



PARR MINES LIMITED
366 Bay Street
Toronto, Ontario

COMMON STOCK
(N.P.V.)
602,000 shares



of which 300,000 are for the account of the Company and 302,000 previously issued shares are for the account of Selling Shareholders. (See page 4). No proceeds of the sale by Selling Shareholders will be paid to the Company.

PURPOSE OF
ISSUE

The Company proposes to spend the funds raised by the sale of up to 300,000 shares hereunder: (i) to make the cash payments required for the purchase of options of properties referred to herein totalling \$19,500, and (ii) to carry out the recommendations of its Consulting Engineer on the property interests acquired in Genoa, Eric and Marion Townships, Sudbury Mining Division, Ontario. (See headings "Property Presently Held By the Company" and "Use of Proceeds").

OFFERING: (a)

The Company will offer up to 300,000 shares to the public through registered security dealers who may be appointed as agents from time to time, said offering to net the treasury a minimum of 40¢ per share. As of April 12, 1971, 174,500 shares have been taken up under this offering netting the Company treasury the sum of \$85,243.25.

(b)

In addition, certain Selling Shareholders will offer 302,000 previously issued shares as set out under the heading "Offering of Shares", the proceeds of which will not accrue to the Company. These shares will be sold through registered security dealers/as agents for the Selling Shareholders in the Province of Ontario. None of such shares will be offered for sale unless and until the 300,000 treasury shares referred to above have been sold.

Over the past three months the range of the Company's shares has been low - 35¢ high - 63¢ on the "over-the-counter" market in Toronto.

THESE SECURITIES ARE SPECULATIVE

Registrar and Transfer Agent
CROWN TRUST COMPANY
302 Bay Street
Toronto, Ontario

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

THE DATE OF THIS AMENDMENT IS MAY 11, 1971.

AMENDMENT NO. 2 TO THE PROSPECTUS OF

PARR MINES LIMITED

DATED November 12, 1970

The Prospectus and Amendment No. 1 of the Company is amended as follows to reflect material changes in the affairs of the Company.

ACQUISITION OF PROPERTY FOR SHARES AND CASH

By an Agreement dated the 3rd day of April, 1971, the Company (60%), Quadroyal Mines Limited ("Quadroyal") (20%), and Astrabrun Mines Limited ("Astrabrun") (20%) acquired from William R. Miller, 9 Foxcote Crescent, Etobicoke, Ontario, 36 unpatented mining claims in the Townships of Genoa and Eric, Sudbury Mining Division, Province of Ontario, (the "Miller claims"), numbered as follows:

S.284566-67
S.284574-75
S.284580-83
S.284585-90
S.284595-610
S.296916-918
S.265920-22

for consideration of the payment by the Company to the Vendor of \$7,500 in cash and the transfer to the Vendor of 110,000 escrowed shares of Quadroyal by Quadroyal. This Agreement and the payment of the above sum is dependent upon the securing of the consent of the Ontario Securities Commission to the transfer of the above shares within thirty days of the date of the Agreement.

By Agreement also dated April 3, 1971 the Company (60%), Quadroyal (20%), and Astrabrun (20%) acquired from Eugene Logan, Box 59, Ballinfad, Ontario, and Donald Schenk, Georgetown, Ontario, an interest in 13 unpatented claims in the same proportion and between the same parties as the 36 unpatented claims referred to above. The 13 claims are situated in Genoa and Eric Townships, Sudbury Mining Division, Province of Ontario, (the "Schenk and Logan claims"), and are recorded as numbers:

282353-59 inclusive
284,456-460 inclusive
259305,

and were acquired in consideration of the cash payment to the Vendor of \$6,000.00 and the transfer of 90,000 previously escrowed shares of Quadroyal Mines Limited to the Vendor. This Agreement and the payment of the above sum is dependent upon the securing of the consent of the Ontario Securities Commission to the transfer of the above shares within thirty (30) days of the date of the Agreement on a ten (10%) per cent free ninety (90%) per cent escrowed basis.

CLARKE AGREEMENT

By an agreement in writing dated April 12, 1971, as amended by agreement dated May 10, 1971, the Corporation acquired the option to purchase from Michael Gamble Clarke of Box 83, Oak Ridges, Ontario, 54 unpatented mining claims in the Township of Genoa, Sudbury Mining Division, in the Province of Ontario, recorded as Nos. 283801-283824 inclusive and 283-873-283902 inclusive. The option to purchase continues for 12 months from the date of execution of the Agreement in consideration of the cash payment by the Company to the Vendor of the sum of \$6,000, which payment has been duly made, and a further payment in cash to the Vendor of \$20,000 within 12 months from the date of the execution of the said agreement. The option is terminable at any time prior to the above payment date upon written notice by the Corporation. The Corporation meanwhile has the exclusive right to enter upon the property and to conduct exploratory and development work at its sole discretion.

By amending Agreement dated May 10, 1971, Mr. Clarke agreed to apply to the Commissioner of Mines for the Province of Ontario for an extension of at least 90 days from the expiry date of the claims, being July 30, 1971, in which to complete assessment work and meanwhile to keep the claims in good standing at his own cost.

