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REPORT OF GEOLOGICAL MAPPING

## TO DEFINE ZONES OF SULFIDE MINERALIZATION

EDOMAR RESOURCES INC.

LARDER LAKE, ONTARIO

RECEIVED

JUN 15 1984

#### INTRODUCTION

MINING LANDS SECTION

This report and map is the result of six (6) days field mapping of the North-west portions of Edomar Resources Inc.'s claim group North of Larder Lake, Ontario. Geological personnel supervised by the writer were on the property between October 17-20 and November 14-16, 1983. The purpose of this work is to further define areas of favorable gold mineralization based on structural relationships on this property as part of an ongoing project to evaluate the gold potential on this claim block.

### ACCESS TO PROPERTY

The property is situated in the North Half (N 1/2) of McVittie Township. Access to the property is by way of Larder Lake Station road situated about one mile North-east of the Village of Larder Lake. A forest access road winds its way North of the Larder Lake Station through the midst of the property. The road is kept open all year around.

#### MAPPING

A map was made on a scale of 1" = 400 feet using the pre-existing grid which had been laid out for the geophysical program and for previous mapping. Many of the pickets had to be remarked and some of the lines had to have the thick undergrowth removed.

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MINING LANDS SECTION

#### GEOLOGICAL SETTING

The North-west portion of Edomar's claim group was chosen as an area that should be mapped in detail as a large North West - South East trending anticline known as the Spectacle Lake anticline has been mapped from the Beaver House Lake area in Gauthier Township to the Kerr-Addison Mine in McGarry Township. It is the most prominent structural feature on the Edomar property. Extensive sulfide mineralization has been encountered on the limbs of this structure.

The area consists essentially of a series of Keewatin basic volcanics ranging in composition from andesitic to basaltic. These have been intruded by a series of Algoman dikes and syenite porphyrys. In the Northern part of the area mapped, a series of Timiskaming conglomerates and greywackes rest unconformably on the Keewatin volcanics. The purpose of the mapping was to define areas of sulfide mineralization in this geological and structural setting.

#### **OBSERVATIONS**

The mapping program has outlined areas of disseminated sulfide mineralization in Keewatin andesitic volcanics. It appears that all the mineralized areas are associated with major strike orientated faults on the limbs of the Spectacle Lake - Kerr-Addison anticline. However, there does not appear to be extensive hydrothermal alteration associated with the mineralization.

A sampling program should be undertaken to monitor the gold content of these mineralized zones.

Thomas E. Gillett

Geologist

Marmora, Ontario January 19, 1984.

2.2469



## Mining Lands Section

File No 2.686/

Control Sheet

	TYPE OF SURVEY	GEOPHYSICAL GEOLOGICAL GEOCHEMICAL EXPENDITURE
MINING LANDS	COMMENTS:	
lgol.	7.7	•
	•	2 Hurst
		Signature of Assessor
		84/-08-28

Date

1984 08 31 Our File: 2.6861

George J. Koleszar
Mining Recorder
Ministry of Natural Resources
4 Government Road East
Kirkland Lake, Ontario
P2N 1A2

Dear Sir:

RE: Geological Survey on Mining Claims L 531142 et al in the Township of McVittle

The Geological Survey assessment work credits as shown on attached statement have been approved as of the above date.

Please inform the recorded holder of these mining claims and so indicate on your records.

Yours sincerely,

S.E. Yundt Director Land Management Branch

Whitney Block, Room 6643 Queen's Park Toronto, Ontario M7A 1W3 Phone: (416)965-4888

#### S. Hurst:mc

cc: Edomar Resources Inc Suite 500 67 Richmond Street West Toronto, Ontario M5H 125

cc: Resident Geologist
Kirkland Lake, Ontario

Encl.



Recorded Holder

## **Technical Assessment Work Credits**

**EDOMAR RESOURCES INC** 

|--|

1984 08 31

Mining Recorder's Report of Work No.

## NO REPORT OF WORK FILED

Township or Area  MCVITTIE TOWNSHIP	
Type of survey and number of Assessment days credit per claim	Mining Claims Assessed
Geophysical	
Electromagnetic days	L 213319-20
Magnetometer days	525129 531142
Radiometric days	531372 544557-66-67
Induced polarization days	5454402-11 545444-45-46-49
Other days	545470-71-72-73 548496
Section 77 (19) See "Mining Claims Assessed" column	565005-09
Geological days	
Geochemical days	
Man days ☐ Airborne ☐	
Special provision 🖾 Ground 🗵	·
Credits have been reduced because of partial coverage of claims.	
Credits have been reduced because of corrections to work dates and figures of applicant.	
	·
Special credits under section 77 (16) for the following n	nining claims
No credits have been allowed for the following mining c	
not sufficiently covered by the survey	Insufficient technical data filed

1984 07 06

Your File: 2.6861

Mr. George J. Koleszar Mining Recorder Ministry of Natural Resources 4 Government Road East P.O. Box 984 Kirkland Lake, Ontario P2N 1A2

Dear Sir:

We have received reports and maps for a Geological Survey submitted under Special Provisions (credit for Performance and Coverage) on Mining Claims L 531142 et al in the Township of McVittie.

