

REPORT ON

THE PROPERTIES OF

KENORA PROSPECTORS AND MINERS LIMITED SHOAL LAKE, KENORA MINING AREA, ONTARIO?

Вy

G. F. Ennis Mining Engineer

AUTOPOSITIVES FILED SEPERATELY

October 23, 1973, Shoal Lake, Ontario,

MAPS

- 1. PROPERTY MAP: Scale, 1000 feet to the inch. Shows property outlines, quartz veins and sulphide dikes.
- 2. CLAIM MAP OF GLASS TOWNSHIP: Scale, 40 chains to the inch. Shows mainland claims only.
- 3. CLAIM MAP OF SHOAL LAKE: Scale, 40 chains to the inch. Shows location of water claims and islands.
- 4. SURFACE GEOLOGY: Map No. P528, North Shoal Lake Area, (East Sheet), 1968, by J. C. Davies, Ontario Dept. Mines.
- 5. SURFACE GEOLOGY: Scale, 20 chains to the inch. Shows surface geology and location of veins and sulphide dikes.
- 6. SURFACE GEOLOGY: Scale, 100 feet to the inch. Shows surface geology of Cedar Island.
- 7. CEDAR ISLAND AND MAINLAND EAST: Scale 100 feet to the inch. Shows location of Mainland East pits and trenches.
- 8. 83 FOOT LEVEL, CEDAR ISLAND: Scale, 20 feet to the inch. Shows location of sulphide dike No. 1
- 9. CEDAR ISLAND COMPOSITE LEVEL PLANS: Scale, 40 feet to the inch. 83, 144, and 283 Foot Levels. Shows location of No. 1, No. 2, and No. 3 Sulphide Dikes.
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INTRODUCTION

The following report on the properties of Kenora Prospectors And Miners Limited brings up to date my report of June 28, 1964.

Except for a limited amount of prospecting, no serious amount of exploratory work has been done on the KP&M claims since my earlier report. Examinations have been made by other engineers who did a limited amount of E-M surveying along the No. 1 and No. 3 sulphide dikes.

The early production records, progress reports, assays, surface and underground maps, and engineers' reports are on file at Shoal Lake.

Kenora Prospectors And Miners Limited is an Ontario company with a capital of 5,000,000 shares, \$1.00 par each. There are 661,496 shares issued, nearly all of which are privately held. The company President is Miss Barbara Machin, Box 420, Kenora, Ontario. The Head Office is at Kenora.

PROPERTIES AND LOCATION

The KP&M properties are located 24 miles west of Kenora, Ontario between Bag Bay and Yum Yum Bay, on the east shore of Shoal Lake (Maps 1, 2, and 3). The properties consist of the MIKADO MINE, CEDAR ISLAND MINE, and the OLD ONTARIO PROPERTY. The total acreage is 1576.82. The parcels are all patented. The patents cover both the surface and mineral rights. There are 27 land claims, 2 water claims and 3 islands as listed

below:

| MIKADO GR | OUP | CEDAR ISLAND GROUP | | | | |
|---|--|--|--|--|--|--|
| <u>Parcel</u> | Acres | | <u>Parcel</u> | Acres | | |
| K1269 D147 D148 D200 D201 D201A D233 D239 D389 S109 S109 S156 S150 S151 D149 TOTAL | 48.12 49.0 46.0 68.0 30.0 79.0 40.0 80.0 56.0 85.0 106.0 15.0 819.12 | Land "" "" "" "" "" "" "" "" MIKADO | D195 D212 D215 D216 D217 D228 D229 D265 TOTAL Note:- Clai McKi | 15.0 Water 4.0 CEDAR ISLAND 46.6 Land 38.0 " 58.0 " 72.0 (2 land cls.) 39.0 Land 154.0 Water 426.6 m D195 includes nnon Island. | | |
| OLD ONTARI | O GROUP | | 819.12 | | | |
| <u>Pârcel</u> | Acres | | 426.60 331.10 | 11 | | |
| D203 D204 D213 D214 S74 S97 TOTAL | 31.10 40.0 40.0 40.0 45.0 135.0 331.10 | Land "" "" " (4 | 1576.82 | " (KP&M holdings) | | |

ACCESS

During the season when the lakes are not frozen over, the KP&M properties can be reached by air from Kenora, Ontario, 24 miles, by boat from Kenora, 45 miles, and by road and boat, 26 miles west from Kenora on Highway 17 and south on the Rush Bay road to Clytie Bay on Shoal Lake. From Clytie Bay it is two miles by boat to the Mikado Mine and Cedar Island Mine.

TOPOGRAPHY

The area within the boundaries of the KP&M claims is comparatively flat, with no hills rising over 100 feet above lake level. A shallow mantle of overburden covers most of the area so rock exposures are not numerous except along the shorelines. There low swampy areas which will afford excellent locations for tailings disposal.

Growth is poplar, birch, spruce, pine and some scrub oak on the high ground. Water is, of course, plentiful.

HYDRO-ELECTRIC POWER

The nearest hydro-electric power transmission line is seven miles north of the KP&M properties. Preliminary power requirements would have to be supplied by deisel.

HISTORY

Gold mining started in the Shoal Lake Area about 1893 at the Mikado Mine but prospecting began about 1885. The recorded production figures for the Mikado Mine from 1893 to 1911 were about \$500,000, gold at \$20.67 personnes, or 2418.96 ounces of gold. It has been reported by a number of engineers who visited the mine that at least the same amount brick of gold was stolen by the operators. One gold was found in the assay office after the mine was closed. It contained about 145 ounces and had never been missed.

During 1933 and 1934 the Mikado Mine was dewatered and

some exploratory drifting and diamond drilling was done, but no ore was mined. In 1934 the crew was moved to the Cedar Island Mine. The Mikado Mine has been idle since.

The first mining done on the Cedar Island Mine was in 1896. It was then known as the Cornucopia Mine. During 1935 and 1936 the mine was operated by Kenora Prospectors And Miners Limited and was closed down in September of 1936. It has been idle since. Total production was approximately \$290,000 from 17,000 tons. Records now show that the ore left in the mine (see Map No. 12) averages 0.90 ounces per ton over a width of three feet for a total sampled length (including stopes, drifts, and raises) of 806 feet. The mining operation was extremely inefficient.

The Old Ontario Property has a prospecting history been starting about 1896. There has/some surface prospecting done by KP&M, particularly in 1929, but no underground work or diamond drilling has been done.

GENERAL GEOLOGY

The rocks underlying the KP&M claims are predominantly extrusive, consisting of andesite and basalt flows of Keewatin age. Basic intrusives are diorites and gabbros. Light buff colored felsite dikes cut the Keewatin rocks and in places appear to follow the flow contacts (see Maps & and 5). Some of the felsite dikes are mineralized and carry gold values

and some are accompanied by later quartz veins which contain gold.

The west edge of the Canoe Lake Quartz Diorite stock cuts across the east part of the Mikado property, northwesterly through Mikado Island. In places between the quartz diorite stock and the Keewatin lavas themis a zone of light grey to dark green granodiorite which locally contains low gold values over considerable widths. There is a body of fractured granodiorite extending southeast from McKinnon Island (see Map No. 5), on claim D195, which contains much quartz and locally high gold values.

There are numerous dikes and lenses of quartz porphyry on the properties. They are considered to be closely related to the felsites and quartz veins.

There are two major directions of faulting on the properties, one striking S70E in the same direction as the vein structures on the Cedar Island, and the other striking N30E to N45E in the direction of the sulphide dikes on the Cedar Island group. A third, not so predominant, set of faults accompanied by shearing, parallels the Mikado Mine veins.

The general and structural geology of the area is well described by J. C. Davies on the margin of Map No. 4 of this report.

VEINS

MIKADO

There are several known veins on the Mikado property but only the No. 1 and No. 2 Veins have received any serious attention.

The No. 1 Vein has been traced on surface, by diamond drilling, and underground workings for a distance of over 4,000 feet. The vein is considered a true fissure type but is accompanied by some shearing. It averages from 4 to 5 feet in width and locally may widen to over 10 feet. It strikes N3OW and dips 85 degrees to the east. In 1911 the average ore grade was estimated at 0.40 ounces gold per ton. Accurate estimates would have been difficult because of the numerous rich occurrences of free gold.

The depth of the main workings on the No. 1 Vein is about 560 feet. It was mined from two shafts, an incline 1125 feet dong and a vertical shaft to the 9th (504 foot) Level (see Maps 13, 13A, 14, and 15). There are 10 levels on the vein.

The Mikado Mine has a history of extremely inefficient operation, especially during the early period of development and production. One good example is the incline shaft which was sunk along the No. 1 Vein 1125 feet to reach a vertical depth of 560 feet. The highest milling efficiency reached was about 77 percent extraction of the gold contained in the

ore. Any gold in the telluride minerals would be lost.

