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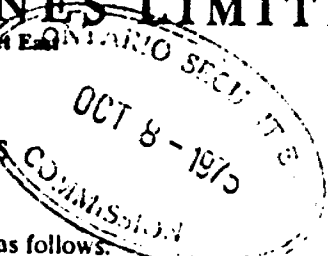
NO SECURITIES COMMISSION OR OTHER SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

GULL LAKE IRON MINES LIMITED

Suite 432, 12 Richmond Street East
Toronto, Ontario

PROSPECTUS

COMMON SHARES
(without par value)



NEW ISSUE:

240,000 underwritten shares and 200,000 optioned shares as follows.

Firmly Underwritten	Under Option	Price Per Share	Net Proceeds to Corporation	Maximum Offering Price of These Shares to Public
240,000		25¢	\$ 60,000	50¢
	100,000	30¢	30,000	60¢
	100,000	35¢	35,000	65¢
			<u>\$125,000</u>	

PLAN OF DISTRIBUTION:

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

DISTRIBUTION SPREAD:

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

PURPOSE OF OFFERING:

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

SECONDARY OFFERING:

60,000 shares referred to in this Prospectus under the caption "Offering" by the Selling Shareholders. The proceeds from the sale of these shares will accrue to the Selling Shareholders and not to the treasury of the Company. The Selling Shareholders will not offer any part of the secondary offering unless and until all of the underwritten and optioned shares have been taken down, paid for and sold by the Underwriter-Optionee. 50,000 OF THE AFOREMENTIONED SHARES WERE PURCHASED IN JULY 1975 FOR THE SUM OF \$1,875. REFERENCE IS MADE TO THE CAPTION "OTHER MATERIAL FACTS" FOR FURTHER PARTICULARS.

THERE IS NO MARKET FOR SHARES OF THE COMPANY.

THESE SHARES ARE SPECULATIVE.

Particular reference should be made to the captions "History and Business", "Offering", "High Risk Factors", "Other Material Facts", "Promoter and Interest of Management and Others in Material Transactions."

Underwriter/Optionee
M. RASH & CO. LIMITED
Suite 930, 159 Bay Street
Toronto, Ontario



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GULL LAKE IRON MINES LIMITED

HISTORY AND BUSINESS

Gull Lake Iron Mines Limited (the "Company") was incorporated under the Corporations Act, 1953 (Ontario), and Part IV thereof by Articles of Incorporation dated June 16th, 1959 to engage in the acquisition, exploration, development and operation of mines, minerals lands and deposits. Articles of Amendment effective September 3, 1975, have issued to the Company which have the principal effect of changing the Company's shares from shares with a par value of \$1 each to shares without par value and extending its objects. The head office of the Company is located at Suite 432, 12 Richmond Street East, Toronto, Ontario. None of the mining claims in which the Company has an interest, contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore.

Phyllis and Scholes Townships Mining Claims

Acquisition

By agreement dated June 19th, 1959 between the Company and Frank Cadesky, 767 Spadina Road, Toronto, Ontario, the Company acquired 20 unpatented mining claims located in Scholes Township, Temiskaming Mining Division, Ontario, and being claim numbers T46582 to and including T46599, T47020 and T47021 for the price or consideration of 900,000 fully paid and non-assessable shares of the capital stock of the Company. By agreement dated March 16th, 1960 between the Company and Walter Andrew Carter, P.O. Box 417, Colborne, Ontario, the Company acquired mining claim T48130 for the price or consideration of \$2,500 and by further agreement dated April 8th, 1960 between the Company and Mr. Carter, the Company acquired 8 mining claims bearing numbers T46713 to and including T46720 for the price or consideration of \$4,400.

Due to a recording error on the part of the Mining Recorder of the Temiskaming Mining Division, it was discovered that mining claim T48130 was a restaking of mining claim T37809 which was inadvertently shown as open for staking. In the result mining claim T48130 was cancelled and the Company acquired mining claim T37809 from Abex Mines Limited, Suite 4900, Toronto-Dominion Centre, Toronto, Ontario, for \$500, which sum was reimbursed to the Company by the Department of Mines of Ontario. At the time of their acquisition by the Company, all 29 of the mining claims were unpatented and formed a contiguous group.

So far as the Company is aware, no person or company received or was entitled to receive a greater than 5% interest in the consideration paid to Frank Cadesky or in the consideration paid to Mr. Carter for mining claim T48130. So far as the Company is aware, the only person or company who received or is entitled to receive a greater than 5% interest in the consideration paid to Mr. Carter for the 8 mining claims acquired under the April 8th, 1960 agreement was Orval Montroy of Temagami, Ontario.