This material will be examined and assessed and a statement of assessment work credits will be issued.

We do not have a copy of the report of work which is normally filed with you prior to the submission of this technical data. Please forward a copy as soon as possible.

Yours sincerely,

S.E. Yundt Director Land Management Branch

Whitney Block, Room 6643 Queen's Park Toronto, Ontario M7A 1W3 Phone: (416) 965-1380

A. Barr:sc

cc: Edomar Resources Inc Suite 500 67 Richmond Street West Toronto, Ontario M5H 1Z5 24-08-28 A

#### NOTES TO THE FINANCIAL STATEMENTS

#### **DECEMBER 31, 1979**

#### NOTE 1: SIGNIFICANT ACCOUNTING POLICY

Exploration and administrative expenditures have been deferred and added to the cost of the 5 mining claims. If the project advances to the production stage and becomes economically viable, the accumulated expenditures will be charged against the income received from the project. If it is ever determined that the project should be abandoned, the cost of the claims and the deferred expenditures will be written off.

#### NOTE 2: MINING CLAIMS

5 claims in Rouyn Township, Quebec held under development licence acquired for 1,000,000 shares of capital stock valued at \$100,000 and \$6,510 cash \$106,510 \$106,510

#### NOTE 3: EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED

The recovery of costs of mining claims and exploration and administrative expenditures deferred is dependent upon obtaining adequate financing and developing a sufficient quantity of ore of economic value.

#### NOTE 4: SUBSEQUENT EVENTS

(a) Subject to shareholders' approval at a meeting scheduled for April 10th, the company proposes to amend its articles to provide for a consolidation of its presently issued and outstanding 1,708,006 shares on the basis of one new share for each ten presently outstanding. The authorized capital would then be increased to 5,000,000 common shares without par value. The company would also change its name to Edomar Resources Inc. and 2,000,000 non-participating, redeemable, voting special shares with a par value of one-tenth of one cent each would be created.

MacGillivray & Co.

Chartered Accountants Internationally: Spicer and Oppenheim

> 390 Bay Street Suite 2400 Toronto, Canada M5H 2R6

Telex: 06-23357 Telephone (416) 868-0122 Cable Address: ESSANO, Toronto Morfiteal
Toronto
Hamilton
Brampton
Sr Catharines
Port Corborne
Listows
Winnipeg
Calgary
Edmonton
Prince George

AUDITORS' REPORT

To the Directors of Quejo Mines Limited:

We have examined the balance sheet of Quejo Mines Limited as at December 31, 1979 and the statements of exploration and administrative expenditures deferred, retained earnings and changes in financial position for the five years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1979 and the results of its operation and changes in its financial position for the five years then ended in accordance with generally accepted accounting principles which have been applied on a consistent basis.

Proc Sellway & Co
Chartered Accountants

Toronto, Ontario. March 31, 1980.

## BALANCE SHEET

## AS AT DECEMBER 31, 1979

## ASSETS

·	1979	1978		
CURRENT  Cash  Marketable securities, at nominal value  Accounts receivable	\$ 268 1 54 323	\$ 567 1 ———————————————————————————————————		
OTHER ASSETS AND DEFERRED CHARGES Mining claims (Notes 1 and 2) Exploration and administrative	106,510	106,510		
expenditures deferred (Note 3)	93,207	85,732		
	199,717	192,242		
	\$ 200,040	\$ 192,810		
LIABILITIES				
CURRENT Bank loan Accounts payable SHAREHOLDERS' EQUITY	\$ 19,369 7,873 27,242	\$ 15,569 4,443 20,012		
CAPITAL STOCK Authorized 3,000,000 Shares without par value Issued 1,708,006 Shares	157,966	157,966		
RETAINED EARNINGS	14,832	14,832		
REININGS EMMINOS	172,798	172,798		
APPROVED BY THE BOARD	\$ 200,040	\$ 192,810		
Louisting ToloDinogram	- Judy	Director		

