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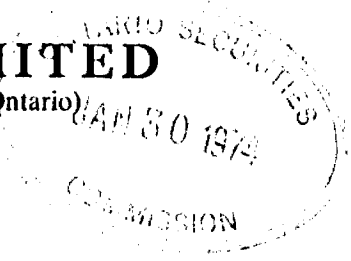
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No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder, and any representation to the contrary is an offence.

NEW ISSUE

PRESTIGE MINES LIMITED

(Incorporated under the laws of the Province of Ontario)



Offering of 300,000 common shares
of which 200,000 are underwritten
and 100,000 shares are under option as follows:

| Underwritten | Under Option (1) | Price per Share to the Company | Net Proceeds to the Corporation | Maximum Offering Price per Share to the Public |
|----------------|------------------|--------------------------------|---------------------------------|--|
| 200,000 | | 15¢ | \$30,000 | 30¢ |
| | 100,000 | 20¢ | \$20,000 | 40¢ |
| <u>200,000</u> | <u>100,000</u> | | <u>\$50,000</u> | |

(1) There is no obligation upon the Underwriter-Optionee and there is no assurance that the optioned shares will be purchased.

The purpose of this issue is to provide the Corporation with sufficient funds to implement the recommended exploratory program as described in the heading "Use of Proceeds" on the Corporation's claims described in the heading "The Hincks Township Claims", to pay the costs of this prospectus and for current operating expenses.

SECONDARY OFFERING

75,000 shares, the proceeds of which will accrue to the selling shareholder, Gordon-Daly Grenadier Limited, and not to the treasury of the Corporation, which shares will be offered following the offering and sale of the underwritten and optioned shares.

THERE IS NO MARKET FOR THE SHARES OF THE CORPORATION
THESE SHARES ARE SPECULATIVE SECURITIES

The shares offered hereunder are subject to prior sale and subject to approval of all legal matters on behalf of the Corporation and Underwriter-Optionee by Messrs. Blackwell, Law, Treadgold & Armstrong, Toronto, Ontario.

Gordon-Daly Grenadier Limited

350 Bay Street, Toronto, Ontario



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GROUP

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THE CORPORATION

PRESTIGE MINES LIMITED (hereinafter called "the Corporation") was incorporated under the laws of the Province of Ontario by Articles of Incorporation dated the 18th day of October, 1973, with an authorized capital of 3,000,000 shares without nominal or par value, provided that the said shares may not be issued for a consideration exceeding the sum of \$1,500,000 in the aggregate without payment of the necessary additional fees required by the Treasurer of Ontario. The head office is located at Suite 520, 25 Adelaide Street East, Toronto, Ontario.

HISTORY AND BUSINESS

The Corporation was recently incorporated for the general purpose of mining exploration and has acquired twelve contiguous mining claims in Hincks Township, District of Timiskaming, Larder Lake Mining Division, Ontario, more particularly described below. The claims are without known bodies of commercial ore, and the proposed work program described herein is only exploratory in nature. There is no surface or underground plant or equipment located on the property, and present management has not carried out any surface or underground exploration to date. The carrying out of additional exploration work on the property will depend upon the results obtained from the first stages of exploration work and also upon the funds which may be available to the Corporation.

THE HINCKS TOWNSHIP CLAIMS

The twelve mining claims held by the Corporation (hereinafter called the "Hincks Township claims") are located in Hincks Township, Matachewan Area, in the Larder Lake Mining Division, Ontario. The property is located about 45 miles west of Kirkland Lake and 40 miles southeast of Timmins and is readily accessible by highway 65 to Matachewan, then by highway 566 which leads to the Ashley Mine, which is about 3 miles from the property. Highway 566 continues from Ashley to the property crossing over the north part of the property. The Hincks Township claims are officially designated as claim numbers 373965, 373966, and 374749 to 374758 inclusive.

The Corporation's title to the claims is the usual title to unpatented mining claims in Ontario, namely the right to proceed under The Mining Act to explore and/or develop the claims and eventually to convert them into mining leases. This requires the performance of a total of 200 days work per claim, and the carrying out of a survey. Subject to extension orders which may be obtained from time to time, twenty days work per claim must be performed and recorded within the first year from the date of recording and forty days work per claim must be performed and recorded yearly thereafter for the next three years and sixty days work per claim must be performed and recorded in the fifth year. Thereafter and after land surveying, the claims are required to be brought to a twenty-one year lease in the ensuing year with annual rentals of \$1.00 per acre for the first year and 25 cents per acre thereafter. If the lease is for mining rights only, rentals for the second and subsequent years are at the rate of 10 cents per acre. Mining leases are renewable generally for succeeding twenty-one year terms.

The following is a summary of the report of J. D. McCannell, Consulting Geologist, dated November 26, 1973, with respect to the Hincks Township claims. This report is available for inspection at the offices of the Ontario Securities Commission, 555 Yonge Street, Toronto.

The following report describes a group of twelve mining claims comprising approximately 480 acres and located in Hincks Township, Matachewan Area, Ontario. The property includes most of the ground that was formerly held by the McCollum Gold Mines Limited and on which a limited amount of surface work was carried out in the early 1930s. The claims group is located three miles northwest of the shaft on the Ashley Gold Mines Limited property.

