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**THIRD AMENDMENT TO THE PROSPECTUS OF
PICK MINES LIMITED**

Under Section 38 of The Securities Act (Ontario).

The Prospectus of Pick Mines Limited dated the 20th day of March, 1962 as amended by Amendments dated the 9th day of May, 1962 and the 17th day of August, 1962 is hereby further amended as follows:

1. Since the date of the said Prospectus which was accompanied by the Report of R. Massey Williams dated the 10th day of January, 1962, further exploration has been done on the Company's property, consisting of a program of diamond drilling, ten (10) holes being drilled from surface and one (1) underground from a crosscut. A total of 2,900 feet of drilling was done. In addition, the Number 3 shaft was dewatered and a program of sampling was carried out on the drift and crosscut.
2. Particulars of the work done are contained in the Report of A. C. A. Howe, Professional Engineer, dated the 20th day of December, 1962, which Report accompanies and forms part of this Amendment.

Dated this 21st day of December, 1962.

The foregoing together with the Prospectus dated the 20th day of March, 1962, the First Amendment to the said Prospectus dated the 9th day of May, 1962 and the Second Amendment to the said Prospectus dated the 17th day of August, 1962, constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further information applicable other than in the financial statements or reports where required.

"Royden Cowan"

"Harold D'Arcy Baker"

"George Sherman"

"E. McLean"

"C. M. Cook"

Directors

"George Sherman"

Promoter

To the best of our knowledge, information and belief, the foregoing together with the Prospectus dated the 20th day of March, 1962, the First Amendment to the said Prospectus dated the 9th day of May, 1962 and the Second Amendment to the said Prospectus dated the 17th day of August, 1962, constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than in the financial statements or reports where required. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

Dated this 21st day of December, 1962.

REVAN INVESTMENTS LIMITED

per "George Sherman"
Underwriter/Optionee

NOT TO BE REMOVED FROM THE OFFICE OF THE RESIDENT GEOLOGIST, ONT. DEPT. OF MINES SAULT STE. MARIE, ONT.
 NOT TO BE REMOVED FROM THE OFFICE OF THE RESIDENT GEOLOGIST, ONT. DEPT. OF MINES SAULT STE. MARIE, ONT.

REPORT BY A. A. ROWE, F.M.S. A. PICK MINES LIMITED
PROPERTY, GOUDREAU-GOLD AREA, ALGOMA DISTRICT, ONTARIO

RESIDENT GEOLOGIST
SAULT STE. MARIE

TORONTO, ONTARIO
DECEMBER 20, 1962

SUMMARY:

Pick Mines Limited have outlined 5 gold bearing zones in an area designated the #3 shaft area.

The results obtained from diamond drilling of the #3 shaft area are sufficiently encouraging that they warrant investigation underground.

A headframe, hoist and compressor were installed previously at the #3 shaft. Sufficient mining equipment is available on the property for an underground operation as recommended.

In addition a mill has been erected sufficient for any future production at a rate of 200 tons per day.

A program of 3000 ft. of diamond drilling from surface is also recommended to extend the length and depth of the 5 proven zones.

PROPERTY:

The property consists of 16 contiguous mining claims, as follows:

Claims SSM 2185, 2186, 2188, 2189, 2190 and 2271 are patented, and known as parcels 1148 (1), 1451 (4), and 1479 (1). Claims SSM 61783 to 61792, inclusive are unpatented, and adjoin the north side of the patented group.

LOCATION AND ACCESS:

The group of claims is located in the central portion of Township 48, in the Goudreau-Lochalsh gold area, District of Algoma, Ontario.

The property can be reached by gravel road from either Goudreau or Lochalsh. Goudreau lies on the Algoma Central and Hudson Bay railway line and is 12 miles southwest of the property. Lochalsh lies on the Canadian Pacific Railway and is 7 miles northeast of the property.

TOPOGRAPHY:

The property overlies mainly overburden and swamp, however the mine workings are located on a rocky ridge which traverses the property in an east-west direction.

HISTORY:

Gold was discovered by James Cline on Claim SSM 2188 in May, 1918.

In 1924 the property was optioned by Cline Canadian Gold Mines Ltd. Buildings were erected, and #1 shaft on claim SSM 2185 was sunk to a depth

Work was discontinued in May, 1926 and the property reverted to James Cline, the original owner.

In 1927, Cline Mines was formed and #3 shaft was sunk to a depth of about 115 ft. on claim SSM 2185.

In 1932 Cline Lake Gold Mines Ltd. was formed, and in 1933 a new vein was discovered on claim SSM 2271. In 1936 control of the company was acquired by O'Brien Gold Mines Ltd. A 3 compartment shaft was sunk to a depth of 522 feet (subsequently deepened to 1175 ft.) and a 200 ton per day mill commenced operation in July, 1938. From 1938 to 1942, gold and silver were produced valued at \$2,369,053.00.

The operation was closed down in 1942, during World War 2.

The property was acquired by Pick Mines Ltd. in 1959.

WORK DONE:

By Cline Lake Gold Mines Ltd. :-

- (1) Surface exploration and diamond drilling.
- (2) Three - 2 compartment shafts
 - #1 to 140' -- 90' of lateral work at 80' level
 - #2 to 215' (at 70°) -- 39' of lateral work at 100' level.
40' " " " " 200' "
 - #3 to 115' -- 50' of lateral work at 100' level.
- (3) A 3 compartment shaft to 1175', with seven levels. The shaft (#4) was used for production from 1938 to 1942.

By Pick Mines Ltd. (1960 to 1962):-

- (1) Surface Trenching and exploration.
- (2) Sampling of old dumps.
- (3) Erection of camp, mine and mill buildings.
- (4) #3 shaft dewatered and cross-cutting performed at 100' level.
- (5) #3 adit driven for length of 130'.
- (6) Surface diamond drilling.

1960. Holes P. 1 - 5 for total 1000'.

1961. Holes P. 6 - 9 for total 1037'.

1962. Holes P. 10 - 19 for total 2700'

Dewatering of #3 shaft and sampling of drift and cross-cut.
Overhaul of equipment and buildings for underground work.

PLANT AND EQUIPMENT:

The following were erected on the property during 1942:

- (1) Camp and cookery.
- (2) Mine office.
- (3) Compressor and hoistroom at #3 shaft.
- (4) Headframe at #3 shaft.
- (5) Cap and fuse house.
- (6) Powder magazine.
- (7) Warehouse and garage.
- (8) Hydro Substation and transformer house.
- (9) Assay office and refinery.
- (10) Mill building and mill plant sufficient for 200 tons per say.

The company possesses all necessary equipment for an underground development program.

GEOLOGY:

The geology of the property is described in the Ontario Department of Mines report -- "Geology of the Goudreau-Lochalsh area."

The following is a brief summary: --

The oldest rocks are lavas of Keewatin age, which are intermediate to basic in composition in the area of the property. These have a general east-west strike.

The lavas are intruded by a series of bosses, dykes and sills of varying composition, and of pre-cambrian age. The earliest of these being a diorite followed in sequence by granodiorite, porphyries, felsite and diabase. The granodiorite generally parallels the strike of the lavas; the porphyries and felsite generally cut across the earlier rocks in a northeast direction, and the diabase occurs in dykes and sills cutting the older formations at varying angles.

A strong shear zone lies a short distance south of the old workings. It strikes a few degrees north of east and dips 70° to 80° N. It is 40 to 50 feet wide and contains a large amount of quartz and carbonates.

GOLD DEPOSITS:

The gold bearing vein systems vary in character and strike. They are associated with fractures and shear zones that are probably related to the great shear zone to the south. The ore bodies mined in the past occurred either as lenticular quartz veins in the greenstones, or as zones of shearing in the granodiorite and porphyries. In both these rocks ore was not easily distinguishable from material below ore grade, and walls were assay walls giving widths ranging from 4 to 8 feet.

In the #3 shaft area adjoining north of the old workings, gold has been found in five separate shear zones. These zones vary in strike from slightly south of E - W to slightly north. Within each zone the gold occurs within quartz enriched shoots, either in the free form in the quartz itself or associated with pyrite in the neighbouring country rock. In some zones two

...usually three separate shoots occur in one zone. These shoots vary in width from 2 to 8 feet and occasionally join together to form a zone of enrichment 12 to 16 feet wide.

RESULTS OF SAMPLES OF ADIT AND TRENCHES ON #3 ZONE

Average of all samples from 70' W. of Portal of Adit to 80' E. of Portal.

Width Ft.	Value Oz.	W x V.	W x V Cut to Avg. 2.38	W x V Cut to Double Avg. 4.76
2	9.21	18.42	4.76	9.52
2	13.13	26.26	4.76	9.52
2	.30	.60	.60	.60
3	.08	.24	.24	.24
1.5	.39	.585	.585	.585
* 1.75	.06	.105	.105	.105
1.67	.15	.25	.25	.25
0.7	3.38	2.37	1.67	2.37
0.5	7.18	3.59	1.19	2.38
1.5	0.58	.84	.84	.84
2.2	.30	.66	.66	.66
* 3.17	.75	2.38	2.38	2.38
1.33	1.28	1.70	1.70	1.70
2.50	2.75	6.875	5.95	6.875
2.0	1.33	2.66	2.66	2.66
2.0	1.69	3.38	3.38	3.38
29.82	2.38	70.915	31.730	44.075
1.49		2.38	1.07	1.48
4'		.89	.40	.55

Average of assays from 130' to 290' east of Portal.

1.16	1.26	1.46	1.46	1.46
1	3.86	3.86	3.22	3.22
2	.77	1.54	1.54	1.54
1.5	.44	.66	.66	.66
.7	11.38	7.96	2.25	4.50
.7	9.21	6.51	2.25	4.50
1.5	3.68	5.52	4.83	5.52
8.56		27.51	16.21	21.40
1.22		3.22	1.81	2.3
4'		.97	.55	.76

Note: All samples taken during 1960 - 1961 exploration work, except for check samples marked * which were taken during 1962.

RESULTS OF DIAMOND DRILLING IN THE #3 SHAFT AREA:

The five zones outlined by both the Cline (C holes) and Pick (P holes) have been numbered R, Q, 3, 4 and 5, in order from south to north.

Gold values from East to West:

Zone	Work done	Width Feet	Gold ounces
R	Drill hole P. 2	2.2	0.14
	" " P. 8	1.4	3.69
	" " C. 34	2.5	2.14
	and	2.5	0.24
	" " C. 39	0.5	35.41
	and	2.5	0.83
	" " C. 40	1.0	0.13
	" " C. 41	5.0	0.43
	and	2.5	0.37
	and	5.0	0.61
	" " C. 45	2.5	0.28
	" " C. 43	2.5	0.11
Strike length from P. 2 to C. 43 is 600 ft.			
Q	Drill hole P. 14	2.0	0.61
	" " P. 8	2.4	0.38
	" " P. 9	1.0	0.17
	" " C. 38	2.5	0.18
	" " C. 33	5.0	0.09
	" " C. 34	2.5	0.17
	" " C. 39	2.5	0.12
	" " P. 15	1.0	3.30
	" " C. 41	2.5	1.65
	and	2.5	0.11
	" " C. 43	2.5	0.55
Strike length from P. 14 to C. 43 is 600 ft.			
3	Drill hole P. 14	1.5	0.37
	" " P. 8	4.8	0.11
	" " P. 3	3.0	0.41
	" " P. 9	1.0	0.09
	" " P. 6	3.1	0.90
	and	5.9	2.89
	" " P. 7	2.0	0.19
	" " C. 33	5.0	0.31
	and	2.5	0.23
	" " C. 38	3.0	0.09
	" " P. 5	0.7	35.34
	" " P. 10	2.5	0.68
	and	3.5	0.30
	" " C. 34	2.5	0.15
	" " C. 39	2.5	0.37
	" " P. 12	1.5	0.23
	and	5.0	1.58
	" " P. 15	2.0	0.34
	and	0.5	0.25
	" " P. 16	1.0	0.12
	and	1.0	0.33
Strike length from P. 14 to P. 16 is 550 ft.			

Zone	Work done	Width Feet	Gold ounces
4	Drill hole P. 14	1.5	0.04
	" " P. 9	1.0	0.04
	" " P. 7	3.3	0.07
	" " P. 11	1.5	0.33
	" " C. 39	2.5	1.64
	" " P. 12	2.5	0.50
	" " P. 16	3.0	1.31
Strike length from P. 14 to P. 16 is 550 ft.			
5	Drill hole P. 13	3.0	1.80
	" " P. 16	1.5	0.11
	" " P. 17	2.0	0.17
	and	4.0	0.17
5 (?)	" " P. 18	1.5	0.25
Strike length from P. 13 to P. 18 is 300 ft.			
Shaft	Drill hole P. 18	1.5	0.27
	and	1.0	0.74
Shaft	" " P. 19	1.5	0.02

OTHER WORK DONE:

During 1962 the #3 shaft was dewatered, and the drift and cross-cut were sampled and surveyed. In addition, one hole was drilled from the end of the cross-cut. This was part of the program prior to the underground development to determine in which direction the initial drift should commence. Two other holes were proposed, but these have been delayed until the recommended underground development commences.

All equipment has been overhauled, and the buildings have been painted, and in some cases insulated in preparation for a winter work project. All the recommended surface drilling and preparation of equipment prior to the recommended underground development program have been completed.

As a result, on December 11, 1962 the pump was removed from #3 shaft and this will be allowed to flood again. This has been done to save costs in electricity and labour pending the start of the recommended underground work.

This initial phase of exploration recommended by the Company engineer, R. Massey Williams, at the commencement of 1962 has now been completed.

CONCLUSIONS:

Close spaced drilling, at intervals of 50 ft., has outlined 5 separate zones of gold mineralization, over a drilled length of 800 ft. The assay values have been sufficiently encouraging that this area should now be investigated underground.

In addition further diamond drilling from surface should be carried out to extend the length of the known zones, and also to explore for additional zones to the north of them.

#3 ZONE:

In order to assess the potential value of the property some estimates of grades and tonnages have been made. Since drill results do not always provide a reliable indication of the grade, sometimes being too high, other times too low, the grade has been estimated on the results of underground work and surface trenches. The underground work consists of an adit on the #3 zone where channel samples were taken across the exposed vein. In the surface trenches on the #3 zone, bulk samples of 50 lbs. weight were blasted out of the vein during the 1960-61 work. Both adit and trenches have explored the #3 zone over a length of 360'. An average of all samples taken in both the adit and trenches, with the high assays cut to 2.38 ozs., indicated an average grade of 0.48 ozs. per ton. An average of all samples cut to 4.76 (double the above) gave an assay of 0.66 ozs. Therefore, a grade of about \$20 per ton could be expected for this zone across a mining width of 4.0'. A total of 17 diamond drill holes below the adit and trenches have confirmed that this grade is possible. These holes were drilled in 11 cross-sections along a length of 400', and intersections ranged from a vertical depth of 70' below the adit level down to 250' below the adit.

It can therefore be seen that over the explored length of 400', to an average depth of 120', a possible 16,000 tons will be available above the 1st level. Since the zone is still open to the east, further tonnages may be available.

OTHER ZONES:

In addition, 4 other zones have been explored nearby. Of these zones, Q and R have been drilled at 50' intervals over a length of 600' and to a depth of 350'. Zones #4 and #5 have not been drilled so thoroughly and are therefore not included in these estimates.

Both zones Q and R were exposed by drifts on the 4th level during previous operations. However, no assay plans are available on which to calculate the grade, so that the assessment must be made on drill results. These results indicate that a grade similar to the #3 zone could be possible.

FUTURE WORK:

The results obtained to date on the 3, Q and R zones are sufficiently encouraging that further work is warranted. Since the #3 shaft is located nearby, and has recently been rehabilitated, also a head frame, hoist and compressor installed, it is recommended that these zones be investigated underground in two stages.

Stage 1:

(i) The #3 zone will be the initial target since a possible 16,000 tons, grading about \$20 per ton has been indicated by an adit, surface trenching and diamond drilling.

and previous diamond drilling has shown that grades and tonnages similar to that in the #3 are possible in each of the Q and R, these will be the next target for investigation by both underground diamond drilling from #3 zone, and if warranted, by cross-cutting and drifting.

(3) The #4 and #5 zones should be investigated also, as well as a program of surface diamond drilling for new zones.

Stage 2:

Providing stage 1 proves that the tonnages and grades indicated above are available, then the following program is recommended:

- (1) Deep diamond drilling from the 1st level to prove the continuity of the 3, Q and R zones down to a depth of 400 ft.
- (2) Since it is evident that if continuity is proven, then 3 times the tonnage available from the 1st level could be available above the 4th level. Consideration should be given to either (a) dewater the old workings down to the 4th level where a cross-cut gives access to the area from the #4 shaft or (b) deepen the #3 shaft to the lowest depth of any proven ore-shoots.

After all this work has been completed estimates of total proven tonnage and grade can then be made.

RECOMMENDATIONS AND COSTS:

Since Stage 2 is dependent on the results obtained in Stage 1, only the latter cost estimates are included.

Stage 1

Surface Program

- (1) The drill program in the #3 shaft area should be continued to extend this area both east and west, in order to increase the tonnages available.
- (2) Exploratory holes should be drilled north of the #3 area to locate new zones.

A total of 3000' of drilling is recommended. The cost at \$6.00 per foot including engineering, assaying, etc. would be \$18,000.00.

Underground Program

- (1) The #3 shaft be dewatered again and a 600 ft. long drift be driven along the centre of the area. This drift will commence by following the values obtained in holes P. 16 and P. 13, and designated #4 zone. It will then be determined whether these values are either the faulted extension of the #3 zone or are in reality the 4 zone. A cross-cut will then be driven to the 3 zone, and this will be followed by a drift to the eastern end, where values were obtained in hole P. 14.

(2) Underground diamond drilling will be carried out to determine the plunge and grade of ore shoots in the other zones, as well as in #3 zone itself. Short holes, of 200' length maximum, will be sufficient to reach any of the other zones.

(3) Any ore obtained from the drifting should be stockpiled at surface, so that it can be treated in the mill during any subsequent production program. This ore will help offset the costs of underground development.

(4) The Q and R zones will subsequently be investigated by drifting where warranted.

The cost of this program is estimated as follows:

(1) Equipment	\$5,000.00
(2) A total of 1300 ft. of drifting, and cross-cutting at \$30 per ft.	39,000.00
(3) A total of 3,000 ft. of diamond drilling at \$1.75 per ft.	5,250.00
(4) Engineering and supervision for a 3 month program	4,250.00
(5) Maintenance and supplies	3,000.00
(6) Sampling and assaying	3,500.00
(7) Contingencies, particularly for grouting of water bearing seams	6,000.00
	<u>TOTAL</u>
	<u>\$66,000.00</u>

The total cost of both underground and surface work will therefore be:

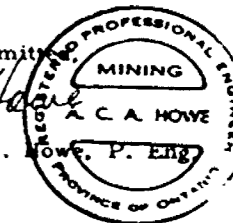
(1) For underground drifting, cross-cutting and diamond drilling	\$66,000.00
(2) For surface diamond drilling	18,000.00
	<u>TOTAL</u>
	<u>\$84,000.00</u>

In my opinion, the expenditure of \$84,000.00 is well justified in view of the encouraging results already obtained.

Respectfully submitted,

A. C. A. Howe

A. C. A.



NOT TO BE REMOVED FROM
THE OFFICE OF THE RESIDENT
GEOLOGIST, ONT. DEPT. OF MINES
SAULT STE. MARIE, ONT.

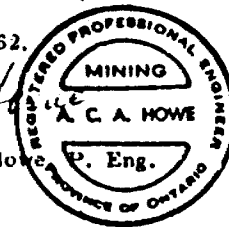
CERTIFICATION

I, A. C. A. HOWE, of the City of Toronto, Ontario, hereby certify that: --

- (1) I am a Mining Engineer and reside at 808, 85 Wellesley St. East, Toronto, Ont.
- (2) I am a graduate of London University, England, B. Sc. 1949, and a member of the Association of Professional Engineers of the Province of Ontario.
- (3) I have no interest, nor do I expect any interest, either directly or indirectly, in either the property or securities of Pick Mines Limited.
- (4) This report is based on Government geological maps of the area, and from a personal knowledge of the property gained during the supervision of diamond drilling and other work from March 20, 1962 to date.

Dated at Toronto, Ontario, this 20th day of December, 1962.

A. C. A. Howe
A. C. A. Howe





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PICK MINES LIMITED



10/10/1977
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REGISTERED
IN THE
REPUBLIC OF SOUTH AFRICA

PROSPECTUS

PICK MINES LIMITED

PROSPECTUS

(For filing and filed with the Ontario Securities Commission under the provisions of Part VII of The Securities Act, being Chapter 363 of the Revised Statutes of Ontario 1960).

