



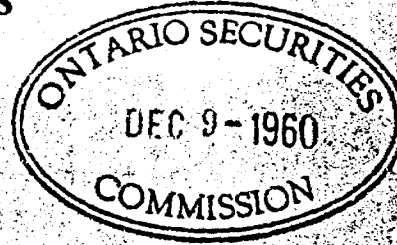
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Prospectus

OF



GULL LAKE IRON MINES LIMITED

S

Dated October 12, 1960

in paragraph (1) of the Prospectus dated August 19th, 1960. The Company's title to said nine unpatented mining claims is the usual title to unpatented mining claims enjoyed in the Province of Ontario when unpatented mining claims are held under miner's license.

For particulars relating to the location and means of access to the twenty-nine unpatented mining claims now owned by the Company, the known history thereof, the character extent and condition of surface exploration and development work and the work done and improvements made by the present management, reference is made to the Report of A. C. A. Howe, Mining Engineer dated April 28th, 1960, which accompanies and forms a part of this Amendment to Prospectus. There has been no underground exploration or development work and there is neither surface nor underground plant or equipment.

The Company has let a contract covering 3,000 feet of diamond drilling which will commence immediately on its mining claims.

The foregoing, together with the Prospectus dated August 19th, 1959, constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required under Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required.

DATED the 17th day of May, 1960.

G. E. BUCHANAN
Director

A. J. FORTENS
Director

R. J. MURPHY
Director

R. J. JUBY
Director

J. HOPMANN, Director
By his Attorney
G. E. BUCHANAN

AMTOR CORPORATION LIMITED
By: L. CADESKY
Promoter

To the best of our knowledge, information and belief, the foregoing and the original Prospectus dated August 19th, 1959, constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the original Prospectus dated the 19th day of August, 1959, as amended herein.

DATED the 17th day of May, 1960.

W. D. LATIMER LIMITED
By: J. H. ALLEN
Underwriter-Optionee

pany, and subject also to transfer, hypothecation, assignment or other alienation only with the written consent of the Ontario Securities Commission.

(i) Shares sold for cash to date are as follows:

<u>No. of Shares</u>	<u>Price per Share</u>	<u>Amount</u>
5	\$1.00	\$ 5.00
100,000	.15	15,000.00
200,000	.12½	25,000.00
400,000	.10	40,000.00
<u>700,005</u>		<u>\$80,005.00</u>

No commissions were paid on the sale of these shares.

- (j) No securities other than shares have been sold for cash to date.
- (k) No shares have been issued or are to be issued and no cash has been paid or is to be paid to any Promoter for promotional purposes.
- (l) 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 claims 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. So far as the signatories hereto are aware no person or corporation has received or is entitled to receive a greater than 5% interest in the aforesaid Vendor's consideration.

By agreement dated April 8th, 1960 between the Company and Walter Andrew Carter, 107 Chudleigh Avenue, Toronto, Ontario, the Company acquired eight unpatented mining claims bearing numbers T46713 to and including T46720 for the price or consideration of \$4,400.00. So far as the signatories hereto are aware, the only person or company who has received or is entitled to receive a greater than five per centum interest in the aforesaid consideration is Orval Montroy, Temagami, Ontario.

By agreement dated March 16th, 1960 between the Company and Walter Andrew Carter, aforesaid, the Company acquired unpatented mining claim T48130 for the price or consideration of \$2,500.00. So far as the signatories hereto are aware no person or corporation has received or is entitled to receive a greater than five per centum interest in the aforesaid consideration.

Following the recording of this claim in its name, the Company received advice from the Mining Recorder of the Temiskaming Mining Division that said claim was a re-staking of unpatented mining claim T37809, and that through error claim T37809 had been shown as open for staking. Accordingly claim T48130 was cancelled. The Company thereupon commenced negotiations with Abex Mines Limited, 11 Adelaide Street West, Toronto, Ontario, the owner of claim T37809 and purchased the same for the sum of \$500.00. A claim has been made by

the Company to the Department of Mines for compensation in the sum of \$500.00 to reimburse it for the monies paid as aforesaid to Abex Mines Limited.

The Company is the recorded holder of all of the foregoing unpatented mining claims, exclusive of claim T48130 but inclusive of claim T37809, said claims forming a contiguous block and its title thereto is the usual title to unpatented mining claims enjoyed in the Province of Ontario when unpatented mining claims are held under miner's license.

- (m) For particulars relating to the location and means of access to the Company's properties as well as the known history thereof and the character, extent and condition of surface exploration and development work, and work carried on and improvements made by the present management reference is made to the Report of W. A. Carter, Mining Engineer, dated August 19th, 1960, which accompanies and forms a part of this Prospectus. There has been no underground exploration or development work and there is neither surface nor underground plant or equipment.
- (n) The Company formerly entered into an underwriting and option agreement dated August 13th, 1959, with W. D. Latimer Limited, acting on behalf of a client, whereunder 700,000 shares of the Company were sold for a total of \$80,000.00 and reference is made to paragraph (i) for further particulars. Said agreement of August 13th, 1959 also covered the granting of options to purchase an additional 300,000 shares of the Company, but said options have expired. There are currently no options or underwritings outstanding or proposed to be given. The Company may offer its shares for sale to the public through registered security dealers who will be paid a commission not to exceed 25% of the selling price plus costs of distribution not to exceed 15% of the selling price. In any event, the net to the Treasury on any such sales will not be less than 10¢ per share.
- (o) The Company plans to carry out diamond drilling on its properties to further investigate the potentialities thereof. Monies presently on hand and monies received from the sale of shares referred to in paragraph (n) will be utilized for this purpose, for the purchase of necessary equipment and for general operating expenses.
- (p) The Company has been incorporated for more than one year.
- (q) There is no indebtedness to be created or assumed other than as shown in the balance sheet dated June 30th, 1960, which accompanies and forms a part of this Prospectus, save legal, audit and printing costs incurred relative to this Prospectus.
- (r) (i) The principal business in which each Director and Officer has been engaged during the past three years is as follows:
 - George Ernest Buchanan has been a Mining and Petroleum Executive associated with various mining companies.
 - Russell Joseph Murphy has been a Solicitor and since March of 1958 has been a partner of the firm of Greer, Murphy and MacDonald, Oshawa, Ontario.

Arthur John Fortens has been accountant and secretary-treasurer of Amtor Corporation Limited. Since January of 1960 he has been secretary-treasurer of D. H. Freeman & Company Limited, Toronto.

Robert James Juby has been sales manager of McGlashan Silverware Limited, Ottawa, since August 1960. Prior thereto and from April 1958 he was manager of the Ottawa branch of John R. Marsh & Co., and prior thereto he was Public Relations Officer with Quebec Metallurgical Industries Limited, Ottawa.

Joachim Hofmann has been a Physician, self employed.

Frank Cadesky has been vice-president of Amtor Corporation Limited.

- (ii) None of the Officers or Directors of the Company have had any interest direct or indirect in any property acquired or to be acquired by the Company save Frank Cadesky and for particulars reference is made to paragraph (1) hereof.
- (iii) During the last financial year of the Company ending June 30th, 1960, no remuneration was paid to directors while officers received the sum of \$2,000.00. During the current financial year it is estimated that the aggregate remuneration payable to officers will be \$7,860.00 while no remuneration will be paid to directors.
- (s) No dividends have been paid by the Company.
- (t) Frank Cadesky is in a position to elect or cause to be elected a majority of the Directors of the Company.
- (u) There are no arrangements for the sale of Vendors' shares. Shares heretofore sold for cash, free Vendors' shares and Vendors' shares as released may be sold for cash, but the proceeds will not accrue to the treasury of the Company.
- (v) The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required.

DATED this 12th day of October, 1960.

