

DRYDEN-0019

LOAD: Combo

REPORT on FALCONBRIDGE-DRYDEN CLAIMS  
- of -  
PERSHLAND GOLD MINES LIMITED

Townships of Falconbridge & Dryden  
Sudbury Mining Division

DISTRICT OF SUDBURY, ONTARIO, CANADA



- submitted -

April 16, 1969

by

A. S. BAYNE & COMPANY  
Consulting Engineers

A. S. Bayne, P.Eng. - Ontario

ADDRESS ALL CORRESPONDENCE • 45 STRATHALLAN BLVD., TORONTO 12, CANADA • 485-6793

MEMO TO: Pershland Gold Mines Limited  
-and The Ontario Securities Commission

October 9th, 1969

SUBJECT: "Report on Falconbridge-Dryden Claims of Pershland Gold  
Mines Limited.....", dated April 16, 1969.

ERRATA

1. SUMMARY -- Page (iii) and (iv) of the preface. THIS HAS BEEN FURTHER  
CONDENSED FOR THE FURTHER CONVENIENCE OF THE "LAYMAN".  
(The enclosed revised Page (iii) is to replace Pages (iii)  
and (iv) of the preface of the Report.
2. PAGE 1, PAR. 2, LAST LINE:- NOW READS--June 30, 1969  
SHOULD READ---December 31, 1969.
3. PAGE 4;, PAR. 2, 1st LINE:- THE WORDS "the writer" should be ERASED.  
PAGE 4, PAR. 6, 2nd LINE:- NOW READS--micropegamatite  
SHOULD READ---micropegmatite
4. PAGE 5, PAR. 1, 5th LINE:- NOW READS---...of the Sudbury of "Nipissing".  
SHOULD READ ---...of the Sudbury or "Nipissing".  
ALSO-PAR.5, LINE 5-NOW READS ----...date...SHOULD READ...data
5. PAGE 8, PAR. 3, 1st LINE:- NOW READS-- As most.....  
SHOULD READ -- Most of.....  
ALSO - 2nd LINE:- NOW READS-- ....., this structure has....  
SHOULD READ --Therefore, this structure has....
6. PAGE 9, PAR. 1, 2nd LINE:-  
NOW READS-- .....untentable.....  
SHOULD READ -- .....untenable.....  
ALSO- PAR. 3, 4th LINE:- NOW READS--.....Flaconbridge.....  
SHOULD READ-- .....Falconbridge.....

ENCLOSED YOU WILL FIND REVISED COPIES OF THE ABOVE-NOTED Pages (iii),  
4, 5, 8 and 9, in which the required revisions have been made.

KINDLY REMOVE AND DESTROY THE EXISTING SHEETS AND REPLACE THE ENCLOSED  
IN THE BINDING, BY PRESSING THE 'T' SLOTS AT THE LEFT-HAND EDGE BEHIND  
THE PLASTIC RINGS.

SORRY OUR ' SLIPS WERE SHOWING ' TO SO INCONVENIENCE YOU.

Yours Sincerely,

A. S. BAYNE & COMPANY

A. S. Bayne., P. Eng.

PAGE 1 CLAIM NOS

S U B J E C T I N D E X

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M A P S

LANGRIDGE'S MAP OF SUDBURY MINING AREA, Ontario.  
(Marked up to show location of Pershland Gold  
Mines Limited). Scale: 3 miles to an inch.

See Pocket in back  
of this Report.

GEOLOGICAL MAP showing holdings of Pershland Gold  
Mines Limited. A. S. Bayne & Company, Jan.27/69.  
(Coloured) Scale: 1,000 feet to an inch.

See Pocket in back



A. S. BAYNE & COMPANY  
CONSULTING ENGINEERS

80 RICHMOND STREET WEST  
TORONTO 1, CANADA  
368-3283

ADDRESS ALL CORRESPONDENCE • 45 STRATHALLAN BLVD., TORONTO 12, CANADA • 485-6793

April 16, 1969

The President & Directors,  
Pershland Gold Mines Limited,  
Suite 2200 Simpson Tower,  
401 Bay Street, TORONTO 1, Ontario.

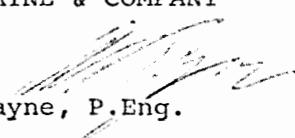
Gentlemen:

Attached you will find our report of even date entitled  
"Report on Falconbridge-Dryden Claims of Pershland Gold Mines Limited,  
Townships of Falconbridge & Dryden, Sudbury Mining Division, District  
of Sudbury, Ontario, Canada",

Kindly refer to the "Summary" on sheets (iii) and (iv) of  
the preface; also the two Maps in the pocket at the back of the report.

Yours very truly,

A. S. BAYNE & COMPANY

  
A. S. Bayne, P.Eng.

ASB/lm

Attch.

CERTIFICATE

I, Arthur Stewart Bayne, do hereby certify that:-

1. I am a Consulting Engineer, residing at 45 Strathallan Boulevard, Toronto 12, Canada, with offices at 80 Richmond Street West, Toronto 1, Ontario, Canada.
2. I am a Bachelor of Science in Mining & Metallurgical Engineering (Queen's University, Kingston, Canada, 1935).
3. I am a member, in good standing, of the Association of Professional Engineers of the Province of Ontario.
4. I have continuously practised my profession under the name and style of A. S. Bayne & Company, Consulting Engineers, since 1946.
6. This certificate is part of the attached "Report on Falconbridge-Dryden Claims -of- Pershland Gold Mines Limited, Townships of Falconbridge & Dryden, Sudbury Mining Division, District of Sudbury, Ontario, Canada", dated April 16, 1969.
7. I have no interest, direct, indirect or expected, in the properties or securities of Pershland Gold Mines Limited.
8. This report is based on:

My personal examination of the claims and surrounding area during several visits to the property from November to date.

My personal extensive and detailed study of the surface outcrops on the claims; comparison and correlation of the structural geology with some of the mineral occurrences seen on the claims; a thorough and detailed review of government and private geological reports of the Sudbury area in general and Falconbridge and Dryden Townships, in the past four months; discussions with geologists and mining executives of government agencies and mining corporations operating in the Sudbury area.

Personal working experience in some of the producing mines and in the field exploration of the Sudbury area since 1930, including informative discussions with some of the eminent authorities on the development of the Sudbury area.

Correlation of the data contained in published reports and maps by the Ontario Department of Mines and the Geological Survey of Canada, to which reference is made in this report and which is summarized in the Bibliography section of this report.

9. My full cognizance of the facts.

SIGNED AT TORONTO in the County of York  
in the Province of Ontario, Canada, this  
16th day of April, 1969.

A. S. Bayne

Report on Falconbridge-Dryden Claims  
Pershland Gold Mines Limited

April 16, 1969

SUMMARY

Pershland Gold Mines Limited holds 81 mining claims comprising about 3,200 acres, in the southwest part of Falconbridge Township and the northwest part of Dryden Township, about 12 miles northeast of the City of Sudbury, Ontario, Canada. A contiguous 5-claim group with a single claim 1/2 mile east, adjoins Falconbridge Nickel Mines Limited and is 1-1/2 miles from that company's nickel producer. A contiguous 73-claim group, starting 1/2 mile farther south, extends 3-1/2 miles south into Dryden Township, with a 2-claim group 1/4 mile east at the Wanapitei River. Two claims are under patented title. Title to the 79 unpatented claims is in good standing as to work requirements until at least December 31, 1969. The claims are easily reached by good motor roads. Labour and supplies, water and electric power are at hand.

The history of nickel-copper production is well known, since the discovery of the Murray mine, 2 miles northwest of Sudbury, in 1883. The only nickel-copper production from the Falconbridge-Dryden area has been from the Falconbridge Mine which was discovered by geophysics under 100 feet of sand cover, located by drilling in 1916-17, commenced production in 1930, and is currently a major producer with workings over 6,000 feet depth. The claims of Pershland Gold Mines Limited have been previously held individually or in small groups by numerous private parties. A little exploratory work in the 1930's and 1950's was limited to blasting small shallow pits on mineralized zones, sporadically located on the highest, most accessible outcrops. An old inclined drill hole, 107 feet deep, was found near a pit near the N.W. corner of Claim S.139462, but no record of the core has been found. Grab samples from this pit assayed up to 0.22% nickel and 0.39% copper. Assays of several samples from four other shallow pits were also of this order, but two of them assayed up to 1.67% nickel and 2.02% copper.

Other than described in this report, no evidence has been found of previous exploratory work on these claims.

The pre-Cambrian rocks underlying the claims are mainly the typical Sudbury group of sedimentary conglomerate, quartzite and greywacke, with probable interbeds of volcanic lavas. These are intruded by a complex of basic igneous rock which is thought to have common origin with and known to be similar in composition to that at the margin of the Sudbury basin which is known to have important bearing on the emplacement of the ore deposits. Developments in the area in the past ten years have clarified these facts which indicate the importance of correlating the numerous nickel-copper bearing zones to the adjacent geological structures over greater continuous lengths and depth. Pershland Gold Mines Limited has, therefore, now consolidated the 81 claims into an economically explorable unit.

Detailed geological mapping and geophysical surveys, supplemented by surface trenching and core drilling, is recommended in two phases. The speculative cost of the first phase of this exploration is estimated at \$53,335.00 during the first three months. The second phase, depending on the results obtained, is estimated to cost \$143,400.00, mainly for additional core drilling, in the six months following.

--END OF SUMMARY--

Report on Falconbridge-Dryden Claims  
Pershland Gold Mines Limited

April 16, 1969

Summary - Continued

Study of recent developments in the area and publications by the Ontario Department of Mines in the past ten years have clarified these facts which indicate the importance of correlating the numerous nickel-copper bearing zones, to the geological structures now definitely indicated in their vicinity, over greater continuous lengths and depth. Pershland Gold Mines Limited has, therefore, now consolidated the 81 claims into an economically explorable unit.

Detailed geological mapping assisted by geophysical surveys is recommended; this work to be supplemented by surface trenching and both shallow and deep (at least 1,000 feet) core drilling. The work schedule will be in two stages. Phase I, the preliminary exploration over the first three months, is estimated to cost \$53,335.00. Phase II, depending on the results of the preliminary work, is estimated to cost \$143,100.00 over the six months following.

It is the writer's opinion that this expenditure of speculative capital is well warranted, provided it is carefully budgeted in accord with concurrent field conditions encountered and results obtained.

A.S. Bayne & Company

A.S. Bayne, P. Eng.

HOLDINGS

Pershland Gold Mines Limited holds 81 claims comprising approximately 3,200 acres, in the Townships of Falconbridge and Dryden, Sudbury Mining Division, Ontario, Canada. The north group of 5 contiguous claims and a single claim 1/2 mile east, are within 1-1/2 to 2 miles southeast of the copper-nickel mines of Falconbridge Nickel Mines Limited. The south group of 73 contiguous claims with a 2-claim block 1/4 mile to its southeast, starts 1/2 mile south of the north group.

Two of the claims are patented. Title to the 79 unpatented claims is in good standing relative to various assessment work requirements, to at least December 31, 1969.

The locations and claim numbers are as follows:-

<u>Lot &amp; Concession</u>	<u>Recorded Claim-Numbers</u>	<u>No. of Claims</u>
- Falconbridge Twp. -		
8 II	S.- 153857; 153818; 148440; 148437; 153742	5 (C)
6 II	S.- 154630.	1
9 I	S.- 149093; 143795.	2 )
8 I	S.- 153741; 132976; 155051; 148443; 148444.	5 )
7 I	S.- 148441; 148442; 155418; 153907.	4 )
6 I	S.- 131756; 155292; 144937; 144938.	4 )
5 I	S.- 154961; 154962; 148651; 148652.	4 )
- Dryden Twp. -		
11 VI	S.- 155576 to 155579 inclusive	4 )
10 VI	S.- 153913; 153914; 148438; 148439.	4 )
9 VI	S.-16495 (P); 139462; 17252 (P); 153906.	4 )-(C)
8 VI	S.-154350 to 154354 inclusive; 155415.	6 )
7 VI	S.- 154971; 155414; 155416.	3 )
6 VI	S.- 154355 to 154357 inclusive; 154626.	4 )
11 V	S.- 155490.	1 )
10 V	S.- 148648; 148649; 155489.	3 )
9 V	S.- 155421 to 155423 inclusive; 155488.	4 )
8 V	S.- 153908; 153909; 155052; 154629.	4 )
7 V	S.- 155417; 154627; 154628; 155053.	4 )
11 IV	S.- 153988; 153905; 143726, 143489; 148443-25.	6 )
10 IV	S.- 153986; 153987; 153912.	3 )
9 IV	S.- 153985; 154086; 152910; 153911.	4 )
6 V	S.- 155419; 155420.	2 (C)

TOTAL NUMBER OF CLAIMS

81

NOTE: (C) denotes groups of contiguous claims.