The No. 2 Vein (see Maps 4, 16, and 17) is about 400 feet east of the No. 1 Vein and is almost parralel in strike, showing a slight convergence to the northwest. A 240 foot shaft was sunk on the vein and two levels were established. a limited amount of mining was done. The vein occurs in a green carbonate rock (locally named Mikadoite) which lies along the quartz diorite-greenstone contact.

Widths of the vein on the 240 Foot Level are reported to be from 2 to 5 feet. On surface, 100 feet south of the shaft it is from 2 to 8 inches wide, but carries considerable free gold. I also found free gold in the green carbonate on the shaft dump.

Diamond drilling near the Tycoon Islands in Bag Bay, 3600 feet north of the Mikado No. 1 Shaft, intersected some rather astonishing widths and grades of gold ore, if the 1912 report by Peter Makellar, C. G. S. can be considered reliable. The extensions of the No. 1 and No. 2 Mikado veins were reported as the intersections.

Hole No. 1, according to Makeller, cut 11 feet of quartz at 120 feet assaying 0.92 ounces gold per ton, then passed through 24 feet of quartz diorite and cut another vein 20 feet wide and assaying 0.53 ounces per ton.

Hole No. 2 was placed 300 feet east of No, 1. It passed through two vein zones separated by 46 feet of quartz diorite. The first zone was 60 feet wide of green carbonate schist assaying 0.19 ounces per ton. within this schist zone an

aggregate of 19 feet of quartz veins from 1.5 to 4 feet wide yellded 3.25 ounces gold. After passing through the quartz dioritea second belt was reached which was 205 feet wide and averaged 1.86 ounces gold per ton.

Hole No. 3 reached a vertical depth of 108 feet. The first vein intersected was 26 feet wide and assayed 0.33 ounces gold per ton. The second vein below the 100 foot level was 6 feet wide and assayed 0.80 ounces per ton. The location of Hole No. 3 with respect the other holes was not reported by Makellar.

Some diamond drilling was done on Bag Bay in 1933 to check the results reported by Makellar. This later drilling showed a number of vein intersections including some quartz carrying free gold, but nothing was found to compare with Makellar's results. The nature of the Mikado vein structures would require a close diamond pattern throughtthe ice to investigate the Tycoon Island area.

CEDAR ISLAND (see Maps No. 1 to 12 inclusive)

The Cedar Island Mine was developed by two shafts, an incline shaft to a depth of 150 feet and a vertical shaft to a depth of 625 feet. The lowest level in the incline shaft is at 144 feet. The first development level in the vertical shaft is at 283 feet, so the two shafts are not connected by lateral workings.

Most of the gold production came from the No. 1,

No. 2, and No. 3 Veins near the north end of the island where the No. 1 Vein outcrops and on which the incline shaft was located (see Maps No. 6, 9, and 10). A number of other veins were encountered in surface and underground diamond drill holes but considerable study and exploratory work is still required to determine their importance.

The grade of the ore left in the mine above the 625 Foot Level (see Map No. 12) will grade approximately 0.90 ounces per ton across a width of 3 feet. I have not attempted to compute a tonnage figure, but there should be at least as many tons of ore in reserve as have been mined. There appears to have been a large amount of development rock included with the ore milled which would seriously reduce the grade of the mill heads.

What may prove to be the most important gold occurrences on the Cedar Island property are located on the mainland to the east of the island (see Maps No. 4 and 7). Four gold bearing veins have been exposed by treches through shallow overhurden along the projected strike of the Island Veins. Geophysical surveys and exploratory diamond drilling will probably find others because all but a few of the Cedar Island veins follow almost the same strike as the main fault structures of the Bag Bay area.

The trenches and pits on the known veins have caved and very little rock can be seen. Assays taken by the

operators in 1930 from samples of the Mainland Veins ranged as high as 94 ounce gold per ton. A chip sample taken by the writer from a pit near the lake shore assayed 1.4 ounces per ton across five feet. The vein in this pit and another vein have been traced for a length of over 1200 feet (see Maps No. 4, and No. 7).

On McKinnon Reef, northeast of Cedar Island, there is a stockwork of interlaced quartz veins in grey granodicrite. It is exposed for w width of 15 to 20 feet on the reef. The zone contains two narrow but very rich quartz veins, the most northerly of which contains much free gold. Grab samples showing no visible gold assayed as high as 11 ounces per ton. Extensions of the veins are under water.

SULPHIDE ZONES

There are four known sulphide dikes on Cedar Island and on the mainland to the northeast of the island. The dikes all carry pyrrhotite, pyrite, chalcopyrite, and some zinc. Gold values are low.

No. 1 SULPHIDE DIKE: (Maps No. 1, 5, 6, 8, 9, and10)

The No. 1 Sulphide Dike outcrops on the northeast end of Cedar Island (see Map No. 6) over a width of about 35 feet. It strikes S37W and dips 70 degrees to the west. A sharp fault depression marks its southward extension on the mainland for a distance of about 7,000 feet where it again outcrops

(see Map No. 5) on the shore of Yum Yum Bay on Claim'No. McA 43, owned by Miss Barbara Machin.

The dike was also encountered underground on the 83 Foot Level (see Map No. 8), on the 144 Foot Level (see Map No. 9), and in diamond drill holes. From the descriptions given in the progress reports the amount of chalcopyrite was much greater than in the surface outcrop.

No. 2 SULPHIDE DIKE:

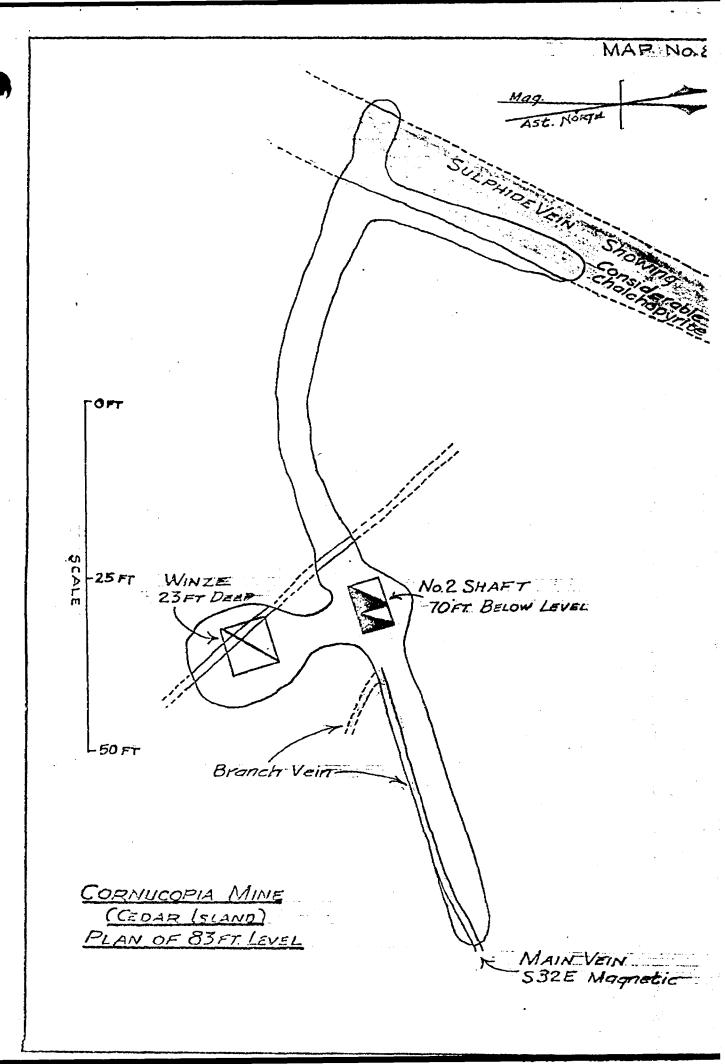
The No. 2 sulphide dike was encountered on the 283

Foot Level and on the 393 Foot Level. It was intersected on the 283 Foot Level by Diamond Drill Hole No. 13 over a width of 17 feet, and in a drift on the 393 Foot Level across a width of 27 feet. The intersection of the dike on the 393

Foot Level was described in the progress report of March 11, 1935 as follows: The round on March 5th cut the sulphide dike. At this point, very massive dark brown felsite and sulphides with abundant pyrrhotite, pure chalcopyrite, and some blende (zinc sulphide). This continued through three (9 foot) rounds, quartz in places similar to the southwest crosscut on the second (283 foot) level. The mineralization much greater than anywhere else the dike has been encountered. From this it would appear that the dike was encountered on the 283 Foot Level but not reported.

No. 3 SULPHIDE DIKE:

The No. 3 Sulphide Dike was encountered on the 144 Foot



Level. It was described in a progress report by J. M. Paterson in a progress report of October 30, 1932, as follows: "A massive sulphide vein (Maps No. 6 and 8) hight in pyrite, pyrrhotite, and chalcopyrite, was encountered in the drift (114 foot level) where samples 78 to 82 were taken. As shown on the accompanying map (not available) this sulphide vein continued for about 25 feet and passed back into the west wall of the drift near the section of sample number 89. The assays from the samples of this sulphide vein ran (gold at \$20.67 per ounce) \$0.60, 0.40, and \$1.40 per ton. or 0.03, 0.02, 0.02, and 0.07 ounces per ton. From the evidence available, it would appear that this sulphide dike had something to do with causing a diminutuion of values, as the high grade vein is split where it enters the sulphide vein". The No. 2 Sulphide Dike was also indicated in an E-M traverse on the ice west of Cedar Island in 1968.

