63.3395

PROSPECTUS

of

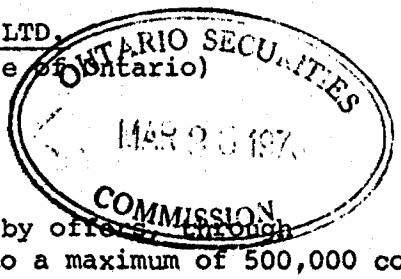
MILNER CONSOLIDATED SILVER MINES LTD.

(Incorporated under the laws of the Province of Ontario)

BEST EFFORTS OFFERING

500,000 common shares

without par value



Milner Consolidated Silver Mines Ltd. (the "Corporation") hereby offers through Rosmar Corporation Limited as Agent for the Corporation, up to a maximum of 500,000 common shares of the capital stock of the Corporation by way of a distribution over the counter in the Province of Ontario.

Rosmar Corporation Limited will either sell the shares to the public itself on behalf of the Corporation, or through registered securities dealers who will be acting as sub-agents, and Rosmar Corporation Limited, or the sub-agents, as the case may be, will be paid commissions not to exceed 25% plus a contribution toward selling expenses of 15%.

All funds received from subscribers will be deposited in trust with Guaranty Trust Company of Canada until 325,000 shares ($65,000) have been sold, or until the expiration of 90 days from and including the date of the commencement of the offering, whichever is earlier. If the 325,000 shares ($65,000) are not sold within the said 90 day period, all amounts received in payment of subscriptions will be refunded to the subscribers without deduction. The said sum of $65,000 is the minimum required after payment of 25% commission and 15% selling expenses above mentioned.

None of the shares offered hereunder will be sold by the Corporation to net the Corporation less than 20¢ per share (after payment of the said Agent's commission and selling expenses).

This offering will commence on the business day following the date of issue of a final receipt of the Ontario Securities Commission accepting this prospectus. Subscriptions will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books without notice.

PURPOSE OF OFFERING: The purpose of this issue is to raise funds for the Corporation to defer its ordinary operating expenses and to pay the costs of carrying out exploration on its mineral prospects as recommended by its consulting engineer. See within under the headings "History and Business" and "Use of Proceeds".

THERE IS NO MARKET FOR THE SHARES OF THE CORPORATION. THE PURCHASERS MAY NOT BE ABLE TO SELL SHARES PURCHASED.

THESE SHARES ARE SPECULATIVE. The mining claims do not contain any known body of commercial ore. The proposed program of the Corporation is exploratory in nature. Further exploration programmes will be required in order to determine whether the mining claims contain a commercial ore body. Reference is hereby made to the headings "History and Business", "Offering", "Promoter" and "Interest of Management and Others in Material Transactions".

There is no assurance that all or any of the 500,000 shares will be sold.

AGENT:

ROSMAR CORPORATION LIMITED
Suite 805, 100 Adelaide St. West
Toronto, Ontario

SHARE REGISTRAR AND TRANSFER AGENT:

GUARANTY TRUST COMPANY OF CANADA
88 University Avenue
Toronto, Ontario

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

TABLE

HISTORY AND BUSINESS

The full name of the Corporation is Milner Consolidated Silver Mines Ltd. (hereinafter sometimes referred to as the "Corporation"). The head office of the Corporation is located at Suite 500, 65 Queen Street West, Toronto, Ontario, M5H 2M5.

The Corporation was incorporated as a mineral exploration corporation under The Business Corporations Act by Articles of Incorporation effective February 4, 1975.

It is intended that the Corporation carry on the business of a mineral exploration corporation generally exploring for mines and mineral lands and deposits.

The Corporation has mineral prospects which it intends to subject to immediate preliminary exploration. The properties consists of two (2) licences of occupation and forty-three (43) mining leases located in Haultain and Nicol Townships, District of Temiskaming, Larder Lake Mining Division, Province of Ontario, and described as follows:

Licence of Occupation No. 657 - Land Under Miller Lake
Licence of Occupation No. 1379 - Fractional Claim (Part GG 3879)

Lease No.	Temiskaming Lease Hold Parcel No.	Mining Claims	Acreage	Township
16156	3404	HS350 (MR1157)	39.2	Haultain
16157	3405	HS352 (MR1085)	32.5	Haultain
16158	3406	HS353 (MR1158)	37.2	Haultain
16159	3407	HS354 (MR1160)	42.1	Haultain
16160	3408	HS355 (MR1159)	51.1	Haultain & Nicol
16161	3410	HS357 (MR1164)	37.8	Haultain & Nicol
16163	3416	HS363 (MR1171)	38.8	Nicol
16164	3417	HS364 (MR1161)	39.2	Haultain
16162	3418	HS365 (MR1105)	42.8	Haultain
16165	3419	HS366 (MR1104)	21.3	Haultain
16166	3420	HS367 (MR1162)	40.2	Haultain
16167	3421	HS368 (MR1103)	38.7	Haultain
16168	3422	HS369 (MR1102)	49.7	Haultain
16169	3492	GG3879	1.37	Nicol
16220	4325	RSC99 (MR1122)	46.06	Haultain
16217	3394	RSC100 (MR1057)	44.3	Haultain
16219	4082	RSC101 (MR1056)	40.91	Haultain
16218	3396	RSC104 (MR1120)	41.5	Haultain
16211	3397	RSC105 (MR1052)	37.2	Nicol
16221	3398	RSC106 (MR1059)	7.53	Nicol
16212	3399	LM107 (MR1058)	37.2	Haultain
16213	3400	LM108 (MR1059)	40.2	Haultain
16214	3401	LM109 (MR1121)	31.9	Haultain
16215	3402	LM110 (MR1119)	38.2	Haultain
16216	3403	LM111 (MR1054)	46.9	Nicol

Lease No.	Temiskaming Lease Hold Parcel No.	Mining Claims	Acreage	Township
16205	3409	HS356(MR1444)	53.7	Haultain & Nicol
16206	3411	HS358(MR1165)	26.2	Nicol
16207	3412	HS359(MR1163)	48.5	Haultain & Nicol
16208	3413	HS360(MR1170)	42.5	Nicol
16209	3414	HS361(MR1173)	38	Nicol
16210	3415	HS362(MR1172)	16.2	Nicol
16224	3657	LM106(MR1117)	38.4	Haultain
16223	3658	RSC102(MR1055)	41.46	Haultain
16337	3714	RSC135(MR1502)	32.9	Nicol
16338	3715	RSC136(MR1503)	42.4	Nicol
16270	4541	HS351(MR1349	55.5	Haultain & Nicol
16269	3757	RSC98(MR1250)	43.9	Nicol
16271	3758	MR1251	23.49	Nicol
16272	3759	MR1252	29.98	Nicol
16306	3879	HR297(MR1167)	26.25	Nicol
16556	3956	AK18(MR960)	53.52	Nicol
15643	4297	LM105(GG6196)	39.5	Haultain
15642	4298	TC458(GG3652)	21.4	Nicol

The Corporation's properties are located in the extreme southern part of Haultain Township and the norther part of adjacent Nicol Township, approximately 2.5 miles northeast of the Village of Gowganda, Ontario. Gowganda, Ontario is located approximately 61 airmiles southeast of the City of Timmins, Ontario. Secondary gravel Highway No. 560 connections Gowganda with the Village of Elk Lake, Ontario, to the east and thence to the Trans-Canada Highway. The main claim group abuts on Everett Lake to the north and encompasses Miller Lake on the southern portions. Electrical power is available at the main properties (Capitol & Castle No. 3 Shafts). Access to the Corporation's properties can be readily gained via secondary roads that extend northwards from Highway No. 560.

The expiry dates of the above leases are as follows:

Current Lease No.	No. of Claims	Expiry Date:
16223 and 16224	2	March 31, 1981
16269 to 72 inclusive	4	June 30, 1982
16306	1	March 31, 1983
16337 and 16338	2	December 31, 1981
16556	1	June 30, 1984
15642 & 43	2	June 30 and March 31, 1977
16156 to 69 inclusive	14	March 31, 1980
16205 to 21 inclusive	17	September 30, 1980
	43 claims	

Under The Mining Act (Ontario), a licence of occupation has no fixed term, but rather continues at the pleasure of the Crown, provided the annual rental therefor is fully paid. The said licences of occupation numbers 657 and 1379 are in good standing and all rentals in connection therewith have been paid in full.

The following is a summary of the report of Kenneth H. Darke, P.Eng., dated January 10, 1976 with respect to the Corporation's mineral prospects in Haultain and Nicol Townships, District of Temiskaming, Larder Lake Mining Division, Province of Ontario. A copy of the full report of Mr. Darke has been filed with the Ontario Securities Commission and is available for inspection at the offices of the Commission at 555 Yonge Street, Toronto, Ontario.

The mining properties acquired by the Corporation consist of forty-three (43) mining leases and two (2) licences of occupation, with a total area of approximately 1,710 acres, comprising several disconnected groups in Haultain and Nicol Townships, District of Temiskaming, Larder Lake Mining Division, Province of Ontario.

History:

Initial work on the various properties eventually acquired by the Corporation consisted of the evaluation of silver-cobalt-bearing veins discovered about 1908. Said work comprised surface stripping and trenching, and a minor but economically significant amount of open cut mining. During the next 10 years a number of shallow exploration shafts were sunk followed by limited underground development workings.

In 1929 Castle-Trethewey Mines Limited was formed by an amalgamation of Capitol Silver Mines and Trethewey Silver Cobalt Mines. At that time the new company held a block of land covering 35 contiguous claims and a license to operate under part of Miller Lake. Major production from the two aforementioned companies had commenced in 1920 and ceased in 1931 when the price of silver dropped to 30¢ per ounce. This initial production came from the Castle Nos. 1, 2 & 3 and the Capitol Shaft areas; with the bulk of production coming from the Castle No. 3 Mine.

In 1948 operations were renewed by Castle-Trethewey Mines in the old Capitol Shaft area where production recommenced in 1949.

All the Gowganda Area properties of Castle-Trethewey Mines were acquired by McIntyre Porcupine Mines in 1959 ... at that time these properties included the Capitol, Castle Nos. 2 & 3, and Everett all located in Haultain Township and the Castle No. 1, Hart, and Walsh (Tonopah) properties located in Nicol Township. McIntyre continued production from the Capitol Shaft area until 1964. The mine was idle for over a year due to strikes; after doing a little undergound work, the mill and other surface buildings were sold in 1966.

In 1967, United Siscoe Mines (Siscoe Metals) took a lease on all the Gowganda Area properties held by McIntyre Mines; and re-examined the old Capitol Shaft area workings in a search for additional ore. This work met with success as approximately 55% of Siscoe's 1969 production came from the Capitol workings which had been subsequently connected through underground development to the Siscoe No. 6 Shaft.

In 1968 Siscoe also extended their workings southwards into the Tonopah (Walsh) Property, and subsequently completed both surface and underground exploration ... silver mineralization was encountered but was insufficient to mine.

A limited amount of exploration was conducted by Siscoe in 1970-71 in a search for the possible depth extensions of the Castle No. 3 vein systems. This exploration was successful and a good grade ore shoot was located and mined out in 1971. Exploration continued along the same veins in 1972 but was abruptly stopped due to the deterioration of the Castle No. 3 Shaft which was the only means of access.

The Gowganda operations of Siscoe Metals ceased in 1972, and all properties leased from McIntyre Mines were returned to them.

In January, 1976 all the Gowganda Area properties previously held by McIntyre Mines were acquired by the Corporation.

The Corporation's properties are currently without a known body of commercial ore; there are no milling plants or other serviceable buildings on the various claim groups held with the exception of the Capitol headframe and shaft which are in excellent condition. The Tonopah Shaft had been re-timbered by Siscoe (1968) and is also in excellent condition; however, there is no headframe.

Geology:

All the consolidated rocks of the Gowganda Area are of Precambrian age ... they consist essentially of an older, altered and deformed "Keewatin" basement complex (Metavolcanics, Metasediments, Mafic and Ultramafic Intrusives, Silicic Intrusives) all of which have been cut by Diabase Dikes; and are overlain in part by a younger "Proterozoic" series of generally flat-lying sediments (Cobalt Group). In the immediate region of the Corporation's properties the older basement complex has been cut by an extensive cone sheet of gabbroic instrusives locally termed "Nipissing Diabase" which forms a sill-like mass with the upper and lower contacts being parallel.

Rock types present on the Corporation's properties consist essentially of chloritized Mafic Tuffs and Flows, Mafic-Ultramafic Intrusives, Diabase Dikes, and Nipissing Diabase all of which are capped in part by Cobalt Sediments. The Nipissing Diabase forms a distinct basin-shaped structure centered around Miller Lake.

