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NEW ISSUE



# Magnetron Mining Ltd. (n.p.l.)

2020 - 777 HORNBY STREET, VANCOUVER 1, B.C.

300,000 COMMON SHARES

PRICE: 65¢ PER SHARE

Magnetron Mining Ltd. (n.p.l.) hereby offers as principal 300,000 shares of its capital stock at a price of 65¢ per share. There are no underwriting, sub-underwriting, option, or sub-option agreements outstanding.

The mining company is incorporated under the laws of the Province of British Columbia and the purpose of this issue is to provide sufficient funds for its ordinary operating expenses and the exploration and development programmes recommended by its Consulting Engineers. Particulars are given under "History and Business" and "Use of Proceeds".

Shares Offered	Price to Public	Underwriting Discounts or Commissions.	Net Proceeds to Company (if all shares sold)
300,000	65¢ per unit	Maximum commission of 16¼¢ per share payable. Aggregate commission of \$48,750.00	48¼¢ per share. Aggregate—\$146,250.00

THERE IS NO ESTABLISHED MARKET FOR SHARES OF THE COMPANY.

**REGISTRAR AND TRANSFER AGENT:** Canada Permanent Trust Company, 455 Granville Street, Vancouver, British Columbia

**AUDITORS:** Young, Peers, Milner & Co., 1292 West Georgia Street, Vancouver, British Columbia

Exploration of the Company's mineral properties (details of which are set out herein) has not progressed sufficiently to establish conclusively whether or not any commercial ore bodies exist on these properties. CONSEQUENTLY, A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

No legal survey has been made of the Company's claims and therefore the boundaries and the areas thereof could be in doubt.

Reference may be found herein on page 7 to the number of shares owned by the directors, officers and promoters of the Company, in comparison to the number of shares offered hereby.

The date of this Prospectus is May 25, 1972

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## THE COMPANY

Magnetron Mining Ltd. (n.p.l.) was incorporated as a private company pursuant to the provisions of the Companies Act of British Columbia by registration of Memorandum and Articles of Association on March 14th, 1968. Pursuant to a Special Resolution of the Shareholders of the Company by Certificate of the Registrar of Companies for British Columbia dated December 7th, 1971 the Company was converted into a public company and its Articles of Association were amended to reflect this conversion.

Amendments: The Company was originally incorporated as "Magnetron Mining & Investment Corporation Ltd." and pursuant to Special Resolution of the Shareholders of the Company:

1. Converted from a specially limited company, evidenced by Certificate of the Registrar of Companies for British Columbia dated November 15th, 1968.
2. Changed its name to Magnetron Mining Ltd. (n.p.l.) evidenced by Certificate of the Registrar of Companies for British Columbia dated November 15th, 1968.
3. Changed the Capital of the Company by subdividing all of the 500,000 shares with nominal or par value of \$1.00 each and consisting of 499,998 unissued and 2 issued shares into 1,000,000 shares with nominal or par value of 50¢ each, and then increasing the authorized capital to \$1,500,000.00 divided into 3,000,000 shares with nominal or par value of 50¢ each, evidenced by the Certificate of the said Registrar dated November 18th, 1968.
4. Converted to a public company, evidenced by Certificate of the Registrar of Companies for British Columbia dated December 7, 1971.

The address of the head office and registered office of the Company is Suite 2020, 777 Hornby Street, Vancouver 1, B. C.

## HISTORY AND NATURE OF THE BUSINESS

Since incorporation, Magnetron Mining Ltd. (n.p.l.) has been actively engaged in mineral exploration in the West-central interior of British Columbia, Canada. The Company's activities have included the acquisition of 90 Mineral Claims; the building of an access road from Transprovincial Highway 16 to the area of the claims; establishment of a large field camp; the application of geological, geophysical, geochemical and other surface exploration techniques; and a limited programme of diamond drilling.

### The Seven Sisters Mineral Properties

The Company properties are made up of three claim groups: The Niilo, Rega, and Mag Groups. These comprise 84 claims in total. A further six claims, the Jackal Group, are owned by a subsidiary company, Seven Sisters Mining Ltd. (n.p.l.), controlled and two-thirds owned by Magnetron Mining Ltd. (n.p.l.)

Exploration of mineral occurrences on these properties dates back to at least the 1926-29 period, when D. W. Mines Ltd, and Consolidated Mining and Smelting Company of Canada Ltd. collared several adits on precious metal outcrops of silver and gold. During 1949-52, portions of this property were staked by Mr. Herman E. Spud Huestis, but difficulties of access primarily prevented further significant exploration at that time.

This company began exploration of the property's silver-lead-zinc-copper occurrences in the summer of 1968. Since that time, several veins have been discovered and delineated.

One vein system on the Jackal-Rega group has been traced for over 2,000 ft. with a width of 35' at one point. Surface Assays indicate a very high grade ore-zone.

In the Autumn-Winter of 1971/72, an aeromagnetic survey was conducted over the property and three significant magnetic anomalies were discovered. One anomalous zone was revealed extending over the Jackal-Rega group and the J-4 vein.

A second anomalous zone was revealed over the area of the original (1927-29) workings, and a third is shown in an as yet relatively unsurveyed portion of the Company's Claims.

Assay values, ore widths and aeromagnetic data can be found in the 'Consulting Engineer's report appended hereto. A background level of copper has been found in all samples assayed to date. In addition, significant Cadmium values have been observed in assays, and this metal could be a valuable co-product in any mining operation.

#### Access

A Company access road of approximately nine miles length links the Company's claims groups with Trans-Provincial Highway 16. Turn-off to the road is at the mouth of Coyote Creek near the community of Cedarvale, 65 miles North-east of the Port of Kitimat. From an elevation of 600 feet, the road climbs 6 miles into the Niilo Group, elevation 4,200 feet; extends a further 1½ miles into the Rega Group, elevation 5,000 feet; and another mile to the Jackal Group, elevation 5,300 feet. The terrain is mainly forested, but with a generally solid base, providing adequate access for further exploration and any possible future development of the properties.

#### Facilities and Equipment

A substantial camp with facilities for 12 to 15 men has been established by the Company on level ground at about the 4,000 foot level. New buildings and the renovation of certain buildings from the original Seven Sisters Camp provide year-round accommodation and a centralized base for the property's development.