There is a remote, but doubtful possibility that either the No. 2 or No. 3 sulphide dikes, but not both, is a faulted repetition of the No. 1 dike as a result of a thrust fault dipping steeply to the east with the footwall side moving upward. I very much doubt that the No. 3 Dike was involved.

The strike of the lava flows and one regional set of fault structures are about the same as the indicated strike of the No. 1, No. 2, and No. 3 Sulphide Dikes, so they may be the result of sulphide replacement of sheared sediments

between the flow contacts (interflow tuffs)
NO. 4 SULPHIDE DIKE:

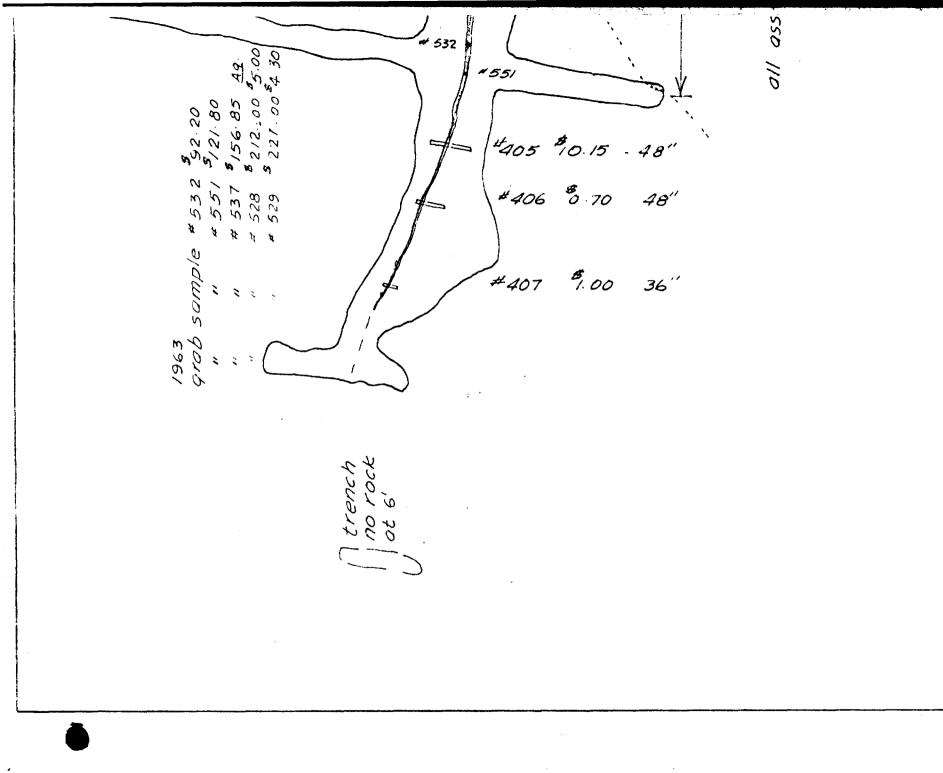
The No. 4 Sulphide Dike outcrops on the mainland northeast of Cedar Island (see Maps No. 1, and 5). It carries massive pyrrhorite, pyrite with some copper and zinc sulphides. The zone, except for the small exposure on the shore line, is under overburden so the width and lateral extent have not been determined. It appears to strike about S40E. There should be no difficulty tracing it with a magnetometer because of the high percentage of pyrrhotite.

OLD ONTARIO PROPERTY

There are 12 known veins on the Old Ontario Property (see Maps No. 1, 2, and 5) which is located south of the Cedar Island Group. The veins are numbered on the maps from 1 to 12. The most important veins appear, on surface to be Nos. 1, 2, 5, 6, 8, 9, and 11. Because of overburden the veins by are exposed/stripping and trenching for only short intervals along the strikes which range from east-west to S60 east. The exception is the 3.2 Vein which strikes about N40E.

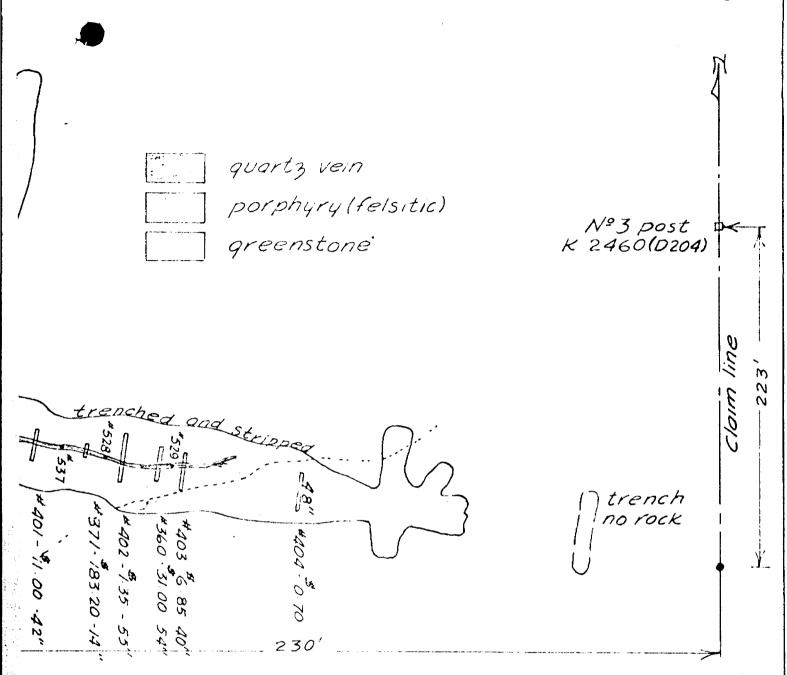
The No. 1 Vein is located in claim D203 (Map No. 5).

Assays from channel samples range from 0.02 ounces to 20 ounces gold per ton. The vein is exposed in a trench for a length of about 100 feet, both ends dipping into overburden. Widths vary from a few inches to 2 feet(see sketch on page contact 14). It lies on the north/of a felsite dike which strikes east-west but makes a sharp swing north at the east end of



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. . .



945 @ 3500 per ounce gold

KENORA PROSPECTORS & MINERS

SURFACE PLAN-Nº IVEIN

CLAIM K 2461 — D 203

Scole I in = 10ft on Vein

From Williams Mop - 1928

9 1 6,7mis oct 31/63

the trench. The felsite dike carries gold values but it is only exposed in the trench for a few feet and only its north contact is exposed.

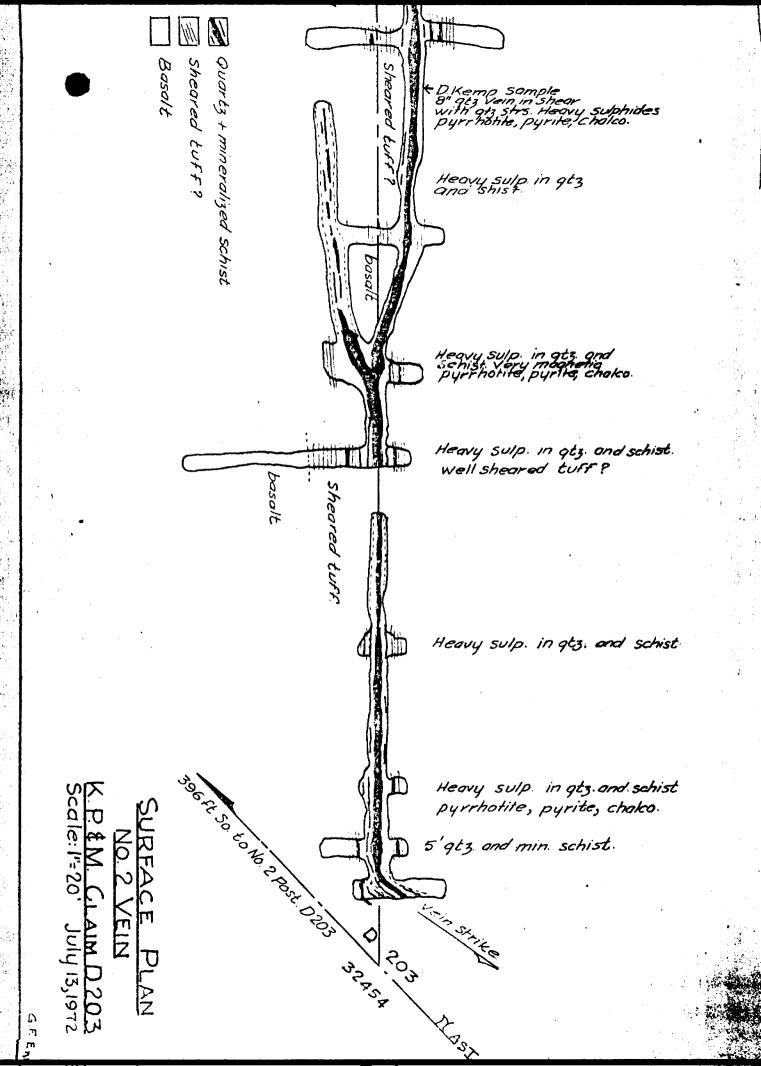
The No. 2 Vein is approximately 250 feet south of the No. 1 Vein in claim D203. It strikes N40E and dips vertically. It has been trenched for a length of 250 feet where both ends dip into overburden. At the east end of the trench the vein swings abruptly north toward a deep draw (see Map No. 5) which strikes north and east through the southeast end of Bag Bay, a distance of 2,000 feet. A sketch of the No. 2 Vein is shown on page 16.