G. E. BUCHANAN
Director

A. J. FORTENS
Director

R. J. MURPHY
Director

R. J. JUBY
Director

AMTOR CORPORATION LIMITED

By: L. CADESKY
Promoter

GULL LAKE IRON MINES LIMITED

Balance Sheet

as of June 30, 1960

ASSETS

Cash on hand and in bank		\$ 28,987.30
Accounts receivable and advances		2,802.99
		\$ 31,790.29
Mining properties — at cost:		
Acquired for 900,000 shares of capital stock valued by the directors at 10 cents per share	\$ 90,000.00	
Acquired for cash (Note 2)	7,400.00	97,400.00
Deferred expenditure:		
Exploration and development	\$ 22,487.96	
Head office and administration	16,445.93	
Organization expense	2,858.25	41,792.14
		\$170,982.43

LIABILITIES

Accounts payable		\$ 977.43
Capital stock:		
Authorized: 5,000,000 shares of \$1.00 each	\$5,000,000.00	
Issued and fully paid:		
For cash 700,005 shares	\$700,005.00	
Less: Discount	620,000.00	\$ 80,005.00
For mining claims 900,000 shares	\$900,000.00	
Less: Discount	810,000.00	90,000.00
	1,600,005 shares	170,005.00
		\$170,982.43

Notes: (1) Options outstanding at June 30, 1960, on 300,000 shares of the Company's capital stock have subsequently lapsed.

(2) Through a Departmental error, the Company was obliged to pay an additional amount of \$500.00 to obtain a clear title to one of these claims. The Company has made a claim to the Department of Mines for re-imbusement of this amount.

Approved on behalf of the Board:

G. E. BUCHANAN, Director

R. J. MURPHY, Director

GULL LAKE IRON MINES LIMITED

Statement of Deferred Expenditure for the Period from Incorporation, June 16, 1959, to June 30, 1960

Exploration and Development

Diamond drilling	\$16,785.75
Engineering fees and expenses	1,100.00
Assaying	345.26
Geophysical surveys	2,761.60
Travelling	564.15
Maps and licenses	485.23
Small tools and supplies	95.97
Prospecting	350.00
Balance, June 30, 1960	<u>\$22,487.96</u>

Head Office and Administration

Salaries and secretarial fees paid to officers	\$ 2,000.00
Other salaries	2,385.00
Rent	550.00
Telephone and telegraph	151.77
Stationery and office supplies	95.88
Travelling	5,680.20
Legal and audit fees	4,050.00
Share issue expense	488.85
Publicity and shareholders' information	708.18
Licenses and fees	280.00
General expense	56.05
Balance, June 30, 1960	<u>\$16,445.93</u>

Auditors' Report to the Directors

We have examined the balance sheet of Gull Lake Iron Mines Limited as at June 30, 1960, and the statement of deferred expenditure for the period from incorporation, June 16, 1959, to June 30, 1960. 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. We have received all the information and explanations we have required.

We report that in our opinion the above balance sheet and attached statement of deferred expenditure present fairly the financial position of the Company as at June 30, 1960, and the results of its operations for the period from incorporation, June 16, 1959, to June 30, 1960.

TORONTO, Canada,
September 30, 1960.

NEFF, ROBERTSON & STONE
Chartered Accountants.

**REPORT
ON
THE MINING PROPERTY
HELD BY
GULL LAKE IRON MINES LIMITED**

Scholes Township, Temagami Area, Ontario

Summary

The claims of Gull Lake Iron Mines Limited are very favourably located with respect to transportation and power services, labour and supplies.

The property is located in a geologically favourable area where important economic minerals have been discovered. A producer of copper lies within 7 miles and a potential producer of iron ore lies within one mile of the group.

Diamond drilling has shown that there are two strong zones containing magnetite iron formation of a beneficiating type similar to that being developed at the adjoining North American Rare Metals property. However, there has not been sufficient drilling to warrant tonnage or grade calculations. Further drilling is recommended.

If further drilling should indicate a tonnage of favourable grade iron, facilities proposed for the North American Rare Metals deposit would be a distinct asset in favour of developing this property.

Property

The Company holds a group of 29 contiguous, unpatented mining claims, comprising approximately 1,160 acres. Nine of these claims were acquired in 1960. The claims are numbered as follows:

T.46582 to T.46599, inclusive
T.47020 and T.47021
T.46713 to T.46720, inclusive
and T.57809.

Location and Access

The claims are located in Scholes Township, Temiskaming Mining Division, Temagami Area, Ontario. The south portion of the group embraces Gull Lake. Lake Temagami is approximately 3 miles to the east.

The claims can be reached by chartered aircraft from the town of Temagami, a distance of about 20 air miles to the northeast. In 1959, a road was completed from Gull Lake to Emerald Lake, a distance of approximately 9 miles. This road connects with a road which gives access to the Canadian National Railways, approximately 25 miles distant, and goes on to connect with Highway 17 at Sturgeon Falls, a distance of approximately 60 miles. A portion of the Gull Lake road is located within the claim group.

Power, Transportation, Etc.

Power and transport facilities are relatively near to the claims. High tension power is available from a line about 10 miles to the southeast. The new Trans-Canada Natural Gas pipeline also passes within a few miles of the property. The main east-west line of the Canadian National Railways lies approximately 20 miles to the south and the Ontario Northland Railway lies about the same distance to the east. Materials and supplies are available at Temagami, North Bay and Sudbury.

History

Previous owners of the property carried out airborne and ground geophysical surveys and drilled two holes to check the cause of anomalies resulting from the geophysical work. Results of the drilling are not available. Gull Lake Iron Mines Limited acquired 20 claims in 1959 which embraced the main portions of the magnetic anomalies. However, following ground magnetometer surveys by Gull Lake Iron Mines, a further 9 claims were acquired in April 1960 to protect extension to the southwest of the southerly anomaly. The two parallel magnetic anomalies have been partially explored by diamond drilling carried out in 1959 and early 1960.

Topography

The area is heavily wooded and characterized by rugged topography with steep cliffs and high hills. Scattered lakes and swamps occur between the hills.

General Geology

The geology of the immediate area to the east and west is described in the following reports published by the Ontario Department of Mines:

"The Northeastern Portion of the Temagami Lake Area"—by W. W. Moorhouse, 1942.

"The Geology of the Afton Scholes Area"—by E. S. Moore, 1936.

All the rocks in the Temagami area are of Pre-Cambrian age. The oldest of these consist of the Keewatin volcanics, which outcrop on Temagami Island and to the east along the northeast arm of Lake Timagami. They occur mainly as lava flows varying in composition from acid to basic. The Keewatin series also include banded iron formations which are found outcropping in several places within the area of the Keewatin volcanics. To the west of Temagami Island, the older volcanic rocks are presumably overlain by younger, relatively flat-lying cobalt sediments of Huronian age which are in turn covered by a vast sill of Nipissing diabase intruded in the Keweenawan age. In the valleys and low-lying areas the diabase has been eroded away to expose the cobalt sediments.

A study of aerial photographs of the region indicates a strong lineal feature which extends in a south-westerly direction from Temagami town through Temagami Island, through Skunk Lake, and crosses about the middle of Gull Lake. This feature is probably the expression of a regional fault zone.

Local Geology

Rock outcrops on the Gull Lake Iron Mines Limited group of claims indicate that, with the exception of the most southerly claims, all the ground between Gull Lake and Cummings Lake is composed of cobalt sediments, the diabase having been eroded off. A steep cliff exists just to the south of Cummings Lake. This is the north side of a large hill of diabase. Diamond drilling on the North American group has shown that the diabase sill is approximately 700 feet thick

and that magnetic iron formation occurs at this depth. The diabase has been eroded off on the Gull Lake Iron Mines' group and the iron formation here occurs at a much shallower depth. Diamond drilling completed to date at the property has shown that the thickness of the sedimentary rocks overlying the north magnetic zone is between 50 feet and 130 feet. The thickness overlying the south zone is approximately 350 feet. In the areas drilled, the sedimentary rocks overlie Keewatin volcanics which contain strong zones of magnetite iron formation. Dykes of feldspar porphyry and pre-cobalt diabase intrude the iron formations.

