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PRELIMINARY ACCOUNT

HUNTER MINE,
WHITNEY TOWNSHIP
ONTARIO

by

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SUMMARY

The Hunter Mine, discovered in 1908, operated discontinuously from 1911 to 1940, and produced in the period 1938 to 1940 approximately 5500 tons of ore grading an average of 0.234 ounces of gold to the ton. Development included an 855 foot incline shaft with levels opened at 280, 362, 482, 603, 725 and 850 feet, but with little lateral development, except at the first and second levels, from where all ore production was obtained. Four nearly parallel gold-bearing veins are known on the property, but only one has been mined at depth. This averages about 42 inches in width and probably exceeds 1000 feet in length.

In September of 1940 the mine closed owing to the withdrawal of financing needed elsewhere in the war effort at the time. Before closing, drill results from various levels indicated that ore-grade mineralization in mineable widths occurs at least as deep as the fifth level. These include, with values given in ounces of gold per ton:

5 feet of 0.40 gold on the first level,

15 feet of 0.402 gold on the second level directly below that given above,

10 feet of 0.29 gold, and 10 feet of 0.55 gold on the third level,

30 feet containing values to 0.11 on the fourth level,

17 feet of quartz in one hole, and 22 feet in another, with assays up to 0.29 gold.

None of the above has received follow-up development work, though their widths, grades, and distribution combine to indicate the presence of extensive gold mineralization throughout the old mine. The presence on surface of four gold-bearing veins adds further lustre to the property.

A program is proposed in this report of surface stripping to expose and sample the known veins at surface, underground dewatering, geological mapping, sampling, and assaying of the quartz vein systems to determine the grade of gold-bearing material still in place, a series of drill holes from surface and underground to test the character of the veins encountered in the drilling reported above, and a magnetometer survey to define the structure, and the potential for further veins on the property.

An overall budget of $1,200,000 is proposed to bring this old mine to a pre-production phase over the next 8 months.

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INTRODUCTION

This report is intended to be a brief account of the history, geological setting, and economic potential of the Hunter Mine in the Porcupine Mining Area of Canada. It is based on a brief examination of the wealth of information that is derived from files and reports that have survived to the present date from the last period of operation of the mine in 1940. To properly appraise this old deposit from the mine records would take a considerable period of time, perhaps a matter of 3 to 6 months, and even then the value of the deposit would be only partly defined owing to

uncertainties that would exist in 1983 as to the accuracy and significance of observations and assays generated in the 1920's and 1930's. Nevertheless, enough of these observations exist, particularly from 1940, to indicate that the old Hunter Mine probably has considerable gold still in place of economic grade, despite these uncertainties, and that a program of surface exploration, underground sampling, geophysical surveys, and drilling, is warranted as a preliminary to bringing this mine back into production.

LOCATION AND ACCESS

The Hunter Mine is located at the east end of Porcupine Lake, within the Municipality of Timmins, adjacent to the Town of Porcupine. It is within a half mile of Highway 101 and is traversed by a partly paved, partly dirt road from that highway.

Specifically, the property consists of the six patented mining claims, all in Whitney Township:

14051, being the NE¼, S½ Lot 10, Con. III.
14052, being the NE¼, N½ Lot 10, Con. III (Part)
1009, being the NE¼, N½ Lot 10, Con. III (Part)
10272, being the SE¼, N½ Lot 10, Con. III.
12803, being the SW¼, N½ Lot 9, Con. III.
7592, being the SE¼, N½ Lot 9, Con. III.
Unnumbered, being the NW¼, N½ Lot 9, Con. III.

(The above numbers and locations were taken from the Reoprt by David S. Robertson and Associates, 1983. Most of the numbers differ from those shown on early claim maps, except for 7592, 10272, and 14052. 14051 appears on the Robertson map as 10451 but has been changed here to agree with the claim map).

The old mine workings are almost entirely on claim 1009, underneath Porcupine Lake, which occupies approximately 25% of the western part of the property.

HISTORY

In the summer of 1908, a group of prospectors financed by a prospecting syndicate headed by H.F.Hunter, a lawyer of Toronto, made a discovery of gold-bearing quartz veins on the shores of Porcupine Lake in the then wilderness of Northern Ontario. This discovery, which was immediately staked for the syndicate, is generally regarded as the first in the Timmins area, and led directly to the staking rush of 1909 during which the Dome, Hollinger, McIntyre and Davidson mines were staked. The Dome, Hollinger and McIntyre mines are still in production and became, by the 1940's, some of the greatest gold producers in the world. The Davidson, closed in 1920, is currently in the process of reactivation.

Work on the Hunter Mine began in 1910, but a major fire destroyed the plant in 1911, and a further fire in 1913 destroyed the plant and equipment again. However, an incline shaft was sunk and a level established at 280 feet where some 675 feet of underground development took place before the mine closed during the 1914-1918 war.

In 1927 a new company was incorporated named the Porcupine Lake Gold Mining Company Limited. This group pumped out the mine, did some underground and surface sampling, and put down several drill holes, but ceased operations in 1929.

In 1935 Hollinger Consolidated Gold Mines pumped out the mine workings, conducted a sampling program, and put down some 1764 feet of diamond drilling in eight holes. In 1937-1938 the shaft was deepened to 855 feet, the present depth, and a 4 foot wide vein at 545 feet encountered with visible gold. In February, 1938 a total of 52 tons of test ore was shipped. This returned 0.70 ounces of gold per ton with 0.07 ounces of silver per ton. A mill on the property operated from April 25 to May 31, 1938 and treated 4174 tons of ore grading 0.437 oz. gold per ton, weighted average.

Additional production from the mine occured in 1940, but was limited to about 20 tons a day to accomodate the low capacity of the mill. Production was approximately 1325 tons to bring the total production through the mill, including the 4147 tons already mentioned, to 5500 tons having an average grade of 0.234 ounces of gold to the ton. All production came from the first and second levels.

Production from the mine ceased at the end of September, 1940, the reason being given, in a report to the shareholders dated 1941 that because of "conditions brought about by the war the underwriting syndicate which had been supplying the funds were unable to continue to do so, consequently the company's property was closed down". During the 1936 to 1940 period of operations some 578 feet of shaftsinking took place to deepen the shaft to 855 feet, and levels were established at 362, 482, 603, 725, and 850 feet.

In 1945 a ground magnetometer survey was conducted on the property using a very wide spacing of traverse lines and relatively insensitive instruments, with no traversing over that part of the property under Porcupine Lake. Nevertheless, important geological units were defined. In 1948 some drilling took place, but without further follow-up.

MATERIAL STILL IN PLACE

In the 1941 Report to Shareholders the following drill information, referring to material still in place, was made:

Hole 117: from the first level: 5 feet of 0.40 gold at 95'.

Hole 222: from the second level, immediately below Hole 117, the first 15 feet averaged 0.402 ounces of gold per ton.

Hole 304: from the third level averaged 0.29 oz Au/t over 10 feet from 78 to 88 feet.

Hole 305: from the third level, 50 feet east of 304, averaged 0.55 oz Au/t over 10 feet.

Hole 401: from the fourth level shaft crosscut, northward, cut a quartz vein 30 feet wide with values to 0.11

oz Au/t.

Hole 501: from the 5th level shaft station, southward, cut quartz from 8 to 25 feet.

Hole 503: from about 30 feet west of 501, cut quartz from 25 to 47 feet. Holes 501 and 503 assayed up to 0.29 ounces of gold per ton.

Considering that production had taken place from the first and second levels only and that the zones encountered in the above drilling were not developed, it is probable that the above intersections represent ore-grade material that is now in place and which warrant development into orebodies. At the present time in the Timmins area, mineable widths with values below 0.20 oz Au/t constitute ore, so that the assay values given above are for the most part particularly rich. It is probable, too, that much material that could constitute ore now, but did not do so in 1940, has been ignored by the workers at that time. The vein on the first and second level that supplied the ore during the mine's production was in fact "high graded" for maximum gold values. It is probable that areas exist in this vein system that can be mined now, but which were uneconomic in 1940.

A feature of the Timmins gold orebodies that adds considerable lustre to the above drill hole values, is the extremely erratic distribution of the gold in the vein systems, a distribution that results in numerous sub-economic assays from drill holes which cut highly economic ore zones. Three in five, and sometimes nine in ten, drillholes may produce assays of too low value to be of interest in a zone that is in fact highly economic.

In the writer's opinion, any of the above drill hole results would justify further work, if drilled today, and all of them taken together indicate an area of exceptional potential for developing further orebodies. Even if these holes are discounted, enough residual interest remains in the ground from geological considerations.

GENERAL GEOLOGY

Rocks in the immediate vicinity of the old mine consist of highly schistose Keewatin metamorphic rocks which are in part derived from mafic and ultramafic lavas. Drilling evidence from farther westward--from the middle of Porcupine Lake--indicates that Keewatin metasedimentary rocks are also present. Strike of the schistosity is northerly, with dips at -60° to the west. Two north northwestward diabase dikes are known on the property from surface indications, from underground workings and from geophysical evidence. In fact the ore zone on the first level of the mine terminates in a diabase dike, raising thereby the question of extension of this orebody beyond the dike.

A northwest-trending fault occurs just to the south of the main shaft. The Destor-Porcupine Fault, a major fault zone with which many of the producing mines in eastern Ontario and western Quebec are associated, appears to cut through the area immediately to the north of the property, as shown by the high aeromagnetic contours representing peridotite rock in the fault plane as shown on the Ontario Department of Mines map 8448G (Timmins Sheet). However, the Destor-Porcupine Fault is a complex zone that may have associated faults and fault systems removed from it, so that parts of this fault may in fact occur closer to the old mine workings, or even southward from them.

The veins exposed on surface (now obscured by overburden of various types) include:

No. 1: 130 feet west of No. 4: branched and traced for 1200 feet.

No. 2: 60 feet east of No. 4, traced for 600 feet.

No. 3: 100 feet west of No. 4, traced for 800 feet to where it joins No. 1.

No. 4: traced for 1000 feet, crossing several other veins.

These veins vary considerably in width, but that mined

on the first and second levels appears to average about 42 inches.

The veins strike a little east of north and dip steeply westward. Early reports of those encountered on surface indicate that visible gold was found in all of them.

POTENTIAL OF THE PROPERTY

1. The probability exists that the vein systems, occuring at surface and mined on the first and second levels, extend to considerable depth, at least to the 725 foot level, and contain gold content that will make their being mined to these depths, and possibly beyond, economic.
2. The possibility exists that even on the mined-out levels the grade of material still in place is high enough at today's gold prices to warrant mining.
3. The occurance of several veins on surface indicates that parallel vein systems to the one mined on the first and second levels probably exist.
4. Known veins, notably that on the first level, have only been mined or explored as far as the contact with a diabase dike. The probability of continuation beyond this dike, albeit perhaps displaced by faulting, exists.
5. Occurances of porphyry have been noted on the property, including underground at the mine where gold mineralization was encountered within the porphyry. These rocks are normally considered to be exceptionally important ore-carriers in the Timmins area and may indicate at the Hunter Mine the presence of porphyry-related orebodies.
6. The mined vein systems were discovered by prospecting on the surface along the shoreline of the lake. The possibility exists that additional vein systems occur under the lake where exploration has not yet taken place.

RECOMMENDATIONS

An effort should be made to compile and integrate all the factual information about the property onto a map or series of maps at a uniform scale. In addition to the maps a model of this information plotted onto acetate sheets should be made to show the relationships between the various sets of data in three dimensions.

Surface geology and gold values should be determined by stripping the property in the vicinity of the mine of all overburden, washing the rock, and geologically mapping it while, at the same time, sampling and assaying the quartz vein systems.

Geological information, particularly as related to the distribution and orientation of fault systems, should be obtained for the entire property, including that which is under the lake, by detailed ground magnetometer surveys. These should be conducted along picket lines 50 feet apart oriented east-west, with stations established every 50 feet and readings taken every 10 feet using a proton or other high sensitivity magnetometer. The survey should be conducted in winter when the lake is frozen.

The shaft and mine workings should be dewatered completely and the various levels geologically mapped and completely sampled, and the samples assayed for gold, so as to determine the grade of material still in place in the areas where accessibility to the underground vein systems still exists.

Where underground drilling has indicated interesting gold-bearing mineralization, the drilling should be repeated so as to test for its accuracy and extended so as to extend the area of detected mineralization to delineate a mineable quantity.

On a longer term basis, fan and grid exploration drilling will be desirable from surface and underground so as to

more thoroughly explore the property for targets that are yet to be defined.

TIME FRAME

If work is begun in early September, 1983, it should be possible to strip and expose the key area of the property, to sample the vein systems, and obtain assays before winter prevents further work of this sort.

Dewatering the shaft can begin immediately and would require about 4 months to complete. It would thus be possible to have the underground sampling completed, and assays in by the end of January, 1984.

The geophysical surveys and linecutting would take place in January and February, 1984, with contouring of the maps and their interpretation by the end of March, 1984.

Underground drilling could begin in February, 1984, and extend into the summer of that year, or beyond, depending upon decisions made at that time based on the results.

Compilation and integration of older data, mapmaking, and the making of a model and comprehensive report and analysis could be completed by March of 1984.

COSTS

The linecutting, geophysical survey, contouring, and interpretation is estimated to cost $12,000.

Stripping, exposing, sampling and assaying of the key areas around the old mine workings is estimated to cost $125,000.

Dewatering and sampling the old mine workings is estimated to cost $450,000, including the assaying of the collected samples.

An initial drilling cost of $250,000 is proposed.

A cost of $200,000 for the plant building, overhead,

supervision, consulting fees, and temporary staff is estimated.

In general, a running cost of about $150,000 per month can be anticipated, based on experience gained in 1983 in a remarkably similar operation in the Timmins area.

The renting of office space in the Timmins or South Porcupine area is highly recommended at a cost of about $10,000 for one year.

In general, a total budget of about $1,200,000 would be required to bring the old mine to a production stage in a one year period or less.

Respectfully submitted,

Dr. John L. Kirwan

DECLARATION

I, John Laurence Kirwan, of the Town of Centre Harbor, State of New Hampshire, United States of America, do hereby certify:

1. That I am a practising consulting geologist with offices in Old Meredith Road, P.O.Box 985, Centre Harbor NH, 03226, USA.
2. That I am President and Managing Director of Earth Resource Associates, the Registered Trade Name for Corporation Number 336073 (John L. Kirwan and Associates Limited) which was incorporated in the Province of Ontario on May 11 1976.
3. That I am a Registered Professional Engineer of the Province of Ontario, a Professional Engineer of the State of New Hampshire, a Fellow of the Geological Association of Canada and an elected Fellow or Member of other professional associations and licensing bodies in Canada, the USA, England, Ireland, and Brazil.
4. That I am a graduate with the degree of Bachelor of Science in Geology and Mathematics from Carleton University in Canada, and with the degrees of Master of Science and Doctor of Philosophy, both in Geology, from the University of London in England.
5. That I have practised my profession continuously as a geologist since 1961 and continuously as a Consulting Geologist since 1972.
6. That I am familiar with the area described in this report by virtue of having visited the property several times in the period 1968 to 1983, most particularly during the months of June, July and August, 1983, and have personally examined the company files and technical reports used in the writing of this report.
7. That I am intimately familiar with the geology of the Timmins area by virtue of employment with Hollinger Consolidated Gold Mines, McIntyre Porcupine Mines, and American Metal Climax studying the geology of the area (as Regional Manager for the latter two companies) between 1961 and 1970. Moreover, the area served as the study area for my PhD thesis at the University of London.
8. And that I do not now have, nor do I expect to receive, any direct or indirect financial interest in the property described in this report.

August 22, 1983 John L. Kirwan

ON83-5-C-332

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P.O.Box 2150,
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Canada

December 31 1983

SUMMARY

The old Hunter Mine, which saw sporadic production of gold from the date of its discovery in 1908 until September of 1940, is situated in the southwestern part of Whitney Township, Porcupine Mining Division, Ontario, between the currently producing mines at Pamour to the east and Dome to the west. It is bordered by Highway 101 to the north and partly underlies the Town of Porcupine and totals about 240 acres in Lots 9 and 10, Concession III, Whitney Township.

Mine workings, through an inclined shaft extend to a true depth of 700 feet with workings at 225, 300, 400 500, 600 and 700 feet. However, production, which was limited to somewhat less than 10,000 tons, was entirely from workings on the first and second levels only. Although workings and drill intersections indicated that ore-bearing material, by 1940 standards, continues to the lowest depths in the mine, production ceased in September of 1940 by virtue of the diversion of funds from gold production to so-called war stocks, such as iron and copper.

At surface, at least 4 gold-bearing zones are marked by the presence of quartz veinlets which are both transgressive to and concordant with Keewatin metasedimentary rocks. There is some evidence that these structures continue to depth and that more may be present. With depth, the nearly north-south-striking, west-dipping metasediments appear to flatten. Exploration on the ground has not progressed so as to exhaust any of the quartz structures either along strike or down dip. Bodies of porphyry which are known to exist on the property have not been explored for gold.

At depth, assay plans indicate that material may still be in place with consistent values in the quarter ounce class, though it is possible that some of this material is now mined out. Available information from drill holes put down underground between 1928 and 1945 shows that extremely erratic gold values exist in vein structures down to the deepest levels of the mine. These values range from trace to .58 ounces of gold over 10 feet. Several parallel vein structures appear to be present.

An exploration program consisting of magnetometer and geological surveys, stripping and assaying, dewatering the old mine workings and mapping, sampling and assaying underground, and diamond drilling, is recommended, with a time-frame of about 9 months to a year, and a cost of about $1,800,000.00.

Preliminary stripping and sampling, with assays from randomly selected grab samples running as high as 9 ounces of gold to the ton, suggests that the property has considerable potential as a future gold producer.

SUMMARY ACCOUNT

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INTRODUCTION

This brief report is intended as a sequel to an undated preliminary account on the Hunter Mine which the writer supplied earlier this year. Since that preliminary account was completed, an enormous amount of information on the old Hunter Mine has become available from a cache of old mine records, and new information has been generated as a result of field work in the fall of 1983 on the property, so that it is now possible to present much more factual information on the ground than was possible earlier. Much of this information has been assembled onto a compilation map which is appended to this report. However, there are so many gaps and contradictions in the available

material that this map must be considered to be very preliminary in itself, and subject to revisions and additions as new material comes to light.

HISTORY

The Porcupine Gold Camp, now within the City of Timmins, District of Cochrane, Ontario, has long been, and still is, one of the largest and most famous gold mining areas of the world, and a past producer of an enormous quantity of gold from such famous mines as the Dome, the McIntyre, and the Hollinger. These three deposits, together with the Davidson Mine, were all discovered in the summer of 1909, following a gold rush to the area triggered by the discovery of the Hunter Mine, by a Toronto attorney named H.F.Hunter, in the summer of 1908. In fact, the discoverers of the Dome, in 1909, made a pilgrimage to the site of the Hunter Mine discovery the previous year, on their way to the as yet unknown Dome occurance, and described the veins with visible gold under the water of Porcupine Lake.

Work on the Hunter began in 1910, but the fire of 1911 destroyed the plant, whose replacement was destroyed by another fire in 1913. However, an incline shaft was put down and a station established at 280 feet, and some 675 feet of underground development performed before the mine closed during the 1914-1918 war.

A new company was incorporated in 1927 (The Porcupine Lake Gold Mining Company Limited) and the mine was pumped out, some underground and surface sampling and diamond drilling done, and some bulk samples of ore shipped for testing. However, the work was suspended in 1929.

In 1935 the Hollinger Consolidated Gold Mines pumped out the workings, and undertook a program of surface and underground sampling and diamond drilling, including some 1764 feet of drilling. Between 1937 and 1938 the shaft

was deepened to 855 feet, which it now is (a vertical depth of 700 feet) and a 4 foot wide vein with visible gold encountered at 545 feet. In 1938 some 52 tons of test ore were shipped, returning a value of 0.70 ounces of gold and 0.07 ounces of silver to the ton. The mill on the property was in operation from April 25 to May 31, 1938 and treated 4174 tons of rock which graded 0.437 ounces of gold per ton.

