



31M05SE0083 63.3131 GILLIES

010

REPORT ON
MINING PROPERTIES
OF
MURGOR EXPLORATIONS LIMITED

JUN 1 1973

Toronto, Ontario,
June 1st, 1973.

J. P. Jewell,
Mining Geologist.



31M05SE0083 63.3131 GILLIES

010C

TABLE OF CONTENTS

	<u>Page</u>
<u>FOREWORD</u>	1
<u>STURGEON LAKE PROPERTY</u> <i>REPORT A</i>	1
Details of Geophysical Survey	1
Discussion of Geophysical Results	2
Recommendations	4
Present Claim Group	4
<u>LAC ALBANEL PROPERTY</u> <i>QUEBEC</i>	5
General	5
Details of Drill Program	5
Results of Diamond Drilling (Geological)	6
Electromagnetic and Magnetic Test Work	6
Conclusions	7
Recommendations	8
Present Claim Groups	8
<u>COBALT AREA PROPERTY</u> <i>REPORT B</i>	9
General	9
Recommendations	9
Details of Claim Block	10
 Sources of Information Certificate	

REPORT ON
MINING PROPERTIES
OF
MURGOR EXPLORATIONS LIMITED

FOREWORD:

Exploratory programs were carried out on two of the properties of Murgor Explorations Limited since the report of April 6th, 1972. Herein are reviewed the details and results of these operations as reported by the technical personnel responsible for the programs, along with recommendations for further development of the claim blocks. The status of the individual claims contained in the various groups is also set out in this report.

STURGEON LAKE PROPERTY:

REPORT A

Details of Geophysical Survey:

Implementing recommendations outlined in a report under date of April 6th, 1972, a geophysical program combining magnetometer and electromagnetic surveys was conducted over thirty-two claims of the group. This area encompassed the most critical locations for base metal exploration. Results of the survey, as reported by D. L. Wahl, P.Eng., of W. G. Wahl Limited of Toronto who conducted the program, indicated several anomalies of potential economic merit which warrant further development.

Before the survey was completed, and could be filed for assessment credits, Murgor's tenure of the mining claims was found to have been cancelled through inadvertent circumstances, however, and restaking of the ground became necessary. To adequately cover all the anomalies indicated in the survey, and encompass the area the Company proposes to further develop, seventeen new

claims were staked and recorded. Registration details of the claims are described below under the paragraph "Present Claim Group".

The survey was carried out over a grid system controlled from an east - west base line, with picket lines trending north - south at 400-foot intervals. Stations were established at 100-foot spacings on all lines. A geometric G-816 total-field proton magnetometer recorded the total magnetic field intensities at fifty-foot intervals on all lines. A Crone Radem VLF EM unit was employed in the electromagnetic phase of the survey, reading the transmitter station at Seattle, Washington, at a frequency of 18.6 kHz. The survey was carried out by the firm of W. G. Wahl Limited of Toronto, under the direction of D. G. Wahl, P. Eng.

Discussion of Geophysical Survey Results:

In his report on the geophysical program, D. G. Wahl stated that the surveys indicated eight anomalous areas on the property with and without direct magnetic correlation. Three of these anomalies, designated as anomalies "A", "B" and "C", located in the south-west and south central part of the coverage area, are believed to be of economic interest, while the others occur in low, swampy ground and show evidence of reflecting conductive overburden.

Anomaly "A" has been traced for a strike length of 800 feet in an east - west direction and dips steeply north. The causative body is believed to be sulphides occurring on the contact of a pyroclastic zone indicated by magnetic observations. The anomaly is situated in the south-west portion of the property, and was traced to the west boundary of the claim block.

Anomalies "B" and "C" are interpreted as being of similar causative structures, possibly graphitic zones with associated sulphides, occurring within a board tuffaceous formation. Anomaly "B" appears to extend over a length of 1,600 feet, striking about east - west and dipping north. "C" anomaly strikes slightly north of east - west and also dips steeply north and

is mapped for a distance of some 1,700 feet, at which point it is interrupted by an inferred fault striking northwesterly. Electromagnetic observation along L20E suggests that a segment of the anomaly may follow the strike of the inferred fault in a southeasterly direction for an additional 400 feet.

The geology of the area is depicted on Preliminary Geological Map No. 588, being the Northwest Part of the Bell Lake - Sturgeon Lake Sheet, compiled from previous Maps and from field work conducted in 1969 by N. F. Trowell and issued by the Department of Mines in 1970. Mr. Wahl appended to his report a Map entitled "Inferred Geology" in which he extended and further defined the published geology of the property, utilizing his findings from the ground geophysical survey. In this manner the author traced a tuffaceous horizon striking east through the south central portion of the property of approximately 1,400 feet in width. Within this zone, lenticular shaped features of fairly high magnetic relief occurred, which are interpreted as representing pyroclastic bands. It is within this broad tuffaceous zone, just south of the volcanic rock formation, that anomalies "A", "B" and "C" occur.

While the number of ore deposits uncovered in the vicinity of the initial discovery in the Sturgeon Lake area in 1969 is considered unique, the exact relationship of the deposits to stratigraphy and structure is not clearly known. Paucity of rock outcrops and lack of compiled information of all the exploratory programs carried out in the area, makes difficult the possibility of extending individual marker horizons and particular volcanic cycles beyond their known locations. It would appear, however, that indications of sulphide enrichment associated with a pyroclastic type member, near the contact of a fine-to-coarse grained volcanic formation, as suggested in the results of the ground geophysical surveys conducted on the Murgor property, are important and warrant a program of exploration to investigate the anomalies.

Recommendations:

It is recommended that anomalies "A", "B" and "C" be investigated by geological mapping and diamond drill borings. At this time, mapping would be limited to detailing the rock outcrops along the strike of the conductors for the purpose of defining the exact locations of the diamond drill holes. For this phase, three drill holes are proposed, one probing each of the anomalies. They will be directed from north to south at 45° and be approximately 650 feet in length. It is estimated the cost of this program will be \$20,000.00. Should results of the diamond drilling indicate further development of the structures, additional expenditures will be required.

Present Claim Group:

Seventeen mining claims have been staked on behalf of the Company. They are restaking of former claims and are positioned to cover the area indicated in the ground geophysical surveys to be of economic importance.

Following are the registration details of these claims, all situate in the Pennassi Lake Area, claim sheet M. 2257:

<u>Date of Recording</u>	<u>Claim No.</u>	<u>Former Claim No.</u>	<u>Anniversary Date</u>
March 26, 1973	Pa. 369291	Pa. 247054	March 26, 1974
" " "	Pa. 369292	Pa. 247056	" " "
" " "	Pa. 369293	Pa. 248927	" " "
" " "	Pa. 369294	Pa. 248928	" " "
" " "	Pa. 369295	Pa. 248929	" " "
" " "	Pa. 369298	Pa. 248936	" " "
" " "	Pa. 369299	Pa. 248935	" " "
" " "	Pa. 369300	Pa. 248934	" " "
May 15, 1973	Pa. 369472	Pa. 247051	May 15, 1974
" " "	Pa. 369473	Pa. 247050	" " "
" " "	Pa. 369474	Pa. 247049	" " "
" " "	Pa. 369475	Pa. 247048	" " "
" " "	Pa. 369476	Pa. 247047	" " "
" " "	Pa. 369477	Pa. 248930	" " "
" " "	Pa. 369478	Pa. 248931	" " "
" " "	Pa. 369479	Pa. 248932	" " "
" " "	Pa. 369480	Pa. 248933	" " "

154

<u>Expiration Date</u>	<u>Certificate No.</u>	<u>Claim No.</u>
Feb. 25, 1974	315477	5
Feb. 26, 1974	315478	4 & 5
Feb. 27, 1974	315479	3, 4 & 5
Feb. 28, 1974	315480	2, 3, 4 & 5
Mar. 1, 1974	315481	1 to 5 inclusive
Mar. 2, 1974	315482	5
Mar. 3, 1974	315483	2, 3, 4 & 5
Mar. 4, 1974	315484	2, 3, 4 & 5
Mar. 5, 1974	315485	2, 3 & 4
Mar. 6, 1974	315486	1, 2 & 3

N. E. Group of claims held jointly by Murgor Explorations Limited and Pan Central Explorations, located in Township 1531, Province of Quebec:

<u>Expiration Date</u>	<u>Certificate No.</u>	<u>Claim No.</u>
Mar. 2, 1974	315507	4 & 5
Mar. 4, 1974	315509	5
Mar. 5, 1974	315510	4 & 5
Mar. 6, 1974	315511	2 to 5 inclusive
Mar. 7, 1974	315512	1 to 5 inclusive
Mar. 8, 1974	315513	1 to 5 inclusive
Mar. 9, 1974	315514	1 to 5 inclusive
Mar. 10, 1974	315515	4
Mar. 11, 1974	315516	1 to 5 inclusive

COBALT AREA PROPERTY:

REPORT B

General:

This property is located in the North Part of Gillies Limit, Temiskaming Mining Division, Ontario, and consists of 15 unpatented claims.

Previous development work on this property, including 2,000 feet of diamond drilling, confirmed the existence of a favourable geological formation for the occurrence of silver deposits. The current status of the claims, as shown in abstracts from the Office of the Mining Recorder, Kirkland Lake, Ontario, confirms that all the ground is in good standing, with eight of the claims under time extension for completing necessary assessment work until August 24th, 1973.

Recommendations:

It is recommended that the required assessment work be completed to

A.S.H.

satisfy the credit requirements, by performing 1,000 feet of diamond drilling centered on mining claim L.105722. A cost of \$8,000.00 is estimated for this program. Upon the completion of this work, the results should be evaluated and geology of the property reviewed, with some consideration being given to reducing the acreage of the block.

Details of Claim Block:

The group contains fifteen unpatented claims, situated in the North Part of Gillies Limit, Temiskaming Mining Division, Ontario:

Claims Under Extension

T.61759
T.61760
T.61761
T.61762
T.61763
T.61764
T.61765
T.61766

Other Claims

L. 212318
L. 212319
L. 105722
L. 105723
L. 105166
L. 105167
T. 61758

All of which is respectfully submitted,

Toronto, Ontario,
June 1st, 1973.



SOURCES OF INFORMATION

Report on results of ground geophysical surveys by D. C. Wahl, P.Eng., of W. G. Wahl Limited, entitled "Report on Sturgeon Lake Claims, Patricia Mining Division, Ontario", under date of March 1st, 1973 and appended geophysical data sheets.

