

(copy)

A. S. BAYNE & COMPANY
Consulting Engineers

80 Richmond Street West
Toronto 1, Canada
368-3283

Address all correspondence - 45 Strathallan Blvd., Toronto 12, Canada
- 485-6793

June 9, 1969



41114NE0028 BEAUMONT11C1 ROBERTS

010

The President & Directors
Murgor Explorations Limited
Suite 2200 Simpson Tower
401 Bay Street
TORONTO 1, Ontario

Gentlemen:

Attached you will find our report of even date
entitled "Report on Vermilion River Property, Murgor
Explorations Limited."

Kindly refer to the Summary on sheet (iii) of the
preface; also the Map in the pocket at the back of the
Report.

Yours very truly,

A. S. BAYNE & COMPANY

per A. S. Bayne, P. Eng.

ASB/es
enclosures

**DUPLICATE COPY
POOR QUALITY ORIGINAL
TO FOLLOW**

A. S. BAYNE & COMPANY
CONSULTING ENGINEERS

80 RICHMOND STREET WEST
TORONTO 1, CANADA
368-3283

ADDRESS ALL CORRESPONDENCE • 45 STRATHALLAN BLVD., TORONTO 12, CANADA • 485-6793

June 9, 1969

The President & Directors
Murgor Explorations Limited
Suite 2200 Simpson Tower
401 Bay Street.
TORONTO 1, Ontario

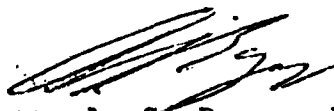
Gentlemen:

Attached you will find our report of even date entitled
"Report on Vermilion River Property, Murgor Explorations Limited."

Kindly refer to the Summary on sheet (iii) of the
preface; also the Map in the pocket at the back of the Report.

Yours very truly,

A. S. BAYNE & COMPANY



per A. S. Bayne, P. Eng.

ASB/es
enclosures

"Recorded Holder

Murgor Expl. Ltd.

Rec. Jan./70"

REPORT

- on -

VERMILION RIVER PROPERTY

- of -

MURGOR EXPLORATIONS LIMITED

Townships of Beaumont & Roberts

Sudbury Mining Division

District of Sudbury, Ontario, Canada

- submitted -

June 9, 1969

by

A. S. BAYNE & COMPANY

Consulting Engineers

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

A. S. Bayne & Company, Consulting Engineers, Toronto, Canada

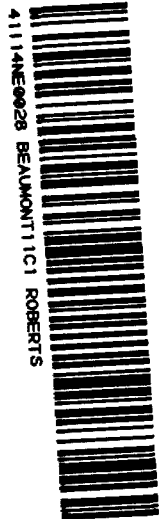
(copy)

Report on Vermilion River Property
Murgor Explorations Limited

June 9, 1969

S U B J E C T I N D E X

	<u>Page</u>
Letter of Transmittal	(i)
Certificate	(ii)
Summary	(iii)
Holdings	1
Location & Access	1
Labour, Supplies, Power, Water	1
History	2 - 3
Economic Geology	4 - 5
Observations & Conclusions	6
Recommendations	7
Estimate of Cost	8



010C

-----xxx-----

MAP

(inside back cover)

Geological Map - showing property of - Murgor Explorations Limited,
District of Sudbury, Ontario, Canada. Scale 1/2 mile to an inch.
March 31, 1969, by A. S. Bayne & Company, Toronto, Canada.

A. S. Bayne & Company, Consulting Engineers, Toronto, Canada

SUMMARY

Murgor Explorations Limited holds 35 unpatented, contiguous mining claims comprising approximately 1,400 acres, in the Townships of Beaumont and Roberts, Sudbury Mining Division, Ontario, Canada. Titles to the claims are in good standing, relative to assessment work, until at least March 7, 1970. The property is 47 miles northwest of the City of Sudbury and can be reached either by motor road or by Canadian National Railways, which passes through the middle of the property. Water and electric power are respectively on and near the property. Labour, equipment and supplies are readily available in the Sudbury area.

Early records of prospecting on the Vermilion River start in 1897, leading to the discovery of extensive deposits of magnetite at Moose Mountain in Hutton Township. These deposits were developed by modern open-pit mine and concentrating mill by Hanna Mining Company, whose subsidiary, National Mining Corporation, commenced shipping 675,000 tons annually, of pelletized iron concentrate, in April, 1959. This is the only mineral production currently originating in the area. The sudden demand for uranium in the 1950's initiated exploring some of the Mississagi conglomerates and quartzites outcropping in the area, and a small amount of drilling was done in the northeast corner of Roberts Township, 1/4 mile south of the present Murgor Explorations' property. It was proven that these uranium-bearing rocks are the northeastern extension of the ore-bearing sediments in the Elliot Lake-Blind River area, but the great structural deformation of the rocks demanded more time and work on exploration than permissible as result of the drop in demand for uranium for military use in 1960. The subsequent rapid development of nuclear power by 1966, generated a demand for uranium oxide which projected requirement of substantial new production development of uranium orebodies by the early 1970's. In 1967, Hudson Bay Mining & Smelting Co. of Canada Limited and Anglo-American Corp'n, jointly acquired large tracts of claims in the south part of Beaumont, the north part of Roberts and west part of Creelman Township. Early in 1969, Nordic Mines and Investments Ltd. commenced a major exploratory program, on large surface discoveries in Roberts Township, two miles south of the Murgor Explorations' property, which is still in progress, indicating substantial tonnage-making possibilities for cheap surface mining of material averaging from 0.50 to 1.50 lb. per ton uranium oxide. This program has recently been expanded to include a second group of Nordic claims in Roberts and Beaumont Townships, adjoining south of Murgor Explorations Ltd. Excluding the Hudson Bay-Anglo American group, which also adjoins south of Murgor Explorations to the east and west of the north group of Nordic Mines & Investments Ltd., there are at least seven mining companies which have recently acquired claims in Beaumont, Roberts, Creelman, Kitchener and Hutton Townships and are carrying out, and/or planning immediate uranium exploration.

Other than radiometric prospecting and general reconnaissance, there has been no previous work done on the Murgor Explorations property. There are no underground workings, nor are there any underground or surface mining plant or equipment on the property. Murgor Explorations Limited plans a comprehensive schedule of surface exploration, to start as soon as possible, including geophysical and geological mapping, surface stripping, mining and bulk sampling, and some drilling. Phase I of this schedule, during the first three months, is estimated to cost \$22,962.00. Phase II, depending on findings in the first three months, is estimated to cost \$34,560.00. It is the opinion of the undersigned that geological and radiometric conditions fully warrant this speculative expenditure.

A. S. BAYNE & COMPANY

PER: A. S. BAYNE, P. Eng. (sgd.)

A. S. Bayne & Company, Consulting Engineers, Toronto, Canada

June 9, 1969

SUMMARY

Murgor Explorations Limited holds 35 unpatented, contiguous mining claims comprising approximately 1,400 acres, in the Townships of Beaumont and Roberts, Sudbury Mining Division, Ontario, Canada. Titles to the claims are in good standing, relative to assessment work, until at least March 7th, 1970. The property is 47 miles northwest of the City of Sudbury and can be reached either by motor road or by Canadian National Railways, which passes through the middle of the property. Water and electric power are respectively on and near the property. Labour, equipment and supplies are readily available in the Sudbury area.

Early records of prospecting on the Vermilion River start in 1897, leading to the discovery of extensive deposits of magnetite at Moose Mountain in Hutton Township. These deposits were developed by modern open-pit mine and concentrating mill by Hanna Mining Company, whose subsidiary, National Mining Corporation, commenced shipping 675,000 tons annually, of pelletized iron concentrate, in April, 1959. This is the only mineral production currently originating in the area. The sudden demand for uranium in the 1950's initiated exploring some of the Mississagi conglomerates and quartzites outcropping in the area, and a small amount of drilling was done in the northeast corner of Roberts Township, 1/4 mile south of the present Murgor Explorations' property. It was proven that these uranium-bearing rocks are the northeastern extension of the ore-bearing sediments in the Elliot Lake-Blind River area, but the great structural deformation of the rocks demanded more time and work on exploration than permissible as result of the drop in demand for uranium for military use in 1960. The subsequent rapid development of nuclear power by 1966, generated demand for uranium oxide which projected requirement of substantial new production development of uranium orebodies by the early 1970's. In 1967, Hudson Bay Mining & Smelting Co. of Canada Limited and Anglo-American Corp'n, jointly acquired large tracts of claims in the south part of Beaumont, the north part of Roberts and west part of Creelman Township. Early in 1969, Nordic Mines & Investments Ltd commenced a major exploratory program, on large surface discoveries in Roberts Township, two miles south of the Murgor Explorations' property, which is still in progress, indicating substantial tonnage-making possibilities for cheap surface mining of material averaging from 0.50 to 1.50 lb of uranium oxide. This program has recently been expanded to include a second group of Nordic claims in Roberts and Beaumont Townships, adjoining south of Murgor Explorations Ltd. Excluding the Hudson Bay-Anglo American group, which also adjoins south of Murgor Explorations to the east and west of the north group of Nordic Mines & Investments Ltd., there are at least seven mining companies which have recently acquired claims in Beaumont, Roberts, Creelman, Kitchener and Hutton Townships and are carrying out, and/or planning immediate uranium exploration.

Other than radiometric prospecting and general reconnaissance, there has been no previous work done on the Murgor Explorations property. There are no underground workings, nor are there any underground or surface mining plant or equipment on the property. Murgor Explorations Limited plans a comprehensive schedule of surface exploration, to start as soon as possible, including geophysical and geological mapping, surface stripping, mining and bulk sampling, and some drilling. Phase I of this schedule, during the first three months, is estimated to cost \$22,962.00. Phase II, depending on findings in the first three months, is estimated to cost \$34,560.00. It is the opinion of the undersigned that geological and radiometric conditions fully warrant this speculative expenditure.