MARQUIS AGREEMENT

By Instrument in writing dated April 8, 1971, (the "Marquis Agreement"), the Company, together with Astrabrus Mines Limited and Quadroyal Mines Limited (the "Partners") and Marquis Explorations Limited ("Marquis") (herein sometimes collectively referred to as the "Consortium") and Morris Greene of North York and Milton Klyman of Toronto (the "Marquis Vendors") entered into an exploration and development agreement upon the following terms:

- (1) The Partners have agreed to contribute to the Consortium their beneficial ownership in the 12 claims (the "Miller, Schenk and Logan claims") in Genoa and Eric Townships referred to above;
- (2) Marquis has agreed to contribute to the Consortium its beneficial ownership in 12 unpatented mining claims in the Townships of Genoa and Eric, Sudbury Mining Division of Ontario, registered as Nos. S.284571-73; S.284576-79; S.284584; S.294521-24; (the "Marquis claims");
- (3) The Marquis Vendors together have agreed to donate to Marquis, for the benefit of the Consortium, their beneficial ownership in 100,000 escrowed shares of Marquis, subject to the provisions of paragraph 6 hereof;

(4) The effective date under the Marquis agreement is (a) the final date upon which Marquis has registered with the Mining Recorder in Sudbury, the 12 Marquis claims in the name of Marquis, and the Partners have registered the 49 Miller, Schenk and Logan claims in the names of the Partners and Marquis jointly;

and (b) the filing with the Ontario Securities Commission of an Amendment to the Company's Prospectus and the Prospectus of Marquis disclosing the Marquis agreement.

(5) The Partners have the sole and exclusive right to enter upon the Marquis claims and to prospect, explore, develop and diamond drill at their own expense for a period of 180 days from the effective date. If the Partners have completed their drilling operations of at least 2,000 feet in the aggregate and have notified Marquis in writing within the 180 day period they shall be entitled to a 50% indivisible assessable interest in these claims subject to the right of Marquis to form a new corporation to deal with these claims as set out below. If the Partners have not so exercised their rights to acquire the 50% interest then the Marquis claims cease to be affected by this agreement after the 180 day period;

(6) Upon the occurrence of the effective date and the registration of the 49 Partners' claims in the names of the Partners and Marquis on the basis of a 50% indivisible assessable interest to each, Marquis shall pay to the Partners the sum of \$9,250 and apply to the Ontario Securities Commission for consent to the transfer of 100,000 donated escrowed shares of Marquis to a Trustee for the benefit of the Partners. The interest of the parties, therefore are; Marquis 50%, Parr 30%, Astrabrun 10%, and Quadroyal 10%. A Development Committee will then be formed consisting of two nominees each from the Partners and Marquis to carry out a development and exploration programme not to exceed an amount to be established and the costs to be shared equally by the Partners and Marquis;

(7) After the expiration of the 180 day period from the effective date Marquis shall at its option or upon the reasonable request by the Partners cause to be incorporated a new mining corporation having an authorized capital of 5,000,000 shares without par value of which 750,000 shall be allotted and issued as follows -

To Marquis Explorations Limited	375,000 shares
To Parr Mines Limited	225,000 shares
To Quadroyal Mines Limited	75,000 shares
To Astrabrun Mines Limited	75,000 shares

in return for the conveyance to the new corporation of all the beneficial ownership in the 49 claims held equally by the Partners and Marquis and the 12 claims held by Marquis, should the Partners acquire a 50% interest therein as aforesaid. The Partners and Marquis shall be entitled to acquire additional shares of the new corporation in equal portions on the basis of one share for each ten cents spent in connection with the development and exploration of the 49 claims held originally by the Partners;

(8) The new corporation shall be formed to establish a further development programme with a view to production within the shortest possible time, the cost of which is to be borne equally by the subscription of the Partners and Marquis for additional shares of the new corporation. The Partners and Marquis are to have the right of first refusal for any shares to be offered for resale by either party, subject to the right of the Partners as between themselves to arrange terms and conditions as to the resale of their respective shares.

As a result of the acquisition of the rights and options aforesaid, the Corporation maintains interests in 6 contiguous claim groups totalling 182 unpatented mining claims in the Townships of Marion, Genoa and Eric, extending across the south part of Rush Lake to the north part of Rice Lake.

Rush Lake is most readily reached by air from South Porcupine (65 miles to the northeast) or Sudbury (110 miles to the southeast). By road one may utilize Highway 144 from either Timmins or Sudbury and thence the E. B. Eddy Co. Woods roads which join the highway to Rush Lake, Jerome and Sultan on the C.P.R.

The Corporation's consulting geologist, Wilfred Walker, P.Eng., has recommended that as a result of work performed to date on the foregoing properties it would be advantageous if the properties could be developed in consort.

Induced polarization and magnetic surveys on the Rush Lake property of Marquis have recently been completed. The survey indicates an anomalous zone trending easterly for the full 5,000 feet length of the property. At the west end, where it adjoins the Schenk and Logan property the zone is 1,000 feet wide, and at the east end, where it adjoins the Miller property it is 2,000 feet wide. Copper mineralization is known at surface in the anomalous zone.