1. PICK MINES LIMITED (hereinafter sometimes referred to for convenience as "the Company") was incorporated by Letters Patent dated the 14th day of July, 1959 under Part IV of The Corporations Act, 1953 (Ontario). The Head Office of the Company is located at Suite 800, 100 Adelaide St. West, Toronto, Ontario.
2. The following are the Directors, Officers and Promoter of the Company, namely:

PRESIDENT and DIRECTOR:	GEORGE SHERMAN, 42 Ridge Hill Dr., Toronto, Ontario, Promoter.
SECRETARY and DIRECTOR:	JOHN ALBERT SHERMAN, 22 Peveril Hill S., Toronto, Ontario, Securities Salesman.
TREASURER and DIRECTOR:	IRWIN DUBROS, 20 Faith Avenue, Downsview, Ontario, Securities Salesman.
ASSISTANT SECRETARY and TREASURER:	EDGAR McLEAN, 29 Winthorpe Rd., Toronto, Ontario, Accountant.
DIRECTOR:	PAUL ASLIN, 68 Howard Street, Toronto, Ontario, Securities Salesman.
DIRECTOR:	CHARLES ALBERT WALTON, 26 Bayfield Cres., Toronto, Ontario, Realtor and Vice-Chairman of the Toronto Transit Commission.
PROMOTER:	GEORGE SHERMAN, 42 Ridge Hill Dr., Toronto, Ontario.
3. GILBERT R. BARRETT & CO., Chartered Accountants, 85 Richmond Street West, Toronto, Ontario, are the Company's Auditors.
4. GUARANTY TRUST COMPANY OF CANADA, 366 Bay Street, Toronto, Ontario, is the Transfer Agent and Registrar of the Company.
5. The authorized capital of the Company consists of \$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 each, whereof 2,828,750 shares have been allotted and issued as fully paid and non-assessable.
6. The Company has authorized the issuance of debentures up to \$500,000.00 aggregate principal amount, designated as 7% cumulative sinking fund debentures dated as of the 1st day of December, 1964 and maturing on the 1st day of December, 1974. Interest at the said rate is repayable semi-annually on the 1st day of June and December in each year commencing on the said day next following nine months after the date when its mining pro-

perty hereinafter referred to shall commence Production. "Production" herein is defined as the time when a Professional Mining Engineer, being an Accredited Member of the Professional Engineers' Association for the Province of Ontario, recommends that in accordance with good mining practice the Company may commence, economically, milling the ore mined from the said lands. The said interest is cumulative from December 1st, 1964, but payment of cumulative or current interest in cash shall only be payable as aforesaid. Each debenture carries with it 10 escrowed shares (reference is made in paragraph 7 below) for each \$100.00 debenture. Rito Sherman, hereinafter mentioned, has agreed to donate to the purchasers of debentures the said escrowed shares and has instructed Guaranty Trust Company of Canada to set aside sufficient escrowed shares for such purpose. See paragraph 7 hereof for particulars and terms of release of the said escrowed shares. Because of the conditions attached to escrowed shares, they do not normally carry the same market price as "free" shares until on their release they become "free" shares. The said debentures are issuable and registerable in denominations of \$100.00, \$500.00 and \$1,000.00 and any multiple thereof. The Debentures are the direct obligation of the Company and are not secured by any mortgage or charge. The Company has the right at its option, at any time, to redeem prior to maturity, on not less than 30 days' notice, all of the outstanding debentures at the principal amount thereof together with accrued interest on such principal amount to the date specified for redemption. The debentures are convertible at the option of the holder thereof, unless the same have been called for redemption, into fully paid -- and non-assessable shares of the Company up to the close of business on December 1st, 1966 at the rate of \$2.00 per share, up to December 1st, 1967 at \$3.50 per share, and up to December 1st, 1969 at \$5.00 per share for the principal amount of each debenture without adjustment for interest accrued on the debentures. The said conversion prices have been entirely arbitrarily fixed, as the said prices cannot and are not based on any calculation where it could be assumed that the shares will reach a market value from the operations of the Company whereby it would make it advantageous to convert these debentures into shares of the Company in accordance with the conversion rights as above stated. Within nine (9) months after production commences, a sinking fund will be established by the Directors to provide for the redemption of these debentures in an amount not less than one-half of the yearly net income of the Company after taxes.

7. Certificates representing 711,000 shares of the capital stock of the Company were placed in escrow with Guaranty Trust Company of Canada, 366 Bay Street, Toronto, Ontario, subject to release only on the written consents of the Ontario Securities Commission and a majority of the Board of Directors of the Company, and subject also to transfer, assignment, hypothecation or other alienation only on the written consent of the Ontario Securities Commission. 357,640 shares of the said 711,000 escrowed shares have since been released.
8. (a) The shares sold for cash to date are as follows:

5 shares at \$1.00 per share	\$	5.00
200,000 shares at .10¢ per share		20,000.00
300,000 shares at .12½¢ per share		37,500.00
400,000 shares at .15¢ per share		60,000.00
65,750 shares at .17½¢ per share		11,506.25
200,000 shares at .20¢ per share		40,000.00
518,947 shares at .25¢ per share		129,736.75
204,850 shares at .30¢ per share		61,455.00
86,000 shares at .35¢ per share		30,100.00
63,198 shares at .40¢ per share		25,279.20

No commissions were paid in respect to the sale of the said shares.

(b) As of the date of this Prospectus the debentures referred to in paragraph 6 hereof, aggregating \$32,800.00, have been sold to Shareholders under an offering made to them dated November 23rd, 1964. The commission payable is 10% of the selling price with additional costs limited to 15% of the selling price.

No consideration was paid or is payable for promotional services.

By agreement in writing dated July 15th, 1959 between the Company and Milton Charles Halstead, 7 Ontario Avenue, Sault Ste. Marie, Ontario, as Vendor, the Company acquired from the Vendor full right, title and interest in three parcels Numbered 1448, 1451 and 1479 in the Registry for Algoma West, comprising six (6) patented Mining Claims Numbered SSM 2185, 2186, 2188, 2189, 2190 and 2271 located in Township 48, Sault Ste. Marie Mining Division, Province of Ontario. The consideration agreed to be paid by the Company for the foregoing was the sum of \$11,000.00 cash and the allotment and issue to the Vendor as fully paid and non-assessable of 125,000 shares of the capital stock of the Company, of which 12,500 shares were free from escrow subject to the condition that they may not be sold in a greater portion than one share sold for each four shares sold out of the treasury of the Company. The remaining 112,500 shares (being part of the 711,000 shares referred to in paragraph 7 hereof) were placed in escrow on the terms set out in the said paragraph 7 hereof. 34,541 shares of the said 112,500 escrowed shares have since been released. In addition the Company paid the legal costs and disbursements amounting to \$733.95 in connection with the acquisition of the property referred to in this paragraph.

No other person has received or is to receive from the said Vendor a greater than 5% interest in the share consideration received or to be received by him.

The said Milton Charles Halstead transferred 77,959 shares held by him in escrow to one Barney Hershman who, in turn, transferred the said shares within the escrow to Rita Sherman hereinafter mentioned.

By agreement in writing dated July 15th, 1959 between the Company and Rita Sherman, wife of the said George Sherman, 42 Ridge Hill Drive, Toronto, Ontario, as Vendor, the Company acquired from the Vendor the full right, title and interest in ten (10) unpatented mining claims in Township 48, Sault Ste Marie Mining Division, District of Algoma, Province of Ontario, described as Mining Claims SSM 58621 to SSM 58630 inclusive, comprising an area of approximately 400 acres. The said mining claims are now numbered SSM 61783 to 61792 inclusive, having been restaked at a cost of \$300.00. The consideration agreed to be paid by the Company for the foregoing was the sum of \$66,500.00 to be fully paid and satisfied by the allotment and issue to the Vendor of 665,000 fully paid and non-assessable shares of the capital stock of the Company, of which 66,500 were delivered free from escrow subject to the condition that they may not be sold in a greater proportion than one share sold for each four shares sold out of the treasury of the Company. The remaining 598,500 shares (being the balance of the 711,000 shares referred to in paragraph 7 hereof) were placed in escrow on the terms set out in said paragraph 7. 182,254 of the said 598,500 escrowed shares have since been released. In addition the Company paid the legal costs of \$500.00 in connection with the acquisition of the property referred to in this paragraph. No other person has received or is to receive from the Vendor a greater than 5% interest in the share consideration received or to be received by her, except that, previously, Revan Investments Limited, under agreement with the Vendor, was granted the exclusive right to purchase her free shares while certain options were in full force and effect. The said options having been terminated, the said Agreement is at an end.

12. The six (6) patented mining claims referred to in paragraph 10 hereof and the ten (10) unpatented claims referred to in paragraph 11 hereof are two contiguous series of mining claims situate in Township 48, District of Algoma, Sault Ste. Marie Mining Division, Province of Ontario. Particulars as to the location, accessibility, geology, history, work done on the property and plant and equipment on the property are contained in the Report of A.C.A. Howe, Professional Engineer, dated the 3rd day of May 1963, together with his Supplementary Report dated April 20th, 1964, which Reports accompany and form part of this Prospectus. The acquisition of any further property is not contemplated at this time.

13. All former underwriting and option agreements have been terminated and there are not at the present time any further underwriting or option agreements. The Company proposes to offer for sale and sell (a) its treasury shares to the public through registered Security Dealers, paying such Dealers a commission not exceeding 25% of the selling price of the shares so sold and in addition, paying the costs and expenses of such Dealers incidental to the distribution and sale of such shares not exceeding 15%; and (b) its said Debentures at par to the public through registered Security Dealers, paying such Dealers a commission not exceeding 10% of the selling price of the Debentures so sold and in addition, paying the costs and expenses of such Dealers incidental to the distribution and sale of such Debentures not exceeding 15%.

The minimum amount which may be paid to the Treasury for treasury shares after providing for commissions and expenses shall be 18¢ per share.

14. The Company proposes to use the funds received from the sale of its shares and debentures for the following purposes:

(a) To pay current liabilities;

(b) To pay the administrative expenses of the Company including maintenance of head office, secretary's fees, directors', legal and audit fees;

(c) To carry out the recommendations at the estimated cost as set out in the said Report of A.C.A. Howe, Professional Engineer. Further expenditures would depend upon the results obtained and the availability of funds.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in Canada in which the securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non trustee type securities after primary distribution of the securities offered by this Prospectus has ceased, approval by the shareholders will be obtained and disclosure will be made to the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

15. Mr. Edgar McLean, Assistant Secretary-Treasurer of the Company received from the Company the sum of \$825.00 during the last financial year. No amount was paid or is owing during the last financial year for maintenance of head office and services. It is proposed, however, that during the current financial year the Company will pay \$100.00 per month to the Assistant-Secretary-Treasurer and \$50.00 per month for maintenance of head office. The sum of \$475.00 was paid to directors during the last financial year and it is proposed that the directors will continue to be paid the sum of \$25.00 each for each meeting of directors attended.

16. No indebtedness is to be created or assumed which is not shown in the accompanying Balance Sheet as at January 21st, 1965 except the said debentures being offered under this Prospectus and current and sundry expenses.

17. Particulars as to the business in which each Director and officer has been engaged for the past three years are as follows:

GEORGE SHERMAN — Promoter and President of Revan Investments Limited, a registered Broker-Dealer, who has been connected with several mining companies during the past three years, including Solid Silver Mines Limited, Shaynee Consolidated Mines Limited and Leesa Explorations Limited.

CHARLES ALBERT WALTON — Realtor and Vice-Chairman of the Toronto Transit Commission, who has been connected with the following mining companies during the past three years: Solid Silver Mines Limited and Leesa Explorations Limited.

JOHN ALBERT SHERMAN — Licensed Securities Salesman employed by Revan Investments Limited.

IRWIN DUBROS — Licensed Securities Salesman employed by the following firms: Lampard & Co. Limited, W. McKenzie Securities Limited, Soman Investments Corporation Limited and Revan Investments Limited.

PAUL ASLIN — Display Assistant employed by Harvey Aslin Window Display; Clothes Displayer employed by Rockover of Canada; Salesman employed by Lou Myles Clothes, and Securities Salesman employed by Revan Investments Limited.

EDGAR McLEAN — Corporate Secretary who has been connected with several mining companies during the past three years, including Shaynee Consolidated Mines Limited, Solid Silver Mines Limited and Leesa Explorations Limited.

No director or officer has or ever had any interest personally or as a partner of a firm in the said properties acquired by the Company. However, reference is made to Items 11 and 20 hereof for information regarding indirect interest.

No dividends have as yet been paid.

Rita Sherman by reason of beneficial ownership of shares in the capital stock of the Company may be in a position to elect or cause to be elected a majority of the directors of the Company.

There is no arrangement for the sale of vendors' shares.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements and reports where required.

DATED the 18th day of May, 1965.

"GEORGE SHERMAN"

"JOHN ALBERT SHERMAN"

"IRWIN DUBROS"

"EDGAR McLEAN"

"PAUL ASLIN"

"CHARLES ALBERT WALTON"
Directors

AUDITORS' REPORT

The Directors,
Pick Mines Limited,
100 Adelaide Street West,
Toronto 1, Ontario.

Gentlemen:

We have examined the balance sheet and schedules of deferred exploration and development expenses and deferred head office and administrative expenses for the period from inception to January 21, 1965.

Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have received all the information and explanations that we have required.

In our opinion, the accompanying balance sheet and schedules of deferred exploration and development expenses and deferred head office and administrative expenses present fairly the financial position of the Company as at January 21, 1965, and its operations from inception to that date, in accordance with generally accepted accounting principles.

Respectfully submitted,

GILBERT R. BARRETT AND CO.
Chartered Accountants

Toronto, Ontario,
February 10 1965.

PICK MINES LIMITED
(Incorporated under the Corporations Act (1953) Ontario)

BALANCE SHEET - JANUARY 21, 1965

ASSETS

CURRENT

Cash in Bank	\$ 18,018.79	
Accounts Receivable	427.50	\$ 18,446.29

FIXED

MINING CLAIMS

Six (6) patented mining claims
Ten (10) unpatented mining claims
At a value of \$79,000. placed on 790,000 shares of the
Company's capital stock, plus \$12,533.95 paid in cash. \$ 91,533.95

<u>BUILDINGS AND EQUIPMENT (AT COST)</u>	195,285.32	286,819.27
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DEFERRED EXPENSES

Mine Exploration and Development (see schedule)	\$181,455.74	
Head Office and Administrative (see schedule)	50,477.45	
Incorporation and Organization	4,000.00	235,933.19
		<u>\$541,198.75</u>

PICK MINES LIMITED

(INCORPORATED UNDER THE CORPORATIONS ACT (1953) ONTARIO)

BALANCE SHEET - JANUARY 21, 1965

LIABILITIES

CURRENT

Accounts Payable and Accrued Liabilities	\$ 8,026.18	
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DEFERRED

Loans Payable-Including Accrued Interest	26,774.75	
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LONG-TERM

7% Convertible Sinking Fund Debentures, Due December 1, 1974	19,500.00	\$ 54,300.93
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CAPITAL STOCK AND DEFICIT

CAPITAL STOCK

AUTHORIZED

5,000,000 Common Shares, Par Value \$1.00 each \$5,000,000

ISSUED AND FULLY PAID

For Mining Claims - 790,000 shares	\$ 790,000.00	
Less: Discount	711,000.00	\$ 79,000.00
For Cash - 2,038,750 shares	\$2,038,750.00	
Less: Discount	1,623,167.80	415,582.20
Total - 2,828,750 shares		\$494,582.20

DEFICIT

Expenses of share issue	\$ 3,235.90	
Expenses of debenture issue	4,448.48	7,684.38
		<u>486,897.82</u>
		<u>\$541,198.75</u>

Approved on Behalf of the Board of Directors

Director

Director

PICK MINES LIMITED
DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES
 FROM INCEPTION (JULY 14, 1959) TO JANUARY 21, 1965

	July 14, 1959 To Dec. 31, 1963	Dec. 31, 1963 To Jan. 21, 1965	Total
DEVELOPMENT			
Shaft Repairs	\$ 3,434.45	\$ -	\$ 3,434.45
Site Clearing	2,740.94	-	2,740.94
Diamond Drilling	26,996.10	-	26,996.10
Trenching	3,269.60	-	3,269.60
Drifting	8,146.66	-	8,146.66
Track	2,408.41	-	2,408.41
Crosscuts	2,979.29	-	2,979.29
Timber	1,107.72	-	1,107.72
Miscellaneous	2,067.56	-	2,067.56
	<u>\$53,150.73</u>	<u>\$ -</u>	<u>\$53,150.73</u>
MILLING TUNE-UP			
Crushing	\$ 848.04	\$ -	\$ 848.04
Ball Mill	1,446.89	-	1,446.89
Flotation	616.69	-	616.69
Repairs	2,218.15	-	2,218.15
Miscellaneous	757.99	-	757.99
	<u>\$ 5,887.76</u>	<u>\$ -</u>	<u>\$ 5,887.76</u>
Sub-total (forward)	<u>\$59,038.49</u>	<u>\$ -</u>	<u>\$59,038.49</u>
MINE EXPENSES AND SUPERVISION			
Engineers' Fees & Expenses	\$ 23,160.82	\$ -	\$ 23,160.82
Warehouse Salaries & Expenses	2,551.63	-	2,551.63
Construction and Equipment Supervision	13,704.88	2,280.00	15,984.88
Transportation & Truck Repairs	10,374.92	(1,141.32)	9,233.60
Mine Office Salaries	3,375.00	-	3,375.00
Telephone	2,154.05	43.58	2,197.63
Miscellaneous	2,069.66	221.43	2,291.09
	<u>\$ 57,390.96</u>	<u>\$ 1,403.69</u>	<u>\$ 58,794.65</u>
GENERAL EXPENSES			
General and Camp Maintenance	\$ 9,462.82	\$ 94.05	\$ 9,556.87
Workmen's Compensation	10,332.64	384.00	10,716.64
Electric Power	5,443.13	371.91	5,815.04
Boarding House Provisions	4,572.02	15.00	4,587.02
Stores Written Off	4,543.00	-	4,543.00
Insurance	9,554.63	3,245.25	12,799.88
Sampling and Assaying	3,637.78	-	3,637.78
Road Repairs & Maintenance	1,746.23	-	1,746.23
Vacation Pay	2,091.08	100.00	2,191.08
Unemployment Insurance	1,265.98	-	1,265.98
Miscellaneous	6,621.39	141.69	6,763.08
	<u>\$ 59,270.70</u>	<u>\$ 4,351.90</u>	<u>\$ 63,622.60</u>
Total	<u>\$175,700.15</u>	<u>\$ 5,755.59</u>	<u>\$181,455.74</u>

PICK MINES LIMITED
DEFERRED HEAD OFFICE AND ADMINISTRATIVE EXPENSES
 FROM INCEPTION (JULY 14, 1959) TO JANUARY 21, 1965

	July 14, 1959 To Dec. 31, 1963	Dec. 31, 1963 To Jan. 21, 1965	Total
Accounting, Secretarial & Other Head Office Expenses	\$ 1,850.00	\$ -	\$ 1,850.00
Legal and Audit	9,751.75	950.00	10,701.75
Shareholders' Information and Publicity	5,032.99	199.12	5,232.11
Directors' Fees & Expenses	3,374.90	475.00	3,849.90
Transfer Agents' Fees & Expenses	3,863.79	-	3,863.79
Interest	4,897.90	2,423.68	7,321.58
Government Fees & Taxes	1,300.71	50.00	1,350.71
Printing and Stationery	3,092.15	720.25	3,812.40
Telephone and Telegraph	2,350.84	540.60	2,891.44
Officers' Salaries	6,975.00	1,125.00	8,100.00
Miscellaneous	1,467.41	36.36	1,503.77
	<u>\$43,957.44</u>	<u>\$6,520.01</u>	<u>\$50,477.45</u>

PICK MINES LIMITED

FOOTNOTES - JANUARY 21, 1965

- The company is currently offering for sale to the public 467,200 debentures, being the balance remaining after sales to the shareholders under the Company's offer to them dated November 23, 1964. The terms of the issue are as follows:

TITLE - Convertible Sinking Fund Debentures

INTEREST RATE - 7% per annum

TOTAL ISSUE - \$500,000.

DATE OF ISSUE - December 1, 1964

MATURITY DATE - December 1, 1974

SECURITY - none

REDEMPTION- Before maturity at the Company's option, on 30 days notice, at face value plus interest to date of redemption.

SINKING FUND PROVISIONS - Within nine (9) months after the commencement of economic production from the mine a sinking fund will be established by the directors in an amount not less than 50% of the yearly net income of the Company after taxes. This fund will provide for the redemption of these debentures.

Each \$100. debenture carries with it 10 escrowed common shares of the Company, for which purpose 50,000 shares have been donated to the Company. Each debenture is convertible as follows:

Until December 1, 1966 at \$2.00 per share
 Until December 1, 1967 at \$3.50 per share
 Until December 1, 1969 at \$5.00 per share

The Company has reserved 250,000 of its unissued treasury shares to provide for the conversion.

- No depreciation has been, or will be taken on fixed assets, until such time as the mine is in production.
- In accordance with an agreement between the parties, repayment of loans payable will be deferred until such time as the Company has sufficient working capital to make payment without impairing operations.

REPORT BY A. C. A. HOWE, P. ENG., ON THE PICK MINES LIMITED
PROPERTY, GOUDREAU GOLD AREA, ALGOMA DISTRICT, ONTARIO

TORONTO, ONTARIO,
MAY 3, 1963

SUMMARY:

Pick Mines Limited have outlined 5 gold bearing zones in an area designated the #3 shaft area.

The results obtained from diamond drilling of the #3 shaft area are sufficiently encouraging that they warrant investigation underground.

A headframe, hoist and compressor were installed previously at the #3 shaft. Sufficient mining equipment is available on the property for an underground operation as recommended.

In addition a mill has been erected sufficient for any future production a rate of 200 tons per day.

A program of 3000 ft. of diamond drilling from surface is also recommended to extend the length and depth of the 5 proven zones.

PROPERTY:

The property consists of 16 contiguous mining claims, as follows:

Claims SSM 2185, 2186, 2188, 2189, 2190 and 2271 are patented, and known as parcels 1148 (1), 1451 (4), and 1479 (1).

Claims SSM 61783 to 61792, inclusive are unpatented, and adjoin the north side of the patented group.

LOCATION AND ACCESS:

The group of claims is located in the central portion of Township 48, in the Goudreau-Lochalsh gold area, District of Algoma, Ontario.

The property can be reached by gravel road from either Goudreau or Lochalsh. Goudreau lies on the Algoma Central and Hudson Bay railway line and is 12 miles southwest of the property. Lochalsh lies on the Canadian Pacific Railway and is 7 miles northeast of the property.

TOPOGRAPHY:

The property overlies mainly overburden and swamp, however the mine workings are located on a rocky ridge which traverses the property in an east-west direction.

HISTORY:

Gold was discovered by James Cline on Claim SSM 2183 in May, 1918.

In 1924 the property was optioned by Cline Canadian Gold Mines Ltd. Buildings were erected, and #1 shaft on claim SSM 2186 was sunk to a depth of about 140 ft.

WORK WAS DISCONTINUED IN MAY, 1926 AND THE PROPERTY ACQUIRED BY

James Cline, the original owner.

In 1927, Cline Mines was formed and #3 shaft was sunk to a depth of about 115 ft. on claim SSM 2185.

In 1932 Cline Lake Gold Mines Ltd. was formed, and in 1933 a new vein was discovered on claim SSM 2271. In 1936 control of the company was acquired by O'Brien Gold Mines Ltd. A 3 compartment shaft was sunk to a depth of 522 feet (subsequently deepened to 1175 ft.) and a 200 ton per day mill commenced operation in July, 1938. From 1938 to 1942, gold and silver were produced valued at \$2,369,053.00.

The operation was closed down in 1942, during World War 2.

The property was acquired by Pick Mines Ltd. in 1959.

WORK DONE:

By Cline Lake Gold Mines Ltd. ---

(1) Surface exploration and diamond drilling.

