

GM 36784

REPORT OF FEASIBILITY STUDY AND PRODUCTION DEVELOPMENT SCHEDULE ON GOLD-COPPER PROPERTIES

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Énergie et Ressources
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Québec 

REPORT OF FEASIBILITY STUDY
- and -
PRODUCTION DEVELOPMENT SCHEDULE
- on -
GOLD - COPPER PROPERTIES
TRANS CANADA COPPER MINES LIMITED
BOURLAMAQUE & LOUVICOURT TOWNSHIPS
COUNTY OF ABITIBI EAST-QUEBEC-CANADA

Ministère de l'Énergie et des Ressources
Gouvernement du Québec
Documentation Technique

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- submitted -

October 31, 1979

by

A. S. BAYNE & COMPANY
Consulting Engineers

A. S. Bayne, P.Eng. - Ontario

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M A P S (See pocket in back)

1. Location Map (1 sheet) - Abitibi East County, Northwestern Quebec, October 1979, Scale 1" = 5.6 miles.
2. Plan - coloured geological (1 sheet) - Gold-Copper Mining Property - outlining Proposed Preproduction Development, Bourlamaque Property. Revised to October 17, 1979. Scale 1" = 200'.
3. Plan (1 sheet) Showing Location of Known Mineral Occurrences - Louvicourt Property, March 1970. Marked up to show locations to October 1979. Scale 1" = 1000'.
4. Vertical cross-sectional projections (8 sheets) - on Sections 10+00W, 10+75W, 11+00W, 11+25W, 11+50W, 11+75W, 12+00W, 12+50W - Diamond Drill Holes showing core intersections and geological correlation - October 1969 to May 1976. Revised October 1979 to show Mine Openings per Plans of Production Development - South (Gold) Zone - Bourlamaque Property. Scale 1" = 20'.
5. Plans of 200', 250' and 300' Levels (3 sheets) covering area from departure sections 7+00W to 13+50W by latitudes 9+00S to 13+00S.. Drill hole intersections and geological correlation projected to plan, May 1976. Revised October 1979 to show Mine Openings of Planned Projected Preproduction Development and Stope Preparation - South (Gold) Zone - Bourlamaque Property. Scale 1" = 20'.
6. Longitudinal Vertical Section (1 sheet) along latitude 11+00S from departure sections 6+50W to 13+50W, projected from vertical drill sections and level plans. October 1979. Scale 1" = 20'.

(i)

A. S. BAYNE & COMPANY
CONSULTING ENGINEERS

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TORONTO, ONTARIO, CANADA
M5C 1N1 TEL: (416) 368-3283

ADDRESS ALL CORRESPONDENCE

• 45 STRATHALLAN BLVD., TORONTO, ONTARIO M5N 1S8 • TEL: 485-6793

October 31, 1979

Trans Canada Copper Mines Limited
1271 Seventh Street
Val d'Or, Quebec
J9P 3R9

Attention: Mr. J. H. Kentish
Mr. G. H. Dumont


Gentlemen:

In accordance with your instructions during our telephone discussions since September 10, 1979, and at our meetings in Val d'Or, September 17 to 22, 1979, I have now completed the examinations and studies on your gold-copper mining properties in Bourlamaque and Louvicourt Townships.

Attached you will find my "Report of Feasibility Study and Production Development Schedule - - -", together with the accompanying maps and plans.

For your convenience, kindly refer to the Index and Summary prefacing the Report.

Yours sincerely,


A. S. Bayne

ASB:TP

Att.

A. S. BAYNE & COMPANY
CONSULTING ENGINEERS

12 RICHMOND STREET EAST
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ADDRESS ALL CORRESPONDENCE

• 45 STRATHALLAN BLVD., TORONTO, ONTARIO M5N 1S8 • TEL: 485-6793

October 31, 1979

The President and Directors
Trans Canada Copper Mines Limited
1271 Seventh Street
Val d'Or, Quebec
J9P 3R9

Re: Consent as to the use of "Report of Feasibility Study and
Production Development Schedule on Gold-Copper Properties
- Trans Canada Copper Mines Limited - Bourlamaque and
Louvicourt Townships, County of Abitibi East, Quebec, Canada"

Gentlemen:

Pursuant to the regulations of the pertinent Government and Stock Exchange regulatory bodies, I hereby consent as follows:-

1. To the reference to my name in a Prospectus and/or Amendment to Prospectus, which may be filed and published by Trans Canada Copper Mines Limited, as the author of the captioned Report of even date, attached herewith.
2. The inclusion of the Summary (attached in the preface of the said Report) in its entirety in the said Prospectus and/or Amendment to Prospectus.
3. The placing on file by Trans Canada Copper Mines Limited of the said Report and the said Summary, for the examination of any person or persons wishing to read the said Report and/or the said Summary.

Please take notice that this letter is attached to the said Report and the said Summary, and that no part of the said Report and/or the said Summary, which is out of context with the said Report or the said Summary, may be used or reproduced for any purpose whatsoever without the prior written permission of the undersigned.

Yours very truly,



A. S. Bayne, B.Sc., P.Eng.


ASB:TP

Att.

C E R T I F I C A T E

I, Arthur Stewart Bayne, do hereby certify that:-

1. I am a Consulting Engineer with residence at 45 Strathallan Boulevard, Toronto, Canada.
2. I am a Bachelor of Science in Mining and Metallurgical Engineering (Queen's University, Kingston, Ontario, Canada, 1935).
3. I have continuously practised my profession under the registered name and style of A. S. Bayne and Company, Consulting Engineers, with offices in Toronto, Canada, since 1946.
4. I am a member in good standing of the Association of Professional Engineers of the Province of Ontario.
5. I have no interest, direct, indirect or expected in the properties or securities of Trans Canada Copper Mines Ltd.
6. This certificate is part of the attached "Report of Feasibility Study and Production Development Schedule on Gold-Copper Properties - Trans Canada Gold Mines Limited - Bourlamaque and Louvicourt Townships, Quebec, Canada", dated October 31, 1979.
7. This report is based on:-
 - a) Numerous detailed field examinations by the author of this report, of all the mines and properties described, including several examinations, studies and reports on the gold-copper properties now held by Trans Canada Copper Mines Ltd., in 1967, 1969, 1970, and most recently during the past two months.
 - b) Recent attendances on and pertinent discussions with the technical and management personnel of Trans Canada Copper Mines Ltd. and of mining contractors and currently developing and producing mines in Bourlamaque and Louvicourt Townships.
 - c) My personal and independent detailed analysis and calculation of all data relative to the estimates of tons and grade of potential ore indicated by drilling on the property.
 - d) A detailed review, during the past month, of various government geological reports and maps covering the northwestern Quebec mining area, with particular attention to Bourlamaque and adjacent townships.
 - e) Knowledge gained working in mine exploration and production management during intervals of from a few weeks to several years in northwestern Quebec since 1927.
 - f) My full cognizance of the facts.


A. S. Bayne

SUMMARY

Property Holdings - Titles

Trans Canada Copper Mines Ltd. holds two properties containing several important gold-copper deposits in the adjoining townships of Bourlamaque and Louvicourt, County of Abitibi East, Quebec, Canada. All property and mining claims titles are in good standing with all tax and assessment work requirements fulfilled.

Location and Access

The Bourlamaque Property covers 4 contiguous mining claims comprising 74 hectares (183 acres) in an area 0.8 km ($\frac{1}{2}$ mile) square. Access is via Highway 59 about 3 km (2 miles) east of Val d'Or, thence 4 km ($2\frac{1}{2}$ miles) south by the East Sullivan motor road.

The Louvicourt Property covers 3 mining concessions and 56 mining claims, all contiguous, comprising 1,064 hectares (2,629 acres). The east limit is southbound Highway 58 at its junction with westbound Highway 59, which traverses the 5 km (3 mile) length. The north-south width of the property is 2.4 km ($1\frac{1}{2}$ miles). The west limit is 19 km ($11\frac{3}{4}$ miles) east of Val d'Or.

Val d'Or, with about 20,000 population, is served by paved highway and rail about 500 miles from Montreal and Toronto; also by daily jetliner via Air Canada. It is 65 miles east of the custom mill and smelter of Noranda Mines Ltd.

Both properties are within economic trucking distance of operating mills with current excess capacity to treat custom ore. The Lamaque mill is at the east end of Val d'Or. Road haul mileages are: from the Bourlamaque Property, 8 km (5 miles); from the Louvicourt Property, 16 km (10 miles). The Manitou Barvue mill, now operated on custom basis by La Societe Louvem Inc., has open capacity to treat custom ore. It is near Highway 59, about 8 km (5 miles) northeast of the Bourlamaque Property and 11 km (7 miles) southwest of the Louvicourt Property.

Power, Water, Labour, Supplies

Hydro-electric power is available from transmission lines near Highway 59. Ample fresh water is obtainable from lakes and streams on and near both properties. Located in the heart of northwestern Quebec's mining area, experienced labour and all types of equipment and supplies are economically available.

History of Area

Northwestern Quebec, since Noranda Smelter started producing copper and gold from its Horne Mine in 1927, has become a famous producer of these metals, with lead, zinc, molybdenum, iron and asbestos having reached substantial proportions since the 1940's. In 1978, gold production reported from Quebec, most of which came from the Val d'Or area, was 14,463,000 g. (465,709 oz. Troy) valued at \$102,515,000 for an average value of \$220 per ounce. Copper production reported was 88,704,000 kg (195,556,838 lb.) valued at \$145,515,000 for an average value of 74.411 cents per pound.

Summary - cont'd

History of Properties

The Bourlamaque property was acquired by Dumont Nickel Corporation in March 1969. Geophysical surveys, followed by 44 exploratory holes totalling 24,000 feet of drilling, discovered and indicated important copper-gold deposits in the central (North Zone) and south (South Zone) parts of the property. The North Zone drilling indicated predominance of copper with low gold content and the South Zone low copper and important gold values.

In 1973, on the South Zone a further 12 holes were drilled at close intervals (25 feet) to further prove and delineate the gold zone for mine planning.

The Louvicourt property was acquired progressively from 1962 to 1969, when persistent geophysical prospecting and exploratory drilling of the west half of the property resulted in the discovery of four important gold-copper zones warranting further exploration. The east half was purchased in 1969 from the previous owners of the Bevcon-Buffadison gold mines. From 1951 to 1964, inclusive, over \$11.5 million in gold had been produced by the Bevcon mill. Operations ceased in 1965 due to rising costs against the stationary price of gold.

There are not now any mine buildings or equipment on either the Bourlamaque or Louvicourt properties other than drill-core storages. The only mine workings to date are as outlined in this report.

Economic Geology

The rocks underlying the area are all Precambrian. The Bourlamaque gold-copper deposit is in altered zones of andesitic volcanics, with interflows of more acid rhyolitic volcanics, tuff and breccia, all intruded by dykes and sills of diorite, porphyry and siliceous rocks. The minerals are copper and iron sulphides and magnetic iron, the gold occurring with all the sulphides and often in silicified carbonatized rocks with sparse sulphides.

Bands of sedimentary rocks lie between the North and South Zones. The flows and bedding strike easterly and dip 70° south to vertical. The mineralized zones are in fracture zones conformable along strike but dip 45° to 70° north and plunge 65° to 70° easterly.

On the Louvicourt property easterly striking volcanics underlay the property along the north and south limits. The central part, almost 50% of the property area, has been heavily intruded by later igneous rocks of the same types comprising the great Bourlamaque batholith to the west and previously mapped as a massive "granodiorite" stock. Experience has proven these "batholiths" and "stocks" are not homogeneous masses, but are cut by substantial fracture zones and contain long volcanic-sedimentary embayments. (G.H. Dumont, Bras d'Or Mines Ltd., 1974) Since 1975, combined drill indicated ore reserves on the Belmoral and Bras d'Or properties are estimated to be at least 1,575,226 tons averaging 0.20 oz/ton gold, from 100 to 1500-foot depth and production development is currently well advanced. Both these deposits are in shear zones within the Bourlamaque granodiorite, proving the great economic potential of this rock type.

Summary - cont'd

Drilling at the west end of the Louvicourt property cut a gold zone - marked (F) on the location map, typical of those mineralized shears in the granodiorite. An intersection averaging 0.185 oz/ton gold over 6.5 feet, in quartz tourmaline carbonatized shear, heavily pyritized with feldspathic walls, within coarse-grained diorite porphyry and cut by a massive dark green basic dike.

The Bevcon-Buffadison gold deposits - locations (A) and (B) - lie in east-west striking shears in the granodiorite about 300 feet south of its north volcanic contact. The gold occurs, associated with iron and copper sulphides, in silicified altered carbonatized shears dipping from 35° to 70° lying "en echelon" down dip.

Property Development

On the Bourlamaque property, surface exploratory and delineation drilling has indicated a gold orebody over a strike length of 250 feet to at least 310 feet vertical, with an average true mining width of 35.6 feet. Preliminary drilling on the North Zone, 500 feet north, has indicated and inferred a promising copper deposit, with low gold and silver values, along 600 feet of a total strike length of 1,100 feet, to a depth of at least 600 feet.

On the Louvicourt property from 1965 to 1969, drilling indicated one copper and two gold zones in addition to gold location (F) previously described. On location (C) drilling cut several gold sections to 115-foot depth, assaying 0.23 oz/ton to 0.60 oz/ton over 5.6 to 9.4 feet core length. On location (D) drilling outlined a possible copper-gold ore zone with intersections of up to 4.21% copper, 0.018 oz/ton gold over 14 feet at 345-foot depth. Drilling on location (E) cut several gold sections over narrow widths, up to 0.66 oz/ton gold, 1.74 oz/ton silver, to 515-foot depth.

In 1962 the Bevcon mine was connected to the Buffadison on the 850-foot level, but it is reported that only about 11,000 tons were taken from Buffadison by Bevcon.

Both shafts are vertical. The Bevcon is to 2200 feet and the Buffadison to 983 feet. In the last operating year, 1964, Bevcon milled 242,085 tons of ore, recovering 30,143 ounces gold and 10,624 ounces silver. Revenue from bullion sales was \$1,152,545 or \$38.24 (Canadian) per ounce gold.

Lateral drilling in 1963 outlined a vein averaging 3.61 oz/ton gold. In the same year two steep holes were drilled from the 2200-foot level. One hole, drilled 1,035 feet to the 3,235-foot horizon, cut over 75 gold-bearing veins of which at least 27 were mill grade and some much higher, up to 2.75 ounces gold per ton. The other hole, drilled 740 feet to the 2,940-foot horizon, 130 feet east on strike, cut 44 sections of which at least 17 were mill grade, up to 0.55 oz/ton at the 2,700-foot horizon.

The Bevcon-Buffadison production was suspended in 1965 due to rising costs exceeding gold prices at that time.

Summary - cont'd

Estimates of Tons and Grade of Ore

Bourlamaque Property

South (Gold) Zone - indicated and delineated by closely-spaced drilling on 250-foot strike length to 360' level over average true width of 36 feet
- including 15% wall rock dilution 188,448 tons
- weighted average gold content 0.139 oz/ton

North (Copper-Silver) Zone - indicated and inferred by limited widely-spaced preliminary drilling on 600-foot strike length to 650' level over average true width of 6.4 feet
- weighted average grade - copper 1.00%
- silver 0.112 oz/ton
- vertical continuity limited to 100' per drill section
- 120,700 tons
- indicated possible subject closely-spaced drilling
- 784,550 tons

Louvicourt Property - unmined reserves reported 1965.

Bevcon Mine - gold reserves to 2200' level
Developed - 101,500 tons averaging 0.130 oz/ton
Drill Indicated - 814,000 tons averaging 0.115 oz/ton
Total - 915,500 tons averaging 0.117 oz/ton

Buffadison Mine - gold reserves to 1,000' level
Developed & Drill Indicated - 200,000 tons averaging 0.457 oz/ton
Milled by Bevcon 1964 - 11,000 tons
Left in Place 1965 - 189,000 tons averaging 0.457 oz/ton

Combined Total 1,104,500 tons averaging 0.175 oz/ton

Economic Feasibility - Bourlamaque Property

The following outlines the feasibility of production currently planned on the South Zone at \$450 (Canadian) per ounce gold (reported trading New York today at US\$382.25 or Can.\$453.35 at Toronto exchange rate Can.\$1.1860 to US\$1.00).

Projected Production Schedule - first 21 months
Mill 300 tons of ore per day - 9,000 tons monthly
Millfeed - 21 month period -
Gold in Millfeed -
Mill recovery per bulk sample tests
Gold recovered - per ton milled -

188,448 tons
0.139 ~~1.39~~ oz. per ton
97%
~~1.35~~ oz. per ton
0.135

Report on Gold Copper Properties
Trans Canada Copper Mines Ltd.

October 31, 1979

Summary - cont'd

<u>Revenue per ton milled @ \$450/oz -</u>	\$60.75 per ton
<u>Operating Expenses per ton milled -</u>	<u>37.15 per ton</u>
<u>Operating Profit per ton milled -</u>	<u>\$23.60 per ton</u>
<u>Total Operating Profit - 21 months</u>	<u>\$4,447,373</u>

Estimate of Capital Cost - Preproduction Developments

- per Estimates of Cost (p. (x) following) -	\$1,002,354
- one year interest on \$1,000,000 @ 12% -	<u>120,000</u>
Total -	<u>\$1,122,354</u>

Cash Flow - 27 months

<u>Period</u>	<u>Capital Expenses</u>	<u>Operating Profit</u>
First 6 months	\$1,122,354	
Next 6 months		\$1,274,400
Next 15 months		<u>3,172,973</u>
	<u>\$1,122,354</u>	<u>\$4,447,373</u>

Net Profit - 27 months* \$3,325,019

*Note: After capital amortized but before taxes.

Economic Feasibility - Louvicourt Property

The following compares the Bevcon performance reported 1965 per fiscal year 1964, to projection to 1980 of same production schedule.

<u>Production Schedule</u>	<u>Actual 1964</u>	<u>Projected 1980</u>
Tons Mined and Milled -	242,085	242,085
Gold in Millfeed - oz/ton -	0.134	0.175
- total ounces -	32,440	42,365
Gold Recovered in Mill @ 93% -	30,143	39,399
- per ton milled -	0.125 oz/ton	0.163 oz/ton
<u>Revenue - @ \$38.24/oz. -</u>	\$1,152,545	
- per ton milled -	\$4.76	
- @ \$450/oz. -		\$17,729,550
- per ton milled -		\$73.24
<u>Operating Expenses -</u>	\$1,434,751	\$8,993,458
- per ton milled -	\$5.93	\$37.15
<u>Operating Profit (Loss) -</u>	(\$282,206)	\$8,736,092
- per ton milled -	(\$1.17)	\$36.09

Report on Gold Copper Properties
Trans Canada Copper Mines Ltd.

October 31, 1979

Summary - cont'd

Estimate of Capital Cost - Preproduction Development

- per Estimates of Cost (p. (x) following) -	\$5,234,200
- one year interest @ 14.5%	<u>758,959</u>
Total -	<u>\$5,993,159</u>

Cash Flow - 6 years - mill only 1,104,500 tons

Assuming projected 1980 performance first 5 years after completion of preproduction development, indicated cash flow is:-

<u>Year</u>	<u>Capital Expenses</u>	<u>Operating Profit</u>
First year	\$5,993,159	
Second year		\$ 8,736,092
Next 4 years		<u>31,125,313</u>
		<u>\$39,861,405</u>
Net Profit* - 6 years		<u>\$33,868,246</u>

*Note: After capital amortized but before taxes.

Observations, Conclusions, Recommendations

The economic advantages available to both properties are:-

- proximity of Highway 59 facilitates speedy economic preproduction development;
- short hauling distances to custom mills and/or smelter;
- free milling ore minerals yield high extraction recovery;
- substantial drill-indicated gold ore, additional and contiguous to the close dimensional limits imposed in this feasibility study, indicating probability of continuity of mine-life well beyond current projections;
- the planned extraction of profitable gold ore, early in the preproduction work schedule, to facilitate rapid amortization of capital expenses;
- the occurrence of drill-indicated copper deposits, also containing gold and silver values which, subject to the further exploration and development included in the foregoing operating expenses, will diversify the source of revenue and extend mine-life.

The following work schedule is recommended:-

Bourlamaque Property

Start preproduction development of the South Zone as soon as possible this year 1979. The work schedule will call for mill shipments in the 5th or 6th month following start, with regular shipments scheduled at 300 tons of ore daily by the end of the 6th month.

Louvicourt Property - Surface Exploration

Start as soon as possible in 1979, ground geophysical surveys and concurrent geological correlation on the entire property. This should be completed within 4 months. Supplement these by at least 10,000 feet of surface core drilling to be completed in the next 5 months.

