eng., Consulting Mining Geologist contained in his report dated February 20, 1975, whose full report is available for inspection in the public files of the Ontario Securities Commission, 555 Yonge Street, Toronto, Ontario.

The mining claims encompass favourable geology and structure for the location of gold deposits. 3 valid electromagnetic conductors have been located in this geological setting which are interpreted to be caused by pyritized fractured zones associated with gold values such as those described in other parts of Strathy Township. Since the area of the conductors is 95% covered by swampy overburden, diamond drilling would be necessary to determine whether valuable material is the cause of the conductors. None of the areas of the old trenches

is considered significant as targets for exploration and no drilling is known to have been done on any of the mining claims.

Since 3 valid electromagnetic conductors have been located on the mining claims and are located in an area of widespread mineralization and favourable geology, Mr. Willars recommends that each of these conductors be investigated by a 400 foot diamond drill hole. An estimate of costs to carry out this initial program would be:

Diamond drilling 1200' at \$14 per foot	\$ 16,800
Supervision and expenses	2,500
Contingency allowance	<u>1,700</u>
Total	\$ 21,000

Subsequently should the results of the initial phase of drilling be of significant encouragement, an additional 3,000' of diamond drilling is recommended for successive investigation. It is estimated that this phase would cost:

Diamond drilling 3,000' at \$12 per foot	\$ 36,000
Supervision and expenses	5,000
Contingency allowance	<u>3,000</u>
Total	\$ 44,000
Total of initial and successive phases	<u>\$ 65,000</u>

#### Title

Title to the mining claims which is presently recorded in the name of a trustee for the Company will be immediately transferred to the Company and is the usual title to unpatented mining claims enjoyed in the Province of Ontario. To keep unpatented mining claims in good standing in the Province of Ontario during the first year after recording, 20 days work must be performed and recorded, 40 days work performed and recorded yearly for the next three years and 60 days work performed and recorded in the fifth year. Thereafter and after surveying, claims are required to be brought to 21 year lease in the ensuing year with annual rentals of \$1 per acre during the first year and 25¢ per acre annually thereafter. If a lease is for mining rights only, the second and subsequent years rental is at the rate of 10¢ per acre. All of the mining claims were recorded on May 4th, 1973 and 80 days of geological and geophysical assessment work was approved as of February 7, 1975 for each claim. The mining claims are accordingly in good standing until May 4th, 1976.

### Acquisition

The mining claims which are subject to the payment of a royalty equal to 3% Net Smelter Returns were acquired by the Company by purchase from Glandfield & Co. Limited ("Glandfield"), Suite 129, 17 Queen Street East, Toronto, Ontario, under an agreement made as of the 3rd day of March, 1975, as amended by agreement dated April 9, 1975. As consideration for the transfer to it of its interest in the mining claims, the Company allotted and issued to Glandfield, a total of 727,500 fully paid and non-assessable shares of its capital stock. Certificates representing 654,750 of such shares are held in escrow on the terms and conditions set out under the caption "Escrowed Shares" and the balance of the 72,750 vendors' shares will be offered for sale by Glandfield by way of a secondary offering and reference is hereby made to the caption "Offering" for particulars concerning the said secondary offering.

The mining claims were acquired by Glandfield, pursuant to an agreement made as of the 12th day of February, 1975 with Bear Paw Mining Syndicate represented by Peter M. Bourke, 73 Chatsworth Drive, Toronto, Ontario. As consideration for the mining claims, Glandfield agreed to pay Bear Paw Mining Syndicate, the sum of \$2,250 plus further sum of \$4,250 to reimburse Bear Paw Mining Syndicate for the cost of the magnetometer, electromagnetic and geological surveys which it carried out thereon, and in addition, a royalty equal to 3% of the Net Smelter Returns on all ores, concentrates and minerals extracted and marketed from the mining claims.

Payment of this royalty is required to be made in Canadian funds by the 30th day following the receipt by the Company of financial settlement or advances from a smelter, mill, mint or other purchaser of all ores, concentrates, and minerals (the "Products") extracted and marketed from the mining claims. The term "Net Smelter Returns" is defined to mean the amount paid by any independent custom smelter, mill, mint or other purchaser for the Products extracted and marketed by the Company from the mining claims after deducting all charges and penalties for treatment and refining done by such custom smelter, mill, mint or other purchaser and in calculating Net Smelter Returns, there shall also be deducted therefrom, transportation costs for the Products from the mining claims to the independent custom smelter, mill, mint or other purchaser and all sampling and assaying charges made or levied in connection with the sampling and assaying carried out after the Products have left the mining claims.

So far as the Company is aware, no person or company has received or is entitled to receive, a greater than 5% interest in the consideration to be received by Glandfield for the mining claims and the only persons having an interest either

directly or indirectly to the extent of not less than 5% in the capital of Glandfield are: Rowland Glandfield, 30 Talbot Road, Willowdale, Ontario; Frank Cadesky, 767 Spadina Road, Toronto, Ontario; and David Sherman, 14 Carousel Court, Toronto, Ontario. So far as the Company is aware, the only persons or companies having an interest in the Bear Paw Mining Syndicate and thereby entitled to receive directly or indirectly any part of the consideration paid to the Syndicate for the mining claims are set forth below together with particulars of their percentage interest therein.