The area is underlain predominantly by a granitic stock intruded late in a mountain building cycle during the Kenoran period, or some 2300 million years ago. This intrusive is of the type in which numerous large, low grade disseminated copper deposits, of so-called porphyry type, are mined in the much younger mountains of the American Cordillera.

The original discovery of disseminated copper mineralization in the area was in June 1970, on the headland on the west side of Rush Lake. Numerous other copper showings have since been found on properties of the area.

The Marquis IP survey which is now complete, shows a zone of chargeability (IP) highs accompanied by a resistivity low, extending across the entire group, 1,000 feet wide where it passes into the Schenk and Logan group to the west and 2,000 feet wide where it passes into the Miller group to the east. In their conclusions to the report on their recently completed survey, Barringer Research Ltd. note: "Results of the geophysical survey suggest that the source of this anomalous system is a non-magnetic, possible porphyry type mineralization controlled by the tectonic features of the area".

A copy of Mr. Walker's Report to management dated March 30, 1971, as amended by letter dated April 24, 1971, is available for inspection in the public file of the Ontario Securities Commission.

Reference is hereby made to the first amendment (dated February 18, 1971) to the Corporation's prospectus, wherein it was stated that the Corporation had entered into an agreement with Astrabrun and Quadroyal, providing for the grant to the Corporation of an option to acquire 18 unpatented mining claims owned by Quadroyal and Astrabrun jointly, located in Marion Township, for a consideration consisting in part of the assumption of liabilities of Astrabrun and Quadroyal and the expenditure of \$37,000 work on the said eighteen claims by December 31, 1972. The said 18 claims about the 49 unpatented claims in Marion and Genoa Townships owned by the Corporation.

Astrabrun and Quadroyal have entered into an agreement, subject to approval by shareholders of Quadroyal in general meeting called for May 20, 1971, providing for the acquisition by Astrabrun of the undertaking and assets of Quadroyal and the assumption of liabilities thereof, for a consideration consisting of the allotment and issue to Quadroyal of shares in the capital of Astrabrun on the basis of five shares of Astrabrun for each four outstanding shares of Quadroyal. Subject to shareholder authorization at the general meeting aforesaid, Quadroyal will distribute its assets pro rata and proceed to dissolve.

MATERIAL CONTRACTS

Page 4 of the first amendment to the Company's Prospectus is further amended by the addition of the following under the above heading:

Agreement dated April 12, 1971, between the Company and Michael Gamble Clarke covering the purchase of 54 claims in Genoa Township, as amended by agreement dated May 10, 1971.

Agreement dated April 3, 1971, between the Company and William R. Miller covering the purchase of a 60% interest in 36 claims in Genoa and Eric Townships.

Agreement dated April 3, 1971, between the Company and Eugene Logan and Donald Schenk covering the purchase of a 60% interest in 13 claims in Genoa and Eric Townships.

Agreement dated April 8, 1971, between the Company Astrabrun Mines Limited, Quadroyal Mines Limited, Marquis Explorations Limited, and Morris Greene and Milton Klyman covering an exploration and working agreement in connection with the above 49 claims situated in Genoa and Eric Townships and an additional 12 claims contributed by Marquis also situated in Genoa and Eric Townships.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Page 3 of the first amendment to the Company's Prospectus is further amended by adding after the first paragraph under the above heading the following:

In the Agreements dated April 3, 1971 and April 8, 1971, dealing with acquisitions of interest in 61 claims in Genoa and Eric Townships referred to in "Acquisition of Property for shares and cash", Messrs. Ivanov, Jerome and Patte are directors and/or officers of the Company and are directors and/or officers of Quadroyal Mines Limited and Mr. Patte is a director of Astrabrun Mines Limited.

PENDING LEGAL PROCEEDINGS

Page 4 of Amendment No. 1 to the Company's Prospectus is further amended by the addition of the following to be inserted after the first paragraph under the above heading in Amendment No. 1:

The Company has paid into Court the sum of \$7,269.82 in respect of the Mechanics' Lien registered on December 22, 1970 being the entire amount of the Claim plus \$1,000 in cost. An Order was obtained from the local judge of the Supreme Court of Ontario dated the 8th day of February, 1971 vacating this Lien against the above claims. A further order was obtained on the 7th day of April, 1971, for the payment of this sum out of court in favour of the Company and for the dismissal of the claim against the Company for want of prosecution.

Page 4 of the first amendment to the Company's Prospectus is further amended by the addition of the following under the above heading.

On March 4, 1971, Sudbury Mining Contractors Limited caused to be filed with the Mining Recorder at Sudbury a further lien against the same 17 claims as referred to above and in addition against the 18 unpatented mining claims referred to on page 2 of the first amendment of the Company's Prospectus to which the Company has acquired an option to purchase. The total amount for this claim is for \$3,000.00 representing a continuing charge for the rental of equipment used on the above group of claims. On March 15, 1971, the Company caused to be paid into Court the sum of \$3,500 being the total amount of the claim plus \$500.00 costs and obtained an order vacating this lien from all affected claims.

On April 19, 1971, Aulis Kangas, the principal of Sudbury Mining Contractors Limited, was cross-examined by a solicitor of the Company on his affidavit in support of the lien registered on March 4, 1971. As a result of this cross-examination, a Court Order was issued on April 19, 1971, for the payment of the \$3,500 out of Court in favour of the Company and for dismissal of this claim for want of prosecution.

