



52L10NW0014 63.3089 RICKABY LAKE

010

- REPORT ON -
PROPERTY OF
GAMBIT EXPLORATIONS LTD.
ANDERSON LAKE - KENORA DISTRICT
N.W. ONTARIO

January 17, 1974

O. F. Carter, P.Eng.



52L10NW0014 63.3089 RICKABY LAKE

010C

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GAMBIT EXPLORATIONS LTD.

REPORT ON COPPER - NICKEL - GOLD PROSPECT
ANDERSON LAKE - KENORA DISTRICT, N. W. ONTARIO.

SUMMARY AND RECOMMENDATIONS

Gambit Explorations Ltd. hold 15 claims as a base metal and gold prospect in the Anderson Lake Area of northwestern Ontario, close to the Manitoba boundary. The property consisting of both patented and staked claims is held under an option agreement (see PROPERTY, Page 6). Property titles have been verified.

The claims are underlain by rocks of Precambrian age, largely meta-volcanics with areas of intermediate to basic meta-intrusives. Smaller areas of more granitic intrusives are also recorded. The volcanic-intrusive complex belt extends west into Manitoba where it hosts the major gold deposits at Rice Lake, the smaller deposits around Beresford Lake and a small earlier gold operation at the west end of Anderson Lake plus many testings for base metals. On the Gambit ground earlier prospecting on the 4 west claims exposed copper-nickel mineralization and values associated with gossans and shearing in what is described as a contact metamorphism situation along an intrusive contact that extends across the property for a length of one-half mile.

In 1973, two short diamond drill holes were drilled under one surface showing for assessment work with both holes cutting significant copper-nickel values. The first hole cut a 9.5 foot section 60' below surface that averaged 2.30% Cu. and 1.03% Ni. in heavy sulphide mineralization. At current Canadian metal prices this gives a gross values of over \$60.00 per ton. The second hole

80 feet away on strike cut a similar 5.0 foot section that would gross over \$28.00.

On the 11 east claims of the holdings work was limited mainly to surface stripping and trenching in one area on a single claim where fair widths of discontinuous quartz were exposed and sample results submitted give erratic assays for gold with the highest being over 2.0 oz/ton.

In my opinion, the property possesses considerable merit as a prospect for base metals and to a lesser extent for gold. The rocks underlying the ground are of a type recognized as more conducive to base metals, that is copper and nickel, and the success to date as noted above is significant. The presence of at least one gold bearing vein toward the east end of the ground cannot be overlooked when considered in the light of the commercial gold deposits associated with similar rocks along the western extension of the belt. The San Antonio deposit at Rice Lake was largely in diabase adjacent to metavolcanic contacts.

It is noted that the property has been held over the years by a single operator and, except for the very limited test drilling done recently, work was limited to the trenching on the surface exposures and was largely a one man effort. The ground is reportedly only 5 to 10% outcrop exposed, leaving plenty of scope for exploration in unexposed areas.

I recommend that the property be explored as follows:

- (1) Line cutting on 300 feet centres over the entire acreage including water covered sections, followed by a magnetometer and EM survey.
- (2) Geological reconnaissance using the cut lines as control with special attention to geophysically indicated belts.
- (3) Diamond drilling of the west group showings plus strike targets between the showings. Estimated 1,200 feet of drilling in 6 holes.
- (4) Allowance for an additional 2,500 feet of diamond drilling to further test the above and/or to test new targets found by geophysics or prospecting.

The estimated cost of items 1-3 is \$25,000 including engineering, supervision, assaying and contingencies, and for item 4 is \$29,000 including the same. A detailed summary is given under PROPOSED WORK on Page 11. The total cost for Phase I and Phase II, covering the 4 items above is \$54,000.

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INTRODUCTION:

The following report was prepared for and is directed to the President and Directors of Gambit Explorations Ltd.

The property under review covers 15 claims in two close but not contiguous groups held under option by Gambit Explorations Ltd. located on Anderson Lake in the Rickaby Lake Area of northwestern Ontario, adjacent to the Manitoba boundary. More precise location relative to major areas is discussed below on Page 6 under PROPERTY.

The Anderson - Rickaby Lake belt is centrally located on a belt of metavolcanics and meta-sediments that crosses the provincial boundary and terminates some 10 miles to the east of the property. A major intrusive contact with a metadiabasic intrusive crosses the west group and minor occurrences of this rock and a later granitic intrusives are noted elsewhere on the claims.

Prospecting in the area became active following the discovery of gold on the south side of Rickaby Lake in 1926 and has continued intermittently to the present. The claims under discussion were held and worked by Jim Young, Sioux Lookout prospector, for many years until his death in 1971 and subsequently by his prospecting partner, W. Swain of Blackstock, Ontario. Young was successful in finding gold values in quartz veining on the east group and copper-nickel mineralization in gossan occurrences adjacent to the intrusive contact on the west group. In 1973 two diamond drill holes, using a portable machine, were drilled under one surfact showing that returned significant values in copper and nickel. These results are detailed under PREVIOUS WORK on Page 7.

The geology of the area, and maps and description of the showings on both the east and west group, is well covered in the 1967 O.D.M. Report No. 47, and accompanying Map. No. 20971, Bee Lake Area, by R. Shklanka and information from this report is used throughout this evaluation.

The geology and gold deposits of the Rice - Beresford Lake belt immediately to the west of the property in Manitoba are well covered in CIMM Structural Geology of Canadian Ore Deposits 1948.

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PROPERTY - DESCRIPTION AND LOCATION

The property is located in the Rickaby Lake at Bee Lake area of northwestern Ontario some 70 air miles north from Kenora and consists of 15 claims in two groups.

The west group comprises 4 claims in a sub-rectangular block held by staking on the south shore of Anderson Lake with the west property line being only about one-half mile from the Ontario - Manitoba provincial boundary.

The east group, 11 Patented claims, lies to the east and is separated from the west group on land by a group of Patented claims with a width of one-half mile. Two claims of the east group, largely water covered, extend westward on Anderson Lake to a common corner at the northeast of the west group. The group extends for an east-west length of $1\frac{1}{2}$ miles and in general covers most of the east end of Anderson Lake and parts of the area south between Anderson, Rickaby and Odd Lakes.

Plan 1 shows the property location and outline of the claims.

The west claims are held under an option agreement from Ken Miller of R.R. #2 Sundridge, Ontario and Mr. Weir Swain of R.R. 1, Blackstock, Ontario. The east claims are held under an option agreement from Mr. Weir Swain, as sole executor of the estate of James Young. Miller and Swain are prospecting partners and continued work on the property following Young's death.

The Anderson Lake Area is some 40 miles southeast of the Rice Lake area where the San Antonio mine was a gold producer for many years and is underlain by the extension of the belt of metavolcanics and intrusives from that centre. The Red Lake gold area is 60 miles to the northeast and the Werner Lake copper-nickel mining belt is some 15 miles to the south.

Claim numbers and standing are:-

	<u>Number</u>	<u>Good Until</u>
Group 1 (West)	K315129	September 1975
	130	"
	131	"
	132	"
Group 2 (East) - Patented		
Nos. KRL	12852, 853, 856, 857, 13050, 16656, 657	
	17264, 17436, 23199, 23200.	

ACCESSIBILITY

The property is accessible by charter air service from Kenora, a distance of 70 miles, or from Lac du Bonnet in Manitoba a distance of about 50 miles. A road from Lac du Bonnet crosses the provincial boundary to Werner Lake some 15 miles south of the property and transfer of drill or other heavy equipment could be made from this base. Also a road, Highway 596, extends north from Kenora to Caribou Falls on Umfreville Lake, a distance of 30 miles from Anderson Lake. This point could provide an alternative base for equipment moving. Both Anderson and Rickaby Lakes handle float or ski equipped aircraft.

Hydro-electric power is not available. Water is plentiful from nearby lakes. Climate is that typical of northwestern Ontario and presents no real problems for year round operations.

PREVIOUS WORK AND RESULTS

The four claims of the west group are well described by Shklanka, ODM Report 47, Page 31-33. Prior to 1963, J. Young who originally staked and held the claims carried out considerable trenching on two showings, one near his west boundary and the second some 2,000 feet to the east on strike. The intervening ground is shown as largely drift covered. Work on each showing found copper-nickel values associated with gossans and shearing plus minor quartz stringers in the vicinity of a major contact between metavolcanics and a metadiabasic intrusive. Young had a number of samples assayed from the showings and a summary of these is in the possession of the writer. The samples are not identifiable as to location, are labelled as bulk, chip, or grab and my opinion is that the assay results can be considered as evidence of the presence of interesting values in copper and nickel but should not be used beyond this. From the west trenches assays up to 1.14% Cu and 1.40% Ni are reported and from the east trenches up to 2.83% Cu and one single assay of 1.19% Ni. Shklanka took a single 10 foot chip from a shear in the main west trench that assayed 0.17% Cu and 0.12% Ni and a 12 foot chip sample from fresh material in one of the east trenches assayed 0.20% Cu and a trace of nickel.

In 1972 the property holders drilled one 100 foot hole and in 1973 two 100 foot holes under parts of the east showing. Plan No. 3 shows the detail of the east and west showings from ODM Report 47 and the approximate location of the three diamond drill holes on the east showing. Each of the holes cut values in copper and nickel with the best results being from Hole 2-73 where a 9.5 foot section of massive and disseminated pyrrhotite with chalcopyrite from 79 to 88.5 feet averaged 2.30% Cu and 1.03% Ni. Hole 3-73, drilled 80 feet to the west returned 5.0 feet from 52 to 57 feet that assayed 1.35% Cu and 0.59% Ni. Hole No. 1-72 was apparently drilled almost on top of a showing and returned 3 feet from 5-8 feet that assayed 0.16% Cu and 0.41% Ni. The

individual drill logs are appended to this report.

The hole locations as shown are based on a sketch provided by the prospectors and their position relative to the showings is not necessarily precise. The writer logged and sampled the core from the holes in Toronto, however, and was impressed particularly with the mineralized section in No.2-73, at a depth of 60 feet vertical. In spite of inexact locations, it is known that the three holes were drilled on the east showing and the results are good enough to warrant the recommendation of a further work program.

EAST GROUP

These 11 claims were prospected by Young for many years with enough work being completed to bring them to patent. Most of the work was concentrated on a gold showing on claim No. 16657 where extensive trenching was done on a quartz vein zone. A plan (Map No. 4) of the trenching from ODM Report 47 is appended, in which the showing is described, "Discontinuous quartz veins follow a flexure on the south limb of a larger easterly plunging anticline. The quartz is massive white variety that locally contains minor amounts of pyrite, pyrrhotite, chalcopryite, chlorite and iron carbonate." Sampling by the author found only low gold values although Young had reportedly found visible gold and higher values.

GEOLOGY

Rocks in the area are all of Precambrian age. A major contact between acid and intermediate to basic metavolcanics follows the lineation of Anderson Lake with the acid rocks to the north and the more basic to the south and underlying most of the area of the claims. An intrusive, called a metadiabase

by Shklanka and a metadiorite in earlier reports, occurs in the vicinity of the west group and covers all the north part of the claims. The south contact lies in an east-west line across the group for one-half mile extends to the east and west of the property boundaries. Shklanka notes evidence of contact metamorphism in the metavolcanics adjacent to the contact, and the copper-nickel showings described under PROPERTY are associated with this contact. The contact zone, except for the showings, is largely drift covered.

