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LORMAC EXPLORATIONS LIMITED

(Incorporated under the laws of Ontario)

1609 - 44 Victoria Street, Toronto

63.3241

Underwriter-Optionee

Marchmont & Mackay Limited,
330 Bay Street,
Toronto.

Registrar and Transfer Agent

Guaranty Trust Company of Canada,
88 University Avenue,
Toronto.

NEW ISSUE

| <u>Number of Shares</u> | <u>Price per share</u> | <u>Net amount to Corporation</u> | <u>Maximum offering price to public</u> |
|-----------------------------|------------------------|----------------------------------|---|
| 200,000 shares underwritten | 17½¢ | \$ 35,000.00 | 35¢ per share |
| 100,000 shares optioned | 22½¢ | \$ 22,500.00 | 45¢ per share |
| 100,000 shares optioned | 27½¢ | \$ 27,500.00 | 55¢ per share |

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, the proceeds of which will accrue solely to the offering shareholder, will be offered for sale to the public following the distribution of all underwritten and optioned shares, 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.

Prospectus dated this 15th day of July, 1974.



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HISTORY AND BUSINESS

Lormac Explorations Limited (hereinafter for convenience referred to as "Lormac" or "the Corporation") was incorporated under the laws of Ontario by Articles of Incorporation for which Certificate of Incorporation was issued on January 25th, 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 in writing dated April 19th, 1974 Lormac has acquired from Marchmont & Mackay Limited (see also headings "Offering" and "promoter") eight Mining Claims located in the Township of Teck in the Kirkland Lake area and recorded in the Office of the Mining Recorder for Larder Lake Mining Division as numbers L393162-9 inclusive. The total consideration paid was the allotment and issue of 750,000 fully paid shares in the capital stock of the Corporation, all of which is to be received by the said Vendor, subject to an existing royalty of 5% of the net sales price (as defined) of all ore removed from the property in favour of Michael Ogden, Trustee, R. R. 4 Stouffville, Ontario. The Claims are in good standing under extension to November 8th, 1974.

Location and Access

The property comprises approximately 327 acres two and one-half miles west of the Town of Kirkland Lake and about one-half mile north of Macassa Mine, the nearest producing mine. The Ontario Northland Railway crosses the south-east corner of the group and two good roads pass nearby. In addition, a hydro transmission line crosses the property and a small creek flows through the south-western section of the Claims.

History

The Kirkland Lake area has been known for gold since 1911 and many producing mines have been in the immediate area over the years. In 1936 an exploratory shaft was sunk on the property to a depth of about 127' but no reports are available for any work which may have been performed as a result. In 1940 Macassa Mines Ltd. in conjunction with Hollinger Consolidated Gold Mines Limited drove a crosscut north from the Macassa property at the 3,000 foot level and a hole was drilled from the end of the crosscut 720' into the Claim group. A narrow quartz vein was intersected about 50' north of the south boundary of our property but assay results are not known. Outcrop areas are relatively plentiful, comprising about thirty per cent (30%) of the terrain. There are no present mining facilities on the property at the present time other than the shaft referred to.

Summary

A Report has been prepared for the Corporation by Dr. R. Bruce Graham, Ph.D.P. Eng. dated June 10th, 1974 which is available for inspection in the public offices of the Ontario Securities Commission in Toronto upon which Report the Corporation has relied for the information therein, and from which the following summary has been prepared:

There is surface and underground evidence that a fault zone occurs in sediments along the north contact of the syenite intrusive in the southern part of the Property. A vein on the property intersected in a hole drilled from a crosscut on the 3,000 foot horizon of the Macassa Mine is approximately on strike with the Narrows Hughes Properties a mile to the east. This structure is projected to merge with the fault zone about 1,000' west of the east boundary of the property. The fault zone from here west through the southern part of the Claim group is regarded as favourable prospecting ground. This is supported by a 7 foot section of ground core in a surface drill hole on the extension of this zone 1,300 feet west of the projected junction.

As a first exploration stage a program of geochemical prospecting is recommended with the objective of delineating specific target areas for follow up diamond drilling from the surface. Sampling should be carried out at 100 foot intervals along the north-south lines for 1,000 feet. A contingency for 2,000 feet of diamond drilling should also be provided, and concurrently the feasibility of carrying out underground exploration from the 3,000 foot level should be determined and an estimate of the cost prepared, which would be contingent on the results of the surface program. The total cost of work to this stage is estimated at \$23,400.00 as follows:

| | |
|---|-----------------|
| Line cutting | \$ 700 |
| Sampling and Assaying | 4,000 |
| Contingencies | 700 |
| Provision for 2,000 feet of diamond drilling | 16,000 |
| Supervision, assaying and estimate re underground exploration programme | 2,000 |
| TOTAL | <u>\$23,400</u> |

PRELIMINARY EXPENSES

It is estimated that the expenses of the Corporation for the first year of operation will be \$4,500.00 for administration and \$23,400.00 for exploration and development work, subject to increase if further work is warranted and funds are available. No monies have been spent to the date hereof.