<u>Name and Address</u>	<u>Percentage Ownership</u>
P.M. Bourke 73 Chatsworth Drive Toronto 12, Ontario	14.28%
Gordon McIntosh 3470 Riverspray Crescent Mississauga, Ontario	14.28%
Lee Cullen 4 Marquerite Street Smith Falls, Ontario	14.28%
Metro J. Dutka 528 - 55A Street Delta, B.C.	14.28%
Don Romeike 531 Baywood Crescent Westmount Terrace Kamloops, B.C.	14.28%
Glen Brown 810 Ottawa Street Midland, Ontario	14.28%
Ivan McIntosh 299 Lakeview Avenue Burlington, Ontario	14.28%

Reference is also made to the caption "Escrowed Shares" for particulars concerning the circumstances under which the escrowed shares may be surrendered by the holders thereof for the benefit of the Company. No work has been performed by the Company to date on the mining claims and the Company is not aware of any surface nor underground exploration and development work having been carried out thereon, save the work referred to herein under the captions "History" and "Geologist's Report". There is neither surface nor

underground plant or equipment located on the mining claims.

#### USE OF PROCEEDS

The proceeds to be received by the Company from the sale of the underwritten shares will be \$34,000 prior to deducting the expenses of this issue and incorporation and organization estimated not to exceed \$7,000. If all of the optioned shares are taken up and paid for the Company will receive an additional \$73,500. The net proceeds will form part of the Company's working capital, pay administrative expenses for the first year estimated to be \$5,000 and the sum of \$21,000 will be used to implement the first phase recommendations of Mr. J.G. Willars, Consulting Mining Geologist, referred to under the caption "Geologist's Report" on the Company's Strathy Township mining claims. Depending upon the results achieved and the availability of funds, the Company may also carry out additional exploration and development of the mining claims as recommended by Mr. Willars. While the Company has no plans in this regard at the present time, monies in its treasury as available, may also be used to defray the cost of programs of acquiring, staking, exploring and developing other properties, either alone or in concert with others and generally to carry out exploration programs as opportunities and finances permit, but no such properties will be acquired and monies will not be expended thereon without an amendment to this prospectus being filed if the securities of the Company are then in the course of distribution to the public.

Monies not immediately required for the Company's purposes, are deposited in interest bearing accounts with Canadian chartered banks and/or trust companies. While there are no such immediate plans, monies available in the Company's treasury, subject to the approval of the shareholders of the Company, may be utilized to purchase securities of other corporations but no such purchases will be made while the securities offered hereunder are in the course of distribution to the public.

#### OFFERING

The Company entered into an agreement (the "Underwriting Agreement") dated March 4th, 1975, with Glandfield & Co. Limited, (the "Underwriter-Optionee"), Suite 129, 17 Queen Street East, Toronto, Ontario, whereunder the Underwriter-Optionee, acting solely on its own behalf with respect to the underwritten and optioned shares referred to below,



agreed to purchase the following shares of the Company, namely:

Underwritten Shares

<u>Number of Shares Underwritten</u>	<u>Price Per Share</u>	<u>Net Proceeds to be received by the Company</u>	<u>Maximum Offering Price of These Shares to Public</u>
200,000	17¢	\$ 34,000	34¢

The Underwriter-Optionee is obligated to take up and pay for all of the underwritten shares, if any are taken up, within three business days of the date of acceptance for filing of this Prospectus by the Ontario Securities Commission (such date of acceptance being hereinafter referred to as the "Acceptance Date") subject to the terms, conditions and provisions of the said agreement pursuant to which the Underwriter-Optionee has the right to refuse to complete the purchase in certain events.

Pursuant to the Underwriting Agreement, the Underwriter-Optionee was also granted options to purchase additional shares of the Company, namely:

Optioned Shares

<u>Number of Shares Optioned</u>	<u>Price Per Share</u>	<u>Time Within Which Option Exercisable From Acceptance Date</u>	<u>Maximum Offering Price of These Shares to Public</u>
150,000	22¢	3 months	44¢
150,000	27¢	6 months	54¢

There is no assurance that any of the shares under option will be purchased by the Underwriter-Optionee.

The Company is not aware of any assignments, sub-options or sub-underwritings with respect to the aforementioned underwritten and optioned shares. In the event the Underwriter-Optionee shall default in purchasing any of the shares under option, then all unexercised options forthwith cease and determine.

The Underwriter-Optionee acting as principal, will offer the underwritten and optioned shares over-the-counter in the Province of Ontario, within the maximum price ceilings set forth above. Sales of the underwritten and optioned shares

may also be made through other registered dealers acting as agents, who will be paid commissions not exceeding 25% of the selling price of the shares so offered.

Secondary Offering

As stated on the Facing Page of this Prospectus, a total of 72,750 shares of the Company will be offered for sale over-the-counter in the Province of Ontario, by the Underwriter-Optionee through registered dealers, the proceeds from such sales accruing solely to the Underwriter-Optionee and not to the Company. The Underwriter-Optionee will not offer any part of the secondary offering unless and until the 200,000 treasury shares under option have been purchased by it and sold.

With respect to the shares offered by this Prospectus, the Underwriter-Optionee may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public.