LOCATION & ACCESS

The Pershland claims form irregular blocks of ground covering an area 3/4 to 2-1/2 miles wide from east to west, by 4-1/2 miles long from north to south.

The most northerly claims adjoin the property of Falconbridge Nickel Mines Limited, and are about 2 miles southeast of the town of Falconbridge.

The Sudbury-North Bay branch of the Canadian Pacific Railway, and also Ontario Highway No. 17, pass closely along the south boundary of the claims, about 8 miles east of Sudbury.

Sudbury is 241 miles northwest of the City of Toronto by rail or motor highway, Air Canada provides Viscount Service several times daily between the two cities, the Sudbury Airport being close to the town of Falconbridge.

LABOUR, POWER, SUPPLIES, WATER

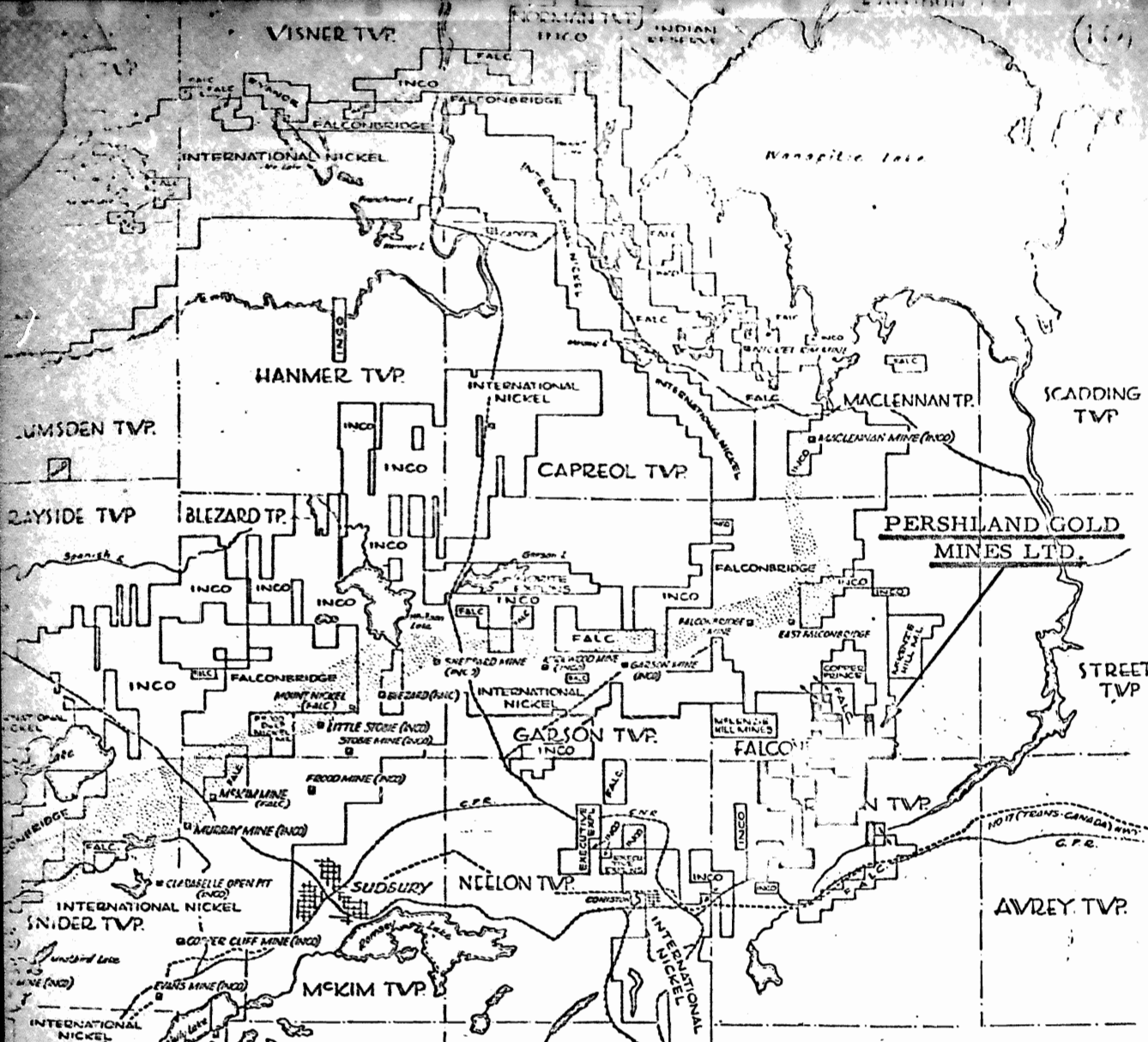
All classes of construction, mining and metallurgical labour, trades and professions are represented in the Sudbury area, with urban and modern suburban living conditions available close to the work-sites.

Hydro-electric power is available in close proximity to the Pershland claims, with a transmission line passing through the northermost groups.

All types of construction and mining equipment, supplies and services are readily available in the Sudbury area.

Plenty of fresh water, suitable for industrial and community uses, is available from creeks which run through the claims, and in large volume from the Wanapitei River, which flows within 1/2 mile of the south boundary of the Pershland claims.





ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED. THIS MAP IS NOT TO BE REPRODUCED IN ANY MANNER EITHER IN WHOLE OR IN PART WITHOUT THE WRITTEN PERMISSION OF . . . W. LANGRIDGE, JR.

LANGRIDGE LIMITED  
Dec. 7, 1967

*Langridge's* MAP OF THE  
**SUDBURY MINING AREA**

0 1 2 3 4 5 MILES

ONTARIO

Marked up to show location of PERSHLAND GOLD MINES LIMITED

by A. S. BAYNE, P. ENG.



HISTORY

The history of the Sudbury nickel-copper deposits, since the discovery of the Murray mine in 1883, 2 miles northwest of Sudbury, is well recorded in numerous published reports. Interesting accounts of the early history of discovery and development is detailed in the reports of: A.E. Barlow, Geological Survey of Canada, 1901; P.P. Coleman, Ontario Department of Mines, 1905 and 1913; the Report of the Royal Ontario Nickel Commission, 1917.

Initial production from the Sudbury mines from 1887 to 1889 was estimated at 2,400 tons of nickel and 2,240 tons of copper from 80,000 tons of ore smelted. Demand and production continued to expand, and from 1917 to 1931, Sudbury produced 64,344 tons of nickel and 102,530 tons of copper from 2,896,959 tons of ore smelted. This nickel output was estimated to be 90 percent of the world supply.

Processing has now advanced to economically treat larger tonnages of lower grade ores. World nickel and copper requirements continued to expand steadily, and the Sudbury camp still supplies a major proportion. From statistics for 1965, which now include sources of nickel and copper from other Ontario mines such as Werner Lake in the Kenora District, the writer has estimated that Sudbury contributed approximately 93,000 tons of nickel and 120,000 tons of copper, together with substantial by-product amounts of gold, silver, platinum metals, selenium, tellurium, cobalt, iron ore and sulphur.

The dominant producer in Sudbury is the International Nickel Company of Canada Limited. The only substantial independent producer is Falconbridge Nickel Mines Limited, whose main mines and smelter are in Falconbridge Township.

The Falconbridge mine was discovered in 1899 through geophysical methods by Thomas A. Edison, the inventor, but a layer of quicksand prevented a prospect shaft from reaching bedrock. In 1916-17, the E.J. Longyear Company located the ore by drilling, but the property was dormant until 1928, when Ventures Limited acquired it and incorporated Falconbridge Nickel Mines Limited to develop and operate the mine.

Since the start of production in 1930, Falconbridge has shipped, to the end of 1966, a total of 571,573 tons of nickel and 293,042 tons of copper from the mining and treatment of 41,954,000 tons of ore. In 1966, Falconbridge shipped 39,481 tons of nickel and 16,436 tons of copper from 2,101,000 tons of ore mined and treated. Net sales for the year totalled \$92,495,000.00.

History - continued

\* Thomson reports there is evidence of a great deal of mineral prospecting in Falconbridge Township, in which exposed mineralization and gossan has been test-pitted, geophysical surveys have been widespread, and drilling done in many places.

On the claims now held by Pershland Gold Mines Limited, in the south part of Falconbridge township and the north part Dryden township, the writer has been able to find a few pits on mineralized and gossan zones in areas where the rock is weathered bare of vegetation. No evidence has been found, on these claims, of geophysical work nor of geological mapping co-ordinated to the many geological contacts, fault and shear zones traced and assumed on the general government maps.

Except for a few test pits in mineralized zones, most of which work was sporadically performed during the 1930's and possibly some in the 1950's, no work has been performed on the 81 claims now held by Pershland Gold Mines Limited.

This Company now plans, commencing immediately, an extensive program of geophysical work by magnetic and electromagnetic methods, concurrently supported by detailed geological mapping of lithological and structural features relative to the mineralization. This program will be supplemented by systematic surface sampling and core drilling.

GENERAL GEOLOGY

All the rocks of the area are of the PreCambrian age.

The chief geological feature of the area is what has been called the "Sudbury Basin", which is bounded by an intrusive norite-micropegmatite complex on its outer edge, forming a rough elliptical plan whose long axis extends from the southwest corner of Trill township, 28 miles southwest of the City of Sudbury, to middle of Falconbridge township, about 15 miles northeast of Sudbury. The short axis is about 12 miles wide at the northeast end and the Falconbridge mine is at the southeast edge, in the northwest corner of Falconbridge township. Inside the "basin", the rocks are volcanic fragmentals, sandstones and slates assigned to the Whitewater (Animikean?) series and outside are older volcanics, quartzites, conglomerates, graywackes and argillites assigned to the Sudbury (Timiskaming?) series.

The norite-micropegmatite intrusive underlies a band several miles wide around the rim of the "basin", the latter, being an acid, granitic rock, forming the upper part, grading gradually, in some of the sections to the lower part of norite, which is a basic rock classed as gabbro but called norite because its pyroxene constituent is the orthorhombic crystalline variety called hypersthene.

\* Jas. E. Thomson, 1957, p. 21 (see bibliography)

General Geology - continued

The south part of Falconbridge township, and the whole of Dryden township, are underlain by conglomerate, quartzite and greywacke assigned recently\* assigned to the "Wanapitei Group" of the Sudbury sedimentary series. These are massively intruded by a gabbro complex of the Sudbury or "Nipissing" series, the same age group as the quartz gabbro known as the "nickel irruptive", locally called norite and micropegmatite, which forms the outer rim of the Sudbury "basin".

The youngest intrusive rock in the area is found in the form of olivine-dabase dykes of Keeweenawan age, which cut all the older rocks in a northwesterly direction.

Most of the Sudbury area lies just northwest of what is generally called the "Grenville front," which is the geological boundary between the Grenville subprovince of highly metamorphosed rocks on the southeast and the Timiskaming subprovince of less metamorphosed rocks on the northwest. This front runs northeasterly from near Killarney at the north end of Georgian Bay on Lake Huron, crossing northwestern Quebec more than 100 miles north of Ottawa.

The front enters Dryden township at the northwest corner of Lot 12, Concession II, and strikes northeasterly along the Wanapitei River, through the middle of Lot I, Concession VI. It passes slightly over a mile south of the southwest corner of the Pershland Gold Mines claims and crosses the woutheast quarter of S. 155420, the most southeasterly of the company's claims.

BIBLIOGRAPHY

The geology of the Sudbury nickel-copper field is the subject of a great volume of literature by many eminent authorities. Cooke\* lists a very complete biliography of the literature up to 1945, and Thomson\*\* gives a selected list of references to 1956. The writer has reviewed much of this literature, from which the data pertinent to this report is summarized and brought to date in the following selection of publications:-

- A.G. BURROWS & H. C. RICKABY: Sudbury Basin Area, Ont. Dept. Mines, Vol. XXXVIII, Part 3, 1929. (Map 38g).
- A.G. BURROWS & H. C. RICKABY: Sudbury Nickel Field Restudied, Ont. Dept. Mines, Vol. XLIII, Part 2, 1934. (Map 43d).
- H.W. FAIRBURN: The Bruce Series in Falconbridge & Dryden Townships, Ont. Dept. Mines, Vol. L, Part 4, 1941. (Map 50g).
- T.C. PHEMISTER: Igneous Rocks of Sudbury and their Relation to the Ore Deposits, Ont. Dept. Mines, Vol. XXXIV, Part 8, 1925. Notes on Several Properties in the District of Sudbury, Ont. Dept. Mines, Vol. XLVIII, Part 10, 1939.

\* Geol. Report No. 9, p. 7, Ont. Dept. of Mines, 1962.