The No. 3 Vein is located near the shore of Yum Yum Bay in claim D203 (Map No. 5). It strikes N20 E and dips vertically. The vein is exposed in a trench for a distance of about 100 feet north of the lake shore where it dips into overburden. The maximum exposed width is 10 feet with the west wall under overburden.

Grab samples of the No. 3 Vein show values up to 2 percent copper and 4 percent zinc, with gold values from a trace to 0.14 ounces per ton.

The No. 4 Vein is located 200 feet south of the north-east corner of claim D203 on the line between D203 and D204 (see Map No. 5). The strike is S70E and the dip appears to be vertical. Two pits and a trench 30 feet long were badly caved so no vein material could be seen in place. One exposed wall

Bearing = 542W caved



of the trench showed some cube pyrite and specks of bornite.

A few pieces of quartz on the dump at the east pit contained fine pyrite.

No. 5 Vein strikes S70E across the southeast corner of claim D213 (Map No. 5). The west end of the vein dips into overburden. From there a trench exposes it for a distance of 100 feet to a cribbed shaft which appears to be about 45 or more feet deep. At the shaft the vein changes direction to S50E. It was trenched for another 120 feet from the shaft where it again dips into overburden. The vein material is composed of white crystalline quarts with some disseminated pyrite and fine chalcopyrite. A grab sample from the east end of the trench assayed 0.36 ounces gold per ton.

The No. 6 Vein is located approximately 250 feet south of the northwest corner of claim D203 (Map No. 5) and extends west into claim McA43. The strike is east-west and the dip is vertical. The vein occurs in a shear zone which has been trenched over a ridge for a distance of about 250 feet with both ends dipping into low ground. Vein material consists of rusty quattz and carbonate carrying fine pyrite, chalcopyrite, pyrrhotite, and a little galena. A few fine specks of free gold were found in one specimen of quartz. A grab sample of quartz and rusty carbonate assayed 0.50 ounces of gold per ton.

The No. 7 Vein is located in claim D213 about 150 feet north of the southwest corner of the claim. It strikes S75E and dips vertically. The vein has been trenched for a distance of 80 feet but the trench is badly caved and very little of the vein can be seen. Vein material is white crystalline quartz in a sheared flow contact. Mineralization consists of moderate amounts of fine cube pyrite and a little fine chalcopyrite. an assay from a grab sample of quartz assayed 0.02 ounces per ton.

The No. 8 Vein (Map No. 5) is located in the west center of claim D213 and strikes about east-west. Very little vein material can be seen because of the caved condition of the trenches, but it appears to be a westward continuation of the No. 9 Vein. No samples were taken.

The No. 9 Vein (Map No. 5) is east of, and on the same strike as the No. 8 Vein for a distance of about 300 feet where the strike changes to S60E. The vein, consisting of white crystalline quartz, can be traced for a distance of about 1200 feet. At one location a cribbed shaft was sunk about 1900 and some vein material was removed. The quartz is white crystaline carrying some disseminated pyrite, Chalcopyrite, and pyrrhotite. A grab sample of the quartz near the shaft assayed 1.02 ounces gold per ton.

The No. 10 Vein (Map No. 5) is located near the southeast corner of claim S74. It strikes S65E and is only

traceable for 100 feet in a trench near the edge of a swamp. There is a caved pit at the west end of the trench. The vein consists of 2 feet of quartz carrying pyrite and a little chalcopyrite. The vein walls are sheared andesite. No sample was taken.

No. 11 Vein (Map No. 5) was located at the northeast corner of claimD213 but could not be examined because of the caved condition of the trenches.

No. 12 Vein (Map No. 5) is located 500 feet north of the southeast corner of claim S74. It has been trenched at intervals for a distance of about 800 feet along a strike of S75E. A cribbed shaft, about 40 feet deep is located at the west end of the vein where the vein material consists of two and one-half feet of quartz in rusty carbonate carrying pyrite, with a little chalcopyrite and pyrrhotite. The vein walls are andesite and the south wall is well sheared. A grab sample at the shaft assayed 0.04 ounces gold per ton. Toward the east end of the vein there is considerable pyrrhotite, sphalerite, and some chalchopyrite. A grab sample near the pit at the east end assayed 0.12 ounces gold per ton and a chip sample across 5 feet assayed 1.60 percent zinc and 0.31 percent copper. The trenches were in no condition to do an adequate sampling job.

There has been no exploration work done on Parcel S97 which comprises four claims and it stands to reason that other gold bearing veins will be found in this area.

CONCLUSIONS

MIKADO MINE GROUP

There is still mineable ore in the Mikado Mine above
the 500 foot horizon, north of the incline shaft (see Map No. 14).
However, it would not be advisable to contemplate underground
work until the north and south extensions of the No. 1 and
No. 2 veins have been explored from surface. There are also
other gold bearing veins on the Mikado Group which have had
littleion
very/attention. These warrant a close study, including aome
preliminary diamond drilling.

CEDAR ISLAND GROUP

An important feature of the Cedar Island deposits is that the unexplored extensions of island quartz veins on the mainland to the east offer excellent possibilities of of substantial tonnages/good grade ore being found in addition to the ore remaining in the Cedar Island Mine. Also, at least two other high grade veins were discovered on the mainland during the early 1930's. These new discoveries warrant further investigation. The presence of pyrrhotite in the veins renders them susceptible to detection by a sensitive magnetometer.

Some of the assays from samples taken by the operators during 1929 and 1930 are listed in the appendix.

The sulphide zones, which had no commercial value here in 1936, have now become important and warrant a careful investigation by geophysics and surface diamond drilling.

The 7,000 foot length of the No. sulphide dike offers a large area for exploration.

OLD ONTARIO PROPERTY

There has been only moderate surface prospecting and no diamond drilling on the Old Ontario claims. The values, structures and geology of the known veins warrant further investigation.

Parcel S97 is comparatively unexplored so it warrants surface prospecting, geological mapping and a magnetometer survey, followed by shallow diamond drilling for sampling purposes. There is sufficient pyrrhotite in the vein structures to be detected by a sensitive magnetometer, at least through shallow overburden.

RECOMMENDATIONS

A preliminary expenditure of approximately \$150,000 is recommended to cover the surface exploration on the Mikado Mine, Cedar Island, and Old Ontario properties with the sulphide dikes and mainland east veins on the Cedar Island property receiving priority. The exploration program would include surface mapping (geological), and prospecting. Geophysical surveying should include both electro-magnetic and magnetic methods, followed by diamond drilling.

The approximate recommended expenditures are listed on page 22.

ESTIMATED EXPENDITURES

| 180 x 100 | |
|--|--------------|
| 1. Geophysical Survey (50 miles at \$1,80.00/mile) | \$9,000.00 |
| 2. Diamond Drilling (12,000 ft. at \$8.00/ft.) | 96,000.00 |
| 3. Sampling and Assaying | 5,000.00 |
| 4. Labor (3 men at \$1,200 each) | 3,600.00 |
| Camps (office, core shack, sleep camp) | 5,000.00 |
| Engineering and Supervision | 12,000.00 |
| Administration and Office | 6,000.00 |
| Miscellaneous (at 10 percent of total) | 13,660.00 |
| TOTAL | \$150,260.00 |

Respectfully submitted,

G. F. ENNIS

APPENDIX A

The following is a list of assays of samples taken from veins on the mainland east of Cedar Island in 1930 by the operators of KP&M.