The Company owns a well-maintained TD 182 crawler tractor with dozer, one four-wheel truck as well as compressor, rock drilling equipment, and other miscellaneous mining exploration equipment.

#### Subsidiary Company

The Company is beneficial owner of two-thirds and controlling interest in its subsidiary, Seven Sisters Mining Ltd. (n.p.l.). That Company is recorded under agreement as the beneficial holder of 6 located mineral claims comprising approximately 300 acres in the Seven Sisters area of the Omineca Mining Division, adjacent to the Company's claims groups. These claims are more specifically described as follows:

<i>Name of Claim</i>	<i>Expiry Date</i>	<i>Record Number</i>
Jackal No. 1 to No. 5 inclusive	Oct. 15, 1982	16742-16746 inclusive
No. 6	Oct. 1, 1981	22841

The 6 Jackal mineral claims were acquired for Seven Sisters Mining Ltd. (n.p.l.) of Suite 2020 777 Hornby Street, Vancouver, British Columbia, by registered agreement for Sale of Claims dated July 28th, 1969. In consideration, payment of \$200.00 per month will be made by the Company to Seven Sisters Mining Ltd. (n.p.l.) during actual exploration or production of the Jackal Property for the joint lives of Allan Percy Collier and Amy Ellen Collier, two minority shareholders of Seven Sisters Mining Ltd. (n.p.l.). This property was previously staked in 1929 as the Waverly and later as the Caledonia Group. In 1962, Mrs. Amy Ellen Collier acquired the Jackal claims by staking at an approximate cost of \$500.00.

#### Rega Group

The Company is recorded and beneficial holder of 33 located mineral claims and fractions comprising approximately 1,600 acres, located on the Seven Sisters Mountains in the Omineca Mining Division of British Columbia. These claims are more specifically described as follows:

<i>Name of Claim</i>	<i>Expiry Date</i>	<i>Record Number</i>
Rega No. 1-3 inclusive	Sept. 8, 1973	55979-55981 inclusive
No. 4	Sept. 8, 1974	55982
No. 5-22	Sept. 8, 1973	55983-56000 inclusive
No. 23-27	Sept. 14, 1973	54751-54755 inclusive

The 27 Rega Mineral claims were acquired by Bill of Sale dated March 18th, 1968 and pursuant to Agreement dated January 8th, 1969 from Mr. Arthur Judson Ager of Box 287, Burns Lake, British Columbia in consideration for 700,000 shares in the capital of the Company.

An additional 6 mineral claims, Rega No. 28 to No. 33 inclusive, were gifted to the Company from Mr. Arthur Judson Ager pursuant to an Agreement dated July 22nd, 1969 and the Bill of Sale dated February 28th, 1970.

These claims are more specifically described as follows:

<i>Name of Claim</i>	<i>Expiry Date</i>	<i>Record Number</i>
Rega No. 28-33 inclusive	June 3, 1973	59473-59478 inclusive

All of these shares are presently escrowed and reference is hereby made to the heading "Escrowed Shares".

During 1967 - 1968, Mr. Arthur Judson Ager acquired the Rega claims by way of staking at an approximate cost of \$2,000.00.

#### Niilo Group

The Company purchased 12 located mineral claims comprising approximately 600 acres on the western edge of the Rega Group in the Omineca Mining Division of British Columbia. These claims are more specifically described as follows:

<i>Name of Claim</i>	<i>Expiry Date</i>	<i>Record Number</i>
Niilo No. 1-12 inclusive	March 20, 1973	68257-68268 inclusive

These claims were purchased by Bill of Sale dated November 5th, 1969 from Mr. Niilo K. Lindroos of Box 221, Burns Lake, British Columbia in consideration for payment of 40,000 shares in the capital of the Company, and for \$5,000.00 in cash, which has been paid. All of these shares are presently escrowed and referred to under the title "Escrowed Shares."

The Niilo claims were formerly called the "Seven Sisters Group", and are dealt with in greater detail in the Consulting Engineer's report, pages 14 and 15. Mr. Niilo K. Lindroos acquired the claims by staking in 1969 at an approximate cost of \$1,000.00.

#### Mag Group

An additional 39 mineral claims were staked by the Company in August, 1969 on the Seven Sisters Mountains, over approximately 1,400 acres, at a cost of approximately \$1,400.00. These claims are more specifically described as:

Name of Claim	Expiry Date	Record Number
Mag No. 1-27 inclusive	Aug. 22, 1973	78839-78865 inclusive
No. 28-39 inclusive	Aug. 29, 1973	78952-78963 inclusive

A zone in Mag No. 3 (East of Jackal No. 4) was first discovered in 1946 by MacDonald who cut a number of trenches in sulphide outcroppings 2,000 feet East of the old Caledonia showings. This area has been acquired to cover an extension of the known and indicated zones of mineralization on the Niilo, Rega and Jackal claim groups.

#### USE OF PROCEEDS

The net proceeds to be derived by the Company from the sale of the securities referred to herein are estimated at approximately \$146,250.00. These funds will be used to finance the completion of the exploration programme as recommended by the Company's Engineering Consultants. Work will be undertaken and available funds applied in the following order or priority.

- 1) Seven Sisters Mineral Properties

#### PHASE 1:

Road work, drill site preparation etc.	\$ 5,000
Gravimetric surveys	8,000
Test drilling 2000 ft. @ \$15 per foot including mobilization, supervision, core logging, assaying, room & board, etc.	30,000
Camp costs	3,000
Engineering and supervision	5,000
Miscellaneous and contingencies @ 10%	5,100
<b>TOTAL PHASE 1</b>	<b>\$ 56,100</b>

#### PHASE 11

Roads, maintenance, drill sites	\$ 5,000
Diamond drilling . 3000 feet @ \$15	45,000
Metallurgical testing	5,000
Camp costs	5,000
Engineering and supervision	5,000
Miscellaneous and contingencies @ 10%	6,500

TOTAL PHASE 11 \$ 71,500  
TOTAL PHASES 1 & 11 \$ 127,600

2) Accounts & Loans payable (approx.)	\$ 9,600
3) Option payments to Seven Sisters Mining Ltd. (allowance for 6 months @ \$200/month)	1,200
4) General Administrative & Overhead	10,850
5) Less cash on hand (approx.)	(2,000)
<b>TOTAL</b>	<b>\$ 146,250</b>

Full particulars with respect to the exploration programme are set out in the accompanying report of the Company's Consulting Engineer.

