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PROSPECTUS OF

MONARCH GOLD MINES LIMITED

(filed under the provisions of The Securities Act R.S.O. 1960, c. 363)

1. The full name of the Company is Monarch Gold Mines Limited (hereinafter referred to as 'the Company'). The head office of the Company is Suite 1326 - 67 Yonge Street, Toronto, Ontario.

2. The Company was incorporated under The Corporations Act (Ontario) 1953, by Letters Patent dated January 22, 1960.

3. The officers and directors of the Company are as follows:

<i>President and Director</i>	DAVID HERBERT BAIRD Mining Executive	445 Briar Hill Avenue, Toronto, Ontario.
<i>Vice-President and Director</i>	JOHN PHILLIPS McVITTIE Prospector	113 John Street, Bracebridge, Ontario.
<i>Secretary-Treasurer and Director</i>	CLIFFORD MARSHALL HAMES Barrister and Solicitor	Apt. 529 - 4000 Yonge St., Toronto, Ontario.

Dubuisson Goldfields Limited, Suite 1326 - 67 Yonge Street, Toronto, Ontario, is the promoter of the Company.

4. The auditor of the Company is John A. Seed, Chartered Accountant, 49 Chauncey Avenue, Toronto 18, Ontario.

5. The Registrar and Transfer Agent for the shares of the capital stock of the Company is Crown Trust Company, 302 Bay Street, Toronto, Ontario.

6. The authorized capital of the Company is 3,000,000 shares without par value, of which at the date hereof 1,245,004 shares are issued and fully paid up.

7. There are no bonds or debentures outstanding or proposed to be issued.

8. 543,500 shares of the issued shares of the capital stock of the Company are held in escrow with Crown Trust Company, 302 Bay Street, Toronto, Ontario, subject to release on the written consent of the Board of Directors of the Company and the Ontario Securities Commission, and subject to transfer, hypothecation or other alienation only with the written consent of the Ontario Securities Commission. Of the original escrowed shares 100,000 shares have been contributed by the holder thereof to a trustee, the said shares to be sold as set out in paragraph 14 hereof and the proceeds therefrom to accrue to the benefit of the treasury of the Company.

9. The shares sold for cash to date, the prices and the total cash received therefor are as follows:—

<u>No. of Shares</u>	<u>Price per Share</u>	<u>Consideration</u>
4	\$1.00	\$ 4.00
400,000	.10	40,000.00
11,000	.12½	1,375.00
93,000	.15	13,950.00

Total number of shares sold for cash to date — 504,004.

Total cash received therefor to date — \$55,329.00.

There were no commissions paid on the sale of the above shares.

10. No securities, other than shares, have been sold for cash to date.

11. No shares have been issued or are to be issued or cash paid, or is to be paid, to any promoter for services as such.

12. (a) By agreement in writing dated February 1, 1960, the Company acquired from Alan Hamilton Brown, 8 Baskerville Crescent, Toronto, Ontario, nine (9) unpatented mining claims in Ebbwstir Township, Port Arthur Mining Division, Province of Ontario, more particularly described as being Claim Numbers TB.92712-20 inclusive. Line-cutting and surveying at a cost of \$3,137.50 was carried out. The claims were subsequently permitted to lapse by the Company's previous management.

The consideration paid to Alan Hamilton Brown, aforesaid, for the property was the issuance to Alan Hamilton Brown of 715,000 shares of the Company, of which ninety per cent (90%) were escrowed shares, subject to the terms set out in paragraph 8 hereof and the sum of \$3,500.00, which has been paid.

To the knowledge of the signatories hereto, there was no other person who received or was entitled to receive a greater than five per cent (5%) interest in the consideration other than Alan Hamilton Brown, aforesaid. Dubuisson Goldfields Limited, Suite 1326 --- 67 Yonge Street, Toronto, Ontario, purchased 643,000 vendor shares all subject to the escrow provisions as set out in paragraph 8 hereof. Of these shares Dubuisson Goldfields Limited has contributed 100,000 shares to be held in trust by Clifford Marshall Hames, Barrister and Solicitor, aforesaid, for the benefit of the Company and the proceeds from the sale of these shares shall accrue to the treasury of the Company in the amount of \$15,000.00 if and when they are sold for which see paragraph 14 following. No other person or Company has a greater than five per cent (5%) interest in the said vendor consideration. At the date hereof the following persons or companies are the only persons or companies to the knowledge of the signatories hereto who own or are entitled to a greater than five per cent (5%) interest in the shares of Dubuisson Goldfields Limited:--

The Estate of Rene Chenevert, 598 Lonsdowne Avenue, Westmount, Quebec.

