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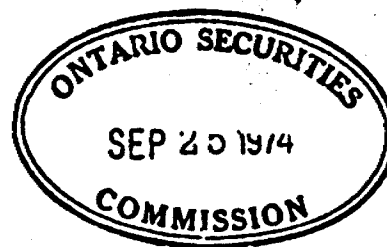
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REPORT ON THE
LAKE TIMAGAMI GOLD PROPERTY
OF
RAND REEF MINES LIMITED

BY
BARRINGER RESEARCH LIMITED
304 CARLINGVIEW DRIVE
METROPOLITAN TORONTO
REXDALE, ONTARIO
SEPTEMBER 1974

SUMMARY

Previous prospecting and diamond drilling has found gold near the bottom of the Huronian group of sediments. Concentrations have been encountered, particularly in the well sorted quartz-pebble conglomerate bands of the basal quartzite. Drill core assays as reported, do illustrate some conflicting data but values up to 0.35 ounces of gold per ton over three feet of conglomerate are recorded.

These well-sorted quartz-pebble conglomerates can be compared geologically to the gold-bearing conglomerates in the Witwatersrand Basin of South Africa.

A programme of exploration is recommended which would combine detailed stratigraphic mapping of one and one-half miles of contact area, with controlled drilling and complete sludge collection in the vicinity of the good gold values of the previous drilling.

The initial programme of about 3 holes for 1,200 feet of BX drilling is estimated to cost around \$38,000.00. This includes full sludge collection, day shift only drilling, company personnel to collect, bag and ship the samples, engineering, assaying and consulting fees.

The detailed mapping with some 10 miles of line cutting would add another \$6,000.00.

Therefore, with possible contingencies and company costs some \$60,000.00 should be available.

Encouraging results in the initial phase would lead to an extension of the drilling along part of the ancient shoreline and also down dip towards the centre of the Huronian Basin covered by the present 166 claims. There is evidence in other parts of the Basin of continuity of these conglomerate bands into the deeper parts of the Basin.

The first priority would be to devise a less expensive method of drilling and testing the gold-bearing horizons. Then the step-out drilling could be expanded in the search for the tonnages required to make an orebody.

It is estimated that an additional \$90,000.00 would get the expanded programme well underway.

Purpose

The primary purpose of this report is to recommend an exploration programme to establish the nature and tenor of gold deposition on the property and in due course to determine the extent of gold deposition of potential economic importance.

Property, Location and Access

The claim group comprises 166 claims numbered as follows:

L-369668 to L-369692 inclusive, being 25 claims
S-378814 to S-378825 inclusive, being 12 claims
S-396956 to S-396984 inclusive, being 29 claims
S-397096 to S-397125 inclusive, being 30 claims
S-397206 to S-397245 inclusive, being 40 claims
S-397345 to S-397374 inclusive, being 30 claims

The property is located at the southern end of the south arm of Lake Timagami in Vogt Township, Sudbury Mining Division. It is approximately 50 miles northeast of Sudbury and 50 miles northwest of North Bay. Access is by boat across Lake Timagami or by rough bush road from River Valley to the south or Martin River to the east, both of which are about 18 miles from the property.

Economic Facilities

The property is well timbered with birch, spruce and poplar. Water for diamond drilling is available from numerous lakes and ponds on the property. Supplies for all exploration and mining purposes are available at Sudbury.

History

The previous work on the property as recorded in the files of the Ministry of ^{Natural} Resources, Toronto, is as follows:

- 1955: Four holes were drilled near the south end of the east arm of the property. They were drilled by D'Eldona Gold Mines Limited, under the direction of L. S. Trenholme and total 2,100 feet.
- 1955: Six holes were drilled by Aubay Uranium Mines Limited under the direction of E. L. MacVeigh, for a total of 1,002 feet of drilling. Five of these were drilled near the east boundary, about one mile north of the D'Eldona drilling. The last one was drilled at the south end of the biggest island between the two arms of the claim group.
- 1956: Another hole was drilled about half a claim east of the island hole above. It was directed by D. W. Sullivan for Aubay Uranium Mines and was 714 feet in length.
- 1958: Eight holes were drilled under the direction of Franc Joubin by a Prosc-Aubay group, to check the work of MacVeigh. A total of 1,842 feet was drilled. No sludge samples were collected.
- 1969: The Keevil Mining Group held a claim block very similar to the present east arm of the property. A geological survey was completed over the ground as well as a magnetometer survey, a Crone Radem V.L.F. with Sharpe S.E. 200 V.E.M. checks, and a Scintillometer survey. Although drilling was recommended, nothing further was done.
- 1970-1971: Gunnex did a geological survey by H. S. Wilson over the south-east portion of the east arm of the property.
- 1973: Michael Ogden, investigating for the Gowganda Syndicate, extended the known occurrence in Vogt Township to many locations around the edge of the Huronian Basin north of Sudbury. He confirmed the previous work that gold exists in the mineralized quartz-pebble conglomerates and obtained an assay of 0.074 ounces of gold per ton from outcrop of quartzite with a few quartz pebbles in it and 2% pyrite.

Previous drill core records show some conflicting gold values. Particular confusion occurs in two sections where MacVeigh in 1955 recorded .35 ounces gold over 3 feet and .40 ounces gold over 2 feet, whereas Joubin in 1958 wedged both sections and recorded .05 to .06 ounces gold on over 5.1 feet and .06 gold over 2.3 feet respectively. In comparing both sets of drill records the writer places more credence on MacVeigh's results as explained below:

a) MacVeigh drilled 4 holes in April - May 1955 and recorded values of gold ranging from trace to .35 ounces.

b) MacVeigh drilled holes 5 and 6 in September 1955 and again values of gold ranging from trace to .40 ounces were recorded confirming his previous drilling in a). Any core loss or grinding is not recorded in either a) or b).

c) Joubin drilled 8 holes in October - November 1958. In the two wedges mentioned above 58% of the core was lost in one section while in the other grinding of the core is recorded. Recorded values of gold range from nil to .06 ounces.

d) Uranium values are not available for the Joubin wedged sections discussed above. MacVeigh records U_3O_8 values up to 0.052 percent. In a third hole, No. 3, drilled by MacVeigh and wedged by Joubin, direct comparison between assayed sections is not possible as footage sampled differs and all assay data are not available. In this hole 3, however, MacVeigh records 0.05 ounces/ton in two sections over 2 feet and 3 feet respectively and U_3O_8 values up to 0.043 percent. Joubin records gold up to 0.04 ounces/ton and U_3O_8 up to 0.026 percent, but in the 7.9 foot section sampled by Joubin, 2.2 feet of core is lost. The higher gold and U_3O_8 values recorded by MacVeigh suggests a loss of mineralized material in the core lost by Joubin.

e) A surface sample collected by Ogden close to the drilled area assayed .074 ounces.

In the writer's experience gold-bearing conglomerates of the type described in these records seldom carry less than a trace of gold and more generally higher than a trace. Furthermore the loss or grinding of core over the critical sections strongly suggest a friable or softer rock. In the writer's experience mineralized pebble conglomerates generally contain pinhead size pyrite and/or carbonaceous material which is friable and therefore requires expert drilling for total core recovery. The pyrite and/or carbonaceous material carries the highest concentrations of gold and uranium. Thus any core loss will be in the mineralized material and with no sludge or water collection, most of the gold could be lost. In addition, the higher gold value assayed from a surface sample compared to Joubin's results suggests a decrease of value in the drill core. Gold may not be leached to any great extent in the surface environment except in the presence of manganese, but one generally expects lower results at surface compared to those in depth because of weathering and erosion. Surface weathering will preferentially decompose the softer auriferous material leaving the essentially barren "hard" rock.

The other holes drilled gave low gold values (.05 ounces and less), but it is difficult to say whether or not the drilling intersected the same stratigraphy as the main gold-bearing horizons in all cases. Many of the drill holes did not intersect the conglomerates or assays were not recorded where conglomerates were intersected. The drill records are at times a composite of information gathered from different persons and not from any one file.

The drilling to date, therefore, has also left unsolved the problem of stratigraphic correlation of the conglomerate bands and where low values occur there is some doubt in the undersigned's mind that comparison is being made between the same gold-bearing conglomerates as there are at least three conglomerate types in the area. Thus, the thickness of the conglomerate-bearing sequence is difficult to estimate, because drilling to date may not have penetrated the entire sequence. Joubin in Hole 1 records some 38 feet of the conglomerate-bearing formation while Trenholme in 1955 indicates 55 feet of this formation.

General Geology

The area is underlain by rocks comprising meta-greywacke, metavolcanic and iron formation of probable Keewatin age. These rocks strike generally east to southeast and dip steeply to the north and northeast. They are intruded at various locations by granite and quartz diorite. Both the intrusives and older formations are overlain unconformably by sediments of Huronian age, mainly Gowganda formation comprising greywacke, argillite and quartzite. The Huronian rocks dip gently north except locally near faulting where dips can become steep to almost vertical. The Keweenaw diabase forms a thick northeast-trending dyke, flattening into a sill-like intrusive near the western part of the area.

Numerous conglomerate bands were noted in the drilling and at various surface exposures in the area. A basal boulder conglomerate was observed by the writer at two locations unconformably overlying greenstone. This conglomerate contains large boulders, up to 30 inches across, comprising mainly granite, volcanic rocks and iron formation. The boulders are angular to sub-angular and as a result this unit is sometimes referred to as an agglomerate.

Within the quartzite formation, near the base of the Huronian section in this area, are numerous conglomerate beds of two distinct types - (a) a mixed conglomerate of granite, chert, and quartzite generally sub-angular to sub-rounded in character, grading from fist-size to pebble-size, was noted at one exposure; (b) a well-sorted pebble conglomerate, the quartz pebbles are well rounded and elliptical in shape and up to two inches across. One surface exposure of three such well-sorted quartz-pebble conglomerates was seen during the writer's visit to the area. Drilling at this location indicated that these three conglomerate bands become one unit in depth.

General Knowledge

Reference to Mississagi and/or Gowganda conglomerates have been eliminated from this report as there is some doubt in the writer's opinion as to what has been referred to in the published data. Gold-bearing conglomerates,

therefore, will be grouped in this report as water-lain accumulations in a continental basin in contrast to tillites and agglomerates also recognized in the sequence. The water-lain conglomerates vary along strike and through their thickness and hence a well-sorted, well-rounded quartz pebble conglomerate at any one location may correlate with a less well-sorted and mixed pebble conglomerate along strike or down dip. Such variations have been recognized in the Witwatersrand, and the best gold values in any section generally correspond to the best sorted pebble conglomerate sections.

These quartz-pebble conglomerates in the subject area of this report are similar in characteristics to the gold-bearing conglomerates of Witwatersrand, South Africa. From the writer's experience in the Witwatersrand Basin, such a conglomerate will contain variable amounts of gold and uranium if a source is exposed near the shoreline of the basin. The extent of the sorting of the pebbles has been found to be important in the Witwatersrand, as "pay shoots" with higher than normal gold values related to "channel-like" features within the well-sorted conglomerate. In both a broad and detailed comparison of this Huronian Basin and the Witwatersrand Basin, similarities exist as follows:

1. A nearby source of gold in older rocks is recognized. The tuffs of Keewatin age are gold-bearing as recorded in drilling by Malarctic Gold Fields Ltd. at Austin Bay, Vogt Township, Ontario in 1956. (One mile east of the property.) In the Witwatersrand the sources are considered to be the mafic and ultramafic volcanic rocks, (Viljoen, R. P. et al, 1970).
2. A sequence of quartzite, argillite and greywacke is identical in both areas and the development of conglomerate bands at the base or within the quartzite is similar.
3. The convergence of conglomerate bands occurs in both areas. In the mined areas of the Witwatersrand, the overlap of conglomerate bands can be very significant in gold tenor and in mining operations. Where

a younger conglomerate horizon overlaps on an older conglomerate horizon, the latter often carries better gold values as this position marks the shoreline of the earlier basin.

4. There are numerous gold-bearing conglomerate bands in the Witwatersrand sequence all of which are not mineable. Different mines in the various localities around the Witwatersrand Basin are mining different conglomerate bands. There are numerous conglomerate bands in the Huronian section, and one of the prime objectives of any subsequent exploration programme, will be to carefully map and economically evaluate these various pebble conglomerate bands in the sequence.

Conclusions

The merit of the property appears to be in the extent of conglomerate development as a shoreline facies of the Huronian Basin. These conglomerate bands are gold-bearing. The apparent sporadic, sometimes conflicting nature of available gold assay results may in part relate to a lack of stratigraphic control because of the general difficulty in surface exposures of correlating the conglomerate bands observed at various locations. The grinding and loss of core in a number of drilled sections is also a contributing factor. The similarity of the section within the property to areas in the Witwatersrand Basin of South Africa, warrant a more detailed and a more controlled study of the gold-bearing potential.

