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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.

MAGI GOLD MINES LIMITED

Suite 203, 350 Bay Street, Toronto, Ontario.

PROSPECTUS

COMMON SHARES
(without par value)

NEW ISSUE:

150,000 underwritten shares and 70,000 optioned shares as follows:

<u>Firmly Underwritten</u>	<u>Under Option</u>	<u>Price Per Share</u>	<u>Net Proceeds to Corporation (1)</u>	<u>Maximum Offering Price of These Shares to the Public</u>
150,000		20¢	\$30,000	40¢
	40,000	25¢	10,000	50¢
	30,000	30¢	9,000	60¢
	<u>70,000</u>		<u>\$49,000</u>	

(1) Before deducting the expenses of this issue and incorporation and organization expenses payable by the Company estimated not to exceed \$6,500.

There is no obligation upon the Underwriter-Optionee and there is no assurance that any of the optioned shares will be purchased.

PLAN OF DISTRIBUTION:

The Underwriter-Optionee, acting as principal, will offer the underwritten and optioned shares over-the-counter in the Province of Ontario within the maximum price ceilings set forth above. Sales of the underwritten and optioned shares may also be made through other registered dealers acting as agents who will be paid commissions not exceeding 25% of the selling price of the shares so offered.

DISTRIBUTION SPREAD:

The Underwriter-Optionee may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public.

PURPOSE OF OFFERING:

The purpose of this issue is to secure funds for the general expenses of the Company and particularly to provide funds for the carrying out of development work on the Company's properties referred to under "Use of Proceeds" in this Prospectus.

SECONDARY OFFERING:

75,000 shares referred to in this Prospectus under the caption "Offering" by the Underwriter-Optionee. The proceeds from the sale of these shares will accrue to the Underwriter-Optionee and not to the treasury of the Company. The Underwriter-Optionee will not offer any part of the Secondary Offering unless and until the 70,000 treasury shares under option have been purchased by it.

There is no market for the shares of the Company.

THESE SHARES ARE SPECULATIVE

Particular reference should be made to the captions "HISTORY AND BUSINESS", "OFFERING", "PROMOTER" and "INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS".

UNDERWRITER-OPTIONEE:

M. RASH & CO. LIMITED

Suite 930, 159 Bay Street, Toronto, Ontario

TABLE OF CONTENTS

	<u>Page</u>
HISTORY AND BUSINESS	1
PROPERTY INTERESTS	1
Hawkins Township Mining Claims	1
History	1
Economic Geology	2
Title	2
Geologist's Report	2
USE OF PROCEEDS	4
OFFERING	4
Underwritten Shares	4
Optioned Shares	5
Secondary Offering	5
DESCRIPTION OF CAPITAL STOCK	5
CAPITALIZATION	6
MANAGEMENT	6
PRINCIPAL AND SELLING SHAREHOLDER	7
PRIOR SALES OF SHARES	7
ESCROWED SHARES	7
PRELIMINARY EXPENSES	8
DIVIDENDS	8
AUDITOR	8
REGISTRAR AND TRANSFER AGENT	8
PROMOTER	8
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	8
REMUNERATION OF MANAGEMENT	9
MATERIAL CONTRACTS	9
PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	9
AUDITOR'S REPORT	10
FINANCIAL STATEMENTS	10
SIGNATURE PAGE	11

HISTORY AND BUSINESS

MAGI GOLD MINES LIMITED (the "Company") was incorporated under The Business Corporations Act (Ontario) by Articles of Incorporation dated October 24, 1972 to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits. The Head Office of the Company is located at Suite 203, 350 Bay Street, Toronto, Ontario.

PROPERTY INTERESTS

Hawkins Township Mining Claims

Magi Gold Mines Limited (the "Company") is the beneficial owner of 12 unpatented mining claims covering an area of approximately 480 acres in Hawkins Township in the Sault Ste. Marie Mining Division of the Province of Ontario. The mining claims, which are recorded as numbers SSM 329323 to SSM 329326 inclusive, and SSM 329331 to SSM 329338 inclusive, are located in East Central Hawkins Township. All of the said mining claims were recorded on February 2, 1972 and are in good standing for one year from such date. Hawkins Township includes the southern part of the town of Oba, which lies at the intersection of the main line of the Canadian National Railway (645 miles from Toronto) and the Algoma Central Railway (245 miles from Sault Ste. Marie). Access to the property is from Langdon Station, 7 miles south of Oba on the Algoma Central Railway, thence 3 miles east to the property by bush road which requires re-establishing. Although the property is only a mile south of the Canadian National Railway, the way is swampy. At present, there is no road access to Oba, though from time to time a link with Hornepayne is mooted. It might be possible to land a Cessna 180 on Dubroy Lake at the southeast corner of the property. The town of Oba has a store and two hotels and helpers for camp establishment, line cutting, surveys and drilling. Ample water and timber for all purposes are available on the property. However, no electricity is available.

History

Mining Claim SSM 329331, which is the West Central Claim on the property, is described in the Ontario Department of Mines Annual Report, Volume 38, Part 6, 1929, as the only claim upon which any work has been done, such work consisting of a small amount of stripping and a test pit about 4 feet deep.

The Report further describes the mining claim and the surrounding area as follows:

Three veins situated along the face of a steep bluff have been uncovered for a distance of 50 feet. The veins strike E. 10° N. and dip 80° N. The distance between the veins are: No. 1 to No. 2, 101 feet; No. 2 to No. 3, 128 feet.

The country rock of the claim is a well-banded biotite schist, which has been intruded parallel to its strike with small dikes of light-weathered aplite. The veins are all replacements of these rocks, cutting here into the one, there into the other, the strike and dip being parallel to the structure of the enclosing rocks.

No. 1 vein is 2 feet wide and is exposed for 50 feet. The vein material is quartz well mineralized with pyrite, chalcopyrite, and galena. No native gold can be seen, but it can be panned without difficulty. Two small veinlets occur just to the north of this main vein and are similarly mineralized. Both walls of this vein, where exposed, are in biotite schist. Just 5 inches to the south, however, a 5-inch dike of aplite occurs. Where this same vein is exposed to the west on the top of the hill the north wall is an aplite dike 5 inches wide.

No. 2 vein, upon which a test pit 4 feet deep has been sunk, consists of a series of quartz stringers in a sheared zone in the biotite schist, which is about 2 feet wide. It is mineralized with quartz, pyrite, and galena. Visible gold is quite abundant.

No. 3 vein is exposed on the east side of the bluff. It varies from 8 to 12 inches in width. A more highly schisted zone of the country rock, 4 inches wide, occurs on each side of it. The vein minerals are quartz, pyrite, and gold. Native gold is not abundant, but it can be panned without difficulty.

Hollinger Gold Mines Ltd. optioned the property in 1935 and they worked primarily on the part of the zone west of mining claim SSM 329331. The Ottawa Journal for March 4th, 1935 notes that Hollinger had 40 men and two diamond drilling outfits working three shifts. According to old company files, Mitnor Gold Mines Limited explored the mining claim between 1939 and 1945 and about 1-1/2 miles to the west, apparently on the same structure, Shenango Gold Mines limited sank a shaft and installed a 50 ton mill.