A. S. BAYNE & COMPANY

per *A. S. Bayne*, P. Eng.

HOLDINGS

Murgor Explorations Limited holds 35 unpatented, contiguous mining claims, comprising approximately 1,400 acres, in the Townships of Beaumont and Roberts, Sudbury Mining Division, District of Sudbury, Ontario, Canada. The recorded claim numbers are: S. 156268 to S.156287 inclusive; S. 156306 to S. 156320. Titles to the claims, relative to assessment work requirements, are in good standing until at least April 2, 1970.

LOCATION & ACCESS

The property forms an irregularly shaped rectangular block, from 1-1/2 to 3 miles long from east to west by 1/4 to 1-1/4 miles wide from north to south. Of the 35 claims, 6 are west and 25 claims are east of the Vermilion River in Beaumont Township, with four claims forming the south-east end of the property occupying the northeast corner of Roberts Township east of the River. It adjoins the mining claims of North Slave Mines Limited to the west, and of Nordic Mines and Investments and Hudson Bay Mining & Smelting Company Limited and Anglo-American Corporation, to the south.

The property is 47 miles from the City of Sudbury and 26 miles northwest of the Canadian National Railways junction at Capreol. The railway crosses the middle of the property where it follows the west bank of the Vermilion River. The property is reached by rail or good motor road via Highway 69, 20 miles from Sudbury to Capreol, thence northwest 12 miles via Highway No. 806 to the iron mine of the National Steel Corporation, thence northwest across Hutton, Kitchener and Roberts Townships, to within 2 miles of the property, via private gravel road.

Sudbury is 241 miles northwest of Metropolitan Toronto, and is served by both the Canadian Pacific and Canadian National railways; as well as several daily Viscount aircraft flights by Air Canada.

LABOUR, SUPPLIES, POWER, WATER

The proximity of the property to the great copper-nickel mining and smelting area of Sudbury assures availability of all classes of labour, trades and professions, as well as the ready procurement of equipment and supplies. There are good stands of timber on the property, suitable for mining purposes.

Hydro-electric power is available, with an Ontario Hydro-Electric Power Commission transmission line passing within 3 miles west of the property.

Plenty of fresh water for either industrial or community use, is available from the Vermilion River which passes across the middle of the property.

**DUPLICATE COPY
POOR QUALITY ORIGINAL
TO FOLLOW**

June 9, 1969

HOLDINGS

Murgor Explorations Limited holds 35 unpatented, contiguous mining claims, comprising approximately 1,400 acres, in the Townships of Beaumont and Roberts, Sudbury Mining Division, District of Sudbury, Ontario, Canada. The recorded claim numbers are: S. 156268 to S.156287 inclusive; S. 156306 to S. 156320. Titles to the claims, relative to assessment work requirements, are in good standing until at least April 2, 1970.

LOCATION & ACCESS

The property forms an irregularly shaped rectangular block, from 1-1/2 to 3 miles long from east to west by 1/4 to 1-1/4 miles wide from north to south. Of the 35 claims, 6 are west and 25 claims are east of the Vermilion River in Beaumont Township, with four claims forming the south-east end of the property occupying the northeast corner of Roberts Township east of the River. It adjoins the mining claims of North Slave Mines Limited to the west, and of Nordic Mines and Investments and Hudson Bay Mining & Smelting Company Limited and Anglo-American Corporation, to the south.

The property is 47 miles from the City of Sudbury and 26 miles northwest of the Canadian National Railways junction at Capreol. The railway crosses the middle of the property where it follows the west bank of the Vermilion River. The property is reached by rail or good motor road via Highway 69, 20 miles from Sudbury to Capreol, thence northwest 12 miles via Highway No. 806 to the iron mine of the National Steel Corporation, thence northwest across Hutton, Kitchener and Roberts Townships, to within 2 miles of the property, via private gravel road.

Sudbury is 241 miles northwest of Metropolitan Toronto, and is served by both the Canadian Pacific and Canadian National railways; as well as several daily Viscount aircraft flights by Air Canada.

LABOUR, SUPPLIES, POWER, WATER

The proximity of the property to the great copper-nickel mining and smelting area of Sudbury assures availability of all classes of labour, trades and professions, as well as the ready procurement of equipment and supplies. There are good stands of timber on the property, suitable for mining purposes.

Hydro-electric power is available, with an Ontario Hydro-Electric Power Commission transmission line passing within 3 miles west of the property.

Plenty of fresh water for either industrial or community use, is available from the Vermilion River which passes across the middle of the property.

June 9, 1969

HISTORY

Prospecting was first reported in the area by A. H. Gracey⁽¹⁾ in 1897 following discoveries of placer gold on the Vermilion River. The gravels proved to be unprofitable, resulting in a search for auriferous lode deposits. Gold-bearing veins were found in several localities and the extensive deposits of magnetite at Moose Mountain, (about 9 miles southeast of the Murgor Explorations Property), were discovered. These iron deposits were opened up and a considerable tonnage of iron ore was shipped between 1908 and 1920. No gold mining of any importance has been done since, but in the 1950's, the emergence of modern milling of low grade iron ores resulted in the large-scale development of the Moose Mountain iron deposits by the Hanna Mining Company of Michigan. Production of iron concentrate started in April, 1959. The milling plant is now producing to capacity at the rate of over 625,000 tons of pelletized magnetite concentrate annually.

In 1931, L. F. Kindle⁽²⁾ mapped the Moose Mountain - Wanapitei Area, which included general geological mapping of the east half of Kitchener Township and partial mapping of the south half of Roberts Township, but no significant mineral discoveries were reported.

Dyno Mines Limited and Elmridge Mines Limited carried out some exploration for uranium in the northeast corner of Roberts Township, during the 1950's. These claims are now held by The Hudson Bay Mining-Anglo American Group.

Following the establishment of the uranium mining industry in the Elliot Lake area, of Ontario, 77 miles southwest of Beaumont Township, J. E. Thomson⁽³⁾ mapped and reported in 1960, on the uranium and thorium deposits at the base of the Huronian System in the District of Sudbury. Uranium mineralization was reported in the Mississaga Formation around Roberts Lake and the Vermilion River in the northeast part of Roberts Township.

The oversupply of uranium oxide which resulted in the curtailment of production by 1960 discouraged further prospecting for uranium until the commitments for fissile fuel by the end of 1966 indicated a serious shortage of supply to the free world demand by the early 1970's, unless further substantial uranium ore reserves are discovered and developed for mining over the next few years.

The intensive renewal of the search for uranium in Canada in the past three years has led to the first systematic prospecting (during 1966 to 1968) being carried out in Roberts and Beaumont Townships.

- (1) A. H. Gracey, "Placer Gold on Vermilion River", Ont. Bur. Mines, Vol. VII, pt. 3, 1897, pp. 256-259.
- (2) Moose Mountain - Wanapitei Area, by L. F. Kindle, Ontario Dept. Mines, Vol. XLI, pt. LV, 1932, pp. 29-49.
- (3) J. E. Thomson, 1960, Ont. Dept. Mines, Geological Report, No. 1

June 9, 1969

History - continued

Some exploratory drilling was done on either side of Proudfoot Lake, from 1/4 to 1/2 mile south of the Vermilion River Group, during the winters of 1966 and 1967.

In 1967, Hudson Bay Mining & Smelting Company and Anglo-American Corporation acquired about 145 claims comprising over 5,000 acres in a solid block in the south part of Beaumont Township, the north-east corner of Roberts Township and along the west part of Creelman Township. Over 17,000 feet of core drilling was reported in 1967 and drilling continued through 1968. This property adjoins Murgor Explorations Limited at the east and west ends.

During the latter half of 1968, more intelligent prospecting of Roberts Township was facilitated by the issue of Map P. 449⁽⁴⁾ by the Ontario Department of Mines, which is the most complete geological map of this township compiled to date.

Aerial and surface radiometric reconnaissance by prospectors have now indicated the presence of uranium deposits of possible economic importance under considerable areas of Roberts and Beaumont Townships, with the result that more than half of Roberts Township and some of the south part of Beaumont Township have been staked.

In the Fall of 1968, a discovery rich in uranium oxide was made in an outcrop of argillaceous quartzite, in Roberts Township, 3 miles south of Murgor Explorations' property. Following preliminary exploration by scintillometer and surface rock trenching, and a limited amount of drilling, Nordic Mines and Investments Limited acquired 34 claims surrounding this discovery and 16 claims in Roberts and Beaumont Townships, the latter adjoining the south of the middle 1-3/4 miles of the Murgor Explorations property. Early in 1969, Nordic Mines and Investments Limited commenced a major exploratory and bulk sampling program which is still in progress, and are currently carrying out radiometric surveys on the 16-claim group lying between the holdings of Murgor Explorations and the Hudson Bay Mining - Anglo American properties. Since the beginning of 1969, a total of at least seven mining companies are either active or are planning immediate exploration for uranium minerals in Roberts, Beaumont, Creelman, Kitchener and Hutton Townships.

Other than preliminary radiometric prospecting, no previous work has been done to date on the Murgor Explorations' property. There are no underground workings nor are there any underground or surface mining plant or equipment on the property. Murgor Explorations Limited plans a program of surface exploration, including geological and radiometric surveys followed by surface trenching, drilling and bulk sampling, to commence within the next 30 days.

(4) Preliminary Geological Map No. P. 449, Roberts Township, District of Sudbury, Issued 1968.