(2) Three - 2 compartment shafts

#1 to 140' -- 90' of lateral work at 80' level.

#2 to 215' (at 70°) -- 39' of lateral work at 100' level.
40' " " " " 200' "

#3 to 115' -- 50' of lateral work at 100' level.

(3) A 3 compartment shaft to 1175', with seven levels. The shaft (#4) was used for production from 1938 to 1942.

By Pick Mines Ltd. (1960 to 1962):--

(1) Surface Trenching and exploration.

(2) Sampling of old dumps.

(3) Erection of camp, mine and mill buildings.

(4) #3 shaft dewatered and cross-cutting performed at 100' level.

(5) #3 adit driven for length of 130'.

(6) Surface diamond drilling.

1960. Holes P. 1 - 5 for total 1000'.

1961. Holes P. 6 - 9 for total 1037'.

1962. Holes P. 10 - 19 for total 2700'

Dewatering of #3 shaft and sampling of drift and cross-cut.
Overhaul of equipment and buildings for underground work.

(7) 1962. Dewatering of #3 shaft and sampling of drift and cross-cut. Also underground hole = 101 from face of cross-cut for 197 ft.

(8) 1962. overhaul of equipment and buildings for underground work.

PLANT AND EQUIPMENT:

The following were erected on the property during 1960.

- (1) Camp and cookery.
- (2) Mine office.
- (3) Compressor and hoistroom at #3 shaft.
- (4) Headframe at #3 shaft.
- (5) Cap and fuse house.
- (6) Powder magazine.
- (7) Warehouse and garage.
- (8) Hydro Substation and transformer house.
- (9) Assay office and refinery.
- (10) Mill building and mill plant sufficient for 200 tons per day.

The company possesses all necessary equipment for an underground development program.

GEOLOGY:

The geology of the property is described in the Ontario Department of Mines report -- "Geology of the Goudreau-Lochalsh area."

The following is a brief summary: --

The oldest rocks are lavas of Keewatin age, which are intermediate to basic in composition in the area of the property. These have a general east-west strike.

The lavas are intruded by a series of bosses, dykes and sills of varying composition, and of pre-cambrian age. The earliest of these being a diorite followed in sequence by granodiorite, porphyries, felsite and diabase. The granodiorite generally parallels the strike of the lavas; the porphyries and felsite generally cut across the earlier rocks in a northeast direction, and the diabase occurs in dykes and sills cutting the older formations at varying angles.

A strong shear zone lies a short distance south of the old workings. It strikes a few degrees north of east and dips 70° to 80° N. It is 40 to 50 feet wide and contains a large amount of quartz and carbonates.

GOLD DEPOSITS:

The gold bearing vein systems vary in character and strike. They are associated with fractures and shear zones that are probably related to the great shear zone to the south. The ore bodies mined in the past occurred either as lenticular quartz veins in the greenstones, or as zones of shearing in the granodiorite and porphyries. In both these rocks ore was not easily distinguishable from material below ore grade, and walls were assay walls giving widths ranging from 4 to 8 feet.

In the #3 shaft area adjoining north of the old workings, gold has been found in five separate shear zones. These zones vary in strike from slightly south of E - W to slightly north. Within each zone the gold occurs within quartz enriched shoots, either in the free form in the quartz itself or associated with pyrite in the neighbouring country rock. In some zones two

and occasionally three separate shoots occur in one zone. These shoots vary in width from 2 - 8 feet and occasionally join together to form a zone of enrichment 12 - 16 feet wide.

RESULTS OF SAMPLES OF ADIT AND TRENCHES ON #3 ZONE

Average of all samples from 70' W. of Portal of Adit to 80' E. of Portal.

Width Ft.	Value Oz.	W x V.	W x V Cut to Avg. 2.38	W x V Cut to Double Avg. 4.76
2	9.21	18.42	4.76	9.52
2	13.13	26.26	4.76	9.52
2	.30	.60	.60	.60
* 3	.08	.24	.24	.24
1.5	.39	.585	.585	.585
* 1.75	.06	.105	.105	.105
1.67	.15	.25	.25	.25
0.7	3.38	2.37	1.67	2.37
0.5	7.18	3.59	1.19	2.38
1.5	0.58	.84	.84	.84
2.2	.30	.66	.66	.66
* 3.17	.75	2.38	2.38	2.38
1.33	1.28	1.70	1.70	1.70
2.50	2.75	6.875	5.95	6.875
2.0	1.33	2.66	2.66	2.66
2.0	1.69	3.38	3.38	3.38
29.82	2.38	70.915	31.730	44.075
1.49		2.38	1.07	1.48
4'		.89	.40	.55

Average of assays from 130' to 290' east of Portal.

1.16	1.26	1.46	1.46	1.46
* 1	3.86	3.86	3.22	3.22
2	.77	1.54	1.54	1.54
1.5	.44	.66	.66	.66
.7	11.38	7.96	2.25	4.50
.7	9.31	6.51	2.25	4.50
1.5	3.68	5.52	4.83	5.52
8.56		27.51	16.21	21.40
1.22		3.22	1.81	2.5
4'		.97	.55	.75

Note: All samples taken during 1960 - 1961 exploration work, except for check samples marked * which were taken during 1962.

RESULTS OF DIAMOND DRILLING IN THE #3 SHAFT AREA:

The five zones outlined by both the Cline (C holes) and Pick (P holes) have been numbered R, Q, 3, 4 and 5, in order from south to north.

Gold values from East to West:

Zone	Work done	Width Feet	Gold ounces
K	Drill hole P. 2	2.2	0.14
	" " P. 8	1.4	3.69
	" " C. 34	2.5	2.14
	and	2.5	0.24
	" " C. 39	0.5	35.41
	and	2.5	0.83
	" " C. 40	1.0	0.13
	" " C. 41	5.0	0.43
	and	2.5	0.37
	and	5.0	0.61
	" " C. 45	2.5	0.28
	" " C. 43	2.5	0.11

Strike length from P. 2 to C. 43 is 600 ft.

Q	Drill hole P. 14	2.0	0.61
	" " P. 8	2.4	0.38
	" " P. 9	1.0	0.17
	" " C. 38	2.5	0.18
	" " C. 33	5.0	0.09
	" " C. 34	2.5	0.17
	" " C. 39	2.5	0.12
	" " P. 15	1.0	3.30
	" " C. 41	2.5	1.65
	and	2.5	0.11
	" " C. 43	2.5	0.55

Strike length from P. 14 to C. 43 is 600 ft.

3	Drill hole P. 14	1.5	0.37
	" " P. 8	4.8	0.11
	" " P. 3	3.0	0.41
	" " P. 9	1.0	0.09
	" " P. 6	3.1	0.90
	and	5.9	2.89
	" " P. 7	2.0	0.19
	" " C. 33	5.0	0.31
	and	2.5	0.23
	" " C. 38	3.0	0.09
	" " P. 5	0.7	35.34
	" " P. 10	2.5	0.68
	and	3.5	0.30
	" " C. 34	2.5	0.15
	" " C. 39	2.5	0.37
	" " P. 12	1.5	0.23
	and	5.0	1.58
	" " P. 15	2.0	0.34
	and	0.5	0.25
	" " P. 16	1.0	0.12
	and	1.0	0.33

Strike length from P. 14 to P. 16 is 550 ft.

4	Drill hole P. 14	1.5	0.84
	" " P. 9	1.0	0.04
	" " P. 7	3.3	0.07
	" " P. 11	1.5	0.33
	" " C. 39	2.5	1.64
	" " P. 12	2.5	0.50
	" " P. 16	3.0	1.31

Strike length from P. 14 to P. 16 is 550 ft.

5	Drill hole P. 13	3.0	1.80
	" " P. 18	1.5	0.11
	" " P. 17	2.0	0.17
	and	4.0	0.17
5 (?)	" " P. 18	1.5	0.25

Strike length from P. 13 to P. 18 is 300 ft.

Shaft Zone	Drill hole P. 18	1.5	0.27
	and	1.0	0.74

Shaft Zone	" " P. 19	1.5	0.02
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OTHER WORK DONE:

During 1962 the #3 shaft was dewatered, and the drift and cross-cut were sampled and surveyed. In addition, one hole was drilled from the end of the cross-cut. This was part of the program prior to the underground development to determine in which direction the initial drift should commence. Two other holes were proposed, but these have been delayed until the recommended underground development commences.

All equipment has been overhauled, and the buildings have been painted, and in some cases insulated in preparation for a winter work project. All the recommended surface drilling and preparation of equipment prior to the recommended underground development program have been completed.

As a result, on December 11, 1962 the pump was removed from #3 shaft and this will be allowed to flood again. This has been done to save costs in electricity and labour pending the start of the recommended underground work.

This initial phase of exploration recommended by the Company engineer, R. Massey Williams, at the commencement of 1962 has now been completed.

CONCLUSIONS:

Close spaced drilling, at intervals of 50 ft., has outlined 5 separate zones of gold mineralization, over a drilled length of 800 ft. The assay values have been sufficiently encouraging that this area should now be investigated underground.

In addition further diamond drilling from surface should be carried out to extend the length of the known zones, and also to explore for additional zones to the north of them.

#3 ZONE:

In order to assess the potential value of the property some estimates of grades and tonnages have been made. Since drill results do not always provide a reliable indication of the grade, sometimes being too high, other- times too low, the grade has been calculated on the results of underground work and surface trenches. The underground work consists of an adit on the #3 zone where channel samples were taken across the exposed vein. In the surface trenches on the #3 zone, bulk samples of 50 lbs. weight were blasted out of the vein during the 1960-61 work. Both adit and trenches have explored the #3 zone over a length of 340'. An average of all samples taken in both the adit and trenches, with the high assays cut to 2.38 ozs., indicated an average grade of 0.48 ozs. per ton. An average of all samples cut to 4.76 (6mble the above) gave an assay of 0.66 ozs. Therefore, a grade of about \$2. per ton could be expected for this zone across a mining width of 4.0'. A total of 17 diamond drill holes below the adit and trenches have confirmed that this grade is possible. These holes were drilled in 11 cross-sections along a length of 400', and intersections ranged from a vertical depth of 70' below the adit level down to 250' below the adit.

It can therefore be seen that over the explored length of 400', to an average depth of 120', a possible 16,000 tons will be available above the 1st level. Since the zone is still open to the east, further tonnages may be available.

OTHER ZONES:

In addition, 4 other zones have been explored nearby. Of these zones, Q and R have been drilled at 50' intervals over a length of 600' and to a depth of 350'. Zones #4 and #5 have not been drilled so thoroughly and are therefore not included in these estimates.

Both zones Q and R were exposed by drifts on the 4th level during previous operations. However, no assay plans are available on which to calculate the grade, so that the assessment must be made on drill results. These results indicate that a grade similar to the #3 zone could be possible.

FUTURE WORK:

The results obtained to date on the J, Q and R zones are sufficiently encouraging that further work is warranted. Since the #3 shaft is located nearby, and has recently been rehabilitated, also a head frame, hoist and compressor installed, it is recommended that these zones be investigated underground in two stages.

Stage 1:

- (1) The #3 zone will be the initial target since a possible 16,000 tons, grading about \$20 per ton has been indicated by an adit, surface trenching and diamond drilling. Investigation should consist of drifting on the 1st level from the #3 shaft.

- (2) Since previous diamond drilling has shown that grades and tonnages similar to that in the #3 are possible in each of the Q and R. These will be the next target for investigation by underground diamond drilling from the drift in #3 zone. This work will consist of short flat holes to outline ore above the 1st level, and some deeper drilling to prove the continuity of the zones to a depth of 400 ft.

- (3) The #4 and #5 zones should be investigated also, as well as a program of surface diamond drilling for new zones.

Stage 2:

When stage 1 has been completed estimates of total proven tonnage and grade can be calculated. Providing that this confirms the 16,000 tons at \$20 indicated in the #3 zone above the 1st level, and a similar amount in each of the Q and R zones, so that a total of 100,000 tons above the 4th level is indicated, then preparation for production could proceed.

Pick Mines have previously erected a mill of 200 ton per day capacity which is in working order, so that it can be started up at little cost.

In order to develop the lower levels two means of access can be used.

- (1) Dewater the old workings down to the 4th level where a cross-cut gives access to the area from the #4 shaft.

or

- (2) Deepen the #3 shaft to the lowest depth of any proven ore-shoots. It should be noted also that the #2 shaft nearby reaches a depth of 200 ft.

RECOMMENDATIONS AND COSTS:

Since Stage 2 is dependent on the results obtained in Stage 1, only the latter cost estimates are included.

Stage 1

Surface Program

- (1) The drill program in the #3 shaft area should be continued to extend this area both east and west, in order to increase the tonnages available.
- (2) Exploratory holes should be drilled north of the #3 area to locate new zones.

Underground Program

(1) The #3 shaft be dewatered again and a 600 ft. long drift be driven along the centre of the area. This drift will commence by following the values obtained in holes P. 16 and P. 13, and designated #4 zone. It will then be determined whether these values are either the faulted extension of the #3 zone or are in reality the 4 zone. A cross-cut will then be driven to the 3 zone, and this will be followed by a drift to the eastern end, where values were obtained in hole P. 14.

(2) Underground diamond drilling will be carried out to determine the plunge and grade of ore shoots in the other zones, as well as in #3 zone itself. Short holes, of 200' length maximum will be sufficient to reach any of the other zones. Some deeper drilling should be done also to outline the zones below the 1st level.

(3) Any ore obtained from the drifting should be stockpiled at surface, so that it can be treated in the mill during any subsequent production program.

Stage 2

Providing that a minimum of 100,000 tons grading \$20 is proven in stage 1, then the zones should be developed by drifts and raises from the 1st level in preparation for production. Some additional equipment will have to be bought, and a Change House to be built.

COSTS:

Stage 1:

Underground

(1) Equipment	\$5,000.00
(2) A total of 1000 ft. of drifting and cross-cutting at \$50 per ft. (including supervision and assaying)	\$50,000.00
(3) A total of 4000 ft. of diamond drilling from underground at \$1.75 per ft.	\$7,000.00
(4) Contingencies	\$4,000.00
	<u>\$66,000.00</u>

Surface

A total of 3,000 ft. of diamond drilling at \$6.00 per ft. including supervision, sampling and assaying	\$18,000.00
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The total cost of Stage 1 will therefore be: - -

(1) For underground drifting, cross-cutting and diamond drilling	\$66,000.00
(2) For surface drilling	\$18,000.00
	<u>\$84,000.00</u>

Stage 2

The costs of preparation for production on the 1st level would be:

(1) Equipment & Change House	\$30,000.00
(2) Drifting, cross-cutting and raising. Total 3100 ft. at \$50 per ft., including supervision, sampling and assaying	\$155,000.00
(3) Preparation of mill	\$5,000.00
(4) Working capital (for 3 month tune-up period)	\$60,000.00
(5) Contingencies (particularly for grouting of water-bearing seams)	\$20,000.00
	<u>\$270,000.00</u>

Additional development on lower levels will depend on the ore shoots outlined, but should be paid for from production.

In my opinion, the expenditure of \$84,000.00 for the purpose of investigating the 5 zones underground as in Stage 1 is well justified in view of the encouraging results already obtained. The feasibility of Stage 2 will depend on the results of Stage 1.

Respectfully submitted,

A.C.A. Howe, P. Eng.

CERTIFICATION

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

- (1) I am a Mining Engineer and reside at 103, 567 Avenue Rd., Toronto, Ont.
- (2) I am a graduate of London University, England, B. Sc. 1949, and a member of the Association of Professional Engineers of the Province of Ontario.
- (3) I have no interest, nor do I expect any interest, either directly or indirectly, in either the property or securities of Pick Mines Limited.
- (4) This report is based on Government geological maps of the area, and from a personal knowledge of the property gained during the supervision of diamond drilling and other work from March 20, 1962 to date.
- (5) No work has been performed on the property since my last report dated December 20, 1962.

Dated at Toronto, Ontario, this 3rd day of May, 1963

SUPPLEMENTARY REPORT

PICK MINES LIMITED

APRIL 20, 1964

WORK DONE IN #3 SHAFT AREA:

The results of sampling of the adit and trenches were tabulated in my report dated May 3, 1963. Also the results of diamond drilling of zones Q, R, #3, #4 and #5. There has been no additional drilling or sampling of these zones since that date.

WORK DONE DURING 1963:

Four diamond drill holes numbered P. 20 - 23 totalling 1,213 feet were drilled for assessment purposes. These holes were located on the unpatented group of claims, about 1/2 mile north of the #3 shaft area. They were drilled to investigate geological structure only, since gold veins had not previously been found in the area.

Hole No. P 24 was drilled to a depth of 509 feet to cross-section the area immediately north of the #3 shaft area. Several interesting sections were obtained as follows:

<u>Depth in Hole</u>	<u>Width</u> <u>Feet</u>	<u>Gold Assay</u> <u>ozs./ton</u>
85.4 - 86.3	0.9	0.27
177.0 - 179.0	2.0	0.09
236.3 - 237.6	1.3	0.15
493.4 - 495.5	2.1	0.10

A magnetometer survey was performed along the length of the major quartz ankerite shear. The purpose of the survey was to explore for cross-fractures, silicified zones and granodiorite intrusives which may be the hosts for gold veins. The survey was successful in outlining the south edge of the known granodiorite plug in the #3 shaft area. A lengthy anomalous "low" south of this granodiorite plug and extending to the #4 shaft area indicates the possible extension of this plug between the two areas.

A photo-geological survey was completed by W. Walker, in which fracture patterns and faulting were outlined. It was observed that the known gold zones occur at the intersection of two sets of fractures at joints, these consist of a fault zone striking northeast and a fracture pattern striking northwest. Other northwest striking fractures intersect the same fault zone on claims 61782 and 61783, where strong fracture patterns can be observed.

CONCLUSIONS:

My conclusions and recommendations remain the same as outlined in my report of May 3, 1963.

Briefly, they are as follows: -

Five separate zones of gold mineralization have been outlined by drilling over a length of 800 feet. The assay values obtained to date are sufficiently encouraging that further work is warranted. Since the #3 shaft is located nearby, and has recently been rehabilitated, also a head frame, hoist and compressor installed, it is recommended that these zones be investigated underground.

In addition, further diamond drilling from surface should be carried out to extend the length of the known zones. Also to investigate further the gold values found recently to the north of the known zones, and areas of interest indicated in the recent surveys.

SURFACE PROGRAM:--

A total of 3,000 feet of diamond drilling at \$6.00 per ft., including supervision, sampling and assaying

Estimated cost \$18,000.00

UNDERGROUND PROGRAM: --

Stage 1:

(1) The #3 shaft be dewatered and a 600 ft. long drift be driven along the centre of the area. This drift will commence by following the values obtained in holes P. 16 and P. 13, and designated #4 zone. It will then be determined whether these values are either the faulted extension of the #3 zone or are in reality the #4 zone. A cross-cut will then be driven to the #3 zone, and this will be followed by a drift to the eastern end, where values were obtained in hole P. 14.

(2) Underground diamond drilling will be carried out to determine the plunge and grade of ore shoots in the other zones, as well as in #3 zone itself. Short holes, of 200' length maximum will be sufficient to reach any of the other zones. Some deeper drilling should be done also to outline the zones below the 1st level.

(3) Any ore obtained from the drifting should be stock-piled at surface, so that it can be treated in the mill during or subsequent production program.

Stage 2:

Providing that a minimum of 100,000 tons grading about \$20 is proven in Stage 1, then the zones should be developed by drifts and raises from the 1st level in preparation for production.

The estimated costs of preparation for production on the 1st level is: --

(1) Equipment & Change House	\$30,000.00
(2) Drifting, cross-cutting and raising. Total 3,100 ft. at \$50 per ft., including supervision, sampling and assaying	\$155,000.00
(3) Preparation of mill	\$5,000.00
(4) Working capital (for 3 month tune-up period)	\$60,000.00
(5) Contingencies (particularly for grouting of water-bearing seams)	\$20,000.00
TOTAL	<u>\$270,000.00</u>

Additional development on lower levels will depend on the ore-shoots outlined, but should be paid for from production.

In my opinion the expenditure of \$84,000.00 for the purpose of investigating the 5 zones underground as in Stage 1 is well justified in view of the encouraging results already obtained. The feasibility of Stage 2 will depend on the results of Stage 1.

CERTIFICATION

I, A.C.A. HOWE, of the City of Toronto, Ontario, hereby certify that: --

- (1) I am a Mining Engineer and reside at 567 Avenue Road, Toronto, Ontario.
- (2) I am a graduate of London University, England, B. Sc. 1949, and a member of the Association of Professional Engineers of the Province of Ontario.
- (3) I have no interest, nor do I expect any interest, either directly or indirectly, in either the property or securities of Pick Mines Limited.
- (4) This report is based on Government geological maps of the area, and from a personal knowledge of the property gained during the supervision of diamond drilling and other work from March 20, 1962 to date.

Dated at Toronto, Ontario, this 20th day of April, 1964.

A.C.A. Howe, P. Eng.

**FIRST AMENDMENT TO THE PROSPECTUS OF
PICK MINES LIMITED**

Under Section 38 of The Securities Act (Ontario)

The Prospectus of Pick Mines Limited (hereinafter called "the Company") dated the 18th day of May, 1965, is hereby amended as follows:

1. Under an Agreement in writing dated the 12th day of July, 1965, between the Company and Revon Investments Limited, the latter has purchased on its own behalf 150,000 shares of the capital stock of the Company at 20¢ per share for the total sum of \$30,000.00, of which \$15,000.00 shall be payable when the Receipt shall have been obtained from the Ontario Securities Commission for the filing of this Amendment under section 38 of The Securities Act (Ontario) hereinafter referred to as "the effective date", and the balance of \$15,000.00 shall be payable within 30 days thereafter. In consideration of the said purchase, the Company has granted to Revon Investments Limited options on an additional 850,000 shares of the capital stock of the Company as follows: 200,000 shares at 25¢ per share exercisable within 3 months from the effective date; 200,000 shares at 30¢ per share exercisable within 6 months from the effective date; 200,000 shares at 35¢ per share exercisable within 9 months from the effective date; 200,000 shares at 40¢ per share exercisable within 12 months from the effective date, and 50,000 shares at 45¢ per share exercisable within 15 months from the effective date. It was also provided under the terms of the said Agreement that should there be default by the Underwriter/Optionee in taking up and paying for the said optioned shares within the times aforementioned and such default continues for twenty (20) days after the Company shall have delivered to the Underwriter/Optionee a written notice specifying the default complained of, the option aforesaid insofar as the same has not theretofore been exercised, shall terminate and all rights of the Underwriter/Optionee shall cease, save only the right to delivery of certificates for all shares paid for prior to such termination. In the event of default, an amending statement will be filed within twenty (20) days of such default if primary distribution is still in progress. There are no sub-options nor sub-underwritings. George Sherman, 42 Ridge Hill Drive, Toronto, Ontario, holds a greater than 5% interest in the Underwriter/Optionee. The Underwriter/Optionee, a registered Broker-Dealer, has advised the Company that while it proposes selling shares of the Company to the public in the ordinary course of primary distribution as principal, it may also engage the services of other registered security dealers to sell shares of the Company as its agent, paying such dealers a commission at the usual rate set by the Toronto Stock Exchange for mining companies or paying such dealers a commission not exceeding 25% of the selling price of the shares so sold and in addition, the Underwriter/Optionee may pay the costs and expenses of such dealers incidental to the distribution and sale of said shares and/or to registered security dealers at an increase in price not exceeding 1¢ per share.

