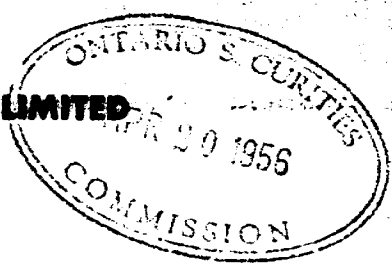




LENWOOD MINING AND EXPLORATIONS LIMITED

Scholes Township

Prospectus



Lease

FOR FILING AND AS FILED WITH THE ONTARIO SECURITIES COMMISSION
PURSUANT TO THE SECURITIES ACT (ONTARIO)

1. LENWOOD MINING AND EXPLORATIONS LIMITED (hereinafter called "the Company") was incorporated under the provisions of the Companies Act (Ontario) by Letters Patent dated May 21st, 1953, as Marian River Uranium Mines Limited (No Personal Liability). By Supplementary Letters Patent dated February 24th, 1954, the name of the company was changed to Manilake Mines Limited (No Personal Liability). By further Supplementary Letters Patent dated February 24th, 1956, the name of the company was again changed to Lenwood Mining and Explorations Limited. The head office of the Company is located at Suite 34, 25 Melinda Street, Toronto, Ontario.

2. (a) OFFICERS AND DIRECTORS:	NAME IN FULL AND OCCUPATIONS:	ADDRESS IN FULL:
<i>President and a Director</i>	THOMAS HAROLD WOOD, Member of the Senate of Canada.	3002 Albert Street, Regina, Saskatchewan.
<i>Vice-President, Treasurer and a Director</i>	THOMAS RAEBURN WATSON, Stock Broker.	208 Riverside Dr., Toronto, Ontario.
<i>Secretary</i>	LEONARD DEZEEUW, Certified Public Accountant.	438 Jarvis Street, Toronto, Ontario.
<i>Director</i>	EDWARD ABRAM PICKERING, Personnel Manager.	5 Wayborne Cres., Toronto, Ontario.
<i>Director</i>	WALTER MELVILLE MARTIN, Queen's Counsel.	212 Strathallan Wood, Toronto, Ontario.
<i>Director</i>	BERKO DEVOR, Law Student.	40 Earl Street, Toronto, Ontario.

(b) PROMOTER:

The incorporation of the company was caused by David Lieberman, 48 Ridelle Avenue, Toronto, Ontario. The company has acquired its present mining properties as set out in Paragraph 10 (a) hereof for the consideration therein mentioned from David Lieberman Grubstake Syndicate, 25 Melinda Street, Toronto. The Promoter of the Company may therefore be considered to be the said David Lieberman Grubstake Syndicate.

3. The Auditor for the company is T. H. BERNHOLTZ, Chartered Accountant, 31 Camborn Avenue, Downsview, Ontario.
4. CROWN TRUST COMPANY, 302 Bay Street, Toronto, Ontario, is the Transfer Agent and Registrar of the Company.
5. The authorized capital of the Company is \$3,500,000.00 divided into 3,500,000 shares of the par value of \$1.00 each, all of one class, namely common. As of the date of this Prospectus, 1,000,010 shares, all fully paid and non-assessable, have been allotted and issued.
6. There are no bonds or debentures authorized or outstanding nor is it presently proposed to issue any such securities.
7. Of a total of 1,000,000 shares issued for properties as outlined in Paragraph 10 hereof (hereinafter called "vendor shares"), certificates representing 900,000 shares of the capital stock of the company being part of the said vendor shares are presently held in escrow with Crown Trust Company, 302 Bay Street, Toronto, Ontario, subject to pro rata release amongst the persons entitled thereto only

upon the prior written consent of the Ontario Securities Commission and any other securities regulatory body from time to time having jurisdiction, and the Company. Any dealings with the said vendor shares within the escrow including assignment, hypothecation or alienation require the written consent of the Ontario Securities Commission and any other securities regulatory body from time to time having jurisdiction. The 100,000 vendor shares not so placed in escrow and such of the presently escrowed 900,000 vendor shares as may duly from time to time be released from escrow, may be offered and sold at the current offering price for shares of the Company, but the proceeds of such sales will not go into the treasury of the Company.

8. As of the date of this Prospectus, the only shares of the capital stock of the Company sold for cash are the ten shares issued to the original incorporators and now held by the Directors, for which shares the Company received a total of \$10.00 on the basis of a subscription of \$1.00 per share. No commissions were paid in respect of the sale of these shares.
9. No securities, other than the shares mentioned above, have been created or issued by the Company.
10. (a) By a contract in writing dated March 1st, 1956, made between the Company and David Lieberman Grubstake Syndicate of Toronto (hereinafter referred to as "the Syndicate"), the Company acquired from the Syndicate all right, title and interest in and to certain mining properties situate in the Provinces of Ontario and Quebec as hereinafter more particularly described. All of the said mining properties are now held by the Company in its own right without encumbrance and all are in good standing at the date hereof under the relevant statutes and regulations.

The said mining properties may be described as follows:

- (i) 2 patented mining claims numbered MR. 15116 and 12352, held under Mining Leases and 14 unpatented mining claims numbered MR. 22548-49 and 22325-36 inclusive, situate in James Township, Montreal River Mining Division, Ontario.
- (ii) 18 unpatented mining claims numbered T. 37418 to T. 37435 located in the Temagami area, Temiskaming Mining Division, Ontario.
- (iii) 8 unpatented mining claims numbered A. 210849 to A. 210856, located in Desmeulles Township, Quebec.
- (iv) 52 unpatented mining claims in the Townships of Vauquelin and Tiblémont, Quebec, numbered A. 220152 to A. 220202, and A. 220288.