More than 95% of the silver mined in the Gowganda Area has come from veins in the Nipissing Diabase cone sheet intrusive centered at Miller Lake. Native silver and cobalt-iron arsenide minerals occur in quartz-calcite veins up to several inches wide and in adjacent fractures. The veins in general dip from 60° to vertical; there are also some flat-lying veins which are genetically related to the other fracture-filling vein systems. Although the width of mineralization in individual veins rarely exceeds six inches the silver content often exceeds 5,000 ounces per ton in higher-grade sections. In 1917, a vein of this type of material with a width in excess of 30 inches was encountered.

Much of the native silver occurs in dendritic habit surrounded by the iron-cobalt arsenides. Silver is common in leaf form, both within the calcite veins and in knife-edge joints in the wall rock close to the veins. Where silver mineralization occurs in a fault it is always close to the intersection of the fault with a well-mineralized vein and generally between the off-set portions. Spectacular wire silver has been noted in this environment.

Early development in the Gowganda camp suggested that ore shoots were confined to the upper 200 feet of the Nipissing Diabase; however, later underground development conducted down dip of the Nipissing Diabase host rock has shown that ore may be expected anywhere within its upper half, and, rarely, may extend for a short distance into its lower half ... the true thickness of the Nipissing Diabase is approximately 800 feet; on the rim of the basin-shaped structure the upper contact dips inward at abount 25° and lessens at depth. Small ore shoots have also been found in every other rock type of pre-Nipissing age located adjacent to the Nipissing Diabase intrusive ... including native silver in fractured Matachewan Diabase Dikes and Cobalt Sediments. A small body of ore was also mined from near the lower contact of the Nipissing Diabase at the Lower Bonsall Mine ... silver mineralization was also found in the lower half of the Nipissing Diabase at the Everett Mine located 2400 ft. to the northeast.

Previous Work:

The properties currently held by the Corporation were initially located to encompass silver-bearing veins in

Nipissing Diabase situated along the northern and estern portions of the Miller Lake Basin. With the exception of the Everett-Castle No. 2 Mine area, the mines (Castle No. 3, Capitol, Castle No. 1, Tonopah and Hart) were all developed along the upper contact of the Nipissing Diabase.

The most important of these mines were the Castle No. 3, the Capitol, and the Tonopah (Walsh) all of which were developed by shafts and extensive underground workings. Production from the Castle No. 3 Mine (1920-31 and 1971) amounted to 6,638,295 ozs. silver and 299,847 lbs. cobalt; the Capitol Mine (1951-66 and 1969-71) produced 11,437,181 ozs. silver and 209,474 lbs. cobalt; and the Tonopah (Walsh) Mine producted 453,424 ozs. silver and 3,555 lbs. cobalt. During 1968 Siscoe is reported to have produced approximately 245,000 ozs. silver from their lease on the Castle No. 1 Mine. There was a limited amount of silver produced from the Everett-Castle No. 2 Mine area in 1924. There is no record of production from the Hart Mine although a number of silver-bearing veins were reportedly encountered in underground workings.

Although it is difficult to determine, the average grade of ore mined from the various Castle-Trethewey (McIntyre) properties was, during the latter part of their life, apparently maintained at between 20 to 40 ozs silver per ton with some spectacular ore shoots running into the thousands of ounces.

Future Exploration Targets:

The mines located in the Miller Lake Basin were all initially developed to evaluate silver-bearing veins discovered as surface outcrops. That is, only those local areas that fortuitously contained rock outcrops with mineralized showings were investigated. In most cases, the underground workings of these mines were confined to the general vicinity of the surface vein systems situated at or near the upper contact of the Nipissing Diabase host rock. With the exception of the Siscoe Metals - Capitol Mine workings, none of the underground development followed the Nipissing Diabase contacts to any depth. As a result, much of the geologically-favourable ground in the Miller Lake Basin, including that currently held by the Corporation, has not been adequately evaluated. The following comments pertain to a few of the more obvious exploration targets present on properties held by the Corporation.

(a) Castle No. 3 Shaft Area:

An obvious example of a geologically-favourable area that has not been evaluated lies along the Nipissing Diabase upper contact situated between the Castle No. 3 Shaft workings (immediately east of Le Heup Lake) and the Capitol Shaft. These two shafts,

located approximately 3,500 ft. apart, were never connected although the last underground development done in the Castle No. 3 Mine (1972) showed that the silver-bearing vein systems extended eastward at depth towards the Capitol Mine.

A number of other silver-bearing veins that extend north of Le Heup Lake (designated as Zone "A") were only partially investigated by underground workings ... no mining was undertaken in this area. Since this area comprises the northwestern rim of the basin-shaped Nipissing Diabase any vein systems developed there will be up-dip from the area previously mined and thus at a shallower and more accessible depth.

(b) Everett - Castle No. 2 Shaft Area:

Silver-bearing veins located in this area (Zone "B") along the lower contact of the Nipissing Diabase were only partially investigated ... the last work was done in 1924 from shallow underground workings of very limited extent.

Of particular interest from an exploration viewpoint is the presence of the Lower Bonsall Mine located to the southwest along the same contact and Everett Fault. During the period 1965-68, Siscoe Metals sank a new shaft on this old property and mined a number of good grade ore shoots ... they produced approximately 246,000 ozs. silver. Of current interest to the Corporation is the fact that Siscoe mined right up to the Castle-Trethewey (McIntyre) boundary. The area extending from Siscoe's workings northwards along the Everett Fault to Zone "B" (1,650 ft.) has not been explored and would appear to constitute a favourable area for future exploration at reasonably shallow (less than 500 ft.) depths.

(c) Capitol Shaft Area:

According to Mr. Shartner (1975), Siscoe did not mine out all the ore in this area; however, because the ore from the deeper levels had to be handled a number of times through a series of winzes before being hoisted to surface the mining costs became prohibitive.

Any future mining in this area would require a new inclined shaft that would allow direct hoisting to surface.

(d) Tonopah (Walsh) Mine:

Although silver mineralization was encountered in the new underground workings undertaken by Siscoe in 1968 it was not sufficient to mine. Surface diamond drilling; however, apparently intersected a number of silver-bearing veins situated away from the underground workings that deserve additional evaluation.

The Corporation's properties encompass substantial areas of the Nipissing Diabase intrusive cone sheet which is the host rock for silver-bearing veins of economic importance in the Miller Lake Basin of the Gowganda Area.

Mr. Darke recommends in his report that the Corporation undertake additional work on its properties consisting of diamond drilling to test the upper contact of Nipissing Diabase in the Castle No. 3 Shaft area north of Le Heup Lake (Zone "A"); and the area located along the Everett Fault (lower contact of Nipissing Diabase) between the Lower Bonsall Mine workings and the Everett - Castle No. 2 Shaft area (Zone "B").

Mr. Darke further recommends that in order to fully evaluate the merits of the substantial areas of Nipissing Diabase held future consideration should also be given to investigation of both the upper and lower contacts of this instrusive in those areas currently masked by overburden and/or younger sediments; and at depth in those areas of the Miller Lake Basin not previously investigated. This work should constitute a long term program and would of necessity entail detailed geological evaluations of existing mine workings as indicated by data on hand, and ultimately of a considerable amount of exploratory drilling. Mr. Darke strongly recommends that the Corporation immediately retain a resident geologist to both supervise the initial diamond drilling program and initiate the essential detailed geological evaluation program required.

The estimated costs of the work program as recommended by Mr. Darke are as follows:

Phase One:

(a)	Diamond Drilling of Zones "A" & "B":	
(i)	2,000 ft. @ $12/foot.....	$ 24,000.00
(ii)	Geological Supervision.....	3,000.00
(iii)	Sampling & Assaying Drill Core..	2,000.00
(iv)	Contingencies	1,000.00
		$ 30,000.00
(b)	Detailed Geological Evaluations:	
	Full- time resident Geologist.....	15,000.00
	TOTAL PHASE ONE..	$ 45,000.00

Phase Two, consisting of detailed follow-up diamond drilling would be contingent upon drilling results and/or recommendations resulting from the geological evaluation program, carried out in Phase One.

The mining claims do not contain any known body of commercial ore. The proposed programme of the Corporation is exploratory in nature. Further exploration programmes will be required in order to determine whether the mining claims contain a commercial ore body. Reference is hereby made to the heading "THESE SHARES ARE SPECULATIVE" on the face page, and "Offering", "Promoter" and "Interest of Management and Others in Material Transactions".

The aforesaid properties were acquired by the Corporation by purchase from James A. Mortson, 15 Buffalo Anchorite, R.R. No. 1, Timmins, Ontario and William Fink, 413 Third Street, Porcupine, Ontario, pursuant to an agreement dated January 13, 1976. James A. Mortson and William Fink originally purchased the properties from McIntyre Mines Limited of Toronto, Ontario, pursuant to an agreement dated April 21, 1975 for a total consideration of $10,000.

As consideration for the acquisition of the properties, and at the direction of James A. Mortson and William Fink, the Corporation allotted and issued a total of 750,000 fully paid and non-assessable shares without par value of the Corporation as follows:

James A. Mortson	-	172,500 shares
William Fink	-	120,000 shares
Gustav Shartner, Gowganda, Ontario.	-	120,000 shares
Donald Williamson, 426 Tamarach Street, Timmins, Ontario.	-	112,500 shares
Joseph De Felice 268 Hemlock Street, Timmins, Ontario.	-	112,500 shares
Ernest Gallo, 619 Tamarach Street, Timmins, Ontario.	-	112,500 shares

Certificates for 750,000 shares are in escrow with the Share Registrar and Transfer Agent of the Corporation as set forth above, and on the terms set out under the heading "Escrowed Shares" to which heading reference is hereby made.

Except for James A. Mortson, William Fink, Gustav Shartner, Donald Williamson, Joseph De Felice and Ernest Gallo, no person has received or is entitled to receive any part of the said vendor consideration.

The escrowed shares are subject to surrender for the benefit of the Corporation if the mineral prospects for which they were issued are abandoned upon the recommendation of the independent engineer or geologist.

CAPITAL STRUCTURE

The capital of the Corporation consists of 5,000,000 shares of one class only, namely, common shares without par value. All shares issued by the Corporation rank equally as to one vote. There are no indentures or agreements extant or proposed limiting the payment of dividends. At all meetings of shareholders of the Corporation two shareholders personally present constitute a quorum, and at such meetings resolutions may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands, every shareholder voting exercises one vote, whereas on a poll every shareholder voting exercises one vote for each share held by him. In either case, the Chairman has a second or deciding vote in the event of a tie vote. There are no conversion, preemptive, liquidation or distribution rights or other special privileges or provisions whatsoever attaching to any of the shares in the capital of the Corporation. None of the presently issued and outstanding shares in the capital of the said Corporation are subject to call, having been issued as fully paid and non-assessable shares. None of the shares offered hereby will be subject to call or assessment of any kind.

CAPITALIZATION

Designation of Security	Amount Authorized	Amount outstanding as at Jan 13/76 (see balance sheet attached)	Amount outstandir if all securities being issued are sold *
Common shares without par value	5,000,000 (not to exceed $2,500,000)	750,006 ($15,003.00)	1,250,006 ($115,003.00)

* This figure assumes the sale of all 500,000 shares to net the Corporation 20¢ per share after payment of the Agent's commissions, not to exceed 25% plus a contribution of 15% toward selling expenses. The offering will be effective if the sale of a minimum of 325,000 shares is completed to net the Corporation 20¢ per share ($65,000.00) after payment of the aforesaid commissions and contribution toward selling expenses. If all 500,000 shares are sold the Corporation will receive a minimum of $91,500 after payment of the commissions and a contribution toward selling expenses, and the expenses of this issue, estimated at $8,500. Reference is made to the heading "Use of Proceeds" for particulars.

DIVIDENDS

No dividends have been paid by the Corporation to date.

AUDITORS

The auditors of the Corporation are Laventhol & Horwath, Chartered Accountants, 120 Adelaide Street West, Toronto, Ontario.

SHARE REGISTRAR AND TRANSFER AGENT

Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, is the Share Registrar and Transfer Agent of the Corporation.

OFFERING

By an agreement dated January 13, 1976 and made between the Corporation, Rosmar Corporation Limited and Guaranty Trust Company of Canada, the Corporation appointed Rosmar Corporation Limited as its Agent for the offering to the public in Ontario of 500,000 shares of the capital stock of the Corporation, and has agreed to pay the Agent's commissions, not to exceed 25% and a contribution toward selling expenses of 15%. Guaranty Trust Company of Canada is to act as Trustee in respect of the subscriptions received pursuant to the offering.