Summary - cont'd

Bevcon-Bevcon Mines

The start of preproduction development of the mine workings should start as soon as possible, to be completed in at least 12 months. The following outlines the work schedule:-

- dewater and rehabilitate the Bevcon shaft for future production and the Bevcon shaft for ventilation and secondary escapement;
- deepen the Bevcon shaft to 2500 feet with lateral development at the 2350-foot level.
- schedule development and stope preparation to restore production capacity of the mines to at least 750 tons of ore per day.

Estimates of Cost

The projected capital budget for preproduction development is outlined following:-

Bourlamaque Property

<u>Monthly Budget</u> <u>Schedule</u>	<u>Work Schedule</u>	<u>Estimated Cost</u>
1st	General & Minesite Preparation	\$ 73,300.00
2nd	Sink Decline Shaft to 206' level	424,475.00
3rd & 4th	Sink to and Develop 260' level	216,855.20
5th & 6th	Stope Preparation & Start Production	<u>287,724.03</u>
<u>Total - Bourlamaque Property</u>		<u>\$1,002,354.23</u>

Louvicoourt Property

1st to 4th	Surface Exploration	\$ 50,000.00
5th to 9th	Surface Core Drilling	200,000.00
12 months*	Preproduction Development - Bevcon-Bevcon Mines	<u>5,234,200.00</u>
<u>Total - Louvicoourt Property</u>		<u>\$5,484,200.00</u>
<u>Total Capital Cost - Both Properties</u>		<u>\$6,486,554.23</u> =====

*Note: The mine development is not subject to the surface exploration schedule. The latter should be started early as possible so that development of possible new discoveries can be most economically co-ordinated into the work schedule.

Summary - cont'd

Basis of Estimates

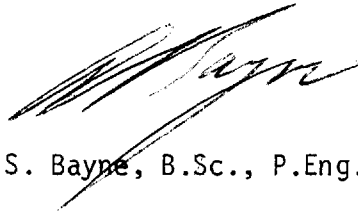
1. Estimates of Cost

All costs are based on local wages and prices of mining contracts currently active in the area. The Bourlamaque costs are based on recent contractors' proposals. Where the work schedule is projected into 1980, contingency factors cover rising inflation.

2. Price of Gold

It is submitted that the price of \$450 (Canadian) per Troy ounce gold is conservatively realistic. October prices in Canada and London were from \$446.27 to \$468.12 (Canadian) per ounce. Futures quotations at the end of September for one-year delivery on the New York, London, Singapore and Winnipeg Commodity Exchanges were from \$515.56 to \$530.83 (Canadian) per ounce. New York trading October 31, 1979, was \$453.35 (Canadian) at the concurrent Toronto exchange rate of Can.\$1.1860 to US\$1.00.

There is no doubt that the planned and proposed mining projects are eminently feasible.



A. S. Bayne, B.Sc., P.Eng.

PROPERTY HOLDINGS - TITLES

Trans Canada Copper Mines holds two properties containing several important gold-copper deposits in the adjoining townships of Bourlamaque and Louvicourt, County of Abitibi East, Province of Quebec, Canada, as follows:-

1. Bourlamaque Property comprising four contiguous mining claims covering approximately 74 hectares (183 acres) held under Licence No. 294573.
2. Louvicourt Property, 4 km (2½ miles) north by 16 km (10 miles) east of the Bourlamaque property, comprising three mining concessions and 56 mining claims, all contiguous and covering approximately 1064 hectares (2629 acres). Concession, licence and claim numbers are detailed in Appendix I following.

All property titles are in good standing with all tax and assessment work requirements completed.

LOCATION AND ACCESS

The Bourlamaque Property occupies a rectangular area 0.8 km (½ mile) square, lying 3 km (2 miles) east of Val d'Or via Highway 59, thence 4 km (2½ miles) south by the East Sullivan motor road.

The Louvicourt Property occupies a rectangular area 5 km (3 miles) east-west by 2.4 km (1½ miles) north-south. The east limit is southbound Highway 58 at its junction with westbound Highway 59, which traverses the property throughout its length. The west limit is 19 km (11-¾ miles) east of Val d'Or. The central and east parts of the property are also partly traversed southwards by passable roads from Highway 59.

Val d'Or, a city of about 20,000 population, is served by paved highway and rail about 500 miles from the cities of Montreal and Toronto; also by daily jetliner service via Air Canada. It is 65 miles east of the custom mill and smelter of Noranda Mines Ltd.

Both properties are within economic trucking distances of operating gold mills with open capacity for custom ore milling. The Lamaque mill, 2100-ton-per-day capacity, currently treating 1700 to 1800 tons daily, is near Highway 59 at the east end of Val d'Or. The respective road distances from the two properties are 8 km (5 miles) and 16 km (10 miles).

The Manitou Barvue mill with excess capacity above 500 tons per day, operating as a custom mill, is located near Highway 59, about 8 km (5 miles) northeast of the Bourlamaque Property, 11 km (7 miles) southwest of the Louvicourt Property.

POWER, WATER, LABOUR, SUPPLIES

Hydro-electric power is available from transmission lines near Highway 59. Ample fresh water is obtainable from the streams and lakes on and near both properties. Located in the heart of the northwestern Quebec gold-copper mining area, experienced labour and all types of equipment and supplies are readily and economically available.

HISTORY OF AREA

The history of northwestern Quebec's mineral output is well known. The most important metals are gold and copper, with lead, zinc, molybdenum, iron and asbestos having reached substantial proportions since the 1940's.

In 1978, gold production from Quebec, most of which came from the Val d'Or area, was reported at 14,463,000 g. (465,709 oz. Troy) valued at \$102,515,000 at an average price of \$220 per ounce (Troy). Copper production was reported at 88,704,000 kg (195,556,838 lb.) valued at \$145,515,000 at an average price of 74.411 cents per lb.

Since the Horne smelter started at Noranda in 1927, it has produced more than 1.3 million tons of copper, 10 million ounces of gold and 22.3 million ounces of silver, from 59 million tons of ore.

In Bourlamaque Township, the first gold producer, Lamaque, started with a 500 t.p.d. mill in April 1935, increasing it to 2100 tons capacity by 1952. In 1978, 466,110 tons of ore was reported milled, averaging 0.130 oz. per ton.

The second gold producer, Sigma Mines (Quebec) Ltd. is located on Highway 59, about 5 km (3 miles) west of the Trans Canada property. Production started in 1937 milling 300 tons per day periodically, increasing capacity to 1,350 tons per day by 1968. In 1978, the mine produced 493,311 tons of ore, recovering 73,115 ounces of gold valued at \$16,910,000 at an average price of \$231.28 per ounce, or \$34.28 per ton milled. General mine-mill operating expense is reported at \$10,302,000 or \$20.88 per ton milled, yielding an operating profit of \$6,608,000 or \$13.40 per ton milled.

The east Sullivan Mine, located 0.8 km ($\frac{1}{2}$ mile) north of the gold-copper deposit, produced \$105 million in copper, zinc, gold and silver.

The Manitou Barvue mine, 8 km (5 miles) northeasterly of the Trans Canada property, produced \$71 million in copper, lead, zinc, gold and silver from 1942 to 1967.

In 1968, Soquem (Societe Quebecois d'Exploration Miniere), incorporated by the Quebec government to assist mineral exploration, discovered an important copper deposit in Louvicourt Township and has since been shipping ore to the Manitou Barvue mill. Louvem, the operating arm of Soquem, has diversified the processing capacity of the mill, which is now treating custom ore.

In Bourlamaque Township, 8 km (5 miles) northeast of the Trans Canada property, an important gold orebody has been discovered and outlined by geophysical surveys and drilling. The mine has been acquired from the local discoverers by Belmoral Mines Ltd. The new plant buildings and equipment are now on site and mine development by an 11' x 18' decline shaft is now in progress. Ore from underground development is currently shipped to the Manitou Barvue mill, but milling equipment is being assembled for future milling on site at the initial rate of 1,000 tons of ore daily. Drilling has indicated at least 875,226 tons averaging 0.183 oz/ton gold, from 100- to 1500-foot vertical depth.

Belmoral Mines is also developing the old Bras d'Or mine, 2.4 km ($1\frac{1}{2}$ miles) southwest of its new minesite. Buildings and mine plant equipment were on site and operating in September and sinking of a vertical production shaft to at least 1000 feet had started.

At least 700,000 tons of ore, averaging 0.224 oz/ton gold, has been indicated by extensive drilling in 1973-74 to 1,050 feet depth.

HISTORY OF PROPERTIES

The Bourlamaque Property

In 1930, the Quebec Department of Mines' Annual Report recorded the discovery of copper sulphides on the south shore of the Bourlamaque River, on what are now the claims held by Dumont Nickel Corporation.

The Quebec Annual Report, 1930C (p.87) reports copper discoveries on the "Hughes Claims", which are now part of the property held by Dumont Nickel Corporation Limited.

From 1930 to 1940, some surface trenching and at least two core holes were drilled to 350 and 500 feet respectively. Following inactivity during World War II, Orenada Gold Mines Limited drilled 12 holes totalling 11,069 feet during 1945 and 1946, when work was again suspended. Lack of funds frequently interrupted the Orenada work schedule, but from 1949 to 1964, with the assistance of an option agreement from Sullivan Mines in the last year, an additional 13 holes, totalling 7,437 feet, were drilled.

In March, 1969, Dumont Nickel Corporation Limited acquired the four claims. Geophysical surveys were carried out and from September 11 to November 15, 1969, 44 holes, totalling 24,226 feet, were drilled.

This drilling indicated important copper-gold deposits in the central and south part of the property, over a strike length of $\frac{1}{2}$ mile from east to west and across a north-south band, $\frac{1}{4}$ mile wide.

From January 23 to February 20, 1970, the property was examined by A. S. Bayne and a feasibility study completed. Calculations of tons and grade were restricted by limited drilling in the probable ore zones. Therefore further drilling was recommended to be followed by underground mine exploration and development.

In 1973 on the South Zone, a further 12 holes, totalling 4,150 feet, were drilled across closely-spaced (25-foot) sections within a strike length of 250 feet, to a 350-foot depth.

No further drilling has been done on the North Zone, the logical advance in gold prices having now warranted underground development in conjunction with the profitable production of gold from the South Zone.

The Louvicourt Property

The acquisition of this property began in 1962 when Dumont Nickel Corporation, after drilling the copper deposit of Abitibi Copper Mines Limited adjoining to the southwest, acquired 129.5 hectares (320 acres) now comprising the southwest corner of the present holdings now held by Trans Canada Copper Mines Ltd.

The continuous exploratory program of surface prospecting, geophysical surveys and core drilling on the Abitibi Copper property from 1965 to 1970 was expanded north and northeastward until, by 1969, Trans Canada Copper Mines property holdings were increased to cover the entire area underlain by what is mapped as a large stock or batholith of granodiorite.

The north-central part of the east half of the property, acquired in 1969, included

History of Properties - cont'd

The Louvicourt Property - cont'd

the Bevcon and Buffaddison gold mines. The Bevcon mine started milling operations in 1951 and by 1965 had produced \$11.5 million in gold.

* * * *

There are not at present any mine buildings or equipment on either the Bourlamaque or Louvicourt properties other than drill core storages. The only mine workings are as described in this report.

ECONOMIC GEOLOGY

The rocks underlying the area are all of Precambrian age.

A major fault structure extends from more than 100 miles westward into Ontario, passing just south of Noranda and eastward through the south part of Louvicourt Twp.

Most of the important mineral producers of Kirkland Lake and Larder Lake in Ontario and Rouyn-Noranda, Cadillac, Malartic and Val d'Or are located on or within a few miles of this "break".

The Bourlamaque Property lies about one mile north of this break, in andesitic volcanics with interflows of rhyolite, all intruded by siliceous and dioritic rocks. Bands of sedimentary arkose, greywacke and conglomerate lie between the North and South Zones.

The copper sulphides consist of chalcopyrite, with occasional bornite, almost invariably associated with disseminated magnetite. Silver content is proportionate to the copper content, while the gold occurs with all the sulphides and often in silicified carbonatized rocks with sparse sulphide mineralization.

The flows and bedding strike easterly and dip 70° south to vertical. The mineralized bodies are in shear zones fairly conformable along strike, but dip from 45° to 70° to the north. The mineralized shears are often altered by chlorite, sericite, epidote, silica and carbonates.

The South Zone, which Trans Canada Mines Ltd. plans to develop for production, is predominantly gold, averaging upward of 0.20 oz/ton gold, 0.11 oz/ton silver, and 0.20% copper.

The North Zone, which can now be economically explored and developed from the proposed South Zone workings, is higher in copper and magnetite, averaging upward of 1.0% copper, 0.02 oz/ton gold, 0.11 oz/ton silver. Some narrow drill core sections assayed 1.55% copper, 0.30 oz/ton gold and 0.43 oz/ton silver.

The Louvicourt Property is mainly underlain by a large area previously mapped as a large mass of granodiorite contacting the older volcanics in the north-central and south part of the property.

The Bevcon and Buffaddison gold deposits lie in east-west striking shears in the granodiorite intrusives about 300 feet south of the north volcanic contact. The

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Economic Geology - cont'd

gold occurs associated with pyrite and some chalcopyrite, in silicified, sericitized, carbonatized shears dipping from 35 to 70 degrees and lying "en echelon" down dip. (See locations (A) and (B) on the accompanying map.)

In 1963, Malartic Goldfields (Quebec) Ltd. from whom Trans Canada later acquired the property, discovered a new gold zone (see location (C) on map), located 1600 feet southwest of the Buffaddison mine, in the granodiorite 900 feet south of the volcanic contact. Exploratory holes drilled to 100-foot depth cut a pyritized quartz carbonate shear with several intersections cutting up to 0.60 oz/ton gold over 9.4 feet.

In 1968, Soquem discovered good copper mineralization on the Naganta property adjoining Trans Canada to the west. Airborne geophysical surveys indicated an anomalous conductor on the northern part of the west end of the Trans Canada property.

Ground geophysical traverses outlined conductive zones north of the granodiorite contact. (See Location (D).) Drilling in 1968-69 indicated a copper deposit in fragmental dacitic and andesitic rocks. Mineralization was chalcopyrite, pyrite and magnetite with some zinc blende. Drilling cut numerous copper intersections, typical values being 1.80% copper, 0.34 oz/ton gold, over 35.3 feet to 1.02% copper over 9.0 feet. The intersections were from 150 to 495 feet depth along a strike of 350 feet.

During the same program a conductor was tested 1,500 feet southwest of Location (D). (See Location (E).) Only low copper values were cut by the drill, but 4 of the 7 test holes cut interesting gold values over narrow widths. These ranged from 0.03 to 0.6 oz/ton gold over 1.0 to 1.5 feet down to 800-foot depth.

In June 1970, Abitibi Copper collared a steep south-bearing hole north of the Trans Canada south limit, to cut the Abitibi Copper deposit below 2000 feet, to test the improved trend in width (20 to 85 feet) of the average copper values from 500 to 1100 feet depth. The hole flattened excessively from 80° at collar to 20° at the bottom, failing to reach its objective. However, at 1327 to 1333.5 feet, at about 1,165 feet vertical depth, and about 500 feet inside the Trans Canada limit, the drill cored an important zone of quartz-tourmaline carbonate with feldspathic walls, mineralized by disseminated and heavy pyrite, intruding the coarse-grained diorite porphyry. The section averaged 0.185 oz/ton gold over 6.5 feet, including a 2-foot section assaying 0.60 oz/ton. This discovery is marked (F) on the location map.

The gold values encountered in this hole and by the drilling on Locations (C) and (E) have been proven by the discoveries in the granodiorite intrusive by Belmoral and Bras d'Or to present a very promising potential of economic gold deposits being found within the large area now mapped as granodiorite, underlying most of the Trans Canada property.

PROPERTY DEVELOPMENT

Bourlamaque Property

Since 1968, exploratory drilling on the North (Cu - Ag) Zone and South (Au - Cu) Zone has totalled over 28,376 feet.

The latest drilling on the South Zone in 1973, comprising 12 closely-spaced holes totalling 4,150 feet, has indicated a gold orebody over a strike length of 250' to at least 310' vertical, with an average true mining width of 35.6 feet.

Preliminary drilling on the North Zone, 500 feet north, has indicated and inferred a promising copper deposit, with low gold and silver values, along 600 feet of a total strike length of 1,100 feet to a depth of 600 feet.

Louvicourt Property

From 1965 to 1969, Trans Canada Copper Mines completed considerable surface prospecting, geophysical surveys and drilling on the north-central and west end of the property.

Four promising copper-gold discoveries were made on Locations (C), (D), (E), and (F) marked on the accompanying location map.

On Location (C), shallow exploratory drilling in 1969 cut several gold sections to 115-foot depth, ranging from 0.23 oz/ton to 0.60 oz/ton over 5.6 to 9.4-foot core lengths.

On Location (D), drilling outlined a possible copper-gold-silver ore zone, with intersections running up to 4.21% copper, 0.018 oz/ton gold over 14.0 feet at 345-foot depth.

On Location (E), exploratory drilling cut several gold zones over narrow widths, up to 0.66 oz/ton gold, 1.74 oz/ton silver, at depths up to 515 feet.

Location (F) was a new gold discovery made by a 2200-foot hole collared on the Trans Canada property to cut the downward extension of copper zones on the Abitibi Copper property. The hole flattened extremely as it was drilled and failed to reach its objective. At 1329 to 1333.5 feet the drill cored 4.5 feet of 0.267 oz/ton gold, including 2 feet assaying 0.60 oz/ton.

The importance of the gold discoveries on Locations (C) and (F) is that the gold is in an altered, tourmalinized carbonate shear in the large area mapped to date as a homogeneous granodiorite mass.

Two recent major discoveries in Bourlamaque Township by Belmoral and Bras d'Or Mines have been made inside a related granodiorite mass. These mines are now in process of production development to a capacity of at least 1000 tons daily, having drilled over 1.5 million tons of indicated ore grading over 0.224 oz/ton gold.

Locations (A) and (B) in the central part of the Louvicourt property are the sites of the Bevcon-Buffadison former producers, which suspended operations in 1965 due to rising costs outstripping gold prices at that time. These parts of the property were purchased by Trans Canada in 1969-70. The Bevcon property produced \$14 million in gold bullion from 1951 to 1965.

Property Development - cont'd

In 1962 the Bevcon mine was connected to the Buffadison on the 850-foot level for ventilation purposes, but it is reported that only about 11,000 tons of ore were taken from the Buffadison by Bevcon.

Both shafts are vertical. The Bevcon is 2200 feet deep and the Buffadison is 983 feet. In the last year of operation, 1964, Bevcon milled 242,085 tons of ore, recovering 30,143 ounces of gold and 10,624 ounces of silver. Revenue from bullion sales was \$1,152,545, or \$38.24 (Canadian) per ounce.

Lateral drilling on the 2200-foot level in 1963 outlined a vein averaging 3.61 oz/ton gold. In the same year two steep holes were drilled from the 2200-foot level.

One hole, drilled 1,035 feet to the 3235-foot horizon, cut over 75 gold-bearing veins, of which at least 27 were mill grade and several much higher, up to 2.75 oz. gold per ton.

The other hole, drilled 740 feet to the 2940-foot horizon, 130 feet along strike, cut 44 gold intersections of which at least 17 were mill grade, and up to 0.55 oz/ton at the 2700-foot horizon.

ESTIMATES OF TONS AND GRADE OF ORE

Bourlamaque Property - South Zone

The tons and grade delineated by the closely-spaced drilling to the 360-foot level are detailed in Appendix II and summarized following:-

<u>Level</u> feet	<u>Average Width</u> feet	<u>Tons</u>	<u>Average Gold Assay</u> oz/ton
0 - 200	35	66,871	0.128
200 - 260	37	69,299	0.180
260 - 310	36	24,731	0.172
<u>310 - 360</u>	<u>36</u>	<u>3,143</u>	<u>0.270</u>
<u>Total</u>	<u>36</u>	<u>164,044</u>	<u>0.160</u>

Bourlamaque Property - North Zone

The possible tons and grade indicated and inferred by preliminary drilling (Bayne 1969) follows:-

Strike Length	600	feet
Average True Width	6.4	feet
Vertical depth drilled	600	feet
Indicated Tons*	120,700	tons
Average Copper Assay	1.00	percent
Average Silver Assay	0.112	oz/ton

* Only 1 hole per section was drilled on all 6 cross-sections. This restricted the inference as to vertical continuity to only 100' per drill intersection. More drilling or underground exploration is required to assess this zone conclusively. If more vertical continuity can thus be established to 650' depth, the potential would be 784,550 tons.