All of the foregoing claims are in good standing until at least June 1956. All of the said claims will require performance of assessment work before their respective anniversary dates and the recording of such work to keep the claims in good standing under the relevant statutes and regulations.

The consideration paid by the company to the Syndicate for the foregoing mining properties was the allotment and issuance as fully paid and non-assessable to the Syndicate of 1,000,000 shares of the capital stock of the Company, being the vendor shares referred to in Paragraph 7 hereof. Of the said vendor shares 10% or 100,000 shares were issued to the Syndicate free from escrow and 90% or 900,000 shares were issued to the Syndicate in escrow on the terms and conditions set out in Paragraph 7.

- (b) The Company is informed by the Syndicate that the only persons who have received or are entitled to receive a greater than 5% interest in the vendor shares allotted and issued to the Syndicate as aforesaid are David Lieberman, 48 Ridelle Avenue, Toronto, Ontario, Thomas Harold Wood, 3002 Albert Street, Regina, Saskatchewan and Thomas Raeburn Watson, 208 Riverside Drive, Toronto, Ontario. There is no other person, firm or corporation who has received or is entitled to receive a greater than 5% interest in the said consideration.
11. No shares have been issued or are to be issued to any Promoter other than the shares issued to David Lieberman Grubstake Syndicate referred to in Paragraphs 2 (b) and 10 hereof. No cash or other consideration has been paid to any person as promoter.
 12. (a) The mining properties held by the Company and referred to in Paragraph 10 (a) (i) are located about 2½ miles from the Town of Elk Lake, Ontario, being in the Montreal River Mining Division. The property is accessible by road from the Town of Elk Lake. For further particulars as to the location, accessibility, general geology, work done to date and recommendations for future development of these properties, reference is made to the Report of Ronald J. B. Cook,

Mining Geologist, dated March 1st 1956, which Report accompanies and forms part of this Prospectus. On this property previous owners during the 1920's did about 800 feet of shaft sinking and some underground lateral work. There now exist on the property two shafts which remain from the previous work on two separate veins which shafts and the lateral workings leading from same have subsequently become filled with water. Some underground and some surface diamond drilling was also done by the said previous owners. The Company has done no work to date on this property and there is no plant or equipment of any kind owned by the company on the property.

- (b) The mining properties held by the Company and referred to in Paragraph 10 (a) (ii) are located near Obabika Lake in the northwest corner of Scholes Township in the Temiskaming Mining Division, Temagami area, Ontario. These claims are accessible by road from River Valley, Ontario, to Obabika Lake and thence by lake to the southwest corner of the claims. For further particulars as to the location, accessibility, geology, history and recommendations for this property, reference is made to the Report of J. C. Frantz, Geological Engineer, dated March 1st, 1956, which Report accompanies and forms part of this Prospectus. No work has been done to date on this property.
 - (c) The mining properties held by the Company and referred to in Paragraph 10 (a) (iii) are located in the northwest corner of Desmeloizes Township, Abitibi County, Quebec, being about 50 miles north of Noranda and about three miles northwest of the present holdings of Duvan Copper Company Limited. Accessibility to the property is by road from the Town of LaReinc, five miles to the south. For further particulars as to the location, accessibility, geology, history and recommendations for these properties reference is made to the Report of Gordon R. Forbes, Mining Engineer, dated March 1st, 1956, which Report accompanies and forms part of this Prospectus. No work has been done to date on this property.
 - (d) The mining properties held by the Company and referred to in Paragraph 10 (a) (iv) are located partly in the Township of Tiblemont and partly in the Township of Vauquelin, about 22 miles east and slightly north of the Town of Val D'Or Abitibi-East County, Quebec. The property is accessible by highway passing approximately one mile to the East. For further particulars as to accessibility, location, geology, history and recommendations for these properties reference is made to the Report of Gordon R. Forbes, Mining Engineer, dated March 1st, 1956, which Report accompanies and forms part of this Prospectus. No work has been done to date on this property. There is no plant or equipment on any of the above properties.
13. By an agreement in writing dated March 9th, 1956, between the Company and Argyle Securities Limited, Suite 402, 80 Richmond Street West, Toronto, Ontario, (hereinafter referred to as "the Underwriter-Optionee") the Underwriter-Optionee has agreed to purchase 100,000 shares of the capital stock of the Company at 25 cents per share payable fully on the date of acceptance for filing of this Prospectus by the Ontario Securities Commission (hereinafter referred to as "the effective date"). In consideration thereof the Company granted to the Underwriter-Optionee the sole and exclusive right or option to purchase all or any part of a further 900,000 shares of its capital stock as follows: 100,000 shares at 25 cents per share within three months of the effective date; 200,000 shares at 30 cents per share within six months of the effective date; 200,000 shares at 35 cents per share within nine months of the effective date; 200,000 shares at 40 cents per share within twelve months of the effective date; 200,000 shares at 45 cents per share within fifteen months of the effective date. The said agreement provides that shares taken down in excess of the minimum requirements in any option period shall be credited to the succeeding period or periods as the case may be. The parties to the agreement understand, and the agreement so provides that upon default occurring in meeting any of the options, and the same continuing for 20 days and not being cured, either by extension, by mutual agreement, or by waiver of default by the Company the said Agreement insofar as it has not then been exercised will wholly terminate. In the event of default or in the event of an extension agreement, the parties understand that an amending statement to this Prospectus must be filed within 20 days thereof, if the shares of the Company are still in the course of primary distribution.