At the time of their acquisition, title to the 29 mining claims was the usual title to unpatented mining claims enjoyed in the Province of Ontario. The Company subsequently performed and recorded sufficient work to qualify the claims for the issuance of Ontario mining leases and after surveying, the claims were brought to lease. The Company is presently the recorded holder free of encumbrance of the 29 mining claims held under mining leases issued by the Ministry of Natural Resources for the Province of Ontario pursuant to the provisions of the Mining Act which may be more particularly described as follows:

- (a) Mining Lease Number 102570 relates to 11 mining claims covering an area of approximately 510.47 acres. The lease runs for a period of 21 years from July 1, 1971 with annual rentals of \$51.05 per year;

- (b) Mining Lease Number 101272 relates to mining claim T37809 covering an area of approximately 39.83 acres. The lease runs for a period of 21 years from December 1, 1966 with annual rentals of \$5 per year;
- (c) Mining Lease Number 102569 relates to 17 mining claims covering an area of approximately 729.05 acres. The lease runs for a period of 21 years from July 1, 1971 with annual rentals of \$72.90 per year.

All of the above leases are recorded in the Land Titles Office at North Bay, Ontario, as parcels 3335, 2910 and 3336 respectively in the register for Lake Nipissing. Title thereto is the usual title to mining claims held under mining lease issued by the Ministry of Natural Resources. All the leases grant to the Company mining rights composed of mines, ores, minerals and mining rights under the land and lakes covered thereby and in addition thereto, the Company has the surface rights to 2.98 acres of Lease 101272.

Location and Access

The mining claims are located at Gull Lake which is approximately 20 air miles southwest of Temagami, Ontario and 50 air miles north-east of Sudbury, Ontario. Access to the area by road is provided by highway 805 north from River Valley to Emerald Lake from which a private lumber road open to the public extends to Gull Lake. River Valley is located on the Canadian National Railway line approximately 25 miles south of the mining claims and is connected by highways 64 and 539 to highway 17.

A hydroelectric power transmission line is located about 10 miles south of the mining claims and a natural gas pipe line passes within a few miles of the mining claims. The area is characteristic of the rugged Temagami region. Remnants of an eroded diabase sill contribute to the steep cliffs and high hills surrounding an area of gently rolling topography. Scattered lakes and swamps occur between the hills. Timber consisting chiefly of pine and spruce has been harvested by local timber firms.

History

During 1952, Dominion Gulf Company Ltd. conducted geological and magnetometer surveys of part of the mining claims and part of the property of Eagle Rock Iron Mines Limited situate 0.75 miles to the northwest. The northwest magnetic anomaly of the Company was defined at this time, however, no records of further work were located.

During 1956-57 Mining Geophysics Co. Ltd. conducted a resistivity survey and subsequently 3 diamond drill holes totalling 1,338 feet were sunk. No sulphide deposits were located. Iron formation was located on each of the two magnetic anomalies in the drilling. The Company following its acquisition of the mining claims, conducted its own magnetometer surveys and sunk 8 diamond drill holes totalling 4,888.5 feet during the period 1959-60 at a cost of approximately \$24,800. The Company also conducted a magnetometer survey of part of Gull Lake during April 1975 at a cost of approximately \$2,500. The ground magnetic surveys have defined 2 northeasterly trending anomalies on the mining claims which are parallel about 2,000 feet apart and appear to dip towards each other. The northwest anomaly is 4,400 feet long and the southeast anomaly is 3,600 feet long.

4 holes totalling 1,802 feet were drilled into the northwest anomaly and established the presence of magnetite iron formation under a capping of sediments 50 to 125 feet thick. The iron occurs in 2 separate bands both dipping south and separated by a narrow feldspar porphyry dike. The southerly band is an average of 100 feet wide, 1,000 feet long and contains 26.6% acid soluble iron. A hole drilled 2,000 feet northeast and on strike intersected 2 narrow bands of iron formation considered to be uneconomic. The iron formation appears to be pinching out in this direction.

4 holes totalling 3,086.5 feet were drilled into the southeast anomaly and established the existence of magnetite iron formation under a capping of sediments about 350 feet thick. 1 hole was abandoned; 2 vertical holes entered a pre-sedimentary dike and the 4th hole intersected a true width of 450 feet of magnetite iron formation. A continuous length of 122.9 feet assayed over 25% acid soluble iron.

Geologist's Report

The following is management's summary of the conclusions and recommendations of Mr. Jack G. Willars, B.A. Sc., P.Eng., Consulting Mining Geologist contained in his report dated May 8, 1975 whose full report is available for inspection in the public files of the Ontario Securities Commission, 555 Yonge Street, Toronto, Ontario.

Ground magnetometer surveys have outlined 2 parallel anomalies trending northeast across the mining claims about 2,000 feet apart. The northwest anomaly is 4,400 feet long and the southeast anomaly is 3,600 feet long. Both have been proven by diamond drilling to have resulted from banded magnetite iron formation. To date wide-spread drill holes on the northwest anomaly have indicated an iron formation band 100 feet wide and 1,000 feet long containing 26.6% acid soluble iron which appears to be pinching out 2,000 feet to the northeast along strike and which is overlain by 50 to 125 feet of sedimentary rocks.

Mr. Willars concludes that insufficient investigation has been carried out on the southeast anomaly to prove its worth and in his opinion, further exploration is justified. He also states that if the southeast anomaly proves to be worthwhile, additional exploration of the northwest anomaly should be considered.