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Estimates of Tons and Grade - cont'd

Louvicourt Property

Upon suspension of operations in 1965, the following gold reserves were reported:-

Bevcon Mine

Developed	- 101,500 tons averaging 0.130 oz/ton
Drill indicated	- <u>814,000</u> tons averaging <u>0.115</u> oz/ton
Total	- 915,500 tons averaging 0.117 oz/ton

Buffaddison Mine

Reported 1952	- 200,000 tons averaging 0.457 oz/ton
Milled by 1965	- 11,000 tons
Left in place	- 189,000 tons averaging 0.457 oz/ton

ECONOMIC FEASIBILITY - BOURLAMAQUE PROPERTY

The following outlines the feasibility of production currently planned on the South Zone of the Bourlamaque property at \$450 (Canadian) per ounce gold (currently trading at \$464.76 per ounce).

Potential Revenue

164,044 tons averaging 0.16 oz/ton
- millfeed including 15% wallrock dilution -
188,448 tons averaging 0.139 oz/ton
- assume 97% mill recovery per tests -
Recoverable grade = 0.135 oz/ton

Total recoverable gold = 188,448 x 0.135 = 25,440.48 ounces

Revenue @ \$450 per ounce = \$11,448,216.00
= \$60.75 per ton

Estimate of Capital Cost - Preproduction Development

The cost schedule summarized following, based on current contract prices, are detailed in Appendix III.

Minesite Preparation - 1st month	\$ 73,300.00
Mine Development	
- to 200' level - 2nd month	424,475.00
- to 260' level - 3rd & 4th months	216,855.20
Stope Preparation - 5th & 6th months	<u>287,724.03</u>
<u>Total - First 6 months -</u>	<u>\$1,002,354.23</u>

It is calculated from the 200- and 260-foot level plans that the stope preparation will yield 14,610 tons of ore averaging 0.199 oz/ton gold. The possible recoverable

Economic Feasibility - cont'd

ore inventory, ready for milling by the end of six months, would be \$1,269,075.74.

Potential Cash Flow

The possible cash flow, based on the foregoing estimates, is summarized following:-

Capital Expenditure - first 6 months	
- Buildings and equipment -	nil
- Preproduction mine development -	<u>\$1,002,354.</u>

Operating Cost and Revenue

Tonnage Schedule 9,000 tons per month	
Revenue per ton milled	\$60.75
Operating Expenses - per ton milled	
Mining	\$12.15
Exploration & Development	10.50
Trucking to mill	3.50
Custom milling	9.00
Supervision & management	<u>2.00</u>
Total Operating Expenses per ton -	<u>\$37.15</u>
Operating Profit per ton -	<u>\$23.60</u>

Cash Flow - 27 months⁽¹⁾ - mill only 188,448 tons

<u>Period</u>	<u>Capital⁽²⁾ Expenses</u>	<u>Operating Profit</u>
First 6 months	\$1,122,354	
Next 6 months		\$1,274,400
Next 15 months		<u>3,172,973</u>
	<u>\$1,122,354</u>	<u>\$4,447,373</u>

NET PROFIT - 27 months⁽³⁾ \$3,325,019

- Notes: (1) Assume recovery of 0.135 oz. gold per ton from 188,448 tons milled.
(2) Includes one year interest @ 12% on \$1,000,000.
(3) After \$1,122,354 capital amortized but before taxes.

Economic Feasibility - cont'd

ECONOMIC FEASIBILITY - LOUVICOURT PROPERTY

Reserves left in the Bevcon-Bufferadison mine workings, when operations were stopped in 1965, were reported as follows:-

<u>Mine</u>	<u>Tons</u>	<u>Average Grade oz. gold per ton</u>
Bevcon	915,500	0.117
Bufferadison	<u>189,000</u>	<u>0.457</u>
<u>Total</u>	<u>1,104,500</u>	<u>0.175</u>

Actual and Potential Operating Cost and Revenue

The analysis following shows the Bevcon performance reported for the fiscal year of 1964, compared to projection to 1980 of the same production performance.

<u>Production Schedule</u>	<u>Actual* 1964</u>	<u>Projected 1980</u>
Tons Mined and Milled	242,085	242,085
Gold in Millfeed - oz/ton	0.134	0.175
- total ounces	32,440	42,365
Gold Recovered in Mill @ 93%	30,143	39,399
<u>Revenue</u> - @ \$38.24/oz.	\$1,152,545	-
- per ton milled	\$4.76	-
- @ \$450/oz.	-	\$17,729,550
- per ton milled	-	\$73.24

Operating Expenses

Mining @ \$12.15/ton		\$ 2,941,332
Exploration & Development @ \$10.50/ton		2,541,893
Trucking to Mill @ \$3.50/ton		847,298
Milling @ \$9.00/ton		2,178,765
Supervision & Management @ \$2.00/ton		<u>484,170</u>
<u>Total Operating Expenses</u> -	\$1,434,751*	\$ 8,993,458
- per ton milled	\$5.93	\$37.15
<u>OPERATING PROFIT (LOSS)</u> -	(\$282,206)	\$ 8,736,092
- per ton milled	(\$1.17)	\$36.09

Cash Flow

Assuming the above-indicated 1980 performance in the first five years after the completion of preproduction development, the indicated cash flow follows:-

*Note: From corporate financial statement published June 1965.

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Economic Feasibility - cont'd

<u>Year</u> ⁽¹⁾	<u>Capital Expenses</u> ⁽²⁾	<u>Operating Profit</u>
First year	\$5,993,159	
Second year		\$ 8,736,092
Next 4 years		31,125,313
	<u>\$5,993,159</u>	<u>\$39,861,405</u>
NET PROFIT ⁽³⁾ - 6 years		<u>\$33,868,246</u>

Notes:

- (1) Assume recovery of 0.163 oz. gold per ton from 1,104,500 tons milled.
- (2) Includes one year interest @ 14.5% on \$5,234,200 capital expenses (Appendix IV).
- (3) After \$5,993,159 capital amortized, but before taxes.

OBSERVATIONS AND CONCLUSIONS

1. Bourlamaque Property

The planned gold production schedule for the South Zone has been well conceived and should be initiated at the earliest possible date.

The speculative risk is minimal for the reasons following:-

- a) The preproduction development on the 200- and 260-foot levels is planned to extract a well-indicated 16,000 tons with a drill average of 0.182 oz. gold per ton, including 10% waste rock dilution. At \$450 per ounce gold, the potential recovery from this, on completion of the first 6 months work, is \$1,269,075, which will return the cost of development to this point in the schedule.
- b) The indicated average width (36 feet) gold deposit facilitates cheap overhead shrinkage stope mining and mechanized extraction.
- c) The minesite only 8 km (5 miles) by motor road from Val d'Or and all the work will be done by a well-equipped contractor. This eliminates capital investment in either residential or mine buildings and equipment on site.
- d) The location of the minesite within 5 miles of open gold milling capacity permits economic road haulage to custom milling and eliminates the current obstacle to many mining projects presented by the capital cost of mill construction.
- e) Ore dressing studies and mill tests at an operating gold mill have proven the gold mineralization to be freely extractable at moderate grinding fineness. (See Appendix V)

2. Louvicourt Property

- a) This property has all the economic locational advantages of the Bourlamaque property.

Observations and Conclusions - cont'd

- b) The systematic exploration by the Dumont Nickel - Trans Canada Copper Mines group since 1965 has resulted in four important discoveries, one copper and three gold, in addition to the timely purchase of the concessions and acreages occupied by the Bevcon and Buffadison gold mines.
- c) The reported ore reserves in 1965, when recovery from bullion sales, including cost aid, was only \$38.24 (Canadian) per ounce of gold, can now be profitably mined at the \$450 per ounce price.
- d) An area of 524 hectares (1295 acres), or 49% of the property, is underlain by rocks which have been long mapped as a massive granodiorite stock, similar to the great Bourlamaque batholith to the west. The north volcanic contact traverses the Louvicourt property for 1.1 km (2-3/4 miles) east-west and the south contact traverses the south part for 0.6 km (1½ miles).

Six Val d'Or gold mines, which since 1929 have produced over \$330 million in bullion, are located at or near the granodiorite contacts.

Experience has proven that these granodiorite "batholiths" and "stocks" are not homogeneous intrusive masses but are a series of granitic to dioritic intrusives which are cut up by long embayments of volcanics and sediments (G.H. Dumont, Bras d'Or Mines Ltd., 1974).

- e) Mr. G.H. Dumont, Consulting Engineer, of Val d'Or, has for many years forecast the great mineral potential lying within the large areas mapped simply as "granodiorite". His guidance and supervision of the exploration work, which has brought the Belmoral and Bras d'Or mines to their current production development, has again proven the value of thorough geological correlation to mineral exploration.
- f) With the preproduction development now eminently feasible on the Bourlamaque gold and copper deposits and the Bevcon-Buffadison gold mines on the Louvicourt property, it is important that surface exploration of the "granodiorite" area on the latter property start at the earliest possible date.

RECOMMENDATIONS

The recommended work schedule follows:-

1. Bourlamaque Property

- a) Start the preproduction development on the Bourlamaque property before the end of 1979, with the object of starting mill shipments of gold ore early in 1980.

A six-month work schedule is detailed in Appendix III following.

If this schedule is maintained, the South Zone will be developed to the 260-foot level and ore from stope preparation shipped to custom mill, within the fifth month following initiation of work.

Recommendations - cont'd

- b) It is expected that a continuing production of 300 tons of ore daily (9,000 tons per month) will start immediately following the sixth month of preproduction development.

Assuming the run-of-mine ore sustains the present estimates of tons and grade of mill feed, it is recommended the mine exploration and development continue concurrently with production with the object of developing the ore indicated between the 260- and 310-foot levels. (See Appendix IV)

- c) Completion of stope preparation to the 310-foot level in the eighth month (2 months following completion of preproduction development), based on present drill indicated tons and grade, will complete the production development in the South Zone of 19 months of ore reserve at the projected milling rate of 300 tons per day.
- d) Successful attainment of this objective will necessitate the continuing concurrent exploration and development scheduled in Appendix IV following. The objective of this work is to extend the life of the mine by exploration and development of further ore reserve, now indicated possible by preliminary surface drilling within the following sections:-
- i) In the South Zone, Sections 7+50W to 10+00W inclusive, to the 360-foot level.
- ii) In the North Zone, Sections 7+50W to 18+00W inclusive, to the 650-foot level.

2. Louvicourt Property

a) Surface Exploration:

- i) Complete detailed ground magnetometer and V.L.F. electromagnetic surveys over the entire property area, as soon as possible.

The locational lines should be oriented to yield the sharpest V.L.F. signals coincident with the probable east-west strike of rock formations, but instrument readings should also cover the grid in a pattern calculated to give response to conductive zones lying in possible cross fractures. Maximum spacing between the grid lines, crossing the base line(s) at right angles, should be, at most, 300 feet. Picket stations along all lines will be 100 feet apart. Instrument readings should be taken along the lines at the 100-foot intervals and sometimes closer in anomalous zones.

The total estimated linear length of the locational grid is 78 miles,* including base lines and boundary tie lines.

*N.B. In deference to current government application of the metric system, some foregoing sections of this report have described property limits, road distances and land areas in metric units.

It is strongly recommended, however, that all measurements used and recorded throughout this project remain in accordance with traditional Canadian units. The cost of transposing the extensive important data recorded as far back as 50 years, accumulated and currently used in

Recommendations - cont'd

the corporation's projects, would be prohibitive and could lead to errors with grave financial consequences.

- ii) Interpret the geophysical data in strict correlation with concurrent geological observations, and most particularly, with respect to the geological data recorded from all previous work on the property.
- iii) Provide for at least 10,000 feet of surface core drilling, to supplement and verify the geophysical and geological findings. To retain economic continuity of operations, this should follow completion of the geophysical field work.

b) Bevcon-Bevcon Mines

- i) The probable economic feasibility, apparent in the foregoing analyses, warrants the rehabilitation of the Bevcon-Bevcon underground workings at the earliest date possible. The sequence of this work follows.
- ii) Dewater the underground workings and rehabilitate the Bevcon shaft for preproduction development to the 2350-foot level.
The Bevcon shaft will be rehabilitated for ventilation and secondary escapement, for the time being.
- iii) Deepen the Bevcon shaft to 2500 feet, with a lateral station at the 2350-foot level.
- iv) Schedule development and stope preparation to restore the productive capacity of the mines to at least 750 tons of ore per day.

ESTIMATES OF COST

The estimated capital budget required to implement the recommended work schedule is outlined following:-

BOURLAMAQUE PROPERTY - see details Appendix III

Preproduction Development Expenses

<u>Monthly Budget</u> <u>Schedule</u>	<u>Work Schedule</u>	<u>Estimated Cost</u>
1st	General & Minesite Preparation -	\$ 73,300.00
2nd	Sink Decline Shaft to 200' level	424,475.00
3rd & 4th	Sink to and develop 260' level	216,855.20
5th & 6th	Stope Preparation & Start Production	<u>287,724.03</u>
<u>TOTAL - BOURLAMAQUE PROPERTY -</u>		<u>\$1,002,354.23</u>

Estimates of Cost - cont'd

LOUVICOURT PROPERTY - see details Appendix IV Sheet 2

Exploration and Preproduction Development Expenses

<u>Monthly Budget Schedule</u>	<u>Work Schedule</u>	<u>Estimated Cost</u>
1st to 4th	Surface Exploration	\$ 50,000.00
5th to 9th	Surface Core Drilling	200,000.00
12 months*	Preproduction Development Bevcon- Buffadison Mines	<u>5,234,200.00</u>
<u>TOTAL - LOUVICOURT PROPERTY -</u>		<u>\$5,484,200.00</u>
<u>TOTAL ESTIMATED CAPITAL COST - BOTH PROPERTIES -</u>		<u>\$6,486,554.23</u> =====

*Note: The preproduction development is not subject to the surface exploration and can start as soon as possible. However, it is advisable to complete the surface exploration as early as possible so that development of any resulting new discoveries can be most efficiently planned to co-ordinate with the overall work schedule.

BASIS OF ESTIMATES

1. Estimates of Cost. All estimates of cost in this report are based on local wages and prices of mining contracts currently active in the Val d'Or mining area.

In the Bourlamaque estimates all costs are based on recent contractors' proposals.

In the Louvicourt estimates, no specific contractors' proposals have been received but all estimated costs are based on those of current local contracts currently being executed on similar jobs in the area. Where the work schedule is projected into 1980, contingency factors are applied to cover rising inflation.

The estimated costs are considered stringently realistic. This is verified on page 10 where comparison of actual 1964 to projected 1980 operating expenses shows the 1980 costs are 527% higher or 6.3 times the actual 1969 costs. A check on this applying the comparable highest basic 1964 and 1979 mine labour rates, including all payroll benefits, shows the increase of 1979 costs, by this index, to be only 446% higher or 5.46 times the comparable costs in 1964.

2. Price of Gold. It is submitted that the price of \$450 (Canadian) per troy ounce gold is conservatively realistic. October trading prices in Canada and London are from U.S.\$380 to U.S.\$398.60 per ounce or \$446.27 to \$468.12 (Canadian). On the gold futures quotations for one-year delivery on the New York, London, Singapore, Winnipeg Commodity Exchanges at the end of last month were from U.S.\$439 to U.S.\$ 452, or \$515.56 to \$530.83 (Canadian) per ounce. The exchange rate used here is Can.\$1.1744 to U.S.\$1.00.

Report on Gold-Copper Properties
Trans Canada Copper Mines Ltd.

October 31, 1979

Basis of Estimates - cont'd

New York trading October 31, 1979, was U.S.\$382.25 - Can.\$453.35 at the concurrent Toronto exchange rate of Can.\$1.1860 to US\$1.00.

There is no doubt that the planned and proposed gold mining projects described in the foregoing report are eminently feasible.

Respectfully submitted,



A. S. Bayne, B.Sc., P.Eng.

CONTIGUOUS MINING CLAIMS AND CONCESSIONS - HELD BY - TRANS CANADA COPPER MINES LIMITED
TOWNSHIP OF LOUVICOURT - COUNTY OF ABITIBI EAST - PROVINCE OF QUEBEC - CANADA

Development Licence	Mining Claims	Location	Area Totals	
			(hectares)	(acres)
C-751	A-87514 A-87515 A-87516	W. Central Pt. Lot 42 Central Pt. Lot 41 Central Pt. Lot 40	Range VII " VII " VII	65.67 162.27
C-890	A-87953 A-87954 A-87955 A-87956 A-87957	North Pt. Lot 41 E. Central Pt. Lot 42 N. Central Pt. Lot 43 W. Central Pt. Lot 44 N. Central Pt. Lot 35	Range VII " VII " VII " VII " VII	28.17 69.61
C-890A	A-87958	N. Central Pt. Lot 36	Range VII	10.80 26.69
C-901	A-48879 A-48880 A-48881 A-48882 A-48883	SW-NE Pt. Lot 33 & 34 SW-NE Pt. Lot 34, 35 & 36 SW-NE Pt. Lot 36 & 37 SW-NE Pt. Lot 37, 38 & 39 SW-NE Pt. Lot 39 & 40	Range VII & VIII " VII & VIII " VII & VIII " VII & VIII " VII & VIII	75.73 187.13
5021A	C.5021-1 C.5021-2	E. Pt. Lot 46 E. Pt. Lot 51	Range VIII " VII	35.60 87.97
5181A	C.5181-4	E. Pt. Lot 47	Range VIII	18.80 46.45
5181	C.5181-1 C.5181-2 C.5181-3	S. Pt. Lot 38 S. Pt. Lot 39 S. Pt. Lot 40	Range VIII " VIII " VIII	46.80 115.64
G-647	C.G-647-1	W. Pt. Lot 46	Range VII	47.20 116.63
G-647A	C.G-647-2	W. Pt. Lot 47	Range VII	48.80 120.58
2795	C.2795-4 C-2796-1	S. Pt. Lot 44 S. Pt. Lot 45	Range VIII " VIII	14.70 36.32 15.05 37.19
2795A	C.2795-1 C-2795-2	S. Pt. Lot 41 S. Pt. Lot 42	Range VIII " VIII	40.00 98.84
2796	C.2796-2	W. Pt. Lot 47	Range VIII	19.60 48.43
20138	C.20138-3 C.20138-5 C.20138-7	E. Pt. Lot 46 to 51 incl. E. Pt. Lot 46 E. Pt. Lot 47 & 48	Range VII " VIII " VIII	2.00 4.94
2797	C.2797-1 C.2797-2 C.2797-3 C.2797-4	W. Pt. Lot 50 W. Pt. Lot 49 S. Pt. Lot 45 S. Pt. Lot 44	Range VII " VII " VII " VII	69.56 171.88
5078	C.5078-1 C.5078-2 C.5078-3 C.5078-4 C.5078-5	S. Pt. Lot 41 S. Pt. Lot 42 S. Pt. Lot 43 N. Pt. Lot 41 N. Pt. Lot 42	Range VII " VII " VII " VI " VI	58.60 144.80
5079	C.5079-4 C.5079-5	W. Pt. Lot 50 W. Pt. Lot 49	Range VII " VII	15.60 38.55
5846	C.5846-2 C.5846-3	E. Pt. Lot 50 E. Pt. Lot 49	Range VII " VII	35.60 87.97
5848A	C.5848-5	W. Pt. Lot 48	Range VII	45.60 112.68
7629	C.7629-1 C.7629-2 C.7629-3	N. Pt. Lot 43 N. Pt. Lot 40 N. Pt. Lot 38	Range VI " VI " VI	15.20 37.56
5592	C.5592-1 C.5592-2 C.5592-3	W. Pt. Lot 48 S.E. Pt. Lot 40 N. Pt. Lot 39	Range VIII " VII " VI	54.80 135.41
G-512	C.G-512-5	N. & S. Pt. Lot 40	Range VI & VII	6.71 16.58
181567	181567-1 181567-2	S. Pt. Lot 39 S. Pt. Lot 38	Range VII " VII	68.00 168.03
181568	181568-1 181568-2 181568-3	Central Pt. Lot 37 Central Pt. Lot 36 Central Pt. Lot 35	Range VII " VII " VII	60.00 148.26
TOTAL AREA - MINING CLAIMS -				898.59 2220.41

CONTIGUOUS MINING CONCESSIONS

Concession	Location	Area Totals	
		(hectares)	(acres)
357	N. & S. Pt. Lot 43, 44 & 45 W. Pt. Lot 46 & 51	Range VII & VIII Range VII & VIII	103.00 254.51
382	N. Pt. Lot 42 & 43	Range VII	42.13 104.10
468	S. Pt. Lot 43	Range VIII	20.41 50.43
TOTAL AREA - CONCESSIONS -			165.54 409.04
GRAND TOTAL - PROPERTY AREA -			1064.13 2629.45

N.B. The foregoing data are compiled from maps and records considered reliable, but exact locations and areas are not hereby certified.