Production from the Hunter Mine ceased in September of 1940. At that time some 20 tons of ore were going through the mill per day. Almost all production was from an area about mid way along the Main Drift and between the first and second levels where assays of the drifts indicated higher than average grade vein material, and from development ore from the drifts at the several levels that were established. These levels are:

LEVEL	DEPTH DOWN SHAFT	TRUE DEPTH
I (First)	280 feet	225 feet
II (Second)	360 feet	300 feet
III (Third)	480 feet	400 feet
IV (Fourth)	600 feet	500 feet
V (Fifth)	725 feet	600 feet
VI (Sixth)	850 feet	700 feet
Sump	855 feet	

Lateral workings are greatest at the first level where approximately 300 feet of section was exposed in east-west drifting from the station, and nearly 900 feet of material was exposed along strike in north-south drifting northward from the shaft area. This drift terminates in a diabase dike, the veins not having been followed beyond the dike.

Workings on the second level include about 60 feet of across strike and about 550 feet of along strike development.

On the third level a semi circular drift cuts through about 80 feet of strike and section.

On the fourth level no development seems to have taken place.

On the fifth level a short station area of about 60 feet was opened for drilling, exposing perhaps 30 feet of the section, although at this point the rocks dip much more gently than at surface, becoming almost horizontal at the bottom of the shaft.

Development on the sixth level extended westward about 90 feet and then northward about 250 feet. During exploration and development work in 1940 this level was kept flooded.

GENERAL GEOLOGY

Ontario Geological Survey Map 2455 at a scale of 1:50,000 (Geology of the Timmins Area by D.R.Pyke, 1982: OGS Report 219) shows this area to be underlain by unsubdivided komatitic metavolcanic rock as part of a broad belt of such rock that appears to underly Porcupine Lake and an area to the north of it. Thus the occurance of gold-bearing quartz veins on the property would appear to have affinities with those at the nearby Hollinger, Dome, and McIntyre mines. Appealing as this interpretation may be, a fundamentally different one may be justified in that the volcanic origin to the rocks on the property, as indicated by Pyke, appears to be in error, for there is evidence that the rocks are of sedimentary origin in that:

a. layering, current bedding, and other sedimentary structures are visible on the surface in stripping that took place in 1983.
b. at least two chert horizons are exposed in the same stripping.
c. thin-section examination in 1938 indicated the presence of altered greywacke in the section.
d. drilling, by Dome Mines, under Porcupine Lake, showed

the presence of metasedimentary rocks immediately to the west of the property.

The metasedimentary rocks which underly the property trend a little east of north-south, and dip steeply to the west. This dip becomes more gentle with depth, and becomes horizontal at the 6th level in the old Hunter Mine (700 feet true depth). The sediments are probably truncated both northwerd and southward: to the north, the main zone of the Destor Porcupine Fault is marked by a peridotite body which shows up well on the various aeromagnetic maps that are available for the area. This fault zone occurs along the northwesterly shore of Porcupine Lake, immediately off the property to the north. A second truncation may occur immediately to the south of the property, being partly on ground held by Noranda Mines Limited, and partly on the Hunter Mine ground . This zone of truncation is marked by a northeast-trending magnetic ridge visible on ground magnetometer surveys conducted by Noranda, which drilling some years ago showed to be due to an ultramafic sheet. Across the ridge the trends of the underlying rocks change from nearly north-south to the north to northeasterly to the south. The ultramafic sheet appears to occupy a fault plane that is parallel with that known as the Destor Porcupine Fault to the north. The rocks on the Hunter Mine ground appear, therefore, to be sandwiched between two fault planes which may be genetically related, quite possibly being two branches of the same fault. Correlation of rock units across either of the two fault planes cannot be made at this time.

At least four quartz vein systems have been described from the Hunter ground. Vein number 1 occurs in the vicinity of the Main Shaft and is the vein that was mined. Where exposed on surface by stripping in 1983 it is wispy, erratic, complex in detail, and contains gold values up to 9 ounces per ton, as determined by grab sampling. This

vein, or vein system, is concordant with the sedimentary rocks, and appears to be less a vein than a zone in which concentrations of quartz occur. In Vein Number 1, and the other three veins, the quartz is usually in thin (eg. 1 cm.) layers, commonly crosscutting each other, and occupying a zone from a few inches to several feet in width that is concordant with the strike and dip of the metasediments. On-strike continuity in the order of at least 1000 feet can be demonstrated even without stripping.

The relationship between the quartz veins and the gold values has not yet been demonstrated. One vein on the property that is spectacularly displayed in surface outcrops, assays only very low values in gold. Higher values are obtained in mixtures of other veins with the country rock or, occasionally, country rock alone. At the present time, insufficient stripping and sampling has been done to show relationships between gold values and the geology. However, the fact that the gold is in a sedimentary environment in which good gold assays occur in metasedimentary rocks in the absence of quartz veining, plus the fact that at least one vein system appears to be essentially barren in gold content, suggests that a different mode of occurance of the gold may exist than was originally thought. The older work on the property was based on the assumption that the gold was exclusively related to quartz veins which occur peripherally to porphyry bodies. Thus all assaying underground and in drill hole was related to quartz veining. If it can be shown by further stripping, sampling, and assaying--or considerably more drilling--that there is a genetic or spacial relationship between the gold values and a particular sedimentary horizon or horizons,, then the style of exploration will have to be changed to accomodate this alternative view.

In addition to the four veins already mentioned, there appear to be at least two other veins that occur underground and in drill hole under Porcupine Lake.

Exploration of the vein systems by drilling, with the exception of those veins adjacent to the shore of Porcupine Lake, seems to be very incomplete. There appears to be no record of those veins which are farther away, and which occur in outcrop, having been drilled and sampled, and even the Number 1 vein in the mine workings, from which all gold production seems to have taken place, was not followed beyond a diabase dike at the north end of the first level workings. Although the vein is known to occur to the south of the Main Shaft, very little work was done on it in this direction.

PAST EXPLORATION:
MATERIAL STILL IN PLACE

An enormous amount of drilling has been done on the property, mainly in the vicinity of the old mine workings, both from surface and from underground. The results of all this drilling have been plotted on the accompanying compilation map. Unfortunately, many of the holes plotted were not assayed, and some that were assayed do not have surviving records, so that the information presented is incomplete. In some cases the values were too low to be of interest in 1940 and these values were not plotted, though they may be of tremendous value now. Following is a tabulation of the known drilling results in the vicinity of the old Hunter Mine arranged according to the vein structures intersected.

<u>First Level: Immediately east of Main Drift</u>:

Drill Hole	Results (Ounces Gold/ton over footage)
7H	.02 over 7 feet
5S	.2 over 5 feet
123	.02 over 20 feet
6	no information
7	no information
113	.16 over 10 feet
1H	.1 over 3 feet; .18 over 13 feet
2S	.51 over 1.5 feet

2	.06 over 4 feet
6H	.26 over 2 feet
3S	no information
1	no information
15	long intersection: no values given
3	.05 over 31 feet
4	2.5 over 5 feet
4H	.11 over 2 feet
17	no information
16	long intersection, no values given
18	long intersection, no values given
101	.41 over 1.5 feet
102	no information
115	no information
19	no information
108	no information
109	no information, but visible gold recorded
119	no information
120	no information
121	no information
104	no information
105	.19 over 19 feet
107	.06 over 4 feet
110	.30 over 5 feet
111	.04 over 5 feet
106	no information
128	.07 over 1 foot, visible gold recorded
129	.08 over 1 foot.

First Level: Vein farther east of Main Drift:

124	.07 over 5 feet
125	.33 over 5 feet
1H	no information
2S	no information
6H	.06 over 5 feet, .02 over 2 feet, .02 over 5
3	.04 over 1 foot
128	.07 over 10 feet
129	visible gold recorded

First Level: West of Main Drift:

9	no information
10	no information
122	.08 over 5 feet
117	.24 over 15 feet
125	.33 over 5 feet
unnumbered	.35 over 15 feet
1S	no information
126	no information
116	no information

First Level: Vein farther west of Main Drift

5HR	.02 over 2 feet
1S	no information
unnumbered	no information
130	no information
131	no information

Second Level:

218	no information, visible gold reported
222	.42 over 15 feet

Third Level:

304	.31 over 10 feet
305	.58 over 10 feet
308	no information

Fourth Level:

401	values to .11 within 30 foot quartz zone
402	no information
4--	values to .18 in 12 feet of quartz.

Fifth Level:

501	17 feet of quartz
503	22 feet of quartz
505	no information

None of the above has been plotted on sections to show possible correlation of the veins. Yet it is apparent that several vein structures exist and that these contain gold values that are encouraging by 1984 standards. From geological information it is also apparent that the vein structures have more than a thousand feet of strike length on the property and have only been explored for a short distance of that length and only at isolated points at depths down to about 700 feet.

The dip of the sedimentary rocks flattens with depth, but it is not known if the vein structures do also or, much more important, if the gold values do. Of primary importance as stripping and underground exploration progresses will be the determination of the relationship between the gold values, the vein structures, and the sedimentary layering.

POTENTIAL OF THE PROPERTY

1. The probability exists that the several gold-bearing zones that are exposed at surface, in the mine workings, and in drill holes, continue some distance along strike and down dip and may yield one or several mineable deposits of gold.
2. Even in mined out areas in the old mine the possibility exists that non economic material by 1940 standards would be economic now or in future years.
3. Additional gold-bearing zones, over and above those that are already known, may exist on the property, parallel with the known ones.
4. The potential for sedimentary deposits of gold on the property, with good on-strike and down-dip continuity and uniformity, exists.
5. Porphyry bodies are known on the property, both in outcrop and in drill hole. These may prove to be important exploration targets for gold of the Hollinger type.

RECOMMENDATIONS

1. To serve as a geological framework for a study of the distribution of gold values, the property should be geologically mapped, with abundant samples taken for assay to show the distribution of gold values both in relation to the various rock types and in relation to their location on the property. This work should be done early in the 1984 field season and would occupy a geologist and an assistant about 2 months.
2. To trace geological features under water and overburden and to locate alteration zones, the property should be covered with a high-sensitivity proton (or equivalent) magnetometer along east-west picket lines at 50 foot spacings, with readings every 10 to 20 feet. This work should be done in the winter of 1984 when the lake water is frozen. A cost of $5000 is estimated, the work to

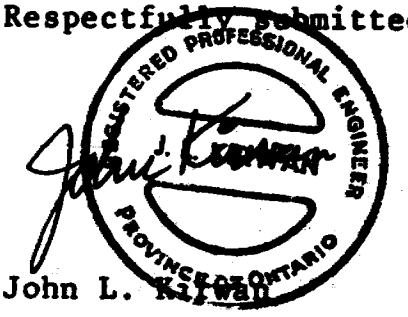
be done by commercial contractor.

3. In the vicinity of the old mine shaft, where gold-bearing zones occur in the sedimentary rocks, thorough stripping, mapping, and sampling of the rocks should be done. This will produce an important source of information about the distribution of gold values in the rocks and serve to guide exploration at depth, whether underground or by drilling. Work has already begun on this phase of exploration, but was suspended due to the onset of winter.
4. Dewatering and sampling of the old mine workings should begin immediately, the main purpose being to obtain a thorough set of assay plans of the workings and thereby test for residual ore still in place. Assay plans are now in existence for the first and second levels, but these were made in the 1930's before the latest phase of mining took place, and are therefore believed to be not dependable. Geological mapping should also be done in the underground workings.
5. Diamond drilling of the property should be considered at an early stage, mainly because it can best be performed from the frozen lake surface in winter. Since the rock units appear to flatten out with depth, then an ideal drilling location would exist on the lake surface near the focal point of the curve of dip, provided that the gold values are conformable. Ideally this point should be proved first, but weather conditions may decree that the drilling be done first. In addition to several fan-type holes from each of several setups on the lake surface, several very long holes to test for parallel vein systems should be put down across the property.

A total budget of approximately $1,800,000.00 to cover the above-proposed work in 1984 has been proposed in an earlier report by this writer based on a similar

program conducted in 1983 in the Timmins area.

Respectfully submitted,



John L. Kirwan

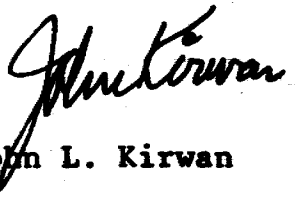
at Centre Harbor N.H.,
January 5, 1984

DECLARATION

I, John Laurence Kirwan, of the Town of Centre Harbor, State of New Hampshire, United States of America, do hereby state:

1. that I am a practising consulting geologist with offices in Old Meredith Road, P.O.Box 985, Centre Harbor, NH, 03226, USA.
2. that I am President and Managing Director of Earth Resource Associates, the Registered Trade Name of John L. Kirwan and Associates Limited, incorporated in the Province of Ontario on May 11, 1976.
3. that I am a Registered Professional Engineer of the Province of Ontario, a Professional Engineer of the State of New Hampshire, a Fellow of the Geological Association of Canada, and an elected Fellow or Member of other professional or licensing bodies in Canada, the USA, England, Ireland, and Brazil.
4. that I am a graduate with the degree of Bachelor of Science in Geology and Mathematics from Carleton University in Canada, and with the degrees of Master of Science and Doctor of Philosophy, both in Geology, from the University of London in England.
5. that I have practised my profession as Consulting Geologist continually since 1972 and as Geologist continually since 1961.
6. that I am familiar with the area described in this report, having read all the available published and unpublished material pertaining to the property, having personally supervised stripping and sampling operations on the property, and having visited the property at numerous occasions between May and December of 1983.
7. that I do not now have, nor do I expect to receive, any direct or indirect financial interest in the property.

Respectfully submitted,



John L. Kirwan

January 5, 1984

0483-

030

JOHN L. KIRWAN AND ASSOCIATES
EARTH RESOURCE ASSOCIATES (ERA)

P.O. BOX 2150, TIMMINS, ONT. P4N 7X8

November 16, 1983

Wabigoon Resources,
TORONTO

SUMMARY ACCOUNT OF ACTIVITIES, HUNTER MINE, SUMMER-FALL, 1983

1. Waste Rock Sampling

An area immediately to the south of the old Main Shaft at the Hunter Mine was gridded and samples taken at 5 foot intervals covering the southern and western two-thirds of its area. A total of 134 samples were taken and assayed for gold, yielding values which ranged from trace to 5 ounces of gold per ton of rock. The average grade of the material sampled was 0.18 ounces or if the higher assay values are eliminated, or reduced to an arbitrary figure of 1.0 ounce, as is sometimes done, the average value becomes 0.08 ounces of gold to the ton. A total of about 1300 tons is estimated to be lying on surface with this grade, and it is thought that this amount could be economically mined and refined at one of the custom mills of the Timmins area.

2. Tailings Sampling

Some 13 samples were taken from, and within, the old mine tailings dump where the end products of the milling and refining process at the Hunter Mine were dumped. These were assayed for gold, and yielded an average assay of 0.01 ounces of gold per ton of material, a value that is considered to be too low to be of economic interest.

3. Grab Sampling

In the areas bared by stripping near the old mine shaft, a total of 106 surface samples were taken to test for the gold content of various rock types and structural or alteration environments. Values of gold in these samples ranged from NIL to over 9 ounces to the ton, with a gross average of 0.15. However, this value does not indicate the actual average value in the rocks at the old minesite as it includes several values in the 1 to 9 ounce class, which bias the average. However, the sampling and assaying do indicate that a zone of potentially economic material exists and that detailed surface sampling is warranted so as to define its width, length, and average gold content.

4. General Operations

A drill hole was put down into the old mine shaft and water removed for assay. The assays of this water in various metals, were sufficiently low that a Permit to Pump Water was granted by the Ontario Department of the Environment on September 26, 1983.

Gilrow Resources of Timmins has removed the trees from a 7 acre portion

of the property in the vicinity of the old mineshaft. Stripping and washing of the soil and overburden from the rock in this area was begun so as to permit geological work and assaying, but was not completed owing to delays in obtaining municipal rezoning, and by the arrival of winter.

The old shaft housing was cleared out and a new cement shaft collar was erected. The top of the old shaft was exposed and found to be open, though filled with water.

PROPOSALS-FORECAST

An exploration program costing a total of $1,800,000 has been recommended and would include the following:

1. As soon as freezing conditions permit a geophysical grid will be cut or marked off on the property and a high-sensitivity magnetometer survey conducted.

2. Drilling and assaying in early 1984 will be considered, based on the results of this magnetometer survey.

3. Stripping and washing of the rock in the vicinity of the old mine shaft will be attempted in winter conditions so that geological mapping, sampling, and assaying of the terrain can take place.

4. A headframe will be constructed over the old (inclined) shaft.

5. The mine workings will be pumped out, the old workings will be geologically mapped and sampled for assay, and a program of underground drilling will be proposed so as to define new ore zones and explore the old ones.

Respectfully submitted,

Dr. John L. Kirwan
Consultant

JOHN L. KIRWAN AND ASSOCIATES LIMITED
EARTH RESOURCE ASSOCIATES (ERA)
P.O.BOX 2150, TIMMINS, ONTARIO, P4N 7X8

September 13, 1983

WABIGOON RESOURCES,
Toronto

Gentlemen-

This is to announce the results of some preliminary sampling on the property of the old Hunter Mine in Whitney Township, Ontario.

Ten samples were taken from an area of about 150 square feet from dump material just to the south of the collar of the incline shaft. These were taken to show the ranges of rock types, the variations in quartz content and form, and the ranges of gold content in dump material.

Assay values of the ten samples, in gold, are shown on the enclosed certificate. These range from NIL to 0.58 ounces of gold to the ton, the highest values coming from a green carbonate rock without quartz veining and the next highest (0.45 oz/t) coming from a quartz-carbonate contact zone showing a fleck of visible gold.

A simple average of the gold values gives 0.103 oz/t.

It is possible that much of this material represents stockpiled ore from underground, for such is indicated to be present on at least one old plan. With this in mind, and following your instructions, I will arrange to have this area gridded and sampled in the next few days so as to obtain an indication of the average value of gold in this pile and the area of the pile. An attempt will then be made to determine possible tonnage and grade present, with a view to mining the material immediately.

Yours sincerely,

John Kirwan

John L. Kirwan

SWASTIKA LABORATORIES LIMITED

P.O. BOX 10, SWASTIKA, ONTARIO P0K 1T0
TELEPHONE: (705) 642-3244
ANALYTICAL CHEMISTS • ASSAYERS • CONSULTANTS

Certificate of Analysis

Certificate No. 55849 Date: September 2 1983

Received Aug. 29/83 10 Samples of ore

Submitted by Mr. J. L. Kirwan & Associates, Timmins, Ontario

SAMPLE NO.	GOLD Oz./ton
8360	0.005
8361	0.005
8362	0.02
8363	0.005
8364	0.46 0.58
8365	0.002
8366	0.04
8367	Nil
8368	0.45 0.38
8369	Nil

The above 10 samples were taken from muck or ore piles south of the Main Shaft at the old Hunter Mine, Whitney Township. They were chosen for the variety of rocks available. Sample 8364 was made up entirely of green carbonate, Sample 8368 from quartz and carbonate with a fleck of visible gold.

John Kirwan

Per G. Lebel

G. Lebel - Manager

ESTABLISHED 1928

JOHN L. KIRWAN AND ASSOCIATES LIMITED
EARTH RESOURCE ASSOCIATES (ERA)
P.O.BOX 2150, TIMMINS, ONT., P4N 7X8

Nov. 15, 1983

Wabigoon Resources,
TORONTO

Gentlemen-

This letter is to report the results of the recent sampling and assaying that was done on the tailings pile at the Hunter Mine in Whitney Township, Ontario.

A total of 13 samples were taken from the tailings dump representing the accumulated pile of material in place, both through the thickness of the pile and from several locations over the surface extent of the pile. The samples were then sent for assay for gold to the Pamour assay laboratory in Timmins.

Results of the assay of this material are shown in the accompanying assay sheet dated November 10, 1983. These show that the tailings pile contains gold in concentrations ranging from a minimum of 0.003 ounces of gold to the ton to a maximum of 0.024. An overall average of 0.01 ounces of gold per ton of tailings was determined.

In the writer's opinion this does not indicate that a concentration of gold in the tailings, sufficient to warrant mining, exists. It is recommended that no further work be done on this material.