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 750,002 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 to date are 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 15th, 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.) | 750,002 (\$7,501.) | 750,002 (\$7,501.) | 1,150,002 (\$92,501.)* |

*On the basis of all shares underwritten and optioned being sold (see heading "Offering" herein).

ESCROWED SHARES

At the date hereof a total of 675,000 fully paid common shares of the Corporation are held in escrow by Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, subject as to release only with the consent of the Company 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

675,000 common

Percentage of total issued capital as at date of this Prospectus

90%

By Agreement between Marchmont & Mackay Limited as Vendors of the mining property, and Lornac, 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.

PRINCIPAL HOLDERS OF SECURITIES

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

| <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> |
|--|-----------------------------|--------------------------|----------------------------------|-----------------------------------|
| Marchmont & Mackay Limited Suite 1608, 330 Bay St., Toronto, Ont. | common shares no par value | Record and beneficial | 750,000 (675,000 escrowed) | 100% |

Marchmont & Mackay Limited is also the Underwriter-optionee of the shares being offered by this Prospectus and the promoter of the Corporation (as to which see headings "Offering", "Secondary Offerings" and "Promoter" herein) in which a greater than five per cent (5%) interest is held by W. R. Marchmont, 53 King George's Road, Islington, Ontario, R. P. Mackay, 31 Alexander Street, Toronto, Ontario and C. L. Ornstein, 260 Wellesley Street East, Toronto, Ontario.

Following the sale of all underwritten and optioned shares and 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 offering</u> | <u>Percentage of class after offering</u> |
|------------------------|--|---|
| Principal shareholders | 100% | 58.7% |
| Public | nil | 41.3% |

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> |
|----------------------|------------------------|-----------------------|
| 2 | \$.50 | \$1.00 |

DIVIDENDS

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

AUDITOR

The Auditor of the Corporation is T. H. Bernholtz, C.A., Suite 804, 330 Bay Street, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

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

OFFERING

The Corporation has entered into an Agreement dated April 19th, 1974 as amended by Agreement dated May 15th, 1974, with Marchment & Mackay Limited, Suite 1608, 330 Bay Street, Toronto, Ontario, as Underwriter-optionee, whereby the latter acting on its own behalf has 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> |
|----------------------|------------------------|----------------------------------|---|
| 200,000 | 17½¢ | \$35,000.00 | 35¢ per share |

The purchase price of \$35,000.00 is payable on the effective date of the Agreement being two business days following receipt of advice from the Ontario Securities Commission of acceptance for filing of a 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 | 22½¢ | \$22,500.00 | 45¢ per share | 3 months |
| 100,000 | 27½¢ | \$27,500.00 | 55¢ 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. Marchment & 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, 260 Wellesley Street East, Toronto, Ontario.

SECONDARY OFFERING

| <u>Offering Shareholders</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) 675,000(escrowed) | 75,000 (free) nil | nil 675,000 (escrowed) |

Marchment & Mackay Limited will sell its free shares as principal following the sale of all underwritten and optioned shares, with the proceeds from the sale of such shares accruing solely to the offering shareholder and not to the treasury of the Corporation.

USE OF PROCEEDS

The proceeds from the sale of underwritten shares in the amount of \$35,000.00 will be used to finance the recommended exploration program of Dr. Graham estimated at \$23,400.00 as outlined in the heading "Mining Property", and will provide for the cost of incorporation and this issue estimated at \$6,500.00, 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 \$45,000.00 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 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. X

PROMOTER

The Promoter of the Corporation pursuant to the definition contained in Section 1.(1)15 of The Securities Act is Marchmont & Mackay Limited, 330 Bay Street, Toronto, in which a greater than 5% interest is held by W. R. Marchmont, 53 King George's Road, Islington, Ontario, R. P. Mackay, 31 Alexander Street, Toronto, Ontario and C. L. Ornstein, 260 Wellesley Street East, Toronto, Ontario.