Save with respect to the foregoing, the Company is not aware of any surface or underground exploration or development work having been carried out on the mining claims and no work has been done or improvements made by the Company. There is neither surface nor underground plant or equipment located on the mining claims.

Economic Geology

The known gold veins on the property were worked twenty and thirty years ago and were not viable and are not likely to be so under foreseeable conditions. It will be necessary to demonstrate enhanced tonnages by proving up either widespread veins or disseminated mineralization. The metal in the veins would most likely be gold and that in the disseminations would be copper and gold. The known presence on the property of several parallel veins and copper with the gold were prime considerations in selecting the property and the geological environment is suitable for vein or disseminated gold and disseminated copper.

Title

Title to the mining claims, which form one contiguous block, is presently being transferred into the name of the Company, such title being the usual title to unpatented mining claims enjoyed in the Province of Ontario. To keep unpatented mining claims in good standing in the Province of Ontario during the first year after recording 20 days' work must be performed and recorded, 40 days' work performed and recorded yearly for the next three years and 60 days' work performed and recorded in the fifth year. Thereafter, and after surveying, claims are required to be brought to 21 year lease in the ensuing year with annual rentals of \$1 per acre during the first year and 25¢ per acre annually thereafter. If a lease is for mining rights only, the second and subsequent years' rental is at the rate of 10¢ per acre.

Geologist's Report

The following is a summary of a report by Wilfred Walker, F.G.A.C., P. Eng., Geologist, dated October 31st, 1972, whose full report is available for inspection in the public files of the Ontario Securities Commission.

It is concluded that the Oba greenstone belts have economic gold and copper possibilities. The following recommendations are drawn up to test these possibilities in a sector long known to have significant gold veins. The suggested north-northeasterly structural weakness may be related to enhanced mineral deposition in this sector of the gold belt.

It is recommended that north-south lines be cut at 200 foot spacing, extending 200 feet beyond the property boundary for survey purposes, and turned off an east-west base line, preferably run near the south line of the northern row of claims. A magnetometer survey should be run on these lines at 50 foot stations to aid (a) in locating further gold bearing structures and (b) to aid in the geological interpretation of the induced polarization survey. The induced polarization survey is primarily concerned with the disseminated copper potential and should be on alternate lines, i.e., at 400 foot spacing. This will constitute the winter programme.

If the winter programme is reasonably successful the first part of the summer programme should be geological mapping to relate the geology to the gold veins and other mineralization. Samples collected from all outcrops should be reviewed for petrographic study aimed at determining the presence of alteration zones such as are normally present in disseminated (porphyry type) deposits.

Depending on the results of these surveys, some stripping of the gold veins and drilling are to be anticipated if warranted.

Estimate Phase 1 (winter)

(a) Establish access	\$ 375
(b) Construct 12' x 16' camp	1,475
(c) Cut and picket perimeter of property 3-1/2 miles @ \$100	350
(d) Line cutting 25 miles @ \$100	2,500
(e) Magnetometer survey 25 miles @ \$100	2,500
(f) Induced polarization 14 miles @ \$500 (allowing 2 miles of detailing)	7,000
TOTAL PHASE 1	<u><u>\$14,200</u></u>

Phase 2 (summer)

(a) Geological mapping	\$ 2,000
(b) Petrographic study	500
TOTAL PHASE 2	<u><u>\$ 2,500</u></u>

Phase 3

Stripping – bulldozer and high pressure pump	\$ 5,000
TOTAL PHASE 3	<u><u>\$ 5,000</u></u>

Phase 4

Diamond drilling	\$20,000
TOTAL PHASE 4	<u><u>\$20,000</u></u>

The aforesaid mining claims were acquired by the Company by purchase from M. Rash & Co. Limited, Suite 930, 159 Bay Street, Toronto, Ontario, under an Agreement dated November 1st, 1972. As consideration for the transfer to it of the mining claims, the Company allotted and issued to the vendor a total of 750,000 fully paid and non-assessable shares of its capital stock. Certificates representing 675,000 of such shares are held in escrow on the terms and conditions set out under the caption "ESCROWED SHARES" and the balance of the 75,000 vendor's shares will be offered for sale by M. Rash & Co. Limited by way of a secondary offering and reference is hereby made to the caption "OFFERING" for particulars concerning the said secondary offering.

The mining claims were acquired by M. Rash & Co. Limited from James Harshaw, 1246 Avenue Road, Toronto, Ontario, and Louis J. Hruza, 7117 West Roosevelt Road, Berwyn, Illinois, pursuant to an Agreement made as of the 17th day of October, 1972. The purchase price for the mining claims amounted to the sum of \$3,000 and 67,500 escrowed shares of the Company, which consideration was paid equally to Mr. Harshaw and Mr. Hruza.

So far as the Company is aware, no person or company has received or is entitled to receive a greater than 5% interest in the consideration received by James Harshaw, Louis J. Hruza or M. Rash & Co. Limited in respect of the Hawkins Township mining claims. The only person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of M. Rash & Co. Limited is Mark Rash, 2 Delia Court, Downsview, Ontario.

Reference is also made to the caption "ESCROWED SHARES" for particulars concerning the circumstances under which the escrowed shares may be surrendered by the holders thereof for the benefit of the Company. None of the mining claims in which the Company has an interest contains a known body of commercial ore and the proposed exploration program thereon is an exploratory search for ore.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the underwritten shares will be \$23,500 after deducting expenses of the issue and incorporation and organization expenses estimated not to exceed \$6,500. If all of the optioned shares are taken up and paid for, the Company would receive an additional \$19,000. The net proceeds will form part of the Company's working capital and the sum of \$14,200 will be used to implement the initial exploration program recommended by Wilfred Walker, P. Eng., on the Company's Hawkins Township Mining Claims. Dependent upon the results achieved and the availability of funds, the Company may carry out the phase two, phase three and phase four recommendations of Wilfred Walker on the said Mining Claims estimated to cost a total of \$27,500. While the Company has no plans in this regard at the present time, monies in its treasury as available may also be used to defray the cost of programs of acquiring, staking, exploring and developing other properties, either alone or in concert with others, and generally to carry out exploration programs as opportunities and finances permit, but no such properties will be acquired and monies will not be expended thereon without an Amendment to this Prospectus being filed if the securities of the Company are then in the course of distribution to the public.

Monies not immediately required for the Company's purposes are deposited in interest bearing accounts with Canadian Chartered Banks and/or trust companies. While there are no such immediate plans, monies available in the Company's treasury, subject to the approval of the Shareholders of the Company, 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.

OFFERING

The Company entered into an Agreement (the "Underwriting Agreement") dated November 21, 1972 with M. Rash & Co. Limited (the "Underwriter-Optionee"), Suite 930, 159 Bay Street, Toronto, Ontario, whereunder the Underwriter-Optionee, acting solely on its own behalf with respect to the underwritten and optioned shares referred to below, agreed to purchase the following shares of the Company, namely:

Underwritten Shares

<u>Number of Shares Underwritten</u>	<u>Price per Share</u>	<u>Net Amount to be Received by the Company</u>	<u>Maximum Offering Price of these Shares to the Public</u>
150,000	20¢	\$30,000	40¢

The Underwriter-Optionee is obligated to take up and pay for all of the underwritten shares, if any are taken up, within three business days of the date of acceptance for filing of this Prospectus by the Ontario Securities Commission (such date of acceptance being hereinafter referred to as the "Acceptance Date") subject to the terms, conditions and provisions of the said Agreement pursuant to which the Underwriter-Optionee has the right to refuse to complete the purchase in certain events.