2. Since the date of the said Prospectus, the Company has sold through Revon Investments Limited, a registered Broker-dealer, 300,000 shares of the Company @30¢ per share and has or will realize therefor the sum of \$90,000.00, less the commissions and expenses referred to in Paragraph 13 of the Prospectus.

The foregoing, together with the Prospectus dated the 18th day of May, 1965, constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required.

Dated the 21st day of July, 1965.

"George Sherman"

"John Albert Sherman"

"Irwin Dubros"

"Edgar McLean"

"Paul Aslin"

"Charles Albert Walton"

Directors

REVAN INVESTMENTS LIMITED per

"George Sherman" Pres.

Promoter

To the best of our knowledge, information and belief the foregoing together with the Prospectus dated the 18th day of May, 1965, constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 38 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements and reports where applicable. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Dated the 21st day of July, 1965.

REVAN INVESTMENTS LIMITED

Per "George Sherman" Pres.

Underwriter/Optionee



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SUMMARY REPORT
ON
PICK MINES LIMITED
GOUDREAU - LOCHALSH AREA
DISTRICT OF ALGOMA, ONTARIO

BY

A. C. A. HOWE INTERNATIONAL LIMITED

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

RECEIVED
JUN 21 1968

RESIDENT GEOLOGIST
SAULT STE. MARIE

NOT TO BE REMOVED FROM
THE OFFICE OF THE RESIDENT
GEOLOGIST, ONT. DEPT. OF MINES
SAULT STE. MARIE, ONT.

TORONTO, ONTARIO
REPORT NO. 105

JANUARY 8, 1968

*Rec'd. from:
Ontario Securities Commission*



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SUMMARY

A summary of the results to date of the underground program of drifting and diamond drilling and the surface diamond drilling program are outlined in the report. Several high grade gold-bearing veins occur in the No. 3 zone. These veins are sufficiently high grade to justify further underground work.

It is recommended that further work should consist of raises to determine the continuity of the veins from the first level to the No. 3 adit. In addition, the first level drift should be extended eastwards about 200 feet to explore the area below the surface trenches in which high grade values were obtained in previous sampling.

A cross-cut should be driven 100 feet south to explore a new vein which is indicated to the south of the drift. Further investigation of the mineralized zones to the south and to the east of the present first level should consist of flat holes from the end of the new cross-cut.

Exploratory diamond drilling from surface is also recommended in the area of the wide fault near the Cline Lake main shaft, in order to determine whether values may occur either in the fault or to the south of it.

The total cost of the underground programs is estimated as \$57,750.00, and the surface diamond drilling as \$24,000.00.

PROPERTY

The property consists of 16 contiguous mining claims, as follows: -

Claims SSM-2185, 2186, 2189, 2190^{2188?} and 2271 are patented, and known as parcels 1148 (1), 1451 (4), and 1479 (1).

Claims SSM-61783 to 61792 inclusive, are unpatented and adjoin the north side of the patented group.

LOCATION AND ACCESS

The group of claims is located in the central portion of Township 48, in the Goudreau-Lochalsh gold area, District of Algoma, Ontario.

The property can be reached by gravel road from either Goudreau or Lochalsh. Goudreau lies on the Algoma Central and Hudson Bay Railway line and is 12 miles southwest of the property. Lochalsh lies on the Canadian Pacific Railway line and is 7 miles northeast of the property.

TOPOGRAPHY

The property overlies mainly overburden and swamp, however the mine workings are located on a rocky ridge which

traverses the property in an east-west direction.

WORK DONE

Work done by Pick Mines Limited (1960 to 1966):-

1. Surface trenching and exploration.
2. Sampling of old dumps.
3. Erection of camp, mine and mill buildings.
4. No. 3 shaft dewatered and cross-cutting performed at 100' level.
5. No. 3 adit driven for length of 130'.
6. Surface diamond drilling.
1960 - Holes P. 1 - 5 for total 1000'.
1961 - Holes P. 6 - 9 for total 1037'.
1962 - Holes P.10 - 19 for total 2700'.
7. 1962 - Dewatering of No. 3 shaft and sampling of drift and cross-cut. Also underground hole No. 101 from face of cross-cut for 197 ft.
8. 1962 - Overhaul of equipment and buildings for underground work. Work ceased and shaft allowed to flood.
9. 1963 - 1213 ft. surface diamond drilling for assessment purposes.
10. 1965 - 630 ft. drifting and cross-cutting, 2855 cu. ft. of slashing (cross-cutting) for drill stations, and 1155 ft. of diamond drilling on the first level.

11. 1966 - approximately 2500 ft. surface diamond drilling and 511 ft. of diamond drilling on the first level.

GEOLOGY

The geology of the property is described in the Ontario Department of Mines report -- "Geology of the Goudreau Lochalsh Area." The following three paragraphs are a brief summary:-

The oldest rocks are lavas of Keewatin Age, which are intermediate to basic in composition in the area of the property. These have a general east-west strike.

The lavas are intruded by a series of bosses, dykes and sills of varying composition, and of Precambrian Age. The earliest of these being a diorite followed in sequence by granodiorite, porphyries, felsite and diabase. The granodiorite generally parallels the strike of the lavas; the porphyries and felsite generally cut across the earlier rocks in a northeast direction, and the diabase occurs in dykes and sills cutting the older formations at varying angles.

A strong shear zone lies a short distance south of the old workings. It strikes a few degrees north of east and dips 70° to 80° N. It is 40 to 50 feet wide and contains a

large amount of quartz and carbonates.

Diamond drilling results on the Pick property indicate that the basic lavas in the area of the No. 3 shaft represent large remnant blocks within the granodiorite. On the No. 3 zone, gold-bearing quartz veins occur in an area where considerable shearing has taken place. Three veins A, B and C, lie within the granodiorite while another vein to the south of these veins lies within the greenstone mass.

SURFACE DIAMOND DRILLING

In the spring, 1966, a total of nine surface diamond drill holes were completed for a total of approximately 2500 feet of diamond drilling.

All holes with the exception of holes P.29, P.30, and P.31 were drilled in the area of the No. 3 shaft in order to correlate the veins in the No. 3 zone exposed on the first level and in the No. 3 adit, and to test the eastward extension of the veins in the No. 3 zone.

Early in 1966, the underground drilling program begun in December of 1965 was completed.

RESULTS OF DIAMOND DRILLING

The additional surface diamond drill holes further indicate that the mineralized areas of interest in the No. 3 zone lie above and below the first level drift under the No. 3 adit and to the east of the end of this drift.

Previous diamond drilling on the No. 3 zone in the area of the No. 3 adit has outlined several parallel veins. Veins designated A, B, and C, were exposed in drifting. In addition, underground diamond drilling has indicated the presence of another vein to the south of veins A, B, and C.

Correlation of the veins has been difficult due to the complex geological structure; however, interpretation of drill hole results and the results of drifting indicate that veins A, B, and C probably form one vein above the first level. The relationship of the recently discovered vein to the south to veins A, B, and C has not been delineated sufficiently to determine its geological relationship in the system of veins.

Hole No. P.25 of the recent surface drilling program indicates that quartz veins, A, B, and C probably unite above the first level and continue upward to the No. 3 adit as one vein. Furthermore, this drill hole has apparently intersected the new vein to the south of the drift.

Holes P.26 and P.27 did not encounter high gold values in quartz veins. Apparently the quartz veins encountered in the No. 3 adit area are not present in the area of these two drill holes.

The quartz veins intersected in hole P. 28 indicate an upward continuation of the veins exposed on the first level.

Vein intersections in hole P.33 probably coincide with the eastward extension of the veins exposed in drifting. However it is possible that the vein to the south of the present drift may also have been intersected in this drill hole.

GRADE CALCULATIONS

In the area of the No. 3 shaft on the Pick Mines property, significant gold mineralization is indicated in the quartz veins of the No. 3 zone under the No. 3 adit.

Calculation of the tonnage and grade was carried out with the usual method of weight averaging of the assays, assuming that the influence of each assay extends one half the distance to the adjacent assay across the vein. The final tonnage and grade figures are based on drill hole intersections and chip samples (in the drift) on sections 4900, 4950, 5000, and 5017 E.

A comparison of the underground assay values from chip samples of veins A, B, and C with the values obtained from the surface trench and the adit indicated that the surface samples returned a much higher average value than the drift samples. Surface and adit samples returned a weighted average value of 2.38 oz. Au/ton (uncut) while the weighted average values of veins A, B, and C were 1.68 (3 samples), 1.15 (11 samples) and 0.33 (10 samples) oz. Au/ton respectively. Thus, the underground results, with the exception of the 1.68 Au/ton average obtained from only 3 samples, indicate that the average assay of 2.38 oz. Au/ton should be lower to correlate with the other assays obtained from underground work. In preliminary calculations of the grade, the average surface assay of 2.38 oz. Au/ton was cut to 1.00 oz. Au/ton, and this resulted in an estimated 4,400 tons of vein quartz material grading 0.83 oz. Au/ton existing over a length of 117 feet (from section 4900 E to section 5017 E) and combined average width of 3.2 feet.

The vein material outlined by 4,400 tons represents vein material from the No. 3 adit continuing downward a projected 20 feet below the deepest intersection of the veins either in a drill hole or in the drift.

The average width of the veins consists of an arithmetic average of all vein samples. Where veins A, B, and C are separated as on section 4950, the waste material between the veins has been disregarded. However on several sections, veins A, B, and C have joined together and are considered as one vein. A dilution factor will therefore have to be considered for any mining operation, but cannot be calculated at this time.

To further assess grade possibilities, a calculation was made with all underground assays over 1 oz./ton cut to 1 oz./ton, in addition to using a 1 oz./ton grade (instead of 2.38) for surface and adit assays. This resulted in a grade of 0.37 oz./ton Au. for 4,400 tons of vein material.

Of the calculated 4,400 tons of vein material 3570 tons lies between the first level and the No. 3 adit. Reducing the surface and adit average to 1.0 oz./ton Au. as before, a grade of 0.54 ozs./Au./ton is obtained for the 3570 tons of vein material.

Quartz veins with gold values exist at the southern boundary of the No. 3 zone and the northern limit of the Q zone in the area to the east of the end of the present drift on the first level. No meaningful correlation of tonnage and grade calculations could be made for these veins based on the information to date. Further drifting and drilling will be required to investigate these veins.

CONCLUSIONS AND RECOMMENDATIONS

Gold values in the quartz veins of the No. 3 zone are sufficiently high to warrant further work. Although the tonnage indicated to-date above the 1st level is small there remains the possibility of additional tonnage in the area below the surface trenches to the east. This area is unexplored by underground work, although originally intended as the main target for underground exploration. Underground drifting carried out on the 1st level in 1965 was halted 100 feet short of the trenches because it was recommended that further drilling be done to determine which of the various vein structures the drift should follow. This drilling was completed in 1966, and it is now recommended that drifting be continued under the trenches where high grade assays were obtained in 1960-61 programs.

The following program is therefore recommended:

1. Drifting from the end of the present first level drift eastward to the area under the surface trench in order to test the continuity of the veins in the end of the drift and to sample the veins under the trench.

Estimated 200 feet at \$75.00 per foot.

15,000.00

2. Cross-cutting south from the present first level to test veins to the south of the drift and to establish a drill station for further underground drilling.

Estimated 100 feet at \$75.00 per foot. \$ 7,500.00

3. Raising from the first level to the No. 3 adit to test the upward continuity and grade of the veins.

Estimated cost of 200 feet of raising at \$45.00 per foot 9,000.00

4. Underground drill program consisting of flat holes to test the continuity of veins to the east of the present drift on the first level, and also, to test for additional veins in the Q zone.

Estimated cost of 2000 feet of underground drilling at \$5.50 per foot, including sampling and supervision 11,000.00

5. Dewatering of shaft, and mobilization of men and equipment prior to above work 10,000.00

6. Contingencies @ 10% 5,250.00

\$57,750.00

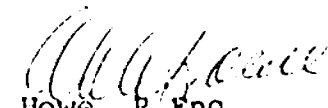
Further work will depend on the results of the recommended program, but should be directed towards proving a sufficient tonnage to re-open the mill either on a salvage or a continuing basis.

In addition to the above program, it is recommended that exploration be carried out for new zones of mineralization. In particular, the wide shear zones (40 feet to 50 feet wide) in the area of the No. 4 shaft (Cline Lake Mines main shaft) should be explored. There are possibilities of finding lower grade but greater widths of mineralization within this shear zone, and also possibilities for exploration for new zones south of the shear. A total of 3,000 feet of exploratory drilling is recommended, and estimated to cost \$24,000 including drilling, sampling and supervision.

Respectfully submitted,

A. C. A. HOWE INTERNATIONAL LIMITED,

DATED AT TORONTO, ONTARIO THIS 8th DAY OF JANUARY, 1968.


A. C. A. Howe, P. Eng.

CERTIFICATE

I, A. C. A. Howe, of the City of Toronto, in the County of York, Province of Ontario, hereby certify that:

1. I am a Mining Engineer with offices at 826-159 Bay Street, Toronto, Ontario.
2. I am a graduate of London University, England, B.Sc., in 1949.
3. I am a member of the Association of Professional Engineers of Ontario.
4. I have no interest, direct or indirect, in either the property or securities of Pick Mines Limited, nor do I expect to receive any such interest.
5. This report is based on a personal knowledge of the property gained from supervision of previous work programs on the property, and on reports by R. A. Crouse, resident geologist during the 1965-1966 work program.

DATED AT TORONTO, ONTARIO THIS 8th DAY OF JANUARY, 1968.



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



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PICK MINES LIMITED

A
GRAPHIC
PRESENTATION
OF A
POTENTIAL
GOLD PRODUCER



PICK MINES LIMITED

FOREWORD

Pick Mines Limited was formed to acquire, explore and develop the gold property of the former producing Cline Lake Gold Mines Limited in the Goudreau-Lochalsh Area of Ontario. Under the former operators, \$2,369,000 worth of gold and silver was mined from the #4 Shaft during the brief period of production from 1938 to 1942, when the mine was shut down in the early years of World War II.

The present company, Pick Mines Limited, acquired the property and embarked on an extensive program in the #3 Shaft Area, which is about 3,000 feet northwest of the site of the Cline Lake Gold Mines' operation. The program carried out by Pick Mines Limited was successful in outlining five gold bearing zones in the #3 Shaft Area. The individual zones vary in length from 300 feet to 600 feet, and have been sampled by closely-spaced drilling at intervals of 50 feet over a drilled length of 800 feet.

A total of 24 drill holes have intersected these five gold bearing zones. The drill holes, several of which cut two or three of the zones, returned 59 intersections varying from a low of 0.04 oz. to a high of 35.34 ozs. gold per ton. The #3 zone is the most extensively tested, with 17 drill holes put down in 11 cross-sections along a length of 400 feet, with gold intersections obtained ranging from a vertical depth of 70 feet below the adit level, down to 250 feet below the adit. The #3 zone was also tested by channel and bulk samples by the adit and surface trenches over a length of 360 feet. On the basis of this sampling, the consulting engineer states that a possible 16,000 tons will be available in the #3 zone, taking in an area 400 feet long, from surface down to the first level. Results of the work indicate a grade of about \$20 per ton in gold can be expected for the #3 zone across a mining width of 4.0 feet.

The other four gold-bearing zones, Q, R, #4 and #5, have been explored to varying degrees. The Q and R have been drilled at 50 foot intervals over a length of 600 feet and to a depth of 350 feet.

Although insufficient work has been completed on the Q and R zones to enable a tonnage estimate, drilling has shown that grades and tonnages similar to that of the #3 zone are possible in both the Q and R zones, viz., 16,000 tons of ore grading \$20 per ton in gold. All five gold bearing zones are open for extension along strike and to depth.

OVER \$375,000 EXPENDED TO DATE

During the period up to May 31, 1965, Pick Mines Limited expended more than \$375,000 in exploration and development, installation of shaft headframe, hoisting and mining equipment, construction of buildings and a 200-ton per day capacity mill. The current program of underground work, at an estimated cost of \$80,000, commenced in July of 1965. This program will consist of up to 1,000 feet of drifting and crosscutting on the 1st level, together with underground diamond drilling. It is part of the first-stage program recommended by the company's consulting engineer, A. C. A. Howe,

P.Eng., designed to prove up sufficient tonnages for the re-opening of the 200-ton per day capacity mill already installed on the property. The second stage in the underground program recommended is stope preparation so that drifting material and the torn down backs can be stockpiled for future milling operations.

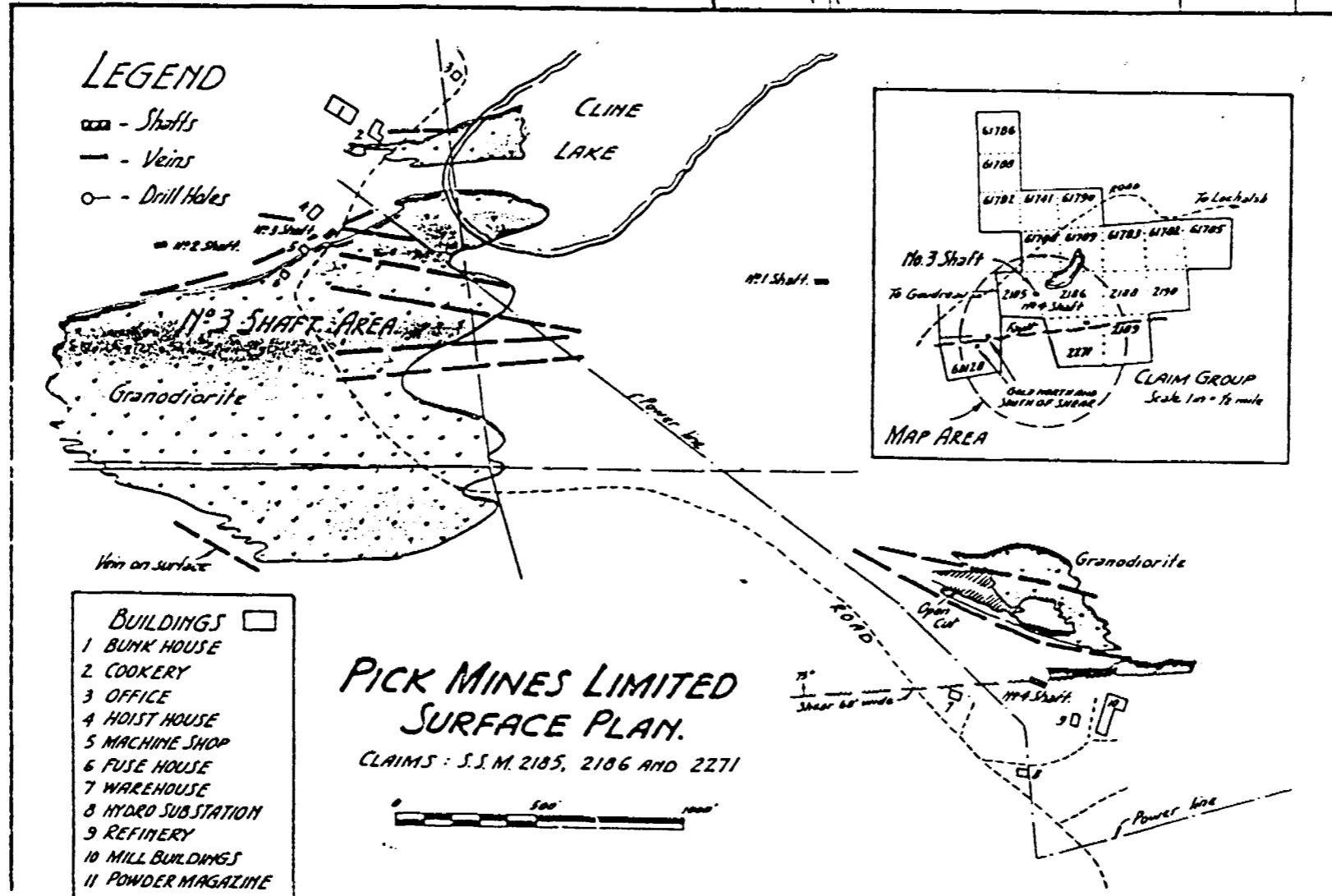
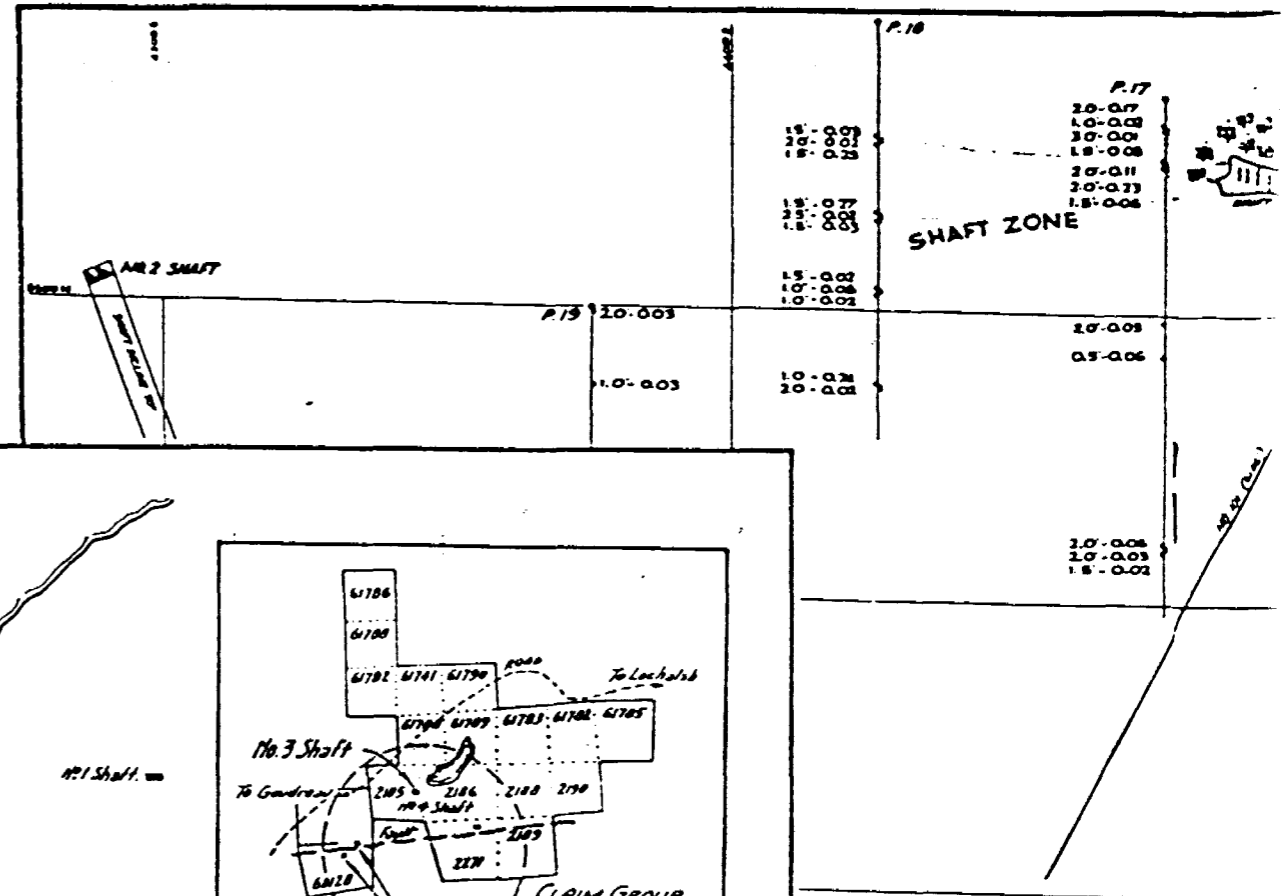
At the time of writing, some 330 feet of drifting and crosscutting had been completed with the drift face approaching the #3 zone, close to an area where high grade assays were obtained in previous drilling.