The gold-bearing conglomerates are exposed on only 2 of the claims in the extreme east of the property and nowhere else has there been direct evidence that the conglomerate sequence continues. There is evidence from mapping by Ontario Department of Mines in the area as a whole that the Basin of sedimentation increased in size such that younger formations overlap older formations (H. Meyn). Mapping and prospecting along the present limit of the Huronian Basin is not necessarily indicative of the presence or absence of quartz-pebble conglomerates. The property location takes into account the lack of exposure of quartz-pebble conglomerates along the present mapped shoreline and claims are concentrated down dip of the present shore to where

The quartz-pebble conglomerate horizons are extrapolated. Drilling results from other parts of the basin have proved the occurrence of conglomerate bands at 2,000 to 3,000 feet depth, some 12 to 15 miles from the estimated shoreline (H. Meyn). All 166 claims, therefore, may have a gold potential.

Recommendations

Controlled detailed surface mapping combined with a drill programme to check values in the areas which have been drilled and known to contain gold-bearing, quartz-pebble conglomerates, are essential in order to clarify the existing confusion and conflicting data which have been recorded by various people at various times over the last twenty years. Acceptable drilling, sampling and assay procedures will also be established in this initial phase so that subsequent drilling results will be reproducible.

The one and one-half mile stretch of Keewatin/Huronian contact along the east side of the east arm of the property should be remapped with close picket line control at a scale of about 50 feet to the inch, particular attention being paid to quartz-pebble horizons and sulphide mineralization.

The vicinity (within 250 feet) of old holes Nos. 4 and 5 should be checked by a series of vertical holes of large diameter (BX) and all the sludges should be retained for assay. When two holes display similar stratigraphy with similar gold values the key to expanded exploration will be established. The sludge assays, if taken every 5 feet, can be used to guide the location of core assays and to help in locating the next intersection. But, to obtain such information a drill operating on day shift only would be required. This is recommended anyway, because a company crew will be kept busy collecting, decanting and bagging the sludge samples.

As most of the work will be on a cost plus basis, the cost is difficult to estimate, but will be about as follows:

Purchase of 3 tents for camp	\$ 1,000.00
Camp erection	1,000.00

References

1. Maps and reports on file with the Ministry of ^{Natural} National Resources, Queen's Park, Toronto.
2. Vogt Township claim map.
3. Personal files of E. L. MacVeigh showing assays on drill logs.
4. Personal communication with Michael Ogden and his work by the Gowganda Syndicate.
5. Geological Report No. 1 by J. E. Thomson (1960), Ontario Department of Mines.
6. Geological Report No. 22 Vogt-Hobbs Area by James A. Grant (1964), Ontario Department of Mines.
7. "Compilation Sheet" of Drilling and Geology by Michael Ogden (1974), 200 scale.
8. Drill Hole Sections by Michael Ogden (1974), 100 scale.
9. Maps and drill logs of the Pardo Township work that are on file at the Ministry of ^{Natural} National Resources.
10. Huronian Rocks and Uraniferous conglomerates in the Canadian Shield by S. M. Roscoe. G.S.C. paper 68 - 40.
11. Viljoen, R.P., Saager, R., and Viljoen, M.J. 1970. Some thoughts on the origin and processes responsible for the concentration of gold in the Early Precambrian of Southern Africa. Mineralia Deposita.
12. H. Meyn. Ontario Department of Mines, Personal Communication.

Line cutting (10 miles)	1,000.00
Geological mapping	3,000.00
Mobilization and demobilization of drill and crew to property	8,000.00
1,200 feet of BX drilling in 3 holes @ \$9.00/foot	10,800.00
150 feet of BX casing in 3 holes @ \$13.00/foot	1,950.00
2 moves at \$625.00/move	1,250.00
Some 15 cementing jobs @ \$200.00 - \$400.00/job - say	5,000.00
Drill supervisor plus a sludge and core grabber @ \$2,000.00/month x 2 1/2	5,000.00
Equipment for sludge collection	1,000.00
Assays: with 60 sludge +10 core/hole	1,000.00
Sample pick up and delivery (200 x \$2.50)	500.00
Engineering and consulting fees	<u>3,500.00</u>
TOTAL	\$ 44,000.00

Thus with contingencies and company formation costs, about \$60,000.00 should be available for the initial phase.

~~If the initial drill programme established acceptable grades and continuity of gold mineralization within the conglomerate strata then further drilling is warranted to prove tonnage. However, in order to achieve this, a less expensive method of drilling and testing the gold horizons would have to be developed. Various methods could be tested, like AX rather than BX, and less rigorous sludge collection. Then the drill hole interval could be expanded in the search for tonnage. An additional \$90,000.00 would get such a programme of ore delimiting well underway.~~



Respectfully submitted,

John L. Walker

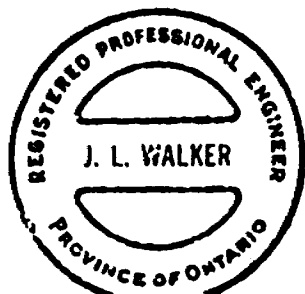
John L. Walker, P.Eng.,
Chief Geologist.

September 5, 1974

CERTIFICATE

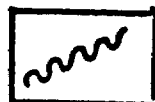
I, JOHN LEIPER WALKER, of Islington in the County of York, in the Province of Ontario, hereby certify as follows:

1. That I am a geologist and reside at 7 Cramond Court, Islington, Ontario.
2. That I hold a Bachelor of Science degree in Honours Geology from the University of Aberdeen, Scotland and a Doctor of Philosophy in Mining Geology - Geochemistry from the University of London.
3. That I am a member of the Association of Professional Engineers of Ontario, a Fellow of the Geological Association of Canada and Geological Society of South Africa.
4. I have been practicing my profession since 1952 - from 1952 - 1960 in South Africa including 3 years as Mine Geologist in the Witwatersrand and since 1964 based in Canada.
5. That I have no personal interest, direct or indirect, in the property described in this report, nor in the properties or securities of Rand Reef Mines Ltd., nor do I expect to receive any interest therein.
6. That my report dated September 1974, on the Lake Timagami Gold Property of Rand Reef Mines Limited is based on personal examination, published government geological reports and maps and our data from government assessment work files.
7. That the examination of the property was made by me on May 7, 1974 in my capacity of Chief Geologist of Barringer Research Limited.

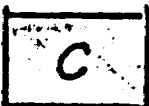


John L. Walker
John L. Walker, P. Eng.