Pursuant to the Underwriting Agreement, the Underwriter-Optionee was also granted an option to purchase additional shares of the Company, namely:

Optioned Shares

<u>Number of Shares Optioned</u>	<u>Price per Share</u>	<u>Time Within Which Option Exercisable from Acceptance Date</u>	<u>Maximum Offering Price of these Shares to the Public</u>
40,000	25¢	3 months	50¢
30,000	30¢	6 months	60¢

The Company is not aware of any assignments, sub-options or sub-underwritings with respect to the aforementioned underwritten and optioned shares. The only person having a greater than 5% interest in the Underwriter-Optionee is Mark Rash, 2 Delia Court, Downsview, Ontario. In the event the Underwriter-Optionee shall default in purchasing any of the shares under option, then all unexercised options forthwith cease and determine.

The Underwriter-Optionee, acting as principal, will offer the underwritten and optioned shares over-the-counter in the Province of Ontario within the maximum price ceilings set forth on the Facing Page of this Prospectus. Sales of the underwritten and optioned shares may also be made through other registered dealers acting as agents who will be paid commissions not exceeding 25% of the selling price of the shares so offered.

Secondary Offering

As stated on the Facing Page of this Prospectus, 75,000 shares of the Company will be offered for sale over-the-counter in the Province of Ontario by the Underwriter-Optionee through registered dealers, the proceeds from such sale accruing solely to the Underwriter-Optionee and not to the Company. The Underwriter-Optionee will not offer any part of the Secondary Offering unless and until the 70,000 treasury shares under option have been purchased by it.

With respect to the shares offered by this Prospectus, the Underwriter-Optionee may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public.

The Underwriter-Optionee may also make purchases and sales of shares of the Company over-the-counter during the course of the distribution of the shares offered by this Prospectus.

DESCRIPTION OF CAPITAL STOCK

The capital stock is the Company's only class of stock. All shares issued by the Company rank equally as to dividends and there are no indentures or agreements limiting the payment of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding capital stock is not subject to any call or assessment and the shares offered hereby when issued and sold as described by this Prospectus will not be subject to any call or assessment.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount outstanding as at November 21, 1972</u>	<u>Amount outstanding if all Securities (1) being Issued are Sold</u>
Common shares without par value	3,000,000 (\$1,500,000)	750,005 (\$15,005)	900,005 (\$45,005)

(1) This figure assumes that the 150,000 shares underwritten and referred to under the caption "OFFERING" are all taken up and paid for. If said shares and all of the 70,000 shares optioned are purchased, the number of shares to be outstanding will be 970,005 and the consideration paid therefor will be \$64,005.

MANAGEMENT

The names and home addresses of the Directors and Officers of the Company and the positions presently held by them in the Company are as follows:

<u>Name</u>	<u>Address</u>	<u>Position</u>
Ian A. MacNaughtan	242 Kingslake Road Willowdale, Ontario	President and Director
Terry Sokoloff	749 Steeles Avenue West Willowdale, Ontario	Secretary-Treasurer and Director
Gerard Francis Flaherty, Ph.D.	R. R. #1, Terra Cotta, Ontario	Director
Crawford McArthur Cook	2911 Bayview Avenue, Apartment 208L Willowdale, Ontario	Director
Wilbert Aaron Perry	1382 Glenburnie Drive Port Credit, Ontario	Director

The principal occupations of the Directors and Officers during the past five years is as follows:

Mr. MacNaughtan is an accountant and corporate secretary. He is an officer and/or director of several mining companies including Shorecrest Mining Limited, Staple Mining Company Limited and Pac Explorations Limited.

Mr. Sokoloff is an Accountant and is presently employed by, and is a director and officer of Shlesinger Corporate Services Limited. Prior thereto he was employed by Laventhol Krekstein Horwath & Horwath, Chartered Accountants, Toronto. He is also an officer and/or director of several mining companies including Satin River Mining Company Limited, Shilo Mines Limited and Nautilus Explorations Limited.

Dr. Flaherty is a consulting geologist. He is also a director of Nautilus Explorations Limited, Campaign Mining Company Limited and Norlac Explorations Limited.

Mr. Cook is presently retired. He was previously a building supervisor. He is also a director of Shorecrest Mining Limited, Teckora Mines Limited and Hartland Mines Limited.

Mr. Perry has been self-employed in the association management business in Toronto for the last five years. He acts as an officer and/or director of several mining companies including Shilo Mines Limited, Staple Mining Company Limited and Lobo Mines & Explorations Limited.

PRINCIPAL AND SELLING SHAREHOLDER

Set forth below are particulars of the present principal holder of shares of the Company and being common shares without par value:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Number of Shares</u>	<u>Percentage of Class (1)</u>
M. Rash & Co. Limited, Suite 930, 159 Bay Street, Toronto, Ontario	Of record and beneficially	682,500	75.8

As disclosed in this Prospectus, 75,000 shares may be offered hereunder by way of a Secondary Offering. If the 75,000 shares are offered, they will be offered as follows:

<u>Name and Address</u>	<u>Number of Shares to be Sold</u>	<u>Number of Shares to be Owned after this Financing</u>	<u>Percent to be Owned after this Financing (1)</u>
M. Rash & Co. Limited Suite 930, 159 Bay Street, Toronto, Ontario	75,000	607,500	67.5%

(1) Calculated on the basis of there being 900,005 shares issued and outstanding following the sale of the underwritten shares.

As at the date of this Prospectus, the Directors and Senior Officers of the Company as a group beneficially owned, directly or indirectly, less than 1% of the issued and outstanding shares of the Company.

PRIOR SALES OF SHARES

Since its incorporation, 5 shares of the Company have been sold at a price of \$1 per share.

ESCROWED SHARES

Certificates representing 675,000 shares of the Company are held in escrow by Guaranty Trust Company of Canada, Toronto, Ontario (the "Trustee"). The terms of escrow provide that the shares and the beneficial ownership of or any interest in them and the certificates representing them (including any replacement, share or certificates) shall not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow or otherwise in any manner dealt with, without express consent, order or direction in writing of the Ontario Securities Commission. The prior consent of the Company is also required to the release of any such certificates from escrow.

The escrowed shares are subject to surrender for the benefit of the Company if the mining claims referred to under the caption "Hawkins Township Mining Claims" for which they were issued are abandoned upon the recommendation of an independent engineer or geologist.

<u>Capital Stock</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class (1)</u>
Common Shares without par value	675,000	75.0%

(1) Calculated on the basis of there being 900,005 shares issued and outstanding following the sale of the underwritten shares.

PRELIMINARY EXPENSES

The preliminary administrative expenses, including the incorporation and organization of the Company, are estimated at \$2,000. Administrative expenses of the Company during the current year are estimated at the sum of \$4,500. The sum of \$14,200 will be expended pursuant to the phase one recommendations of Wilfred Walker, P. Eng., for exploration and development of the Company's Hawkins Township Mining Claims.