A plan of the drill holes, and a surface plan showing the shafts, building locations, and veins, appears in the centrefold section of this Brochure. A tabulation of the gold values intersected in drilling and sampling of the surface trenches and in the adit, appears on the page immediately following the centrefold map section.

November 2nd, 1965

PICK MINES LIMITED

TOWNSHIP 48, RANGE 27
SAULT STE. MARIE MINING DIVISION — ONTARIO

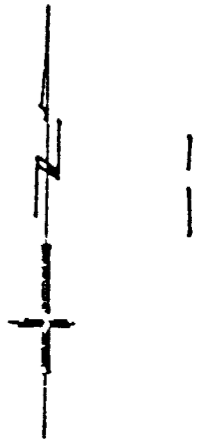
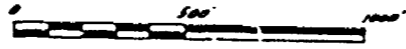


LEGEND
 □ - Shafts
 — - Veins
 ○ - Drill Holes

- BUILDINGS** □
- 1 BUNK HOUSE
 - 2 COOKERY
 - 3 OFFICE
 - 4 HOIST HOUSE
 - 5 MACHINE SHOP
 - 6 FUSE HOUSE
 - 7 WAREHOUSE
 - 8 HYDRO SUBSTATION
 - 9 REFINERY
 - 10 MILL BUILDINGS
 - 11 POWDER MAGAZINE

PICK MINES LIMITED SURFACE PLAN.

CLAIMS: S.S.M. 2185, 2186 AND 2271



GOLD VALUES OBTAINED IN DRILLING AND SAMPLING

SURFACE TRENCHES AND ADIT

The #3 Zone has been explored over a length of 360 feet by bulk samples from surface trenches and by channel sampling in the adit. An average of all samples taken, with high assays cut to 2.38 ozs., indicated an average grade of 0.48 oz. gold per ton; an average of all samples cut to 4.76 ozs. gave an assay of 0.66 oz. On the basis of this method of calculation, in addition to the drill results that confirmed this grade is possible, a grade of about \$20 per ton (gold at \$38) could be expected for this zone across a mining width of 4.0 feet.

DIAMOND DRILLING IN #3 SHAFT AREA

Close spaced drilling, at intervals of 50 ft., has outlined five separate zones of gold mineralization, over a drilled length of 800 feet. The five zones outlined by both the Cline (C holes) and the Pick (P holes) have been numbered R, Q, 3, 4 and 5, in order from south to north. Gold values are from east to west:

Zone	Work done	Width Feet	Gold ounces	Gold at \$38 per oz.	
R	Drill hole P. 2	2.2	0.14	5.32	
	" " P. 8	1.4	3.69	140.22	
	" " C. 34	2.5	2.14	81.32	
	and	2.5	0.24	9.12	
	" " C. 39	0.5	35.41	1,345.58	
	and	2.5	0.83	31.54	
	" " C. 40	1.0	0.13	4.94	
	" " C. 41	5.0	0.43	16.34	
	and	2.5	0.37	14.06	
	and	5.0	0.61	23.18	
	" " C. 45	2.5	0.28	10.64	
	" " C. 43	2.5	0.11	4.18	
	<i>Strike length from P. 2 to C. 43 is 600 ft.</i>				
Q	Drill hole P. 14	2.0	0.61	23.18	
	" " P. 8	2.4	0.38	14.44	
	" " P. 9	1.0	0.17	6.46	
	" " C. 38	2.5	0.18	6.84	
	" " C. 33	5.0	0.09	3.42	
	" " C. 34	2.5	0.17	6.46	
	" " C. 39	2.5	0.12	4.56	
	" " P. 15	1.0	3.30	125.40	
	" " C. 41	2.5	1.65	62.70	
	and	2.5	0.11	4.18	
	" " C. 43	2.5	0.55	20.90	
	<i>Strike length from P. 14 to C. 43 is 600 ft.</i>				

Zone	Work done	Width Feet	Gold ounces	Gold at \$38 per oz.
3	Drill hole P. 14	1.5	0.37	14.06
	" " P. 8	4.8	0.11	4.18
	" " P. 3	3.0	0.41	15.58
	" " P. 9	1.0	0.09	3.42
	" " P. 6	3.1	0.90	34.20
	and	5.9	2.89	109.82
	" " P. 7	2.0	0.19	7.22
	" " C. 33	5.0	0.31	11.78
	and	2.5	0.23	8.74
	" " C. 38	3.0	0.09	3.42
	" " P. 5	0.7	35.34	1,342.92
	" " P. 10	2.5	0.68	25.84
	and	3.5	0.30	11.40
	" " C. 34	2.5	0.15	5.70
	" " C. 39	2.5	0.37	14.06
	" " P. 12	1.5	0.23	8.74
	and	5.0	1.58	60.04
	" " P. 15	2.0	0.34	12.92
and	0.5	0.25	9.50	
" " P. 16	1.0	0.12	4.56	
and	1.0	0.33	12.54	
<i>Strike length from P. 14 to P. 16 is 550 ft.</i>				
4	Drill hole P. 14	1.5	0.04	1.52
	" " P. 9	1.0	0.04	1.52
	" " P. 7	3.3	0.07	2.66
	" " P. 11	1.5	0.33	12.54
	" " C. 39	2.5	1.64	62.32
	" " P. 12	2.5	0.50	19.00
	" " P. 16	3.0	1.31	49.78
<i>Strike length from P. 14 to P. 16 is 550 ft.</i>				
5	Drill hole P. 13	3.0	1.80	68.40
	" " P. 16	1.5	0.11	4.18
	" " P. 17	2.0	0.17	6.46
	and	4.0	0.17	6.46
5 (?)	" " P. 18	1.5	0.25	9.50
<i>Strike length from P. 13 to P. 18 is 300 ft.</i>				
Shaft Zone	Drill hole P. 18	1.5	0.27	10.26
	and	1.0	0.74	28.12
Shaft Zone	" " P. 19	1.5	0.02	0.76

HIGHLIGHTS

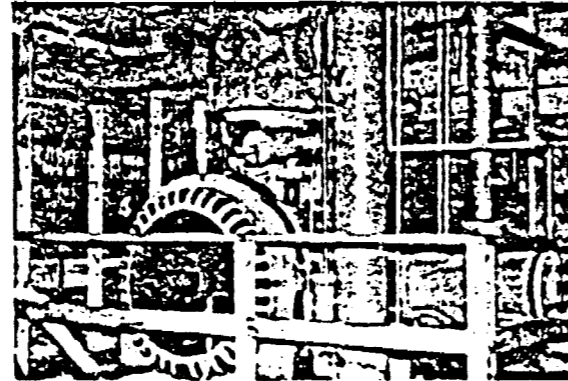
PROPERTY Consists of 16 claims, including the six key (patented) mining claims of the former producing Cline Lake Gold Mines Limited, located in the Goudreau-Lochalsh Area of Ontario, with access by existing roads connecting with railway lines. Previous owners sank four shafts, including the former main production shaft, #4, sunk to an initial depth of 522 feet and later deepened to 1,175 feet; and the #3 shaft, approximately 3,000 feet to the northwest, sunk to 115 feet. The latter (#3) shaft area is now under investigation by Pick Mines Limited.

The previous operators recovered \$2,369,000 worth of gold and silver from the #4 Shaft, substantially from an area approximately 300 feet wide by 600 feet long, and to a vertical depth of about 625 feet. The five gold bearing zones in the #3 Shaft area, approximately 3,000 feet to the northwest, are contained within an area that measures about 800 feet in length, with a width of about 400 feet, with drilling encountering gold values at tested depths up to a maximum 350 feet.

PLANT AND EQUIPMENT There is a headframe, hoist and compressor at the #3 Shaft, along with essential mining equipment installed for underground operations. A flotation-cyanide milling plant of 200 ton per day capacity has been erected on the property, along with necessary buildings for the mill, refinery, assay office, machine shop, cookery, bunk house, etc., and a hydro electric power station and transformer installation. The necessary buildings have been winterized for year-round use.

TONNAGE AND GRADE Of the five gold-bearing zones outlined to date, none of which have been delimited along their strike extensions or to depth, the #3 Zone has been the most extensively sampled. It has been sampled by surface trenches and in the adit, and by 17 closely-spaced drill holes in 11 cross-sections along a length of 400 feet, with intersections ranging from a vertical depth of 70' below the adit level to 250' below the adit. It is calculated that over the explored length of 400' to an average depth of 120', a possible 16,000 tons will be available above the 1st or 100 ft. level. An average grade of about \$20 per ton in gold is expected across a mining width of 4.0 ft. The Q and R Zones have been drilled at 50' intervals over a length of 600' and to a depth of 350'. Drilling has shown that grades and tonnages similar to that in the #3 Zone are possible in each of the Q and R Zones. Zones 4 and 5 have not been drilled so thoroughly and are therefore not included in these estimates.

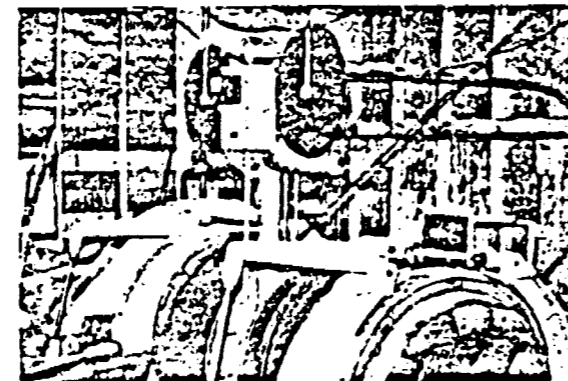
It is of interest to note that in the former operation by Cline Lake Gold Mines Limited, an operating profit was won from milling ore of an indicated average grade of \$7.14 per ton in gold and silver.



Compressor in Hoist Room, No. 3 Shaft



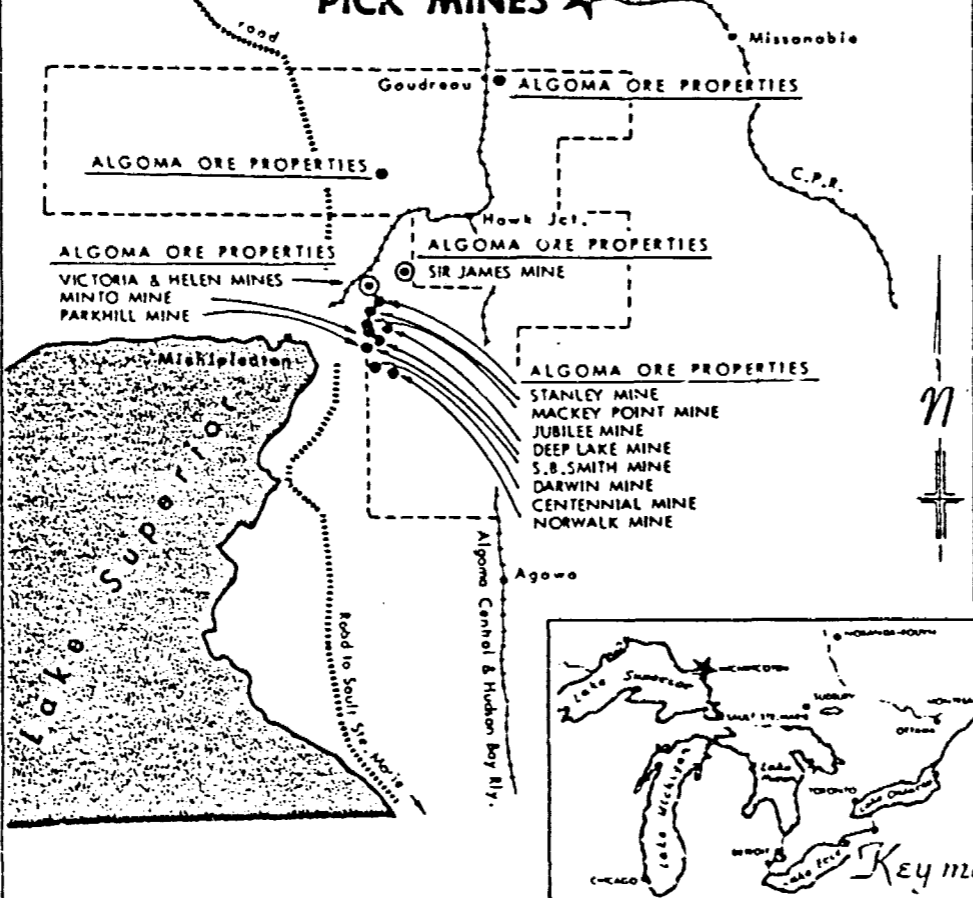
Mill Agitators



Hoisting Equipment at No. 3 Shaft

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June 28, 1962

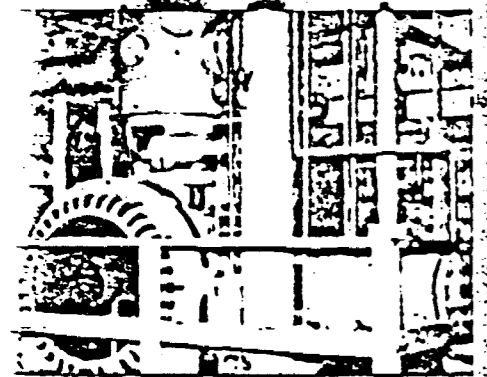


Location of
PICK MINES LIMITED
TOWNSHIP 48, MISSANABIE AREA, ONTARIO

0 10 20 30 MILES

- Legend*
- ⊙ PRODUCING MINE
 - FORMER PRODUCER OR PROPERTY
 - ALGOMA CENTRAL LAND GRANT BOUNDARY

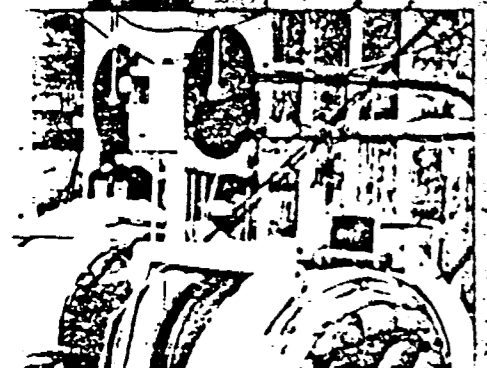
2" = 30mi.



Compressor in Hoist Room, No. 3 Shaft



Mill Agitators



Existing Equipment at No. 3 Shaft

A GRAPHIC
PRESENTATION
OF A
POTENTIAL
GOLD PRODUCER

**PICK
MINES LIMITED**

NOT TO BE
THE OFFICE OF THE RESIDENT
GEOLOGIST, ONT. DEPT. OF MINES
SAULT STE. MARIE, ONT.

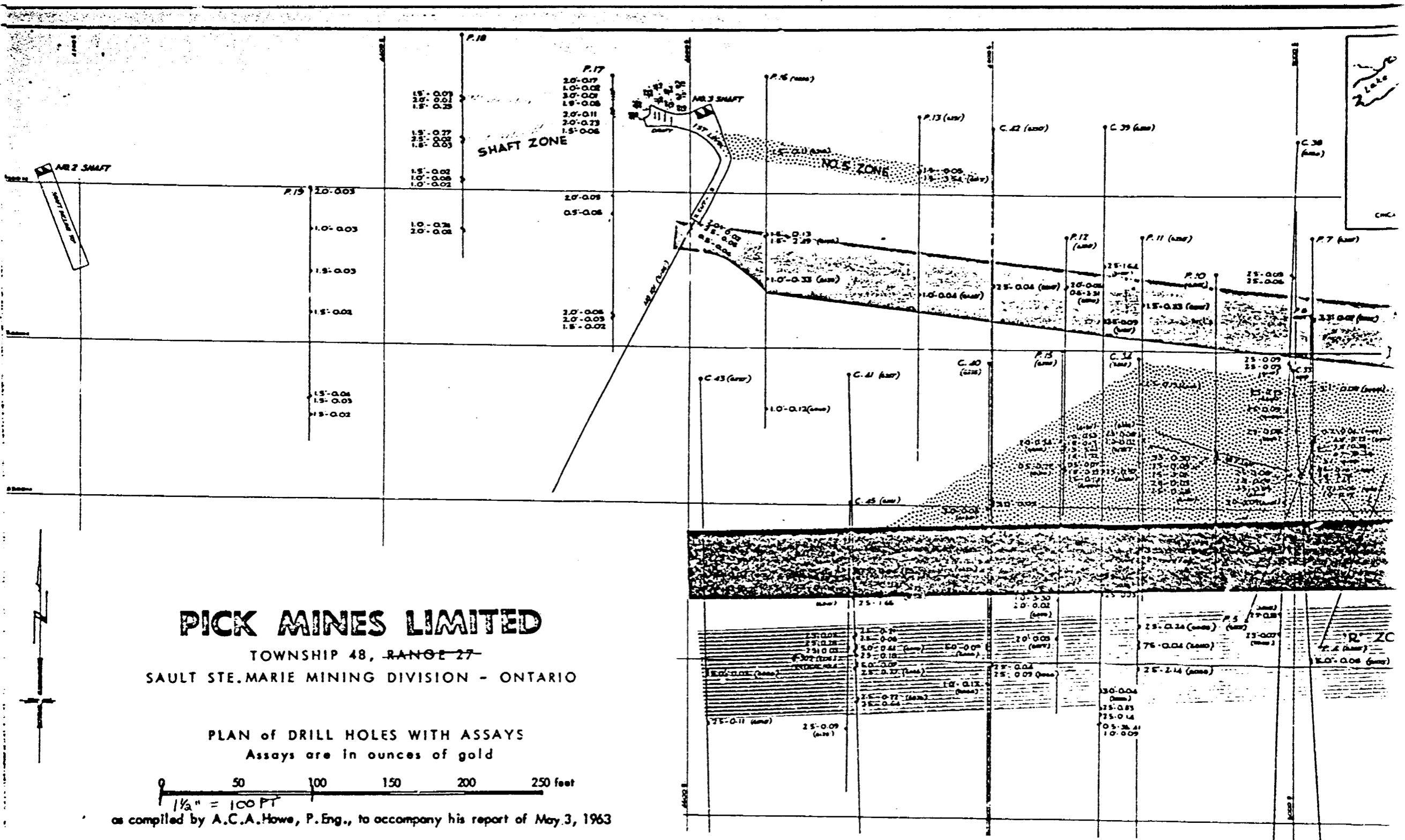
RECEIVED

RESIDENT GEOLOGIST
SAULT STE. MARIE



Revan Investments Limited
GEORGE SHERMAN, PRESIDENT

100 Adelaide Street W., Toronto 1, Canada • Cable Address "Revan" Toronto
MEMBER BROKER DEALERS ASSOCIATION OF ONTARIO



PICK MINES LIMITED

TOWNSHIP 48, RANGE 27
 SAULT STE. MARIE MINING DIVISION - ONTARIO

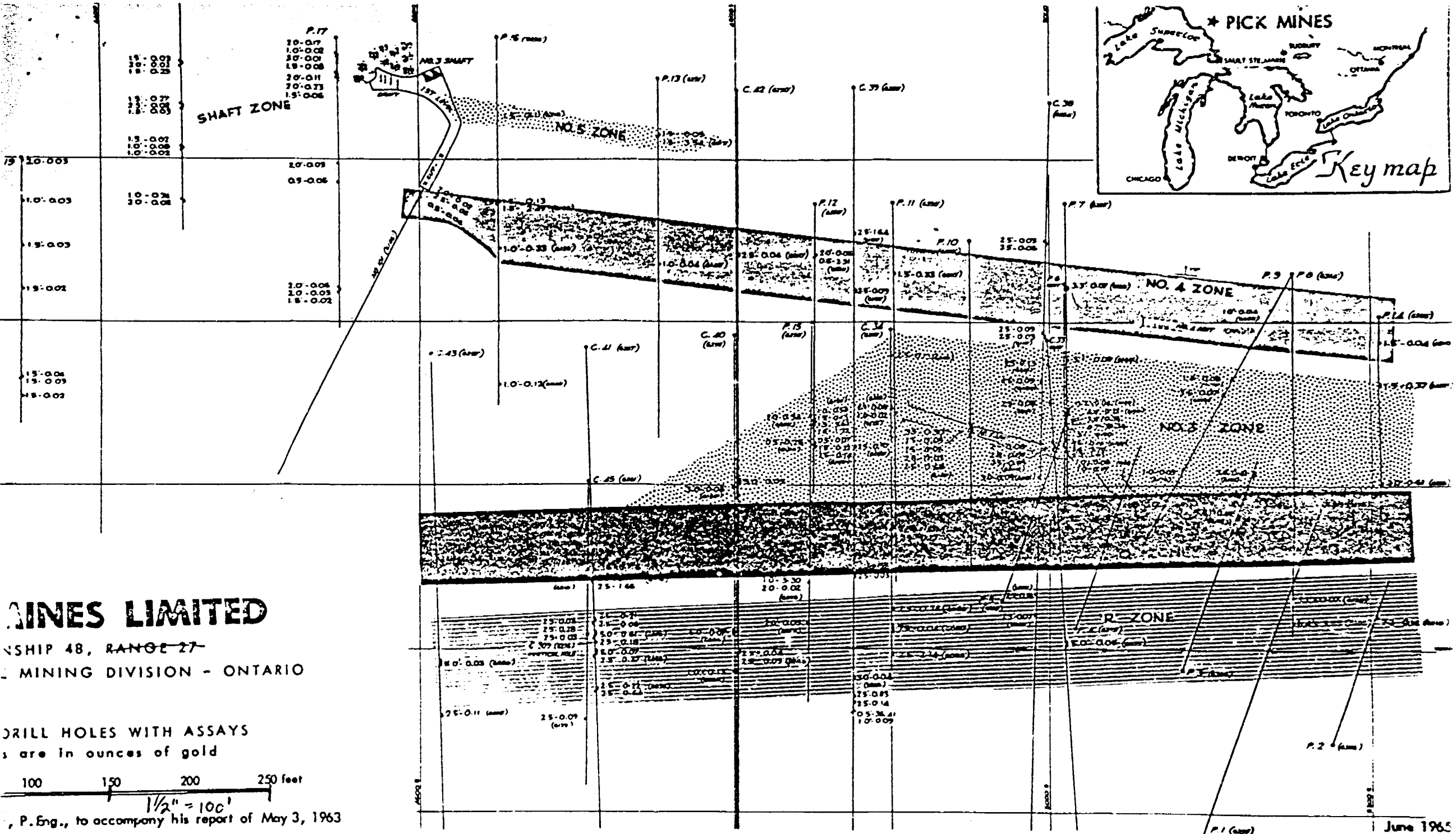
PLAN of DRILL HOLES WITH ASSAYS
 Assays are in ounces of gold