Economic Geology

Economic minerals discovered in the Temagami Area include iron, copper, nickel, gold, silver and cobalt. The majority of these minerals were found within the Keewatin series, although silver and copper mineralization has been found in the cobalt sediments. The only producing mine in the area, at the present time, is at Temagami Mining Company Limited, which lies approximately 5 miles to the east of the Gull Lake Iron Mines' group. According to the 1959 Financial Post Survey of Mines, ore reserves at this property were 1,250,000 tons grading .78% copper, .50 nickel and .07 cobalt, with high grade zones of 23,600 tons grading 20% copper.

The 1957 Annual Report of Temagami Mining Company Ltd. states that drilling of a magnetic anomaly on the north shore of Skunk Lake partially outlined two lenses containing roughly one million tons of magnetite ore grading 50 per cent iron. This is located about one mile to the south of the Gull Lake group.

Several magnetic iron formations have been explored in the area. The most important of these is that of North American Rare Metals Limited which adjoins the Gull Lake Iron Mines property to the north and west. A summary of results and production plans of North American Rare Metals Limited is included in this report.

Aeromagnetic and Magnetic Surveys

An airborne magnetic survey was conducted by Dominion Gulf Company in 1947, the results of which are shown on the Department of Mines Map No. 505G. A similar survey was carried out by Lundberg Explorations for North American Rare Metals Limited, which confirmed the results of the Dominion Gulf Survey. The surveys indicate that major folding and faulting appear to have taken place in the Gull Lake area and it is possible that the North American Rare Metals magnetic anomaly is an expression of the north limb of the fold. The strong magnetic anomaly indicated on the Gull Lake group, is parallel and somewhat similar to the North American anomaly and could be the south limb of the fold. A third airborne survey was carried out by Geoscientific Prospectors Limited covering the Gull Lake group.

Ground magnetometer work was carried out by Dominion Gulf Company and confirmed results of the airborne survey. Ground results indicated that the magnetic highs on the Gull Lake group give higher readings than those of the North American group. This may be due in part to the fact that the iron zones are closer to the surface on the Gull Lake group. The ground work confirmed the airborne work indicating that the iron formation follows quite closely the outline of airborne anomalies. The ground surveys also indicated some smaller isolated magnetic highs, separate from the main anomalies, which are believed to be significant, since similar anomalies were noted in connection with the copper-nickel zones on Temagami Island and also with the magnetic zones at Skunk Lake. In other words, this could be the expression of local concentrations of magnetite, sometimes associated with sulphide mineralization.

Ground magnetometer surveys were carried out by Gull Lake Iron Mines Limited in September, 1959 by Prospecting Geophysics Limited and in February, 1960 by Wagner-Mills. These surveys were necessary, since the lines from previous work had disappeared and it was necessary to re-locate the magnetic anomalies on the ground. The ground survey, carried out by Prospecting Geophysics Ltd. outlined two strong magnetic zones approximately 1/2 mile apart and parallel, striking in a northeasterly direction. The south magnetic zone extended into the lake claims, and a second survey was completed from the ice in February, 1960 by Wagner-Mills. The south zone was indicated for a length of approximately 4,000 feet and a width of approximately 600 feet. The north zone was indicated for a length of 5,600 feet with widths from 300 to 100 feet.

Diamond Drilling

In October, 1959, four holes totalling 1,803 feet were drilled to test the north magnetic anomaly. These established the presence of a zone of magnetic iron. The iron dips to the south at an angle of approximately 50 degrees and is intruded by a narrow dyke of feldspar porphyry. The zone is 170 feet wide in Hole 2 and 100 feet wide in Hole 3. The lower 78.5 feet in Hole 2 assayed 26.42% acid soluble iron and in Hole 3, 100.7 feet assayed 26.2% acid soluble iron. These indicate that there is a possible zone of magnetic iron for a length of at least 1,000 feet. However, further drilling along the anomaly could increase this length. The zone is overlain by sediments and is from 50 to 100 feet beneath the surface.

In May and June of 1960, a second drilling program was carried out to test the south magnetic anomaly. Four holes totalling 3,086 feet were completed. Holes 5 and 7 were vertical holes located near the centre of the anomaly and approximately 1,400 feet apart along the strike of the zone. These holes both intersected dyke material. However, Hole 6, drilled at a 50 degree dip across the zone, intersected magnetic iron mineralization with a true width of approximately 450 feet. The iron is intruded by a pre-cobalt diabase dyke approximately 100 feet wide. Both the iron and the dyke appear to stand vertical. A continuous section of 122.9 feet of iron formation assayed over 25 per cent acid soluble iron. The zone is also overlain by sediments and lies at a depth of approximately 350 feet beneath the surface. Further drilling at intervals along the anomaly could prove up a sizeable zone of magnetic iron, since this zone has characteristics similar to that being developed on the adjoining North American Rare Metals property, by Rio Tinto Mining Company of Canada.

Metallurgical Testing

A composite sample from drill cores in Holes 2 and 3 was concentrated by Technical Service Laboratories using the Davis Tube. A concentrate containing 63.0% iron, 11.9% silica, and negligible amounts of sulphur, phosphorus, titanium, etc. was obtained. Grind was -200 mesh, and the Technical Service Laboratories' report intimated that a much better concentrate could be had by using a slightly finer grind.

Iron Deposit of North American Rare Metals Limited

Permission has been obtained from North American Rare Metals Limited to use any information considered pertinent to this report.

A total of 28,537 feet of diamond drilling was completed in 1957 to test a large magnetic anomaly indicated by both airborne and ground magnetometer surveys. The drilling indicated a body of beneficiating type magnetite iron ore, having a minimum length of 7,800 feet, an estimated average width of 500 feet

and dipping almost vertically to give approximately 400,000 tons per vertical foot. One hole was drilled to 1,033 feet below the diabase capping showing average grade iron all the way and was stopped in iron. The diabase capping averages about 800 feet in thickness.

The average grade of the iron intersections was 31.06%. Concentration tests carried out by Quebec Metallurgical Industries Limited and the Ontario Research Foundation indicated that a high grade concentrate with acceptable silica content can be had by grinding to 90% minus 200 mesh. It was found that 35% of the feed weight could be rejected at minus 10 mesh without an appreciable loss of magnetite in the coarse tailing product. Thus, it would only be necessary to fine grind 65% of the feed. Titanium and other impurities were found to be negligible. Test work indicated that a high grade, 65 to 66% iron concentrate can be made with a silica content of 6 to 8%. Ratio of concentration is 2.4 to 1.

North American Rare Metals Limited carried out economic studies of the project and found that the property is well located with respect to transportation, power, natural gas, labour and supplies. It was estimated that a capital requirement of approximately 35 million dollars would be necessary for a plant capable of producing 10,000 tons of crude ore daily.

In 1959, a 3-compartment shaft was sunk to a depth of 621 feet by North American Rare Metals Limited. Proposed depth was 1,200 feet, but operations were curtailed for the winter months.

Early in 1960, the Rio Tinto Mining Company of Canada became interested in the project and in March, 1960, an Agreement was signed between North American Rare Metals Limited and the Rio Tinto Mining Company whereby Rio Tinto would continue the development of the property. Following a program of approximately 15,000 feet of fill-in diamond drilling by Rio Tinto, shaft sinking was resumed and the shaft has now been completed to the proposed 1,200 foot depth. A working station was excavated at the 1,100 foot level and cross-cutting to the ore-body is now under way at this horizon. This cross-cut will be extended across the ore zone and drifting and underground diamond drilling will be carried out both ways from the cross-cut. Substantial tonnages of the ore developed will be shipped to pilot plants where concentration and pelletizing investigations will be made. Production is scheduled for late 1963.

Conclusions and Recommendations

Diamond drilling of the north zone indicated that fair widths of beneficiating type magnetic iron are present at a comparatively shallow depth of from 50 to 100 feet for a minimum length of 1,000 feet, but probable length of 2,000 feet.

Drilling of the south zone showed that the anomaly was caused by the presence of iron formation up to 450 feet in width, with the one hole drilled to cross-section the zone giving a continuous core length of 122.9 feet of 25% acid soluble iron, the depth of the top of the zone being approximately 350 feet. The potential length of iron formation is approximately 4,000 feet. This zone appears to have characteristics similar to the iron ore body which is being developed at the adjoining North American Rare Metals property.