Respectfully submitted,

REGISTERED PROFESSIONAL ENGINEER
PROVINCE OF ONTARIO

Dr. John L. Kirwan

Pamour Analytical Services
Administration Building
P.O. Box 2010
Timmins, Ontario, Canada P4N 7X7
705-267-1141

pamour

CERTIFICATE OF ANALYSIS

Samples of: Tailings

Date: Nov. 10, 1983

Samples from: J. Kirwan

Received: Nov. 7, 1983

Lab number	Shipper number	opt Au	o.p.t. Ag
06359	2901	.008	
60	02	.010	
61	03	.004	
62	04	.006	
63	05	.005	
64	06	.024	
65	07	.012	
66	08	.014	
67	09	.003	
68	10	.014	
69	11	.010	
70	12	.010	
06371	2913	.010	

Pamour Analytical Services

Per:

Hunter-Grab P1

SWASTIKA LABORATORIES LIMITED

P.O. BOX 10, SWASTIKA, ONTARIO P0K 1T0
TELEPHONE: (705) 642-3244
ANALYTICAL CHEMISTS • ASSAYERS • CONSULTANTS

Certificate of Analysis

Certificate No. 56499 Date: November 10 1983

Received Oct.23/83 106 Samples of Ore

Submitted by Earth Resource Associates Ltd., Timmins, Ontario Att'n: Mr. J. Kirwan

SAMPLE NO.	GOLD Oz./ton
2701	0.015
2702	0.002
2703	0.002
2704	0.002
2705	0.010
	0.010
2706	0.002
2707	0.002
2708	0.002
2709	Nil
2710	0.005
2711	0.002
2712	0.002
2713	Nil
2714	Nil
2715	Nil
2716	9.47
	8.01
2717	0.010
2718	Nil
2719	0.005
2720	0.002
2721	0.010
2722	0.002
2723	0.002
2724	0.065
2725	3.28
	3.34
2726	0.005
2727	Nil
2728	0.002
2729	0.87
2730	0.190
2731	0.002
2732	1.11
	1.32
2733	0.005
2734	0.005
2735	0.002
2736	0.002
2737	0.015
2738	0.005
2739	0.002
2740	0.005
2741	0.002
2742	0.002
	Nil
2743	0.002
2744	0.002
2745	0.002
2746	Nil
2747	0.002
2748	Nil
2749	Nil
2750	Nil
2751	0.002
2752	Nil
	Nil
2753	0.002
2754	Nil
2755	Nil
2756	0.002
2757	0.002
2758	Nil
2759	Nil
2760	0.002
2761	Nil
2762	Nil
2763	0.010
2764	0.010
2765	0.015
	0.010

Cont'd.....

Per G. Lebel

G. Lebel - Manager

ESTABLISHED 1928

Hunter Grab P2.

SWASTIKA LABORATORIES LIMITED

P.O. BOX 10, SWASTIKA, ONTARIO P0K 1T0
TELEPHONE: (705) 642-3244
ANALYTICAL CHEMISTS • ASSAYERS • CONSULTANTS

Certificate of Analysis

Certificate No. 56499 Date: November 10 1983

Received Oct.23/83 106 Samples of Ore

Submitted by Earth Resource Associates Ltd., Timmins, Ontario Att'n: Mr. J. Kirwan

SAMPLE NO.	GOLD Oz./ton
2766	Nil
2767	Nil
2768	0.005
2769	Nil
2770	0.002
2771	0.002
2772	0.025
2773	Nil
2774	0.002
2775	Nil
2776	0.002
2777	Nil
2778	0.040 0.060
2779	Nil
2780	0.002
2781	Nil
2782	Nil
2783	Nil
2784	Nil
2785	0.002
2786	0.69 0.73

SAMPLE NO.	GOLD Oz./ton	
2787	0.025	
2788	0.005	
2789	0.002	
2790	0.002	
2791	Nil	= 16.305
2792	0.010	= .1791
2793	0.002	
2794	0.002	
2795	Nil	
2796	0.002 0.002	
2797	Nil	
2798	Nil	
2799	Nil	
2800	Nil	
2801	Nil	
2802	Nil	
2803	Nil	
2804	Nil	
2805	Nil Nil	
2806	Nil	

NOTE: The above sampels were assayed using a 1 A.T. portion with results as shown.

Per G. Lebel

G. Lebel - Manager

ESTABLISHED 1928

JOHN L. KIRWAN AND ASSOCIATES LIMITED
EARTH RESOURCE ASSOCIATES (ERA)

P.O. BOX 2150, TIMMINS, ONTARIO P4N 7X8
November 15, 1983

Wabigoon Resources,
TORONTO

Gentlemen-

This is to report on the results of a program of grab sampling for gold on the old Hunter Mine property in Whitney Township, Ontario.

The sampling was confined to the area in the vicinity of the old shaft, where stripping operations have exposed some of the rock and quartz veins under the soil for several hundred feet along and beside the shoreline, and at several locations inland from the shore.

The samples were taken so as to determine the range of gold values that exists in the rocks and to see if there is any relationship between these values and the rock type, or structure, or alteration zone in which they occur. In all a total of 106 samples were taken and assayed for gold.

Results of the sampling are shown on the accompanying Assay Certificate Number 56499 from Swastika Laboratories and dated November 10, 1983. All values are in ounces of gold per ton of rock.

In general, samples numbered from 2701 through 2791 were taken from the area northwest of the old shaft in the area near the shoreline recently exposed by stripping, and thought to contain the hanging wall of Vein No.1 of the old mine workings, or else the vein itself. Samples 2792 through 2794 were taken from shoreline exposures southwest of the stripping operations, across a small bay. Samples 2795 through 2803 came from an area of mapped porphyry intrusion immediately southwest of the shaft, and samples 2804 through 2806 came from a spectacular quartz vein network which occurs eastward from the shaft, near the access road. General results of the assaying are as follows:

1. From the shoreline southwest of the shaft: values of 0.002, 0.002, and 0.10.
2. From the area of porphyry southwest of the shaft: all samples assayed NIL, except 2796 which assayed 0.01.
3. From the quartz vein near the access road: all samples NIL.
4. From the shaft area and shoreline area northwest of the shaft:
   a) Range of values, from NIL to 9 ounces, including values of 1.21, 3.31, 8.74, 0.87, 0.19, 0.71 and 0.065.

b) All the specimens which assayed over 0.05 ounces of gold contained quartz veining, and all but two had a large proportion of carbonated metasedimentary rock as part of the sample. The quartz-bearing specimens from elsewhere on the property, notably from near the road and from the southwestern shoreline, contained very little or NIL gold.

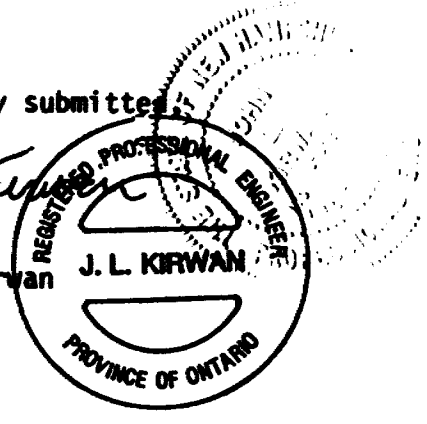
c) Certain rocks that were sampled purely as rock-types, notably sedimentary chert, contained very low gold (0.002 or NIL).

d) Gross average of the 106 assays is 0.15 ounces of gold to the ton. However, this figure is affected by the several high assays in the sampling and it is not known if it is representative of the area. Samples from the zone of mineralization which passes through the old shaft averaged 0.179 ounces to the ton, including the chert horizon which assayed .002 ounces or less. Additional sampling, is needed to define the width and grade of this zone.

The results of this grab sampling program indicate that the gold mineralization in the old Hunter Mine may be locally of very high grade (9 ounces) but that it is possibly restricted to one or more zones which, though they contain quartz veining, are not defined absolutely by quartz veining, which sometimes does not contain interesting values in gold. An additional program of surface sampling is warranted to define the lengths, widths, and average grades of the zones that are exposed at surface as a guide to what may be expected underground. This program will have to be much more thorough than the grab sampling that was done here, and will require channel or short drill hole samples to test the rock more completely. Such a program has been recommended and will be performed as soon as additional stripping can take place.

Respectfully submitted,

Dr. John Kirwan



OM83-5-C-332

PHONE (705) 267-7418

GILROW Resources Inc.

Mining Division - General Builders

Steel Buildings
Pre-Cut Wood or Steel Headframes
Mine & Mill Equipment Installation

42A06NE0128 63.4374 WHITNEY

040

HUNTER GOLD MINES

UNDERGROUND MINE PROJECT

A PRE-FEASIBILITY STUDY.

Submitted by:

R. Weitzdoerfer
Project Engineer
Gilrow Resources Inc.

November, 1983

42A06NE0128 63.4374 WHITNEY

040C

TABLE OF CONTENTS

1. INTRODUCTION

Wabigoon Resources has requested Gilrow Resources to undertake a quick preliminary study regarding the development of the Hunter Gold Mine.

The desired report was to provide general information regarding production rate, operating costs and revenues.

The mine and mill grades are based on past production figures.

Certain information regarding the Hunter property were provided by Mr. B. Feeney, T. Staples and Dr. J. Kirwan.

2. SUMMARY

SCOPE

The Study includes a general description of proposed mining, trucking and custom milling.

It is assumed that certain pre-production work will be completed during Phase I.

SUMMARY OF COSTS AND REVENUES

The Summaries are outlined on the following

Page No.5 and 6.

SUMMARY OF OPERATING COSTS AND REVENUES IN $ U.S. AT VARIOUS $ U.S. PER OUNCE OF GOLD

	Tons Milled	Av.Grade oz.Au/T	Au Ounces	Production Value in $ U.S. 350/oz.	400/oz.	450/oz.	500/oz.	Remarks
Per Day	300	.234	70.2	24,570	28,080	31,590	35,100	All values are in $ U.S.
Less: Mine Operating Cost			(29.00/T)	(8,700)				Mine operating cost includes contract labour cost and explosives.
Trucking			(2.40/T)	(720)				
Custom Milling			(15.68/T)	(4,704)				
Total			47.08/T	14,124	14,124	14,124	14,124	
Revenue after mine oper. cost and custom milling				10,446	13,956	17,466	20,976	
Per Week (7 days)	2,100	.234	491.4	171,990	196,560	221,130	245,700	
Less: Mine Operating Cost			(29.00/T)	(60,900)				
Trucking			(2.40/T)	(5,040)				
Custom Milling			(15.68/T)	(32,928)				
Total			47.08/T	98,868	98,868	98,868	98,868	
Revenue after mine oper. cost and custom milling				73,122	97,692	122,262	146,832	

SUMMARY OF OPERATING COSTS AND REVENUES IN $U.S. AT VARIOUS $U.S. PER OUNCE OF GOLD

	Tons Milled	Av.Grade oz.Au/T	Au Ounces	350/oz.	400/oz.	450/oz.	500/oz.	Remarks
Per Year (330 days)	99,000	.234	23,166	8,108,100	9,266,400	10,424,700	11,583,000	All values are in $U.S.
	Less: Mine Operating Cost (29.00/T)			(2,871,000)				Mine operating cost includes contract labour cost & explosives
	Trucking (2.40/T)			(237,600)				
	Custom Milling (15.68/T)			(1,552,320)				
	Total 47.07/T			4,660,920	4,660,920	4,660,920	4,660,920	
	Revenue after mine oper. cost and custom milling			3,447,180	4,605,480	5,763,780	6,922,080	

Mine and Mill operating cost per ounce of gold produced in $ U.S.

Annual ounces produced = 23,166 oz.

Annual operating cost (est.) = $ U.S. 4,660,920

$$\text{Cost per ounce} = \frac{4,660,920}{23,166} = \$ \text{U.S. } 201.20$$

COST BREAKDOWN

Mine operating cost - Contractor

Shrinkage stope: 8 hour shifts
2 shifts per day
5 days per week

Labour cost at $ Can. 20.00 per hour includes all payroll burdens.

	Contract Labour:		$ Total
1	Supervisor	$200 x 1	200
2	Shiftbosses	160 x 2	320
2	Hoistmen	160 x 2	320
2	Deckmen - Cagetenders	160 x 2	320
20	Stope Miners (Day)	160 x 20	3,200
20	" " (Night)	160 x 20	3,200
4	Muckers, Tram (Day)	160 x 4	640
4	" " (Night)	160 x 4	640
1	Mechanic/Electrician	160 x 1	160
56	Total Labour		$9,000
		Use	$10,000

Contract
Cost per ton at 400 tons per day:

Labour	$10,000		
15% Mark-up	1,500		
Total Labour	$11,500 ÷ 400 =		$28.75
Explosives cost/ton			2.50
Cost per ton $ Can.			31.25
Exchange Rate 20%, Cost per ton $ US			25.00

COST BREAKDOWN (cont.)

Contract Trucking

Estimated trucking cost 10 miles to custom milling plant is $ Can. 3.00 or $ US 2.40.

Custom Milling

A custom milling rate of $ Can.19.60 or $ US 15.68 per ton is the local rate charged by the custom milling plants.

Mine Operating Cost per Ton		$ Can.	$ US
Shrinkage stoping:	Drill, Blast) Muck, Tram,) Hoist)	31.25	25.00
Development		5.00	4.00
	Mine Operating Total	36.25	29.00

Custom Milling per Ton		
Trucking	3.00	2.40
Milling Cost	19.60	15.68
Total Mine & Mill Operating Cost	58.85 Can.	47.08 US

APPROXIMATE MINING COSTS OF SOME NORTH AMERICAN SEASONED GOLD MINING COMPANIES:

COMPANY	TONS/DAY	GRADE oz./T	$ US COST PER TON	$ US COST PER OUNCE
AGNICO-EAGLE	1,200	.165	27.50	167.18
CAMFLO MINES	1,250	.189	20.87	110.69
CAMPBELL RED LAKE	1,070	.554	54.99	99.27
DICKENSON MINES	700	.224	51.72	231.18
DOME MINES	2,000	.120	36.20	300.79
GIANT YELLOW KNIFE	1,000*	.180	57.66	320.61
LAC MINERALS	325	.207	46.66	225.00
PAMOUR PORCUPINE	4,400*	.084	28.46	338.85
SIGMA MINES	1,350	.133	32.29	242.49

ESTIMATE:

HUNTER GOLD MINE	300	.234	47.08	201.20

3. STUDY CRITERIA

The broken ore will be trucked 10 miles to custom milling facilities consisting of independent crushing, grinding and milling circuits.

Design and erection of a company owned crushing and milling plant may be evaluated at a later date if justified by cost savings and ore reserves.

It is assumed that certain pre-production work will be completed during Phase I.

For the purpose of this study it is to be considered that the entire ore tonnage for the mill feed will come from underground.

Input information on the property, development and assays is based on past production figures and information obtained from company officials.

A minimum mining width of 4 feet will be used for production rates and costs.
An increase of the mining width will increase the production rate and lower production costs.

- Mine development and mining operation will be contracted out, including trucking of the ore to the custom milling plant.

- The contractor will supply supervision, labour and explosives.
- The company will supply all necessary equipment and supplies.

4. GENERAL DESCRIPTION OF MINING

Mining is carried out on a two shift basis, five days/week.

To ensure an uninterrupted flow of ore to the mill, development work has to be carried out concurrently with stoping. Development work consists of drifting, crosscutting, subdrifting and raising.

Past production records refer to mining activities in one of the four known parallel gold bearing veins. The average stoping width is reported to be 4 feet.

Production between the years 1938 to 1940 amounted to approximately 5,500 tons of ore grading 0.234 ounces of gold per ton.

Production rate and operating cost are based on the 4 foot average width of stoping by the past producers. An increase of the stoping width would increase the production rate and lower the operating cost considerably.

Blastholes are drilled with air operated drill equipment. The broken ore from the stopes is removed through drawpoints with air operated overhead loaders on rail, loaded into cars, hauled by rail to the mine shaft and hoisted to surface.

4. GENERAL DESCRIPTION OF MINING (cont.)

During the drilling and blasting cycle in a shrinkage stope only the swell (approx. 40%) of the broken ore in each blast is removed. The remaining (60%) broken ore is left in the stope and acts as a working floor for the following drilling and blasting operation.

After the completion of the drilling and blasting cycle of a shrinkage stope, the remaining (60%) of the broken ore in the stope becomes available as free pull.
The empty stope opening can be backfilled with waste rock.

PHONE (705) 267-7418

GILROW Resources Inc.
Mining Division - General Builders
Steel Buildings
Pre-Cut Wood or Steel Headframes
Mine & Mill Equipment Installation

5. CONCLUSIONS

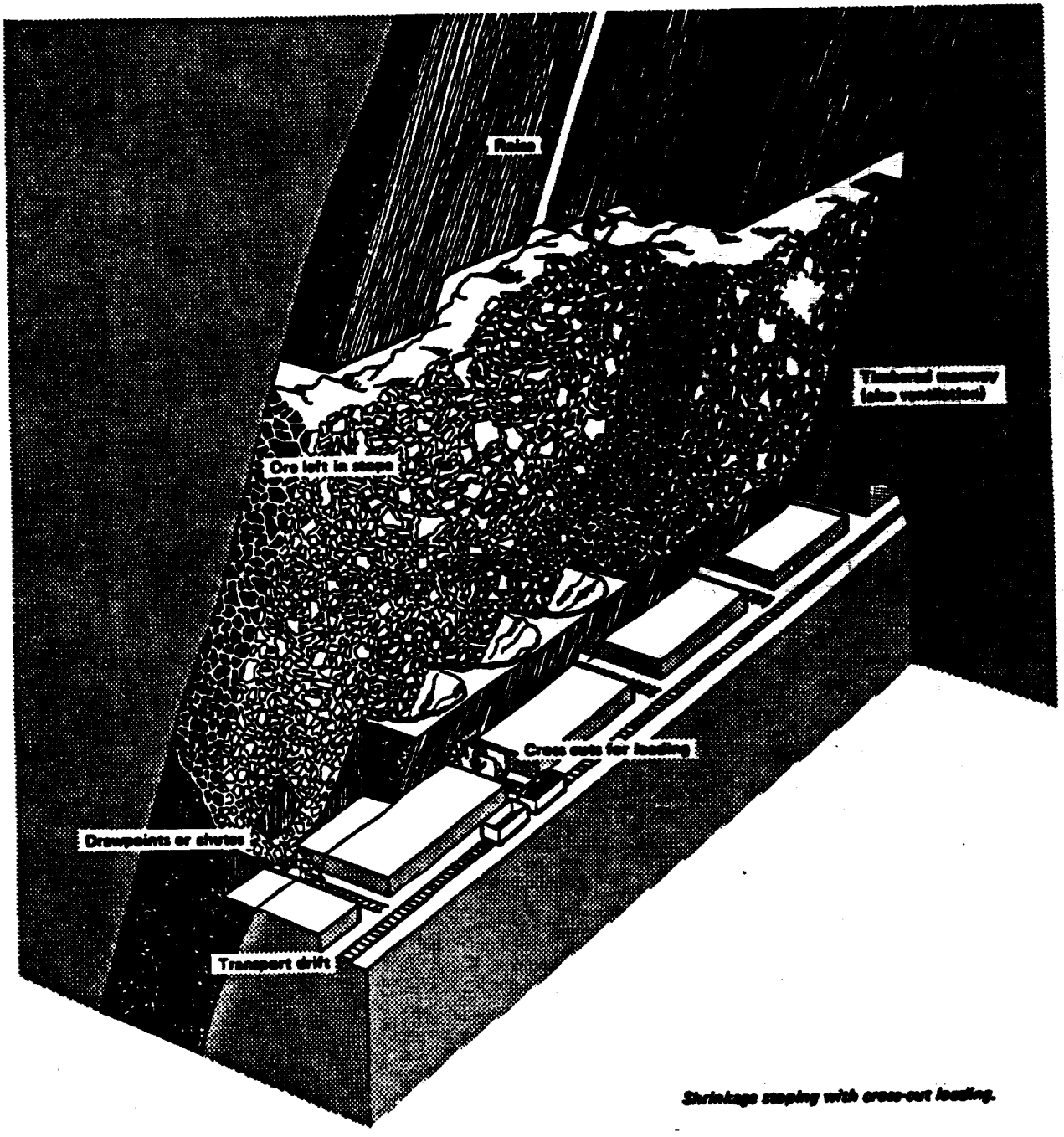
It is the writers opinion that the proposed production rate of 400 Tons per day is within the capacity of the existing inclined shaft size.