The north four claims of the east ground cover the acid-basic volcanic contact. The balance of the ground is largely underlain by greenstones (basic volcanics) with a narrow lenticular occurrence of metadiabase being mapped in the southeast boundary area, and a belt of sedimentary quartzite lying in the northeast corner and interbedded between the acid and basic volcanics. Reference is made by Shklanka to scattered bodies of granitic rocks and metadiabase intruding the metavolcanics on these claims, and it is reasonable to expect that similar small intrusive occurrences would be present in the covered parts of the west group.

WORK ON ADJACENT PROPERTIES

Copper-nickel values were found on the Taylor ground, a property two claims wide situated between the Gambit east and west groups. In 1946 two XRT holes were drilled on surface showings along strike on the lava-intrusive contact. Old records submitted to the writer indicate that an assay of 0.79% Ni was returned from one core section and that several sections were not assayed. The search at that time was strictly for gold.

Two holes were drilled also on a sulphide zone of disseminated and massive pyrite and pyrrhotite up to 100 feet in width, striking in northwest-southeast direction in the southeastern part of the Taylor ground. Again, the search was for gold with one sample reported yielding 0.07 oz/ton. The location of this horizon is such that a short extension eastward would cross the boundary into claim No. 13050, and the possibility of base metals here should not be overlooked.

Claims known as the Smith Group cover the ground between the Gambit west boundary and the Manitoba boundary. Gold exploration in the 1930's and 40's apparently concentrated on quartz stringers at a number of locations without significant results. Shklanka obtained an assay of 0.35 oz/ton from a dump at an old pit.

Selco Mining Corporation have staked heavily in the area recently and presently hold a large block immediately to the north plus additional blocks to the east and southeast.

PROPOSED WORK PROGRAM AND COSTS

PHASE 1.

1. The claims should be covered, including the water sections in order to check the mile long contact between the two main lava types, by a program of line cutting followed by a magnetometer and an EM survey. Line spacing should be no wider than 300 feet.

Estimated cost -

20 miles @ \$200.00	\$ 4,000.00	
Mobilization, etc.	1,000.00	
2. Geological reconnaissance of the property using the section lines for control with special attention to areas of geophysical interest.	2,000.00	
3. A firm committment for approximately 6 drill holes, 200 feet length, to check the surface showings and intervening ground on the west group.		
1,200 feet @\$12.00 overall	14,400.00	
Engineering, supervision, assaying	2,000.00	
Contingencies	<u>1,600.00</u>	\$25,000.00

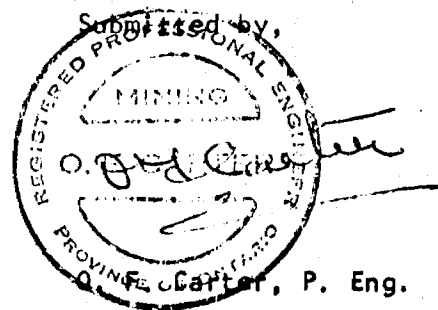
PHASE II.

Dependent on encouraging results in Phase I, an allowance for 2,500 feet of drilling to further test above and/or drill areas found in surface or geophysical program

2,500 feet @ \$10.00	\$25,000.00	
Engineering, supervision, assaying	2,000.00	
Contingencies	<u>2,000.00</u>	<u>\$29,000.00</u>
TOTAL		<u><u>\$54,000.00</u></u>

432 - 12 RICHMOND ST. EAST,
TORONTO, ONTARIO

January 17, 1974

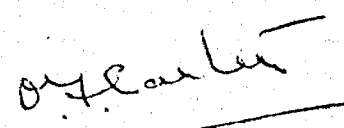


CERTIFICATE

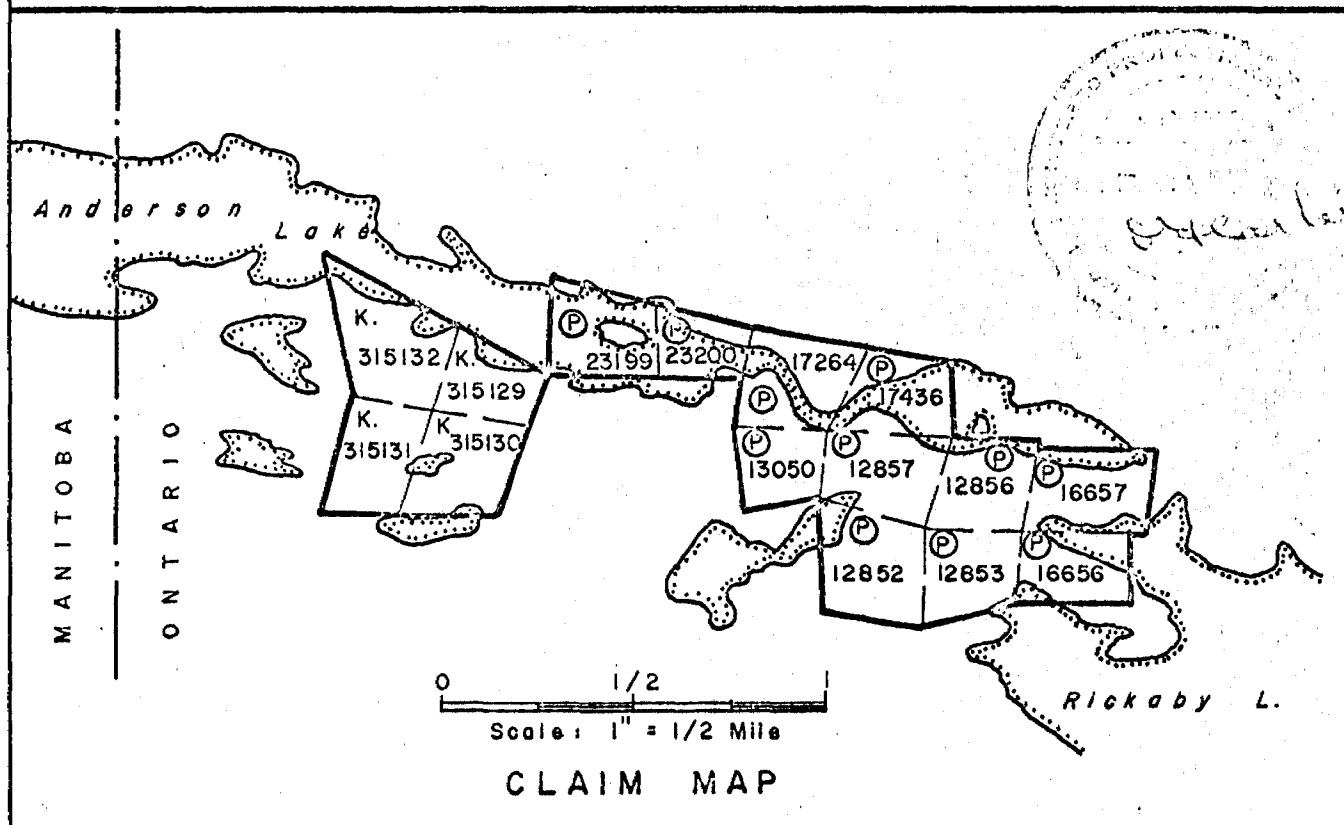
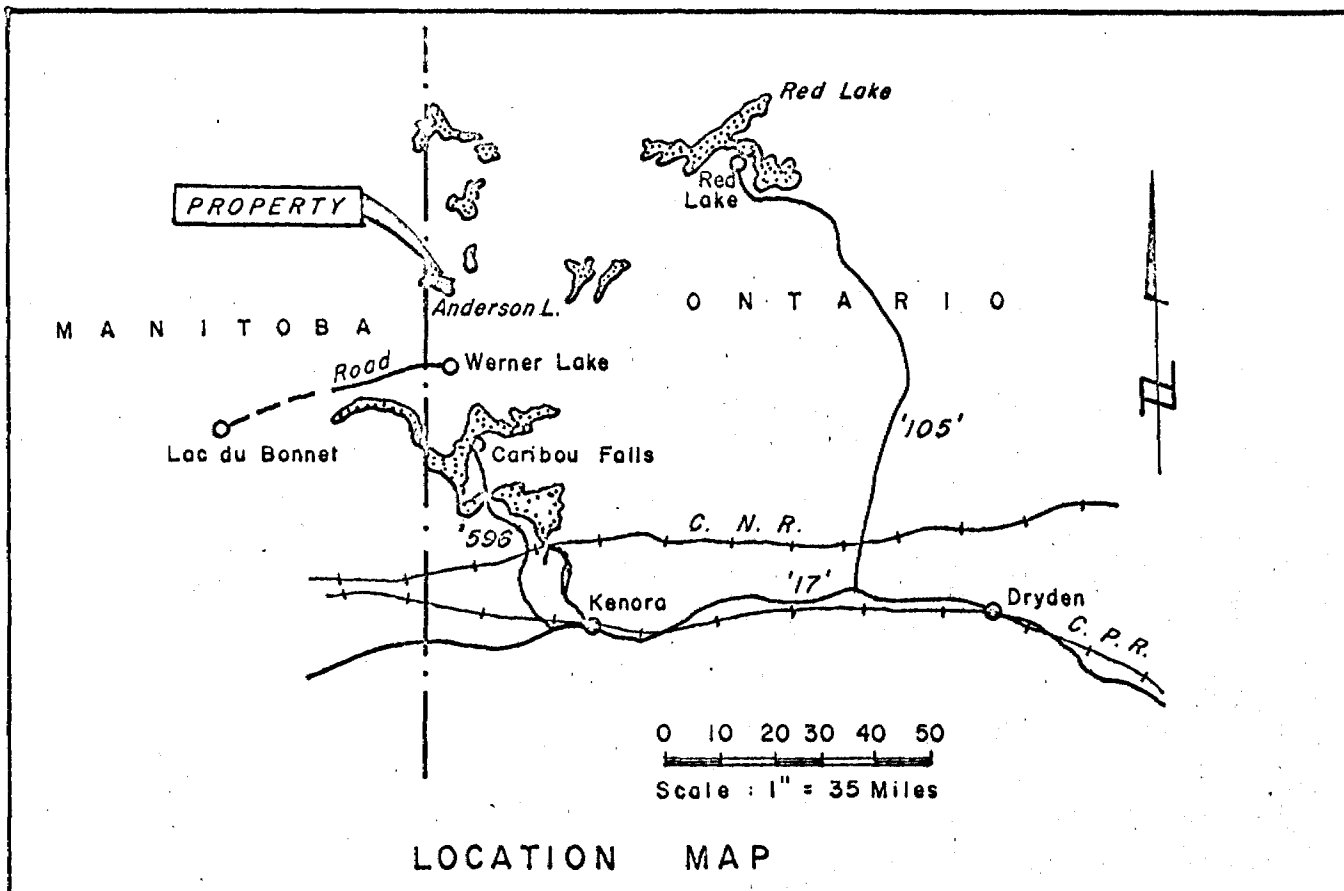
I, O. F. Carter, hereby certify that:

1. I am a consulting geologist residing at 38 Elgin Street, Thornhill, Ontario.
2. I am a registered member of the Association of Professional Engineers of Ontario.
3. I am a graduate of the University of Toronto, having a B.A. degree in Geology and Mineralogy, 1935, and a M.A. degree in Mining Geology, 1936.
4. With the exception of the years 1942 - 45, I have practiced my profession as a mining and/or exploration geologist continuously since graduation.
5. I have no interest, nor do I expect to receive any interest, direct or indirect, in the property being reported on, or in the shares and securities of Gambit Explorations Ltd.