Mr. Willars recommends that 2 diamond drill holes each 1,200 feet long, one at 1,000 feet northeast of the old hole 6 and one at 1,000 feet southwest thereof be drilled to intersect the iron formation along strike. An estimate of the cost to carry out this program would be:

Diamond Drilling 2,400 feet at \$12 per foot	\$28,800
Supervision and expenses	3,500
Assaying and contingency allowance	<u>2,700</u>
TOTAL	\$35,000

If significant encouragement results from the foregoing program, an additional program of 5,000 feet of followup drilling is recommended and it is estimated that the cost for this phase would be:

Diamond Drilling 5,000 feet at \$12 per foot	\$60,000
Supervision and expenses	6,000
Assaying and contingency allowance	<u>4,000</u>
TOTAL	\$70,000

There is neither surface nor underground plant or equipment located on the mining claims. There has been no underground exploration or development of the mining claims. The only surface exploration or development work of which the Company is aware having been carried out on the mining claims either by the Company or others is described herein under the caption "History".

USE OF PROCEEDS

The proceeds to be received by the Company from the sale of the underwritten shares will be \$60,000 prior to deducting the expenses of this issue estimated not to exceed \$7,500. If all of the optioned shares are taken up and paid for, the Company will receive an additional \$65,000. The net

proceeds will form part of the Company's working capital and will be used to pay current liabilities of the Company which amount to approximately \$6,657 at August 30, 1975. Of the said sum, approximately \$3,450 has been incurred during the past two years in respect of engineering fees, corporate tax, legal and audit fees, transfer agent fees and miscellaneous. Administrative expenses for the first year are estimated to be \$5,000. The sum of \$35,000 will be used to implement the first phase recommendations of Mr. J. G. Willars, Consulting Mining Geologist referred to under the caption "Geologist's Report" on the Company's mining claims. Depending upon the results achieved and the availability of funds, the Company may also carry out the second phase recommendations of Mr. Willars. While the Company has no plans in this regard at the present time, monies in its treasury as available may also be used to defray the cost of programs of acquiring, staking, exploring and developing other properties either alone or in concert with others and generally to carry out exploration programs as opportunities and finances permit, but no such properties will be acquired and monies will not be expended thereon without an amendment to this prospectus being filed if the securities of the Company are then in the course of distribution to the public.

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

OFFERING

The Company entered into an agreement (the "Underwriting Agreement") dated August 7th, 1975 with M. Rash & Co. Limited (the "Underwriter-Optionee"), Suite 930, 159 Bay Street, Toronto, Ontario, whereunder the Underwriter-Optionee acting solely on its own behalf with respect to the underwritten and optioned shares referred to below, agreed to purchase the following shares of the Company, namely:

Underwritten Shares

<u>No. of Shares Underwritten</u>	<u>Price Per Share</u>	<u>Net Proceeds to be received by the Company</u>	<u>Maximum Offering Price of These Shares to Public</u>
240,000	25¢	\$60,000	50¢

The Underwriter-Optionee is obligated to take up and pay for all of the underwritten shares if any are taken up within 3 business days of the date of acceptance for filing of this Prospectus by the Ontario Securities Commission (such date of acceptance being hereinafter referred to as the "Acceptance Date") subject to the terms, conditions and provisions of the said agreement, pursuant to which the Underwriter-Optionee has the right to refuse to complete the purchase in certain events.

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

Optioned Shares

<u>No. of Shares Optioned</u>	<u>Price Per Share</u>	<u>Time Within Which Option Exercisable from Acceptance Date</u>	<u>Maximum Offering Price of These Shares to Public</u>
100,000	30¢	3 months	60¢
100,000	35¢	6 months	65¢

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

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

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

Secondary Offering

As stated on the facing page of this Prospectus, a total of 60,000 shares of the Company will be offered for sale over-the-counter in the Province of Ontario by Frank Cadesky as to 50,000 shares and the Underwriter-Optionee as to 10,000 shares (hereinafter collectively referred to as the "Selling Shareholders"). The maximum offering price to the public of the 10,000 shares held by the Underwriter-Optionee may not exceed 65¢ per share. Sales by the Selling Shareholders will be made through registered dealers who may be paid commissions not exceeding 25% of the selling price of the shares so offered, the proceeds from such sales accruing solely to the Selling Shareholders and not to the Company. Registered dealers acting as agents on behalf of Frank Cadesky, may also be paid selling expenses not exceeding 15% of the selling price of the shares offered by Mr. Cadesky. The Selling Shareholders will not offer any of the aforementioned shares unless and until the 440,000 underwritten and optioned shares have been taken down, paid for and sold by the Underwriter-Optionee. With respect to the shares offered by this Prospectus, the offerors may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public. Reference is made to the caption "Principal and Selling Shareholders" for further particulars of the ownership of shares of the Company by each of the Selling Shareholders.

