



42A07NE0170 83.2911 BOND

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SEAWAY COPPER MINES LIMITED
(Incorporated under the law of the Province of Ontario)
Suite 715, 159 Bay Street,
Toronto, Ontario

200,000 Common Shares
without par value
Price: 83-1/2¢ per share

W. D. LATIMER CO. LIMITED
199 Bay Street,
Toronto, Ontario

OFFERING

auth.
63-2911

No. of Shares	Price to Public	Agent's Commission	Proceeds to the Corporation (1)
200,000	83-1/2¢ (\$167,000)	3-1/2¢ (\$7,000)	80¢ (\$160,000)

(1) The shares being offered were previously issued shares and were donated back pursuant to the provisions of Section 43(1) of The Business Corporations Act, 1970, and are being offered by W.D. Latimer Co. Limited as exclusive agent for the Corporation. The agent has agreed to use its best efforts to obtain a bona fide public distribution of the shares and shall have the right to appoint sub-agents in connection with the offering.

There is no assurance that all or any of the shares will be sold. I 150,000 shares, realizing \$125,250 to the Trustee, are not subscribe for within 60 days from commencement of this offering, all subscriptions, which shall be held in trust by Guaranty Trust Company of Canada shall be returned in full to the subscribers.

This offering shall commence on any business day, at the election of the agent, from and including the date of issuance of an official receipt by the Ontario Securities Commission qualifying these shares for sale in Ontario. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books without notice.

SECONDARY OFFERING

75,000 Vendor shares of the Corporation previously issued may be offered hereunder through W.D. Latimer Co. Limited only after all the 200,000 shares hereby offered are sold or the expiration of the 60-day period referred to above, whichever event first occurs, provided that a minimum of 150,000 shares have been sold. The proceeds from the sale of these shares will accrue to the selling shareholder, Gordon Leliever. Reference is made to "Plan of Distribution" herein.

PURPOSE OF OFFERING

The purpose of this issue is to raise funds for the Corporation to defray its ordinary operating expenses and, in particular, to implement the exploration programmes in the Mann Lake Area and Sheraton and Bond Townships as recommended by the Corporation's consulting engineer. Reference is made to "The Subject Properties" and "Use of Proceeds" herein.

THESE SECURITIES ARE SPECULATIVE

An over-the-counter market exists for the shares of the Corporation. The price range on September 8th, 1971 was bid 65¢, asked 70¢.

REGISTRAR AND TRANSFER AGENT
Guaranty Trust Company of Canada,
88 University Avenue,
Toronto, Ontario.

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

This Prospectus is dated October 18th, 1971.



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THE CORPORATION

Seaway Copper Mines Limited (the "Corporation") was incorporated as a public corporation under The Corporations Act (Ontario) by Letters Patent dated June 21st, 1968 for the purposes of acquiring, exploring and developing mining properties. The head office of the Corporation is located at Suite 715, 159 Bay Street, Toronto, Ontario.

PROPERTY

By an Agreement dated June 9th, 1971 between the Corporation and Gordon Leliever, the Corporation acquired 6 contiguous unpatented mining claims located in central Langmuir Township, Ontario, for a consideration of 750,000 fully paid and non-assessable shares of the Corporation, 675,000 of which were subject to escrow and 75,000 were free of escrow. On October 18th, 1971, Gordon Leliever agreed to donate back for the benefit of the Corporation, 200,000 of the aforesaid escrowed shares and it is these shares which are being used for the purpose of this offering.

Upon the recommendations of Mr. R. J. Bradshaw, P.Eng., the Corporation has commenced a drill programme on the Langmuir property and has retained the services of Mr. Bradshaw to supervise the drilling programme and to interpret the results. To date the Corporation has expended \$10,000 on the property. A further \$45,000 is expected to be expended on initial drilling with an additional allocation of \$100,000 for development if the initial drilling results are encouraging.

THE SUBJECT PROPERTIES

The Mann Lake Area Claims

By an Agreement dated September 8th, 1971 and made between the Corporation and Gordon Leliever, the Corporation acquired an assignment of an option that Gordon Leliever had to purchase 29 mining claims in the Mann Lake Area, Thunder Bay Mining Division, Ontario. Pursuant to the terms of the agreement, the Corporation agreed to pay Gordon Leliever the sum of \$5,000, being his cost, in reimbursement of the first option payment made by Gordon Leliever to the Optionors,

Dolphis Portelance, R. R. #13, Thunder Bay, Ontario, and J. A. Bergeron, 11 Albany Street, Kapuskasing, Ontario, pursuant to an Option Agreement dated June 19th, 1971. In order to keep the claims in good standing, the Corporation has further undertaken to make the following payments to the Optionors:

- (a) \$15,000 within 6 months from August 18th, 1971;
- (b) \$15,000 within 6 months of (a) above;
- (c) \$65,000 within 12 months of (b) above;

and to undertake and assume all the rights and obligations of Gordon Leliever with respect to the mining claims.

The property consists of 29 contiguous unpatented mining claims comprising approximately 1,160 acres in the Mann Lake Area, District of Thunder Bay, Thunder Bay Mining Division, Ontario. The property is roughly rectangular in area, and is from 1-1/4 to 1-1/2 miles north to south by 1-1/4 to 1-1/2 miles wide east to west.

The claim numbers are: TB.288682; TB.288683; TB.288669; TB.288670; TB.288883 to TB.288890 inclusive; TB.288899; TB.288900; TB.301921; TB.301922; TB.302212 to TB.302221 inclusive; TB.302230 to TB.302232 inclusive.

Titles are in good standing, as to assessment work requirements, until at least April 6th, 1972.

Mr. A.S. Bayne, P.Eng., has reported on the above property. His report, dated August 4th, 1971, has been filed with the Ontario Securities Commission and is available for inspection at its offices at 555 Yonge Street, Toronto, Ontario.

The following is a summary of Mr. Bayne's report:

In May and June 1971, prospectors made several copper-silver discoveries and opened up an important showing by rock trenches on Claim TB.288683, one of a group of 29 contiguous claims in the Mann Lake Area, Thunder Bay Mining Division, Ontario, Canada. The property is just south of

Taradale Station on the C.N.R. and readily accessible by road and rail from the city of Thunder Bay, about 225 miles to the southwest.