The advantage of custom milling with the early cash-flow possibility reduces the Project risk factor considerably.

The estimated operating break even cost is $201.20 U.S. per ounce of gold produced.

Submitted by,

R. Weitzdoerfer
ROBERT WEITZDOERFER,
Project Engineer.



Shrinkage stoping with cross-cut loading.

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WABIGOON RESOURCES LIMITED

ANNUAL REPORT

1982

WABIGOON RESOURCES LIMITED

October 31, 1983

To the Shareholders:

We are pleased to submit the 60th Annual Report and audited financial statements for the year ended December 31, 1982, together with interim financial reports for the quarters ended March 31, and June 30, 1983.

The Wabigoon Soapstone Company, Limited, originally incorporated in 1922, was reorganized and refinanced in the spring of 1983 and renamed Wabigoon Resources Limited.

Four properties have been acquired, including the 75 year old Hunter Gold Mine on Porcupine Lake, City of Timmins, Ontario. Of course, the original Canadian Soapstone/Talc property on Wabigoon Lake near Dryden, Ontario remains with the Corporation.

The Hunter Gold Property

On August 11, 1983 the conception of a major development program for the property was announced by The Northern Miner following an initial press release published by your Corporation. A development budget was prepared by John L. Kirwin and Associates Limited, your consulting Geologists, following an initial assessment by Dr. Fred Barnes of David S. Robertson and Associates. The exploration program called for a total expenditure of $1.2 million for Phase I to bring the property to a pre-production stage in 8-12 months, plus a further expenditure of $2 to 3 million.

Subsequent developments including a site review by the City of Timmins have upgraded the financial requirements for Phase I to between $2 to 2.5 million for pre-production, with full production financing planned for Phase II of between $8 to 10 million.

During this period, the old mine site has been partially stripped with washing, sampling, and mapping in progress. Safety measures such as clearing and fencing the seven acre site and recollaring the inclined shaft have been completed.

Initial assays have been encouraging. Furthermore, a carbonate zone over 50′ wide, without reaching the footwall and laced with quartz stringers, has been exposed for investigation. This discovery will provide valuable information for dewatering and refurbishing the shaft and exploration of the old mine. Detailed magnetometer surveying and mapping will follow with diamond drilling planned for the winter/spring of 1984.

Wabigoon Lake Soapstone Talc Property

An exploration team headed by Dr. Fred Barnes and Gordon Brethour, Field Geologist, is currently conducting an extensive sampling and diamond drilling program to determine talc content and the dimensions of the three deposits identified thus far.

Initial assays are also encouraging. Reserve estimates will be determined over the winter months and a full marketing feasibility study is being undertaken by Chemroy Chemicals Limited. Plans for a talc upgrading mill are well-advanced and being prepared by Dr. James Finch of McGill University, Montreal, a recognized expert in this field. Negotiations are also underway with the Department of Northern Affairs, Province of Ontario under the B.I.L.D. program for financing with appropriate geological assessments.

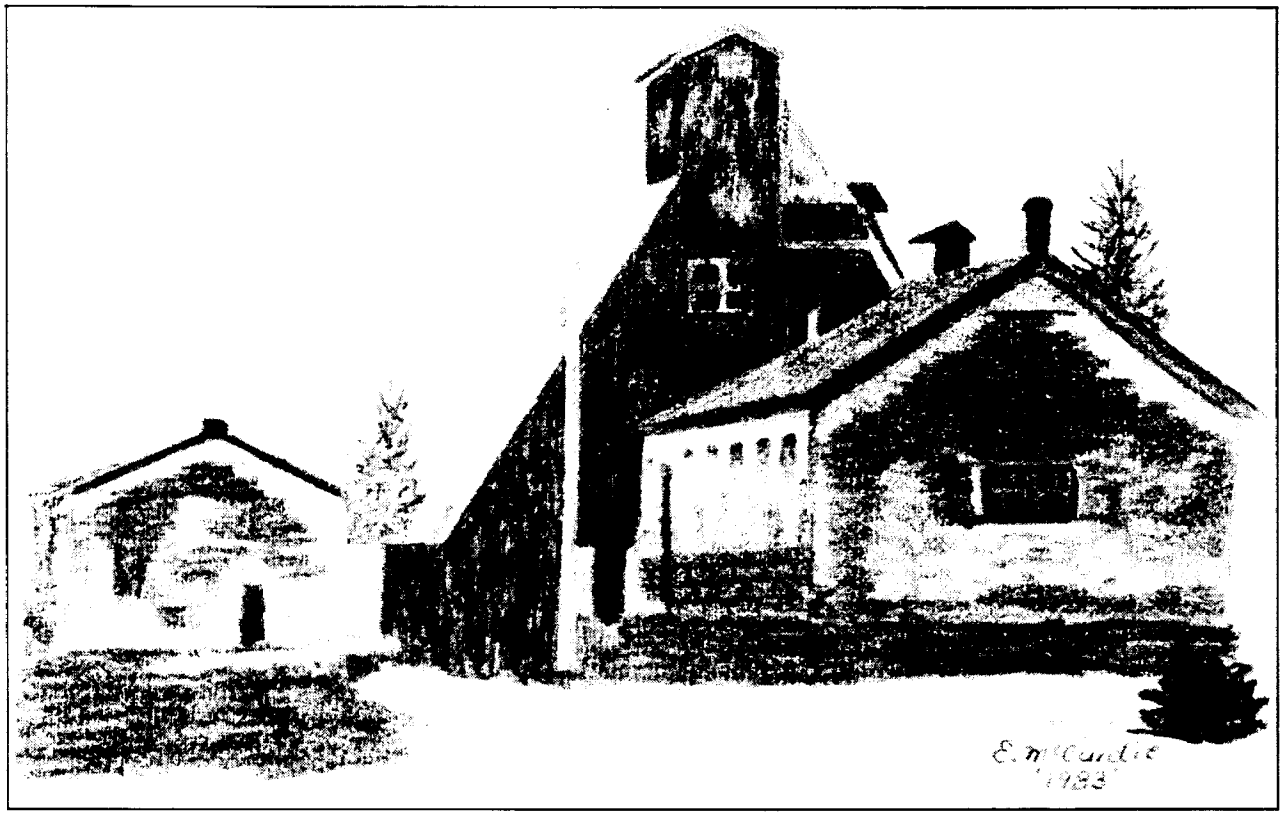
* * * * *

Your management is grateful for the efforts and support of shareholders, employees, directors and consultants in the growth of your Corporation. Your Corporation is most fortunate in the appointment of Multivest Financial Services Limited and Mr. Leonard F. Farmer (former Treasurer of Ontario Hydro) as our administrator and financial advisor.

The appointments of Mrs. Eileen Hardie, Mr. Ted White, and Mr. Alick Ryder, Q.C., as directors bring your Corporation a wealth of knowledge, experience, wisdom and support.

"In 1908, a year before the sensational discoveries of Jack Wilson, Harry Preston, Benny Hollinger, Sandy McIntyre and their fellow prospectors, H. F. Hunter, who had left his Toronto home to seek his fortune in the north, found a gold-bearing vein at the northeast end of Porcupine Lake. Hunter opened a mine there which operated intermittently over the next five years."

from — THE BIG DOME: Over Seventy Years of Good Mining in Canada
— Cybergraphics Company Incorporated, Toronto



The Hunter Gold Mine, Timmins, circa. 1930
E. McCurdie, 1983 — from photograph

We are also grateful for the dedication, hard work, and continuing support of Mr. Gil LeBlanc, Mr. Robert Weitzdoerfer and the staff of Gilrow Resources Limited, our mining contractor for the Hunter Gold Property, together with Dr. John Kirwin and Ken Lapierre of John L. Kirwin and Associates Limited, consulting Geologist Dr. Fred Barnes of David S. Robertson and Associates, Field Geologist Gordon Brethour and many others.

Particular thanks for the special advice and assistance of our Secretary, Mr. Garry Hoy, and Mr. Gordon Gwynne-Timothy, Q.C., of Holden, Murdoch & Finlay, and our auditors Mr. Ken McFarland and Mr. Doug Sharpley of Newman, Sharpley and Company.

Special thanks to the Mayor, administration and people of the City of Timmins and the Porcupine Lake Community for their patience, understanding and support in the redevelopment of the Hunter Gold Mine.

We are optimistic for the continued growth and future prospects of your Corporation and our contribution to the economic recovery in Canada.

Yours sincerely

Brian J. Feeney
President

Terrence E. Staples
Chairman

AUDITORS' REPORT

To the Shareholders of
Wabigoon Soapstone Company, Limited,
Toronto, Ontario.

We have examined the balance sheet of Wabigoon Soapstone Company, Limited as at December 31, 1982 and the statements of deferred exploration expenditure, deferred administration expenditure and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a consistent basis.

These financial statements are not prepared in accordance with Section 77 of the Ontario Securities Act and applicable regulations since they are not presented on a comparative basis. This omission is due to the fact that the company has been virtually inactive from January 1, 1978 to November 22, 1982 as explained in Note 4.

The financial statements for the year ended December 31, 1977 were examined by another firm of Chartered Accountants.

Toronto, Ontario
July 25, 1983.

Newman, Sharpley and Company
Chartered Accountants

WABIGOON SOAPSTONE COMPANY, LIMITED

BALANCE SHEET
as at December 31, 1982

ASSETS

MINING CLAIM, at cost (Note 2)		$210,060
DEFERRED EXPENDITURES		
Deferred exploration (Note 1)	$ 4,642	
Deferred administration (Note 1)	8,102	12,744
ORGANIZATION COSTS (Note 1 and 3)		9,968
Total Assets		$232,772

LIABILITIES

CURRENT	
Accounts payable and accrued liabilities	$ 9,202

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 6)	223,570
Total Liabilities and Shareholders' Equity	$232,772

APPROVED ON BEHALF OF THE BOARD:

Terrence E. Staples, Director

Brian G. Feeney, Director

WABIGOON SOAPSTONE COMPANY, LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENDITURE
for the Year Ended December 31, 1982

EXPENDITURE, during the year		
Assaying and sampling	$ 10	
Property taxes	346	$ 356
BALANCE, beginning of year		4,286
BALANCE, end of year		$ 4,642

WABIGOON SOAPSTONE COMPANY, LIMITED

STATEMENT OF DEFERRED ADMINISTRATION EXPENDITURE
for the Year Ended December 31, 1982

EXPENDITURE, during the year:		
Audit and legal	$ 2,000	
Amortization of organization costs	256	
Office rental	600	
Office and general	223	
Promotion and travel	5,023	$ 8,102
BALANCE, beginning of year		—
BALANCE, end of year		$ 8,102

WABIGOON SOAPSTONE COMPANY, LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION
for the Year Ended December 31, 1982

USE OF WORKING CAPITAL		
Deferred exploration expenditure	$ 356	
Deferred administrative expenditure net of amortization expense	7,846	
Total Working Capital Used		$ 8,202
DECREASE IN WORKING CAPITAL POSITION		(8,202)
WORKING CAPITAL DEFICIENCY, beginning of year		(1,000)
WORKING CAPITAL DEFICIENCY, end of year		$ (9,202)

SUMMARY OF WORKING CAPITAL DEFICIENCY

Current Assets	$ —
Current Liabilities	9,202
WORKING CAPITAL DEFICIENCY	$ (9,205)

WABIGOON SOAPSTONE COMPANY, LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended December 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Deferred Exploration Expenditure
The company defers the costs of its exploration expenditures and carries them as assets until the results of the ventures are known. Amortization of these expenditures will be charged on a basis pro-rata to production from mining operations.

(b) Deferred Administration Expenditure
The company defers the cost of its administrative expenditure and carries them as assets until the commencement of mining operations. Amortization is to be charged over a period of years consistent with production from mining operations.

(c) Organization Costs
Organization costs are amortized over a period of forty years, commencing in the current period.

(d) Mining Claims
Mining properties, claims and licences are recorded at cost. Properties for which title has not passed to the company are not recorded in the assets and corresponding liabilities accounts in these financial statements.

2. MINING CLAIM

Land and mining claims consisting of approximately 123 acres are situated in the Township of Zealand, Ontario.

3. ORGANIZATION COSTS AND ACCUMULATED AMORTIZATION

Cost	$10,224
Less: Accumulated amortization	226
	$ 9,968

Amortization is currently being deferred.

4. COMMENCEMENT OF OPERATIONS AND COMPARATIVE FIGURES

The company was inactive from the 1978 fiscal year, commencing January 1, 1978 to November 22, 1982, in the current fiscal year, when control of the company passed to the current group of shareholders. Financial statements for the years ended December 31, 1978, 1979, 1980 and 1981 have not been prepared by the company. Virtually no change took place in the accounts of the company during this period.

5. CONTRACTUAL OBLIGATIONS

(a) Gold Property
On November 23, 1982, the company entered into an agreement to purchase seven patented mining claims in the Whitney Township, District of Cochrane, Ontario, Canada, known as the Hunter Property Mining Claims. The transfer of title is to be effected by August 20, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniverary dates of the signing of the agreement, in addition to 67,000 common shares on the first anniversary date and 33,000 common shares on the second anniversary date.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

(b) Silver Property

On November 23, 1982, the company entered into an agreement to purchase mining claims and surface rights on a 138 acre parcel of land in Coleman Township, Ontario, Canada, known as the Cobalt Silver Mining Claims. The transfer of title is to be effected by August 20, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniversary dates of the signing of the agreement in addition to 67,000 common shares on the first anniversary date and 37,000 common shares on the second anniversary date.

On June 15, 1983, the company discharged a lien on this property of $6,000. This amount has not been included in this financial statement.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

(c) Uranium Property

On December 17, 1982, the company entered into an agreement to purchase a group of forty staked mining claims located in Johan Beetz and Desherbiers Townships, Quebec, Canada, known as the Johan Beetz Mining Claims. The transfer of title is to be effected by September 13, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniverary dates of the signing of the agreement in addition to 67,000 common shares on the first anniversary date and 33,000 common shares on the second anniverary date.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

6. CAPITAL STOCK

Authorized

5,000,000 Common shares

Issued

2,235,700 Common shares	$223,570

7. RELATED PARTY TRANSACTIONS

(a) Contractual Obligations

Contractual obligations, as recorded in Note 5, are to a corporation controlled by the former majority shareholder of the company.

(b) Deferred Expenditure

Included in deferred administrative expenditure in an amount of $5,023 paid on behalf of the company by a corporation controlled by Terrence Staples, Chairman of the Board.

8. SUBSEQUENT EVENT

On May 12, 1983, the name of the company was changed to Wabigoon Resources Limited.

COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

To the Shareholders of
Wabigoon Soapstone Company, Limited

We have prepared the accompanying unaudited interim financial information comprising the balance sheet of Wabigoon Soapstone Company, Limited as at March 31, 1983 and the statements of deferred exploration expenditure, deferred administration expenditure and changes in financial position for the three month period then ended. Our review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

We have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which we have expressed an opinion were for the year ended December 31, 1982.

This interim financial information is not prepared in accordance with Section 77 of the Ontario Securities Act and applicable regulations since it is not presented on a comparative basis. This omission is due to the fact that the company has been virtually inactive from January 1, 1978 to November 22, 1982 as explained in Note 6.

Newman, Sharpley and Company
Chartered Accountants

Toronto, Ontario
October 12, 1983

WABIGOON SOAPSTONE COMPANY, LIMITED

INTERIM BALANCE SHEET
as at March 31, 1983
(Unaudited)

ASSETS

CURRENT		
Cash		$ 16,321
MINING CLAIM, at cost (Note 2)		210,060
DEFERRED EXPENDITURES		
Deferred exploration (Note 1)	$ 12,124	
Deferred administration (Note 1)	21,347	33,471
PENNSYLVANIA OIL LEASE (Note 3)		4,420
ORGANIZATION COSTS (Notes 1 and 4)		9,904
Total Assets		$274,176

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	$ 10,533	
Advance share subscriptions (Note 5)	40,073	$ 50,606

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 8)	223,570
Total Liabilities and Shareholders' Equity	$274,176

APPROVED ON BEHALF OF THE BOARD

Terrence E. Staples, Director

Brian G. Feeney, Director

To be read in conjunction with Comments dated October 12, 1983

WABIGOON SOAPSTONE COMPANY, LIMITED

INTERIM STATEMENT OF DEFERRED EXPLORATION
Expenditure for the Three Month Period Ended March 31, 1983
(Unaudited)

EXPENDITURE, during the period:		
Geology and engineering fees	$ 6,000	
Property taxes	727	
Assaying and sampling	70	
General field	685	$ 7,482
BALANCE, beginning of period		4,642
BALANCE, end of period		$ 12,124

To be read in conjunction with Comments dated October 12, 1983

WABIGOON SOAPSTONE COMPANY, LIMITED

INTERIM STATEMENT OF DEFERRED ADMINISTRATION
Expenditure for the Three Month Period Ended March 31, 1983
(Unaudited)

EXPENDITURE, during the period:		
Amortization of organization cost	$ 64	
Bank charges and interest	100	
Capital tax	250	
Fees, dues and subscriptions	353	
Legal and accounting	1,307	
Office rental	5,150	
Office and general	273	
Promotion and travel	5,218	
Telephone and telegraph	530	$ 13,245
BALANCE, beginning of period		8,102
BALANCE, end of period		$ 21,347

To be read in conjunction with Comments dated October 12, 1983

WABIGOON SOAPSTONE COMPANY, LIMITED

INTERIM STATEMENT OF CHANGES IN FINANCIAL POSITION
for the three month period ended March 31, 1983
(Unaudited)

USE OF WORKING CAPITAL		
Deferred expenditures:		
Deferred exploration expenditure	$ 7,482	
Deferred administrative expenditure net of amortization	13,181	$ 20,663
Acquisition of Pennsylvania Oil Lease		4,420
Total Working Capital Used		25,083
DECREASE IN WORKING CAPITAL POSITION		(25,083)
WORKING CAPITAL DEFICIENCY, beginning of period		(9,202)
WORKING CAPITAL DEFICIENCY, end of period		$ (34,285)

SUMMARY OF WORKING CAPITAL DEFICIENCY

Current Assets	$ 16,321
Current Liabilities	50,606
WORKING CAPITAL DEFICIENCY	$ (34,285)

To be read in conjunction with Comments dated October 12, 1983

WABIGOON SOAPSTONE COMPANY, LIMITED

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS
for the Three Month Period Ended March 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Deferred development expenditure
The company defers the costs of its exploration expenditures and carries them as assets until the results of the projects are known. Amortization of these expenditures will be charged on a basis pro rata to production from mining operations.

(b) Deferred administration expenditure
The company defers the cost of its administrative expenditures and carries them as assets until the commencement of mining operations. Amortization is to be charged over a period of years consistent with production from mining operations.

(c) Organization Costs
Organization costs are amortized over a period of forty years.

(d) Mining Claims
Mining properties, claims and licences are recorded at cost. Properties for which title has not passed to the company are not recorded in the assets and corresponding liabilities accounts in these financial statements.

2. MINING CLAIMS

Land and mining claims consisting of approximately 123 acres are situated in the Township of Zealand, Ontario.

3. PENNSYLVANIA OIL LEASE

On January 14, 1983, the company purchased from Brian J. Feeney, an officer of the company, an undertaking to develop oil and gas wells situated on a 48.57 acre parcel of land in Keating and Eldred townships in the State of Pennsylvania, U.S.A.

The asset is recorded at purchase price plus any exploration and development expenditures incurred to date. Amortization of these costs will be charged on a basis pro rata to production.

4. ORGANIZATION COSTS AND ACCUMULATED AMORTIZATION

Cost	$10,224
Accumulated amortization	320
	$ 9,904

Amortization is currently being deferred.

5. ADVANCE SHARE SUBSCRIPTIONS

On May 11, 1983, the company issued 1,367,000 common shares from treasury for a total consideration of $144,900. Refundable advance subscriptions of $40,073 had been received by March 31, 1983.

6. COMMENCEMENT OF OPERATIONS AND COMPARATIVE FIGURES

The company was inactive from the 1978 fiscal year, commencing January 1, 1978 to November 22, 1982, in the 1982 fiscal year, when control of the company passed to the current group of shareholders. Financial statements for the years ended December 31, 1978, 1979, 1980 and 1981 have not been prepared by the company. Virtually no change took place in the accounts of the company during that period.