Preliminary Map No. 588, issued by the Ontario Department of Mines.

Claim abstracts from the Mining Recorder, Sioux Lookout, Ontario.

Report on Diamond Drilling, Albanel Lake Area, for Murgor Explorations Limited, by J. T. Flanagan, dated August 11th, 1972.

Quebec Department of Natural Resources publication, being G.R. 126, issued in 1965.

Copies of Work Report Documents filed with the Department of Natural Resources, Quebec.

Abstracts from the Office of the Mining Recorder, Kirkland Lake, Ontario, and Company files.

C E R T I F I C A T E

I, J. P. Jewell, hereby certify:

- 1) That I am a Geologist and reside at 82 Pine Crescent, Toronto, Ontario.
- 2) That I am a graduate of the University of Michigan and have been practicing my profession in Canada for over fifteen years.
- 3) That I have no direct or indirect interest in the properties covered by this report, nor do I expect to receive any such interest.
- 4) That I have no direct or indirect interest in the securities of Murgor Explorations Limited, nor do I expect to receive any such interest.

Toronto, Ontario,
June 1st, 1973.


J. P. Jewell,
Mining Geologist.

MURGOR EXPLORATIONS LIMITED
Suite 402, 45 Richmond Street West
Toronto, Ontario

COMMON SHARES
(No Par Value)

Registrar and Transfer Agent
CROWN TRUST COMPANY
302 Bay Street
Toronto, Ontario

NEW OFFERING

This is an offering of 549,000 common shares without par value of the capital stock of Murgor Explorations Limited at the best price the market will permit through registered securities dealers to the public of Ontario.

The Company may pay registered securities dealers acting as agents the normal commission charged by members of the Toronto Stock Exchange acting as agents in the sale of listed mining shares or a commission of up to 25% and selling expenses of up to a further 15%, provided that in no case shall the Company receive less than 15¢ per share after deducting any commissions and expenses.

This offering will be made for a period of not less than 90 days following acceptance of this Prospectus by the Ontario Securities Commission unless the entire new offering is completed.

If payments for purchase orders are not received sufficient to net the Company a minimum of \$30,000 within the aforesaid 90 day period, then all subscription moneys will be returned to the subscribers without any deduction therefrom following the expiration of the said 90 day period. All subscription moneys will be forwarded forthwith and held in trust by Crown Trust Company for payment to the Company or return to subscribers. If the minimum sum of \$30,000 is raised within 90 days the offering may continue until a total of 549,000 treasury shares have been sold to the public.

PURPOSE OF NEW OFFERING

The purpose of the new offering is to provide the Company with sufficient funds to defray its ordinary operating expenses and the costs of carrying out the exploration and development programs recommended by its consulting engineers. See within under the headings "History and Business" and "Use of Proceeds".

SECONDARY OFFERING

There is also a secondary offering of 165,700 shares owned as follows:

82,850 shares by Corwat Investments & Development Limited
37,500 shares by Murray Watts Explorations Limited
45,350 shares by McCaul and College Investments Limited

which shares will be offered to the public through registered securities dealers acting as agents who will be paid the normal commission charged by members of the Toronto Stock Exchange acting as agents in the sale of listed mining shares. This offering is to take place after the new offering. None of the proceeds from the sale of these shares will accrue to the treasury of the Company.

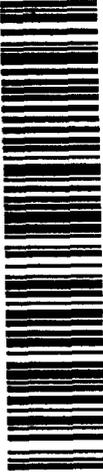
The shares of the Company are traded on the Toronto over-the-counter market. During the 90 days immediately preceding the date hereof, the shares of the Company traded between 12¢ and 22¢.

THESE SECURITIES ARE SPECULATIVE

No securities commission or 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.

This Prospectus is dated the 15th day of October, 1973.

020



31M055E0083 63.3131 GILLIES



31M05SE0083 63.3131 GILLIES

020C

TABLE OF CONTENTS

	<u>Page</u>
Head Office	1
History and Business	1
Gillies Limit Claims	2
Sturgeon Lake Property	3
Lake Albanel Property	5
Fancamp Gold Claims	7
Offering	11
Secondary Offering	12
Use of Proceeds	12
Description of Share Capital	13
Capitalization	13
Prior Sales	13
Escrowed Shares	14
Principal Holder of Securities	14
Dividends	15
Purchaser's Statutory Right of Withdrawal and Rescission ...	15
Management	16
Remuneration of Directors and Senior Officers	16
Promoters	17
Interest of Management and Others in Material Transactions ..	17
Auditor	18
Material Contracts	18
Financial Statements	19
Certificate Page	29

HEAD OFFICE

The head office of MURGOR EXPLORATIONS LIMITED (hereinafter sometimes referred to as the "Company") is located at Suite 402, 45 Richmond Street West, Toronto, Ontario.

HISTORY AND BUSINESS

The Company was incorporated as a mining company under Part IV of the Corporations Act (Ontario) by Letters Patent dated May 22, 1969 to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits and petroleum and natural gas wells.

With reference to its share capital, Articles of Amendment were issued on May 19, 1971 changing all of its issued and unissued shares in the capital of the Company from shares with a par value of \$1.00 to shares with no par value.

The Company commenced business on June 10, 1969 when it entered into a contract with Corwat Investments & Development Limited, Suite 306, 160 Bay Street, Toronto, Ontario, (hereinafter called "Corwat") and Murray Watts Explorations Limited, Suite 420, 159 Bay Street, Toronto, Ontario, (hereinafter called "Watts Limited"), under which it acquired fifteen unpatented mining claims in Gillies Limit (North Part), in the Larder Lake Mining Division of Ontario, (hereinafter collectively called the "Gillies Limit Claims") and described more particularly under the sub-heading "Gillies Limit Claims" under this heading along with details of exploration work carried out thereon and further recommendations in connection therewith. Also acquired under this agreement were thirty-five unpatented mining claims in Beaumont and Roberts Townships, in the Sudbury Mining Division of Ontario, (hereinafter collectively called the "Beaumont Claims") on which claims the Company carried out radiometric and geological surveys at a cost of approximately \$8,500.00. As the results thereof were inconclusive, these claims were allowed to lapse.

750,000 Vendor shares were issued to Corwat and Watts Limited who are also the Promoters of the Company and they were the only parties who received or were entitled to receive any interest in the said Vendor consideration. Watts Limited subsequently transferred its 375,000 Vendor shares to Corwat.

To the knowledge of the signatories hereto, the above companies were the only companies entitled to receive a greater than 5% interest in the Vendor shares and, therefore, at the present time Corwat is the only person or company with a greater than 5% interest in the Vendor shares. Watts Limited is a company in which Murray Watts, 55 Bayview Ridge, Willowdale, Ontario, the Vice-President and a Director of the Company, is the only person having a greater than 5% interest and Corwat is a company in which Gordon Corry Watts, 57 Chambers Avenue, Cobalt, Ontario, the President and a Director of the company, is the only person who has a greater than 5% interest. It is to be noted that Watts Limited and Corwat are also Promoters of the Company.

The Gillies Limit Claims and the Beaumont Claims were acquired by Corwat and Watts Limited from Gordon Corry Watts and Murray Watts at a cost of \$17,100.00, which includes the cost of staking, re-staking, licence fees and work programs carried out by and for Messrs. Watts, consisting of trenching, rock pitting, mapping and diamond drilling.

By agreement dated January 5, 1970 between the Company and Sherto Explorations Limited, Suite 1901, 80 Richmond Street West, Toronto, Ontario, (hereinafter called "Sherto"), the Company purchased a group of 24 contiguous unpatented mining claims in the Penassi Lake Area, District of Kenora, in the Patricia Mining Division of Ontario, (hereinafter called the "Murgor Claims"), which claims, their description, the history and recommendations in connection therewith are more particularly set forth under the sub-heading "Sturgeon Lake Property"

under this heading, which heading "Sturgeon Lake Property" also includes the 24 claims set out in an agreement dated March 27, 1972 entered into between the Company and Quadrate Explorations Limited, Suite 402, 45 Richmond Street West, Toronto, Ontario, (hereinafter called "Quadrate") whereby the Company obtained an option to acquire from Quadrate a group of 24 contiguous unpatented mining claims also in the Penassi Lake Area of Ontario, (hereinafter called the "Quadrate Claims") which claims adjoined the 24 contiguous claims set out above and as stated therein, the 48 contiguous claims are more particularly described under the heading "Sturgeon Lake Property".

By agreement dated June 11, 1973, the Company and Quadrate amended their agreement dated September 6, 1972 and the agreement now covers 5 claims owned by the Company and 12 claims owned by Quadrate, particulars of which agreement are more particularly described under the heading "Sturgeon Lake Property".

By agreement dated March 25, 1971 between the Company and J. Terrance Flanagan, 2679 Midland Avenue, Agincourt, Ontario and John McAdam, R.R. #2, Acton, Ontario, as Vendors, and P.C.E. Explorations Limited (now Pan Central Explorations Limited), Suite 420, 159 Bay Street, Toronto, Ontario, (hereinafter called "P.C.E."), as Purchaser, a 90% assessable indivisible interest in 200 contiguous unpatented mining claims located in St. Lusson Township and Townships 1530 and 1531 in the Province of Quebec, was acquired, an undivided one-half interest in the acquisition being for each of the Company and P.C.E. The Vendors retained a 10% non-assessable indivisible interest in the claims, which claims are hereinafter described under the sub-heading "Lake Albanel Property" under this heading, along with a history thereof and the recommendations in connection therewith.

By agreement dated June 11, 1973 between the Company and Corwat a 90% indivisible interest in 14 claims in the Township of Fancamp, Quebec, was purchased by the Company and adjoin 10 other claims in the same Township staked by the Company, which 24 claims are hereinafter fully described under the subheading "Fancamp Gold Claims".

On July 19, 1973 the Company sold to Jerome Explorations Limited, Suite 402, 45 Richmond Street West, Toronto, Ontario (hereinafter referred to as "Jerome") 50% of its interest in the Fancamp Gold Claims, being a 90% indivisible assessable interest in fourteen (14) mining claims and a 100% interest in a further ten (10) claims, all situated in the Township of Fancamp, Province of Quebec, particulars of which agreement are more particularly described under the heading "Fancamp Gold Claims").