DIVIDENDS

No dividends have been paid to date by the Company.

AUDITOR

The Auditor of the Company is T.H. Bernholtz, Chartered Accountant, Suite 804, 330 Bay Street, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENT

Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, acts as the Company's Registrar and Transfer Agent.

PROMOTER

M. Rash & Co. Limited, Suite 930, 159 Bay Street, Toronto, Ontario, referred to throughout this Prospectus, may be regarded as the Promoter of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the caption "HISTORY AND BUSINESS" for particulars of the Agreement under which the Company has acquired 12 unpatented mining claims situate in Hawkins Township, Sault Ste. Marie Mining Division from M. Rash & Co. Limited ("Rash"), the Company's promoter. Rash, in consideration of the transfer to the Company of the said unpatented mining claims, received by allotment 750,000 shares without par value in the capital of the Company of which 67,500 escrowed shares were paid to James Harshaw and Louis J. Hruza. Messrs. Harshaw and Hruza also received payment of the sum of \$3,000 from Rash. Reference is made to the caption "OFFERING" for particulars of the interest of Rash in underwritten and optioned shares of the Company and for particulars concerning the offering by Rash of 75,000 of the said vendors' shares.

REMUNERATION OF MANAGEMENT

To date no direct remuneration has been paid to the Directors and Senior Officers of the Company who are entitled to receive \$50 for each meeting attended by them.

Gerard Francis Flaherty, Ph.D., Consulting Geologist, a Director, will be paid for professional services rendered at the usual rates for such services.

A monthly fee of up to \$300 will be paid to Shlesinger Corporate Services Limited, Suite 203, 350 Bay Street, Toronto, Ontario, for head office accommodation, accounting, administration and secretarial services for the Company. Terry Sokoloff, a Director, and the Secretary-Treasurer of the Company, is an employee and a director and officer of Shlesinger Corporate Services Limited.

MATERIAL CONTRACTS

The Company has entered into the following material contracts since its incorporation, namely:

1. Agreement dated November 1, 1972 between the Company and M. Rash & Co. Limited, pursuant to which the Company acquired its interest in 12 unpatented mining claims situate in Hawkins Township, Sault Ste. Marie Mining Division, Ontario, as referred to under "HISTORY AND BUSINESS" on page 1.
2. Underwriting Agreement dated November 21, 1972 between the Company and M. Rash & Co. Limited, referred to under "OFFERING" on page 4.

In addition to the foregoing, the following material contract has been entered into:

1. Agreement dated October 17, 1972 between M. Rash & Co. Limited, James Harshaw and Louis J. Hruza, as referred to under "HISTORY AND BUSINESS" on page 3.

Copies of the foregoing instruments may be inspected during ordinary business hours at the Head Office of the Company during the distribution of the securities offered by this Prospectus.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act (Ontario) provides, in effect, that where a security is offered to the public in the course of distribution to the public:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus and any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to Section 64 and 65 of The Securities Act (Ontario) for the complete text of the provisions under which the above-mentioned rights are conferred.

MAGI GOLD MINES LIMITED
BALANCE SHEET
AS AT NOVEMBER 21, 1972

ASSETS

Cash on hand	\$ 5.00
Mining claims and properties, (Note 1)	15,000.00
Organization expenses and costs of issue, estimated	6,500.00
	<u>\$21,505.00</u>

LIABILITIES AND CAPITAL

Accounts payable, estimated	\$ 6,500.00
Capital stock: (Note 2)	
Authorized:	
3,000,000 common shares, without par value not to exceed \$1,500,000.00	
Allotted – to be issued:	
For cash:	
5 shares	\$ 5.00
For properties:	
750,000 shares	15,000.00
	<u>15,005.00</u>
	<u>\$21,505.00</u>

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

Approved on behalf of the Board of Directors:

 "Jan A. MacNaughtan" Director

 "Terry Sokoloff" Director

AUDITOR'S REPORT

To The Directors
Magi Gold Mines Limited,
Toronto, Ontario.

I have examined the balance sheet of Magi Gold Mines Limited as at November 21, 1972 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 November 21, 1972 in accordance with generally accepted accounting principles.

Toronto, Ontario,
November 21, 1972.

T.H. Bernholtz,
Chartered Accountant.

MAGI GOLD MINES LIMITED
NOTES TO BALANCE SHEET
AS AT NOVEMBER 21, 1972

- Note 1. The Mining claims consist of twelve unpatented claims in Hawkins Township, District of Algoma, Province of Ontario and are valued by the Board of Directors at the consideration attributed to 750,000 shares of the Corporation's capital stock, issued therefore.
- Note 2. By Agreement dated November 21, 1972 the underwriter has firmly agreed to purchase 150,000 shares of the Corporation's capital stock at 20¢ per share. The underwriter is obligated to take up and pay for all of the underwritten shares, if any are taken up, within 3 business days of the date of acceptance for filing of its Prospectus with the Ontario Securities Commission (hereinafter referred to as the "Acceptance Date").
- In consideration of the firm purchase, the Corporation has granted the underwriter an option to purchase all or any part of an additional 70,000 shares of the Corporation's capital stock as follows:
- | | |
|--------|---|
| 40,000 | shares at 25¢ per share within three months following the Acceptance Date of the Agreement |
| 30,000 | shares at 30¢ per share within six months following the Acceptance Date of the Agreement, provided that the previous option has been exercised. |
- Note 3. A statement of source and application of funds from inception (October 24, 1972) to November 21, 1972 is not 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 (Ontario) and the Regulations thereunder.

DATED this 21st day of November, 1972.

IAN A. MacNAUGHTAN
Chief Executive Officer
CRAWFORD McARTHUR COOK
Director

TERRY SOKOLOFF
Chief Financial Officer
WILBERT AARON PERRY
Director

PROMOTER
M. RASH & CO. LIMITED
Per: Mark Rash

UNDERWRITER-OPTIONEE

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 (Ontario) and the Regulations thereunder.

DATED this 21st day of November, 1972.

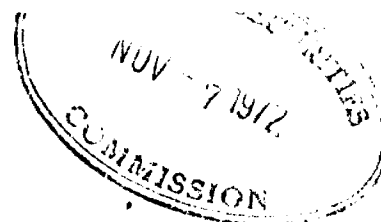
M. RASH & CO. LIMITED
Per: MARK RASH



42C16NE8214 63.3016 HAWKINS

020

MAGI GOLD MINES LIMITED
Hawkins Township
District of Algoma
Ontario



by

W. Walker, F.G.A.C., P. Eng.



SUMMARY

Magi Gold Mines Limited has acquired 12 claims in east-central Hawkins Township, Ontario. Several easterly trending gold bearing veins have been prospected sporadically over a strike length of at least 5 miles, with the Magi Gold property near the middle of the zone. One property, Shenango, milled some gold bearing material, but none have attained significant production. Even at 1935 prices, when the value of gold reached a peak, gold alone was not a viable product in this area. At that time, however, copper had little value, and though reported from the property was not considered in any evaluation.