The Company's solicitors advise that a further lien claim in the amount of \$13,027.93 was registered on April 7, 1971, against the 33 mining claims referred to on page 4 of Amendment No. 1 to the Company's Prospectus. This most recent lien was also registered by Sudbury Mining Contractors Limited and is in respect of the same matter of equipment rental as was the cause of action of the above prior liens. The Company's solicitors advise the Directors that application will be made to the Court as soon as possible for an order vacating the most recent lien upon the payment into Court by the Company of the sum of \$5000.00 plus costs and that following such an order the Company will proceed to contest the claim of Sudbury Mining Contractors Limited in the normal fashion. This action is being followed by the Company on the basis of information which was obtained as a result of the cross-examination of Aulis Kangas by a solicitor of the Company on April 19, 1971.

The foregoing, together with the Prospectus dated November 12, 1970 and Amendment No.1 thereto dated February 8, 1971, constitutes full true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Securities Act, 1966, and the Regulations thereunder.

Dated this 14th day of May, 1971

S. Ivanov
S. IVANOV
Chief Executive Officer

James Geddes
JAMES GEDDES
Chief Financial Officer

ON BEHALF OF THE BOARD

A. E. Jerome
A. E. Jerome
Director

A. B. Whitelaw
A. B. Whitelaw
Director

PROMOTERS:

S. Ivanov
S. IVANOV
A. R. Patte by his attorney, S. Ivanov
A. R. PATTE (by his attorney, S. Ivanov)

A. E. JEROME



41016SE0038 63.2880 GENOA

020

EXPLORATION STATUS
OF
PROPERTIES IN THE RUSH LAKE AREA, ONTARIO
IN WHICH
PARR MINES LIMITED
MAINTAINS AN INTEREST

W. Walker, F.G.A.C., P. Eng.
164 Nipigon Avenue
Willowdale, Ontario

March 30th, 1971

SUMMARY

Parr Mines Ltd. maintains an interest in six contiguous claims groups totalling 182 unpatented mining claims in the Rush Lake area.

The area is underlain predominantly by a granitic stock intruded late in a mountain building cycle during the Kenoran period, or some 2300 million years ago. This intrusive is of the type in which numerous large, low grade disseminated copper deposits, of so-called porphyry type, are mined in the much younger mountains of the American Cordillera.

The original discovery of disseminated copper mineralization in the area was in June 1970, on the headland on the west side of Rush Lake. Numerous other copper showings have since been found on properties of the area, including many on those of interest to Parr.

Induced polarization (IP) surveys are in various stages on three of the six groups, with excellent results from the one which has been completed. On the other three groups, work should await results from the first three properties.

INTRODUCTION

This report is prepared as a review of the present status of exploration on the properties in the Rush Lake area of Ontario in which Parr Mines Ltd. maintains an interest.

The Properties

All claim numbers are inclusive and all claims are situated in the Sudbury Mining Division, Province of Ontario. The names by which the groups have become known

used informally in this report.

Claims presently owned or under existing option agreement to Northgate Exploration Ltd.

49 Unpatented claims in Genoa and Marion Townships - Parr discovery group

(GROUP "A")

S.265130 to S.265178

18 Unpatented claims in Marion Township - Quadroyal group presently under option to Parr

(GROUP "B")

265182-4 265200-202

265188-90 265206-208

265194-96 265212-214

Claims to be acquired through ownership or option agreements to be dated April 3rd, 1971:

54 Unpatented claims in Genoa Township - Clarke group

(GROUP "C")

283801-283824

283873-283902

36 Unpatented claims in Genoa and Eric Townships - Miller group

(GROUP "D")

S.284566-67

S.284574-75

S.284580-83

S.284585-90

S.284595-610

S.265916-918

S.265920-922

13 Unpatented claims in Genoa and Eric Townships - Schenk and Logan group

(GROUP "E")

282353-359

284456-460

259305.

12 Unpatented claims in Genoa and Eric Townships - Marquis group

(GROUP "F")

S.284571-573

S.284576-579

S.284584

S.284591-594

Location and Access

The properties extend across the south part of Rush Lake and north part of Rice Lake. Rush Lake is most readily reached by air from South Porcupine (65 miles to the northeast) or Sudbury (110 miles to the southeast).

By road, one may utilize Highway 144 from either Timmins or Sudbury and thence the E.B. Eddy Co. Woods roads which join the highway to Rush Lake, Jerome, and Sultan on the C.P.R.

Previous Work

There is no evidence of previous work in the granitic area which includes the properties, but the Swayze greenstone belt as a whole saw considerable exploration for gold forty years ago, with minor production. Many gold and several base metal occurrences are noted on published maps (e.g., Ontario Department of Mines Map 2116).