June 9, 1969

ECONOMIC GEOLOGY

The basic topography of the area is generally flat, but made locally rugged by knolls and ridges over small areas rising from 50 to 300 feet above the mean elevation of the Vermilion River (1,209 feet above sea level). The surface is chiefly, except in the lake and river beds, covered by gravel, sand clay and muskeg of the Pleistocene and Recent eras, which supports a good growth of coniferous vegetation. Usually, light stripping will uncover small rock outcrops which systematic work leads to fairly intelligent mapping of the underlying rocks.

The streams and elongations of lakes and swamps strike generally in a northwesterly direction, and probably reflect the pattern of the strike of the trend of numerous faults traversing the rocks underlying the area. The Vermilion River reflects a strongly delineated fault across the Murgor Explorations property.

All the rocks underlying the properties are of the Pre-Cambrian era. The oldest rocks, classed as Pre-Huronian on Map. P.449, are highly metamorphosed volcanics and sediments containing some bands of iron formation, successively intruded by massive granitic and diabasic rocks.

Lying in contact to these Pre-Huronian rocks, are beds of early Huronian sediments of the Mississagi series, consisting of a basal conglomerate overlain by quartz-pebble conglomerate, argillite and quartzite beds.

The quartz-pebble conglomerate appears to have the same argillaceous matrix as the rock classed argillite, and contains both rounded and sharp quartz pebbles from 1/8 to 2 inches in diameter. Both the conglomerate and argillite are mineralized by iron sulphides, usually in scattered fine disseminated form.

The youngest rocks in the area are quartz diabase and olivine diabase intrusives of the Post-Huronian.

The rocks of the area have been severely faulted in both a northwesterly and transversely in a northeasterly direction. The sedimentary rocks are tipped steeply on edge, and bedding now lying at from 60 degrees to vertical.

The sedimentary rocks comprising the uranium ores of the Elliot Lake-Blind River areas have been traced eastward through the Agnew Lake area, southwest of Sudbury, northeastward through the Beaumont-Roberts Townships area to Lake Timagami, 50 miles northeast. Kerr Addison Mines Limited is currently developing for production, its uranium mine in the Agnew Lake area.

June 9, 1969

Economic Geology - continued

A geological map to a scale of 1/2 mile to an inch, covering the area herein described, is in the pocket back of this report. This map has been compiled from seven separate geological maps and reports issued by the Ontario Department of Mines. The sedimentary rocks have been differentiated into five groups from the Lower Huronian (Mississagi), to upper Huronian (Cobalt). It is the writer's opinion, from detailed field work in the area in the past seven months, that more detailed work will result in a reclassification of the various lithologic groups now shown, with resulting revision of the areas now shown underlain by the respective rock groups. For instance, in the northeast corner of the Pce Explorations property in Roberts Township, in the middle of a band now mapped as Gowganda sediments, the writer stripped two outcrops of argillaceous quartzite interbanded with conglomerate, from which samples assayed up to 0.8 pounds per ton U_3O_8 , and which corresponds to, and appears to be the southwest extension of the quartzite and conglomerate found on the Nordic Mines' claims, 3/4 mile north and which are classified as Mississagi. Also, on the Nordic Mines' property, extensive stripping, trenching and drilling has shown that the assumptions made in delimiting the boundaries of the radioactive Mississagi sediments were not correct on the published maps.

In Geological Report No. 1, 1960, wherein Dr. Thomson describes visits to various radioactive discoveries in the area, the only sedimentary group found to contain radioactive minerals to which any attention was paid at that time, was the Mississagi series. The work carried out in the past two years indicates that: (a) either other groups than the Mississagi sediments carry radioactive minerals; (b) the Mississagi sediments of this area have been so highly metamorphosed that their identification is often in error.

Experience on the Nordic Mines' property in the past few months seem to support note (b) above, where rocks classed as argillite, from their appearance in the field, are shown under the microscope to be as high as 80 percent in quartz, and having been subjected to intense thermal metamorphism. Bulk samples of this material representing up to one hundred tons of material, have averaged over one pound per ton of U_3O_8 .

The entire east half of the Murgor Explorations property, where the mapping has apparently been very superficial, without any detailing of fault structures, is also shown to be underlain by the Gowganda and Serpent groups of sediments. In a reconnaissance of the claims last month, the writer did not examine any rock outcrops, due to overburden and vegetation, but radioactive counts were generally higher than background, of the same order as found through Roberts Township to the south.

June 9, 1969

OBSERVATIONS & CONCLUSIONS

1. The uranium-bearing rocks of the Elliot Lake-Blind River area probably lie along the shore line of the same Huronian basin as those of the Vermilion River area, extending northeastward to Lake Timagami. The great deformation of the rocks of the Sudbury area, however, has resulted in great displacement of the sedimentary beds, as evident in Beaumont and Roberts Townships.
2. Although the great structural displacement in Roberts and Beaumont Townships has made it more difficult to project the strikes and attitudes of the uranium-bearing beds across overburden-covered areas, the same feature has tipped them from the low-lying angles found in Elliot Lake, at depths of up to 3,000' below later rock bedding, to steeper angles up to 45 to 60 degrees. This has brought the uranium-bearing rocks to outcrop at surface, where they are accessible for cheap surface mining.
3. The results of work in the past year in Roberts Township has been very encouraging, in that it has already been proven that a much greater area is underlain by radioactive rocks than hitherto discovered.
4. Similar lithological and structural conditions exist in the Agnew Lake area, just southwest of Sudbury, where in the past two years, Kerr Addison Mines has delineated substantial uranium orebodies and is now developing for production.
5. There is a good possibility that substantial beds of the uranium-bearing rocks, on the properties adjoining south of the Murgor Explorations' property, will be found to extend farther northwest into Beaumont Township.
6. On the Vermilion River property, field exploration should start with ground geophysical surveys, using a magnetometer to locate and project rock structures, and a scintillometer to assess the radioactivity of the underlying rocks. Detailed geological mapping can be supplemented by a few short core or rock-drill test holes, together with stripping and rock pitting and trenching.
7. It is the writer's opinion that not too much should be expected of recovery of uranium values from small-diameter drill core. At the present time, more reliance should be placed on bulk sampling from pits sunk up to 30 feet below surface, so that a more comprehensive picture of the attitude and extent, of the enriched zones encountered on surface, can be projected.

RECOMMENDATIONS

The following exploratory program is recommended on the company's Vermilion River property, to commence at the earliest possible date.

PHASE I. (Preliminary Exploration)

1. Establish a locational line grid over the entire area of the property. A base line should be run from the southeast corner of Claim No. S. 156320, extending northwesterly for 3-1/4 miles to or near the northwest corner of S. 156273. A short base line running east and west across the middle of Claims S.156268, S.156269-70, for 3/4 mile. Grid lines will cross the base lines at right angles every 200 feet and picketed at chained intervals of 100 feet to the outside boundaries of the property.
2. Survey the grid by magnetometer, to discover and delineate contacts and structures; also by scintillometer, to detect the relative radioactivity of the underlying rocks.
3. Detailed surface geological mapping, of all rock outcrops encountered, must accompany and immediately follow the geophysical survey.
4. Provision must be made for surface stripping and rock trenching and pitting, in addition to a few short core or rock drill test holes, to supplement the geophysical and geological work.

PHASE II. (Continuing Exploration)

Depending on the progress made and results obtained from the work during the preliminary exploration, the following additional exploratory work should be scheduled to follow Phase I with economic continuity.

1. Carry out systematic stripping, rock-pitting and trenching over the areas indicated by the work in Phase I. The main emphasis of this work should be to obtain representative bulk samples to undergo laboratory investigation to determine average radioactive mineral content.
2. This program should be supplemented by a limited core drilling program to establish direction and attitude of rock structures, and to determine a basic ratio of core samples to respective representative bulk samples.

A. S. Bayne & Company, Consulting Engineers, Toronto, Canada

June 9, 1969

ESTIMATE OF COST

The speculative capital, required to carry out the foregoing recommendations, is estimated as follows:-

PHASE I. (Preliminary Exploration)

Establish camp		\$ 1,000.00
Establish Grid Lines:		
Base lines (4 miles @ \$75./mile)	\$ 300.00	
Boundary Tie Lines (11 m. @ \$65./m)	715.00	
Grid Lines (53 miles @ \$60./mile)	<u>3,180.00</u>	\$ 4,195.00
Geophysical (magnetometer & scintillometer), surveys and geological mapping (53 m. @ \$125./m.)		\$ 6,625.00
Provision for stripping and trenching		\$ 2,000.00
Core or test-hole rock drilling (200 ft. @ \$8./ft.)		\$ 1,600.00
Contingency @ 10 percent		\$ 1,542.00
Engineering & Supervision (3 months)		<u>\$ 6,000.00</u>
<u>Total Estimate of Cost (Phase I)</u>		<u>\$ 22,962.00</u>

If the work completed in Phase I, yields favourable results, the following expenditure will immediately follow:-

PHASE II. (Continuing Exploration)

Enlarge camps		\$ 2,000.00
Stripping overburden		\$ 3,600.00
Surface mining, rock pits & trenches		\$ 12,000.00
Core or test-hole rock drilling (500 ft. @ \$8./ft.)		\$ 4,000.00
Sampling & laboratory expense		\$ 3,000.00
Contingency @ 10 percent		\$ 2,460.00
Engineering & Supervision (6 months)		<u>\$ 7,500.00</u>
<u>Total Estimate of Cost (Phase II)</u>		<u>\$ 34,560.00</u>
<u>GRAND TOTAL (Phase I and Phase II)</u>		<u>\$ 57,522.00</u>

In the opinion of the undersigned, this expenditure of speculative capital is well warranted by the geological conditions underlying the company's property, provided it is budgeted concurrently with field conditions encountered in the progressive stages of work.