October 31, 1979

TRANS CANADA COPPER MINES LTD. - BOURLAMAQUE TWP. GOLD PROPERTY

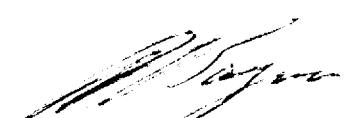
ESTIMATED TONS & GRADE OF GOLD - SUMMARY BY CROSS-SECTIONS

DRILL INTERSECTIONS - SURFACE TO 360-FOOT LEVEL

<u>Section Drilled</u>	<u>Indicated Strike Length</u>			<u>Horiz. Mining Width</u>			<u>Section Area</u> sq. feet	<u>Tons⁽¹⁾ Indicated</u>	<u>Average Grade⁽²⁾ Oz./Ton Gold</u>	<u>T x G Factor</u>
	<u>From</u>	<u>To</u>	<u>Feet</u>	<u>Min.</u> feet	<u>Max.</u> feet	<u>Av.</u> feet				
10+75W	10+25.0	10+87.5	62.5	3	60	23.7	5568.4	38669.45	0.192	7433.0519
11+00W	10+87.5	11+12.5	25.0	15	46	44.2	2207.2	6131.11	0.110	674.1465
11+25W	11+12.5	11+37.5	25.0	3	59	28.3	4780.2	13278.33	0.081	1079.0578
11+50W	11+37.5	11+62.5	25.0	3	58	24.1	5693.6	15815.56	0.231	3657.7249
11+75W	11+62.5	11+87.5	25.0	3	53	34.1	6733.2	18703.33	0.251	4692.7791
12+00W	11+87.5	12+25.0	37.5	3	79	35.2	5524.2	23017.50	0.224	5153.6550
<u>12+50W</u>	<u>12+25.0</u>	<u>12+75.0</u>	<u>50.0</u>	<u>5</u>	<u>85</u>	<u>49.9</u>	<u>8717.2</u>	<u>48428.88</u>	<u>0.072</u>	<u>3486.8794</u>
<u>Total #1:</u>	<u>10+25</u>	<u>12+75</u>	<u>250.0</u>	<u>3</u>	<u>85</u>	<u>34.7</u>		<u>164044.16</u>	<u>0.160</u>	<u>26177.2946</u>
<u>Less:</u>	12+25	12+75	50.0	above 260' level				48428.88	0.072	3486.8794
	11+12.5	11+37.5	25.0	260' - 310' level				5631.67	0.061	343.5319
	<u>10+25</u>	<u>10+87.5</u>	<u>62.5</u>	310' - 360' level				<u>3143.06</u>	<u>0.270</u>	<u>848.6262</u>
								<u>57203.61</u>	<u>0.082</u>	<u>4679.0375</u>
<u>Total #2:</u>	<u>10+25</u>	<u>12+25</u>	<u>200.0</u>	<u>3.0</u>	<u>79.0</u>	<u>30.0</u>		<u>106840.55</u>	<u>0.201</u>	<u>21498.2571</u>

Notes: (1) Volume-Weight Factor = 9.0 cubic feet per short ton

(2) Calculated weighted averages


A. S. Bayne, P.Eng.
October 31, 1979

TRANS CANADA COPPER MINES LTD. - BOURLAMAQUE TWP. GOLD PROPERTY

APPENDIX II
Sheet 2 of 4


ESTIMATED TONS & GRADE OF GOLD - SUMMARY BY PROPOSED MINE LEVELS

DRILL INTERSECTIONS - SURFACE TO 360-FOOT LEVEL

<u>Vertical Depth From Surface</u>	<u>Indicated Strike Length</u>			<u>Horiz. Mining Width</u>			<u>Tons⁽¹⁾ Indicated</u>	<u>Average Grade⁽²⁾ Oz./Ton Gold</u>	<u>T x G Factor</u>
	<u>From</u>	<u>To</u>	<u>Feet</u>	<u>Min. feet</u>	<u>Max. feet</u>	<u>Av. feet</u>			
0' - 200'	10+25W	12+75W	225.0	3	85	35.0	66870.55	0.128	8582.7302
- or -	10+25W	12+25W	175.0	3	64	25.0	34286.11	0.182	6236.6505
200' - 260'	10+25W	12+75W	250.0	3	84	37.0	69299.43	0.180	12493.4255
- or -	10+25W	12+25W	200.0	3	79	34.9	53454.99	0.212	11352.6258
260' - 310'	10+25W	11+87.5W	162.5	3	59	35.5	24731.12	0.172	4252.5127
- or -	omitting sect.	11+25W	137.5	3	46	32.7	19099.45	0.205	3908.9808
Total to 310'	10+25W	12+75W	250.0	3	85	36.0	160901.10	0.157	25328.6684
- or -	10+25W	12+25W	200.0	3	79	31.1	106840.55	0.201	21498.2571
310' - 360'	10+25W	10+87.5W	62.5	3	20	8.2	3143.06	0.270	848.6262
<u>Total to 360'</u>	10+25W	12+75W	250.0	3	85	35.6	164044.16	0.160	26177.2946
- or -	10+25W	12+25W	200.0	3	79	30.7	109983.61	0.212	23346.8833

Notes: (1) Volume-Weight Factor = 9.0 cubic feet per short ton

(2) Calculated weighted averages


A. S. Bayne, P.Eng.

BOURLAMAQUE PROPERTY

Calculation of Weight-Volume Factor

<u>Component Rock or Mineral</u>	<u>Percent⁽¹⁾ Average Content</u>	<u>Specific Gravity</u>	<u>Factor SP.G x %</u>
<u>South Zone</u>			
Chalcopyrite (Cu Fe S ₂)	0.72	4.200	3.0240
Pyrrhotite (Fe ₇ S ₈)	0.72	4.610	3.3192
Magnetite (Fe ₃ O ₄)	12.90	5.180	66.8220
Altered Andesite Rock	<u>85.66</u>	<u>3.590⁽²⁾</u>	<u>307.5194</u>
	100.00	3.807	380.6846
<u>North Zone</u>			
Chalcopyrite	3.46	4.200	14.5320
Pyrrhotite	0.72	4.610	3.3192
Magnetite	8.72	5.180	45.1696
Altered Andesite Rock	<u>87.10</u>	<u>3.590⁽²⁾</u>	<u>312.6890</u>
	100.00	3.757	375.7098

Average North & South Zones - 3.782

Volume-Weight Factor = $\frac{2000}{62.5 \times 3.782}$ = 8.46 cu. ft. per ton

Assume 15% dilution by unaltered andesite rock with specific gravity of 3.02.⁽²⁾

Waste Rock 15% x 3.020 Sp.G. = 45.30
 Mineralized 85% x 3.782 Sp.G. = 321.47

Run-of-Mine 100% x 3.668 Sp.G. = 366.77

Volume-Weight Factor = $\frac{2000}{62.5 \times 3.668}$ = 8.72 cu. ft. per ton

APPLY TO TONNAGE CALCULATION 9.0 CU. FT. = 1 TON

Notes:

- (1) Calculated from assays and analyses of typical drill core samples from ore intersections.
- (2) From specific gravity tests on typical drill core specimens of gangue (waste) rock, reported by G. H. Dumont, June 9, 1976.

1. Ore Dressing and Gold Extraction Tests

- on -

2. Composite Sample of Drill Cores

BOURLAMAQUE PROPERTY - SOUTH ZONE

1. Typical Cyanidation Test by Malartic Goldfields Ltd.

Fineness of Grind	87.6%	minus 200 mesh
Calculated Heads	0.4883	oz/ton
Pregnant Solution	0.4750	oz/ton
Tails	0.0133	oz/ton
Recovery	97.28%	

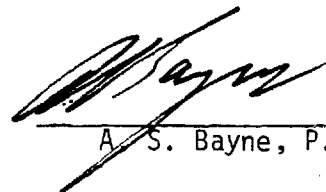
2. Bulk Composite of Core Samples*
 From Drill Holes as Follows:-

<u>Location</u> <u>(Section)</u>	<u>Hole</u> <u>No.</u>	<u>Footage</u>		<u>Core*</u> <u>Length</u> <u>(feet)</u>	<u>Sample Assay</u> <u>First Core Split</u> <u>Oz. Au per Ton</u>		
		<u>From</u>	<u>To</u>		<u>Min.</u>	<u>Max.</u>	<u>Average</u>
12+00W	T-10	160.0	261.5	101.5	0.02	3.29	0.338
10+75W	T-12	248.5	281.5	<u>33.0</u>	<u>0.01</u>	<u>0.95</u>	<u>0.316</u>
	<u>TOTAL</u>			<u>134.5</u>	<u>0.017</u>	<u>2.71</u>	<u>0.333</u>

*Composite of:-

From Hole T-10: 28 split core samples in continuous lengths of 1.5' to 5.0' averaging 3.6 feet.

From Hole T-12: 13 split core samples in continuous lengths of 2.0' to 4.0' averaging 2.5 feet.



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ESTIMATE OF CAPITAL COST - BOURLAMAQUE PROPERTY

PREPRODUCTION EXPENSES

General and Minesite Preparation - 1st month

Mining Lease and Plans	\$ 800.00	
Upgrading existing road	2,000.00	
Bridge - Bourlamaque R.	20,000.00	
Road - river to minesite	46,000.00	
Site surveying and working plans	3,000.00	
Water supply	<u>1,500.00</u>	
<u>Total Preparation -</u>		<u>\$ 73,300.00</u>

PREPRODUCTION MINE DEVELOPMENT

Phase I - to 200' Level - 2nd month

1. Shaft Portal	\$25,000.00	
2. Decline Shaft 11' x 18', 1,025' @ \$275	281,875.00	
3. Access Drift 10' x 10', 250' @ \$252	63,000.00	
4. Provision for rock supports, grouting, etc.	26,100.00	
5. Provision for contingency	18,500.00	
6. Supervision and management	<u>10,000.00</u>	
<u>Total Phase I -</u>		<u>\$424,475.00</u>

Phase II - to 260' Level - 3rd and 4th months

1. Decline to 260' Level, 305' @ \$275	\$83,875.00	
2. Vent & Surface Exit Raise, 192' @ \$217	41,664.00	
3. Vent Raise Surface Collar	8,625.00	
4. Access Raise 200' Level, 85' @ \$172	14,620.00	
5. Exit Drift 250' Level, 52' @ \$187	9,724.00	
6. Access to 250' Level, 75' @ \$187	14,025.00	
7. Provision for rock supports, grouting, etc.	18,794.23	
8. Provision for contingency	15,527.97	
9. Supervision and management	<u>10,000.00</u>	
<u>Total Phase II -</u>		<u>\$216,855.20</u>

.....cont'd Sheet 2

Report on Gold Copper Properties
Trans Canada Copper Mines Ltd.

October 31, 1979

Estimate of Cost - cont'd

Preproduction Mine Development - cont'd

Phase III - to 260' Level - 5th and 6th months

Stope Preparation and Initial Production

10. Sill & Drawpoint No. 1 - 200' Level - 6,985 tons @ \$12.15	\$84,867.75
11. Drawpoint No. 2 - 260' Level - 35' @ \$259	9,065.00
12. Sill 260' Level - 7,337 tons @ \$17	89,144.55
13. Drawpoint Drift 260' Level - 150' @ \$232	34,800.00
14. Drawpoints Nos. 3, 4 & 5 - 100' @ \$223	22,300.00
15. Provision for rock supports, grouting, etc.	15,930.77
16. Provision for contingency	21,615.96
17. Supervision & management	<u>10,000.00</u>
<u>Total Phase III</u>	<u>\$287,724.03</u>

SUMMARY - ESTIMATED COST AND WORK SCHEDULE

PREPRODUCTION EXPENSES

General and Minesite Preparation - 1st month \$ 73,300.00

PREPRODUCTION MINE DEVELOPMENT

Phase I - 2nd month

Decline Shaft to 200' Level 424,475.00


Phase II - 3rd & 4th months

Decline Shaft to 260' Level, access drifts and raises;
ventilation and exit raise to surface 216,855.20

Phase III - 5th & 6th months

Stope Preparation: haulage drifts & drawpoints;
silling stope undercuts - 200' & 260' levels* 287,724.03

TOTAL ESTIMATE OF COST - 6 MONTHS \$1,002,354.23
=====


A. S. Bayne, P.Eng.

October 31, 1979

ESTIMATE OF COST-EXPLORATION AND DEVELOPMENT⁽¹⁾
 DISTRIBUTED TO MINE OPERATING EXPENSES
BOURLAMAQUE PROPERTY

<u>Work Schedule⁽²⁾ - South Zone</u>	<u>Estimated Cost</u>
1. Decline to 310' level - 255' @ \$275 -	\$ 70,125.00
2. Raise to 260' level - 60' @ \$187 -	11,220.00
3. Drawpoint Drift - 310' level - 285' @ \$232 -	66,120.00
4. Drawpoints 6, 7, 8, 9 & 10 - 185' @ \$223 -	41,255.00
5. Sill 310' level - 3357 tons @ \$12.50	41,962.50
6. Decline to 360' level - 255 @ \$275 -	70,125.00
7. X-Cut 8+00W, 360' level - 100' @ \$252 -	25,200.00
8. X-Cut 10+00W, 140' level - 120' @ \$252 -	30,240.00
9. X-Cut 10+00W, 200' level - 100' @ \$252 -	25,200.00
10. X-Cut 10+00W, 310' level - 250' @ \$252 -	63,000.00
Provision for Contingency @ 10% -	44,444.75
11. U.G. Delineation Core Drilling - 16,500' @ \$11.30 -	<u>186,450.00⁽³⁾</u>
<u>Total - South Zone</u>	<u>\$ 675,342.25</u>
<u>Work Schedule - North Zone</u>	
12. Decline to 650' level - 1735' @ \$275 -	\$ 477,125.00
13. Raise 50 ⁰ to Surface - 794' @ \$217 -	172,298.00
14. Surface Collar	8,625.00
Provision for Contingency @ 10% -	65,804.80
15. U.G. Delineation Core Drilling - 28,500 @ \$11.30	<u>322,050.00⁽³⁾</u>
<u>Total - North Zone</u>	<u>\$1,045,902.80</u>
Total - Mine Exploration and Development -	\$1,721,245.05
Provision for Other Exploration and Development -	<u>250,000.00</u>
<u>TOTAL DISTRIBUTED TO OPERATING EXPENSES</u>	<u>\$1,971,245.05</u> =====
- per ton milled -	\$10.46
- say -	\$10.50

Notes:

- (1) Concurrent with milling 188,448 tons of ore in 21 months
- (2) The above items Nos. 1 to 15 are listed approximately in the sequence the schedule is planned; but this schedule is subject to revision depending on the underground conditions encountered as work progresses.
- (3) Inclusive of sampling and assaying core for gold, silver and copper.

October 31, 1979

ESTIMATE OF COST - LOUVICOURT PROPERTY

Capital Expenses - Preproduction Exploration and Development

i) Surface Exploration

Geophysical & Geological Surveys - First 4 Months:


Location grid 78 miles @ \$200 -	\$ 15,600.00
Geophysical Surveys 78 miles @ \$350 -	27,300.00
Geological interpretation and mapping -	5,000.00
Provision for contingency -	<u>2,100.00</u>
	\$ 50,000.00

ii) Surface Core Drilling - Second 4 Months:

10,000 feet @ \$20 - inclusive cost -	<u>\$ 200,000.00</u>
<u>Total Surface Exploration</u>	<u>\$ 250,000.00</u>

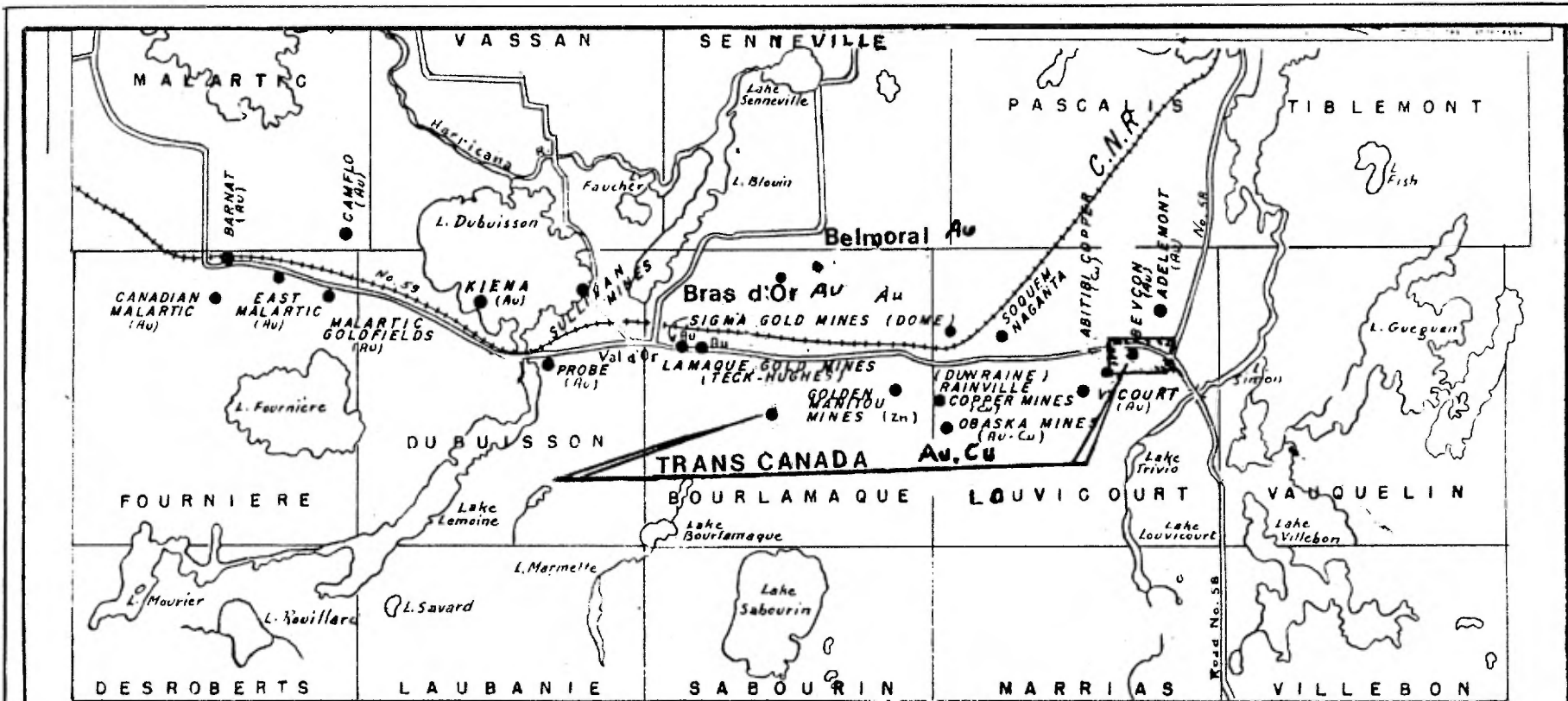
iii) Preproduction Development - 12 Months:

Site Preparation, Mine Plant, Guildings & Equipment -	\$1,500,000.00
Dewater & Rehabilitate Bevcon vertical shaft	
- 2200' @ \$500 -	1,100,000.00
Rehabilitate Buffadison vertical shaft - 983' @ \$500 -	491,500.00
Deepen Bevcon Shaft to 2500 feet - sink 300' @ \$1000 -	300,000.00
Cut 2350' Level Station -	12,000.00
Provision for underground machinery, tools & equipment -	250,000.00
Provision for lateral development & stope preparation -	500,000.00
Provision for contingency @ 20% -	<u>830,700.00</u>
<u>Total Preproduction Development</u>	<u>\$4,984,200.00</u>
<u>Total Preproduction Exploration and Development</u>	<u>\$5,234,200.00</u>
	=====


A. S. Bayne, P. Eng.

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PART OF ABITIBI-EAST COUNTY NORTHWESTERN QUEBEC

MAP SHOWING THE LOCATION OF THE PROPERTY

OF

TRANSCANADA COPPER MINES

TOGETHER WITH THE PRINCIPAL MINES OF THE AREA

A. S. Bayne
A. S. Bayne, P. Eng.
October, 1979

4m 3 2 1 0 4miles

SCHEDULE A

Basic Tariff: The Basic Tariff per ton shall be the aggregate of \$9.50, the Solution Operator Escalator, the Hydro Escalator, the Rod and Ball Escalator and the Cyanide Escalator.