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 | - | Russel Edwin Vance, 34 Meadow Avenue, Scarborough, Ontario, Department Supervisor with Hiram Walker G & W. Mr. Vance is also a Director of other mining Corporations. |
| Secretary-Treasurer and Director | - | James M. DaCosta, 155 Rosedale Heights Drive, Toronto, Ontario, Barrister & Solicitor practicing in the City of Toronto and a Director of other mining Corporations, including McAdam Mining Corporation Limited and Grasset Lake Mines Limited. |
| Director | - | Clarence Allen Floyd, 2 Courtwright Road, Etobicoke, Ontario, Sole proprietor of Automation and Mining Development Services and a Director of other mining Corporations. |
| Director | - | W. Russell Miller, 9 Foxcote Crescent, Etobicoke, Ontario, Prospector, self-employed and a Director of other mining Corporations including Beaverbridge Mines Limited and Benvan Mines Limited. |

REMUNERATION OF OFFICERS AND DIRECTORS

No officer or director of the Corporation is presently receiving any remuneration for services 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:

- (a) Agreement dated April 19th, 1974 between the Corporation and Marchmont & Mackay Limited as to which see heading "Mining Property".
- (b) Underwriting-option Agreement dated April 19th, 1974 with Marchmont & Mackay Limited covering sale of treasury shares referred to in heading "Offering", as amended by Agreement of May 15th, 1974.
- (c) Agreement dated April 24th, 1974 with Marchmont & Mackay Limited and Guaranty Trust Company of Canada, as to which see heading "Escrowed Shares".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No officer or director has any direct or indirect personal interest in any material transaction involving the Corporation at the date hereof.

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 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 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 registrar 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.

AUDITOR'S REPORT

To The Directors
Lormac Explorations Limited
Toronto, Ontario

I have examined the balance sheet of Lormac Explorations Limited as at May 15, 1974 and in connection therewith reviewed such supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet presents fairly the financial position of the Corporation as at May 15, 1974 in accordance with generally accepted accounting principles.

Toronto, Ontario
July 15, 1974

T. H. Bernholtz
Chartered Accountant

LORMAC EXPLORATIONS LIMITEDBALANCE SHEETAS AT MAY 15, 1974ASSETS

| | |
|--|--------------------|
| Cash in bank | \$ 1.00 |
| Mining claims and properties (Note 1) | 7,500.00 |
| Incorporation, organization and cost of offering, estimated | 6,500.00 |
| | <u>\$14,001.00</u> |

LIABILITIES AND CAPITAL

| | |
|--|-------------------------|
| Accounts payable, estimated | \$ 6,500.00 |
| Capital stock (Note 2) | |
| Authorized: | |
| 3,000,000 shares, without par value, not to exceed \$1,000,000.00 | |
| Allotted and issued | |
| For cash | 2 shares 1.00 |
| For properties | 750,000 shares 7,500.00 |
| | <u>\$14,001.00</u> |

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

Approved on behalf of the Board of Directors:

 " R.E. Vance " Director

 " J.M. DaCosta " Director

LORMAC EXPLORATIONS LIMITEDNOTES TO BALANCE SHEETAS AT MAY 15, 1974

- Note 1. The mining properties consist of eight mining claims in Teck Township, Larker Lake Mining Division, Province of Ontario and are recorded at the consideration attributed to 750,000 shares by the Board of Directors for a value of \$7,500. The agreement also provides that a royalty is payable consisting of 5% of the net sale price of all ore removed from the property.
- Note 2. By agreement dated April 19, 1974 as amended by agreement dated May 15, 1974, the underwriter has agreed to firmly purchase 200,000 shares of the Corporation's capital stock at 17½¢ per share, payable on the second business day following the date upon which the Ontario Securities Commission issues a final receipt for the filing of the prospectus (referred to as the "effective date"). In consideration of the firm purchase, the Corporation has granted the underwriter an option to purchase all or any part of an additional 200,000 shares as follows: 100,000 shares at 22½¢ per share payable within three months after the effective date and a further 100,000 shares at 27½¢ per share payable within six months after the effective date.
- Note 3. A statement of source and application of funds from incorporation date (January 25, 1974) to May 15, 1974 has not been included as the Corporation has not yet commenced operations.

THERE ARE NO OTHER MATERIAL FACTS.

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

"Russel E. Vance"
Chief Executive Officer

"James M. DaCosta"
Chief Financial Officer

On behalf of the Board of Directors.

"Clarence A. Floyd"
Director

"W. Russell Miller"
Director

PROMOTER

MARCHMENT & MACKAY LIMITED

"W. R. Marchment"

"R. P. Mackay"

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 15th day of July, 1974.



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LORMAC EXPLORATIONS LIMITED

OGDEN PROPERTY

TECK TOWNSHIP

KIRKLAND LAKE

ONTARIO

Toronto, Ontario

April 19, 1974

R. Bruce Graham & Associates Ltd.

SUMMARY

The Ogden Property is centrally located in Tec~~X~~Township, Kirkland Lake Area, Ontario.