DESCRIPTION OF CAPITAL STOCK

The capital stock is the Company's only class of stock. All shares issued by the Company rank equally as to dividends and there are no indentures or agreements limiting the payment of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding capital stock is not subject to any call or assessment and the shares offered hereby when issued and sold as described by this Prospectus will not be subject to any call or assessment.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount outstanding as at April 9th, 1975</u>	<u>Amount Outstanding if all securities being issued are sold (1)</u>
Common Shares without par value	3,000,000 (\$ 1,500,000)	727,503 (\$27,503)	927,503 (\$61,503)

(1) This figure assumes that the 200,000 underwritten shares are all taken up and paid for. If all of the optioned shares are purchased, the number of shares to be outstanding will be 1,227,503 and the consideration paid therefor will be \$135,003.

MANAGEMENT

The names and home addresses of the directors and officers of the Company and the positions presently held by them in the Company are as follows:

<u>Name</u>	<u>Address</u>	<u>Position</u>
Norman William Lamport	147 Sylvan Avenue Scarborough, Ontario	President and Director
Fred Munger	52 Albertus Avenue Toronto, Ontario	Secretary- Treasurer
Arthur John Fortens	47 Thorncliffe Pk. Dr. Toronto, Ontario	Director
Oswald Frederick Carter, P.Eng.,	38 Elgin Street Thornhill, Ontario	Director

The principal occupations of the directors and officers during the past five years are as follows:

NORMAN WILLIAM LAMPOROT has been a corporate secretary, self-employed since January, 1971. Prior thereto he was a civil servant in the Province of Ontario and was Supervisor of Properties for the Liquor Control Board of Ontario.

FRED MUNGER is an accountant employed since March 1974 by Sprucedale Holdings Limited and from February, 1972 to March, 1974, by Newtor Holdings Limited. Prior thereto he was an accountant employed by Sprucedale Holdings Limited and Louada Holdings Limited.

ARTHUR JOHN FORTENS is an accountant and has been employed by Sprucedale Holdings Limited since June 1, 1971. Prior thereto he was employed by Louada Holdings Limited, Louis Cadesky Associates (Northern) Limited and related companies.

OSWALD FREDERICK CARTER is and has been a self-employed Consulting Engineer.

All of the above officers and directors are also directors or officers of various other public mining companies.

REMUNERATION OF MANAGEMENT

The aggregate direct remuneration payable to the Directors or Senior Officers of the Company to date amounts to the sum of \$200 who are each

entitled to receive \$50 for each meeting attended by them. Oswald Frederick Carter, P.Eng., Consulting Engineer, is a director and will be paid for professional services rendered at the usual rates for such services.

A monthly fee of up to \$300 will be paid to Sprucedale Holdings Limited, Suite 432, 12 Richmond Street East, Toronto, Ontario for providing the Company with head office accomodation, accounting, administration and secretarial services. Fred Munger, the Secretary-Treasurer of the Company is the sole director and shareholder of Sprucedale Holdings Limited.

PRINCIPAL AND SELLING SHAREHOLDER

Set forth below are particulars of the present principal holder of shares of the Company and being common shares without par value:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Number of Shares</u>	<u>Percentage of Class (1)</u>
Glandfield & Co. Limited Suite 129, 17 Queen Street E. Toronto, Ontario	Of record and beneficially	727,500	59.3

As disclosed in this Prospectus, 72,750 shares may be offered hereunder by way of a secondary offering. If the 72,750 shares are offered, they will be offered as follows:

<u>Name and Address</u>	<u>No. of Shares to be sold</u>	<u>No. of Shares to be owned after this financing</u>	<u>Percentage to be owned after this financing(1)</u>
Glandfield & Co. Limited Suite 129 17 Queen St. E. Toronto, Ontario	72,750	654,750	53.4

- (1) Calculated on the basis of there being 1,227,503 shares issued and outstanding following the sale of the underwritten and optioned shares.

As of the date of this Prospectus, the directors and senior officers of the Company as a group, beneficially own, directly or indirectly, less than 1% of the issued and outstanding shares of the Company.

#### PRIOR SALES OF SHARES

Since its incorporation, 3 shares of the Company have been sold at a price of \$1 per share.

#### ESCROWED SHARES

Certificates representing 654,750 shares of the Company are held in escrow by The Metropolitan Trust Company, Toronto, Ontario, (the "Trustee"). The terms of escrow inter alia, provide that the shares and the beneficial ownership of or any interest in them and the certificates representing them (including any replacement share or certificates) shall not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow or otherwise in any manner dealt with without the express consent, order or direction in writing of the Ontario Securities Commission. The prior consent of the Company is also required for the release of any such certificates from escrow.

The escrowed shares are subject to surrender for the benefit of the Company if inter alia, the mining claims referred to under the caption "Strathy Township Mining Claims" for which they were issued are abandoned or development thereof discontinued or they have become of little or no value.

<u>Capital Stock</u>	<u>Number of Shares held in escrow</u>	<u>Percentage of Class (1)</u>
Common Shares without par value	654,750	53.4

(1) Calculated on the basis of there being 1,227,503 shares issued and outstanding following the sale of the underwritten and optioned shares.

#### DIVIDENDS

No dividends have been paid by the Company.

AUDITOR

The auditor of the Company is Mr. T.H. Bernholtz, Chartered Accountant, Suite 804, 330 Bay Street, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

The Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, acts as the Company's registrar and transfer agent.

PROMOTER

Glandfield & Co. Limited, Suite 129, 17 Queen Street East, Toronto, Ontario, referred to throughout this Prospectus, may be regarded as the Promoter of the Company.