GENERAL GEOLOGY

The porphyry copper environment

As a result of the Parr discovery, a controversy has arisen among geologists

regarding the possibility of the existence of porphyry-type copper deposits in rocks as old as those of the Canadian Shield. This is discussed by Dr. Paul Gilmour of Tucson Arizona in the following extract from his report to Parr and Quadroyal dated the 19th of November 1970. Dr. Gilmour formerly lived in Noranda and is now concerned with the porphyry copper deposits of the southwest. He visited the Rush Lake area on my request to several of the companies involved: "It is recognized, of course, that use of the term "porphyry copper" deposit in regard to an occurrence in the Canadian Shield might be regarded with scepticism by some, but, such an attitude does not seem warranted today. Certainly, the economics of mining large, low-grade copper deposits used to require the presence of a (secondary) chalcocite blanket, but this is no longer true, as recent developments in B.C., and elsewhere, have shown. Similarly, it used to be thought that porphyry copper deposits are confined to "Laramide" (i.e., Late Cretaceous-Early Tertiary) intrusive rocks associated with the Cordillera of southwestern North America and South America. The discovery of "porphyries" in the western segment of the Circum-Pacific mobile belt, the Middle East and Europe has widened the geographical limits of porphyry occurrence, while the recognition of ages reached from Devonian (e.g., Gaspe Copper and Coxheath) to Mid Tertiary (e.g., Bingham, Utah, and Michiquillay, Peru) has expanded the range in time. It is believed by the writer that copper-molybdenum mineralization in the Bourlamaque stock may have porphyry affiliations. The Tribag occurrence in Ontario may be comparable to buried porphyry copper deposits associated with breccia pipes like Copper Basin (near Prescott, Arizona), Copper Creek (near Mammoth, Arizona) and, possibly, Cananea in Sonora, Mexico. In other words, there is no reason to doubt that porphyry copper deposits might exist in the Canadian Shield. Since the mineralization in the Rush Lake area bears some of the hallmarks of this type of occurrence, a careful evaluation is obviously warranted." Dr. E.G. Pye made similar observations in Ontario Department of Mines Miscellaneous Paper 37.

I myself am concerned with the relationship of mineral deposits to the ten mountain building periods which have occurred over the last 3500 million years, such as the Kenoran, Hudsonian, and Alpine periods, and have written "The relation of

Correlation to time and position within an orogenic period may well be more important than whether the period commences 2700 or 220 million years ago" (Society of Mining Engineers of AIME Proprint number 71-5-3).

The relatively small granitic bodies with which porphyry-type copper deposits occur are intruded late in the mountain building cycle. If the granites are intruded to a particular level with respect to the earth's surface, the most critical aspect may well be whether or not erosion has removed everything at this level. As we are finding this type of granite and mineral deposit, it seems that erosion may not have reached all deposits in the earlier mountain systems.

Lithology

A.M. Goodwin has described the geology of Heenan and Marion Townships and the Northern Part of Genoa Township (Ontario Department of Mines Geology Report 38, 1965). The following extracts are from his section "Acid Intrusions" Page 28:-

"The main mass of acid rock, situated near Rush Lake is composed of massive to gneissic granite, granodiorite, and syenite. It forms the west margin of a large regional mass that extends many miles to the east.

This relatively homogeneous granitic mass is margined in the northeast quarter of Marion township by numerous clusters of granite sills and dikes, which penetrate the older volcanic and sedimentary rocks; and in the southeast quarter of the same township by a "granite - diorite" complex up to 8,000 feet wide in which diorite and granitic rocks are so intimately interfingered that separation of the two proved impracticable.

Grey to pink, medium-grained, massive, hornblende-biotite granite is the most common acid intrusive rock. Although commonly massive, a faint alignment of platy minerals and of xenoliths was observed in many outcrops. Any such planar element is normally parallel to adjacent granite-greenstone contacts. Coarse grained and

porphyritic varieties of granite are not uncommon. Pegmatitic phases are rare." This description of rock types accords with that seen in the discovery area.

EXPLORATION PROGRAMME

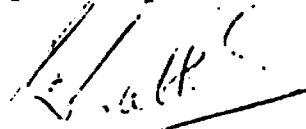
In general, the initial phase of exploration has been based on induced polarization surveys on lines spaced 400 feet apart. The survey of the Marquis ground is complete, that on the Parr discovery is approaching completion, and that on Quadroyal will be started when the Parr survey is completed. (Surveys cannot be performed within about five miles of each other with the system used at Parr).

The Marquis results are therefore the first available. These show a zone of chargeability (IP) highs accompanied by a resistivity low, extending across the entire group, 1,000 feet wide where it passes into the Schenk and Logan group to the west and 2,000 feet wide where it passes into the Miller group to the east. In their conclusions to the report on their survey, Barringer Research Ltd. note: "Results of the geophysical survey suggest that the source of this anomalous system is a non-magnetic, possible porphyry type mineralization controlled by the tectonic features of the area".

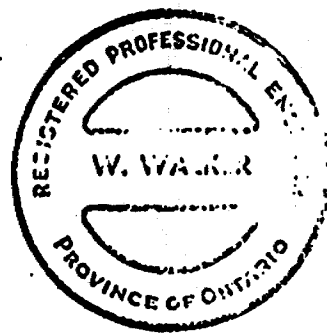
A suite of rock samples from the area collected by Dr. Gilmour was examined microscopically by Dr. J. Guilbert at the University of Arizona. In an oral report to the writer, Dr. Guilbert made comparisons with the porphyry deposits of the cordillera, but noted that the Grenville mountain-building period, 1000 million years ago may have changed some of the original mineral and alteration zoning features for which we are looking. Dr. Guilbert is currently evaluating a more closely spaced selection of samples from the Marquis ground. A drill programme has been planned on the basis of the IP results to test a cross-section of the chargeability highs, but the programme may be modified as a result of Dr. Guilbert's study.