January 17, 1974


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O. F. Carter, P. Eng.





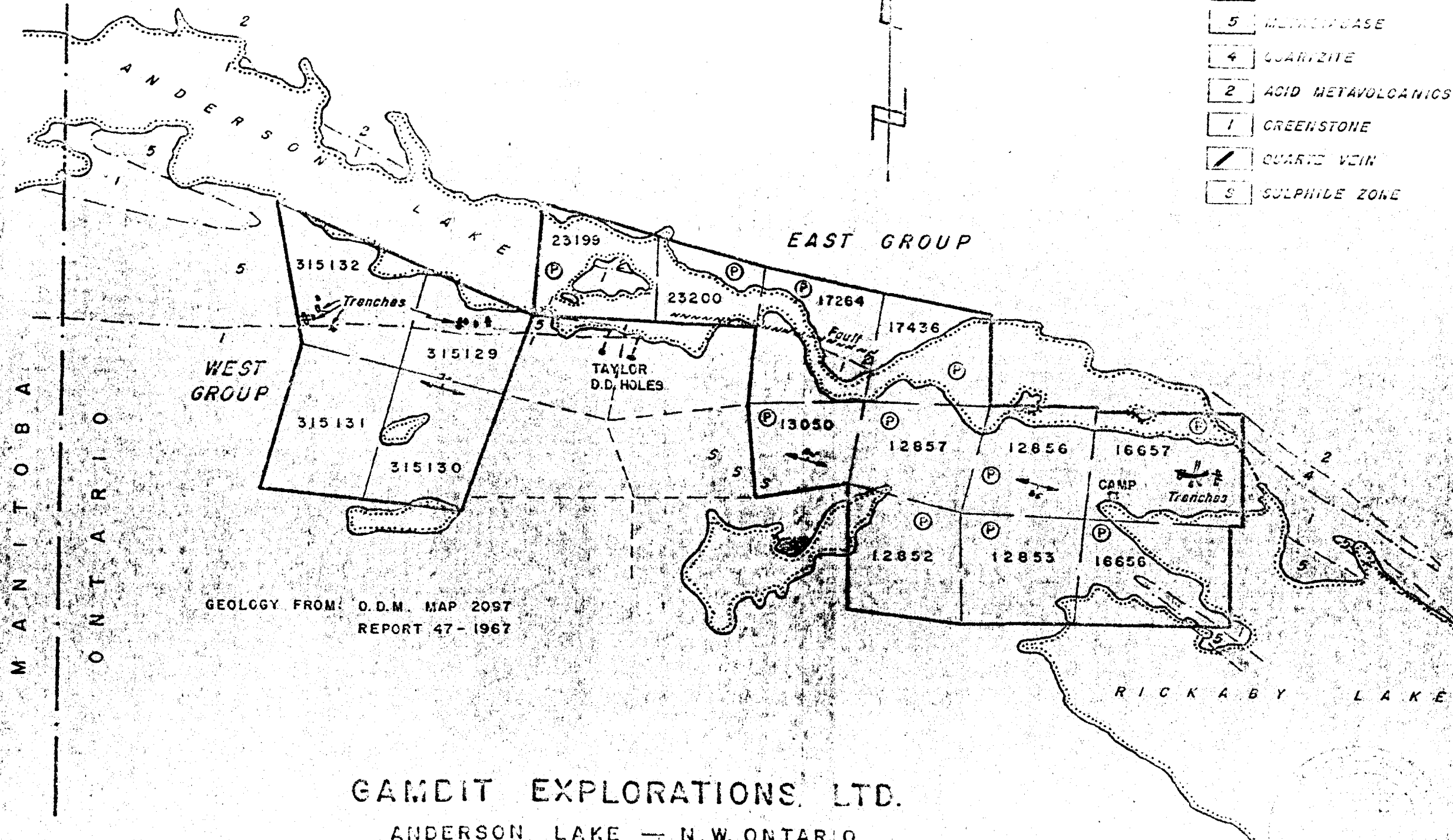
GAMBIT EXPLORATIONS LTD.

ANDERSON LAKE PROPERTY
KENORA DISTRICT — ONTARIO

Jan. 17, 1974

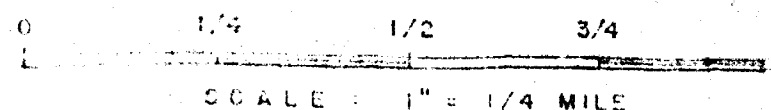
LEGEND

- 9 GRANITE ROCKS
- 5 METACASE
- 4 QUARTZITE
- 2 ACID METAVOLCANICS
- 1 GREENSTONE
- / QUARTZ VEIN
- S SULPHIDE ZONE



GEOLOGY FROM: O.D.M. MAP 2097
REPORT 47-1967

GAMBIT EXPLORATIONS, LTD. ANDERSON LAKE — N.W. ONTARIO MAP SHOWING GEOLOGY



Jan. 17, 1974

PLAN No. 2

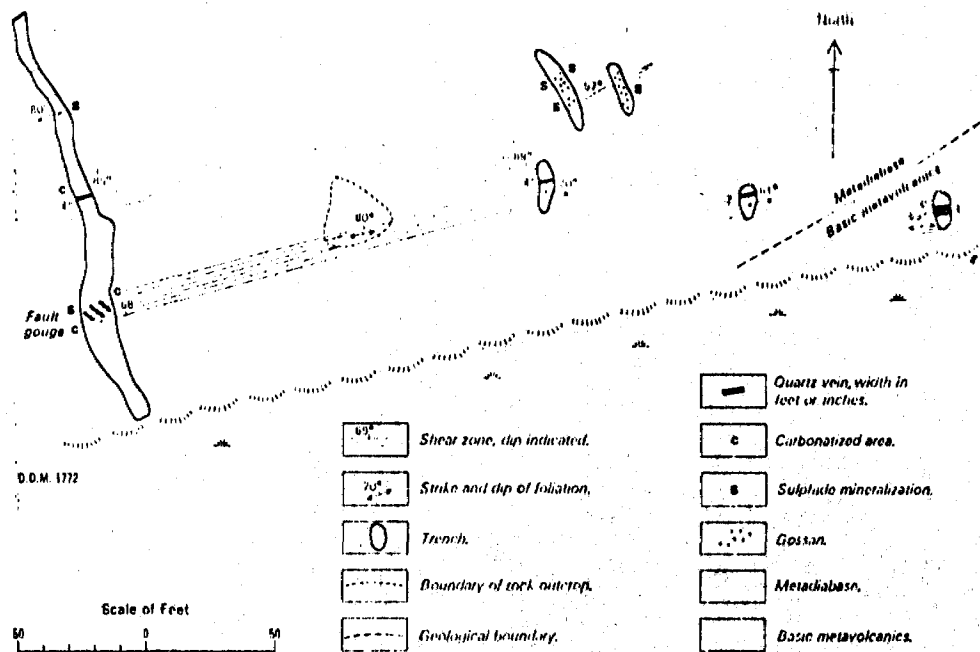


Figure 7—J. Young copper-nickel property, west showing.

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BOTH PLANS FROM -
ODM REPORT NO. 47 - 1967

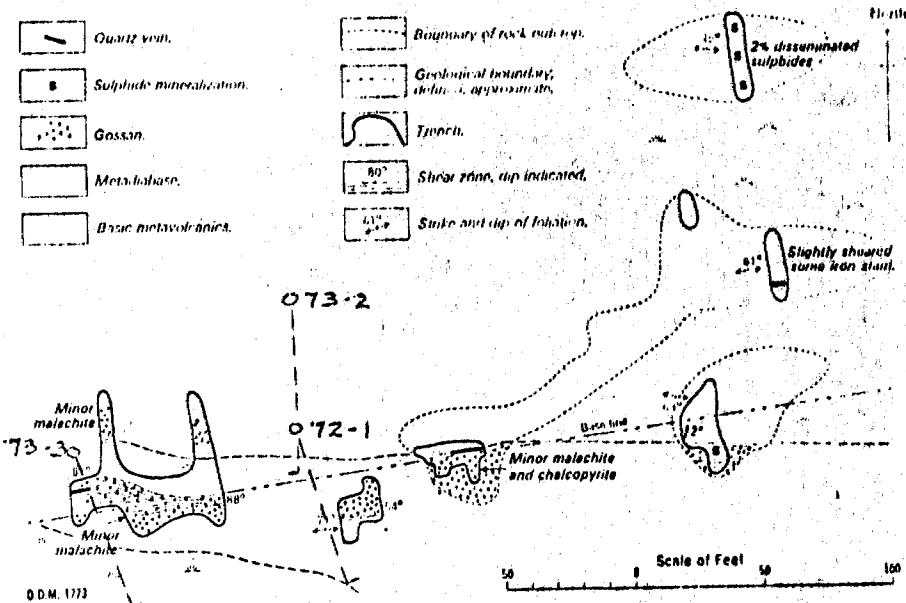


Figure 8—J. Young copper-nickel property, east showing.