The agreement requires the Corporation to take all appropriate action under The Securities Act (Ontario) 1970, as amended, in order to qualify for sale in the Province of Ontario the said 500,000 shares, and also provides that:

(a) the offering will commence on the business day following the date of the issue of a final receipt by the Ontario Securities Commission accepting this prospectus;

(b) subscriptions must be received by the Agent for a minimum of 325,000 shares in order to release the sum of $65,000 (after payment of Agent's commissions and contribution toward selling expenses of 15%) to the Corporation within 90 days of the commencment of the offering; and

(c) all funds received upon subscription for shares will be deposited forthwith and held in trust by Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, until either the total of 325,000 shares has been subscribed for and paid for or a period of 90 days from the commencement of the offering shall have expired, whichever shall first occur. When the said 325,000 shares have been subscribed for and paid for, Guaranty Trust Company of Canada will cease to act as Trustee in respect of subscriptions for shares offered under this prospectus. If the said 325,000 shares are not subscribed for and paid for within 90 days of the commencement of the offering under this prospectus,

the Trustee will return all funds received by it to subscribers without deduction of any kind and without interest.

The only persons haveing a greater than 5% interest in Rosmar Corporation Limited are Albert Allison, Suite 23, Park Tower East, 400 Walmer Road, Toronto, Ontario and Martin Allison, 82 York Road, Willowdale, Ontario.

ESCROWED SHARES

Certificates representing an aggregate of 750,000 shares in the capital of the Corporation are held in escrow by Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, for the benefit of the registered holders of such shares and those who shall from time to time become the registered holders of same. Such shares may be released from escrow pro rata among theholders thereof from time to time only after the prior witten consent of the Ontario Securities Commission has been obtained. Any dealings with the shares while in escrow will also require the prior witten consent of the Ontario Securities Commission.

The said 750,000 escrowed shares were allotted and issued by the Corporation as consideration for the purchase of its mineral prospect located in Haultain and Nicol Townships, Temiskaming District, Porcupine Mining Division, Province of Ontario. The said 750,000 escrowed shares are held as follows:

James A. Mortson	-	172,500 shares
William Fink	-	120,000 shares
Gustav Shartner	-	120,000 shares
Donald Williamson	-	112,500 shares
Joseph De Felice	-	112,500 shares
Ernest Gallo	-	112,500 shares

Reference is made to the headings "History and Business" and "Interest of Management and Others in Material Transactions" for particulars.

The escrowed shares are subject to surrender for the benefit of the Corporation if the mineral prospect for which they were issued is abandoned upon the recommendation of an independent engineer or geologist.

Designation of Class	No. of Shares held in escrow	Percentage of Class*
Common shares without par value	750,000	60%

*This figure assumes the issue and distribution of 500,000 shares.

USE OF PROCEEDS

After payment of Agent's commission of 25% and a contribution toward selling expenses of 15%, the Corporation will receive a minimum sum of $65,000 from the sale of a minimum 325,000 shares as hereinbefore referred to. The net proceeds to be received by the Corporation will be approximately $56,500 after payment of the expenses of this issue, estimated at $8,500. If all the 500,000 shares are sold the Corporation will receive a minimum of $91,500 after payment of the Agent's commission and a contribution toward selling expenses, and the estimated expenses of this issue of $8,500. The funds which will be received by the Corporation will be used to defray ordinary operating expenses and to pay the costs of carrying out Phase I of the exploration program recommended by K. H. Darke, P.Eng., on the Corporation's Haultain and Nicol Townships, Ontario, properties referred to under the heading "History and Business" and estimated at approximately $45,000.00.

Additionally, monies in the Corporation's treasury as available may be used to defray programmes of acquiring, staking, examining, exploring and developing mining properties, either alone or in concert with others, and to generally carry out exploration programmes as opportunity and finances permit; provided, however, that no new properties will be acquired or expenditures made thereon without an amendment to the Corporation's prospectus being filed if the shares of the Corporation are still in the course of distribution to the public.

Up to $350.00 monthly will be paid to Robert Brown Corporate Services Limited, Suite 500, 65 Queen Street West, Toronto, Ontario, to cover head office accommodation and routine secretarial and accounting services. The estimated amount of preliminary expenses for the first year of the corporation's existence for administration, exclusive of the cost of this offering, is $7,500 and $45,000 for the exploration program recommended by the corporation's engineer and referred to under the headings "History and Business" and "Use of Proceeds". Reference is hereby made to the headings "Remuneration of Management" and "Incorporation Within One Year - Preliminary Expenses" for particulars.

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

Any corporate investments by the Corporation in securities will be in securities in which insurance companies registered under Part III of The Canadian and British Insurance Companies Act (Canada) may invest their funds without availing themselves of the provisions of Sub-section 4 of Section 63 of such Act.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RECISSION

A. Right of Withdrawal

An agreement of purchase and sale covering any of the shares hereby offered is not binding upon the purchaser if the Corporation from whom the purchaser buys same receives written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement not later than midnight of the second day (exclusive of Saturdays, Sundays and holidays) after receipt of the prospectus of the Corporation or amended prospectus; provided the purchaser has not sold or transferred the said shares prior to the expiration of the said two-day period.

Receipt of the prospectus or amended prospectus by the agent of the purchaser and receipt of the said notice by the agent for the vendor of the said shares shall be receipt by the purchaser and vendor respectively.

B. Right of Rescission

A purchaser of any of the shares hereby offered has a right to rescind his contract to purchase while he is still the owner of the said shares if the prospectus of the Corporation and any amending prospectus received by such purchaser, as of the date of receipt, 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; provided, however, such right of rescission will not apply:

(a) if the untruth or fact of omission was unknown to the Corporation and to the underwriter and could not have been known in the exercise of reasonable diligence;

(b) if such statement or omission is disclosed in an amended prospectus and same has been received by the purchaser;

(c) if the purchaser knew the untruth of the statement or knew of the omission at the time of purchase.

Receipt of a prospectus or an amended prospectus by a party who is acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser. No action shall be commenced after the expiration of ninety days from the last to occur of the receipt of the prospectus or the date of the contract.

The full text of the respective statutory provisions summarized above is contained in Sections 64 and 65 of The Securities Act, 1970, as amended throughout.

PRINCIPAL HOLDERS OF SHARES

The following sets forth the sole principal holders of shares of the Corporation, being the only owners of record or known by the Corporation to own beneficially, directly or indirectly, more than 10% of the presently issued shares (based on a total of 750,006 shares referred to under the heading "Capitalization"):

Name and Address	Designation of Class	Type of Ownership	No. of Shares Owned	Percentage of Class
James A. Mortson 15 Buffalo Anchorite, R.R.No. 1 Timmins, Ont.	Common shares without par value	Record and Beneficial	172,501	23%
William Fink 413 Third Street Porcupine, Ont.	"	"	120,001	16%
Gustav Shartner Gowganda, Ont.	"	"	120,001	16%
Donald Williamson 426 Tamarach St. Timmins, Ont.	"	"	112,501	15%
Joseph De Felice 268 Hemlock St. Timmins, Ont.	"	"	112,501	15%
Ernest Gallo 619 Tamarach St. Timmins, Ont.	"	"	112,500	15%

The following sets forth the percentage of shares of the Corporation beneficially owned, directly or indirectly, by all the directors and senior officers of the Corporation, as a group, (based on a total of 750,006 shares, referred to under the heading "Capitalization"):

Designation of Class	Percentage of Class
Common shares without par value	85%

PROMOTER

James A. Mortson, the Vice-President and a director of the Corporation, and one of the Vendors to the Corporation of its mineral prospects located in Haultain and Nicol Townships, District of Temiskaming, Porcupine Mining Division, Province of Ontario, may be regarded as the promoter of the Corporation. Reference is made to the headings "History and Business", "Escrowed Shares", "Principal Holders of Shares", and "Interest of Management and Others in Material Transactions" for particulars. James A. Mortson has not promoted any mining or exploration companies during the past five years.

MANAGEMENT

The names and home addresses of the directors and officers of the Corporation, the positions in the Corporation presently held by them and the principal occupation by them in the last five years are:

Name and Address	Position	Occupation
William Fink 413 Third Street Porcupine, Ontario	President and a Director	For a period of 15 years prior to May, 1975, was a geologist with McIntyre Gold Mines, Schumacher, Ontario; President and a director of Economic Mineral Investigations Ltd.
James A. Mortson, 15 Buffalo Anchorite, R.R. No. 1, Timmins, Ontario.	Vice-President and a Director	1970 to 1975 Manager, T. A. Richardson & Co., Timmins, Ontario. Presently Manager, Kingwest Securities Limited, Timmins, Ontario.
Robert Brown, 6 Zaharias, Court, Willowdale, Ontario.	Secretary-Treasurer	Corporate Secretary; President of Robert Brown Corporate Services Limited.
Gustav Shartner, Gowganda, Ontario.	Director	Mining Engineer; Former Mine Manager 1947 to 1962 with Siscoe Metals, Gowganda, Ontario - Retired.
Donald Williamson 426 Tamarach Street, Timmins, Ontario.	Director	A teacher at Roland Michener High School, South Porcupine, Ontario.
Joseph De Felice 268 Hemlock Street, Timmins, Ontario.	Director	Self-employed in Office Maintenance Service.

Except for James A. Mortson and Joseph De Felice, no other members of the Board of Directors of the Corporation sit on the boards of directors of any other mining companies. James A. Mortson and Joseph De Felice are directors of only one other mining company, August Porcupine Gold Mines Limited.

REMUNERATION OF MANAGEMENT

To date, no officer or director of the Corporation has received any remuneration from the Corporation as such. Each director and the Secretary-Treasurer of the Corporation are entitled to be paid a fee of $50.00 for each meeting of the board of directors and of the shareholders attended. Robert Brown Corporate Services Limited, of which Robert Brown, the Secretary-Treasurer of the Corporation, is the President, a director and beneficial owner of all outstanding shares, has agreed to provide the Corporation with head office accommodation and routine secretarial and accounting services for a fee of up to $350.00 per month during the pleasure of the board. Gustav Shartner, P.Eng., a director of the Corporation, will be paid for professional services rendered to the Corporation at the usual rates for such services as prescribed by the Professional Engineers Association of Ontario. Economic Mineral Investigations Ltd. of which corporation William Fink, the President and a director of the Corporation, is the President, a director and major shareholder has, by agreement made with the Corporation and dated January 13, 1976, agreed to provide the Corporation with geophysical and geological services and to act as exploration manager of the Corporation in connection with the exploration program to be carried out on the Corporation's properties as recommended by Kenneth H. Darke, P.Eng., the Corporation's engineer. Economic Mineral Investigations Ltd. will be paid for these services at the rate of $1,200.00 per month during the currency of the said agreement.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As disclosed under the headings "History and Business" and "Escrowed Shares", James A. Mortson, William Fink, Gustav Shartner, Donald Williamson, Joseph De Felice and Ernest Gallo are the Vendors to the Corporation of its mineral prospects located in Haultain and Nicol Townships, District of Temiskaming, Larder Lake Mining Division, Province of Ontario, and received a total of 750,000 shares as vendor consideration therefor as follows:

James A. Mortson	-	172,500 shares
William Fink	-	120,000 shares
Gustav Shartner	-	120,000 shares
Donald Williamson	-	112,500 shares
Joseph De Felice	-	112,500 shares
Ernest Gallo	-	112,500 shares

All of the said 750,000 shares are held in escrow as provided under the heading "Escrowed Shares". James A. Mortson is the Vice-President and a director of the Corporation and is also named in this prospectus as the promoter of the Corporation. Gustav Shartner, Donald Williamson and Joseph De Felice are directors of the Corporation. As disclosed under the heading "Remuneration of Management" William Fink, the President and a director of the Corporation, is the President, a director and a major shareholder of Economic Mineral Investigations Ltd., which corporation has agreed by agreement dated January 13, 1976 to provide its services as exploration manager and geophysical and geological services in connection with the exploration program recommended to be carried out on the Corporation's properties by Kenneth H. Darke, P.Eng., for which services Economic Mineral Investigations Ltd. will be paid at the rate of $1,200.00 per month during the currency of the said agreement.

INCORPORATION WITHIN ONE YEAR - PRELIMINARY EXPENSES

The estimated amount of preliminary expenses for the first year of the Corporation's existence is $7,500 for administration, exclusive of the cost of this offering, and $45,000.00 for the exploration programme recommended by the Corporation's engineer and referred to under the headings "History and Business" and "Use of Proceeds".

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation to date, copies of which may be inspected at the head office of the Corporation during normal business hours while the shares offered hereunder are in the course of public distribution, are as follows:

1. Agreement dated January 13, 1976 between James A. Mortson and William Fink and the Corporation covering the acquisition of the Corporation's mineral prospects in Haultain and Nicol Townships, Temiskaming District, Porcupine Mining Division, Province of Ontario, and referred to under the heading "History and Business".