INTEREST OF MANAGEMENT AND OTHERS  
IN MATERIAL TRANSACTIONS

Reference is made to the caption "Strathy Township Mining Claims" for particulars of the agreement under which the Company has acquired 9 unpatented mining claims, situate in Strathy Township, in the Province of Ontario, from Glandfield & Co. Limited ("Glandfield") the Company's Promoter. Glandfield in consideration of the transfer to the Company of its interest in the said unpatented mining claims received by allotment, 727,500 shares without par value in the capital of the Company. The said mining claims were acquired by Glandfield from Bear Paw Mining Syndicate represented by Peter M. Bourke, 73 Chatsworth Drive, Toronto, Ontario, for the sum of \$6,500 together with a royalty equal to 3% of the Net Smelter Returns on all ores, concentrates and minerals extracted and marketed from the mining claims. Reference is made to the caption "Offering" for particulars concerning the interest of Glandfield in the underwritten and optioned shares of the Company and for particulars concerning the offering by Glandfield of 72,750 of the said vendor's shares as a secondary offering. The vendors' consideration paid by the Company, was determined by the present directors of the Company. Since all of the mining claims are completely unproven, it was not possible to assign any particular value thereto, and accordingly the said shares were allotted and issued at the sum of \$27,500 which amount was arrived at by considering the cost of the mining claims to Glandfield and the estimated costs of the exploration program recommended to be carried out thereon.

PRELIMINARY EXPENSES

The preliminary administrative expenses, including the cost of this issue, incorporation and organization of the Company are estimated at \$7,000. Administrative expenses of the Company during the current year are estimated at the sum of \$5,000. The sum of \$21,000 will be used to implement the first phase recommendations of Mr. J.G. Willars, Consulting Mining Geologist, on the Company's Strathy Township Mining Claims.

MATERIAL CONTRACTS

The Company has entered into the following material contracts since its incorporation, namely:

1. Agreement made as of March 3, 1975 as amended by agreement dated April 9, 1975 between the Company and Glandfield & Co. Limited, pursuant to which the Company acquired its interest in 9 unpatented mining claims situate in Strathy Township, Province of Ontario, as referred to under the caption "Strathy Township Mining Claims."
2. Underwriting Agreement made as of March 4th, 1975 between the Company and Glandfield referred to under the caption "Offering".
3. Escrow agreement made as of April 9th, 1975 between the Company, Glandfield & Co. Limited and The Metropolitan Trust Company.

In addition to the foregoing, the following material contract has been entered into, namely:

1. Vendors' agreement made as of the 12th day of February, 1975, between Bear Paw Mining Syndicate and Glandfield & Co. Limited, pursuant to which Glandfield acquired its interest in the 9 unpatented mining claims situate in Strathy Township, Province of Ontario, as referred to under the caption "Strathy Township Mining Claims".

Copies of the foregoing instruments may be inspected during ordinary business hours at the head office of the Company during the distribution of the securities offered by this Prospectus.

PURCHASER'S STATUTORY RIGHTS OF  
WITHDRAWAL AND RESCISSION

The Securities Act (Ontario) R.S.O. 1970, Chapter 426, provides, in effect, that where a security is offered to the public in the course of distribution to the public:

- (a) a purchaser will not be bound by any contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus and any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to Section 64 and 65 of the Securities Act (Ontario) R.S.O. 1970, Chapter 426, for the complete text of the provisions under which the above-mentioned rights are conferred.



To The Directors  
Metalline Resources Inc.  
Toronto, Ontario

I have examined the balance sheet of Metalline Resources Inc. as at April 9, 1975, and in connection therewith reviewed such supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet present fairly the financial position of the Corporation as at April 9, 1975, in accordance with generally accepted accounting principles.

Toronto, Ontario  
April 10, 1975

T. H. Bernholtz  
Chartered Accountant

METALLINE RESOURCES INC.

BALANCE SHEET

AS AT APRIL 9, 1975

ASSETS

Cash on hand	\$ 3
Mining claims (Note 1)	27,500
Incorporation, organization and offering expenses (estimated)	7,000
	<u>\$34,503</u>

LIABILITIES AND CAPITAL

Accounts payable (estimated)	\$ 7,000
Capital stock (Note 2)	
Authorized:	
3,000,000 shares without par value not to exceed \$1,500,000	
Allotted - to be issued:	
3 shares for cash	3
727,500 shares for properties	27,500
	<u>\$34,503</u>

The accompanying notes are an integral part of this balance sheet.

On behalf of the Board:

N.W. Lamport Director  
A.J. Fortens Director

METALLINE RESOURCES INC.

NOTES TO BALANCE SHEET

AS AT APRIL 9, 1975

Note 1. The mining claims consist of nine contiguous unpatented mining claims located in Strathy Township, Province of Ontario, and are valued by the Directors at the consideration attributed to 727,500 shares of the Corporation's capital stock issued therefore. The mining claims are subject to the payment of a royalty of 3% of the net smelter returns of all ores, concentrates and minerals extracted and marketed therefrom.

Note 2. By Agreement dated March 4, 1975, the underwriter has firmly agreed to purchase 200,000 shares of the Corporation's capital stock at 17¢ per share payable within three days of the date of acceptance for filing of the prospectus by the Ontario Securities Commission (the acceptance date).