Today, copper and gold together can be significant, and particularly where they appear in relationship to an acidic intrusive merit evaluation. This is the case in Hawkins Township. Magi with one of the best gold shows, is a good place to look for a low grade bulk tonnage copper deposits backed up by gold veins. Deposits of this type in Arizona and the southwest Pacific, once minor gold producers, are now among the world's major mines. Alternatively, bulk mining of several closely spaced gold veins may be possible if the wall rock has even a small amount of gold and one must

be on the lookout for this type of occurrence.

The gold-bearing veins of Hawkins Township and adjoining Walls Township which also carry chalcopyrite and galena occur within a band of schists from one to one and a half miles in width striking east across the central part of these townships.

The schists which are probably developed from basic volcanics and sediments have been classed as greenstone, volcanic complex or schist complex and are mapped as schist complex in the Oba area and contain also narrow dykes or sills of aplite. Batholithic intrusives of granite and granodiorite, both massive and gneissic border the band of schist complex and underlie much of the townships.

The Magi claims group is situated on the belt of schist complex straddling its south contact with the granite and granodiorite intrusives. The known gold veins on the property, three in number, occur on claim SSM32331 and constitute the old Taylor showing described in Ontario Department of Mines Annual Report vol. 38 part 6, 1929. These veins as prospected were worked twenty to thirty years ago, were not viable, and are not likely to be so under foreseeable conditions. However, the known presence of several parallel veins carrying copper with the gold was a prime consideration in selecting the property for exploration for disseminated copper-gold mineralization of low grade-large tonnage possibilities.

It is recommended that north-south lines be cut at 200 ft. spacing, extending 200 feet beyond the property boundary for survey purposes, and turned off an east-west base line, preferably run near the south line of the northern row of claims. A magnetometer survey should be run on these lines at 50 ft. stations to aid (a) in locating further gold bearing structures and (b) to aid in the geological interpretation of the induced polarization survey. The induced polarization survey is primarily concerned with the disseminated copper potential and should be on alternate lines, i.e. at 400 ft. spacing. This will constitute the winter programme.

If the winter programme is reasonably successful the first part of the summer programme should be geological mapping to relate the geology to the gold veins and

other mineralization. Samples collected from all outcrops should be reviewed for petrographic study aimed at determining the presence of alteration zones such as are normally present in disseminated (porphyry type) deposits.

Depending on the results of these surveys, some stripping of the gold veins and drilling are to be anticipated if warranted.

Estimate Phase I (winter)

(a) Establish access	\$ 375.00
(b) Construct 12' x 16' camp	1,475.00
(c) Cut and picket perimeter of property 3 1/2 miles @ \$100.00	350.00
(d) Line cutting 25 miles @\$100.00	2,500.00
(e) Magnetometer survey 25 miles @ \$100.00	2,500.00
(f) Induced polarization, 14 miles @ \$500.00 (allowing 2 miles of detailing)	7,000.00
<u>TOTAL PHASE 1</u>	<u>\$14,200.00</u>

Phase 2 (summer)

(a) Geological mapping	\$ 2,000.00
(b) Petrographic study	500.00
<u>TOTAL PHASE 2</u>	<u>\$ 2,500.00</u>

Phase 3

Stripping - bulldozer and high pressure pump	\$ 5,000.00
<u>TOTAL PHASE 3</u>	<u>\$ 5,000.00</u>

Phase 4

Diamond drilling	\$20,000.00
<u>TOTAL PHASE 4</u>	<u>\$20,000.00</u>

1.3 Location and Access

Hawkins Township includes the southern part of the Town of Oba, which lies at the intersection of the main line of the Canadian National Railway (645 miles from Toronto) and the Algoma Central Railway (245 miles from Sault Saint Marie). Access to the property is from Langdon Station, 7 miles south of Oba on the A.C.R., thence 3 miles east to the property by bush road which requires re-establishing. Although the property is only a mile south of the C.N.R., the way is swampy. At present there is no road access to Oba, though from time to time a link with Hornepayne is mooted. It might be possible to land a Cessna 180 on Dubroy Lake at the southeast corner of the property.

1.4 Economic Facilities

Oba has a store and two hotels, and helpers for camp establishment, line cutting and surveys, drilling, etc., are available. Ample water and timber for all purposes are available on the property. No electricity is available.

1.5 Previous Work

Several properties in the Oba area are described in Ontario Department of Mines Annual Report vol. 38 part 6, 1929, and all are of interest in demonstrating the potential of the area. The Taylor location, formerly SSM 4310, now SSM 329331 is the west central claim on the property. It is described as follows:-

This group of claims is located in the township of Hawkins, one mile west of the Culbert group. They are situated along the strike of the same narrow band of schist complex as the Culbert group, and there appears to be but little doubt that the gold-quartz veins exposed are a continuation of the same vein system. Access to the claims is furnished by a trail which leads eastward from Langdon on the Algoma Central Railway.

The discovery claim, S.S.M. 4,310, is the only one upon which any work has been done, and this consists of a small amount of stripping and a test pit about 4 feet deep.

Three veins situated along the face of a steep bluff have been uncovered for a distance of 50 feet. The veins strike E. 10° N. and dip 80° N. The distance between the veins are: No. 1 to No. 2, 101 feet; No. 2 to No. 3, 128 feet.

The country rock of the claim is a well-banded biotite schist, which has been intruded parallel to its strike with small dikes of light-weathered aplite. The veins are all replacements of these rocks, cutting here into the one, there into the other, the strike and dip being parallel to the structure of the enclosing rocks.

No. 1 vein is 2 feet wide and is exposed for 50 feet. The vein material is quartz well mineralized with pyrite, chalcopyrite, and galena. No native gold can be seen, but it can be panned without difficulty. Two small veinlets occur just to the north of this main vein and are similarly mineralized. Both walls of this vein, where exposed, are in biotite schist. Just 5 inches to the south, however, a 5-inch dike of aplite occurs. Where this same vein is exposed to the west on the top of the hill the north wall is an aplite dike 5 inches wide.

No. 2 vein, upon which a test pit 4 feet deep has been sunk, consists of a series of quartz stringers in a sheared zone in the biotite schist, which is about 2 feet wide. It is mineralized with quartz, pyrite, and galena. Visible gold is quite abundant.

No. 3 vein is exposed on the east side of the bluff. It varies from 8 to 12 inches in width. A more highly schisted zone of the country rock, 4 inches wide, occurs on each side of it. The vein minerals are quartz, pyrite, and gold. Native gold is not abundant, but it can be panned without difficulty.

(N.B. In the ODM report the veins are numbered south to north)

Hollinger Gold Mines Ltd. optioned the property in 1935. (They worked primarily on the part of the zone west of the Taylor showing). The Ottawa Journal for March 4th, 1935 notes Hollinger had 40 men and two diamond drilling outfits working three shifts and assays ran to \$23.80 (at \$35.00 and ounce) across 20 feet.

According to old company files Mitnor Gold Mines Limited explored the Taylor showing between 1939 and 1945. A plan and assay record from these files is appended. (The veins are numbered north to south, contrasting with the O.D.M. numbering).

About 1 1/2 miles to the west, apparently on the same structure, Shenango Gold Mines Limited sank a shaft and installed a 50 ton mill.

Presumably, even in the heyday of gold, these operations could not make the grade on gold alone. The significant aspects from our viewpoint today are the notations of chalcopyrite (copper), rhyolite, and granite.