As the Underwriter-Optionee is not itself a registered security dealer it has informed the Company that it will distribute the said shares or any part thereof through the medium of registered security dealers, either on a agency basis by which such security dealers will receive a commission not exceeding 25% of the proceeds of sales; or on the basis of a straight re-sale to such security dealers at a mark-up not exceeding 1 cent per share; or through such security dealers paying them the usual brokerage rates allowable by the Toronto Stock Exchange for mining companies. In addition the Underwriter-Optionee may from time to time grant sub-options and in such event an appropriate amendment to this Prospectus will be filed by the Company within the required statutory period if the shares of the Company are in primary distribution. The Underwriter-Optionee is acting on its own

behalf in the matter, and there are no sub-options or sub-underwritings presently extant.
The only person owning a greater than 5% interest in the Underwriter-Optionee is Constance Mary Heintzman, 18 Oriole Crescent, Toronto, Ontario.

14. The Company proposes to spend the monies received from the sale of its underwritten shares in payment of its ordinary operating expenses and liabilities and thereafter to carry out the required assessment work on the claims referred to in Paragraph 10 hereof in order to maintain the same in good standing. Primarily it is intended to utilize as much of the said money as possible in rehabilitation of the existing shafts on the property located near Elk Lake in the Montreal River Mining Division and to carry out the general recommendations of the Engineer regarding this property. The Company may, if sufficient funds are available, acquire and develop such other properties as may be recommended to it by its Engineers. In any such case an appropriate amendment to this Prospectus will be filed within 20 days of the acquisition of such further property.
15. The Company has been incorporated for more than one year.
16. No indebtedness is to be created or assumed other than the ordinary operating expenses of the Company, which is not disclosed in this Prospectus or which is not shown in the Balance Sheet of the Company reported on by T. H. BERNHOLTZ, Chartered Accountant, as at March 19th, 1956, which Balance Sheet accompanies and forms part of this Prospectus.
17. The particulars as regards the business in which each Director and Officer of the Company has been engaged for the past three years are as follows:

THOMAS HAROLD WOOD, (President and a Director), has been a member of the Senate of Canada for more than three years.

THOMAS RAEBURN WATSON (Vice-President, Treasurer and a Director), Partner in the brokerage firm of Gardiner, Watson & Company, Toronto.

EDWARD ABRAM PICKERING (Director), Personnel Manager, Simpsons-Sears Limited, Toronto, Ontario.

WALTER MELVILLE MARTIN (Director), Queen's Counsel, practising law in the City of Toronto.

BERKO DEVOR (Director), Student-at-Law, Toronto.

LEONARD DEZEEUW (Secretary), Certified Public Accountant, self-employed in the City of Toronto.
18. Save and except Messrs. Thomas Harold Wood and Thomas Raeburn Watson, two of the Directors who have an interest in the Syndicate which conveyed certain mining properties to the company as disclosed in Paragraph 10 hereof, none of the Directors has now, or ever had any interest directly or indirectly in the properties acquired by the Company.
19. No Director has been paid or will be paid a salary as such, save a fee of \$25.00 for each meeting of the Board of Directors he attends, and there has been no payment made to date to Directors. The Company has agreed to pay the sum of \$100.00 per month for head office accounting and secretarial services, and it is estimated that the aggregate remuneration to be paid during the current financial year to Directors will be approximately \$750.00 and to Officers will be \$1200.00.
20. No dividends have been paid to date.
21. David Lieberman, Thomas Harold Wood and Thomas Raeburn Watson aforesaid by reason of beneficial ownership of vendor shares held by the Syndicate are the only persons known to be in a position to elect or cause to be elected the majority of the Directors of the Company.
22. There are no other material facts in relation to the securities of the Company which require disclosure other than those above set forth. The signatories hereto are not aware of any present or proposed arrangement whereby the vendor shares of the Company will be sold or given to any person or persons as a bonus or otherwise. If any such arrangement is made and comes to the knowledge of the undersigned, an appropriate amendment to this Prospectus will be filed within 20 days thereof if the securities of the Company are then in the course of primary distribution.

DATED this 23rd day of March, A.D. 1956.

We, the undersigned Directors and Promoter hereby certify that the foregoing constitutes a 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 under the Financial Statement or Reports where required.

DIRECTORS:

T. H. WOOD,
By his Agent T. R. Watson

T. R. WATSON

E. A. PICKERING
By his Agent W. M. Martin

W. M. MARTIN

BERKO DEVOR

PROMOTER:

DAVID LIEBERMAN GRUBSTAKE SYNDICATE
Per: **DAVID LIEBERMAN**

And we the undersigned Underwriter-Optionee, hereby certify that 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 under Section 38 of The Securities Act (Ontario), and there is no further material information applicable other than under the Financial Statement 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.

UNDERWRITER-OPTIONEE:

ARGYLE SECURITIES LIMITED

Per: **L. M. VALOPPI,**

Secretary.

REPORT
on
LENWOOD MINING AND EXPLORATIONS LIMITED
Tiblemont – Vauquelin Townships
Province of Quebec

by
G. R. FORBES, B.Comm., B.Eng., P.Eng.
March 1st, 1956 **Clericy, P.Q.**

INTRODUCTION

1. The Val d'Or, Quebec mining area is noted for both its gold and base metal producing mines. Since production began in 1930 the district has yielded metals with a total value of some \$400,000,000. Since this report deals primarily with the copper-bearing potentialities of the Lenwood Mining and Explorations property only the base metal mines in the same area will be mentioned. These include East Sullivan Mines Ltd., Golden Manitou Mines Ltd., Barvue Mines Ltd. and two more soon to reach production, Rainville Mines Ltd. and Mogador Mines Ltd.

2. The purpose of this report is to describe the geological and geophysical aspects of the Lenwood property which provide a basis for its exploration and development.