In consideration of the firm underwriting the Corporation has granted the underwriter an option to purchase all or any part of an additional 300,000 shares as follows:

150,000 shares at 22¢ per share payable  
within 3 months of the acceptance  
date;

150,000 shares at 27¢ per share payable  
within 6 months of the acceptance  
date.

Note 3. A statement of source and application of funds for incorporation (February 6, 1975) to April 9, 1975 has not been included as the Corporation has not yet commenced operations.

There are no other material facts.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act (Ontario) and the regulations thereunder.

DATED this 10th day of April, 1975.

NORMAN WILLIAM LAMPORT  
Chief Executive Officer

FRED MUNGER  
Chief Financial Officer

ARTHUR JOHN FORTENS  
Director

OSWALD FREDERICK CARTER  
Director

PROMOTER

GLANFIELD & CO. LIMITED

Per: David Sherman

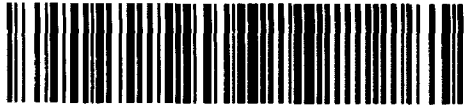
UNDERWRITER-OPTIONEE

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act (Ontario) and the regulations thereunder.

DATED this 10th day of April, 1975.

GLANFIELD & CO. LIMITED

Per: David Sherman



31M04SW0099 63.3303 STRATHY

020



REPORT ON

METALLINE RESOURCES INC.  
STRATHY TWP. GOLD PROPERTY  
ONTARIO

by

Jack G. Willars B.A.Sc., P.Eng.  
Consulting Mining Geologist

New Liskeard, Ontario

Feb. 20, 1975



31M04SW0099 63.3303 STRATHY

020C

TABLE OF CONTENTS

	<u>Page No.</u>
Summary	1-2
Introduction	3
Accessibility and Topography	3-4
History of the Area	4-5-6-7
General Geology	8-9
Mineral Deposits	9
Conclusions	10
Recommendations	11
Certificate	12
References	13

\*\*

METALLINE RESOURCES INC.

REPORT ON STRATHY TWP. GOLD PROPERTY  
ONTARIO-FEB.20, 1975

By JACK C. WILLARS B.A.Sc., P. ENG.  
CONSULTING MINING GEOLOGIST

SUMMARY

Metalline Resources Inc. holds a group of nine contiguous, unpatented mining claims comprising approximately 360 acres in the south central part of Strathy Township, Temagami Area, Ontario. These claims are numbered 367801 to 367809 inclusive and are considered a prospect for gold. Over the past 75 years, numerous companies have explored Strathy Twp. and have firmly established the existence of widespread mineralization associated with favourable geology and structure.

In the immediate area, that is within a distance of one mile to the north and to the east, three prospect shafts were sunk in past years on gold surface showings. While, in each operation, the developments were unsuccessful in outlining economic tonnages, the presence of such known occurrences supports the recognition of these geological horizons as meriting new investigations.

The Metalline Resources Inc. property is located in this immediate area and encompasses favourable geology and structure for the location of gold deposits. Various gold

METALLINE RESOURCES INC.

REPORT ON STRATHY TWP. GOLD PROPERTY

ONTARIO-FEB. 20, 1975

By JACK G. WILLARS B.A.Sc., P.ENG.  
CONSULTING MINING GEOLOGIST

SUMMARY

Metalline Resources Inc. holds a group of nine contiguous, unpatented mining claims comprising approximately 360 acres in the south central part of Strathy Township, Temagami area, Ontario. These claims are numbered 367801 to 367809 inclusive and are considered a prospect for gold. Over the past 75 years numerous companies have explored Strathy Twp. and have firmly established the existence of widespread mineralization associated with favourable geology and structure.

To date several individual deposits of gold with modest but respectable tonnages and grades have been indicated in the area. No one gold occurrence has been large enough to sustain an economic operation, however collectively these properties might be operated economically.

The Metalline Resources Inc. property is located in the immediate area and encompasses favourable geology and structure for the location of gold deposits. Various old

SUPERSEDED

conflict



trenches and pits located on the property have been investigated in the past with no success, and since no new evidence has improved their situation they are not considered exploration targets. No known diamond drilling has been done on these claims.

An electromagnetic VLF survey conducted during July and August, 1974, in conjunction with geology and magnetometer surveys has indicated three valid weak conductors in the north central part of the claims group. They have minimum lengths of 300', 300' and 600' and are essentially in line over a total distance of 2100', and are parallel with the volcanic rock trends. The cause of these conductors is interpreted to be pyritized fracture zones hopefully containing gold. Since they occur in an area of widespread overburden, it would be necessary to test this hypothesis by diamond drilling.

Whereas these conductors occur in favourable geology and are in proximity to known deposits, it is recommended that each of the three conductors be tested by a 400' drill hole. An estimated cost to carry out this initial program of 1200' of drilling is \$21,000.00. In my opinion this venture has sufficient merit to make the work recommended a worthwhile undertaking.

Contingent on any significant encouragement being achieved in the initial drilling phase, an additional 3,000' of drilling at a cost of \$44,000.00 is recommended. The total cost of the program would be \$65,000.00.