From the limited drilling carried out to date, it is not possible to estimate tonnage or grade of the magnetic iron. However, it is quite possible that further drilling might outline a deposit with sufficient grade and tonnage to be important. This is especially so due to the location of the claims with respect to North American Rare Metals Limited. If North American reaches the production stage, Gull Lake Iron Mines Limited could take advantage of services, such as road, railway spur, hydro power, townsite, etc.

It is my opinion that this property warrants further investigation as follows:

1. A minimum of 4 holes should be drilled to further test the north magnetic zone. One should be located to enter the zone at a depth of approximately 400 feet, to intersect beneath the flat-lying porphyry. This could be drilled from Hole 2 location. The other holes should be drilled at intervals along the anomalous zone.
2. A further 3 holes should be drilled to cross-section the south zone at intervals of approximately 800 feet.
3. If the cores from the drilling assay 25 per cent or better over good widths, further metallurgical testing should be carried out.

The above program would require a minimum of say 6000 feet of diamond drilling, and it is estimated that the total cost of the programme would be approximately \$20,000.00.

Respectfully submitted,

W. A. CARTER, B.A. Sc., P.Eng.,
Mining Engineer.

August 19, 1960.

CERTIFICATION

I, W. A. Carter, of the City of Toronto, in the County of York, Province of Ontario, hereby certify:

1. That I am a Mining Engineer residing at 107 Chudleigh Avenue, Toronto, Ontario.
2. That I am a graduate of the University of Toronto with the degree of B.A. Sc. in Mining Engineering.
3. That I am a registered Professional Engineer of the Province of Ontario.
4. That I have practised my profession as Mining Engineer for twenty-six years.
5. That I was vendor with respect to Claims T.46713 to T.46720, inclusive and T.37809 but retained no interest. That I have no interest directly or indirectly, nor do I expect any interest directly or indirectly in the properties or securities of Gull Lake Iron Mines Limited.
6. That the accompanying report is based upon information contained in reports and maps published by the Ontario Department of Mines; geological reports and maps in the assessment work files of the Ontario Department of Mines; personal knowledge gained in the capacity of General Manager for North American Rare Metals Limited; and personal knowledge gained while acting for Gull Lake Iron Mines Limited in a consulting capacity during the geophysical and diamond drilling programmes.

Dated at Toronto, in the County of York,
this 19th day of August, 1960.

W. A. CARTER, B.A. Sc., P.Eng.

in paragraph (1) of the Prospectus dated August 19th, 1960. The Company's title to said nine unpatented mining claims is the usual title to unpatented mining claims enjoyed in the Province of Ontario when unpatented mining claims are held under miner's license.

For particulars relating to the location and means of access to the twenty-nine unpatented mining claims now owned by the Company, the known history thereof, the character extent and condition of surface exploration and development work and the work done and improvements made by the present management, reference is made to the Report of A. C. A. Howe, Mining Engineer dated April 28th, 1960, which accompanies and forms a part of this Amendment to Prospectus. There has been no underground exploration or development work and there is neither surface nor underground plant or equipment.

The Company has let a contract covering 3,000 feet of diamond drilling which will commence immediately on its mining claims.

The foregoing, together with the Prospectus dated August 19th, 1959, constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required under Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required.

DATED the 17th day of May, 1960.

G. E. BUCHANAN
Director

A. J. FORTENS
Director

R. J. MURPHY
Director

R. J. JUBY
Director

J. HOFMANN, Director
By his Attorney
G. E. BUCHANAN

AMTOR CORPORATION LIMITED
By: L. CADESKY
Promoter

To the best of our knowledge, information and belief, the foregoing and the original Prospectus dated August 19th, 1959, constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the original Prospectus dated the 19th day of August, 1959, as amended herein.

DATED the 17th day of May, 1960.

W. D. LATIMER LIMITED
By: J. H. ALLEN
Underwriter-Optionee

**REPORT
ON
THE MINING PROPERTY
HELD BY
GULL LAKE IRON MINES LIMITED
Scholes Township, Temagami Area, Ontario**

SUMMARY

The property owned by Gull Lake Iron Mines Limited in Scholes Twp., Temagami area contains a deposit of magnetite iron formation that warrants further investigation. The deposit lies parallel to and about one mile from the magnetite iron ore body presently being developed by The Rio Tinto Mining Company of Canada Limited on the property of North American Rare Metals Limited.

Ground magnetometer surveys have outlined two parallel anomalies on the Gull Lake Iron Mines property, which strike north-easterly across the property, and are about one-half a mile apart. The northern anomaly was investigated by diamond drilling and a band of magnetite iron was intersected in three holes in which the average assay was 26.6% soluble iron over an average width of 100 ft. As the southern anomaly appears to be wider up to 650 ft. and with less faulting or discontinuity, further drilling is warranted to determine whether magnetite iron of marketable grade and dimensions lies below it.

PROPERTY

The property consists of 29 contiguous unpatented mining claims, covering an area of approximately 1,160 acres.

The Company recently acquired nine claims to add to their original twenty.

The original twenty claims were:

T.46582 to T.46599, inclusive
T.47020 and T.47021

The new claims are:

T.46713 to T.46720, inclusive
and T.48130

LOCATION AND ACCESS

The claims are located in the northeast portion of Scholes Township, Temiskaming Mining Division, Ontario. They are situated on the north-west end of Gull Lake and are approximately 20 air miles west of Temagami.

Access to the property can be obtained by chartered aircraft from Temagami or by road through Sturgeon Falls, River Valley and Emerald Lake. The distance by road from River Valley is about 40 miles, and the distance by road from Glen Afton, the nearest point on the C.N. Railways is 25 miles. High tension power is available from a line about 10 miles to the south, and the new Trans-Canada Natural Gas Pipe Line also passes within a few miles of the property.

HISTORY

Previous owners of the property conducted an airborne magnetometer survey and put down two diamond drill holes to check the anomaly obtained. The results of this drilling are not available. Gull Lake Iron Mines Limited acquired 20 claims in 1959 to cover the airborne magnetic anomaly, and a ground magnetometer survey was performed during the summer to check this anomaly. Two anomalies were outlined, and one of these was investigated by diamond drilling. The other anomaly extended into Gull Lake, and so a second ground magnetometer survey was performed after ice had formed on the lake during February, 1960. The results of this survey showed that a portion of the anomaly lay outside the claims and so an additional nine claims were acquired to cover this area in April, 1960.

TOPOGRAPHY

The property lies within an area of steep hills bounded by cliff faces usually, and narrow valleys containing creeks or lakes. The timber consists mainly of pine and spruce which have to a large extent been cut out by local timber companies.

GENERAL GEOLOGY

All the rocks in the Temagami area are of Precambrian age. The oldest of these consists of Keewatin volcanics, which outcrop east of Lake Timagami. They occur mainly as lava flows varying in composition from acid to basic. The Keewatin series also include banded iron formation which outcrops along the north edge of the Northeast arm of Timagami Lake. Several large intrusive bodies are found within the Keewatin lavas consisting of granite and granodiorite of Algomian age.

These outcrops east of Lake Timagami were mapped by the Ontario Department of Mines and published in a report entitled "The Northeastern Portion of the Timagami Lake Area" by W. W. Moorhouse.

In the area west of Timagami Lake these older rocks are overlain by cobalt sediments of Huronian age which, in turn, are covered in many places by a vast sill of Nipissing diabase. The diabase is exposed on the hills, and the sediments can be seen in many of the valleys and low-lying areas where the diabase has been eroded.

LOCAL GEOLOGY

The major portion of the claims overlies cobalt sediments, however, Nipissing diabase is exposed in a steep hill in the south-west corner of the group. Dia-

mond drilling of the property has shown that the thickness of the sediments on the north side of Gull Lake is between 50'-130'. In the area drilled, this overlies Keewatin volcanics consisting of intermediate to basic lavas and feldspar porphyry. Magnetite iron formation also occurs as a strong band within the volcanics.