| LOCATION OF SAMPLES | GOLD ASSAY Dunces per ton |
|--|---------------------------------|
| 1. Cross Vein, Shaft Mainland outcrop | 0.69 |
| 2. Porphyry Vein, Mainland | 0.02 |
| 3. Mainland Sulphide Vein | 0.42 |
| 4. Float Quartz - New Find Mainland | 19101 |
| 5. Float, quartz and porphyry | 56.46 |
| 6. Float, quartz and tellurides | 12.47 |
| 7. 4th sample, quartz and porphyry | 13.46 |
| 8. Quartz and weathered granite - sulphides | 23.98 |
| 9. Vein near porphyry dike Mainland | 0.14 |
| 10. Heavy sulphides, second trench Mainland | 7.30 |
| 11. Vein near porphyry dike | 0.14 |
| 12. Vein S70W near Shaft Vein Pit | 0.56 |
| 13. Easter Vein, Silicified porphyry, pyrite | e 0.02 |
| 14. E-W Vein south of Porphyry Inlet | 0.05 |
| 15. Mineralized porphyry, Stoney Point | 0.12 |
| 16. Easter Find, heavy pyrite and quartz | 0.45 |
| 17. SE extension, Easter Find Gossan | 0.06 |
| 18. Mainland Cedar Isle, old workings | 7.30 |

G. F. ENNIS
MINING ENGINEER

| (Ma | ainland | d sam | oles C | ont'd) | | | | | <u>{</u> | GOLD ASSAY OUNCES PER T | ON |
|------|---------|-------|---------|---------|------|------|-------|-------|-------------|-------------------------------|----|
| 19. | No. 1 | Vein, | Lake | Shore | Pit | | | | | 0.69 | |
| 20. | Claim | D217. | No. | 1 Vein | to d | leep | pit, | 8 f | eet | 0.22 | |
| 21. | 11 | Ħ | No. | l Lake | Veir | ı to | deep | pit | 8 ft | 0.52 | |
| 22. | 11 | 77 | 11 | ŤŤ | 17 | 11 | tt | 11 | Ħ | 1.16 | |
| 23. | 77 | tt | 11 | 11 | 11 | 11 | 11 | Ħ | 11 | 1.53 | |
| 24. | *11 | 11 | 11 | 11 | Ħ | 11 | ŤŤ | 11 | Ħ | 1.20 | |
| 25. | 11 | " l | .65 ft. | . north | of | sout | h boi | ındar | ~1 <i>F</i> | 0.40 | |

G. F. ENNIS

REFERENCES

Parsons, Arthur L.

1911: Ontario Dept. Of Mines, Vol. 20, Part 1, pp 158-198. Bruce, E. L.

1925: Ontario Dept. Of Mines, Vol. 34, Part 4 . pp 1-44
Derry, D. R.

1930: Ontario Dept. Of Mines, Vol. 39, Part 3. pp 42-56.

Thompson J. E.

1936: Ontario Dept. Of Mines, Vol. 45, Part 3 pp 44-53

Reces

G. F. ENNIS

KENORA PROSPECTORS & MINERS LIMITED Kenora Ontario (Incorporated under the laws of the Province of Ontario)

Balance Sheet (unaudited) December 3I 1970

| | , | |
|--|---|-----------------|
| | Assets | \$ |
| Annant | P | ₩ |
| Current Cash | | 25.13 |
| Mining Claims Patented claims in the District of Kenora, Ontario, at cost, including the value placed on | | |
| 38,478 shares of the Company's capital stock issued therefor at par. | *************************************** | 108,897.22 |
| | | |
| Deferred Expenditures Exploration and administrative expenditures | | |
| As at January I 1970 | 25,089.47 | |
| Expenditures during year | 991.81 | 26,081.28 |
| Investment 10,000 shares in Duport Mining | | |
| Company Limited At nominal value | | 1.00 |
| | | 135,004.63 |
| L1a | bilities | |
| Current Accounts Payable (including land and acreage taxes-1970 year Advance- Northfield Mines Inc. |). 1:318.11 800.00 | 2,618.11 |
| Due to Shareholders | 14.226.03 | -add 5,000 plus |
| T. A. O'Flaherty | 840.58 | |
| H. B. Churchill | 1.160.00 | 16,226,61 |
| Capital Sto | ck and Deficit | 5.000 |
| Capital Stock Authorised | | 23.844.00 |
| 5,000,000 shares of \$1.00 each | | |
| Issued 661.496 shares | 661,496.00 | |
| Less discount | 34.365.00 627.131.00 | |
| Deduct Deficit as at January I 1970 | 510,971.09 | 116,159.91 |
| | , | |
| | | 135,004.63 |