The McCollum Gold Mines Limited is described briefly in the Ontario Department of Mines report, Volume XLI, Part II, Bannockburn Gold Area by H. C. Rickaby. This report states that two grab samples from a 12-inch quartz vein assayed \$25.00 and \$8.20 per ton in gold. These assays would represent about \$100.00 and \$35.00 per ton at the current free world price of gold. At the time of H. C. Rickaby's visit to the property in 1931, the vein was exposed for a length of fifty feet but was later exposed by trenching for a length

of six hundred feet. Mr. McCannell could find no evidence either in the field or in existing records, that any diamond drilling or other exploration work beyond the trenching mentioned above, has been carried out on this ground. This original showing and trenching is located in the claims group held by the Corporation. The Bannockburn Gold Area report also states that the quartz vein is mineralized with pyrite and some specularite.

The area of the trenching was recently examined by Mr. McCannell but the trenches, having been excavated in overburden, are all partially filled with debris and considerable work would have to be done before any useful information could be obtained from them. The area is readily accessible and Mr. McCannell is of the opinion that this gold bearing zone could best be explored with a series of short diamond drill holes. The old trenching was all put in to follow the vein so that no attempt was made to look for parallel gold bearing quartz structures. Because of the presence of pyrite and pyrrhotite mineralization, an electromagnetic survey over the entire claims group might also provide some useful information.

Mr. McCannell recommended that a geophysical survey using a V.L.F. electromagnetic unit be carried out over the entire claims group. Also a minimum of 1,000 feet of diamond drilling was recommended in a series of closely spaced short holes to probe the known gold bearing zone. The estimated cost of this work is as follows:

| | |
|--|--------------------|
| Line cutting 13 miles @ \$100.00 per mile | \$ 1,300.00 |
| E.M. Survey 12 miles @ \$95.00 per mile | 1,140.00 |
| Diamond Drilling 1,000 feet @ \$10.00 per foot | <u>10,000.00</u> |
| Total | <u>\$12,440.00</u> |

The claims were acquired by the Corporation from Harry P. Bregman as vendor thereof under an agreement dated the 23rd day of November, 1973, in consideration of the allotment and issue to the vendor of 750,000 fully paid and non-assessable shares of the capital stock of the Corporation. Of the said shares, 10% are free and 90% are escrowed (see section headed "Escrowed Shares" for particulars of escrow). On the direction of Mr. Bregman the said escrowed shares were issued in the name of 277056 Ontario Limited, a company wholly-owned by him.

The vendor's shares were allotted by the Directors at the price of \$14,000. This price does not necessarily bear any relation to the actual worth of the property or the costs to the vendor.

The cost to the vendor of prospecting and staking the claims was \$1,500, and the vendor did not perform any preliminary exploration work. The agreement of November 23, 1973, referred to above, which sets out the terms of the escrow, also provides that if the Corporation has lost, alienated or has not obtained a good or marketable title to, or that the Corporation has abandoned or discontinued development of any or all of the aforesaid property, or that any or all of the said property which was or formed part of the consideration for which the aforesaid shares were issued, has become of little or no value, the remaining escrowed shares will be donated back to the Corporation or to a trustee of the Corporation, in either event for the benefit of the Corporation.

Harry P. Bregman resides at 175 Dunvegan Road, Toronto, Ontario.

Subsequently, Harry P. Bregman sold the said 75,000 free shares to Gordon-Daly Grenadier Limited at 25 cents per share, and the said shares form a part of the securities offered by this prospectus. Harry P. Bregman, Stanley Mourin, 131 Bloor Street West, Toronto, Ontario, and Peter Cowie, 4501 Sherbrooke Street West, Montreal, Quebec, are the only persons who own more than a 5% interest in Gordon-Daly Grenadier Limited.

CAPITALIZATION

The Corporation has one class of stock authorized, namely, 3,000,000 shares without par value. Of these, there are at present issued 750,005 shares, all fully paid. All shares carry full voting rights of one vote for each share and rank equally as to dividends and participation in assets. The shares when purchased by the

Underwriter-Optionee are not subject to further calls or to assessment. There are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights. No dividend has been paid to date, nor is it expected that any dividend will be paid in the foreseeable future.

| Security | Authorized | Outstanding as of December 14, 1973 | Amount Outstanding if all securities are sold |
|-----------------------------|---|---|---|
| Common without par value | 3,000,000 (not to exceed \$1,500,000) | 750,005 (\$14,005) | 950,005* (\$44,005) |

* This figure reflects only the sale of 200,000 underwritten shares. If the 100,000 shares under option are all taken up and paid for, the number of shares outstanding would be 1,050,005 and would be issued for a consideration of \$64,005.