The Company will not use the proceeds of the sale on property other than the Seven Sisters Property described in History & Business without first filing a geological report with the B. C. Securities Commission, save and except for the purpose of maintaining and completing assessment work on all claims owned by the Company.

No part of the proceeds derived from this issue shall 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 which the securities offered by this prospectus may lawfully be sold.

Should the Company propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this prospectus, approval by the shareholders must be obtained and disclosure made to the regulatory securities bodies having jurisdiction over the sale of securities offered by this prospectus.

#### METHOD OF DISTRIBUTION

Magnetron Mining Ltd. (n.p.l.) hereby offers as principal 300,000 shares at a price of 65¢ per share, par value 50¢. Shares of this issue will be offered for sale by the trading directors of the Company pursuant to the provisions of Section 7 (2) of the Securities Act, 1967, registered securities salesmen and Broker-Dealer or Brokers, who will receive commissions of up to 16¼¢ per share. No commission will be payable to trading directors of the Company.

#### DESCRIPTION OF SHARES

The Capital of the Company is comprised of common shares only. All shares issued by the Company rank equally as to dividends with each share carrying one vote. There are no conversion rights and

there are no special liquidation rights, pre-emptive or subscription rights. Presently outstanding shares in the capital of the Company are not subject to any call or assessment and the shares offered hereby, when issued and sold as described in the Prospectus, will not be subject to any call or assessment.

#### CAPITALIZATION

	<i>Amount authorized</i>	<i>Outstanding 29th February, 1972</i>	<i>Outstanding on Completion of this financing</i>
Capital Stock	3,000,000	1,166,059	1,466,059
50¢ Par Value	\$1,500,000.00		

The following shares have been sold to date by the Company for cash (from the period March 14th, 1968 to April 30th, 1971).

<i>Amount Sold</i>	<i>Price Per Share</i>	<i>Commission</i>	<i>Net proceeds to Company</i>
152,552	20¢	Nil	\$ 30,510.40
70,000	25¢	Nil	17,500.00
142,173	35¢	Nil	49,760.55
20,460	50¢	Nil	10,230.00
40,874	75¢	Nil	30,655.60
426,059			\$ 138,656.45

#### DIVIDEND RECORD

No dividends have been paid by the Company to date.

#### ESCROWED SHARES

As of February 29th, 1972, 740,000 shares are held in escrow by Canada Permanent Trust Company subject to the direction or determination of the British Columbia Securities Commission (the Commission). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Commission.

In the event the Company loses or abandons or fails to obtain title to all or part of the property for which it allotted all or part of the escrow shares, the Company will declare any such event to the Commission by way of Directors' Resolution and the holders of such shares, the trustee thereof and the Company, have agreed that such number of said shares, as the Commission determines shall have become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation. The Complete text of the escrow agreement is available for inspection at the Company's offices.

<i>Designation of Class</i>	<i>Number of Shares Held in Escrow</i>	<i>Percentage of Class Outstanding</i>
Common shares	740,000	63.5

Certificates for the 426,059 shares sold for cash are held in pool by Canada Permanent Trust Company for a period of 30 days after completion of primary distribution of the shares offered hereby, and subject to release or transfer only with the written consent of the British Columbia Securities Commission.

#### PRINCIPAL HOLDERS OF SHARES

<i>Name and Address</i>	<i>Designation of Class</i>	<i>Type of Ownership</i>	<i>Number of Shares Owned</i>	<i>Percentage of Class</i>
Charles A. Ager 815 B Cambie Road Richmond, B.C.	Common	Beneficial	264,975	22.7
Arthur J. Ager Box 287 Burns Lake, B.C.	Common	Beneficial	185,630	16.0
James G. Ager c/o Box 287 Burns Lake, B.C.	Common	Beneficial	122,000	10.5
Alfred R. Haines 2175 W. 57th Ave. Vancouver, B.C.	Common	Beneficial	100,993	8.7

The following are particulars with respect to the percentage of the shares of the Company beneficially owned directly or indirectly by all directors and senior officers of the Company as a group.

<i>Designation of Class</i>	<i>Percentage before completion</i>
Common shares	38.2%

#### DIRECTORS AND OFFICERS

The names and home addresses of the Directors and Officers of the Company and the Positions presently held by them are as follows:

<i>Name</i>	<i>Address</i>	<i>Position</i>
Alfred R. Haines	2175 W. 57th Ave. Vancouver, B. C.	President and Managing Director
Charles Arthur Ager	815 B Cambie Rd. Richmond, B. C.	Secretary— Treasurer and Director
Niilo K. Lindroos	Box 221 Burns Lake, B.C.	Director

The principal positions held by the Company's Directors and Officers in the past five years are as follows:

### **Alfred R. Haines**

Businessman and consultant; A. R. Haines Consultants, management and business development services. Prior to March, 1968, Account Executive, James Lovick Limited, Vancouver.

### **Charles A. Ager**

June 1968—April 1971 exploration/geophysicist, Magnetron Mining Ltd. (n.p.l.);  
September, 1970 — present, graduate student and teaching assistant, Dept. of Geophysics, University of B. C.;  
April 1971 — Oct. 1971, geophysicist, B. C. Dept. Of Mines and Petroleum Resources;  
Oct. 1971 — present, independent geophysicist.  
To June, 1968, student at Sacramento State College, BA (Honours) Math/Physics.

### **Niilo K. Lindroos**

May, 1960 to June 1967 with Bergen Construction Ltd. as Superintendent; from June 1967 to present, independent Construction Contractor and Field Supervisor for the Company.

### **PROMOTERS**

By virtue of definition of "Promoters" contained in the Securities Act, 1967, Charles A. Ager, Alfred R. Haines, and Niilo K. Lindroos, all Directors of the Company, may be considered the Promoters of the Company.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Reference can be made to "History and Business" on pages 3-7 for particulars of the interest of management and others in material transactions.

The Company's solicitors, MacQuarrie, Hobkirk & McCurdy, own, directly and indirectly, 15,000 shares of Magnetron Mining Ltd. (n.p.l.) and have received remuneration for legal services rendered since incorporation.