ECONOMIC GEOLOGY

Economic minerals discovered in the general area of Temagami include iron, copper, nickel, silver, gold, cobalt and pyrite. The majority of these minerals were found within the Keewatin series although lenses of silver, copper and cobalt have been found in the cobalt sediments. Most of the above non-ferrous minerals occur in isolated lenses too small to be valuable economically. However, there is one producing mine in the area, Temagami Mining Company, and one possible producer being developed by The Rio Tinto Mining Company of Canada Limited on the properties of North American Rare Metals Limited.

Temagami Mining Company is situated 5 miles east of the Gull Lake property, and it is reported in the Financial Post Survey of Mines 1959 that ore reserves were 1,250,000 tons grading 0.78% copper, 0.50% nickel, and 0.07% cobalt, together with 23,600 tons of high grade chalcopyrite lenses grading 20% copper.

The 1957 Annual Report of Temagami Mining Company Ltd. states that drilling of a magnetic anomaly on the north shore of Skunk Lake partially outlined two lenses containing roughly one million tons of magnetite ore grading 50% iron. This is located about one mile to the south of the Gull Lake group.

The North American Rare Metals Limited property adjoins the north boundary of Gull Lake Iron Mines Ltd. and their magnetite iron body lies about one mile to the north. It has been investigated by a total of 28,537 feet of drilling which outlined a minimum length of magnetite iron of 7,800 feet, with an average width of 500 feet and an average grade of 31.06% iron. The ore body stands almost vertically and gives approximately 400,000 tons per vertical foot. Concentration tests on 3,661 pounds of drill core showed that a concentrate of 65 to 66% iron can be made, with a silica content of 6 to 8%, and with negligible other impurities. Ratio of concentration is 2.4 to 1.

Permission has been obtained from North American Rare Metals Limited to quote the above figures which are given in a report by their General Manager dated February 4, 1958. Their iron ore body is overlain by a capping of diabase and sediments about 950 ft. thick. To enable the iron ore to be reached for further investigation, a shaft was commenced by North American Rare Metals in March, 1959 with a proposed depth of 1,250 ft. However, shaft sinking was suspended at 620 ft. on October 31st for the winter period.

Since then an option agreement has been entered into with The Rio Tinto Mining Company of Canada Limited who have now let a contract for further shaft sinking. They plan underground investigation of the ore body with subsequent pilot plant tests and engineering studies with a view to possible production by 1963.

GEOPHYSICAL SURVEY RESULTS

An airborne magnetic survey was conducted by Dominion Gulf Company in 1947, the results of which are shown on the Department of Mines Map No. 505G. A similar survey was carried out by Lundberg Explorations for North American Rare Metals Ltd. and another by Geoscientific Prospectors Ltd. which included the Gull Lake Iron Mines property. These airborne surveys show two parallel anomalous zones approximately $1\frac{1}{4}$ miles apart, and striking northeast. The northern zone overlies the North American Rare Metals magnetite ore body, and the southern zone is the one being investigated by Gull Lake Iron Mines. The aeromagnetic map suggests a major fold with the two magnetic zones outlining the two limbs. The ground magnetometer surveys performed for Gull Lake Iron Mines by Prospecting Geophysics Ltd. and Wagner-Mills Surveys, investigated the southern zone and showed that this has been further folded and faulted so that it contains two separate parallel anomalies. The northern-most of these was investigated by diamond drilling during 1959, and was found to overlie banded magnetite iron formation. The other anomaly is wider and more continuous, and appears to represent magnetite iron formation also with a width of about 600 feet, and a length of 4,000 feet. The lower intensity of the southern anomaly indicates a greater thickness of sediment above the iron, but its characteristics indicate a more uniform and probably better grade than the anomaly already drilled.

DIAMOND DRILL RESULTS

Four holes, totalling 1,803 feet, were drilled into the northern anomaly. These established the presence of a band of magnetite iron lying within Keewatin volcanics. The iron occurs in two separate bands, both dipping south, and separated by feldspar porphyry. The southerly band is 170 ft. wide in Hole 2 and 100 ft. in Hole 3 and forms the main zone of interest, owing to its width. The lower 78.5 ft. of this band in Hole 2 averaged 26.42% acid soluble iron, and the total 100.7 ft. in Hole 3 averaged 26.2% acid soluble iron. As these holes are 1,000 ft. apart, they indicate this length at least of continuous iron formation, when taken in conjunction with the anomaly. Hole 4 intersected two bands of iron formation also, but their widths were too narrow to be economic and it appears that the iron formation pinches out in this area. This hole is situated 2,000' east along strike from Hole 1 and 2.

A composite sample was made of drill core containing the iron in Holes 2 and 3, and these were assayed for impurities and found to contain negligible amounts of sulphur, phosphorus, manganese and titanium. No sulphide mineralization occurs within the magnetite bands, and only minor pyrite was noticed in the surrounding Keewatin volcanics. A concentration test was performed by Technical Service Laboratories on the composite sample, using the Davis tube. The sample was crushed to -200 mesh and a concentrate obtained, having 63.0% iron and 11.9% silica. The recovery of iron being 87.5%. The results were good, therefore, considering that they were obtained with a Davis tube. Although the silica content is fairly high, Technical Service Laboratories state in their report dated November 27, 1959, "we believe that it could readily be

reduced by a slightly finer grind". Further tests should be made to determine whether a rough concentrate can be obtained at a coarse grind, and then to do the fine grind on the rough concentrate.

CONCLUSIONS AND RECOMMENDATIONS

The ground magnetometer surveys indicate two parallel bands of magnetite iron formation on the property. The northern one with a probable length of 2,000 ft. and width of 200 ft., and the southern one with a probable length of 4,000 feet and width of 600 ft.

Diamond drilling of the northern anomaly proved the presence of two bands of magnetite iron, the wider one with an average grade of 26.6% acid soluble iron over an average width of 100 ft. in three holes, one of which was 1,000 ft. away from the other two. This in conjunction with the anomaly indicates the probability of 1,000 ft. of continuous length, and a possibility of 2,000 ft. A break appears in the anomaly between this portion and the part drilled by the fourth hole which indicates a break in the iron formation.

The southern anomaly indicates another band of iron formation with more continuity of length and greater width, therefore it may prove to be more important than the other one. The limited amount of drilling done so far does not enable tonnage calculations to be made accurately. However, a marketable grade of beneficiating type iron is indicated. It is an important factor that this deposit adjoins the North American Rare Metals Limited property which has the indications of becoming a producing mine. This would mean that all services for mining would be available, and their plant may be a possible receiver for the iron.

In my opinion, the property warrants further investigation to determine:

- (1) Whether the northern formation already drilled is continuous over the 2,000 ft. indicated by the magnetic anomaly and also whether better grades and widths may be obtained at depth.
- (2) Whether the southern anomaly overlies iron formation of similar or better grade and widths.

I therefore recommend:

- (1) A diamond drill program to test the southern anomaly first. And then the iron band indicated in previous drilling should be tested for continuity between Holes 2 and 3 and east of Hole 2. Some deeper drilling should be done also.

It is understood from Company officials that a contract has been let for 3,000 ft. of diamond drilling. The estimated cost of this drilling including supervision is \$15,000. This should be sufficient to investigate the above points mentioned, and any further drilling will depend on the results obtained.

Respectfully submitted,

Toronto, Ontario,
April 28, 1960.

A. C. A. HOWE, P. ENG.

CERTIFICATION

I, A. C. A. Howe, of the City of Toronto, Ontario hereby certify:

1. That I am a Mining Engineer and reside at 107, 9th Line, Oakville, Ontario.
2. That I am a graduate of London University, England, B.Sc. 1949, and a member of the Association of Professional Engineers of the Province of Ontario.
3. That I have no interest, nor do I expect to receive any interest, either directly or indirectly in either the property or securities of Gull Lake Iron Mines Limited.
4. This report is based on information obtained during personal supervision of the diamond drill program carried out by Gull Lake Iron Mines Limited, on geophysical reports made on the property, on personal knowledge of the area through visiting the North American Rare Metals property from 1956-1959, from the records of North American Rare Metals Limited, and on maps published by Government agencies.