The underlying rocks are pre-Cambrian metasediments and volcanics intruded by later granitic, gabbroic, dioritic and diabasic igneous rocks. The copper-silver discoveries are in silicified metagabbro and quartz diorite, mineralized by copper and iron sulphides, with carbonate minerals as accessories. The mineralization is in a sheared zone which has been stripped for over 16 feet wide and is on the edge of a major soil covered lineament reflecting a fault or shear zone over 200 feet wide. This "Taradale" zone traverses the property for 1-1/4 miles along a N.W. strike. A mile and a half N.W. of the property it cuts and displaces the Heron Bay Lineament, which reflects an important regional fault zone striking north just west of the Geco and Willroy copper-zinc-silver producers, 30 miles due south of the new discoveries. Another important lineament, reflecting a faulted or sheared zone in the underlying rocks, passes N.25°E throughout the property, cutting the "Taradale" shear zone about 600 feet S.E. of the discovery area.

Copper-silver mineralization is visible in subsidiary shears in the granitic rocks along the S.W. edge of the Taradale shear, at intervals across over 100 feet of width and for over 600 feet of strike length. Selected character samples assayed from 1.55% to 8.50% copper and 0.61 to 4.45 oz/ton silver. Channel samples, 3 to 7 feet below surface in the main discovery pits assayed up to 12.25% copper, 4.25 oz/ton silver in the intensely sheared breccia up to 0.75 feet wide while the contiguous wall rock assayed up to 0.58% copper, 0.42 oz/ton silver across 8 feet. Averages across the full width of Pit 1 were from 1.10% copper, 0.62 oz/ton silver across 16.25 feet including a 6.2 foot section assaying 2.01% copper, 1.00 oz/ton silver. Pit 2 averages 1.13% copper, 0.84 oz/ton silver across 10.5 feet.

Except for the prospectors' cabin and camps, there are no buildings or stationary equipment on the property. No

mining work other than that described in the report, has ever been done on the property.

Recommended work includes geological and geophysical surveys. If the results of these surveys are satisfactory, a minimum of 2,500 feet of core drilling, estimated to cost \$17,500 should be provided for. The speculative capital required over a 6 to 8 month period, is estimated at \$50,741.

The Sheraton and Bond Townships Claims

By an Agreement dated September 8th, 1971 between the Corporation and Gordon Leliever, and amended by an agreement dated October 18th, 1971 made between the same parties, the Corporation acquired an assignment of an option that Gordon Leliever had to acquire an undivided 80% interest in 32 unpatented mining claims located in Sheraton and Bond Townships, Porcupine Mining Division, Ontario.

Pursuant to the terms of the Agreement, the Corporation agreed to pay Gordon Leliever the sum of \$15,000, being his cost, in reimbursement of the first option payment made by Gordon Leliever to the Optionor, Republic Ores & Mining Corporation Limited. The Corporation also undertook to keep the option in good standing and to make such payments as fall due to the Optionor, Republic Ores & Mining Corporation Limited. The only persons, firms or corporations having a greater than 5% interest in Republic Ores & Mining Corporation Limited are: Enroc Corporation Limited, 17 Queen Street East, Toronto, Ontario; Douglas S. Baird, 1840 Bathurst Street, Toronto, Ontario; Bairont Trading Co. Limited, 1840 Bathurst Street, Toronto, Ontario; Jack Oram, 100 Adelaide Street West, Toronto, Ontario; and Picard and Fleming, 129 Adelaide Street West, Toronto, Ontario.

In consideration of the \$15,000 payment, the Corporation shall have the sole and exclusive option for a period of 36 months from July 27th, 1971 to acquire an undivided 80% interest in the 32 mining claims on the following terms:

- (a) the expenditure of not less than \$25,000 on the exploration of the claims within 12 months from July 27th,

- 1971; and
- (b) the expenditure of not less than an additional \$75,000 on the exploration of the claims within 24 months from July 27th, 1971; and
 - (c) the expenditure of not less than an additional \$150,000 on the exploration of the claims within 36 months from July 27th, 1971.

After the acquisition by the Corporation of the undivided 80% interest, the Corporation shall enter into an agreement with the Optionor for the sale of all 100% of the claims to a new mining corporation to be incorporated and of the vendor consideration to be received, which shall be 750,000 fully paid and non-assessable shares in the capital of the new corporation, 150,000 shares shall be allotted and issued to the Optionor and 600,000 of the shares shall be allotted and issued to the Corporation.

The property consists of 32 contiguous unpatented claims, comprising approximately 1,280 acres, straddling the common boundary of Sheraton and Bond Townships, Porcupine Mining Division, District of Cochrane, Ontario. The claims form a nearly rectangular block 1-1/2 miles square, less a 1/2 mile square patented block in the northwest corner.

The claims numbers are:

Sheraton Township: Lots 4, 5 and 6, Concession VI, Claim Nos. L.214105 to L.214116 inclusive.

Bond Township: Lots 4, 5 and 6, Concession I, Claim Nos. L.214085 to L.214104 inclusive.

Titles to the claims, relative to assessment work requirements, are in good standing until at least April 23rd, 1972.

Mr. A.S. Bayne, P.Eng., has reported on the above property. His report, dated August 12th, 1971, has been filed with the Ontario Securities Commission and is available for inspection at its offices at 555 Yonge Street, Toronto, Ontario.

The following is a summary of Mr. Bayne's report:

The Sheraton Lake Claims consist of a block of 32 contiguous unpatented claims comprising 1,280 acres straddling the common boundary of Sheraton and Bond Townships, Porcupine Mining Division, Ontario, Canada. Titles are in good standing until at least April 23rd, 1971.

The property is readily accessible by motor road, 33 miles east of Timmins to Shillington, thence 6 miles south by road and 3 miles by water. It lies 10 miles south of hydro-electric and natural gas transmission lines and fresh water is plentiful in the small lakes and streams crossing the property. The location is close to Timmins, the centre of Ontario's second largest producing mining area, assuring the availability of experienced labour, equipment and supplies.

The rocks underlying the Porcupine area are pre-Cambrian volcanics and sediments intruded by younger basic to acid igneous rocks, which have been intensely folded, sheared and faulted by successive structural movements preceding and concurrent with mineralization. The rock outcrops are generally covered by clay, sand, gravel and soil, with attendant vegetation, but much geological knowledge was gained from the extensive gold mining operations in the past 60 years during which time the area has ranked as one of the world's greatest producers. Since 1946, with the decline of gold production caused by the inflationary effect of the world's stationary gold price, attention has been drawn to the base metals possibilities of the area. In the past 10 years the application of modern geophysical exploration to the known structural geology of the area has resulted in establishing 6 important zinc, copper, lead, silver producers which are currently treating a total of over 15,000 tons of ore daily. In addition, over 5,000 tons of asbestos ore are being profitably mined and milled in the area. The largest base metals producer is that discovered by Texas Gulf Sulphur in Kidd Township, 12 miles north of Timmins, in 1963, where a 9,000 ton per day mill is currently operating at full capacity and is planned to expand to 14,000 tons daily by 1977. The orebodies average approximately 1.33% copper, 7.08%

zinc and 4.85 oz/ton silver. Mineralization is copper and zinc sulphides with native silver associated with minor lead sulphides. It occurs in volcanic rocks interbanded with graphitic sediments. This deposit was discovered exclusively by extensive geophysical surveys followed by core drilling.