GAMBIT EXPLORATIONS LTD.
ANDERSON LAKE - N.W. ONTARIO
PLANS SHOWING TRENCHING ON COPPER-
NICKEL SHOWINGS - WEST GROUP

PLAN NO. 2

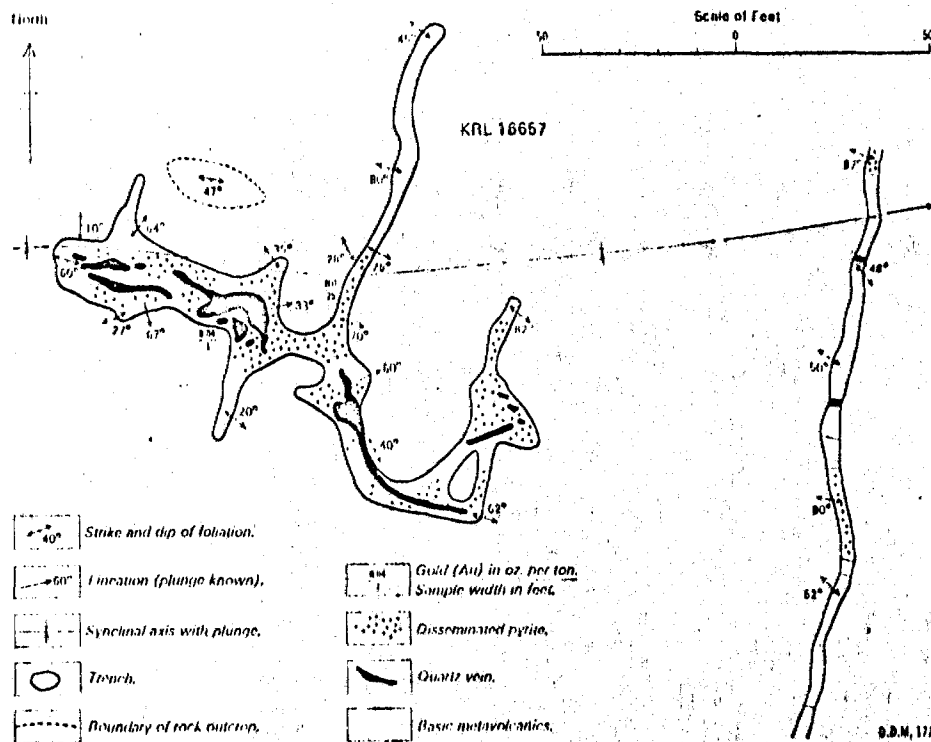


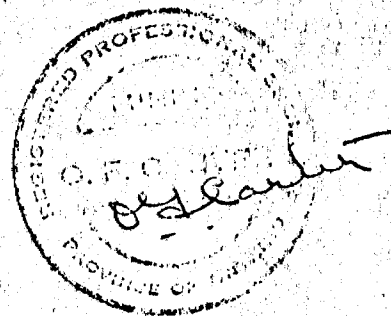
Figure 6—Young claims-group, Rickaby Lake gold showing.

FROM ODM REPORT NO. 47 - 1967

GAMBIT EXPLORATIONS LTD.

ANDERSON LAKE - N.W. ONTARIO

PLAN SHOWING TRENCHING ON
GOLD SHOWING - EAST GROUP.



PLAN NO. 4

Jan. 18 - 1974

80 feet away on strike cut a similar 5.0 foot section that would gross over \$28.00

On the 11 east claims of the holdings work was limited mainly to surface stripping and trenching in one area on a single claim where fair widths of discontinuous quartz veining were exposed. This work was carried out in the late 1940's by James Young, Prospector, who staked the ground and held it until his death in 1971. The veining was opened for over 100 feet in length. The results of 17 sample assays from this veining, as assayed by Conlaurum Mines Ltd. show gold values in 14 samples with widths varying from 10 inches to 6 feet, with the highest value being 2.23 ounces per ton over a 10 inch width. Two of the 17 samples averaged 0.6 ounces and five were in the 0.06 to 0.11 ounce range.

In ODM Report No. 47, 1967, R. Shklanka describes and illustrates the showings and, in part, says "A sample taken by the author over one foot on the main quartz vein assayed 0.04 ounces of gold per ton; a chip sample over 25 feet of the pyritiferous host assayed nil for gold. Visible gold and assays up to 3.8 ounces were reported (written communication from J. Young) to have been obtained from other parts of the deposit."

In my opinion, the property possesses considerable merit as a prospect for base metals and to a lesser extent for gold. The rocks underlying the ground are of a type recognized as more conducive to base metals, that is copper and nickel, and the success to date as noted above is significant. The presence of at least one gold bearing vein toward the east end of the ground cannot be overlooked when considered in the light of the commercial

gold deposits associated with similar rocks along the western extension of the belt. The San Antonio deposit at Rice Lake was largely in diabase adjacent to metavolcanic contacts.

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I recommend that the property be explored as follows:

- (1) Line cutting on 300 foot centres over the entire acreage including water covered sections, followed by a magnetometer and EM survey.
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The estimated cost of Items 1-3 is \$25,000 including engineering, supervision, assaying and contingencies, and for Item 4 is \$29,000 including the same. A detailed summary is given under PROPOSED WORK on Page 11. The total cost for Phase I and Phase II, covering the 4 items above is \$54,000.

DIAMOND DRILL RECORD

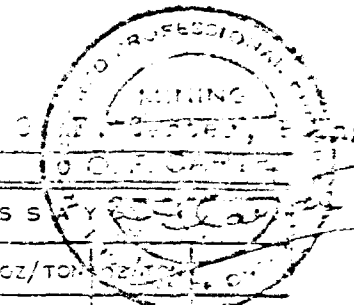
NAME OF PROPERTY J. YOUNG CLAIMS
 HOLE NO. 72-1 LENGTH 100'
 LOCATION Claim - K 315129 - BeeLake Area, NW Ont.
 LATITUDE _____ DEPARTURE _____
 ELEVATION _____ AZIMUTH N S-17° E DIP -45°
 STARTED Sept. 7 FINISHED Sept 11 - 1972

FOOTAGE	DIP	AZIMUTH	FOOTAGE	DIP	AZIMUTH

HOLE NO. 72-1 SHEET NO. 1

REMARKS _____

LOGGED BY C. J. G. G. G.



FOOTAGE		DESCRIPTION	SAMPLE			ASSAY		
FROM	TO		NO.	FOOTAGE	FOOTAGE	%	%	GR/TON
				FROM	TO	TOTAL		
0	100	ANDESITE - Massive and uniform, med grey to grey-green, med to fine grained.						
		0 - 3' Breccia of pyrite.						
		3 - 4 Breccia, some rusty facings.						
		5 - 8 Dissem Sulphides to 2%, mainly pyrite, some chalc.		5	8	3	0.61	0.4
		25 - 27 Indef banding, a little pyrr.						
		36 - 37 6" gts carb breccia, 90° to hole, fair pyrite, trace chalc.		36	37	1	0.42	
		38 - 39.5 13" gts carb breccia with 6" heavy sulphides, mostly pyrite with some pyrrhotite, 90° to hole, sl vuggy.		38	39.5	1.5		
		45.5 - 47 1" white gts, 70° to hole, dissem dark pyrr (1-3%) in bandet and sl vuggy material.		45.5	47	1.5		0.2
		52 - 76 Numerous narrow facings of wh gts and/or carb material. No associated significant mineralization.						
		78 6" dry wh gts chalc, 15°.						

NOTE - Core logged in Toronto.

Core stored with W. Swain
 R.F. No. 1
 Blackstock, Ont.

100' x 100'

LANGRISH LIMITED

DIAMOND DRILL RECORD

NAME OF PROPERTY J. YOUNG CLAIMS
 HOLE NO. 2 - 73 LENGTH 102'
 LOCATION Claim K - 315129 - Bee Lake Area - NW ONTARIO
 LATITUDE _____ DEPTH _____
 ELEVATION _____ AZIMUTH South-160° DIP - 45°
 STARTED August 11, 1973 FINISHED August 15, 1973

FOOTAGE	DIP	AZIMUTH	FOOTAGE	DIP	AZIMUTH

HOLE NO. 2 - 73 SHEET NO. 1

REMARKS _____

LOGGED BY D.F. CARTER

FOOTAGE		DESCRIPTION	SAMPLE				ANALYSIS		
FROM	TO		NO.	DEPTH	FROM	TO	CU	NI	AU
0	102	ANDESITE - Dark, med. grained, generally uniform texture, except for frequent flakes of lighter green chloritic material up to 2 mm. occasional calcitic inclusions. 56 - 57.5' - wh qtz calc chlor strcs, low angle, 1-2% pyrite in veining and adjacent walls. 62' - 6" - 75% wh qtz calc chlor, near sq. to core, fine pyr in qtz 79 - 83' - 95% solid pyrrhotite with about 2% chalcopryite in seams and blebs, minor wh qtz, 90° to core. 83 - 84' - sh'd andesite, no min 84 - 88.5' - 90% mass pyrrhotite with 3-5% incl. chalcopryite, minor qtz and chlorite. 94 - 99' shear zone at low angle, 1% fine pyrite and/or pyrrhotite on shearing. 101' - 6" scatt dry wh qtz calc 102' - END OF HOLE NOTE - Core logged in Toronto Core stored with - W. Swain R.R. 1 - Blackstock, Ontario							
					56	57.5	1.0		
					62	63	1.0		
					79	83	4.0	1.35	1.15
					84	88.5	4.5	3.65	1.17
				AVERAGE -	79	88.5	9.5	2.30	1.03

ENT. 6-11-8

LANGRISH LIMITED,

DIAMOND DRILL RECORD

NAME OF PROPERTY J. YOUNG CLAIMS
 HOLE NO. 3 - 73 LENGTH 103'
 LOCATION Claim K - 315129 Bee Lake Area, N.W. ONTARIO - 79°W No. 2-73
 LATITUDE _____ DEPARTMENT _____
 ELEVATION _____ AZIMUTH S - 28° - E DIP - 45°
 STARTED August 16, 1973 FINISHED August 20, 1973

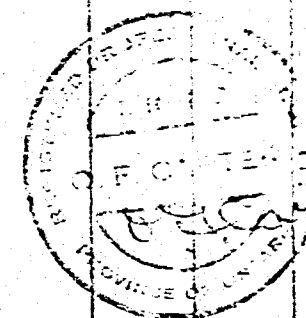
FOOTAGE	DIP	AZIMUTH	FOOTAGE	DIP	AZIMUTH

HOLE NO. 3 - 73 SHEET NO. _____

REMARKS _____

LOGGED BY G.F. CARTER

FOOTAGE		DESCRIPTION	SAMPLES			ASSAYS			
FROM	TO		NO.	DEPTH	FROM	TO	CU	NI	AS
0	103	ANDESITE - Fine grained, chloritized, mild shearing at 60 - 70 % calcitic lacings thro't, anygoles from 31 - 32', minor dry qtz str.							
		1 - 5' - 60% wh qtz carbonate, ragged, 45° sl pyr min			1	5			
		22 - 23' - 40% scatt wh qtz carb, fair pyr min, indef angle to hole.			22	23			
		36' - 2" dry calc qtz							
		52 - 57' - Breccia zone with 40% pyrr, 2% chaico, minor incl qtz, sl vuggy.			52	57	1.35	0.59	
		79.5' - 6" dry wh qtz calc.							
		103' - END OF HOLE							
		NOTE - Core Logged in Toronto							
		Core stored with -							
		W. Swain							
		R.R. 1, Blackstock,							
		Ontario							





52L10NW0014 63.3089 RICKABY LAKE

020

PROSPECTUS
GAMBIT EXPL

NO SECURITIES COMMISSION OR OTHER SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

GAMBIT EXPLORATIONS LTD:
Suite 432, 12 Richmond Street East
Toronto, Ontario

63.3089

P R O S P E C T U S

COMMON SHARES
(without par value)

NEW ISSUE: 250,000 underwritten shares and 200,000 optioned shares as follows:

<u>Firmly Underwritten</u>	<u>Under Option</u>	<u>Price Per Share</u>	<u>Net Proceeds to Corporation(1)</u>	<u>Maximum Offering Price of These Shares to Public</u>
250,000		17¢	\$ 42,500	34¢
	100,000	22¢	22,000	44¢
	100,000	27¢	27,000	54¢
			<u>\$ 91,500</u>	

- (1) Before deducting the expenses of this issue and incorporation and organization expenses payable by the Company, estimated not to exceed \$8,500.