METALLINE RESOURCES INC.  
REPORT ON STRATHY TWP. GOLD PROPERTY  
SUDBURY MINING DIVISION  
ONTARIO

INTRODUCTION

Metalline Resources Inc. has purchased from Bearpaw Mining Syndicate nine contiguous unpatented mining claims comprising approximately 360 acres. They are located in the south central part of Strathy Twp., Ontario, and are numbered 367801 to 367809 inclusive. These claims were recorded on May 4, 1973, and 80 days per claim of geological and geophysical assessment work were approved as of Feb. 7, 1975. Strathy Twp. is in the Sudbury Mining Division. The author of this report was engaged by Bearpaw Mining Syndicate to conduct a program of surface exploration on their property. Metalline Resources Inc. has since requested the author for recommendations based on the results of the exploration program.

ACCESSIBILITY AND TOPOGRAPHY

The group of claims is located one and three quarters miles northwest of the Town of Temagami which is on main Highway No. 11, a distance of three hundred miles north of Toronto. From Temagami, the claims may be reached by driving one mile north on Highway No. 11 and one mile west on a

paved access road leading to the Sherman Iron Mine. This road traverses the most southerly claim of the group.

A hydro electric power transmission line and a natural gas pipeline, both traverse the south claim of the property and an east-west spur line of the Ontario Northland Railway is located immediately south of the property.

The property is heavily wooded with a growth of pine, spruce, birch and poplar trees. The south part of the claims contains 10% rock outcropping and the north and west parts contain sparse outcrops. Overburden consists of swamp and a thin mantle of gravel. Only one small lake and creek lie within the boundaries of the property. Topographic relief is low, rolling hills.

#### HISTORY

Intensive prospecting has been carried out sporadically since the late nineteenth century in Strathy Twp. Peak periods appear to have been about 1890, during the First World War, and from 1930 to 1940.

Half a mile north of Metalline Resources' property, the Beanland property consists of a quartz vein network within volcanic rocks trending N.60° E. and dipping vertically. The mineralization consists of pyrite with rare chalcopyrite and is 560' long with a maximum width of 5'. A 500' shaft and 2,374' of lateral development on three levels was done. Reserves are 8,778 tons averaging 0.31 oz.

gold per ton across a 5.6' width, and 24,000 tons averaging 0.21 oz. gold per ton across 5.2' width. A mill was built on the property, but no production is recorded.

Half a mile north of the Beanland, Cominco owns a property on which a 325' shaft was sunk and 6,000' of lateral development was done during 1935 to 1940. The main vein trends N.40° E. for 250' and has a maximum width of 5'. A second vein 270' south trends N.60°E. and has a maximum width of 1.5'. The mineralization is scattered blebs and seams of pyrite with traces of chalcopyrite. Development has indicated 8,998 tons averaging 0.05 oz. gold per ton.

One mile along strike to the east of Metalline's property, Penrose Gold Mines owns claims on which a 500' shaft was sunk and levels established at 100' intervals. The vein was investigated for 1140' laterally and 800' in depth. The vein consists of discontinuous lenses of fractured quartz containing pyrite and arsenopyrite, strikes N.30° W. and dips 60° west. Surface examination and drilling indicated mineralization for a 600' length and a 5.4' width averaging 0.32 oz. gold per ton. Underground work failed to substantiate drilling results. There was no production.

South of this main zone and prior to 1929, a 56' shaft and open cut investigated a narrow quartz vein trending N.50° E. for 70' and dipping 80° northwest. Erratic gold values associated with arsenopyrite were observed. Surface sampling indicated 0.19 oz. gold per ton across a 3.4' width

for a 60' length, and underground sampling indicated 0.26 oz. gold per ton across a 2.5' width for a length of 85'.

Another exposure of pyrite and arsenopyrite mineralization with minor chalcopyrite in quartz in volcanic rocks occurs 1200' south of the main vein. This strikes N.20° W. and dips 75° west. A 50' incline shaft was sunk. Surface sampling indicated 0.26 oz. gold per ton across a 2.3' width for a length of 175', and underground sampling indicated 0.33 oz. gold per ton across a 2.3' width for a length of 42'.

One mile northeast of Metalline's property, International Nickel owns the Big Dan deposit which has been known since 1899 and consists of blebs and veinlets of arsenopyrite and pyrrhotite in sheared basalt flows and quartz porphyry and is exposed for 2,000'. Two shafts and one adit were sunk on this deposit. No records of tonnages or grades are available and there is no record of production. Associated minerals of copper, nickel, gold and silver are present. Periodically various surveys continue to be carried out on this property.

In 1953 Mining Geophysics conducted S.P., magnetometer and some electromagnetic surveys on claims to the east of Metalline's. Diamond drilling was carried out about two miles east. Two reconnaissance geophysical lines were traversed over a known showing in the vicinity of Metalline's claims with negative results.

In 1960 E.L. MacVeigh supervised a geology survey on Metalline's claims and the author of this report conducted the survey. At a later date magnetometer and electromagnetic surveys were conducted on two claims west of Metalline's claims with inconclusive results. No geophysics was done on Metalline's claims.

In 1956 Maralgo Mines did 4,923' of diamond drilling on geology and magnetometer targets on claims adjoining Metalline's to the east. Low values in copper and zinc and erratic values in silver were reported in pyritized felsic volcanics.

In 1965 the Keevil Mining Group conducted geology, magnetometer and electromagnetic surveys and prospecting on claims located one mile west of Metalline's claims resulting in low values of gold and silver.

Two miles northwest of Metalline's property, Kanichee Mines is currently producing copper-nickel concentrates by open pit mining of a mineralized peridotite body containing 750,000 tons of 0.65% Cu and 0.38% Ni.