In 1966, previous owners, who staked the Sheraton Lake Claims in the rush following the Kidd Township discovery, drilled four shallow holes near the centre of the property. The cores were logged for filing assessment work, but only one core sample is recorded, which assayed 0.70% lead.

Insufficient work was completed to protect the claims titles, which lapsed and were staked by the current owner in 1969. In 1970, ground geophysical surveys were completed by Republic Ores & Mining Corporation Limited and two major conductor traces, 300 feet apart, were discovered near the old drill sites. The indicated widths are up to 150 feet and the respective lengths are 1,400 and 1,600 feet. The entire area of the property is covered by overburden up to 85 feet, but the projection of SW strike of outcrops to the northeast and study of the old core logs shows significant zinc, copper, lead sulphide mineralization in volcanic rocks interbanded with graphitic sediments. A 42-foot section of core from remnants abandoned on the property from the 1966 drilling was assayed in 1970 and reported to contain 3.02% zinc and 0.26% lead. Locations of the old holes show they failed to cross or reach the main axis of the 1970 geophysical anomalies, but rocks and related mineralization, although not of ore grade, shows marked geological and geophysical similarity to the Kidd Township deposits.

There are no mine workings, buildings or equipment on the property. The only evidence found of previous exploratory work is described in the report.

More detailed geophysical and geochemical exploration is recommended. If the results of this exploration are satisfactory, it should be followed by at least 3,000 feet of core drilling, estimated to cost \$21,000. The speculative

capital required for this work over a 6 to 8 month period is estimated at \$50,132.

MANAGEMENT OF THE CORPORATION AND MINING CONSULTANT

The particulars of the directors and senior officers of the Corporation and their occupations for the past five years follow:

<u>Name and Address</u>	<u>Position</u>	<u>Occupation</u>
GORDON LELIEVER, 14 Pine Cliff Dr., Streetsville, Ont.	President and Director	Self-employed mining Prospector and developer. President, Nordic Industries Limited and Copperville Mining Corporation Limited.
LAWRENCE R. KINGSLAND, 38 King George's Road, Etobicoke, Ontario	Vice-President and Director	Management Consultant, self- employed. President of Pyramid Communications Limited. From January 1967 to July 1968, Vice-President of Conover-Mast Publication Inc.
GEORGE ARTHUR LOADER, 34 Agar Crescent, Islington, Ontario	Secretary-- Treasurer & Director	Accountant, self-employed. From September 1967 to July 1971 employed with Assembly Mines Limited. Prio- thereto employed as a Public Accountant with Cossar, Hecto Payne & Co., Chartered Accountants.
PAUL TENNYSON, 67 Bevdale Road, Willowdale, Ontario	Director	Prospector and Mining Executive. President and Director of Kappa Exploratio Limited and Canam Reinforced Plastics Limited.
JOHN LELIEVER, 130 Joicey Boulevard, Toronto, Ontario	Director	Self-employed Mining Executive.

Mr. A.S. Bayne, P.Eng., is an independent consultant to the Corporation on technical mining matters. Mr. Bayne is not an employee or an insider of the Corporation nor will he be when providing consulting services to the Corporation.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No director or officer of the Corporation has received any direct remuneration from the Corporation as such and no such payment is proposed.

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SEAWAY COPPER MINES LIMITED

Incorporated under the Laws of the Province of Ontario

DEFERRED EXPENSES

For the period from July 14, 1971 to August 31, 1971

MINERAL EXPLORATION

Langmuir Township claims

Diamond drilling	\$10,000	
Boundary survey	2,400	
Engineers' fees	290	
Miscellaneous	<u>73</u>	\$12,763

Mann Lake claims

Engineers' fees		1,247
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Sheraton Lake claims

Engineers' fees		<u>654</u>
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Expenses incurred during the period		14,664
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Add expenses incurred to July 14, 1971		<u>Nil</u>
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Total expenses incurred to August 31, 1971		<u>14,664</u>
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HEAD OFFICE ADMINISTRATION

Prospectus expenses	4,892	
General and office	386	
Head office accommodation	250	
Share issue expenses	<u>152</u>	5,680

Less professional fees overstated in previous period		<u>(966)</u>
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Net expenses incurred during the period		4,714
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Add expenses incurred to July 14, 1971		<u>2,000</u>
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Total expenses incurred to August 31, 1971		<u>\$ 6,714</u>
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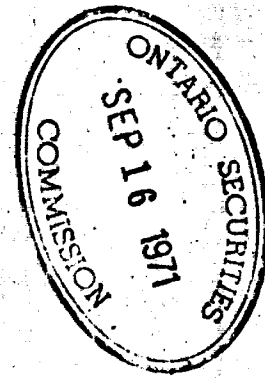
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REPORT ON SHERATON LAKE CLAIMS
Township of Sheraton & Bond
Porcupine Mining Division.
District of Cochrane

Province of Ontario, Canada

- submitted -

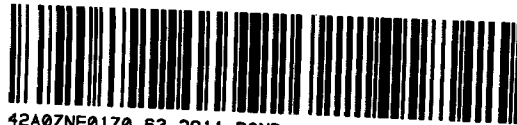
August 12, 1971



by

A. S. BAYNE & COMPANY
Consulting Engineers

A. S. Bayne, P. Eng. - Ontario



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M A P (see pocket inside back cover)

Preliminary Map showing General Geologic & Topographic Features and Electromagnetic Conductor Traces on Sheraton Lake Claims, Bond and Sheraton Townships, Ontario Canada, dated July 31, 1971.
Scale 1 inch = 600 feet.

A. BAYNE & COMPANY
CONSULTING ENGINEERS

80 RICHMOND STREET WEST
TORONTO 1, CANADA
366-3283

ADDRESS ALL CORRESPONDENCE • 45 STRATHALLAN BLVD., TORONTO 12, CANADA • 485-6793

August 12th, 1971

Mr. Gordon Leliever
Suite 715,
159 Bay Street,
TORONTO, Ontario.

Dear Sir:

In accordance with your instructions on July 15th, 1971, I completed a field reconnaissance of the 32 - claim group in Bond and Sheraton Townships on July 18th, 1971.

Enclosed you will find my report of even date on -----
"Sheraton Lake Claims, Townships of Sheraton and Bond, Porcupine Mining Division -----".

Yours very truly,



A. S. Bayne, P.Eng.
A. S. BAYNE & COMPANY

ASB/


Encl.