Dubuisson Mines Limited, address unknown and believed not to be in existence.

Eastern Trust Company, 134 St. James Street West, Montreal, Quebec, for the Estate of J. P. Norrie.

Harry Frank, New York City, N.Y.

Robert Potter, Matheson, Ontario.

Harold F. Taylor, 226A Christie Street, Toronto, Ontario.

Thomson & Company, a firm that is owned by Nesbitt, Thomson & Company Limited, 355 St. James Street West, Montreal, Quebec.

Alexander Black Carson, Apt. 213W --- 118 Montgomery Avenue, Toronto, Ontario.

(b) The Company on October 13, 1960, acquired from Robert Roy Elliott, 31 Brentcliffe Avenue, Toronto, Ontario, 25 unpatented mining claims covering approximately 1,365 acres in Ranges VIII and IX, Beauchastel Township, Province of Quebec, more particularly described as follows:--

Certificate 177444 --- Claims 1 - 8

Certificate 177443 --- Claims 1 - 2

Certificate 177442 --- Claims 1 - 2

Certificate 173507 --- Claims 1 - 3

Certificate 162567 --- Claims 1 - 5

Certificate 162569 --- Claims 1 - 3

Certificate 162568 --- Claims 1 - 2

No work was performed on these claims and they were subsequently permitted to lapse by the Company's previous management.

The consideration for the acquisition of the claims was the sum of \$8,500.00, which has been paid.

To the knowledge of the signatories hereto, there were no other persons who received or were entitled to receive a greater than five per cent (5%) interest in the consideration, other than Robert Roy Elliott aforesaid.

(c) By an agreement in writing dated August 2, 1962, the Company acquired from Bruce McCallum Arnott, Apartment 709 --- 1001 Lawrence Avenue East, Don Mills, Ontario, a working option to purchase for a company to be formed, 15 unpatented mining claims on the south part of Black Bay Peninsula, Port Arthur Mining Division, Province of Ontario, which claims are more particularly described as being Claim Numbers TB.99692, TB.103479-82 inclusive and TB.103484-93 inclusive.

The consideration paid to Bruce McCallum Arnott, aforesaid, for the granting of the working option was the sum of \$2,500.00 (which sum was paid) and the issuance of 10,000 treasury shares of the Company. The Company covenanted to perform a minimum of 1,000 feet of diamond drilling on the said claims before October 1, 1962. The above consideration and covenant gave the Company a working option in good standing until May 17, 1963 (extended to November 15, 1963) to explore and develop the said claims as extended. In order to exercise the working option the Company had to perform an additional 1,500 feet of diamond drilling before November 15, 1963, and also on or before that date cause to be issued to Bruce McCallum Arnott.

aforsaid, 300,000 shares (of which ninety per cent would have been escrowed shares subject to the escrow provisions of the various securities commissions) of a company to be formed with an authorized capital of 3,000,000 shares, which company would then have owned the said claims outright. Drilling results proved inconclusive and the working option agreement was permitted to lapse.

To the knowledge of the signatories hereto, Bruce McCallum Arnott aforsaid was the only person who received or was entitled to receive a greater than five per cent (5%) interest in the consideration aforsaid.

(d) On the 14th of February, 1963, the Company caused seven claims to be staked in the Township of Cadillac, Province of Quebec, for a consideration of \$201.55. The claims were known as Certificate 201279, Claims 1 - 4 inclusive, and Certificate 201280, Claims 1 - 3 inclusive. Exploration and development work carried out on surrounding property did not produce results which warranted the Company retaining the claims and they were, therefore, permitted to lapse.

(e) On the 22nd day of July, 1963, the Company acquired a ten per cent interest in twenty-five claims in the Township of Galinee, County of Abitibi, Province of Quebec, from David Herbert Baird aforsaid for a cost of \$200.00. The claims are more particularly known as Certificate 196851, Claims 1 - 5 inclusive, Certificates 10611-3, Claims 1 - 5 inclusive and Certificate 10617, Claims 1 - 5 inclusive. A survey was carried out on the claims at a cost of \$500.00 to the Company. On the 24th of September, 1964, an exclusive right to option and purchase the claims was granted to Selco Exploration Company Limited, 77 York Street, Toronto, Ontario, for a period of two years and three months. To keep the option in good standing the optionee must commit itself before March 24, 1965, to perform 3,000 feet of diamond drilling and also pay the Company the sum of \$1,200.00 on or before this date. If the optionee acquires the claims, it must do so before the 24th of December, 1966, and for a company to be incorporated with an authorized capital of 5,000,000 shares, of which the Company will receive 50,000 shares all free from escrow. Selco Exploration Company Limited is a wholly-owned subsidiary of Selection Trust, a company incorporated and carrying on business in the United Kingdom and the owners thereof are unknown to the signatories hereto.