ESCROWED SHARES

Certificates representing 675,000 shares of the capital stock of the Corporation are held by Guaranty Trust Company of Canada in escrow, subject to release only on the prior written consents of the Board of Directors of the Corporation and the Ontario Securities Commission, and subject to transfer, hypothecation or other alienation within the escrow only on the prior written consent of such Commission.

| Designation of Class | Number of Shares Held in Escrow | Percentage of Class |
|----------------------|------------------------------------|---------------------|
| Common | 675,000 | 71% (1) |

(1) Calculated on the basis of there being 950,005 shares issued and outstanding following the sale of 200,000 underwritten shares.

OFFERING

Treasury Shares

Pursuant to an agreement dated the 9th day of January, 1974, between the Corporation and Gordon-Daly Grenadier Limited, 350 Bay Street, Second Floor, Toronto, Ontario, (sometimes referred to in this prospectus as the "Underwriter-Optionee"), the Corporation agreed to sell, and the Underwriter-Optionee agreed to purchase, 200,000 shares at fifteen cents per share payable on the effective date as hereinafter set forth. In consideration of the said firm underwriting, the Underwriter-Optionee was granted the right and option to purchase all or any part of an additional 100,000 shares at twenty cents per share within three months of the effective date.

The "effective date" is the third business day following the date these securities are qualified for sale in Ontario with the Ontario Securities Commission.

The Underwriter-Optionee (a security dealer) entered into the aforesaid agreement on its own behalf. The only persons having a greater than 5% interest in the Underwriter-Optionee are the said Harry P. Bregman, Stanley Mourin and Peter Cowie.

The parties to the said agreement understand that in the event of default or any extension of any option, an amendment to this prospectus must be filed with the Ontario Securities Commission as soon as practicable, and in any event within ten days thereof, if the shares of the Corporation are then in distribution to the public.

There are no sub-underwritings or sub-options outstanding or proposed to be given at this time; however, the Underwriter-Optionee has advised that during the course of distribution to the public of the Corporation's shares, it may grant sub-underwritings or sub-options to registered security dealers who may engage in distribution to the public at a price not exceeding one cent per share in excess of the price to be paid by the Underwriter-Optionee under the provisions of the underwriting and option agreement aforesaid.

The Underwriter-Optionee has also advised that it may from time to time retain one or more other registered security dealers on an agency basis to sell or offer for sale underwritten and/or optioned shares, paying such agents a commission not exceeding twenty-five per cent of the selling price of the shares to be sold, and in addition may pay costs and expenses of such dealers incidental to the distribution and sale of the said shares.

Other than the firm purchase of the initial 200,000 shares at fifteen cents per share, there is no obligation on the Underwriter-Optionee to take up any further shares from the Corporation.

Secondary Offering

The 75,000 free vendor shares issued to Harry P. Bregman (see section headed "The Hincks Township Property") and in turn sold by him to the Underwriter-Optionee are also being offered under this prospectus and will be sold to the public under any of the selling plans set forth in this prospectus or through any registered security dealer who will be acting as agent, at the usual and customary commission rates authorized by The Toronto Stock Exchange for the sale of mining shares. However, the Corporation's undertaking will be furthered by the sale of its shares to the public only to the extent that the shares are purchased from the Corporation by the Underwriter-Optionee pursuant to the aforementioned underwriting and option agreement. Proceeds of sale from the 75,000 shares will not go into the treasury of the Corporation. The said 75,000 shares will be offered only after the underwritten and optioned shares have been taken down and paid for.

USE OF PROCEEDS

The Corporation is assured of receiving \$30,000 from the firm underwriting of 200,000 shares at fifteen cents per share. The proceeds from this offering will be used:

1. to pay preliminary expenses including legal and audit fees, incorporation costs and costs of filing this prospectus, estimated at \$5,000;
2. to pay administration fees for the 1973 fiscal year, estimated at \$5,000, assuming normal exploration and corporate activities;
3. to carry out the preliminary exploration program of line-cutting, electromagnetic surveying and diamond drilling on this property as recommended by J. D. McCannell, at an estimated cost of \$12,440.

Excess moneys will form part of the general working capital of the Corporation, to be used for general operating expenses. While the Corporation has no plans in this regard at the present time, moneys in its treasury, as available, may also be used to defray programs of acquiring, staking, exploring and developing other properties, either alone or in concert with others, and to generally carry out exploration programs as opportunity and finances may permit. However, moneys will not be expended to acquire or work on new properties, moneys will not be advanced to other corporations except to the extent necessary to enable the Corporation to implement the foregoing proposed programs, and moneys will not be invested in securities other than those permitted by law for trustees without an amendment to this prospectus being filed if the securities of the Corporation are then in the course of distribution to the public.

DIRECTORS, OFFICERS AND MANAGEMENT

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

President and Director IRWIN ARTHUR WALLACE, 2500 Bathurst Street, Toronto, Ontario, is a self-employed Notary Public and Insurance and Real Estate Broker, 330 Bay Street, Toronto, and also acts as an Officer and/or Director of several mining companies, including Mill Creek Explorations Limited, Shilo Mines Limited and Staple Mining Company Limited.