C E R T I F I C A T E

I, Arthur Stewart Bayne, do hereby certify that:-

1. I am a Consulting Engineer, residing at 45 Strathallan Boulevard, Toronto, Canada, with offices at 80 Richmond Street West, Toronto, Ontario, Canada.
2. I am a Bachelor of Science in Mining & Metallurgical Engineering (Queen's University, Kingston, Canada, 1935).
3. I am a member, in good standing, of the Association of Professional Engineers of the Province of Ontario.
4. I have continuously practised my profession under the registered name and style of A. S. Bayne & Company, Consulting Engineers, since 1946.
5. This certificate is part of the attached "Report on Sheraton Lake Claims, Townships of Sheraton & Bond, Porcupine Mining Division, Canada", dated August 12, 1971.
6. I have no interest, direct, indirect nor expected, in the Sheraton Lake Claims described in this report.
7. This report is based on:-
 - a) My personal field reconnaissance of Bond and Sheraton Townships in July, 1971.
 - b) My personal examination of all the producing mineral deposits and numerous exploratory geological examinations in the Porcupine Mining Division, from 1931 to date.
 - c) References to and studies of the pertinent geological reports and maps published by the Ontario Department of Mines and Geological Survey of Canada, including recent detailed studies of Robb, Jamieson, Kidd, Langmuir, Sheraton and Bond Townships.
 - d) Studies of core logs of holes drilled for assessment work filing in 1966 in Bond Township.
 - e) Reference to and studies of report and detailed maps of geophysical surveys of the Sheraton Lake claims, by Prospecting Geophysics Limited, dated February 17, 1971.
 - f) My full cognizance of the facts.

SIGNED AT TORONTO, in the County of York
in the Province of Ontario, Canada, this
12th day of August, 1971.



A.S. Bayne

Sheraton Lake Claims
Sheraton & Bond Twp.

August 12, 1971

SUMMARY

The Sheraton Lake Claims consists of a block of 32 contiguous unpatented claims comprising 1,280 acres straddling the common boundary of Sheraton and Bond Townships, Porcupine Mining Division, Ontario, Canada. Titles are in good standing until at least April 23, 1972.

The property is readily accessible by motor road, 33 miles east of Timmins to Shillington, thence 6 miles south by road and 3 miles by water. It lies 10 miles south of hydro-electric and natural gas transmission lines and fresh water is plentiful in the small lakes and streams crossing the property. The location is close to Timmins, the centre of Ontario's second largest producing mining area, assuring the availability of experienced labour, equipment and supplies.

The rocks underlying the Porcupine area are pre-Cambrian volcanics and sediments intruded by younger basic to acid igneous rocks, which have been intensely folded, sheared and faulted by successive structural movements preceding and concurrent with mineralization. The rock outcrops are generally covered by clay, sand, gravel and soil, with attendant vegetation, but much detailed geological knowledge was gained from the extensive gold mining operations in the past 60 years during which time the area has ranked as one of the world's greatest producers. Since 1946, with the decline of gold production caused by the inflationary effect of the world's stationary gold price, attention has been drawn to the base metals possibilities of the area. In the past 10 years the application of modern geophysical exploration to the known structural geology of the area has resulted in establishing 6 important zinc, copper, lead, silver producers which are currently treating a total of over 15,000 tons of ore daily. In addition, over 5,000 tons of asbestos ore are being profitably mined and milled in the area. The largest base metals producer is that discovered by Texas Gulf Sulphur in Kidd Township, 12 miles north of Timmins, in 1963, where a 9,000 ton per day mill is currently operating at full capacity and is planned to expand to 14,000 tons daily by 1977. The orebodies average approximately 1.33% copper, copper, 7.08% zinc and 4.85 oz/ton silver. Mineralization is copper and zinc sulphides with native silver associated with minor lead sulphides. It occurs in volcanic rocks interbanded with graphitic sediments. This deposit was discovered exclusively by extensive geophysical surveys followed by core drilling.

In 1966, previous owners, who staked the Sheraton Lake Claims in the rush following the Kidd Township discovery, drilled four shallow holes near the centre of the property. The cores were logged for filing assessment work, but only one core sample is recorded, which assayed 0.70% lead.

Insufficient work was completed to protect the claims titles, which lapsed and were staked by the current owner in 1969. In 1970, ground geophysical surveys were completed and two major conductor traces, 300 feet apart, were discovered near the old drill sites. The indicated widths are up to 150 feet and the respective lengths are 1,400 and 1,600 feet. The entire area of the property is covered by overburden up to 85 feet, but the projection of SW strike of outcrops to the northeast and study of the old core logs shows significant zinc, copper, lead sulphide mineralization in volcanic rocks interbanded with graphitic sediments. A 42-foot section of core from remnants abandoned on the property from the 1966 drilling was assayed in 1970 and reported to contain 3.02% zinc and 0.26% lead. Locations of the old holes show they failed to cross or reach the main axis of the 1970 geophysical anomalies; but rocks and related mineralization, although not of ore grade, shows marked geological and geophysical similarity to the Kidd Township deposits.

There are no mine workings, buildings or equipment on the property. The only evidence found of previous exploratory work is described in this report.

More detailed geophysical and geochemical exploration is recommended, followed by at least 3,000 feet of core drilling. The speculative capital required for this work over a 6 to 8 month period is estimated at \$50,132.00

- end of summary -

PROPERTY HOLDINGS, TITLES

The holdings form a group of 32 contiguous unpatented claims, comprising approximately 1,280 acres, straddling the common boundary of Sheraton and Bond Townships, Porcupine Mining Division, District of Cochrane, Ontario, Canada. The claims form a nearly rectangular block 1-1/2 miles square, less a 1/2 - mile square patented block in the northwest corner.

The recorded claim numbers are:-

Sheraton Township, in Lots 4, 5 & 6, Concession VI, Claims Nos. L. 214105 to L. 214116, inclusive.

Bond Township, in Lots 4, 5 & 6, Concession I, Claims Nos. L. 214085 to L. 214104, inclusive.

Titles to the claims, relative to assessment work requirements are in good standing until at least April 23, 1972.

LOCATION & ACCESS

The property is just off the northeast shore of Sheraton Lake, approximately 30 miles east of Timmins. It can be reached by Highway 101 from Timmins, 33 miles east to Shillington, thence south 6 miles by motor road, thence by boat. It can also be reached by amphibious plane, from South Porcupine, 10 miles east of Timmins, to Moose Lake, approximately one mile north of the property.

Timmins is 437 miles, by highway, northwest of the city of Toronto. Timmins is also served on daily schedules by the Ontario Northland Railway and Air Canada.