Gillies Limit Claims:

Under the agreement dated June 10, 1969 between the Company and Corwat and Watts Limited, in addition to the Beaumont Claims which have been abandoned, the Company acquired the Gillies Limit Claims which is a contiguous group of fifteen unpatented claims in Gillies Limit (North Part), in the Larder Lake Mining Division of Ontario, of which L212318 and L212319 are in good standing until May 1974, L105722 and L105723 until March 1974, L105166 and L105167 until January 1974, L369493 to L369495 inclusive and L374549 to L374553 inclusive until September 1974 and L374476 until October 1974.

The Company expended funds for surveys, diamond drilling in the amount of 2,000 feet, assays, field supervision, engineering fees and expenses and licences, fees and taxes at a cost of approximately \$20,663.28 and as a result thereof is of the opinion that the geology of the group is one that hosts silver deposits in the Cobalt area.

The following is a summary of the report of J. P. Jewell, Mining Geologist, dated June 1, 1973, which full report is in the public files of the Ontario Securities Commission.

Previous development work on this property, including 2,000 feet of diamond drilling, confirmed the existence of a favourable geological formation for the occurrence of silver deposits.

It is recommended that, for the purpose of assessment work to satisfy the credit requirements, 1,000 feet of diamond drilling be performed centered on mining claim L 105722. A cost of \$8,000.00 is estimated for this program. Upon the completion of this work, the results should be evaluated and geology of the property reviewed, with some consideration being given to reducing the acreage of the block.

The Company intends to carry out the above recommendations when monies are available.

There is no evidence of commercial ore on the property and, therefore, any exploration program is an exploratory search for ore. The only previous work done on the claims is referred to aforesaid as performed by the Vendors and the Company and there is no underground or surface plant or equipment on the property at the date hereof.

In order to keep the claims in good standing, twenty days work must be performed in the first year after recording, forty days in each of the next three years and sixty days in the fifth year, being a total of 200 days assessment work. Thereafter, and after surveying, claims are required to be brought to a twenty-one (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 are at the rate of 10¢ per acre. Such lease is renewable for succeeding twenty-one (21) year terms.

Sturgeon Lake Property:

With reference to the Murgor Claims, they are more particularly described as being in the Penassi Lake Area, District of Kenora, in the Patricia Mining Division of Ontario, which claims were acquired for the cost of staking by Sherto, namely the sum of \$55.00 per claim for a total amount of \$1,320.00. The Company participated in an airborne geophysical survey conducted over the property costing the sum of \$400.00. With reference to the Quadrate claims, under the option agreement as extended by an agreement between the Company and Quadrate dated September 6, 1972, the Company had a right to acquire this group from Quadrate on the payment to Quadrate of the sum of \$2,400.00 on or before February 20, 1973, known as the effective date. The Company then had the irrevocable right to acquire the claims for the payment of a further sum of \$2,400.00 within 12 months of the effective date, provided the Company expended a minimum of \$10,000.00 in exploration work within the same period. After the Company so acquired the Quadrate claims, Quadrate was entitled to receive from the Company a royalty payment of 2% of the net smelter returns from ore from either the Murgor or Quadrate claims, both being known as the Sturgeon Lake Property. Quadrate spent a total of \$1,720.00 with reference to the acquisition of and for its participation in the airborne geophysical survey aforesaid which also covered the Quadrate claims.

To the knowledge of the signatories hereto, Lorne Knauf Smith, 1374 Broadmoor Avenue, Port Credit, Ontario, is the only person or company which owns beneficially a greater than 5% interest in Quadrate, excepting that under an agreement dated March 29, 1972, as amended by agreement dated September 6, 1972, Gordon Corry Watts, the President of the Company, agreed to purchase from Mr. Smith 386,250 escrowed shares of Mr. Smith's 472,500 escrowed shares of Quadrate, subject to certain conditions including the consent to the transfer by the Ontario Securities Commission. Gordon Corry Watts is the President and a Director of Quadrate. Howard Alford, 40 Tuxedo Court, Apt. 1012, Scarborough, Ontario, is a director,

senior officer and principal shareholder of McCaul and College Investments Limited (hereinafter called "McCaul"), Suite 618, 12 Richmond Street East, Toronto, Ontario, one of the Promoters of the Company, is a director and shareholder of Quadrate.

The Company carried out a geophysical program combining magnetometer and electromagnetometer surveys over 32 claims of the 48 claim group and paid the sum of \$2,400.00 due on the effective date.

The claims had 40 days assessment work, were recorded on November 17, 1969 and were in good standing until December 29, 1972 by virtue of an extension granted by the Mining Commissioner.

Through inadvertent circumstances the 48 claims lapsed on December 29, 1972, but in March and May 1973, 17 of the claims were restaked as follows:

<u>Claim No.</u>	<u>Former Claim No.</u>
Pa. 369291	Pa. 247054
Pa. 369292	Pa. 247066
Pa. 369293	Pa. 248927
Pa. 369294	Pa. 248928
Pa. 369295	Pa. 248929
Pa. 369298	Pa. 248936
Pa. 369299	Pa. 248935
Pa. 369300	Pa. 248934
Pa. 369472	Pa. 247051
Pa. 369473	Pa. 247050
Pa. 369474	Pa. 247049
Pa. 369475	Pa. 247048
Pa. 369476	Pa. 247047
Pa. 369477	Pa. 248930
Pa. 369478	Pa. 248931
Pa. 369479	Pa. 248932
Pa. 369480	Pa. 248933

The cost of restaking was approximately \$2,000 and 5 claims, Pa. 369295 and Pa. 369476 to Pa. 369479 inclusive are considered to be the property of the Company, and 12 claims, Pa. 369291 to Pa. 369294 inclusive, Pa. 369298 to Pa. 369300 inclusive, Pa. 369472 to Pa. 369475 inclusive and Pa. 369480 are considered to be the property of Quadrate.

Also, with reference to these claims and in order to keep the claims in good standing, twenty days work must be performed in the first year after recording, forty days in each of the next three years and sixty days in the fifth year, being a total of 200 days assessment work. Thereafter, and after surveying, claims are required to be brought to a twenty-one (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 are at the rate of 10¢ per acre. Such lease is renewable for succeeding twenty-one (21) year terms.

The Sturgeon Lake Property is located about 30 miles southwest of the Town of Savant Lake, a station stop on the Canadian National Railway, along Provincial Highway No. 599, which traverses the central part of the property in a southwest direction; continuing southwest on the said Highway, it is approximately 60 miles to Ignace, a town on the Trans Canada Highway and a station stop on the Canadian Pacific Railway. An air strip is being constructed four miles southeast of the Savant Lake townsite to service the tourist industry in the area, and could facilitate travel to the property from communities to the south.

The following is a summary of the report of J. P. Jewell, Mining Geologist, dated June 1, 1973, which full report is in the public files of the Ontario Securities Commission.

The area covered by the surveys aforementioned encompassed the most critical locations for base metal exploration. Results of the survey, as reported by D.L. Wahl, P.Eng., of W. G. Wahl Limited of Toronto, who conducted the program, indicated several anomalies of potential economic merit which warrant further development. To adequately cover all the anomalies indicated in the survey, and encompass the area the Company proposes to further develop the 17 new claims which were restaked.

In his report on the geophysical program, D. G. Wahl stated that the surveys indicated 8 anomalous areas on the property with and without direct magnetic correlation. Three of these anomalies, designated as anomalies "A", "B" and "C", located in the south-west and south central part of the coverage area are believed to be of economic interest, while the others occur in low, swampy ground and show evidence of reflecting conductive overburden.

It is recommended that anomalies "A", "B" and "C" be investigated by geological mapping and diamond drill borings. At this time, mapping would be limited to detailing the rock outcrops along the strike of the conductors for the purpose of defining the exact locations of the diamond drill holes. For this phase, three drill holes are proposed, one probing each of the anomalies. They will be directed from north to south at 45 degrees and be approximately 650 feet in length. It is estimated the cost of this program will be \$20,000.00. Should results of the diamond drilling indicate further development of the structures, additional expenditures will be required.

The Company intends to carry out the above recommendations when funds are available but after the expenditure of monies for Stage I of the Fancamp Gold Claims and the recommendations with reference to the Gillies Limit Claims.

On June 11, 1973 the Company and Quadrate amended their agreement dated September 6, 1972 in that the Company in order to acquire an interest in the 12 Quadrate claims must pay Quadrate the sum of \$2,400 on or before November 22, 1973 and it was acknowledged by Quadrate that the Company had satisfied the expenditure of a minimum of \$10,000.00 set out as a condition in the said agreement.

However, in place of Quadrate being entitled to receive from the Company a royalty payment of 2% of the net smelter returns from ore either on the Murgor or Quadrate claims, Quadrate shall be entitled to a 30% assessable interest in the entire 17 claims and the Company shall be entitled to the remaining 70% assessable interest in all 17 claims.

The only known mineralization on the property is set out in the foregoing summary and, therefore, the proposed exploration and development program is an exploratory search for ore. There has been no previous work done on the property save and except the airborne geophysical survey and the Company has performed the surveys aforementioned. There is no surface nor underground plant or equipment on the property.

Lake Albanel Property:

The property acquired jointly by P.C.E. and the Company on March 25, 1971 from J. Terrance Flanagan and John McAdam jointly as Vendors, was a group of 200 contiguous and unpatented mining claims located in St. Luson Township and Townships 1530 and 1531, in the Province of Quebec and were known as Claim Numbers 1 to 5 inclusive staked under Prospecting Certificates (now Development Licences) 315477 to 315516 inclusive. The consideration paid the Vendors for the property was the sum of \$5,000.00 paid by each of P.C.E. and the Company for a total of \$10,000.00. The interest acquired by P.C.E. and the Company was an assessable indivisible 90% interest in the property, a 10% non-assessable indivisible interest having been retained by the Vendors unless a new company was formed

for the purpose of acquiring the Lake Albanel Property in which case the Vendors agreed that they would accept a 10% interest in the Vendors position of the new company in order that the new company own a 100% interest in the said claims and they they would then have no further interest in the said claims.

The Vendors carried out a geochemical survey over the property and P.C.E. and the Company have carried out diamond drilling thereon.

The Company has a 50% interest in an assessable indivisible 90% interest in the property and to the date hereof its contribution in exploration and development work is the sum of \$26,290.57, of which \$4,410.00 is owing P.C.E.

Pursuant to the recommendations of its Consulting Engineers, the Company and the other parties to the original agreement dated March 25, 1971, P.C.E., J. Terrance Flannagan and John McAdam, permitted 140 of the 200 claims to lapse.