April 16, 1969

Bibliography - continued

- JAS. E. THOMSON; Geology of Falconbridge Township, Ont. Dept. Mines, Vol. LXVI, Part 6, 1957, (Map 1957-5 & Map 1957-6).  
MacLennan & Scadding Townships, Geological Report No. 2, Ont. Dept. Mines, 1961. (Map 2009).
- J.A. GRANT, W.J. PEARSON, T.C. PHEMISTER and JAS E. THOMSON:  
Broder, Dill, Neelon and Dryden Townships, Geological Report No. 9, Ont. Dept. Mines, 1962. (Map 2017).

GEOLOGY OF PROPERTY

The rock outcrops mapped to date in the vicinity of the Pershland Gold Mines claims, indicate the south part of Falconbridge township and the north part of Dryden township to be underlain by various series of conglomerate, graywacke and quartzite which was differentiated by Fairburn (Map 50g, 1941), into two series: the older pre-Huronian or Sudbury sediments and a later series of quartzite and graywacke assigned to the lower Huronian (Mississagi).

Since this time, Thomson (1957) reported a great unconformity at the base of the Huronian at Lake Wanapitei, north of Falconbridge township, (Map 1957-6) concluding that the sedimentary formations of Falconbridge township, (which had also been mapped to extend into Dryden township), do not belong to the lower Huronian, but are pre-Huronian.

Consequently, all the sediments of this area, in a remapping of the Broder-Dryden area by Grant, Pearson, Phemister and Thomson (Map 2017), are shown as the "Sudbury" or pre-Huronian group. The accompanying report, however, (1962, P. 4), states that the stratigraphic succession in the sedimentary group is "hampered by the complexity of the deformation and by the occurrence of most rock types at more than one stratigraphic horizon". It is also stated that "No evidence of unconformity has ever been found throughout this group of formations", and that all members are interbedded and form part of a thick sedimentary sequence.

Therefore, the writer, in preparing a composite geological map from the various government maps and reports touching on this area, has recorded the main differentiations of sediments recorded by Fairburn in Map 50g, (1941), together with the structural data from the later maps, without assigning the successive series to any particular age group, per Map 2017. The writer's map, to a scale of 1,000 feet to an inch, dated January 27, 1969, is in the pocket back of this report.

A striking feature of the Falconbridge-Dryden area is a synclinal fold in the sediments, whose axis strikes northeasterly across Lots 8, 9, 10, & 11 of Dryden township, and which plunges at 20 to 40 degrees in the same direction. A large intrusion of basic rock outcropping over a 1/4 mile width, roughly concordant with the

Geology of Property - Continued

sedimentary structure, but frequently cross-cutting the bedding, forms an encirclement of Lots 9 to 11, Concessions IV and V Dryden township, in a clockwise direction from near the Wanapitei River, with the north "limb" striking northeasterly from the southwest corner of the map area for almost five miles through Lot 6, Concession II, Falconbridge Township. The south "limb" of this intrusive outcrop appears to be interrupted by northeasterly and northwesterly trending faults through Lots 7 and 8, Concession V, Dryden Township, but again outcrops over a 3/4 mile width near the south end of Lots 6 and 7, Concession VI, Dryden Township, extending northeast through Lot 6, Concession I, Falconbridge Township.

Several dykes, from 50 to 200 feet wide, cut all the older rocks including the gabbro intrusive, striking in almost straight lines to the northwest, at intervals of 1/2 to 2 miles apart, across the north part of Dryden Township and the south part of Falconbridge Township. These dykes continue northwest cutting the main micropegmatite-norite intrusive forming the southeast rim of the Sudbury "basin" north and south of the Falconbridge Nickel Mine. The dykes are olivine diabase and are the youngest rocks in the area, being tentatively assigned to the Keeweenawan age group. Grant, Pearson et al, (1962), report fine-grained trap dykes cut the Sudbury Group and the gabbro, placing these in the Keeweenawan just prior to the olivine diabase, but do not detail them on their Map 2017.

Several faults strike northeasterly across the map area, paralleling in varying degree the well-defined Coniston, Falcon and Wanapitei faults. There are numerous cross faults striking northwesterly. Most of the faults appear to be prior to the Sudbury gabbro intrusion, and later than the sediments, but a northeast-trending fault zone crossing the southeast corner of Lot 9 Concession I, Falconbridge Township, is evidently late or post-Keeweenawan, as it laterally displaces two olivine diabase dykes up to 100 feet across strike.

ECONOMIC GEOLOGY

Thomson (1957) notes that the Nipissing or Sudbury gabbro outcropping in Falconbridge, (and Dryden) Township, is a concordant dyke or sill, maintaining about the same position relative to the upper conglomerate horizon. It can be traced southwestward for 22 miles through Waters Township, and maintains a fairly constant position relative to the micropegmatite-norite intrusive along the south edge of the Sudbury nickel range or "basin". The attitude of the gabbro to the older intruded rocks indicate the possibility that it may be the same as that of the norite.



Economic Geology - Continued

Thomson also states, (1957 p. 12), that the exact age relationship of the gabbro to the norite is unknown, although it must be about the same general age. Cooke (1) states he found the gabbro to be older than the norite at one point on the east range, presumably north of Falconbridge Township.

Thomson (1961, Map 2009), reported from his field observations in MacLennan and Scadding Townships, to the north of Falconbridge Township, that exact relationships at the norite contact are not found; his impression is also that the gabbro antedates the norite, but the age difference is so small that the two rock types are almost contemporaneous and may have been derived from a common parent magma. Phemister (1925, p. 20) pointed out that the norite component of the marginal intrusive at the edge of the "basin" is in reality a gabbro.

Most of the nickel-copper ore bodies are close to the "norite" intrusive at the margin of the Sudbury basin. Therefore, this structure has received the greatest attention and produced the largest volume of literature. In 1897, Walker (2) found evidence which, he concluded, proved the emplacement of the two types of rock constituents, (micropegmatite and norite), was the result of gravitational segregation of the molten magma. He further concluded the ore-bodies owed their origin to the same cause. Other eminent geologists supported this view, and gave this intrusive rock the highly misleading name of "nickel-bearing irruptive". Evidence to the contrary, later produced by Knight (3) and Phemister (1925) placed this question under controversy for many years. This has resulted in undue importance being attached to where the ore came from, rather than the more economically important question of "where it goes".

Phemister states: "The only relation which can be held to exist between the ores and the norite is a structural one. The majority of the ores have been formed in planes of weakness which, existing prior to the intrusions of norite and micropegmatite, have been emphasized by the latter".

- (1) H.C. Cooke, Problems of Sudbury Geology, Geol. Surv. Can., Bull No. 3, 1946, p. 57.
- (2) T.L. Walker, Geological & Petrographical Studies of the Sudbury Nickel District of Canada. Quart. Jour. Geo. Soc. London, 1897, Vol. 53.
- (3) Cyril W. Knight, Geology of the Sudbury Area, Report of the Royal Ontario Commission, 1917, pp. 115-33.

April 16, 1969

Economic Geology - Continued

Thomson (1957 and 1961), considers the concept of magmatic segregation at Sudbury untenable, and suggests the so-called "irruptive" is a composite intrusive in a ring complex. He calls the rocks locally known as norite and pegmatite, gabbro and granophyre, respectively.

The writer's view is that the observations represented by Knight, Phemister and Thomson are the most constructive as applied to finding new orebodies in the Sudbury camp. Whether the orebodies prime origin was a terrestrial igneous molten magma, or from extra-terrestrial sources such as meteors, the evidence is rather definite that their present emplacement was the result of the ore minerals invading fractures in the rocks after the emplacement and solidification of these rocks, including the norite, gabbro and other intrusive rocks.

At the Creighton Mine, which is at the south margin of the basin, 19 miles southwest of Falconbridge, the ore is mainly in granite which is considered later than the norite at the contact. At the Froid Mine, 10 miles southwest of Falconbridge, the largest of all, the orebodies are in an "offset" structure, about a mile south of the main marginal intrusive and approximately paralleling it for two miles between the Froid and Stobie Mines.

Burrows and Rickaby (1934) describe the surface showings at the Froid as follows: "... The offset is characterized by the large gossans at the Froid and Stobie Mines, with lesser ones showing here and there between these mines. No typical norite like that in the large lacolithic mass is recognized, but there are masses of gabbro and quartz diorite here and there along the zone which are younger than the recognized greenstones. Spots of rusted sulphides frequently occur with the quartz diorite.... The greatest width of gossan is that displayed at the Froid Mine, where it is 800 feet. In places along the zone, gossan patches are only a few square yards in extent. The rocks of the immediate area are predominantly ancient sediments, greywacke and quartzite, and greenstones of varied grain. Later rocks like gabbro and diorite are best exposed near the mines."

The Falconbridge Nickel Mine, about 1-1/2 miles northwest of the Pershland Gold Mines claims in Falconbridge Township, was discovered by geophysics under 100 feet of overburden, and delineated from surface by diamond-drilling. The orebody is at the contact of the "norite" at the southeast end of the Sudbury basin, but the ore is in the greenstones contacting the norite.



Economic Geology - Continued

Whereas the orebodies at the other mines on the south rim dip in general conformity with the expected northward dip of the margin, the Falconbridge orebodies, (and the marginal norite or gabbro), dip steeply northward only to the 600 feet level, after which it steepens until it stands at 65 degrees to the south below the 5,000 foot level. The nickel-copper orebodies, which range from 5 to 15 feet wide over the greater area of the longitudinal section of the mine, reach widths of up to 45 feet, with some stopes over 45 feet, improving on the lower levels.

On the Pershland Gold Mines Limited property, the basic intrusive rock noted at the bottom of page 6 of this report is mapped as "gabbro and diorite" in Falconbridge Township by Thomson (Map 1957-5) and as "gabbro and diabase" by Grant, Pearson et al (Map 2017), in Dryden Township. The writer found gabbro, diorite and quartz diorite in pits well mineralized with nickel-copper sulphides on Claim S. 148425 on Lot 11 Concession IV; and claims S. 16495 and S. 139462 and S. 155414, respectively parts of Lot 9, Concession VI and Lot 7, Concession VI of Dryden Township.

Around the "crest" of the encirclement conforming more or less to the synclinal structure of the sediments, this basic intrusive strikes for a mile from the Wanapitei Fault, northwest across the southwest corner of the writer's map area. The northeast intrusive-sedimentary contact crosses Claims S. 149489, S. 153905 and S. 153988. The southwest contact crosses Claims S. 148425, S. 143796 and S. 153988. The dips of the quartzites near the intrusive contact, on both sides, are from 60 to 80 degrees to the north.

Near the northwest corner of Claim S. 148425, there is an old pit about 10 feet deep by 30 feet diameter in a mineralized "gossan" zone. Samples taken from the dump of this pit were well mineralized with pyrite, pyrrhotite and chalcopyrite, in what appears to be a siliceous quartz diorite. It is located about 400 feet southwest of the intrusive contact as mapped, well into the sediments (as mapped). The samples assayed from 0.22 to 0.34 percent nickel and from 0.23 to 2.02 percent copper.

The northwest "limb" of the intrusive, maintaining about the same width of 1/4 mile, swings northeast at about the middle of Lot 11, Concession V, Dryden Township. The northwest contact cuts Claims S. 155579, S. 155578, S. 16495, S. 132976, S. 153741 and S. 148437 of the Pershland groups, over a total length of 2 miles. The southeast contact extends over the same distance northeasterly and cuts Claims S. 148438, S. 153914, S. 153913, S. 139462, S. 17252, S. 143795, S. 132976, S. 155051, S. 148444, S. 154630 of the Pershland groups.

Economic Geology - Continued

On Claim S. 139462 an old pit 15' x 15' x 7 feet deep, is sunk on a low outcrop of basic rock about 600 feet southeast of the contact (as assumed on the map), with the sediments. The rocks on the dump are gabbro and metagabbro, but with a large percentage of quartz diorite showing brecciated structure, particularly where mineralized by pyrrhotite and chalcopyrite. Samples assayed from 0.18 to 0.22 percent nickel and 0.18 to 0.39 percent copper.

On the same claim, another pit was located 600 feet farther south-east, about the same distance northeast of the opposite sedimentary contact. Samples from the dump were similar to those described above, with the better mineralized pieces contained as fracture fillings and replacements in a brecciated quartz diorite. A sample from this dump assayed 0.34 percent nickel and 0.93 percent copper.

Just north of the north boundary of Claim S. 139462, about 400 feet north of the last pit recorded above, another pit, 25' x 25' x 15' deep was blasted on the high ground at the middle of the intrusive outcrop, which is a quarter mile wide at this section. The mineralized rock was gabbro and quartz diorite and carried disseminated and massive small blebs of pyrrhotite and chalcopyrite. Samples assayed up to 0.29 percent nickel and 0.18 percent copper.

The last two pits described above has been blasted on an area of rusty gossan which the writer followed for several hundred feet along the strike of the intrusive outcrop at its highest elevation.