There is no obligation upon the Underwriter-Optionee and there is no assurance that any of the optioned shares will be purchased.

PLAN OF DISTRIBUTION:

The Underwriter-Optionee, acting as principal, will offer the underwritten and optioned shares over-the-counter in the Province of Ontario within the maximum price ceiling set forth above. Sales of the underwritten and optioned shares may also be made through other registered dealers acting as agents who will be paid commissions not exceeding 25% of the selling price of the shares so offered.

DISTRIBUTION SPREAD:

The Underwriter-Optionee may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public.

PURPOSE OF OFFERING:

The purpose of this issue is to secure funds for the general expenses of the Company and particularly to provide funds for the carrying out of development work on the Company's property referred to under "USE OF PROCEEDS" in this Prospectus.

SECONDARY OFFERING:

75,000 shares referred to in this Prospectus under the caption "OFFERING" by the Underwriter-Optionee. The proceeds from the sale of these shares will accrue to the Underwriter-Optionee and not to the treasury of the Company. The Underwriter-Optionee will not offer any part of the Secondary Offering unless and until the 200,000 treasury shares under option have been purchased by it.

There is no market for the shares of the Company.
THESE SHARES ARE SPECULATIVE.

Particular reference should be made to the captions "HISTORY AND BUSINESS", "OFFERING", "PROMOTER" and "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS".

UNDERWRITER-OPTIONEE
GLANDFIELD & CO. LIMITED



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HISTORY AND BUSINESS

Gambit Explorations Ltd. (the "Company") was incorporated under the Business Corporations Act (Ontario) by Articles of Incorporation dated January 16, 1974, to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits. The head office of the Company is located at Suite 432, 12 Richmond Street East, Toronto, Ontario. None of the Mining Claims in which the Company has an interest contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore.

RICKABY LAKE AREA MINING CLAIMS

Gambit Explorations Ltd. (the "Company") entered into an agreement made as of the 24th day of January, 1974, as amended by agreement made as of the 25th day of February, 1974, (the "Assignment Agreement") with Glandfield & Co. Limited ("Glandfield") whereunder, Glandfield agreed to assign, transfer and set over to the Company, its entire right, title and interest in two option agreements more particularly described hereunder. Under the option agreements, Glandfield was granted the right to acquire a 100% undivided interest in the two groups of Mining Claims, hereinafter referred to as the "West Group" and the "East Group" situate in the Rickaby Lake Area of North Western Ontario.

West Group

The West Group of Mining Claims consists of four contiguous unpatented Mining Claims covering an area of approximately 160 acres which are recorded as Mining Claims Numbered K315129 to K315132 inclusive. Glandfield & Co. Limited (the "Optionee") entered into an agreement made as of the 24th day of January, 1974, (the "Option Agreement") as amended by agreement made as of the 25th day of February, 1974, with Weir Swain, R.R.#1, Blackstock, Ontario, and Kenneth G. Miller, R.R.#2, Sundridge, Ontario (hereinafter collectively referred to as the "Optionors"), whereunder the Optionors granted to the Optionee the sole, exclusive and irrevocable option of dealing with the Mining Claims and of ultimately if so elected arranging for the acquisition by the Optionee of a 100% undivided interest in the Mining Claims free from encumbrance. The Option Agreement provides for the assignment by the Optionee of its interest in the Option Agreement to a new company, which new company would seek to raise funds sufficient to carry out an exploration and development program on the Mining Claims by virtue of an offering of its treasury shares to the public. The Company has been designated as the new company referred to in the Option Agreement and the term "Acceptance Date" refers to the date that the Ontario Securities Commission accepts for filing this Prospectus of the Company. In order

to fully exercise the option, the Optionee is required to pay to the Optionors the sum of:

- (a) \$1,600 upon execution of the Option Agreement and the delivery to the Optionee of Title Documents and transfers in blank in form sufficient to enable the Optionee to deal with the title to the Mining Claims,
- (b) \$2,800 within 3 business days of the Acceptance Date,
- (c) \$400 upon the commencement of diamond drilling by the Company on either of the West Group or East Group of Mining Claims referred to herein,
- (d) \$10,000, 25 months from the Acceptance Date,
- (e) \$8,000 yearly thereafter commencing 37 months from the Acceptance Date until the total of all payments received by the Optionors amount to the sum of \$72,000.

The Option Agreement provides that the cash payments are option payments only and that after 25 months time has elapsed from the Acceptance Date, they may be prepaid at any time and from time to time in whole or in part without notice or bonus, but need not be made by the Company unless it wishes to keep the option in good standing from time to time or to fully exercise the same. In the event the option is fully exercised and the Mining Claims are brought to production, the Optionee has agreed to pay to the Optionors a royalty equal to 3% of the Net Smelter Returns on all ores, concentrates and minerals (the "Products") extracted and marketed from the Mining Claims. Payment of the royalty is to be made in Canadian Funds by the 30th day following the receipt by the Optionee of financial settlement or advances from a smelter, mill, mint or other purchaser of the Products. "Net Smelter Returns" means the amount paid by any independent custom smelter, mill, mint or other purchaser for the Products extracted and marketed by the Optionee from the Mining Claims after deducting all charges and penalties for treatment and refining done by such custom smelter, mill, mint or other purchaser and in calculating Net Smelter Returns, there shall also be deducted therefrom transportation costs for the Products from the Mining Claims to the independent custom smelter, mill, mint or other purchaser and all sampling and assaying charges made or levied in connection with sampling and assaying carried out after the Products have left the Mining Claims. Upon receipt by the Optionors of royalties in the amount of \$400,000, the Optionee is thereafter required to pay to the Optionors a royalty equal to 1% of the Net Smelter Returns until the Optionors shall have received a further sum of \$400,000, whereupon the payment of any royalty to the Optionors ceases and terminates. Pursuant to the Option Agreement, the Optionee has full and unlimited discretion in the exploration, development and mining of the Mining Claims and subject only to the requirement that

The Optionee maintain the Mining Claims in good standing in accordance with the requirements detailed under the caption "Title" on page 10 during the currency of the Option is not obliged to explore, develop and mine the Mining Claims or market the Products therefrom. The Optionee also has complete authority, control and discretion with respect to operations, the sale and marketing of Products and the suspension of operations or abandonment thereof.

East Group

The East Group of Mining Claims consists of 11 patented Mining Claims covering an area of approximately 421.4 acres and recorded in the register for the District of Kenora (Patricia Portion) in the office of Land Titles at Kenora as follows:

<u>Parcel Number</u>	<u>Mining Claim Number</u>	<u>Nature of Title</u>
3157	KRL23199	Mining Patent and Licence of Occupation
3157	KRL23200	Mining Patent and Licence of Occupation
2070	KRL12852	Mining Patent
2071	KRL12853	Mining Patent
2072	KRL12856	Mining Patent
2073	KRL12857	Mining Patent
2208	KRL13050	Mining Patent
2074	KRL16656	Mining Patent and Licence of Occupation
2075	KRL16657	Mining Patent and Licence of Occupation
2076	KRL17264	Mining Patent and Licence of Occupation
2077	KRL17436	Mining Patent and Licence of Occupation

Glandfield & Co. Limited (the "Optionee") entered into a Memorandum of Agreement made as of the 24th day of January, 1974, (the "Estate Option Agreement") as amended by agreement made as of the 25th day of February, 1974, with Weir Swain (the "Optionor"), in both his personal capacity and as the sole executor of the Estate of James Gordon Young, and also with Camilla Hughes, 148 Felstead Avenue, Toronto, Ontario, Muriel Scott, 3234 Flanagan Crescent, Erindale Woodlands, Mississauga, Ontario and Eileen Menes, 2177 Sherobee Road, Apartment 1007, Mississauga, Ontario, (hereinafter collectively referred to as the "Beneficiaries"); whereunder, the Optionor granted to the Optionee the sole, exclusive and irrevocable right and option of dealing with the Mining Claims and of ultimately if so elected arranging for the acquisition by the Optionee of a 100% undivided interest in the Mining Claims free from encumbrance. The Estate Option Agreement provides for the assignment by the Optionee of its interest in the Option Agreement

to a new company, which new company would seek to raise funds sufficient to carry out an exploration and development program on the Mining Claims by virtue of an offering of its treasury shares to the public. The Company has been designated as the new company referred to in the Estate Option Agreement and the term "Acceptance Date" refers to the date that the Ontario Securities Commission accepts for filing this Prospectus of the Company. In order to fully exercise the Option, the Optionee is required to pay to the Optionor the sum of:

- (a) \$400 upon execution of the Estate Option Agreement by the parties and the delivery to the Optionee of Title Documents sufficient in the opinion of the solicitors for the Optionee to enable the Optionee to deal with the title to the Mining Claims;
- (b) \$700 within 3 business days of the Acceptance Date;
- (c) \$100 upon the commencement of diamond drilling by the Company on either of the East Group or the West Group of Mining Claims referred to herein;
- (d) \$2,500, 25 months from the Acceptance Date;
- (e) \$2,000 yearly thereafter, commencing 37 months from the Acceptance Date until the total of all payments received by the Optionor pursuant to the Estate Option Agreement shall amount to the sum of \$18,000.

The Estate Option Agreement provides that the cash payments are option payments only and that after 25 months time has elapsed from the Acceptance Date, they may be prepaid at any time and from time to time in whole or in part without notice or bonus, but need not be made by the Optionee unless it wishes to keep the Option granted to it in good standing from time to time and/or to fully exercise the same. In the event the Option is fully exercised and the Mining Claims are brought to production, the Optionee has agreed to pay to the Optionor, a royalty equal to 3% of the Net Smelter Returns on all ores, concentrates and minerals (the "Products"), extracted and marketed from the Mining Claims. Payment of this royalty is to be made in Canadian Funds by the 30th day following the receipt by the Optionee of financial settlement or advances from a smelter, mill, mint or other purchaser of the Products. "Net Smelter Returns" is defined to have the same meaning in both the Estate Option Agreement and the Option Agreement. Upon receipt by the Optionor of royalties in the amount of \$100,000, the Optionee is thereafter required to pay to the Optionor a royalty equal to 1% of the Net Smelter Returns until the Optionor shall have received a further sum of \$100,000 whereupon the payment of any royalty to the Optionor ceases and terminates. Pursuant to the Estate Option Agreement, the Optionee has full and unlimited discretion in the exploration, development and mining of the Mining

Claims and subject only to the requirement that the Optionee maintain the Mining Claims in good standing, in accordance with the requirements detailed under the caption "Title" on page 10 during the currency of the Option is not obliged to explore, develop and mine the Mining Claims or market the Products therefrom. The Optionee also has complete authority, control and discretion with respect to operations, the sale and marketing of Products and the suspension of operations or abandonment thereof.