Respectfully submitted,
A. S. BAYNE & COMPANY

ASB/es


per A. S. Bayne, P. Eng.

CERTIFICATE

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

1. I am a Consulting Engineer, residing at 45 Strathallan Boulevard, Toronto 12, Canada, with offices at 80 Richmond Street, West Toronto 1, Ontario, Canada.
2. I am a Bachelor of Science in Mining & Metallurgical Engineering (Queen's University, Kingston, Canada, 1935).
3. I am a member, in good standing, of the Association of Professional Engineers of the Province of Ontario.
4. I have continuously practised my profession under the name and style of A. S. Bayne & Company, Consulting Engineers, since 1946.
5. This certificate is part of the attached "Report on Vermilion River Property of Murgor Explorations Limited, Sudbury Mining Division, District of Sudbury, Ontario, Canada, dated June 9, 1969."
6. I have no interest, direct, indirect or expected, in the properties or securities of Murgor Explorations Limited.
7. This report is based on:

My personal examination of the claims described in this report and surrounding area during several visits to the property from November 1968 to date.

My personal knowledge of the properties described in this report, in the entire area, gained during my activities directing and supervising field exploration, surface mining and sampling of uranium deposits in Roberts Township from early November, 1968; an exhaustive and detailed review of government and private geological reports of the area relative to the uranium-bearing rocks; review and study of the geological data relative to the uranium ores in the Lower Huronian sediments of the Elliot Lake-Sudbury areas from my personal files covering previous work in these areas in the past 15 years.

Correlation of the data contained in published reports and maps by the Ontario Department of Mines to which reference is made in this report.

8. My full cognizance of the facts.

SIGNED AT TORONTO in the county of York
in the Province of Ontario, Canada, this
9th day of June, 1969.



A. S. Bayne, P. Eng.



In the event that the said 280,000 shares are sold as aforesaid, then the balance of the New Issue, namely 120,000 shares will be offered on the Toronto over-the-counter market at prices not less than 15¢ per share through Goodwin Harris & Company Limited and/or other registered dealers who will be paid sales commission within the rates fixed by the Toronto Stock Exchange.

The 400,000 shares constituting the NEW ISSUE will be offered to the public in units consisting of one share and a Class A Share Subscription Warrant, entitling the holder to purchase one additional share on the terms set out herein under the section headed DESCRIPTION OF SHARE SUBSCRIPTION WARRANTS.

SECONDARY OFFERING

The following are the shareholders who may sell in the aggregate 165,700 shares as a Secondary Offering hereunder:

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

None of these shares will be offered until all 400,000 treasury shares of the new issue are sold.

75,000 of the shares offered until all 400,000 treasury shares of the new issue are sold.

75,000 of the shares offered by Corwat and Watts Limited under the SECONDARY OFFERING were acquired by said corporations as part of the vendor consideration on the sale of the Gillies Limit, Beaumont and Roberts Townships Claims. (See sections headed Gillies Limit, Beaumont and Robert Townships Claims and PROMOTERS.) The balance of 90,700 shares being offered by Corwat and McCaul and College Investments Limited were purchased by them from the Corporation at a cost of 15¢ per share in the month of August, 1969. (See section herein headed PROMOTERS and INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.)

OFFICERS AND DIRECTORS

The following are the particulars of the names, residence addresses and occupations for the past five years of the Directors and/or Officers of the Corporation.

President and a Director	<u>Gordon Corry Watts</u> , 57 Chambers Avenue, Cobalt, Ontario, Prospector, has been engaged in mineral explorations and contracting for over 5 years. He is President and a Director of Quadrant Explorations Limited, Janus Explorations Limited and Corwat Investments & Development Limited.
--------------------------	---

Vice-President and a Director	<u>Murray Watts</u> , 55 Bayview Ridge, Willowdale, Ontario, 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 Pan Central Explorations Limited, Coppermine River Limited, Teshierpi Mines Limited and Lost River Mining Corporation Limited, Murray Watts Explorations Limited and is also associated with other mining corporations.
-------------------------------	--

Secretary-Treasurer

Howard Alford, 40 Tuxedo Court, Apartment 1012, Scarborough, Ontario, Mining Executive and Prospector, has been actively engaged in mineral exploration for over five years. He is a Director of Quadrate Explorations Limited, Secretary-Treasurer and a Director of Janus Explorations Limited, Secretary-Treasurer and a Director of Janus Explorations Limited, and a President, a Director and principal shareholder of McCaul and College Investments Limited.

Director

George Sarrs, 20 Gordon Road, Willowdale, Ontario, self employed Executive Aircraft Pilot. Engaged as an Executive Aircraft Pilot by Gulf Oil Co. Limited for two years; prior to that he was employed by the Department of Transport for a period of 20 months and prior to that he was employed as an Executive Pilot by the Royal Canadian Mounted Police for a period of 20 years.

CAPITAL STRUCTURE

Under Articles of Incorporation dated May 22, 1969, the authorized capital of the Corporation was \$5,000,000.00 divided into 5,000,000 shares with a par value of \$1.00 each. By Articles of Amendment certified to be effective on May 19, 1971, all of the issued and unissued shares in the capital of the Corporation were changed from shares with a par value of \$1.00 each to shares without par value.

Designation of Security	Amount Authorized or to be Authorized	Amount outstanding as of the date of the most recent Balance Sheet contained in the Prospectus (March 31, 1972)		Amount Outstanding as of April 25th, 1972	Amount to be outstand- ing assuming the sale of 280,000 shares being the minimum number of shares permitted under this Offering
		Amount	Amount		
Shares without Par Value	5,000,000	1,550,005 (1)	(\$137,505.)	1,550,005 (\$137,505.)	1,830,005 (1) (\$179,505.)

(i) This figure reflects the sale of 280,000 shares being the minimum amount in order to permit the Corporation to use any of the proceeds from the sale of shares. If the balance of the shares offered under the NEW ISSUE, namely 120,000 shares are sold at a minimum price of 15¢ per share then the number of shares outstanding would be 1,950,005 and the issue price \$197,505.00. (See section PLAN OF DISTRIBUTION.) 400,000 shares have been conditionally allotted for issuance upon the exercise of the Class A Share Subscription Warrants, referred to under the heading section DESCRIPTION OF SHARE SUBSCRIPTION WARRANTS.

(ii) To date 800,005 shares in the capital of the Corporation have been sold for a total cash consideration of \$100,005. No commission was paid on the sale of said shares. The balance of 750,000 shares were issued for mining claims and the directors arbitrarily fixed a value of 5¢ each on said shares. (See Sections INTRODUCTORY STATEMENT and PROMOTERS.)

NOTE:

The dollar amounts stated in brackets above are the aggregate amounts attributed to the respective number of shares of outstanding as stated above each said dollar amount.

There is only one class of shares. Each share carries the right to one vote at every meeting of Shareholders and participates equally in such dividends as may be declared by the Board of Directors of the Corporation out of funds available for the payment thereof. To date, no dividends have been paid by the Corporation. Upon liquidation, holders are entitled to share rateably in the assets available for distribution. The shares do not have conversion of preemptive rights or redemption or sinking fund provisions applicable thereto. The outstanding shares are fully paid and non-assessable.

DESCRIPTION OF SHARE SUBSCRIPTION WARRANTS

The Corporation has created Class A Share Subscription Warrants (hereinafter called "Class A Warrants"). The holders of Class A Warrants will be entitled to purchase, at any time or times on or before three o'clock in the afternoon (Toronto time) of December 15, 1972, the whole or any part of the number of shares without par value in the capital of the Corporation as presently constituted, stated on the face of such Warrant, at the price of 25¢ per share. The rights granted by the Class A Warrant will, if not exercised, terminate and be at an end at three o'clock in the afternoon (Toronto time) of December 15, 1972. 400,000 shares without par value in the capital of the Corporation have been set aside for issuance accordingly. Payments for the shares purchased in exercise of the rights granted by said Warrants, are to be made to the Crown Trust Company, 302 Bay Street, Toronto, Ontario. Warrants may be in bearer form or fully registered. All rights hereunder pass by delivery. Warrants unless exercised do not entitle the holder to any rights whatsoever as a shareholder of the Corporation.

By Indenture to be dated as of the 28th day of April, 1972, between the Corporation and Crown Trust Company, the Corporation has instructed the Crown Trust Company to issue and deliver certificates representing shares without par value in the capital of the Corporation to the warrant holders exercising their rights.

PRINCIPAL HOLDERS OF SHARES

The following table sets forth the holdings of each person or corporation known to the Corporation to own of record or beneficially, directly or indirectly, more than 10% of the issued shares in the capital of the Corporation as at April 25, 1972:

<u>Name and Address of Shareholder</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class (i)</u>
Corwat Investments & Development Limited, Suite 306, 160 Bay Street, Toronto, Ontario	Common	Direct, of record and beneficial	420,350	27.122%
Murray Watts Explorations Limited, Suite 470, 159 Bay Street, Toronto, Ontario.	Common	Direct, of record and beneficial	375,000	24.19% (ii)

(i) Calculated on the basis of there being 1,550,000 shares issued and outstanding immediately prior to the sale of any of the shares offered hereunder.

(ii) Murray Watts Explorations Limited has, subject to the consent of the Ontario Securities Commission agreed to transfer from its holdings 337,500 escrowed shares of the Corporation to Corwat Investments & Development Limited.