On Claim S. 155414 in the middle of the east "limb" of the gabbro intrusive, where it is over 1/2 mile wide, (assumed on the maps), and at one of the highest elevations, is a pit sunk on a gossan area, about 25' x 30' x 10 feet deep. The dump contains much gabbro and quartz diorite which assays low values in nickel and copper, but a sample of brecciated quartz diorite assayed 1.65 percent nickel and 1.95% copper.

In 1937, the late H.J. Fraser completed a report (unpublished), on the "ore breccia" related to the Frood deposit, where this structure is an important characteristic of the orebodies which occur to a large extent in a brecciated quartz diorite.

As result of this report and another unpublished report to the Ontario Department of Mines by Phemister in the same year, a study of the "Breccia at Sudbury was undertaken by Fairburn and Robson which was published in Vol. L, Part 6, 1941, Ontario Department of Mines.

Economic Geology - Continued

This study, with the exception of an occurrence of contact breccia in gabbro in Neelon Township, was mainly concentrated on the Sudbury and Mississagi sediments in the southwest quarter of McKim Township. The authors, in the conclusion of their report, recommended further study of the breccia in the district.

Thomson (Map 1957-5) and Grant, Pearson et al, (Map 2017), mapped a limited amount of breccia in the S.E. 1/4, Lot 9, and the south parts of Lots 6 and 7, Concession I, Falconbridge Township, and in the north part of Lot 9, Concession IV in Dryden Township. The breccia in Falconbridge is on Pershland Claims S. 153907, S. 155418, S. 131756 and S. 155292, where the sedimentary rocks contact the basic intrusive to the southeast. That in Dryden Township, is mapped in the S.E. 1/2 of Pershland Claim S. 153911, where the brecciated sediments contact the basic intrusive to the east and to the south, where its contact coincides with the Wanapitei Fault.

It appears that little effort has been made to detail possible breccia occurrences in the basic intrusive itself, and certainly not on or near the mineralized showings.

The writer has not included this sparse detailed structure in the map accompanying this report, as it is preferred to leave the map open for more comprehensive detail planned by Pershland Gold Mines Limited.

OBSERVATIONS & CONCLUSIONS

1. Other than the superficial surface work indicated in this report, there has been no comprehensive exploratory work previously done on the Pershland Gold Mines Claims.
2. The geological mapping and studies completed to date on the Falconbridge-Dryden area south of the Falconbridge Nickel mine, while only appearing as an incidental contingent to the prodigious work done in the past 70 years, has nevertheless established, in this area, geological conditions favourable to the discovery of further important nickel-copper deposits, for the reasons outlined in the following.

Observations and Conclusions - Continued

3. The so-called "Sudbury gabbro" is a complex basic intrusive containing similar structural and mineralogical features to the gabbro-granophyre intrusive forming the perimeter of the Sudbury basin, near which the large producing mines are located. It has been well established that these two major intrusives are closely related in genesis, mineral composition and structural features.
4. Since the mineral composition and structural features are what make the gabbro-granophyre marginal ring, (locally called norite-micropegmatite), important relative to the known orebodies, it follows that the areas close to the contacts of the "Sudbury gabbro" with the preHuronian rocks are very likely places to look for concentrations of nickel-copper mineralization.
5. The area covered by the Pershland Gold Mines Claims in the south part of Falconbridge Township and the north part of Dryden Township, is particularly favourable because of the locally anomalous structural feature reflected by the basic intrusive as it intrudes the older rocks in general conformity with their synclinal structure, yet cutting them dyke-like in a large proportions of the area. The further structural complications provided by the numerous faults also create favourable mineralizing conditions and indicate a connection between the proven nickel-copper zones only 1-1/2 miles north of the north claims of Pershland, and the favourable structures located only a short distance south on the Pershland claims.
6. The numerous mineralized gossans occurring at the surface of the intrusive on the Pershland claims proves the relationship of this rock to the nickel-copper mineralization. The occurrence of nickel-copper sulphides, some parts containing grade considered economic at the producing mines, proves the possibilities of important nickel-copper concentration in the area.
7. The lack of apparent continuity to the mineralized zones discovered to date has always been a normal condition in the Sudbury camp in the early exploratory stages. It is even more to be expected of the Pershland discoveries, where only those most obviously observable on the highest elevations have been prospected, it being normal for the sections of rock least fractured and mineralized to most readily withstand erosion.
8. Even the geological mapping to date is limited to that from observation of only those outcrops which appear through the overburden, and there is no doubt that further work consisting of stripping, pitting and core-drilling will result in much more comprehensive differentiation of the rock types.
9. The mapping should be preceded by and correlated with geophysical surveys using magnetic and electromagnetic methods to trace the zones of sulphide mineralization.

April 16, 1969

RECOMMENDATIONS

It is recommended that the following work be commenced as early as possible after the Spring breakup, toward the end of this month.

PHASE I (Preliminary Exploration)

1. Establish a locational line grid over the entire area of the Pershland Gold Mines Limited Claims. The baselines of each group will be chained at 200-foot intervals and the grid lines turned off at right-angles at each station on their respective baseline, and run to the outer limits of each claim group. The grid lines will be chained and picketed at 100-foot intervals.
2. Carry out and map geophysical surveys over the entire area of the locational grids. This will employ both a magnetometer and electromagnetic equipment.
3. Simultaneous with and immediately following the geophysical survey, carry out detailed geological mapping correlative to the geophysical surveys. Particular attention should be directed to the geological contacts, sheared and brecciated zones, and faulted areas as related to the known areas, however small, of gossan and sulphide mineralization, and all strike bearings and dip inclinations must be noted in careful detail.
4. Provision must be made for certain amount of trenching and rock pitting, as well as some core drilling, to supplement the geological observations and to check indications of sulphide mineralization resulting from the geophysical work.
5. Experience in the Sudbury camp, as well as the geological structures already indicated from general mapping of Falconbridge and Dryden Townships, shows that core drilling may be necessary to depths of up to at least 1,000 feet. Certainly a 500-foot hole must be considered "shallow", except where shorter ones may be used for local structural investigation. A minimum of 1,000 feet of drilling must therefore be provided for preliminary information.

PHASE II. (Continuance of Exploration depending on Phase I work.)

1. For the same reasons as outlined in paragraph 5 above, it may be necessary to check certain anomalous areas, indicated by the Phase I. work, by a geophysical method responding to mineralization at greater depth than the electromagnetic survey. Provision will therefore be made to examine a portion of the grid using the geophysical method of induced potential.
2. If the work completed in Phase I. yields favourable results, it will be necessary to provide for a minimum of 15,000 feet of core drilling to commence forthwith upon the completion of the preliminary exploration.



ESTIMATE OF COST

The estimated cost requirement of speculative capital required, to carry out the foregoing recommendations, is as follows:-

PHASE I. (Preliminary Exploration)

Establish field office & core storage	\$3,000.00
Establish locational line grid (153 miles @\$60./mile)	9,180.00
Geophysical surveys (magnetometer & electromagnetic), (153 miles @ \$125./mile)	19,125.00
Provision for surface stripping & rock trenching	1,000.00
Core Drilling (1,000 feet @ \$8./foot)	8,000.00
Contingency @ 10%	4,031.00
Engineering & Supervision (3 months)	<u>9,000.00</u>
<u>Total Estimate of Cost (Phase I)</u>	<u>\$53,336.00</u>

If the work completed in the preliminary exploration outlined in Phase I, above, yields favourable results, the following expenditure will immediately follow:-

PHASE II. (Continuing Exploration)

Increase capacity field office & core storage	\$3,000.00
Geophysical detail (I.P. crew, one month)	6,000.00
Core Drilling (15,000 feet @ \$7./foot)	105,000.00
Contingency \$ 10%	11,400.00
Engineering & Supervision (6 months)	<u>18,000.00</u>
<u>Total Estimate of Cost (Phase II)</u>	<u>\$143,400.00</u>
<u>GRAND TOTAL (Phase I and Phase II)</u>	<u>\$196,736.00</u>

This speculative capital expenditure is, in the opinion of the undersigned, well warranted, provided it is efficiently budgeted and controlled concurrently in accord with field conditions encountered and results obtained in the consecutive stages of the work.

Respectfully submitted,

A.S. BAYNE & COMPANY

*Sudbury*  
No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

NEW ISSUE

# PERSHLAND GOLD MINES LIMITED

(Incorporated under the laws of Ontario)

Suite 420, 159 Bay Street

Toronto 1, Ontario

**800,000 Common Shares**

(par value \$1.00 each)

PRICE: 43½ CENTS PER SHARE

**Playfair & Co., Limited**

8 King Street East

Toronto 1, Ontario



## OFFERING

Number of Shares	Price to Public	Agent's Commission	Proceeds to Company (1)
800,000	Per Share 43½¢	8½¢	35¢
	Total (\$348,000.00)	(\$68,000.00)	(\$280,000.00)

(1) The shares are offered by Playfair & Co., Limited as agent for the Company. The agent has agreed to use its best efforts to obtain a bona fide public distribution of the shares and shall have the right to appoint sub-agents in connection with the offering. There is no assurance that all or any of the shares will be sold. If 400,000 shares, realizing \$140,000.00 to the Company, are not subscribed for within 60 days from commencement of this offering, all subscriptions, which will be held in trust by the Guaranty Trust Company of Canada, shall be returned in full to the subscribers. This offering shall commence on any day, at the election of the agent, from and including the date of issuance of an official receipt by the Ontario Securities Commission qualifying these shares for sale in Ontario, to and including five business days thereafter. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books without notice.

The purpose of this issue is to raise funds for the Company to defray its ordinary operating expenses, pay for some of its properties and carry out the exploration and development programs recommended by the Company's consulting engineer, as referred to under the headings "Business and Property" on page 2 and "Use of Proceeds" on page 6.

**THESE SHARES ARE SPECULATIVE**

There is no market for the shares of the Company

Registrar and Transfer Agent

**GUARANTY TRUST COMPANY OF CANADA**

88 University Avenue

Toronto 1, Ontario

This prospectus is dated October 22nd, 1969



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### THE COMPANY

Pershland Gold Mines Limited (hereinafter for convenience referred to as the "Company") was incorporated as a public company subject to the provisions of Part XI of The Companies Act (Ontario) by Letters Patent dated November 22nd, 1945. Both the head office and principal office of the Company are located at Suite 420, 159 Bay Street, Toronto 1, Ontario.

### BUSINESS AND PROPERTY

Following incorporation the Company, by an Agreement, acquired 20 unpatented mining claims in Haig Township, Province of Quebec and in consideration paid \$5.00 in cash and issued to Edward James Lee, as Trustee for himself and others, 1,000,000 fully paid and non-assessable shares of the capital stock of the Company of which 900,000 were escrowed shares (see caption "Escrowed Shares") and 100,000 shares were free of escrow. To the knowledge of the signatories, no person, firm or corporation other than John Novack, 73 Lawrence Avenue West, Toronto, Ontario, Felix Bijakowski, 586 Shaw Street, Toronto, Ontario, Percy Hulme Hickson, 152 Cottingham Street, Toronto, Ontario, George Joynt, 48 Kingsway Crescent, Toronto, Ontario, and Edward James Lee, 58 Fairview Boulevard, Toronto, Ontario received a greater than 5% interest in the share consideration paid by the Company to Edward James Lee as Trustee. Inasmuch as no economic values were obtained the 20 unpatented mining claims were abandoned.

The Company subsequently acquired 17 unpatented mining claims in the Oka Area of the Province of Quebec known as the Coleman Group and in consideration paid \$15,000.00 and allotted 200,000 fully paid and non-assessable escrowed shares of the Company to Fred Coleman. The 200,000 escrowed shares were donated by Harold George Phillips, Edward James Lee and Percy Hulme Hickson from their holdings. To the knowledge of the signatories, no person, firm or corporation other than Fred Coleman, 56 Yonge Street, Toronto, Ontario received a greater than 5% interest in the vendor consideration paid. Inasmuch as no economic values were obtained, the 17 claims were abandoned.

In June, 1955 the Company acquired 19 unpatented mining claims in the Townships of Conant and McCubbin, Patricia District, Northwestern Ontario and in consideration issued and allotted 280,000 fully paid and non-assessable escrowed shares of the Company to Wiggle Creek Prospecting Syndicate, 252 Parliament Street, Toronto, Ontario. To the knowledge of the signatories no other person, firm or corporation other than Arthur Gurnett, 9 Rose Avenue, Toronto, Ontario, Frank Vivian, 1066 Danforth Road, Scarborough Junction, Ontario, Thomas Jones, 980 Broadview Avenue, Toronto, Ontario and Edward James Lee, 58 Fairview Boulevard, Toronto, Ontario held a greater than 5% interest in the vendor syndicate or were to receive a greater than 5% interest in the share consideration paid for the mining claims. The 19 claims lapsed on their expiry date, were re-staked for the Company, lapsed and were re-staked again, and are presently in good standing in the Company's name until at least December 20th, 1971.