April 28, 1960

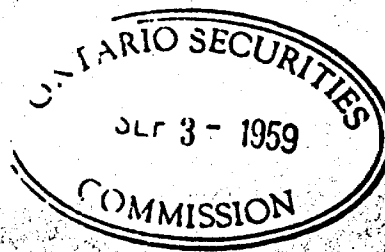
A. C. A. HOWE, P. ENG.

Savage



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Prospectus



OF

GULL LAKE IRON MINES LIMITED

2

Dated August 19, 1959

GULL LAKE IRON MINES LIMITED

Prospectus

filed with the Ontario Securities
Commission under the provisions
of Part VII of The Securities Act (Ontario)

- (a) GULL LAKE IRON MINES LIMITED, 100 Adelaide Street West, & Toronto, Ontario, was incorporated under The Corporations Act, 1953 (Ontario), and Part IV thereof by Letters Patent dated June 16th, 1959.
- (c) The Officers and Directors are:
- GEORGE ERNEST BUCHANAN, Mining and Petroleum Executive, President and Director, 15 Macdonell Avenue, Toronto, Ontario.
- RUSSELL JOSEPH MURPHY, Solicitor, Vice-President and Director, 848 Beaufort Street, Oshawa, Ontario.
- ARTHUR JOHN FORTENS, Accountant, Secretary-Treasurer and Director, 970 Eglinton Avenue East, Toronto, Ontario.
- ROBERT JAMES JUBY, Manager, Director, 198 Macy Boulevard, Ottawa, Ontario.
- JOACHIM HOPMANN, Physician, Director, Moltkestrasse 10, Heilbronn, Germany.
- Promoter—Amtor Corporation Limited, 100 Adelaide Street West, Toronto, Ontario.
- (d) NEFF, ROBERTSON & STONE, Chartered Accountants 112 Yonge Street, Toronto, Ontario, are the Company's Auditors.
- (e) CROWN TRUST COMPANY, 302 Bay Street, Toronto, Ontario, is the Company's Registrar and Transfer Agent.
- (f) The authorized capital of the Company is \$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 per share, of which 900,005 shares, all fully paid up and non-assessable, have been issued and allotted.
- (g) The Company has not created or issued any bonds or debentures nor does it propose to do so.
- (h) Certificates representing 810,000 shares of the Company are held by Crown Trust Company, Toronto, in escrow, subject to release on written consent of the Ontario Securities Commission and the Company, and subject also to transfer, hypothecation, assignment or other alienation only with the written consent of the Ontario Securities Commission.
- (i) Five shares have been sold for cash to date at \$1.00 per share. No commissions were paid on the sale of these shares.
- (j) No securities other than shares have been sold for cash to date.

- (k) No shares have been issued or are to be issued and no cash has been paid or is to be paid to any Promoter for promotional purposes.
- (l) 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 claims 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. The Company is the recorded holder of these unpatented mining claims, free of encumbrance, and its title thereto is the usual title to unpatented mining claims enjoyed in the Province of Ontario when unpatented mining claims are held under miner's license. So far as the signatories hereto are aware no person or corporation has received or is entitled to receive a greater than 5% interest in the aforesaid Vendor's consideration.
- (m) For particulars relating to the location and means of access to the Company's properties as well as the known history thereof and the character, extent and condition of surface exploration and development work, reference is made to the Report of W. A. Carter, Mining Engineer, dated June 22nd, 1959, which accompanies and forms a part of this Prospectus. No work has been done or improvements made by the present management. There has been no underground exploration or development work and there is neither surface nor underground plant or equipment.
- (n) By Agreement dated August 13th, 1959, made between the Company and W. D. Latimer Limited, 244 Bay Street, Toronto, Ontario, as Underwriter-Optionee, the Underwriter-Optionee agreed to purchase 200,000 shares of the Company at 10¢ per share payable within 3 days of the date of acceptance for filing by the Ontario Securities Commission of this Prospectus (hereinafter referred to as the "effective date"). In consideration of the foregoing purchase, the Company granted to the Underwriter-Optionee the sole and exclusive option of purchasing all or any part of 800,000 additional shares of the Company, exercisable at the prices and within the following times, namely: 200,000 shares at 10¢ per share within 6 months of the effective date; 200,000 shares at 12½¢ per share within 9 months of the effective date; 200,000 shares at 15¢ per share within 12 months of the effective date; and 200,000 shares at 17½¢ per share within 15 months of the effective date. In entering into said Agreement of August 13th, 1959, W. D. Latimer Limited had no beneficial interest therein and was acting on behalf of Amtor Corporation Limited. The only person having more than a 5% interest in Amtor Corporation Limited is Louis Cadesky, 649 Spadina Road, Toronto, Ontario. The only persons having more than a 5% interest in W. D. Latimer Limited are: William Dugald Latimer, 25 Burnhamthorpe Road, Toronto, Ontario; Donald Gordon MacGregor, 128 Glen Manor Drive, Toronto, Ontario; William Henry Wright, 27 O'Connor Drive, Toronto, Ontario; William Haig Whitebread, 18 Edwalter Avenue, Toronto, Ontario; James Herschel Allen, 19 Montesson Street, Toronto, Ontario; Ella Gertrude Currie, Apartment 604, 169 Jamieson Avenue, Toronto, Ontario and Essie Latimer, 17 Reigate Road, Toronto, Ontario. So far as the signatories hereto are aware, there are no sub-options or sub-underwritings out-

standing or proposed to be given save as aforesaid. If Amtor Corporation Limited effects primary distribution of the aforesaid shares to the public, same will be effected through registered security dealers who will be paid a commission not to exceed 25% of the selling price. The Company understands that an amending statement must be filed within twenty days of default if the securities of the Company are still in the course of primary distribution.

(o) Immediate ground geophysical work is planned to be followed by diamond drilling. Proceeds accruing from the present sale of securities will be expended for the foregoing, for the purchase of necessary equipment and generally for corporate purposes as well as for the payment of accounts payable.

	<u>Administrative</u>	<u>Development</u>
(p) Preliminary expenses (unpaid).....	\$2,770.00	\$ Nil
Estimated future expenditures (during current financial year).....	5,000.00	75,000.00

(q) There is no indebtedness to be created or assumed other than as shown in the balance sheet dated July 31st, 1959, which accompanies and forms a part of this Prospectus, save legal, audit and printing costs incurred relative to this Prospectus.

(r) (i) The principal business in which each Director and Officer has been engaged during the past three years is as follows:

George Ernest Buchanan has been a Mining and Petroleum Executive associated with various mining companies.

Russell Joseph Murphy has been a Solicitor and since March of 1958 has been a partner of the firm of Greer, Murphy and MacDonald, Oshawa, Ontario.

Arthur John Fortens has been accountant and secretary-treasurer of Amtor Corporation Limited.

Robert James Juby has been manager of the Ottawa branch of John R. Marsh & Co., since April 1958, and prior thereto he was Public Relations Officer with Quebec Metallurgical Industries Limited, Ottawa.

Joachim Hofmann has been a Physician, self employed.

(ii) None of the Officers or Directors of the Company have had any interest direct or indirect in any property acquired or to be acquired by the Company.

(iii) No remuneration has been paid to the Officers and/or Directors of the Company since the date of its incorporation. During the one year period commencing August 1, 1959, it is estimated the Officers will be paid the sum of \$600.00 and Directors the sum of \$1,000.00.

(s) No dividends have been paid by the Company.

(t) Frank Cadecky is in a position to elect or cause to be elected a majority of the Directors of the Company.

- (u) There are no arrangements for the sale of Vendors' shares. Free Vendors' shares and Vendors' shares as released may be sold for cash, but the proceeds will not accrue to the treasury of the Company.
- (v) The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required.

DATED this 19th day of August, 1959.

