

52 J/02 SW (32)

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REPORT
ON THE PROPERTIES
OF
SILVERSIDE MINES LTD.

Montreal, Que.

April 19, 1971.

S U M M A R Y

Silverside Mines Ltd. is the owner of two properties in the Province of Ontario and some limited exploration has already been carried out on these.

The property in Lorrain township, Cobalt area, consisting of 12 claims is a silver prospect and exploration has been limited to prospecting and trenching. No further work is planned on this property for the present.

The other property is situated in the Sturgeon Lake area where a base metal orebody has been outlined by Mattagami Lake Mines Ltd. with production plans for 1972. In addition, a more recent discovery by Falconbridge Nickel Mines Ltd., some three miles distant, gives indication of a major mining camp. The property held by Silverside Mines Ltd. consists of 31 claims situated in a favorable geological environment between two claim groups held by Mattagami Lake Mines Ltd.

Preliminary exploration carried out on the property has consisted of airborne geophysical surveys followed by ground surveys that have outlined several conductive

zones that require further investigation. A program of exploration to include prospecting, geological mapping, followed by diamond drilling is recommended. The estimated cost of the initial program is \$22,800.00 with further expenditures dependent on results.

REPORT
ON THE PROPERTIES
OF
SILVERSIDE MINES LTD.

INTRODUCTION

Silverside Mines Ltd. is the owner of two separate properties in Ontario, one in Lorrain township and the other in the Sturgeon Lake Area. The Lorrain township property is a silver prospect while the Sturgeon Lake property is a base metal prospect. Present plans are to concentrate the Company's exploration on the Sturgeon Lake property.

The following report describes the properties held by Silverside Mines Ltd., together with plans for further exploration of the properties.

LORRAIN TOWNSHIP PROPERTY

PROPERTY AND LOCATION

The Lorrain township property consists of 11 patented and one leased claim, comprising approximately 480 acres.

The claims are registered with the Ontario Department of Mines as follows:

<u>Claim No.</u>	<u>Lot No.</u>	<u>Concession Acres</u>		
-	N $\frac{1}{2}$ 1	12	160	Patented
T 19202	NW $\frac{1}{4}$ S $\frac{1}{2}$ 1	12	40	"
T 25679	SE $\frac{1}{4}$ S $\frac{1}{2}$ 1	12	40	"
T 19096	SW $\frac{1}{4}$ S $\frac{1}{2}$ 1	12	40	"
T 46992	NW $\frac{1}{4}$ S $\frac{1}{2}$ 1	12	40	Leased
-	NW $\frac{1}{4}$ N $\frac{1}{2}$ 2	12	40	Patented
T 25684	SW $\frac{1}{4}$ S $\frac{1}{2}$ 2	12	40	"
T 25683	NW $\frac{1}{4}$ S $\frac{1}{2}$ 2	12	40	"
T 17968	SW $\frac{1}{4}$ N $\frac{1}{2}$ 2	12	40	"
			<u>480</u>	

The property is readily accessible from North Cobalt by a truck road which passes the south boundary of the property.

GEOLOGY

The Silverside property is largely covered with overburden but is believed to be almost entirely underlain by the Cobalt Series of sediments. The Nipissing diabase sill strikes across the north part of the property and there is evidence of gentle roll in the diabase in this area.

Since most of the silver in Cobalt has come from these sediments beneath the lower contact of the sill,

the geological environment found on the Silverside property can be regarded as favorable for silver deposition.

DEVELOPMENT

Substantial amounts of silver have been mined from the area around the Silverside property but due to overburden conditions the Silverside property has had very little development. Some prospecting, together with a little trenching, was done during the Cobalt boom but in general, overburden conditions prohibited prospecting.

CONCLUSIONS AND RECOMMENDATIONS

The property is situated in a favorable geological environment for silver deposition. However, in view of the overburden conditions and the somewhat uncertain conditions in the price of silver, it seems advisable to defer exploration on this property. The long term outlook for silver is good so the claims should be kept in good standing.