(f) On January 6, 1965, for a consideration of the reimbursement of the sum of \$570.20 -- 10,000 shares of the Company free from escrow, to be issued to Bruce McCallum Arnott aforsaid, and a share consideration of the company which may acquire the claims, Bruce McCallum Arnott and David Herbert Baird assigned to the Company a working option agreement they had entered into with John Donner, 98 Balmoral Place, Winnipeg, Manitoba, on the 11th day of December, 1964, under which they had a sole and exclusive working option until December 31, 1966, to acquire the following fifteen (15) unpatented claims:-- Claims Pa.32080-8 inclusive and Pa.32144-9 inclusive, all in the Township of Jutten, Patricia Mining Division, Province of Ontario. In order to keep the option agreement in good standing, the Company must pay John Donner \$1,000 on or before the 1st of May, 1965; \$3,500 on or before the 31st of December, 1965; and \$15,000 on or before the 31st of December, 1966, and in order to acquire the claims the Company must, on or before the 31st of December, 1966, issue 200,000 shares to John Donner, 87,500 shares to Bruce McCallum Arnott and 87,500 shares to David Herbert Baird (all 375,000 shares being 90% escrowed, subject to the prevailing regulations of the appropriate security governing bodies), of a newly incorporated company which will have an authorized capital of 3,000,000 shares, and which company will then own the claims.

There are no other persons, except as aforsaid, in the preceding paragraph, who have received or are entitled to receive or may receive a greater than five per cent interest in any consideration paid or which may be paid.

13. Reference is made to the report of Ross Kidd, P.Eng., dated the 30th day of January, 1965, as to the means of access to, known history and the character, extent and condition of previous surface or underground exploration and development work done on the Company's property described in paragraph 12(f) of this prospectus. The present management has not to date done any work or made any improvements on the said property. There is no surface or underground plant or equipment on the Company's property at the date hereof.

14. Under an underwriting-option agreement dated the 8th day of February, 1965, Thomson, Kernaghan & Co., Ltd., 365 Bay Street, Toronto, Davidson & Company, 25 Adelaide Street West, Toronto, and E. H. Pooler & Co., Limited, 302 Bay Street, Toronto, all members of the Toronto Stock Exchange and all on behalf of clients (hereinafter referred to as 'the underwriters-optionees') underwrote 200,000 shares of the capital stock of the Company at 10 cents per share to be taken down and paid for within 3 days of the date when the capital stock of the Company is qualified for primary distribution with the Ontario Securities Commission (which date is hereinafter referred to as 'the effective date'). In consideration of this underwriting, the underwriters-optionees aforsaid were granted the following options on shares of the capital stock of the Company:--

200,000 shares at 10 cents per share to be taken down and paid for within 6 months of the effective date;

200,000 shares at 15 cents per share to be taken down and paid for within 9 months of the effective date;

200,000 shares at 20 cents per share to be taken down and paid for within 12 months of the effective date; and

200,000 shares at 25 cents per share to be taken down and paid for within 15 months of the effective date.

The underwriters-optionees have agreed that before they exercise all or any part of 200,000 shares at 15 cents per share set out above that they will purchase all or any part of 100,000 shares at 15 cents per share of the contributed escrowed vendor stock as set out in paragraph 12(a) hereof from the trustee who holds the shares for the benefit of the treasury of the Company.

There are no sub-option or sub-underwriting agreements outstanding or proposed to be given.

Provided in the event of default by the underwriters-optionees, through failure to exercise an option in the amount of shares, at the price and at the time above set forth, then the option with respect to which default is made and all remaining options shall be terminated and at an end, and the underwriters-optionees shall have no further right than to receive delivery of certificates representing shares paid for prior to default. In the event of default an amending statement will be filed within twenty (20) days of the date of such default if the shares of the Company are then in the course of primary distribution.