It lies 2,700 feet north of the Macassa ore zone on the north edge of the gold bearing sediments, felsic volcanics and intrusives which occur along the gold-bearing Kirkland Lake Fault System.

There is surface and underground evidence that a fault zone occurs in sediments along the north contact of the syenite intrusive in the southern part of the Property.

A vein on the property intersected in a hole drilled from a crosscut on the 3,000 foot horizon of the Macassa Mine is approximately on strike with the Narrows break which is a gold bearing structure on the Lake Shore and Tec Hughes properties a mile to the east. This structure is projected to merge with the postulated vein and fault 500 feet west of the east boundary of the property. The fault zone from here west through the southern part of the claim group is regarded as favourable prospecting ground. This is supported by a 7 foot section of ground core in a surface drill hole on the extension of this zone 2,200 feet west of the projected junction. The ground core could be due to faulting and 1 foot within this section assaying 0.07/ton Au and 1.45 oz/ton Ag



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lends support to the assumption that this horizon could have economic potential.

As a first step, a program of trace element geochemical prospecting is recommended, based on present knowledge of the minerology of the Kirkland Lake area.

A contingency for 2,000 feet of diamond drilling to follow up the geochemical program is also recommended along with an investigation into the feasibility of carrying out underground exploration from the 3,000 foot level.

The cost of the above program is estimated at \$23,400.00.

LORMAC EXPLORATIONS LIMITEDOGDEN PROPERTYTECKTOWNSHIPKIRKLAND LAKE, ONTARIOINTRODUCTION

The following report describes the geology and the gold potential of the Ogden Property in Teck Township, Ontario.

The information on which this report is based is derived mainly from the excellent studies of the Kirkland Lake Gold Area by E. W. Todd published in the 37th Annual Report of the Ontario Department of Mines, Pt. 2 and by J. E. Thompson in the 57th Annual Report of the Ontario Department of Mines, Pt. 5.

Information obtained from these sources was supplemented by discussions with Howard Lovell, Resident Geologist for the area and Michael Ogden. Additional information was obtained from unpublished reports by J. K. Gustafson dated December 26, 1940 and May 24, 1941 and the results of the one surface hole recorded from the property.

PROPERTY

The Ogden Property consists of a group of 8 contiguous mining claims recorded as:

L373162 to L373169.

The property comprises 327-acres more or less.

LOCATION

The Ogden Property is centred 2.6 miles south and 2.9 miles east of the northwest corner of Tec~~k~~ Township.

The central part of the town of Kirkland Lake lies 2.5 miles east of the southeast corner of the claim group. The town of Swastika lies 2.5 miles south of the southwest corner.

The workings of the nearest producing mine, the Macassa, lie 2,500 feet to the south.

ACCESS

Access is convenient. The Ontario Northland Railway crosses the southeast corner of the claim group. The highway to Kirkland Lake and Noranda lies $\frac{1}{2}$ mile to the south. A secondary road leading north passes $\frac{1}{3}$ of a mile east of the east boundary.

FACILITIES

A hydroelectric transmission line crosses the property. Transportation facilities are convenient. The town of Kirkland Lake is geared to the mining industry as this area has been producing gold for over 60 years.

No mining facilities are known to be present on the property other than an exploration shaft sunk to a depth of 127 feet.

HISTORY

Gold was first discovered at Kirkland Lake in the autumn of 1911. Subsequent discoveries resulted in a great prospecting

rush in 1913 following which the mines of the camp were gradually developed into the famous golden mile.

Numerous mines produced at various times but the bulk of the production came from seven mines extending from Macassa on the west to Toburn, a little over 2 miles to the east. Production reached its peak between 1934 and 1940. At that time it was the second largest gold producing area in Canada. The camp is currently active but on a much reduced scale.

Casakirk Gold Mines Limited was organized in 1936 to consolidate a group of claims which included the present Ogden Property. The companies charter was cancelled in 1965 and the claims of the Ogden Group were acquired in May, 1973.

PREVIOUS WORK

The prospect shaft was sunk sometime previous to 1936 and is located approximately 200 feet west and 450 feet north of the southeast corner of the claim group. This shaft was possibly sunk to investigate shearing immediately to the north. There is no record of the results from this work.

In 1940, Macassa Mines Ltd. in conjunction with Hollinger Consolidated Gold Mines Ltd. drove a crosscut north from the Macassa workings on the 3,000 foot level, which terminated 600 feet south of the south boundary of the property. A hole was drilled from the end of the crosscut 720 feet into the claim group 300 feet west of the eastern boundary. A narrow quartz vein was intersected about 50 feet

north of the south boundary. Assay results from the vein are not known.