To be read in conjunction with Comments dated October 12, 1983

7. CONTRACTUAL OBLIGATIONS

(a) GOLD PROPERTY

On November 23, 1982, the company entered into an agreement to purchase seven patented mining claims in the Whitney Township, District of Cochrane, Ontario, Canada known as the Hunter Property Mining Claim. The transfer of title is to be effected by August 20, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniversary dates of the signing of the agreement, in addition to 67,000 common shares on the first anniversary date and 33,000 common shares on the second anniversary date.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

(b) SILVER PROPERTY

On November 23, 1982, the company entered into an agreement to purchase mining claims and surface rights on a 138 acre parcel of land in Coleman Township, Ontario, Canada known as the Cobalt Silver Mining Claims. The transfer of title is to be effected by August 20, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniversary dates of the signing of the agreement in addition to 67,000 common shares on the first anniversary date and 37,000 common shares on the second anniversary date.

On June 15, 1983 the company discharged a lien on this property for $6,000. This amount has not been included in these financial statements.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

(c) URANIUM PROPERTY

On December 17, 1982, the company entered into an agreement to purchase a group of forty staked mining claims located in Johan Beetz and Desherbiers Townships, Quebec, Canada known as the Johan Beetz Mining Claims. The transfer of title is to be effected by September 13, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniversary dates of the signing of the agreement in addition to 67,000 common shares on the first anniversary date and 33,000 common shares on the second anniversary date.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

8. CAPITAL STOCK

Authorized

5,000,000 common shares

Issued

2,235,700 common shares	$223,570

9. RELATED PARTY TRANSACTIONS

(a) Contractual Obligations

Contractual obligations, as recorded in Note 7, are to a company controlled by the former majority shareholder of the company.

(b) Deferred Expenditure

Included in the balance of deferred expenditures are payments totalling $10,231 paid on behalf of the company by a company controlled by Terrence Staples, Chairman of the Board.

10. SUBSEQUENT EVENTS

On May 12, 1983 the name of the company was changed to Wabigoon Resources Limited.

To be read in conjunction with Comments dated October 12, 1983

COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

To the Shareholders of:
Wabigoon Resources Limited

We have prepared the accompanying unaudited interim financial information comprising the balance sheet of Wabigoon Resources Limited, formerly Wabigoon Soapstone Company, Limited, as at June 30, 1983 and the statements of deferred exploration expenditure, deferred administration expenditure and changes in financial position for the six month period then ended. Our review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

We have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which we have expressed an opinion were for the year ended December 31, 1982.

This interim financial information is not prepared in accordance with Section 77 of the Ontario Securities Act and applicable regulations since it is not presented on a comparative basis. This omission is due to the fact that the company has been virtually inactive from January 1, 1978 to November 22, 1982 as explained in Note 9.

Newman, Sharpley and Company
Chartered Accountants

Toronto, Ontario,
October 12, 1983.

WABIGOON RESOURCES LIMITED

INTERIM BALANCE SHEET

as at June 30, 1983
(Unaudited)

ASSETS

CURRENT		
Cash	$ 3,589	
Term deposits	80,000	
Expenses advances	1,743	
Accrued interest receivable	111	$ 85,443
MINING CLAIM, at cost (Note 2)		210,060
DEFERRED EXPENDITURES		
Deferred exploration (Note 1)	$ 26,204	
Deferred administration (Note 1)	48,514	74,718
PENNSYLVANIA OIL LEASE (Note 3)		4,420
FIXED (Note 4)		1,058
INVESTMENTS (note 5)		400
ORGANIZATION COSTS (Note 6)		13,021
Total Assets		$389,120

LIABILITIES

CURRENT	
Accounts payable and accrued liabilities	$ 20,650

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 8)	368,470
Total Liabilities and Shareholders' Equity	$389,120

APPROVED ON BEHALF OF THE BOARD:

Terrence E. Staples, Director

Brian G. Feeney, Director

To be read in conjunction with Comments dated October 13, 1983

WABIGOON RESOURCES LIMITED

INTERIM STATEMENT OF DEFERRED EXPLORATION EXPENDITURE
for the Six Month Period ended June 30, 1983
(Unaudited)

EXPENDITURE, during the period:		
Geology and engineering fees	$ 13,655	
Property taxes and site preparation	6,927	
Assaying and sampling	295	
General field	685	$ 21,562
BALANCE, beginning of period		4,642
BALANCE, end of period		$ 26,204

To be read in conjunction with Comments dated October 13, 1983

WABIGOON RESOURCES LIMITED

INTERIM STATEMENT OF DEFERRED ADMINISTRATIVE EXPENDITURE
for the Six Month Period ended June 30, 1983
(Unaudited)

EXPENDITURE, during the period:		
Amortization of organizational costs	$ 128	
Bank charges and interest	127	
Capital tax	250	
Depreciation of office equipment	27	
Fees, dues and subscriptions	803	
Legal and accounting	2,944	
Management fees	9,000	
Management salaries	9,000	
Office and general	1,257	
Office rental	5,150	
Promotion and travel	9,728	
Telephone and telegraph	2,109	$ 40,523
INTEREST INCOME		111
TOTAL EXPENDITURE, for the period		40,412
BALANCE, beginning of period		8,102
BALANCE, end of period		$ 48,514

To be read in conjunction with Comments dated October 13, 1983

WABIGOON RESOURCES LIMITED

INTERIM STATEMENT OF CHANGES IN FINANCIAL POSITION
for the Six Month Period ended June 30, 1983
(Unaudited)

SOURCE OF WORKING CAPITAL		
Issue of shares (Note 8)		$144,900
USE OF WORKING CAPITAL		
Deferred Expenditures:		
Deferred exploration expenditure	$ 21,562	
Deferred administrative expenditure, net of depreciation and amortization	40,257	61,819
Purchase of Fixed Assets		1,085
Investment in Subsidiaries		400
Acquisition of Pennsylvania Oil Lease		4,420
Organization costs		3,181
Total Working Capital Used		70,905
INCREASE IN WORKING CAPITAL POSITION		73,995
WORKING CAPITAL (DEFICIENCY), beginning of period		(9,202)
WORKING CAPITAL, end of period		$ 64,793

SUMMARY OF WORKING CAPITAL

Current Assets	$ 85,443
Current Liabilities	20,650
WORKING CAPITAL	$ 64,793

To be read in conjunction with Comments dated October 13, 1983

WABIGOON RESOURCES LIMITED

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS
for the Six Month Period ended June 30, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Deferred Development Expenditure
The company defers the costs of its exploration expenditures and carries them as assets until the results of the projects are known. Amortization of these expenditures will be charged on a basis pro-rata to production from mining operations.

(b) Deferred Administration Expenditure
The company defers the cost of its administrative expenditures and carries them as assets until the commencement of mining operations. Amortization is to be charged over a period of years consistent with production from mining operations.

(c) Organization Costs
Organization costs are amortized over a period of forty years.

(d) Mining Claims
Mining properties, claims and licences are recorded at cost. Properties for which title has not passed to the company are not recorded in the assets and corresponding liabilities accounts in these financial statements.

(e) Depreciation
Depreciation on office furniture, fixtures and equipment is charged at an annual rate of 20% using the declining balance method.

2. MINING CLAIM

Land and mining claims consisting of approximately 123 acres are situated in the Township of Zealand, Ontario.

3. PENNSYLVANIA OIL LEASE

On January 14, 1983, the company purchased from Brian J. Feeney, an officer of the company, an undertaking to develop oil and gas wells situated on a 48.57 acre parcel of land in Keating and Eldred Townships in the State of Pennsylvania, U.S.A.

The asset is recorded at purchase price, plus exploration and development expenditure incurred to date. Amortization of these costs will be charged on a basis pro-rata to production.

4. FIXED ASSETS AND ACCUMULATED DEPRECIATION

Office furniture, fixtures and equipment	$1,085
Accumulated depreciation	27
	$1,058

Depreciation is currently being deferred.

5. INVESTMENTS

On April 11, 1983, the company incorporated four wholly owned subsidiaries. These subsidiaries are currently inactive. The company's interest is as follows:

	Issued Common Shares	Cost
Silverwedge Mines Limited	100	$100
Gulfshore Uranium Mines Limited	100	100
Hunter Gold Mines Limited	100	100
Canadian Soapstone Mines Limited	100	100
		$400

To be read in conjunction with Comments dated October 13, 1983

6. ORGANIZATION COSTS AND ACCUMULATED AMORTIZATION

Cost	$13,405
Accumulated amortization	384
	$13,021

7. CONTRACTUAL OBLIGATIONS

(a) Gold Property

On November 23, 1982, the company entered into an agreement to purchase seven patented mining claims in the Whitney Township, District of Cochrane, Ontario, Canada, known as the Hunter Property Mining Claims. The transfer of title is to be effected by August 20, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniversary dates of the signing of the agreement, in addition to 67,000 common shares on the first anniversary date and 33,000 common shares on the second anniversary date.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

(b) Silver Property

On November 23, 1982, the company entered into an agreement to purchase mining claims and surface rights on a 138 acre parcel of land in Coleman Township, Ontario, Canada, known as the Cobalt Silver Mining Claims. The transfer of title is to be effected by August 20, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniversary dates of the signing of the agreement in addition to 67,000 common shares on the first anniversary date and 37,000 common shares on the second anniversary date.

On June 15, 1983, the company discharged a lien on this property for $6,000. This payment has been included in the accounts as a deferred exploration expenditure.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

(c) Uranium Property

On December 17, 1982, the company entered into an agreement to purchase a group of forty staked mining claims located in Johan Beetz and Desherbiers Townships, Quebec, Canada known as the Johan Beetz Mining Claims. The transfer of title is to be effected by September 13, 1983.

The company has agreed to pay $33,000 or 33,000 common shares, at its option, on each of the first four anniversary dates of the signing of the agreement in addition to 67,000 common shares on the first anniversary date and 33,000 common shares on the second anniversary date.

The company has the right to terminate the agreement and to cease payment at any time within the first four anniversary dates of the signing of the agreement.

8. CAPITAL STOCK

On May 12, 1983, the authorized capital of the company was changed from 5,000,000 common shares to:
20,000,000 Common shares, without par value
10,000,000 Class "A" Special shares, 10% cumulative, non-voting, convertible.

Changes in issued and outstanding common stock during the period were as follows:

	Shares	Amount
Opening balance, January 1, 1983	2,235,700	$223,570
Issued May 11, 1983 for cash	1,367,000	144,900
	3,602,700	$368,470

9. COMMENCEMENT OF OPERATIONS AND COMPARATIVE FIGURES

The company was inactive from the 1978 fiscal year, commencing January 1, 1978 to November 22, 1982, in the 1982 fiscal year when control of the company passed to the current group of shareholders. Financial statements for the years ended December 31, 1978, 1979, 1980 and 1981 have not been prepared by the company. Virtually no change took place in the accounts of the company during that period.

To be read in conjunction with Comments dated October 13, 1983

10. **CHANGE OF NAME**

On May 12, 1983, the company changed its name to Wabigoon Resources Limited from Wabigoon Soapstone Company, Limited.

11. **REMUNERATION OF OFFICERS AND SHAREHOLDERS**

During the period the company paid $9,000 in management salaries to officers of the company. A management fee of $9,000 was paid to Multivest Financial Services Limited, a shareholder.

12. **RELATED PARTY TRANSACTIONS**

(a) Contractual Obligations
Contractual obligations as recorded in Note 7 are to a company controlled by the former majority shareholder of the company.

(b) Deferred Expenditures
Included in the balance of deferred expenditures are payments totalling $14,080 paid on behalf of the company by a company controlled by Terrence Staples, Chairman of the Board.

CORPORATE DATA

BOARD OF DIRECTORS:

Brian J. Feeney, Toronto

Eileen Hardie, Toronto

J. Alick Ryder, Toronto

Terrence E. Staples, Toronto

J. Edward White, Moncton

OFFICERS:

Terrence E. Staples
Chairman, Vice-President and Treasurer

Brian J. Feeney
President

Garry Hoy
Secretary

MANAGER:
Multivest Financial Services Limited, Toronto

SUBSIDIARY CORPORATIONS:
Canadian Soapstone Mines Limited

Gulfshore Uranium Mines Limited

Hunter Gold Mines Limited

Silverwedge Mines Limited

REGISTRAR AND TRANSFER AGENT:
National Trust Company, Limited, Toronto

AUDITORS:
Newman, Sharpley and Company, Toronto

HEAD OFFICE:
Suite 500, 111 Elizabeth Street
Toronto, Ontario M5G 1P7

SOLICITORS:
Holden, Murdoch & Finlay, Toronto

BANKERS:
Bank of Montreal, Toronto

WABIGOON RESOURCES LIMITED

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Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

HUNTER GOLD MINES SITE PROPOSALS

FOR DISCUSSION

BY

ROBERT WEITZDOERFER

GILROW RESOURCES INC.

111 ELIZABETH STREET, SUITE 500, TORONTO, ONTARIO, CANADA M5G 1P7 • TEL. (416) 595-1818 • TELEX 06-217622

WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

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WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

1. INTRODUCTION

Wabigoon Resources has requested GilRow Resources to undertake a quick preliminary study regarding the re-opening of the former Hunter Gold Mine and the resulting impact on the environment and the Municipality.

This study is intended to clear up past misunderstandings between the parties involved, and generate additional exchange of information to arrive at mutually satisfactory solutions to present and future problems.

An application for rezoning of the parcel of land has been submitted by Wabigoon Resources to the City of Timmins.

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2. SITE RESTORATION

Wabigoon Resources has agreed to post a bond with the City of Timmins for the amount required to restore and landscape the surface area of the Hunter Gold Mine.

During the mine production stage as much as possible improvement work would be carried out to create a pleasing environment.

In the event of Wabigoon Resources abandoning the Hunter Gold Mine Property a posted Bond will be utilized to create a parklike setting of the mine surface area.

Following is a summary of the estimated restoration costs and the amount of the Bond posted with the City of Timmins by Wabigoon Resources:

To be Bonded:

Backfilling of test pits and stripped areas, establish berms	$3,000.00
Haul and place additional top soil (as required)	4,500.00
Seed area with grass seed	5,000.00
Procure and plant trees	2,500.00
Clean and remove debris	2,500.00
Miscellaneous labour and equipment	9,000.00
TOTAL AMOUNT OF BOND	$26,500.00**

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2. SITE RESTORATION (continued)

Restoration work Completed:

Fence erected around the property	13,000.00
Excavate and removed old concrete foundations	1,400.00
Concrete shaft collar and cover in place (government specifications)	22,000.00
TOTAL RESTORATION WORK COMPLETED	[illegible],400.00**
(Total carried forward)	[illegible],500.00
TOTAL COST OF ESTIMATED RESTORATION	$62,900.00**

WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
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Canadian Soapstone Mines Limited

3. MINE DEWATER AND MINE WATER DISCHARGE

Water samples obtained and tested from the existing mine shaft compare favourably with the water quality of the Porcupine Lake. No pollution problem is evident or expected from the mine water discharge entering the lake. (see appendix No. 1)

Approximately 3,000,000 U.S. gallons (11,355,000) liters of water are presently contained in the existing underground mine openings. A permission to dewater the mine and discharge the mine water into the Porcupine Lake has been obtained from the Ministry of Environment.

It is the intention of Wabigoon Resources to discharge the mine water into the Porcupine Lake during the underground exploration phase and any future mine development and production operations.

In the event of detection of pollutants in the mine water discharge, Wabigoon Resources will incorporate into the discharge stream a pollution control system to meet the standards established by the Ministry of Environment.

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4. FRESH WATER SUPPLY (10 to 60 Men)

The estimated manpower requirements for the various underground mining operations will vary from 10 men during the exploration activities to about 60 men in the production stage.

Wabigoon Resources proposed to make use of the existing city water supply system for the supply of water to the sanitation, shower and drinking facilities during the exploration phase which will employ about 10 men. A branch of the city water system does terminate on the mine property.

A study of volumes and supply capacities available for a crew of approximately 60 men during the future development and production stage should be carried out with the assistance of the City Engineering Department.

WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

5. SEWAGE (10 to 60 Men)

Wabigoon Resources intends to install a temporary sewage holding tank on the Hunter Gold Mine Property for the duration of the underground exploration work.

Approval in writing for the sewage holding tank installation has been received from the Porcupine Health Unit by Wabigoon Resources.

In the event of the Company deciding to bring the Hunter Gold Mine into production, a hook-up of the mine sewage system to the [redacted] sewage system is anticipated.
Prior to the hook-up a joint study of volumes and capacities between the parties involved would be required.

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6. TRANSPORTATION (REMOVAL) OF BROKEN ORE AND WASTE ROCK

WASTE ROCK REMOVAL

Broken waste rock removed and hoisted to the surface from the various underground headings can be disposed of as following:

a. Dump into existing or future underground empty stope (shrinkage) excavations as backfill.

b. Truck and stockpile the waste rock to a storage area for future use.
Example: as subgrade for road building (South Porcupine by-pass)

BROKEN ORE REMOVAL

Various alternatives are available for the removal and milling of the run of mine ore.

1. Trucking the ore to two local custom milling plants, one in operation and the other going on stream by mid-1984.

A. The custom milling plant in operation is located at the Pamour Mine.
Trucking of the ore through parts of the build up area of Porcupine may be necessary.

6. BROKEN ORE REMOVAL (continued)

B. Custom milling facilities with independent milling ciruits are being presently installed approximately 10 miles south of the Hunter Gold Mine property. The estimated compdetion date is mid-1984.
In order to avoid trucking of the ore through the build up section of South Porcupine the Company proposes to build an 1½ mile long bypass road. (see appendix No. II)

A short graveled road section close to the mine site which runs through a build up section of Porcupine would be paved to eliminate dust spreading over the surrounding area.

2. Assuming substantial ore reserves are established in the future and the erection and operation of a Company owned milling plant is economically justified, the Company may install a concentrator in the vicinity of the mine site.
A tract of land south of the mine site with a rural wilderness (AW)-zoning may be available.

3. Other possibilities of ore removal consists of building a railroad siding on the existing ONR Line which passes close to the mine site and truck or convey the broken ore from the mine surface bin into railroad cars and then by rail to a concentrator for processing.

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WABIGOON RESOURCES LIMITED

WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

August 25, 1983.

INFORMATION SUMMARY

Incorporated - October 12, 1922

Authorized share capital - 20,000,000 common shares without par value and 10,000,000 Class A special shares without par value.

Common shares issued and outstanding - 3,602,700 shares.

Officers and Directors

- Terrence E. Staples	- Chairman, Vice President & Treasurer (Director)
- Brian J. Feeney	- President (Director)
- Alick Ryder Q.C.	- Director
- Ilene Hardy	- Director
- Edward White	- Director
- Garry Hoy	- Secretary

Administrative and Financial Advisor

- Multivest Financial Services Limited
  L.F. Farmer - Chairman

Legal Counsel

- Holden, Murdock & Finlay

Auditors

- Newman, Sharpley and Company

Consulting Geologist and Mining Engineers

- David Robertson and Associates
  A unit of Currie, Coopers and Lybrand
- Earth Resource Associates
  (Dr. John L. Kirwan, PhD.)

Wholly owned Subsiduary Companies

- Hunter Gold Mines Limited
- Gulfshore Uranium Mines Limited
- Silverwedge Mines, Limited
- Canadian Soapstone Mines, Limited

WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

Management Profiles

Terrence E. Staples: Chairman Vice-President, Treasurer and Director
Formely - Vice President & Director Realquimor Corporation.

Achievements include the financing of the Real Property Trust of Canada during the period 1979 to 1981 wherein the Assets invested grew from $1.5 million to $25 million.

Assistant Treasurer, Ontario Hydro from 1969 to 1979 with responsibility for effective investment management of in excess of $1 Billion in Pension Fund Assets to the Treasurer and Board of Directors.

Brian J. Feeney: President and Director
Vice President and Director - Société Minière International du Québec
1980 - 1982

Responsible for the development and administration of exploration and mining activities in West Africa.

Prior to 1980 active in industrial real estate marketing and financing.

Leonard F. Farmer: Financing and Administration
Chairman
Multivest Financial Services

Achievements include Financing and Administration for selected companies and projects for the period 1974 - 1982.