The clients of Thomson, Kernaghan & Co., Limited referred to above are JOHN FRANCIS WILLIS, 305 Lawrence Avenue East, Toronto, JOHN GEORGE STEEN, 17 Hill Crescent, Scarborough, and FREDERIK CARMICHAEL WOOLLEY, 43 Bennington Heights Drive, Toronto.

The clients of Davidson & Company referred to above are Rocco MARCELLO, Apt. 801 — 35 Thorncliffe Park Drive, Toronto, EUGENE JOSEPH SCANLON, 1 Humber Trail, Toronto, and DAVID HERBERT BAIRD, aforesaid.

The clients of E. H. Pooler & Co., Limited referred to above are NORMAN ROBINSON, 22 Rose Park Crescent, Toronto, KENNETH HALL McVITTIE, 1240 Avenue Road, Toronto, and EAST HARLING INVESTMENTS LIMITED and NORFIFE INVESTMENTS LIMITED, both with offices at 302 Bay Street, Toronto, and owned respectively by Gordon Gayford, 48 Inglewood Drive, Toronto, and John Evans, 16 Fifeshire Road, Willowdale.

15. Reference is made to the report of Ross Kidd, P.Eng., dated the 30th day of January, 1965, and attached hereto as to future development and exploration plans of the Company. The management proposes to expend the proceeds from the current sales of securities in carrying out the recommendation set forth in the said report with reference to the Company's property set out in paragraph 12(f) hereto and also for current operating expenses of the Company. If any shares of other companies with similar objects are purchased by the Company, an amendment with the Ontario Securities Commission will be filed prior to such purchase.

16. The Company has been incorporated for more than one year.

17. No indebtedness is to be created or assumed which is not shown in the Balance Sheet of the Company dated the 31st of December, 1964, as reported on by John A. Seed, Chartered Accountant, aforesaid, which is attached to and forms part of this prospectus.

18. (i) The principal business in which each director or officer has been engaged during the last three years is as follows:—

DAVID HERBERT BAIRD has been engaged as a prospector and mining executive with offices at Suite 1326 — 67 Yonge Street, Toronto, Ontario, for more than the past three years and is associated with Dubuisson Goldfields Limited, Sirmac Mines Limited and Montegle Minerals Limited;

JOHN PHILLIPS McVITTIE has been engaged as a prospector at 113 John Street, Bracebridge, Ontario, for more than the past three years and is associated with Bracemac Mines Limited, Sirmac Mines Limited and Dubuisson Goldfields Limited; and

CLIFFORD MARSHALL HAMES, in practice for himself with offices at Suite 1500 — 372 Bay Street, Toronto, Ontario, has been a Barrister and Solicitor for more than the past three years.

(ii) No director or officer of the Company, either personally or as a partner in a firm, has ever had any interest direct or indirect in any property acquired or to be acquired by the Company, except for the shares which David Herbert Baird aforesaid will receive after the option agreement set out in paragraph 12(f) is fully exercised, with reference to his interest in the said agreement.

(iii) The Company did not pay any remuneration to directors as such during the last financial year but issued to David Herbert Baird aforesaid in satisfaction of management services 10,000 shares issued at a valuation of 10 cents per share and to Clifford Marshall Hames aforesaid 6,000 shares in satisfaction for legal services rendered the Company, which shares were issued at a valuation of 10 cents per share.

(iv) During the current financial year the Company does not intend paying any remuneration to directors or officers as such.

19. The Company has not paid any dividends to date.

20. Dubuisson Goldfields Limited aforesaid by reason of beneficial ownership of shares of the Company as described in paragraph 12(a) hereof is in a position to elect or cause to be elected a majority of the directors of the Company.

21. There is no arrangement for the sale of vendor shares. The 10,000 shares issued to Bruce McCallum Arnott pursuant to paragraph 12(f) and the shares issued for services performed pursuant to paragraph 18(iii) will be offered under this prospectus but the proceeds therefrom will not accrue to the treasury of the Company.

22. The Company has purchased the following investments and its present intention is to retain the same:--

\$6,000.00 General Motors Acceptance Corporation bonds 6½% due March 15, 1975, at a cost of	\$6,452.10
7,000 shares Mirado Nickel Mines Limited at a cost of	1,010.00
20,000 shares (10,000 escrowed) Sirmac Mines Limited at a cost of	1,000.00
5,000 shares Headway Red Lake Mines Limited at a cost of	852.50
	<hr/>
	\$9,314.60

To the knowledge of the signatories hereto there are no other material facts not disclosed in the foregoing.