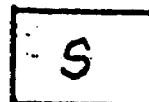
September 5, 1974



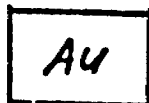
FAULT ZONE



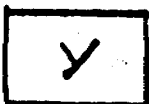
HURONIAN
BOULDER CONGLOMERATE



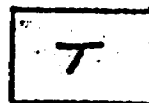
KEEWANAW
METASEDIMENTS



OUNCES OF GOLD
PER TON



GREYWACKE-
OR ARGILLITE



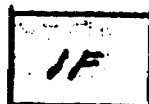
TUFFS



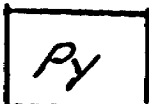
% URANIUM OXIDE
PER TON



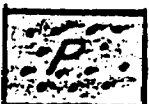
QUARTZITE



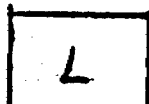
IRON FORMATION



5%-15% PYRITE



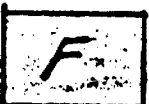
MISSISSAGI ? QUARTZ
PEBBLE CONGLOMERATE



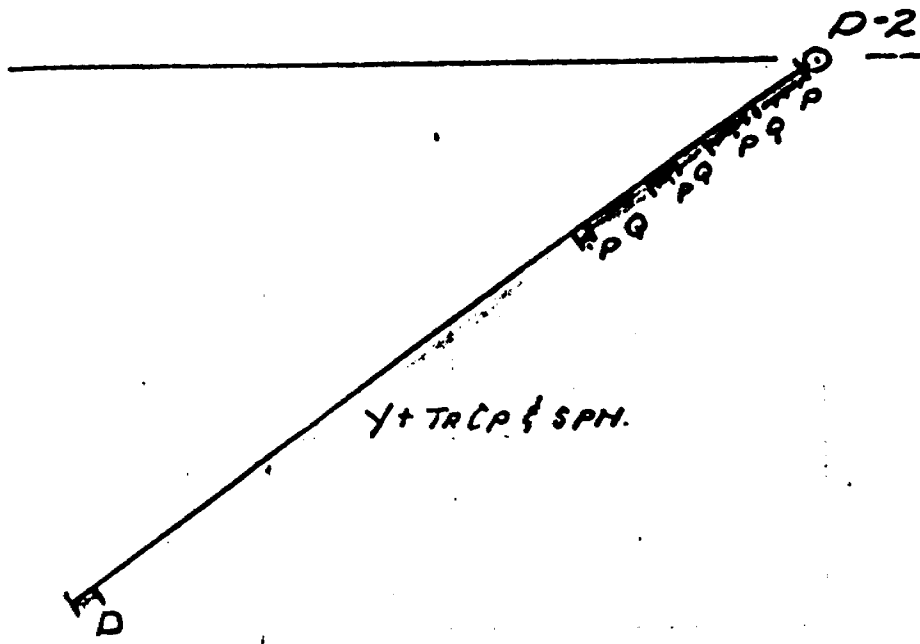
LAVAS &
GREENSTONE



KEEWANAW
DIABASE

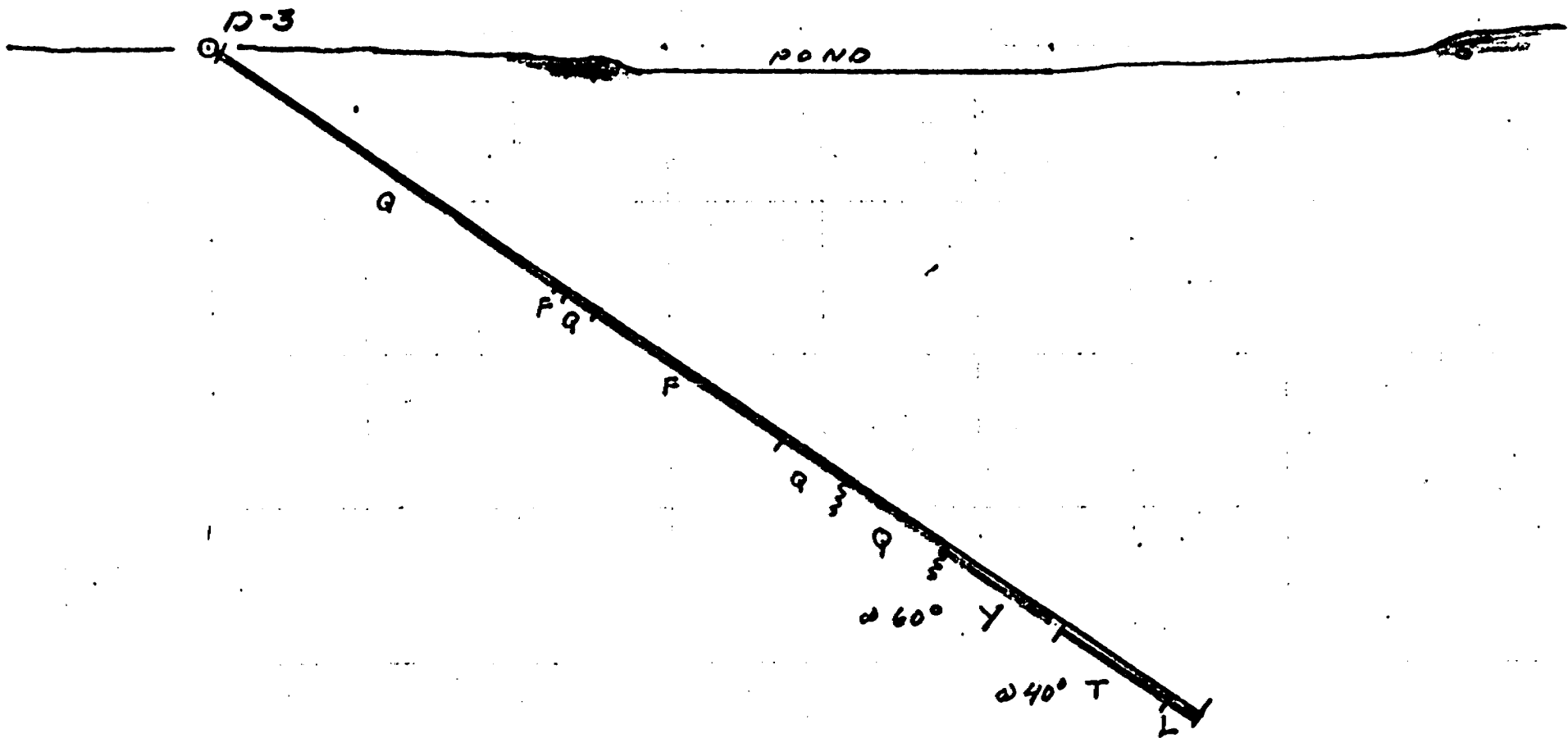


FIST SIZE CONGLOMERATE
± SOME QUARTZ PEBBLES



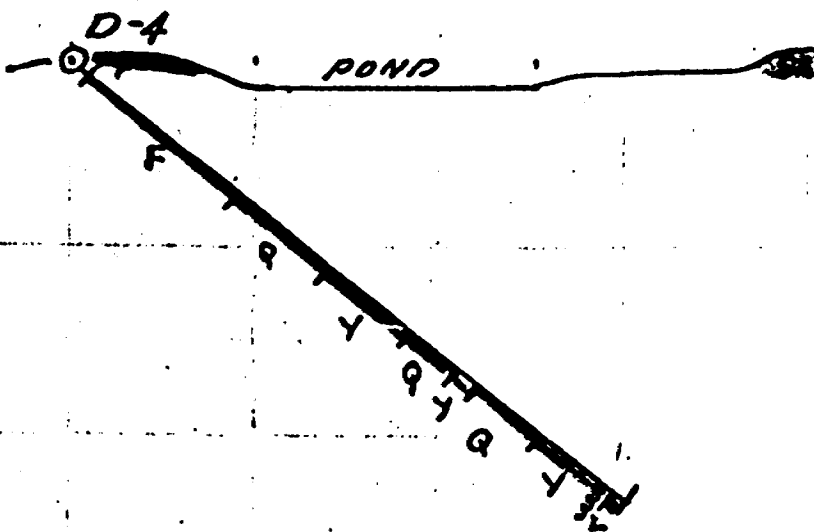
FACING N.E.

D'ELDONA No 2
By L. S. TIRENHOLME MAY 55
1 in. = 100 FT
M.O. APR. 74



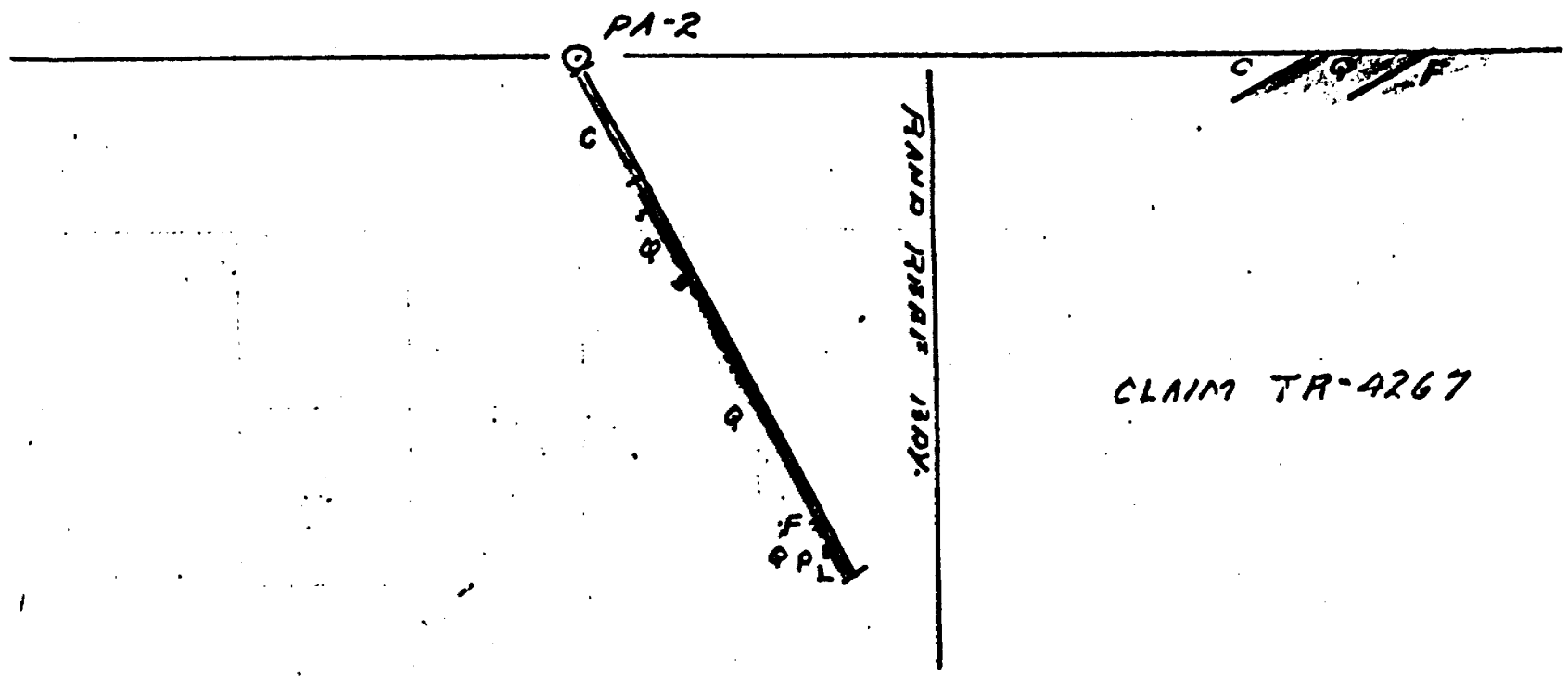
FACING NE, 1500' NE OF N2 R

D'ELDONA No 3
 BY L.S. TRENHOLME JUN. 55
 1 IN. = 100 FT
 M.O. APR. 74



FACING NE, 2100' NE OF N22

D'ELDONA NO 4
BY L.S. TRENHOLMR JUN 55
1 IN. = 200 FT. M.O. APR. 74



FACING NORTH

465' SOUTH OF SURVEYED POST

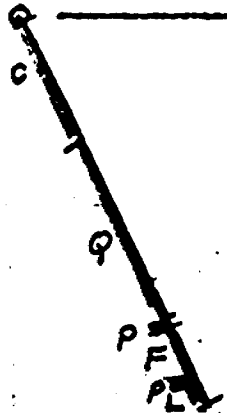
PROSCO-AUBAY HOLE PA-2

BY FRANC JOURBIN OCT 58

1 IN. = 100 FT

M.O. APR 74

PA-1



NOTE:

THE 38' AGGOMERATE (B) SECTION HAS
SOME WELL MINERALIZED ZONES
(10% Py), BUT PEBBLES ARE
ANGULAR.

WAS WELL SAMPLED, ASSAY NOT REPORTED.
NO SLUDGE.

L-369688

TR-4267

FACING NORTH

100' SOUTH OF SURVEYED POST.