On December 20th, 1956, the Company acquired from William Rufus Lindsay, 10 Benvenuto Place, Toronto, as vendor, 2 unpatented mining claims in the Savant Lake Area, Patricia District, Northwestern Ontario and in consideration issued and allotted 25,000 fully paid and non-assessable escrowed shares of the Company and in addition granted Mr. Lindsay an option to purchase 100,000 treasury shares of the Company at 30¢ per share exercisable until June 1st, 1957. Mr. Lindsay exercised his option to the extent of 3,500 shares and paid the sum of \$1,050.00 to the Company. To the knowledge of the signatories, no other person, firm or corporation other than William Rufus Lindsay received a greater than 5% interest in the vendor consideration. The two unpatented mining claims lapsed on their expiry date, were re-staked for the Company, lapsed and were re-staked again, and are presently in good standing in the Company's name until at least December 20th, 1971.

In December of 1956 and January of 1957, the Company had staked on its behalf 130 unpatented mining claims in the Patricia District of Northwestern Ontario. Inasmuch as no economic values were obtained the 130 claims were permitted to lapse.

By a lease dated June 15th, 1960 the Company granted an interest in certain of its claims to Atwood Ore Co., Duluth, Minnesota, for a period of 99 years with minimum royalties payable to the Company as follows:

- (1) \$5,000.00 on August 15th, 1960,
- (2) \$5,000.00 on June 16th, 1961,
- (3) \$20,000.00 on January 1st, 1962, and
- (4) annually thereafter to and including January 1st, 1971.

The royalty due August 15th, 1960 was paid. The lease was terminated by an Agreement of June 5th, 1961.

In December, 1966 the Company re-staked the aforementioned 21 unpatented mining claims in the Patricia Mining Division, Province of Ontario. The 21 unpatented mining claims re-staked are numbered:

<u>Claim Numbers</u>	<u>Number of Claims</u>
PA 38268 to PA 38285 inclusive	18
PA 36857	1
PA 38303	1
PA 38304	1

By letter dated April 14th, 1967, the Company offered to grant The Algoma Steel Corporation Limited, Sault Ste. Marie, Ontario ("Algoma") an exclusive option to lease the Company's 21 claims in the Patricia Mining Division. The Company received \$3,500.00 in consideration of making the said offer. This offer lapsed without Algoma's acceptance. By letter dated December 22nd, 1967, the Company again offered to grant Algoma an exclusive option to lease the same 21 claims. The Company received \$5,000.00 in consideration of making this offer which may be accepted by Algoma at any time up to and including June 30th, 1970.

If Algoma accepts the offer and enters into an Agreement for an exclusive option to lease the 21 claims from the Company, the option agreement will be for a period of 3 years from the date of Algoma's acceptance of the aforementioned offer but terminable by Algoma at any time in its sole discretion. Algoma could, during the 3 year period, carry out any exploration work on the claims which it sees fit.

In consideration of the said option, Algoma would make the following payments to the Company:

- (1) \$5,000.00 on execution of the option agreement,
- (2) \$10,000.00 on or before the 1st anniversary of the date of the option agreement unless the option has been previously exercised or terminated, and
- (3) a further \$10,000.00 on or before the 2nd anniversary of the date of the option agreement unless the option has previously been exercised or terminated.

During the term of the option agreement, Algoma must spend a minimum average of \$25,000.00 per year examining and exploring the claims, and keep them in good standing.

If Algoma exercises the option to lease, it would pay the Company \$200,000.00 upon the execution of the lease. The term would be 99 years renewable to a maximum of 990 years. The lease would provide for the payment of royalties to the Company, starting in the 6th year after the date of the lease, of: 30 cents per gross ton of iron-ore pellets mined by open-cut mining operations and shipped to market in commercial quantities from Algoma's pellet plant in the area, and 15 cents per gross ton of iron-ore pellets mined by underground mining operations and shipped to market in reasonable commercial quantities from the said pellet plant.

After the 5th year of the lease has elapsed, Algoma would pay the Company advance royalties of \$10,000.00 annually, for a maximum of 20 years, until pellets from ore mined on the claims are shipped from Algoma's plant. The advance royalties would be credited against the first earned royalty payments due under the lease.

By an Agreement dated November 27th, 1968 and an amendment thereto dated July 11th, 1969 between Wilbur Frank and Laura G. Frank, 46 Hillside Avenue, Sudbury, Ontario, Robert West and Gladys M. West, 1178 Howey Drive, Sudbury, Ontario, Edward Kummer and Marion Kummer, 60 Hillside Avenue, Sudbury, Ontario, George Popowich, 280 Riverside Drive, Sudbury, Ontario, Mrs. R. Desgranges, 116 Mountain Street, Sudbury, Ontario, H. B. Roy, 59 Hillside Avenue, Sudbury, Ontario, Eber G. Walsh, R.R. No. 1, Wahuapitae, Ontario, W. Oliver Lariviere, Walford, Ontario, and Robert Turcot, 45 Main Street, Markstay, Ontario, all of the first part and the Company of the second part, the Company obtained an option to purchase 81 mining claims located in the Townships of Dryden and Falconbridge in the District of Sudbury, Sault Ste. Marie Mining Division, Province of Ontario. The Company, as Optionee, has the sole right and option to purchase the mining claims upon the following terms:

(1) The Company, as Optionee, was to pay the Optionors \$10,000.00 on June 12th, 1969. This payment has been made.

(2) The Company was to pay the Optionors \$15,000.00 on the date upon which the Ontario Securities Commission accepts for filing a prospectus of the Company, which date was not to be later than October 12th, 1969. This provision was amended as referred to below. The due date was extended until November 12th, 1969.

(3) The Company is to pay the Optionors a further sum of \$25,000.00 within 6 months after the prospectus of the Company is accepted for filing by the Ontario Securities Commission.

If the option is fully exercised, the Company will cause a new public mining company to be incorporated having an authorized capital of \$5,000,000.00 divided into 5,000,000 shares having a par value of \$1.00 each. The Company will cause 300,000 fully paid and non-assessable shares of the new Company, 10% being free of escrow, to be issued to the Optionors or anyone they may in writing direct, subject to any amendments thereof that may be required by the regulatory authorities having jurisdiction over the sale of the shares of the new company at the time of its formation and the issuance of the aforesaid shares.

By an Agreement dated October 10th, 1969 between the aforementioned parties to the Agreement of November 27th, 1968 and the amendment thereto dated July 11th, 1969, the date on which the Company is to make the \$15,000.00 payment due to the Optionors on or before October 12th, 1969 was extended so that the payment may, subject to the approval of the Ontario Securities Commission, be made on or before November 12th, 1969 or within 72 hours of issuance of the final receipt for this Prospectus whichever date is earlier.

### THE PERSHLAND PROPERTIES IN DRYDEN AND FALCONBRIDGE TOWNSHIPS

#### Description

The 81 mining claims in Dryden and Falconbridge Townships, that the Company has an option to purchase as previously described, are numbered as follows:

Lot	Concession	FALCONBRIDGE TOWNSHIP		No. of Claims
		Recorded Claim Numbers		
8	II	S153857, 153818, 148440, 153742		4
6	II	S154630		1
9	I	S149093, 143795		2
8	I	S153741, 132976, 155051, 148443, 148444		5
7	I	S148441, 148442, 155418, 153907		4
6	I	S131756, 155292, 144937, 144938		4
5	I	S154961, 154962, 148651, 148652		4
7	II	S148437		1

**DRYDEN TOWNSHIP**

<u>Lot</u>	<u>Concession</u>	<u>Recorded Claim Numbers</u>	<u>No. of Claims</u>
11	VI	S155576, to 155579 incl.	4
10	VI	S153913, 153914, 148438, 148439	4
9	VI	S16495(P), 139462, 17252(P), 153906	4
8	VI	S154350 to 154354 incl. 155415	6
7	VI	S154971, 155414, 155416	3
6	VI	S154355 to 154357 incl., 154626	4
11	V	155490	1
10	V	S148648, 148649, 155489	3
9	V	S155421 to 155423 incl., 155488	4
8	V	S153908, 153909, 155052, 154629	4
7	V	S155417, 154627, 154628, 155053	4
11	IV	S153988, 153905, 143796, 149489, 148424, 148425	6
10	IV	S153986, 153987, 153912	3
9	IV	S153985, 154086, 153910, 153911	4
6	V	S155419, 155420	2

**Total Number of Claims**

**81**

(P) Denotes patented claims.

**Location, Access and History**

The size, location, means of access to, and a brief history of previous prospecting, exploration, development and operations on the said claims, together with a brief description of the mineral deposits thereon, will be found in the ensuing summary which was prepared from the report of A. S. Bayne, P.Eng. A copy of the complete report dated April 16th, 1969 covering this property has been filed with, and is available for inspection at, the Ontario Securities Commission, 555 Yonge Street, Toronto, Ontario.

Pershland Gold Mines Limited holds 81 mining claims comprising about 3,200 acres, in the southwest part of Falconbridge Township and the northwest part of Dryden Township, about 12 miles northeast of the City of Sudbury, Ontario, Canada. A contiguous 5-claim group with a single claim ½ mile east adjoins Falconbridge Nickel Mines Limited and is 1½ miles from that company's nickel producer. A contiguous 73-claim group, starting ½ mile farther south, extends 3½ miles south into Dryden Township, with a 2-claim group ¼ mile east at the Wanapitei River. Two claims are under patented title. Title to the 79 unpatented claims is in good standing as to work requirements until at least December 31st, 1969. The claims are easily reached by good motor roads. Labour and supplies, water and electric power are at hand.

The history of nickel-copper production is well known, since the discovery of the Murray mine, 2 miles northwest of Sudbury, in 1883. The only nickel-copper production from the Falconbridge-Dryden area has been from the Falconbridge Mine which was discovered by geophysics under 100 feet of sand cover, located by drilling in 1916-17, commenced production in 1930, and is currently a major producer with workings over 6,000 feet depth. The claims of Pershland Gold Mines Limited have been previously held individually or in small groups by numerous private parties. A little exploratory work in the 1930's and 1950's was limited to blasting small shallow pits on mineralized zones, sporadically located on the highest, most accessible outcrops. An old inclined drill hole 107 feet deep was found near a pit near the N.W. corner of Claim S.139462, but no record of the core has been found. Grab samples from this pit assayed up to 0.22% nickel and 0.39% copper. Assays of several samples from four other shallow pits were also of this order, but two of them assayed up to 1.67% nickel and 2.02% copper.

Other than described in this report, no evidence has been found of previous exploratory work on these claims.

The pre-Cambrian rocks underlying the claims are mainly the typical Sudbury group of sedimentary conglomerate, quartzite and graywacke, with probable interbeds of volcanic lavas. These are intruded by a complex of basic igneous rock which is thought to have common origin with and known to be similar in composition to that at the margin of the Sudbury basin which is known to have important



bearing on the emplacement of the ore deposits. Developments in the area in the past ten years have clarified these facts which indicate the importance of correlating the numerous nickel-copper bearing zones to the adjacent geological structures over greater continuous lengths and depth. Pershland Gold Mines Limited has, therefore, now consolidated the 81 claims into an economically explorable unit.

Detailed geological mapping and geophysical surveys, supplemented by surface trenching and core drilling, is recommended in two phases. The speculative cost of the first phase of this exploration is estimated at \$53,335.00 during the first three months. The second phase, depending on the results obtained, is estimated to cost \$143,400.00 mainly for additional core drilling, in the six months following.

There has been no underground exploration and development nor is there any surface or underground plant or equipment on the Dryden and Falconbridge mining claims.

These mining claims are without a known body of commercial ore and the proposed development programs are exploratory searches for ore which are undertakings involving a significant risk of loss.

Present management of the Company has not carried out any work on the said mining claims, and the only previous work known to have been carried out is that described in the above summary from Mr. Bayne's report.

#### USE OF PROCEEDS

If the trust is realized, the Company will initially receive \$140,000.00. These proceeds will be used to:

- (1) pay expenses of issue estimated at \$10,000.00 which includes solicitors fees and disbursements in connection with the qualification of the Company's shares for sale in the Province of Ontario including the preparation of this prospectus,
- (2) pay outstanding accounts of approximately \$1,000.00,
- (3) re-imburse a shareholder for a \$10,000.00 loan to the Company to enable it to make the \$10,000.00 payment to the Optionors due on June 12th, 1969 pursuant to the agreement of November 27th, 1968 and the amendment thereto dated July 11th, 1969. (See caption "Business and Property"),
- (4) carry out the first phase of the recommendations of A. S. Bayne, P.Eng. (See caption "The Pershland, Properties in Dryden and Falconbridge Townships"), and
- (5) make the option payments of \$15,000.00 and \$25,000.00. The \$15,000.00 payment is due on or before November 12th, 1969 or within 72 hours of the issuance of the final receipt for this prospectus whichever date is earlier; the \$25,000.00 payment is due 6 months after the date of the said final receipt. (See caption "Business and Property").