2. GENERAL GEOLOGY

Overburden is extensive and as a corollary outcrop is limited in the area. The appropriate descriptions from the O.D.M. report are appended. This evidence is enhanced by checking boulders in the area.

In current terminology it appears that three volcanic island arcs crossed Hawkins Township in the initial stage of the Kenoran epoch, about 2800 million years (m.y.) ago, laying down material of basaltic to rhyolite composition. In the intervening areas, flysch sediments were probably deposited at about the same time. From their salic composition it seems likely that they were derived largely from a granitic continental

basement formed prior to the Kenoran era, on which the volcanoes were emplaced. Gabbroic boulders at the north end of the Langdon siding are probably related to the next, early stage (2700 m.y.), together with a suite of acid intrusives. The main metamorphism (accompanied by mountain building) of the intermediate stage (2500 m.y.) produced gneisses from the initial stage flyschoid sediments. No evidence was seen of associated intrusives, but these may be present. After this orogenic cycle, diabase dykes were intruded. This is the standard style of orogenic development as applied to the Kenoran era and largely evident from outcrop descriptions and the boulders of the area. The low ground in the centre of the property may mark a north-northeast tending structural weakness.

3. ECONOMIC GEOLOGY

The known gold veins of the property are described under previous work. These, as worked twenty and thirty years ago were not viable and are not likely to be so under foreseeable conditions. It is necessary to demonstrate enhanced tonnages, by proving up either widespread veins or disseminated mineralization. The metal in the veins would most likely be gold, that in the disseminations would be copper and gold. In selecting this property for exploration the known presence of several parallel veins and copper with the gold were prime considerations.

There is accumulating evidence that in general terms much mineralization originates in the initial stage volcanics, gold in the basic volcanics, copper in the acid volcanics, tungsten in the tuffs. Any of these metals can be digested and regurgitated by later intrusives. In some, gabbros of the early stage have nickel-copper, apparently preferentially so if they have passed through (cupriferous) rhyolite; acid intrusives passing rhyolite may have vein or disseminated gold and disseminated copper. Intermediate stage acid intrusives also have gold, in this case with scheelite.

The geological environment described in the previous section is suitable, therefore, for vein or disseminated gold and disseminated copper. It is these targets for which exploration recommendations are made.

4. CONCLUSIONS AND RECOMMENDATIONS

It is concluded that the Oba greenstone belts have economic gold and copper possibilities. The following recommendations are drawn up to test these possibilities in a sector long known to have significant gold veins. The suggested north-northeasterly structural weakness may be related to enhanced mineral deposition in this sector of the gold belt.

It is recommended that north-south lines be cut at 200 ft. spacing, extending 200 feet beyond the property boundary for survey purposes, and turned off on east-west base line, preferably run near the south line of the northern row of claims. A magnetometer survey should be run on these lines at 50 ft. stations to aid (a) in locating further gold bearing structures and (b) to aid in the geological interpretation of the induced polarization survey. The induced polarization survey is primarily concerned with the disseminated copper potential and should be on alternate lines, i.e., at 400 ft. spacing. This will constitute the winter programme.

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<u>TOTAL PHASE 1</u>	<u><u>\$14,200.00</u></u>

Phase 2 (summer)

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(b) Petrographic study	<u>500.00</u>
<u>TOTAL PHASE 2</u>	<u><u>\$ 2,500.00</u></u>

Phase 3

Stripping - bulldozer and high pressure pump	\$ <u>5,000.00</u>
<u>TOTAL PHASE 3</u>	<u><u>\$ 5,000.00</u></u>

Phase 4

Diamond drilling	\$ <u>20,000.00</u>
<u>TOTAL PHASE 4</u>	<u><u>\$20,000.00</u></u>

Respectfully submitted



W. Walker, F.G.A.C., P. Eng.

October 31st, 1972

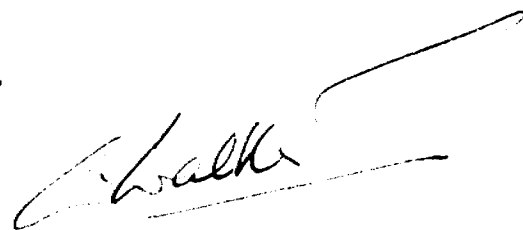


CERTIFICATE

I, WILFRED WALKER, of Willowdale, in the Province of Ontario, hereby certify:

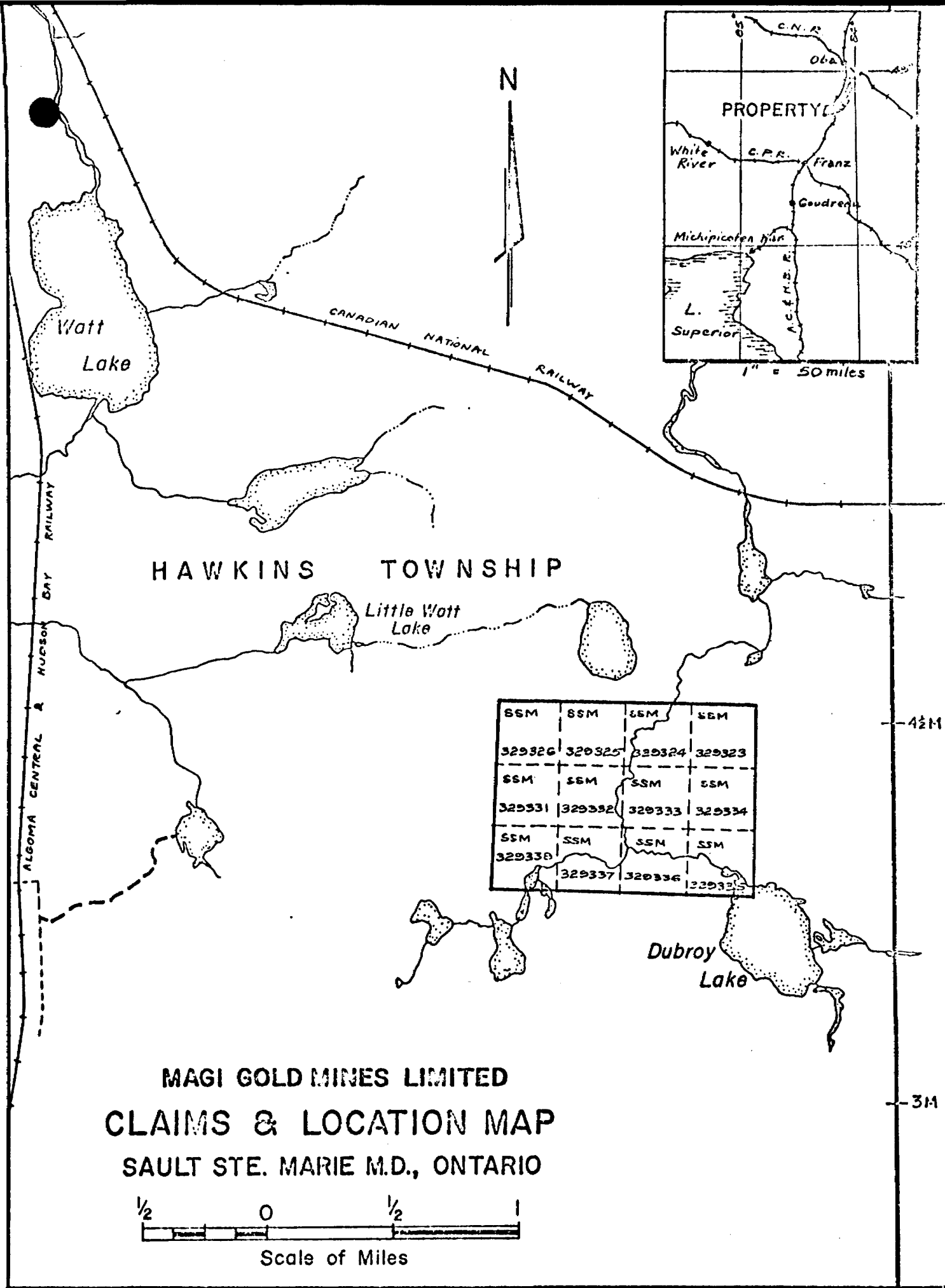
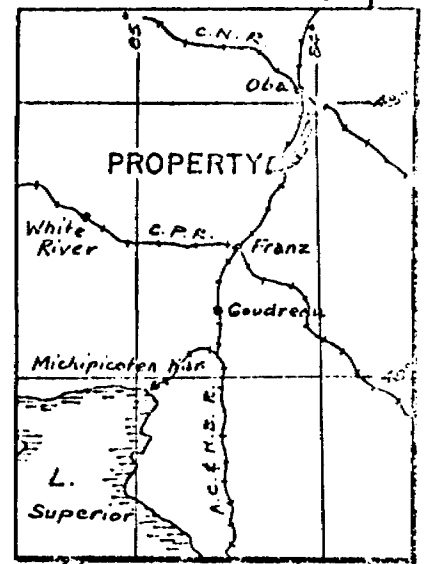
1. That I am a geologist with the office at 229 Bayview Fairways Drive Thornhill, Ontario.
2. That I graduated from the University of Durham, England (Department of Geology), with the degree of B.Sc. in 1950 and have practiced as a geologist continuously since that time.
3. That I am a Fellow of the Geological Association of Canada, the Royal Geological Society of Cornwall, the Geological Societies of London, Yorkshire, and South Africa, a member of the Canadian Institute of Mining and Metallurgy and Association of Professional Engineers of the Province of Ontario.
4. That I have not, nor do I expect to receive any direct or indirect interest whatsoever in the mining properties or securities of Magi Gold Mines Limited.
5. That this report is based on a review of government and corporate reports cited in the text and a visit to the Hawkins Township greenstone belt by the undersigned and W. Hammerstrom, prospector. The property itself was not examined.