PROPERTY

3. Lenwood Mining and Explorations Ltd. holds a roughly rectangular block of 52 contiguous unsurveyed mining claims comprising 2080 acres more or less lying astride the boundary line between Tiblemont and Vauquelin Townships 22 miles east and slightly north of the mining centre of Val d'Or in the county of Abitibi East, P.Q. To the best of my knowledge there is no previous history of mining or exploration on this property.

4. Title to the property is described as follows:

Township	Miner's Cert. Nos.	Claim Nos.	Acreage
Tiblemont	105816 Cls. 1-5	A-220168-72	200
"	105817 " 1-5	A-220173-77	200
"	105818 " 1-5	A-220178-82	200
"	105819 " 1-5	A-220183-87	200
"	105820 " 1-5	A-220188-92	200
"	105821 " 1-5	A-220193-97	200
"	105822 " 1-5	A-220198-202	200
Vauquelin	105324 " 4&5	A-220152-3	80
"	105325 " 4&5	A-220154-55	80
"	105326 " 3, 4&5	A-220288, 220156&57	120
"	105327 " 1-5	A-220158-62	200
"	105328 " 1-5	A-220163-67	200
Total acreage (more or less)			2080

5. Most practical access is via the Senneterre-Croinor road which passes one mile to the east or via Provincial Highway No. 56 passing two miles west of the Lenwood property. Alternative water routes are provided by the northerly-flowing Bell River which crosses the Company's claims in Vauquelin Township, constitutes the west boundary of the property in Tiblemont Township and empties into the south end of Lac Tiblemont a quarter of a mile from the northwest corner of the claim group.

LOCAL GEOLOGY AND STRUCTURE

6. The north easterly quadrant of the property is underlain by an intrusive complex, the north-south margin or outer contact of which cuts sharply across the east-west trend of the enclosing sheared volcanic rocks thus creating a favourable host situation for ore bodies in the distorted and fractured contact zone.

7. Latulippe's map "Southwest Tiblemont" (Q.B.M.) indicates that this contact zone is occupied by a plug of granodiorite about one half mile in diameter centrally located on the Lenwood claims in Tiblemont Township. This intrusive plug is bounded on the north and south by two strong mineralized shear zones which converge about a mile to the west of the Bell River and continue westward across the property of Canadian Shield Mining Corp. Both of these related shear zones are of the order of several hundred feet in width consisting chiefly of schisted siliceous carbonatized tuff-breccia in which intensive sulphide mineralization is known to occur in at least four places. In one such area on Canadian Shield Mining Corp'n. property one mile west of Lenwood a recent drill core is reliably reported to have assayed better than 15% combined copper-zinc over four feet in massive sulphides with lower values over the adjoining thirty feet.

GEOPHYSICS

8. Aeromagnetic Map 85G (G.S.C.) shows three anomalies occurring on the property. One is a "low" probably caused by the granodiorite plug.

9. The other two anomalies are "highs" present for reasons unknown but possibly because of pyrrhotite mineralization. Some pyrrhotite occurs with the chalcopyrite in the shear zones on Canadian Shield property.

SUMMARY AND CONCLUSIONS

10. The Lenwood property covers the contact zone of a large batholith locally intruded by a granodiorite plug with which major mineralized fault zones are associated.

11. It is concluded that these favourable geological and structural conditions justify an aggressive programme of systematic exploration for copper and/or gold.

RECOMMENDATIONS

12. Recommendations are made as follows:

(a) That the property be covered by a grid of chained north-south picket lines at 400 foot intervals.

(b) That this picket-line grid be used to control a magnetometer survey of the entire property with objective of tracing the pyrrhotite-bearing shear zones and outlining the granodiorite plug.

(c) That magnetic anomalies found by (b) be covered by electrical methods.

(d) That anomalies which prove to be *both* magnetic and good conductors be drilled at close intervals with A.X.T. equipment for combined base metal/gold ore bodies.

(e) That a minimum sum of \$30,000.00 be provided to implement the above by a capital structure capable of supplying further funds as required by favourable drilling results.

13. In carrying out the above work, the possible effects of graphitic horizons on the geophysical results must be fully appreciated by those responsible.

Respectfully Submitted,

G. R. FORBES, B.COMM., B.ENG., P.ENG.

March 1st, 1956.
Clericy, P.Q.

Professional Engineer
G. R. FORBES
Province of Quebec
(Seal Notation)

ENGINEER'S CERTIFICATE

I, **GORDON ROSS FORBES** of residence 4086 Cote des Neiges Road and office, 4085 Gage Road, Montreal, Quebec.

HEREBY CERTIFY:

1. That I graduated from McGill University in 1933 with the degree of Bachelor of Commerce and again in 1937 from the same University with the degree of Bachelor of Engineer in Mining. I am a member of The Corporation of Professional Engineers of the Province of Quebec and The Canadian Institute of Mining and Metallurgy.

2. That the information in this report is based on personal examination of the immediate property area during the '46, '47 and '48 field seasons together with study of Government maps and Reports more particularly "South West Tiblémont" by M. Latullipe, Q.B.M.: Aeromagnetic Map No. 85G by the G.S.C. and Map No. 997A "Senneterre Sheet" — G.S.C.

3. That I have not nor do I expect to receive any interest either direct or indirect in the properties or securities described in this report.

G. R. FORBES, B.COMM., B.ENG., P.ENG.
Professional Engineer

G. R. FORBES
Province of Quebec
(Seal Notation)

To accompany a Report on
Lenwood Mining and Explorations Limited.
Tiblémont — Vauquelin Townships
Abitibi-East, P.Q. Property
dated March 1st, 1956.

REPORT

on

Full Lots 13 - 20 inclusive

RANGE 6 — DESMELOIZES TOWNSHIP

Province of Quebec

by

G. R. FORBES, B.Comm., B.Eng., P.Eng

March 1st, 1956

- **Clericy, P.Q.**

The Directors,
Lenwood Mining and Explorations Limited,
Toronto, Ontario.