Excess monies will form part of the general working capital of the Company to be used for further exploration, as recommended in Mr. Bayne's report, and for general operating expenses. While the Company has no plans in this regard at the present time, monies in its treasury, as available, will also be used to defray programs of acquiring, staking, exploring and developing other properties, either alone or in consort with others, and to generally carry out explorational programs as opportunity and finances permit. Monies will not be expended on any new properties acquired without an amendment to this prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public.

Monies in the Company's treasury will not be used to invest, underwrite or trade in securities other than those that qualify as investments in which Life Insurance Companies may under the laws of Canada invest their funds. Should the Company propose to use monies in its treasury to acquire securities other than as aforementioned after primary distribution of the securities offered by this prospectus has ceased, approval by the shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the shares offered by this prospectus. Additionally, monies will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development programs as set forth in this prospectus and any amendment thereto.

#### OFFERING

By an Agreement dated August 8th, 1969 the Company appointed Playfair & Co., Limited its Agent to offer for sale to the public 800,000 shares of its capital stock at the price of 43½¢ per share and agreed to

bearing on the emplacement of the ore deposits. Developments in the area in the past ten years have clarified these facts which indicate the importance of correlating the numerous nickel-copper bearing zones to the adjacent geological structures over greater continuous lengths and depth. Pershland Gold Mines Limited has, therefore, now consolidated the 81 claims into an economically explorable unit.

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- (1) pay expenses of issue estimated at \$10,000.00 which includes solicitors fees and disbursements in connection with the qualification of the Company's shares for sale in the Province of Ontario including the preparation of this prospectus,
- (2) pay outstanding accounts of approximately \$1,000.00,
- (3) re-imburse a shareholder for a \$10,000.00 loan to the Company to enable it to make the \$10,000.00 payment to the Optionors due on June 12th, 1969 pursuant to the agreement of November 27th, 1968 and the amendment thereto dated July 11th, 1969. (See caption "Business and Property"),
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- (5) make the option payments of \$15,000.00 and \$25,000.00. The \$15,000.00 payment is due on or before November 12th, 1969 or within 72 hours of the issuance of the final receipt for this prospectus whichever date is earlier: the \$25,000.00 payment is due 6 months after the date of the said final receipt. (See caption "Business and Property").

Excess monies will form part of the general working capital of the Company to be used for further exploration, as recommended in Mr. Bayne's report, and for general operating expenses. While the Company has no plans in this regard at the present time, monies in its treasury, as available, will also be used to defray programs of acquiring, staking, exploring and developing other properties, either alone or in consort with others, and to generally carry out explorational programs as opportunity and finances permit. Monies will not be expended on any new properties acquired without an amendment to this prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public.

Monies in the Company's treasury will not be used to invest, underwrite or trade in securities other than those that qualify as investments in which Life Insurance Companies may under the laws of Canada invest their funds. Should the Company propose to use monies in its treasury to acquire securities other than as aforementioned after primary distribution of the securities offered by this prospectus has ceased, approval by the shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the shares offered by this prospectus. Additionally, monies will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development programs as set forth in this prospectus and any amendment thereto.

### OFFERING

By an Agreement dated August 8th, 1969 the Company appointed Playfair & Co., Limited its Agent to offer for sale to the public 800,000 shares of its capital stock at the price of 43½¢ per share and agreed to

pay a commission to the Agent of 8½¢ per share. Guaranty Trust Company of Canada agreed to act as the Trustee of the subscriptions received.

This Agreement is predicated upon the Company taking the necessary steps to qualify for sale in the Province of Ontario the said 800,000 shares.

The Agreement provides that:

- (a) the offering will be made during a period of 60 days commencing within 5 business days following acceptance of this prospectus by the Ontario Securities Commission.
- (b) purchase orders must be received by the Company's Agent to cover at least 400,000 shares to realize the sum of \$140,000.00 net to the Company.
- (c) all cash subscriptions for shares purchased under the terms hereof will be held by Guaranty Trust Company of Canada, Toronto, Ontario in trust for the subscribers subject to repayment if 400,000 shares of the Company are not sold within the said 60 day period.

#### DIVIDENDS

No dividends have been paid by the Company to date.

#### DESCRIPTION OF CAPITAL STOCK

The authorized capital of the Company is \$3,000,000.00 divided into 3,000,000 shares with a par value of \$1.00 each.

There is only one class of shares. All shares issued by the Company rank equally as to dividends. 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. The by-laws of the Company provide that at all Special General Meetings of the Company three shareholders personally present and holding or representing by proxy not less than 30% of the issued shares of the Company constitute a quorum. The by-laws of the Company further provide that at meetings of shareholders a resolution may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands every shareholder present in person shall have one vote. On a poll, every shareholder shall have one vote for each share held by him. In each case in the event of a tie vote, the Chairman has a second or deciding vote. 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 pursuant to the terms of this Prospectus, will not be subject to any call or assessment. Certificates representing 1,205,000 issued shares of the Company are presently held in escrow subject to reduction to 650,000 shares if the trust herein is realized, as referred to under the captions "Capitalization" and "Escrowed Shares".

#### CAPITALIZATION

##### NUMBER OF SHARES

Designation of Security	Amount Authorized by Letters Patent	Amount outstanding as of May 31, 1969	Amount Outstanding as of August 8, 1969	Amount outstanding if all securities being offered are sold
Common shares	3,000,000.00	2,119,355*	2,119,355	2,364,355(i)
Par value \$1.00 per share	\$3,000,000.00	\$1,431,345.00	\$1,431,345.00	\$1,156,345.00(i)

\* Of this total 100,000 shares were issued for exploration services rendered to the Company including the staking of claims: 50,000 to Edward James Lee and 50,000 to Harold George Phillips.

- (i) These figures reflect the sale of all of the 800,000 shares hereby offered. 555,000 of the shares offered as part of this issue were outstanding escrowed shares as of August 8th, 1969. These escrowed shares have been donated to the Company and are being held in escrow by the Secretary of the Company in trust for the Company. If and when subscriptions are received for 400,000 shares offered hereby, so that the trust is realized, the donated shares will be released from escrow and sold as part of this issue.

Donations have been made as follows:

Shareholder	Number of Escrowed Shares
Clarence Hewitt	25,000
Mrs. Lorna Irene Lee	270,000
Wiggle Creek Prospecting Syndicate	160,000
David O. Markle	75,000
Frank Vivian	25,000



## ESCROWED SHARES

At the present time, certificates representing 1,205,000 shares referred to below are held in escrow by Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario on the following terms and conditions, namely: they shall be released from escrow only with the written consent of the board of directors of the Company and the Ontario Securities Commission and only pro-rata from time to time among those entitled thereto by registered ownership. During the period that any of these shares shall remain in escrow, the prior consent of the Ontario Securities Commission is also required before transfer, alienation, assignment or hypothecation involving any of such shares.

If subscriptions for 400,000 shares are received, the number of escrowed shares will be reduced to 805,000 as more particularly explained under the caption "Capitalization". The Ontario Securities Commission and the board of directors of the Company have consented to the release from escrow necessary for the sale of the said donated shares.

<u>Capital Stock</u>	<u>As at August</u>	<u>Number of Shares</u>	<u>Percentage</u>
Common shares	8, 1969	Held in Escrow	of Class
Par Value \$1.00		1,205,000	56.85% (1)
per share	After this offering	650,000	27.51% (2)

(1) There being 2,119,355 shares issued and outstanding before the donations referred to above.

(2) Calculated on the basis of there being 2,354,355 shares issued and outstanding after the 800,000 shares hereby offered have been sold.

## PRINCIPAL HOLDERS OF SHARES

Listed below are particulars of the holders of more than 10% of the issued shares of the Company as at August 8th, 1969.\*

<u>Name and Address</u>	<u>Class of Security</u>	<u>Type of Ownership</u>	<u>Number</u>	<u>Percentage</u>
			Shares Owned	of Class(1)
Mrs. Lorna Irene Lee 108 Chine Drive Scarborough, Ontario	Common Shares capital stock \$1.00 par value	beneficially owned and since transferred into her name from her husband's estate	540,000	25.48%
Mrs. Lillian Markle 40 Baling Drive Willowdale, Ontario	Common shares capital stock \$1.00 par value	direct of record and beneficially owned	300,000	14.16%
Wiggle Creek Prospecting Syndicate 122 Manville Road, Scarborough, Ontario	Common shares capital stock \$1.00 par value	direct of record and beneficially owned	280,000	13.26%

\* Since August 8th, 1969, Mrs. Lorna Irene Lee has donated 270,000 shares to the Company and Wiggle Creek Prospecting Syndicate has donated 160,000 shares to the Company. These donated shares are being offered as part of this issue as indicated under the heading "Capitalization".

(1) Calculated on the basis of there being 2,119,355 shares issued and outstanding at August 8th, 1969.

The Directors and Officers of the Company (see "Management") each beneficially own 20 common shares in the capital stock of the Company at the date hereof.

## MANAGEMENT

### Directors and Officers:

The Directors and Officers of the Company and the positions presently held are listed below:

<u>Name</u>	<u>Address</u>	<u>Position</u>
WILLIAM L. PERRY	5 Mason Boulevard Toronto, Ontario	President and Director
JOHN LELIEVER	130 Joicey Boulevard Toronto, Ontario	Vice-President and Director
WILLIAM D. PATERSON	3 Colby Lane Drive Thornhill, Ontario	Secretary and Director

**GEORGE ARTHUR LOADER**

35 Agar Crescent  
Islington, Ontario

Treasurer and Director

**LAWRENCE ROSS KINGSLAND**

38 King George's Road  
Toronto 590, Ontario

Director

MR. WILLIAM L. PERRY has been a Captain with Air Canada for more than the last five years.

MR. JOHN LELIEVER is a semi-retired prospector.

MR. WILLIAM D. PATERSON has, since 1958, been President of Anderson, Finney & Paterson Limited, Corporate Secretaries, Toronto, Ontario. He is also the sole proprietor of a corporate secretarial service carrying on business under the name "Regent Management Services", Toronto, Ontario. He is an Officer and Director of Banker Hill Extension Mines Limited, Glenn Explorations Limited and Jaye Explorations Limited.

MR. GEORGE ARTHUR LOADER is an Accountant and has been in the employ of Assembly Mines Limited since September 1967. From June 1965 to September 1967 he was employed as a Public Accountant with Cossar, Hector, Payne & Company, Chartered Accountants. From 1963 to June 1965 he was Secretary-Treasurer of Robert Elder Limited.

MR. LAWRENCE ROSS KINGSLAND has been primarily occupied as a Management Consultant. He is the President of Communication and Education for Industry of Canada Limited. From January 1967 to July 1968 he was Vice-President and Publishing Director of Conover-Mast Publication Inc., a New York Company. Prior to that time he was Executive Vice-President and a director of Southam Business Publications Limited. In 1964 and 1965 he was also President of The Canadian Business Press. He is also President of Pyramid Communications Limited and a director of Seggos Industries Inc., Stamford, Connecticut and General Technology Equities Inc., a Delaware Corporation.

#### **HEAD OFFICE**

The Company will pay Assembly Mines Limited the sum of \$250.00 per month on account of head office rental, routine administrative, accounting and corporate secretarial services. There is no formal lease or agreement with Assembly Mines Limited and the aforesaid arrangement will continue during the pleasure of the board.

#### **REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

The Company does not intend paying any remuneration to its directors and/or senior officers during the current year.

#### **PROMOTERS**

The Promoter of the Company is Playfair & Co. Limited.

#### **AUDITORS**

The auditors of the Company are Fuller Jenks Landau & Co., Chartered Accountants, 101 Richmond Street West, Toronto, Ontario.

#### **MATERIAL CONTRACTS**

- The material contracts entered into by the Company within two years prior to the date hereof are as follows:
1. Offer dated December 22nd, 1967 whereby the Company offered to enter into an option to lease its 21 claims in the Patricia Mining Division, Northwestern Ontario, to The Algoma Steel Corporation, Sault Ste. Marie, Ontario. Details are provided under the caption "Business and Property".
  2. Agreement dated November 27th, 1968 whereby the Company obtained an option to purchase 81 contiguous, unpatented and/or patented mining claims located in the Townships of Dryden and Falconbridge in the District of Sudbury, Sault Ste. Marie Mining Division, Province of Ontario. Details are provided under the caption "Business and Property".
  3. Agreement dated March 17th, 1969 between the Company and Falconbridge Nickel Mines Limited ("Falconbridge") under which the Company consented to the issuance by the Crown to Falconbridge of a 50 foot wide

easement or licence of occupation for a pipe line across 6 of the Company's mining claims in Dryden and Falconbridge Townships. If a pipeline is laid, until the easement or licence of occupation is relinquished or terminated, Falconbridge shall:

- (1) at its own expense relocate the pipeline, if necessary to facilitate mining operations,
  - (2) re-imburse the Company for any Government taxes against the surface rights in the ratio of the easement area to the total area of the claims involved, and
  - (3) pay the Company \$1.00 per year.
- If the rights are relinquished or terminated, Falconbridge shall, on demand, at its expense, remove the pipeline from the mining claims.
4. Agreement dated July 11th, 1969 whereby the aforementioned Agreement dated November 27th, 1968 was amended. Details are provided under the caption "Business and Property".
  5. Agreement dated August 8th, 1969 between the Company, Playfair & Co., Limited and Guaranty Trust Company of Canada whereby Playfair & Co., Limited agreed to act as the Company's Agent in the sale to the public of 800,000 shares of the Company, and the Guaranty Trust Company agreed to act as Trustee for the subscriptions received. Details are provided under the caption "Offering".
  6. Agreement dated October 10th, 1969 whereby the aforementioned Agreement dated July 11th, 1969 was amended. Details are provided under the caption "Business and Property".