POWER, WATER, LABOUR, SUPPLIES

The area is well served by hydro-electric power. A 115-kilovolt, 3-phase, 60-cycle transmission line passes within 10 miles northwest of the property. The area is also served by natural gas from the Northern and Central Gas Company.

Fresh water is abundant in the lakes and streams on and near the property.

The location near the centre of Ontario's second largest mining camp assures the availability of experienced personnel and the most economic procurement of equipment, material and supplies.

August 12, 1971

continued

HISTORY

The Porcupine Mining Area is well known as one of the world's largest gold producers since the great Hollinger, McIntyre and Dome Mines started production in the early 1900's. From 1912 to date, the gold mining companies of the area have paid dividends and bonuses totalling approximately \$500 millions.

The general geology of the area is outlined on Map 2046, Timmins - Kirkland Lake Sheet, Ontario Department of Mines, 1963. A wealth of detailed geological data has been compiled in the past 60 years, from surveys of the lithology and structures discovered during the extensive development of the producing mines. Many maps and reports are published by the Ontario and Canadian governments, which in the past 20 years, with the assistance of aeromagnetic and aerophotographic surveys, have been correlated to reveal a great potential of the economic minerals of copper, nickel, zinc and lead with associated gold and silver, as well as asbestos and iron.

The first important copper finds were made by Prospector George Jamieson of Timmins in the 1920's and 1930's, in Robb and Jamieson Townships, 10 miles west of Timmins. Hollinger Consolidated Gold Mines Limited acquired and drilled the Robb Township property in 1932. In 1943-44, this company operated the property for Wartime Metals Corporation and treated 189,064 tons of ore. In 1945, Viomatic Mines Limited acquired control of Kam-Kotia Porcupine Mines Limited and completed further exploration. In 1961, a 900 ton per day mill started production, was increased to 1,500 tons daily in 1963 and to 2,700 tons daily in 1968, the name having been changed to Kam-Kotia Mines Limited in 1966, following earlier acquisition of control by Dickenson Mines Limited. Total production from this mine, to 1969, in copper, zinc, gold and silver totalled approximately \$62 millions. The continued application of modern geophysical and geological surveys in guiding exploratory drilling discovered a second copper-zinc ore body on claims adjoining south of the Kam-Kotia mine, in Robb and Jamieson Townships. The operating company, Jameland Mines Limited started shipping 400 tons of ore daily to Kam-Kotia mill in 1969. The ore averages approximately 1.5% copper and 2.37% zinc. In the same vicinity, a mile to the south, in Jamieson and Godfroy Townships, Canadian Jamieson Mines Limited started its 400 ton per day mill in 1966. The ore contains approximately 2.7% copper and 4.95% zinc.

Since 1912, the McIntyre mine, one of the three oldest and largest gold producers, a mile east of Timmins, has produced approximately \$350 millions in gold bullion, from depths to 7,900 feet. In 1959, copper mineralization was located by drilling at the 1,625 foot level. Copper production, since August 1963, has totalled over \$35 millions, with the concentrator now treating 2,000 tons of copper ore daily. Current ore reserves are estimated at more than 4 million tons averaging 0.82% copper.

During the 1950's, the same applied geological intelligence and geophysics led to prospecting for asbestos, in the long-known serpentinized peridotite deposits, in Munro and Warden Townships, 18 miles northeast of Sheraton Township and between 1958 and 1964, production from the Munro Mine reached \$5 millions annually from asbestos produced

History - continued

from underground mining. Since closing of the Munro mine in 1964, by Johns-Manville Mining & Trading Limited, the company has completed a 5,000 ton per day mill at its' new mine in Reeves Township, 43 miles southwest of Timmins. Also in Munro and Warden Townships, Hedman Mines Limited discovered and drilled an asbestos ore body which by 1967 was estimated at over 10 million tons containing fibre valued at \$25.00 per ton. A 300 ton per day mill started production in 1970.

By 1960, the successful discovery of productive base metals sulphides orebodies had been greatly expedited by the intelligent application of aerial and ground geophysics to the geological knowledge accumulated in the past 70 years in several Canadian areas always considered mainly gold-bearing. The productive copper-lead-zinc deposits of Brunswick Mining & Smelting, (New Brunswick, 1954), Mattagami Lake Mines, (Quebec, 1958), and the rich copper discovery by Temagami Mining Company, (Ontario, 1958), had all been discovered by drilling of areas where most (and all the important) rock outcrops were overburdened by gravel, clay, sand, swamp and vegetation.

Following its success at Mattagami Lake in Quebec, Leitch Gold Mines Limited signed, on February 1, 1963, a working agreement with Texas Gulf Sulphur, Incorporated, for exploration of large areas in Quebec and Ontario including several Townships in the heavily overburdened area just north of the Destor-Porcupine fault, a regional geological horizon extending several hundred miles eastward from Timmins into Quebec along which within one to 15 miles, Canada's most productive base metals and gold mines occur.

Guided by the aeromagnetic maps published by the Geological Survey of Canada and the Ontario Department of Mines, Texas Gulf Sulphur Incorporated, crews completed airborne and ground electromagnetic surveys supplemented by exploratory core drilling, in numerous areas including parts of Kidd Township, 12 miles north of Timmins. Late in 1963 and early 1964, rumours of an important copper find created one of the heaviest staking rushes in history. Texas Gulf announced its find in April 1964 and by 1965, had estimated, from surface core drilling, 62 million tons mineable by open pit, over a zone 400 feet wide by 2,200 feet long, averaging 1.33% copper, 7.08% zinc, 4.85 ounce silver per ton. Ecstall Mining Limited, a wholly-owned subsidiary of Texas Gulf, completed construction, by November 16, 1966, of concentrator capacity to process 9,000 tons of ore daily which reached full operation by June 1967. Provision is made to increase capacity to 14,000 tons daily by 1977. Underground mining development to 3,000 feet depth is underway to provide ore by 1972 when the feasible limit of open-pit mining is exhausted. The concentrator is located at the railway in Hoyle Township, about 12 miles northwest of Bond Township.

The Texas Gulf discovery led numerous individuals and companies to prospect the overburdened unexplored areas near and along the south flank of the Destor-Porcupine fault, where geological projections and a few sparse outcrops indicate the same complex of volcanic host rocks as those in Kidd Township.

By 1966, Cominco Limited and International Nickel Company of Canada Limited were jointly exploring large areas in Langmill Township, 6 miles

History - continued

southwest of Sheraton Township. In the past year, important discoveries of copper and nickel have been made by geophysical work and drilling.

In 1966, the Sheraton Lake Claims were included in a 4 - township preliminary exploratory effort by previous owners, during which time four drill holes were put down near an E-W lineament on claim L. 214101. Respective bearings were N. 28° W., N. and N. 30° W. on three holes and S. 28° E. on one hole. All holes dipped 50 degrees. The holes were from 396 to 732 feet in length, totalling 2,182 feet. The cores were logged and filed for assessment work in 1966 but, owing to the failure of the previous owners to perform sufficient work, titles to the claims had lapsed early in April, 1969.