Reference is made to Note Six in the Financial Statements for details of amounts paid to principals as employees of the Company in carrying out the field programme, and for equipment rentals since 1968. These amounts were paid primarily in shares issued from the Treasury.

In April, 1971, the company purchased a TD 182 crawler tractor, a four-wheel drive vehicle, and miscellaneous rock work equipment from Mr. George Penner, a former Director. The original price of these assets to Mr. Penner in June, 1969 was \$5,240.00. The price paid to Mr. Penner by the Company was \$750.00.

### **REMUNERATION OF DIRECTORS AND OFFICERS**

No remuneration has been paid to any of the Company's Officers or Directors as such, since incorporation, nor is any remuneration planned to be paid in the future to any of the Company's Officers or Directors as such.

### **MATERIAL CONTRACTS**

Particulars regarding present material contracts entered into by the Company since incorporation are as follows:

Agreement dated January 8th, 1969 made between Arthur J. Ager and the Company for the acquisition of the Rega Group;

Agreement dated November 5th, 1969 made between Niilo K. Lindroos and the Company for the acquisition of the Niilo Group;

Agreement dated the 28th of July, 1969 made between Seven Sisters Mining Ltd. (n.p.l.) and the Company for the acquisition of the Jackal Group; as detailed under "Subsidiary Company" on page 3.

Copies of the foregoing material contracts are available during usual business hours at the head office of the Company, No. 2020 - 777 Hornby Street, Vancouver 1, British Columbia, while the common shares offered by this prospectus are in the course of primary distribution and for a period of 30 days thereafter.

There are no management contracts. The Company is managed by the Directors.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are Messrs. Young, Peers, Milner & Co., Chartered Accountants, 1292 West Georgia Street, Vancouver, British Columbia. Canada Permanent Trust Company at 455 Granville Street, Vancouver, British Columbia is the Registrar and Transfer Agent for the shares of the Company.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Section 61 and 62 of the Securities Act, 1967 (British Columbia) provide in effect that where a security is offered to the public in the course of primary distribution,

(a) A Purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within sixty days of the date of delivery of the written confirmation but no action shall be commenced after the expiration of three months from the date of service of such notice.

(b) A Purchaser has the right to rescind a contract for the purchase of such security, while still owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make and statement therein not misleading in light of the circumstances in which it was made, but no action to enforce this right can be commenced by a Purchaser after expiration of ninety days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

**CERTIFICATE OF THE COMPANY**

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder.

DATED:

" CHARLES A. AGER "

Charles Arthur Ager  
Director and Promoter

" NIILLO K. LINDROOS "

Niilo K. Lindroos  
Director and Promoter

" ALFRED R. HAINES "

Alfred R. Haines  
Director and Promoter

**REPORT ON THE  
SEVEN SISTERS PROPERTY  
OMINECA M.D.  
for  
MAGNETRON MINING LTD. (N.P.L.)  
by  
M.K. Lorimer, P. Eng.  
29 March, 1972.**

*L. J. Manning & Associates Ltd.,  
310 - 890 West Pender St.,  
Vancouver, B. C.*

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**L. J. MANNING & ASSOCIATES LTD.**  
CONSULTING MINING AND GEOLOGICAL ENGINEERS

610-890 WEST PENDER STREET VANCOUVER 1, B.C.

OFFICE PHONE:  
683-5881

RESIDENTIAL PHONE:  
L. J. MANNING - 985-5690

March 29, 1972.

The President and Directors,  
Magnetron Mining Ltd. (N.P.L.)  
2020 - 777 Hornby Street,  
Vancouver, B. C.

Dear Sirs:

The following report is a revision of earlier reports dated August 14, 1969, and April 20, 1971, and is based on a visit to the Magnetron property in July, 1969, and on a study of the reports listed in the Bibliography.

**SUMMARY:**

Magnetron Mining Ltd. (N.P.L.) holds a block of 90 located mineral claims on Seven Sisters Mountain about 35 miles northeast of Terrace. An unimproved road gives access from Highway 16 near Cedarvale.

The property covers two widely-separated mineralized zones on which some work was done 40 years ago. One zone in particular, the Jackal, shows significant values in silver, copper, lead and zinc in scattered exposures over a length of 500 feet and a width of up to 35 feet. The possibilities of extending these dimensions appear good.

On the basis of present knowledge further exploration appears to be justified.

**LOCATION:**

The Magnetron claims are located about 35 miles northeast of Terrace on the southwestern flanks of Seven Sisters Mountain, a prominent topographic feature of the area. Elevations range from about 4,000 feet to over 6,000 feet above sea level. Map 1

The geographic location of the centre of the property is approximately 54°57'N, 128°15'W. The area is covered by Sheets 103 I 16E and W. of the National Topographic System. The mining division is Omineca.

**ACCESS:**

The Camp and western portion of the property are accessible by an unimproved road about 10 miles long which branches off Highway 16 near Cedarvale. From the end of the road a bulldozer track has been carried another two miles across talus to near the southern boundary, an area formerly known as the Caledonia Group. A short branch road gives access to the old workings in the former Seven Sisters Group.

Because of the lack of trees, access by helicopter is easy. There are no lakes large enough for float planes.

The Canadian National Railways line from Prince George to Prince Rupert and Kitimat passes along the Skeena Valley within eight miles of the property.

**TITLE:**

The property consists of 90 contiguous located claims and fractions as listed below.

<i>Claims</i>	<i>Record No.</i>	<i>Expiry Dates</i>	<i>Owners</i>
Niilo 1-12	68257-68	20 March/72	Magnetron Mining Ltd. (N.P.L.)
Jackal 1-4	16742-45	15 Oct/81	Seven Sisters Mining Ltd. (N.P.L.)
Jackal 5	16746	15 Oct/82	Seven Sisters Mining Ltd. (N.P.L.)
Jackal 6	22841	1 Oct/81	Seven Sisters Mining Ltd. (N.P.L.)
Rega 1-4	55979-82	8 Sept/73	Magnetron Mining Ltd. (N.P.L.)
Rega 5-22	55983-56000	8 Sept/72	Magnetron Mining Ltd. (N.P.L.)
Rega 23-26	54751-54	14 Sept/72	Magnetron Mining Ltd. (N.P.L.)
Rega 27 Fr.	54755	14 Sept/72	Magnetron Mining Ltd. (N.P.L.)
Rega 28 Fr.	59473	3 June/73	Magnetron Mining Ltd. (N.P.L.)
Rega 29-33	59474-78	3 June/73	Magnetron Mining Ltd. (N.P.L.)
Mag. 1-27	78839-65	22 Aug/72	Magnetron Mining Ltd. (N.P.L.)
Mag. 28-39	78952-63	29 Aug/72	Magnetron Mining Ltd. (N.P.L.)