STURGEON LAKE PROPERTY

PROPERTY AND LOCATION

The Sturgeon Lake property consists of 31 claims of approximately 40 acres each, recorded on Plan No. M 2879 of the Department of Mines of Ontario and referred to as the Fourbay Lake Area, District of Kenora - Thunder Bay. The claims are registered with the Department of Mines under the following claim numbers, as shown on Map No. 1 accompanying this report.

PA 247201 to PA 247208 inclusive

PA 247213 to PA 247230 "

PA 244301 to PA 244305 "

The property is situated approximately five miles east of Highway 599 from Ignace to Savant, as shown on Map No. 1. Ignace is approximately 55 miles to the south. Float and ski equipped planes can also land in King Bay at the east end of the property.

HISTORY

The early exploration carried out in the area was largely for gold during the 1930's.

In 1969, Mattagami Lake Mines made a major discovery of a mixed metal deposit in the Sturgeon Lake area and production is planned by 1972. This sparked off considerable activity in the area and more recently Falconbridge Mines has made another discovery some three miles east of the original one.

GEOLOGY

The geology of the area is described in Geological Report No. 24, published by the Department of Mines of Ontario. Also, a more recent map, P 353, covering the Sturgeon Lake area was published in 1966.

From a study of this data and some earlier mapping of the area, together with an interpretation from Operation Overthrust, it is evident that the property is within a belt of volcanic rocks trending in a general east-west direction. The volcanic rocks include both andesite and rhyolite flows with some pyroclastics. The volcanic rocks in this area have been intruded by both basic and granitic rocks. The contact of a large granite mass lies just north and east of the Silverside property (See Map No. 2), while a small gabbro intrusive is mapped just south of

the property.

The Silverside property appears to be underlain almost entirely by volcanic rocks and a few east-west porphyry dykes have been mapped at the east end of the property. The volcanic rocks appear to include both basic and acid flows which include andesite, rhyolite and pyroclastics and there are indications that the property straddles an east-west contact.

Several mineral occurrences are known to the east of the Silverside property and these include both gold and copper.

DEVELOPMENT

There has been considerable activity in the area due to the ore discovery by Mattagami Lake Mines Ltd. and more recently the Falconbridge discovery. These discoveries were made through geophysics as the area is extensively covered with overburden. The Mattagami deposit was found from an airborne survey, followed by ground geophysics, while the Falconbridge discovery was made by ground geophysics only as the overburden mantle is believed to be too thick for airborne geophysics.

The Silverside property is situated between two claim groups held by Mattagami Lake Mines, as shown on Map No. 2 accompanying this report. It is known that both of the Mattagami groups were staked to cover airborne electromagnetic anomalies within the volcanic rocks.

A combined airborne electromagnetic and magnetic survey was carried out over the Silverside property by Scintrex Ltd. The results of this survey are shown on Map No. 2 and two separate electromagnetic anomalies were indicated in the survey.

A follow-up ground geophysical survey, including both electromagnetic and magnetic surveys, has been completed on the Silverside property. These surveys outlined two separate areas containing conductive zones trending in a general east-west direction. The interpretation of the geophysical data strongly suggests the presence of sulphide mineralization in the conductive zones.

CONCLUSIONS AND RECOMMENDATIONS

It is obvious from the two discoveries made to date in the area that this will be a major mining camp and there is every likelihood that other discoveries will be

made as the exploration is intensified.

The property held by Silverside Mines Ltd. is situated between two claim groups held by Mattagami Mines that are known to have airborne electromagnetic anomalies. Geophysical surveys carried out on the Silverside property has outlined several conductive zones within a favorable geological environment. The interpretation of the geophysical data suggests that sulphide mineralization may well be present in the zones.

In view of these results, further exploration is recommended for the Silverside property and this should consist of prospecting and geological mapping, followed by a diamond drilling program to investigate the conductive zones.

More specifically, the recommendations are as follows with estimated costs:

1. Prospecting and geological mapping with particular emphasis on the areas containing the conductive zones.

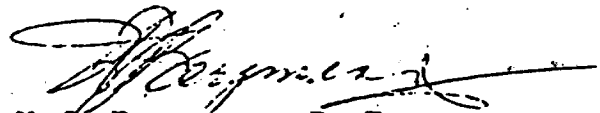
Estimated cost - \$5,000.00

2. Diamond drilling to investigate the anomalies outlined in the geophysical surveys, using the data from (1)

to determine priorities. Estimated cost - \$15,000.00.