The claims were staked by Prospector Don McKinnon of Timmins from April 9, 1969 to April 13, 1969 inclusive. It was noted that the old drill core logs noted numerous occurrences of sulphides, including those of copper, zinc and lead. It was therefore arranged, late in 1970, with Republic Ores and Mining Corporation Limited, to have ground geophysical surveys completed on the entire claim group. Grid lines were cut at 200-foot intervals with 100-foot picket stations. A magnetometer and horizontal loop electromagnetic survey was completed and mapped by Prospecting Geophysics Limited, of Montreal. These maps accompany a "Report on Geophysical Surveys----", dated February 17, 1971, by H. J. Bergman, P.Eng.

There are no buildings or mining equipment on the property. There are no mine workings on the property. None of the records available to date, show evidence of any mining work having ever been performed on the Sheraton Lake Claims, other than described in this report.

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continued

ECONOMIC GEOLOGY

The rocks underlying the Porcupine Area are classified in the Timiskaming sub-province of the Canadian pre-Cambrian shield. The oldest rocks are acid to basic volcanic flows, tuffs, agglomerates and breccia ranging from rhyolite to basalt, with some interflow sedimentary rocks. These volcanics are interbedded with later sedimentary rocks consisting of tuff, greywacke, conglomerate and undifferentiated and amphibolitic schists and gneisses; also a series of later volcanic rocks interbedding a later series of sediments including argillite and slate. All volcanics and sediments are intruded by basic igneous rocks such as gabbro, diorite and peridotite, followed by massive acid intrusions by granite, syenite, quartz monzonite, quartz porphyry, often with a proliferation of quartz in the form of veins, stockworks with fine fracture-fillings and silicification and often carbonates replacing the older rocks. The youngest igneous intrusive in the area is diabase, which cuts all the older rocks in the form of dykes from a few inches to several hundred feet wide, steeply dipping to vertical and generally striking northeasterly.

All the rocks have been severely folded, sheared, schisted and faulted by successive periods of structural deformation before, during and sometimes following the periods of mineralization. The most important structural feature is the Destor-Porcupine Fault, which extends from west of Timmins to over 100 miles east.

All the important producers of the area are located in structural features contingent to or influenced by this fault and are all located in close proximity to it (i.e.) within one to fourteen miles.

The greater part of the Porcupine Area is covered by an overburden of clay, sand, gravel and swamp and although some of the gold producers were found by the fortunate discoveries of small rich outcrops, the greater part of the subsequent ore was discovered and developed by drilling geological structures projected by data gathered over the years in areas without surface outcrops.

The Sheraton Lake Claims are practically entirely covered by sand, gravel, clay and muskeg, up to depths of over 85 feet near the lineaments reflected by a creek which crosses the property from north to south and strikes southwest across L. 214102 and L. 214101. Vegetation includes "tag alders" in the swampy areas and on the flat higher ground, stands of spruce, jackpine and poplar. A few small outcrops of volcanic andesite, rhyolite and acid tuff occur 1/4 to 3/4 mile east of L. 214104. These strike southwest and dip steep to vertical. One outcrop of volcanics, 1-1/4 miles northeast of the northeast corner of the property, strikes southwest and dips northwest. A diabase dyke strikes north through the east part of this outcrop, which lies 1/4 mile north of a southwest-striking shear.

Little is known of the rocks underlying the greater area of the property, except by projection of the strike and dips from the adjoining area, but a study of these, together with the core logs of the old drill holes, in the light of the ground geophysical data completed early in 1971, points up some very important features.

Economic Geology-continued

The Sheraton Claims lie 5 miles south of the Destor-Porcupine Fault. The topographic lineament represented by the northerly-trending Driftwood River, and its branches crossing the middle of the claims between Moose Lake to the north and Sheraton Lake to the south, could very well reflect an extension of the northwest-striking Englehart River Fault, which has become deflected or otherwise diverted as it approaches the Destor-Porcupine Fault.

A study of the old drill-core logs records considerable shearing, brecciation and talcose alteration in andesitic tuffs over a horizontal width of 175 feet in one hole. All the holes cut bands of sedimentary greywacke, argillite and graphitic slate across widths of 25 to 260 feet, mineralized by from, minor mineralization by pyrite and pyrrhotite with up to 25% sulphides including disseminated to small massive blebs of chalcopyrite, sphalerite and galena. Wide bands of andesite and rhyolite tuff with some minor chalcopyrite and galena mineralization is also recorded. The only sampling of core recorded in the 1966 record is a 5.5-foot core length from 150 to 155.5 in the hole drilled N. 30° W. cutting west of strong E.M conductor traces found in the 1970-71 geophysical surveys. This section is logged as "slate, dark grey banded, foliation 50° - trace galena and sphalerite in narrow quartz veinlets". The assay of the 5.5 foot section was 0.70% lead, 0.11% zinc.

Most of the core was not available on the property by 1969, but one abandoned section was found in 1970 which was identified by the present claims holder as coming from a 42-foot core length, from 320 to 362 feet in a hole dipping 50° on a north bearing, which is now seen to cut a minor conductor trace over 200 feet south of one of the main conductor traces found by the 1971 geophysics to be up to 150 feet wide. This core was logged in 1966 to contain traces to "fair sphalerite layers" in a "graphitic argillite or tuff", with 1.5 feet of "core lost". A 1970 assay of this 42 feet of core was reported as 3.02% zinc and 0.26% lead. Bands of intrusive quartz-feldspar porphyry over core lengths up to 60 feet are also logged.

The electromagnetic survey in 1970-71, outlined two major conductive zones in striking northeasterly across Claims L. 214101 and L. 214102, almost parallel but convergant to the east, about 250 feet apart at their closest northeast ends. They are indicated up to 150 feet wide and are respectively 1,400 and 1,600 feet long. The old 1966 drill holes were located and it appears from their horizontal projections and the core logs that these holes did not cross-section the central axis of the conductors. In addition there are structural indications on the outcrops on strike, a mile east of the property, that the three northerly bearing holes may have been convergant with a steep northwesterly dip of the conductive mineralized zone. This inference is strengthened by an unusual flattening of the dips of the holes from 50° at the bottom of the casing to 34° near the bottom of the holes.