It is anticipated that no work will be carried out on the Miller, Clarke, and Schenk and Logan properties until results are available from the others where work is underway.

Respectfully submitted,

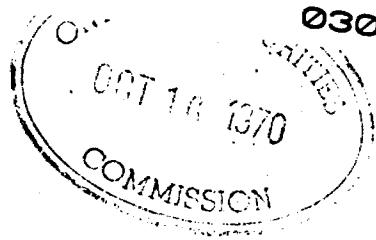


W. Walker,
F.G.A.C., P.Eng.





3



PARR MINES LIMITED
MARION AND GENOA TOWNSHIPS
DISTRICT OF SUDBURY, ONTARIO

BY
W. WALKER, F.G.A.C., P. ENG.

TORONTO, ONTARIO
JULY 1970

*from Disc of Ontario Securities Commission
report concerning prospectus dated 12 Nov 1970*

PARR MINES LIMITED
MARION AND GENOA TOWNSHIPS, ONTARIO

SUMMARY

Disseminated copper mineralization has been discovered on the southwest shore of Rush Lake in massive granite which contains many partially assimilated volcanic remnants.

The copper mineralization has been opened up by four pits within an area 300 feet by 100 feet. As a result of this initial work, the discovery block of 49 claims was staked. This report refers to this discovery block.

The discovery showings are near the west end of a granitic complex: this end of the complex has the aspects of a boss and has the character common to late tectonic acid intrusives.

The occurrence appears, therefore, to be a true porphyry copper type deposit.

An allowance of \$32,000.00 should be made for geological and induced polarization survey with drilling to follow.

INTRODUCTION

Purpose

The discovery of porphyry copper type mineralization on the Parr Mines property comes at a time when geologists are just coming to appreciate that such deposits can and do occur in old terrains. A few years ago a discovery of this type might well have been ignored. Now it appears to have major significance both in itself and as further evidence of the existence of copper porphyries in old terrains. The purpose of this report is to describe the discovery area and its regional setting and to make recommendations for the initial phases of work.

The Property

The company has acquired forty-nine contiguous unpatented mining claims in a square block which lies across the south part of the mutual boundary between Marion and Genoa townships, District of Sudbury, Ontario. The claims are numbered S-265130 to S-265178 inclusive.

Location and Access

The property is at the south end of Rush Lake which is most readily reached by air from South Porcupine (65 miles northeast of the property) or Sudbury (110 miles to the southeast).

By road, the new Highway 144 from Sudbury to Timmins will shortly be opened officially, and Highway 560 now joins Gogama to Elk Lake. Between Westree and Gogama the woods road of the KVP company is used by tractor transports at least as far as Jerome, 10 miles south of the property, and one of the network of woods roads join it to the south end of Rush Lake. The system of woods roads continues westward to Sultan on the C.P.R., about 25 air miles southeast of Rush Lake.

Previous Work

There is no evidence of previous work in the larger granitic areas, but the Swayze greenstone belt saw considerable exploration for gold forty years ago, with minor production and many gold and several base metal occurrences are noted on published maps (eg. Ontario Department of Mines Map 2116)

GENERAL GEOLOGY

The Parr property is on the east flank of the Swayze volcanic centre which was formed during the Kenoran orogenic period, about 2500 million years ago. The granitoid rocks within and around the area are of atleast four types:

1. Pre-Kenoran, forming part of the basement on which the Kenoran volcanics were extruded.
2. Syntectonic Kenoran granites
3. Late tectonic Kenoran granites
4. Granitoid gneisses of the Kapuskasing Gravity High

The normal environment for porphyry copper deposits is in the late tectonic granites (3). There is a suggestion in the rounded form of the granite contacts and the circular zoning on the aeromagnetic maps that the granitic area is complex and that the west end, centered to the southwest of Rush Lake, may well be a boss (and so perhaps late tectonic).

A.M. Goodwin has described the geology of Heenan and Marion Townships and the Northern Part of Genoa Township (Ontario Department of Mines Geology Report 38, 1965) The following extracts are from his section "Acid Intrusions" Pg. 28:-

"The main mass of acid rock, situated near Rush Lake is composed of massive to gneissic granite, granodiorite, and syenite. It forms the west margin of a large regional mass that extends many miles to the east.

This relatively homogeneous granitic mass is margined in the northeast quarter of Marion township by numerous clusters of granite sills and dikes, which penetrate the older volcanic and sedimentary rocks; and in the southeast quarter of the same township by a "granite - diorite" complex up to 8,000 feet wide in which

diorite and granitic rocks are so intimately interfingered that separation of the two proved impracticable.

Grey to pink, medium-grained, massive, hornblende-biotite granite is the most common acid intrusive rock. Although commonly massive, a faint alignment of platy minerals and of xenoliths was observed in many outcrops. Any such planar element is normally parallel to adjacent granite-greenstone contacts. Coarse grained and porphyritic varieties of granite are not uncommon. Pegmatitic phases are rare." This description of rock types accords with that seen in the discovery area.