The amending agreement made as of the 25th day of February, 1974, amended both the Option Agreement and the Estate Option Agreement to clarify the intention of the parties thereto that the Option Agreement and the Estate Option Agreement and all of the terms and conditions contained therein be entirely independent of each other. Accordingly either option agreement may be maintained in good standing or be permitted to lapse as the Company sees fit. Both the Option Agreement and the Estate Option Agreement contain provisions granting the Optionee the right to enter upon the respective Mining Claims, to have exclusive and quiet possession thereof, to carry out such mining activities as it may think advisable, to remove ores, minerals and metals from the Mining Claims for the purpose of making assays or tests thereon, and to bring and erect in and upon the Mining Claims such mining plant buildings, machinery and equipment as it may deem appropriate to conduct its activities thereon. The agreements also contain miscellaneous provisions, usual to agreements of this type, respecting the performance and recording of assessment work to keep the Mining Claims in good standing, the payment of Municipal Mining and other taxes, wages and all other assessments and charges levied with respect to the operations carried out on the Mining Claims and the making available to the respective Optionors of copies of all reports, maps, drill logs, assays and other data available to the Optionee and relating to the development work being carried out by it on the Mining Claims. In the event the Optionee is delayed or hindered in examining or exploring the Mining Claims by any Government Regulation or requirement or any other cause beyond its control, each agreement provides that the term of the Option and the time for the making of payments shall be extended for a period equal to the total of all such delays so encountered by the Optionee. The two agreements also provide that the Optionee may at any time upon 30 days written notice to the Optionor, terminate the Option granted to it. The Estate Option Agreement also contains provision whereunder the Beneficiaries have concurred in the provisions of the Estate Option Agreement and have agreed to be bound thereby.

Acquisition

Pursuant to the Assignment Agreement referred to under "Rickaby Lake Area Mining Claims", Glandfield assigned all of its right, title and interest in the Option Agreement and the Estate Option Agreement to the Company, subject to the obligation on the part of Glandfield to make any payments which might fall due under either agreement within 25 months from the "Acceptance Date".

The amendment to the Assignment Agreement dated as of the 25th day of February, 1974, was made inter alia to provide that the Option Agreement and the Estate Option Agreement and all of the terms and conditions contained therein be entirely independent of each other so that either option agreement may be maintained in good standing or permitted or lapse as the Company sees fit. As consideration for the transfer to it of Glandfield's interest in the Option Agreement and the Estate Option Agreement, the Company allotted and issued to Glandfield a total of 750,000 fully paid and non-assessable shares of its capital stock allocating 600,000 of the said shares to the West Group and 150,000 shares to the East Group. Certificates representing 675,000 of such shares are held in escrow on the terms and conditions set out under the caption "Escrowed Shares" and the balance of the 75,000 vendors shares will be offered for sale by Glandfield by way of a secondary offering and reference is hereby made to the caption "Offering" for particulars concerning the said secondary offering. The Vendor's consideration paid by the Company to Glandfield was determined by the present directors of the Company. Since the Mining Claims are completely unproven it was not possible to assign any particular value thereto and accordingly the said shares were allotted and issued at the sum of \$3,500 which amount was arrived at by considering the cost to Glandfield to maintain the two option agreements in good standing for 25 months from the Acceptance Date.

Reference is also made to the caption "Escrowed Shares" for particulars concerning the circumstances under which the escrowed shares may be surrendered by Glandfield for the benefit of the Company.

Location and Access

The West Group and the East Group (hereinafter collectively referred to as the "Mining Property") is located in the Rickaby Lake at Bee Lake Area of North Western Ontario some 70 air miles north from Kenora. The West Group comprising 4 claims form a sub-rectangular block on the south shore of Anderson Lake with the west property line being only about 1/2 mile from the Ontario-Manitoba Provincial Boundary. The East Group lies to the east and is separated from the West Group on land by a group of patented claims with a width of 1/2 mile. Two claims of the East Group, largely water covered extend westward on Anderson Lake to a common corner on the north-east of the West Group. The East Group extends for an east-west length of 1-1/2 miles and in general covers most of the east end of Anderson Lake and parts of the area south between Anderson, Rickaby and Odd Lakes.

The Anderson Lake area is some 40 miles south-east of the Rice Lake Area, where the San Antonio Mine was a gold producer for many years and is underlain by the extension of the belt of metavolcanics and intrusives from that centre. The Red Lake Gold Area is 60 miles to the north-east and the Werner Lake copper, nickel mining belt is some 15 miles to the south. The Mining Property is accessible

y charter air service from Kenora, a distance of 70 miles or from Lac du Bonnet in Manitoba, a distance of about 50 miles. A road from Lac du Bonnet crosses the Provincial boundary to Werner Lake some 15 miles south of the property and transfer of drill or other heavy equipment could be made from this base. Also a road, Highway 596 extends north from Kenora to Caribou Falls on Umfreville Lake, a distance of 30 miles from Anderson Lake. This point could provide an alternative base for equipment moving. Both Anderson and Rickaby Lakes handle float or ski-equipped aircraft. Hydro electric power is not available. Water is plentiful from nearby lakes. Climate is that typical of North Western Ontario and presents no real problems for year-round operations.

History and Geology

West Group

Prior to 1963, J. Young, who originally staked and held the West Group, carried out considerable trenching on two showings, one near his West boundary and the second some 2,000 feet to the East on strike. The intervening ground was largely drift covered and work on each showing found copper nickel values associated with gossans and shearing; plus minor quartz stringers in the vicinity of a major contact between metavolcanics and a metadiabasic intrusive. In 1972, the property holders, Kenneth G. Miller and Weir Swain, drilled one 100 foot hole and in 1973, two 100 foot holes under parts of the East showing. Each of the holes cut values in copper and nickel with the best results being a 9.5 foot section of massive and disseminated pyrrhotite with chalcopyrite from 79 to 88.5 feet averaging 2.30% copper and 1.03% nickel. A hole drilled 80 feet to the West returned 5.0 feet from 52 to 57 feet that assayed 1.35% copper and 0.59% nickel. A third hole was apparently drilled almost on top of a showing and returned 3 feet from 5 to 8 feet that assayed 0.16% copper and 0.41% nickel.

East Group

The 11 claims comprising the East Group were prospected by J. Young for many years with enough work being completed to bring them to patent. Most of the work was concentrated on a gold showing on Claim No. KRL16657 where extensive trenching was done on a quartz vein zone. The quartz is massive white variety that locally contains minor amounts of pyrite, pyrrhotite, chalcopyrite, chlorite and iron carbonate.

The Company has not itself carried out any exploration and development work on either group of mining claims and is not aware of any surface nor underground exploration and development work having been carried out thereon other than the work referred to herein. There is neither surface nor underground plant or equipment located on any of the mining claims.

Geologist's Report

The following is a summary of a report by Oswald F. Carter, Consulting Geologist, 38 Elgin Street, Thornhill, Ontario, dated January 17, 1974, whose full report is available for inspection in the public files of the Ontario Securities Commission.

The 15 Mining Claims comprising the East and West Group are underlain by rocks of Pre-Cambrian age, largely metavolcanics with areas of intermediate to basic meta-intrusives. Smaller areas of more granitic intrusives are also recorded. The volcanic-intrusive complex belt extends West into Manitoba where it hosts the major gold deposits at Rice Lake, the smaller deposits around Beresford Lake and a smaller earlier gold operation at the West end of Anderson Lake plus many testings for base metals. Earlier prospecting on the West Group exposed copper nickel mineralization and values associated with gossans and shearing in what is described as a contact metamorphism situation along an intrusive contact that extends across the property for a length of 1/2 mile. In 1973, two short diamond drill holes were drilled under one surface showing for assessment work with both holes cutting significant copper nickel values. The first hole cut a 9.5 foot section, 60 feet below surface that averaged 2.30% copper and 1.03% nickel in heavy sulphide mineralization. At current Canadian metal prices, this gives a gross value of over \$60 per ton. The second hole 80 feet away on strike cut a similar 5.0 foot section that would gross over \$28 per ton. On the East Group work has been limited mainly to surface stripping and trenching in one area on a single claim where fair widths of discontinuous quartz were exposed. The veining was opened for over 100 feet in length. The results of 17 sample assays from the veining, as assayed by Coniaurum Mines Ltd. show gold values in 14 samples with widths varying from 10 inches to 6 feet, with the highest value being 2.23 ounces per ton over a 10 inch width. Two of the 17 samples average 0.6 ounces and 5 were in the 0.06 to 0.11 ounce range. In Ontario, the Department of Mines Report No. 47, 1967, R. Shklanka describes and illustrates the showings and, in part, says "A sample taken by the author over 1 foot on the main quartz vein assayed 0.04 ounces of gold per ton; a chip sample over 25 feet of the pyritiferous host assayed nil for gold. Visible gold in assays up to 3.8 ounces were reported (written communication from J. Young) to have been obtained from other parts of the deposit."

In Mr. Carter's opinion the property possesses considerable merit as a prospect for base metals and to a lesser extent for gold. The rocks underlying the ground are of a type recognized as more conducive to base metals, that is copper and nickel and the success to date as noted above is significant. The presence of at least one gold-bearing vein towards the East end of the ground cannot be overlooked when considered in the light of the commercial gold deposits associated with similar rocks along the Western extension of the belt.

The San Antonio deposit at Rice Lake was largely in diabase adjacent to metavolcanic contacts. The Mining Claims have been held over the years by Mr. James Gordon Young, and except for the very limited test drilling done recently, work has been limited to the trenching of surface exposures and was largely a one man effort. The ground is reportedly only 5 to 10% outcrop exposed leaving plenty of scope for exploration in unexposed areas.

Mr. Carter has recommended that the following program be carried out on the Mining Claims.

Phase I

1. The claims should be covered, including the water sections in order to check the mile long contact between the two main lava types, by a program of line cutting followed by a magnetometer and an EM survey. Line spacing should be no wider than 300 feet.

Estimated cost -

20 miles @ \$200.00	\$4,000.00	
Mobilization, etc.	1,000.00	
2. Geological reconnaissance of the property using the section lines for control with special attention to areas of geophysical interest	2,000.00	
3. A firm commitment for approximately 6 drill holes, 200 feet length, to check the surface showings and intervening ground on the west group.		
1,200 feet @ \$12.00 overall	14,400.00	
Engineering, supervision, assaying	2,000.00	
Contingencies	<u>1,600.00</u>	<u>\$25,000.00</u>

Phase II

Dependent on encouraging results in Phase I, an allowance for 2,500 feet of drilling to further test above and/or drill areas found in surface or geophysical program

2,500 feet @ \$10.00	\$25,000.00	
Engineering, supervision, assaying	2,000.00	
Contingencies	<u>2,000.00</u>	<u>\$29,000.00</u>
TOTAL		<u>\$54,000.00</u>

Title

Title to the West Group of Mining Claims is held in the name of a trustee for the Company, such title being the usual title to unpatented mining claims enjoyed in the Province of Ontario. To keep unpatented mining claims in good standing in the Province of Ontario, during the first year after recording, 20 days work must be performed and recorded, 40 days work performed and recorded yearly for the next 3 years and 60 days work performed and recorded in the fifth year. Thereafter, and after surveying, claims are required to be brought to 21 year lease in the ensuing year with annual rentals of \$1.00 per acre during the first year and 25¢ per acre annually thereafter. If a lease is for mining rights only, the second and subsequent years' rental is at the rate of 10¢ per acre. So far as the Company is aware, the West Group of mining claims are beneficially owned as to a 60% interest by Weir Swain, R.R.#1, Blackstock, Ontario, and as to a 40% interest by Kenneth G. Miller, R.R.#2, Sundridge, Ontario and no person or company has received or is entitled to receive a greater than 5% interest in the consideration to be paid to Mr. Swain or Mr. Miller pursuant to the Option Agreement.