Application was made on 16 March, 1972, for Certificates of Work for one year on each of the Niilo 1-12, Rega 4-27, and Mag. 1-39 claims. On the date of this report the work had not been posted in the records at the Vancouver Mining Recorder's Office.

Seven Sisters Mining Ltd. (N.P.L.) is reported to be controlled by Magnetron Mining Ltd. (N.P.L.).

The writer checked several of the claim posts on his visit to the property. The claims appear to be staked in accordance with the provisions of the Mineral Act and in approximately the described locations. Map 2.

**TOPOGRAPHY:**

The topography within the claims area is mountainous. It embraces three cirques and the spurs between them with a general slope towards the Skeena River valley to the west. Although there are a few precipitous spots along the spurs, the area is not difficult to traverse on foot.

Most of the property is above timberline. Trees grow along the western boundary only, but shrubs and grasses are to be found at higher elevations in the cirques. The greater part of the area is covered by talus and bare rock. The eastern boundary approaches the larger glacier on the southern slope of the mountain.



The following samples were taken on the Niilo Group from the old Seven Sisters workings:

No.	Place	Width Ft.	Gold oz/ton	Silver oz/ton	Copper %	Lead %	Zinc %
5240	Shaft collar	1.5	0.005	14.35	0.16	3.60	24.80
41	S. drift face	2.0	Trace	0.50	0.05	0.45	20.50
42	Sorted Ore	Grab	Trace	0.55	0.12	1.30	14.90
43	Adit portal	2.5	Trace	0.15	0.10	2.75	2.92
44	Trench on road	0.5	Trace	0.45	0.50	0.40	14.80

These results confirm the earlier statement that precious metal values are low. Zinc is generally high over narrow widths. The particularly high assays in the first sample indicate that the shaft was probably collared on a high-grade section which did not persist to depth.

The following tabulation is of samples taken from showings on the Jackal Group. The first two are from old workings on the former Caledonia; the remainder are from cuts and trenches opened up by the present owners.

No.	Place	Width Ft.	Gold oz/ton	Silver oz/ton	Copper %	Lead %	Zinc %
5232	Vein above adit	2.0	0.005	8.90	0.52	6.70	24.10
33	Dump below adit	Grab	Trace	3.90	Trace	3.30	8.20
34	Trench	1.0	Trace	14.15	0.12	14.20	11.50
35	Trench	2.0	Trace	2.65	0.15	3.00	9.40
36	Trench	4.0	0.005	0.10	0.04	0.60	1.10
37	Trench	1.5	0.01	3.90	0.18	5.60	3.55
38	Trench	35.0	0.005	7.60	0.85	4.50	13.20
39	Bluff	13.0	0.005	1.70	0.55	1.00	23.30
45	Trench	2.0	Trace	7.20	0.25	10.70	5.10

The results of sample 5238 should be considered with reservations. The sample was collected from a trench which was partly filled with water and mud. Chips were taken across four or five exposures protruding above the water level. Even if not continuous, a zone of considerable width is indicated.

Sample 5245 was taken from the end of a trench which had just been blasted. The mineralization continued into a talus-covered slope and may have a width of more than 2.0 feet.

#### GEOPHYSICS:

No geophysical surveying has been done by the writer and no data have been reviewed by him. However, since the work has been done by a competent geophysicist, C. A. Ager, the results can be regarded as reliable.

The aeromagnetic survey has located three anomalous areas. Two are magnetic "highs"; the third is a "low". The "highs" roughly coincide with the two metalliferous areas already described. The "low" occurs to the southwest where metallic mineralization has not been located. It may be due to local thinning of the sediments or the presence of an intrusive.

Further choices of geophysical methods appear limited because ground tests have shown that magnetic particles in the overburden make ground magnetometer readings unreliable, and it is probable that the presence of sphalerite would have a masking effect which would hinder the use of electrical techniques. For these reasons a gravimetric survey would appear to be logical approach to the confirmation of the aeromagnetic results and to the location of target areas for drilling.

#### CONCLUSIONS:

Two extensive mineralized areas are known to occur on the Magnetron property. The possibility that they are connected and form part of a larger whole cannot be resolved at this time.

The Niilo exposures have been thoroughly explored from surface with disappointing results. If economic deposits exist in this area, they will probably be at depth. Unfortunately, the locating of target areas would be difficult because the masking effects of pyrrhotite and sphalerite would limit the usefulness of geophysical surveys. A gravimetric survey would be free of these objections and should locate any significant body of metallic minerals. Follow-up drilling would then be required to determine the cause of any located anomaly.

The Jackal-Rega area appears to be the most promising area and if a choice has to be made, efforts should be concentrated here for the present. The assay values are sufficiently high and the zone is potentially large enough to constitute an economic deposit. The aeromagnetic survey indicates that the core of the zone lies to the west of the visible zone in an area obscured by overburden. It may therefore be larger than indicated on the surface.

#### RECOMMENDATIONS:

In accordance with the foregoing discussion and conclusions it is recommended:

1. That exploration work on the property be continued with preference being given to the Jackal-Rega area.
2. That the work be done in phases, each phase after Phase 1 to be dependent on the results of preceding phases, as follows:

##### PHASE I

1. Continue necessary road building and maintenance and prepare drill sites as indicated by (2)
2. Conduct gravity surveys of all three aeromagnetic anomalies, giving preference to the Jackal-Rega anomaly.
3. Test drill target areas determined from (2) above and the results of the aeromagnetic survey.

##### PHASE II

1. Continue necessary road-building and maintenance and prepare drill sites if warranted by the results achieved in Phase I.
2. Continue diamond drilling.
3. Collect ore samples for metallurgical testing.