DESCRIPTION OF CAPITAL STOCK

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

CAPITALIZATION

Designation of Security	Amount Authorized	Amount outstanding as at June 30, 1975	Amount outstanding as at September 30, 1975 (1)	Amount outstanding if all securities being offered are sold (2)
Common Shares without par value	5,000,000 (\$5,000,000)	1,703,005 (\$185,455)	1,713,005 (\$187,955)	1,953,005 (\$247,955)

- (1) Gives effect to the issuance of 10,000 shares for the total consideration of \$2,500 more particularly referred to herein under the caption "Prior Sales of Shares".
- (2) Gives effect to the sale of the 240,000 underwritten shares. If all of the optioned shares are sold, the number of shares to be outstanding will be 2,153,005 shares and the consideration paid therefore will be \$312,955.

MANAGEMENT

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

<u>Name</u>	<u>Address</u>	<u>Position</u>
Frank Cadesky	767 Spadina Road Toronto, Ontario	President & Director
Fred Munger	52 Albertus Avenue Toronto, Ontario	Secretary-Treasurer
Arthur John Fortens	47 Thorncliffe Pk. Toronto, Ontario	Director
Walter Andrew Carter	P.O. Box 417 Colborne, Ontario	Director

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

MR. CADESKY is a broker-dealer and is a Director, Officer and Shareholder owning one-third of the issued shares of Glandfield & Co. Limited, Broker-Dealers, Toronto, Ontario.

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

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

MR. CARTER is and has been a self-employed consulting engineer.

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

REMUNERATION OF MANAGEMENT

No aggregate direct remuneration has been paid or is payable to the Directors or Senior Officers of the Company for the year ended June 30th, 1975, however, the sum of \$600 is payable for the period July 1st, 1975 to September 15th, 1975. The aforesaid sums do not include the sum of \$1,300 paid to Mr. W. A. Carter for providing the Company with professional services in his capacity as Consulting Engineer during the year ended June 30, 1975, nor the sum of \$350 payable to Mr. Carter for similar services rendered during the period July 1st, 1975 to September 15th, 1975. Directors and Officers are each entitled to receive \$50 for meetings of the Board attended by them. Walter Andrew Carter, P.Eng., Consulting Engineer, is a Director and will be paid for professional services rendered to the Company at rates not exceeding the usual rates for such services prescribed by the Association of Professional Engineers of Ontario.

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

PRIOR SALES OF SHARES

In order to provide the Company with sufficient monies to enable it to carry out the magnetometer survey in April, 1975, more particularly referred to under the caption "History", the President of the Company advanced to the Company the sum of \$2,500. To settle this indebtedness, the Company issued 10,000 shares to him which were resold to M. Rash & Co. Limited for the said sum of \$2,500. Reference is made to the caption "Secondary Offering" for particulars of the offering of such shares for sale to the public.

PRINCIPALS AND SELLING SHAREHOLDERS

Set forth below are particulars of the present principal holders of common shares of the Company, whose ownership is direct and beneficial.

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Number of Shares</u>	<u>Percentage of Class (2)</u>
Frank Cadesky 767 Spadina Road Toronto, Ontario	Of record	710,000 (1)	41.4

(1) Of which 660,000 shares are subject to escrow.

(2) Calculated on the basis of there being 1,713,005 shares issued and outstanding.

Reference is made to the caption "Secondary Offering" for particulars of the offering of 60,000 shares of the Company by the Selling Shareholders. The said shares which may be offered, will be offered as follows:

<u>Name and Address</u>	<u>No. of Shares owned before this financing</u>	<u>No. of Shares to be sold</u>	<u>No. of Shares to be owned after this financing</u>	<u>Percentage to be owned after this financing</u>
Frank Cadesky 767 Spadina Road Toronto, Ontario	710,000	50,000	660,000	38.5 (2) 30.7 (3)
M. Rash & Co. Limited Suite 930 159 Bay Street Toronto, Ontario	160,000	10,000	150,000 (1)	8.8 (2) 7.0 (3)

(1) Represents shares which if offered for sale would not be in the course of distribution to the public.

(2) Calculated on the basis of there being 1,713,005 shares issued and outstanding before the offering.

(3) Calculated on the basis of there being 2,153,005 shares issued and outstanding after the offering.

Set forth below are particulars of the number of the shares of the Company beneficially owned directly or indirectly by all of the Directors and senior Officers of the Company as at the date hereof.

<u>Designation of Class</u>	<u>Percentage of Class (1)</u>
Common Shares without par value	41.4

(1) Calculated on the basis of there being 1,713,005 shares issued and outstanding.

ESCROWED SHARES

Certificates representing 810,000 shares of the Company are held in escrow by Crown Trust Company, 302 Bay Street, Toronto, Ontario. The terms of escrow provide that the escrowed shares are subject to release only on the written consent of the Ontario Securities Commission and the Company and are subject further to transfer, hypothecation, assignment or other alienation only with the written consent of the Ontario Securities Commission.

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

<u>Capital Stock</u>	<u>Number of Shares held in escrow</u>	<u>Percentage of Class</u>
Common Shares without par value	810,000	47.3 (1) 37.6 (2)

(1) Calculated on the basis of there being 1,713,005 shares issued and outstanding before the offering.

(2) Calculated on the basis of there being 2,153,005 shares issued and outstanding following the offering.

DIVIDENDS

No dividends have been paid by the Company to date.