MacGillivray & Co.
Chartered Accountants

#### NOTES TO THE FINANCIAL STATEMENTS

#### **DECEMBER 31, 1979**

#### NOTE 4: SUBSEQUENT EVENTS (Continued)

- (b) Following the amendments to the Articles as contemplated above, the company, subject to shareholder approval, intends:
  - to acquire a working option on a group of 6 patented and 59 unpatented mining claims for the sum of \$30,840 cash, plus 500,000 common shares to be issued 100,000 in each of 1980 to 1984. The initial 100,000 shares is to be issued at an assigned value of 24¢ per share, a total of \$24,000;
  - (ii) to acquire 3 additional unpatented claims for 10,000 common shares to be issued at an assigned value of 24c per share, a total of \$2,400;
  - (iii) to issue 1,500,000 shares of its capital stock at a net price of 24¢ per share. The company would pay a bonus on such sale of 225,000 common shares valued at 24¢ each, a total of \$54,000;
  - (iv) to allot and issue 500,000 special shares for a total cash consideration of \$500; and
  - (v) to issue 500,000 warrants, each of 375,000 of which entitle the holder thereof to purchase one common share at a price of 24.4375¢ until February 15, 1985; and each of 125,000 of which entitle the holder to purchase one common share at a price per share dependent upon the unit price and number of common shares issued subsequent to the issue of warrants, all in accordance with Policy 3.02 of the Ontario Securities Commission.
- (c) Common shares as contemplated in (a) above will be issued at an assigned value of 24¢ per share:
  - (i) for \$27,242 of indebtedness to bankers and trade creditors
  - (ii) for \$24,000 of the consideration to be paid for the mining claims described in (b) (i) above.

## STATEMENT OF EXPLORATION AND ADMINISTRATIVE EXPENDITURES DEFERRED FOR THE FIVE YEARS ENDED DECEMBER 31,

	1979	1978	1977	1976	1975
Exploration Field administration (recovery)	<u>\$ 21</u>	\$ 22	( <u>\$ 750</u> )	\$ 3,172	\$ 3,422
Administrative Government fees and taxes Interest and bank charges Management fees Professional services Shareholders' information Transfer agent's fees and	331 2,447 - 3,575 434	369 1,620 - 1,577 394	96 1,935 600 1,654 367	435 1,554 1,800 1,049 310	321 704 900 650 395
expenses Miscellaneous	667	608	608	589 7	560 27
	7,454	4,568	5,260	5,744	3,557
EXPENDITURES FOR THE YEAR	7,475	4,590	4,510	8,916	6,979
BALANCE DEFERRED AT BEGINNING OF YEAR	85,732	81,142	76,632	67,716	60,737
BALANCE DEFERRED AT END OF YEAR	\$ 93,207	\$ 85,732	\$ 81,142	\$ 76,632	\$ 67,716
• STATEM	ENT OF RET	AINED EARN	INGS		
FOR THE F	IVE YEARS	ENDED DECE	EMBER 31,		٠
BALANCE, BEGINNING OF YEAR	\$ 14,832	\$ 15,283	\$ 21,799	\$ 21,699	\$ 20,463
Add: decrease in provision for decline in market value of securities		En	12,340	100	16,500
	14,832	15,283	34,139	21,799	35,963
Deduct - Realized loss in marketable securities - Mining claims written		451	14,106	-	15,264
off	-	<b>t-</b>	4,750	•••	<b>5-15</b>
		451	18,856	-	15,264
BALANCE, END OF YEAR	\$ 14,832	\$ 14,832	. \$ 15,283	\$ 21,799	\$ 21,699

# STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE FIVE YEARS ENDED DECEMBER 31,

	1979	1978	1977	1976	<u>1975</u>
WORKING CAPITAL DERIVED FROM					
Decrease in provision for decline in market value of securities	\$ -	<u>\$ -</u>	\$12,340	\$ 100	\$16,500
WORKING CAPITAL APPLIED TO		×			
Loss on marketable securities Exploration and	-	451	14,106	-	15,264
administrative expenditures Purchase of mining claims	7,475	4,590	4,510	8,916	6,979 750
	7,475	5,041	18,616	8,916	22,993
INCREASE IN WORKING CAPITAL DEFICIENCY	7,475	5,041	6,276	8,816	6,493
WORKING CAPITAL (BALANCE) DEFICIENCY, BEGINNING OF YEAR	19,444	14,403	8,127	(689)	(_7,182)
WORKING CAPITAL (BALANCE) DEFICIENCY, END OF YEAR	\$26,919	\$19,444	\$14,403	\$ 8,127	( <u>\$ 689</u> )