The total estimated cost of the initial exploration program outlined above is \$20,000.00 and additional expenditures will depend on the results obtained.

Respectfully submitted,



H. J. Bergmann, P. Eng.

Montreal, Que.
April 19, 1971.

CERTIFICATE OF QUALIFICATION

I, H.J. Bergmann, of the City of Montreal, in the Province of Quebec, hereby certify:

1. That I am a Consulting Mining Engineer and reside at 3518 Vendome Ave., Montreal, Que.

2. That I am a registered Professional Engineer of the Provinces of Ontario and Quebec.

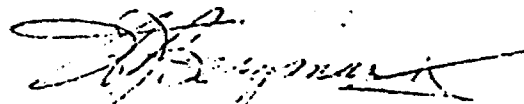
3. That I am a graduate of the University of Alberta and hold a Bachelor of Science degree in Mining Engineering.

4. That I have been practicing my profession as a Mining Engineer since 1938 and during the past seventeen years as a Consulting Engineer.

5. That I have no interest, either direct or indirect, in the property or securities of Silverside Mines Ltd. and do not expect to receive, either directly or indirectly, any interest in the securities of the Company.

6. That the accompanying report is based on a study of all documents and reports relating to the Company's property and exploration, as well as published maps and reports, together with the writer's personal experience in the areas.

Dated at Montreal this 19th
day of April, 1971.



H.J. Bergmann, P. Eng.

SILVERSIDE MINES LIMITED

Suite 901 - 159 Bay Street
Toronto, Ontario

COMMON SHARES
(No Par Value)



Registrar and Transfer Agent
CANADA PERMANENT TRUST COMPANY
1901 Yonge Street, Toronto, Ontario.

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OFFERING

This is a new offering of 1,000,000 shares consisting of 400,000 underwritten shares and 600,000 shares under option as follows :

<u>Firmly underwritten</u>	<u>Under option</u>	<u>Price per share</u>	<u>Net proceeds to Company*</u>	<u>Maximum price to public per share</u>
400,000		15 cents	\$ 60,000	18.75 cents
	200,000	25 cents	50,000	31.25 cents
	200,000	35 cents	70,000	43.75 cents
	<u>200,000</u>	50 cents	<u>100,000</u>	62.50 cents
<u>400,000</u>	<u>600,000</u>		<u>\$280,000</u>	

* Net proceeds to the Company will be reduced by the cost of this issue estimated at \$5,000. There is no obligation upon the Underwriter-Optionee and there is no assurance that any of the optioned shares will be purchased.

The Underwriter-Optionee with respect to shares of the Company purchased by it will offer same for sale through registered brokers acting as agents and who will be paid commissions similar to those charged by members of The Toronto Stock Exchange acting as agents in the sale of listed mining shares.

The purpose of this offering is to provide the Company with sufficient funds to defray its ordinary operating expenses and the costs of carrying out the exploration and development programmes recommended by its consulting engineers. See within under the headings "History and Business" and "Use of Proceeds".

Over the past three months the range of the Company's shares has been: low - 10¢ high - 19¢ on the "over-the-counter" market in Toronto.

THESE SECURITIES ARE SPECULATIVE

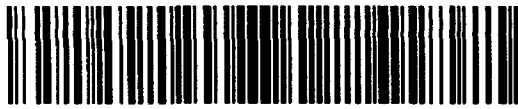
T.A. RICHARDSON & CO. LIMITED
19th Floor, 4 King Street West
Toronto 105, Ontario

for

UNDERWRITER-OPTIONEE
TARANCO COMPANY LIMITED
19th Floor, 4 King Street West
Toronto 105, Ontario

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

This Prospectus is dated June 4, 1971.



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HEAD OFFICE

The head office of Silverside Mines Limited (hereinafter referred to as the "Company") is located at Suite 901, 159 Bay Street, Toronto, Ontario.