Treasurer of Ontario Hydro 1964 - 1974 with responsibility for major corporate financing; the management of short term borrowing and investment; foreign exchange, debt retirement, the safe custody of cash securities; debt servicing; insurance underwriting and claims and the management of the Corporation's Pension and Insurance Fund.

This position reported to the Vice-President of Finance and the Board of Directors with respect to an annual $5 Billion Borrowing Program and a $5 million Divisional Budget covering 81 employees.

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WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

PROGRESS REPORT

Re: Hunter Gold Mine

Negotiations to establish a joint venture with a large U.S. resource Company to redevelop this former producing gold mine have been underway for about six months. Currently a study is being conducted which will assess the environmental impact an exploration program, and future mine, will have on the town of Porcupine, which is situated on a corner of the property.

The Mine

History

The Hunter Gold Mine property is located on the northeast side of Porcupine Lake in Whitney Township, District of Cochrane, Ontario. The 240 acre property lies within the Municipality of the City of Timmins. The Town of South Porcupine is a mile to the southwest on the south end of the lake and the Town of Porcupine is at the north end of the lake and partially on the mineral lands of the company. The main head frame of Dome Mines is situated three miles to the southwest and their new shaft is in sight of the property. The Pamour Porcupine Mine, a Noranda subsidiary is situated two miles to the northeast.

The Hunter Property is reputed to have been one of the first staked and syndicated in the Timmins area. The property was staked in 1908 as the Porcupine Reserve Mine and, after three starts, the earlier two aborted by fires, the first level was established from the inclined shaft at 280 feet. Some 675 feet of development drifting was carried out at that time. The priorities of the 1914 - 1918 war forced early closure of the mine.

The workings were pumped out and resampled, and some udnerground drilling undertaken on at least two occasions beginning in 1927. However, there was no resumption of production until 1937 under the name of the Porcupine Lake Gold Mining Company Limited.

...2

The shaft was deepened to 880 feet on the incline with additional levels established at 360, 480, 600, 725 and 850 feet. Drifting on the No. 1 vein system was confined to the 280 and 360 levels from where all production was mined. The company operated as a small producer until September 1940, when the mine was again closed because of difficulties in operating during wartime.

In 1945, after the second World War, a geophysical survey was performed and a surface drilling program recommended. The company's consulting engineer, Hamlin B. Hatch, wrote a report for the company recommending an underground drilling program to verify the downward continuation of the gold veins and to locate other stoping areas. He also supported the surface drilling recommendations given in the geophysical report.

The surface drilling recommendations were not directed to the economic appraisal of the property, but rather were designed to determine bedrock geology beneath the drifted area of the property. To have located mineralization through the recommended drilling would have been fortuitous.

Nevertheless, a surface diamond drilling program was carried out in 1948 under the direction of Bromley and MacPhail, consulting geologists and mining engineers. Five holes were drilled totalling 3,000 feet. Holes one and two, in the southeast of the property, intersected ultrabasic rocks, but no mineralization. Holes three and four, a departure from the earlier recommendations were drilled near the shoreline of Porcupine Lake to explore the vein system south of the mine workings. Hole three cut a vein and confirmed the continuance of mineralization for at least 200 feet south of the mine workings. Hole four, south of a fault which apparently displaces the known vein systems, did not intersect mineralization. Hole five, again following the geophysical recommendations for general exploration, indicated a petrographic variant of the Tisdale volcanics but no mineralization.

No work is known to have been performed on the property since the 1948 surface drilling.

Summary of Potential

The demonstrated economic potential on the property is in the Lower Carbonate unit of the Tisdale Group known throughout Timmins mining camp as hosting many of the areas producing mines.

...3

Summary of Potential Cont'd

The mine property is only partially explored, mainly by underground workings for a strike length of about 800 feet and to a depth of 360 feet, on a gold vein system found outcropping along the east shore of Porcupine Lake. The total strike length of the Lower Carbonate within the property is about 3,300 feet.

Only the No. 1 vein of five veins known on the property has been adequately tested. It has significant gold values. The other veins and the balance of the carbonate unit do not appear to have been adequately explored either underground or on surface.

The shaft was sunk on the best of the exposed veins even though the strike extensions of the vein systems within the property could have been probed by diamond drilling to select the best section for development. There is no reason to conclude that the best sections of the Lower Carbonate unit have been found. Tisdale strata adjacent to the Lower Carbonate, and porphyries within the property are also potential ore hosts.

The property is well serviced by all-weather roads. A natural gas pipeline and major hydroelectric powerlines are within a mile of the property. The main line of the Ontario Northland Railway crosses three of the patented mining claims.

Timmins is a mining and mine service area with a large skilled work force. The Porcupine Lake Mine is well situated to take advantage of Local facilities.

Summary of Mine Development - 1940

The following is a summary of the results of work performed underground during 1940. All information has been taken from weekly mine managers reports.

- Two flat holes drilled North from the 3rd level (450' level), 50 feet from each other intersected 10 feet of core assaying gold .57 oz/ton and .31 oz/ton respectively. These intersections were corralated on an east west strike perpendicular to the north south strike of the structure. Drifting intersected the vein but not where the first hole had cut it. Further drifting along the vein quickly entered into a porphory mass. Underground maps show the drift not to have intersected nor was in line with the second drill hole.

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Summary of Mine Development - 1940 cont'd

- A seventeen foot core and twenty two foot core of quartz was intersected by two drill holes going south on the 5th level (725' level). Drifting cut the vein. It is reported as being up to twenty feet wide with two samples running gold .285 oz/ton and ..34 oz/ton. No drifting was done along the vein.

- Drilling north on the 4th level (600' level) intersected a heavily mineralized thirty foot section of quartz. No attempt was made to drift to this occurance although minimal grades were identified.

- Milling ore was coming from the sub-level stope between the first and second levels. Two weeks prior to the closing of the mine it is reported that they were mining rich quartz stringers over an eighteen foot width. Gold production for the previous nine days running averages out to .68 oz/ton.

It is definately known that the company ran out of time with the outbreak of World War two to fully investigate many of these interesting gold quartz vein intersections. These occurances show definate promise for increased ore reserves over wider widths and in the lower levels of the mine and will be investigated by the underground exploration that will take place during the first phase of the program outlined below.

Recent Field Summary Report

A recent investigative field study performed by geologist of the large U.S. resource company, with which we are negotiating a joint venture, turned up geological evidence that the Hunter Mine lies in an extension of the same structure as Dome Mines. A mapping of the structure along the edge of Porcupine Lake was done, the results of which showed rock types to be similar between the Dome & Hunter mines. Further, an analysis of drill core logs from holes drilled in the Lake, in various locations halfway between the two mines, showed the presence of the same rock types and structure. Surface samples were taken from the Hunter shaft area and in other locations where outcrops were present along the lake shore. Whole rock analysis were perfomed the results of which yielded very high arsenic and boron contents. These two elements are of significant interest because they are present in 90% of all producing gold mines in trace amounts. Their presence, tends to be a controlling factor as to whether or not significant gold mineralization took place. In addition a sample was taken

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Recent Field Summary Report cont'd

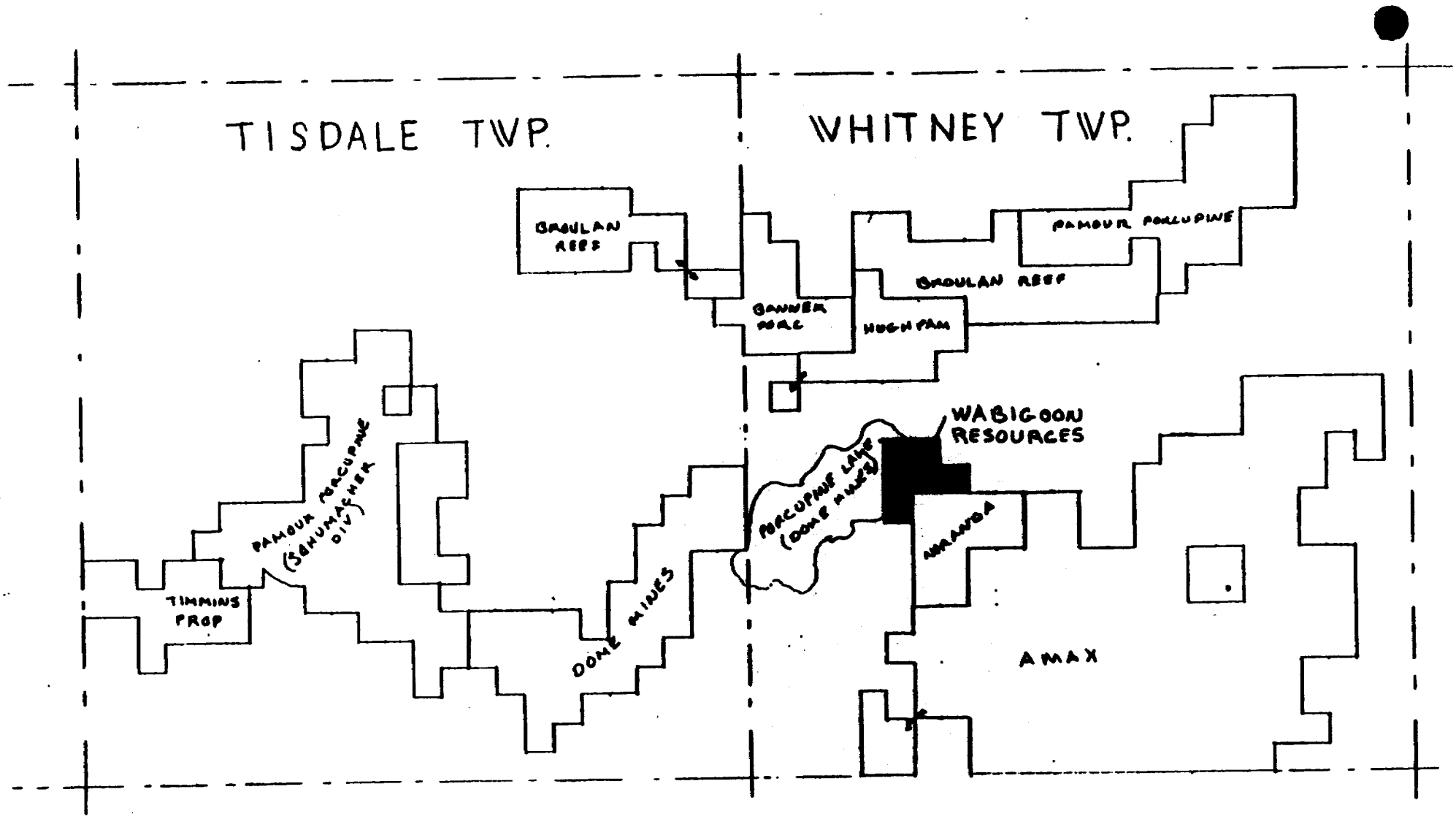
from a small outcrop a short distance offshore from the Hunter Mine. Assays showed that gold mineralization was present as well as the trace elements of arsenic and boron. Underground workings of the Dome Mine are estimated to be approximately a mile away.

A two phase program to redevelop the property is proposed; phase one, estimated to cost $1,200,000. will focus on underground and surface work to commence simultaneously. It will include a detailed magnetometer survey, geological mapping, trenching, till sampling and diamond drilling from the ice, as well as reopening, dewatering and refurbishing the 850' incline shaft. Underground work will include drilling and resampling of old drifts. Phase two is estimated to cost $2 - $3 million for additional underground work, including drifting and bulk sampling, with a view to establishing ore reserves.

Work on the property to date has centered around readying the mine for development. This includes buldozing an access road to the shaft and boring a hole through the shaft cover to take water samples for analysis.

Information derived from;

- government reports;
- Robertson & Associates, 1983 report on the Hunter Gold Mine;
- Discussions with geologist from U.S. resource company;
- Porcupine Lake Gold Mines, Mine managers weekly reports;
- Discussions with Dr. John L. Kirwin.


TISDALE TWP.
WHITNEY TWP.
BROULAN REEF
BROULAN REEF
PAMOUR PORCUPINE
BANNER MAC
HUGH PAM
WABIGOON RESOURCES
PORCUPINE LAKE (DOME MINES)
PAMOUR PORCUPINE (SCHUMACHER DIV)
TIMMINS PROP
DOME MINES
AMANDA
AMAX

WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

PROGRESS REPORT

Re: Silverwedge Mines Ltd.

Summary - This former producing silver mine is situated in the Cobalt area of northern Ontario and is adjacent to the south west corner of Agnico Eagle's Mine. The property comprises approximately 220 acres of patented mining and surface rights.

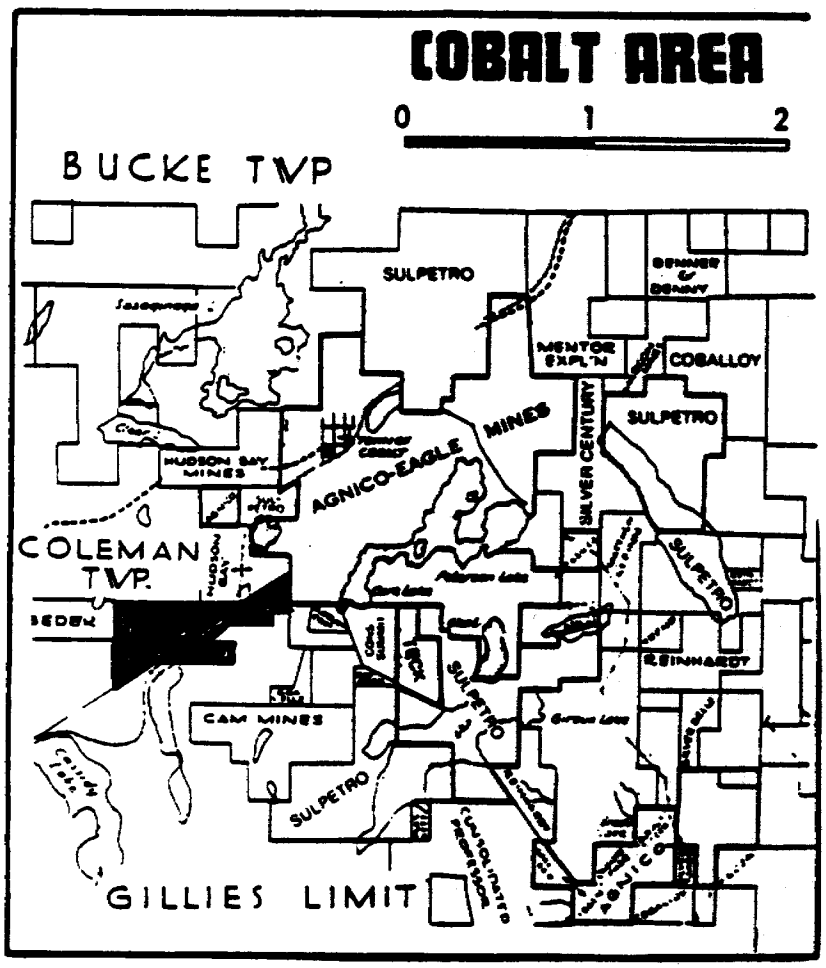
Geologically the property is well situated as it is on strike with the Coniagus mine which was a prolific producer of silver. Underground development prior to 1943 intersected many veins and small high grade ore sections which were sufficient to warrant installation of a mill and smelter which operated for approximately one year. It is believed however, that most of the undergroumd exploration was conducted by drifting with little or no underground diamond drilling to encounter new ore reserves.

The property has all of the necessary rock types known throughout the Cobalt camp as hosting many of the area producing mines, and structure including the Cobalt Lake fault with many eastwest trending miner faults off of it. The Company's geologist is completing an evaluation of all previous work done on the property and plans to carry out a field program this fall. The results of this program is expected to lead to a decision to commence a detailed underground drilling program in the old mine with a view to proving up sufficient ore reserves to resume production.

- Information derived from government reports and regional government geologist.

WABIGOON RESOURCES LIMITED

Location map for Silverwedge Mines Limited



WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

PROGRESS REPORT

Re: Gulfshore Uranium Mines Ltd.

URANIUM PROSPECT

The property consists of 40 staked claims covering approximately 1,600 acres located in the southwestern part of Johan Beetz Township, Quebec. It is about 165 miles east of the city of Sept Isles, and 35 miles east of the city of Harve St. Pierre.

The group of claims are part of a low grade large tonnage uranium find first discovered in the late 1960's. Amongst the many companies still retaining large holdings in the area are Denison Mines/Imperial Oil, Northgate, Texasgulf and Noranda.

Extensive work was carried out on our group of claims between 1968 and 1981. The results of that work is summarized below:

- 20,000 feet of diamond drilling;
- bulk sampling;
- trenching;
- Metallurgical grade and extraction test,

    (i) Eldorado Nuclear Limited in 1969 completed a full separation analysis of uranium from the ore.

The work done to date has yielded the following:

- The ore body is a pegmatite averaging approximately 1,800 feet wide and 5-1/2 miles long. It consist largely of a soda feldspar (ave. 47%-51%), silica product (ave. 23.5%), uranium (ave. .52 bls/ton), yttrium (ave. .60bls/ton) and cerium (ave. .018 bls/ton) and other rare earths. The deepest diamond drill holes were 200 feet where they were still in radioactive ore.

- Previous reports and work showed "indicated ore reserves" as 90,000,000 tons grading .52 lbs/ton U_3O_8.

It was felt that sufficient work had been done using drilling, shaft sinking, adits, test pitting, bulk sampling and metallurgical grade extraction test ot establish the ore in this category.

An analysis of the work done to date was performed by A.H. Ross & Associates, consulting geologist and metallurgical engineers.

...2

They believe that a prefeasibility study is warranted at this time. Its purpose will be to ascertain what profitability prospects the project has. If the project is found to have reasonalbe merit for further development, they will outline a budget and a development program.

From there experience with similar deposits, they suggest costing the project on the basis of a 10,000, a 25,000 and a 50,000 TPD mine and mill to be operational in 1990.

42A06NE0128 63.4374 WHITNEY

DATE
FILE NO. OP-83-17

CONSIDERED BY
CITY OF TIMMINS COUNCIL IN
COMMITTEE OF THE WHOLE — DATE
DECISION

CITY COUNCIL — DATE
DECISION
BY-LAW

APPLICATION TO AMEND THE CITY OF TIMMINS OFFICIAL PLAN AND ZONING BY-LAW NO. 1977-850

APPLICANT Wabigoon Resources Limited

AGENT Mr. Garry Hoy

I SUBJECT

Application by Mr. Garry Hoy on behalf of Wabigoon Resources Limited to amend the City of Timmins Official Plan and Zoning By-law No. 1977-850, as amended, as it affects Parcel 6973 Whitney and Tisdale to permit mining.

II SITE ANALYSIS

a) Location and Size

The subject property is located on the west side of Lovers Lane, Porcupine. More specifically, the subject property is part of Lot 10, Concession 3, Whitney Township, being part of Parcel 6973 Whitney and Tisdale. The subject part, which is above water has a frontage of approximately 329.0 metres (1080 feet) along Lovers Lane; the area being 2.8 hectares (6.9 acres). This part extends westerly from Lovers Lane to the shore of Porcupine Lake.

b) Existing Land Use

Presently, the property is vacant. However, until 1940, Porcupine Lake Gold Mining Company operated as a small gold producer on this parcel of land. The gold was mined by way of an inclined shaft with five (5) levels to a depth of 259.08 metres (850 feet).

c) Proposed Land Use

Wabigoon Resources Limited proposes to mine gold using this original inclined mine shaft. The various structures and uses comprising the proposed mining operation are briefly described.

: 18.2 metres - height (60 feet - height) head frame at 56 percent decline

: power house measuring 3.5 metres by 6.1 metres by 3.048 metres - height to the eave (12 feet by 20 feet - height to the eave)

: steel building measuring 12.2 metres by 36.57 metres by 6.096 metres - height to eave (40 feet by 120 feet by 20 feet - height to the eave), containing hoist room and dry and mine office

: steel building, measuring 18.2 metres by 30.48 metres by 4.9 metres - height to the eave (60 feet by 100 feet by 16 feet - height to the eave), containing mine service building and compressor room

: fourteen (14) parking spaces

d) Zoning

Zoning By-law No. 1977-850 zones most of Parcel 6973 Whitney and Tisdale Holding Residential (DR); the land along the shore of Porcupine Lake being zoned Rural Hazard (AH). To permit the proposed use, an Industrial Mining (IM) zoning is required.