DATED at Toronto, this 31st day of October 1972.



Wilfred Walker
Fellow of the Geological Association of
Canada and Professional Engineer.

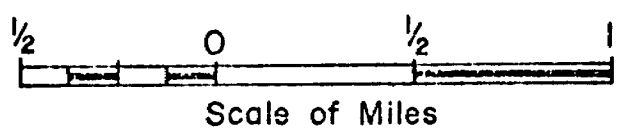




HAWKINS TOWNSHIP

SSM	SSM	SSM	SSM
329326	329325	329324	329323
SSM	SSM	SSM	SSM
329331	329332	329333	329334
SSM	SSM	SSM	SSM
329338		329337	329336
			329335

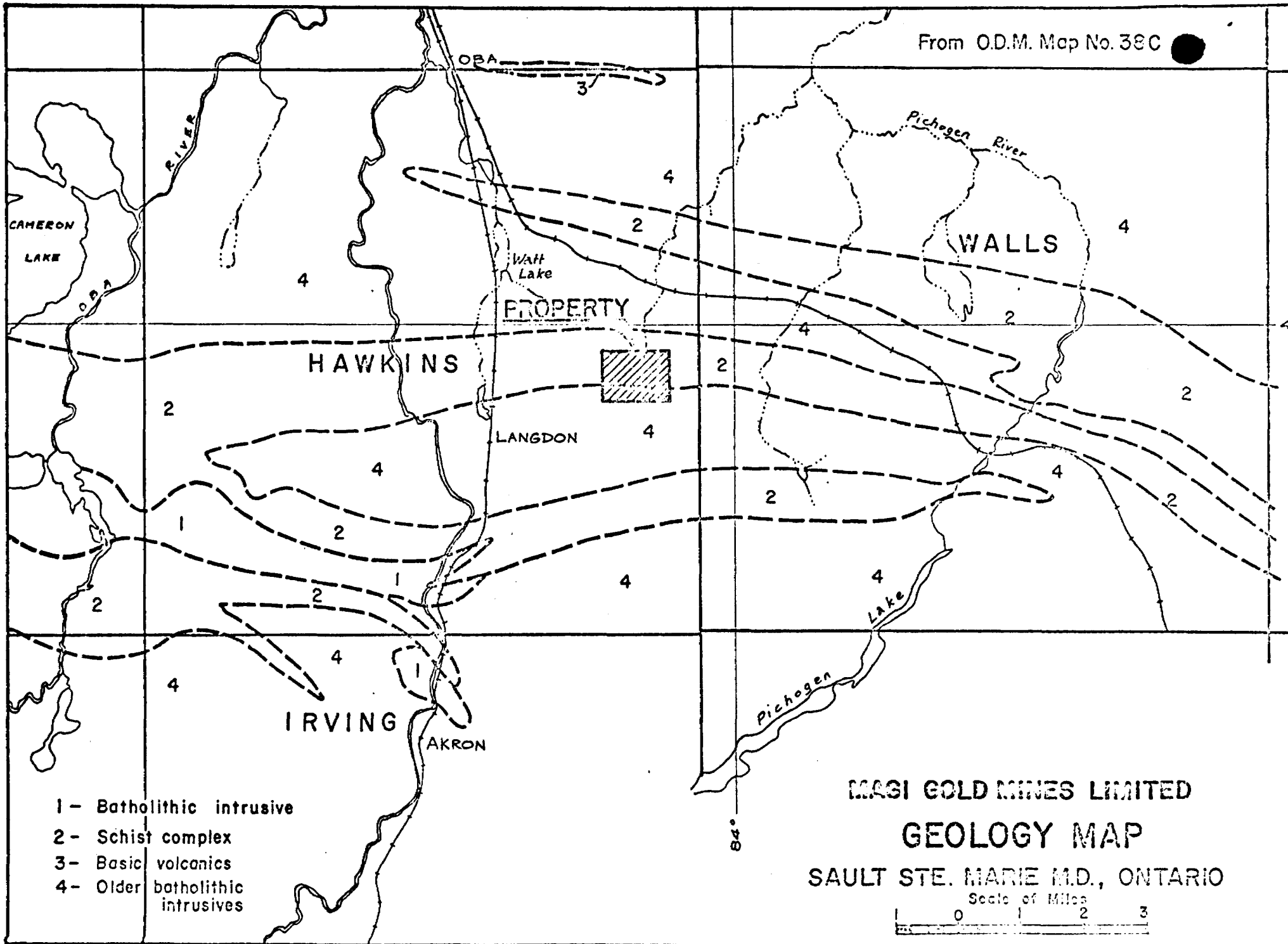
MAGI GOLD MINES LIMITED
CLAIMS & LOCATION MAP
SAULT STE. MARIE M.D., ONTARIO



42M

31M

From O.D.M. Map No. 38C

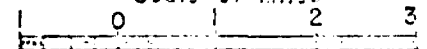


- 1 - Batholithic intrusive
- 2 - Schist complex
- 3 - Basic volcanics
- 4 - Older batholithic intrusives