HISTORY AND BUSINESS

The Company was incorporated on April 22, 1949 under Part IV of The Corporations Act (Ontario), to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits.

On March 31, 1960, the authorized capital was increased from 2,000,000 authorized shares with a par value of \$1 each to 4,000,000 shares with a par value of \$1 each and on June 4, 1971, all the authorized shares with a par value of \$1 each were changed into shares without par value.

Lorrain Township Properties

By an agreement dated April 25, 1949, the Company acquired from Hoyle Mining Company Limited, 25 King Street West, Toronto, Ontario, the mining property described as the north half of Lot 1, Concession 12, Township of Lorrain, in the District of Temiskaming, containing 160 acres more or less and recorded in the Office of Land Titles at Haileybury as Parcel 2556 in the register for Nipissing North Division and all mines and minerals which or shall be found on or under the same. The consideration was 225,000 shares of the Company and payment of \$212.73. The said 225,000 shares were issued free of escrow to William George Chipp, nominee of Hoyle Mining Company Limited. 81,500 of these shares were subsequently acquired by Alexander Daniel Hellens, a director of the Company.

By an agreement dated March 30, 1960, the Company acquired from Hellens Management & Development Company Limited, 159 Bay Street, Toronto, Ontario, 2 patented mining claims, namely: mining claims numbered T-25683 and T-25684 situated in the Township of Lorrain, Temiskaming Mining Division. The stated consideration for such purchase was \$3,000 together with 50,000 shares of the Company. Hellens Management & Development Company Limited accepted 30,000 shares of the Company in lieu of the payment of the sum of \$3,000 hereinbefore referred to. The only person having a greater than 5% interest in Hellens Management & Development Company Limited is Alexander Daniel Hellens, a director of the Company.

By an agreement dated March 30, 1960, the Company took an assignment from Voyager Explorations Limited, 159 Bay Street, Toronto, Ontario, of all its right, title and interest in and to an option agreement dated September 17, 1959 on mining claims located in Lorrain Township, Temiskaming Mining Division, consisting of 1 unpatented mining claim, namely: T-46992, and 1 patented mining claim, namely: T-25679. The parties to the option agreement were Waldo Brown, North Cobalt, Ontario, Optionor and A. D. Hellens, a director of the Company, Optionee. The option was exercised and the consideration of \$6,002 paid to the Optionor and in addition thereto (in accordance with the terms of the option agreement) 50,000 shares of the Company were issued to the Optionor. The consideration for the aforesaid assignment was the payment of 50,000 shares of the Company. So far as the signatories hereto are aware, the only person having a greater than 5% interest in Voyager Explorations Limited is Alexander Daniel Hellens, a director of the Company. The unpatented mining claim T-46992 was subsequently leased.

By an agreement dated March 30, 1960, the Company took an assignment from Voyager Explorations Limited, 159 Bay Street, Toronto

Eleven of the foregoing twelve claims are patented, and can be kept in good standing by payment of an annual tax of 50 cents per acre. The remaining claim is leased under a 21 year lease, renewable for succeeding 21 year terms, at an annual rental of 25 cents per acre.

Joutel Area Property

In September 1963, the Company acquired by staking at a cost of \$1,050, 17 contiguous unpatented mining claims situate in Sauve Township, in the Province of Quebec, and being claims 1 and 2 on Miner's Certificates Numbers 205351, 205352, 205353, 205354, 205360, 206087, 206088 and 206089 and claim 1 on Miner's Certificate Number 205355. Exploratory work was carried out on these claims at an approximate cost of \$24,000 but the results were negative and the claims have been allowed to lapse.

Sturgeon Lake Property

On October 27, 1970, the Company acquired from Donald McKinnon, 99 Hemlock Street, Timmins, Ontario for \$15,000 and 1% of the net smelter returns of ore mined or extracted therefrom 31 unpatented mining claims in the Sturgeon Lake area of the Province of Ontario being Nos. P.A. 244301 to 244305 inclusive, P.A.247201 to 247208 inclusive and P.A.247213 to 247230 inclusive. The claims are of approximately 40 acres each. The Company is not aware of any person or company who has received or is to receive from the said Donald McKinnon a greater than 5% interest in any consideration which has accrued or may accrue to him.