G. E. BUCHANAN
Director

A. J. FORTENS, Director
By his Attorney
G. E. BUCHANAN

R. J. MURPHY
Director

R. J. JUBY, Director
By his Attorney
G. E. BUCHANAN

AMTOR CORPORATION LIMITED

J. HOFMANN, Director
By his Attorney
G. E. BUCHANAN

By: L. CADESKY
Promoter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the Financial Statements or Reports where required. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

DATED this 19th day of August, 1959.

W. D. LATIMER LIMITED

By: J. H. ALLEN
Underwriter-Optionee

GULL LAKE IRON MINES LIMITED

Balance Sheet as at July 31, 1959

ASSETS

Cash in bank	\$ 5.00
Mining properties; Temiskaming Acquired for 900,000 shares of capital stock valued by the directors at 10 cents per share	90,000.00
Organization expense	2,770.00
	\$92,775.00

LIABILITIES

Accounts payable	\$ 2,770.00
Capital stock:	
Authorized; 5,000,000 shares of \$1.00 each	\$5,000,000.00
Issued or to be issued and fully paid:	
For mining claims	900,000 shares \$ 900,000.00
Less: Discount	\$ 810,000.00
	\$ 90,000.00
For Cash	5 shares 5.00
	90,005.00
	\$92,775.00

Note: Pursuant to an underwriting agreement dated August 13, 1959, the Company has agreed to sell 200,000 shares of capital stock for \$20,000.00 cash, payment to be received within 5 days of the date of acceptance for filing of the Company's prospectus with the Ontario Securities Commission (the effective date). Options are outstanding under this agreement on a further 800,000 shares at prices from 10 cents per share to 17½ cents per share exercisable over a period of 15 months from the effective date.

Approved on behalf of the board:

G. E. BUCHANAN, Director

R. J. MURPHY, Director

Auditors' Report

We have examined the balance sheet of Gull Lake Iron Mines Limited as at July 31, 1959, and the transactions for the period from incorporation, June 16, 1959, to that date. Our examination included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

We report that, in our opinion, the above balance sheet presents fairly the financial position of the Company as at July 31, 1959.

TORONTO, Canada,
August, 18, 1959.

NEFF, ROBERTSON & STONE
Chartered Accountants.

**REPORT
ON
THE MINING PROPERTY
HELD BY
GULL LAKE IRON MINES LIMITED**

Scholes Township, Temagami Area, Ontario

Property

The Company holds a group of 20 contiguous unpatented mining claims, comprising approximately 800 acres, located in the northeast portion of Scholes Township, Temiskaming Mining Division, Temagami Area, in the Province of Ontario.

The claims are numbered as follows;—

T 46582 to T 46599 inclusive.
T 47020 and T 47021.

Location and Access

The claims are located in Scholes Township, Temiskaming Mining Division, Temagami Area, Ontario. The south portion of the group embraces Gull Lake. Lake Timagami is approximately 3 miles to the east.

The property can be reached by chartered aircraft from the town of Temagami, a distance of about 20 miles to the northeast. It can also be reached in summer by water route down Lake Timagami, and thence by a short portage to Gull Lake. However, a contract has just been let for the building of a road, from Emerald Lake to the North American Rare Metals Limited iron mine, a distance of 5 miles. This road will make access from the Trans Canada highway possible, and it also gives access from the Canadian National Railways. The Gull Lake Iron Mines property ties on to the North American property to the South-east and a road already exists from the North American property, passing through the Gull Lake group to Gull Lake.

Power, Transportation, etc.

Power and transport facilities are relatively near to the claims. High tension power is available from a line about 10 miles to the south. The new Trans-Canada Natural Gas Pipe Line also passes within a few miles of the property.

The main east-west line of the Canadian National Railways lies approximately 20 miles to the south and the Ontario Northland Railway is about 15 miles to the east.

Materials and supplies are available at Temagami, North Bay and Sudbury.

Topography

The area is heavily wooded and characterized by rugged topography with steep cliffs and high hills. Scattered lakes and swamps occur between the hills.

General Geology

The geology of the immediate area to the east and west is described in the following reports published by the Ontario Department of Mines;—

"The Northeastern Portion of the Temagami Lake Area"—by W. W. Moorhouse, 1942.

"The Geology of the Aston Scholes Area"—by E. S. Moore, 1936.

All the rocks in the Temagami area are of Pre-Cambrian age. The oldest of these consist of the Keewatin volcanics, which outcrop on Temagami Island and to the east along the northeast arm of Lake Temagami. They occur mainly as lava flows varying in composition from acid to basic. The Keewatin series also include banded iron formations which are found outcropping in several places within the area of the Keewatin volcanics. To the west of Temagami Island, the older volcanic rocks are presumably overlain by younger, relatively flat-lying cobalt sediments of Huronian age which are in turn covered by a vast sill of Nipissing diabase laid down in the Keweenawan age. In the valleys and low-lying areas the diabase has been eroded away to expose the cobalt sediments.

A study of aerial photographs of the region indicates a strong lineal feature which extends in a south-westerly direction from Temagami town through Temagami Island, through Skunk Lake and crosses about the middle of Gull Lake. This feature is probably the expression of a regional fault zone.

Local Geology

Rock outcrops on the Gull Lake Iron Mines Limited group of claims indicate that, with the exception of the most southerly claims, all the ground between Gull Lake and Cummings Lake is composed of cobalt sediments, the diabase having been eroded off. A steep cliff exists just to the south of Cummings Lake. This is the north side of a large hill of diabase. Diamond drilling on the North American group has shown that the diabase sill is approximately 700 feet thick and that magnetic iron formation occurs at this depth. Since the diabase has been eroded off on the 'Gull Lake Iron Mines' group, it is possible that the iron formation here occurs at a much shallower depth.

The strong lineal feature which probably indicates a major fault, already referred to in this report, passes approximately one mile to the south of this group.

Economic Geology

Economic minerals discovered in the Temagami Area include iron, copper, nickel, gold, silver and cobalt. The majority of these minerals were found within the Keewatin series, although lenses of silver and copper have been found in the cobalt sediments. The only producing mine in the area, at the present time, is at Temagami Mining Company Limited, which lies approximately 5 miles to the east of the Gull Lake Iron Mines' group. According to the 1959 Financial Post Survey of Mines, ore reserves at this property were 1,250,000 tons grading .78% copper, .50 nickel and .07 cobalt, with high grade zones of 23,600 tons grading 20% copper.

The 1957 Annual Report of Temagami Mining Company Ltd. states that drilling of a magnetic anomaly on the north shore of Skunk Lake partially outlined two lenses containing roughly one million tons of magnetite ore grading 50 per cent iron. This is located about one mile to the south of the Gull Lake group.

Several magnetic iron formations have been explored in the area. The most important of these is that of North American Rare Metals Limited which adjoins the Gull Lake Iron Mines property to the north and west. A summary of results and production plans of North American Rare Metals Limited is included in this report.

Aeromagnetic and Magnetic Results

An airborne magnetic survey was conducted by Dominion Gulf Company in 1947, the results of which are shown on the Department of Mines Map No. 505G. A similar survey was carried out by Lundberg Explorations for North American Rare Metals Limited, which confirmed the results of the Dominion Gulf Survey. The surveys indicate that major folding appears to have taken place in the Gull Lake area and it is possible that the North American Rare Metals magnetic anomaly is an expression of the north limb of the fold. The strong magnetic anomaly indicated on the Gull Lake group, is parallel and somewhat similar to the North American anomaly and could be the south limb of the fold, and therefore, more than likely represents magnetic iron similar to that which has been developed on the North American ground. A third airborne survey was carried out by Geoscientific Prospectors Limited covering the Gull Lake group.

Ground magnetometer work was carried out by Dominion Gulf Company and this confirmed results of the airborne survey. Ground results indicated that the magnetic highs on the Gull Lake group give higher readings than those of the North American group. This may be due in part to the fact that the iron zones are closer to surface on the Gull Lake group. However, it certainly indicates that magnetic iron is present under these anomalies. The ground work confirmed the airborne work indicating that the iron formation follows quite closely the outline of airborne anomalies. The ground surveys also indicated some smaller isolated magnetic highs, separate from the main anomalies, which are believed to be significant, since similar anomalies were noted in connection with the copper-nickel zones on Temagami Island and also with the magnetic zones at Skunk Lake. In other words, this could be the expression of local concentrations of magnetite, sometimes associated with sulphide mineralization.