KENORA PROSPECTORS & MINERS LIMITED
Kenora Ontario

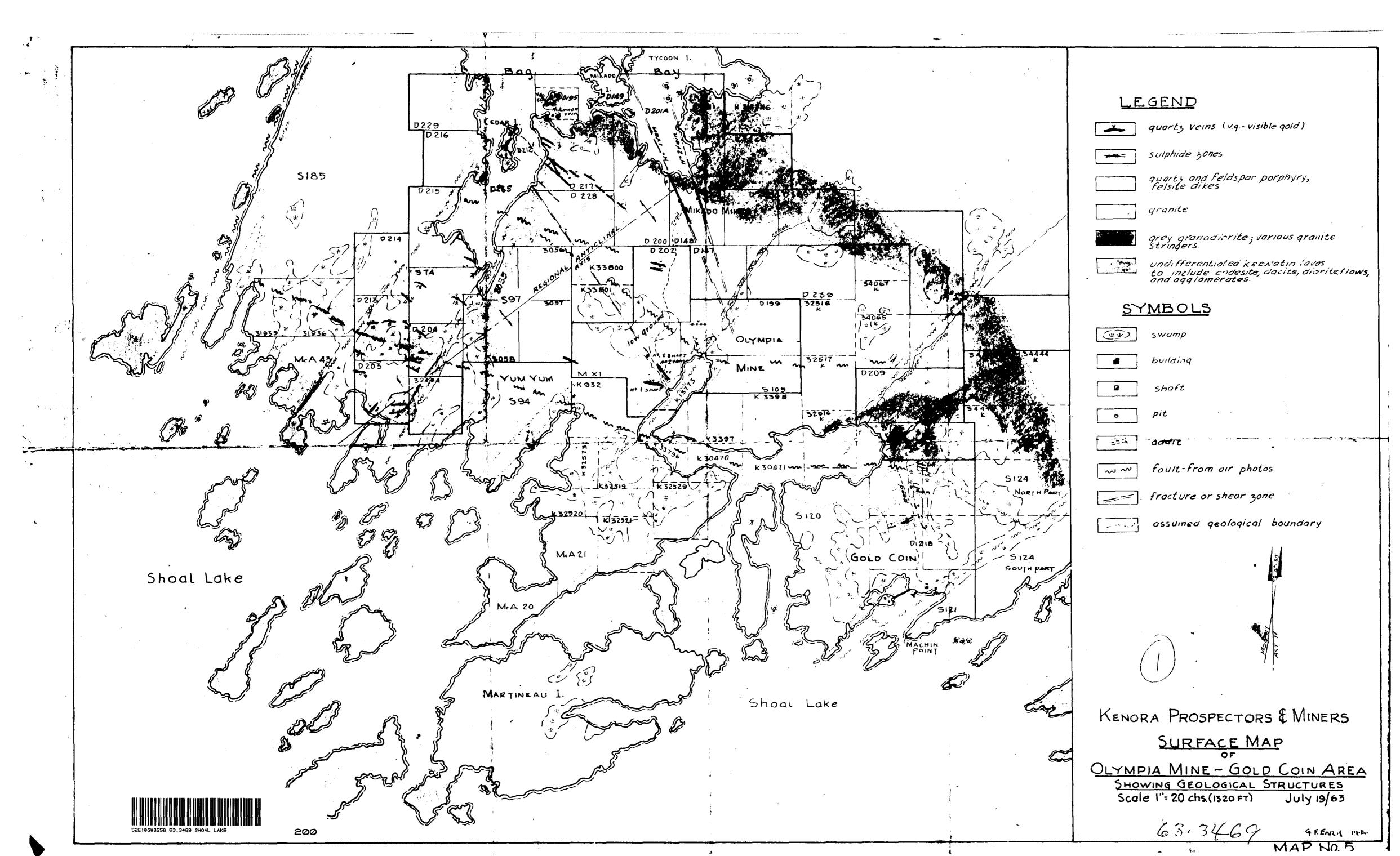
Kenora

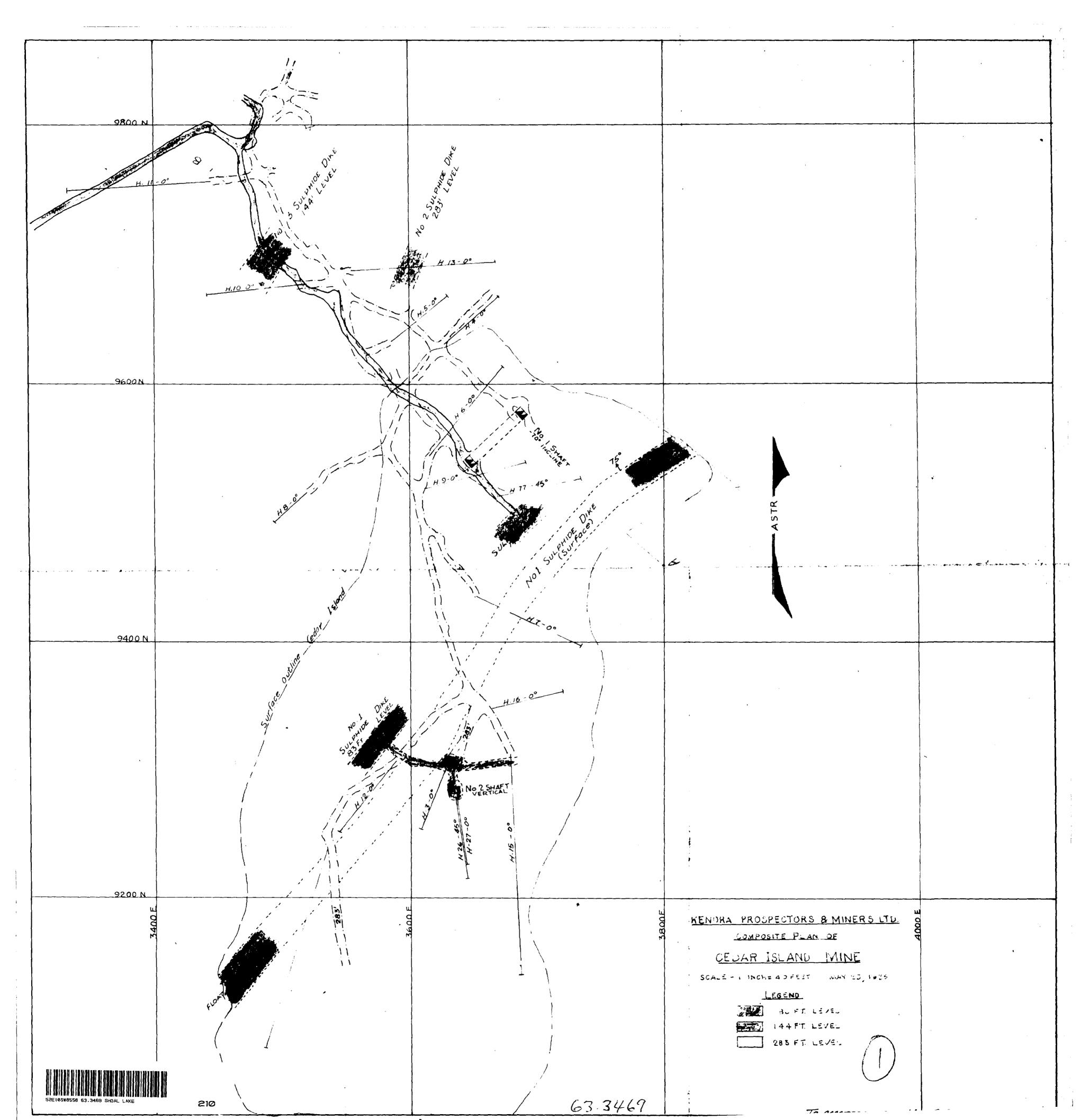
Statement of Exploration and Administrative Expenditures Deferred (Unaudited)

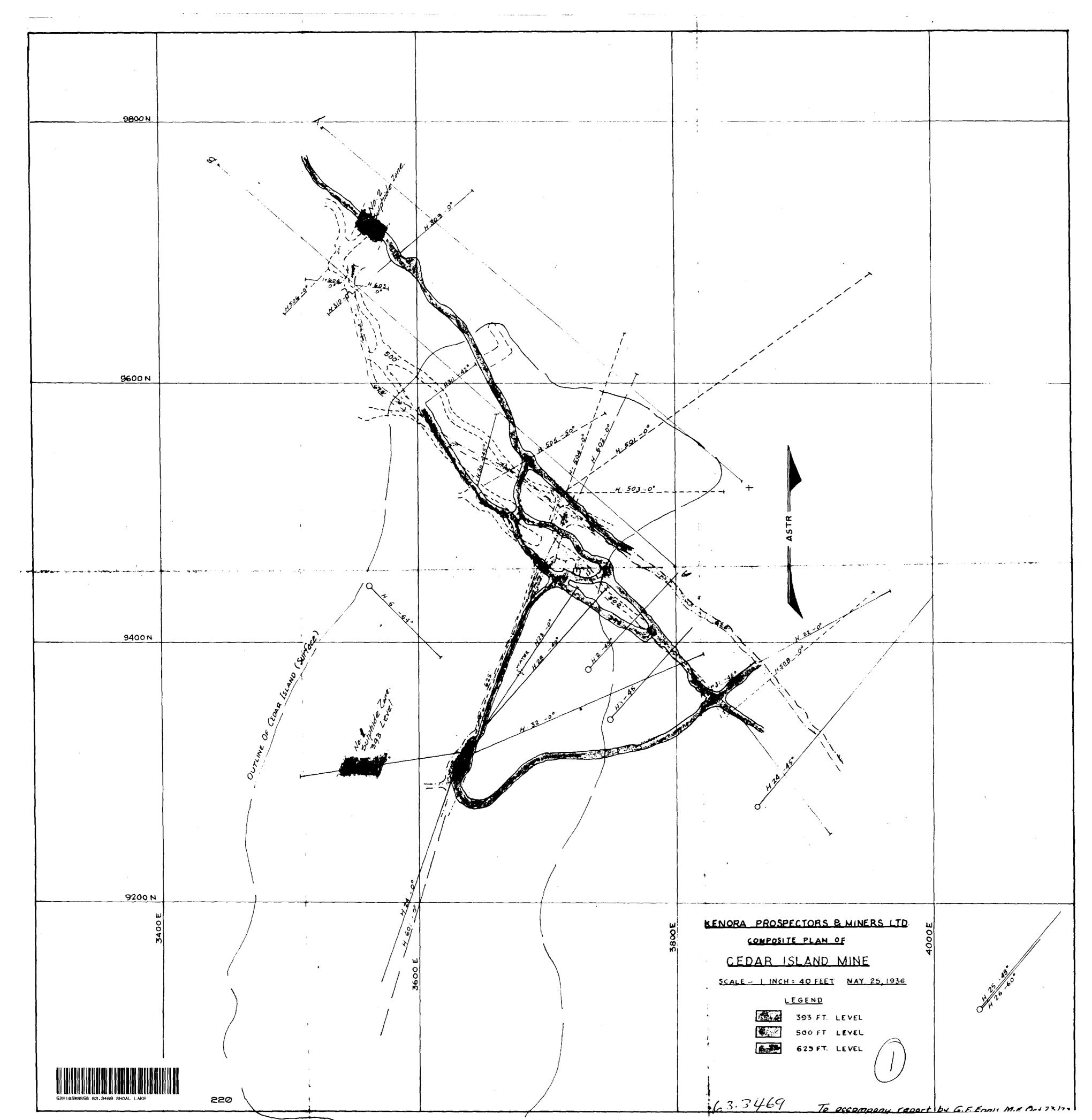
Expenditures incurred from May I 1963
to December 3I 1970