**PHASE III**

This would be an advanced exploration phase possibly combined with development work. It would probably involve more diamond drilling from surface and the driving of an adit for bulk testing and underground drilling.

**PHASE IV**

This phase would be a feasibility study.

**PHASE V**

This would be a development phase in preparation for mining. No estimates of the work required can be made at present.

**COSTS:**

The costs of the outlined programme can only be estimated roughly at present although the costs for Phase I can be regarded as fairly firm. No attempt is made at estimating the costs of Phases III, IV, or V

**PHASE I:**

Road work, drill site preparation etc.	\$ 5,000
Gravimetric surveys	8,000
Test drilling 2000 ft @ \$15 per foot including mobilization, supervision, core logging, assaying, room & board, etc.	30,000
Camp costs	3,000
Engineering and supervision	5,000
Miscellaneous and contingencies @ 10%	5,100

TOTAL PHASE I \$ 56,100

**PHASE II**

Roads, maintenance, drill sites	5,000
Diamond drilling. 3000 feet @ \$15	45,000
Metallurgical testing	5,000
Camp costs	5,000
Engineering and supervision	5,000
Miscellaneous and contingencies @ 10%	6,500

TOTAL PHASE I \$ 71,500

TOTAL PHASE I & II \$127,600

Yours truly,

L. J. MANNING & ASSOCIATES LTD.

" M. K. LORIMER "

M. K. Lorimer. P. Eng.

**BIBLIOGRAPHY:**

Minister of Mines, B. C.: Annual Reports, 1925-30 inclusive

Kindle, E. D.: Geological survey of Canada, Memoir 212, "Mineral Resources, Usk to Cedarvale, Terrace Area, Coast District, British Columbia", 1937.

Duffell, S. and Souther, J. G. : Geological Survey of Canada Memoir 329, "Geology of Terrace, Map area, British Columbia", 1964

**CERTIFICATE OF QUALIFICATIONS**

I, MALCOLM KEITH LORIMER, of the City of Vancouver, Province of British Columbia, Mining Engineer, hereby certify:

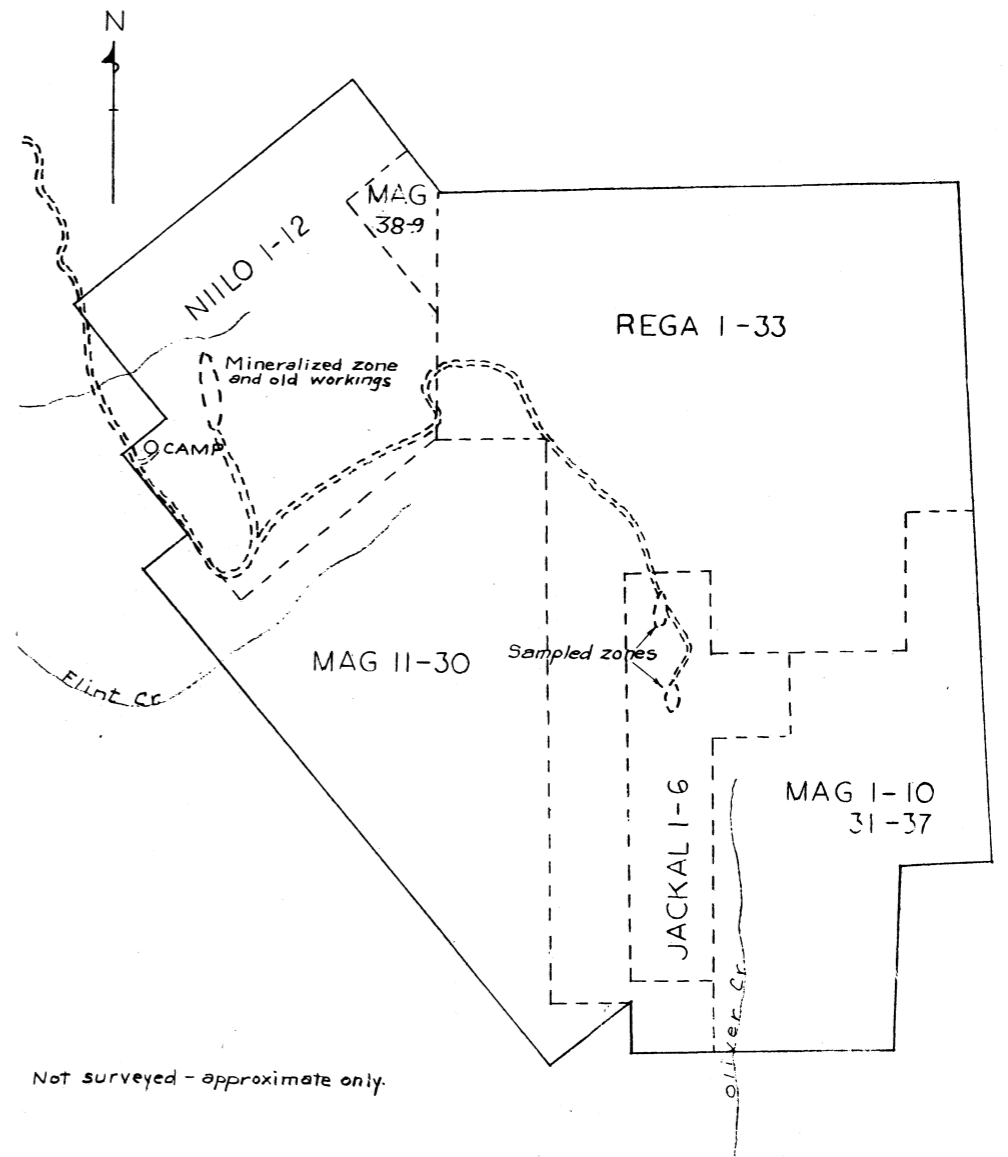
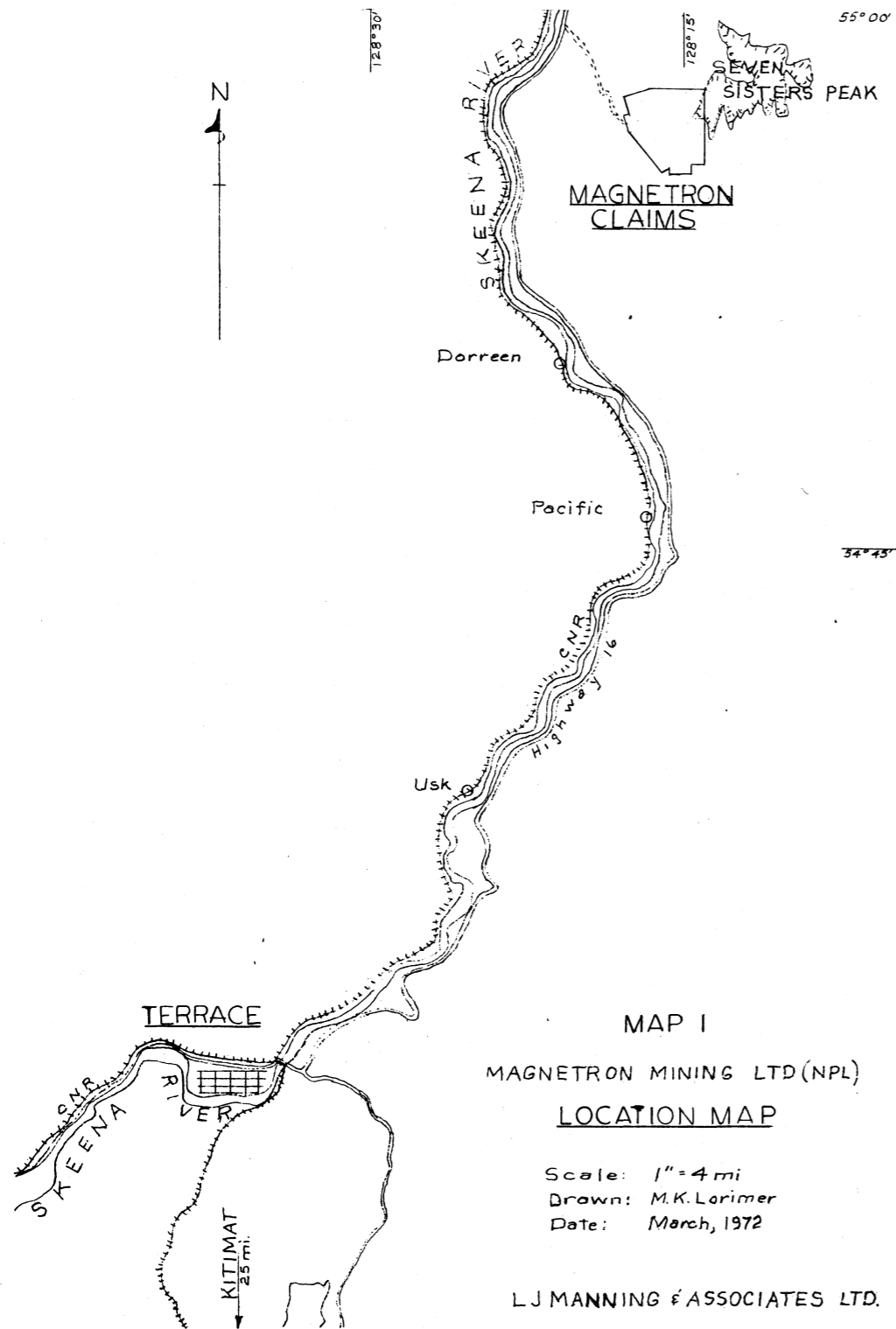
1. THAT I am practicing Mining Engineer and reside at 3082 West 27th Avenue, Vancouver, B. C.
2. THAT I am a graduate in Mining Engineering of the University of British Columbia, Bachelor of Applied Science, 1950 and have been practicing my profession for over sixteen years.
3. THAT I am a member of the Association of Professional Engineers of the Province of British Columbia.
4. THAT I am a member of the Canadian Institute of Mining and Metallurgy.
5. THAT I am an associate of the firm of L. J. Manning & Associates Ltd., Consulting Mining Engineers, of 610 - 890 West Pender Street, Vancouver 1, B. C.
6. THAT the following is true record of my employment and experience:
 