Solution Operator Escalator: 0.5¢ per ton for each 1.0¢ per hour that the weighted average of the Solution Operator's basic and weekend premium rate exceeds \$7.93 per hour.

Hydro Escalator: 5.0¢ per ton for each 0.1¢ per kw. hour that the average cost of plant hydro power exceeds 1.77¢ per Kw. hour.

Rod and Ball Escalator: 3.0¢ per ton for each 1.0¢ per pound that the average cost of rods and balls exceeds 17.7¢ per pound.

Cyanide Escalator: 2.0¢ per ton for each 1.0¢ per pound that the average cost of "AREO" cyanide or its equivalent exceed 17.0¢ per pound.

Ministère de l'Énergie et des Ressources
Gouvernement du Québec
Documentation Technique

18 FEV. 1981

DATE:

No. G.M.:

36784

ARTICLE ONE

OPERATION

1.01 Delivery: Mid-Canada agrees to deliver ore to Lamaque between 8 a.m., and 4 p.m., Monday through Friday in Mid-Canada's self unloading trucks in quantities not less than 1,000 tons per month (and in this Agreement a month shall refer to a calendar month) and not greater than Lamaque's capacity. In this Agreement a ton shall mean a short dry ton of 2,000 pounds. Mid-Canada agrees to dump ore into the surface raise opening or to a surface stockpile as designated by Lamaque.

1.02 Ore Characteristics: For each month, Lamaque shall determine the weight of Mid-Canada ore milled during the month in accordance with Lamaque's normal practice using weightometers and correcting for moisture and such other factors as Lamaque considers necessary. Lamaque's determination of the weight of Mid-Canada ore milled shall be conclusive and binding on the parties.

1.03 Surface Raise: Lamaque agrees to keep the area around the surface raise designated by Lamaque to receive the Mid-Canada ore ploughed and lighted as required, and Mid-Canada agrees to keep the said area clean of ore and agrees to operate the safety devices and/or the covers provided.

However, it may be necessary, due to other custom ore input, to divert Mid-Canada ore to a designated stockpile area at Lamaque, at 24 hours notice to Mid-Canada, at Lamaque's option. Lamaque will transfer ore from the stockpile to the raise at its earliest convenience and at cost to Mid-Canada.



LAMAQUE MINING COMPANY LIMITED

SUITE 4900
P.O. BOX No. 49

TORONTO-DOMINION CENTRE
TORONTO 1, CANADA

TEL: 416 — 362-1571
TELEX: 02-29087

July 28, 1980

Mr. G.H. Dumont
Vice-President
Mid-Canada Gold and Copper Mines Limited
C.P. - P.O. Box 577
Val d'Or, Quebec
J9P 4P5

Dear Mr. Dumont:

I am returning a copy of the executed custom milling contract to you for your files and future reference.

We appreciate this future business and hope it will be of much mutual benefit.

Yours very truly,

LAMAQUE MINING COMPANY (1964) LIMITED

K.I. Hymas
General Manager
Eastern Operations

KIH/hap
Encl.

c.c. W.J. Shaver
Manager
Lamaque Mine

CUSTOM MILLING AND SALE CONTRACT

THIS AGREEMENT made this 25th day of July
1980.

BETWEEN:

LAMAQUE MINING COMPANY (1964) LIMITED-
COMPAGNIE MINIERE LAMAQUE (1964) LIMITEE,
a company incorporated under the laws of
the Province of British Columbia, having
its head office in Val d'Or

(hereinafter called "Lamaque")

OF THE FIRST PART

- and -

MID-CANADA COPPER MINES LIMITED, a company
incorporated under the laws of the Province
of Quebec, having its head office at
Val d'Or, P.Q.

(hereinafter called "Mid-Canada")

OF THE SECOND PART

WHEREAS Lamaque's Val d'Or mill has some excess capacity estimated
to be approximately 5,000 tons per month;

AND WHEREAS Lamaque has agreed to buy and process Mid-Canada's
ore in the mill together with other ore and to market the bullion
resulting therefrom;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereto mutually covenant and agree as follows:

1.04 Sampling: Lamaque will sample for Mid-Canada's head grade by cutting approximately 10 lbs. of fine ore for every 30 minutes of crusher operation approximately, and combining to obtain a composite head sample for assay. The weighted head grade for each calendar month will be corrected pro rata with Lamaque's weighted average head grade to adjust for combined gold production and gold contained in the combined tailings. All assays will be cut to 0.5 oz/ton prior to calculations.

1.05 Assays: Lamaque agrees to assay samples for gold in accordance with its ordinary procedures using its standard uncorrected fire assay process.

1.06 Gold Payment: Gold in each bullion pour will be accounted for on the basis of tons milled and calculated composite head grade and tailings assay for the period ending two days prior to 8 a.m. on the day of the pour, measured from the previous cut-off point. The gold will be disposed of and priced in accordance with Lamaque's usual practice.

1.07 Silver Payment: The silver content to be paid for will be calculated in the following manner:

(a) For any month in which the feed to the Lamaque mill consists only of Lamaque and Mid-Canada ore, the Mid-Canada silver will be the quantity that the total silver content in a pour exceeds 19.0% of Lamaque's own gold production;

(b) For any month in which the feed to the Lamaque mill consists partly of other ore, the Mid-Canada silver production will be taken as the percentage of Mid-Canada gold production experienced in the average of the two months immediately prior under (a) above.

(c) The silver will be disposed of and priced in accordance with Lamaque's usual practice.

1.08 Risk: Ore and contained pay metals will become the property of and subject to the risk of Lamaque from the time of delivery into the ore pass.

1.09 Reports: Lamaque agrees to send to Mid-Canada a monthly metallurgical report in respect of the processing of Mid-Canada ore.

1.10 Mineralogy and Ore Grade: Mid-Canada shall forthwith report to Lamaque any changes it encounters with respect to mineralogy or ore grade and shall provide Lamaque with samples on request.

1.11 Change of Ore: Lamaque may refuse to accept any or all shipments of Mid-Canada ore and may terminate this Agreement if Lamaque is of the opinion that the Mid-Canada ore is or may be incompatible with other ore that may be milled by Lamaque together with the Mid-Canada ore.

ARTICLE TWO

CHARGES, SETTLEMENTS, BILLING AND PAYMENT

2.01 (a) Lamaque shall forward to Mid-Canada a statement and cheque within thirty days following gold settlements, in respect of Mid-Canada's share of the gold sold pursuant to such a settlement, less the relevant operating charge as set out in paragraph 2.02.

(b) Lamaque shall forward to Mid-Canada a statement and cheque within thirty days following silver settlements in respect of Mid-Canada's share of the silver sold pursuant to such a settlement, less \$3.90 per troy ounce of the Mid-Canada precious metal content in the pour to which silver settlement refers.

2.02 Operating Charge: For each calendar month, Mid-Canada shall pay to Lamaque an operating charge which shall be the sum obtained by multiplying the total net dry tons of Mid-Canada's ore milled during that month by the Basic Tariff calculated in accordance with Schedule A attached. This operating charge shall be deducted by Lamaque from the first convenient gold settlement involving gold from the Mid-Canada ore, following the end of the month to which it applies.

ARTICLE THREE

TERMINATION

3.01 Period: It is envisaged that this contract may start in November, 1980 and may terminate on the 30th day of September, 1981. Either party may terminate this agreement on 60 days notice by giving written notice to the other party, and in addition, Lamaque may terminate as provided under paragraph 1.10.

ARTICLE FOUR

GENERAL

4.01 Right of Access: Lamaque agrees to permit Mid-Canada and its authorized representatives to have reasonable right of access to the Lamaque mill and Lamaque's assay office, by appointment, during the day shift. The parties agree that any samples of the milling process taken by Mid-Canada or its authorized representatives shall be for its information only and shall have no bearing or relevance in respect of this Agreement, its application or its interpretation.

4.02 Operation of Mill: Lamaque covenants to use its reasonable efforts to keep its mill in operation in accordance with good mining and milling practices but otherwise does not covenant or warrant that the mill will commence or continue to operate and if there is a breakdown or shutdown in the mill, for whatever reason, Lamaque will not be obligated during such time to take or process any Mid-Canada ore and will not be liable for any damages or losses of whatever nature, suffered or incurred by any person resulting therefrom.

4.03 Recovery: Lamaque agrees to exert its best efforts to obtain maximum recoveries from the Mid-Canada ore by the maintenance of sound, established mining and milling practices. However, Lamaque will not be liable for recovery rates, no matter how low, whether occasioned by ore characteristics or otherwise.

4.04 Force Majeure: In the event of any strike, act of God, war, riot, rebellion, civil commotion, lockout, combination of workmen, interference of trade unions, acts or regulations of Government or government appointed agents, suspension of labour, fire, flood, accident, lack of freight facilities, or any other causes whatsoever beyond reasonable control of Lamaque or Mid-Canada, or its authorized representatives, the receiving and processing of Mid-Canada ore under this Agreement shall be suspended during the period of such inability, provided the party affected shall have given notice in writing of such inability to the other party but, the suspension does not apply to any amounts and outstanding under this Agreement.

4.05 Arbitration: If any dispute shall arise in connection with the Agreement and such dispute cannot be settled amicably between the parties, such dispute shall be settled by arbitration.

Any such arbitration shall be effected by arbitrators selected as hereinafter provided, and shall be conducted in accordance with the rules governing arbitration under Article 940 and following the Code of Civil Procedure of the Province of Quebec. The dispute shall be submitted to three (3) arbitrators, one arbitrator being named by Lamaque, one arbitrator being named by Mid-Canada, and the third being selected by the two (2) nominated arbitrators.

If the arbitrators named hereunder cannot agree on the selection of the third arbitrator, within one (1) month of the selection of the second arbitrator, the third arbitrator shall be selected by a judge of the Superior Court of the Province of Quebec, subject always to the provisions of this Agreement, upon a motion made by either of the two (2) nominated arbitrators or by either of the parties hereto.

In the event that either party, within one month of any notification made to it for arbitration by the other party, shall not have nominated its arbitrator, such arbitrator shall be nominated by a judge of the Superior Court of the Province of Quebec, upon motion made by the other party.

Subject to the provisions of the Agreement, the decision of a majority of the arbitrators shall be final, conclusive and binding upon both parties and shall not be subject to appeal to any court or tribunal.

Any arbitration under this Agreement shall take place in the City of Montreal. The costs, charges and expense of the arbitrators shall be borne by Lamaque or Mid-Canada, as determined by the arbitrators.

4.06 Governing Law: This Agreement shall be construed and take effect in accordance with the laws of the Province of Quebec.

4.07 Language: The parties acknowledge that they have agreed that this Agreement, as well as all related documents, be drawn up in the English language only. Les parties reconnaissent avoir convenue que ce contrat, ainsi que les documents s'y rattachant, soient rediges dans la langue anglaise seulement.

4.08 Assignment: This Agreement may not be assigned by either party hereto except upon the prior written consent of the other party hereto, provided, however, that the parties hereto may assign, without such prior written consent, their rights and liabilities hereunder to their parent, associated, affiliated or subsidiary companies or to their successor or continuing corporation.

4.09 Successors and Assigns: This Agreement, and all its provisions, shall be binding upon and enure to the benefit of the successors and permitted assigns of the respective parties hereto.

4.10 Further Assurances: Each party shall, from time to time and at all times, do such further acts and execute and deliver such further documents as shall be reasonably required by the other party in order to perform and carry out the intentions or terms of this Agreement.

4.11 Time of Essence: Time shall be the essence of this Agreement.

4.12 Waiver and Amendments: No indulgence or forbearance by any party hereto shall be deemed to constitute a waiver of that party's right to insist on performance in a full and in a timely manner, of all covenants and agreements hereunder, and any such waiver, in order to be binding upon the party, must be express, in writing and signed by that party, and such waiver shall be effective only in the specific instance and for the purpose for which it is given. No waiver of any condition, provision, or covenant shall be deemed to be a waiver of the party's right to require full and timely compliance with the same term, condition or covenant thereafter, or with any other term, covenant or condition of this Agreement at any time. No amendment or modification of this Agreement shall be effective unless the same shall be in writing and signed by the parties.

4.13 Severability: In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any way, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby.

4.14 Complete Agreement: This Agreement supercedes all prior negotiations and contains the entire understanding between the parties and may be modified only by an instrument, in writing, signed by the party against which the modification is asserted.

4.15 Notice: Unless otherwise provided for in this Agreement, any notice or other communication required or permitted hereunder shall be in writing and shall be given or delivered by telex or by mailing same by prepaid registered mail addressed as follows:

(a) In the case of Lamaque:
c/o Lamaque Mining Company (1964) Limited
Box 49, Suite 4900
Toronto-Dominion Centre
Toronto, Ontario
M5K 1E8
Attention: Mr. K.I. Hymas
General Manager, Eastern Operations

(b) In the case of Mid-Canada
c/o Mid-Canada Copper Mines Limited
1271 ~~1265~~ 7th Street P.O. Box 577
Val d'Or, P.Q. J9P4P5
Attention: Mr. ~~G.H. Dumont~~ J.H. Kentish
President

or to such other address as the party to which such is to be given or delivered may have notified the other party hereto by notice given as herein provided. Any notice, documents or instrument so telexed shall be deemed to have been received by the party to which it is telexed in the normal course of transmission if the telex operator of the recipient confirms receipt, and if so mailed, shall be deemed to have been given or delivered to the party to which it was so mailed on the second business day following the date of its mailing.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officers duly authorized in that behalf and have affixed their respective corporate seals.

LAMAQUE MINING COMPANY (1964) LIMITED-
COMPAGNIE MINIÈRE LAMAQUE (1964) LIMITEE

By: *[Signature]* Gen. Mgr.
And: _____ c/s

MID-CANADA COPPER MINES LIMITED

By: *[Signature]*
And: *[Signature]* c/s

R.F. MIN-CON LTD./LTÉE

AGREEMENT FOR THE EXCAVATION

OF A DECLINE ACCESS

RAMP, RELATED DEVELOPMENT

WORK, AND THE MINING OF

THE OREBODY FOR

MID CANADA MINES LTD.

This Agreement made in triplicate this 6th day of June 1980.

Between:

MID CANADA MINES LTD.

C.P. 577

1271 - 7e rue

Val d'Or, Qué.

J9P 3S1

(HEREIN AFTER CALLED THE "COMPANY")

and

R.F. MIN-CON LTD./LTÉE.

C.P. 908

Val d'Or, Qué.

J9P 4P8

(HEREIN AFTER CALLED "THE CONTRACTOR")

Ministère de l'Énergie et des Ressources

Gouvernement du Québec

Documentation Technique

DATE: 1 8 FEV. 1981

No. G.M.: 36784

R.F. MIN-CON LTD./LTÉE

WHEREAS; The Company proposes to drive a decline from surface, to the 260' foot level, on its Property in the Val d'Or Region, undertake mine development work, and mine the orebodies therein contained.

AND WHEREAS; The Contractor has agreed with the Company to carry out the proposed work, in the manner and, upon the terms and conditions, herein set forth.

NOW THEREFORE; This Agreement witnesseth that, in consideration of the mutual and respective covenants and, agreements, herein set forth, the parties hereto, covenant and agree, as follows;

1. The specifications and plans submitted by the Company,
2. The Proposal and Schedule, dated May 28, 1980, submitted by the Contractor,
3. All other data, necessary to the execution of the work, not altering the intent or, aim of this Agreement, after its signing, submitted by either party,

shall form part of, and are the basis of, this Agreement.

May 28, 1980.

SPECIFICATIONS:-

Excavate a portal entrance at -18% grade, approximately 10' x 15', and secure the entrance with timber and rockbolts.

Drive a decline ramp at 10' x 15' in cross section, at -18% grade for an approximate length of 1,250 feet.

Excavate all auxillary x-cuts, ramps, sublevels, muck drifts, raises, slashes, sumps, etc, as shown on the plans, or later required.

Dispose of all waste material at a disposal point, close to the decline portal, and all ore, in a stockpile, within 200 feet of the portal.

Install all services necessary to the decline advance, including air and water lines, pump lines, ventilation duct, electric lines, etc. and form a reasonable road bed during the advance of the work.

(2...)

- 2 -

METHOD:-

The Contractor will mobilize and transport his men, plant, and equipment to the job site. Prepare the job site to receive the plant and equipment and, undertake the work with the minimum of delay.

The decline would be driven using 2 ½ yard L.H.D. units to their economic limit of about 500 feet, at this point thirteen (13) ton trucks would be coupled with the L.H.D. units, to haul the muck to surface, while the L.H.D. unit mucks back, to clean the face and, load the trucks.

Drilling would be undertaken using jackleg drills with a working platform, or a Drill Jumbo at the Contractor's discretion.

The versatility of the 2 ½ yard Eimco 912 unit coupled with the JDT 413 truck will allow the maximum mucking rate possible for the size of heading required.

Adequate labour, supervision and maintenance staff will be employed by the Contractor to assure the successful operation of the work.

(3...)

- 3 -

The decline would be advanced to just beyond the 200 foot elevation where access to the orebody would be made. At this point an examination of the body can be made by slashing the ore to its limit and preparing a stope.

The ventilation and stope raises would then be undertaken with the simultaneous advance of the decline to the 260' elevation.

Stoping would then be advanced above the 200 foot level while preparation of the stope at the 260 foot elevation was undertaken.

The waste rock from the decline would be used to form a yard area at the portal entrance, and a pad on which to place the ore stockpile for reloading to haulage trucks for milling.

The Contractor would furnish all services and equipment necessary to execution of the work as herein indicated.

(4...)

THE COMPANY WILL SUPPLY AND MAINTAIN:-

Access road to the site
Geological services
Data to guide engineering services

THE CONTRACTOR WILL SUPPLY AND MAINTAIN:-

Supervision and Labour including;

Foreman
Shift Bosses
Leaders
Miners
Master Mechanic
Mechanic
Electrician

Pay Payroll Expenses including;

Workmen's Compensation
Unemployment Insurance
Vacation Pay
Pension Fund
Medical

Mine dry
Office
Warehouse
Shop
Explosives magazines
Sub station
Electrics
Fuel tanks
Compressors
Air receivers
Vent fans
Vent heaters

(5...)

THE CONTRACTOR WILL SUPPLY AND MAINTAIN:- (Cont'd)

Vent ducting
Service truck
Water supply
2- Eimco 912 Loaders
2- JDT 413 trucks
Air and water pipe
Pipe hangers
Drill truck
Rockdrills
Pumps, cable and starters
Air and water hose
Miner's lamps
Safety supplies
Small tools
Portable sumps
Explosives
Drill steel
Grinders
Diesel fuel
Gasoline
Lubricants
Electric power
Rockbolts
Mobilization
Freight of equipment and materials
Repairs to own equipment

(6...)

SCOPE OF THE CONTRACT:-

The Contractor will supply general supervision, labour, material and equipment as herein specified to muck, drill, blast, and secure the underground openings, and execute any, or all, other work as designated by the Company, for unit prices, or Cost Plus Rates, as herein quoted. The Contractor will execute the Contract in a workmanlike manner, turning over all openings to the Company properly secured, and free of all waste material or debris.

RESPONSIBILITY OF THE COMPANY:-

The Company will supply services, to the portal site, in such quantity, and at such time, so as not to impede the progress of the work.

The Company will supply geological services.

The Contractor will measure up and calculate, the volume of work executed under this Contract, on the first and sixteenth days of each month, and shall submit two (2) copies of the computation of each period's work to the Company at his Head Office, and one copy to the Company's representative on the Contract.

The Company shall pay the Contractor, in the legal currency of the Bank of Canada, for work executed within thirty days of receipt of the Contractor's Invoices.

RESPONSIBILITY OF THE CONTRACTOR:-

The Contractor will undertake to execute the work to line and grade as laid out by the Company's engineer.

The Contractor will submit semi-monthly invoices based on the period's progress statements, within five days of a period end.

(7...)

RESPONSIBILITY OF THE CONTRACTOR:- (Cont'd)

The Contractor agrees to undertake and pursue the work, to a successful conclusion, with a minimum of delay.

The Contractor will keep all work areas, related to the working area, within the mine, in a clean and orderly conditions, and will not permit the accumulation of any rubbish or debris.

The Contractor will provide adequate daily supervision for the proper direction of the work force.

The Contractor's representative will order, regular materials and services, at least twenty four (24) hours in advance of their requirement, due allowance is to be made for such items that are unforeseeable, wherein both parties will co-operate to relieve any unforeseen situation, so as to minimize the loss to either, or both, parties.