AUDITOR

The auditor of the Company is Mr. John E. Goodwin, F.C.A., Chartered Accountant, Suite 1001, 347 Bay Street, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

Crown Trust Company, 302 Bay Street, Toronto, Ontario, acts as the Company's registrar and transfer agent.

HIGH RISK FACTORS

Following the initial exploration of the Company's mining claims in 1959-60 referred to herein under the caption "History", the Company became inactive. This inactivity was due to the Company's lack of funds and the fact that a sufficient number of proven iron ore deposits lying on surface existed in Canada, thereby making the financing of exploration for underground deposits unattractive.

Many of the major steel companies which are the purchasers of iron ore have depended on junior exploration companies to find their ore and this method has been very successful in the past.

The exploration program on the Company's claims is a search for ore and no ore has been proven to date, however, the anomalies located on the Company's mining claims are sufficiently large to contain a deposit which based on information available to the Company, could be of economic size.

If the exploration program is successful, additional funds will be required beyond that to be provided by the current financing to fully develop economic tonnages. It is not possible to make any estimates of

the likelihood that the Company's claims might be exploited within the foreseeable future, however, historical marketing data indicates that the demand for iron ore has increased over the past years.

OTHER MATERIAL FACTS

During the period of the Company's inactivity since 1960, necessary expenses were incurred to maintain the Company and its mining claims in good standing resulting in a working capital deficiency which as of March 31, 1975, amounted to approximately \$4,900. Frank Cadesky, the Company's President and major shareholder, took the initiative in seeking new financing for the Company and in reorganizing its business and affairs. Negotiations with another shareholder were instituted with the result that in July, 1975, Mr. Cadesky was able to purchase 50,000 shares of the Company for \$1,875 and M. Rash & Co. Limited purchased 150,000 shares for \$5,625. Subsequently, the underwriting agreement dated August 7, 1975 referred to under the caption "Offering" was entered into to provide the Company with new financing to enable it to carry out the exploration program referred to herein under the caption "Use of Proceeds".

PROMOTER AND INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Frank Cadesky, 767 Spadina Road, Toronto, Ontario, is the Company's promoter. The former promoter of the Company was Amtor Corporation Limited, Suite 503, 365 Bay Street, Toronto, Ontario, from June 16, 1959 until its charter was cancelled on January 20th, 1971. All of the issued shares of Amtor Corporation Limited were owned by Louis Cadesky, now deceased, who was the brother of Frank Cadesky. Pursuant to an agreement dated August 13th, 1959, W. D. Latimer Limited, acting on behalf of its client, Amtor Corporation Limited, purchased 700,000 shares of the Company for a total consideration of \$80,000, all of which shares were distributed in the over-the-counter market. Amtor Corporation Limited may be said to have realized a gross profit before expenses in an amount equal to the difference between the price paid by it for such shares and the price at which such shares were sold to the public.

Reference is made to the caption "Phyllis and Scholes Township Mining Claims" for particulars concerning the purchase by the Company from Frank Cadesky of 20 unpatented mining claims in consideration of the allotment and issuance of 900,000 shares of the Company's capital stock of which 810,000 shares were subject to escrow. The aforesaid mining claims were acquired by Mr. Cadesky at a nominal cost. The consideration paid by the Company was determined by the then directors of the Company and since all of the mining claims were completely unproven, it was not possible to assign any particular value thereto and accordingly the said shares were allotted and issued at the arbitrary sum of \$90,000. Reference is made to the caption "Secondary Offering" for particulars of the sale by Frank Cadesky of 50,000 shares of the Company. Reference is also made to the caption "Phyllis and Scholes Townships Mining Claims" for particulars concerning the purchase by the Company from Mr. W. A. Carter of 9 unpatented mining claims for the sum of \$6,900. Mr. Carter was first elected a director of the Company on August 5th, 1975.

MATERIAL CONTRACTS

The Company has entered into the following material contracts during the past two years.

1. Underwriting agreement dated August 7th, 1975 between the Company and M. Rash & Co. Limited, referred to under the caption "Offering".

A copy of the foregoing agreement may be inspected during ordinary business hours at the head office of the Company during the distribution of the securities offered by this prospectus.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

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

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

AUDITOR'S REPORT

To the Shareholders,
Gull Lake Iron Mines Limited.

I have examined the balance sheet of Gull Lake Iron Mines Limited as at June 30, 1975 and the statements of deferred expenditure and changes in financial position for the five years then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at June 30, 1975 and the results of its operations and the changes in its financial position for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

Toronto, Canada
September 30, 1975

J. E. GOODWIN, F.C.A.
Chartered Accountant

GULL LAKE IRON MINES LIMITED

BALANCE SHEET – JUNE 30, 1975

ASSETS

CURRENT ASSETS

Cash \$ 578

MINING PROPERTIES, at cost

29 mining claims held under lease, located in Scholes Township, Temiskaming
Mining Division, Ontario, acquired for \$6,900 cash and 900,000 shares of
capital stock valued by the directors at 10 cents per share 96,900

DEFERRED EXPENDITURE

Exploration \$ 36,990
Administration 48,234
85,224
\$182,702

LIABILITIES

CURRENT LIABILITIES

Accounts payable \$ 6,457
Advance from a shareholder (note 3) 2,500
\$ 8,957

SHAREHOLDERS' EQUITY

SHARE CAPITAL (note 3)

Authorized
5,000,000 shares of \$1 each
Issued
1,703,005 shares 1,703,005
Less: Discount on shares 1,517,550

DEFICIT (note 2) 185,455
11,710
173,745
\$182,702

Approved on behalf of the Board of Directors.