In addition to the above, Jones Gable & Company Limited, 110 Yonge Street, Toronto, Ontario, is the holder of record of 364,000 shares representing 23.48% of the issued shares and Tom & Barnt Limited, 80 Richmond Street West, Toronto, Ontario is the holder of 261,500 shares representing 16.87%. The signatories hereto are not aware of who are the beneficial owners of these shares but believe they are held by numerous unregistered shareholders.

As at April 25th, 1972, the Directors and Senior Officers of the Corporation, as a group owned directly or indirectly, beneficially 54.24% of the outstanding shares of the Corporation. (This includes the holdings of Corwat (420,350 shares), of which Corporation Gordon Corry Watts, the President, is the controlling shareholder, Watts Limited (375,000 shares), of which Corporation Murray Watts, Vice-President, is the controlling shareholder and McCaul and College Investments Limited (45,350 shares) of which Corporation Howard Alford, Secretary-Treasurer, is the controlling shareholder.)

The following table sets forth the percentage holdings of the above-mentioned principal shareholders before and after the sale of the 400,000 shares being offered by this Prospectus calculated on the basis of there being 1,950,005 shares issued and outstanding and assuming the sale to the public of all 400,000 shares offered under the NEW ISSUE, and the 165,700 shares being offered under the SECONDARY OFFERING as shown on the Cover Page and under section SECONDARY OFFERING and the transfer of 337,500 escrowed shares from Watts Limited to Corwat Investments & Development Limited.

<u>Name</u>	<u>Percentage of Class before Offering</u>	<u>Percentage of Class after Offering</u>
Corwat Investments & Development Limited	27.122%	34.62%
Murray Watts Explorations Limited	24.19%	Nil

Upon completion of this financing, assuming the sale of all 400,000 shares offered under the NEW ISSUE and the 165,700 shares offered under the SECONDARY OFFERING and the transfer of said 337,500 shares from Murray Watts Explorations Limited to Corwat Investments & Development Limited, the Directors and Senior Officers of the Corporation, as a group, will own directly or indirectly, beneficially 675,005 of the outstanding shares of the Corporation representing 34.62% of the class. Corwat will end up owning 675,000 escrowed shares, and Watts Limited and McCaul and College Investments Limited will end up owning 0 shares.

USE OF PROCEEDS

The Corporation has on hand about \$21,000. Such money and the \$40,600 to be realized from the sale of the 280,000 shares offered at a price of 15¢ per share will be used as follows:

1. To make the first option payment to Quadrate on account of the purchase of the Sturgeon Lake Property \$2,400.00
2. To pay the cost of carrying out the exploration program on the Sturgeon Lake Property in accordance with the recommendations of Mr. John P. Jewell, Mining Geologist, as set out in the section STURGEON LAKE PROPERTY \$17,500.00
3. To pay its proportionate share of a diamond drilling program on its Albanel Property estimated at \$18,750.00
(See section headed LAKE ALBANEL PROPERTY)

- | | | |
|----|---|-------------|
| 4. | To pay legal, accounting, printing, registration and other incidental expenses incurred by the Corporation estimated at | \$ 7,500.00 |
| 5. | For general operating expenses | \$16,050.00 |

If all 400,000 treasury shares offered hereunder are sold at the minimum price of 15¢ per share, the Corporation will receive an additional \$18,750.00 before deducting sales commissions and may then pursue further exploration of its properties, if warranted. Excess monies will form part of the working capital of the Corporation to be used for general operating expenses.

While the Corporation has no present plans in this regard, monies in its treasury from time to time may also be used to defray programs of acquiring, staking, exploring and developing other properties, either alone or in consort with others, and to generally carry out the explorational programs as opportunities and finances may permit, but monies will not be used to acquire, explore or develop any new property without an amendment to this Prospectus being filed and accepted, if the securities are then in the course of distribution to the public.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

\$7,000.00 was paid to the directors or senior officers of the Corporation, as a group, for the financial year ended April 30, 1971. During the eleven month period ending March 31, 1972, the directors and senior officers as a group received \$4,225.00. This sum includes payment to the President for services performed as field supervisor and administration head, and payment to the Secretary-Treasurer for secretarial and bookkeeping services.

In future, Gordon Corry Watts, the President of the Corporation will receive \$500.00 per month for performing said services as field supervisor and administration head, together with his out-of-pocket expenditures while so engaged on the affairs of the Corporation. 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. It is estimated that the aggregate remuneration payable to the directors and senior officers during the fiscal year ending April 30, 1972 will be \$7,750.00 inclusive of the payment of \$500.00 per month to Gordon Corry Watts as aforementioned.

PROMOTERS

Corwat Investments & Development Limited (herein Corwat), Murray Watts Explorations Limited (herein Watts Limited) and McCaul and College Investments Limited, Suite 618, 12 Richmond Street East, Toronto, Ontario (herein McCaul) are the promoters of the Corporation by virtue of the definition of "Promoter" contained in S 1(1) 15 of The Securities Act (Ontario). See section INTRODUCTORY STATEMENT for particulars of the Agreement dated June 10, 1969 between Corwat and Watts Limited as the vendors and the Corporation as the purchaser, pursuant to which the Corporation acquired the Gillies Limit and Beaumont claims for 750,000 of its shares. The 750,000 vendor share consideration and the 5¢ per share valuation attributed to said shares (as reflected in the attached financial statements) were arbitrarily fixed by the directors who were the nominees of Corwat and Watts Limited. Pursuant to an Underwriting and Option Agreement dated June 13, 1969, Corwat and McCaul purchased from the Corporation 200,000 shares at 10¢ each and 200,000 at 15¢ each. See Section STURGEON LAKE PROPERTY for

To The Directors
Murgor Explorations Limited

I have examined the balance sheets of Murgor Explorations Limited as at March 31, 1972, April 30, 1971 and April 30, 1970 and the statements of deficit, deferred administrative expenses, deferred exploration expenses and source and application of funds for the eleven months ended March 31, 1972 and the years ended April 30, 1971 and April 30, 1970. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheets and statements of deficit, deferred administrative expenses, deferred exploration expenses and source and application of funds present fairly the financial position of the Corporation as at March 31, 1972, April 30, 1971 and April 30, 1970 and its activities and the source and application of its funds for the periods then ended in accordance with generally accepted accounting principles consistently applied.

sgd. T. H. Burnholtz

Toronto, Ontario
April 28, 1972

Chartered Accountant

To The Directors
Murgor Explorations Limited

I have examined the balance sheets of Murgor Explorations Limited as at July 31, 1972, April 30, 1972, April 30, 1971 and April 30, 1970 and the statements of deficit, deferred administrative expenses, deferred exploration expenses and source and application of funds for the three months ended July 31, 1972 and the years ended April 30, 1972, April 30, 1971 and April 30, 1970. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheets and statements of deficit, deferred administrative expenses, deferred exploration expenses and source and application of funds present fairly the financial position of the Corporation as at July 31, 1972, April 30, 1972, April 30, 1971 and April 30, 1970 and its activities and the source and application of its funds for the periods then ended in accordance with generally accepted accounting principles consistently applied.

"T. H. Bernholtz"

Toronto, Ontario
October 25, 1972

T. H. Bernholtz
Chartered Accountant

MURGOR EXPLORATIONS LIMITED

BALANCE SHEET

March 31,
1972

Cash	
Cash	\$ 24,590.42
Mining claims (Note 1)	39,207.50
Deferred expenditures	
Exploration	33,235.27
Administrative	25,364.66
Organization	4,950.00
	<u>\$127,347.85</u>

LIABILITIES

Accounts payable	\$ 2,969.01
Note payable	--
	<u>2,969.01</u>

SHAREHOLDERS EQUITY

Capital stock	
Authorized: 5,000,000 shares, no par value	
Issued and fully paid: (Note 2c)	137,505.00
Deficit	(13,126.16)
	<u>127,347.85</u>
	<u>\$127,347.85</u>

The accompanying notes are an integral part of these financial statements.
Approved on behalf of the Board of Directors:

 sgd. G. C. Watts Director

 sgd. H. Alford Director

April 30,
1971

\$ 817.84
39,207.50

20,742.28
15,418.99
4,950.00

\$ 81,136.61

\$ 1,757.77
5,000.00

6,757.77

87,505.00

(13,126.16)

74,378.84

\$ 81,136.61

March 31,
1971

(Unaudited)

\$ 1,135.63
39,207.50

20,524.77
14,718.71
4,950.00

\$ 80,536.61

\$ 1,157.77
5,000.00

6,157.77

87,505.00

(13,126.16)

74,378.84

\$ 80,536.61

April 30,
1970

\$ 12,603.44
38,820.00

23,538.43
8,495.34
4,950.00

\$ 88,407.21

\$ 902.21
--

902.21

87,505.00

--

87,505.00

\$ 88,407.21

MURGOR EXPLORATIONS LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENSES

11 months ended
March 31, 1972

Gillies Limit (North Part):

<u>Balance</u> , beginning of period	\$ 29,622.28
Diamond drilling	--
Field supervision	--
Engineering fees and expenses	--
Surveys	--
Transfer fees	--
Assays	--
	--
<u>Balance</u> , end of period	<u>20,622.28</u>

Beaumont and Roberts Townships

<u>Balance</u> , beginning of period	Nil
Surveys	--
Field supervision	--
Transfer fees	--
Written off to deficit	--
	--
<u>Balance</u> , end of period	<u>Nil</u>

Sturgeon Lake

<u>Balance</u> , beginning of period	120.00
Transfer fees	--
Mining licenses fees and expenses	120.50
<u>Balance</u> , end of period	<u>240.50</u>