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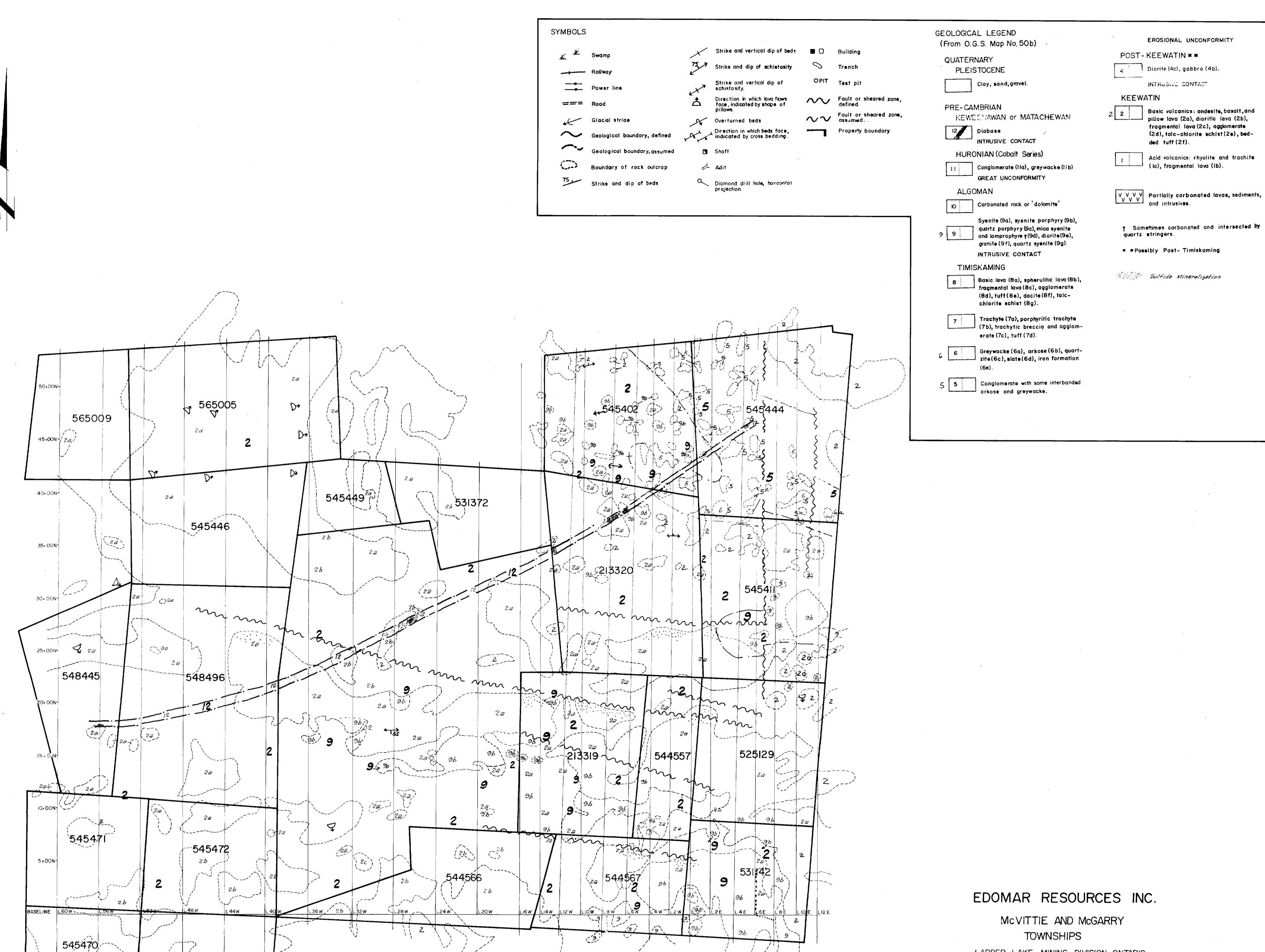
Names and addresses of owner or operator together with dates when drilling/stripping

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Compressed Air, other Power driven or		565070	93.75			-			
mechanical equip.  Power Stripping		565071	باد7.73			ļ			_{
Diamond or other Core	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3444	·					<del></del>	-
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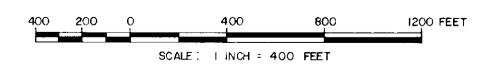
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TOWNSHIPS LARDER LAKE MINING DIVISION, ONTARIO N.T.S. 32D/4

N/W PORTION OF CLAIM GROUP



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