2. Agreement dated January 13, 1976 between the Corporation, Rosmar Corporation Limited and Guaranty Trust Company of Canada, and referred to under the heading "Offering".

3. Escrow agreement dated January 13, 1976 between certain named Vendors, Guaranty Trust Company of Canada as Trustee, and the Corporation referred to under the heading "Escrowed Shares".

4. Agreement dated January 13, 1976 between the Corporation and Economic Mineral Investigations Ltd. covering services to be performed by Economic Mineral Investigations Ltd. for the Corporation in connection with its recommended exploration program on its mineral prospects.

LAVENTHOL & HORWATH

CHARTERED ACCOUNTANTS
120 ADELAIDE STREET WEST
TORONTO, ONTARIO M5H 1T6
TELEPHONE 416-864-3200
CABLE: HORWINTAS

REPRESENTED THROUGHOUT THE WORLD

AUDITORS' REPORT

To the Directors of
Milner Consolidated Silver Mines Ltd.

We have examined the balance sheet of Milner Consolidated Silver Mines Ltd. as at January 13, 1976 and in connection therewith reviewed such supporting evidence as we considered necessary in the circumstances.

In our opinion this balance sheet presents fairly the financial position of the company as at January 13, 1976, in accordance with generally accepted accounting principles.

Laventhol & Horwath

Toronto, Ontario.
January 13, 1976

Chartered Accountants.

MILNER CONSOLIDATED SILVER MINES LTD.

NOTES TO BALANCE SHEET

JANUARY 13, 1976

1. By an agreement dated January 13, 1976 the company appointed an agent for the sale by way of an over-the-counter distribution in the Province of Ontario of up to 500,000 shares of its capital stock. The shares are to be sold at a price not less than would net the company 20¢ per share (after payment for agent's commission and selling expenses not exceeding 40% of the selling price). The offering is to commence on the business day following the date a final receipt for a prospectus of the company relating to this offering is issued by the Ontario Securities Commission.

   If within 90 days from the date of commencement of the offering the agent has not sold a total of 325,000 shares to net the company a minimum of $65,000, the agreement shall be terminated and all monies received in payment of subscriptions for shares shall be returned to the subscribers.

   If the minimum of 325,000 shares are sold, at any time thereafter, the company or agent has the right to terminate the agreement on giving 30 business days' written notice.

2. A statement of changes in financial position has not been prepared because the company is newly incorporated and expenses to date are only estimated.

MILNER CONSOLIDATED SILVER MINES LTD.
(Incorporated under the laws of Ontario)

BALANCE SHEET - JANUARY 13, 1976

ASSETS

Cash		$ 3
Mining claims:		
2 licences of occupation and 43 mining leases in Haultain and Nicol Townships, District of Temiskaming, Ontario, at valuation placed by the Board of Directors on 750,000 shares of capital stock to be issued therefor		15,000
Organization expenses, estimated		8,500
		$23,503

LIABILITIES

Estimated liabilities for organization expenses	$ 8,500

SHAREHOLDERS' EQUITY

Capital stock:
Authorized:
5,000,000 Common shares, no par value
(not to exceed $2,500,000)

Allotted - to be issued:			
6	Shares for cash	$ 3	
750,000	Shares for mining claims	15,000	
750,006	Shares		15,003
			$23,503

See accompanying notes.

On behalf of the Board:

J. A. Hunter .....(Director)

Joseph O'Brien .....(Director)

There are no other material facts.

DATED this 13th day of January, 1976.

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.

WILLIAM FINK
Chief Executive Officer

ROBERT BROWN
Chief Financial Officer

On behalf of the board of directors:

JAMES A. MORTSON
Director

JOSEPH DE FELICE
Director

PROMOTER:

"J.A. Mortson"

James A. Mortson

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.

AGENT:

ROSMAR CORPORATION LIMITED

Per: "Martin Allison"

KENNETH H. DARKE CONSULTANTS LIMITED

P.O. BOX 983
TIMMINS, ONTARIO
P4N 7H6
TELEPHONE (705) 264-1910
RESIDENCE 264-7403

CERTIFICATE

The Management
MILNER CONSOLIDATED SILVER MINES LIMITED
Suite 2500, 390 Bay Street
TORONTO, Ontario
M5H 2W7

Gentlemen:

With reference to my Geological Exploration Report on the Castle-Trethewey Mines (McIntyre) Properties; Haultain & Nicol Townships, Ontario dated January 10, 1976 ...

I, KENNETH H. DARKE, of the city of Timmins in the Province of Ontario do hereby certify and state that:

1. I am a graduate of the University of British Columbia in Geological Engineering and have practised my profession in this capacity continuously for the past 19 years;

2. I am and have been an independent Consulting Geological Engineer (Exploration) with an office situated at 34 Pine St. South; Timmins, Ontario for the past 11 years;

3. I am a registered Professional Engineer in the Province of Ontario;

4. I have no interest direct or indirect in the mining properties described in this report or in the shares of Milner Consolidated Silver Mines Limited nor do I expect to receive any; and

5. this report is based upon personal knowledge of the Gowganda Area gained during the period 1964-75 while practising my profession as a Consulting Geological Engineer (Exploration) with headquarters in Timmins, Ontario; upon a study of the pertinent geological literature including old mine plans obtained from McIntyre Mines; and upon numerous personal property examinations carried out on the former Castle-Trethewey (McIntyre) properties themselves during the past two years. Additional information was obtained as a result of recent discussions held with Mr. G. Shartner who was Mine Manager at Siscoe Metals during the period 1947-61.

K.H. Darke

DATED this 10th day of January, 1976
Timmins, Ontario

K.H. Darke, P.Eng.
Consulting Geological Engineer

Geological Exploration Report

on the former

CASTLE-TRETHEWEY MINES (McINTYRE) PROPERTIES

HAULTAIN & NICOL TOWNSHIPS, ONTARIO

Larder Lake Mining Division

District of Timiskaming

for

MILNER CONSOLIDATED SILVER MINES LIMITED

K.H. Darke, P.Eng.

KENNETH H. DARKE CONSULTANTS LIMITED

January 10, 1976

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Geological Exploration Report

on the former

CASTLE-TRETHEWEY MINES (McINTYRE) PROPERTIES

HAULTAIN & NICOL TOWNSHIPS, ONTARIO

Larder Lake Mining Division

District of Timiskaming

for

MILNER CONSOLIDATED SILVER MINES LIMITED

Introduction :

Silver was first found in the general area of Gowganda(Haultain, Nicol & Milner Townships) about 1907. Spectacular showings of native silver & cobalt-iron arsenides in narrow veins were discovered at several places in and adjacent to extensive areas of Nipissing Diabase. The geological environment (host rocks & mineralization) is comparable in many ways with that present in the previously discovered silver camp at Cobalt, Ontario located about 53 miles to the southeast.

The village of Gowganda was subsequently established as a service centre for the local mines ... in particular those located approximately two miles to the northeast near Miller Lake the site of the O'Brien Mine (Siscoe Metals) & the adjacent Castle-Trethewey Mines (McIntyre) proerties.

By the end of 1971 the total production from the Gowganda Silver Camp was approximately 61,830,192 ounces of silver & 1,325,612 pounds of cobalt with minor amounts of nickel & copper. The bulk of the production came from two mines; the O'Brien (Siscoe Metals) and the Castle-Trethewey (McIntyre). The last producer in the area was Siscoe Metals which suspended operations in 1972 ... a significant part of the last production came from leasing operations on Castle-Trethewey's Capitol Mine.

The mining properties that constitute the subject matter of this report were recently purchased by Milner Consolidated Silver Mines indirectly from McIntyre Mines; and include all the former Gowganda Area holdings of Castle-Trethewey Mines. Former silver producers now held by Milner Consolidated include the Capitol, Castle Nos. 2 & 3, and Everett properties, Haultain Township and the Castle No. 1, Hart, and Tonopah (Walsh) properties, Nicol Township.

Source of Information :

This report is based upon personal knowledge of the Gowganda Area gained during the period 1964-75 while practising my profession as a Consulting Geological Engineer (Exploration) with headquarters in Timmins, Ontario; upon a study of the pertinent geological literature and a number of old mine plans obtained from Castle-Trethewey Mines & McIntyre Mines; and upon numerous personal property examinations carried out in the general Gowganda Area as well as on the Castle-Trethewey properties themselves during the past two years.

Additional detailed & valuable information was obtained as a result of recent discussions held with Mr. C. Shartner; Gowganda, Ontario. Mr. Shartner was Mine Manager at the Siscoe Metals operations during the period 1947-61 when he left due to illness. In 1964 Mr. Shartner was engaged as a Consultant by McIntyre Mines to evaluate their Gowganda Area silver properties ... a copy of his subsequent report containing further work recommendations was made available to this writer.

Property Description :

Reference Maps : O.D.M. Plan No. M.222; Haultain Township &
O.D.M. Plan No. M.239; Nicol Township.

The properties described in this report consist of 43, leased, mining claims & two licenses of occupation (total area of 1,709.72 acres) comprising several disconnected groups located in Haultain & Nicol Townships, Larder Lake Mining Division, District of Timiskaming, Ontario; and further described on accompanying SCHEDULE "A" and as follows : ...

Current Lease No.:	No. of Claims::	Expiry Date:
5802 & 03	2	Mar. 31/81
5928 - 31 inclusive ...	4	June 30/82
6054	1	Mar.31/83
6169 & 70	2	Dec.31/81
14755	1	June 30/84
15642 & 43	2	June 30 & Mar. 31/77
16156 - 69 inclusive ..	14	Mar. 31/80
16205 - 21 " ..	17	Sept. 30/80
	43 claims	

License of Occupation :

657 ..... Land under Miller Lake

1379 ..... Fractional Claim (Part CC 3879)

Current ownership of the aforementioned Claim Leases & Licenses of Occupation have been attested to by management of Milner Consolidated Silver Mines Limited and were not independently ascertained by this writer.

Location & Access :

The properties described herein are located in the extreme southern part of Haultain Township and the northern part of adjacent nicol Township centered at longitude 80°44' W / Latitude 47°40' N;;or approximately 2.5 miles northeast of the village of Gowganda, Ontario which is situated 61 iarmiles southeast of the city of Timmins, Ontario. Secondary gravel Highway No. 560 connects Gowganda with the village of Elk Lake to the east and thence to the Trans-Canada Highway.

The main claim group abutts on Everett Lake to the north, and encompasses Miller Lake on the southern portions. Electrical power is available at the main properties (Capitol & Castle No. 3 Shafts).

Access to the various properties now held by Milner Consolidated (shafts & old mill sites) can be readily gained via secondary roads that extend northwards from Highway No. 560.

Topography :

The general Gowganda area has the gentle relief typical of the superior province of the Precambrian Shield. Locally there are numerous hills with steep cliffs; however, the overall relief is not great since few hills exceed 200 ft. in elevation above the local drainage. Outcrops of rock are numerous, but there is much glacial drift in the lower lands and some areas of sand plains.

The height of land separating the watershed of the St. Lawerence River system from that of James Bay lies about 15 miles north of Gowganda. From the Haultain-Nicol Townships area the drainage flows northeasterly and joins the Montreal River at Matachewan; the Montreal River itself flows in a general southeasterly direction and empties into Lake Timiskaming - Ottawa River which flows into the St. Lawerence River.

History :

Initial work on the various properties eventually acquired by Milner Consolidated Silver Mines consisted of the evaluation of silver-cobalt-bearing veins discovered about 1908. Said work comprised surface stripping & trenching, and a minor but ecomonically significant amount of open cut mining. During the next 10 years a number of shallow exploration shafts were sunk followed by limited underground development workings.

In 1929 Castle-Trethewey Mines Limited was formed by an amalgamation of Capitol Silver Mines and Trethewey Silver Cobalt Mines. At that time the new company held a block of land covering 35 contiguous claims and a license to operate under part of Miller Lake. Major production from the aforementioned companies had commenced in 1920 and ceased in 1931 when the price of silver dropped to 30¢ per ounce. This initial production came from the Castle Nos. 1,2 & 3 and the Capitol Shaft areas; with the bulk of the production coming from the Castle No. 3 Mine.

In 1948 operations were renewed by Castle-Trethewey Mines in the old Capitol Shaft area where production recommenced in 1949.