ECONOMIC GEOLOGY

The copper mineralization was discovered on June 11th, 1970 by S. Ivanov just above high water mark on the headland on the southwest side of Rush Lake. Upon discovery, Mr. Ivanov and his partner Mr. Jerome, proceeded to prospect, strip and blast in the area of the mineralized outcrop, resulting in the four pits now in evidence. The pits average twenty-five feet long, ten feet wide and five feet deep. At the time of the visit the pits were half full of rubble but the sides were quite visible and accessible.

The pits are within an area 300 feet by 100 feet on the east side of the prominent headland on the southwest shore of the lake.

The mineralization is, in order of abundance, chalcopyrite, bornite, pyrite, malachite and possibly chalcocite. Most of the broken rock specimens show only chalcopyrite as fine dissemination and irregular splashes. In the more highly mineralized zones, chalcopyrite and bornite also occur near and on fractures which are malachite smeared. There appears to be a direct association between the malachite and bornite. From a brief examination the fractures appear to be running north-south and east-west. At the intersection of these fractures the richest splashes of mineralization occur.

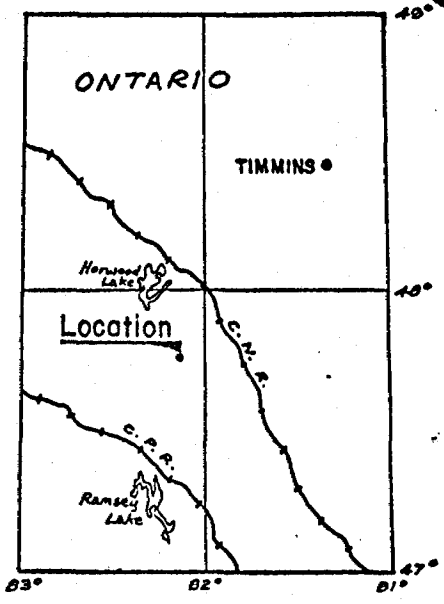
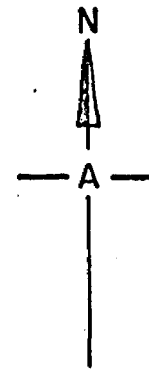
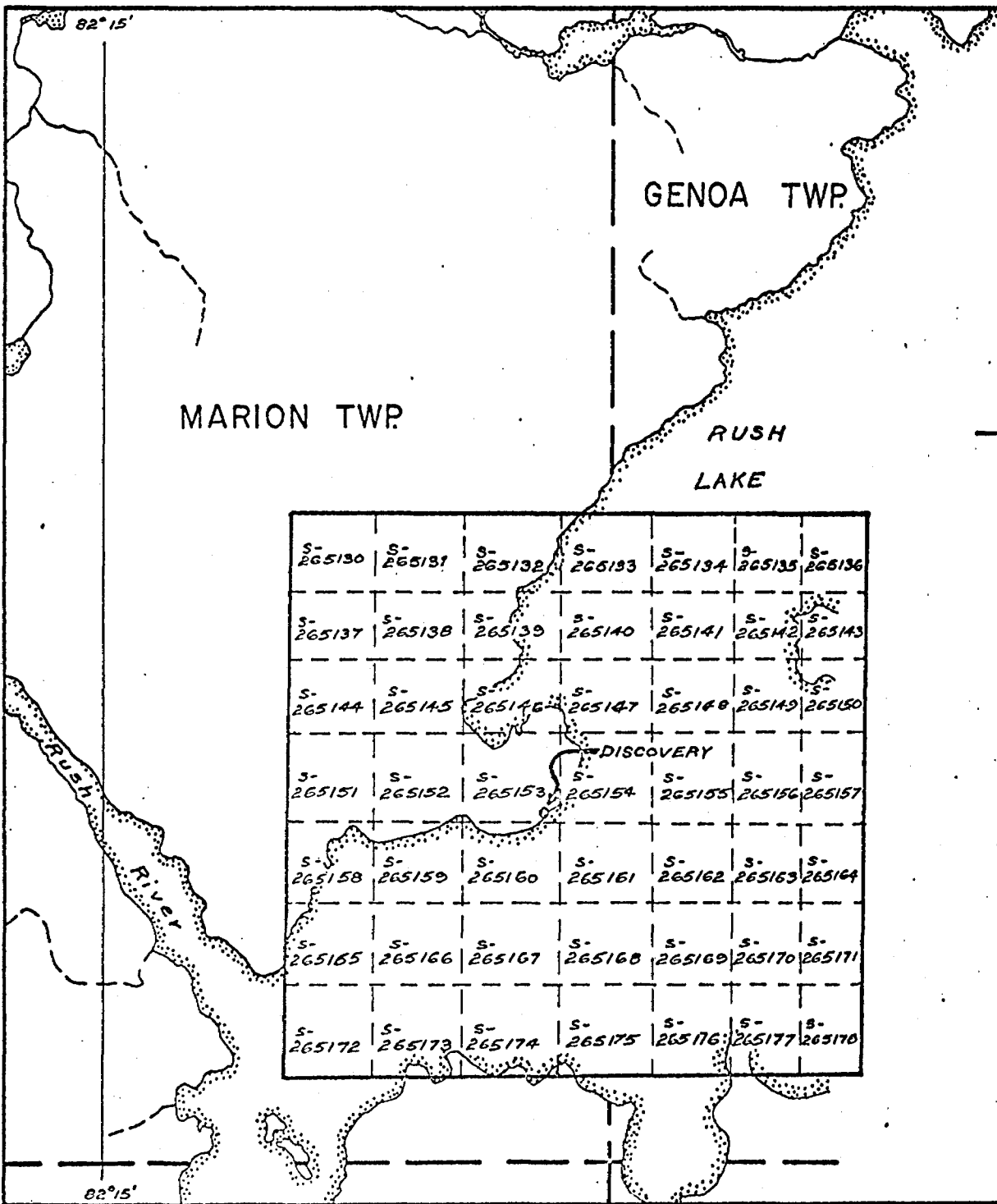
There is slight to strong disseminated mineralization throughout the 300 foot by 100 foot area examined (both in the unopened outcrop and the pits). The disseminated mineralization is most abundant in the poorly assimilated country rock particularly those of dacitic aspect. A visual estimate is that the overall grade in this area is about 0.5 to 0.7% copper.