S-7

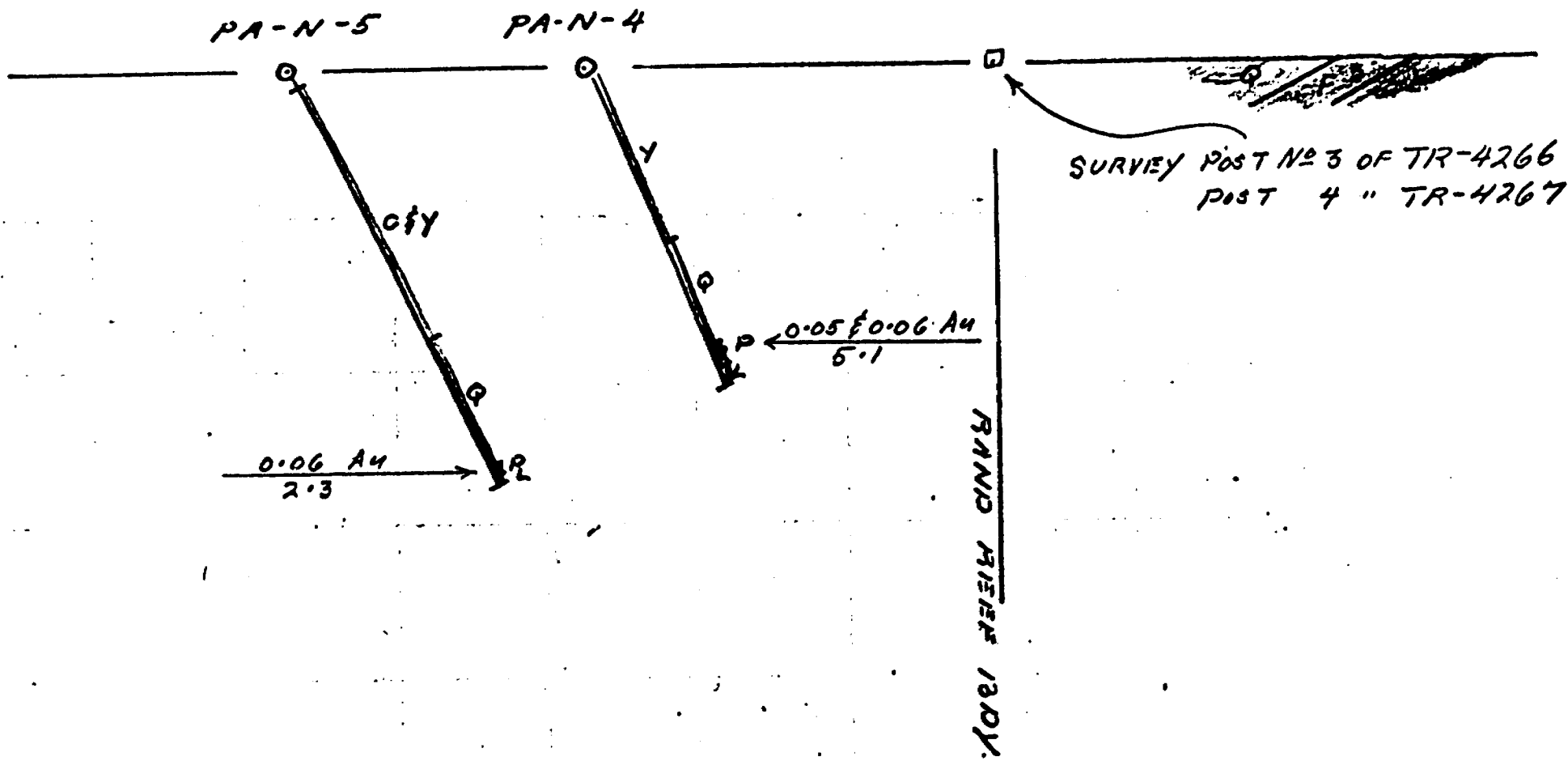
PROSCO-AUBAY HOLE PA-1

BY F. JOUBIN

OCT 58

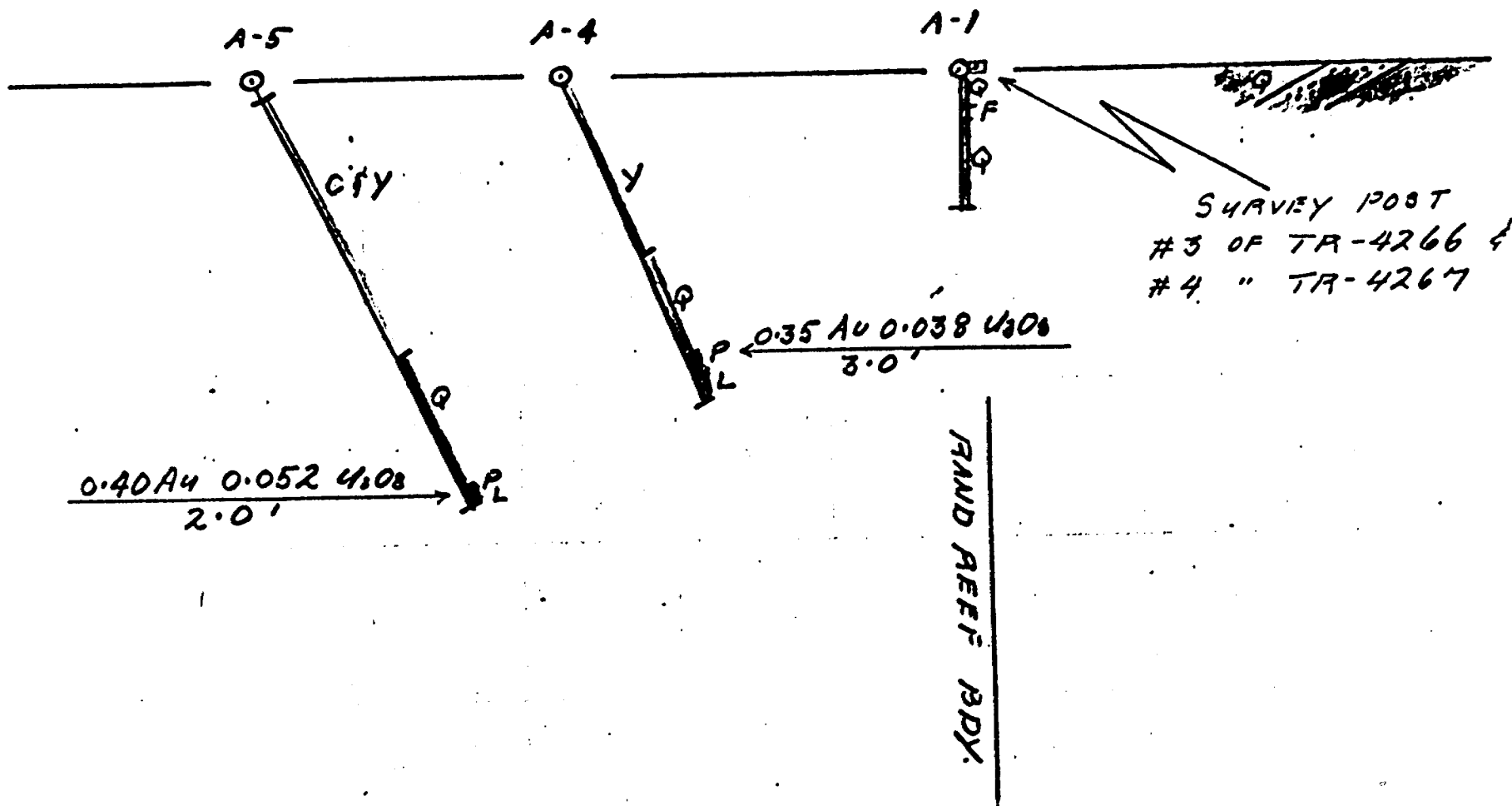
1 IN = 100 FT.

M.O. APR. 74



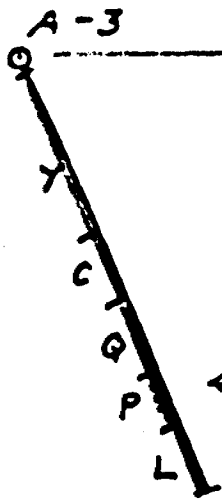
FACING NORTH AT SURVEY POST

PROSCO-AUBAY, WEDGEID HOLE'S 4 & 5
 BY FRANC JOMBINI, OCT. 1958
 1 IN. = 100 FT M.D. APR. 74



FACING NORTH AT SURVEYED POST

AUBAY HOLES 1, 4, 95
 BY MACVEIGH, APR. MAY & SEPT 55
 1 IN = 100 FT. M.O. APR. 74



CLAIM TR-4266

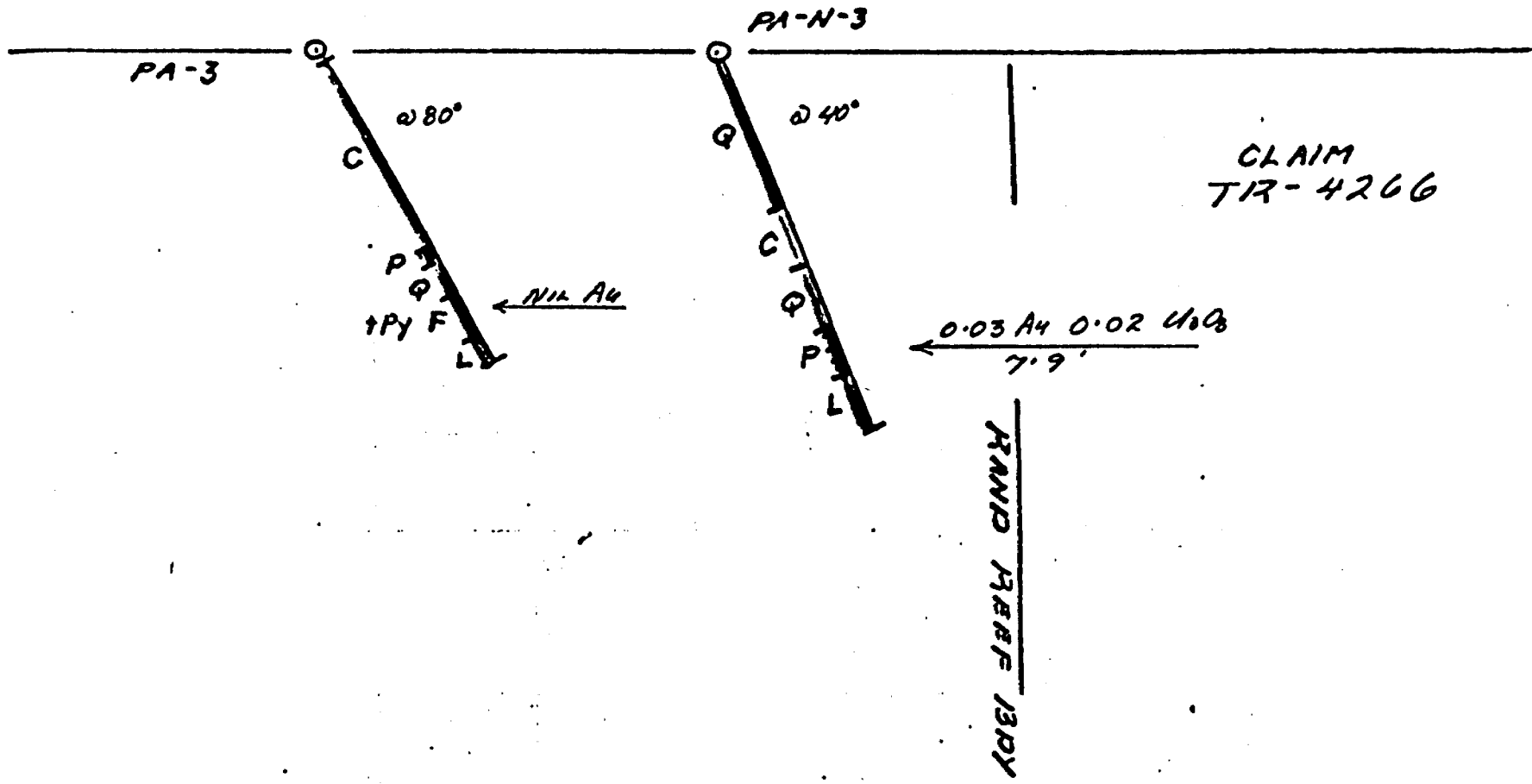
← 0.05 Au 0.022 U₂O₈
5.0'

HAND DRAWN COPY.

FACING NORTH

200 FT. NORTH OF SURVEYED POST.

AUBAY HOLE No 3
 BY E.L. MACVEIGH JUN 55
 1 IN. = 200 FT M.O. APR 74

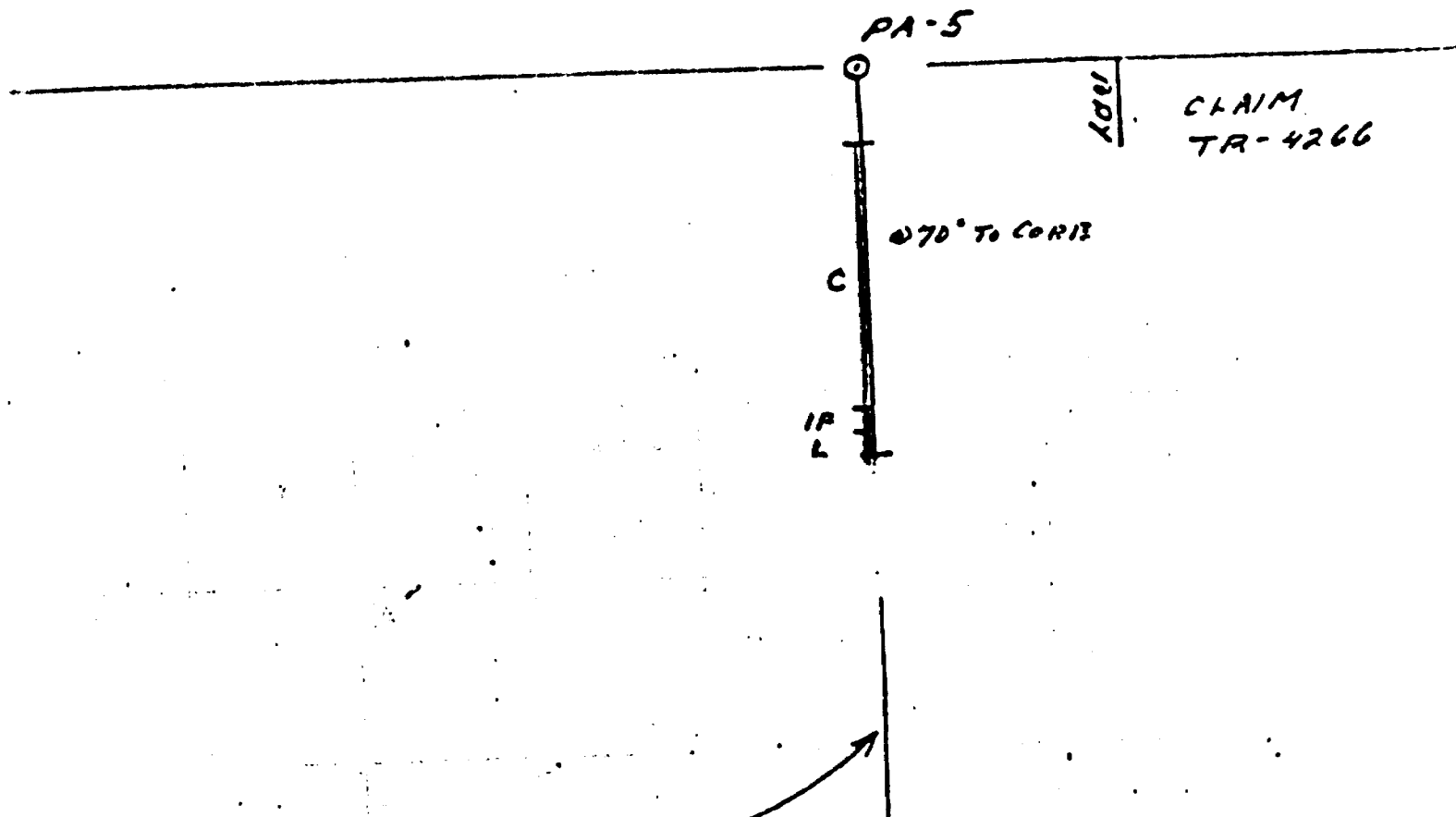


CLAIM
TIR-4266

FACING NORTH

200 FT. OF SURVEYED POST.

PIROSCO-AUBAY HOLES PA-3
 & WEDGID HOLE PA-N-3
 BY FRANK JOUBIN OCT 58
 1 IN. = 100 FT. M.O. APR 74



FACING NORTH & THIS LINE IS 820' NORTH
OF THE SURVEYED CLAIM POST

PROSCO-AUBAY HOLE PA-5
BY FRANC JUBIN NOV. 58
1 IN. = 100 FT. M.O. APR. 74



41116SE0003 0017 VOGT

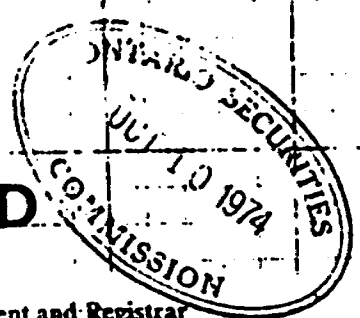
020

Sup of Logt

PROSPECTUS

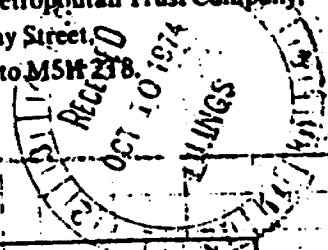
RAND REEF MINES LIMITED

(Incorporated under the laws of Ontario)



Head Office
Suite 1609,
44 Victoria Street,
Toronto MSC 1Y2.

Transfer Agent and Registrar
The Metropolitan Trust Company,
353 Bay Street,
Toronto M5H 2T8.