The claim block is located approximately 103 miles northeast of the Town of Chibougamau along the Highway to Albanel, which lies three-quarters of a mile west of the southwestern part of the Albanel Property. The northeastern section of the claim block is accessible by boat from the Temiscamie River, while the central section of the group can be reached by fixed wing aircraft maintained by Pecteau Air Service based on the Temiscamie River. The Albanel Property lies 65 miles northeast of the Icon mining operation at the southern edge of the Mistassini geological basin.

The following is a summary of the report of J. P. Jewell, Mining Geologist, dated June 1, 1973, which full report is in the public files of the Ontario Securities Commission.

Diamond drill hole testing of the geochemical anomalies failed to encounter any zone of economic importance. D.D. Hole No. 2 did intersect features of structural interest in respect of mineral exploration in the general area. These are of such broad significance, however, that they are not considered definite targets for further development by diamond drilling. While the program, herein reported, may be considered as limited to a degree, its objective to test certain geochemical anomalies was completed, and results were not encouraging.

The singular structural and geological aspects of the area under development present difficulties for normal mineral exploration procedures. Known base metal deposits in the area generally occur in black graphitic shale, or in dolomite formation adjacent to the shale beds. In the search for base metal ore bodies, the usual practice would be to delineate the favourable marker horizons and attempt to detect mineral enriched zones within the formation. Where concealed by overburden, as in the Lac Albanel region, this work would be carried out by geophysical methods. The graphitic character of the favourable formation in the subject area, however, while responding to geophysical instruments, would also mark or disguise the occurrence of any mineral which, even in minor amounts, may be significant. Therefore, it is apparent that in utilizing the geochemical and geophysical techniques presently employed, only broad exploration targets may be delineated. Further defining of these indicated areas would require extensive diamond drilling operations, a costly means of performing what is basically the function of a prospector.

With mining operations continuing at the Icon-Sullivan property, and underground development underway at the Perch River copper deposit, presently known information as to the modes of origin and localization of ore deposits associated with the Mistassini Basin structure may be considerably expanded. Developments in the area should be closely followed, with the objective of evolving new methods of exploration to lessen the risk of failure in the search for deposits.

No exploration is proposed for the Lac Albanel properties at this time. It is recommended that the claim blocks be maintained in good standing at least until the anniversary date in March, 1975. Sufficient expenditure credits have already been applied to the N. E. Group of claims for this purpose, The S. W. Group is \$1,956.94 deficient in gaining a similar status. It is recommended that sufficient monies be expended on the S. W. Group of claims to retain them in good standing until March, 1975. The assessment expenditures should represent any work acceptable to the Department of Natural Resources, Quebec, possibly a geophysical reconnaissance program.

The Company does not intend to carry out the above recommendations nor pay P.C.E. the aforesaid sum of \$4,410.00 and in lieu thereof is willing to transfer its interest to P.C.E.

There is no underground or surface plant or equipment on the property and there has been no underground development work on the property and there is no evidence of mineralization on the property, the foregoing program represents an exploratory search for ore. The claims are recorded in the names of nominees for P.C.E. and the Company.

After staking, to keep the claims in good standing, the equivalent of at least five hours of manual work must be done on each acre in each year, excess work may be credited to subsequent years and the work may be concentrated and credited to adjoining acreage within limits. At the end of one year from the date of staking, the holder must in addition to having the work aforesaid done, apply for a development licence at a cost of 25¢ for each acre held under the licences.

If any mineral deposit capable of being economically worked is developed on the claims, then a mining lease must be taken out after which the annual rent is \$1.00 per acre payable in advance each year and imposed on the holder the obligation to commence within two years mining operations on the land leased. The lease shall be for a minimum of five years and a maximum of twenty years at the request of the applicant therefor and may be renewed three times upon the conditions in force at the time of renewal. However, the Government of Quebec may grant an extension thereof on such conditions as it may determine after the third renewal.

Fancamp Gold Claims:

By agreement dated June 11, 1973 the Company purchased for the sum of \$10,000.00 from Corwat, who is a promoter of the Company, a 90% indivisible assessable interest in 14 mining claims in the Province of Quebec, which adjoin a further 10 claims staked by the Company for the sum of \$1,500.00. The consideration for the purchase of the 14 claims is as follows:

\$1,000.00 payable forthwith; (paid)
\$2,000.00 payable on or before September 11, 1973; (paid)
\$2,000.00 payable on or before December 11, 1973;
\$5,000.00 payable on June 11, 1974.

The remaining 10% indivisible unassessable interest in the 14 mining claims is owned by Carl Mosher, Cobalt, Ontario, and Corwat is the only company or person that has or is entitled to receive more than a 5% interest in the above consideration. The cost of these claims to Corwat was the sum of approximately \$10,000 spent since 1951 in staking, restaking, licence fees and prospecting.

On July 19, 1973 the Company sold to Jerome Explorations Limited, Suite 402, 45 Richmond Street West, Toronto, Ontario (hereinafter referred to as "Jerome") 50% of its interest in the Fancamp Gold Claims, being a 90% indivisible assessable interest in fourteen (14) mining claims and a 100% interest in a further ten (10) claims, all situated in the Township of Fancamp, Province of Quebec, described as follows:

Fourteen (14) Claims

<u>Miner's Certificate</u>	<u>Claim Numbers</u>
322279	1 to 5
322280	1 to 5
328300	1 to 4

Ten (10) Claims

<u>Miner's Certificate</u>	<u>Claim Numbers</u>
322311	1 to 5
325644	1 to 5

In the said agreement in which Corwat was a party, Jerome agreed to reimburse the Company the sum of \$500.00, the sum of \$750.00 and the sum of \$900.00, being respectively one-half of the amount paid Corwat to date under an agreement between the Company and Corwat dated June 11, 1973, one-half of the cost of staking the ten (10) claims referred to above and one-half of the payment made to the Government of Quebec in lieu of work on the said mining claims. Jerome also agreed to pay Corwat the sum of \$1,000.00 on or before September 11, 1973, \$1,000.00 on or before December 11, 1973 and \$2,500.00 on July 20, 1974 in consideration of the forgiveness by Corwat of the Company's obligation to pay it \$5,000.00 in total payable as to one-half on each of the above dates and as of June 11, 1973, and as a result thereof the Company agreed to donate back to Corwat 50,000 escrowed outstanding shares, being part of the 100,000 escrowed shares of the Company donated to a trustee to be held for the benefit of the Company, which donation arose by virtue of the agreement between Corwat and the Company dated June 11, 1973. In the said agreement dated July 19, 1973 between the Company, Jerome and Corwat, the payment due Corwat in the amount of \$5,000.00 on June 11, 1974 was amended in that the said payment is now due Corwat on July 20, 1974. Under the said agreement the Company and Jerome have agreed they shall share equally any obligations or liabilities as to the costs of exploration and development programmes carried on with reference to the mining claims as recommended by J. C. Honsberger, P. Eng.

The following is a summary of the report of J. C. Honsberger, P. Eng., dated May 18, 1973, which full report is in the public files of the Ontario Securities Commission.

This property comprises 24 claims totalling 960 acres located in the west central part of Fancamp Township, Quebec, in what is known as the South Chibougamau Area. The property is readily accessible to the mining town of Chibougamau by air, water transportation and highway. Chibougamau is serviced by 2 railroads and daily air transportation from Montreal and Val d'Or.

Prospecting work done in 1949 and 1950 by Teck Exploration Company has disclosed at least six gold showing areas where good gold values over fair widths were obtained from some of these areas. About 1547 feet of x-ray diamond drilling of 17 short holes was done by Teck Exploration on several of the showings. Due to the small size core (5/8") grinding resulted in poor recovery. However, excellent gold values were obtained from sludge samples. High grade goldbearing floats were found on the west side of the large island in Island Lake on the present Murgor claims and the source has not yet been found.

The claim group lies off the west end of a "finger" of biotite granite which is part of a large boss of granite lying to the east in Fancamp Township and is covered by the waters of Verneuil and Fancamp Lakes. A major northeasterly trending shear

zone over 100 feet wide traverses the central part of the claim group for one and three-quarter miles and low gold values have been found in this shear in the central part of the group over a length of 3,000 feet between showings. No work is believed to have been done on these claims since 1950. In the past year the price of gold has nearly tripled in value per ounce to its present price of about \$105.00 per ounce, thus enhancing the possibilities of this and other gold prospects.

It is therefore concluded that exploration work is warranted on this 24-claim group and that important gold ore deposits may be found as a result of this work. It is recommended that the showing areas be mapped, some of the trenches be cleaned out and sampled and that long rock trenches be put down across the wide shear zone in the central part of the Murgor Group. This is Stage I. Stage II to follow is warranted, is 5,000 feet of drilling recovering AXT core. The cost of Stage I would be \$7,000 and Stage II \$40,000.00, for a total cost of \$47,000.00.

The Company and Jerome have carried out Stage I at a cost of \$7,531.51 and at the present time Stage II is being carried out as finances are available, in furtherance of the above recommendations and those set forth below.

The following is a summary of the report of R. H. Henning, P. Eng., dated October 15, 1973, which full report is in the public files of the Ontario Securities Commission.

The current Jerome Explorations Limited-Murgor Explorations Limited exploration program, involving a minor amount of line-cutting, cleaning, blasting and sampling of old and new trenches, and short-hole diamond drilling commenced in August, 1973.

So far, five short, shallow-depth diamond drill holes totalling 396.5 feet have been completed. These were all drilled in area "A", the site of the main showings worked on by Teck Exploration Co. The aim of the initial three holes was to accurately locate the gold-bearing zones reported by Teck and to test core and sludge recovery with the type of drilling equipment used. These holes, M-1 to M-3, obtained short sections which returned low, but significant values of gold. The best of these were 0.10 ozs/t. over 2.4' in hole M-1, 0.10 ozs/t. over 2.0' and 0.16 ozs/t. over 1.5' in hole M-2, and 0.12 ozs/t. over 1.5' and 0.09 ozs/t. over 1.5' in hole M-3, which was drilled under M-2. Hole M-4, testing a well-mineralized showing about 70' south of M-2, and approximately along strike, obtained very significant gold intersections. Near the top of the hole, a 2.5' section returned 0.14 ozs/t. and a 1.5' section assayed 0.11 ozs/t. Near the bottom of the hole, a 5.0' section averaged 0.46 ozs/t. in which is included a 2.5' section which assayed 0.85 ozs/t. gold. Sludge samples from this hole returned significantly-high values (10.0' of 0.24 ozs/t. and 4.0' of 0.32 ozs/t.) over an interval from which no core assaying has been done as yet. Hole M-5, which was drilled under M-4 at an angle of -60 degrees, obtained an intersection of 10.0' averaging 0.36 ozs/t. gold, in which is included a 3.0' section which assayed 0.76 ozs/t. All of the values above, except those stated otherwise, come from split core samples.