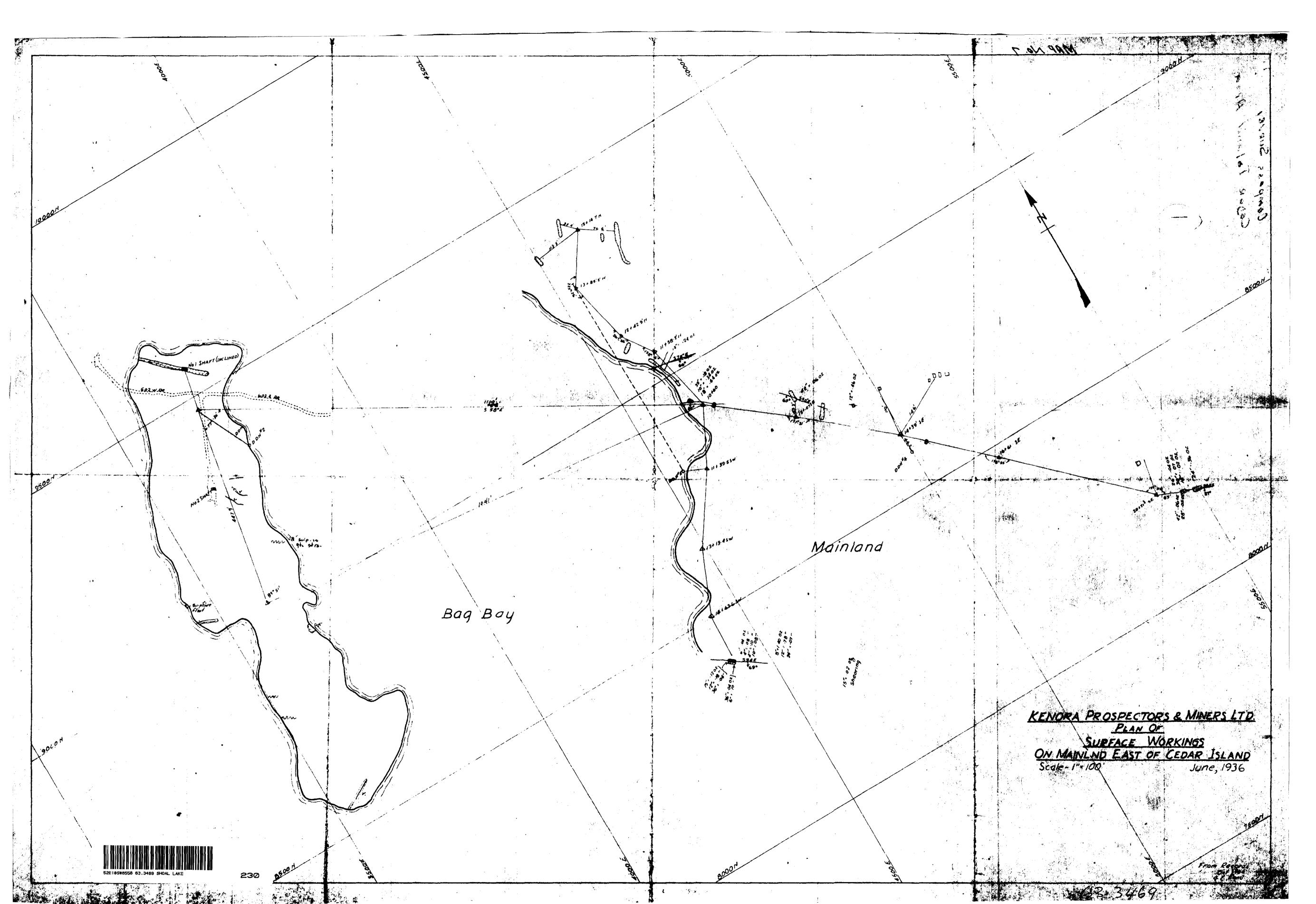
| | Period May I 1963 to Dec. 31 1969 \$ | Period Year ended Dec. 3I 1970 | Period May I 1963 t Dec. 3I 1970 |
|--|---|--------------------------------|---|
| Exploration Engineer's fees Staking expense Geophysical survey Mining licences, recording | 8,250.66 1,807.52 500.00 | | 8,250.00 I,807552 500.00 |
| fees and acreage taxes Mine office rent Equipment | 3,208 31 1,700.00 1,087.91 16,553.74 | 840.81 | 4,049.12 1,700.00 1,087.91 17,394.55 |
| Deduct contribution by participant in joint venture | 2,000,00 14,553.74 | 840.81 | 2,000,00 15,394.55 |
| Administrative Accounting services and office supplies Legal and audit fees Fee for supplementary letters patent Travelling expenses General expense | 4,066.53 5,121.77 1,135.00 3,895.51 681,92 14,900.73 | 151.00 151.00 | 4.066.53 5.121.77 1.135.00 3.895.51 832.92 15.051.73 |
| Deduct Proceeds from sale of timber Proceeds from option | 3,864.00 | 991.81 | 3.864.00 |
| granted by the Company to purchase patented property-the option was later abandoned by the optionee Proceeds of surrender of interest in mining claims | 500.00 | | 500.00 |
| by staking (nominal consideration) | 1.00 4,365.00 | • . | 1.00 4.365.00 |
| Net Expenditure | 25.089.47 | 991.81 | 26,081,28 |

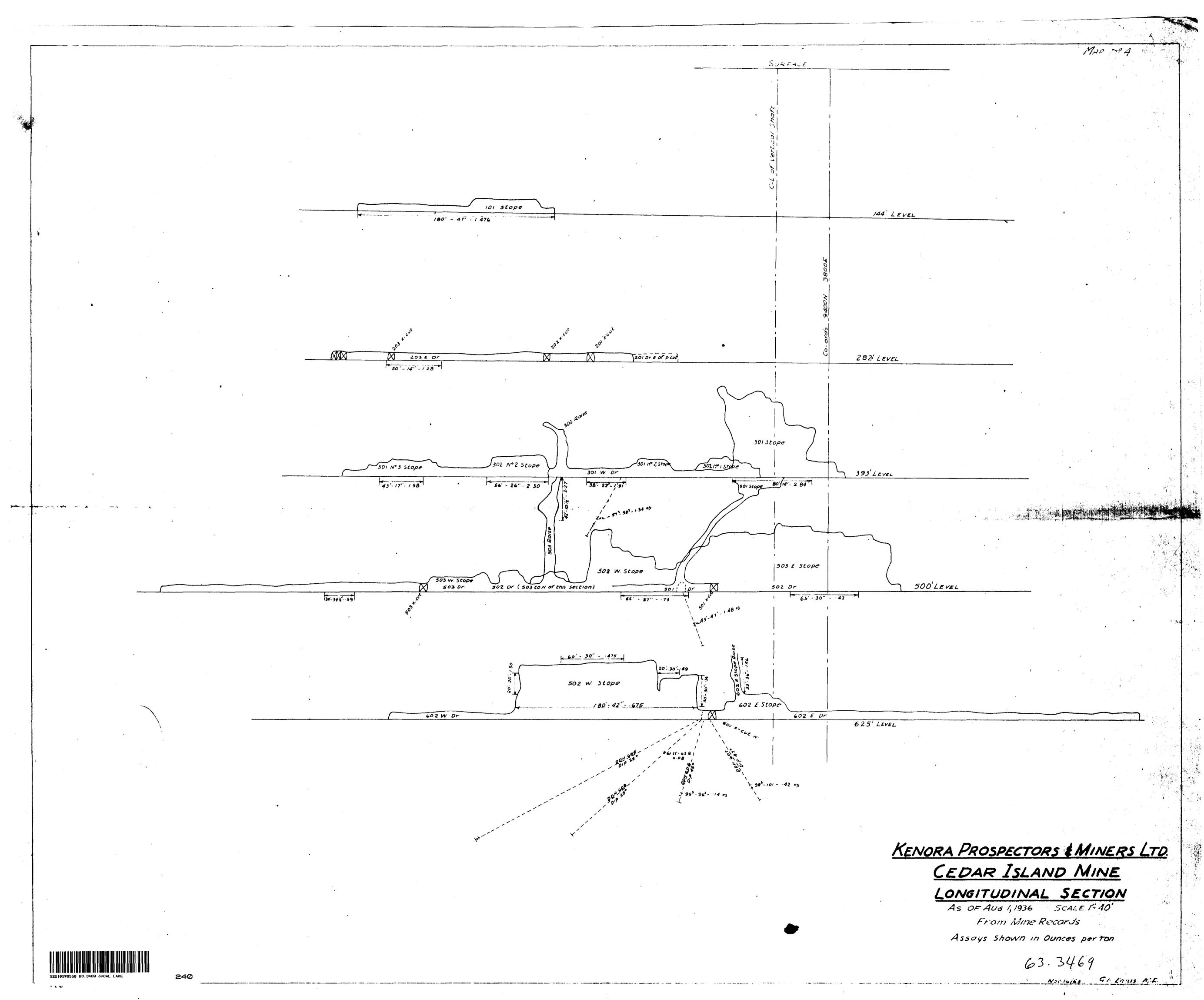
HP 450 SRO effective Sheal Rake M - 2339**ECHO** K.13467 (JJ Clytie Вау. 900 Loke K.618 GLASS 451 450 402305 K 5.178 33 33009 O YA 0.229 \$.185 0,200 ¿S. D 202 151 0.199 M.XI 932 X 0 ₽ 34690 • NORTH PART MCA2I ¶ s.120 Mochin Pt.