INTRODUCTION

1. Prices of base metals, particularly the price of copper, have been increasing in recent months. These increases are a reflection of the highest demand in history arising from our present robust combination of peace and war together with a natural increase in metal prices as paper monies multiply.

2. Under such conditions, the effort to turn paper into metal by mining exploration is sound business despite the inherent risks of such a venture.

3. This fact is the main driving force behind the present unprecedented application of exploration capital to known producing areas in a search for new copper.

4. The claims under review, referred to hereinafter as The Property, lie in the fifty-five mile Noranda-Normetal Area which has produced more than two and one half billion pounds of copper in the last thirty years with production still increasing.

5. In the northern section of the Area in Desmeloizes Township; Normetal Mining Corporation, lying six miles northeast of The Property, has been producing copper-zinc ore with minor gold-silver steadily since 1937. Duvan Copper Company, three miles southeast of The Property in the same Township is developing spectacular copper ore in underground work. In the central section, Lyndhurst Mining Company is also developing new copper ore bodies. A recent important discovery has been made by Rio Canadian in Dufresnoy Township in the southern section of the Area.

6. These facts demonstrate that detailed exploration work in the Noranda-Normetal area is justified.

7. The purpose of this Report is to review and assess the mineral possibilities of The Property in the light of these recent activities.

PROPERTY

8. The Property lies in the northwest quadrant of Desmeloizes Township and consists of eight full lots numbered 13 to 20 inclusive forming a contiguous rectangular surveyed group totalling eight hundred acres in range six of the township. Title is described as follows:

<u>Lot No.</u>	<u>Miner's Certificate Number</u>	<u>Claim Nos.</u>	<u>Range No.</u>	<u>Acreage</u>
13 - 14	C-93543	claims 1 - 2	A-210849-50	200
15 - 16	C-93542	claims 1 - 2	A-210851-52	200
17 - 18	C-92382	claims 1 - 2	A-210853-54	200
19 - 20	C-92390	claims 1 - 2	A-210855-56	200
			TOTAL	800

The Property is located fifty miles north of Noranda, six miles southwest of Normetal and three miles northwest of Duvan. Access is by automobile road from the town of La Reine, five miles to the south.

MINERAL POSSIBILITIES

9. Underground work on Duvan Copper Company Ltd., three miles to the southeast together with associated developments on other claims in the immediate area indicate that the Desmeloizes granite mass is a source of copper bearing mineral solutions. It follows that the contact of this granite mass with the enclosing volcanic rocks presents a favourable host situation for copper ore bodies.

10. The Property lies close to such a contact and is probably covered by overburden as indicated on Map 284-A "Desmeloizes Sheet" dated 1953 now out of print. No work has been done on no more recent Governmental information is available.

CONCLUSIONS

11. It is concluded that The Property's proximity to the contact, which may be an important ore carrier, deserves exploration attention.

RECOMMENDATIONS

12. It is recommended that The Property be covered by a magnetometer survey with lines at four hundred foot intervals in an effort to establish the exact location of the contact. Any strong anomalies which show up in the contact zone should be investigated by diamond drilling.

Respectfully submitted,

G. R. FORBES, B.COMM., B.ENG., P.ENG.

March 1st, 1956.
Clericy, P.Q.

ENGINEER'S CERTIFICATE

I, GORDON ROSS FORBES of residence 4086 Cote des Neiges Road and office, 4085 Gage Road, Montreal, Quebec, Canada.

HEREBY CERTIFY:

1. That I graduated from McGill University in 1933 with the degree of Bachelor of Commerce and again in 1937 from the same University with the degree of Bachelor of Engineering in Mining. I am a member of The Corporation of Professional Engineers of the Province of Quebec and The Canadian Institute of Mining and Metallurgy.

2. That the information in this report is based on personal examination together with a study of Map No. 284-A "Desmeloizes Sheet" and a Report on the Desmeloizes Area written by Dr. J. B. Mawdsley, 1938 — Q.B.M. The property was examined during October, November 1955 at which time the writer was making a general reconnaissance of the area.

3. That I have not nor do I expect to receive any interest either direct or indirect in the properties or securities described in this report.

G. R. FORBES, B.COMM., B.ENG., P.ENG.

To accompany a Report on
Lots 13 - 20 inclusive
Range 6 Desmeloizes Township,
Abitibi-West, P.Q.

March 1st, 1956.

ENGINEERING REPORT
LENWOOD MINING AND EXPLORATIONS LIMITED
25 Melinda Street
Toronto - Ontario
by
R. J. COOK, B.Sc., M.Sc., F.G.S.

INTRODUCTION

I have been requested to prepare a report on the property of Lenwood Mining and Explorations Ltd., located in James Township, Montreal River Mining Division, Province of Ontario.

This report is based on a personal inspection conducted during the week-end of February 25th and 26th, 1956, and on the following government and private reports:

- (1) Ontario Department of Mines Pub. Vol. 18, Part 2; The Gowganda and Miller Lakes Silver Area — by A. G. Burrows.
- (2) Ontario Department of Mines Pub., Vol. 50, Part 4; Geology of the Bryce-Robillard Area — by W. W. Moorhouse.
- (3) Private report — J. F. Wright, Ph.D.

Because of inclement weather and a heavy cover of snow, much of the information presented has been obtained from the reports of those outlined above.

The property is a base metal and precious metal prospect.

PROPERTY AND TITLE

The property consists of 2 patented mining claims, located in James Township, Montreal River Mining Division, Province of Ontario; and 14 unpatented mining claims contiguous to the 2 patented claims.