Secretary-Treasurer and Director TERRY SOKOLOFF, 749 Steeles Avenue West, Unit 25, Willowdale, Ontario, Accountant. Since September 24, 1971 employed by and is a Director and Officer of Shlesinger Corporate Services Limited, 25 Adelaide Street East, Toronto, Ontario. Prior thereto employed by Laventhol Krekstein Horwath & Horwath, Chartered Accountants, Toronto. Also an officer and/or director of several mining companies including Iron Cliff Mines Limited, Shilo Mines Limited and Sperry Mining Company Limited.

Director DR. GERARD FRANCIS FLAHERTY, Ph.D., R.R. No. 1, Terra Cotta, Ontario, is now and has been for more than the past five years self-employed as a Consulting Geologist. He is also a Director of Bay Roc Mining Company Limited, Norlac Explorations Limited and Staple Mining Company Limited.

Director ARTHUR JOHN FORTENS, 47 Thorncliffe Park Drive, Toronto, Ontario. Accountant. Presently employed by Sprucedale Holdings Limited. From August 1, 1970 to May 31, 1971 employed as an Accountant by Fifth Floor Services prior thereto employed by Louada Holdings Limited, Louis Cadesky Associates (Northern) Limited and related companies. Is presently an Officer and/or Director of several mining companies including North American Rare Metals Limited, Carlton Explorations Limited and Pan-Ore Gold Mines Limited.

Director GERALD ISCOVE, 650 Eglinton Avenue West, Apt. 401, Toronto, Ontario. Insurance Agent of Paul Revere Life Insurance Company. Director of several mining companies including Boeing Explorations Limited, Corvette Mining and Explorations Limited, and Xtra Mining and Developments Limited.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No fees have been paid to directors or officers since the incorporation of the Corporation. During the current financial year, directors will be paid the sum of \$50.00 for each meeting attended.

No remuneration is intended to be paid to officers as such.

The Corporation proposes to engage Shlesinger Corporate Services Limited, Suite 520, 25 Adelaide Street East, Toronto, Ontario, professional corporate secretaries, to provide head office administration, accounting and secretarial services for the Corporation at a rate not to exceed \$350.00 per month. The only persons having a greater than 5% interest in Shlesinger Corporate Services Limited are Hanna Shlesinger, 41 Elderwood Drive, Toronto, Ontario, and Anita Sokoloff, wife of Terry Sokoloff, a Director and Secretary-Treasurer of the Corporation, who is also a Director, Officer and Employee of Shlesinger Corporate Services Limited.

PROMOTER

Harry Percy Bregman, 175 Dunvegan Road, Toronto, Ontario, is the promoter of the Corporation, and has received shares from the Corporation as consideration for the Hincks Township claims.

INTEREST OF MANAGEMENT

As referred to under the heading "The Hincks Township Claims", the Corporation purchased its present property from its promoter, Harry P. Bregman. In addition, Harry P. Bregman is one of the principal shareholders of Gordon-Daly Grenadier Limited, which is the Underwriter-Optionee of the Corporation's shares as described under the heading "Offering". Other than aforesaid, no officer, director or insider of the Corporation has or has had any material interest in any transaction.

MATERIAL CONTRACTS

The material contracts entered into by the Corporation from inception to the date hereof are as follows:

1. Agreement dated November 23, 1973, for the purchase of the Hincks Township claims from Harry P. Bregman fully described under the heading "The Hincks Township Claims".
2. Agreement dated January 9, 1974, between the Corporation and Gordon-Daly Grenadier Limited providing for the underwriting and option of treasury shares, fully described herein under the heading "Offering".

During distribution to the public of the securities offered under this prospectus, copies of the said agreements may be inspected at the head office of the Corporation during normal business hours.

PRINCIPAL HOLDERS OF SECURITIES

| Name and Address | Designation of Class | Type of Ownership | No. of Shares Owned | Percentage of Class (1) |
|--|----------------------|--------------------------------|---------------------|-------------------------|
| 277056 Ontario Limited, Suite 520, 25 Adelaide Street East, Toronto. | Common | Beneficial and of Record | 675,000 | 90% |
| Gordon-Daly Grenadier Limited, 2nd Floor, 350 Bay Street, Toronto, Ontario. | Common | Beneficial and of Record | 75,000 | 10% |

(1) Calculated on the basis of 750,005 shares issued and outstanding as of the date hereof.

TRANSFER AGENT AND REGISTRAR

Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, is the Transfer Agent and Registrar of the Corporation.

AUDITORS

Laventhol Krekstein Horwath & Horwath, Chartered Accountants, 700 Richmond-Adelaide Centre, 120 Adelaide Street West, Toronto, Ontario, are the auditors of the Corporation.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act (Ontario) provides, in effect, that where a security is offered in the course of distribution to the public:

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

Reference is made to Sections 64 and 65 of The Securities Act (Ontario) for the complete text of the provisions under which the above-mentioned rights are conferred.