NEW ISSUE

	Price To Public	Agents' Commission	Net Proceeds To Corporation
Price Per Share	27 cents	5 cents	22 cents
Total Amount	\$135,000.00	\$25,000.00	\$110,000.00

500,000 COMMON SHARES WITHOUT PAR VALUE

Rand Reef Mines Limited will offer up to a maximum of 500,000 treasury shares for sale to the public on a best efforts basis through registered security dealers in the Province of Ontario acting as agents, provided that the Corporation shall receive not less than 22 cents net per share.

If insufficient purchase orders are received to net the treasury a minimum of \$60,000.00 within a period of 90 days from the acceptance of this Prospectus for filing by the Ontario Securities Commission, all monies then received shall be refunded in full by The Metropolitan Trust Company, which will act as Trustee during such 90 day period, as disclosed in the heading "Offering" contained herein.

Upon the minimum amount of \$60,000.00 being received by the Corporation after the payment of all commissions within such 90 day period, Rand Reef Mines Limited will continue to offer the balance of 500,000 shares then remaining in accordance with the provisions stated in this Prospectus.

PURPOSE OF OFFERING

The purpose of this offering is to provide funds to finance an exploration program recommended by the consulting engineer as set forth under the heading "Mining Property", together with general administrative and operating expenses from time to time. Further reference is also made to the heading "Use of Proceeds" in this Prospectus.

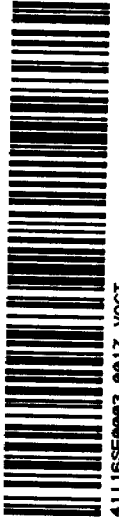
THERE IS NO MARKET FOR SHARES OF THE CORPORATION AND THE SECURITIES HEREBY OFFERED ARE SPECULATIVE.

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

Prospectus dated this 1st day of October, 1974.

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HISTORY AND BUSINESS

Rand Reef Mines Limited (hereinafter for convenience referred to as "Rand Reef" or "the Corporation") was incorporated under the laws of Ontario by Articles of Incorporation for which Certificate of Incorporation was issued on April 17th, 1974. The head office is located at Suite 1609, 44 Victoria Street, Toronto, Ontario, and the principal objects of the Corporation are to engage in all phases of the exploration and development of mining properties. The Corporation has not carried on work on any properties to date.

MINING PROPERTY

By Agreement dated May 15th, 1974 Rand Reef has acquired from the Gowganda Syndicate a total of 166 Mining Claims (referred to as "the Mining Claims" herein) located in the Township of Vogt in the District of Nipissing and recorded in the Office of the Mining Recorder for the Mining Division of Sudbury as Nos. L-369668-92 both inclusive; S-378814-25 both inclusive; S-396956-84 both inclusive; S-397096-125 both inclusive; S-397206-45 both inclusive and S-397345-74 both inclusive. The total consideration payable was the allotment and issue of 750,000 fully paid shares of no par value in the capital stock of the Corporation, all of which is to be received solely by the Vendor. The Gowganda Syndicate is a mining syndicate formed pursuant to Agreement registered with the Ontario Securities Commission in accordance with the provisions of Section 34 of The Securities Act, and reference is here made to the headings "Principal Holders of Securities" and "Promoter" with respect to disclosure of the members comprising the Syndicate. The Claims were staked by the Gowganda Syndicate in May, 1973 and February and March of 1974 at a total cost of approximately \$9,850.00. All the Mining Claims are in good standing at the date hereof, and apart from preliminary investigation, there has been no exploration work performed by the Corporation.

Location and Access

The Mining Claims are located at the southern end of the south arm of Lake Temagami approximately 50 miles north-east of Sudbury and 50 miles north-west of North Bay, and may be reached by water across the lake or by either of two rough bush roads about 18 miles from the property. Water is readily available from the numerous lakes and ponds in the area together with ample timber for construction needs. There is no mining plant or equipment on the property at the present time.

History and Geology

The property of some ten square miles in area was staked to cover two large basins of relatively flat lying sediments of Huronian age, for it is in some conglomerates at the bottom of this younger formation that gold has been discovered along the south-east edge of the claim group.

Gold was first discovered on the property almost 20 years ago during the extensive uranium explorations of 1955, when many places along the edge of the great Huronian basin were being tested to see if more uranium, similar to Blind River, could be found. Some minor uranium had been intersected with a little gold, when a drill hole returned 0.35 ounces of gold per ton over a 3-foot section of quartz pebble conglomerate at 200 feet in the hole. It was another four months before this hole was checked by another one, 200 feet away and down dip. It intersected 2.0 feet of 0.40 ounces of gold per ton. The uranium values were low in both holes (0.04% to 0.05% U_3O_8) which probably explains why nothing was done for 3 years. Then a few holes were drilled to the north and south and finally the crucial ones were checked by going down the old holes and wedging for a new intersection of the same horizon. The results were low, but as neither drilling program retained the fine cuttings (sludge) from the holes, and only the second one mentioned core recovery, which was often poor, there is thus considerable doubt that the gold-bearing horizons have been accurately sampled.

Some 5658 feet of drilling was completed in these programs during the years 1955 to 1958 but the claims were allowed to lapse. In 1969 the Keevil Mining Group acquired the ground and completed reconnaissance geological and geophysical surveys, magnetic, electromagnetic and scintillometer. A little more geological work was done in 1970, and diamond drilling was recommended but not proceeded with.

In the spring of 1973, the Gowganda Syndicate staked 25 claims which comprise most of the area as staked before. Surface examination confirmed the previous work that gold exists in the mineralized quartz pebble conglomerates and a sample of outcrop with 2% pyrite and a few quartz pebbles in it was found to assay 0.074 ounces of gold per ton.

The quartz pebble conglomerates occur in places near the bottom of the relatively flat-lying Huronian sediments that occur in a great basin-like shape from Blind River to Sudbury to north of North Bay, and on north towards Kirkland Lake and Timmins. They overlie the older Archaean basement rocks of volcanics, sediments and various intrusives.

During the Summer and Fall of 1973 the Gowganda Syndicate continued to check the gold content of quartz pebble conglomerates wherever they could be found. Gold mineralization was often found in these strata, but never as good as in the old drilling or outcrop of the original property. The balance of the claims were staked in the Winter of 1974 so as to extend the claims out into the basin-like structure to the west and north, and the gold bearing conglomerates are exposed on two of the claims in the extreme east end of the property.

Summary

A Report dated September 5th, 1974 has been prepared for the Corporation by Dr. John L. Walker, Chief Geologist of Barringer Research Limited, Toronto, who has had extensive experience in South Africa including three years as Mine Geologist in the Witwatersrand, enabling him to make some interesting comparisons on the nature of the rocks on this property to those of the Rand. This Report is available for inspection in the public offices of the Ontario Securities Commission, 555 Yonge Street, Toronto, and has been relied upon by the Corporation for the information contained in the preceding paragraphs, and forms the basis from which the following summary has been prepared:

Previous prospecting and diamond drilling has found gold near the bottom of the Huronian group of sediments. Concentrations have been encountered particularly in the well sorted quartz pebble conglomerate bands of the basal quartzite which can be compared geologically to the gold bearing conglomerates of the Witwatersrand Basin of South Africa and indicate that such a conglomerate will contain variable amounts of gold and uranium if a source is exposed near the shoreline of the basin. The extent of the sorting of the pebbles has been found to be important in the Witwatersrand as "pay shutes" with higher than normal gold values related to "channel-like" features within the well sorted conglomerate. In both a broad and detailed comparison of this Huronian Basin and the Witwatersrand Basin certain similarities do exist.

Within the quartzite formation, near the base of the Huronian section in this area, are numerous conglomerate beds of two distinct types - (a) a mixed conglomerate of granite, chert and quartzite generally sub-angular to sub-rounded in character, grading from fist-size to pebble-size, was noted at one exposure; (b) a well-sorted pebble conglomerate, the quartz pebbles are well rounded and elliptical in shape and up to two inches across. One surface exposure of three such well-sorted quartz-pebble conglomerates was seen during the writer's visit to the area. Drilling at this location indicated that these three conglomerate bands become one unit in depth.

A program of exploration is recommended by Dr. Walker which would combine detailed stratigraphic mapping of 1½ miles of contact area, with controlled drilling and complete sludge collection in the vicinity of the good gold values of the previous drilling. The costs of this program have been estimated as follows,

Line cutting and mapping -	\$ 6,000
and camp erection	
Costs of moving drill	8,000
and crew in and out of	
property	

Cost of diamond drilling - 1,200'	14,000
Cementing and sludge collection	11,000
Assays and pick up and delivery of samples	1,500
Engineering and consulting fees	<u>3,500</u>
	<u>\$44,000</u>

Recovery of acceptable grades and continuity of gold mineralization within the conglomerate strata could lead to immediate expansion of the drilling program to the extent that funds are then available.

PRELIMINARY EXPENSES

It is estimated that the expenses of the Corporation for the first year of operation will be \$5,000.00 for general administrative and operating expenses and \$44,000.00 for the exploration and drilling program outlined subject to increase for further drilling if such work is warranted and funds are available. Provision has also been made for the costs of incorporation and organization of the Corporation and the costs of this issue, estimated to be \$7,500.00, to be paid out of the monies to be received from the sale of treasury shares.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Corporation is 3,000,000 shares without par value to be issued for a consideration not exceeding \$1,000,000.00, of which 750,004 have been issued to the date hereof. All shares are of one class only and rank equally in every respect including the right to one vote each at all meetings of shareholders and the right to participate equally in the assets of the Corporation in the event of winding up or liquidation. All shares issued and to be issued will be fully paid and not subject to call for any further payment. There is no other form of security of the Corporation existing at the present time and none is contemplated.

CAPITALIZATION

Description of security	Amount authorized	Amount outstanding as at May 31, 1974 (see statements attached)	Amount outstanding as at date of this Prospectus	Amount outstanding if all securities being issued are sold
Common shares no par value	3,000,000 (\$1,000,000.)	750,004 (\$52,502.)	750,004 (\$52,502.)	1,250,004 (\$162,502.)*

*On the basis of all the shares hereby offered being sold at 22¢ net to the treasury.

ESCROWED SHARES

At the date thereof a total of 750,000 fully paid common shares without par value of the Corporation are held in escrow by the Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, subject to release only with the consent of the Corporation and the Ontario Securities Commission and as to transfer, pledge or any other dealings within the terms of the escrow only with the consent of the Ontario Securities Commission.

<u>Number of escrowed shares</u>	<u>Percentage of total issued Capital as at the date of this Prospectus</u>
750,000 common	100%

By agreement dated June 10th, 1974 between the Gowganda Syndicate, The Metropolitan Trust Company and Rand Reef, the above noted escrowed shares may be required to be tendered back to the Corporation in the event the mining property for which such shares were issued is abandoned or title thereto is permitted to lapse by reason of a discontinuance of development work. Application will be made for the release from escrow of 75,000 shares of these shares following the sale of the shares offered hereunder :

PRINCIPAL HOLDERS OF SECURITIES

As at the date of this Prospectus, the only holder of more than 10% of the issued capital stock of the Corporation is as follows :

<u>Name and address</u>	<u>Description of class</u>	<u>Type of ownership</u>	<u>Number of shares</u>	
The Gowganda Syndicate C/O. Michael Ogden, RR 4, Stouffville,ont	Common shares No par value	Record and beneficial	750,000	
				<u>Percentage of class issued</u>
				100%

The Gowganda Syndicate is a group formed by Prospecting Syndicate agreemtn dated March 12th, 1973 and registered with the Ontario Securities Commission pursuant to Section 34 of the Securities Act for the purpose of financing prospecting expedition to acquire explore and develop mining properties in Ontario and Quebec. A greater than 5% interest of the presently issued units thereof is held by Cecil Hammon Franklin, 27 Country LANE, Willowdale, Ont; Sydney Shiff, 26 E. 63rd Street, New York City, Korich Mining

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TO FOLLOW**

ESCREWED SHARES

At the date hereof a total of 750,000 fully paid common shares without par value of the Corporation are held in escrow by the Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, subject to release only with the consent of the Corporation and the Ontario Securities Commission. The Corporation does not pledge or any other dealings with the shares of the Corporation only with the consent of the Ontario Securities Commission.

Number of escrowed shares	Percentage of total issued capital as at the date of this Prospectus
<hr style="width: 200px; margin-left: 0;"/>	<hr style="width: 200px; margin-left: 0;"/>
750,000 common	100%

By Agreement dated June 10th, 1974 between the Gowganda Syndicate, The Metropolitan Trust Company and Rand Reef, the above noted escrowed shares may be required to be tendered back to the Corporation in the event the mining property for which such shares were issued is abandoned or title thereto is permitted to lapse by reason of a discontinuance of development work. Application will be made for the release from escrow of 75,000 of these shares following the sale of the shares offered hereunder.