The claims are numbered as follows:

- M. R. 15116 (patented)
- M. R. 12352 (patented)
- M. R. 22325-36 (inclusive)
- M. R. 22548-49 (inclusive)

This comprises an area of approximately 640 acres of land.

The title of the claims has not been searched, however, the writer has been advised that transfer of the claims to the company has or will be registered with the Mining Recorder.

TIMBER

Timber existing on the property consists almost entirely of softwoods. These include both deciduous and evergreen varieties. Poplar and white birch thrive on the slopes and hilltops while spruce, balsam and some pine is found in the intervening valleys and lowlands.

There is an ample supply of wood for preliminary mining activities. First class lumber may be obtained from one of the nearby towns.

TOPOGRAPHY

The topography is, in general, gently rolling. Morcinium elevation differences are of the order of 100 feet.

Major topographic features trend in a northwest to southeast direction. Some sharp cliffs exist which may represent the surface expressions of minor faults or which may be due to differential erosion near intrusive contacts.

ACCESSIBILITY

The property is readily accessible from the town of Elk Lake. A good bush road leads off the Matachewan Road, north of Elk Lake, to the main shaft site. Distance from Elk Lake to the shaft area is approximately 2½ miles.

GENERAL GEOLOGY

In the immediate vicinity of the property of Lenwood Mining and Explorations Limited, rocks exposed consist of Keewatin lavas, pyroclastics, and intrusives. These are intruded by granites and other intrusive rock types of Algoman age. Conglomerates, slates, and quartzites of Cobalt age overlie this assemblage. Sills of Nipissing diabase cut the Cobalt sediments. It is with these sills that the mineralization of economic interest is associated.

Following is a table of formations of the rock types of the area:

Quaternary

Pleistoceneclay, sand, gravel.

Pre-Cambrian

KeeweenawanNipissing diabase.

Cobaltconglomerate, slate and quartzite.

Matachewandiabase dykes.

Algomangranite, granodiorite, pegmatite, porphyries, etc.

Keewatingabbroic intrusives, acid, basic, etc., flows; iron formation.

On the property of Lenwood Mining and Explorations Limited exposures of the Cobalt sediments, consisting of conglomerate, quartzite, and greywacke, have been noted. These sediments are cut by a large diabase sill whose thickness is estimated at 1500 feet. The diabase sill and the Cobalt sediments dip towards the southeast.

The mineralization of economic value on the Lenwood property is localized in shear structures within this large basic intrusive mass.

STRUCTURAL GEOLOGY

On mining claim number M. R. 12352, two shears have been noted. One of these trends in a direction N 80° E, an apparent extension of this shear has been discovered in claim number M. R. 15116. Calcite veining carrying native silver has been noted in this shear. For convenience this will subsequently be referred to as the No. 1 vein. The other shear trends in a direction N 5-10° E. Calcite veining carrying chalcopryrite, galena and cobaltite occurs in this shear. For convenience, this will subsequently be referred to as the No. 2 vein.

Major structural features in the area appear to parallel drainage patterns and prominent hills trending in a northwest-southeast direction. These lineaments can be traced in a southeastward direction to the Patchford area. Parallel lineaments exist in the Cobalt and Hailybury areas.

WORK COMPLETED TO DATE

In a private report, Dr. J. F. Wright reports that two shafts had been sunk on the property prior to 1939.

On the No. 1 vein in claim number M. R. 12352, a shaft has been sunk to a depth of 670 feet, with lateral work at the 200 and 360 foot levels.

On the No. 2 vein a shaft has been sunk to the 126 foot level.

Both of these shafts and lateral workings have subsequently become filled with water.

Some underground diamond drilling has been done as well as some drilling from the surface.

ORE POSSIBILITIES

Dr. Wright reports abundant evidence of mineralization from visual inspection of the ore dumps near the shaft sites. Due to the presence of water in the shafts an inspection of the underground workings must await a dewatering program.

The mineralization is reported to occur in calcite veins within the shears in the diabase sill. Widths of the veins vary from a few inches to 2.5 feet.

Some sampling and assaying of samples from the dumps near the shaft has been completed. One 600 pound bulk sample of hand picked material was sent to the Temiskaming Testing Laboratory for assay.

This sample is reported to have returned the following values:

Silver	116.8 ozs. per ton
Copper	12 per cent (estimated)
Cobalt	12.2 per cent
Nickel	3.5 per cent

Another large representative sample gave the following values:

Silver	22.26 ozs. per ton
Copper	5.02 per cent
Cobalt	1.72 per cent
Nickel	0.02 per cent
Lead	5.37 per cent

These, of course, are excellent values based on to-day's metal prices. It will be necessary to prove that sufficient tonnage of ore grade material exists on the property in order that a mining operation that is economically feasible may be supported.

According to reports and sketches available to the writer, the No. 1 vein has been traced on surface for a distance of 400 to 500 feet along the strike.

The No. 2 vein has been traced for a distance of 200 to 300 feet. Both veins appear to be open on the north ends and appear to converge to the south near the shaft on the No. 1 vein.

RECOMMENDATIONS

It is recommended that:

1. The shafts be dewatered.
2. That heavy pumping equipment be engaged for this task due to the depth of the No. 1 shaft.

3. That following the dewatering program the shafts and lateral workings be surveyed, geologically mapped, and systematically sampled and assayed.
4. That a system of underground drilling, using short holes, be initiated in order to extend and delineate the known mineralized zones.
5. That a 500 pound bulk sample be sent to testing laboratories in order to determine the best milling and separation procedures.
6. That an electro-magnetic survey be made of the property from surface in conjunction with an intensive prospecting program.
7. That cognizant of these results, a surface drilling program be initiated to test favourable discovery zones.