In June, 1941, a 550 foot surface hole was drilled from a point 2,500 feet west of the east boundary and 50 feet south of the south boundary N.25° W into the Ogden Group for a horizontal distance of 440 feet.

Five veinlets were encountered varying in width from 1 inch to 1 foot. The latter was recovered from a 7 foot section of ground core in sediment. The 1 foot section assayed 0.07 oz. Au per ton and 1.45 oz. Ag per ton. The others assayed from 0.01 to 0.03 oz. Au per ton over widths of 1 foot and all occur in syenite porphyry.

TOPOGRAPHY

Outcrop areas are relatively plentiful, comprising about 30% of the terrain. These areas are separated by drift and muskeg.

A drift filled valley with sparse outcrop lies along the southern part of the property.

A creek flows out of the southwestern part of the claim group into Amikougami Creek, 500 feet to the west. This is a north trending fault controlled water course.

The west arm of Kirkland Lake lies 1,800 feet east of the east boundary of the property.

GENERAL GEOLOGY

A sinuous easterly trending series of Archean felsic volcanics and sediments averaging some 2 miles in width extends from Eby Township east for 35 miles into Quebec and beyond. This series is cut by numerous intrusives ranging from syenite to granite.

The above formations are flanked by basic volcanics and related basic intrusives.

The youngest rocks are dykes of diabase and lamprophyre.

The contact between the sedimentary formations and the basic volcanics is marked by an unconformity.

It is inferred that the series of felsic volcanics and sediments occupy a synclinal axis with the south limb having been removed by thrust faulting.

The Kirkland Lake - Larder Lake fault system crosses through the belt of felsic volcanics and sediments. It has profoundly affected their present distribution.

This fault system in Teck Township and Lebel Township to the east has a regional trend of N.70° E. Dips near surface are from vertical to steeply south with a flattening below a depth of 2000 feet.

Both vertical and horizontal movements took place along this system, which has in turn been offset by younger northerly trending cross faults.

GEOLOGY OF THE PROPERTY

The northwest corner of the claim group is underlain by basic volcanics. This is succeeded to the south by a concordant diorite-gabbro mass 1,500 to 1,900 feet wide trending N.80° E.

This intrusive is in contact to the south with a tuff-agglomerate sequence 100 to 250 feet wide which strikes N.70° E. and dips 40° to 60° to the south. Conglomerate and greywacke underlie the remaining portion except in the southeastern part. The bed rock here consists of syenite porphyry and basic syenite.

The contact between the syenite and sediments lies in a drift filled valley 200 to 300 feet wide which trends N.70° E. The contact dips from vertical to slightly north.

It is possible that a fault underlies the valley, along the syenite-sediment contact. This is based on the following:

- (1) Shearing has been noted immediately north of the prospect shaft;
- (2) Ground core and gold-bearing quartz vein material 70 feet north of the syenite contact occur in the surface drill hole suggesting the presence of a fault;
- (3) Shearing has been noted in the underground hole at the north contact of the syenite and a second zone occurs 550 feet further north;
- (4) The above lie approximately on strike with a zone of shearing and carbonatization encountered underground at the Lake Shore and Tec Hughes mines.

ECONOMIC GEOLOGY

Faults in the area are of great economic importance owing to the fact that the ore bodies in the camp occur along the fault system and they have a closer relationship to faults than to rock type.

Ore has been found in all rock types within the producing area. The physical nature of the rock has influenced the deposition of the ore. The most substantial ore bodies occur in the syenite and related intrusives.

The ore deposits are vein type deposits and occur as fissure, stockwork, breccia and gash veins. They lie in faults and braided and inter-linking breaks between faults and as horse-tail structures.

The vein intersected by drilling on the 3000 foot level, 50 feet north of the south boundary of the Ogden Property lies roughly on strike with the Narrows Break ore bodies of Lake Shore and Teck Hughes a mile to the east. The extension of the Narrows Break into this area has been postulated by both Thompson and Guftason.

If this postulation is correct, the Narrows Break could be a linking structure between the Kirkland Lake Fault and the indicated shear zone crossing the southern part of the Ogden Property. The junction between the two would be located about 500 feet west of the eastern boundary. The continuation to the west could thus be a favourable horizon for gold deposition. This is supported by the intersection in the surface hole of 1 foot assaying 0.07 oz/ton Au and 1.45 oz/ton Ag in a 7 foot section of core that was mainly ground. This intersection lies 2,200 feet west of the postulated junction between the contact shear and the Narrows Break.