During the primary distribution of the Securities offered by this prospectus, copies of the aforementioned agreements may be inspected at the head office of the Company during normal business hours.

#### **OTHER MATERIAL FACTS**

There are no other material facts.

# PERSHLAND GOLD MINES LIMITED

Incorporated under the Laws of the Province of Ontario

## BALANCE SHEET — MAY 31, 1969

### ASSETS

#### CURRENT

Bank balance ..... \$ 36

#### MINING PROPERTIES

Twenty-one (21) unpatented mining claims in the Patricia Mining Division, Province of Ontario, acquired for 305,000 fully paid non-assessable shares of the Company's capital stock issued at par value plus costs of restaking in 1964 and 1966 ..... \$ 308,021

Less amounts received re offers to grant an option to lease the claims (See note 1) ..... 8,500 299,521

#### DEFERRED EXPENSES

Exploration expenses (See schedule) ..... \$ 58,477

Administration expenses (See schedule) ..... 24,517

Organization expenses ..... 1,473 84,467

\$ 384,024

#### APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

W. PERRY, Director  
G. A. LOADER, Director

### LIABILITIES

#### CURRENT

Accounts payable and accrued liabilities ..... \$ 6,875

### SHAREHOLDERS' EQUITY

#### CAPITAL

Authorized  
3,000,000 shares having a par value of \$1.00 each ..... \$ 3,000,000

Issued and fully paid

1,305,000 shares for mining claims ..... \$ 1,305,000

less discount ..... — \$ 1,305,000

100,000 shares for services rendered ..... \$ 100,000

less discount ..... 85,000 15,000

714,355 shares for cash ..... \$ 714,355

less discount ..... 603,010 111,345

2,119,355 shares in total ..... \$ 1,431,345

#### DEFICIT

Balance — December 1, 1968 and May 31, 1969 ..... 1,054,196 377,149

\$ 384,024

This is the balance sheet referred to in our report dated July 4, 1969.

FULLER JENKS LANDAU & CO.  
Chartered Accountants

## AUDITORS' REPORT

The Directors,  
Pershland Gold Mines Limited,  
Toronto, Ontario.

Gentlemen:

We have examined the balance sheet of Pershland Gold Mines Limited as at May 31, 1969 and the statements of deficit and source and application of funds for the years ended November 30, 1964, 1965, 1966, 1967 and 1968 and for the six month periods ended May 31, 1968 and 1969. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, when read with the accompanying financial notes, the above-mentioned financial statements present fairly the financial position of the Company as at May 31, 1969 and the results of its operations and source and application of its funds for the years ended November 30, 1964, 1965, 1966, 1967 and 1968 and for the six month periods ended May 31, 1968 and 1969, in accordance with generally accepted accounting principles applied consistently since the inception of the Company.

July 4, 1969  
Toronto, Ontario.

FULLER JENKS LANDAU & CO.  
Chartered Accountants

## PERSHLAND GOLD MINES LIMITED

Incorporated under the Laws of the Province of Ontario

### STATEMENT OF DEFICIT

	For the year ended November 30					For the 6 months ended May 31	
	1964	1965	1966	1967	1968	1968	1969
Balance at beginning of year (December 1)	\$ 1,043,029	\$ 1,043,029	\$ 1,051,939	\$ 1,054,196	\$ 1,054,196	\$ 1,054,196	\$ 1,054,196
Add: Loss on disposal of automobile	—	—	1,625	—	—	—	—
Deferred insurance expenses written off	—	—	632	—	—	—	—
Tools and equipment written off	—	8,910	—	—	—	—	—
<b>Balance at end of period</b>	<b>\$ 1,043,029</b>	<b>\$ 1,051,939</b>	<b>\$ 1,054,196</b>	<b>\$ 1,054,196</b>	<b>\$ 1,054,196</b>	<b>\$ 1,054,196</b>	<b>\$ 1,054,196</b>

## PERSHLAND GOLD MINES LIMITED

### STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	For the year ended November 30					For the 6 months ended May 31	
	1964	1965	1966	1967	1968	1968	1969
<b>Source of Funds</b>							
Received in consideration of offers to grant an option to lease claims	\$ —	\$ —	\$ —	\$ 3,500	\$ 5,000	\$ 5,000	\$ —
Proceeds of disposal of automobile	—	—	250	—	—	—	—
<b>Total funds received</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 250</b>	<b>\$ 3,500</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ —</b>
<b>Application of Funds</b>							
Cost of restaking mining properties	\$ 1,100	\$ —	\$ 200	\$ 1,721	\$ —	\$ —	\$ —
Exploration expenses incurred (See schedule)	309	598	389	103	210	210	—
Administration expenses incurred (See schedule)	75	201	970	813	6,418	3,568	3,625
<b>Total funds expended</b>	<b>\$ 1,484</b>	<b>\$ 799</b>	<b>\$ 1,559</b>	<b>\$ 2,637</b>	<b>\$ 6,628</b>	<b>\$ 3,778</b>	<b>\$ 3,625</b>
<b>Working Capital</b>							
Increase or (decrease)	\$ (1,484)	\$ (799)	\$ (1,309)	\$ 863	\$ (1,628)	\$ 1,222	\$ (3,625)
As at beginning of period	1,143	(341)	(1,140)	(2,449)	(1,586)	(1,586)	(3,214)
<b>As at end of period</b>	<b>\$ (341)</b>	<b>\$ (1,140)</b>	<b>\$ (2,449)</b>	<b>\$ (1,586)</b>	<b>\$ (3,214)</b>	<b>\$ (364)</b>	<b>\$ (6,839)</b>
<b>Working capital at end of period is represented by:</b>							
Current assets	\$ 1,218	\$ 23	\$ 521	\$ 88	\$ 36	\$ 36	\$ 36
Current liabilities	1,559	1,163	2,970	1,674	3,250	400	6,875
<b>Working capital balance or (deficiency)</b>	<b>\$ (341)</b>	<b>\$ (1,140)</b>	<b>\$ (2,449)</b>	<b>\$ (1,586)</b>	<b>\$ (3,214)</b>	<b>\$ (364)</b>	<b>\$ (6,839)</b>

# PERSHLAND GOLD MINES LIMITED

Incorporated under the Laws of the Province of Ontario

## SCHEDULE OF DEFERRED EXPENSES

	For the period from Inception (November 22, 1915) to November 30					May 31	
	1964	1965	1966	1967	1968	1968	1969
	<b>Exploration Expenses</b>						
Balance at beginning of year (December 1) .....	\$ 57,500	\$ 57,809	\$ 58,407	\$ 58,164	\$ 58,267	\$ 58,267	\$ 58,477
Add: Expenses incurred during the year							
Insurance .....	\$ 44	\$ 10	\$ —	\$ —	\$ —	\$ —	\$ —
Licences, taxes and fees .....	265	588	389	103	210	210	—
Total expenses incurred during the period .....	\$ 309	\$ 598	\$ 389	\$ 103	\$ 210	\$ 210	\$ —
Balance at end of period before write- off to deficit .....	\$ 57,809	\$ 58,407	\$ 58,796	\$ 58,267	\$ 58,477	\$ 58,477	\$ 58,477
Less: Expenses written off .....	—	—	632	—	—	—	—
Balance at end of period .....	<u>\$ 57,809</u>	<u>\$ 58,407</u>	<u>\$ 58,164</u>	<u>\$ 58,267</u>	<u>\$ 58,477</u>	<u>\$ 58,477</u>	<u>\$ 58,477</u>
<b>Administration Expenses</b>							
Balance at beginning of year (December 1) .....	\$ 12,415	\$ 12,490	\$ 12,691	\$ 13,661	\$ 14,474	\$ 14,474	\$ 20,892
Add: Expenses incurred during the year							
Professional fees .....	\$ 75	\$ —	\$ 35	\$ —	\$ 5,750	\$ 3,150	\$ 3,500
Travel expenses .....	—	—	734	384	—	—	—
Telephone, telegraph and rent .....	—	200	200	428	—	—	—
Share transfer agent's fees .....	—	—	—	—	500	400	—
Secretarial fees .....	—	—	—	—	150	—	—
Directors' fees .....	—	—	—	—	—	—	125
General .....	—	1	1	1	18	18	—
Total expenses incurred during the period .....	\$ 75	\$ 201	\$ 970	\$ 813	\$ 6,418	\$ 3,568	\$ 3,625
Balance at end of period .....	<u>\$ 12,490</u>	<u>\$ 12,691</u>	<u>\$ 13,661</u>	<u>\$ 14,474</u>	<u>\$ 20,892</u>	<u>\$ 18,042</u>	<u>\$ 24,517</u>

# PERSHLAND GOLD MINES LIMITED

## FINANCIAL NOTES

May 31, 1969

- On April 14, 1967, in consideration of the sum of \$3,500. paid to it, the Company made an irrevocable offer to the Algoma Steel Corporation Limited to grant it an exclusive option to lease its twenty-one unpatented mining claims in the Patricia Mining Division, Province of Ontario. The offer lapsed, however, before its acceptance by Algoma.

On December 22, 1967, in consideration of the sum of \$5,000. paid to it, the Company made another irrevocable offer to the Algoma Steel Corporation Limited to grant it an exclusive option to lease the same claims. The offer of the option to lease may be accepted by Algoma at any time up to and including June 30, 1970.

The option to lease shall be for a period of three years from the date of Algoma's acceptance of the offer, shall be terminable by Algoma at any time at its discretion, and shall require the following payments by Algoma to Pershland:

- \$5,000. on execution of the option agreement;
- \$10,000. on or before the first anniversary of the date of the option agreement, unless the option has been exercised or terminated before that date;
- \$10,000. on or before the second anniversary of the date of the option agreement, unless the option has been exercised or terminated before that date.

The lease shall be for a term of ninety-nine years, renewable to a maximum of nine hundred and ninety years, and shall be on Algoma's standard terms. Should Algoma exercise the option to lease, it shall be required to pay Pershland the sum of \$200,000. on the date of execution of the lease. The terms of the lease shall require the payment of royalties by Algoma to Pershland as follows:

- 30¢ per gross ton of iron ore pellets produced from ore mined on the claims by open cut mining operations and shipped to market in commercial quantities;
- 15¢ per gross ton of iron ore pellets produced from ore mined on the claims by underground mining operations and shipped to market in commercial quantities.



No royalties or advance royalties shall be payable during a five year preproduction period commencing on the date of the lease. Commencing in the sixth year of the lease, Algoma shall be required to pay advance royalties of \$10,000. per year to Pershland for the shorter period of:

- (a) twenty years from the end of the five-year preproduction period;
- (b) until pellets from iron ore mined on the claims are shipped from Algoma's pellet plant.

The advance royalties shall be credited against the first earned royalty payments due under the lease.

As at July 4, 1969, the offer to grant an exclusive option had not been terminated by the Algoma Steel Corporation Limited.

- 2. On November 27, 1968, the Company entered into an agreement with various individuals acting as the optionors. Under the agreement, the Company obtained the sole, exclusive and irrevocable right and option to purchase from the optionors a group of eighty-one contiguous mining claims located in the Townships of Dryden and Falconbridge, District of Sudbury, Sault Ste. Marie Mining Division, Province of Ontario.

The group contains seventy-nine unpatented and two patented claims.

The terms of the agreement require the Company to make the following payments to the optionors in order to exercise the option to purchase:

- (a) \$15,000. on the date on which the Ontario Securities Commission accepts the Company's prospectus for filing;
- (b) \$10,000. on or before June 12, 1969;
- (c) \$25,000. on or before October 12, 1969.

The Company will also be required to cause a new public mining company to be incorporated with an authorized capital of 5,000,000 shares having a par value of \$1. each. The optionors, or their assigns, are to be issued 300,000 fully-paid, non-assessable shares of the new company, 10% of which shall be free from escrow.