In the massive granite zones, medium grained chalcopyrite mineralization is quite evident; very fine chalcopyrite is quite common in other zones and can be difficult to see and to differentiate from barren zones. Commonly pseudomorphs after pyrite and occasionally gossaning on the weathered surfaces provides the clue to underlying mineralization. In places where the granite is potash rich, mineralization was not seen.

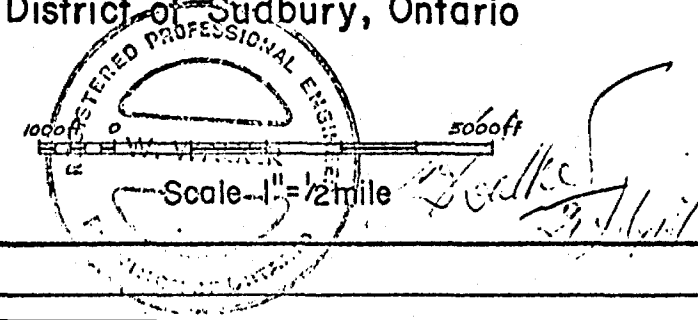
CONCLUSIONS

The discovery appears to be a true porphyry type copper deposit and follows quickly on a paper delivered in March 1970 by Dr. E. G. Pye of the Ontario Department of Mines which noted "the increased emphasis on the search for big low-grade deposits" in which copper-molybdenum is the usual target. The very old (2300 to 2700 million years) Kenoran volcanic centres are now considered to be very similar to the Alpine centres in which most of the producing porphyry coppers have been found. The Pearl Lake porphyry being mined by McIntyre Porcupine at Timmins is to date the only known producer of this type in the Kenoran formations. Gaspé copper is a producing porphyry copper relating to the Caledonian orogenic period. It is evident, therefore, that porphyry type copper deposits of economic proportions can and do exist in pre-Alpine environments, and specifically in the Kenoran environment.

The extent and local control of the mineralization has not yet been established. The mineralization so far opened up leads one to suppose that the area has great potential.



PARR MINES LIMITED
 CLAIMS LOCATION MAP
 MARION AND GENOA TWPS.
 District of Sudbury, Ontario



63.2880



41016SE0038 63.2880 GENOA

900

104 NIPIGON AVENUE
WILLOWDALE, ONTARIO
CANADA

WILFRED WALKER

CONFIDENTIAL ONTARIO SECURITIES
CONSULTING GEOLOGIST



March 30th, 1971

Parr Mines Ltd.
366 Bay Street
Toronto 1, Ontario

Gentlemen:

Marquis, Schenk and Logan, and Miller Properties

Barringer Research Ltd. recently performed induced polarization and magnetic surveys on the Rush Lake property of Marquis Mines Ltd. The survey indicates an anomalous zone trending easterly for the full 5,000 feet length of the property. At the west end, where it adjoins the Schenk and Logan property the zone is 1,000 feet wide, and at the east end, where it adjoins the Miller property it is 2,000 feet wide. Copper mineralization is known at surface in the anomalous zone.

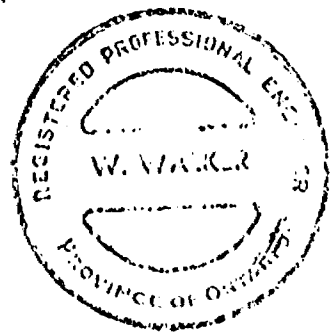
I act as consulting geologist for both Parr and associated companies and Marquis, and commonly advise Messrs. Schenk and Logan and Miller as to both property acquisition and disposal.

As a result of work performed to date it appears to be of mutual advantage if those holding the three properties can arrange to act in consort, and this I recommend.

An initial three drill hole programme to cross section the anomalous zone has been recommended for the Marquis property. Work on the Schenk and Logan and Miller properties should await the outcome of the Marquis programme.

Respectfully submitted,

W. Walker
P.G.A.C., P. Eng.



WR/lm