PRESTIGE MINES LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET — DECEMBER 14, 1973

ASSETS

| | | |
|---|----|-----------------|
| Cash | \$ | 5 |
| 12 unpatented mining claims in the Township of Hincks, Larder Lake Mining Division, Province of Ontario, at valuation placed by the Board of Directors on 750,000 shares of capital stock issued therefor | | 14,000 |
| Organization expenses — estimated | | <u>5,000</u> |
| | | <u>\$19,005</u> |

LIABILITIES

| | | |
|---|----|-------|
| Estimated liabilities for organization expenses | \$ | 5,000 |
|---|----|-------|

SHAREHOLDERS' EQUITY

| | | |
|--|----|-----------------|
| Capital stock: | | |
| Authorized: | | |
| 3,000,000 Shares, no par value (not to exceed \$1,500,000) | | |
| Allotted — to be issued: | | |
| 5 Shares for cash | \$ | 5 |
| <u>750,000</u> Shares for mining claims | | <u>14,000</u> |
| <u>750,005</u> Shares | | <u>14,005</u> |
| | | <u>\$19,005</u> |

See accompanying notes.

Approved on behalf of the Board of Directors:

“I. A. WALLACE” (Director)

“T. SOKOLOFF” (Director)

AUDITORS' REPORT

To the Directors of
Prestige Mines Limited

We have examined the balance sheet of Prestige Mines Limited as at December 14, 1973 and in connection therewith reviewed such supporting evidence as we considered necessary in the circumstances.

In our opinion this balance sheet presents fairly the financial position of the company as at December 14, 1973 in accordance with generally accepted accounting principles.

Toronto, Ontario,
January 11, 1974.

LAVENTHOL KREKSTEIN HORWATH & HORWATH,
Chartered Accountants.

PRESTIGE MINES LIMITED

NOTES TO BALANCE SHEET

DECEMBER 14, 1973

1. By an agreement dated January 9th, 1974 an underwriter has agreed to purchase 200,000 shares of the company's capital stock at 15¢ per share payable within three business days of the date a prospectus of the company is accepted for filing by the Ontario Securities Commission (the "effective date").
In consideration for the firm purchase, the company granted the underwriter an option to purchase all or any part of an additional 100,000 shares of capital stock at 20¢ per share exercisable within three months of the "effective date".
2. A statement of source and application of funds has not been prepared because the company is newly incorporated and expenses to date are estimated only.

There are no other material facts.

DATED this 11th day of January, 1974.

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

"IRWIN ARTHUR WALLACE"
Chief Executive Officer

"TERRY SOKOLOFF"
Chief Financial Officer

"ARTHUR JOHN FORTENS"
Director

"GERALD ISCOVE"
Director

PROMOTER

"HARRY P. BREGMAN"

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

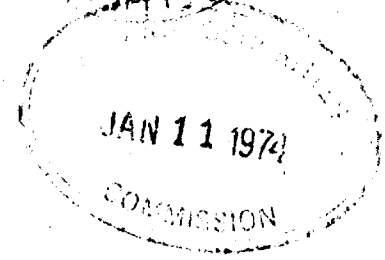
UNDERWRITER-OPTIONEE:
GORDON-DALY GRENADIER LIMITED

Per: "HARRY P. BREGMAN"



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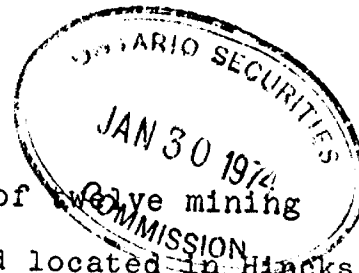


REPORT FOR
PRESTIGE MINES LIMITED
HINKS TOWNSHIP PROPERTY
ONTARIO

November 26, 1973

J. D. McANNELL

REPORT FOR
PRESTIGE MINES LIMITED
HINCKS TOWNSHIP PROPERTY
ONTARIO



SUMMARY

The following report describes a group of ~~gold~~ claims comprising approximately 480 acres and located in Hincks Township, Matachewan Area, Ontario. The property includes most of the ground that was formerly held by the McCollum Gold Mines Limited and on which a limited amount of surface work was carried out in the early 1930's. The claims group is located three miles northwest of the shaft on the Ashley Gold Mines Limited property.

The McCollum Gold Mines Limited is described briefly in the Ontario Department of Mines report Volume XLI, Part II, Bannockburn Gold Area by H.C. Rickaby. This report states that two grab samples from a 12 inch quartz vein assayed \$25.00 and \$8.20 per ton in gold. These assays would represent about \$100.00 and \$35.00 per ton at the current free world price of gold. At the time of H.C. Rickaby's visit to the property in 1931, the vein was exposed for a length of fifty feet but was later exposed by trenching for a length of six hundred feet. This original showing and trenching is located on the claims group discussed in this report. The writer could find no evidence either in the field or in existing records, that any diamond drilling or other exploration work beyond the trenching mentioned above, has been carried out on this ground. The Bannockburn Gold Area report also states that the quartz vein is mineralized with pyrite and some specularite.

The area of the trenching was recently examined by the writer but the trenches, having been excavated in overburden, are all partially filled with debris and considerable work would have to be done before any useful information could be obtained from them. The area is readily accessible and the writer is of the opinion

J. D. McOANNELL

REPORT FOR
PRESTIGE MINES LIMITED
HINKS TOWNSHIP PROPERTY
ONTARIO

SUMMARY

The following report describes a group of twelve mining claims comprising approximately 480 acres and located in Hinks Township, Matachewan Area, Ontario. The property includes most of the ground that was formerly held by the McCollum Gold Mines Limited and on which a limited amount of surface work was carried out in the early 1930's. The claims group is located three miles northwest of the shaft on the Ashley Gold Mines Limited property.