Quebec-Lac Albanel

<u>Balance</u> , beginning of period	Nil
Surveys	3,544.17
Transportation of men and equipment	91.80
Assays	2,421.69
Field supervision	2,125.00
Engineers fees and expenses	677.12
Licenses fees and expenses	1,225.00
Travel and accommodation	2,287.71
<u>Balance</u> , end of period	<u>12,372.49</u>
	<u>\$ 33,235.27</u>

Year ended
April 30, 1971

11 months ended
March 31, 1971

Year ended
April 30, 1970

(Unaudited)

\$ 14,904.77

\$ 14,904.77

\$ Nil

--
5,500.00
217.51

--
5,500.00

9,575.16
2,250.00
1,701.43
1,147.68
195.50
35.00

5,717.51

5,500.00

14,904.77

20,622.28

20,404.77

14,904.77

Nil

8,513.66

Nil

--
--
--
--

--
--
--
(8,513.66)

5,913.66
2,250.00
350.00
--

--

--

8,513.66

Nil

Nil

8,513.66

120.00

120.00

Nil

--
--

--
--

120.00
--

120.00

120.00

120.00

Nil

Nil

Nil

--
--
--
--
--
--
--

--
--
--
--
--
--
--

--
--
--
--
--
--
--

Nil

Nil

Nil

\$ 20,742.28

\$ 20,524.77

\$ 23,538.43

Statement of deferred exploration expenses

(2)

MURGOR EXPLORATIONS LIMITED
Suite 306, 168 Bay Street
Toronto, Ontario

COMMON SHARES
(No Par Value)

Beaumont Twp.
Roberts Twp.
Gillies Limit.

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

NEW OFFERING:

This is an offering of 1,000,000 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 to a further 15%, provided that in no case shall the Company receive less than 10¢ 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 \$20,000 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 \$20,000 is raised within 90 days the offering may continue until a total of 1,000,000 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 Corvat 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. The closing bid and ask prices on October 31, 1972 were 10¢ and 11¢ respectively.

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 31st day of October, 1972.



41114NE0028 BEAUMONT11C1 ROBERTS

020C

MURGOR EXPLORATIONS LIMITED

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
Offering	7
Secondary Offering	7
Use of Proceeds	8
Description of Share Capital	8
Capitalization	9
Escrowed Shares	10
Principal Holder of Securities	10
Dividends	11
Purchaser's Statutory Right of Withdrawal and Rescission	11
Management	12
Remuneration of Directors and Senior Officers	12
Promoters	13
Interest of Management and Others in Material Transactions	13
Auditor	13
Material Contracts	14
Financial Statements	15
Certificate Page	26

HEAD OFFICE

The head office of MURGOR EXPLORATIONS LIMITED (hereinafter sometimes referred to as the "Company") is located at Suite 306, 160 Bay Street, 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 were inconclusive, these claims were allowed to lapse.

7500,000 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 \$17,000.00, which includes the cost of staking, re-staking, licence fees and work programs carried out by and for Messrs. Watts.

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

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
GERALD RICHARD HILLSDON	30 Brenham Crescent, Willowdale, Ontario	Secretary-Treasurer and Director
GEORGE SARRIS	20 Gordon Road Willowdale, Ontario	Director
CLARENCE BURNET CHARLEBOIS	890 Marlboro Drive, Town of Mount Royal, Quebec.	Director

GORDON CORRY WATTS, Prospector, has been engaged in mineral explorations and contracting for over five years. He is President and a Director of Quadrate Explorations Limited, Janus Explorations Limited and Corwat Investments & Development 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 Pan Central Explorations Limited, Coppermine River Limited, Teshierpi Mines Limited and Lost River Mining Corporation Limited, Murray Watts Limited and is also associated with other mining corporations.

GERALD RICHARD HILLSDON is now and has been for more than the past five years a Chartered Accountant with offices at Suite 515, 159 Bay Street, Toronto, Ontario. He is also Secretary-Treasurer and a Director of Canadex Mining Corporation Limited, Santa Maria Mines Limited and Cantech Resources Limited.

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.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

\$5,225.00 was paid to the directors or senior officers of the Company, as a group, for the financial year ended April 30, 1972. During the three month period ending July 31, 1972, 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, and payment to the Secretary-Treasurer for secretarial and bookkeeping services.

In future, Gordon Corry Watts, the President of the Company will receive \$500.00 per month for performing said services as field supervisor and administration head, together with 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. It is estimated that the aggregate remuneration payable to the

directors and senior officers during the fiscal year ending April 30, 1973 will be \$7,750.00 inclusive of the payment of \$500.00 per month to Gordon Corry Watts as aforementioned.

PROMOTORS

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 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.

It is to be noted that under an Underwriting-Option Agreement dated June 13, 1969 between the Company and Corwat and McCaul. It is to be noted that the Secretary-Treasurer and a director of the Company until shareholder and directors' meetings of to-day's date, Howard Alford, is the President, a director and the principal shareholder of McCaul.

With reference to the agreement dated March 27, 1972 with Quadrate, as amended September 6, 1972, 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. Howard Alford is also the Secretary-Treasurer, a Director and a shareholder of Quadrate.

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, is also the President, a director and a shareholder of P.C.E. Both the agreements with Quadrate and with Messrs. Flanagan and McAdam and P.C.E. are more particularly described under the heading "History and Business".

AUDITOR

The auditor of the Company was Theodore H. Bernholtz, Chartered Accountant, 330 Bay Street, Toronto, Ontario, until replaced by the election at a shareholders' meeting of to-day's date of Herbert Victor 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 July 7, 1971 between Jones, Gable & Company Limited as the Underwriter-Optionee and the Company. Under the said agreement of the Underwriter-Optionee purchased 200,000 shares of the Company at 10¢ each, 200,000 shares at 15¢ each and allowed the following options to lapse, namely, 200,000 shares at 20¢ each, 200,000 shares at 25¢ each and 200,000 shares at 30¢ each.
2. 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.
3. 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.
4. Agreement dated April 28, 1972 between Corwat as Vendor, Crown Trust Company as Trustee and the Company. (See within under the heading "Escrowed Shares".)
5. 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.

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.

PROSPECTUS dated April 28, 1972

MURGOR EXPLORATIONS LIMITED

A corporation incorporated under the laws of Ontario (hereinafter the Corporation)

400,000 Shares Without Par Value

To be accompanied by Class A Share Subscription Warrants

NEW ISSUE

400,000 shares, of which 280,000 shares will be offered at a fixed price as follows:

	<u>Price to Public</u>	<u>Agents' Commission</u>	<u>Proceeds to Corporation</u>
Per Share	\$ 0.15	\$ 0.0050	\$ 0.1450
Total	\$42,000.00	\$1,400.00	\$40,600.00

These shares will be offered for sale to the public on a "best efforts" basis through Goodwin Harris & Company Limited and/or other registered security dealers acting as agents of the Corporation. If within a period of 90 days following the acceptance of this Prospectus by the Ontario Securities Commission, subscription orders for 280,000 shares at 15¢ per share, are not received, then all subscription moneys without interest will be returned to the subscribers forthwith after the expiration of the said 90 day period. All subscription moneys will be held in trust by Crown Trust Company, 302 Bay Street, Toronto, Ontario.

SHARE SUBSCRIPTION WARRANTS

The said 280,000 shares are sold as aforesaid, the balance of the New Issue, namely 120,000 shares will be offered on the Toronto over-the-counter market, provided that none of such shares will be sold to the public for less than 15¢ per share. These shares will be offered by the Corporation through Goodwin Harris & Company Limited and/or other registered dealers who will be paid sales commissions within the rates fixed by the Toronto Stock Exchange.

Subscribers for the 400,000 shares without par value offered by this Prospectus as part of the New issue will receive one Class A Share Subscription Warrant, entitling the holder to purchase, on the terms set out therein, a like number of shares to those purchased. (See Section headed DESCRIPTION OF SHARE SUBSCRIPTION WARRANTS.)

SECONDARY OFFERING

65,700 shares will be offered for sale through registered dealers, the proceeds of which will accrue to the selling shareholders, Corwat Investments & Development Limited, Murray Watts Explorations Limited and McCaul and College Investments Limited, and not to the treasury of the Corporation. None of the shares will be offered until all 400,000 shares offered under the NEW ISSUE are sold. See INTRODUCTORY STATEMENT, SECONDARY OFFERING and PRINCIPAL HOLDERS OF SHARES.)

The purpose of this issue is to secure funds which together with funds on hand will be used to make an option payment, to carry out exploration work on the Corporation's Sturgeon Lake and Albane) Properties and for general operating expenses. (See STURGEON LAKE PROPERTY, LAKE ALBANEL PROPERTY and USE OF PROCEEDS.)

The shares of the Corporation are traded on the Toronto over-the-counter market. The closing bid and ask prices on April 25, 1972 were 13¢ and 15¢ respectively.

THESE ARE SPECULATIVE SECURITIES.

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.