DATED this 12th day of February, 1965.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required under 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.

DIRECTORS

DAVID HERBERT BAIRD

JOHN PHILLIPS McVITTIE

Per: CLIFFORD MARSHALL HAMES, Attorney

CLIFFORD MARSHALL HAMES

PROMOTER

DUBUISSON GOLDFIELDS LIMITED

Per: CLIFFORD MARSHALL HAMES

To the best of our knowledge, information and belief, 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 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

UNDERWRITERS-OPTIONEES

THOMSON, KERNAGHAN & CO., LTD.

DAVIDSON & COMPANY

Per: F. C. WOOLLEY

Per: JOHN C. LABBETT

E. H. POOLER & CO., LIMITED

Per: J. J. C. EVANS

MONARCH GOLD MINES LIMITED

Balance Sheet as at December 31, 1964

ASSETS

Investments at cost			
\$6,000.00 General Motors Acceptance Corporation bonds 6½% due March 15, 1975 (market value \$6,300.00)		\$ 6,452.10	
7,000 shares Mirado Nickel Mines Limited (market value \$490.00)		1,010.00	
20,000 Sirmac Mines Limited (market value — 10,000 escrowed — nil 10,000 free \$1,700.00)		1,000.00	
5,000 Headway Red Lake Mines Ltd. (market value \$850.00)		852.50	\$ 9,314.60
Mining Properties			
10% interest in 25 claims Township of Galinee, County of Abitibi, Province of Quebec acquired for cash			200.00
Furniture and fixtures at cost			153.50
Deferred expenses as per attached			26,947.41
Organization expenses			1,958.50
			<u>\$38,574.01</u>

LIABILITIES

Bank overdraft			\$ 1,076.66
Bank loan			600.00
Accounts payable			20.50
Capital			
Authorized 3,000,000 shares no par value			
Issued and fully paid			
For properties 725,000 shares no par value		\$72,500.00	
For cash 504,004 shares no par value		55,329.00	
For services 16,000 shares no par value		1,600.00	\$129,429.00
Deficit			
Loss on investment transactions		\$ 96.40	
Mining claims abandoned			
1. 9 unpatented claims in Township of Elmhirst, Port Arthur Mining Division, Province of Ontario acquired for a con- sideration of \$3,500.00 in cash and 715,000 shares of the capital stock of the company valued at 10¢ per share	\$75,000.00		
2. 25 unpatented mining claims in the Township of Beauchastel, Province of Quebec acquired for cash	8,500.00		
3. Option on 15 unpatented mining claims, Black Bay Penin- sula, Port Arthur Mining Division, Province of Ontario	3,500.00		
4. 7 claims Township of Cadillac, Province of Quebec acquired for cash	201.55		
Write off of exploration expenses	5,254.20	92,455.75	92,552.15
			<u>36,876.85</u>
			<u>\$38,574.01</u>

Approved on behalf of the Board:

JOHN PHILLIPS McVITTIE, Director.

CLIFFORD MARSHALL HAMES, Director.

AUDITOR'S REPORT

I have examined the balance sheet of Monarch Gold Mines Limited as at December 31, 1964 and the related statements of exploration and administrative expenses for the period January 22, 1960 to December 31, 1964 and have obtained all the information and explanations I have required. My examination included such a review of accounting records as I considered necessary in the circumstances.

I report, that in my opinion, the above balance sheet and accompanying statements of exploration and administrative expenses, subject to the notes attached, are properly drawn up in accordance with generally accepted principles applied on a basis consistent with that of the previous year so as to present fairly the financial position of Monarch Gold Mines Limited as at December 31, 1964 and the results of its operations for the period ended on that date.

Toronto, Ontario,
February 12, 1965.