The Contractor will make provision to allow Company representatives, sufficient time, and safe working conditions, when it is required to interrupt the work, to survey, or inspect, the workings. Arrangements to be made twenty four (24) hours in advance.

The Contractor will undertake to execute the work according to the best standards acceptable to good mining practice, to install timber, and other immovables, to line and grade as specified.

The Contractor will submit with his final invoice an affidavit attesting to, and indemnifying the Company free from any claim under the Patent's and Mechanic's Lien Law, or for any other costs, for material, or Labour, including Workmen's Compensation, Unemployment Insurance, Vacation Pay, Medical, Pension Plan etc.

(8...)

BAD GROUND:-

The Contractor shall not be held responsible for overbreak beyond his control. Ground that will not hold under ordinary conditions, or standard rockbolting practices, shall not be considered the responsibility of the Contractor. Such ground shall be handled, and/or, timbered, or concreted at Cost Plus Rates herein quoted. The Contractor shall take all necessary precautions, in consultation with the Company's representative, to minimize bad ground troubles. Rockbolt pattern shall be mutually agreed upon prior to installation of rockbolts.

If overbreak occurs for other reason than drilling outside the control lines, such overbreak in excess of ten (10) inches outside the control lines shall be considered excess overbreak and, shall be paid at overbreak rates herein quoted.

DELAY TIME:-

The Company agrees to compensate the Contractor for the loss of time due to failure of the Company's services at Cost Plus Rates as herein quoted.

Such delay shall be limited to not more than one day, or less than one half hour, at any one time, this providing however that it is mutually understood and agreed by and between the parties hereto, that each of the parties hereto shall co-operate with the other in avoiding or trying to avoid, any loss or damage, to the other party.

If due to a lack of Company services or direction, the Contractor is unable to progress with the Contract portion of the work, the cost of maintaining the plant and equipment, will be born at Company expense, until such services are restored and, normal work can be undertaken.

(9...)

EXCESS WATER:-

If an excess volume of water is encountered and it interferes with the work, it shall be handled, and/or grouted or controlled, at Company Expense. The Contractor agrees to notify the Company, prior to blasting, of an excess amount of water encountered, and to await a Company decision as to the method to handle such water.

The Contractor will handle up to ninety (90) Imperial gallons per minute without charge to the Company, or any greater amount that does not interfere with the Contractor's rate of advance. Should such an excess of water be encountered that floor sumps, cut in rock, are required, such sumps will be cut, as required, at slashing rates herein quoted.

The Contractor will furnish grout pumps and equipment for sealing excess water, at rates herein quoted. Cement, additives, grout plugs etc. will be supplied by the Contractor and, charged to the Company, as per the provisions under Cost Plus Rates, or supplied directly by the Company.

It would be the Contractor's desire to grout all inflows of water encountered, to avoid a gradual accumulation of water that would eventually interfere with the operation of the work.

The Company will obtain and maintain all permits and licenses, necessary to the successful and smooth operation of the work, from regulatory agencies concerned, with the exception of the permits for the storage, transport and use of explosives, and the permits to use Diesel equipment underground, which permits will be procured by the Contractor. Delays caused by the failure to procure or maintain the proper permits or licenses will be born at Company Expense.

(10...)

FORCE MAJEURE:-

Neither party shall be held responsible for events of force majeure, such as acts of God, strikes, lockbouts, or other labour disturbances, civil disturbances, arrests and restraints by rulers and people, interruptions by Government or court order, acts of the public enemy, wars, riots, sabotage, lightning, fire, storm, flood, explosion, and any other event or occurrence beyond the reasonable control of the parties hereto, whether or not of the nature of those above mentioned.

Should the heading become flooded due to the failure of Company services, the cost of unwatering will be born by the Company.

LABOUR & MATERIAL COSTS:-

The prices herein quoted shall remain firm for the life of the Contract, or a period of six (6) months, whichever shall occur first. In the event of, an excessive change in the basic labour rate in the area, or the cost of Payroll Benefits are changed by a regulatory agency concerned, or in the cost of materials supplied, it shall be the privilege of the Contractor and/or the Company to discuss, at any time, Cost Plus and/or Contract Rate Adjustments.

Due to the exceptionally high inflationary trends experienced since early 1973, and currently running at the highest rates ever, we can no longer guarantee prices firm for periods of 12 to 18 months, as has been our custom. However the Contractor will extend the quoted prices beyond the six (6) month period mentioned, unless he can prove due justification for any requested increases.

(11...)

TERMINATION OF CONTRACT:-

The Agreement may be terminated by the Company, by notice in writing, delivered to the Contractor by Registered Mail. On termination the Contractor will have 15 days from receipt of the notice in which to remove its crew and equipment.

In the event of termination by the Company for any reason other than gross negligence on the part of the Contractor, the Company shall reimburse the Contractor for its out-of-pocket expenses incurred in the removal of its equipment from the job site to Val d'Or, Quebec.

In the event of termination by the Company for any reason he may deem advisable the Contractor shall be entitled to receive compensation as follows:

1) The Contractor and Company shall measure up and agree on the exact quantities of work done up to the time of the termination of the Contract and the Contractor shall be compensated for the full amounts of work done based on the unit costs listed in the Agreement.

2) The Contractor shall be further compensated under the terms of the Premature Termination Clause.

This Agreement may be terminated by the Contractor in a similar manner for the following reason: the failure of the Company to pay the Contractor's invoices certified by the Company's representative within ten days of the specified time, as outlined under the clauses - Responsibility of the Company and Contractor.

In the event of termination by the Contractor for the reason set out in above, the Company shall reimburse the Contractor for the cost of moving the Contractor's equipment from the job site to Val d'Or, Quebec.

(12...)

PREMATURE TERMINATION OF CONTRACT:-

Due to the high preproduction costs of the Contract, and, the fact that many commitments have been made by the Contractor, to assure the necessary plant and equipment be available and, on site, to execute the work, the Company will pay the following charges, should termination be exercised by the Company, prior to the minimum volume of work, stipulated in the Contract, being 1,250' of decline, 759' of drift and raise and mining of 33,600 tons.

1) The Company shall pay the cost of return transport, for all equipment and materials on site, to their place of origin.

2) Further the Company shall pay the following:

Inward transportation, mobilization, demobilization and preproduction costs.

<u>TERMINATION</u> <u>AFTER COMPLETING:</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>90%</u>
	\$22,500.	\$15,000.	\$7,500.	\$3,000.

The Company shall pay the foregoing for all, or any reason, for premature termination of the Contract, other than gross negligence, or incompetence, of the Contractor.

(13...)

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PRICE SCHEDULE

1.	a) Overburden		Muck & Dispose Per Cubic Yard	\$ 6.00
	b) Open Cut		Muck, Drill & Blast Per Ton	\$ 14.75
	c) Portal Securing		Supply Materials, Installation & Doors	<u>Lot</u> \$23,760.00
			Concrete if required Extra at	Cost Plus
2.	Decline	10' x 15'	Muck, Drill & Blast Per Linear Foot	\$ 310.00
3.	Access Drift 200' Level	10' x 10'	Muck, Drill & Blast Per Linear Foot	\$ 280.50
4.	Sill Slash 200' Level		Muck, Drill & Blast Per Ton	\$ 13.50
5.	Sill Drift & Slash 260' Level		Muck, Drill & Blast Per Ton	\$ 18.90
6.	Drawpoints No. 2	10' x 10'	Muck, Drill & Blast Per Linear Foot	\$ 288.25
7.	Muck Drift 260' Level	10' x 15'	Muck, Drill & Blast Per Linear Foot	\$ 258.25
8.	Drawpoints Nos. 3,4,5.	10' x 10'	Muck, Drill & Blast Per Linear Foot	\$ 248.25
9.	Escape Drift 250' Level	8' x 8'	Muck, Drill & Blast Per Linear Foot	\$ 208.00
10.	Vent Raise 200 to Surface	6' x 8'	Muck, Drill & Blast Per Linear Foot	\$ 241.50

(14...)

R.F. MIN-CON LTD./LTÉE

- 14 -

PRICE SCHEDULE (Cont'd)

11.	Access Raise 5' x 5' 200 to Vent Raise	Muck, Drill & Blast Per Linear Foot	\$ 191.50
12.	Access Raise & Sub 250 to 200	Muck, Drill & Blast Per Linear Foot	\$ 208.00
13.	Miscellaneous Slash	Muck, Drill & Blast Per Ton	\$ 17.50
14.	Vent Raise Collar	Installation on Bedrock	\$9,600.00
15.	Sumps	Muck, Drill & Blast Per Linear Foot	\$ 258.25
16.	Dams, Ventilation Bulkheads, etc.		Cost Plus
17.	Grouting		Cost Plus
18.	Rockbolts	Supply & Install:	
		5' long each	\$ 12.40
		7' long each	\$ 14.25
19.	Mining	a) Drill & Blast Per Ton	\$ 7.10
		b) Muck and Tram Per Ton	\$ 6.85

(15...)

EXTRA WORK

For extra work beyond the scope of the contract rates quoted, or for delay time due to conditions beyond the control of the Contractor, the following "Cost Plus" Rates shall apply.

1. <u>Labour</u>	<u>Per Hour</u>
Superintendent	\$ 15.50
Foreman	\$ 14.20
Shift Boss	\$ 13.60
Leader	\$ 12.70
Miner	\$ 11.80
Mechanic 1st class	\$ 12.50
2nd class	\$ 10.00
Electrician	\$ 11.80
Surveyor	\$ 11.80

2. Plus Payroll Benefits including:

Unemployment Insurance	
Workmen's Compensation	
Vacation Pay	
Pension Fund	
Medical	at 36.4%

3. Total 1. and 2.

4. Administration - 7% of Item 3.

5. Materials used at laid down cost

6. Total items 3. 4. and 5.

7. Profit 10% of item 6.

(16...)

EXTRA WORK (Cont'd)

8. Equipment Rental		<u>Working</u>	<u>Idle</u>
a) L.H.D. Unit	Per Hour	\$17.00	\$ 5.50
b) JDT 413	Per Hour	\$17.00	\$ 5.00
c) Jumbo MJM 21	Per Hour	\$ 8.00	\$ 2.00
d) Grout Pump	Per Hour	\$ 7.50	Nil
e) Other Equipment and Plant	Per Hour	\$16.00	\$ 3.00
(Less Power & Fuel) - to be charged under Item 5.			
f) Drill Steel			
Jumbo	Per Foot Drilled		\$ 2.25
Jackleg	Per Foot Drilled		\$ 1.75

Nothing in the foregoing nor the Contract proper shall preclude the parties hereto from arranging a mutually satisfactory unit price for any item of extra work.

CASUALTY INDEMNITY:-

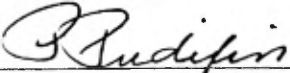
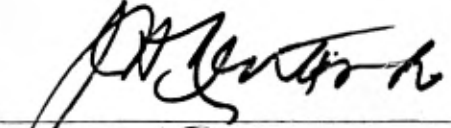
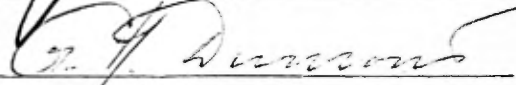

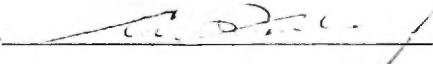
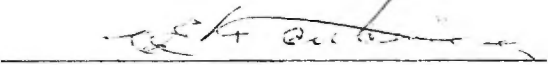
The Contractor carries the following protection for the Company for whom we are working, against damage any of our employees may cause to either Company equipment or Company employees.

A) BODILY INJURY AND PROPERTY DAMAGE LIABILITY	Each occurrence or accident \$1,000,000.
B) CONTINGENT EMPLOYER'S LIABILITY	\$1,000,000. one person \$1,000,000. one accident

If awarded a Contract the Contractor will pursue and carry out the work with the utmost safety, speed and skill, according to the regulations of the Company and Le Ministère des Richesses Naturelles.

(17...)

Signed, sealed and delivered by their, respective duly authorized officers on their behalf and in the presence of:

 _____ Witness	for	 _____  _____ MID CANADA MINES LTD.
 _____ Witness	for	 _____  _____ R.F. MIN-CON LTD./LTÉE.

Microfilm

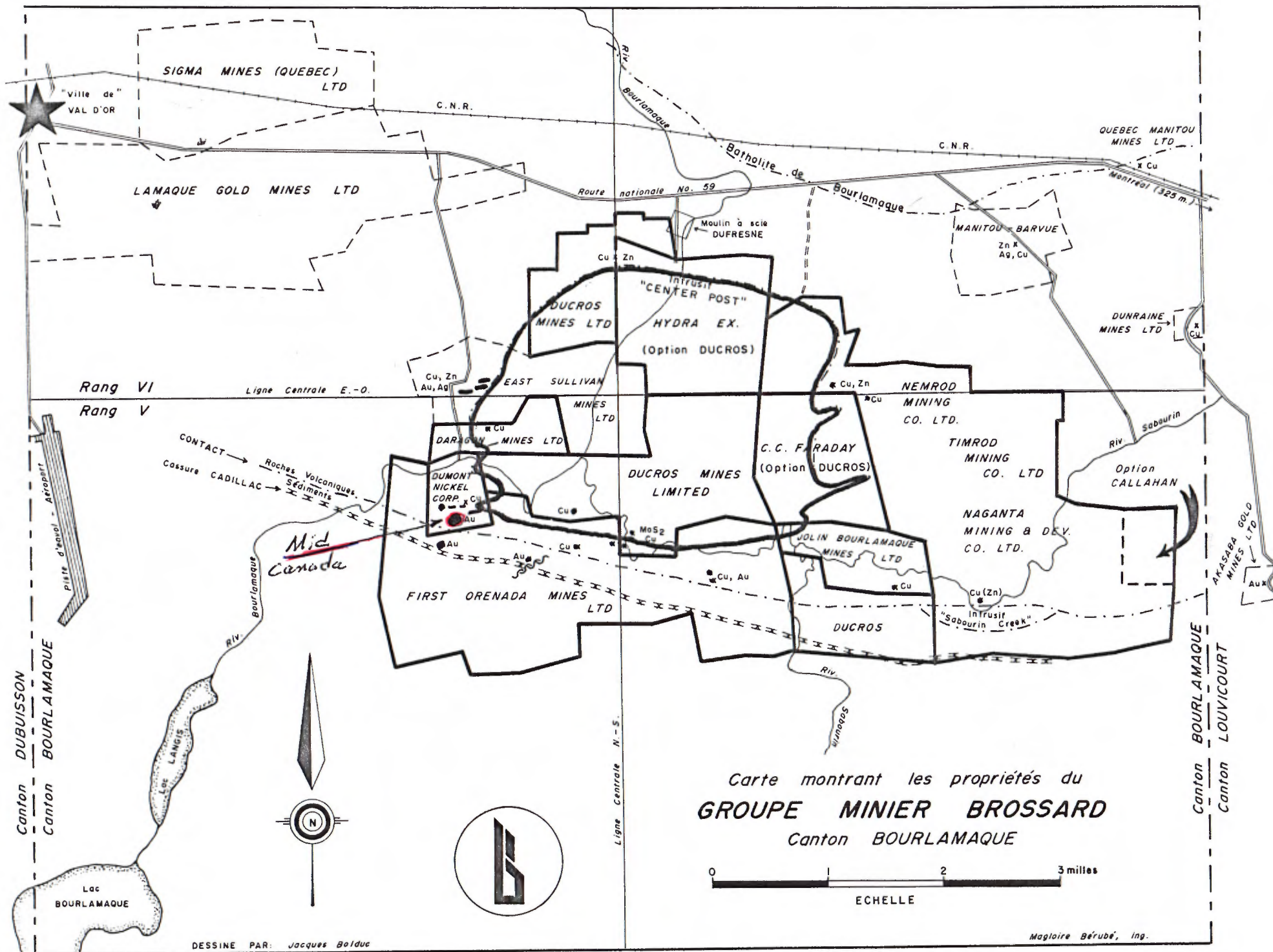
PAGES DE DIMENSION HORS STANDARD

MICROFILMÉE SUR 35 MM ET
POSITIONNÉES À LA SUITE DES
PRÉSENTES PAGES STANDARDS

Numérique

PAGES DE DIMENSION HORS STANDARD

NUMÉRISÉE ET POSITIONNÉE À LA
SUITE DES PRÉSENTES PAGES STANDARDS



Carte montrant les propriétés du
GROUPE MINIER BROSSARD
 Canton BOURLAMAQUE



DESSINE PAR: Jacques Bolduc

Magloire Bérubé, Ing.

INFORMATION CIRCULAR AND PROXY STATEMENT
for
ANNUAL MEETING OF SHAREHOLDERS OF MID-CANADA GOLD AND COPPER
MINES LIMITED (No Personal Liability) TO BE HELD ON SEPTEMBER
12th, 1980.

I N T R O D U C T I O N

This Information Circular and Proxy Statement ("the Information Circular") is furnished in connection with the solicitation by the management of MID-CANADA GOLD AND COPPER MINES LIMITED (No Personal Liability) (hereinafter called "the Corporation") of proxies to be used at the Annual Meeting of Shareholders of the Corporation to be held on Friday, September 12th, 1980, for the purposes set forth in the Notice of Meeting.

The office of the Corporation is located at 1265 - 7th St., Val d'Or, province of Quebec, Canada, S9P 3R9, and its telephone number is (819)824-3681.

It is expected that the solicitation will primarily be by mail. The cost of the solicitation will be borne by the Corporation.

V O T I N G O F P R O X I E S

Shares represented by any proxy in the form enclosed will be voted or withheld from voting on any ballot which may be called in accordance with the instructions given by the shareholder.

IN THE ABSENCE OF SUCH INSTRUCTIONS, SUCH SHARES WILL BE VOTED FOR THE ELECTION OF DIRECTORS AND FOR THE APPOINTMENT OF AUDITORS, AS STATED UNDER THOSE HEADINGS IN THIS INFORMATION CIRCULAR.

The enclosed form of proxy confers discretionary authority upon the persons named in it with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters that may properly come before the Meeting. At the date of this Information Circular, the management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the meeting.

R E V O C A T I O N O F P R O X I E S

A shareholder who has given a proxy may revoke the proxy by a written statement signed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or its authorized attorney, and deposited at the office of the Corporation (P.O. Box 57) 1265 - 7th Street, Val d'Or, Quebec, Canada, at any time up

/2...

to and including the last business day preceding the day of the meeting, or any adjournment of the meeting, at which the proxy is to be used, or with the chairman of the meeting on the day of the meeting, or any adjournment of the meeting.

If a shareholder who has completed a proxy attends the meeting in person, any votes cast by the shareholder shall be counted and the proxy shall be disregarded.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On August 2nd, 1980, the Corporation had outstanding 4,357,485 Common shares. The holders of Common shares whose names are entered on the Register of Shareholders at the date of the meeting are entitled to one vote for each share held.

To the knowledge of the Directors and Senior Officers of the Corporation, the only persons holding, directly or indirectly, as of August 2nd, 1980, 10% or more of the issued Common shares of the Corporation are Dumont Nickel Corporation (No Personal Liability) which owned 1,119,960 Common shares representing approximately 25.7% of the issued and outstanding Common shares; Canarim Investment Corporation Ltd. which owned 747,800 Common shares representing approximately 17% of the issued and outstanding Common shares; and, Cikent Corporation Limited which owned 500,000 Common shares representing approximately 11.5% of the issued and outstanding Common shares.

ELECTION OF DIRECTORS

It is proposed that five Directors will be elected at the meeting. Each Director to be elected will hold office until the next Annual Meeting of shareholders.

UNLESS IT IS SPECIFIED IN A PROXY THAT SUCH SHARES SHALL BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE THE SHARES REPRESENTED BY PROXIES FOR THE ELECTION OF THE NOMINEES WHOSE NAMES FOLLOW, ALL OF WHOM ARE NOW MEMBERS OF THE BOARD OF DIRECTORS AND HAVE BEEN SINCE THE DATES INDICATED.

The management does not contemplate that any of the nominees will be unable to serve as a director, but, if that should occur for any reason prior to the meeting, the persons named in the enclosed proxy reserve the right to vote the shares represented by the proxies for another nominee at their discretion unless a proxy specifies that shares are to be withheld from voting in the election of directors.