as compiled by A.C.A. Howe, P. Eng., to accompany his report of May 3, 1963

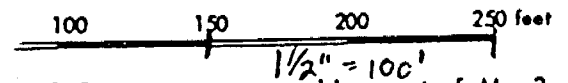


SHAFT ZONE



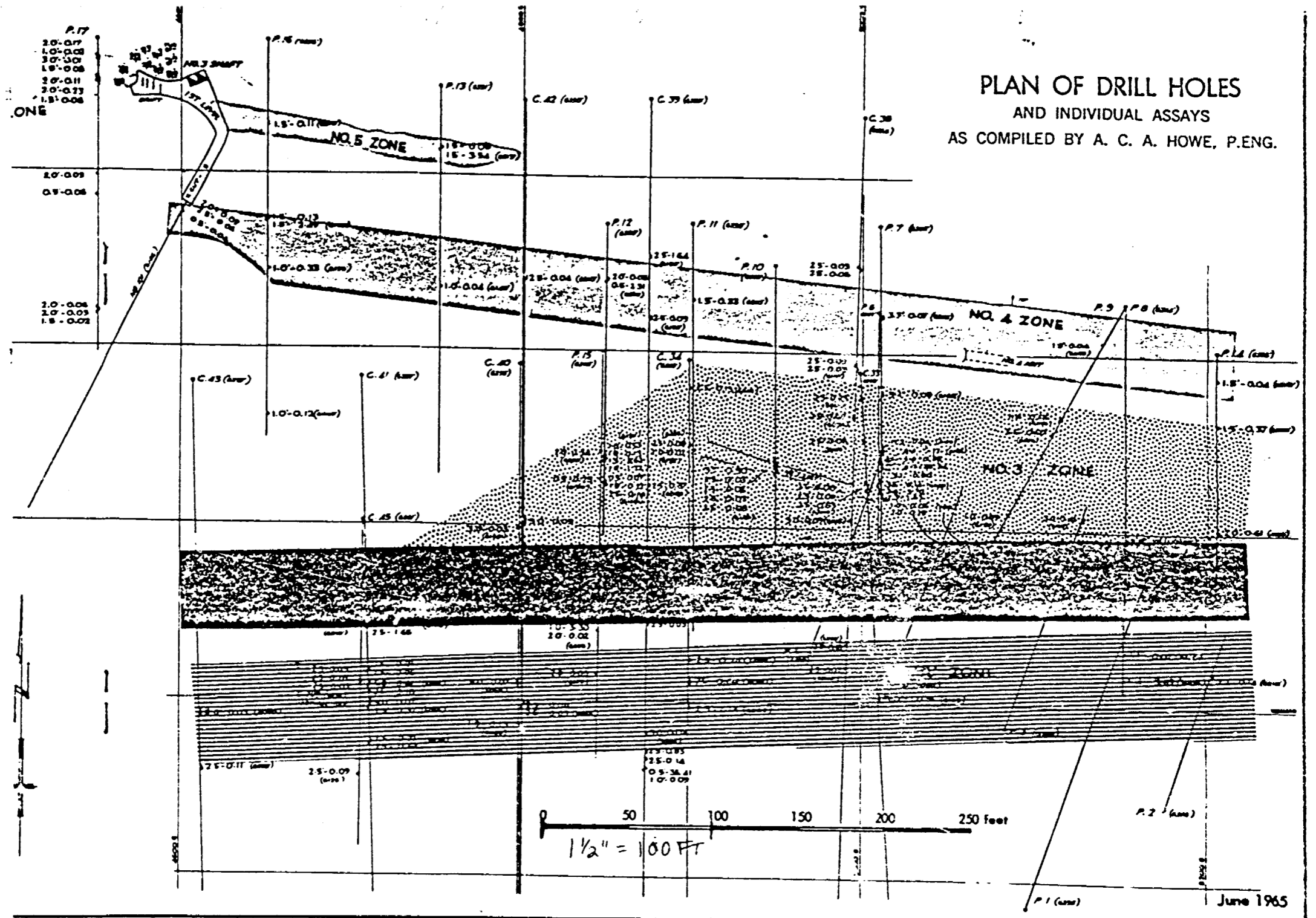
PICK MINES LIMITED
 SHIP 48, RANGE 27-
 MINING DIVISION - ONTARIO

DRILL HOLES WITH ASSAYS
 are in ounces of gold



, P.Eng., to accompany his report of May 3, 1963

PLAN OF DRILL HOLES AND INDIVIDUAL ASSAYS AS COMPILED BY A. C. A. HOWE, P.ENG.



FOR ADDITIONAL

INFORMATION

SEE MAPS:

JACOBSON-0037 # 1-9

CH

PICK MINES LIMITED

Suite 302, 100 Adelaide Street West,
TORONTO 1, ONTARIO
CANADA

TELEPHONE: EMPIRE 2-4827

*11/2 off AD
P. 10/11
A. 10/11*

FOR IMMEDIATE RELEASE TO THE PRESS

APRIL 13th, 1962.

PICK MINES TO COMMENCE FOLLOW-UP DRILLING ON GOUDREAU AREA

GOLD PROPERTY

Diamond drilling is scheduled to commence this week on the Pick Mines Limited gold property in the Goudreau Area, Algoma Mining District, Ontario. This is a follow-up program to the 1961 drilling carried out in the vicinity of the No. 3 Shaft in which all four holes drilled intersected the No. 3 vein system, with one of the holes also cutting the "Q" vein system. The following is a tabulation of the important intersections from the drilling carried out in December 1961, with the dollar values expressed in terms of gold at \$35 per ounce.

<u>Drill Hole No.</u>	<u>Width Feet</u>	<u>Ounces Gold</u>	<u>Dollar Value</u>
No. 6	3.10	0.90	\$31.50
and	3.60	3.70	\$129.50
No. 7	3.10	0.08	\$2.80
No. 8	3.40	0.22	\$7.70
and	1.40	3.69	\$129.15 ("Q" vein)
No. 9	3.50	0.07	\$2.45

The results determined that further surface drilling was warranted to differentiate the vein systems preparatory to a planned program of underground development from the reconditioned No. 3 Shaft. The present surface drilling program will comprise a number of closely-spaced north-south sections at 100 foot intervals, east and west of the No. 3 Shaft. Previous work completed during 1960 and continuing into the first three months of 1961, consisted of surface trenching along the No. 3 vein, diamond drilling and adit development. During this period a new headframe was erected over the No. 3 shaft, which was dewatered and reconditioned with the level station at the 100 foot horizon enlarged, and erection of camp, mine and mill buildings.

In the surface trenching 76 feet was sampled showing a width of 1.33 feet assaying 0.454 ounces gold per ton, and 100 feet sampled in the adit ~~showed a width of 1.25 feet assaying 5.0 ounces gold per ton. In the 1,000 feet~~ of surface drilling two of the five holes intersected the No. 3 vein system, returning assays of 0.41 ounces across 3.0 feet and a high assay of 35.34 ounces across 0.70 feet.

The property, which consists of 16 claims, includes the key claims of the former gold producer, Cline Lake Mines Limited, which recovered gold, along with some silver, for a total value of \$2,369,053.00 in the period between 1938 and 1942 when the operation was shut down. The property is developed by three 2-compartment prospect shafts and the main 3-compartment production shaft sunk to a depth of 1,175 feet, with seven levels.

Production was obtained from the first five levels to a vertical depth of 625 feet. The former operators had been driving from the fourth level of the main production shaft toward a vein system indicated by previous diamond drilling in an area some 300 to 400 feet south of the No. 3 Shaft. This work was uncompleted at the time of the shut down in 1942.

The present owners, Pick Mines Limited, have erected all the necessary buildings to house and feed a crew, mill building, compressor and hoist room, assay office and bullion furnace, shaft headframe and ore bin, hydro power transformer, etc., with sufficient mine equipment for underground work and a 200 ton mill designed for flotation with cyanide circuit.

R. Massey Williams, the Company's consulting engineer who reported on the property, noted that a correlation of the data in the area of the No. 3 Shaft indicates that there are three, if not four vein systems in an area 800 feet east and west by 500 feet north and south, which are known as the No. 3, the "Q" and "Q North", and the "R" or "Pick No. 2". The No. 3 vein system has been exposed by surface trenching, adit opening and by surface diamond drilling.

Mr. Williams summarized that commercial values over mineable widths have been indicated by the work done to date, recommending that further surface work, including the present diamond drilling program, be followed by underground development to determine another vein system, or systems, with gold content that would equal or exceed that produced in the former operation which was shut down early in World War II.

He added that lateral work from the first level horizon could develop the various ore shoots in the vein systems, put ore in sight and give backs for tonnage. This, of course, will await the successful completion of the surface program, including some 3,000 feet of diamond drilling.

Bradley Bros. of Rouyn, Quebec, have been awarded an initial contract for 2,000 feet of diamond drilling which is planned to be extended to the 3,000 feet recommended by the Company's consulting engineer, R. Massey Williams. Resident engineer and geologist, A. C. Ar Howe, who will supervise the present drilling program and will split core for assay. The initial hole has been spotted midway between two holes put down by Cline Lake Mines Limited which intersected the "Q" and "Q North" vein system, cutting gold values of 0.24 and 0.53 over a 2.5 foot section in each case. The site is about 70 feet west of Pick drill holes Nos. 6 and 7, the latter being the one that intersected both the #3 and "Q" veins.

To date, over \$100,000.00 has been expended by Pick Mines Limited in the exploration program on this property. The Company reported nearly \$30,000.00 cash in the treasury, as at December 31st, 1961, with a further sum subsequently received as a result of a recent underwriting.

PICK MINES LIMITED.

PICK MINES LIMITED

Suite 302 - 100 Adelaide St. West
TORONTO 1, ONTARIO



FOR INFORMATIONAL PURPOSES
APRIL 1962

PICK MINES LIMITED

The Company owns a group of 16 claims in the Goudreau-Lochalsh Area, Algoma, Ontario, including the former producing Cline Lake Mine from which over \$2,300,000 worth of GOLD and some silver was recovered in the approximate four year period until operations were suspended during World War II. Cline Lake paid a dividend and also made a capital distribution of 23¢ per share in this operation.

Pick Mines acquired the property in 1960, and up to the end of 1961 had conducted exploration and development at a cost exceeding \$100,000.00; installed a shaft headframe and all necessary buildings, mining equipment for underground work, and a 200 ton mill, at a cost of \$182,247.00. Some of the buildings and equipment are shown on the pictures alongside, taken this year.

For the purpose of this brief outline of the Pick property two sections are considered, viz., the #4 shaft area and the #3 shaft area. All production in the former operation came from the #4 shaft, from 5 levels to a vertical depth of 625 feet. The predecessor company carried lateral work from the 4th level to within 300 to 400 feet of the #3 shaft area (the focal point of current interest) to probe earlier surface drilling in this vicinity. The work was not completed prior to the shut down in 1942.

It is in the vicinity of the #3 shaft that Pick has concentrated its activities, with trenching, sampling in the adit and surface diamond drilling indicating commercial gold values over mineable widths. The Company's consulting engineer, R. M. Williams, P.Eng., stated in his recent report: "A correlation of the data in this area indicates that there are three if not four vein systems in an area 800 feet east and west by 500 feet north and south."

In the most recent drilling program of last December, four holes were drilled, all of which cut gold values in the #3 vein system, and one hole also cut the "Q" vein system, with assays up to a high of \$129.50 per ton over a core length of 3.00 feet in the #3 vein, and an intersection of 1.40 feet assaying \$129.15 in gold per ton in the "Q" vein.

As a result of the indications, the engineer, R. M. Williams, recommended further surface work, including diamond drilling, to be followed by underground development: "... to determine another vein system, or systems with gold content that would equal or exceed that produced in the past." The concluding remark of Mr. Williams is pertinent: "This Pick Mines property warrants detailed investigation to determine

PRELIMINARY REPORT



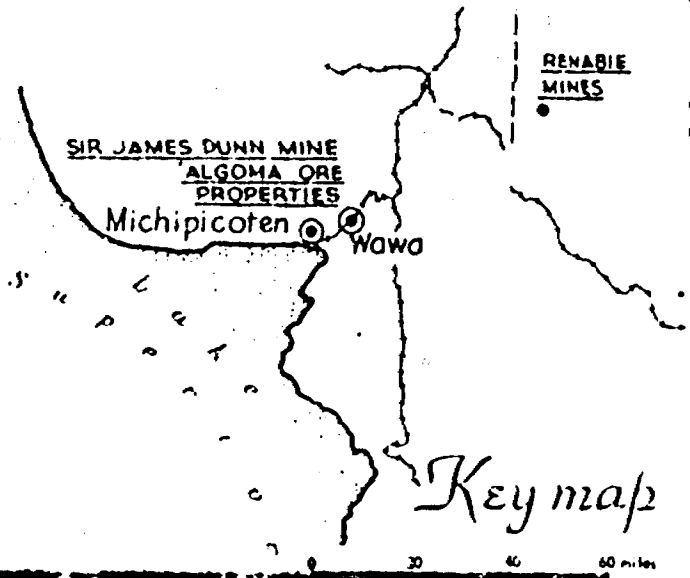
FOOTING CELL



HYDRO SUBSTATION, MILL BLDG IN BACKGROUND, INSTALLED ON THE PROPERTY AND READY FOR USE

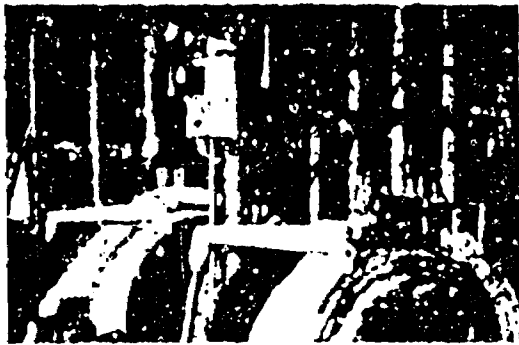
the ore potential in order that the most efficient use can be made of the mine and mill equipment already present and erected on the property."

R. Massey Williams, the consulting mining engineer and geologist for Pick Mines Limited, is planning and directing all operations for the Company. He is a graduate of Dalhousie University, Nova Scotia Technical College and the Massachusetts Institute of Technology and practising his profession for the past 25 years. A. C. A. Howe, the resident engineer supervising work at the Pick property, is a graduate of the Royal School of Mines, London University, London, England. His experience includes the management of gold mines in Southern Rhodesia, engineer on a Saudi Arabian gold mine, as well as similar employment by two Canadian companies.



Location of
PICK MINES LIMITED

in TOWNSHIP 48 GOLDREAU-LOCHALSH AREA



BALL MILL



INSIDE MILL BUILDING.



COMPRESSOR IN HOIST ROOM.



42C08SW8798 JACOBSON0037 JACOBSON

GEORGE FREEDMAN
PRESIDENT

900 EMENTS LIMITED

Underwriters - Canadian Securities

100 ADELAIDE ST. WEST • TORONTO 1, CANADA • 364-3434

CABLE ADDRESS "REVSON" TORONTO

MEMBER - BROKER DEALERS
ASSOCIATION OF ONTARIO

ORDERS EXECUTED
ON ALL EXCHANGES

Dear Correspondent:

As promised in our letter of a few days ago, we are now pleased to present the enclosed information on PICK MINES LIMITED for your consideration. This is a gold speculation that we rate most highly, and is presently the subject of a purchase recommendation to all our clients and correspondents at our current offering price of 50 cents per share.

As noted in the enclosed brochure, five gold bearing zones have been outlined to date in the portion designated as the #3 Shaft Area of the property owned by PICK MINES LIMITED. These zones have been tested by closely-spaced drill holes over a length of 800 feet, and to a maximum tested depth of 350 feet.

Of the five known gold bearing zones, the #3 has been the most extensively tested, both by surface trenching and underground work in the adit, and by a total of 17 drill holes in 11 cross-sections along a length of 400 feet, with gold values intersected at various depths down to 250 feet below the adit.

The consulting engineer has stated that a possible 16,000 tons will be available above the first level over the explored length of 400 feet, to an average depth of 120 feet. As this zone is still open for extension along strike to the east, further tonnages may be available. He estimated that a grade of about \$20.00 per ton could be expected for this zone, across a mining width of 4.0 feet.

Two of the four remaining gold bearing zones, the Q and R, have been drilled at 50-ft. intervals over a length of 600 feet and to a depth of 350 feet. The consulting engineer has stated that grades and tonnages similar to that in the #3 zone are possible in each of the Q and R zones. The #1 and #5 zones have not been drilled so thoroughly and therefore no estimates are made of the possible tonnages.

A tabulation of the gold values obtained in the drilling and sampling appears in the brochure, along with a plan showing the five gold bearing zones with individual drill core assays. On the basis of the foregoing and the detailed information in the brochure, we think you will agree that this is a very worthwhile exploration and development project.

To date, more than \$375,000.00 has been expended by PICK MINES LIMITED in exploration and development, construction of the shaft headframe, buildings, mining equipment, and the 200-ton per day capacity mill already installed on the property. This expenditure, in our opinion, has been very productive in terms of the indicated grade and tonnage potential.

We firmly believe that PICK MINES LIMITED has an excellent chance of becoming a successful producing gold mine, which is the reason why we are recommending the purchase of these shares to you and all the clients and correspondents of this Firm. A convenient purchase form is enclosed, along with a postage pre-paid return envelope.

Since we've never had the pleasure of doing business with you before, you may want to make this initial purchase on a modest scale until you get to know us better, and see how we will handle your account. As production is the TARGET of PICK MINES LIMITED, we strongly recommend that you subscribe for 200, 500 or 1,000 shares at our current offering price of 50 cents a share, or whatever number of shares you feel you can conveniently handle at this time.

Through our market letters, company progress reports, and other communications, you will be kept closely informed on all important developments regarding Pick Mines Limited, including the results of the current underground program which is now approaching the general area where good values were intersected in surface drilling.

Sincerely yours,

REVAN INVESTMENTS LIMITED,

per 
President.

November 9th, 1965

This Firm will act as principal in the distribution of shares of Pick Mines Limited, a speculative security.

RECEIVED

NOV 11 1965

RESIDENT GEOLOGIST
SAULT STE. MARIE



Ontario

Ministry of
Natural
Resources

875 Queen St. East
Sault Ste. Marie, Ontario
P6A 2B3

1977.11.09

Telephone (705) 942-1414
Fax number

Mr. D. A. Moddle
Director, Mineral Research Branch
Toronto

Dear Mr. Moddle:

Enclosed are 3 samples of material taken from the
Cline Gold Mine mill near Goudreau. They are
numbered 463, 467 and 477. Could you please assay
them for Au and Ag. The Cline Mine is now the
property of the government.

E. J. Leahy, Resource Geologist
Division of Mines

EJL/gn
Encl.



LABORATORY REPORT
 MINISTRY OF NATURAL RESOURCES
 MINERAL RESEARCH BRANCH
 77 GRENVILLE STREET, 11TH FLOOR
 TORONTO 181, ONTARIO
 TELEPHONE: 965-1337

REPORT NUMBER

B 11941

DATE 77-11-28

Issued To: E.J. Leahy, Res. Geol. MNR, 875 Queen Street E., Sault Ste. Marie, Ontario

SAMPLE NUMBER	GOLD OZ. PER TON	GOLD VALUE PER TON	SILVER OZ. PER TON	
463	Trace		0.13	<p>These assays are of 3 bagged & numbered samples taken by Paul Morva, of the Mining Records office, from the mill room at Pic (Clive) Gold Mines in November 1977. E.J.L.</p>
467	0.01		Trace	
477	Trace		"	

Fees Received:

Dept.

D.A. Moddle
 (D.A. Moddle, P. Eng.)