CONCLUSIONS

The Ogden Property lies some 2,700 feet north of the gold-bearing Kirkland Lake fault system on the north side of the sequence of sediments, felsic volcanics and syenitic intrusives, which contain the known ore occurrences of the camp.

There is evidence of a second fault in the sediments along the north contact of the syenite intrusive in the souther part of the property.

There is also evidence that the Narrows Break, which is ore bearing on the Lake Shore and Teck Hughes Properties a mile to the west, could extend into the Ogden Group. The projection of the Narrows Break would merge with this fault 500 feet west of the east boundary.

The fault paralleling the syenite contact is thus regarded as favourable prospecting ground. Added support is given to this conclusion by the results obtained in the surface drill hole previously described.

RECOMMENDATIONS

In view of the fact that surface prospecting has undoubtedly been carried out thoroughly in the past and that the favourable zone is largely drift covered, future exploration is restricted to 3 approaches:

1. Systematic drilling across the favourable horizon from surface;
2. Cross cutting and drifting from underground along the north contact of the syenite on the 3,000 foot level with exploratory drilling;
3. Geochemical investigations.

To adequately explore the favourable zone by the first two methods would require a considerable expenditure of money as systematic drilling would be required due to the fact that there are no specifically delineated target areas.

As a first exploration stage, a programme of geochemical prospecting is recommended with the objective of delineating specific target areas for follow up diamond drilling from surface.

The geochemical survey should consist of soil sampling for trace elements, selenium, tellurium, silver and mercury. The selection of these elements is based on the mineralogy of the Kirkland Lake ores.

The sampling should be carried out at 100 foot intervals along north-south lines 200 feet apart from the south boundary north for 1000 feet.

A contingency for 2000 feet of diamond drilling should also be provided.

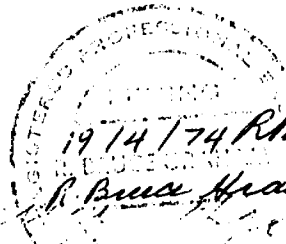
Concurrently with the above programme, the feasibility of carrying out underground exploration from the 3,000 foot level should also be determined and an estimate of the cost of such a programme should be prepared.

The implementing of the underground program would be contingent on the results of the surface program.

COST

| | |
|--|--------------|
| Line Cutting | \$ 700 |
| Sampling & Assaying | 4,000 |
| Contingencies | <u>700</u> |
| | 5,400 |
| Provision for 2,000 feet of diamond drilling | 16,000 |
| Supervision, assaying and estimate re underground exploration programme | <u>2,000</u> |
| TOTAL | \$23,400 |

FORM NO. L4-811 P REPORT PAPER GRAND & TOY



R. Bruce Graham, Ph.D., P.Eng.,
R. Bruce Graham and Associates Limited

Toronto, Ontario
April 19, 1974

CERTIFICATE

Re: Lormac Explorations Limited

I, R. Bruce Graham, of the City of Toronto, in the County of York, Province of Ontario, hereby certify:

- 1) That I am a Geologist and reside at 54 St. Leonards Avenue, Toronto, Ontario.
- 2) That I received my technical training at the University of Manitoba, B.Sc., and the University of Toronto, M.A. and Ph.D.(Geol). I have been practising my profession as a geologist for over 20 years.
- 3) That I am not an officer of the company; and that I have no direct or indirect interest whatsoever in the mining claims, the subject of this report, nor have I any direct or indirect interest in the securities of the company, nor do I expect to receive any direct or indirect interest in the securities or properties of the company.
- 4) That the writer did not personally examine the property as the snow cover made such an examination impractical.
- 5) That the accompanying report is based on discussions with Howard Lavell, Resident Geologist for the area and Michael Ogden, and the following:

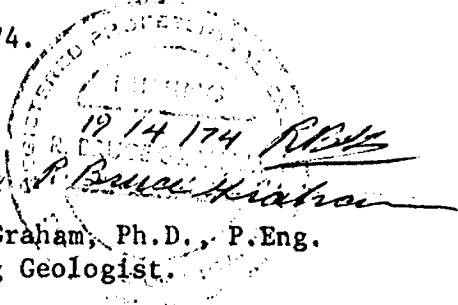
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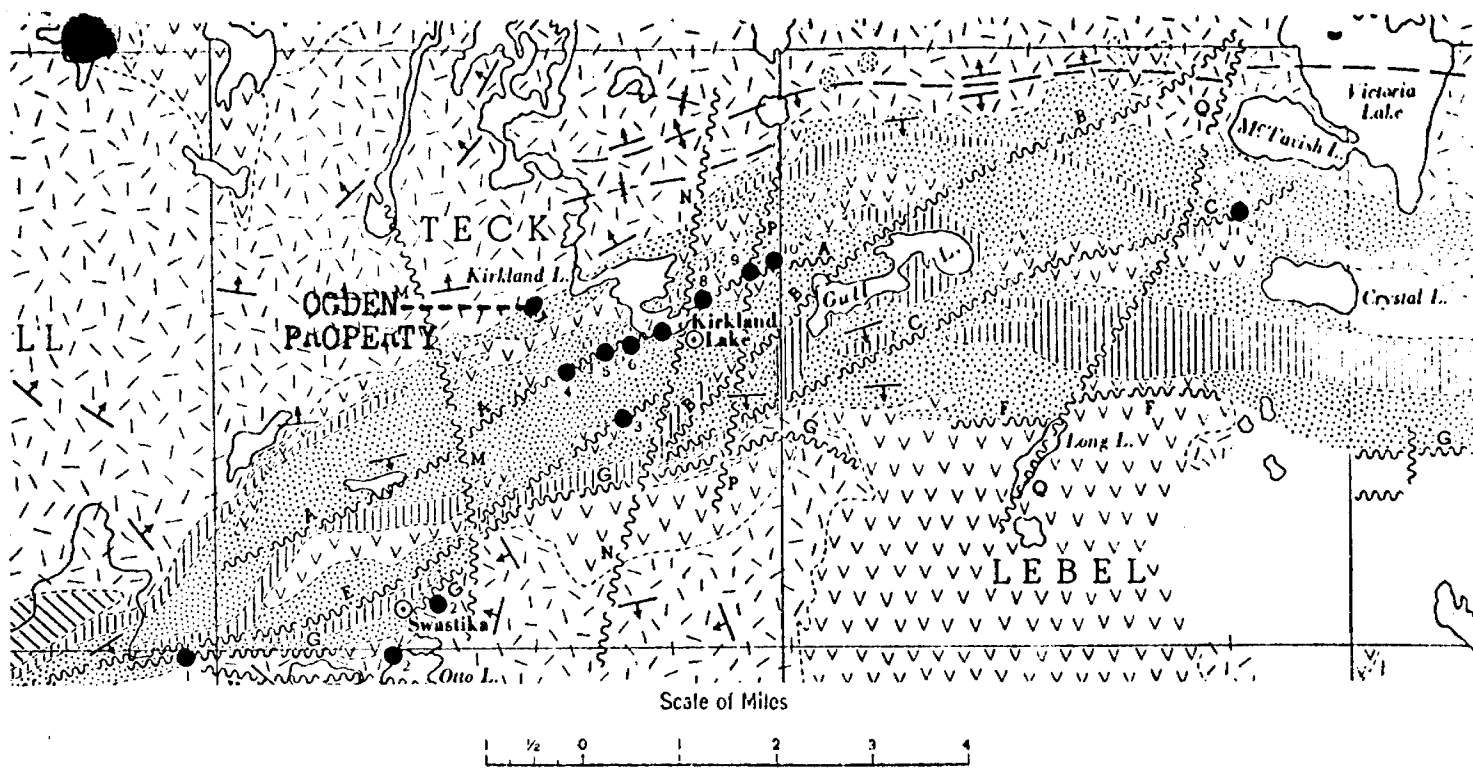
Thompson, Jas. E.; Geology of Teck Township and the Kenogami
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



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


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Lake, Ont. Hollinger Expl. Co. Ltd., Dec. 26, 1940.
Second report on Casakirk Gold Mines Ltd.,
Kirkland Lake, Ont., Hollinger Expl. Co. Ltd.,
May 24, 1941.

DATED at Toronto this 19th day of April, 1974.