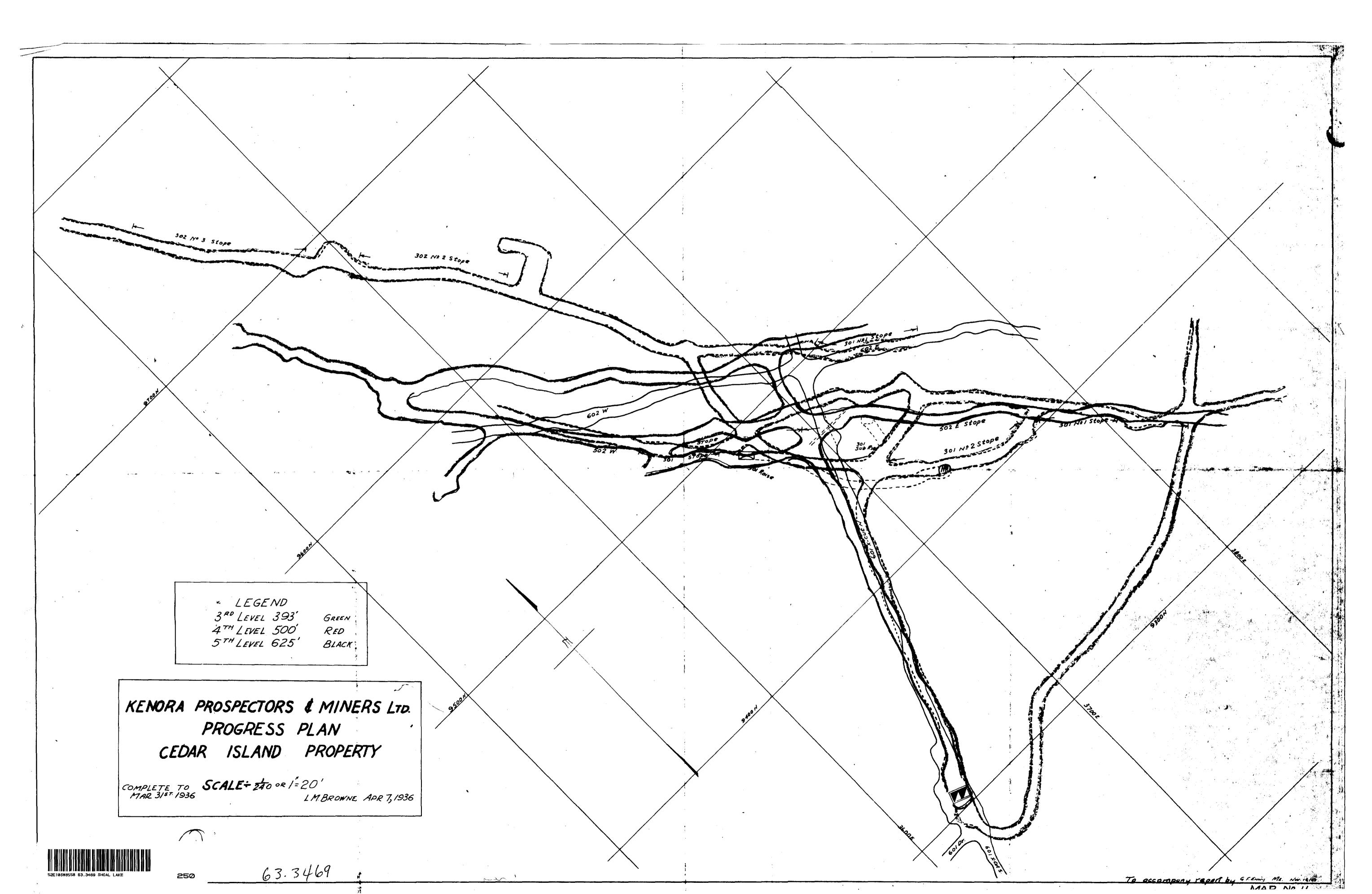


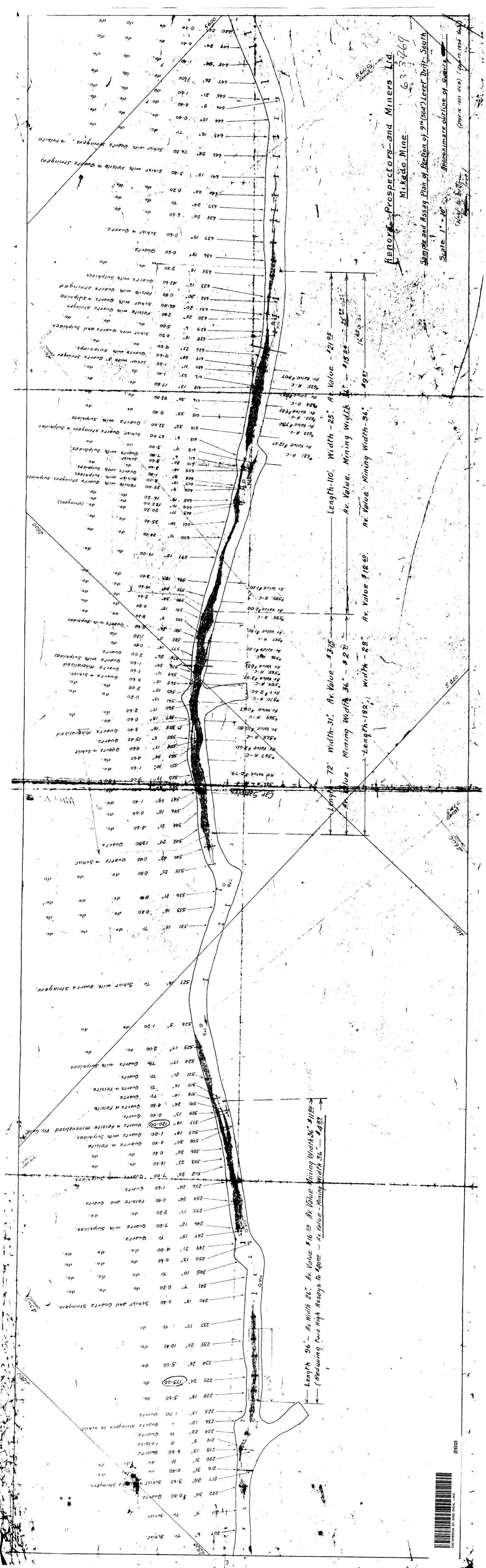












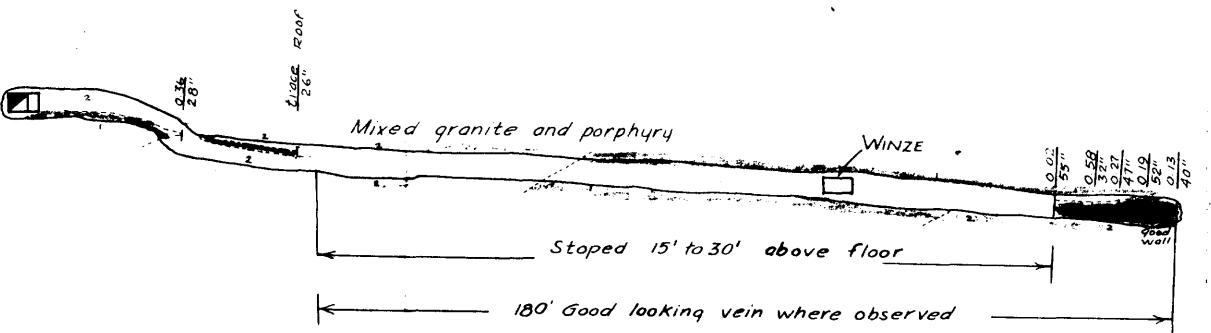
Vertical Shaft COMPOSITE PLAN KENORA PROSPECTORS & MINERS MIKADO MINE 1st. 2nd, 3rd & 4th Levels Scale:-lin=40ft. Apr. 1,1933

LEGEND

Vein - Quartz, dolomite, brecciated quartz porphyry and granite

Hornblende granite, peqmatite, and quartz porphyry

Greenstone (Altered Lavas)



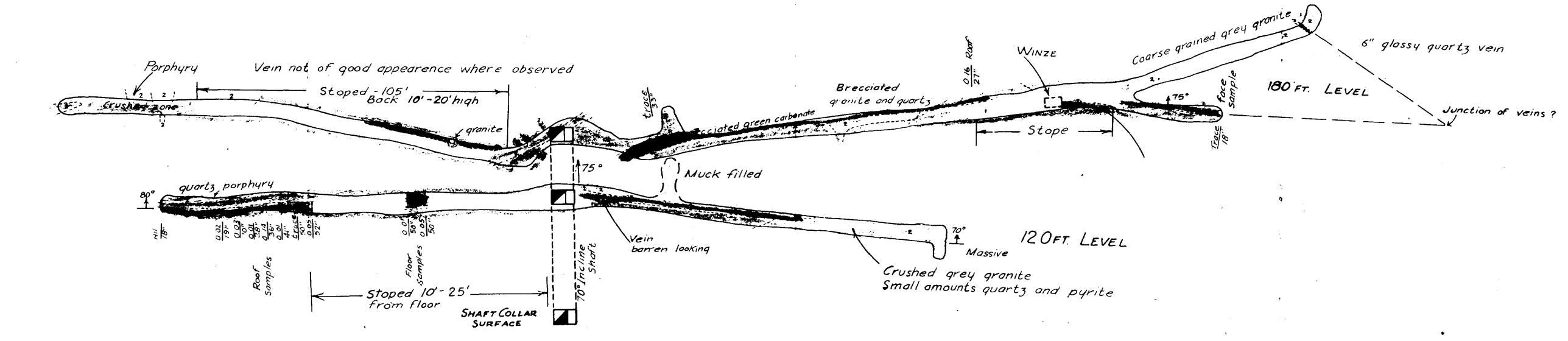
240 FT. LEVEL

Note: 240' LEVEL IS

vertically beneath 180' LEVEL

Shaft is vertical from 180' to 240' LEVEL

5 Proposed Science



PLAN 63.3469

No. 2 SHAFT WORKINGS

MIKADO MINE Scale - lin = 20ft Oct 23/73

Tracing after P.E. Hopkins 10/5/33

200

TO OCCOMPANY report by G.F. Ennis M.E.