1950 - 52	General engineering, Consolidated Mining and Smelting Company of Canada Limited, Kimberely, B. C.
1952 - 56	Chief Engineer, Pioneer Gold Mines of B. C. Ltd., Pioneer Mines, B. C.
1956 - 57	Chief Engineer, Buchans Mining Co. Ltd., Buchans, Nfld.
1957 - 59	Chief Engineer and Mine Superintendent, Cowichan Copper Co. Ltd. Cowichan Lake, B. C.
1959 - 65	General Exploration work for various companies mostly in southern British Columbia.
1965 - Present	Associate, L. J. Manning & Associates Ltd., Vancouver
7. THAT I have no direct or indirect interest in the properties or securities of Magnetron Mining Ltd. (N.P.L.) or any of its affiliates nor do I expect to acquire any.

DATED at Vancouver, British Columbia, this 29th day of March, 1972.

" M. K. LORIMER "

M. K. Lorimer, B.A. Sc., P. Eng.



Young, Peers, Milner & Co.

CHARTERED ACCOUNTANTS

1292 WEST GEORGIA STREET

VANCOUVER 5, B. C.

AUDITOR'S REPORT

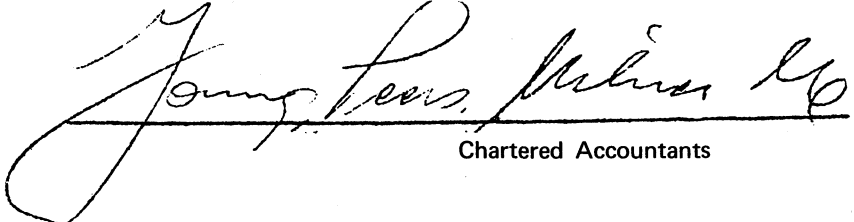
To the Directors  
Magnetron Mining Ltd. (N.P.L.)

We have examined the balance sheet of Magnetron Mining Ltd. (N.P.L.) as at February 29, 1972 and the statements of deferred development expenses and source and application of funds for the period then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

Since the value of the mining claims owned by the company is largely dependent on the successful future exploitation of these claims, it is not possible to ascertain current values.