FRANK CADESKY, Director

ARTHUR J. FORTENS, Director

NOTES TO FINANCIAL STATEMENTS — JUNE 30, 1975

1. Accounting policies

Since the Company is in the exploration stage, a statement of income is not presented. Interest in mining properties held are carried at cost. Exploration and administration expenditure related to mining properties held is carried as a deferred charge.

2. Deficit \$11,710

There was no change in the deficit account during the five years ended June 30, 1975.

3. Share capital

(a) By articles of Amendment effective September 3, 1975, the Company's capital was changed by:

- (1) changing the 1,703,005 issued and the 3,296,995 unissued shares of \$1.00 each into 1,703,005 issued and 3,296,995 unissued shares of no par value.
- (2) after giving effect to the foregoing, decreasing the issued capital from \$1,703,005 to \$185,445 by cancelling \$1,517,550 attributable to the aggregate discount at which the issued shares were issued.
- (3) declaring that the authorized capital, after giving effect to the foregoing, shall comprise a total of 5,000,000 shares of no par value.

The following is a summary of the issued share capital prior to the aforementioned Articles of Amendment.

Issued for

	Shares	Amount
Cash	803,005	\$ 95,455
Mining Claims	900,000	90,000
	1,703,005	\$185,455

(o) The Company subsequently issued 10,000 shares of its capital in settlement of an advance of \$2,500 from a shareholder.

4. Underwriting

By Agreement dated August 7, 1975, an underwriter has firmly agreed to purchase 240,000 shares of the Corporation's capital stock at 25¢ per share payable within three days of the date of acceptance for filing of this prospectus by the Ontario Securities Commission (the acceptance date).

In consideration of the firm underwriting the Corporation has granted the underwriter an option to purchase all or any part of an additional 200,000 shares as follows:

- 100,000 shares at 30¢ per share payable within 3 months of the acceptance date;
- 100,000 shares at 35¢ per share payable within 6 months of the acceptance date.

There are no other material facts.

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

DATED this 30th day of September, 1975.

FRANK CADESKY
Chief Executive Officer

FRED MUNGER
Chief Financial Officer

WALTER ANDREW CARTER
Director

ARTHUR JOHN FORTENS
Director

PROMOTER

FRANK CADESKY

UNDERWRITER-OPTIONEE

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

DATED this 30th day of September, 1975.

M. RASH & CO. LIMITED

PER: MARK RASH

GULL LAKE IRON MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURE FOR THE FIVE YEARS ENDED JUNE 30, 1975

	Years ended June 30,				
	1971	1972	1973	1974	1975
EXPLORATION					
Magnetometer survey	\$	\$	\$	\$	\$ 1,900
Engineering fees					1,300
Licenses and fees	5	129	129	129	129
Sundry					27
Balance, beginning of year	5	129	129	129	3,356
Balance, end of year	<u>33,242</u>	<u>33,247</u>	<u>33,376</u>	<u>33,505</u>	<u>33,634</u>
	<u>\$33,247</u>	<u>\$33,376</u>	<u>\$33,505</u>	<u>\$33,634</u>	<u>\$36,990</u>
ADMINISTRATION					
Legal and audit fees	\$ 425	\$ 425	\$ 250	\$ 240	\$ 375
Transfer agency	123	113		248	130
Taxes and fees	65	52	50	83	410
Sundry	6	12	12	58	120
Balance, beginning of year	619	602	312	629	1,035
Balance, end of year	<u>45,037</u>	<u>45,656</u>	<u>46,258</u>	<u>46,570</u>	<u>47,199</u>
	<u>\$45,656</u>	<u>\$46,258</u>	<u>\$46,570</u>	<u>\$47,199</u>	<u>\$48,234</u>

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STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE FIVE YEARS ENDED JUNE 30, 1975

	Years ended June 30,				
	1971	1972	1973	1974	1975
APPLICATION OF FUNDS					
Exploration expenditure	\$ 5	\$ 129	\$ 129	\$ 129	\$ 3,356
Administration expenditure	619	602	312	629	1,035
INCREASE IN WORKING CAPITAL DEFICIENCY	624	731	441	758	4,391
WORKING CAPITAL DEFICIENCY, BEGINNING OF YEAR	1,434	2,058	2,789	3,230	3,988
WORKING CAPITAL DEFICIENCY, END OF YEAR	<u>\$ 2,058</u>	<u>\$ 2,789</u>	<u>\$ 3,230</u>	<u>\$ 3,988</u>	<u>\$ 8,379</u>



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REPORT OF
GULL LAKE IRON MINES LIMITED
SCHOLES TWP., ONTARIO

By

Jack G. Willars B.A.Sc., P.Eng.