PRINCIPAL HOLDERS OF SECURITIES

As at the date of this Prospectus, the only holder of more than 10% of the issued capital stock of the Corporation is as follows:

<u>Name and address</u>	<u>Description of class</u>	<u>Type of ownership</u>	<u>Number of shares</u>	<u>Percentage of class issued</u>
The Gowganda Syndicate c/o Michael Ogden R.R.4 Stouffville, Ont.	common shares no par value	Record and beneficial	750,000	100%

The Gowganda Syndicate is a group formed by Prospecting Syndicate Agreement dated March 22nd, 1973 and registered with the Ontario Securities Commission pursuant to Section 34 of The Securities Act for the purpose of financing prospecting expeditions to acquire, explore and develop mining properties in Ontario and Quebec. A greater than 5% interest of the presently issued units thereof is held by Cecil Hammond Franklin, 27 Country Lane Willowdale, Ont.; Sydney Shiff, 26 E. 63rd Street, New York City; Korich Mining

Company Limited, Suite 1609, 44 Victoria Street, Toronto, Ont. (a public Ontario Corporation in which a greater than 5% interest in the issued capital thereof is held by Robert P. Mackay, 31 Alexander Street, Toronto); Michael Ogden, R. R. 4 Stouffville, Ontario; Robert Halet, 15 Bedford Park Avenue, Toronto, Ontario; and St. John Holdings Limited, P. O. Box 2215, London, Ontario (an Ontario Corporation in which the only shares are held by David B. Weldon, 20 Gibbons Place, London, Ontario, Marcia W. Gould, 43 Rosedale Road, Toronto, Ontario, and Ann W. Lawry, R. R. 1 Arva, Ontario.)

Following the sale of all the shares offered, the respective percentage of shares held and to be held by the principal shareholders and the public will be as follows:

<u>Shareholders</u>	<u>Percentage of class before offering</u>	<u>Percentage of class after offering</u>
Principal shareholders	100%	60%
Public	nil	40%

PRIOR SALES

Since incorporation the only shares of the Corporation sold for cash have been as follows:

<u>No. of shares</u>	<u>Price per share</u>	<u>Total proceeds</u>
4	\$.50	\$2.00

DIVIDENDS

No dividends have ever been paid by the Corporation to date.

AUDITORS

The Auditors of the Corporation are Messrs. Evans, Moore & Powell, Chartered Accountants, 88 Prince Arthur Avenue, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent of the Corporation is The Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario.

OFFERING

The Corporation will offer up to a maximum of 500,000 treasury shares for sale to the public on a best efforts basis through registered security dealers in the Province of Ontario as agents who will be entitled to a commission on such sales of five cents (5c) per share with the Corporation to receive not less than 22¢ net per share for all shares being sold. Monies received for subscriptions will be held in trust by The Metropolitan Trust Company pursuant to terms of Agreement dated June 25th, 1974, as amended by Agreement dated September 26th, 1974, and if sufficient purchase orders to net the treasury a minimum of \$60,000.00 are not received within 90 days of the issuance of a receipt from the Ontario Securities Commission for the Prospectus of Rand Reef, the amount then held on account of purchase orders received will be refunded in full. Upon receipt of orders within the 90 day period to net the treasury the minimum of \$60,000.00, Rand Reef may continue to offer the balance then remaining of the 500,000 shares on the terms above stated.

USE OF PROCEEDS

The proceeds from the sale of treasury shares as outlined in the preceding headings hereof will be used to pay the costs of incorporation and organization of the Corporation and the expenses of this issue estimated at \$7,500.00, and to provide funds for the recommended exploration program of Dr. Walker (see heading "Mining Property") in the amount of \$44,000.00, and to provide funds for general administration of the Corporation during the coming year. Any surplus funds will be used from time to time to conduct further exploration work on this or other properties which may be acquired by the Corporation, but no funds will be spent on the acquisition of additional properties, or for investment in other Corporations without an appropriate amendment to this Prospectus having first been accepted by the Ontario Securities Commission if shares of the Corporation are still then in the course of distribution to the public.

PROMOTER

The Promoter of the Corporation pursuant to the definition contained in Section 1. (1)15 of The Securities Act is the Gowganda Syndicate in which a greater than 5% interest in the issued units thereof is held by those persons as set forth in the heading "Principal Holders of Securities" herein.

OFFICERS AND DIRECTORS

The following are the present officers and directors of the Corporation together with their principal occupations over the preceding five year period:

- President and Director - William Michael MacDonald Ogden, P.Eng., R. R. 4 Stouffville, Ont., Consulting Engineer and an officer and a director of H.B. & O. Engineering Limited, Stouffville, Ontario, Consultants.
- Vice-President and Director - Robert Alfred Halet, Ph.D., 15 Bedford Park Avenue, Toronto, Ont., Consulting Engineer, formerly President of Zenmac Metal Mines Limited, and an officer and director of H.B. & O. Engineering Limited, Stouffville, Ontario.
- Secretary-Treasurer and Director - James Murdock DaCosta, 155 Rosedale Heights Drive, Toronto, Ont., Barrister and Solicitor practicing in the City of Toronto, and an officer and a director of other mining corporations.
- Director - Wilfred Ross Abbott, 15 Larkfield Drive, Don Mills, Ont., Vice-President Hardee Farms International Limited, and President of New Senator Rouyn Limited.
- Director - James Robertson Nevison, 68 Prennan Avenue, Islington, Ont., Retired, President of Rockzone Mines Limited and formerly associated with Humber-view Motors Limited, Islington, Ontario.

The officers and directors of the Corporation beneficially own a total of four (4) issued common shares of the capital stock of the Corporation at the date of this Prospectus, being .00053% of such issued capital.

REMUNERATION OF OFFICERS AND DIRECTORS

No remuneration is presently being paid or is intended to be paid to any officer or director of the Corporation as such, but directors will be entitled to receive a fee of \$50.00 for each meeting of directors attended, together with their reasonable expenses in connection therewith, and head office, administrative and secretarial services will be paid to the Secretary-Treasurer in an amount not exceeding \$250.00 per month. No contributions will be made by the Corporation to any pension, insurance or other benefit plan on behalf of any officer or director.

MATERIAL CONTRACTS

The following material contracts relating to the affairs of the Corporation entered into since incorporation may be inspected at the head office of the Corporation at ordinary business hours during the period that the shares being offered for sale to the public, as referred to in this Prospectus, are in the course of distribution to the public:

- (1) Agreement of May 15th, 1974 with the Gowganda Syndicate with respect to the acquisition of the Mining Claims.
- (2) Escrow Agreement dated June 10th, 1974 with the Gowganda Syndicate and The Metropolitan Trust Company as to which see heading "Escrowed Shares" herein.
- (3) Agreement dated June 25th, 1974 as amended by Agreement of September 26th, 1974 with The Metropolitan Trust Company with respect to issue of treasury shares as to which see heading "Offering" herein.

INTEREST OF MANAGEMENT IN
MATERIAL TRANSACTIONS

Messrs. Michael Ogden and R. A. Halet, officers and directors of the Corporation, each hold an interest in the Gowganda Syndicate as Vendor of the Mining Claims, as disclosed in this Prospectus. Mr. J. M. DaCosta is an officer and a director of Korich Mining Company Limited which holds an interest in the Gowganda Syndicate, and is also an officer and a director of Rand Reef, but apart from holding one share in each Corporation has no other beneficial interest therein.

PURCHASERS' STATUTORY RIGHTS
OF WITHDRAWAL AND RESCISSION

The Securities Act contains provisions in Sections 64 and 65 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, but only if action is commenced within 90 days from the last to occur of the receipt of the Prospectus or amended Prospectus or the date of the contract of purchase and
- (b) if the person or corporation 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 corporation 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 corporation is not considered to be acting as agent of the purchaser unless the person or corporation 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 Securities Act, R.S.O. 1970, c.426 and amendments thereto for the complete text of s.64 and 65 containing the provisions from which the above summary is made.

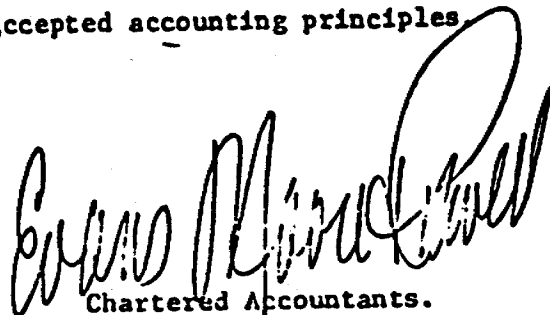
AUDITORS' REPORT

To the Directors of
Rand Reef Mines Limited

We have examined the balance sheet of Rand Reef Mines Limited as at May 31, 1974. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at May 31, 1974 in accordance with generally accepted accounting principles.

Toronto, Ontario
September 26, 1974.


Chartered Accountants.

RAND REEF MINES LIMITED

(Incorporated under the laws of the Province of Ontario on April 17, 1974)

BALANCE SHEET AS AT MAY 31, 1974A S S E T S

Cash	\$ 2
Mining claims - Note 1	52,500
Estimated costs of incorporation and preliminary filing expenses	<u>7,500</u>
<u>Total Assets</u>	<u>\$ 60,002</u>

L I A B I L I T I E S

Accounts payable - estimated	\$ 7,500
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S H A R E H O L D E R S ' E Q U I T YCapital Stock - Note 1Authorized

3,000,000 Common shares, no par value

Issued and fully paid

4 Common shares for cash	\$ 2	
750,000 Common shares for mining claims	<u>52,500</u>	<u>52,502</u>

<u>Total Liabilities and Equity</u>	<u>\$ 60,002</u>
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APPROVED ON BEHALF OF THE BOARD

"K. Michael Ogden" Director "James M. DeCosta" Director

RAND REEF MINES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION APRIL 17, 1974 TO MAY 31, 1974

- Note 1 - Under the terms of an agreement dated May 15, 1974, the company has agreed to purchase one hundred and sixty-six (166) mining claims located in the Township of Vogt, Sudbury Mining Division at a valuation of \$52,500, as determined by the company's directors, but this value is not necessarily indicative of the fair market value of such claims, which may be more or less than that established by the directors. The consideration approved by the directors to be given in exchange for these claims is 750,000 shares of the company's capital stock, subject to such terms of escrow and release as may be imposed by the Ontario Securities Commission. Should the prospectus required by this agreement not be approved in final form for any reason within three (3) months from May 15, 1974, the vendor may elect to void the agreement.
- Note 2 - The company has arranged to offer up to 500,000 treasury shares to the public on a best efforts basis with a minimum return to the company's treasury of no less than twenty-two (22) cents per share. The proceeds from the sale of these shares will be held in trust until a minimum of \$60,000 net to the company has been received. Should such sum not be realized within a period of ninety (90) days following the date of acceptance for filing of the prospectus, all monies received on behalf of the company are to be returned to the subscribers.
- Note 3 - The company has not yet commenced active operations so it is not in a position to provide a statement of source and use of funds.
- Note 4 - No salaries, wages or directors' remuneration have been paid during the period April 17, 1974 to May 31, 1974 to any director and/or officer of the company.

THERE ARE NO OTHER MATERIAL FACTS.

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

"W. Michael Ogden"
Chief Executive Officer

"James M. DaCosta"
Chief Financial Officer

On behalf of the Board of Directors.

"W. Ross Abbott"
Director

"R. A. Halet"
Director

PROMOTER

GOWGANDA SYNDICATE

by: "W. Michael Ogden"

by: "R. A. Halet"

Dated the 1st day of October, 1974.



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PROSPECTUS RAND REEF MINES LIMITED

(Incorporated under the laws of Ontario)

Head Office
Suite 1609,
44 Victoria Street,
Toronto MSC 1Y2.

Transfer Agent and Registrar
The Metropolitan Trust Company,
353 Bay Street,
Toronto M5H 2T8.

NEW ISSUE

500,000 COMMON SHARES WITHOUT PAR VALUE

<u>Shares firmly underwritten</u>	<u>Shares under option</u>	<u>Price per share</u>	<u>Net amount to Corporation (1)</u>	<u>Maximum offering price to public</u>
300,000		17¢	\$51,000.00	34¢ per share
	100,000	25¢	\$25,000.00	50¢ per share
	100,000	30¢	\$30,000.00	60¢ per share

(1) Before deducting the expenses of this issue estimated to be \$8,500.00. See also heading "Use of Proceeds" herein.