The McCollum Gold Mines Limited is described briefly in the Ontario Department of Mines report, Volume XLI, Part II, Bannockburn Gold Area by H.C. Rickaby. This report states that two grab samples from a 12 inch quartz vein assayed \$25.00 and \$8.20 per ton in gold. These assays would represent about \$100.00 and \$35.00 per ton at the current free world price of gold. At the time of H.C. Rickaby's visit to the property in 1931, the vein was exposed for a length of fifty feet but was later exposed by trenching for a length of six hundred feet. The writer could find no evidence either in the field or in existing records, that any diamond drilling or other exploration work beyond the trenching mentioned above, has been carried out on this ground. The Bannockburn Gold Area report also states that the quartz vein is mineralized with pyrite and some specularite.

The area of the trenching was recently examined by the writer but the trenches, having been excavated in overburden, are all partially filled with debris and considerable work would have to be done before any useful information could be obtained from them. The area is readily accessible and the writer is of the opinion

that this gold bearing zone could best be explored with a series of short diamond drill holes. The old trenching was all put in to follow the vein so that no attempt was made to look for parallel gold bearing quartz structures. Because of the presence of pyrite and pyrrhotite mineralization, an electromagnetic survey over the entire claims group might also provide some useful information.

It is recommended that a geophysical survey using a V.L.F electromagnetic unit be carried out over the entire claims group. Also a minimum of 1,000 feet of diamond drilling is recommended in a series of closely spaced short holes to probe the known gold bearing zone. The estimated cost of this work is as follows:

| | |
|--|------------------|
| Line cutting 13 miles @ \$100.00 per mile | \$ 1,300.00 |
| E.M. Survey 12 miles @ \$95.00 per mile | 1,140.00 |
| Diamond Drilling 1,000 feet @ \$10.00 per foot | <u>10,000.00</u> |
| Total | \$12,440.00 |

PROPERTY, LOCATION AND ACCESS

The property described in this report comprises a group of twelve unsurveyed claims of approximately 40 acres each and forming a contiguous rectangular block. The group is located in the east central part of Hinks Township, District of Timiskaming, Larder Lake Mining Division, Ontario. The claims included in the group are further described as follows: 373965, 373966 and 374749 to 374758 inclusive.

Hinks Township is located in what is generally referred to as the Matachewan Area and is about 45 miles west of Kirkland Lake and 40 miles southeast of Timmins. The area can be readily reached by highway 65 to Matachewan and then 566 which leads to the Ashley Mine and continues on across the north part of the claims group and joins with highway 560 at a point just east of Shingtree.

TOPOGRAPHY

The topography of the immediate area of this claims group can be described as reasonably rugged. It is made up of a series of fairly high outcrop hills separated by low hilly valleys. Except on the higher hills, the area is covered with a mantle of glacial soil and gravel. The entire claims group is covered with a fairly dense growth of both large and small timber. A long narrow lake known as McCollum Lake extends in an east-west direction through the central part of the property.

GENERAL GEOLOGY

Hinks Township is included on the Bannockburn Gold Area map published by the Province of Ontario Department of Mines in 1932 on the scale of 1 inch to 3/4 mile. This map sheet accompanies Volume XLI, Part II by H.C. Rickaby and is referred to as Map No. 41a. The map shows the geology of Hinks, Montrose, Bannockburn and Argyle Townships in fair detail.

The four townships are largely underlain by Keewatin type volcanic rocks with minor interbedded sediments. The volcanic rocks are made up of both acid and basic flows and associated pyroclastics. In places, these volcanic and associated formations are overlain by sediments of the Cobalt Series. The older rocks have been intruded by Algonian type granite, syenite and quartz porphyry. Both the early volcanic and the later intrusives have been cut by numerous north-south striking dikes of Matachewan diabase.

Map no. 41a shows the area of the claims group discussed in this report, to be underlain by basic volcanics with several small narrow dikes of quartz porphyry. A large mass of this intrusive is located immediately south of McCollum Lake. A recent examination

of the property by the writer, indicated that many of these granitic dikes are actually syenite and even the large mass on the south side of McCollum Lake is quite syenitic with only a low quartz content. A north-south striking diabase dike near the east side of the property forms a high outcrop ridge.

Gold is known to be associated with quartz veins in or near the contacts of the granitic intrusives. These quartz veins are often well mineralized with pyrite as well as minor amounts of sphalerite and possibly some chalcopyrite and pyrrhotite.

HISTORY AND PREVIOUS WORK

Gold was discovered a short distance south of McCollum Lake in 1931 following the discovery of the Ashley vein in the north-west corner of Bannockburn Township. The McCollum Lake gold showing is located on the claims group discussed in this report.