Consulting Mining Geologist

New Liskeard, Ontario

May 3, 1975



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GULL LAKE IRON MINES LIMITED

SCHOLES TWP., ONTARIO

REPORT BY

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

SUMMARY

Gull Lake Iron Mines Limited owns twenty-nine contiguous, surveyed mining claims comprising 1,222.12 acres in the north-east part of Scholes Twp., Sudbury Mining Division, Ontario. These claims are numbered 37809, 46582 to 46599 inclusive, 46712 to 46720 inclusive, 47020 and 47021. The property is mineralized with banded magnetite iron formation and is considered a prospective iron deposit.

In the immediate area three quarters of a mile to the northwest, Eagle Rock Iron Mines has sunk a shaft 1,177 feet deep and performed 63,582 feet of diamond drilling. A deposit of 327,867,000 tons of 26.93% acid soluble iron underlying a capping of diabase and sedimentary rocks 950 feet thick has been outlined. Sherman Iron Mines is producing iron pellets sixteen miles to the northeast.

Two parallel magnetic anomalies about 2,000 feet apart and parallel to Eagle Rock's deposit are located on Gull Lake Iron Mines property. The northwest anomaly is 4,400 feet long and the southeast anomaly is 3,600 feet long. Both have

been proven to be caused by banded magnetite iron formation.

Drilling of the northwest anomaly has indicated two parallel iron formation bands separated by a narrow porphyry dike. The south band was assayed and an average width of 100 feet for a length of 1,000 feet contained 26.6% acid soluble iron. This formation appears to be pinching 2,000 feet on strike to the northeast. It is overlain by 50 to 125 feet of sedimentary rocks.

Drilling of the southeast anomaly in one hole determined a 450' width of magnetite iron formation of which 122.9 feet contained over 25% acid soluble iron. No length was established. The overlying sedimentary rocks are about 350 feet thick.

It is concluded that the southeast anomaly warrants additional exploration and in my opinion the work recommended is justified. Consideration of further testing of the northwest anomaly is contemplated should results of the present program be successful.

Two diamond drill holes totalling 2,400 feet are recommended to test the iron formation along strike for 2,000 feet at a cost of \$35,000.00. An additional 5,000 feet of follow-up drilling is recommended should results of the first stage program be significant. The cost of the additional program is estimated to be \$70,000.00. The total cost of the exploration program would be \$105,000.00.

GULL LAKE IRON MINES LIMITED

REPORT ON

SCHOLES TWP. IRON PROPERTY
SUDBURY MINING DIVISION
ONTARIO

INTRODUCTION

Gull Lake Iron Mines Limited owns twenty-nine contiguous, surveyed mining claims located in the northeast part of Scholes Township, Sudbury Mining Division, Ontario. The claims are numbered 37809, 46582 to 46599 inclusive, 46713 to 46720 inclusive, 47020 and 47021, and they comprise 1,222.12 acres.

During April, 1975, the author was engaged to survey part of Gull Lake magnetically and subsequently to prepare this report for submission to the Ontario Securities Commission to accompany a prospectus of Gull Lake Iron Mines Limited.

ACCESSIBILITY AND TOPOGRAPHY

The property is located at Gull Lake which is approximately 20 air miles southwest of Temagami, Ontario, and 50 air miles northeast of Sudbury, Ontario. Access to the area by road is provided by Highway 805 north from River Valley to Emerald Lake from which a private lumber road open to the public extends to Gull Lake. River Valley is located on the Canadian National Railway line approximately twenty-five miles south of the property and is connected by Highways 64 and 539 to Highway 17.

A hydroelectric power transmission line is located about ten miles south of the property and a natural gas pipe line passes within a few miles of the property.

The area is characteristic of the rugged Temagami region. Remnants of an eroded diabase sill contribute to the steep cliffs and high hills surrounding an area of gently rolling topography. Scattered lakes and swamps occur between the hills. Timber consisting chiefly of pine and spruce has been harvested by local timber firms.

HISTORY

During 1952 Dominion Gulf Company conducted geological and magnetometer surveys of part of this property and part of the Eagle Rock Iron Mines property three quarters of a mile to the northwest. The northwest magnetic anomaly of Gull Lake Iron Mines was defined at this time. No records of further work were located.

During 1956 and 1957 Mining Geophysics Co. Ltd. conducted a resistivity survey and subsequently three diamond drill holes totalling 1,338 feet were sunk. No sulphide deposits were located. Iron formation was located on each of the two magnetic anomalies in the drilling.

Subsequently Gull Lake Iron Mines Limited acquired the property and conducted their own magnetometer surveys and sunk eight diamond drill holes totalling 4,888.5 feet during the period 1959 and 1960. The author conducted a magnetometer survey of part of Gull Lake during April, 1975.

GENERAL GEOLOGY

The rocks of the area are all of Precambrian age, the oldest of which are steeply dipping east-west trending Keewatin volcanics and sediments including banded iron formation. These rocks are overlain by flat lying Cobalt sediments of Huronian age which in turn have been intruded by a flat sheet of Nipissing diabase rocks. Erosion of the diabase has created a window and expose the Cobalt sediments on Gull Lake Iron Mines property.