The underwritten and optioned shares hereby offered, will be offered to the public in the Province of Ontario by the Underwriter-optionee, a registered security dealer, as principal. There is no obligation on the part of the Underwriter-optionee to purchase all or any of the optioned shares.

These shares will be offered to the public at such prices as may from time to time be determined by the Underwriter-optionee subject to the maximum offering prices as above stated.

The Underwriter-optionee may be said to realize a gross profit on the sale of any shares sold equal to the difference between the price paid to the treasury of the corporation and the sale price to the public.

PURPOSE OF OFFERING

The purpose of this offering is to provide funds to finance an exploration program recommended by the consulting engineer as set forth under the heading "Mining Property", together with general administrative and operating expenses from time to time. Further reference is also made to the heading "Use of Proceeds" in this Prospectus.

SECONDARY OFFERING

A total of 75,000 additional shares will be offered for sale to the public following the distribution of all underwritten and optioned shares, the proceeds of which will accrue solely to the offering shareholder, particulars of which are set forth under the heading "Secondary Offering" in this Prospectus.

THERE IS NO MARKET FOR SHARES OF THE CORPORATION AND THE SECURITIES HEREBY OFFERED ARE SPECULATIVE.

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

Underwriter-Optionee
Marchmont & Mackay Limited,
330 Bay Street,
Toronto M5H 2S8

Prospectus dated May 28th, 1975.

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HISTORY AND BUSINESS

Rand Reef Mines Limited (hereinafter for convenience referred to as "Rand Reef" or "the Corporation") was incorporated under the laws of Ontario by Articles of Incorporation for which Certificate of Incorporation was issued on April 17th, 1974. The head office is located at Suite 1609, 44 Victoria Street, Toronto, Ontario, and the principal objects of the Corporation are to engage in all phases of the exploration and development of mining properties. The Corporation has not carried on work on any properties to date.

MINING PROPERTY

Acquisition:

By Agreement dated May 15th, 1974 Rand Reef acquired from the Gowganda Syndicate a total of 166 Mining Claims (referred to as "the Mining Claims" herein) located in the Township of Vogt in the District of Nipissing and recorded in the Office of the Mining Recorder for the Mining Division of Sudbury as Nos:

L-369668-92 inclusive	S-378814-25 inclusive
S-396956-84 inclusive	S-397096-125 inclusive
S-397206-45 inclusive	S-397345-74 inclusive

The total consideration payable was the allotment and issue of 750,000 fully paid shares of no par value in the capital stock of the Corporation, of which 150,000 shares are to be received by Marchmont & Mackay Limited, 330 Bay Street, Toronto, as to which see the heading "Principal Holders of Securities" and "Secondary Offering" following in this Prospectus. The Gowganda Syndicate is a mining syndicate formed pursuant to Agreement registered with the Ontario Securities Commission in accordance with the provisions of Section 34 of The Securities Act, and reference is here made to the headings "Principal Holders of Securities" and "Promoter" with respect to disclosure of the members comprising the Syndicate. The Claims were staked by the Gowganda Syndicate in May, 1973 and February and March of 1974, and apart from staking costs totalling \$9,850.00, the Vendors had performed preliminary exploration work on the property consisting of research, examination, sampling, mapping, assaying and consulting to the value of approximately \$10,000.00 to assess the merit and potential of the claims. Two additional adjoining claims were staked directly by the Corporation subsequent to the Agreement of May 15th, 1974 which are recorded as numbers S-414278-9, so that the total claim group now comprises 168 claims all of which are in good standing at the present time. Other than the work performed by the Gowganda Syndicate as stated, there

As been no exploration work performed by the Corporation to date on this ground.

Location and Access:

The Mining Claims are located at the southern end of the south arm of Lake Temagami approximately 50 miles north-east of Sudbury and 50 miles north-west of North Bay, and may be reached by water across the lake or by either of two bush roads about 20 miles in length. Water is readily available from the numerous lakes and ponds in the area together with ample timber for construction needs. There is no mining plant or equipment on the property at the present time.

History and Geology:

The property of some ten square miles in area was staked to cover two large basins of relatively flat lying sediments of Huronian age, for it is in some conglomerates at the bottom of this younger formation that gold has been discovered along the south-east edge of the claim group.

Gold was first discovered on the property 20 years ago during the extensive uranium explorations of 1955, when many places along the edge of the great Huronian basin were being tested to see if more uranium, similar to Blind River, could be found. Some minor uranium had been intersected with a little gold, when it is recorded a drill hole returned 0.35 ounces of gold per ton over a 3-foot section of quartz pebble conglomerate at 200 feet in the hole. It was another four months before this hole was checked by another one, 200 feet away and down dip. It is reported to have intersected 2.0 feet of 0.40 ounces of gold per ton. The uranium values were low in both holes (0.04% to 0.05% U_3O_8) which probably explains why nothing was done for 3 years. Then a few holes were drilled to the north and south and finally the crucial ones were checked by going down the old holes and wedging for a new intersection of the same horizon. Recorded values of gold ranged from nil to 0.06 ounces per ton, but as neither drilling program retained the fine cuttings (sludge) from the holes, and only the second one mentioned core recovery, which was often poor, there is thus considerable doubt that the gold-bearing horizons have been accurately sampled.

Some 5658 feet of drilling was completed in these programs during the years 1955 to 1958 but the claims were allowed to lapse. In 1969 the Keevil Mining Group acquired the ground and completed reconnaissance geological and geophysical surveys, magnetic, electromagnetic and scintillometer. A little more geological work was done in 1970, and diamond drilling was recommended but not proceeded with.

In the spring of 1973, the Gowganda Syndicate staked 25 claims which comprise most of the area as staked before. Surface examination confirmed the previous work that gold exists in the mineralized quartz pebble conglomerates and a sample of outcrop with

% pyrite and a few quartz pebbles in it was found to assay 0.074 ounces of gold per ton.

The quartz pebble conglomerates occur in places near the bottom of the relatively flat-lying Huronian sediments that occur in a great basin-like shape from Blind River to Sudbury to north of North Bay, and on north towards Kirkland Lake and Timmins. They overlie the older Archaean basement rocks of volcanics, sediments and various intrusives.

During the Summer and Fall of 1973 the Gowganda Syndicate continued to check the gold content of quartz pebble conglomerates wherever they could be found. Gold mineralization was often found in these strata, but never as good as in the old drilling or outcrop of the original property. The balance of the claims were staked in the Winter of 1974 so as to extend the claims out into the basin-like structure to the west and north. The gold bearing conglomerates are exposed on two of the claims in the extreme east end of the property.

Engineer's Report:

A Report dated March 25th, 1975 has been prepared for the Corporation by Dr. John L. Walker, Chief Geologist of Barringer Research Limited, Toronto, who has had extensive experience in South Africa including three years as Mine Geologist in the Witwatersrand, enabling him to make some interesting comparisons on the nature of the rocks on this property to those of the Rand. This Report is available for inspection in the public offices of the Ontario Securities Commission, 555 Yonge Street, Toronto, and has been relied upon by the Corporation for the information contained in the preceding paragraphs, and forms the basis for the following summary prepared by management:

Previous prospecting and diamond drilling has found gold near the bottom of the Huronian group of sediments. Concentrations have been encountered particularly in the well sorted quartz pebble conglomerate bands of the basal quartzite which can be compared geologically to the gold bearing conglomerates of the Witwatersrand Basin of South Africa and indicate that such a conglomerate will contain variable amounts of gold and uranium if a source is exposed near the shoreline of the basin. The extent of the sorting of the pebbles has been found to be important in the Witwatersrand as "pay shutes" with higher than normal gold values related to "channel-like" features within the well sorted conglomerate. In both a broad and detailed comparison of this Huronian Basin and the Witwatersrand Basin certain similarities do exist.

Within the quartzite formation, near the base of the Huronian section in this area, are numerous conglomerate beds of two distinct types - (a) a mixed conglomerate of granite, chert and quartzite generally sub-angular to sub-rounded in character, grading from fist-size to pebble-size, was noted at one exposure; ~~(b) a well-sorted pebble conglomerate, the quartz~~

(b) a well-sorted pebble conglomerate, the quartz pebbles are well rounded and elliptical in shape and up to two inches across. One surface exposure of three such well-sorted quartz-pebble conglomerates was seen during the writer's visit to the area. Drilling at this location indicated that these three conglomerate bands become one unit in depth.

A program of exploration is recommended by Dr. Walker which would combine both reconnaissance and detailed stratigraphic mapping, to be followed by controlled drilling and complete sludge collection in the vicinity of the good gold values of the previous drilling. The costs of this program have been estimated as follows:

Reconnaissance geological mapping - 25 claims	\$ 4,000.
Detailed geological survey - 6 claims	3,000.
Line cutting - 10 miles	1,000.
Two - 600' N.Q. Diamond drill holes	6,600.
Mobilization and demobilization of drill	5,500.
Casing and cementing	3,130.
Engineering, core-grabbing, sludge collection, assays, etc.	8,725.
Exigencies including consulting fees	5,000.
	<hr/>
	\$36,955.
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Recovery of acceptable grades and continuity of gold mineralization within the conglomerate strata could lead to immediate expansion of the drilling program to the extent that funds are then available.

PRELIMINARY EXPENSES

It is estimated that expenditures of the Corporation for the first year of operation will be \$4,500.00 for general administrative expenses and \$37,000.00 for the exploration and drilling program, as outlined above, subject to increase for further exploration and drilling if such work is warranted and recommended and additional funds are available for this purpose. Provision has also been made for the costs of incorporation and organization of the Corporation, accounts payable and the costs of this issue, estimated to be \$8,500.00 to be paid out of the monies to be received from the sale of treasury shares.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Corporation is 3,000,000 shares without par value to be issued for a consideration not exceeding \$1,000,000.00, of which 750,004 have been issued to the date hereof. All shares are of one class only and rank equally in every respect including the right to one vote each at all

meetings of shareholders and the right to participate equally in the assets of the Corporation in the event of winding up or liquidation. All shares issued and to be issued will be fully paid and not subject to call for any further payment. There is no other form of security of the Corporation existing at the present time and none is contemplated.

CAPITALIZATION

Description of security	Amount authorized	Amount outstanding as at March 31, 1975 (see statements attached)	Amount outstanding as at date of this Prospectus	Amount outstanding if all securities being issued are sold
Common shares no par value (\$1,000,000.)	3,000,000	750,004 (\$52,502.)	750,004 (\$52,502.)	1,250,004 (\$158,502.)*

*On the basis of all the underwritten and optioned shares hereby offered being sold.

ESCROWED SHARES

At the date hereof a total of 675,000 fully paid common shares without par value of the Corporation are held in escrow by the Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, subject to release only with the consent of the Corporation and the Ontario Securities Commission, and as to transfer, pledge or any other dealings within the terms of escrow only with the consent of the Ontario Securities Commission.

Number of escrowed shares

Percentage of issued capital as at the date of this Prospectus

675,000 common

90%

By Agreement dated June 10th, 1974 between the Gowganda Syndicate, The Metropolitan Trust Company and Rand Reef, the above noted escrowed shares may be required to be tendered back to the Corporation in the event the mining property for which such shares were issued is abandoned or title thereto is permitted to lapse by reason of a

discontinuance of development work. Reference is also made to this Agreement under the heading "Material Contracts" herein.

PRINCIPAL HOLDERS OF SECURITIES

As at the date of this Prospectus, the only holders of more than 10% of the issued capital stock of the Corporation are as follows:

<u>Name and address</u>	<u>Description of class</u>	<u>Type of ownership</u>	<u>Number of shares</u>	<u>Percentage of class issued</u>
The Gowganda Syndicate c/o Michael Ogden R. R. 4 Stouffville, Ont.	common shares no par value	Record and beneficial	600,000	80%
Marchmont & Mackay Limited 330 Bay Street, Toronto, Ont.	common shares no par value	Record and beneficial	150,000	20%

The Gowganda Syndicate is a group formed by Prospecting Syndicate Agreement dated March 12th, 1973 and registered with the Ontario Securities Commission pursuant to Section 34 of The Securities Act for the purpose of financing prospecting expeditions to acquire, explore and develop mining properties in Ontario and Quebec. A greater than 5% interest of the presently issued units thereof is held by Cecil Hammond Franklin, 27 Country Lane, Willowdale, Ont.; Sydney Shiff, 26 E. 63rd Street, New York City; Korich Mining Company Limited, Suite 1609, 44 Victoria Street, Toronto, Ont. (a public Ontario Corporation in which a greater than 5% interest in the issued capital thereof is held by Robert P. Mackay, 31 Alexander Street, Toronto); Michael Ogden, R.R. 4 Stouffville, Ontario; Robert Halet, 15 Bedford Park Avenue, Toronto, Ontario; and St. John Holdings Limited, P. O. Box 2215, London, Ontario (an Ontario Corporation in which the only shares are held by David B. Weldon, 20 Gibbons Place, London, Ontario, Marcia W. Gould, 43 Rosedale Road, Toronto, and Ann W. Lowry, R.R. 1 Arva, Ont.). Marchmont & Mackay Limited is a Broker-Dealer carrying on business in the City of Toronto, in which the only persons holding a greater than 5% interest in the issued capital

thereof are William Roy Marchment, 53 King George's Road, Islington, Ontario, Robert Pascoe Mackay, 31 Alexander Street, Toronto, Ontario, and Charles Ornstein, R. R. 1 Lefroy, Ontario.