TABLE OF CONTENTS

	<u>PAGE</u>
Offering -----	1
Table of Contents -----	2
Purchaser's Statutory Rights of Withdrawal and Recission ----	2
Introductory Statement -----	3
Gillies Limit, Beaumont and Roberts Township Claims -----	3
Sturgeon Lake Property -----	4
Lake Albanel Property -----	7
Plan of Distribution -----	8
Secondary Offering -----	9
Officers and Directors -----	9
Capital Structure -----	10
Description of Share Subscription Warrants -----	11
Principal Holders of Shares -----	11
Use of Proceeds -----	12
Remuneration of Directors and Senior Officers -----	13
Promoters -----	13
Registrar and Transfer Agent -----	14
Escrowed Shares -----	14
Auditor -----	14
Interest of Management and Others in Material Transactions ---	15
Prior Sales -----	15
Material Contracts -----	15
Auditor's Report and Financial Statements -----	16

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION

The Securities Act (Ontario) contains (Sections 64 and 65) certain provisions enabling a Purchaser of securities offered in the course of distribution to the public to rescind the contract of purchase while the purchaser is still the owner of the securities, (a) 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 necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made, but only if action is commenced within 90 days from the last to occur of the receipt of the Prospectus or amended Prospectus or 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 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 of the securities purchased before the expiration of the time within which rescission may be effected. Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

INTRODUCTORY STATEMENT

The Corporation was incorporated at the behest of the promoters, a public mining company (under Part IV of The Corporations Act (Ontario) by Letters Patent dated May 22, 1969. (See Section headed PROMOTERS.) By Articles of Amendment certified to be effective on May 19, 1971, all of the issued and unissued shares in the capital of the Corporation were changed from shares with a par value of \$1.00 each to shares without par value. The Corporation having its head office at Suite 306, 160 Bay Street, Toronto, Ontario, was incorporated for the purpose of acquiring and carrying on the exploration and development of mining claims and properties.

Gillies Limit, Beaumont and Roberts Township Claims

Pursuant to an Agreement dated June 10, 1969, between the Corporation and 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"), the Corporation acquired the following properties:

- (a) Gillies Limit - a group of 15 unpatented mining claims in Gillies Limit Claims), and
- (b) Beaumont and Roberts Townships - a group of 35 unpatented mining claims in Beaumont and Roberts Townships, in the Sudbury Mining Division of Ontario (hereinafter collectively called the Beaumont Claims).

The Corporation allotted and issued to Corwat and Watts Limited, 750,000 fully paid and non-assessable shares of its capital stock as the consideration for the Gillies Limit and Beaumont Claims. 675,000 of the said 750,000 shares are being held in escrow in the terms set out in the section herein headed ESCROWED SHARES. Corwat and Watts Limited acquired the Gillies Limit and Beaumont Claims from Gordon Corry Watts and Murray Watts at a cost of \$17,100.00. This amount includes the cost of staking, restaking, licence fees and work programs carried out by and for the said Gordon Corry Watts and Murray Watts.

The Corporation carried out a 2,000 foot diamond drilling program on the Gillies Limit claims at a cost of approximately \$15,000, establishing that the geology of the Gillies Limit claims is one that hosts silver deposits in the Cobalt area. Detailed geological mapping and further diamond drilling is recommended. However the Corporation intends to defer further exploration of this property at the present time. Two of the Gillies Limit claims are in good standing until May 5, 1974, two until March 19, 1974, two until January 20, 1974, one until August 26, 1973, and eight until August 26, 1972.

On the Beaumont claims, the Corporation has carried out radiometric and geological surveys at a cost of approximately \$8,500.00. The results of these surveys were inconclusive and accordingly, the Beaumont claims were allowed to lapse.

Corwat and Watts Limited, promoters of the Corporation, were the only parties who received or were entitled to receive any interest in the said 750,000 vendor share consideration. Watts Limited has agreed, by way of gift, to transfer its 337,500 escrowed vendor shares to Corwat. See Section herein headed ESCROWED SHARES. The only person having a greater than 5% interest in Corwat is Gordon Corry Watts, 57 Chambers Avenue, Cobalt, Ontario, the President and a Director of the Corporation. Murray Watts, 55 Bayview Ridge, Willowdale, Ontario, the Vice-President and a Director of the Corporation is the only person having a greater than 5%

interest in Watts Limited.

There is no underground or surface plant and equipment on the Gillies Limit Claims.

STURGEON LAKE PROPERTY

By Agreement dated January 5, 1970, the Corporation purchased from Sherto Explorations Limited, Suite 1901, 80 Richmond Street West, Toronto, Ontario (hereinafter "Sherto"), a group of 24 unpatented mining claims in the Penassi Lake Area, District of Kenora, in the Patricia Mining Division of Ontario at a cost of \$55.00 per claim., being the staking costs of Sherto. These claims are duly recorded in the Office of the Mining Recorder for said Mining Division of Sioux Lookout, Ontario as Claim Nos. PA 247044 to PA 247047 inclusively; PA 247058 to PA 247065 inclusively; PA 247067, PA 247068, PA 247071 to PA 247076 inclusively; PA 248929 to PA 248932 inclusively (hereinafter called the Murgor claims). In order to maintain the Murgor claims in good standing, the Corporation participated in an Airborne Geophysical survey of the property. The Corporation's costs of this survey was approximately \$400.00.

Pursuant to an Agreement dated as of the 27th day of March, 1972 between the Corporation and Quadrate Explorations Limited, Suite 306, 160 Bay Street, Toronto, Ontario (hereinafter called Quadrate), the Corporation obtained an option to acquire from Quadrate its group of 24 unpatented mining claims in the Penassi Lake Area of Ontario, adjoining the Corporation's 24 claim group. These optioned claims are duly recorded in the Office of the Mining Recorder for said Mining Division as Claim Nos. PA 247013 to PA 247016 inclusively, PA 247048 to PA 247052 inclusively, PA 247054 to PA 247057 inclusively, PA 247066, PA 248925 to PA 248928 inclusively and PA 248933 to PA 248938 inclusively (hereinafter called the Quadrate claims). The consideration for the option on the Quadrate claims is \$2,400.00 payable within 90 days from the effective date as hereinafter defined. The Corporation shall have a period of 12 months from the effective date, irrevocable except in the event of default, to acquire the Quadrate claims for the further sum of \$2,400.00 payable to Quadrate within said 12 month period. The Corporation is obliged to expend a minimum of \$10,000.00 in exploration work on the Quadrate claims within 12 months from the effective date. If it exercises its said option, Quadrate shall be entitled to receive from the Corporation, a royalty payment of 2% of the net smelter returns from ore won from the Murgor and Quadrate claims, hereinafter collectively called the Sturgeon Lake Property.

The effective date of the said Agreement is the date upon which the Ontario Securities Commission issues its final receipt for this Prospectus reflecting the agreement and the proposed offering hereunder; PROVIDED that if a minimum of \$40,600 net to the Corporation's treasury is not received within 90 days after such issuance, the agreement shall terminate, and neither the Corporation nor Quadrate shall have any claim against the other by reason of said agreement.

Quadrate has expended a total of \$1720.00 in the acquisition of and in participating in an airborne geophysical survey of the Quadrate claims.

Quadrate is the only party entitled to the vendor consideration payable for the Quadrate claims.

MURGOR EXPLORATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS

Note 2 (b) Under Articles of Incorporation dated May 22, 1969, the authorized capital of the Corporation was \$5,000,000.00 divided into 5,000,000 shares with a par value of \$1.00 each. By Articles of Amendment certified to be effective on May 19, 1971, all of the issued and unissued shares in the capital of the Corporation were changed from shares with a par value of \$1.00 each to share without par value.

(c) Capital stock

Issued and fully paid:

For mining claims	750,000 shares	\$37,500.00
For cash	800,005 shares	100,005.00
	<u>1,550,005 shares</u>	<u>\$137,505.00</u>

Note 3 During the twelve months ended April 30, 1972 (and the three months ended July 31, 1972, the directors and senior officers as a group received the following:

	<u>3 months ended July 31, 1972</u>	<u>Year ended April 30, 1972</u>
President - administration	\$ 750.00	\$2,250.00
- field supervision	750.00	2,625.00
	<u>1,500.00</u>	<u>4,875.00</u>
Secretary - Treasurer		
- secretarial and bookkeeping	--	350.00
	<u>\$1,500.00</u>	<u>\$5,225.00</u>

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.C. 1970 c. 426, as amended, and the regulations thereunder.

DATED the 31st day of October, 1972.

"Gordon C. Watts"
Chief Executive Officer
and Director

"Gerald Richard Hillsdon"
Chief Financial Officer
and Director

"George Sarris"
Director

"Clarence Burnet Charlebois"
Director

PROMOTERS

CORWAT INVESTMENTS & DEVELOPMENT
LIMITED

MCCAUL AND COLLEGE INVESTMENTS
LIMITED

Per: "Gordon C. Watts"
President

Per: "Howard Alford"
President

MURRAY WATTS EXPLORATIONS LIMITED

Per: "Murray Watts"
President

MURGOR EXPLORATIONS LIMITED

BALANCE SHEET

ASSETS

	3 months ended July 31, 1972	Year ended April 30, 1972
Cash	\$ 12,646.32	\$ 20,281.99
Mining claims (Note 1)	39,207.50	9,207.50
Office equipment	675.00	--
Deferred expenses		
Exploration	38,483.08	34,810.25
Administrative	35,794.10	33,177.15
Organization	4,950.00	4,950.00
	<u>\$131,756.00</u>	<u>\$132,426.80</u>

LIABILITIES

Accounts payable	\$ 7,377.16	\$ 8,047.96
Note payable	--	--
	<u>7,377.16</u>	<u>8,047.96</u>

SHAREHOLDERS' EQUITY

Capital stock		
Authorized: 5,000,000 shares, no par value		
Issued and fully paid: (Note 2)	137,505.00	137,505.00
Deficit	(13,126.16)	(13,126.16)
	<u>124,378.84</u>	<u>124,378.84</u>
	<u>\$131,756.00</u>	<u>\$132,426.80</u>

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors:

"Gordon C. Watts" Director

"Gerald Richard Hillsdon" Director

3 months
ended
July 31, 1971

(unaudited)

\$ 283.72
39,207.50

--

20,742.28
15,550.90
4,950.00

\$ 80,734.40

\$ 1,355.56
5,000.00

6,355.56

87,505.00
(13,126.16)