J. A. SEED,
Chartered Accountant.

MONARCH GOLD MINES LIMITED

Notes to Balance Sheet December 31, 1964

1. 100,000 shares were donated August 14, 1962 to the Company to be held by a trustee for the benefit of the Company. These shares, when sold, will net the treasury 15¢ per share.
2. By option agreement dated September 24, 1964 between D. H. Baird and Selco Exploration Company Limited, Monarch Gold Mines Limited may receive from Selco Exploration Company Limited \$1,200.00 on or before March 24, 1965 re the interest of Monarch Gold Mines Limited in 25 claims Township of Galinee, County of Abitibi, Province of Quebec and 50,000 shares of a company which may be formed by Selco Exploration Company Limited on or before December 24, 1966 if Selco Exploration Company Limited is to acquire the claims on or before that date.
3. On January 6, 1965, for a consideration of the reimbursement of the sum of \$570.20 and 10,000 shares of Monarch Gold Mines Limited free from escrow, to be issued to Bruce McCallum Arnott, and a share consideration of the company which may acquire the claims, Bruce McCallum Arnott and David Herbert Baird assigned to Monarch Gold Mines Limited a working option agreement they had entered into with John Donner, 98 Balmoral Place, Winnipeg, Manitoba, on the 11th day of December, 1964, under which they had a sole and exclusive working option until December 31, 1966, to acquire fifteen unpatented claims in the Township of Jutten, Patricia Mining Division, Province of Ontario. In order to keep the option agreement in good standing, Monarch Gold Mines Limited must pay John Donner \$1,000.00 on or before the 1st of May, 1965; \$3,500.00 on or before the 31st of December, 1965 and \$15,000.00 on or before the 31st of December, 1966, and in order to acquire the claims, Monarch Gold Mines Limited must, on or before the 31st of December, 1966, issue 200,000 shares to John Donner, 87,500 shares to Bruce McCallum Arnott and 87,500 shares to David Herbert Baird (all 375,000 shares being 90% escrowed, subject to the prevailing regulations of the appropriate security governing bodies), of a newly incorporated company which will have an authorized capital of 3,000,000 shares, and which company will then own the claims.
4. By agreement dated February 8, 1965 between Monarch Gold Mines Limited and Davidson & Company, Thomson Kernaghan & Co. Ltd. and E. H. Pooler & Co. Limited on behalf of clients, Monarch Gold Mines Limited agreed to sell and Davidson & Company, Thomson Kernaghan & Co. Ltd. and E. H. Pooler & Co. Limited agreed to buy 200,000 shares at 10¢ per share of the capital stock of the Company within 3 days of the date of acceptance (hereinafter called the effective date) for filing by the Ontario Securities Commission of the Company's prospectus. The Company also granted options on the Company's capital stock as follows:
 - 200,000 shares at 10¢ per share exercisable within 6 months of the effective date
 - 200,000 shares at 15¢ per share exercisable within 9 months of the effective date
 - 200,000 shares at 20¢ per share exercisable within 12 months of the effective date
 - 200,000 shares at 25¢ per share exercisable within 15 months of the effective date

MONARCH GOLD MINES LIMITED

STATEMENT OF ADMINISTRATIVE AND EXPLORATION EXPENSES JANUARY 22, 1960 TO DECEMBER 31, 1964

	<u>January 22, 1960 to December 21, 1963</u>	<u>Year Ended December 31, 1964</u>	<u>Total</u>
ADMINISTRATIVE			
Bank charges	\$ 12.05	\$ 45.57	\$ 57.62
Directors fees and salaries	435.00	1,000.00	1,435.00
Government fees	800.00		800.00
Legal and audit	3,651.40	970.00	4,621.40
Office rent	100.00		100.00
Postage, printing and stationery	1,901.62	29.47	1,931.09
Share register and transfer	1,436.58	159.90	1,596.48
Telephone	170.45		170.45
Travel	185.00		185.00
	<u>\$ 8,692.10</u>	<u>\$2,204.94</u>	<u>\$10,897.04</u>
Less interest income	573.25	390.00	963.25
Total Administrative	<u>\$ 8,118.85</u>	<u>\$1,814.94</u>	<u>\$ 9,933.79</u>
 EXPLORATION			
Claims register and transfer	\$ 300.00	\$ 30.00	\$ 330.00
Drilling	8,969.23		8,969.23
Engineers reports and fees	5,265.83		5,265.83
Maps, abstracts and assays	357.98		357.98
Miscellaneous	85.00		85.00
Line cutting and surveys	1,131.50	500.00	1,631.50
Travel	374.08		374.08
	<u>\$16,483.62</u>	<u>\$ 530.00</u>	<u>\$17,013.62</u>
Total Exploration	<u>\$24,602.47</u>	<u>\$2,344.94</u>	<u>\$26,947.41</u>

REPORT ON SAVANT LAKE PROPERTY

MONARCH GOLD MINES LIMITED

Jutten Township, Savant Lake Area, Ontario

INTRODUCTION

Monarch Gold Mines Limited hold the property under option from John Donner, of Winnipeg, Manitoba.