The geophysical report of February 17, 1971, points out the similarity of the geology and mineralization recorded in the old core logs, to that of the zinc-copper-silver deposit in Kidd Township. This is also indicated by the fact that the geophysical surveys on the Sheraton Lake claims traced conductive zones in a low magnetic area. The

Economic Geology-continued

following description of the Kidd Township deposit in Ontario Department of Mines Mineral Resources Circular No. 12, 1969, verifies this observation when compared with the economic geology summarized earlier in this report from the old core logs and sparse outcrops near the Sheraton Lake Claims:-

"The orebodies lie within a group of NW-facing felsitic tuffs and breccias, which are adjacent to metabasalts to the NW and mafic intrusives to the SE. The sulphide zone strikes N 20° E, dips steeply E and plunges 75° N. A zone of graphite and graphitic sediments occurs within the ore zone which is generally concordant with the stratigraphy-----There is a relatively barren pyrite-graphite zone which divides the ore body ----. Siliceous copper ore consisting of chalcopyrite in cherty breccia with very little associated pyrite or sphalerite and massive sphalerite-pyrite ore containing galena and native silver occur in the north part. Mixed ore, composed of massive chalcopyrite and sphalerite, occurs in the south part".

The average grade of the estimated 62 million tons of ore, outlined after a total of 104,340 feet of core drilling in Kidd Township, was 7.08% zinc, 1.33% copper, 4.85 oz/ton silver.

continued.....

August 12, 1971

continued

OBSERVATIONS AND CONCLUSIONS

1. The old 1966 core drilling failed to cross, or reach the main axis of an important zinc-copper-lead-bearing zone outlined by geophysical surveys conducted in 1970-71. The zone is in a magnetically low area which is probably accounted for by the low content of magnetic iron sulphides recorded in the 1966 core logs.
2. The 1971 geophysical report recommends a re-survey of the immediate area using a greater E-M coil interval. This is advisable owing to the 85-foot depth of overburden which probably increases to the east. It should also be noted that the zinc sulphides do not provide as responsive a conductor to geophysical techniques and it would be very helpful to explore the unleached "B" zone, three to four feet into the clay overburden, by soil sampling and geochemical analyses for copper, lead and zinc. The geochemical soil survey should cover at least 20 claims.
3. In the core drilling following the geophysical and geochemical checks, the first two or three holes should be spotted and aligned to determine the specific dip and strike of the mineralized zones, as this is by no means conclusively established by the limited work to date.

continued.....

August 12, 1971

continued

RECOMMENDATIONS

The following exploratory work is recommended, to commence early enough to complete a geochemical soil survey during a dry period in September 1971, prior to the Fall freezeup:

1. Establish camps on the property to accomodate 3 or 4 men.
2. Clean out the line grid, re-chain and re-mark the station pickets where necessary.
3. Complete a geochemical survey, analyzing for copper, lead and zinc, of soil samples taken at 100-foot intervals along the line grid.
4. Complete a detailed electromagnetic survey over claims L. 214096 to L. 214104 inclusive. A technique using equipment responding to conductors below greater depth of overburden, such as the "Turam" method, should be considered.
5. Provide for a program of at least 3,000 feet of preliminary core drilling to completely cross-section the conductive zones on L. 214101 and L. 214102 and to test any additional conductors indicated by the detailed surveys.
6. The foregoing program will take from 6 to 8 months, and cost about \$50,000.00. Contingent on the results obtained, an additional \$75,000.00 should be budgeted to commence a program of at least 10,000 feet of drilling by September 1972.

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ESTIMATE OF COST

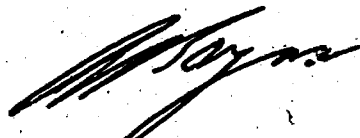
The following is the estimated speculative capital required to complete the recommended work in the first 6 to 8 months:-

Establish Camp	\$ 3,000.00
Clean out & re-picket Line Grid 54.3 miles @ \$25./mile	1,358.00
Detailed E.M. Survey, 9 claims 16 miles @ \$175 mile	2,800.00
Provision for Geochemical Survey	5,000.00
Preliminary Core Drilling, AxT(1-1/4") core 3,000 feet @ \$7./foot	21,000.00
Contingency @ 15%	4,974.00
Engineering & Supervision	<u>12,000.00</u>
<u>TOTAL ESTIMATE OF COST</u>	<u>\$50,132.00</u>