DIRECTOR



Ontario

LABORATORY REPORT
MINISTRY OF NATURAL RESOURCES
MINERAL RESEARCH BRANCH
77 GRENVILLE STREET, 11TH FLOOR
TORONTO 181, ONTARIO
TELEPHONE: 965-1337

REPORT NUMBER

B 12092

DATE August 30/78

Mr. E. J. Leahy - MNR
875 Queen St. East, Sault Ste. Marie, Ont.

Issued To:

SAMPLE NUMBER	GOLD OZ. PER TON	GOLD VALUE PER TON	SILVER OZ. PER TON	
# CC&C BIN PICK MINE	0.78		0.15	196 22 372

Fees Received

Department

A. E. Pitts, Chief Analyst

DIRECTOR

SEE GENERAL

FILE

(NON-FILMABLE
MATERIAL)

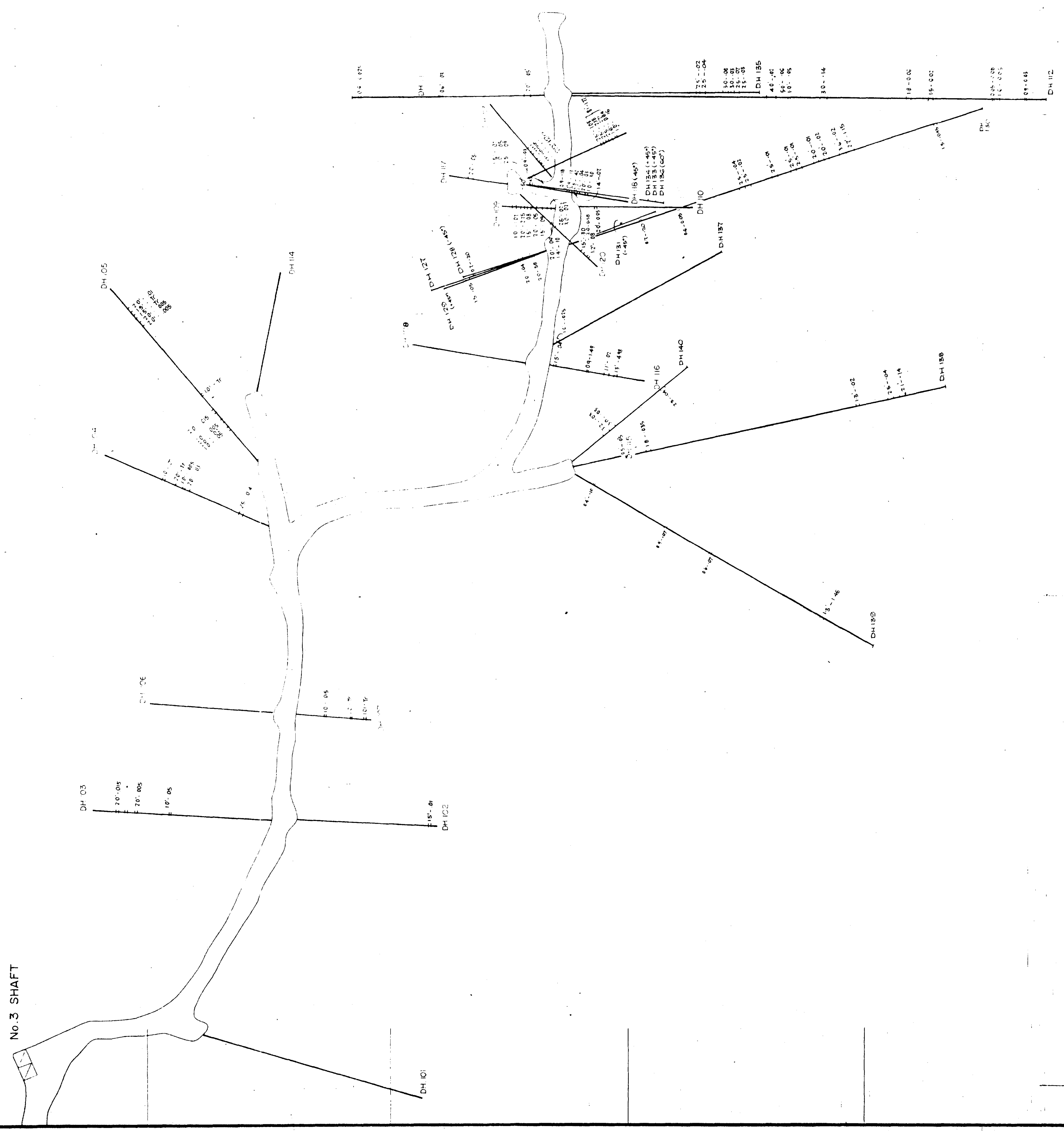
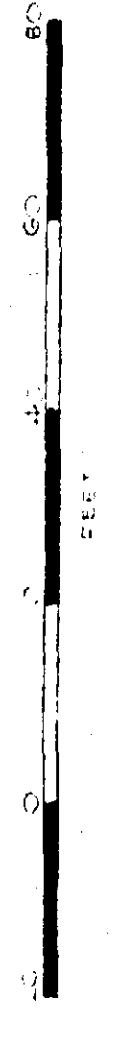
FOR : JACOBSON - 0037

TITLE : * PICK MINES LIMITED.
* REVAN FINANCIAL LETTER.

5700 N
5600 N
5500 N
5400 N
5300 N

PICK MINES LIMITED
TWP-46, LOC-14, 15th AREA, ONT.
DIAMOND DRILL ASSAY PLAN
FIRST LEVEL
M.H.
A.C.A. HOWE & ASSOCIATES LTD.

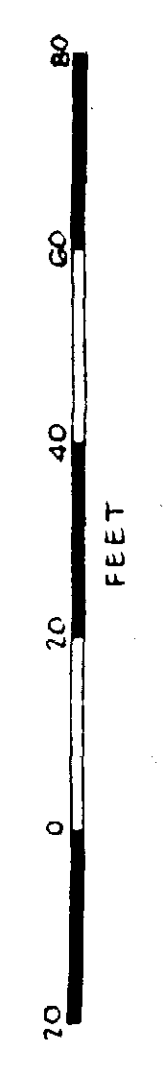
JACOBSON - 00 37 #1



PICK MINES LIMITED
TWP 48N, LONGPASH AREA, ONT.

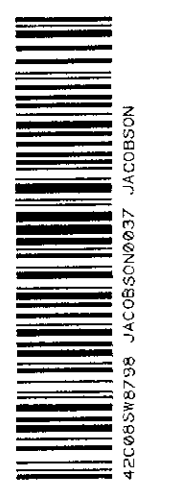
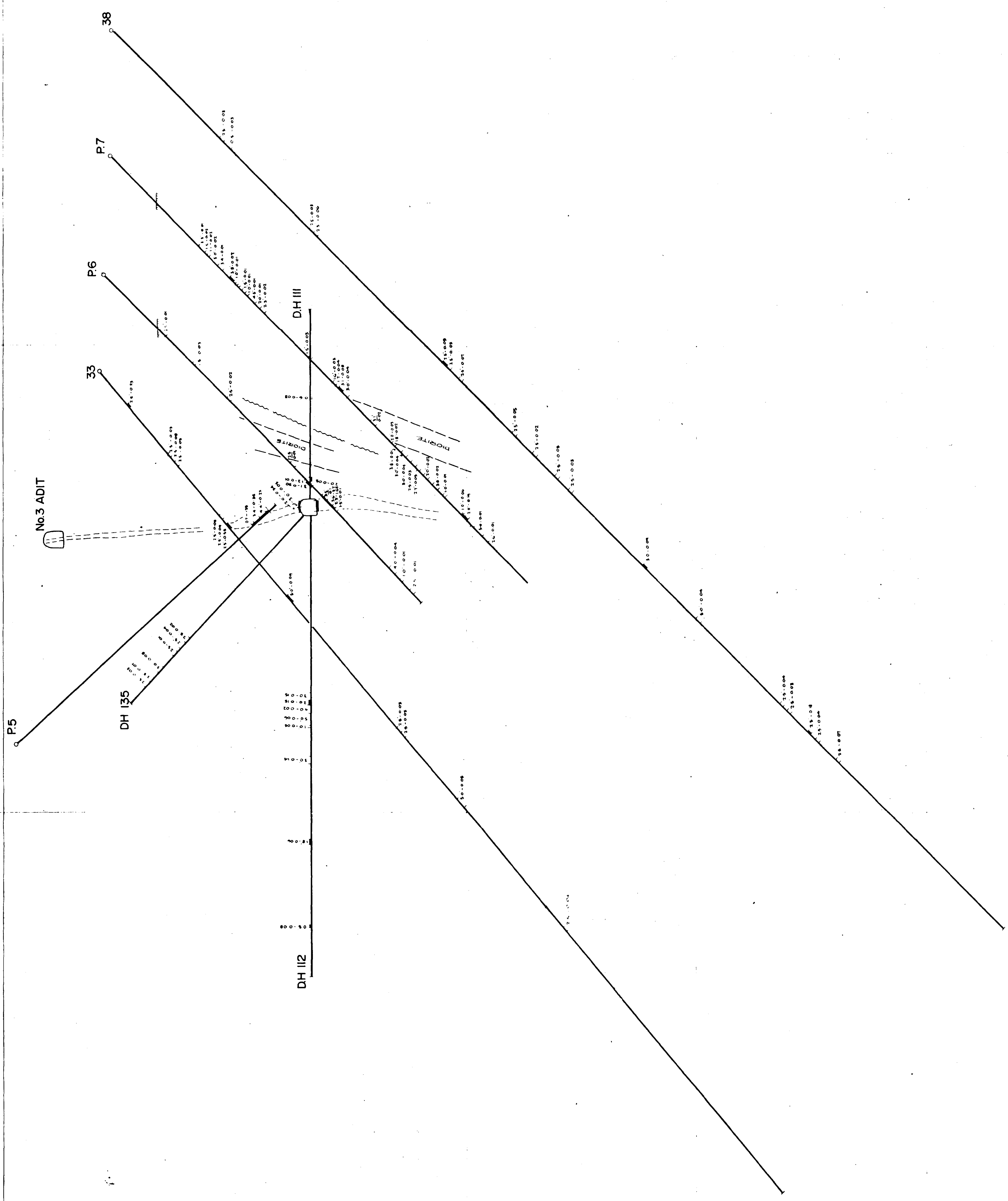
CROSS SECTION 5025 EAST

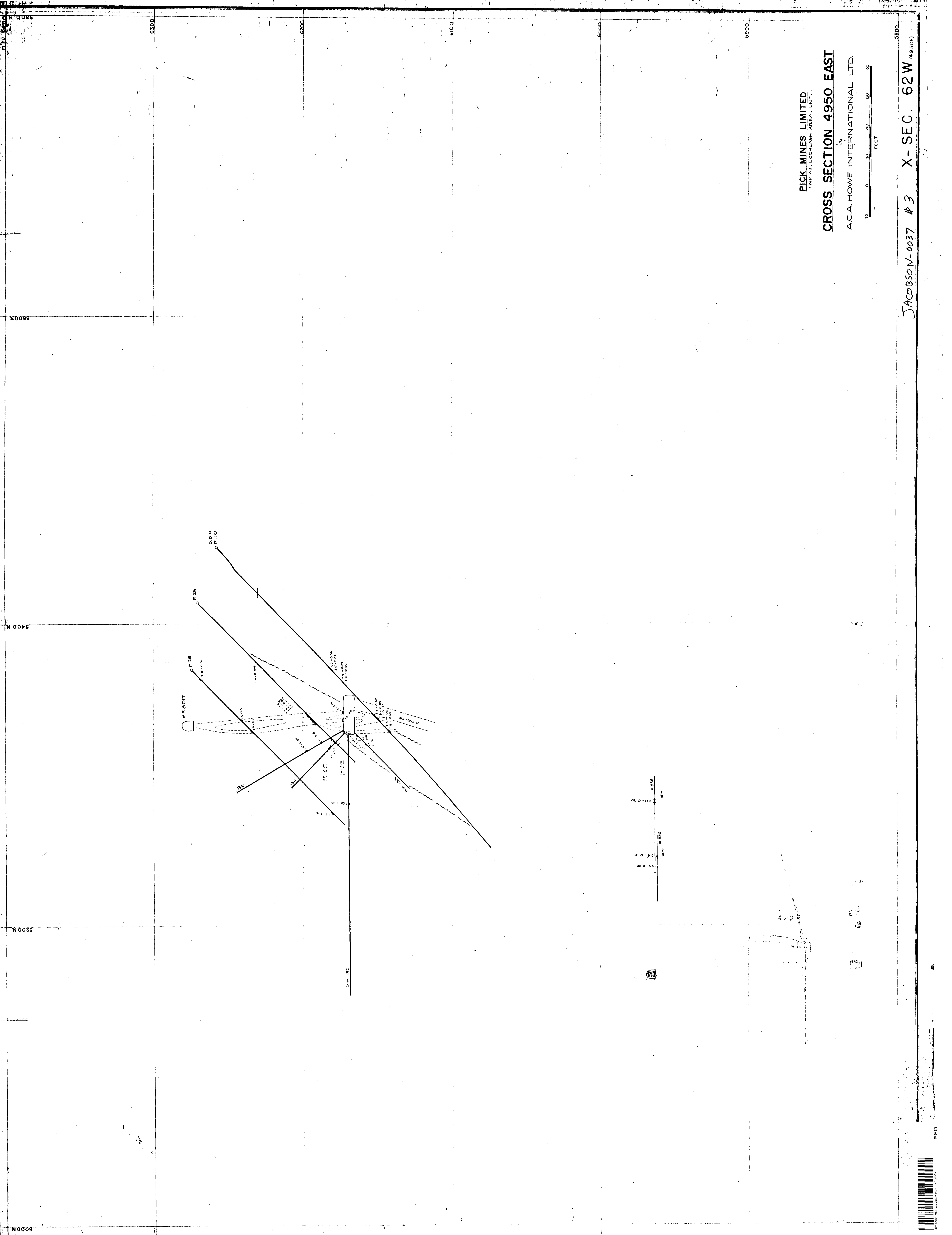
ACA HOWE INTERNATIONAL LTD.



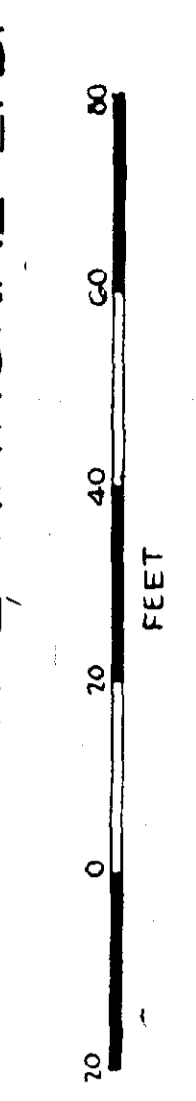
X-SEC. 59W (5025 E)

JACOBSON-0037 # 2

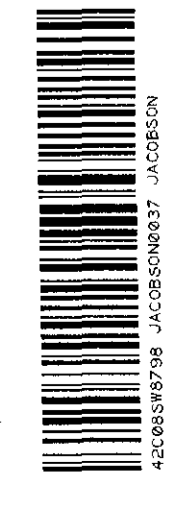


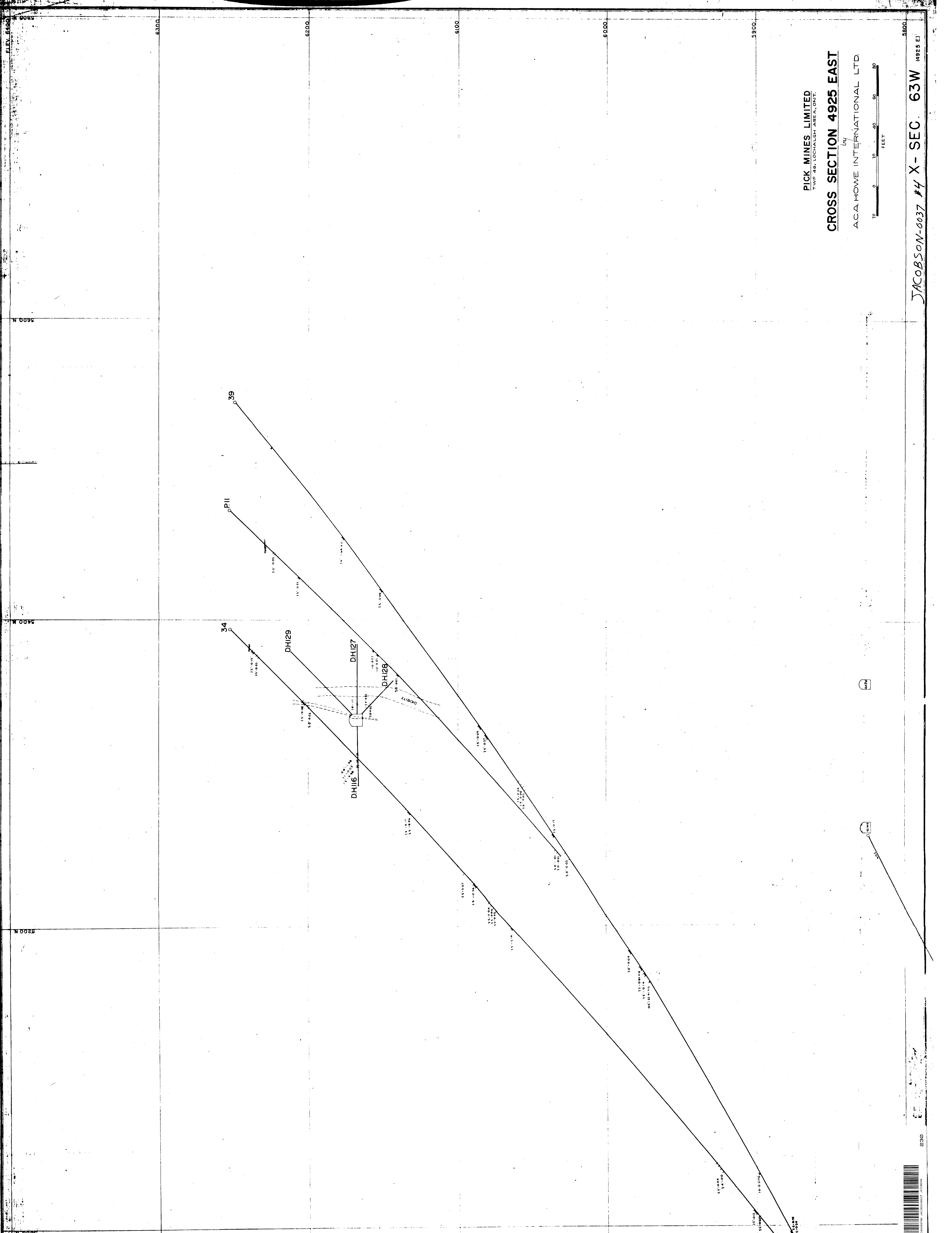


PICK MINES LIMITED
 TWP 48 N, R10 W, S10 E, S11 E, S12 E
 CROSS SECTION 4950 EAST
 by
 ACA HOWE INTERNATIONAL LTD.

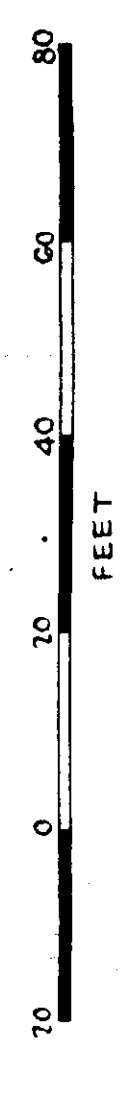


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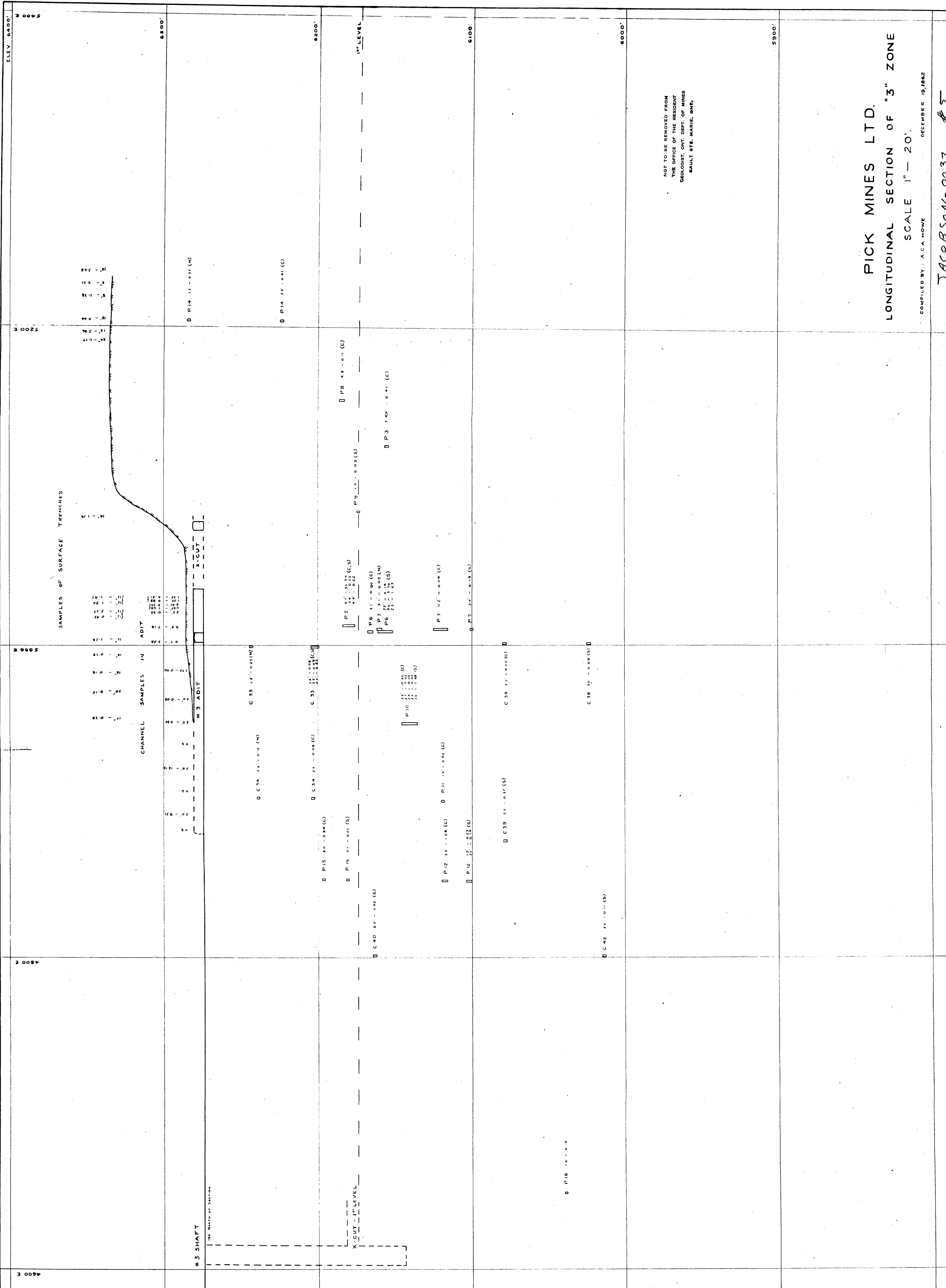


PICK MINES LIMITED
TWP 48, LOCHALSH AREA, ONT.
CROSS SECTION 4925 EAST
ACA HOWE INTERNATIONAL LTD.