Gold occurs within fractures of medium to coarse grained pyrite cubes either within quartz veins or volcanic wall rocks or both. Minor amounts of chalcopyrite accompany the pyrite. Due to the nature of the mineralization, maximum recovery of gold in drill core is not possible because of the grinding of the coarse pyrite with accompanying loss of gold. Consequently, a correlation of core and sludge assays is important, as well as bulk-sampling of trenches.

Sampling of the main trenches in area "A" has indicated good values over significant widths. A composite heavy-chip sample taken from the showing tested by holes M-4 and M-5 across an exposed width of 20.0 feet assayed 1.35 ozs/t. gold. A heavy-chip sample taken from the trench 70 feet north of the above showing and tested by holes M-2 and M-3 assayed 0.19 ozs/t. across 38.0'. The trench tested by hole M-1 yielded 0.31 ozs/t. from a composite heavy-chip sample taken across a width of 46.0'.

In area "B", about one quarter mile north, and along strike of the gold zone intersected by holes M-4 and M-5, sampling of freshly blasted pits has revealed good values over significant widths. An average of 0.27 ozs./t. gold was obtained from a composite channel sample taken over a true width of 27.0 feet in one of these trenches. Heavy-chip samples from two other trenches some 100 feet north and along strike of the above trench assayed 0.44 ozs./t. over 5.0', and 0.26 ozs./t. gold over 3.0'.

It is significant to note that the intervening ground between area "A" and area "B" is largely covered by swamp and overburden. The similarities in both areas of the type of mineralization, rock types and structure indicate that the gold zones may be continuous between the two areas, and possibly extend both north and south, for a possible strike-length of one quarter mile plus.

Little work has as yet been done in area "C" about 3500 feet west of area "A". Area "C" includes a portion of the major northeast-southwest trending shear zone. Some of the pits blasted by Teck Exploration Co. in 1949-50 in this area were cleaned out, and the exposed parts of all of the located pits were channel-sampled. The best value obtained from this sampling was an average of 0.10 ozs./t. gold across a width of 12.0 feet.

It is concluded that the exploration work by Jerome Explorations Limited and Murgor Explorations Limited on their Fancamp Township property has produced very significant results to-date, which suggest the possible existence of one or more economic gold ore-zones on the claims. The proximity of the property to transportation and mining facilities and a source of electric power would ensure a low-cost open-pit and/or underground mining operation provided sufficient tonnage could be outlined.

The current exploration program is continuing in view of the very significant results obtained so far. Phase I of the recommended exploration program, consisting of control line-cutting, trenching, rock-pitting, sampling and geological examination of selected areas was completed in August, 1973 at a cost of approximately \$5000.00. Phase II, calling for 2000 feet of short-hole, small-diameter core diamond drilling to locate gold-bearing zones in, between and beyond areas "A" and "B", and to test their continuation down-dip and along strike, is currently in progress and is estimated to be completed during the winter of 1973/1974 for a cost of approximately \$22,000.00, consisting of the following:

<u>Diamond Drilling</u>		
2000 feet IEX @ \$7.50 per foot (including labour, assaying).....		\$15,000.00
<u>Engineering</u> , supervision, transportation, camp costs, equipment, general expense ...	\$ 7,000.00	\$22,000.00

Phase III, dependent on the results of Phase II, is recommended to consist of (a) detailed prospecting, trenching and surface sampling between and beyond areas "A" and "B" and in the vicinity of area "C" (b) detailed geological mapping (c) ground magnetic and electrical geophysical surveying in selected areas and (d) about 6000 feet of deep-hole, BX-size diamond drilling, and would cost approximately \$105,100.00, consisting of the following:

<u>Diamond Drilling</u>		
6000 feet BX @ \$10.00 per foot		\$60,000.00
<u>Prospecting, Trenching</u>		\$ 5,000.00
<u>Linecutting</u>		
50 miles @ \$100.00 per mile		\$ 5,000.00

<u>Mapping</u>	\$ 4,000.00	
<u>Geophysical Surveying</u>		
(a) 30 miles magnetic surveying @ \$70.00 per line mile	\$ 2,100.00	
(b) 20 miles electrical surveying @ \$200.00 per line mile	\$ 4,000.00	
<u>Engineering, supervision, transportation, equipment, camp costs, general expense ..</u>	<u>\$25,000.00</u>	<u>\$105,100.00</u>

Therefore, the estimated total cost of Phases I, II and III would be \$132,100, of which the Company's portion would be \$66,050.00. As stated aforesaid, Phase II is being now carried out as finances are available and further phases, if warranted, will only be carried out as finances become available in the future if the minimum offering has been obtained as stated on the cover.

There is no underground or surface plant or equipment on the property and there has been no underground development work on the property and the summary refers to the only evidence of mineralization on the property and the foregoing program represents an exploratory search for ore. The claims will be recorded in the name of the Company.

After staking in June 1972, to keep the claims in good standing the equivalent of at least five hours of manual work must be done on each acre in each year or \$80 a claim for the first year in lieu of work (which the Company has paid). Excess work may be credited to subsequent years and the work may be concentrated and credited to adjoining acreage within limits. At the end of one year from the date of staking, the holder must in addition to having the work aforesaid done, or payment made in lieu thereof, apply for a development licence at a cost of 25¢ per annum for each acre held under the licences.

If any mineral deposit capable of being economically worked is developed on the claims, then a mining lease must be taken out after which the annual rent is \$1.00 per acre payable in advance each year and imposes on the holder the obligation to commence within two years mining operations on the land leased. The lease shall be for a minimum of five years and a maximum of twenty years at the request of the applicant therefor and may be renewed three times upon the conditions in force at the time of renewal. However, the Government of Quebec may grant an extension thereof on such conditions as it may determine after the third renewal.

OFFERING

This is an offering of 549,000 common shares without par value of the capital stock of the Company at the best price the market will permit through registered securities dealers to the public of Ontario.

The Company may pay registered securities dealers acting as agents the normal commission charged by members of the Toronto Stock Exchange acting as agents in the sale of listed mining shares or a commission of up to 25% and selling expenses of up to a further 15%, provided that in no case shall the Company receive less than 15¢ per share after deducting any commissions and expenses.

This offering will be made for a period of not less than 90 days following acceptance of this Prospectus by the Ontario Securities Commission unless the entire new offering is completed.

If payments for purchase orders are not received sufficient to net the Company a minimum of \$30,000 within the aforesaid 90 day period, then all subscription moneys will be returned to the subscribers without any deduction therefrom following the expiration of the said 90 day period. All subscription moneys will

be forwarded forthwith and held in trust by Crown Trust Company for payment to the Company or return to subscribers. If the minimum sum of \$30,000 is raised within 90 days the offering may continue until a total of 549,000 treasury shares have been sold to the public.

SECONDARY OFFERING

There is also a secondary offering of 165,700 shares owned as follows:

82,850 shares by Corwat Investments & Development Limited
37,500 shares by Murray Watts Explorations Limited
45,350 shares by McCaul and College Investments Limited

which shares will be offered to the public through registered securities dealers acting as agents who will be paid the normal commission charged by members of the Toronto Stock Exchange acting as agents in the sale of listed mining shares. This offering is to take place after the new offering. None of the proceeds from the sale of these shares will accrue to the treasury of the Company.

Of the shares, 37,500 shares owned by Watts Limited and 37,500 shares owned by Corwat are part of the vendor consideration for the Gillies Limit Claims and the Beaumont Claims, and 45,350 shares owned by Corwat and 45,350 shares owned by McCaul were purchased by them from the Company at the price of 15¢ per share in the month of August 1969.

USE OF PROCEEDS

The net minimum proceeds of the new issue, if only 200,000 shares are sold, after deducting the costs of the issue in the estimated amount of \$5,000.00, will be \$25,000.00 and will be added to the working capital of the Company, which is at present \$2,081.00. If the balance of 349,000 shares are sold, a minimum additional amount of \$52,350.00 will be netted to the treasury of the Company and will be added to the Company's working capital.

The Company will use its working capital to complete the second phase of the program recommended on its Fancamp Gold Claims in the amount of \$9,300.00, to maintain in good standing the Sturgeon Lake property and the Gillies Limit Claims in the amount of \$300.00, to meet property payments on the Fancamp Gold Claims being \$1,000.00 due December 11, 1973 and \$2,500.00 due July 20, 1974 in the total amount of \$3,500.00, to exercise the option with Quadrate to purchase its interest in the Sturgeon Lake property due on or before November 22, 1973 in the amount of \$2,400.00, to satisfy management fees for head office and field supervision for the next twelve months in the amount of \$6,000.00, to satisfy disbursements for office rent, head office services, telephone and accounting expenses in the amount of \$3,500.00, all of which expenditures total \$25,000.00.

A sum in the amount of \$4,410.00, being the amount owing P.C.E. with reference to the Lake Albanel property has not been included in the above as the Company does not intend to pay this amount and in lieu thereof is willing to transfer its interest in the said property to P.C.E. The proceeds raised over and above the minimum of \$30,000.00 may be used to proceed with Phase III of the recommendations on the Fancamp Gold Claims or to carry out the recommendations on either or both the Sturgeon Lake Property or the Gillies Limit Claims. It is to be noted that Jerome is obligated to bear one-half of the cost of Phase III of the recommendations on the Fancamp Gold Claims, which recommendations are in the amount of \$105,100.00.

The Company also intends to use its working capital to acquire, stake, explore and develop other properties either alone or with others and to generally carry out explorational programs as opportunity may permit and to meet the general operating expenses of the Company, but monies will not be expended on any new properties acquired without an amendment to this Prospectus being filed if the securities of the Company are then in the course of distribution to the public.

DESCRIPTION OF SHARE CAPITAL

The common shares are the Company's only class of shares. All shares issued by the Company rank equally as to dividends. There are no indentures or agreements limiting the payment of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. At all special or general meetings of the Company two shareholders personally present constitute a quorum. The By-laws of the Company provide that at meetings of shareholders a resolution may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands every shareholder shall have one vote for each share held by him. In each case in the event of a tie vote, the Chairman has a second or deciding vote. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding shares are not subject to any call or assessment. Certificates representing 675,000 issued shares of the Company are held in escrow as referred to under the heading "Escrowed Shares".