The Mining Claims and portions thereof of the East Group held under mining patent were registered in the name of Mr. James Gordon Young. Subsequent to his death in 1971, the claims were transferred into the name of Mr. Weir Swain, as executor of his estate. So far as the Company is aware, those persons beneficially entitled under the last will and testament of James Gordon Young are Camilla Hughes, 148 Felstead Avenue, Toronto, Ontario, Muriel Scott, 3234 Flanagan Crescent, Erindale Woodlands, Mississauga, Ontario, Eileen Menes, 2177 Sherobee Road, Mississauga, Ontario and Weir Swain, R.R.#1, Blackstock, Ontario. No assessment work is required to keep patented mining claims in good standing, however there is a requirement to pay Mining, Municipal and other taxes thereon. In order to maintain the Mining Patents in good standing, during 1973, Taxes in the amount of approximately \$152.29 were paid and it is anticipated that similar amounts will be required to maintain the claims in good standing during the 1974 fiscal year. No assessment work is required to keep Licences of Occupation in good standing, however there is a requirement to pay such annual rental as is specified in the Licence of Occupation. The annual rental paid in 1973 amounted to \$52.47. Title to the Licences of Occupation has been transferred into the name of a Trustee for the Company and the Company has caused a caution to be filed in regard to the claims not held by a Trustee to protect its interest therein.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the underwritten shares will be \$34,000 after deducting expenses of the issue and incorporation and organization expenses estimated not to exceed \$8,500. If all of the optioned shares are taken up and paid for, the Company would receive an additional \$49,000. The net proceeds will form part of the Companies working capital and the sum of \$25,000 will be used to implement the Phase I program recommended by Oswald F. Carter on the Rickaby Lake Area Mining Claims. Dependent upon the

results achieved and the availability of funds, the Company may carry out the Phase II recommendations of Mr. Carter on the Mining Claims, estimated to cost approximately \$29,000. While the Company has no plans in this regard at the present time, monies in its treasury as available may also be used to defray the cost of programs of acquiring staking, exploring and developing other properties, either alone or in concert with others and generally to carry out exploration programs as opportunities and finances permit, but no such properties will be acquired and monies will not be expended thereon without an amendment to this Prospectus being filed if the securities offered herein are then in the course of distribution to the public.

Monies not immediately required for the Company's purposes are deposited in interest bearing accounts with Canadian Chartered Banks and/or Trust Companies. While there are no such immediate plans, monies available in the Company's treasury, subject to the approval of the shareholders of the Company, may be utilized to purchase securities of other corporations, but no such purchases will be made while the securities offered herein are in the course of distribution to the public.

OFFERING

The Company entered into an Agreement (the "Underwriting Agreement") dated January 22, 1974, with Glandfield & Co. Limited, (the "Underwriter-Optionee"), Suite 129, 17 Queen Street East, Toronto, Ontario, whereunder the Underwriter-Optionee, acting solely on its own behalf with respect to the underwritten and optioned shares referred to below agreed to purchase the following shares of the Company, namely:

Underwritten Shares

<u>Number of Shares Underwritten</u>	<u>Price Per Share</u>	<u>Net Amount to be received by the Company</u>	<u>Maximum Offering Price of These Shares to the Public</u>
250,000	17¢	\$ 42,500	34¢

The Underwriter-Optionee is obligated to take up and pay for all of the underwritten shares, if any are taken up, within three business days of the date of acceptance for filing of this Prospectus by the Ontario Securities Commission (such date of acceptance being hereinafter referred to as the "Acceptance Date") subject to the terms, conditions and provisions of the said Agreement, pursuant to which the Underwriter-Optionee has the right to refuse to complete the purchase in certain events.

Pursuant to the Underwriting Agreement, the Underwriter-Optionee was also granted an option to purchase additional shares of the Company, namely:

Optioned Shares

<u>Number of Shares Optioned</u>	<u>Price Per Share</u>	<u>Time within which Option Exercisable From Acceptance Date</u>	<u>Maximum Offering Price of These Shares to the Public</u>
100,000	22¢	3 months	44¢
100,000	27¢	6 months	54¢

There is no assurance that any of the shares under option will be purchased by the Underwriter-Optionee.

The Company is not aware of any assignments, sub-options or sub-underwritings with respect to the aforementioned underwritten and optioned shares. The only persons having a greater than 5% interest in the Underwriter-Optionee are Rowland Glandfield, Frank Cadesky and David Sherman. In the event the Underwriter-Optionee shall default in purchasing any of the shares under option, then all unexercised options forthwith cease and determine.

The Underwriter-Optionee, acting as principal, will offer the underwritten and optioned shares over-the-counter in the Province of Ontario within the maximum price ceilings set forth on the Facing Page of this Prospectus. Sales of the underwritten and optioned shares may also be made through other registered dealers acting as agents who will be paid commissions not exceeding 25% of the selling price of the shares so offered.

Secondary Offering

As stated on the Facing Page of this Prospectus, a total of 75,000 shares of the Company will be offered for sale over-the-counter in the Province of Ontario by the Underwriter-Optionee through registered dealers, the proceeds from such sales accruing solely to the Underwriter-Optionee and not to the Company. The Underwriter-Optionee will not offer any part of the Secondary Offering unless and until the 200,000 treasury shares under option have been purchased by it. With respect to the shares offered by this Prospectus, the Underwriter-Optionee may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public.

DESCRIPTION OF CAPITAL STOCK

The capital stock is the Company's only class of stock. All shares issued by the Company rank equally as to dividends and there are no indentures or agreements limiting the payments of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding capital stock is not subject to any call or assessment and the shares offered hereby when issued and sold as described by this Prospectus will not be subject to any call or assessment.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount out- standing as at Jan.24/74</u>	<u>Amount out- standing as at Feb.28/74</u>	<u>Amount Out- standing if all Securities being Issued are sold(1)</u>
Common shares without par value	3,000,000 (\$1,500,000)	750,003 (\$3,503)	750,003 (\$3,503)	1,000,003 (\$46,003)

- (1) This figure gives effect to the purchase of the 250,000 under-written shares. If all of the optioned shares are purchased the number of shares to be outstanding will be 1,200,003 and the consideration paid therefor will be \$95,003.

MANAGEMENT

The names of the directors and officers of the Company and the positions presently held by them are as follows:

<u>Name</u>	<u>Address</u>	<u>Position</u>
Norman William Lamport	147 Sylvan Avenue, Scarborough, Ontario	President & Director
Arthur John Fortens	75 Thorncliffe Park Dr. Toronto, Ontario	Director
Harry Alexander Pearson	258 Dawlish Avenue Toronto, Ontario	Director
Fred Manger	52 Albertus Avenue Toronto, Ontario	Secretary-Treasurer

The principal occupations of the Directors and Officers during the past five years is as follows:

NORMAN WILLIAM LAMPORT has been a Corporate Secretary since January, 1971. Prior thereto, he was a civil servant in the Province of Ontario and was supervisor of properties for the Liquor Control Board of Ontario.

ARTHUR JOHN FORTENS is an accountant and has been employed by Sprucedale Holdings Limited since June 1, 1971. Prior thereto, he was employed by Louada Holdings Limited, Louis Cadesky Associates (Northern) Limited and related companies.

HARRY ALEXANDER PEARSON is and has been a professional engineer employed as a geologist by several mining companies including Texmont Mines Limited, Multi Minerals Limited, Midrim Mining Company Limited, Sturdy Mines Limited and Talisman Mines Limited.

FRED MUNGER is an accountant employed since February, 1972, by Newtor Holdings Limited. Prior thereto, he was an accountant employed by Sprucedale Holdings Limited, and Louada Holdings Limited.

All of the above Officers and Directors are also Directors or Officers of various other public mining companies.

As a group, the Directors and Senior Officers of the Company beneficially own directly or indirectly less than 1% of the issued shares of the Company.

REMUNERATION OF MANAGEMENT

To date no direct remuneration has been paid or is payable to the directors and senior officers of the Company who are entitled to receive \$50 for each meeting attended by them.

A monthly fee of up to \$300 will be paid to Sprucedale Holdings Limited, Suite 432, 12 Richmond Street East, Toronto, Ontario, for head office accomodation, accounting, administration and secretarial services for the Company. Arthur J. Fortens, a director of the Company is a director of Sprucedale Holdings Limited and Fred Munger the secretary of the Company is a director and sole shareholder of Sprucedale Holdings Limited.

PRINCIPAL AND SELLING SHAREHOLDER

Set forth below are particulars of the present principal holders of common shares in the Company whose ownership is direct, of record and beneficial.

<u>Name and Address</u>	<u>No. of Shares</u>	<u>Percentage of Class(1)</u>
Glandfield & Co. Limited Suite 129, 17 Queen Street East, Toronto, Ontario.	750,000	75.0

As disclosed in this Prospectus, 75,000 shares may be offered hereunder by way of a secondary offering. The said shares which may be offered will be as follows:

<u>Name & Address</u>	<u>No. of Shares to be Sold</u>	<u>No. of Shares to be Owned after this Financing</u>	<u>Percentage to be Owned after this Financing(1)</u>
Glandfield & Co. Limited, Suite 129, 17 Queen Street East, Toronto, Ontario.	75,000	675,000	67.5

(1) Calculated on the basis of there being 1,000,003 shares issued and outstanding.

By virtue of their equal 1/3 ownership of the issued capital of Glandfield & Co. Limited, Rowland Glandfield, 30 Talbot Road, in the Borough of North York, Frank Cadesky, 767 Spadina Road, Toronto, Ontario and David Sherman, 14 Carousel Court, Toronto, Ontario, each directly beneficially own 1/3 of the shares of the Company owned by Glandfield & Co. Limited.

ESCROWED SHARES

Certificates representing 675,000 shares of the Company are held in escrow by Guaranty Trust Company of Canada, Toronto, Ontario (the "Trustee"). The terms of escrow provide inter alia that the shares and the beneficial ownership of or any interest in them and the certificates representing them (including any replacement; share or certificates) shall not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow or otherwise in any manner dealt with without the express consent, order or direction in writing of the Ontario Securities

Commission. The prior consent of the Company is also required to the release of any such certificates from escrow.

All or part of the escrowed shares are subject to surrender for the benefit of the Company if the Company's option on the mining claims situate in the Rickaby Lake Area of North Western Ontario is terminated or if the mining claims are abandoned upon the recommendation of an independent engineer or a geologist.

<u>Capital Stock</u>	<u>No. of Shares Held in Escrow</u>	<u>Percentage of Class(1)</u>
Common Shares without par value	675,000	67.5

- (1) Calculated on the basis of there being 1,000,003 shares issued and outstanding.