Following the sale of all the shares offered, including the secondary offering, the respective percentage of shares held and to be held by the principal shareholders and the public will be as follows:

<u>Shareholders</u>	<u>Percentage of class before</u>	<u>Percentage of class after offering</u>
Principal shareholders	100%	54%
Public	nil	46%

PRIOR SALES

Since incorporation the only shares of the Corporation sold for cash have been as follows:

<u>No. of shares</u>	<u>Price per share</u>	<u>Total proceeds</u>
4	\$.50	\$2.00

DIVIDENDS

No dividends have ever been paid by the Corporation to date.

AUDITORS

The Auditors of the Corporation are Messrs. Evans, Moore & Powell, Chartered Accountants, 88 Prince Arthur Avenue, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent of the Corporation is The Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario.

OFFERING

The Corporation has entered into an Agreement dated March 28th, 1975 with Marchment & Mackay Limited, Suite 1608, 330 Bay Street, Toronto, Ontario, as Underwriter-optionee, whereby the latter, acting on its own behalf as principal

as agreed to purchase the following treasury shares:

Underwritten Shares

<u>No. of shares</u>	<u>Price per share</u>	<u>Net amount to Corporation</u>	<u>Maximum offering price to public</u>
300,000	17¢	\$51,000.00	34¢ per share

The purchase price of \$51,000.00 is payable on the effective date of the Agreement being three business days following issuance of the final receipt from the Ontario Securities Commission for this Prospectus of the Corporation permitting the sale to the public of the shares herein referred to.

In consideration of the said firm purchase of shares the Corporation has granted to the Underwriter-optionee the option to purchase further treasury shares as follows:

Optioned Shares

<u>No. of shares</u>	<u>Price per share</u>	<u>Net amount to Corporation</u>	<u>Maximum offering price to public</u>	<u>Time within which option exercisable from effective date</u>
100,000	25¢	\$25,000.00	50¢ per share	3 months
100,000	30¢	\$30,000.00	60¢ per share	6 months

The underwritten and optioned shares covered by this offering as outlined herein, will be offered to the public in Ontario during the course of distribution by the Underwriter-optionee, as principal, which shares will be offered at such prices as the Underwriter-optionee may determine from time to time within the limits of the maximum offering prices stated. The Corporation is advised that there are no Agreements by way of sub-underwriting, sub-option or assignment in effect or contemplated with respect to any of the aforesaid shares. Marchmont & Mackay Limited is a Broker-Dealer carrying on business in the City of Toronto, in which the only persons holding a greater than 5% interest in the issued capital thereof are William Roy Marchmont, 53 King George's Road, Islington, Ontario, Robert Pascoe Mackay, 31 Alexander Street, Toronto, Ontario and Charles Ornstein, R. R. # 1 Lefroy, Ontario.

SECONDARY OFFERING

<u>Offering Shareholder</u>	<u>No. of shares held at date of Prospectus</u>	<u>No. of shares offered</u>	<u>No. of shares held after offering</u>
Marchment & Mackay Limited 330 Bay Street, Toronto, Ontario	75,000 free	75,000 (free)	nil
	75,000 (es- crowed)	nil	75,000 (es- crowed)

Marchment & Mackay Limited as principal will offer a total of 75,000 shares for sale to the public following the sale of all the underwritten and optioned shares on behalf of the Corporation referred to in the preceding heading "Offering" herein. The total proceeds from the sale of these shares by way of secondary offering will accrue solely to the selling shareholder which may be said to realize a profit equal to the amount for which such shares are sold to the public, less the expenses incurred in connection therewith.

USE OF PROCEEDS

The proceeds from the sale of underwritten shares in the amount of \$51,000.00 will be used to finance the recommended exploration program of the consulting engineer estimated at \$37,000.00 as outlined in the heading "Mining Property", and will provide for the cost of incorporation and this issue estimated at \$8,500.00, together with estimated administrative expenses for the first year of exploration in the amount of \$4,500.00. Although there is no obligation on the Underwriter-optionee to purchase all or any of the share options given to it, the Corporation will receive an additional \$55,000.00 if all such options are exercised, in which case the additional funds will be used for general operating and administrative expenses and further exploration work if warranted. Any surplus funds will be used from time to time to conduct further exploration work on this property, but no funds will be spent on the acquisition of additional properties, or for investment in other Corporations without an appropriate amendment to this Prospectus having first been accepted by the Ontario Securities Commission if shares of the Corporation are still then in the course of distribution to the public. Surplus funds not required for immediate use from time to time will be deposited in interest bearing accounts with trust companies or Canadian chartered banks, or only in investments permitted by law for trustees.

PROMOTER

The Promoter of the Corporation pursuant to the definition contained in Section 1. (1) 15 of The Securities Act is the Gowganda Syndicate in which a greater than 5% interest in the issued units thereof is held by those persons as set forth in the heading "Principal Holders of Securities" herein.

OFFICERS AND DIRECTORS

The following are the present officers and directors of the Corporation together with their principal occupations over the preceding five year period:

- | | | |
|----------------------------------|---|---|
| President and Director | - | William Michael MacDonald Ogden, P.Eng., R.R.4 Stouffville, Ont., Consulting Engineer and an officer and a director of H.B. & O. Engineering Limited, Stouffville, Ont., Consultants. |
| Vice-President and Director | - | Robert Alfred Halet, Ph.D., 15 Bedford Park Avenue, Toronto, Ont., Consulting Engineer, formerly President of Zenmac Metal Mines Limited, and an officer and director of H.B. & O. Engineering Limited, Stouffville, Ontario. |
| Secretary-Treasurer and Director | - | James Murdock DaCosta, 155 Rosedale Heights Drive, Toronto, Ontario. Barrister and Solicitor practicing in the City of Toronto and a director of Korich Mining Company Limited, McAdam Mining Corporation Limited and Grasset Lake Mines Limited. |
| Director | - | Wilfred Ross Abbott, 15 Larkfield Drive, Don Mills, Ontario, Vice-President Hardee Farms International Limited, and President of New Senator-Rouyn Limited. |
| Director | - | James Robertson Nevison, 68 Prennan Avenue, Islington, Ont., Retired, President of Rockzone |

Mines Limited and formerly associated with Humberview Motors Limited, Islington, Ontario.

The officers and directors of the Corporation beneficially own a total of four (4) issued common shares of the capital stock of the Corporation at the date of this Prospectus, being .00053% of such issued capital.

REMUNERATION OF OFFICERS AND DIRECTORS

No remuneration is presently being paid or is intended to be paid to any officer or director of the Corporation as such, but Directors are entitled to receive a fee of \$50.00 for each meeting of directors attended, together with their reasonable expenses in connection therewith, and head office, administrative and secretarial services will be paid to the Secretary-Treasurer in an amount not exceeding \$250.00 per month. No contributions will be made by the Corporation to any pension, insurance or other benefit plan on behalf of any officer or director. No remuneration has been paid for any services to date.

MATERIAL CONTRACTS

The following material contracts relating to the affairs of the Corporation entered into since incorporation may be inspected at the head office of the Corporation at ordinary business hours during the period that the shares being offered for sale to the public, as referred to in this Prospectus, are in the course of distribution to the public:

- (1) Agreement of May 15th, 1974 with the Gowganda Syndicate with respect to the acquisition of the Mining Claims.
- (2) Escrow Agreement dated June 10th, 1974 with the Gowganda Syndicate and The Metropolitan Trust Company as to which see heading "Escrowed Shares" herein.
- (3) Underwriting-option Agreement dated March 28th, 1975 with Marchmont & Mackay Limited, as to which see heading "Offering" herein.

INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

Messrs. Michael Ogden and R. A. Halet, officers and directors of the Corporation, each hold an interest in the Gowganda Syndicate as Vendor of the Mining Claims, as disclosed in this Prospectus. Mr. J. M. DaCosta is an officer and a director of

Horich Mining Company Limited which holds an interest in the Gowganda Syndicate, and is also an officer and a director of Rand Reef, but apart from holding one share in each Corporation has no other beneficial interest therein.

PURCHASERS' STATUTORY RIGHTS
OF WITHDRAWAL AND RESCISSION

The Securities Act contains provisions in Sections 64 and 65 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, but only if action is commenced within 90 days from the last to occur of the receipt of the Prospectus or amended Prospectus or the date of the contract of purchase and
- (b) if the person or corporation 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 corporation 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 corporation is not considered to be acting as agent of the purchaser unless the person or corporation 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 Securities Act, R.S.O. 1970, C.426 and amendments thereto for the complete text of s.64 and 65 containing the provisions from which the above summary is made.

RAND REEF MINES LIMITED
(Incorporated under the laws of the Province of Ontario on April 17, 1974)

BALANCE SHEET AS AT MARCH 31, 1975

A S S E T S

Cash	\$	2
Mining claims - Note 1		52,500
Estimated costs of incorporation and preliminary filing expenses		8,500
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<u>Total Assets</u>		<u>\$ 61,002</u>

L I A B I L I T I E S

Accounts payable - estimated	\$	8,500
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S H A R E H O L D E R S ' E Q U I T Y

<u>Capital Stock - Note 1</u>		
<u>Authorized</u>		
3,000,000 Common shares, no par value		
<u>Issued and fully paid</u>		
4 Common shares for cash	\$	2
750,000 Common shares for mining claims		52,500
		<hr/>
<u>Total Liabilities and Equity</u>		<u>\$ 61,002</u>

APPROVED ON BEHALF OF THE BOARD

<u>"W. M. Ogden"</u>	Director	<u>"J. M. DaCosta"</u>	Director
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RAND REEF MINES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCEPTION APRIL 17, 1974 TO MARCH 31, 1975

- Note 1 - Under the terms of an agreement dated May 15, 1974, the company has agreed to purchase one hundred and sixty-six (166) mining claims located in the Township of Vogt, Sudbury Mining Division at a valuation of \$52,500, as determined by the company's directors, but this value is not necessarily indicative of the fair market value of such claims, which may be more or less than that established by the directors. The consideration approved by the directors to be given in exchange for these claims is 750,000 shares of the company's capital stock, subject to such terms of escrow and release as may be imposed by the Ontario Securities Commission. Should the prospectus required by this agreement not be approved in final form for any reason, within three (3) months from May 15, 1974, the vendor may elect to void the agreement.
- Note 2 - Under the terms of an underwriting-option agreement dated March 28, 1975, the company has agreed to sell 300,000 treasury shares payable on the effective date of the agreement at seventeen (17) cents per share for a total price of \$51,000. The company has further granted an option to the underwriter to acquire up to an additional 100,000 treasury shares at twenty-five (25) cents per share within three months of the effective date of the agreement and up to an additional 100,000 treasury shares at thirty (30) cents per share within six months of the effective date of the agreement. The effective date of the agreement is three business days after acceptance for filing, by the Ontario Securities Commission, of a prospectus in final form.
- Note 3 - The company has not yet commenced active operations so it is not in a position to provide a statement of source and use of funds.
- Note 4 - No salaries, wages or directors' remuneration have been paid during the period April 17, 1974 to March 31, 1975 to any director and/or officer of the company.

EVANS, MOORE & POWELL
CHARTERED ACCOUNTANTS

To the Directors of
Rand Reef Mines Limited

We have examined the balance sheet of Rand Reef Mines Limited as at March 31, 1975. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1975 in accordance with generally accepted accounting principles.



Toronto, Ontario
April 21, 1975.

Chartered Accountants.

THERE ARE NO OTHER MATERIAL FACTS.

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

"W. Michael Ogden"
Chief Executive Officer

"James M. DaCosta"
Chief Financial Officer

On behalf of the Board of Directors.

"W. Ross Abbott"
Director

"R. A. Halet"
Director

PROMOTER

GOWGANDA SYNDICATE

by: "W. Michael Ogden"

by: "R. A. Halet"

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

UNDERWRITER-OPTIONEE

MARCHMENT & MACKAY LIMITED

"W. R. Marchment"

"R. P. Mackay"

Dated the 28th day of May, 1975