Iron Deposit of North American Rare Metals Limited

Permission has been obtained from North American Rare Metals Limited to use any information considered pertinent to this report.

A total of 28,337 feet of diamond drilling was completed in 1957 to test a large magnetic anomaly indicated by both airborne and ground magnetometer surveys. The drilling indicated a body of beneficiating magnetite iron ore, having a minimum length of 7,800 feet, an average width of 500 feet and dipping almost vertically to give approximately 400,000 tons per vertical foot. One hole was drilled to 1,033 feet below the diabase capping showing average grade iron all the way and was stopped in iron.

The average grade of the iron intersections was 31.06%. Concentration tests carried out by Quebec Metallurgical Industries Limited and the Ontario Research Foundation indicated that a high grade concentrate with acceptable silica content can be had by grinding to 90% minus 200 mesh. It was found that 35% of the feed weight could be rejected at minus 10 mesh without an appreciable loss of magnetite in the coarse tailing product. Thus, it would only be necessary to fine grind 65% of the feed. Titanium and other impurities were found to be negligible. Test work indicated that a high grade, 65 to 66% iron concentrate can be made with a silica content of 6 to 8%. Ratio of concentration is 2.4 to 1.

North American Rare Metals Limited has carried out economic studies of the project and find that the property is well located with respect to transportation, power, natural gas, labour and supplies. It is estimated that a capital requirement of approximately 35 million dollars would be necessary for a plant capable of producing 10,000 tons of crude ore daily.

Using transportation costs and existing iron concentrate prices at Lower Lake Erie ports, it is estimated that a net operating profit of \$4.35 per ton of concentrate could be had, amounting to over 6 million dollars per year.

Recent advances in the direct reduction of iron ore to semi-steel also could be quite important to this property due to its location and proximity to the natural gas pipe line

Shaft sinking is currently underway at this property. The shaft is to go to a depth of 1,200 feet where lateral work will be carried out to develop the large orebody and to obtain tonnages of ore for large scale pilot plant testing. Production at a rate of over one million tons of iron ore pellets annually is planned by 1963.

Conclusions

1. The claims are comparatively well located with respect to transportation, power, water supply, natural gas facilities, labour and supplies.
2. They are in a geologically favourable area where important economic minerals have been discovered. A producer of copper and a potential producer of iron ore lie within seven miles and one mile respectively.
3. The magnetic structure near Gull Lake indicates that major folding has taken place on the Gull Lake claims. This folding is favourable for the concentration of minerals.
4. The airborne and ground magnetic anomalies which exist on the Gull Lake property are quite similar in intensity, and extend to those which have been proven to indicate a large deposit of magnetite iron ore on the property of North American Rare Metals Limited.
5. Since the anomalies with highest intensity occur in low lying ground where sediments are known to outcrop, it is possible that the iron formation will be reached at a comparatively shallower depth than on the North American Rare Metals' ground.

Recommendations

It is my opinion that this property has considerable merit and I therefore recommend that the following work be carried out;—

1. Since grid lines established for the previous ground survey are difficult to locate, a new base line should be established to traverse the length of the property in the direction of N 60° E, to pass between the two main magnetic anomalies indicated by aeromagnetic surveys. Grid lines should be cut at right angles to this base line at intervals of 400 feet and pickets placed at 100 foot intervals along these lines.
2. A ground magnetometer survey should be conducted along these cut lines to re-establish the location of the magnetic highs indicated by previous work.
3. A programme of diamond drilling based on the results of the magnetometer survey should be carried out.

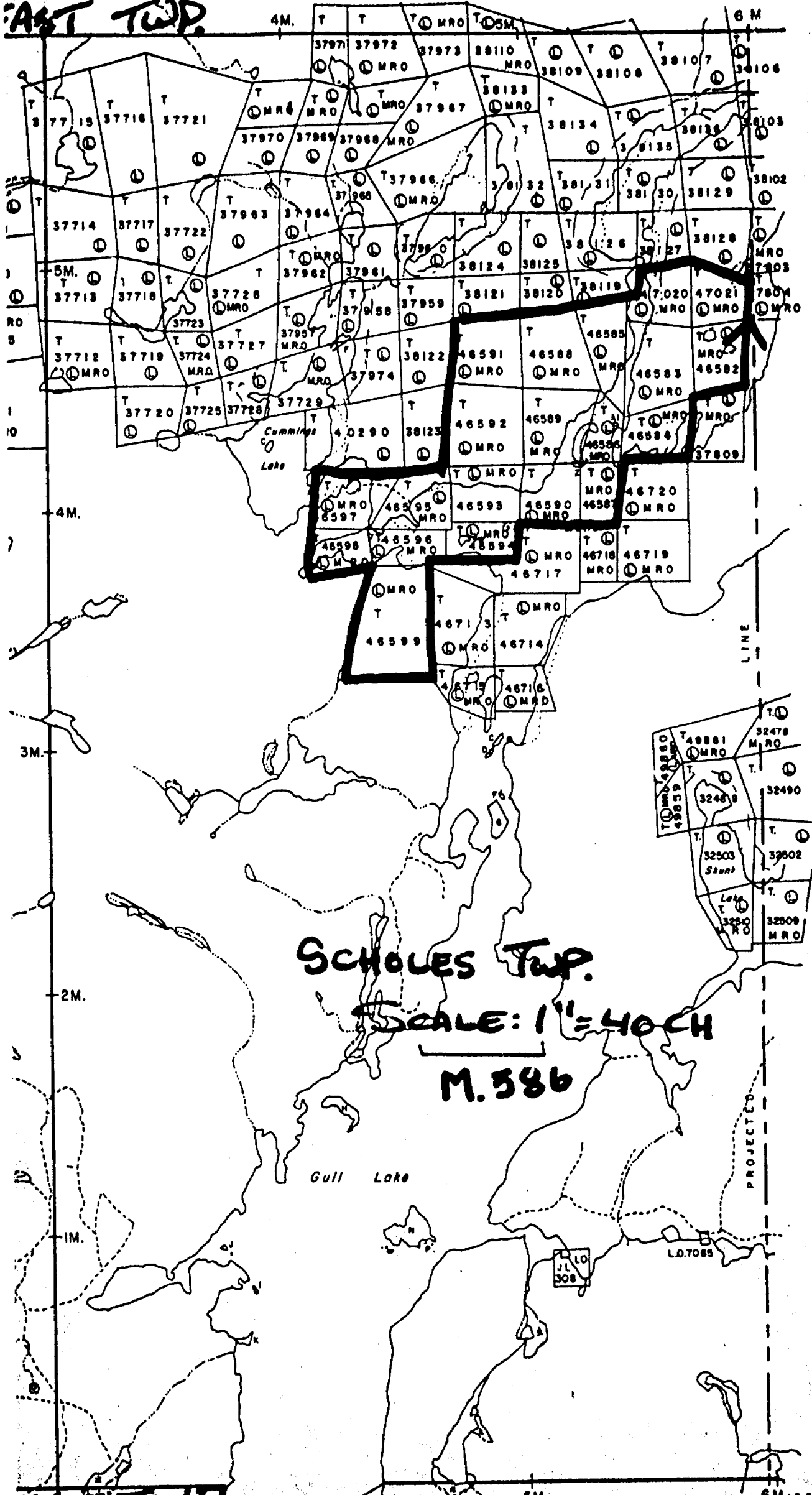
Respectfully submitted,

June 22, 1959.

W. A. CARTER, B.A. Sc., P. Eng.,
Mining Engineer.

T TWP. M.414

AST TWP.



SCHOLES TWP.

SCALE: 1" = 40 CH

M.586

Gull Lake

LINE

PROJECTED

PHYLLIS TWP. M.567

INT TWP.

S
P
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R
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