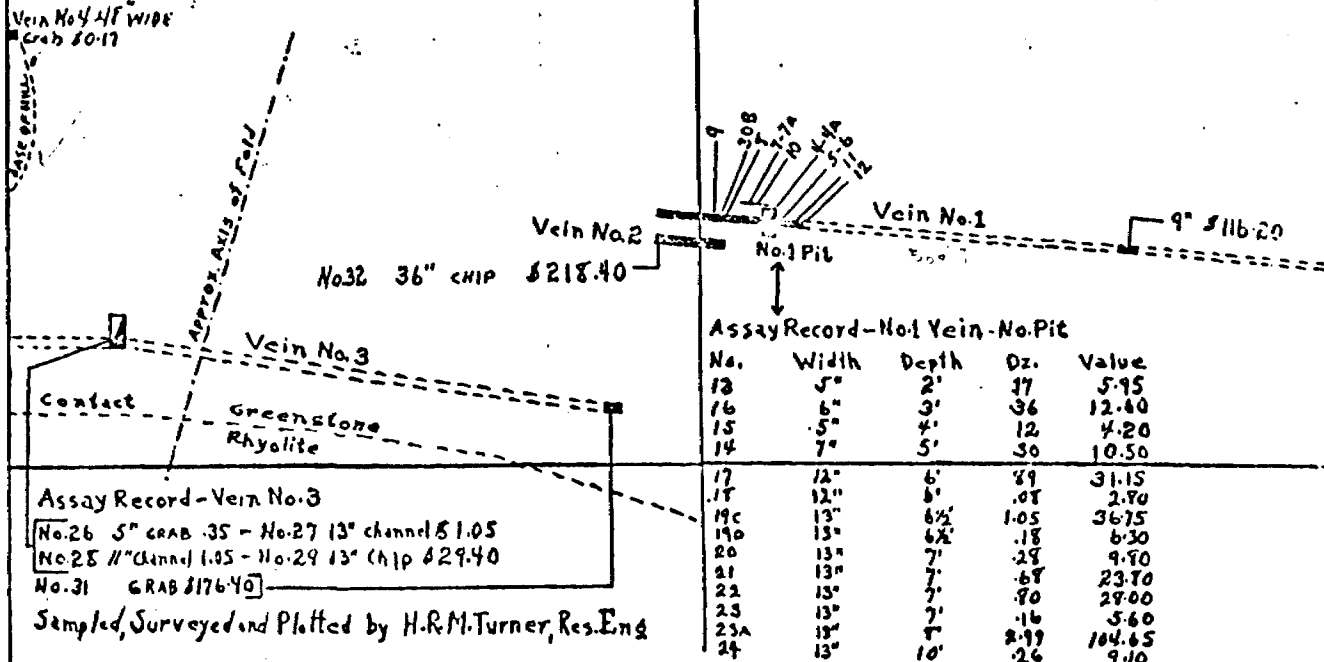
MAGI GOLD MINES LIMITED
GEOLOGY MAP

SAULT STE. MARIE M.D., ONTARIO

Scale of Miles



Sketch of Northern Section of Property of
MITNOR GOLD MINES LIMITED
 Showing Approx. Location of Veins - Not Drawn to Scale



FOLLOWING IS THE ASSAY RECORD AS PREPARED BY H. R. M. TURNER, RESIDENT ENGINEER

No.	Location	Vein	Type	Ozs.	Value	Width	Remarks
4	Surface	1	Chan.	3.06	\$107.10	6"	
4a	Surface	1	Chan.	2.80	98.00	6"	Recheck of 4
5	Surface	1	Chan.	1.80	63.00	5"	
5a	Surface	1	Chan.	2.10	75.50	5"	Recheck of 5
6	Surface	1	Chan.	.02	.70	6"	Diorite contact
7	Surface	1	Chip.	.89	31.15	10"	Composite 60' long
7a	Surface	1	Chip.	.63	22.05	10"	Recheck of 7
8	Surface 40' W. of No. 9	1	Sec.	.50	17.50	6"	
9	Surface	1	Chan.	.42	14.70	10"	
10	Surface	1	Comp.	.93	32.55	10"	Composite 60' long
11	Surface	1	Chan.	.11	3.85	6"	Diorite
12	Surface 20' E. of No. 9	1	Chan.	.82	28.70	5"	
13	Pit No. 1 2' Ver. E. Wall	1	Chan.	.17	5.95	5"	
14	Pit No. 1 5' Ver. Bottom	1	Chan.	.30	10.50	7"	
15	Pit No. 1 4' Ver. E. Wall	1	Chan.	.12	4.20	5"	
16	Pit No. 1 3' Ver. E. Wall	1	Chan.	.36	12.60	6"	
17	Pit No. 1 6' Ver. Bottom	1	Chan.	.89	31.15	12"	
18	Pit No. 1 6' Ver. Bottom	1	Chan.	.09	2.80	12"	
19a	Pit No. 1 7 1/2' Ver.	3	Chip.	.07	2.45	4"	
19b	Pit No. 1 7 1/2' Ver.	3	Chip.	.05	1.75	4"	
19c	Pit No. 1 6 1/2' Ver. Bottom	1	Chan.	1.05	35.75	13"	
19d	Pit No. 1 6 1/2' Ver. Bottom	1	Chan.	.18	6.30	13"	
20	Pit No. 1 7' Ver.	1	Chan.	.28	9.80	13"	Chalcopyrite
21	Pit No. 1 7' Ver.	1	Chan.	.68	23.80	13"	Sphalerite
22	Pit No. 1 7' Ver.	1	Chan.	.30	28.00	13"	Galena
23	Pit No. 1 7' Ver.	1	Chan.	.16	5.60	13"	Basic (Phyrrholite and Pyrite)
23a	Pit No. 1 8' Ver.	1	Chan.	2.99	104.65	13"	Mixed contains V.G.
24	Pit No. 1 10' W. of No. 1	1	Chan.	.26	9.10	13"	
25	New Vein			.005	.17	4"	Important Amethyst quartz in matrix of Mic FE 12 S 14 and FES 2
26	Pit No. 1 7' Ver.	3	Chip.	.01	.35	5"	Contains Foll S 14 and FES 2
27	Pit. No. 1 10' Ver.	3	Chip.	.03	1.05	13"	Min. Schist with S 1 O 2 inclusions
28		3	Chip.	.07	1.05	11"	Quartz Min.
29		3	Chan.	.64	23.40	13"	Quartz Min.
30	500' E. of No. 1 Pit	1	Chan.	3.32	116.20	.9"	Quartz Min.
30a	Surface	1	Chip.	1.82	63.70		
30b	Surface	1	Chip.	.62	21.70		
31	Surface	3	Chip.	5.04	176.40		
32	Surface	2	Chip.	6.24	218.40	36"	

48" *[Handwritten signature]*