A silver-gold-lead-zinc showing occurs on the property. This report describes the results of an examination of the showing and of the information published on the area during January, 1965.

PROPERTY

The property contains 15 contiguous unpatented mining claims located on Savant Lake in the west-central section of Jutten Township. The claims are tagged, and are numbered Pa 32080 to Pa 32088 inclusive, and Pa 32144 to Pa 32149 inclusive.

The property may be easily reached by air from air bases at Sioux Lookout, or it can be reached in winter by an 8 mile motor toboggan route from Mile 21 on the Savant Lake - Pickle Crow road.

There is a trapper's cabin on the claims which is habitable for up to six men.

WORK DONE

The showing on the claims was probably discovered during the late 1920's or early 1930's, when the Patricia district received its most intensive prospecting. Since that time three pits were put down along the showing (now largely fallen in) and four old X-ray drill setups can be discerned near the showing. None of the results of this work are filed with the Ontario Department of Mines.

It is unlikely that any thorough geophysical work has been done on the claims, since there are no old picket lines visible.

GENERAL GEOLOGY

The regional geology is shown on Map No. 37j of the Ontario Department of Mines. The property is shown as underlain by undifferentiated greenstones and sediments which strike about N45°E and dip 65° to 80° to the southeast. These rocks occupy part of the east limb of a syncline which is subsidiary to the main Savant Lake synclinorium. A large granite batholith lies immediately south and east of the claim group.

SHOWING

The showing is located in the northeast corner of Claim Pa 32080. According to Map No. 37j, it lies on the inferred location of a volcanic-sedimentary contact.

The showing is a short sulfide lens in a shear zone. The shear is about 4 feet wide and strikes N60°E and dips about 80° south. The sulfide lens is about 15 feet in length and from 1 to 3 feet wide. The mineralization is largely pyrite, with accompanying sphalerite and galena. The pyrite and sphalerite occupy bands along the main shear direction, while the galena occupies fractures transverse to the shear planes. Total sulfide content is about 25%.

Three chip samples taken across the central 10 foot length of the lens assayed as follows:

Sample No.	Width	Silver ozs.	Gold ozs.	Lead %	Zinc %
1	2.5'	19.5	0.06	1.75	2.50
2	3.0'	9.0	0.10	0.83	1.70
3	2.0'	26.2	0.02	2.81	0.96

There appears to be a silver-lead ratio of about 10 ounces silver to 1% lead. This is much higher than is normal in Precambrian sulfide deposits. This silver content is most interesting economically.

The sulfide lens itself is too small to be of any economic importance, but it does have importance as an indicator of the type of silver-rich mineralization which occurs in the area.

SUMMARY

- A. The showing is too small to be of economic interest itself.
- B. Its silver content is unusually high, however, and because of this it has importance as an indicator of the type of mineralization which occurs in the area.
- C. The mineralization was tested and found to be electrically conductive and magnetically without increase.

CONCLUSIONS

1. The property warrants geophysical exploration for other and larger bodies of the type of sulfide mineralization known to occur.

RECOMMENDATIONS

1. An area of about one mile by $\frac{1}{2}$ mile, with the known sulfide lens at its centre, should be gridded by picket lines. These lines should be cut across the rock trends at 300 foot intervals.
2. A detailed electromagnetic survey of this area should then be carried out.
3. Any conductive zones found should be prospected, trenched, or drilled.

COST ESTIMATE

The linecutting and geophysical work would require about \$2,500.

A sum of about \$10,000 should be arranged to pay for the follow-up work on any conductors found.

Toronto, Ontario
January 30th, 1965

ROSS KIDD, P.Eng.
Mining Engineer

CERTIFICATE

I, Ross Kidd, of the City of Toronto in the Province of Ontario, do hereby certify:

1. I am a consulting mining engineer, residing at 15 Lynwood Avenue, Toronto 7, Ontario.
2. I am a graduate of the University of Toronto in Mining Engineering, 1949.
3. I have been practising my profession since graduation.
4. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the property or securities of Monarch Gold Mines Limited.
5. The statements contained in this report are based upon a visit to the property in January, 1965, together with "Report on the Savant Lake Area" by E. S. Moore (with Map 37j), of the Ontario Department of Mines.

Toronto, Ontario
January 30th, 1965

ROSS KIDD, P.Eng.