JACOBSON-0037 #4 X- SEC. 63W (4925 E)





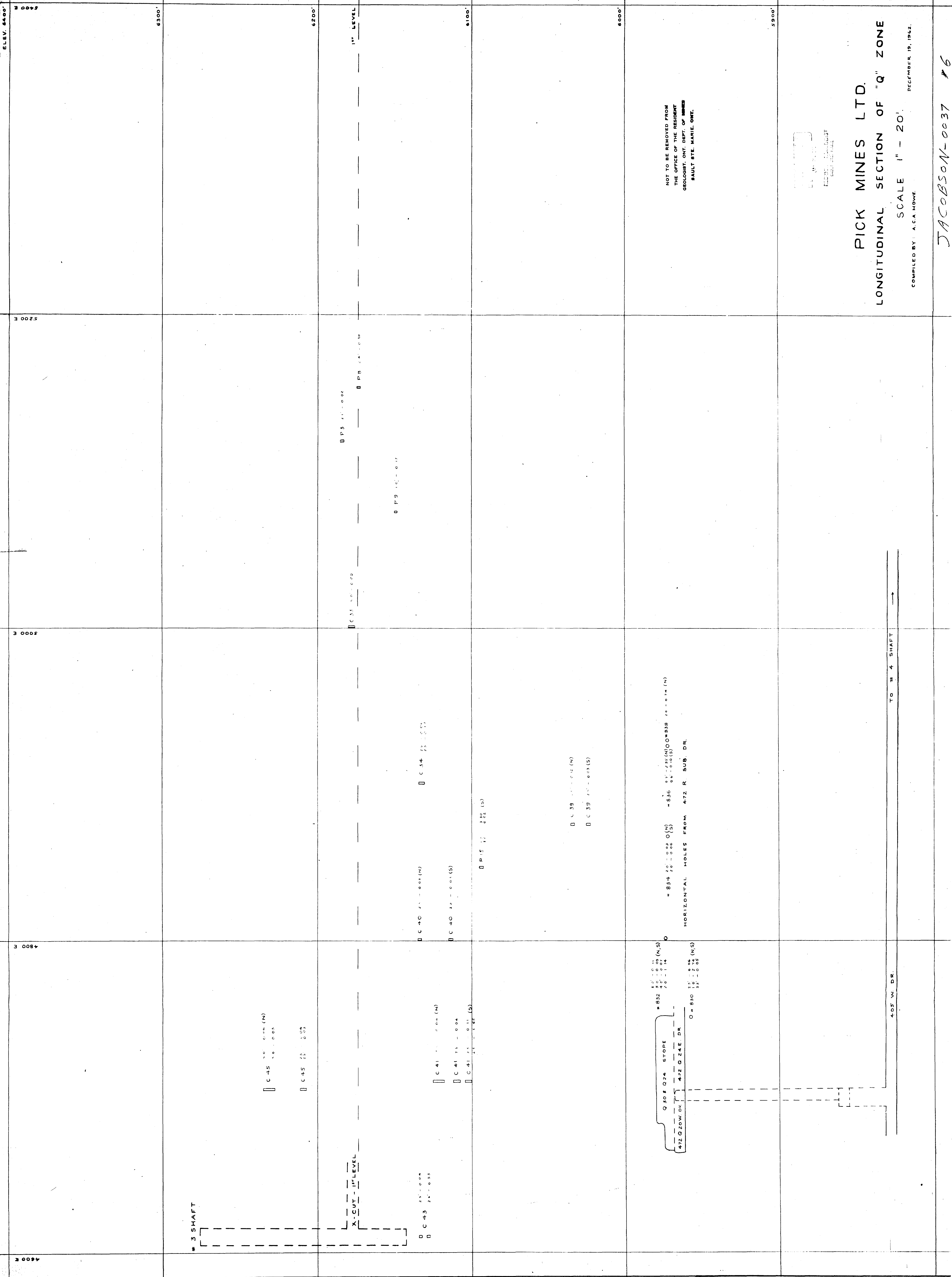
NOT TO BE REMOVED FROM
THE OFFICE OF THE RESIDENT
GEOLOGIST, ONT. DEPT. OF MINES
SAULT STE. MARIE, ONT.

PICK MINES LTD.
LONGITUDINAL SECTION OF "3" ZONE
SCALE 1" = 20'

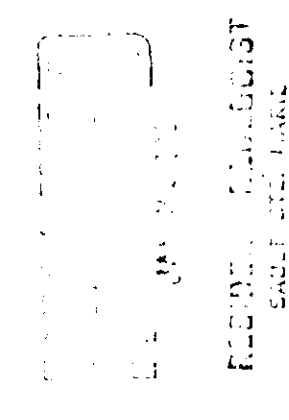
COMPILED BY: A.C.A. HOWE
DECEMBER 19, 1962

JACOBSON-0037 #5





NOT TO BE REMOVED FROM
THE OFFICE OF THE RESIDENT
GEOLOGIST, ONT. DEPT. OF MINES
SAULT STE. MARIE, ONT.

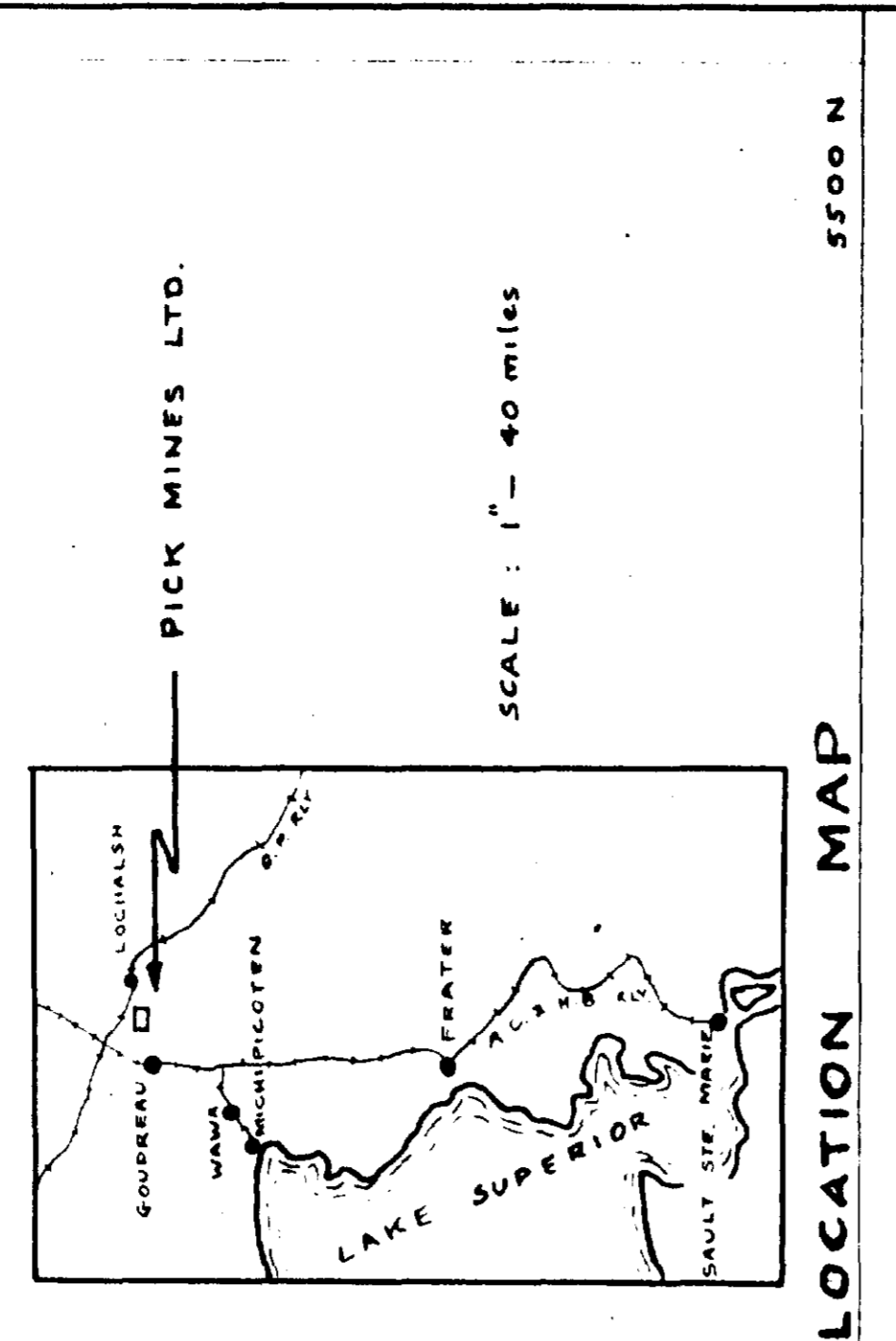
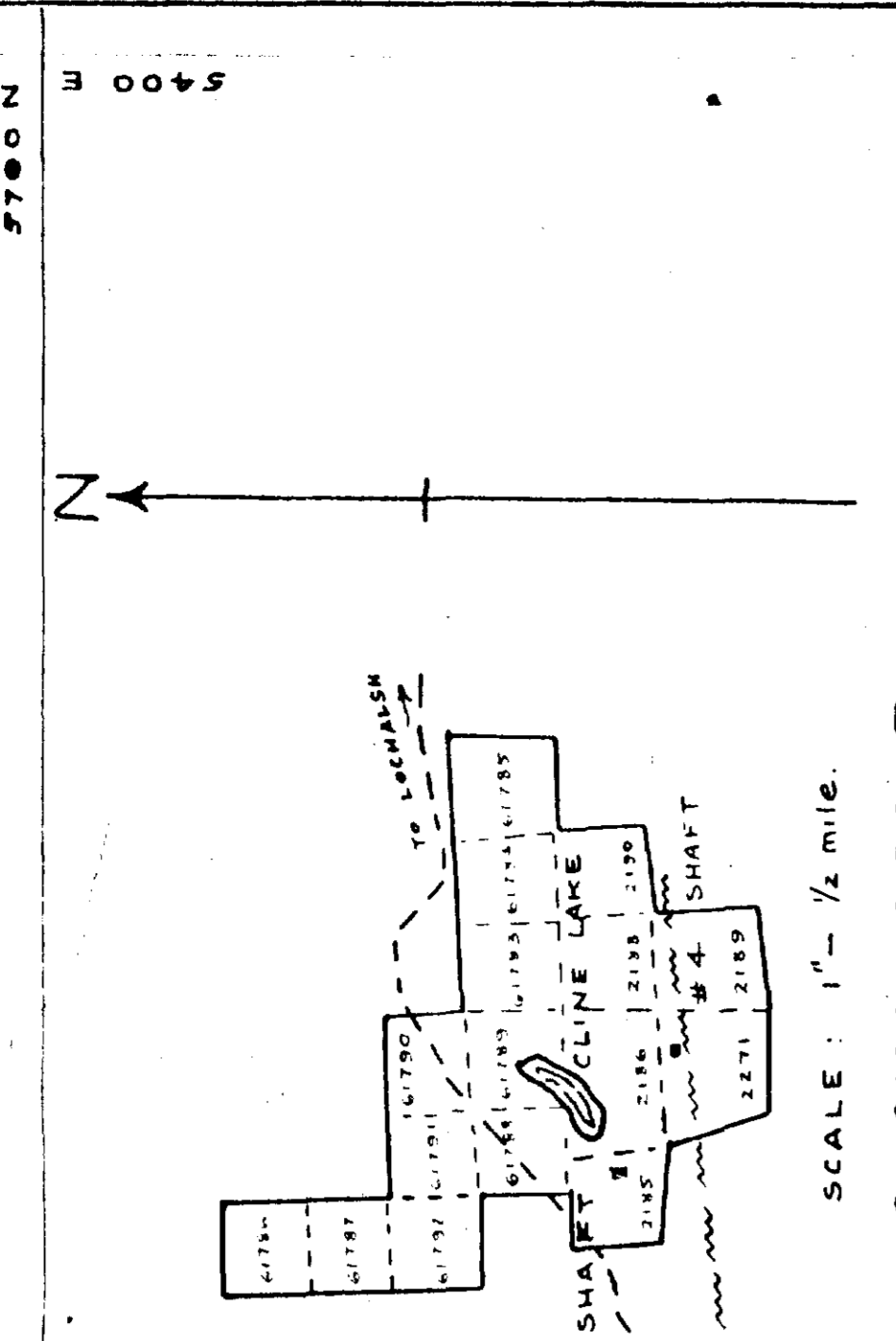
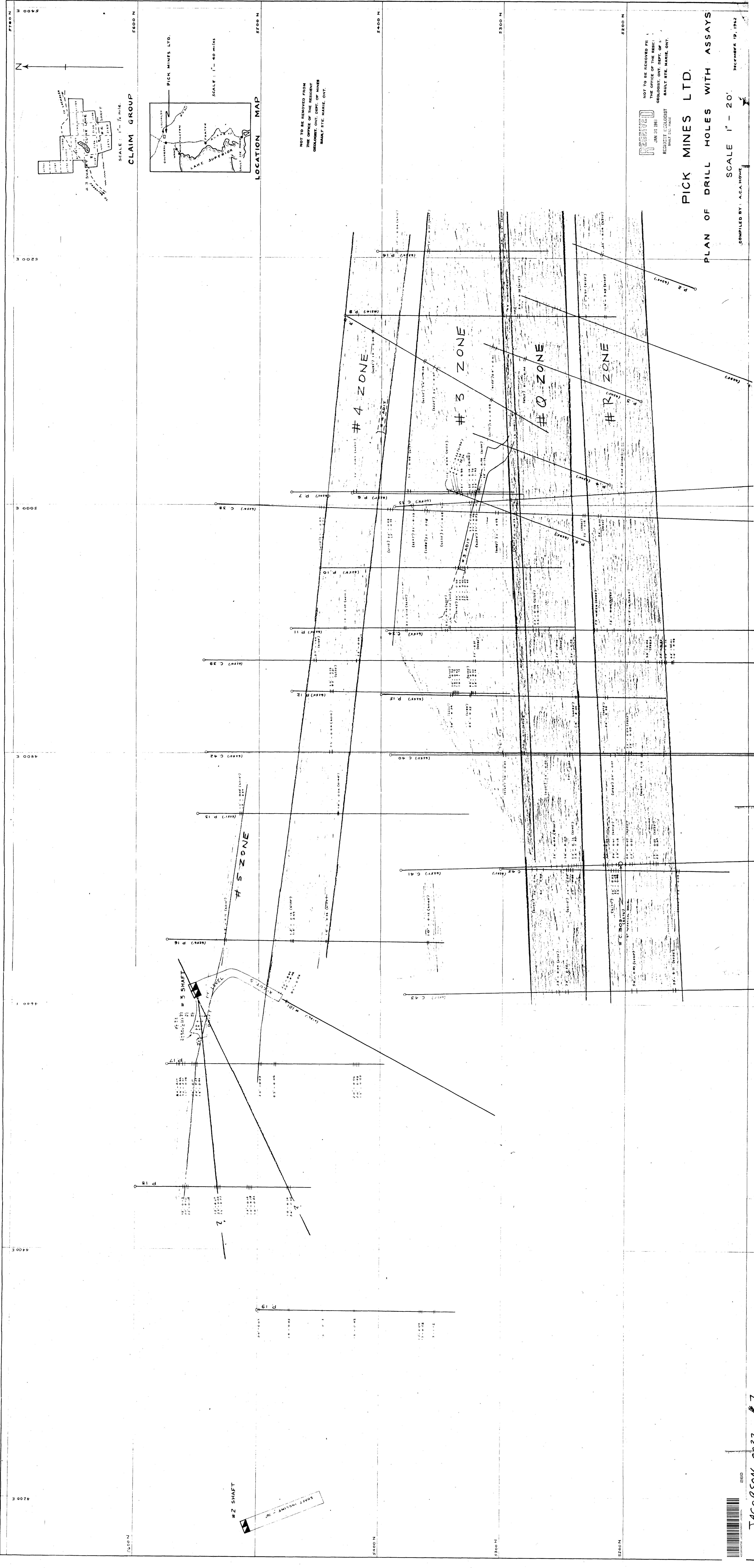


PICK MINES LTD.
LONGITUDINAL SECTION OF "Q" ZONE

SCALE 1" = 20'
COMPILED BY: A.C.A. HOWE
DECEMBER 19, 1962.

JACOBSON-0037 #6

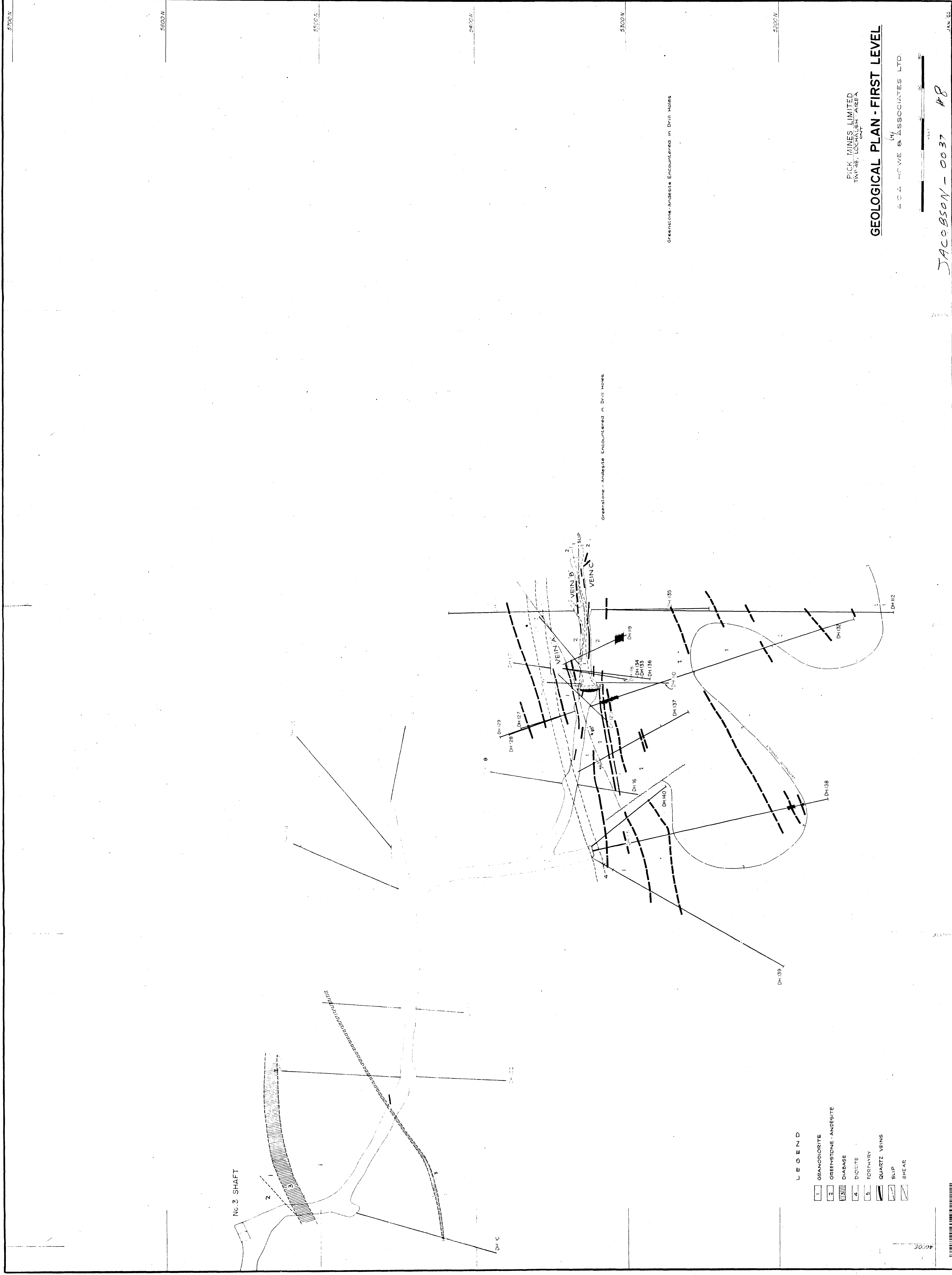




NOT TO BE REMOVED FROM THE OFFICE OF THE RESIDENT GEOLOGIST, ONT. DEPT. OF MINES, 50 BALDWIN ST., TORONTO, ONT.

NOT TO BE REMOVED FROM THE OFFICE OF THE RESIDENT GEOLOGIST, ONT. DEPT. OF MINES, 50 BALDWIN ST., TORONTO, ONT.

PICK MINES LTD.
 PLAN OF DRILL HOLES WITH ASSAYS
 SCALE 1" = 20'
 COMPILED BY: A.C.A. HOWE
 DECEMBER, 19, 1942



Scale 1" = 2000'
Cline Mine Area

SSM 2180

JACOBSON - 0037 #9

SSM 2189

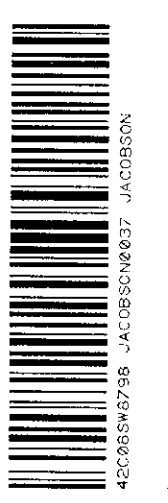
SSM 2271

SSM 2465

SSM 2183

SSM 2838

LAKE



280

JACOBSON - 0037 #9