Subject to the value of the mining claims, it is our opinion that these financial statements, supplemented by the notes thereto, present fairly the financial position of the company as at February 29, 1972 and the results of its operations and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles.

Vancouver, B. C.  
March 30, 1972

  
Chartered Accountants

MAGNETRON MINING LTD. (N.P.L.)

FINANCIAL STATEMENTS

FEBRUARY 29, 1972

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I N D E X

Auditor's Report

Balance Sheet, February 29, 1972 and June 30, 1971

Statement of Deferred Development Expenses for the period  
March 14, 1968 to February 29, 1972

Statement of Source and Application of Funds for the period  
March 14, 1968 to February 29, 1972

Notes to Financial Statements

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MAGNETRON MINING LTD. (N. P. L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE PERIOD MARCH 14, 1968 TO FEBRUARY 29, 1972

SOURCE OF FUNDS

Proceeds from share subscriptions \$138,596.45

APPLICATION OF FUNDS

Expenses incurred for the period	\$128,945.02	
Fixed asset purchases	5,192.88	
Cash payment for mining claims	6,395.00	
Deferred consulting fees	500.00	
Organization expenses	1,598.69	
Investments purchased	2,000.00	
Advances to Seven Sisters Mining Ltd.	1,562.10	146,193.69

WORKING CAPITAL DEFICIT, FEBRUARY 29, 1972 \$ 7,597.24

MAGNETRON MINING LTD. (N. P. L.)

NOTES TO FINANCIAL STATEMENTS  
FEBRUARY 29, 1972

1. Investment in Subsidiary

The company owns two-thirds of the outstanding shares of Seven Sisters Mining Ltd. which holds 6 claims in the Omineca Mining Division. The advances represent payments made by Magnetron to the vendors of the properties under an agreement dated July 28, 1969 whereby Seven Sisters has agreed to pay \$200 for every month that the claims are under exploration and production.

2. Mining Claims

Mining claims consist of the following:

27	"Rega" claims in the Seven Sisters Mountain area, Omineca Mining Division acquired for 700,000 shares valued at .35¢ each	\$245,000.00
12	"Niilo" claims in the Omineca Mining Division acquired originally for \$25,000 cash and 50,000 shares valued at .50¢ each but subsequently reduced to a consideration of \$5,000 cash and 40,000 shares valued at .50¢ each	25,000.00
39	"Mag" claims in the Omineca Mining Division acquired by staking by the company at a cost of	1,395.00
6	"Rega" claims in the Omineca Mining Division acquired by way of a gift at no cost to the company	—
		<u>\$271,395.00</u>

The cost of these mining claims together with deferred development costs is not intended to reflect current or future values.

3. Share Capital

In addition to the 740,000 treasury shares issued for mining claims (referred to in Note 2) a total of 426,059 shares have been issued for a total consideration of \$138,656.45 as follows:

152,552 shares at 20¢	\$ 30,510.34
70,000 shares at 25¢	17,500.00
142,173 shares at 35¢	49,760.70
20,460 shares at 50¢	10,230.00
40,874 shares at 75¢	<u>30,655.41</u>
426,059 shares	138,656.45

Less: Premium on subscription of 40,874 shares  
(shown separately)

10,218.50  
\$128,437.95

Of the shares issued, a total of 47,262 shares (valued at \$20,695.74) were issued for services rendered and/or materials supplied to the company. The 740,000 shares issued for properties are held in escrow subject to release only with the consent of the Superintendent of Brokers.

4. **Change of Name**

The Company was incorporated on March 14, 1968 under the name Magnetron Mining and Investment Corporation Ltd. and changed its name to Magnetron Mining Ltd. on September 16, 1968 and converted to a specially limited company on December 24, 1968. As of December 7, 1971 the company converted to a public company.

5. **Amounts Paid to Directors and/or Officers**

Amounts paid and accrued to Directors and/or Officers in their capacity as employees of the company totalled \$29,540.

Rentals paid to Directors and/or Officers for use of equipment totalled \$31,298.00 as follows:

Trucks, autos and miscellaneous equipment	\$ 14,348.00
Machinery and bulldozers	<u>16,950.00</u>
	\$ 31,298.00

# Young, Peers, Milner & Co.

CHARTERED ACCOUNTANTS

1292 WEST GEORGIA STREET

VANCOUVER 5, B. C.

SEVEN SISTERS MINING LTD. (N. P. L.)

FINANCIAL STATEMENTS

FEBRUARY 29, 1972

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*Auditors' Report*

*Balance Sheet, February 29, 1972.*

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## SEVEN SISTERS MINING LTD. (N. P. L.)

## BALANCE SHEET

FEBRUARY 29, 1972

## ASSETS

<b>MINING CLAIMS</b> , at cost		
consisting of 6 "Jackal" claims in the Omineca Mining Division acquired for \$1.00 under a bill of sale dated July 3, 1970		\$ 1.00
<b>DEFERRED DEVELOPMENT EXPENSES</b>		
Lease payments during exploration (Note)	\$ 1,000.00	
Assessment work on claims	<u>3,164.00</u>	4,164.00
<b>INCORPORATION AND ORGANIZATION EXPENSES</b>		<u>397.10</u>
		\$ 4,562.10

## LIABILITIES AND SHARE CAPITAL

<b>ADVANCES FROM PARENT COMPANY</b>		\$ 1,562.10
<b>SHARE CAPITAL</b>		
10,000 common shares of \$1.00 each par value authorized, of which 3,000 are issued for properties and property agreements		<u>3,000.00</u>
		\$ 4,562.10

## AUDITORS' REPORT

To the Directors,  
Seven Sisters Mining Ltd. (N.P.L.)

We have examined the balance sheet of Seven Sisters Mining Ltd. (N.P.L.) as at February 29, 1972. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion this balance sheet presents fairly the financial position of the company as at February 29, 1972, in accordance with generally accepted accounting principles.

" YOUNG, PEERS, MILNER & CO. "

Chartered Accountants

Vancouver, B. C.  
March 30, 1972.

## Note:

Under the terms of an agreement dated July 28, 1969 made between the company and the vendors of the mining claims, the company is obligated to make monthly payments of \$200 for every month that the claims are under development or production.