APPOINTMENT OF AUDITORS

UNLESS IT IS SPECIFIED IN A PROXY THAT SUCH SHARES SHALL BE WITHHELD FROM VOTING IN THE APPOINTMENT OF AUDITORS, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE THE SHARES REPRESENTED BY PROXIES FOR THE RE-APPOINTMENT OF MESSRS. BELANGER, L'HOUMEAU, SUREAU AND ASSOCIATES AS AUDITORS OF THE COMPANY, TO HOLD OFFICE UNTIL THE CLOSE OF THE NEXT ANNUAL MEETING, AT A REMUNERATION TO BE FIXED BY THE DIRECTORS.

OTHER BUSINESS

The Management is not aware of any matters to be presented for action at the meeting other than the items set forth in the Notice of Meeting.

The contents and the sending of this Information Circular to the shareholders have been approved by the Directors.

MID-CANADA GOLD AND COPPER MINES
LIMITED (No Personal Liability)

ELIZABETH E. HOYLES
Secretary-Treasurer.

VAL D'OR, QUEBEC, CANADA.

August 15th, 1980.

CIRCULAIRE D'INFORMATIONS ET DECLARATION DE PROCURATION

POUR L'ASSEMBLEE ANNUELLE DES ACTIONNAIRES DE MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE (libre de responsabilité personnelle) QUI SERA TENUE LE 12 SEPTEMBRE 1980.

I N T R O D U C T I O N

Cette circulaire d'informations et déclaration de procuration (ci-après appelée "la circulaire d'informations") vous est envoyée relativement à la sollicitation de procurations par la direction de MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE (libre de responsabilité personnelle) (ci-après appelée "la corporation") pour être utilisées à l'assemblée annuelle des actionnaires de la corporation qui sera tenue vendredi le 12 septembre 1980 aux fins mentionnées dans l'avis de convocation.

Le siège social de la corporation est situé au 1265 - 7ième rue, Val d'Or, province de Québec, Canada, S9P 3R9 et son numéro de téléphone est (819) 824-3681.

Il est prévu que la sollicitation se fera par courrier. Le coût de cette sollicitation sera payé par la corporation.

VOTE ET PROCURATION

Les actions représentées par procuration dans la forme ci-jointe seront votées lors de toute demande de scrutin conformément aux instructions données par l'actionnaire.

EN L'ABSENCE DE TELLES INSTRUCTIONS, CES ACTIONS SERONT VOTEES POUR L'ELECTION DES ADMINISTRATEURS ET POUR LA NOMINATION DES VERIFICATEURS TEL QU'INDIQUE DANS LA CIRCULAIRE D'INFORMATIONS SOUS CES CHAPITRES.

La formule de procuration ci-jointe confère une autorité discrétionnaire aux personnes qui y sont nommées relativement aux amendements ou aux variations des sujets indiqués dans l'avis de convocation ou à toutes autres matières qui pourraient être légalement soumises à l'assemblée. A la date de cette circulaire d'informations, la direction de la corporation ne prévoit pas de tels amendements, variations ou quelque'autre matière qui pourrait être soumise à l'assemblée.

REVOCAATION DE PROCURATIONS

Un actionnaire qui a signé une procuration peut la révoquer par une déclaration écrite signée par lui ou son procureur dûment autorisé par écrit ou, si l'actionnaire est une corporation, sous son sceau corporatif ou par un officier ou son procureur autorisé et déposée au siège social de la corporation (Boîte postale 57) 1265 - 7ième rue, Val d'Or, Québec, Canada, en tout

/2...

temps avant et incluant le dernier jour ouvrable qui précède le jour de l'assemblée ou tout ajournement de l'assemblée au cours de laquelle la procuration doit être utilisée ou auprès du président de l'assemblée le jour même de l'assemblée ou tout ajournement d'icelle.

Si un actionnaire qui a complété une procuration assiste à l'assemblée en personne, tout vote donné par cet actionnaire sera compté et sa procuration mise de côté.

ACTIONS AYANT DROIT DE VOTE ET PRINCIPAUX DETENTEURS D'ACTIONS

Le 2 août 1980 la corporation avait émis 4,357,485 actions ordinaires. Les détenteurs des actions ordinaires dont les noms apparaissent au registre des actionnaires à la date de l'assemblée ont droit à un vote par action détenue.

A la connaissance des administrateurs et des officiers supérieurs de la corporation les seules personnes détenant un intérêt direct ou indirect en date du 2 août 1980 de plus de 10% des actions ordinaires émises de la corporation sont Dumont Nickel Corporation (Libre de responsabilité personnelle) qui détenait 1,119,960 actions ordinaires représentant approximativement 25.7% des actions émises et en circulation; Canarim Investment Corporation Ltd. qui détenait 747,800 actions ordinaires représentant approximativement 17% des actions émises et en circulation; et, Cikent Corporation Limited qui détenait 500,000 actions ordinaires représentant approximativement 11.5% des actions émises et en circulation.

ELECTION DES ADMINISTRATEURS

Il est proposé que cinq administrateurs soient élus lors de l'assemblée. Chaque administrateur élu demeurera en fonction jusqu'à la prochaine assemblée annuelle des actionnaires.

A MOINS D'INDICATION CONTRAIRE A UNE PROCURATION LES PERSONNES NOMMEES DANS LA PROCURATION CI-JOINTE ONT L'INTENTION DE VOTER LES ACTIONS REPRESENTEES PAR PROCURATION POUR L'ELECTION DES PERSONNES DONT LES NOMS SUIVENT, LESQUELLES SONT TOUTES PRESENTEMENT MEMBRES DU CONSEIL D'ADMINISTRATION ET Y SONT DEPUIS LA DATE INDIQUEE EN REGARD DE LEUR NOM.

La direction ne prévoit pas que l'un de ces candidats soit incapable d'agir comme administrateur, mais si tel était le cas, pour une raison qui surviendrait avant l'assemblée, les personnes nommées dans la procuration ci-jointe se réservent le droit de voter les actions représentées par procuration pour un autre candidat, à leur discrétion, à moins que la procuration spécifie que les actions ne devront pas être votées lors de l'élection des administrateurs.

Le tableau suivant indique les noms des personnes proposées pour être administrateurs:

Nom et occupation dans la corporation	Occupation principale	Administrateur depuis	Nombre approximatif d'actions ordinaires de la corporation détenues directement ou indirectement à titre de propriétaire ou contrôlées ou administrées
D.A. Pedro Cardoso Administrateur	Gérant général de Service de Lavage Inc.	1er décembre 1972	20,005
Georges H. Dumont Vice-président et administrateur	Ingénieur minier consultant à son compte	1er décembre 1972	104,380
Elizabeth E. Hoyles Secrétaire-trésorier et administrateur	Retirée (autrefois secrétaire corporative de Dumont Nickel Corporation (libre de responsabilité personnelle) et Kentish Enterprises	1er décembre 1972	5
John H. Kentish Président et administrateur	Financier minier à son compte	1er décembre 1972	164,380
Jean C. Roy administrateur	Editeur des nouvelles L'Echo Abitibien	12 novembre 1979	26,005

REMUNERATION DE L'ADMINISTRATION ET AUTRES

Nature des rémunérations gagnées

	Rémunération des directeurs	Salaires	Bonis	Allocation des dépenses non comptabilisées	Autre	Total
Rémunération des directeurs						
a) nombre des directeurs: 5						
b) encourue par la corporation	nil	nil	nil	nil	nil	nil
Rémunération des officiers						
a) nombre des officiers: 2						
b) encourue par la corporation	nil	nil	nil	nil	nil	nil
TOTAUX:	nil	nil	nil	nil	nil	nil

NOMINATION DES VERIFICATEURS

A MOINS D'INDICATION CONTRAIRE A UNE PROCURATION LES PERSONNES NOMMEES DANS LA PROCURATION CI-JOINTE ONT L'INTENTION DE VOTER LES ACTIONS REPRESENTEES PAR PROCURATION POUR LA RENOMINATION DE MESSIEURS BELANGER, L'HOUMEAU, SUREAU ET ASSOCIES, COMME VERIFICATEURS DE LA CORPORATION JUSQU'A LA PROCHAINE ASSEMBLEE ANNUELLE DES ACTIONNAIRES A UNE REMUNERATION DEVANT ETRE FIXEE PAR LES ADMINISTRATEURS.

AUTRES SUJETS

La direction ne connaît pas d'autres sujets qui pourraient être présentés à l'assemblée autre que ceux soumis dans l'avis de convocation.

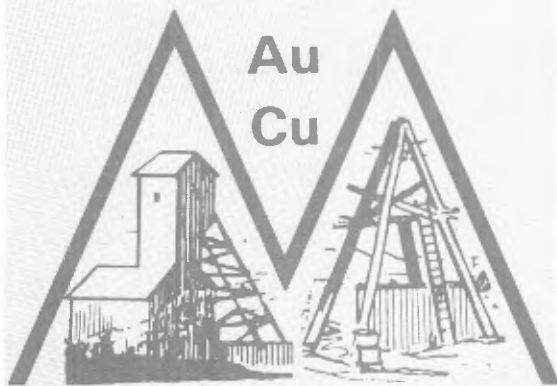
Le contenu et l'envoi de cette circulaire d'informations aux actionnaires ont été approuvés par les administrateurs.

MINES D'OR ET DE CUIVRE MID-CANADA
LIMITED (libre de responsabilité
personnelle)

ELIZABETH E. HOYLES
Secrétaire-trésorier

VAL D'OR, QUEBEC, CANADA.

Ce 15ième jour d'août 1980.



Mid-Canada Gold and Copper Mines Limited

**LISTED ON VANCOUVER
STOCK EXCHANGE**

**FIRST
ANNUAL
REPORT**

**FOR THE YEAR ENDED
MARCH 31st, 1980**

Mid-Canada Gold and Copper Mines Limited

(NO PERSONAL LIABILITY)

HEAD OFFICE: 1265, 7th St., VAL D'OR, QUEBEC

Incorporated under the Quebec Mining Companies Act

By Letters Patent, 5th January, 1970

Capitalization..... 10,000,000 shares

Issued and Fully Paid..... 2,757,460 shares

OFFICERS and DIRECTORS

President and Director.....	J.H. Kentish	Business Executive, Malartic, Quebec.
Vice-President and Director.....	G.H. Dumont	Consulting Engineer Val d'Or, Quebec
Director and Assistant-Secretary	Jean Roy	Editor, Val d'Or
Director	D.A. Cardoso	Business Executive Val d'Or, Quebec
Director and Secretary-Treasurer	E.E. Hoyles	Secretary, Grand Bend, Ontario

AUDITORS

BELANGER, L'HOUMEAU, SUREAU & ASSOCIATES
Chartered Accountants
Val d'Or, Quebec

REGISTRAR and TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY, MONTREAL AND VANCOUVER

PRESIDENT'S REPORT

Val d'Or, Quebec
August 15, 1980

TO THE SHAREHOLDERS:

Dear Shareholder,

This being our first Annual Meeting, I wish to briefly bring all shareholders up to date on the company's affairs.

Our Company, formerly Trans-Canada Copper Mines, is now listed on the Vancouver Stock Exchange as Mid-Canada Gold and Copper Mines (Ticker Symbol M.C.G. for common shares and MCG WT for warrants). A listing on the Montreal Stock Exchange has been applied for and is expected in the near future.

We have received \$1,000,000. from a recent underwriting by Canarim Investment Corp. of Vancouver. This amount is considered sufficient to bring our Bourlamaque gold property into production. Work is well under way with the decline now at 500 feet with an objective of 1200 feet to reach the main part of our gold orebody.

A contract has also been successfully negotiated to treat our gold ore at the Lamaque Mines, some 6 miles away. Milling is scheduled to start November 1980. From our feasibility studies, this first project should generate sufficient funds to start the next mining phase, the de-watering of two former shafts at both the Buffadison and Bevcon Mines, on which our studies indicate that a considerable large tonnage of commercial grade gold ore remains.

Some years ago, before we purchased the two above mentioned former gold producers, we owned all the mining claims adjacent to these mines. With considerable drilling and exploration on these claims at the time, we successfully encountered copper, gold, silver mineralization in many areas with good widths and tonnage. This was one of the many reasons the purchase of the two former gold producers was made by our Company.

Further studies of these purchased mine shafts show over a million tons of commercial gold ore were left in place to be mined and with additional underground exploration, we have good reason to expect and believe much more tonnage exists, with even better grade at depth.

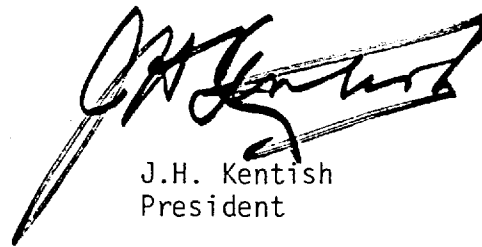
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Presently, a large geophysical exploration program is under way on the large claim block in order to establish new drill targets and enable us to coordinate the underground work when mining begins on these other two mines.

Of immediate interest is the fact that in driving our decline to reach the gold area on the Bourlamaque property, we have already encountered several zones of high copper values together with some gold and silver.

Previous surface drilling in this particular area gave many 1% copper sections with a few values in the 3 to 4% range. However, continued drilling encountered the gold zone which is our first mining objective. We intend to further explore these rich copper intersections in our decline and drill holes as soon as our cash flow is sufficient from the gold operation.

Trusting that in the very near future there will be even more interesting news for our shareholders as our development progresses. Shareholders will be kept informed of our program and of any new development as we progress.



J.H. Kentish
President

Bélanger, L'Houmeau, Bureau et Associés

Comptables Agréés – Chartered Accountants

Jean-M. L'Houmeau, C.A.
Yvon Lafontaine, C.A.
Jacques Bordeleau, C.A.
Léo-Paul Julien, C.A.
André Ménard, C.A.

888, 3e Avenue
Val d'Or, Qué.
J9P 5E6
Tél. (819) 825-6226

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AUDITORS' REPORT

To the shareholders of

Mid-Canada Gold and Copper Mines Limited
(No Personal Liability)

We have examined the balance sheet of Mid-Canada Gold and Copper Mines Limited (No Personal Liability) as at March 31, 1980, and the statement of exploration and development expenses and general and administrative expenses and statement of changes in financial position for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us, and as shown by the books of the company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company as at March 31, 1980, and the results of its operations and changes in its financial position for the year ended on that date, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Bélanger, L'Houmeau, Bureau et Associés
CHARTERED ACCOUNTANTS.

Val d'Or (Quebec)
July 21, 1980.

MID-CANADA GOLD AND COPPER MINES LIMITED
(Incorporated under the Quebec mining companies' act)

BALANCE SHEET
as at March 31, 1980

A S S E T S

	<u>1980</u>	<u>1979</u>
CURRENT ASSETS		
Bank		\$ 404
Term deposit	\$ 1,000	1,000
	<u>1,000</u>	<u>1,404</u>
DUE BY DUMONT NICKEL CORPORATION (N.P.L.)		<u>9,188</u>
MINING CLAIMS, note 1	<u>280,746</u>	<u>210,746</u>
DEFERRED EXPENSES		
Exploration and development expenses	59,372	45,245
General and administrative expenses	91,193	25,603
	<u>150,565</u>	<u>70,848</u>
	<u>\$ 432,311</u>	<u>\$ 292,186</u>

L I A B I L I T I E S

CURRENT LIABILITIES		
Bank overdraft	\$ 2,482	
Accounts payable and accrued expenses	60,128	1,415
Note payable	50,000	
	<u>112,610</u>	<u>1,415</u>
DUE TO DUMONT NICKEL CORPORATION (N.P.L.)	<u>8,930</u>	

SHAREHOLDERS' EQUITY

CAPITAL STOCK, note 2		
Issued and fully paid		
2,757,485 shares of a par value of \$1 each	2,757,485	2,557,485
Less: discount thereon	2,446,714	2,266,714
	<u>310,771</u>	<u>290,771</u>
	<u>\$ 432,311</u>	<u>\$ 292,186</u>

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

MID-CANADA GOLD AND COPPER MINES LIMITED

DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES
as at March 31, 1980

	<u>1980</u>	<u>1979</u>
BALANCE AT THE BEGINNING	<u>\$ 45,245</u>	<u>\$ 44,307</u>
ADDITIONS		
Licences	777	938
Engineering fees	<u>13,350</u>	
	<u>14,127</u>	<u>938</u>
BALANCE AT THE END	<u><u>\$ 59,372</u></u>	<u><u>\$ 45,245</u></u>

DEFERRED GENERAL AND ADMINISTRATIVE EXPENSES
as at March 31, 1980

BALANCE AT THE BEGINNING	<u>25,603</u>	<u>25,645</u>
ADDITIONS:		
Audit fees	3,625	
Legal fees	40,000	
Travelling expenses	7,591	
Taxes	71	
Interest (net)	65	(42)
Office expenses	238	
Expenses charged by Dumont Nickel Corporation (N.P.L.), note 3	<u>14,000</u>	
	<u>65,590</u>	<u>(42)</u>
BALANCE AT THE END	<u><u>\$ 91,193</u></u>	<u><u>\$ 25,603</u></u>

MID-CANADA GOLD AND COPPER MINES LIMITED

CHANGES IN FINANCIAL POSITION
for the year ended March 31, 1980

	<u>1980</u>	<u>1979</u>
SOURCE OF FUNDS		
Advance from Dumont Nickel Corporation (N. P. L.)	\$ 18,118	\$ 1,494
APPLICATION OF FUNDS		
Acquisition of mining claims	70,000	
Less: capital stock issued	<u>20,000</u>	
	50,000	
Exploration and development expenses	14,127	938
General and administrative expenses	<u>65,590</u>	<u>(42)</u>
	<u>129,717</u>	<u>896</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(111,599)	598
WORKING CAPITAL DEFICIENCY AT THE BEGINNING	<u>(11)</u>	<u>(609)</u>
WORKING CAPITAL DEFICIENCY AT THE END	<u><u>\$(111,610)</u></u>	<u><u>\$(11)</u></u>

NOTES TO FINANCIAL STATEMENTS
as at March 31, 1980

1- On January 19, 1973, the company acquired from Dumont Nickel Corporation (N.P.L.) 57 mining claims in Louvicourt Township, province of Quebec, held under 18 development licences and 3 mining concessions by a payment of \$25,000 and the issuance of 750,000 vendors shares distributed as follows: Dumont Nickel Corporation (N.P.L.): 412,500 shares and R. Joseph Group: 337,500 shares. Also, the company issued 1,107,460 shares to Dumont Nickel Corporation (N.P.L.) for money spent on the properties.

On September 18, 1979, the company acquired from Dumont Nickel Corporation (N.P.L.) 4 mining claims in Bourlamaque township, province of Quebec, for \$50,000 cash, secured by a promissory note payable before or on December 31, 1980, and the issuance of 200,000 shares of the capital stock for expenses made on the property by Dumont Nickel Corporation (N.P.L.).

2- CAPITAL STOCK

Authorized:

	1980	1979
10,000,000 shares of a par value of \$1 each	\$10,000,000	\$10,000,000

Issued:

Shares issued for cash:

700,000 shares at \$0.15	105,000	105,000
<u>25 shares at \$1.00</u>	<u>25</u>	<u>25</u>
700,025	105,025	105,025

Shares issued for mining claims and concessions:

750,000 shares at \$0.10	75,000	75,000
--------------------------	--------	--------

Shares issued for exploration and development expenses on the above claims:

<u>1,307,460</u>	<u>130,746</u>	<u>110,746</u>
<u>2,757,485</u>	<u>\$ 310,771</u>	<u>\$ 290,771</u>

2,757,460 shares are held under escrow.

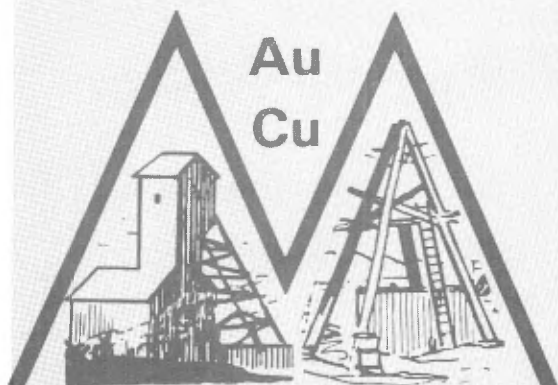
By an agreement dated February 14, 1980, the company agreed to sell 800,000 units of the company's shares at \$1.25 per unit. Each unit consists of two shares of the company and one series "A" warrant, entitling the holder thereof to purchase an additional share of the company at \$1.00 within six months and \$1.25 per share if after six months, but within 12 months. An amount of \$1,000,000 was received on May 8, 1980.

3- EXPENSES CHARGED BY DUMONT NICKEL CORPORATION (N.P.L.)

Secretarial services, rent and administrative expenses were provided by Dumont Nickel Corporation (N.P.L.).