H.C. Rickaby, then a geologist with the Province of Ontario Department of Mines, examined the showing in 1931 and included a description of the property in his report on the area, Volume XLI, Part II, 1932. The part of his description dealing with the gold bearing quartz vein south of McCollum Lake is as follows: "The quartz was 12 inches wide striking approximately north-south and dipping 35° W. It was mineralized with coarse pyrite and a little specularite. Two grab samples from this vein assayed \$25.00 and \$8.20 per ton in gold. The vein could be traced for a distance of 50 feet at the time of the writer's visit to the property, and it has since been reported that it has been uncovered by trenching for a distance of 600 feet in the greenstones to the south.

Another vein occurs on the boundary line between claims Nos. 8163 and 8164. The quartz has a width up to 18 inches, and is

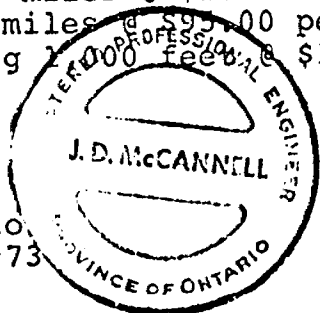
traceable for 150 feet. It strikes N.35° W. and dips 45° S.W. It appeared to be associated with a porphyry dike with the same strike. A grab sample of the quartz containing some pyrite showed a trace of gold on assay". This second vein is believed by the writer to be located about six hundred feet north of McCollum Lake and also on the present claims group.

The old trenching was located by the writer but no evidence could be found suggesting that diamond drilling had been carried out on the property. The ground was held in good standing for many years and there is no indication that any work was done other than that carried out in the early 1930's.

CONCLUSIONS AND RECOMMENDATIONS

It is the writer's opinion that this property warrants further exploration work, especially in the light of the present free world price of gold. The area is now readily accessible and it is possible to drive on a good highway directly to the claims group. The gold zone exposed by the 600 foot trench excavated in 1931, provides a good drilling target for a series of closely spaced short diamond drill holes. Also as sulphide mineralization, largely pyrite with minor pyrrhotite and chalcopyrite, has been observed associated with small quartz veins and in the basic volcanics, it is recommended that the entire 12 claims be covered by an electromagnetic survey. The estimated cost of this survey and a minimum of 1,000 feet of diamond drilling is as follows:

| | |
|--|--------------------|
| Line cutting 13 miles @ \$100.00 per mile | \$ 1,300.00 |
| E.M. survey 12 miles @ \$9.50 per mile | 1,140.00 |
| Diamond drilling 1,000 feet @ \$10.00 per foot | 10,000.00 |
| Total | <u>\$12,440.00</u> |



Toronto, Ontario
November 26, 1973

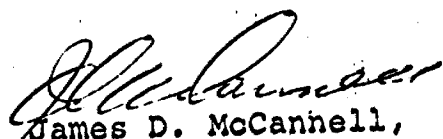
Respectfully submitted,
J.D. McCannell
James D. McCannell,
Consulting Geologist