CONCLUSION

The existence of two heavily mineralized zones has been proven on claim number M. R. 12352. A considerable amount of shaft sinking and lateral work has been completed thereby making the task of underground explorations and development much more convenient and less costly.

The property is within 2½ miles of the town of Elk Lake and, therefore, transportation and supply problems are at a minimum.

Ample hydro-electric power passes close to the property. The power sub-station supplying the town of Elk Lake is within a few hundred feet of the east boundary of the property.

According to existing reports, a total of 796 feet of shaft sinking had been completed on the main veins before 1922. In addition to this work, considerable lateral work has been done on the 200 and 360 foot levels of the 670 foot shaft on the No. 1 vein. It is difficult to estimate the value of this work to a company at this time. However, this amount of underground development is invaluable to a property inasmuch as further exploration work will be greatly facilitated.

Labor and materials costs are much higher to-day than they were at the time this work was done on this property now controlled by Lenwood Mining and Explorations Limited. In order to complete this work under present cost standards, an expenditure of monies of several times that spent at the time, that is prior to 1922, would be necessary.

The development work that has been done will mean a considerable saving in capital investment to Lenwood shareholders as well as a saving of time spent in further development towards proving the ore potential of the property.

In view of these considerations and the results of tests on the ore to date, I believe this property of Lenwood Mining and Explorations Limited to be a good base metal and precious metal prospect which merits the work programs as outlined above.

March 1st, 1956.

R. J. Cook, M.Sc.
Geologist.

ENGINEER'S CERTIFICATE

I, RONALD J. B. COOK, of the Town of Blind River, in the Province of Ontario, hereby certify:

- (1) THAT I am a geologist with business address at Box 400, Blind River, Ontario.
- (2) THAT I graduated from the University of Western Ontario, London, Ontario, in Honours Geology with the degree of B.Sc. in the spring of 1951, and the degree of M.Sc. in the spring of 1952.
- (3) THAT I have no direct or indirect interest whatsoever nor do I expect to receive any interest either direct or indirect in the properties or securities of Lenwood Mining and Explorations Limited.
- (4) THAT this report is based on a personal inspection during February 25th and 26th, 1956; and on the following reports:
 - (i) Ontario Department of Mines Pub., Vol. 18, Part 2; The Gowganda and Miller Lakes Silver Area — by A. G. Burrows.
 - (ii) Ontario Department of Mines Pub., Vol. 50, Part 4; Geology of the Bryce-Robillard Area — by W. W. Moorhouse.
 - (iii) Private report -- J. F. Wright, Ph.D.

DATED at Toronto, Ontario, this 1st day of March, 1956.

R. J. Cook, B.Sc., M.Sc., F.G.S.

REPORT ON
LENWOOD MINING AND EXPLORATIONS LIMITED
Scholes Township Properties
Temiskaming Mining Division, Province of Ontario

INTRODUCTION

The Scholes Township property of Lenwood Mining and Explorations Ltd. consists of 18 contiguous mining claims numbered T37418 to T37435 inclusive located in the northwest corner of Scholes Township, Temiskaming Mining Division, Province of Ontario. There is no previous history of work on this property.

The claims are accessible from Obabika Lake which borders on the southwestern corner of the property. Obabika Lake may be reached by motor road from the town of River Valley with a short barge trip or by aircraft.

GENERAL GEOLOGY

Government geological maps indicate that the property is underlain by more-or-less flat-lying Cobalt sediments and remnants of the Nipissing diabase sheet. The mapping was carried out about 1900 and was of a reconnaissance nature only.

ECONOMIC GEOLOGY

Quartz and quartz-carbonate veins with copper, gold and silver mineralization have been found in the Cobalt and Nipissing diabase of the area. None of these occurrences have proven to be of economic importance.

Considerable work, including underground development was done on quartz-carbonate veins carrying appreciable lead and silver in Delhi Township about 12 miles to the north west. The veins fill fractures in the diabase and Cobalt sediments.

Noranda Mines are currently doing surface work on a pyrrhotite zone which is reported to carry copper and nickel values. The mineralization occurs in an area of older sediments which have been exposed by erosion of the Nipissing diabase and Cobalt sediments. The Noranda claims are located at Eagle Rock Lake about two miles south of the Lenwood property in Scholes township.

Copper-nickel and high-grade copper deposits are presently being developed on the Temagami Mining Co. Ltd. property about ten miles to the east. The copper-nickel deposits occur in a pyritic zone along the contact between diorite and Keewatin-type volcanics. The high-grade copper deposits are located to the south of this contact in the volcanic rocks.

CONCLUSIONS AND RECOMMENDATIONS

The best chances of finding base-metal deposits of economic importance are in the older rocks underneath the flat-lying diabase and sediments. Experience in the area indicates that these younger rocks vary in thickness from a few feet to several hundred feet.

It is recommended that an electrical survey be carried out in an attempt to locate any conductors which may be caused by sulphide deposits.

Respectfully submitted,

March 1, 1956,
North Bay, Ontario.

J. C. FRANTZ
GEOPHYSICAL ENGINEERING & SURVEYS LTD.
pcr: J. C. FRANTZ

CERTIFICATE

I, J. C. FRANTZ, of the city of North Bay, Province of Ontario, do hereby declare:

1. That I am a geological engineer and reside at 341 Timmins Street, North Bay, Ontario.
2. That I am a graduate of:
University of Saskatchewan — Bachelor of Science in Geological Engineering.
University of Toronto — Master of Arts, specializing in Economic Geology.
and have practised the profession of geologist for seven years.
3. That I have no direct, indirect, or anticipated interest in the properties or securities of Lenwood Mining and Explorations Ltd.
4. That the foregoing is based on:
 - (a) Government geological maps and reports on the area.
 - (b) Personal experience in the area, in the summers of 1952 to 1954.