All the Gowganda Area properties of Castle-Trethewey Mines were acquired by McIntyre Porcupine Mines in 1959 ... at that time these properties included the Capitol, Castle Nos. 2 & 3, and Everett all located in Haultain Township and the Castle No. 1, Hart, and Walsh (Tonopah) properties located in Nicol Township. McIntyre continued production from the Capitol Shaft area until 1964. The mine was idle for over a year due to strikes; after doing a little underground work, the mill & other surface buildings were sold in 1966.

In 1967 United Siscoe Mines (Siscoe Metals) took a lease on all the Gowganda Area properties held by McIntyre Mines; and re-examined the old Capitol Shaft area workings in a search for additional ore. This work met with success as approximately 55% of Siscoe's 1969 production came from the Capitol workings which had been subsequently connected through underground development to the Siscoe No. 6 Shaft.

In 1968 Siscoe also extended their workings southwards into the Tonopah (Walsh) Property, and subsequently completed both surface & underground exploration ... silver mineralization was encountered but was insufficient to mine.

A limited amount of exploration was conducted by Siscoe in 1970-71 in a search for possible depth extensions of the Castle No. 3 vein systems. This exploration was successful and a good grade ore shoot was located & mined out in 1971. Exploration continued along the same veins in 1972 but was abruptly stopped due to the deterioration of the Castle No. 3 Shaft which was the only means of access.

The Gowganda operations of Siscoe Metals ceased in 1972, and all properties leased from McIntyre Mines were returned to them.

In 1975 all the Gowganda Area properties previously held by McIntyre Mines were acquired by Milner Consolidated Silver Mines Limited.

The Milner Consolidated properties are currently without a known body of ore; there are no milling plants or other serviceable buildings on the various claim groups held with the exception of the Capitol headframe & shaft which are in excellent shape. The Tonopah Shaft had been re-timbered by Siscoe (1968) and is also in excellent condition; however, there is no headframe.

Geology:

The general Gowganda Region has been mapped geologically during several different periods by the Ontario Department of Mines ... the regional geology is shown on Geological Compilation Map No. 2205, Timmins-Kirkland Lake (1972). The detailed geology of the area encompassing the Haultain & Nicol Townships properties of Milner Consolidated Silver Mines Limited is covered in reports by: ...

(i) E.S. Moore, 1955: Geology of the Miller Lake Portion of the Gowganda Silver Area; Ont. Dept. Mines Vol. LXIV, Part 5; with accompanying coloured Map No. 1955-3 at a scale of one inch to 2640 feet; and

(ii) W.H. McIlwaine, 1975: Geology of the Gowganda Lake - Miller Lake Silver Area; District of Timiskaming; Ont. Dept. Mines Geological Branch, Open File Report 5113; with numerous accompanying maps & Tables.

Another pertinent reference is the following Paper by B.W. Hester, at the time a geologist with Texas Gulf Sulphur Co.; Timmins, Ontario: ...

(iii) B.W. Hester, 1966: Geology of the Silver Deposits near Miller Lake, Gowganda; C.I.M.M. Transactions, Vol. LXX, 1967, pp. 277-286.

(A) Regional Geology:

All the consolidated rocks of the Gowganda Area are of Precambrian age ... they consist essentially of an older, altered & deformed "Keewatin" basement complex (Metavolcanics, Metasediments, Mafic & Ultramafic Intrusives, Silicic Intrusives) all of which have been cut by Diabase Dikes; and are overlain in part by a younger "Proterozoic" series of generally flat-lying sediments (Cobalt Group). In the immediate region of the Milner Consolidated properties the older basement complex has been cut by an extensive cone sheet of gabbroic intrusives locally termed "Nipissing Diabase" which forms a sill-like mass.

Rock types present on the Milner Consolidated properties consist essentially of chloritized Mafic Tuffs & Flows, Mafic-Ultramafic Intrusives, Diabase Dikes, and Nipissing Diabase all of which are capped in part by Cobalt Sediments.

The Nipissing Diabase forms a distinct basin-shaped structure centered around Miller Lake. Although this intrusive body was initially considered by many to represent a warped sill later work by Hester (1967) & others indicated that it more probably represents a modified cone sheet intrusive. The lower contact of the intrusive is generally parallel to the upper one; at outcrop, the upper contact dips inward at about 25° and lessens at depth. The true thickness of the intrusive is approximately 800 ft. with the lowest point of the upper contact being about 1,550 ft. below surface in the centre of the basin.

The following two Figures taken directly from the paper by Hester (1967) illustrate the basin shape & relationships of the Nipissing Diabase to the intruded rock types: ...

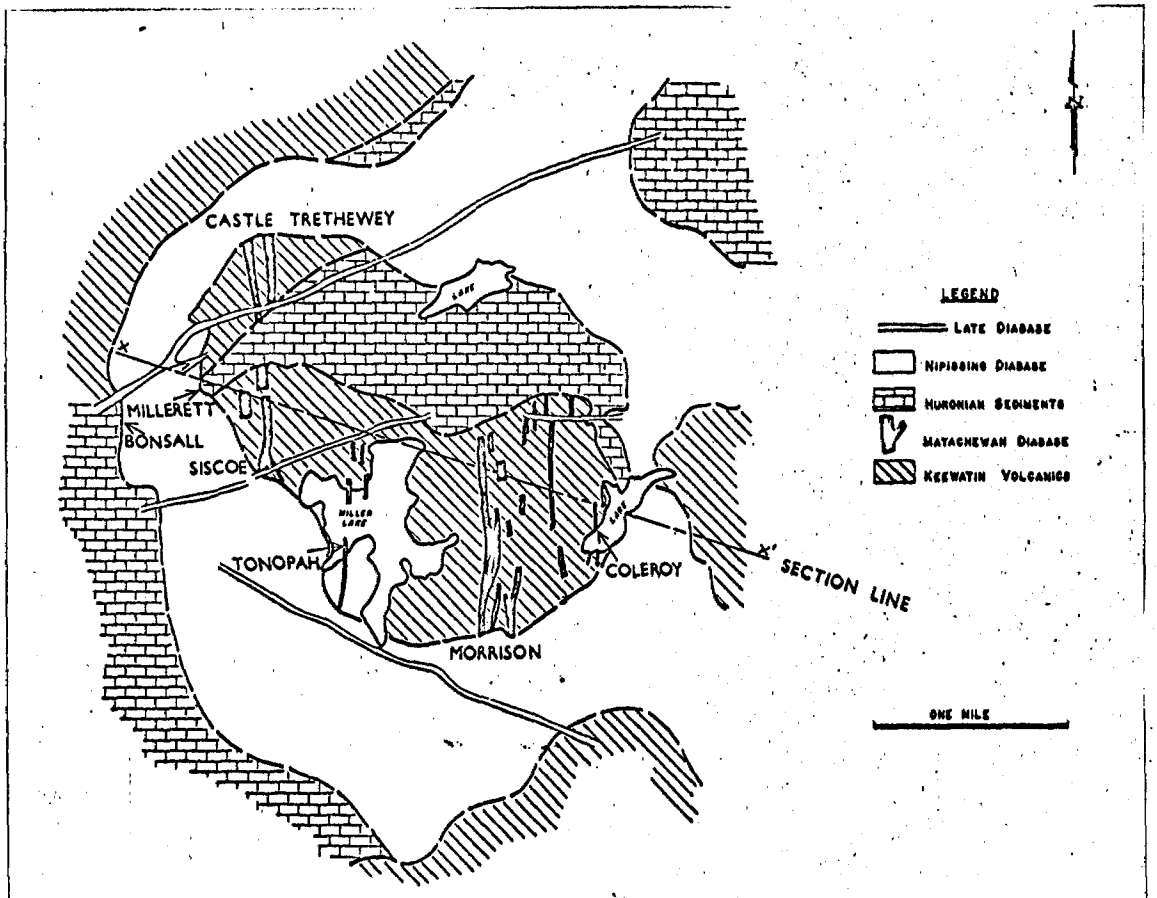


Figure 1.—General Geology of the Miller Lake Area (modified after Moore, Burrows and Eakins).

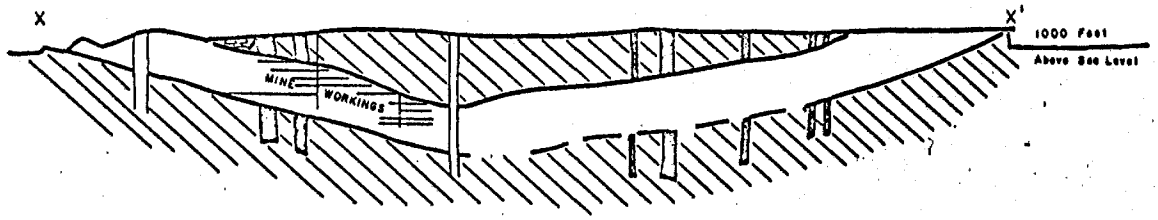


Figure 2.—Cross Section on line X-X' of Figure 1.

A great number of vertically-dipping Diabase Dikes of the Matachewan-type strike northerly through the Miller Lake area as illustrated in the two preceding figures. Dikes up to 400 ft. wide occur.

Several post-Nipissing Diabase Dikes, 100 to 400 ft. wide, cut all the other rock types in the area ... including the Cobalt Sediments which are not cut by the aforementioned Matachewan Dikes. Two directions of strike are prominent in these younger dikes ... northeast & southeast. The northeasterly-striking Quartz Diabase Dikes are of regional extent and have been traced for hundreds of miles; the southeasterly-striking Olivine Diabase Dikes are not as well developed.

(B) Economic Geology:

More than 95% of the silver mined in the Gowganda Area has come from veins in the Nipissing Diabase cone sheet intrusive centered at Miller Lake. Native silver & cobalt-iron arsenide minerals occur in quartz-calcite veins up to several inches wide and in adjacent fractures. The veins in general dip from 60° to vertical; there also are some flat-lying to arcuate-shaped veins which are genetically related to the other fracture-filling vein systems.

The following minerals, in decreasing abundance, have been reported in the Gowganda Area: ...

Native Silver	Tetrahedrite	Galena
Lollingite	Smaltite	Niccolite
Skutterudite	Chloanthite	Breithauptite
Safflorite	Arsenopyrite	Chalcopyrite
Rammelsburgite	Cobaltite	Sphalerite

Pink, pearly grey & white calcite are found in the veins. The only other gangue mineral is quartz, which is milky and commonly forms ribbon structures.

Much of the native silver occurs in a dendritic habit surrounded by the cobalt-iron arsenides. Pink calcite is a common associate in the better mineralized sections. Silver is common in leaf form both within the calcite veins and in knife-edge joints in the wall-rock close to the veins. Silver in any form is rare in the quartz-bearing sections of the veins; but, where found, is usually of the leaf variety. Leaf silver is rarely found in the fault planes within the Diabase.

The faults rarely contain silver although this is the most common mineral in the veins. Where silver mineralization occurs in a fault, it is always close to the intersection of the fault with a well-mineralized vein and generally between the off-set portions. Spectacular wire silver has been noted in this environment.

The veins display many of the features commonly found in deposits which owe their origin to the filling of fractures. The width of mineralization rarely exceeds six inches. The value of this vein filling often exceeds 5,000 ozs. per ton in higher-grade sections. In 1917, a vein of this type of material with a width in excess of 30 inches was encountered.

The average grade of ore mined at the two main producers (Siscoe & Castle-Trethewey) was, during the latter part of their lives, maintained at between 20 to 40 ozs. silver per ton with some spectacular ore shoots running into the thousands of ounces. An example of the tenure of ore mined from some of the higher-grade silver veins that were encountered in the camp is indicated by the 1910-12 production figures of the Millerett Mine (Siscoe Metals) ... from two small ore shoots they shipped 592 tons of ore & concentrate containing 611,822 ozs. of silver & 5,000 lbs. of cobalt.

Hester (1967) concluded that northerly compressive forces were responsible for much of the deformation & fracturing in the Nipissing Diabase with which the ore veins are associated; that is, the fractures are the result of tectonic movements in which cooling of the Diabase has played no obvious part. Eight directions of fracturing, all of which in places may contain associated silver-bearing

vein material, have been identified. There is a good correlation in many places between original warps ("rolls") in the upper contact of the Nipissing Diabase and higher-concentrations of ore-bearing vein systems.

Early development in the Cowganda camp suggested that ore shoots were confined to the upper 200 ft. of the Nipissing Diabase; however, later underground work conducted down dip of the intrusive has shown that ore may be expected anywhere within its upper half and, rarely, may extend for a short distance into its lower half. Small ore shoots have also been found in every other rock type of pre-Nipissing age located adjacent to the Nipissing Diabase intrusive ... including native silver in fractured Matachewan Diabase Dikes and Cobalt Sediments. A number of ore shoots were also mined from the lower contact of the Nipissing Diabase at the Lower Bonsall Mine and the Everett-Castle No. 2 Shaft area.