CAPITALIZATION

Designation of Securities	Number Authorized by Articles of Amendment	Number Outstanding as of	Number Outstanding as of Oct. 15, 1973	Number Outstanding if all securities being issued are sold(i)
		July 31, 1973 (date of Balance Sheet contained in Prospectus)		
Common Shares No Par Value	5,000,000	2,001,005	2,001,005	2,201,005

DOLLAR VALUE

(ii)(\$5,000,00) (\$188,992.50) (\$188,992.50)(\$218,992.50)(iii)

- (i) This figure reflects the sale of the minimum of 200,000 shares to net the treasury of the Company \$30,000, being a minimum of 15¢ per share.
- (ii) Maximum aggregate consideration for which all authorized shares may be sold, unless otherwise determined by Resolution of the Board of Directors of the Company.
- (iii) This dollar value would be increased by an unknown amount equivalent to any commission and selling expense pertaining to the shares sold under this Prospectus.

PRIOR SALES

During the preceding twelve months the Company has sold 451,000 shares to net the Company \$51,487.50 as follows:

200,000 shares at 10¢
7,500 shares at 10½¢
100,000 shares at 11¢
4,000 shares at 11½¢
36,000 shares at 12¢
31,000 shares at 13¢
14,500 shares at 14¢
50,000 shares at 15¢
8,000 shares at 17¢
<u>451,000</u>

NOTE: The Commission paid on the sale of these shares was \$1,256.39.

ESCROWED SHARES

Under an agreement made as of the 28th day of April, 1972, between Corwat as Vendor, Crown Trust Company as Trustee and the Company, certificates representing 675,000 shares are held in escrow by the Registrar and Transfer Agent, subject to release only on the written consent of the Board of Directors and of the Ontario Securities Commission, and subject further to transfer, hypothecation or pledge only with the consent of the Ontario Securities Commission. Corwat donated back to the Company 100,000 shares for the benefit of the Company, 50,000 of which shares were donated back to Corwat as part of the consideration under the agreement dated July 19, 1973 with Jerome described under the heading "History and Business". Corwat may be required to donate back to the Company any remaining shares in the event of loss, alienation, failure to acquire title or in the event of abandonment or discontinuance of development or diminution in value of the property sold to the Company for the original 750,000 vendor share consideration.

<u>Designation of Security</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class(1)</u>
Common Shares No Par Value	675,000	30.67%

- (1) Calculated on the basis of there being issued and outstanding 2,201,005 shares after the sale of the minimum number of shares required, namely 200,000.

PRINCIPAL HOLDER OF SECURITIES

Set forth hereunder are particulars of the present principal holder of securities of the Company.

<u>Name and Address</u>	<u>Class of Security</u>	<u>Type of Ownership</u>	<u>Number of Shares Held</u>	<u>Percentage of Class(1)</u>
Corwat Investments & Development Ltd., Suite 402, 45 Richmond St. W., Toronto, Ontario.	Common Shares No Par Value	Direct, of record or otherwise beneficially owned	707,850	32.16%

- (1) Calculated on the basis of there being issued and outstanding 2,201,005 shares after the sale of the minimum number of shares required, namely 200,000.

Set forth below are particulars of the shares of the Company beneficially owned indirectly by the directors and senior officers of the Company as of October 15, 1973.

<u>Designation of Class</u>	<u>Percentage of Class(1)</u>
Common Shares No Par Value	33.86% (Indirect)

- (1) Calculated on the basis of there being issued and outstanding 2,201,005 shares after the sale of the minimum number of shares required, namely 200,000.

Corwat, Watts Limited and McCaul are offering 165,700 shares of the Company for sale as referred to on the cover of this Prospectus. If all the said 165,700 shares are sold, Corwat will retain 625,000 escrowed shares of the Company.

The following table shows the percentage holdings of the above mentioned principal shareholder and directors and Senior Officers (indirect) and Promoters of the Company before and after the proposed secondary offering of shares referred to on the cover of this Prospectus:

<u>Parties</u>	<u>Percentage of Class Before Offering (i)</u>	<u>Percentage of Class After Offering (ii)</u>
Principal Shareholder, Directors and Senior Officers, (indirect) and Promoters	31.01%	24.51%
Public	68.99%	75.49%

- (i) Calculated on the basis of there being issued and outstanding 2,550,005 shares after the sale of the new offering.
- (ii) Calculated on the basis of there being issued and outstanding 2,550,005 shares following the sale of the new offering and the above shares.

DIVIDENDS

No dividends have been paid to date by the Company.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act, R.S.O. 1970, chapter 426 as amended contains (Sections 64 and 65) certain provisions enabling a purchaser of securities offered in the course of distribution to rescind the contract of purchase:

- (a) while the purchaser is still the owner of the securities, if the prospectus and any amended prospectus, as of the date of receipt by the purchaser, contains an untrue statement of a material fact or omits to state a material fact in order to make any statement contained therein not misleading, the purchaser may bring an action to rescind but only if action is commenced within 90 days from the last to occur of the receipt of the prospectus or amended prospectus or the contract of purchase; and
- (b) if the person or company from whom the securities were purchased is notified in writing or by telegraph of the purchaser's intent to rescind not later than midnight of the second day, exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the prospectus or amended prospectus. A prospectus or amended prospectus sent by prepaid mail is deemed conclusively to be received in the ordinary course of mail. The receipt thereof by a person or company acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser as of the date of the agent's receipt thereof; however, for the purpose of the foregoing, a person or company is not considered to be acting as agent of the purchaser unless the person or company is acting solely as an agent of the purchaser and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase and sale. This right of rescission is not available to a registrant or to a purchaser who sells or otherwise transfers beneficial ownership to the securities purchased before the expiration of the time within which rescission may be effected.

MANAGEMENT

<u>Name</u>	<u>Address</u>	<u>Position</u>
GORDON CORRY WATTS	57 Chambers Avenue, Cobalt, Ontario.	President and Director
MURRAY WATTS	55 Bayview Ridge, Willowdale, Ontario.	Vice-President and Director
IAN ALBERT MacNAUGHTAN	242 Kingsdale Road, Willowdale, Ontario.	Secretary-Treasurer
GEORGE SARRIS	20 Gordon Road, Willowdale, Ontario.	Director
CLARENCE BURNET CHARLEBOIS	890 Marlboro Drive, Town of Mount Royal, Quebec.	Director
DOUGLAS FERGUSON COLLINGWOOD	47 Benway Drive, Ruxdale, Ontario.	Director

GORDON CORRY WATTS, Prospector, has been engaged in mineral explorations and contracting for over five years. He is President and a Director of Quadrant Explorations Limited, Corwat Investments & Development Limited, and a director of Jerome Explorations Limited.

MURRAY WATTS has been self-employed as a Prospector and a Professional Mining Engineer for over five years. Prior to 1965 he was the President and Managing Director of Watts, Griffis & McQuat Limited, Consulting Geologists. He is President and a Director of Coppermine River Limited, Teshierpl Mines Limited and Lost River Mining Corporation Limited, Murray Watts Limited and is also associated with other mining corporations.

IAN ALBERT MacNAUGHTAN has been an accountant and corporate secretary for more than the past five years. He is a director of Ardel Explorations Limited, Newrich Explorations Limited and other mining companies.

GEORGE SARRIS, Manager, has been actively engaged as a Leasing Manager in the employ of Belmont Leasing Limited for over the past five years.

CLARENCE BURNET CHARLEBOIS is and has been for more than the past five years self-employed as a prospector. He is also an officer and/or director of Expo Iron Limited and other mining companies.

DOUGLAS FERGUSON COLLINGWOOD, Mining Executive, has been President and a Director of Jerome Explorations Limited for the past year and prior thereto was Project Engineer with The De Havilland Aircraft of Canada Limited for twenty-one years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

\$6,000.00 was paid to the directors or senior officers of the Company, as a group, for the financial year ended April 30, 1973. During the three month period ending July 31, 1973, the directors and senior officers as a group received \$1,500.00. This sum includes payment to the President for services performed as field supervisor and administration head. \$1,284.21 was paid during the last fiscal year to the Secretary-Treasurer for accounting services and during the current fiscal year and the succeeding twelve months from the date of this prospectus will be on the basis of services rendered and is included in the sum of \$3,500.00 set out under the heading "Use of Proceeds".

Gordon Corry Watts, the President of the Company, is receiving \$500.00 per month for performing said services as administration head and field supervisor, together with carrying out linecutting, staking, mapping and rock pitting where necessary and his out-of-pocket expenditures while so engaged on the affairs of the Company. Directors are authorized to receive \$50.00 for each meeting of the Board of Directors attended plus reasonable accommodation and travelling expenses in connection therewith.

PROMOTERS

Corwat, Watts Limited and McCaul are the promoters of the Company in that they initiated the incorporation of the Company and Corwat and Watts Limited were Vendors to the Company of its first property known as the "Gillies Limit Claims" and the "Beaumont Claims", of which the "Beaumont Claims" have now been permitted to lapse.

Since these claims had only preliminary exploration work performed thereon by Messrs. Watts, it was not possible to assign any value thereto and accordingly the said shares were allotted at an arbitrary value of 5¢ per share for a total amount of \$37,500, which amount does not bear any correlation to the actual worth of the property on which Messrs. Watts had spent the sum of \$17,100 for staking, re-staking, licence fees and work programs carried out by and for Messrs. Watts. The value of 5¢ per share was arbitrarily set by the present directors of the Company who became directors at the request of the promoters.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the heading "History and Business" and also the heading "Promoters" as to the interest of Corwat and Watts Limited as Vendors of the Company's first property being the "Gillies Limit Claims" and the "Beaumont Claims". As Watts Limited has sold its Vendor shares to Corwat, Corwat is at present the only principal shareholder of the Company. Gordon Corry Watts, the President and a director of the Company, is the President, a director and the principal shareholder of Corwat. Murray Watts, the Vice-President and a director of the Company, is also President, a director and the principal shareholder of Watts Limited and was President and a director of P.C.E. until a recent date and remains a shareholder thereof.

With reference to the agreement dated March 27, 1972 with Quadrate, as amended September 6, 1972, and as furtherly amended June 11, 1973, it is to be noted that Gordon Corry Watts is the President and a director of Quadrate and has also the right to become a principal shareholder thereof.