DIVIDENDS

No dividends have been paid to date by the Company.

AUDITOR

The Auditor of the Company is T.H. Bernholtz,
Chartered Accountant, Suite 804, 330 Bay Street, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

Guaranty Trust Company of Canada, 88 University Avenue,
Toronto, Ontario, acts as the Company's Registrar and Transfer Agent.

PRIOR SALES OF SHARES

Since its incorporation, 3 shares of the Company have been sold at a price of \$1 per share.

PROMOTER

Glandfield & Co. Limited, Suite 129, 17 Queen Street East,
Toronto, Ontario, referred to throughout this Prospectus may be regarded as the Promoter of the Company.

INTEREST OF MANAGEMENT AND OTHERS
IN MATERIAL TRANSACTIONS

Reference is made to the caption "Rickaby Lake Area Mining Claims" for particulars of the acquisition by the Company of options to acquire an interest in 4 unpatented and 11 patented mining claims situate in the Rickaby Lake Area of the Province of Ontario. The aforesaid options were acquired by the Company pursuant to an assignment agreement as amended with Glandfield & Co. Limited which received by allotment and transfer a total of 750,000 shares without par value in the capital of the Company. Reference is also made to the caption "Principal and Selling Shareholder" for particulars concerning the shareholdings of Glandfield & Co. Limited in the Company and to the caption "Offering" for particulars concerning the interest of Glandfield & Co. Limited in the proposed offering to the public of shares of the Company.

PRELIMINARY EXPENSES

The preliminary administrative expenses, including the incorporation and organization of the Company are estimated at \$2,000. Administrative expenses of the Company during the current year are estimated at the sum of \$5,500. The sum of \$25,000 will be used to implement the Phase I recommendations of Oswald F. Carter, Consulting Geologist on the Company's Rickaby Lake Area Mining Claims.

MATERIAL CONTRACTS

The Company has entered into the following material contracts since its incorporation, namely:

1. Underwriting agreement dated January 22, 1974, between the Company & Glandfield and Co. Limited referred to under "Offering" on page 11.
2. Agreement dated January 24, 1974, between the Company and Glandfield & Co. Limited pursuant to which the Company acquired its interest in two option agreements relating to a group of 4 unpatented mining claims and a group of 11 patented mining claims situate in the Rickaby Lake Area of North Western Ontario and referred to under the caption "Rickaby Lake Area Mining Claims" on page 1.
3. Agreement dated as of February 25, 1974, between the Company and Glandfield & Co. Limited amending the Agreement dated January 24, 1974, aforesaid as referred to under the caption "Rickaby Lake Area Mining Claims" on page 1.

In addition to the foregoing, the following material contracts have been entered into.

1. Agreement made as of the 24th day of January, 1974, between Glandfield & Co. Limited and Weir Swain and Kenneth G. Miller, pursuant to which Glandfield acquired an option on 4 unpatented mining claims situate in the Rickaby Lake Area of North Western Ontario and referred to under the caption "West Group" on page 1.

2. Agreement made as of the 24th day of January, 1974, between Glandfield & Co. Limited, and Weir Swain, and Camilla Hughes, Muriel Scott and Eileen Menes, pursuant to which Glandfield and Co. Limited acquired an option on 11 patented mining claims situate in the Rickaby Lake Area of North Western Ontario and referred to under the caption "East Group" on page 3.

3. Agreement dated as of February 25, 1974, between Glandfield & Co. Limited, Weir Swain, Kenneth G. Miller, Camilla Hughes, Muriel Scott and Eileen Menes amending the option agreements aforesaid as referred to under the captions "West Group" on page 1 and "East Group" on page 3.

Copies of the foregoing instruments may be inspected during ordinary business hours at the head office of the Company during the distribution of the securities offered by this Prospectus.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act (Ontario) provides, in effect, that where a security is offered to the public in the course of distribution to the public:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the Prospectus or amended Prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus and any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to Section 64 and 65 of the Securities Act (Ontario) for the complete text of the provisions under which the above-mentioned rights are conferred.

To The Directors
Gambit Explorations Ltd.
Toronto, Ontario

I have examined the balance sheet of Gambit Explorations Ltd. as at January 24, 1974 and in connection therewith reviewed such supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet presents fairly the financial position of the Corporation as at January 24, 1974 in accordance with generally accepted accounting principles.

Toronto, Ontario
February 28, 1974

T. H. Bernholtz
Chartered Accountant

CANBIT EXPLORATIONS LTD.

BALANCE SHEET

AS AT JANUARY 24, 1974

ASSETS

Cash on hand	\$ 3
Option on mining claims and properties (Note 1)	3,500
Incorporation, organization costs of issue estimated	8,500
	<u>\$12,003</u>

LIABILITIES AND CAPITAL

Accounts payable, estimated	\$ 8,500
Capital stock: (Note 2)	
Authorized:	
3,000,000 common shares, without par value, not to exceed \$1,500,000.	
Issued:	
For cash:	
3 shares	\$ 3
For properties:	
750,000 shares	<u>3,500</u>
	<u>3,503</u>
	<u>\$12,003</u>

The accompanying notes are an integral part of this balance sheet.

Approved on behalf of the Board of Directors:

<u>N. W. Lamport</u>	Director
<u>A. J. Fortens</u>	Director

GAMBIT EXPLORATIONS LTD.

NOTES TO BALANCE SHEET

AS AT JANUARY 24, 1974

Note 1. By agreement made as of January 24, 1974 and as amended by agreement made as of February 25, 1974 the Company received by way of assignment the rights to two amended option agreements referred to as the "West Group" and the "East Group" situate in the Hickaby Lake Area of North Western Ontario.

West Group

The West Group of Mining Claims consists of four continuous unpatented Mining Claims. The option agreement as amended respecting these claims which was assigned to the Corporation provides that in order to fully exercise the option, and subject to certain conditions the Corporation is required to pay the following sums to the Optionors:

- (a) \$1,600 upon execution of the option agreement,
- (b) \$2,800 within 3 business days of the Acceptance Date,
- (c) \$400 upon the commencement of diamond drilling by the Company on either of the West Group or East Group of Mining Claims,
- (d) \$10,000, 25 months from the Acceptance Date,
- (e) \$8,000 yearly thereafter commencing 37 months from the Acceptance Date until the total of all payments received by the Optionors amount to the sum of \$72,000.

In the event the Option is fully exercised and the Mining Claims are brought to production, the Corporation has agreed to pay to the Optionors a royalty equal to 3% of the Net Smelter Returns on all concentrates marketed from the Mining Claims. Upon receipt by the Optionors of royalties in the amount of \$400,000, the Corporation is thereafter required to pay to the Optionors a royalty equal to 1% of the Net Smelter Returns until the Optionors shall have received a further sum of \$400,000, whereupon the payment of any royalty to the Optionors ceases and terminates.

East Group

The East Group of Mining Claims consists of 11 patented Mining Claims. The option agreement as amended respecting these claims which was assigned to the Corporation provides that in order to fully exercise the Option, and subject to certain conditions the

Not 1. Corporation is required to pay the following sums to the
(c) Optioners:

- (a) \$400 upon execution of the option agreement,
- (b) \$700 within 3 business days of the Acceptance Date,
- (c) \$100 upon the commencement of diamond drilling by the Company on either of the East Group or the West Group of Mining Claims,
- (d) \$2,500, 25 months from the Acceptance Date,
- (e) \$2,000 yearly thereafter, commencing 37 months from the Acceptance Date until the total of all payments received by the Optioner pursuant to the option agreement shall amount to the sum of \$18,000.

In the event the Option is fully exercised and the Mining Claims are brought to production, the Corporation has agreed to pay to the Optioners, a royalty equal to 3% of the Net Smelter Returns on all concentrates of royalties in the amount of \$100,000, the Corporation is thereafter required to pay to the Optioner a royalty equal to 1% of the Net Smelter Returns until the Optioner shall have received a further sum of \$100,000 whereupon the payment of any royalty to the Optioner ceases and terminates.

The parties to both option agreements have agreed that the respective option agreements and all of the terms and conditions contained therein are entirely independent of each other so that either option agreement may be maintained in good standing or be permitted to lapse as the Corporation sees fit.

Pursuant to the assignment agreement referred to above, under which the Corporation acquired its interest in the two option agreements covering the West Group and East Group of Mining Claims the assignor has agreed with the Corporation to make any payments on its behalf which might fall due under either of its two option agreements within 25 months from the "Acceptance Date" such date being defined as the date that the Ontario Securities Commission accepts this prospectus of the Company for filing. The interest which the Corporation acquired in the two option agreements and the West and East Groups of Mining Claims are valued by the Board of Directors at the consideration attributed to 750,000 shares of the Corporation's capital stock issued therefore.

By agreement dated January 22, 1974 an underwriter has firmly agreed to purchase 250,000 shares of the Corporation's capital stock at 17% per share. The underwriter is obligated to take up and pay for all of the underwritten shares, within 3 business days of the date of acceptance for filing of a prospectus of the Corporation with the Ontario Securities Commission (hereinafter referred to as the "Acceptance Date").

Note 2. In consideration of the firm purchase the Corporation has (cont'd) granted the underwriter an option to purchase all or any part of an additional 200,000 shares of the Corporation's capital stock as follows:

100,000 shares at 22¢ per share payable within three months following the Acceptance Date of the agreement,

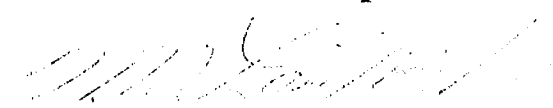
100,000 shares at 27¢ per share payable within six months following the Acceptance Date of the agreement.

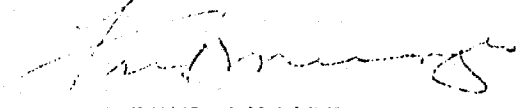
Note 3. A statement of source and application of funds from inception (January 16, 1974) to January 24, 1974 is not included as the Corporation has not yet commenced operations.


There are no other material facts.

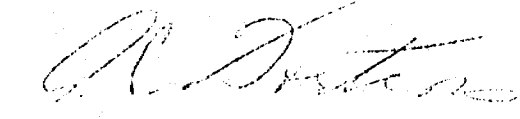
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act (Ontario) and the Regulations thereunder.

DATED THIS 1st day of March, 1974.


NORMAN WILLIAM LAMPFORT
Chief Executive Officer

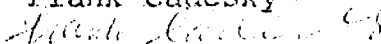

FRED MUNGER
Chief Financial Officer


HARRY ALEXANDER PEARSON
Director


ARTHUR JOHN FORTENS
Director

PROMOTER

Glandfield & Co. Limited
Per: Frank Cadesky

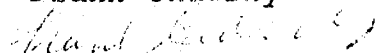


UNDERWRITER-OPTIONEE

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act (Ontario) and the Regulations thereunder.

DATED THIS 1st day of March, 1974.

GLANDFIELD & CO. LIMITED
Per: Frank Cadesky



NOTICE FOR FILE: 63.3089

This Summary report by Gambit Explorations Ltd. was filed with the Ontario Securities Commission January 17, 1974, not for Assessment Credits.