Two miles southwest of Metalline's property Sherman Mines is currently producing iron pellets from several open pits of banded jasper and magnetite deposits.

In 1974 J.G. Willars, the author of this report, systematically surveyed Metalline's claims using geology, electromagnetic and magnetic methods. The results of this work are described under General Geology and Mineral Deposits.

## GENERAL GEOLOGY

Keewatin age rocks consisting of acid and basic volcanics interbedded with tuffs and volcanic agglomerates and iron formation trend N.60° E. in the area of the property. These rocks are tightly folded into a syncline of which the axis is located one mile south of the property. Algoman granitic rocks have intruded all of these rocks. Younger basic and ultrabasic rocks have intruded this complex assemblage of rocks as sills, bosses and dikes.

Copper-nickel occurrences are associated with the basic intrusives in the general area. Molybdenum-copper occurrences are observed in some flow rocks. Numerous gold occurrences are assumed to be associated with the Algoman acid intrusive rocks and are located in the volcanic rocks.

Specifically Metalline's property encompasses rocks consisting of interbedded volcanic flows of diorite, andesite (pillow lava and fine grained massive) and rhyolites. These rocks trend N.70°E. and are schisted in that direction and in an east-west direction. They lie on the north limb of a tightly folded syncline and exist in a vertical attitude which has been further disturbed by faulting and fracturing to result in a complex geological assemblage. In places where these rocks bound rhyolite porphyry they are bleached to a light colour presumably because of alteration. Younger east-west disjointed diabase dikes intrude all of these rocks.

Topography shapes and magnetic results indicate a fracture pattern in a N.10°E. to N. 25° E. direction. Both surveys also indicate two major structures traversing the central part of the property in a N.25° W. direction.

#### MINERAL DEPOSITS

Several old pits and trenches were observed on the property which contained rusty oxidation. Some of these occurred in the alteration areas surrounding rhyolite porphyry bodies. No obvious mineralization of consequence was noted in these areas nor did the electromagnetic survey obtain any response in these areas of the property.

In the north central part of the property three valid electromagnetic conductors were located. They are not of high intensity and are likely caused by fractured areas which are pyritized and characteristic of the gold deposits of Strathy Twp. These conductors are 300', 300' and 600' long and essentially parallel to the trend of the country rocks. They are disrupted by faulting. This area is 95% overburdened by swamp.

In the northeast part of the property a one line conductor was observed. South of the main conductors, three reverse profiles are observed. The cause of this is not known but possibly metal mineralization contributes to them.



CONCLUSIONS

Exploration in the central part of Strathy Twp., Ontario has been carried out by a number of companies over the past 75 years and results have firmly established the presence of widespread mineralization throughout the area. Locally the concentrations of gold bearing minerals and structures are significant, and to date surface and underground exploration programs have indicated modest and respectable tonnages and grades. Enough tonnage to sustain an economic operation has not been outlined in any individual situation, yet collectively these properties might be operated economically.

The nine claim property of Metalline Resources Inc. encompasses favourable geology and structure for the location of gold deposits. Three valid electromagnetic conductors have been located in this geological setting which are interpreted to be caused by pyritized fractured zones associated with gold values such as those described in other parts of Strathy Twp. Since the area of the conductors is 95% covered by swampy overburden diamond drilling would be necessary to determine whether the cause is of valuable material. None of the areas of the old trenches are considered significant as targets for exploration. No drilling is known to have been done on any of these claims.

RECOMMENDATIONS

Whereas three valid electromagnetic conductors have been located on the property and are located in an area of wide-spread mineralization and favourable geology, it is recommended that each of these conductors be investigated by a 400' diamond drill hole. An estimate of costs to carry out this initial program would be:

Diamond drilling 1200' @ \$14.00 per foot	-	\$16,800.00
Supervision and expenses	-	2,500.00
Contingency allowance	-	<u>1,700.00</u>
Total	-	\$21,000.00

Subsequently should the results of the initial phase of drilling be of significant encouragement, an additional 3,000' of diamond drilling is recommended for successive investigation. It is estimated that this phase would cost:

Diamond drilling 3,000' @ \$12.00 per foot	-	\$36,000.00
Supervision and expenses	-	5,000.00
Contingency allowance	-	<u>3,000.00</u>
Total	-	\$44,000.00
Total of initial and successive phases	-	<u>\$65,000.00</u>

Respectfully submitted,



J.G. Killars B.A.Sc., P.Eng.  
Consulting Mining Geologist.

New Liskeard, Ontario,  
February 20, 1975.

CERTIFICATE

This is to certify that:

1. I am a graduate in Mining Geology from the University of Toronto in 1951, and I hold the degree of Bachelor of Applied Science and I have been practising my profession for the past twenty-three years.
2. I am a member in good standing of the Association of Professional Engineers of Ontario, and am certified as a Consultant, and I reside and hold office at 127 Lakeshore Road, New Liskeard, Ontario.
3. I have no direct, indirect or anticipated interest in the properties mentioned in this report nor in the securities of the Company to which they belong.
4. My report is based on familiarity of the area investigated, on recent exploration work carried out under my personal supervision during July and August, 1974, on research of available material, and upon my experience as an Exploration Geologist.

New Liskeard, Ontario  
Feb. 20, 1975.