Previous Work:

1. Development & Production:

The various mining properties currently held by Milner Consolidated Silver Mines include a number of past producers of which the Castle No. 3, the Capitol and the Tonopah (Walsh) Mines were the most important. The following Tables showing shaft development & production figures re the aforementioned three mines are taken from O.D.M. "Open File Report 5113" by W.H. McIlwaine, 1975: ...

Table 1.: SHAFTS, CASTLE & CAPITOL MINES (1969).

	Claim No.	Inclination	Number of Compartments	Collar Depth	Vertical Depth below Surface
				feet	feet
CAPITOL MINE					
Capitol Shaft	HS351	Vertical	2	Surface	819
Capitol winze	HS351	Vertical	2	778	1,131
Inclined haulageway	HS351	27°	2	1,125	1,425
Capitol Cobalt shaft	HS351	Vertical	1 (inactive)	Surface	38
CASTLE MINE					
No. 1 shaft	RSC106	Vertical	1 (inactive)	Surface	460
No. 2 shaft	RSC101	Vertical	(inactive	Surface	160
No. 3 shaft	RSC101	Vertical	2	Surface	850

Table 2.: PRODUCTION FROM CASTLE-TRETHEWEY MINE (1920-31).
(Mainly from Castle No. 3 Shaft area)

Year	Ore and conc shipped tons	Cobalt pounds	Silver ounces
1920	45	254	48,373
1921	30		33,952
1922	9	1,530	40,098
1923	44	5,295	146,981
1924	163	15,994	544,575
1925	346	32,708	961,950
1926	313	32,443	979,890
1927	312	32,536	932,806
1928	310	33,557	800,968
1929	272	34,453	879,505
1930	238	47,125	723,226
1931	144	63,952	368,697
Totals	2,226	299,847	6,461,021

Table 3: PRODUCTION FROM THE CAPITOL MINE (1951-66).

Year	Ore and conc shipped (tons)	Cobalt pounds	Silver ounces	Nickel pounds
1951	180	14,894	480,214	
1952	258	12,181	731,172	
1953	455	25,638	1,011,730	
1954	794	29,637	992,017	
1955	638	24,450	775,663	
1956	513	31,362	885,845	4,657
1957	491	20,569	657,403	4,638
1958	547	22,055	684,005	3,667
1959	563	27,303	1,026,218	5,312
1960	643		1,419,258	
1961	500		1,008,669	
1962	640		879,052	
1964	1,701		217,410	
1966				552
Totals	7,923	209,474	10,837,181	18,826

Table 4: PRODUCTION FROM THE WALSH (TONOPAH) MINE (1925-27; 1940).

Year	Ore and conc shipped (tons)	Cobalt pounds	Silver ounces
1925[1]	13	1,201	45,297
1926	95	1,281	185,986
1927	126	980	220,592
1940	2	93	1,549
Totals	236	3,555	453,424

[1]Includes small production from Morrison Mine.

In addition to the production figures noted in the preceding Tables it has been estimated (Shartner, 1975) that Siscoe Metals from leasing operations produced an additional 600,000 ozs. silver from the Capitol Mine during the period 1969-71.

It is also reported (Canadian Mines Handbook) that Siscoe during 1971 produced 177,274 ozs. silver from 5,184 tons of ore mined from a newly-discovered ore shoot in the Castle No. 3 Shaft Area. Additional underground exploration being undertaken in 1972 on the same vein systems was apparently halted prematurely due to the continuing deterioration of the Castle No. 3 Shaft which was the only means of access.

2. Description of Properties:

The mining properties currently held by Milner Consolidated were initially located to encompass silver-bearing veins in Nipissing Diabase situated along the northern & western portions of the Miller Lake Basin. The Castle No. 3, Capitol, Castle No. 1, Tonopah (Walsh) & Hart properties were all developed along the upper contact of the Nipissing Diabase intrusive; the Everett-Castle No. 2 property developed ore shoots located along the lower contact.

Following are brief descriptions of the previous work completed within the aforementioned mine areas: ...

(a) Everett Mine:

The Everett Mine workings are located in the lower half of the Nipissing Diabase intrusive on claims RSC 102 & LM 106 adjacent to the Everett Fault. In 1910 a shipment of 8.35 tons of ore was made ... the ore was taken from a long open-cut on a series of silver-bearing veins striking N 35° W. The silver content of said shipment (hand-sorted) is not known. In 1924 limited underground workings were developed from the adjacent Castle No. 2 Shaft along the 160-foot level. A shipment of 1.5 tons of ore that year yielded 3,461 ozs. of silver. There is no record of further work on the property.

(b) Castle No. 2 Shaft Mine:

The following description of this property was taken from an O.D.M. Report by A.G. Burrows (1926, pp. 33-35) and subsequently quoted by McIlwaine (1975, p. 156): ...

> ... "In 1919, a series of veins were located by trenching near the west boundary of claim RSC 101. The veins were the continuations of fractures in Nipissing Diabase that were worked several years previously by Everett Mines. The silver deposit consisted of closely spaced calcite & quartz veins over a width of 18 inches. In sinking No. 2 shaft, the veins were found at times to unite into fewer & wider veins ... a width of five inches of high-grade ore being occasionally encountered. The ore shoots as developed had a length of 80 feet, extending to about the 150-foot level. The broken ore was passed over picking tables, and the high-grade ore together with silver-bearing wall rock gave a grade of shipping ore of approximately 1,000 ozs. per ton. Exploratory work in the vicinity of this ore shoot did not reveal ore, although a number of strong calcite veins were located."

Results of subsequent exploration, if any, in this general area are not known to the writer.

(c) Castle No. 3 Shaft Mine:

Burrows (1926, pp. 35-37) describes the initial work on this property located on claim RSC 101 approximately 900 ft. due east of the Castle No. 2

Shaft as follows: ...

... "In 1920, a high-grade vein was found in the Keewatin near the contact with underlying Nipissing Diabase on which an open-cut was first made showing a shoot 30 ft. in length. Oxidation extended down several feet; solid ore when first encountered showed a width of three inches of silver, arsenides & calcite.

To develop the ore, a vertical shaft (No. 3) was started in the fall of 1920. The high-grade vein was found to continue from the Keewatin into the Nipissing Diabase (the contact was reached at a depth of 30 ft.) followed by an overlapping vein on the north side . During the early development of this area, the ore shoots were encountered to the northwest of the shaft; the principal veins (Nos. 1, 2 & 3) dipped to the north.

The shaft was gradually deepened, and by 1925 a number of veins were developed to the 550-foot level. New veins were encountered lying to the east & northeast of the shaft, the workings being in the Nipissing Diabase. The principal directions are roughly northeast & northwest; the strike & dip varying over the length of the vein. Important veins like No. 4 & No. 10 intersect at several levels. In one place three veins, Nos. 5, 10, & 13, intersect at a point where the curving joint planes are prominent.

The ore occurs as shoots along the vein, and these vary in length up to 300 feet. They consist of high-grade vein & wall rock impregnated with leaf silver. The veins are commonly from two to five inches in width.

During 1925, much trenching was done on the surface and a number of veins carrying native silver & arsenides were located. One of these occurs in the Keewatin. The most important is the vein series lying north of No. 3 shaft, to which a crosscut is being run on the 475-foot level."

The Castle No. 3 Shaft was ultimately deepened to a final depth of 850 feet. During the period 1970-71, Siscoe extended the 850-foot level to a distance of approximately 2400 ft. east of the shaft; drove a raise to connect with the 625-foot level; and mined two ore shoots located near the upper contact of the Nipissing Diabase ... please refer to the accompanying PLAN & SECTION MAP for details. The most easterly-located workings on the 850-foot level were following silver-bearing vein systems that obviously continued beyond the limits of said workings ... both to the east & north.

(d) Capitol Mine:

The Capitol Shaft is located on claim HS 351 approximately 3400 ft. southeast of the Castle No. 3 Shaft ... the two shafts are not connected by workings.

The initial work (1908) on the Capitol property consisted of a 44-foot shaft sunk on a strong north-south vein carrying iron-cobalt-nickel arsenides and minor silver. The vein was located in conglomerate of the Cobalt Series sediments which overly Keewatin volcanics & Nipissing Diabase in that area.

A new shaft, located 60 ft. east of the initial shaft, was subsequently (prior to 1925) sunk to a final depth of 819 feet. The shaft passed through 110 ft. of Cobalt sediments before entering & remaining in Keewatin volcanics (greenstones). Diamond drilling from the 800-foot level located the Nipissing Diabase contact at 1,039 ft. below surface.

In 1948, a drift 1500 ft. long was driven S 25° W to the Nipissing Diabase upper contact on the 800-foot level. A winze was sunk from the end of the aforementioned level to the 1,125-foot level, and from this level an inclined haulage way was sunk to the 1,425-foot level. At this depth the dip of the Nipissing Diabase -- which averaged 16°E for the workings -- was becoming nearly flat indicating that the bottom of the Miller Lake Basin was being approached.

Moore (1955, p.33) described part of the geology of the Capitol Mine as follows: ...

> ..."Many faults have been encountered, some several hundred ft. in length. They dip 35°-45°E and are much steeper than the upper contact of the Nipissing Diabase. The veins are mainly in the hanging wall sides of these faults. Vein No. 133 on the 1,200-foot level had a very productive shoot about 250 ft. long and of similar height, which produced over 800,000 ozs. silver. High-grade ore was found during the summer of 1954 in a continuation of the rich vein described as occurring on the 1,200-foot level of the adjacent Siscoe Mine."

In 1968, the Capitol workings were connected through underground development to the Siscoe No. 6 Shaft area; and additional ore was mined until 1972.

(e) Castle No. 1 Shaft Mine:

This property was initially developed through a single shaft located on claim RSC 106 situated on the northwest shore of Miller Lake. The eventual depth of the shaft was 460 ft. with levels established at 200 ft., 300 ft., 360 ft. and

450 feet. According to the 1967 Siscoe Annual Report (McIlwaine, p.201) this initial exploration would appear to have been above the good ore zones, as that year Siscoe drifted south along their 25 vein system on the 525-foot level and encountered good ore.

The geological setting -- silver-bearing veins near the upper contact of the Nipissing Diabase -- is similar to that previously described.

During the period 1968-69, Siscoe apparently mined out all the known ore shoots on this property.

(f) Tonopah (Walsh) Mine:

This property comprised fractional claim GG 3879 & claim RSC 98; a production shaft was located on the west shore of Miller Lake approximately 2,100 ft. southwest of the Castle No. 1 Shaft. The original underground work on the property (McIlwaine, pp. 202-03) investigated veins in a Diabase Dike, which intrudes Keewatin greenstones and lay above the Nipissing Diabase. The shaft was eventually deepened to 480 feet ... it entered the Nipissing Diabase at about 210 feet. A number of silver-bearing veins along the upper contact of the Nipissing Diabase were encountered to the north of the shaft and mined during the period 1925-27 ... 451,875 ozs. silver were produced. A minor amount of silver was also produced in 1940.

The shaft was re-timbered by Siscoe in 1968. In 1969, Siscoe also completed drifting from the 650-foot level of their main mine workings to connect with the Tonopah 480-foot level. Sporadic sections with silver mineralization were encountered but no mining was undertaken. Diamond drilling undertaken at the same time (Shartner, 1975) apparently intersected some good-grade silver-bearing veins located to the east of the old workings.

(g) Hart Prospect:

This property, comprising claims RSC 135 & 136, is located on the southern end of Miller Lake approximately 1,600 ft. southeast of the Tonopah Shaft. The property encompasses the upper contact of the Nipissing Diabase. In 1920, a shaft was sunk to the 100-foot level to test a strong calcite vein that reportedly contained minor silver. There is no record of production from this prospect.

Future Exploration Targets:

The mines located in the Miller Lake Basin were all initially developed to evaluate silver-bearing veins discovered as surface outcrops. That is, only those local areas that fortuitously contained rock outcrops with mineralized showings were investigated. In most cases, the underground workings of these mines were confined to the general vicinity of the surface vein systems situated at or near the upper contact of the Nipissing Diabase host rock. With the exception of the Siscoe Metals - Capitol Mine workings, none of the underground development followed the Nipissing Diabase contacts to any depth. As a result, much of the geologically-favourable ground in the Miller Lake Basin, including that currently held by Milner Consolidated, has not been adequately evaluated. The following comments pertain to a few of the more obvious exploration targets present on properties held by Milner Consolidated Silver Mines.