LOCAL GEOLOGY

Approximately half of the Gull Lake Iron Mines property consists of water. The surface rocks of the land portion consist of relatively flat lying Cobalt sediments except in the south where high hills of Nipissing diabase rocks occur. The contact between these two rocks is believed to be horizontal and located about lake level at Gull Lake.

Faulting on the property is indicated in N.15° E, N.25°W, and east-west directions.

MINERAL DEPOSITS

Prospecting for minerals has been carried out in the area for the past 150 years. During the period 1937 to 1941 gold was produced from the New Golden Rose Mine six miles west of Gull Lake Iron Mines property. Six miles to the east,

Temagami Mining Co. recently ceased production of copper. Sixteen miles northeast of Gull Lake Sherman Iron Mines is producing iron pellets from banded magnetite iron formation. Ten miles northeast of Gull Lake is a deposit of banded iron formation east of Kokoto Lake. Northwest of Gull Lake and three quarters of a mile away is the property of Eagle Rock Iron Mines Ltd. which has an estimated 327,867,000 tons of 26.93% acid soluble iron underlying a capping of diabase and sedimentary rocks about 950 feet thick. A shaft 1,177 feet has been sunk and a total of 63,582 feet of diamond drilling done.

Ground magnetic surveys have defined two northeasterly trending anomalies in Gull Lake Iron Mines property. They are parallel and about 2,000 feet apart and appear to dip towards each other. The northwest anomaly is 4400 feet long and the southeast anomaly is 3,600 feet long.

Four holes totalling 1,802 feet were drilled into the northwest anomaly and established the presence of magnetite iron formation under a capping of sediments 50 to 125 feet thick. The iron occurs in two separate bands both dipping south and separated by a narrow feldspar porphyry dike. The southerly band is an average of 100 feet wide, 1,000 feet long and contains 26.6% acid soluble iron. A hole drilled 2,000 feet northeast and on strike intersected two narrow bands of iron formation considered to be uneconomic.

The iron formation appears to be pinching out in this direction.

Four holes totalling 3,086.5 feet were drilled into the southeast anomaly and established the existence of magnetite iron formation under a capping of sediments about 350 feet thick. One hole was abandoned; two vertical holes entered a pre-sedimentary dike and the fourth hole intersected a true width of 450 feet of magnetite iron formation. A continuous length of 122.9 feet assayed over 25% acid soluble iron.

CONCLUSIONS

Ground magnetometer surveys have outlined two parallel anomalies trending northeast across Gull Lake Iron Mines property about 2,000 feet apart. The northwest anomaly is 4,400 feet long and the southeast anomaly is 3,600 feet long. Both have been proven by diamond drilling to have resulted from banded magnetite iron formation.

To date widespread drill holes on the northwest anomaly have indicated an iron formation band, 100 feet wide and 1,000 feet long containing 26.6% acid soluble iron, which appears to be pinching out 2,000 feet to the northeast along strike, and which is overlain by 50 to 125 feet of sedimentary rocks.

It is concluded that insufficient investigation has been carried out on the southeast anomaly to prove its worth, and that in my opinion further exploration is justified.

If the southeast anomaly proves to be worthwhile, additional exploration of the northwest anomaly should be considered.

RECOMMENDATIONS

Whereas additional investigation of the southeast magnetic anomaly is warranted, it is recommended that two diamond drill holes --each 1,200 feet long, one at 1,000 feet northeast of old hole 6, and one at 1,000 feet southwest of old hole 6 -- be drilled to intersect the iron formation along strike. An estimate of costs to carry out this program would be:

Diamond drilling-2400' @ \$12.00 per foot	-	\$ 28,800.00
Supervision and expenses	, -	\$ 3,500.00
Assaying and contingency allowance	-	<u>\$ 2,700.00</u>
TOTAL	-	<u>\$ 35,000.00</u>

If significant encouragement results from the above program, an additional program of 5,000 feet of follow-up drilling is recommended. It is estimated that the costs for this phase would be:

Diamond drilling -5,000' @ \$12.00 per foot	-	\$60,000.00
Supervision and expenses	-	\$ 6,000.00
Assaying and contingency allowance	-	\$ 4,000.00
		<hr/>
TOTAL	-	<u>\$70,000.00</u>

Respectfully submitted,



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

New Liskeard, Ontario,

May 8, 1975.

CERTIFICATE

This is to certify that:

1. I am a graduate in Mining Geology from the University of Toronto in 1951, and I hold the degree of Bachelor of Applied Science and I have been practising my profession for the past twenty-four years.
2. I am a member in good standing of the Association of Professional Engineers of Ontario, and am certified as a Consultant, and I reside and hold office at 127 Lakeshore Road, New Liskeard, Ontario.
3. I have no direct, indirect or anticipated interest in the properties mentioned in this report nor in the securities of the Company to which they belong.
4. My report is based on research of all available material as recorded in the Reference, a recent magnetometer survey and a visit to the property April 13, 1975, and familiarity with the geological area, and my experience as an Exploration Geologist.

New Liskeard, Ontario
May 8, 1975.


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

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