March 1, 1956.

J. C. FRANTZ

LENWOOD MINING AND EXPLORATIONS LIMITED

BALANCE SHEET — as at March 19, 1956

ASSETS

Cash on hand	\$	10.00
Mining claims, at valuation placed on 1,000,000 shares of the company's capital stock issued therefor		150,000.00
Deferred expenditures — government fees	\$	60.00
engineers' reports	1,674.10	1,734.10
Organization expenses		1,570.00
		\$153,314.10

LIABILITIES AND CAPITAL

Accounts Payable	\$	1,674.10
<i>Capital Stock:</i>		
Authorized: 3,500,000 shares, par value \$1.00 each		
Allotted as fully paid:		
10 shares for cash	\$	10.00
1,000,000 shares for mining claims	\$1,000,000.00	
Less: Discount	850,000.00	150,000.00
1,000,010 shares		150,010.00
Surplus arising from waiver by creditor, of money advanced	1,630.00	151,640.00
		\$153,314.10

Approved:

T. H. WOOD, *Director.*

T. R. WATSON, *Director.*

NOTE: The underwriter is firmly committed to purchase 100,000 shares of the company's capital stock at 25¢ per share on the date the prospectus is accepted for filing with the Ontario Securities Commission. In addition, the company has granted an option on 900,000 shares payable as follows:

100,000 shares @ 25¢ per share within 3 months from effective date
200,000 shares @ 30¢ per share within 6 months from effective date
200,000 shares @ 35¢ per share within 9 months from effective date
200,000 shares @ 40¢ per share within 12 months from effective date
200,000 shares @ 45¢ per share within 15 months from effective date

AUDITOR'S REPORT

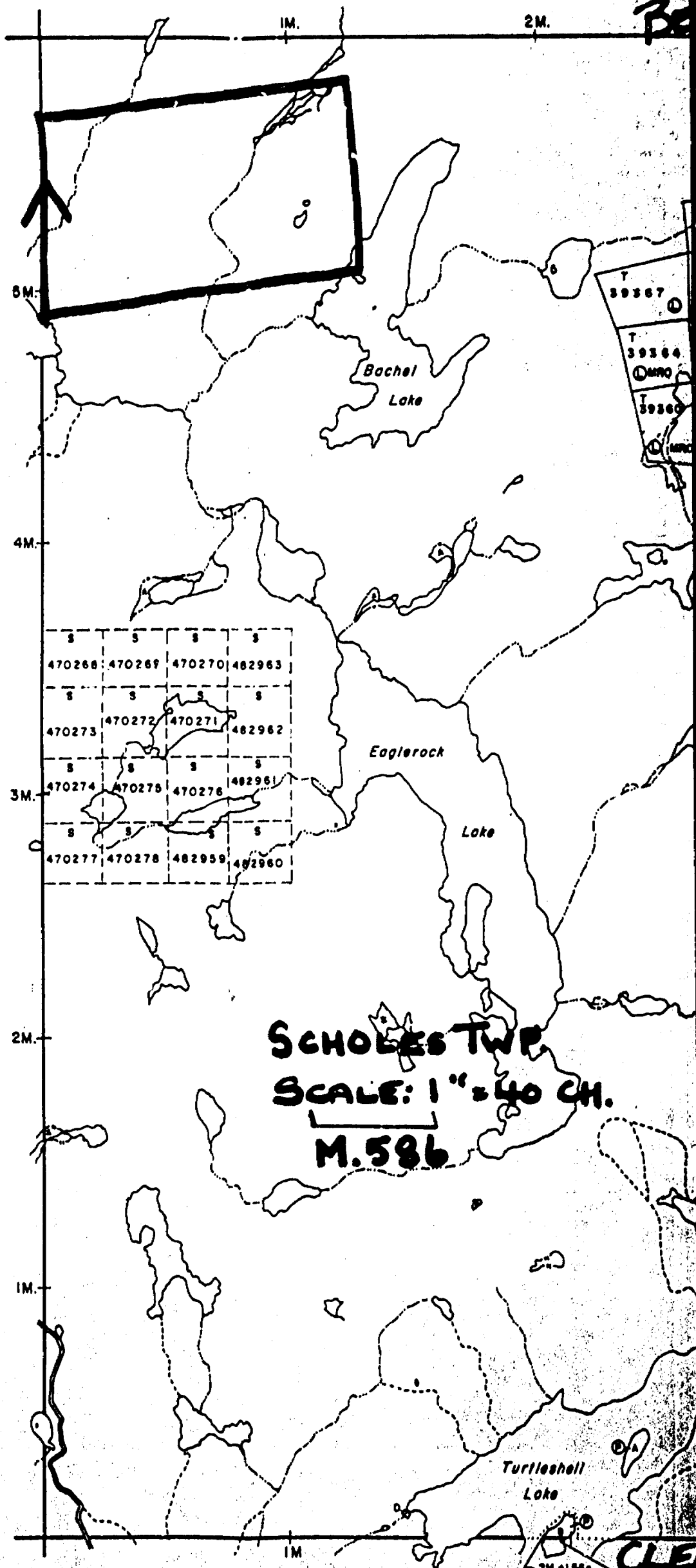
I have examined the balance sheet of Lenwood Mining and Explorations Limited as at March 19, 1956. My examination included such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at March 19, 1956, according to the best of my information and the explanations given to me and as shown by the records of the company.

Toronto, Ontario,
March 20, 1956.

T. H. BERNHOLZE
Chartered Accountant

BE



AFTON TWP. M. 622

T
39367

T
39364
D.M.R.O.

T
39360
D.M.R.O.

SCHOLES TWP.
SCALE: 1" = 40 CH.
M. 586

24-1156
CLERK