(a) Castle No. 3 Shaft Area:

An obvious example of a geologically-favourable area that has not been evaluated lies along the Nipissing Diabase upper contact situated between the Castle No. 3 Shaft workings (immediately east of Le Heup Lake) and the Capitol Shaft. These two shafts, located approximately 3,500 ft. apart, were never connected although the last underground development done in the Castle No. 3 Mine (1972) showed that the silver-bearing vein systems extended eastward at depth towards the Capitol Mine.

A number of other silver-bearing veins that extend north of Le Heup Lake (designated as Zone "A") were only partially investigated by underground workings ... no mining was undertaken in this area. Since this area comprises the northwestern rim of the basin-shaped Nipissing Diabase any vein systems developed there will be up-dip from the area previously mined and thus at a shallower and more accessible depth.

(b) Everett - Castle No. 2 Shaft Area:

Silver-bearing veins located in this area (Zone "B") along the lower contact of the Nipissing Diabase were only partially investigated ... the last work was done in 1924 from shallow underground workings of very limited extent.

Of particular interest from an exploration viewpoint is the presence of the Lower Bonsall Mine located to the southwest along the same contact & Everett Fault. During the period 1965-68, Siscoe Metals sank a new shaft on this old property and mined

a number of good grade ore shoots ... they produced approximately 246,000 ozs. silver. Of current interest to Milner Consolidated is the fact that Siscoe mined right up to the Castle-Trethewey (McIntyre) boundary. The area extending from Siscoe's workings northwards along the Everett Fault to Zone "B" (1,650 ft.) has not been explored and would appear to constitute a favourable area for future exploration at reasonably shallow (less than 500 ft.) depths.

(c) Capitol Shaft Area:

According to Mr. Shartner (1975), Siscoe did not mine out all the ore in this area; however, because the ore from the deeper levels had to be handled a number of times through a series of winzes before being hoisted to surface the mining costs became prohibitive.

Any future mining in this area would require a new inclined shaft that would allow direct hoisting to surface.

(d) Tonopah (Walsh) Mine:

Although silver mineralization was encountered in the new underground workings undertaken by Siscoe in 1968 it was not sufficient to mine. Surface diamond drilling; however, apparently intersected a number of silver-bearing veins situated away from the underground workings that deserve additional evaluation.

Summary & Conclusions

The Haultain & Nicol Townships, Ontario properties of Milner Consolidated Silver Mines Limited encompass substantial areas of the Nipissing Diabase intrusive cone sheet which is the host rock for silver-bearing veins of economic importance in the Miller Lake Basin of the Gowganda Area.

A number of silver-bearing vein systems and other areas of potential economic interest within Nipissing Diabase on the Milner Consolidated properties have not been adequately evaluated.

Additional Work on specific areas of the Milner Consolidated properties in an exploratory search for silver-bearing vein systems of economic significance is definitely warranted as an immediate consideration. Because of the large area of geologically favourable Nipissing Diabase held and the vast amount of data available (in

particular old mine plans showing vein systems) it would seem imperative that Milner Consolidated employ -- for a time at least -- a full-time resident geologist who would immediately undertake the detailed studies & evaluations required to properly assess the overall merits of the numerous silver-bearing properties currently held.

Recommendations:

It is hereby recommended that additional work on the Milner Consolidated Silver Mines Limited properties be undertaken at the earliest convenience. Said work should initially consist of diamond drill holes designed to test the upper contact of Nipissing Diabase in the Castle No. 3 Shaft area north of Le Heup Lake (Zone "A"); and secondly, should test the area located along the lower contact of Nipissing Diabase between the Lower Bonsall Mine workings and the Castle No. 2 Shaft area (Zone "B").

In order to fully evaluate the merits of the substantial areas of Nipissing Diabase held immediate consideration should also be given to an investigation of both the upper & lower contacts of this intrusive in those areas masked by overburden and/or younger sediments; and at depth in those areas of the Miller Lake Basin not previously investigated. This work should constitute a long term program and would of necessity entail detailed geological evaluations of existing mine workings as indicated by data on hand,and ultimately of a considereble amount of exploratory drilling. It is strongly recommended that Milner Consolidated immediately retain a resident geologist who would both supervise the initial diamond drilling program recommended and initiate the essential detailed geological evaluation program required.

* * * * * * * * * * * * *

Respectfully submitted,

K. H. Darke

January 10, 1976
TIMMINS, Ontario

K.H. Darke, P.Eng.
Consulting Geological Engineer

REGISTERED PROFESSIONAL ENGINEER
K. H. DARKE
PROVINCE OF ONTARIO

Estimated Costs of Work Program Recommended:

PHASE ONE:-

(a) Diamond Drilling of Zones "A" & "B":

(i) 2,000 ft. @ $12/foot:	$24,000	
(ii) Geological Supervision:	3,000	
(iii) Sampling & Assaying Drill Core:	2,000	
(iv) Contingencies:	1,000	
	30,000	$30,000

(b) Detailed Geological Evaluations:

Full-time Resident Geologist:	15,000
Total PHASE ONE:	$45,000.00

PHASE TWO:- Detailed follow-up Diamond Drilling:
... contingent upon preceding drilling results and/or recommendations resulting from Geological Evaluation Program.