With reference to the agreement dated March 25, 1971 between J. Terrance Flanagan, John McAdam, P.C.E. and the Company, it is to be noted that Murray Watts, who is the Vice-President and a director of the Company, was also the President, a director, and is a shareholder of P.C.E. Both the agreements with Quadrate and Messrs. Flanagan and McAdam and P.C.E. are more particularly described under the heading "History and Business".

With reference to the agreement dated June 11, 1973 with Corwat, it is to be noted that Gordon Corry Watts, the President and a director of the Company, is also the President, a director and the principal shareholder of Corwat.

Douglas Ferguson Collingwood, a director of the Company, is a principal shareholder of Donmar Explorations Limited, 47 Benway Drive, Rexdale, Ontario, which is the principal shareholder and promoter of Jerome and Mr. Collingwood is also the President and a director of Jerome, one of the parties to an agreement with the Company dated July 19, 1973.

AUDITOR

The auditor of the Company is Victor Herbert Davies, Chartered Accountant, Suite 515, 159 Bay Street, Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts entered into by the Company during the preceding two years are as follows:

1. Agreement dated March 27, 1972 between Quadrate and the Company, as amended September 6, 1972, pursuant to which the Company obtained an option to acquire from Quadrate, its group of 24 claims in the Sturgeon Lake area of Ontario.
2. Agreement dated April 28, 1972 between the Company and Crown Trust Company, whereby Crown Trust Company agreed to act as Trustee of the funds received from the public pursuant to the terms of a previous offering. This agreement is no longer in effect.
3. Agreement dated April 28, 1972 between Corwat as Vendor, Crown Trust Company as Trustee and the Company. (See within under the heading "Escrowed Shares".)
4. Agreement dated October 31, 1972 between the Company and Crown Trust Company, whereby Crown Trust Company agreed to act as Trustee of the funds to be received from the public pursuant to the terms of the minimum offering of shares to net the treasury \$20,000.
5. Agreement dated June 11, 1973 between the Company and Corwat whereby the Company purchased its Fancamp Gold Claims.
6. Agreement dated June 11, 1973 between the Company and Quadrate which agreement amends their agreement dated September 6, 1972, which amended their original agreement dated March 27, 1972, pursuant to which the Company obtained an option to acquire from Quadrate its group of 24 claims in the Sturgeon Lake area of Ontario.
7. Agreement dated July 19, 1973 between the Company, Jerome and Corwat, pursuant to which Jerome obtained an interest in the Fancamp Gold Claims described under the heading "History and Business".
8. Agreement dated October 15, 1973 between the Company and Crown Trust Company, whereby Crown Trust Company agreed to act as Trustee of the funds to be received from the public pursuant to the terms of the minimum offering of shares to net the treasury \$30,000.

During the distribution of securities offered by this Prospectus, copies of the aforementioned agreements may be inspected at the head office of the Company during normal business hours.

There are no other material facts.

V. H. DAVIES

CHARTERED ACCOUNTANT

TELEPHONE 366-8000

159 BAY STREET, SUITE 515
TORONTO 1, CANADA

Auditor's Report

To The Directors and Shareholders
Murgor Explorations Limited

I have examined the balance sheet of Murgor Explorations Limited as at April 30, 1973 and the related statements of deficit, deferred exploration, development and other expenditures and source and application of funds for the year then ended together with the comparative figures for each of the three prior years ended April 30, from 1970 to 1972. My examination included a general review of the accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the financial position of the company as at, April 30, 1973 and the deficit, deferred exploration, development and other expenditures and source and application of funds for the year then ended and for each of the three prior years ended April 30, from 1970 to 1972, all in accordance with generally accepted accounting principles applied on a consistent basis.

"V. H. Davies"

Chartered Accountant

October 15, 1973
Toronto, Ontario

MURGOR EXPLORATIONS LIMITED
(Incorporated under the laws of the Province of Ontario)

Balance Sheet
As At July 31, 1973 And As At April 30, 1973

	<u>July 31</u> 1973 <u>(Unaudited)</u>	<u>April 30</u> 1973
<u>ASSETS</u>		
Current		
Cash	\$ 10,244.55	\$ 4,343.47
Accounts receivable	2,927.60	498.53
Prepaid expense	<u>483.80</u>	<u>495.62</u>
Current assets	13,655.95	5,337.62
Office and exploration equipment, at cost less accumulated depreciation of \$100.09 (April 30, 1973 \$70.87)	1,107.66	637.88
Mining properties and claims (Note 1)	47,357.50	43,107.50
Deferred exploration, development and other expenditures - page 4 (Note 2)	120,715.73	110,241.72
Organization expense	<u>4,950.00</u>	<u>4,950.00</u>
	<u>\$187,786.84</u>	<u>\$ 164,274.72</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued		
Corvat Investments & Development Limited (Note 1)	\$ 4,500.00	\$ -
Other	<u>8,676.89</u>	<u>8,072.27</u>
Current liabilities	<u>13,176.89</u>	<u>8,072.27</u>
<u>SHAREHOLDERS' EQUITY</u>		
Capital Stock (Note 3)		
Authorized: 5,000,000 shares, no par value not to be issued for an aggregate consideration in excess of \$5,000,000.00		
Issued: 2,001,005 shares, no par value (April 30, 1973	188,992.50	169,892.50
Deficit - page 3 1,862,505 shares)	<u>14,382.55</u>	<u>13,690.05</u>
	<u>174,609.95</u>	<u>156,202.45</u>
	<u>\$187,786.84</u>	<u>\$ 164,274.72</u>

(See accompanying notes)

Approved on behalf of the Board:

"Douglas Ferguson Collingwood" Director

"Gordon Corry Watts" Director

MURGOR EXPLORATIONS LIMITED

Statement Of Deficit

	Three Months Ended		Years Ended April 30			
	July 31		1973	1972	1971	1970
	(Unaudited)	(Unaudited)				
	<u>1973</u>	<u>1972</u>				
Balance, at begining of period	\$ 13,690.05	\$ 13,126.16	\$ 13,126.16	\$ 13,126.16	\$ -	\$ -
Add:						
Cost of properties abandoned-Beaumont and Roberts Townships	-	-	-	-	-	-
Cost of claims	-	-	-	-	4,612.50	-
Deferred exploration expense	-	-	-	-	8,513.66	-
Commission on sales of treasury shares	<u>692.50</u>	<u>-</u>	<u>563.89</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of period	<u>\$ 14,382.55</u>	<u>\$ 13,126.16</u>	<u>\$ 13,690.05</u>	<u>\$ 13,126.16</u>	<u>\$ 13,126.16</u>	<u>\$ -</u>

V. H. DAVIES, CHARTERED ACCOUNTANT

Statement of Deferred Exploration Development And Other Expenditures

	Three Months Ended July 31		Years Ended April 30			
	1973 (Unaudited)	1972 (Unaudited)	1973	1972	1971	1970
Exploration and development						
Gillies Limit (North Part), Ontario						
Diamond drilling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,575.16
Field supervision	-	-	-	-	5,500.00	2,250.00
Engineering fees and expenses	-	-	-	-	217.51	1,701.43
Surveys	-	-	-	-	-	1,147.68
Licences, fees and taxes	-	-	41.00	-	-	195.50
Assays	-	-	-	-	-	35.00
Beaumont and Roberts Townships, Ontario						
Surveys	-	-	-	-	-	5,913.66
Field supervision	-	-	-	-	-	2,250.00
Transfer fees	-	-	-	-	-	350.00
Sturgeon Lake, Penassi Lake Area, Ontario						
Engineer's fees and expenses	111.80	-	346.05	-	-	-
Field supervision	250.00	-	-	-	-	-
Linecutting	-	-	2,725.50	-	-	-
Geophysical surveys	-	-	5,161.20	-	-	-
Travel and accommodations	1,043.72	-	30.24	-	-	-
Licences, fees, and taxes	174.50	252.00	252.00	120.50	-	120.00
Lac Albanel, Mistassini Basin, Quebec						
Engineer's fees and expenses	-	657.09	760.72	677.12	-	-
Surveys	-	-	-	3,544.17	-	-
Field supervision	-	750.00	1,000.00	2,625.00	-	-
Diamond drilling	-	-	8,429.96	-	-	-
Assays	-	-	-	2,421.69	-	-
Travel and accommodation	-	2,013.74	2,162.25	3,454.49	-	-
Licences, fees and taxes	-	-	300.00	1,225.00	-	-
Fancamp Township, Quebec						
Engineer's fees and expenses	23.58	-	500.00	-	-	-
Licences, fees and taxes	900.00	-	-	-	-	-
Camp supplies	464.94	-	-	-	-	-
Small tools and equipment expense	43.69	-	121.88	-	-	-
Field supervision	750.00	-	-	-	-	-
Travel and accommodation	990.22	-	-	-	-	-
	<u>4,752.45</u>	<u>3,672.83</u>	<u>21,830.80</u>	<u>14,067.97</u>	<u>5,717.51</u>	<u>23,538.43</u>
General and administrative-net-page 6	<u>5,721.56</u>	<u>2,616.95</u>	<u>20,423.52</u>	<u>17,758.16</u>	<u>6,923.65</u>	<u>8,495.34</u>
Total expenditures for period	<u>10,474.01</u>	<u>6,289.78</u>	<u>42,254.32</u>	<u>31,826.13</u>	<u>12,641.16</u>	<u>32,033.77</u>
Balance at beginning of period	<u>110,241.72</u>	<u>67,987.40</u>	<u>67,987.40</u>	<u>36,161.27</u>	<u>32,033.77</u>	<u>-</u>
	<u>120,715.73</u>	<u>74,277.18</u>	<u>110,241.72</u>	<u>67,987.40</u>	<u>44,674.93</u>	<u>32,033.77</u>
Less: Beaumont and Roberts Township claims written off to deficit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,513.66</u>	<u>-</u>
Balance deferred at end of Period (Note 2)	<u>\$120,715.73</u>	<u>\$ 74,277.18</u>	<u>\$ 110,241.72</u>	<u>\$ 67,987.40</u>	<u>\$ 36,161.27</u>	<u>\$ 32,033.77</u>