  
Jack G. Willars B.A.Sc., P.Eng.  
Consulting Mining Geologist

REFERENCES

A Report of the Non-ferrous Mineralization - Central Part  
of Strathy Twp. - Dec. 13, 1969 - E.H. Marvin.

Report on the Strathy Twp. Mining Area, Temagami, Ont.  
-Mar. 6, 1969 - E.L. MacVeigh.

Report on the Consolidation of Certain Mine Properties,  
Strathy Twp., Ont. - Jan. 5, 1947 - L.P. Warriner.

Report on the Geological Survey of an 8 claim Mining  
Group in Strathy Twp. - Oct. 1, 1960 - E.L. MacVeigh.

The Northeastern Portion of Timagami Lake Area  
-Ont. Dept. of Mines Vol. 51, Pt. 6, 1942 -  
W.E. Moorhouse

Ontario Dept. of Mines & Northern Affairs Map P667, 1971.

Private files of E.L. MacVeigh, deceased.

Private files of J.G. Willars

Report of Exploration Program - Bearpaw Mining Syndicate  
Strathy Twp. Property, Ont. - Nov. 19, 1974, -  
J.G. Willars.

Files of Resident Geologist - Sudbury Mining Division

METALLINE RESOURCES INC.

REPORT ON STRATHY TWP. GOLD PROPERTY  
ONTARIO-FEB. 20, 1975

By JACK C. WILLIAMS B.A.Sc., P. ENG.  
CONSULTING MINING GEOLOGIST

SUMMARY

Metalline Resources Inc. holds a group of nine contiguous, unpatented mining claims comprising approximately 360 acres in the south central part of Strathy Township, Temagami Area, Ontario. These claims are numbered 367801 to 367809 inclusive and are considered a prospect for gold. Over the past 75 years, numerous companies have explored Strathy Twp. and have firmly established the existence of widespread mineralization associated with favourable geology and structure.

In the immediate area, that is within a distance of one mile to the north and to the east, three prospect shafts were sunk in past years on gold surface showings. While, in each operation, the developments were unsuccessful in outlining economic tonnages, the presence of such known occurrences supports the recognition of these geological horizons as meriting new investigations.

The Metalline Resources Inc. property is located in this immediate area and encompasses favourable geology and structure for the location of gold deposits. Various gold

METALLINE RESOURCES INC.

REPORT ON STRATHY TWP. GOLD PROPERTY

SUDBURY MINING DIVISION  
ONTARIO

INTRODUCTION

Metalline Resources Inc. has purchased from Bearpaw Mining Syndicate, nine contiguous unpatented mining claims comprising approximately 360 acres. They are located in the south central part of Strathy Twp., Ontario, and are numbered 367801 to 367809 inclusive. These claims were recorded on May 4, 1973, and 90 days per claim of geological and geophysical assessment work were approved as of February 7, 1975, leaving the claims in good standing until May 4, 1976. Strathy Twp. is in the Sudbury Mining Division. The author of this report was engaged by Bearpaw Mining Syndicate to conduct a program of surface exploration on their property. Glandfield & Co. Limited, on behalf of Metalline Resources Inc. have since retained the author to prepare the following report with work recommendations on the holdings.

ACCESSIBILITY AND TOPOGRAPHY

The group of claims is located one and three quarters miles northwest of the Town of Temagami which is on main Highway No. 11, a distance of three hundred miles north of Toronto. From Temagami, the claims may be reached by driving one mile north on Highway No. 11 and one mile west on a

METALLINE RESOURCES INC.

REPORT ON STRATHY TWP. GOLD PROPERTY

SUDBURY MINING DIVISION  
ONTARIO

INTRODUCTION

Metalline Resources Inc. has purchased from Bearpaw Mining Syndicate, nine contiguous unpatented mining claims comprising approximately 360 acres. They are located in the south central part of Strathy Twp., Ontario, and are numbered 367801 to 367809 inclusive. These claims were recorded on May 4, 1973, and 80 days per claim of geological and geophysical assessment work were approved as of February 7, 1975, leaving the claims in good standing until May 4, 1976. Strathy Twp. is in the Sudbury Mining Division. The author of this report was engaged by Bearpaw Mining Syndicate to conduct a program of surface exploration on their property. Glandfield & Co. Limited, on behalf of Metalline Resources Inc. have since retained the author to prepare the following report with work recommendations on the holdings.

ACCESSIBILITY AND TOPOGRAPHY

The group of claims is located one and three quarters miles northwest of the Town of Temagami which is on main Highway No. 11, a distance of three hundred miles north of Toronto. From Temagami, the claims may be reached by driving one mile north on Highway No. 11 and one mile west on a

CONCLUSIONS

Exploration in the central part of Strathy Twp., Ontario, has been carried out by a number of companies over the past 75 years and results have firmly established the presence of widespread mineralization throughout the area. Locally the concentrations of gold bearing minerals and structures are noteworthy, and to date surface and underground exploration programs have indicated modest tonnages and grades.

The nine claims property of Metalline Resources Inc. encompasses favourable geology and structure for the location of gold deposits. Three valid electromagnetic conductors have been located in this geological setting which are interpreted to be caused by pyritized fractured zones associated with gold values such as those described in other parts of Strathy Twp. Since the area of the conductors is 95% covered by swampy overburden, diamond drilling would be necessary to determine whether the cause is of valuable material. None of the areas of the old trenches are considered significant as targets for exploration. No drilling is known to have been done on any of these claims.