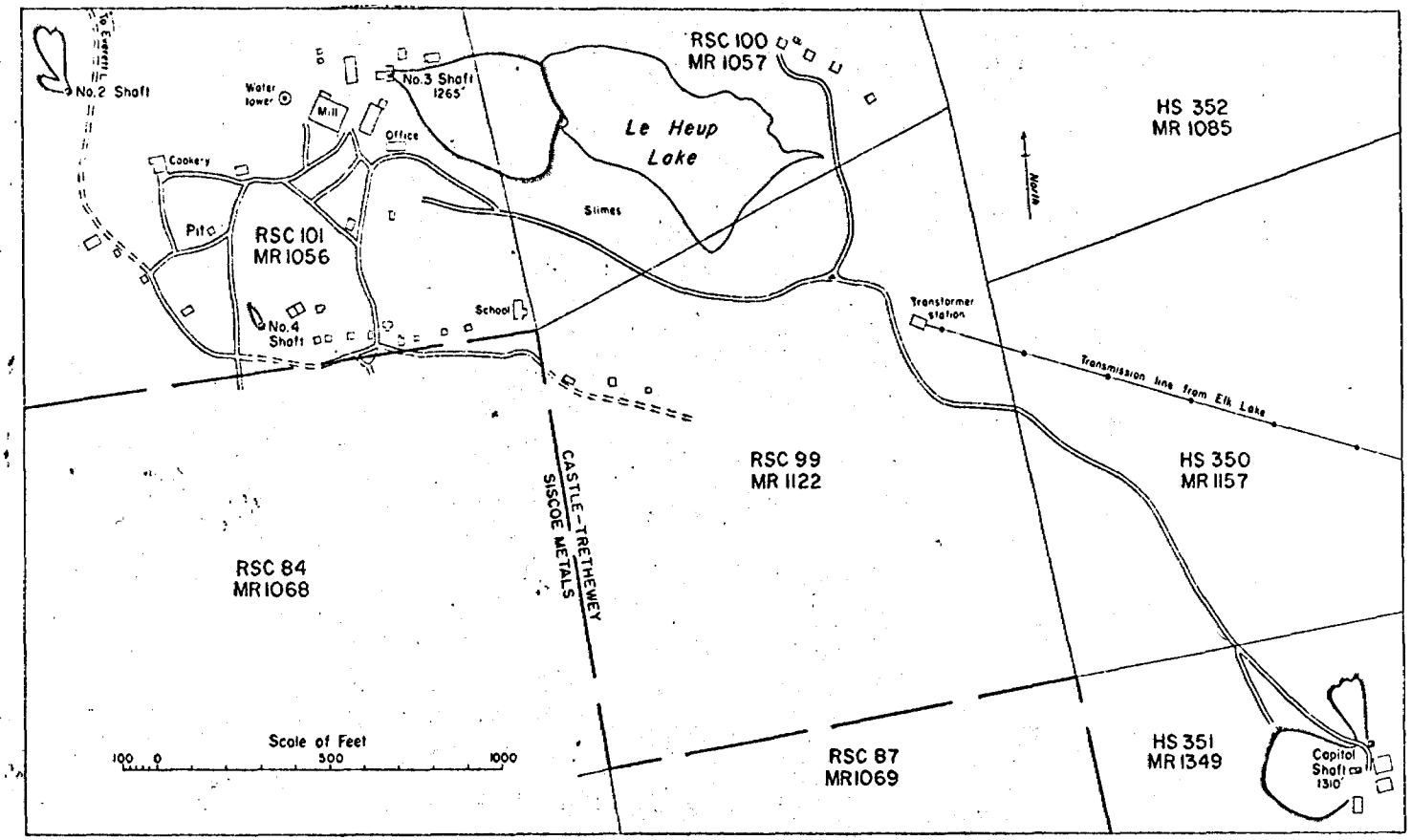
* * * * * * * * * * * * * * * * *

January 10, 1976
TIMMINS, Ontario

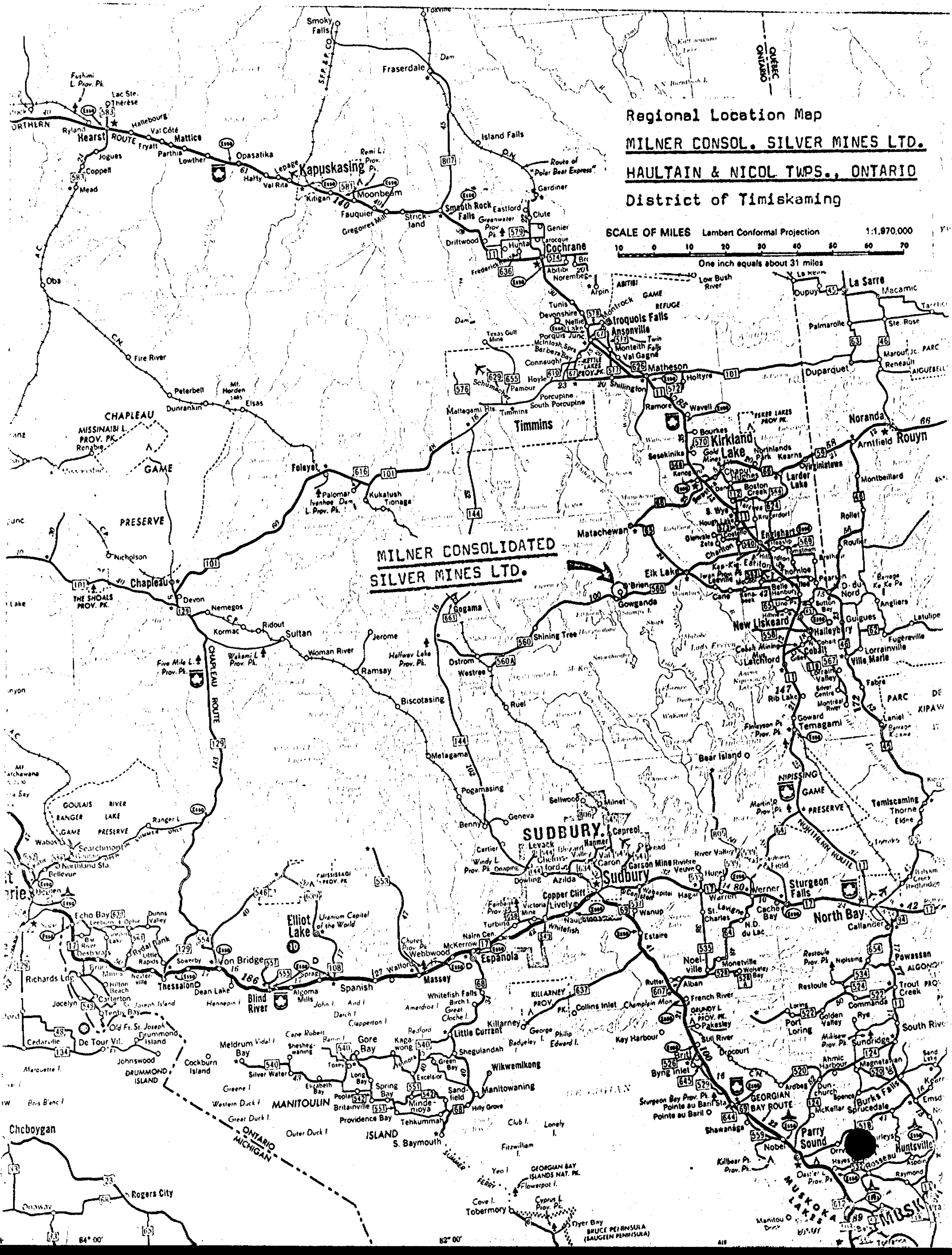
K. H. Darke

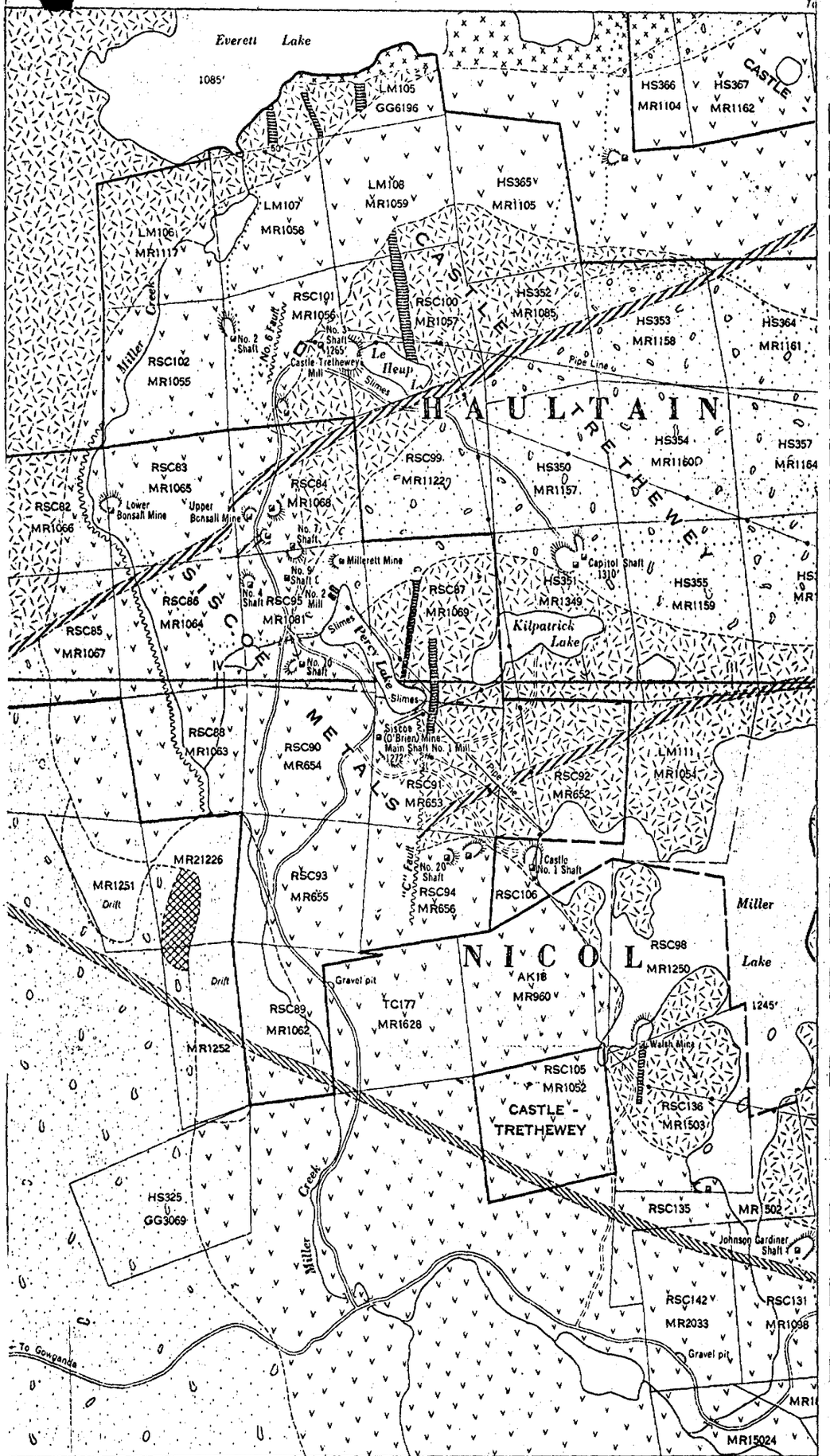
K.H. Darke, P.Eng.
Consulting Geological Engineer

REGISTERED PROFESSIONAL ENGINEER
K. H. DARKE
PROVINCE OF ONTARIO



Surface plan of the Capitol mine, Castle-Trethewey Mines, Limited.


Regional Location Map
MILNER CONSOL. SILVER MINES LTD.
HAULTAIN & NICOL TWPS., ONTARIO
District of Timiskaming
SCALE OF MILES Lambert Conformal Projection 1:1,970,000
10 0 10 20 30 40 50 60 70
One inch equals about 31 miles
MILNER CONSOLIDATED
SILVER MINES LTD.
Gowganda
Elk Lake
Timmins
Kirkland Lake
New Liskeard
Haileybury
Cobalt
Temagami
SUDBURY
North Bay
Cochrane
Kapuskasing
Hearst
Chapleau
Rouyn
Noranda
Elliot Lake
Uranium Capital of the World
Parry Sound
Espanola
MANITOULIN ISLAND
Cheboygan
Rogers City
ONTARIO
MICHIGAN
QUEBEC
ONTARIO
84° 00'
82° 00'



MILLER LAKE PORTION, GOWGANDA SILVER AREA, SHOWING SILVER-F

Scale of Feet

1000 0 1000 2000 3000

SYMBOLS

- 1085' — Altitude in feet.
- Bridge.
- Electric power transmission line.
- Motor road.
- Wagon road.
- Trail.
- Glacial striae.
- Geological boundary.
- 50° — Strike and dip of schistosity.
- Strike of vertical schistosity.
- Fault, defined.
- Claim line approximate.
- Property boundary approximate.
- Mill.
- Shaft.
- Mine dump.

LEGEND

PRECAMBRIAN

KEWEENAWAN

- Olivine diabase dike.
- Quartz diabase dikes.

INTRUSIVE CONTACT

- Quartz diabase sill ("Nipissing").

INTRUSIVE CONTACT

HURONIAN (COBALT SERIES)

Gowganda formation

- Conglomerate, greywacke, quartzite.

UNCONFORMITY

MATACHEWAN

- Porphyritic quartz diabase dikes.

INTRUSIVE CONTACT

ALGOMAN

- Granite.

INTRUSIVE CONTACT

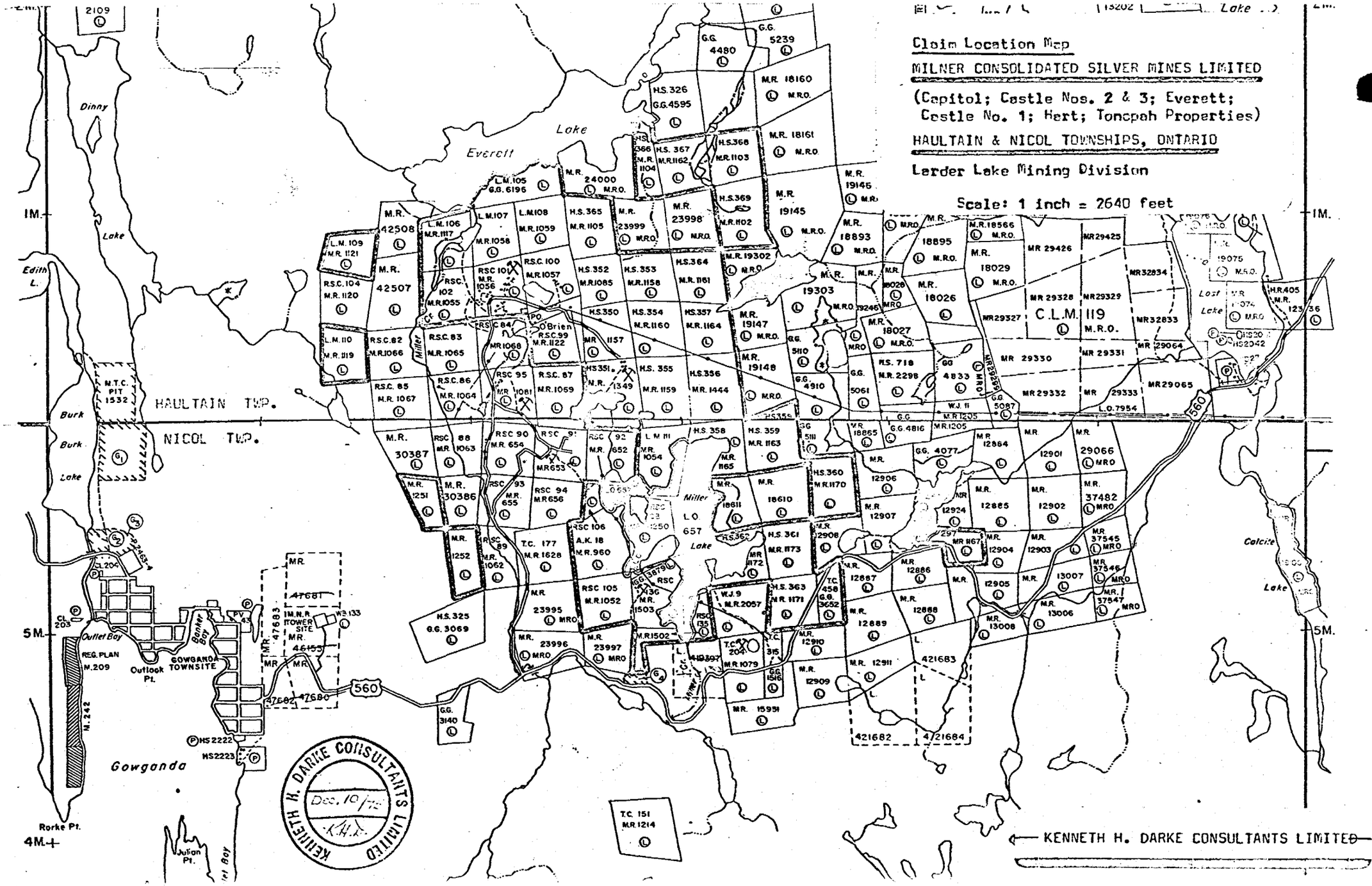
HAILEYBURIAN

- Serpentine.

INTRUSIVE CONTACT

KEEWATIN

- Lavas, tuffs, intrusives and schists.


Claim Location Map
MILNER CONSOLIDATED SILVER MINES LIMITED
(Capitol; Castle Nos. 2 & 3; Everett; Castle No. 1; Hart; Toncpah Properties)
HAULTAIN & NICOL TOWNSHIPS, ONTARIO
Larder Lake Mining Division
Scale: 1 inch = 2640 feet
HAULTAIN TWP.
NICOL TWP.
Dinny Lake
Everett Lake
Edith L.
Burk Lake
Miller Lake
Lost Lake
Calcite Lake
Outlet Bay
Banker Bay
Outlook Pt.
GOWGANDA TOWNSHIP
REG. PLAN M.209
Gowganda
Rorke Pt.
Julian Pt.
O'Brien
M.T.C. PIT 1532
C.L.M. 119
M.R.O.
560
1M.
5M.
4M.
KENNETH H. DARKE CONSULTANTS LIMITED
Dec. 10/75
K.H.D.
KENNETH H. DARKE CONSULTANTS LIMITED

10,000 E 11,000 E 12,000 E 13,000 E 14,000 E

17,000 N 16,000 N 15,000 N

N

NIPISSING DIABASE

MATACHEWAN DIABASE DIKES

Upper Contact of Nipissing Diabase

KEEWATIN VOLCANICS

DIABASE KEEWATIN

*Note - all underground workings are in underlying Nipissing Diabase.

EVERETT FAULT

No. 6 FAULT

ZONE (B)

ZONE (A)

CASTLE SHAFT No. 2

CASTLE SHAFT No. 3

X

X_1

ZONE OF EXTENSIVE WORKINGS

Easterly Extension of No. 3 Shaft Vein System

LE HEUP LAKE

650' to Similar Mine Workings on same fault at Long Eusall Mine

QUARTZ DIABASE DIKE post Nipissing

PLAN

CASTLE No. 3 SHAFT

CASTLE No. 2 SHAFT

KEEWATIN VOLCANICS

Zone 'A'

Stope development (1955)

NIPISSING DIABASE INTRUSIVE

Approx "Upper Contact" in Zone 'A'

Approx. Upper Contact of Nipissing Diabase along Section X-X_1

No. 6 Fault

SECTION

Milner Consolidated Silver Mines Limited

PLAN & SECTION

CASTLE-TRETHEWEY MINE

SHAFT No. 3 AREA

Haultain Township, Ontario
Larder Lake Mining Division

Scale: 1 inch = 200 feet

KENNETH H. DARKE CONSULTANTS LIMITED JAN. 10 76

REGISTERED PROFESSIONAL ENGINEER K. H. DARKE PROVINCE OF ONTARIO

41P10NE0016 63.3395 HAULTAIN

200