There is no surface or underground plant or equipment on the property and no underground exploration or development work has been carried out thereon. The property is situated approximately 5 miles east of highway 599 from Ignace to Savant. Ignace is approximately 55 miles to the south. Float and ski equipped planes can land in King Bay at the east end of the property.

The following is a summary of the relevant portions of a report dated April 19, 1971, by H.J.Bergmann, P.Eng. whose full report is available in the public files of the Ontario Securities Commission. Exploration, largely for gold, was carried out in the area during the 1930's. In 1969 Mattagami Lake Mines Limited made a major discovery of mixed metals deposit in the Sturgeon Lake area and production is planned for 1972. More recently, Falconbridge Nickel Mines Limited made another discovery 3 miles east of the original one. Several mineral occurrences are known to exist to the east of this property and include both gold and copper. A combined airborne electromagnetic and magnetic survey has been carried out over the property and two separate electromagnetic anomalies were indicated thereby. A follow-up ground geophysical survey has also been completed and outlined two separate areas containing conductive zones which strongly suggest the presence of sulphide mineralization. The writer recommends further exploration consisting of prospecting and geological mapping, followed by diamond drilling to investigate the conductive zones, at a total estimated cost of \$20,000.

Title is the usual title to unpatented mining claims enjoyed in the Province of Ontario when claims are held under Miner's Licence. To keep the mining claims in good standing during the first year after recording, 20 days work must be performed and recorded, 40 days work performed and recorded yearly for the next three years and 60 days work performed and recorded in the fifth year. Thereafter and after surveying, claims are required to be brought to 21 year lease in the ensuing year with annual rentals of \$1 per acre during the first year and 25¢ per acre annually thereafter. If a lease is for mining rights only the second and subsequent year's rental are at the rate of 10¢ per acre. Such leases are renewable for succeeding 21 year terms.

All of the properties in which the Company has an interest are without a known body of commercial ore and any work programme carried out thereon is an exploratory search for ore.

USE OF PROCEEDS

The net proceeds received by the Company from the sale of the underwritten shares are estimated at approximately \$55,000 after deducting the expenses of this offering estimated at \$5,000. There is no assurance that any of the 600,000 shares under option and referred to under the heading "Offering" will be purchased, but if all of the said shares are purchased, the Company will receive an additional \$220,000. The net proceeds will be used to retire the net liabilities of approximately \$27,000 which represent expenditures on airborne and ground geophysical surveys, line cutting, property examinations, acquisition of mining claims and general corporate expenses incurred during the two years and three months ended March 31, 1971; the balance will be used to defray the cost of the proposed development programme referred to under the heading "History and Business" and estimated at \$20,000. Excess monies will form part of the working capital of the Company to be used for current operating expenses. While the Company has no plans in this regard at the present time, monies in its Treasury, as available, may also be used to defray programmes of acquiring, staking, exploring and developing other claims either alone or in consort with others and to generally carry out explorational programmes as opportunity and finances may permit, but monies will not be expended on the Lorrain Township properties or on any other new claims acquired without an amendment to this prospectus being filed if the securities of the Company are then in the course of primary distribution to the public.

No indebtedness is to be created or assumed, other than in the ordinary course of business, which is not shown in the financial statements accompanying the Auditors' report to be found on pages 11 to 15 of this prospectus.

Monies will not be advanced to other companies except to the extent necessary to enable the Company to implement its exploration and development programme. 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, where the shares of the Company are qualified for sale. Should the Company propose to use the proceeds to acquire non-trustee type securities after primary distribution of its shares has ceased, approved by the shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the Company's securities.

OFFERING

The Company entered in an agreement dated April 27, 1971 with Taranco Company Limited (hereinafter referred to as "Taranco"), 4 King Street West, Toronto 1, Ontario, a registered underwriter, whereby Taranco on its own behalf agreed to purchase the following shares of the Company, namely :