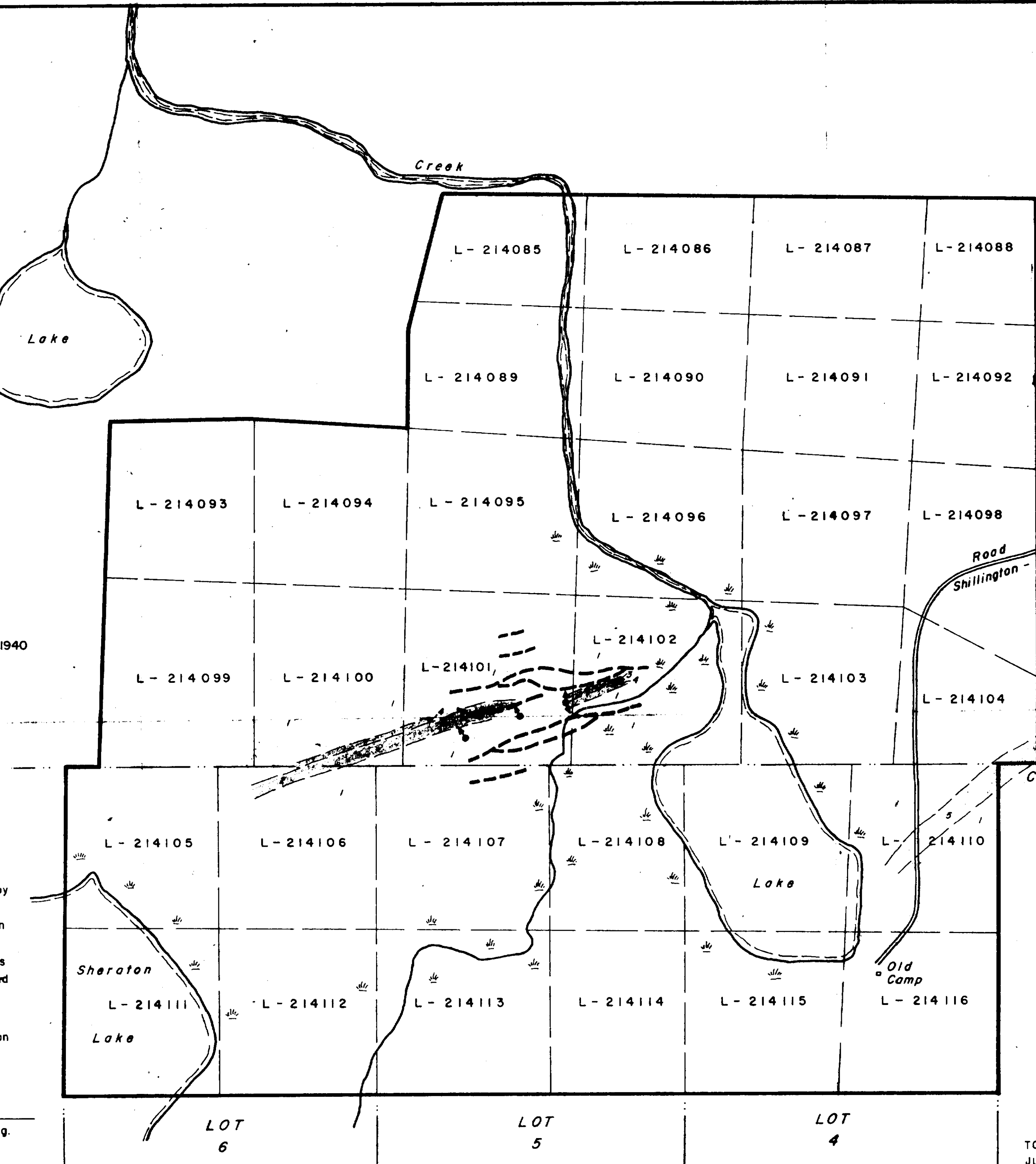
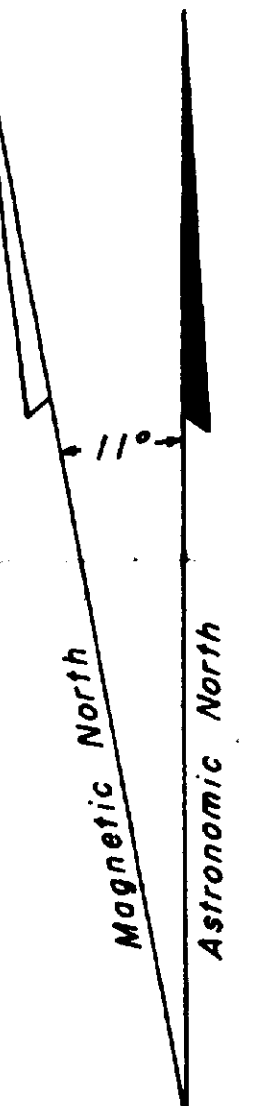
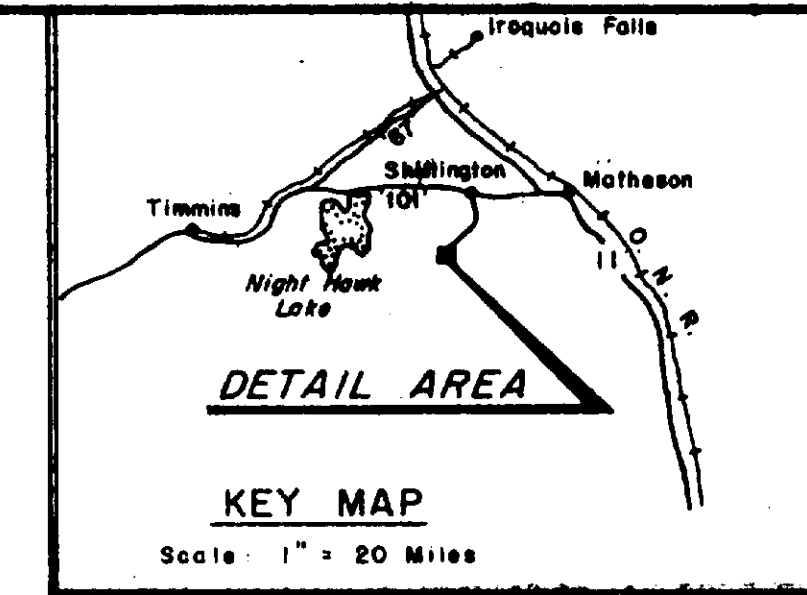
This estimated capital expenditure is very well warranted by the geological environment shown to be favourable to important zinc-copper-lead deposits, by the limited prospecting to date.

Respectfully submitted

A. S. BAYNE & COMPANY



A. S. Bayne, P. Eng.

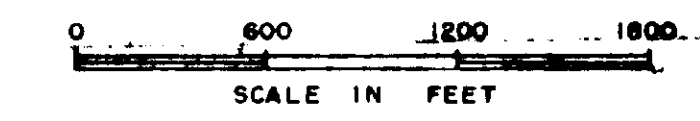


LEGEND

- CENEZOIC**
 Pleistocene & Recent
 Sand, gravel, clay, muskeg.
 - Unconformity -
- PRECAMBRIAN**
 Diabase: Keeweenaw & Matachawan types.
 Acid intrusives: Feldspar & diorite porphyry.
 Basic intrusives: Gabbro, diorite.
 Sedimentary rocks: Greywacke, argillite, slate.
 Volcanics: Andesite & rhyolite flows, tuffs & breccia.

SYMBOLS

- Geological contact assumed.
- Strike and vertical dip.
- Old drill hole (1966)
- Electrical conductor trace. E-M Survey 1971



CONC. I. BOND TWP.
 CONC. VI. SHERATON TWP.

PRELIMINARY MAP

- SHOWING -
GENERAL GEOLOGIC & TOPOGRAPHIC FEATURES
 - AND -
ELECTROMAGNETIC CONDUCTOR TRACES
 - ON -
SHERATON LAKE CLAIMS

BOND & SHERATON TOWNSHIPS, ONTARIO - CANADA
 TORONTO, CANADA
 JULY 31, 1971
 A. S. BAYNE & COMPANY
 CONSULTING ENGINEERS

REFERENCES

1. O.D.M. Plan M. 386, Sheraton Twp. June 1971.
2. O.D.M. Plan M. 331, Bond Twp. June 1971.
3. O.D.M. Geological Map 2046, 1963
4. O.D.M. Geol. Map 49h, Langmuir-Sheraton Area, 1940
5. O.D.M. Geol. Map P.161, Bond Twp., 1962
6. Maps of Magnetometer and E.M. Survey for Republic Ores & Mining Corp. Ltd. by Prospecting Geophysics Ltd., Feb. 1971
- * 7. O.D.M. Assessment Work File T. 1339. Logs of Drill Holes on S 1/2 Lot 5 Conc. I, Bond Twp. 1966

* Note: The claims are almost totally covered by muskeg, sand and clay to depths up to 87 feet. The Precambrian geology shown on this map is general, undifferentiated assumption based on a few small outcrops near the east boundary of L-214104 and from the core logs of the three drill holes on L-214101.

This map is compiled from information considered reliable, but exact locations and ownerships is not hereby certified.

A. S. BAYNE, P. Eng.



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