The Zoning By-law defines Mining as

"2.56 ...any mode or method of working, whereby the earth or any rock, stone or mineral bearing substance may be disturbed, removed, washed, sifted, leached, roasted, smelted, refined, crushed or dealt with for the purposes of obtaining any mineral therefrom and including all necessary accessories and uses for the operation of mining complex."

In the Industrial Mining (IM) Zone, Section 7.1.1, the front yard requirement is 15.0 metres (50 feet). Because of the incline of the shaft, the hoist room and dry are located 3.048 metres (10 feet) from the front lot line. Accordingly, if approved, the amending By-law will reduce the front yard setback requirement to 3.045 metres (10 feet).

It is pointed out that mining is also a permitted use in the Rural Wilderness (AW) Zone. Section 9.1 details the provisions for Rural Zones. However, there are no specific provisions for mining in the Rural Wilderness (AW) Zone.

e) Official Plan

The Industrial Areas in the urban area of the City are divided into two groups; Mining and Manufacturing. The one Mining Industry designation reflects the existing McIntyre mining complex. Designations for new or resumed mining activity in the urban areas need to be made by an amendment to the Plan. To permit resumed mining activity on Parcel 6973 Whitney and Tisdale, an amendment to the Official Plan is required.

For Mining Industry, the major uses permitted are the mining of rock, minerals and ore together with the necessary on-site processing thereof.

It is pointed out that Schedule E, Urban Land Use - Porcupine Community, designates part of Parcel 6973 Residential Neighbourhoods and Major Open Space and Hazard Lands. Schedule F, Rural Land Use, designates this Parcel Wilderness.

The intent of the Official Plan Policies for Rural Land Uses is to encourage the maintenance of these lands for resource uses and to restrict other development to activities that are directly and closely associated with them (mineral exploration and operation of mines). The paragraphs of Rural Land Uses - General Provisions that refer to mining or mining activity are reproduced.

"3.1 Except as otherwise provided, the erection or expansion of buildings, structures, and land uses in rural areas will be limited to those directly necessary for resource development and utilization.

3.2 Except as specifically prohibited mineral exploration and mining is permitted in all rural areas except Provincial Parks, provided that approval for any exploration program involving blasting, trenching or any mining operations is first obtained from the Ministry of Natural Resoruces:"

Irrespective of these two paragraphs, only the policies for Wilderness Areas specifically permits or mentions mining and exploration.

"3.5 The major uses and activities permitted in areas shown on Schedule F and excerpts as Wilderness Areas are the prospecting, exploration and development of mineral deposits; the operation of mines; all forms of forestry activites, and registered trap lines."

While it might be argued that the flexibility clause could be used thereby eliminating the necessity of an Official Plan amendment it must be noted that the parcel of land in question is unquestionably part of the urban community of Porcupine. Based on this fact and on the clear statement of the Official Plan re: new or resumed mining operations within the urban areas, it is apparent that the use of the flexibility clause is not appropriate and that an Official Plan amendment is required if the zoning is to be changed to permit the proposed mining operation.

III CIRCULATION COMMENTS

Date of Circulation

: Agencies and City Departments - September 29, 1983

: Property owners and assessed persons within a 120 metre radius - September 29, 1983

Comments

a) Northern Telephone Limited - October 4, 1983

No objection

b) Ontario Hydro - October 7, 1983

No objection

c) Northern and Central Gas Corporation Limited - October 5, 1983

No objection

d) Ministry of the Environment - October 11, 1983

No objection

"Any requirements of this Ministry will be able to be met through approval procedures established under the relevant legislation."

e) Ministry of Natural Resoruces - October 5, 1983

The comments of the Ministry of Natural Resources are reproduced.

"An operation of this size will require the company to take vast volumes of water from Porcupine Lake. This could result in a dip in water levels during the summer months. Low water levels could adversely affect the Ministry of Natural Resources float plane operations on Porcupine Lake.

We would also ask you to pay special attention to comments from the Mattagami Region Conservation Authority concerning the hazard lands along the lake."

f) Mattagami Region Conservation Authority

No reply to date

g) Porcupine Health Unit - October 31, 1983

No objection

"provided the preliminary plan remains the same and all sewage systems are installed under permit to the specifications of the Porcupine Health Unit and Part VII of the Environmental Protection Act.

The Porcupine Health Unit would require that the office trailer servicing the property during the exploration stage be serviced by a temporary sewage disposal system such as a holding tank."

h) Timmins Board of Education - October 6, 1983

No objection

i) Timmins District R.C.S.S. Board - October 4, 1983

No objection

j) Fire Chief - October 19, 1983

The comments of the Fire Chief are reproduced.

"Presently the water supply system is not of ample capacity to support good fire protection for the proposed area.

Therefore, I recommend that an agreement with the owners should be signed before amending the By-law.

The owners must agree to upgrade the water system on said area so that ample water supply be available for fire fighting purposes in case fire does occur.

Hydrants must be installed in strategic locations and no further than 500 feet apart and dead end should be eliminated."

k) Director of Public Works and Engineering - November 1, 1983

The comments and concerns of the Director of Public Works and Engineering are reproduced.

": Existing sanitary sewers do not abut the property and the closest sanitary sewer is at Martin St. and Haileybury Cresc. The existing sanitary sewers do not include the proposed mining development area for servicing area and therefore the sanitary sewer from that development cannot discharge into the existing sanitary sewer system.

: There is an existing 6"Ø watermain abutting the proposed development on Lover's Lane which is a dead end line, has a minimum cover and tends to freeze at time. The water supply system of the Tisdale-Whitney area is limited as described in previous studies and it's capacity is committed for future residential growth.

Accordingly, the only water service which can be made available is a maximum one (1) inch diameter connection for domestic purpose only and is to serve the office and the trailer serving a small dry and washroom facility.

Heavy truck vehicular traffic could cause structural damage or freezing to the existing 6"Ø watermain. Consideration will have to be given to the protection or relaying of a new watermain.

: There is no storm sewer system existing on Lover's Lane and therefore any surface drainage must be controlled on the owner's property.

: Lover's Lane and Haileybury Crescent are not constructed to carry heavy vehicular traffic and therefore consideration will have to be given to upgrading said roads to permit heavy vehicular traffic.

: The owner should create a parking area for all employees' vehicles and all equipment. Street parking area should be maintained in an acceptable and usable condition at all times and must be located within the property. No employees' vehicles or other equipment can be parked or stored on public streets.

: A site development and servicing agreement should be entered into prior to any zoning and official plan amendment be permitted.

l) Director of Building and Maintenance

No reply to date

m) Director of Parks and Recreation

No reply to date

n) Area Residents

It is pointed out that the applicant, Wabigoon Resources Limited held a public meeting on October 12, 1983 at the Whitney arena to discuss the proposed mine on Parcel 6973 Whitney and Tisdale with interested residents of the City.

The Planning Department received three letters on Wabigoon Resources Limited's application to amend the City of Timmins Official Plan and Zoning By-law. Briefly, one area resident had no objection to the proposed mine; while, another had no objection provided the mine did not affect the value of private property and did not adversely affect the quiet life style characteristic to this area. A third letter detailed many objections/concerns to the proposed mine on Parcel 6973 Whitney and Tisdale at the present time. These concerns are reproduced.

: The lands surrounding the subject property are zoned R3 and DR and consequently the values of the said properties, and the environmental conditions will be adversely affected if a mining operation is conducted on the subject property.

: Mining operations and buildings for mining purposes, we understand, are exempt from municipal taxes and thus any mining operation would not contribute any tax monies whatsoever to the community and would naturally be an expense to the taxpayers.

: We understand that at the present time water supplies are limited in the Township of Whitney and that further project construction is prohibited because of lack of water. Mining requires tremendous amounts of water, as you are aware.

: We also understand that sewage availability in the area of the subject property is non-existent and would be extremely costly to the local taxpayers.

: If the subject property is to be rezoned to permit mining then a condition precedent should be the payment of compensation to the land owners for the actual loss of value to their properties, both present and future.

: It is impossible, in our opinion, to successfully mine any orebody in this area on such a small parcel of land, namely approximately seven acres, and accordingly the owner of the subject property should, before proceeding with his application, acquire sufficient acreage of adjoining land.

: Before a mining operation can commence it is necessary to prove up an orebody which can be mined economically. This has not been done and, again, rezoning for mining purposes should not be allowed until the alleged orebody has been

proved and blocked out, at which time the size of the mining operation and requirements can be determined.

: In order to outline an orebody and bring a producing mine into commercial production requires several millions of dollars and consequently requires a mining company with considerable assets and finances.

: Wabigoon Resources Limited's finances and assets are not known, however it is believed that it is an unlisted public company without any cash flow and limited cash and assets.

: We now understand that there is a possibility that the subject property is not owned by Wabigoon Resources Limited, but is in fact owned by the Ministry of Natural Resources of the Province of Ontario, and we cannot understand how the said application of Wabigoon Resources Limited can be entertained, if such is the case.

At the public meeting of October 31, 1983 Alderman Linda Smith outlined Wabigoon Resources Limited's application to amend the City of Timmins Official Plan and Zoning By-law to permit a mine of Parcel 6973 Whitney and Tisdale. Mr. Feeney, the Company's president detailed various aspects of the proposed mine development to City Council and interested persons. It was stressed that Wabigoon Resources Limited was willing to meet their responsibilities to the community. A deputation was made by area resident, Ken Rapson. After mentioning that the proposed mine would be beneficial to the economic well being of the City, the main concerns or objections to the proposed mine were briefly discussed.

: The mine should not upset orderly development.

: The area residents should be ensured that they will not lose in a financial way; namely, that there will not be actual losses to the residential properties, both present and future.

: The provision of any required services should not be at the expense of the City and/or local taxpayer.

: The aesthetics of the site should be ensured.

Towards overcoming these concerns, the following recommendations were put forth.

": That Wabigoon Resources immediately post a bond or irrevocable letter of credit payable to the City of Timmins in an amount that a landscaping architect would recommend in order to rebeautify the parcel in question at a time that the city requests it be done and to the satisfaction of the city. We recommend that the amount be not less than $50,000.

: We also recommend that the bond or irrevocable letter of credit be produced before any rezoning be completed.

: If Wabigoon Resources does not start a mine on production on the parcel applied for within 3 years time that the zoning will revert automatically to "Holding Residential" and the owners of the parcel in question will have to again apply for rezoning if they wish to. Moreover, should Wabigoon sell the property, any new owner must honour these same conditions. The purpose being to prevent a new owner from misusing the site as they may not have the same concerns for our citizenry as Wabigoon appears to have.

A second purpose being that decay and poor maintenance of an unused minesite can drastically reduce our residential values and therefore lowering of assessment and municipal taxes to our city; not to mention the inherent loss of safety factors. And we all know of serious accidents that have occured at

minesites that are abandoned. Quite often curious children. Another danger of course is fire at old minesites.

: That it be stipulated that there will be no noisy milling operation and that no other kind of industry other than mining will be allowed."

IV PLANNING COMMENTS

a) There are no known studies available that examine the effect of resumed mining activity on the property values of the residential areas surrounding a mine. For this reason, it is impossible to indicate, with any degree of certainty, what the effect of the resumed mining activity on the north east shore of Porcupine Lake will have on the residential properties along the lakeshore.

It is pointed out that material produced by Pamour Mines Ltd. in support of their request for an Official Plan and Zoning By-law amendment to permit a resumed mining operation on lands in Schumacher indicated that Noranda's Charbourne Project in the built up area of Noranda did not adversely affect the value of the surrounding property.

The subject site is very close to some residential properties and access to the property can only be achieved at present by using existing roads serving such residential uses. Also because of the size and shape of the parcel and the fact that the existing shaft is an inclined shaft the buildings will be located relatively close to Lover's Lane.

If the application is approved the site agreement and amending by-law should address the concerns raised by all agencies in order that the impact of the mining operation on abuting properties be minimized as much as possible.

b) The ore will apparently be removed from the mine site by trucks. The proposed route is generally identified on the attached map. Aside from the effect of truck traffic (noise and odour) on the amenity of the residential properties along Lover's Lane, Haileybury Crescent and Dome Street, the Director of Public Works and Engineering has indicated that the general standard of the existing roads is not adequate for the volume of heavy truck traffic from Wabigoon Resources Limited's gold mine. The Director of Public Works and Engineering indicates that consideration will have to be given to upgrading the existing roads to permit such traffic.

c) In early September, the whole of Parcel 6973 Whitney and Tisdale was cleared. With this removal of all growth, the site is very much out of character with the vegetated properties along the shore of Porcupine Lake. When the exploration and/or open surface work is terminated, the Parcel should be restored to a reasonable natural state. The size and mix of vegetation required to achieve an appearance compatible with the surrounding area should be detailed in the Site Agreement between the Corporation and Wabigoon Resources Limited.

d) In the past, the shoreline of Porcupine Lake, particularly, the north east shore was dominated by residential development and fairly mature tree growth. As previously mentioned, Parcel 6973 Whitney and Tisdale has already been cleared. If this stripping of the land is a necessary prelude to resumed mining activity on the 'former' Hunter Claims, then the proposed use is clearly at the expense of the quality and amenity of the shoreline. Additionally, with the resumed mining activity on Parcel 6973 Whitney and Tisdale, the 18.2 metre (60 feet) high headframe on this barren site will become the predominant and/or memorable feature of the shoreline.

Sensitive articulation of landscaping details and building materials in the Site Development Agreement between Wabigoon Resources Limited and the Corporation may mitigate some of the visual impact of the mining development. Towards this purpose, Wabigoon Resources Limited's plan calls for "the construction of a minimum number of buildings finished in pale green, with a headframe and parking lot set in a grassy green slope with trees and shrubs."

According to the developer, "it is an attractive plan and makes the site more like a school house than a mine. I would guess that it, coupled with the employment that it is expected to bring to the community, will increase rather than decrease the values in the area."

Even though these measures will make the shoreline vista more acceptable, the headframe will be a predominant feature in the overall perceptual framework of the shore of Porcupine Lake. It is felt however, that within a mining community a headframe should be an accepted land use feature. Accordingly attention should be directed towards ensuring that the area used for mining is developed in a way that is most compatible with adjacent properties. Landscaping of the site therefore becomes an extremely important part of any Site Development Agreement.

e) The prime reason for the City of Timmins' existence is natural resources; the extraction of minerals being the primary component. Additionally, most recently, federal and provincial efforts (programmes) have been directed at encouraging the reopening of old mines. Wabigoon Resources Limited has applied for a provincial exploration grant "to recover up to 25 percent of the planned exploration expenditures to a total of $500,000."

Wabigoon Resources Limited has indicated that their gold mine will employ approximately 200 persons. This employment opportunity will improve the local economic infrastructure of the City. Such contributions to the local economy cannot be discouraged. However, it is most important that this rezoning to permit resumed mining activity on Parcel 6973 Whitney and Tisdale also be responsive to the area residents' real concerns (worries). Towards this purpose, this rezoning should attempt to reasonably resolve the public/private dichotomy that is a paramount conflict in rezonings to permit resumed mining activity in the built up areas of the City. A Site Development Agreement is the best available planning tool for achieving an equitable balance between public and private interests.

f) Most interestingly, from the relevant comments of the Ministry of the Environment and Ministry of Natural Resources, it appears that the proposed gold mine will not have any adverse environmental effects. However, the Ministry of Natural Resources did indicate that the large water requirements for the proposed mine use could result in a lowering of the water level of Porcupine Lake during the summer months. This lower water level "could adversely affect the Ministry of Natural Resources float plane operation on Porcupine Lake."

g) The question of services to the site has been addressed by both the Director of Public Works and Engineering and the Fire Chief. The points raised concerning the apparent lack of municipal services to the site are a matter of concern. Accordingly prior to rezoning the apparent problems re: sanitary sewers, water supply and standards of existing roads must be resolved. Such points can be covered in a Site Development Agreement.

V RECOMMENDATION

The Planning Department has no objection to the proposed mine on Parcel 6973 Whitney and Tisdale, Porcupine Lake. The economic contribution of this proposed mine, which would employ approximately 200 persons, to the Timmins and Porcupine communities

is the main reason for supporting Wabigoon Resources Limited's application to amend the City of Timmins Official Plan and Zoning By-law. However, this resumed mining activity of the Hunter Claims should be reasonably responsive to the area residents real concerns or objections. A Site Development Agreement is the planning tool for achieving the 'best fit' between the area residents and Wabigoon Resources Limited's interests. Towards this expressed intent, the Site Development Agreement should sensitively cover

: the use and location of all structures

: landscaping and tree planting

: drainage

: entrances and exits

: architectural considerations

: servicing (sanitary and water)

: down zoning if the mining operation does not proceed

: posting of bonds or letters of credit

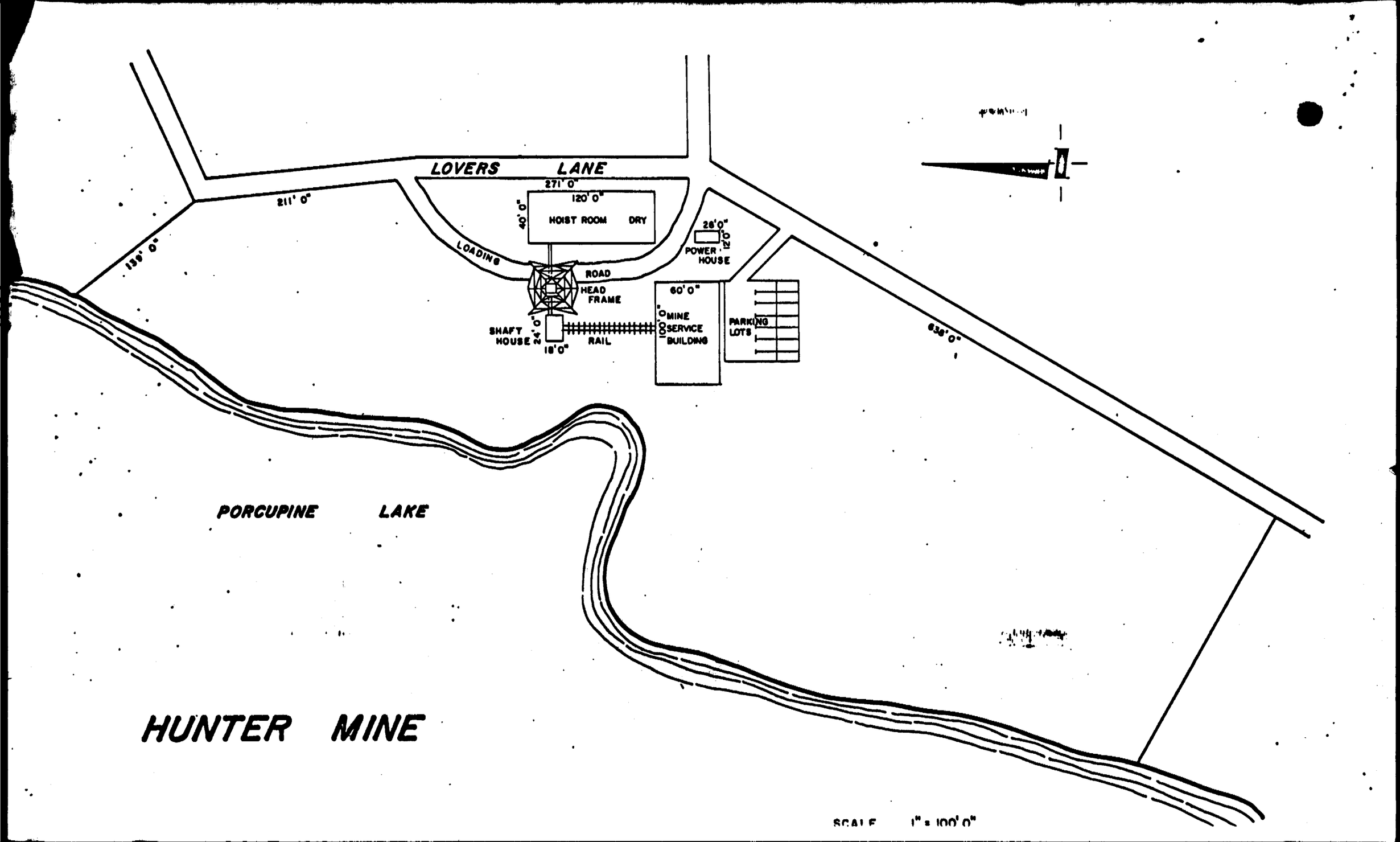
In addition, the amending by-law should clearly specify the use and limit the use of the property to the operation as outlined; milling of ore, storage of waste material etc. should be prohibited by the amending by-law.