Vue of Mid-Canada Gold and Copper Mines shaft entrance on its Bourlamaque property, near Val d'Or, Quebec.





Mines d'Or et de Cuivre Mid-Canada Limitée

INSCRITE À LA
BOURSE DE VANCOUVER

**PREMIER
RAPPORT
ANNUEL**

POUR L'ANNÉE SE TERMINANT
LE 31 MARS 1980

Ministère de l'Énergie et des Ressources
Gouvernement du Québec
Documentation Technique

DATE: 18 FEV. 1981

No. Q.M.: 36784

Mines d'Or et de Cuivre Mid-Canada Limitée

(LIBRE DE RESPONSABILITE PERSONNELLE)

SIÈGE SOCIAL: 1265, 7e RUE, VAL D'OR, QUÉBEC

Constituée en Corporation en Vertu de la Loi des Compagnies
de la Province de Québec
Par Lettres Patentes en Date du 5 janvier 1970

Capitalisation. 10,000,000 actions
Emises et entièrement acquittées. 2,757,460 actions

OFFICIERS et ADMINISTRATEURS

Président et Administrateur. J.H. Kentish	Homme d'affaires, Malartic, Québec.
Vice-président et Administrateur. G.H. Dumont	Ingénieur conseil Val d'Or, Québec
Administrateur et assistant-secrétaire Jean Roy	Éditeur, Val d'Or
Administrateur D.A. Cardoso	Homme d'affaires Val d'Or, Québec
Administrateur et secrétaire-trésorière E.E. Hoyles	Secrétaire, Grand Bend, Ontario

VÉRIFICATEURS

BÉLANGER, L'HOUMEAU, SUREAU & ASSOCIÉS
Comptables Agréés
Val d'Or, Québec

RÉGISTRARE et AGENTS DE TRANSFERT

CANADA PERMANENT TRUST COMPANY, MONTRÉAL ET VANCOUVER

RAPPORT DU PRESIDENT

Val d'Or, Québec
le 15 août 1980.

AUX ACTIONNAIRES:

Chers actionnaires,

Comme il s'agit de notre première assemblée annuelle, je désire vous donner brièvement les informations à jour sur les affaires de la compagnie.

Notre compagnie, autrefois Trans-Canada Copper Mines, est maintenant inscrite à la Bourse de Vancouver sous Mines d'Or et de Cuivre Mid-Canada Limitée (symbole MCG pour les actions communes et MCG-WT pour les "warrants". Nous avons fait une demande pour être inscrit à la Bourse de Montréal et nous espérons que ça sera fait prochainement.

Nous avons reçu \$1,000,000 suite à une récente souscription par Canarim Investment Corporation, de Vancouver. Cette somme est considérée suffisante pour mettre en production notre gisement d'or du canton de Bourlamaque. Les travaux sont en cours et vont bien. 500 pieds de rampe ont été creusés. L'objectif est de 1,200 pieds pour atteindre la principale partie de notre gisement d'or.

Nous avons également négocié avec succès un contrat pour le traitement de notre minerai à l'usine d'extraction de Lamaque Mines, situé à 6 milles de notre gisement. On prévoit commencer l'usinage en novembre 1980. Selon nos études de rentabilité, ce premier projet doit générer suffisamment de fonds pour commencer le prochain projet d'exploitation: l'assèchement des puits des anciennes Buffadison et Bevcon, où nos études révélèrent la présence d'un tonnage considérable de minerai d'or à teneur commerciale.

Il y a quelques années, avant que nous achetions les deux anciennes mines mentionnées plus haut, nous possédions tous les claims miniers adjacents à ces mines. Suite aux considérables travaux de forages et d'exploration que nous avons faits sur ces claims, à cette date, nous avons découvert des zones minéralisées en cuivre, or et argent en plusieurs endroits, avec de bonnes largeurs et un bon tonnage. C'était là l'une des raisons qui nous fait acheter ces deux anciennes mines.

/2...

Des études plus poussées de ces deux mines, dont nous possédons les puits d'exploitation, nous révèlent plus de un million de tonnes de minerai d'or à teneur commerciale, laissées en place, prêtes à miner. Et avec des travaux additionnels sous terre, nous avons de bonnes raisons de croire que nous avons encore beaucoup de minerai, avec une teneur supérieure en profondeur.

Actuellement nous conduisons un important programme d'exploration géologique sur cet important bloc de claims pour établir des cibles de forage qui nous permettront le développement sous terre, lorsque nous commenceront à extraire le minerai à ces deux anciennes mines.

D'autre part, il faut signaler qu'en creusant la rampe sur notre propriété d'or du canton de Bourlamaque, nous avons déjà recoupé quelques zones riches en cuivre avec des valeurs en argent et en or.

Les forages précédents dans ce secteur ont retourné plusieurs sections d'une teneur de 1% en cuivre, dont quelque-unes portant jusqu'à 3% et 4%. Toutefois, en continuant les forages, nous avons découvert la zone d'or qui est notre premier objectif d'exploitation. Nous avons l'intention de pousser l'exploration de ces riches intersections de cuivre recoupées dans notre rampe par des forages, aussitôt que nos revenus de l'extraction de l'or seront suffisants.

Nous croyons que nous aurons des nouvelles encore plus intéressantes pour nos actionnaires au fur et à mesure que les travaux de développement progresseront. Les actionnaires seront informés des développements et de nos programmes.



J.H. KENTISH
Président

Bélanger, L'Houmeau, Sureau et Associés

Comptables Agréés — Chartered Accountants

Jean-M. L'Houmeau, C.A.
Yvon Lafontaine, C.A.
Jacques Bordeleau, C.A.
Léo-Paul Julien, C.A.
André Ménard, C.A.

888, 3e Avenue
Val d'Or, Qué.
J9P 5E6
Tél. (819) 825-6226

Pièce 1

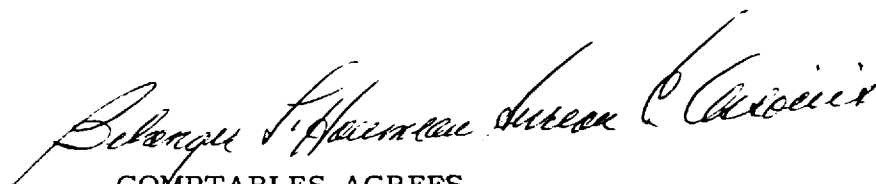
RAPPORT DES VERIFICATEURS

Aux actionnaires de

Mines d'or et de Cuivre Mid-Canada Limitée
(Libre de responsabilité personnelle)

Nous avons vérifié le bilan de Mines d'or et de Cuivre Mid-Canada Limitée (Libre de responsabilité personnelle) au 31 mars 1980, ainsi que l'état des dépenses d'exploration et de développement reportées, l'état des dépenses générales et d'administration reportées et l'état de l'évolution de la situation financière de l'exercice terminé à cette date et nous avons obtenu tous les renseignements et toutes les explications que nous avons demandés. Notre vérification a été effectuée conformément aux normes de vérification généralement reconnues, et a comporté par conséquent les sondages et autres procédés que nous avons jugés nécessaires dans les circonstances.

A notre avis, et du mieux que nous avons pu nous en rendre compte par les renseignements et les explications qui nous ont été donnés et d'après ce qu'indiquent les livres de la compagnie, ces états financiers sont rédigés de manière à représenter fidèlement l'état véritable et exact des affaires de la compagnie au 31 mars 1980, ainsi que les résultats de son exploitation et l'évolution de sa situation financière de l'exercice terminé à cette date selon les principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent.


COMPTABLES AGREES

Val d'Or (Québec)
Le 21 juillet 1980.

MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE
(Constituée selon la loi des compagnies minières de Québec)

BILAN
au 31 mars 1980

A C T I F

	<u>1980</u>	<u>1979</u>
A COURT TERME		
Encaisse		\$ 404
Certificats de dépôts	\$ 1,000	1,000
	<u>1,000</u>	<u>1,404</u>
DU PAR DUMONT NICKEL CORPORATION (N.P.L.)		<u>9,188</u>
CLAIMS MINIERS, note 1	<u>280,746</u>	<u>210,746</u>
DEPENSES REPORTEES, au coût		
Dépenses d'exploration et de développement	59,372	45,245
Dépenses générales et d'administration	91,193	25,603
	<u>150,565</u>	<u>70,848</u>
	<u>\$ 432,311</u>	<u>\$ 292,186</u>

P A S S I F

A COURT TERME		
Découvert de banque	2,482	
Comptes à payer et frais courus	60,128	1,415
Effet à payer	50,000	
	<u>112,610</u>	<u>1,415</u>
DU A DUMONT NICKEL CORPORATION (N.P.L.)	<u>8,930</u>	

AVOIR DES ACTIONNAIRES

CAPITAL-ACTIONS, note 2		
Emis et entièrement payé:		
2,757,485 actions d'une valeur au pair de		
\$1 chacune	2,757,485	2,557,485
Moins: escompte	2,446,714	2,266,714
	<u>310,771</u>	<u>290,771</u>
	<u>\$ 432,311</u>	<u>\$ 292,186</u>

SIGNE POUR LE CONSEIL

..... Administrateur

..... Administrateur

MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE

DEPENSES D'EXPLORATION ET DEVELOPPEMENT REPORTEES
au 31 mars 1980

	<u>1980</u>	<u>1979</u>
SOLDE AU DEBUT	\$ 45,245	\$ 44,307
ADDITIONS		
Permis de mise en valeurs	777	938
Honoraires des ingénieurs	13,350	
	<u>14,127</u>	<u>938</u>
SOLDE A LA FIN	<u>\$ 59,372</u>	<u>\$ 45,245</u>

DEPENSES GENERALES ET D'ADMINISTRATION REPORTEES
au 31 mars 1980

SOLDE AU DEBUT	<u>25,603</u>	<u>25,645</u>
ADDITIONS:		
Honoraires de vérification	3,625	
Frais légaux	40,000	
Frais de voyage	7,591	
Taxes	71	
Intérêt (net)	65	(42)
Dépenses de bureau	238	
Dépenses chargés par Dumont Nickel Corporation (N.P.L.), note 3	14,000	
	<u>65,590</u>	<u>(42)</u>
SOLDE A LA FIN	<u>\$ 91,193</u>	<u>\$ 25,603</u>

MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE

EVOLUTION DE LA SITUATION FINANCIERE
de l'année terminée le 31 mars 1980

	<u>1980</u>	<u>1979</u>
PROVENANCE DES FONDS		
Avance de Dumont Nickel Corporation (N.P.L.)	\$ 18,118	\$ 1,494
UTILISATION DES FONDS		
Achat de claims miniers	70,000	
Moins: Capital-actions émis	<u>20,000</u>	
	50,000	
Dépenses d'exploration et de développement	14,127	938
Dépenses générales et d'administration	<u>65,590</u>	<u>(42)</u>
	<u>129,717</u>	<u>896</u>
AUGMENTATION (DIMINUTION) DU FONDS DE ROULEMENT		
	(111,599)	598
FONDS DE ROULEMENT NEGATIF AU DEBUT		
	<u>(11)</u>	<u>(609)</u>
FONDS DE ROULEMENT NEGATIF A LA FIN		
	<u><u>\$(111,610)</u></u>	<u><u>\$(11)</u></u>

MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE

NOTES AUX ETATS FINANCIERS

au 31 mars 1980

- 1- Le 19 janvier 1973, la compagnie a acquis de Dumont Nickel Corporation (N.P.L.) 57 claims miniers dans le canton Louvicourt, province de Québec, détenues sous 18 permis de développement et 3 concessions minières par le paiement de \$25,000 et l'émission de 750,000 actions distribués comme suit: Dumont Nickel Corporation (N.P.L.) 412,500 actions et le groupe R. Joseph 337,500 actions. De plus la compagnie a émis 1,107,460 actions à Dumont Nickel Corporation (N.P.L.) pour l'argent dépensé sur les dites propriétés.

Le 18 septembre 1979, la compagnie a acquis de Dumont Nickel Corporation (N.P.L.) 4 claims miniers dans le canton Bourlamaque, province de Québec, pour \$50,000 comptant, garanti par un effet à payer avant ou le 31 décembre 1980, et l'émission de 200,000 actions du capital-actions pour les dépenses faites sur la propriété par Dumont Nickel Corporation (N.P.L.).

2- CAPITAL-ACTIONS

Autorisé:

	<u>1980</u>	<u>1979</u>
10,000,000 actions d'une valeur au pair de \$1 chacune	<u>\$10,000,000</u>	<u>\$10,000,000</u>

Emis et payé:

Actions émises pour de l'argent:

700,000 actions à \$0.15	105,000	105,000
<u>25 actions à \$1.00</u>	<u>25</u>	<u>25</u>
700,025	105,025	105,025

Actions émises pour des claims miniers et concessions:

750,000 actions à \$0.10	75,000	75,000
--------------------------	--------	--------

Actions émises pour les dépenses d'exploration et
de développement sur les dits claims

<u>1,307,460</u>	<u>130,746</u>	<u>110,746</u>
<u>2,757,485</u>	<u>\$ 310,771</u>	<u>\$ 290,771</u>

2,757,460 actions détenues sous écrou

Selon une entente du 14 février 1980, la compagnie a accepté de vendre 800,000 unités d'actions de la compagnie à \$1.25 l'unité. Chaque unité comprend 2 actions de la compagnie et un droit serie "A", permettant au détenteur d'acheter une action additionnelle de la compagnie à \$1 en dedans de 6 mois et \$1.25 l'action après 6 mois, mais avant 12 mois. Un montant de \$1,000,000 fut reçu le 8 mai 1980.

3- DEPENSES CHARGEES PAR DUMONT NICKEL CORPORATION (N.P.L.)

Services de secrétariat, loyer et dépenses d'administration fournis par Dumont Nickel Corporation (N.P.L.).

L'entrée de la rampe actuellement en développement
à la propriété de Mines d'Or et de Cuivre Mid-Canada dans le canton de
Bourlamaque, près de Val d'Or, Québec.



MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE

(Libre de responsabilité personnelle)

PROCURATION

ASSEMBLEE ANNUELLE DES ACTIONNAIRES

12 SEPTEMBRE 1980

Le soussigné, actionnaire de MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE (Libre de responsabilité personnelle) (ci-après appelée "la corporation") constitue JOHN A. KENTISH ou en son absence GEORGES H. DUMONT, ou _____ de _____ procureur ou fondé de pouvoir pour voter au nom du soussigné à l'assemblée annuelle des actionnaires de la corporation laquelle sera tenue le 12 septembre 1980 ou à tout ajournement d'icelle. Mon procureur ou fondé de pouvoir est autorisé à:

1. VOTER () S'ABSTENIR DE VOTER () lors de l'élection comme administrateurs des personnes mentionnées dans la circulaire d'information qui accompagne la présente formule de procuration.
2. VOTER () S'ABSTENIR DE VOTER () lors de la nomination de messieurs Bélanger, L'Houmeau, Sureau et associés comme vérificateurs de la corporation; leur rémunération devant être déterminée par les administrateurs.
3. Voter à sa discrétion sur tous autres sujets qui pourraient être légalement soumis à l'assemblée.

DATEE ce _____ jour de _____ 1980.

Signature de l'actionnaire

Nom en lettres moulées

AVIS:

1. La formule de procuration est destinée à l'usage des détenteurs d'actions ordinaires.
2. Cette procuration doit être signée et datée par l'actionnaire ou par son procureur dûment autorisé par écrit ou si l'actionnaire est une corporation sous son sceau corporatif ou par un officier ou un procureur dûment autorisé par écrit.
3. CETTE PROCURATION EST SOLLICITEE PAR LA DIRECTION DE LA CORPORATION. CHAQUE ACTIONNAIRE A LE DROIT DE NOMMER LA PERSONNE DE SON CHOIX (QU'ELLE SOIT OU NON ACTIONNAIRE DE LA CORPORATION) POUR ASSISTER ET VOTER POUR ET EN SON NOM A L'ASSEMBLEE. TOUT ACTIONNAIRE DESIRANT SE FAIRE REPRESENTER PAR UNE PERSONNE AUTRE QUE LES PERSONNES MENTIONNEES DANS LA FORMULE DE PROCURATION PEUVENT LE FAIRE EN AJOUTANT LE NOM DU PROCUREUR DESIRE DANS L'ESPACE PREVU A CETTE FIN.

MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE

(Libre de responsabilité personnelle)

AVIS DE L'ASSEMBLEE ANNUELLE DES ACTIONNAIRES
QUI SERA TENUE LE 12 SEPTEMBRE 1980

AVIS EST PAR LES PRESENTES DONNE que l'assemblée annuelle des actionnaires de MINES D'OR ET DE CUIVRE MID-CANADA LIMITEE (libre de responsabilité personnelle) (ci-après appelée "la corporation") sera tenue au siège social de la corporation, vendredi, le 12 septembre 1980, à 11:00 heures, aux fins de:

1. Elire les administrateurs pour la prochaine année.
2. Nommer les vérificateurs pour la prochaine année.
3. Transiger toute autre affaire qui pourrait être légalement soumise à l'assemblée ou à tout ajournement d'icelle incluant la réception du rapport annuel de la corporation pour l'année financière terminée le 31 mars 1980 dont copie est jointe au présent avis.

PAR ORDRE DU CONSEIL

ELIZABETH E. HOYLES
Secrétaire-trésorier

Ce 15ième jour d'août 1980.

Vous êtes priés de prendre connaissance de la circulaire d'informations et de la déclaration de procuration ci-jointes. La direction incite chaque actionnaire à assister à l'assemblée en personne. Que vous prévoyiez ou non assister à l'assemblée, nous apprécierions que vous complétiez, signiez et retourniez votre procuration dans l'enveloppe prévue à cet effet. Si vous pouvez assister à l'assemblée, le fait d'avoir complété une procuration ne vous empêchera pas de voter en personne.

MID-CANADA GOLD AND COPPER MINES LIMITED

(No Personal Liability)
PROXY

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 12TH, 1980

MID-CANADA GOLD AND COPPER MINES LIMITED

(No Personal Liability)

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON SEPTEMBER 12TH, 1980

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of MID-CANADA GOLD AND COPPER MINES LIMITED (No Personal Liability) (hereinafter called "the Corporation") will be held at the head office of the Corporation, on Friday, the 12th day of September 1980, at the hour of 11:00 o'clock in the forenoon, for the purposes of:

1. Electing Directors for the ensuing year.
2. Appointing Auditors for the ensuing year.
3. Transacting such other business as may properly come before the meeting or any adjournment thereof, including the receipt of the Annual Report of the Corporation for the fiscal year ended March 31st, 1980, a copy of which is enclosed.

BY ORDER OF THE BOARD

ELIZABETH E. HOYLES
Secretary-Treasurer.

August 15th, 1980.

Your attention is called to the attached Information Circular and Proxy Statement. The management urges each shareholder to attend the Meeting in person. Whether or not you expect to attend, we would appreciate it if you would complete, sign and return the enclosed proxy in the envelope provided for that purpose. If you are able to attend the Meeting, sending your proxy will not prevent you from voting in person.

The undersigned shareholder of MID-CANADA GOLD AND COPPER MINES LIMITED (No Personal Liability) ("the Corporation") hereby appoints JOHN A. KENTISH, or failing him GEORGES H. DUMONT, or instead of either of the foregoing,

_____ of _____

as the nominee of the undersigned to attend and vote for and on behalf of the undersigned at the Annual Meeting of the Shareholders of the Corporation to be held on September 12th, 1980, and at any adjournment thereof. The said nominee is hereby instructed:

1. TO VOTE () WITHHOLD FROM VOTING () in the election as Directors of the persons named in the Information Circular accompanying this form of proxy.
2. TO VOTE () WITHHOLD FROM VOTING () in the appointment of Messrs. Bélanger, L'Houmeau, Sureau and Associates as Auditors of the Corporation, at a remuneration to be fixed by the Directors.
3. To vote with discretionary authority on such matters as may properly come before the meeting.

DATED this _____ day of _____, 1980.

Signature of Shareholder

Name (Please Print)

NOTE:

1. The form of proxy is for the use of holders of Common Shares.
2. This proxy must be signed and dated by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal, or by an officer or its attorney authorized in writing.
3. THIS PROXY IS SOLICITED BY THE MANAGEMENT OF THE CORPORATION, EVERY SHAREHOLDER HAS THE RIGHT TO APPOINT THE PERSON OF HIS CHOICE (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING. IF YOU WISH SOME PERSON TO ACT FOR YOU OTHER THAN THE PERSONS NAMED IN THE FORM OF PROXY. PLEASE INSERT THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED FOR THAT PURPOSE.