MURGOR EXPLS LIMITED

Statement of Source and Application of Funds

	Three Months Ended July 31		Years Ended April 30			
	1973 (Unaudited)	1972 (Unaudited)	1973	1972	1971	1970
Source of Funds						
Sale of shares of capital stock	\$ 19,100.00	\$ -	\$ 32,387.50	\$ 50,000.00	\$ -	\$ 50,005.00
Sale of 50% of interest in Fancamp mining claims	5,750.00	-	-	-	-	-
	<u>24,850.00</u>	<u>-</u>	<u>32,387.50</u>	<u>50,000.00</u>	<u>-</u>	<u>-</u>
Application of funds						
Exploration, development and other expenditures	10,474.01	6,289.78	42,254.32	31,826.13	12,641.16	32,033.77
Less: Depreciation of equipment	30.22	-	70.87	-	-	-
Cash expenditures	10,443.79	6,289.78	42,183.45	31,826.13	12,641.16	32,033.77
Organization expense	-	-	-	-	-	-
Mining claims	10,000.00	-	3,900.00	5,000.00	-	4,950.00
Office and exploration equipment	500.00	675.00	708.75	-	-	1,320.00
Commission on sale of treasury shares	692.50	-	563.89	-	-	-
	<u>21,636.29</u>	<u>6,964.78</u>	<u>47,356.09</u>	<u>36,826.13</u>	<u>12,641.16</u>	<u>38,303.77</u>
Increase or (decrease) in working capital	3,213.71	(6,964.78)	(14,968.59)	13,173.87	(12,641.16)	11,701.23
Working capital at beginning of period	(2,734.65)	12,233.94	12,233.94	(939.93)	11,701.23	-
Working capital at end of period	<u>\$ 479.06</u>	<u>\$ 5,269.16</u>	<u>\$ (2,734.65)</u>	<u>\$ 12,233.94</u>	<u>\$ (939.93)</u>	<u>\$ 11,701.23</u>
Represented By:						
Current assets	\$ 13,655.95	\$ 12,646.32	\$ 5,337.62	\$ 20,281.90	\$ 817.84	\$ 12,603.44
Current liabilities	13,176.89	7,377.16	8,072.27	8,047.96	1,757.77	902.21
	<u>\$ 479.06</u>	<u>\$ 5,269.16</u>	<u>\$ (2,734.65)</u>	<u>\$ 12,233.94</u>	<u>\$ (939.93)</u>	<u>\$ 11,701.23</u>

MURGOR EXPLS LIMITED

Details Of General And

Administrative Expense

	Three Months Ended	
	July 31	
	1973 (Unaudited)	1972 (Unaudited) (Restated)
Secretarial and accounting	\$ -	\$ 600.00
Legal and audit	1,657.50	150.00
Travel and accommodation	1,594.99	-
Rent	623.42	-
Share issue and transfer	193.19	-
Communications	277.48	167.87
Shareholders information	500.00	-
Office expense	281.41	264.86
Government fees, taxes and licences	10.00	72.00
Sundry	3.35	-
Prospectus costs	50.00	462.22
Office equipment	-	-
Certificates	-	-
Car rental	-	-
Management fees	500.00	750.00
Directors' fees	-	150.00
Depreciation - equipment	30.22	-
	<u>5,721.56</u>	<u>2,616.95</u>
Less: Interest received	-	-
	<u>\$ 5,721.56</u>	<u>\$ 2,616.95</u>

	Years Ended April 30			
	1973	1972	1971	1970
	\$ 1,284.21	\$ 1,350.00	\$ 1,650.00	\$ 1,400.00
	5,000.46	10,574.10	1,560.00	1,325.00
	4,354.73	-	1,183.94	3,232.45
	838.53	512.92	1,022.06	783.34
	462.33	1,245.55	555.56	-
	1,214.68	520.10	329.97	492.94
	1,183.79	277.50	288.32	251.75
	543.11	194.84	156.80	229.59
	323.88	322.87	125.00	207.50
	9.00	27.99	52.00	12.52
	1,769.53	-	-	220.74
	-	-	-	184.28
	-	-	-	155.23
	-	332.29	-	-
	4,000.00	2,250.00	-	-
	150.00	150.00	-	-
	70.87	-	-	-
	<u>21,205.12</u>	<u>17,758.16</u>	<u>6,923.65</u>	<u>8,495.34</u>
	781.60	-	-	-
	<u>\$ 20,423.52</u>	<u>\$ 17,758.16</u>	<u>\$ 6,923.65</u>	<u>\$ 8,495.34</u>

MURGOR EXPLORATIONS LIMITED

Notes To Financial Statements

April 30, 1973 and July 31, 1973

1. Mining Properties and Claims	<u>April 30, 1973</u>	<u>July 31, 1973</u>
Gillies Limit (North Part), Ontario 15 unpatented claims acquired for 750,000 shares of the company's capital stock at 5¢ per share less \$4,612.50 being the cost of other claims acquired at the same time and subsequently allowed to lapse.	\$ 32,887.50	\$ 32,887.50
Sturgeon Lake, Penassi Lake Are, Ontario (A) 5 unpatented claims acquired for cash	1,320.00	1,320.00
Option to acquire a 70% interest in 12 unpatented claims	2,400.00	2,400.00
Mistassini Basin, Lac Albanel, Quebec 45% interest in 60 unpatented claims acquired for cash	5,000.00	5,000.00
Fancamp Township, Quebec (B) 100% interest in 10 unpatented claims staked	1,500.00	-
50% interest in 10 unpatented claims	-	750.00
45% interest in 14 unpatented claims	-	5,000.00
	<u>\$ 43,107.50</u>	<u>\$ 47,357.50</u>

(A) In order for the company to exercise its option to acquire a 70% assessable interest in the 12 unpatented claims, it is required to pay the optionor the sum of \$2,400.00 on or before November 22, 1973 and to give the optionor a 30% assessable interest in the remaining unpatented claims.

(B) By agreement dated June 11, 1973 the company purchased for the sum of \$10,000.00 from Corwat Investments & Development Limited a 90% indivisible assessable interest in 14 mining claims in Fancamp Township, Quebec, which claims adjoin the 10 mining claims staked by the company. By virtue of the agreement 100,000 escrowed shares of the company were donated to a trustee to be held for the benefit of the company.

On July 19, 1973 the company sold 50% of its interest in the 24

MURGOR EXPLORATIONS LIMITED

Notes To Financial Statements

April 30, 1973 and July 31, 1973

1. Mining Properties and Claims: Continued.

(B) mining claims in the Fancamp Township, Quebec for the following consideration:

(1) \$2,150.00 in cash to re-emburse the company for one-half of the following:

Cost of staking 10 claims	\$1,500.00
Payment to the Government of Quebec in lieu of work on claims	1,800.00
Initial payment to Corwat Investments & Development Limited under the above June 11, 1973 agreement.	<u>1,000.00</u>
	<u>\$4,300.00</u>

(2) Corwat Investments & Development Limited agreed to forgive the company's obligation to pay one-half of the \$9,000., which \$4,500.00 liability has been assumed by the purchaser, and as a result the company agreed to donate back to Corwat Investments & Development Limited 50,000 of the escrowed shares received by virtue of the June 11, 1973 agreement.

The following amounts are payable to Corwat Investments & Development Limited as at July 31, 1973 in respect to its interest in the 14 mining claims in Fancamp Township, Quebec

\$1,000.00 paid on September 6, 1973
\$1,000.00 payable on or before December 11, 1973
\$2,500.00 payable on July 20, 1974

MURGOR EXPLORATIONS LIMITED

Notes To Financial Statements

April 30, 1973 And July 31, 1973

2. Deferred Exploration, Development and Other Expenditures

Summary of deferred expenditures	<u>April 30, 1973</u>	<u>July 31, 1973</u>
Exploration and Development		
Gillies Limit (North Part),		
Ontario	\$ 20,663.28	\$ 20,663.28
Sturgeon Lake, Penassi Lake		
Area, Ontario	8,755.49	10,335.51
Mistassini Basin, Lac Albanel		
Quebec	26,600.40	26,600.40
Fancamp Township, Quebec	621.88	3,794.31
Administration	<u>53,600.67</u>	<u>59,322.23</u>
	<u>\$ 110,241.72</u>	<u>\$ 120,715.73</u>

3. Capital Stock:

Capital stock has been issued for the following consideration:

	<u>No. of Shares</u>	<u>April 30, 1973</u>	<u>July 31, 1973</u>
For mining claims	750,000	\$ 37,500.00	\$ 37,500.00
For cash-April 30/73	1,112,505	132,392.50	-
For cash-July 31/73	1,251,005	-	<u>151,492.50</u>
		<u>\$ 169,892.50</u>	<u>\$ 188,992.50</u>

During the year ended April 30, 1973 312,500 treasury shares were issued for cash in the amount of \$32,387.50 which less commission netted the company \$31,823.61, and during the three months ended July 31, 1973 138,500 treasury shares were issued for cash in the amount of \$19,100.00 which less commission netted the company \$18,407.50.

The above 451,000 treasury shares were sold pursuant to a prospectus dated October 31, 1972 whereby the company is making an offering of 1,000,000 treasury shares at the best price the market will permit provided that in no case shall the company receive less than 10¢ per share after deducting any commissions and expenses. The balance of 549,000 shares are still being offered under the above prospectus which the company is planning to renew on or before the expiring date of October 30, 1973

As at July 31, 1973 50,000 escrowed shares of capital stock are held by a trustee for the benefit of the company. In accordance with Note 1 (B) 100,000 escrowed shares of capital stock were donated to the company of which 50,000 shares were donated back to the donor.

28
MURGOR EXPLORATIONS LIMITED

Notes To Financial Statements

April 30, 1973 And July 31, 1973

4. Statutory Information:

Remuneration paid to the Company's directors and senior officers, including directors holding salaried employment was:

Year ended April 30, 1973	\$ 7,125.00
Three months ended July 31, 1973	\$ 1,500.00

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), R.S.O. 1970 c. 426, as amended, and the regulations thereunder.

DATED the 15th day of October, 1973.

"GORDON CORRY WATTS"
Chief Executive Officer
and Director

"IAN ALBERT MacNAUGHTAN"
Chief Financial Officer

"CLARENCE BURNET CHARLEBOIS"
Director

"DOUGLAS FERGUSON COLLINGWOOD"
Director

PROMOTERS

CORWAT INVESTMENTS & DEVELOPMENT
LIMITED

McCAUL & COLLEGE INVESTMENTS
LIMITED

Per: "Gordon Corry Watts", President

Per: "Howard Alford", President
Per his agent Gordon Corry Watts

MURRAY WATTS EXPLORATIONS LIMITED

Per: "Murray Watts", President