The agreement will be terminated if any default by the Company in making the payments required above continues for fifteen days after receipt of written notice from the optionors of such default.

Subsequent to the balance sheet date, option payment (b) above was made to the optionors by one of the shareholders on the Company's behalf. Although the payment was in default at the time, the optionors entered into an amending agreement with the Company under which they acknowledged receipt of the payment and agreed to accept it as if it had been made on the due date, agreed that the effective date on which option payment (a) above will become due and payable will be on or before October 12, 1969 and that option payment (c) above will become due and payable within six months after the effective date.

- 3. On March 17, 1969, the Company entered into an agreement with Falconbridge Nickel Mines Limited under which the Company consented to the issuance to Falconbridge by the Crown of a 50 foot wide easement or licence of occupation for a pipe line to be laid by Falconbridge across six of the unpatented claims contained in the group under option to the Company as described in Note (2) above. The Company also gave permission to Falconbridge to utilize such of the surface rights respecting the claims as are necessary for the pipe line. Falconbridge agreed not to commence the laying of the pipe line before June 1, 1969; to relocate the pipe line at its expense if in the optionee's opinion it becomes necessary in order to facilitate mining operations of the claims; to reimburse the optionee for any Government taxes against the claims in the ratio of the area covered by the easement to the total area of the claims taxed, in the event that title to the surface rights of the claims is issued to the optionee; and to pay the optionee the sum of \$1. per year, all until the easement or licence of occupation is relinquished or terminated.
- 4. On August 8, 1969, the Company entered into an agency agreement with Playfair & Co. Limited for the issue and sale of 800,000 of its shares to the public. The offering is to commence within five days of the date of issuance to the company of a final receipt from the Ontario Securities Commission for the filing of its prospectus.

The shares are to be offered at 43½¢ each. The agent is to be paid a commission of 8½¢ per share on all shares sold from the offering.

The Guaranty Trust Company of Canada has been appointed trustee under the agreement to receive and hold all funds received from subscribers until a total of 400,000 shares shall have been subscribed for. If this minimum subscription is not reached within 60 days of commencement of primary distribution, the trustee shall return all funds to the subscribers. The trust shall terminate if this minimum is reached within the sixty day time limit, and the funds received distributed by the trustee to the Company and the agent. The agent shall then continue with the offering of the shares.

The agent has agreed to use its best efforts to obtain a bona-fide public distribution of the shares offered in the agreement.

- 5. The Company has sold none of its unissued capital stock in the past five years.

### PURCHASER'S RIGHT TO WITHDRAW

During the course of primary distribution to the public every purchaser of the shares hereby is entitled to receive a copy of the prospectus or any amended prospectus either before entering into an Agreement to purchase any of the shares or not later than midnight on the second business day after entering into such Agreement. Any Agreement to purchase shares as aforesaid is not binding upon the purchaser if the purchaser notifies the issuer in writing or by telegraph of his intention not to be bound by the Agreement, and such notice is received not later than midnight on the second business day next after receipt by the Purchaser of the prospectus or amended prospectus. The foregoing is a summary of Section 63 of The Securities Act (1966) to which reference should be made for the full context.

### PURCHASER'S RIGHT TO RESCIND

During the course of primary distribution to the public of the shares offered hereby, a purchaser has the right within 90 days from the date of the receipt of the prospectus or amended prospectus or the date of the contract of purchase, whichever shall last occur to rescind the contract while still the owner of any of the shares,

if the prospectus or amended prospectus filed with the Ontario Securities Commission and received by the Purchaser contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statements contained therein not misleading. The foregoing is a summary of Section 64 of The Securities Act, (1966) to which reference should be made for the full context.

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, 1966 (Ontario) and the regulations thereunder.

**"WILLIAM L. PERRY"**  
Chief Executive Officer

**"GEORGE A. LOADER"**  
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

**"WILLIAM D. PATERSON"**  
Director

**"JOHN LELIEVER"**  
Director

**Promoter:**

**PLAYFAIR & CO., LIMITED**

Per: "B. P. MORDY"

**Agent:**

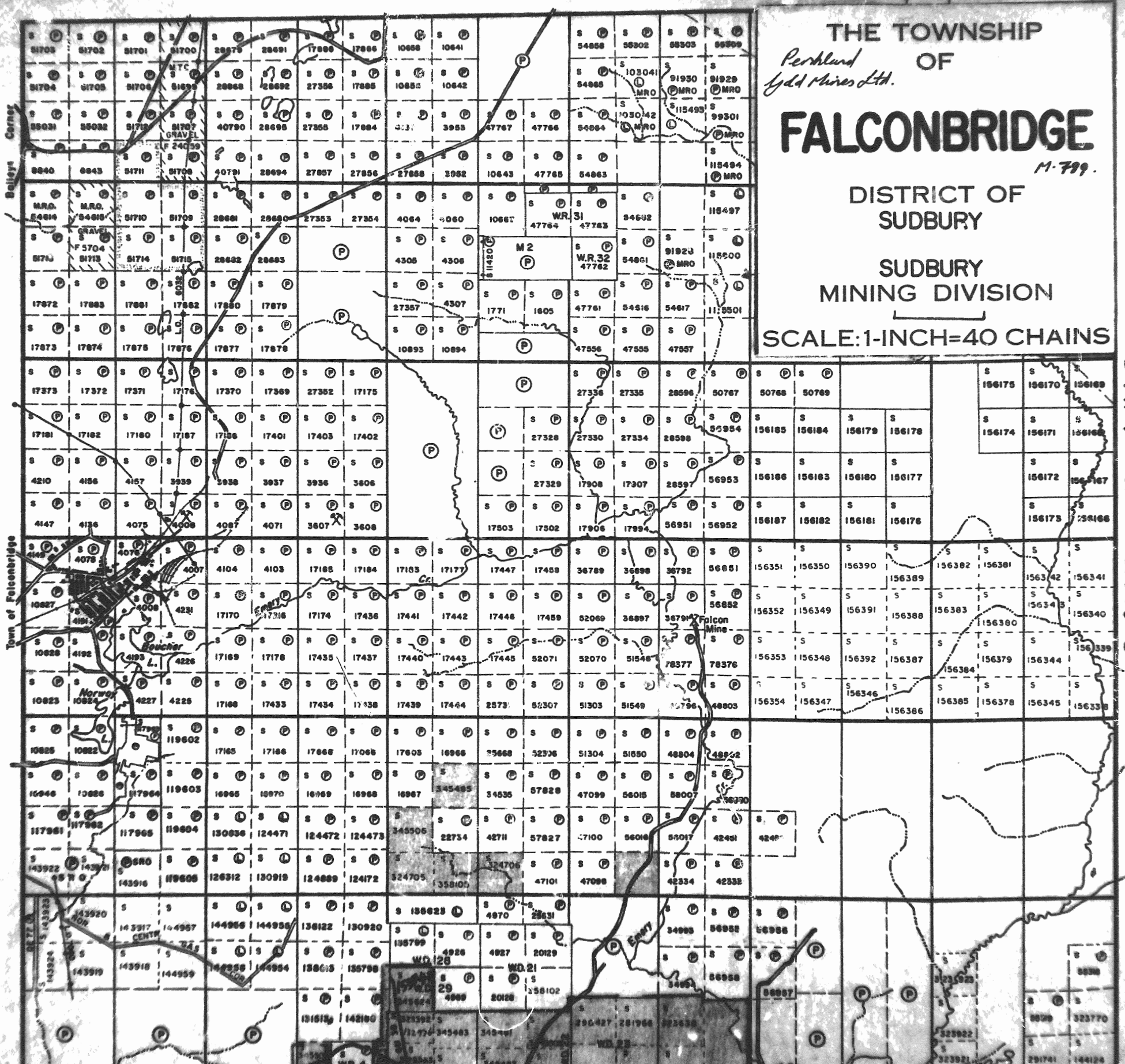
**PLAYFAIR & CO., LIMITED**

Per: "B. P. MORDY"

DATED this 22nd day of October, 1969.

The following are the names of all persons having an interest, directly or indirectly, to the extent of not less than 5% in the capital of Playfair & Co., Limited: Alan S. Jarvis, Frederick W. Henderson, Brockwell P. Mordy and Robert M. Roy.

THE TOWNSHIP  
*Perthland Gold Mines Ltd.*  
**FALCONBRIDGE**  
 M-799  
 DISTRICT OF  
 SUDBURY  
 SUDBURY  
 MINING DIVISION  
 SCALE: 1-INCH=40 CHAINS



STREET TWP M. 114 S.

VI  
 V  
 IV  
 III  
 II  
 I





MACLENNAN TWP. M.84I

THE TOWNSHIP  
*Parkland Gold Mines Ltd.*  
 OF  
**FALCONBRIDGE**

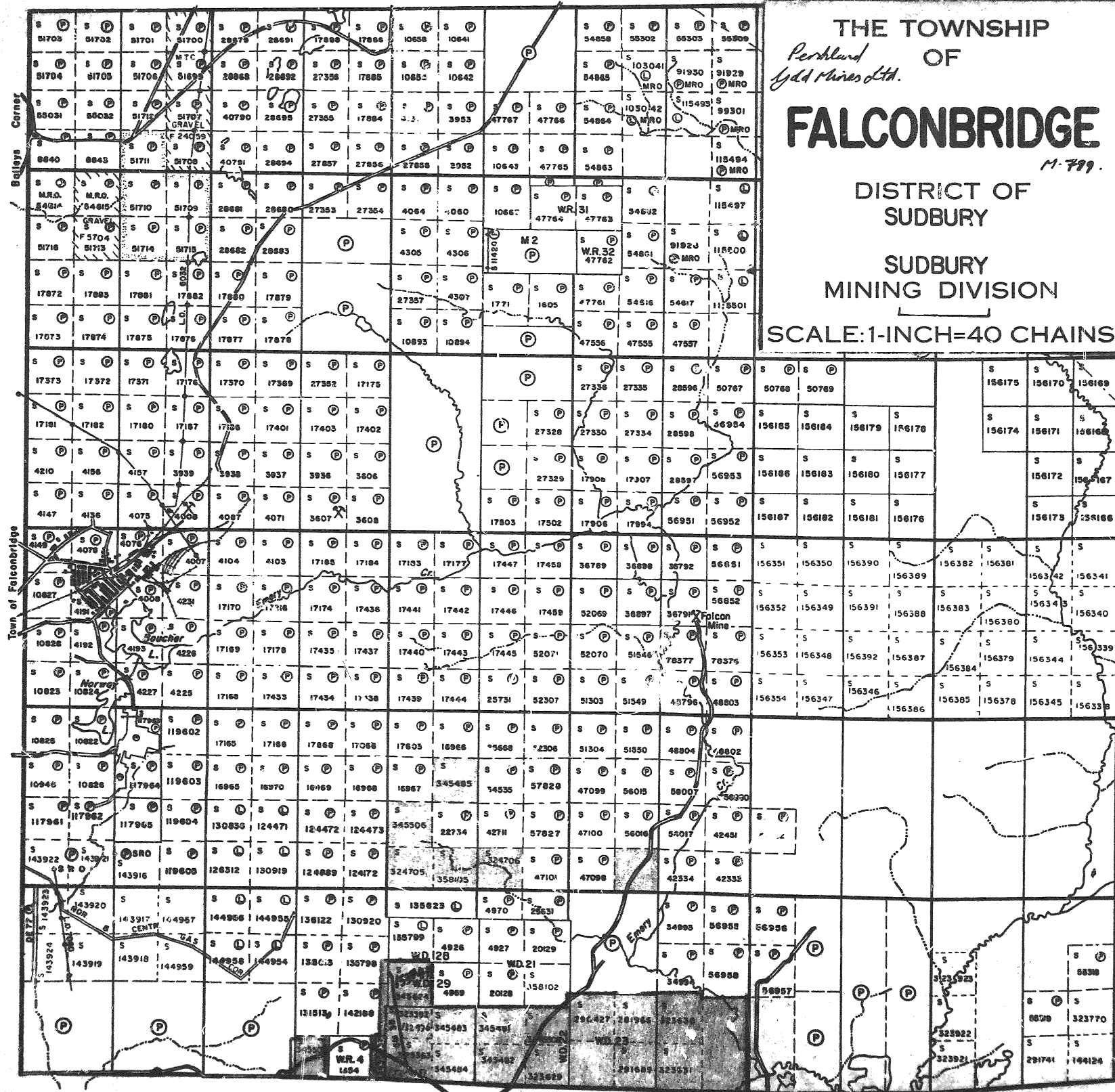
M-799.

DISTRICT OF  
 SUDBURY

SUDBURY  
 MINING DIVISION

SCALE: 1-INCH=40 CHAINS

GARSON TWP. M. 83I



VI

V

IV

III

II

I

STREET TWP M. 114S.

12 11 10 9 8 7 6 5 4 3 2 1  
 DRYDEN TWP. M-76