74,378.84

\$ 80,734.40

Year ended
April 30,
1971

\$ 817.84
39,207.50

--

20,742.28
15,418.99
4,950.00

\$ 81,136.61

\$ 1,757.77
5,000.00

6,757.77

87,505.00
(13,126.16)

74,378.84

\$ 81,136.61

Year ended
April 30,
1970

\$ 12,603.44
38,820.00

--

23,538.43
8,495.34
4,950.00

\$ 88,407.21

\$ 902.21
--

902.21

87,505.00
--

87,505.00

\$ 88,407.21

Balance Sheet (2)

MURGOR EXPLORATIONS LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENSES

	3 months ended July 31, 1972	Year ended April 30, 1972
<u>Gillies Limit (North Part):</u>		
<u>Balance, beginning of period</u>	\$ 20,622.28	\$ 20,622.28
Diamond drilling	--	--
Field supervision	--	--
Engineering fees and expenses	--	--
Surveys	--	--
Transfer fees	--	--
Assays	--	--
<u>Balance, end of period</u>	<u>20,622.28</u>	<u>20,622.28</u>
<u>Beaumont and Roberts Townships</u>		
<u>Balance, beginning of period</u>	Nil	Nil
Surveys	--	--
Field supervision	--	--
Transfer fees	--	--
Written off to deficit	--	--
<u>Balance, end of period</u>	<u>Nil</u>	<u>Nil</u>
<u>Sturgeon Lake, Ontario</u>		
<u>Balance, beginning of period</u>	240.50	120.00
Transfer fees	--	--
Mining licenses fees and expenses	252.00	120.50
<u>Balance, end of period</u>	<u>492.50</u>	<u>240.50</u>
<u>Quebec-Lac Albanel</u>		
<u>Balance, beginning of period</u>	13,947.47	Nil
Surveys	--	3,544.17
Transportation of men and equipment	--	91.80
Assays	--	2,421.69
Field supervision	750.00	2,625.00
Engineers fees and expenses	657.09	677.12
Licenses fees and expenses	--	1,225.00
Travel and accommodation	2,013.74	3,362.69
	<u>3,420.83</u>	<u>13,947.47</u>
<u>Balance, end of period</u>	<u>17,368.30</u>	<u>13,947.47</u>
<u>Total deferred exploration expenses</u>	<u>\$ 38,483.08</u>	<u>\$ 34,810.25</u>

3 months ended July 31, 1971 (unaudited)	Year ended April 30, 1971	Year ended April 30, 1970
\$ 20,622.28	\$ 14,904.27	\$ Nil
--	--	9,575.16
--	5,500.00	2,250.00
--	217.51	1,701.43
--	--	1,147.68
--	--	195.50
--	--	35.00
--	5,717.51	14,904.77
Nil	8,513.66	Nil
--	--	5,913.66
--	--	2,250.00
--	--	350.00
--	(8,513.66)	--
--	--	8,513.66
Nil	Nil	8,513.66
120.00	120.00	Nil
--	--	120.00
--	--	--
120.00	120.00	120.00
Nil	Nil	Nil
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
Nil	Nil	Nil
Nil	Nil	Nil
<u>\$ 20,742.28</u>	<u>\$ 20,742.28</u>	<u>\$ 23,538.43</u>

Statement of deferred exploration expenses
(2)

MURGOR EXPLORATIONS LIMITED
STATEMENT OF DEFERRED ADMINISTRATIVE EXPENSES

	3 months ended July 31, 1972	Year ended April 30, 1972
<u>Balance, beginning of period</u>	<u>\$ 33,177.15</u>	<u>\$ 15,418.99</u>
Secretarial fees	600.00	1,350.00
Legal and audit	150.00	10,574.10
Travel and accommodation	--	--
Rent	--	512.92
Transfer fees	--	1,245.55
Communications	167.87	520.10
Shareholders' information	--	277.50
Office expense	272.61	194.84
Government fees, taxes and licenses	72.00	322.87
Sundry	142.25	177.99
Prospectus cost	462.22	--
Office equipment	--	--
Certificates	--	--
Car rental	--	332.29
Management fees	750.00	2,250.00
	<u>2,616.95</u>	<u>17,758.16</u>
<u>Balance, end of period</u>	<u>\$ 35,794.10</u>	<u>\$ 33,177.15</u>

MURGOR EXPLORATIONS LIMITED
STATEMENT OF DEFICIT

<u>Balance, beginning of period</u>	<u>\$ 13,126.16</u>	<u>\$ 13,126.16</u>
Cost of properties abandoned - Beaumont and Roberts Townships		
Cost of acquisition	--	--
Deferred exploration expenses	--	--
<u>Balance, end of period</u>	<u>\$ 13,126.16</u>	<u>\$ 13,126.16</u>

3 months ended July 31, 1971 (unaudited)	Year ended April 30, 1971	Year ended April 30, 1970
\$ 15,418.99	\$ 8,495.34	\$ Nil
--	1,650.00	1,400.00
--	1,560.00	1,325.00
--	1,183.94	3,232.45
106.99	555.56	783.34
--	329.97	492.94
13.92	288.32	251.75
10.00	156.80	229.59
1.00	125.00	207.50
--	52.00	12.52
--	--	220.74
--	--	184.28
--	--	155.23
--	--	--
--	--	--
131.91	6,923.65	8,495.34
\$ 15,550.90	\$ 15,418.99	\$ 8,495.34

Statement of deferred administrative
expenses (2)

\$ 13,126.16	\$ Nil	\$ Nil
--	4,612.50	--
--	8,513.66	--
--	13,126.16	--
\$ 13,126.16	\$ 13,126.16	--

Statement of deficit (2)

MURGOR EXPLORATIONS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	<u>3 months ended July 31, 1972</u>	<u>Year ended April 30, 1972</u>
<u>Source of funds</u>		
Sale of shares of capital stock	\$ --	\$ 50,000.00
<u>Application of funds</u>		
Exploration expenses	3,672.83	14,067.97
Administrative expenses	2,616.95	17,758.16
Organization expenses	--	--
Cost of mining claims acquired for cash	--	5,000.00
Office equipment	675.00	--
	<u>6,964.73</u>	<u>36,826.13</u>
Increase (decrease) in working capital	(6,964.78)	13,173.87
Working capital at beginning of year	12,233.94	(939.93)
Working capital at end of period	<u>\$ 5,269.16</u>	<u>\$ 12,233.94</u>
<u>Represented by</u>		
Current assets	\$ 12,646.32	\$ 20,281.90
Current liabilities	7,377.16	8,047.96
	<u>\$ 5,269.16</u>	<u>\$ 12,233.94</u>

3 months ended July 31, 1971 (unaudited)	Year ended April 30, 1971	Year ended April 30, 1970
\$ --	\$ --	\$ 50,005.00
--	5,717.51	23,538.43
131.91	6,923.65	8,495.34
--	--	4,950.00
5,000.00	--	1,320.00
--	--	--
<u>5,131.91</u>	<u>12,641.16</u>	<u>38,303.77</u>
(5,131.91)	(12,641.16)	11,701.23
(939.93)	11,701.23	Nil
<u>\$ (6,071.84)</u>	<u>\$ (939.93)</u>	<u>\$ 11,701.23</u>
\$ 283.72	\$ 817.84	\$ 12,603.44
6,355.56	1,757.77	902.21
<u>\$ (6,071.84)</u>	<u>\$ (939.93)</u>	<u>\$ 11,701.23</u>

Source and application of funds (2)

MURGOR EXPLORATIONS LIMITED

NOTES TO FINANCIAL STATEMENTS

Note 1 (a) The mining claims referred to on the balance sheet represent the following properties:

Gillies Limit, (North Part) 15 claims at value placed on 750,000 shares of the corporation's capital stock issued therefor less \$4,612.50 being the cost attributed to other claims acquired in the same deal and abandoned	\$32,887.50
Sturgeon Lake, Penassi Lake area, 24 claims for cash	1,320.00
Mistassini Basin, Lake Albanel, 200 claims, (45% interest) acquired for	5,000.00
	<u>\$39,207.50</u>

(b) By agreement dated March 27, 1972 as extended by agreement dated September 6, 1972 in consideration of the sum of \$2,400.00 payable within 90 days from the effective date as hereinafter defined, the Corporation has obtained an option from Quadrate Explorations Limited for a period of twelve months from the effective date to acquire twenty-four unpatented mining claims in the Sturgeon Lake - Penassi Lake Area adjoining the Corporation's 24 claim group for the further sum of \$2,400.00. The Corporation undertakes to expend at least \$10,000.00 in exploration work on these claims within the twelve month period. The effective date of this agreement is the date upon which the Ontario Securities Commission issues its final receipt for the Corporation's prospectus. If the Corporation exercises its option and acquires these claims, then Quadrate Explorations Limited shall be entitled to receive a royalty payment of 2% of the net smelter returns from the ore won from the forty-eight claims then owned by the Corporation.

Note 2 (a) The Company has agreed to offer 1,000,000 common shares of its capital stock through registered securities dealers to the public of Ontario. The Company may pay its 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 10% per share after deducting any commissions and expenses.

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

If payments for purchase orders are not sufficient to net the Company a minimum of \$20,000 within the afore-said 90 day period, then all subscription moneys will be returned to the subscribers without any deductions therefrom following the expiration of the said 90 day period. All subscription moneys will be held in trust by Crown Trust Company for payment to the Company or return to subscribers. If the minimum sum of \$20,000 is raised within 90 days the offering may continue until a total of 1,000,000 treasury shares have been sold to the public.