Prior to passing the necessary amendments, the Site Development Agreement should be finalized.

PREPARED BY - J. Ronne

REVIEWED, REVISED AND APPROVED BY - R. Peterson

DATE - November 7, 1983


LOVERS LANE
271' 0"
120' 0"
40' 0"
HOIST ROOM
DRY
211' 0"
139' 0"
LOADING
ROAD
HEAD FRAME
28'0"
12'0"
POWER HOUSE
60' 0"
MINE SERVICE BUILDING
PARKING LOTS
639' 0"
SHAFT HOUSE
14' 0"
18'0"
RAIL
PORCUPINE LAKE
HUNTER MINE
SCALE 1" = 100' 0"

Ontario

Ministry of
Northern Development
and Mines

42A06NE0128 63.4374 WHITNEY

900

THE FOLLOWING MATERIAL WAS RECEIVED UNDER SEPARATE COVER FROM ORIGINAL SUBMISSION (OM83-332). IT WAS A PRIVATE DONATION FROM WABIGOON RESOURCES TO THE MINISTRY.

WABIGOON RESOURCES LIMITED

Hunter Gold Mines Limited
Silverwedge Mines Limited
Gulfshore Uranium Mines Limited
Canadian Soapstone Mines Limited

November 14th 1983

Dear Mr. Domino:

The Board of Directors and Management of Wabigoon Resources Limited would like to extend to you a cordial invitation to attend our 60th Annual Meeting. This meeting is being held in Salon A, Sutton Place Hotel, Toronto, on November 24th 1983 from 10 a.m. to 12 noon. An invitation to luncheon following the Meeting is being sent to you under separate cover.

Incidentally, we are enclosing herewith for your interest a copy of our Notice of Meeting and Information Circular, together with a copy of our Annual Report for 1982 which includes interim financials for March 31st and June 30th 1983.

Yours very truly,

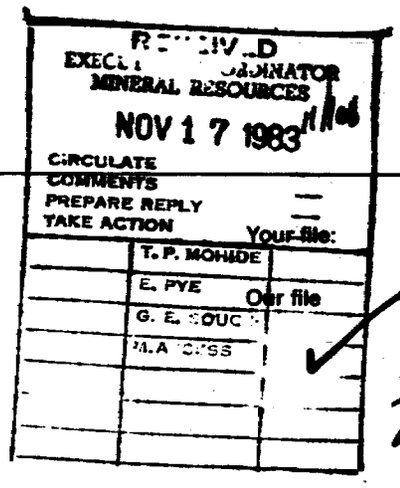
Terrence E. Staples
Chairman

Encs.

111 ELIZABETH STREET, SUITE 500, TORONTO, ONTARIO, CANADA M5G 1P7 • TEL. (416) 595-1818 • TELEX 06-217622

Ministry of Natural Resources / Ministère des Richesses naturelles

Ontario



Kumara
per our discussion
1) you will call Brian Feeney 595 1818 President
2) you will pass this material to Tom Mohide for perusal by MRB.
Thanks WJF.

November 17, 1983

MEMORANDUM TO: Mr. Jim Finlay
Executive Coordinator
Mineral Resources

FROM: Len Domino
Executive Assistant to the Minister

RE: Wabigoon Resources Limited

Please find attached, a package of material from Wabigoon Resources Limited. They came into see me yesterday, to keep me informed of their activities since they are operating in the Cochrane South Riding. They also asked a series of questions about possible assistance through the Ontario Mineral Exploration Program and other Ministry of Natural Resources programs.

I obviously did not have the detailed answers. I did suggest that either you or members of your staff would contact them and arrange for an appointment so that they might get the answers "straight from the horse's mouth", so to speak.

Terrence. Terry

The individual who lead the delegation to my office was Clarence A. Staples. He is the Chairman of Wabigoon Resources Limited. His telephone number is 595-1818.

If for some reason it is not possible for your staff to arrange an interview with these gentlemen, please contact me otherwise I will leave it in your hands.

Brian Feeney 595 1818

LD/el

Mr. Staples and/or other reps of Wabigoon have spoken to industrial minerals section re talc/soapstone deposit. Wabigoon is looking at reopening the Hunter Mine (Gold) in municipality of Temiskis.

Porcupine

P.O.

Porcupine

HUNTER MINE Au

NORTHLAND DR.

Bobs

TURAM

TUR

Lake

EXISTING ONTARIO

NOTE: OVERBURDEN AND GEOLOGY UNAVAILABLE (SOUTH SHORE)

20 000

STA

ABANDONED HYDRO LINE

VLF

NOTE: OVERBURDEN NOT RECORDED (MCDOUGALL)

Au

VLF

IP

HEM

VEM

PROPOSED BYPASS ROAD 1½ MILES

EXISTING

po

50 000

81° 12' 00"

48° 27' 00"

60 000

10 000

EXISTING 8 MILES TO COCHRANE

30"

APPENDIX NO. 1

Pamour Analytical Services
Administration Building
P.O. Bag 2010
Timmins, Ontario, Canada P4N 7X7
705-267-1141

pamour

CERTIFICATE OF ANALYSIS

Samples of: Water

Date: August 24, 1983

Samples from: Hunter Mine

Received: August 23, 1983

Lab number	Shipper number	Au	o.p.t. Ag	PPM Ni	PPM Cu	PPM Zn	PPM Pb
1	1			0.20	0.05	0.06	0.10
		ALK MG/L $CaCO_3$	PH	PPM Fe		As mg/l	
		202.5	7.35	3.15		.057	

Pamour Analytical Services

Per: Daryl Firlotte

WABIGOON RESOURCES LIMITED

NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that an Annual and General Meeting of the Shareholders of WABIGOON RESOURCES LIMITED will be held at Salon A, Sutton Place Hotel, 955 Bay Street, Toronto, Ontario, on Thursday, the 24th day of November, 1983 at the hour of 10:00 o'clock in the forenoon (local time) for the following purposes:

(a) To consider and, if thought fit, to confirm, with or without variation, the special resolution passed by the Board of Directors on August 31, 1983 subdividing the common shares of the Corporation on a 3 for 1 basis;

(b) To receive and consider the Annual Report, the Financial Statements and the Report of the Auditors;

(c) To elect Directors;

(d) To appoint Auditors and authorize the Directors to fix their remuneration; and

(e) To transact such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

A copy of the Annual Report, the Financial Statements, the Report of the Auditors and an Information Circular accompanies this Notice.

DATED at Toronto this 1st day of November, 1983.

By Order of the Board,
Garry Hoy
Secretary

WABIGOON RESOURCES LIMITED

Suite 500
111 Elizabeth Street
Toronto, Ontario
M5G 1P7

INFORMATION CIRCULAR

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by the management of WABIGOON RESOURCES LIMITED (the "Corporation") of proxies to be used at the Annual and General Meeting (the "Meeting") of Shareholders of the Corporation to be held at the time and place and for the purposes set forth in the accompanying Notice of Annual and General Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Corporation. The cost of such solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are Directors of the Corporation. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING MAY DO SO BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND, IN EITHER CASE, DELIVERING THE COMPLETED PROXY TO THE SECRETARY OF THE CORPORATION.

A Shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Corporation, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing a written notice of revocation and delivering it to the Secretary of the Corporation or the Chairman of the Meeting. A proxy may also be revoked in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the common shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. In the absence of such direction, such common shares will be voted in favour of the confirmation of the special resolution and in respect of the election of Directors and the appointment of Auditors. THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING, AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. At the time of the printing of this Circular, the management of the Corporation knows of no such amendment, variations or other matters to come before the meeting other than the matters referred to in the Notice of Annual and General Meeting.

Voting Shares and Principal Holders Thereof

On October 31, 1983, 3,602,700 common shares without par value were issued and outstanding. The authorized capital of the Corporation is currently 20,000,000 common shares without par value. Shareholders of record are entitled to one vote for each common share held. The Directors have fixed October 31, 1983 as the record date for the determination of the persons entitled to receive notice of and to attend and vote at the Meeting.

As at October 31, 1983, the following are the only persons or companies who, to the knowledge of the Directors and Senior Officers of the Corporation, own beneficially, directly or indirectly, more than 10% of the outstanding common shares of the Corporation:

Name	Type of Ownership	Number of Shares Owned	Percentage of Shares
Leonard F. Farmer	Direct and Indirect (1) (2) (3) (4)	988,700	27.4%
Terrence E. Staples	Direct and Indirect (5) (6)	601,000	16.6%
Brian J. Feeney	Direct	600,000	16.6%

Notes:
(1) Minor children of Mr. Farmer own 39,000 common shares of the Corporation.
(2) The spouse of Mr. Farmer owns 48,000 common shares of the Corporation.
(3) Mr. Farmer is the sole shareholder of Multivest Financial Services Limited which owns 301,700 common shares of the Corporation.
(4) Mr. Farmer is the sole shareholder of 233552 Ontario Ltd. which owns 200,000 common shares of the Corporation.
(5) Mr. Staples is the sole shareholder of Professional Controls International Inc. which owns 100,000 common shares of the Corporation.
(6) The spouse of Mr. Staples owns 1,000 common shares of the Corporation.

Subdivision of Shares

On August 31, 1983 the Board of Directors passed a special resolution subdividing the 20,000,000 issued and unissued common shares of the Corporation on the basis of 3 for 1 into 60,000,000 common shares. The Shareholders of the Corporation will be asked to consider and, if thought fit, to confirm, with or without variation the special resolution.

The special resolution will not be effective until confirmed, with or without variation, by at least two-thirds of the votes cast at the Meeting.

Stock Options

The Board of Directors of the Corporation established a stock option plan by resolution on August 31, 1983. Pursuant to such stock option plan, an aggregate of 180,000 authorized and unissued common shares of the Corporation were set aside for the purpose of the granting of stock options to Directors of the Corporation and a further 180,000 authorized and unissued common shares of the Corporation were set aside for the purpose of granting of stock options to employees of and consultants to the Corporation. The purchase price for each common share subject to an option granted under the stock option plan is to be determined from time to time by the Board of Directors of the Corporation provided that such purchase price shall, in no event, be less than $0.15 per common share.

No option granted under the stock option plan shall be assignable or transferable and no option shall be granted for a period exceeding five years.

By resolution of the Board of Directors on September 2, 1983, the following stock options were granted:

Name	Capacity	Number of Shares	Exercise Price	Expiry Date
Terrence E. Staples	Director	75,000	$0.75	September 2, 1985
J. Alick Ryder	Director	5,000	$0.75	September 2, 1985
Eileen Hardie	Director	5,000	$0.75	September 2, 1985
J. Edward White	Director	5,000	$0.75	September 2, 1985
Brian J. Feeney	Employee	75,000	$0.75	September 2, 1985
Leonard F. Farmer	Employee	75,000	$0.75	September 2, 1985

The above-noted options were granted in respect of services rendered and without other consideration paid by the grantees.

On September 1, 1983, the last day preceding the date of the granting of the stock options described above, the closing price of the common shares of the Corporation on the over-the-counter market administered by the Broker-Dealers' Association of Ontario was $2.50. During the entire month of August, 1983, the highest closing price of the common shares of the Corporation was $2.65 and the lowest closing price was $1.35. The volume of trades during that period was approximately 65,000.

E[redacted]on of Directors

The Board consists of five Directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the Board of Directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a Director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each Director elected will hold office until the next Annual Meeting or until his or her successor is duly elected, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

The names of all of the nominees, their principal occupation or employment, the dates on which they became Directors of the Corporation and the number of common shares of the Corporation beneficially owned by them, directly or indirectly, as of the 31st day of October, 1983, are as follows:

Name	Position with Corporation	Principal Occupation Within the Preceding Five Years	Date Appointed Director	Number of Shares Held
Brian J. Feeney	President and Director	President of the Corporation since April, 1983; Vice-President of Société Minière Internationale du Québec (mining company), 1980 to 1982; Self-employed prior to 1980	April 18, 1983	600,000
Eileen Hardie	Director	Community worker and self-employed	July 15, 1983	50,000 (1)
J. Alick Ryder	Director	Partner with Gowling & Henderson, formerly Cameron, Brewin & Scott (Barristers & Solicitors)	June 24, 1983	160,000
Terrence E. Staples	Chairman of the Board, Vice-President, Treasurer and Director	Chairman, Vice-President and Treasurer of the Corporation since April, 1983; Vice-President Realequimor Corporation (real estate investment company), 1979 to 1982; Assistant Treasurer, Ontario Hydro, 1969 to 1979	April 18, 1983	601,000 (2) (3)
J. Edward White	Director	City Solicitor, City of Moncton, New Brunswick	July 20, 1983	20,000

Notes:

(1) The spouse of Mrs. Hardie owns 25,000 common shares of the Corporation.

(2) Mr. Staples is the sole shareholder of Professional Controls International Inc. which owns 100,000 common shares of the Corporation.

(3) The spouse of Mr. Staples owns 1,000 common shares of the Corporation.

(4) The information as to ownership of common shares of the Corporation, not being within the knowledge of the Corporation, has been furnished by the respective nominees.

Directors' and Officers' Remuneration

No remuneration was paid to Directors or Senior Officers of the Corporation during the year ended December 31, 1982.

Interest of Insiders in Material Transactions

Pursuant to an agreement made as of the 1st day of September, 1983, the Corporation has engaged Multivest Financial Services Limited of Toronto, Ontario to provide advisory and technical services and facilities to the Corporation which include office and clerical services, administration of funds and revenues, provision of status reports and the provision of information to securities bodies. Multivest Financial Services Limited shall invoice the Corporation for its reasonable services rendered, together with a statement as to out-of-pocket expenses and disbursements expended on behalf of the Corporation provided that any invoice in an amount in excess of $5,000.00 per month shall require the express approval of the Board of Directors of the Corporation. Mr. Leonard F. Farmer of Toronto, Ontario, the sole shareholder of Multivest Financial Services Limited, is

described under the heading "VOTING SHARES AND PRINCIPAL HOLDERS THEREOF". Since the commencement of such engagement, the Corporation has paid an aggregate of $9,000.00 to Multivest Financial Services Limited.

Appointment of Auditor

The persons named in the enclosed form of proxy intend to vote for the appointment of Newman, Sharpley and Company, Chartered Accountants, Toronto, as Auditors of the Corporation and at a remuneration to be fixed by the Board of Directors. The Corporation's Auditors until 1977 were Manny, Tward, Chartered Accountants. The Corporation did not have an auditor from 1977 until 1982 when Newman, Sharpley and Company were appointed.

General

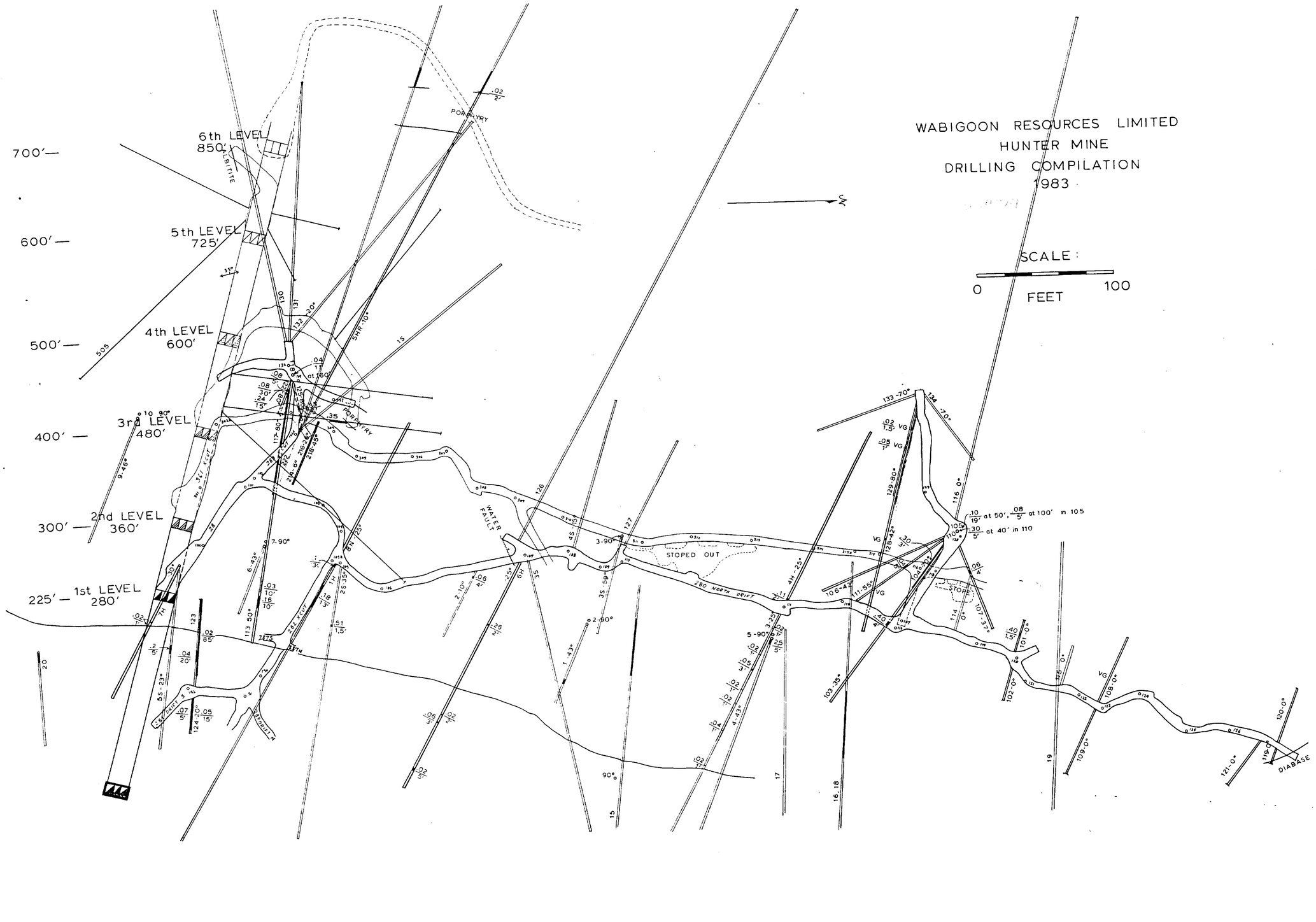
Information contained herein is given as of October 31, 1983. The management knows of no matters to come before the Annual and General Meeting of Shareholders other than the matters referred in the Notice of Meeting. If any matters which are not now known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the persons voting it.

DATED October 31, 1983.

WABIGOON RESOURCES LIMITED
HUNTER MINE
DRILLING COMPILATION
1983

SCALE :

0 FEET 100



42A06NE0128 63.4374 WHITNEY

C

CONC IV
CONC III

HWY 101

D

BANNERMAN PARK

14052 (P)

14119 (P)

H.R. 1009 (P)

(P)

DETAIL AREA
ATTACHED MAP

B

PORCUPINE LAKE

SHAFT

12803 (P)

7592 (P)

10272 (P)

A

RAILROAD

NORTH LAND

ONTARIO

10451 (P)

LOT 9

LOT 8

SURFACE PLAN
WABIGOON RESOURCES LIMITED
HUNTER MINE
WHITNEY TWP- PORCUPINE
SHOWING CLAIM BOUNDARIES
&
SURFACE FEATURES

SCALE 1"=200' DEC. 1985

H.H. SUTHERLAND, PENG.

LEGEND

ROADS
LAKE SHORE
CLAIM POSTS
CONC. LINES
RAILROAD
SHAFT + COLLAR
DETAIL AREA A- - -B
STRIPPED AREA = FENCED

LOT 10

LOT 9

CONC III
CONC II

K&E STANDARD
10 X 10 TO THE INCH

42A08NE0128 63.4374 WHITNEY