R. Bruce Graham, Ph.D., P.Eng.
Consulting Geologist.

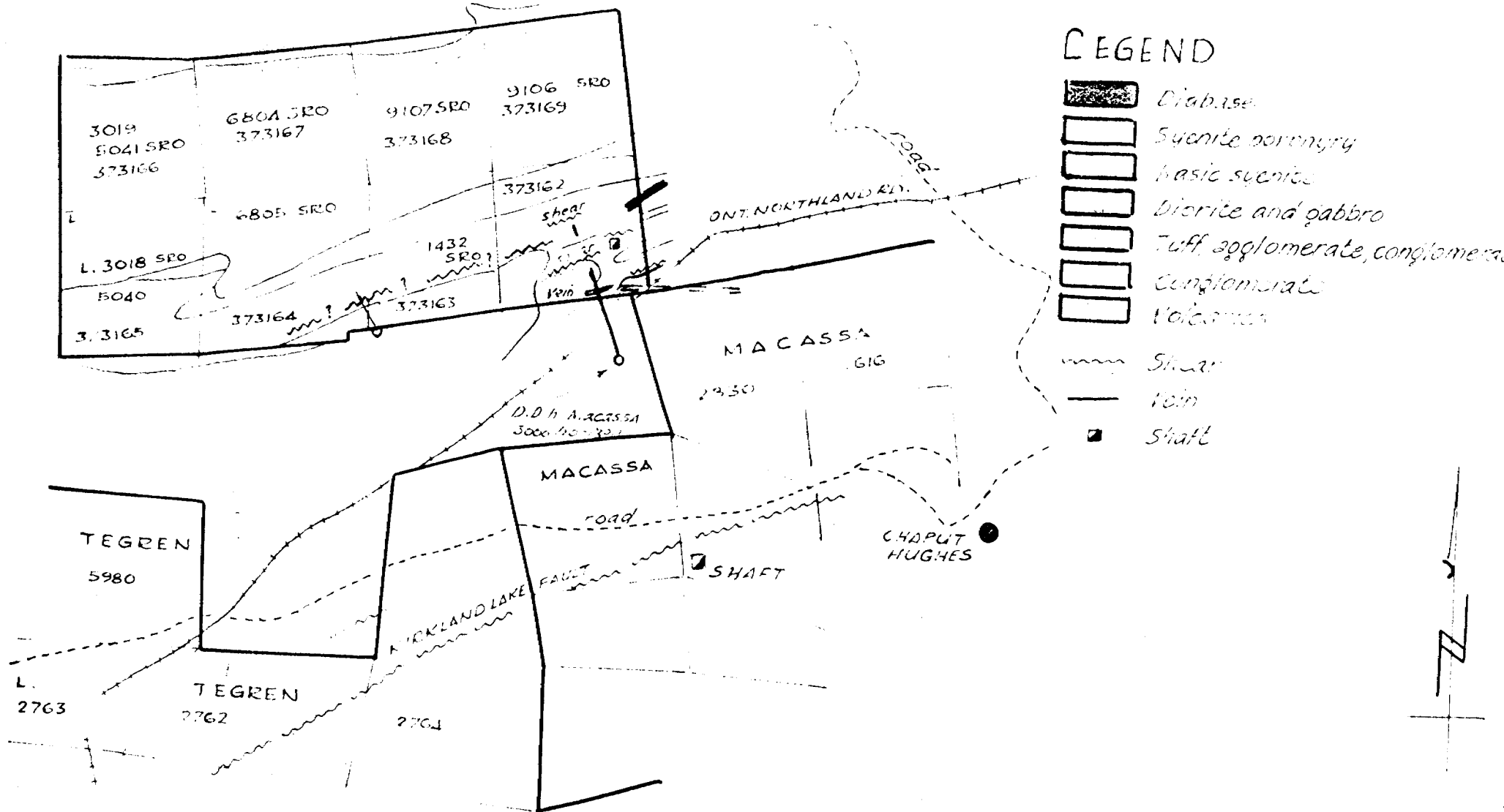


- LEGEND**
-  Cobalt series (sediments).
 -  Intrusives.
 -  Older sediments.
 -  Trachytes and tuffs.
 -  Basic volcanics and diorites.





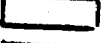

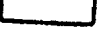
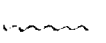


- SYMBOLS**
-  Strike of flows or beds, together with direction in which they face.
 -  Synclinal axis.
 -  Anticlinal axis.
 -  Fault.
 -  Mine location.

- LIST OF PROPERTIES**
- | | |
|--------------------------|-----------------------|
| 1. Baldwin Consolidated. | 9. Sylvanite. |
| 2. Golden Gate. | 10. Toburn. |
| 3. Amalgamated Kirkland. | 11. Bidgood Kirkland. |
| 4. Macassa. | |
| 5. Kirkland Lake Gold. | |
| 6. Teck-Hughes. | |
| 7. Lake Shore. | |
| 8. Wright-Hargreaves. | |

Generalized Geological Map
of
The Kirkland Lake Gold Belt
 (After O.D.M. Vol. LV11 Pt.V 1948
 Fig.2)



LEGEND

-  Diabase
-  Syenite porphyry
-  basic syenite
-  Diorite and gabbro
-  Tuff, agglomerate, conglomerate
-  Conglomerate
-  Volcanics
-  Sheaf
-  Vein
-  Shaft

PLAN - OGDEN PROPERTY TECK TOWNSHIP KIRKLAND LAKE AREA, ONTARIO

SCALE: 1" = 1320'