J. D. McCANNELL

C E R T I F I C A T E

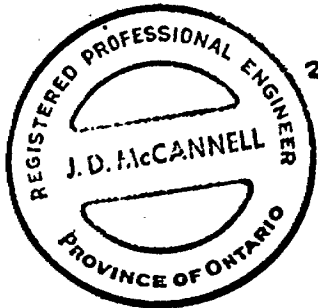
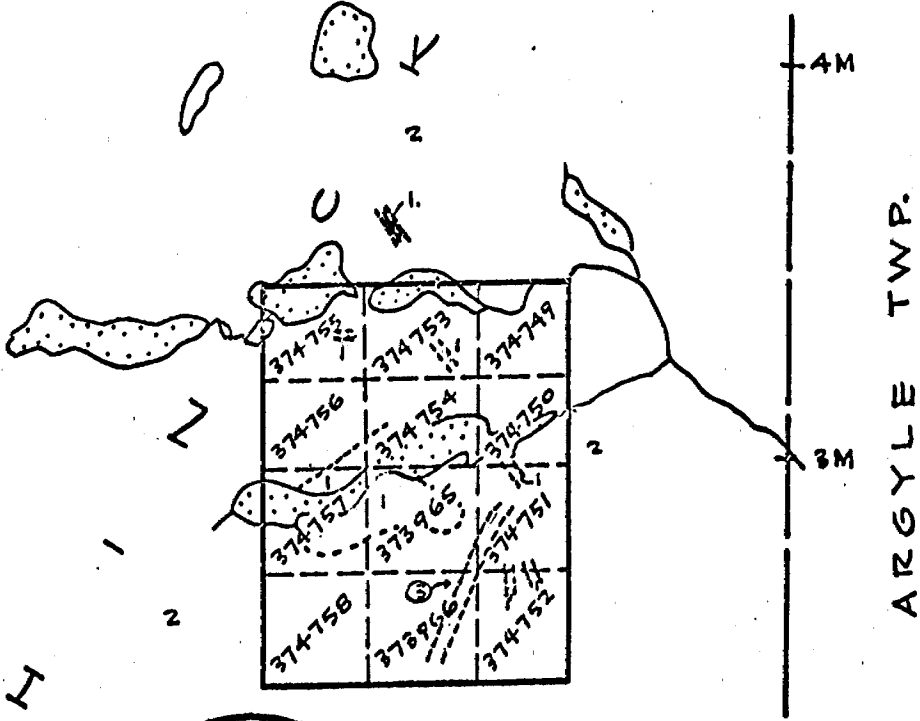
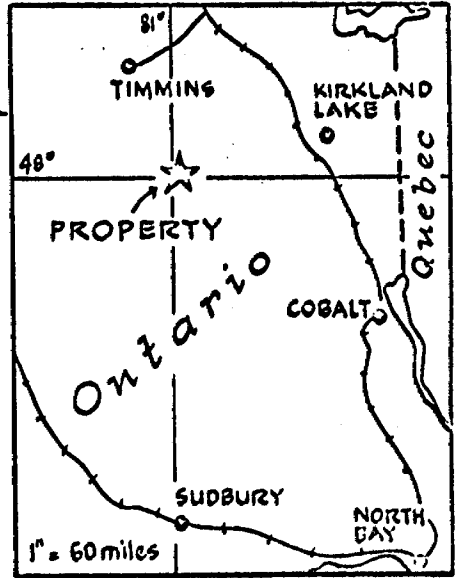
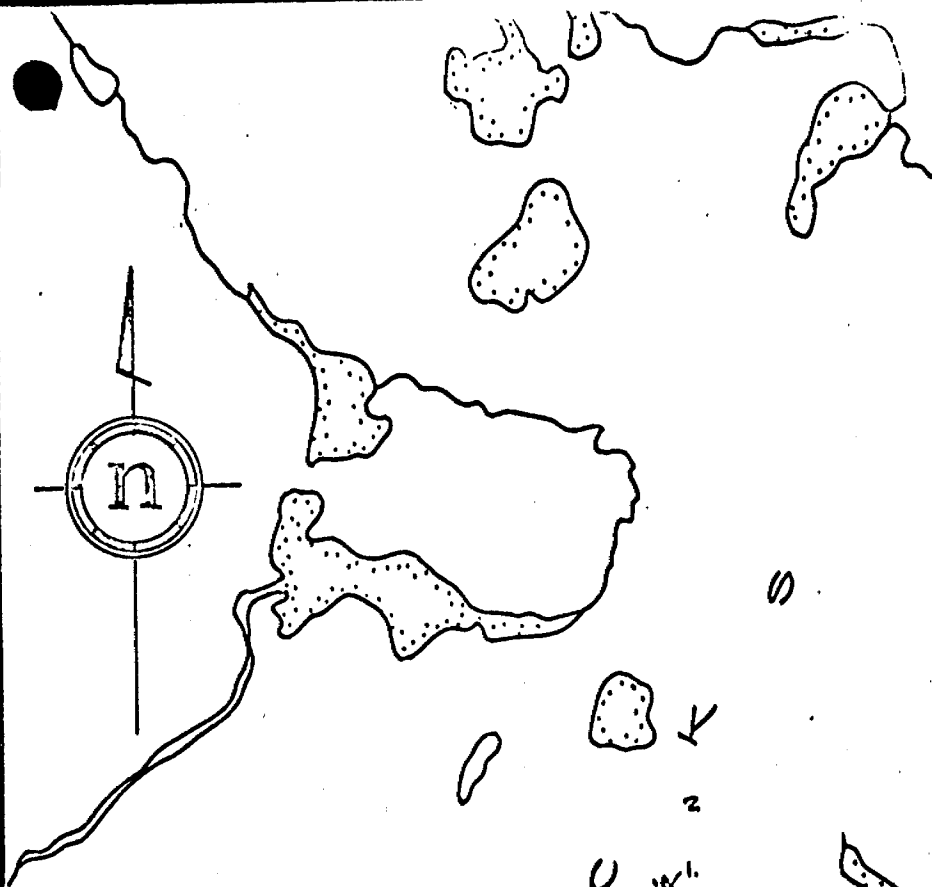
I, James D. McCannell of the City of Toronto, Ontario
do hereby declare:

1. That I am a Consulting Geologist and reside at
565 Avenue Road, Toronto, Ontario.
2. That I am a graduate geologist, having graduated
from the University of Western Ontario in 1943 and
have been practicing my profession as a geologist
since graduation.
3. That I have no interest either directly or indirectly
nor do I expect to receive any interest either directly
or indirectly in the properties discussed in this report.
4. That I have no interest either directly or indirectly
nor do I expect to receive any interest either directly
or indirectly in the securities of Prestige Mines Limited
or any affiliate thereof
5. That the information contained in the foregoing report
is based on published reports and maps as well as on
my personal examination of the claims on June 27th and
November 5th, 1973.


James D. McCannell,
Consulting Geologist

Toronto, Ontario
November 26, 1973





- 1 Granite
- 2 Basic Volcanics
- 3 Quartz Diabase

Claims Location Map

PRESTIGE MINES LIMITED

HINCKS TWP., DISTRICT OF TIMISKAMING
ONTARIO

Scale: 1 in to 1/2 mile

J.D. McCannell
Nov. 1973