



52E10NE8986 63.3319 CLEARWATER BAY

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REPORT ON MINING CLAIMS

OF

AUMAC EXPLORATIONS LIMITED

Kenora District

Northwestern Ontario

FORM NO. 12 (REV. 1-1-68) REPORT COVER

J. P. Jewell
Mining Geologist

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REPORT ON MINING CLAIMS

OF

AUMAC EXPLORATIONS LIMITED

Kenora District Northwestern Ontario

ABSTRACT:

Aumac Explorations Limited recently acquired, under an option to purchase agreement, a block of nine unpatented mining claims in the Lake of the Woods area, on Clearwater Bay, Kenora District, Ontario.

Gold deposits of the region have been of interest for many years. The first discovery was recorded in 1878, and before the 1900's the area was the main source of gold production in Ontario. New discoveries reported in other mining camps diverted interest from the Lake of the Woods region in the early 1900's, and the area was neglected until the revaluation of gold in the 1930's. Once again the camp became the target for gold exploration, and new discoveries and several producing mines resulted. During this period the Kenricia Mines was incorporated to develop their discoveries underground and erect a milling plant which operated for eleven months in 1939-1940. The main claims of this property have since been restaked and subsequently been acquired by Aumac Explorations which are the subject of this report.

With the decline of the gold mining industry during the war years, interest in the Lake of the Woods area waned and only sporadic base metal exploration was reported. Motivated, at this time, by the steady increase in the price of gold, indicating a brighter future for the industry, mining interests have been attracted to known gold deposits of the district, and many of the old properties are now being

examined and old showings evaluated.

Gold bearing structures are known to occur on the Aumac property, two of which were partially developed underground and mined to a limited extent. The gold showings present on the claims occur in geological environment characteristic of the gold deposits elsewhere in the area. The same favourable formation is present on extensive untested areas of the claim block. In view of the revaluation of gold, and the improved outlook for the industry, it would appear to be a propitious time to initiate an exploratory program to fully assess the potential of the property.


Herein is reported the location, facilities, and geological aspect of the claim block with a brief summary of previous development work, along with recommendations for an exploratory program to evaluate the potential of the property.

PROPERTY, LOCATION, ACCESSIBILITY AND FACILITIES:

The Aumac claim group forms a contiguous block of nine unpatented claims situated at the northeast corner of Clearwater Bay on the Lake of the Woods. The group contains 9 of the twelve mining claims that comprised the old Kenrica Gold Mines and encompasses all of former claim P.211, on which is located all of the development, surface and underground, conducted by the old mining company. The claims are shown on Plan M-2062 issued by the Ministry of Natural Resources, Ontario, and are registered under the following designation:

Claim No.	Date staked	Previous designation
K-365011	Feb. 7, 1974	Part of K-5480
K-365012	Feb. 7, 1974	Part of K-5480
K-365013	Feb. 7, 1974	Part of 211-P
K-365014	Feb. 7, 1974	Part of K-5479
K-365015	Feb. 7, 1974	Part of K-5476
K-365016	Feb. 8, 1974	Part of K-5477
K-365017	Feb. 8, 1974	Part of K-5481
K-365024	Feb. 6, 1974	Part of K-5481
K-365025	Feb. 6, 1974	Including all of K-6376

FORM NO. 14 (REV. 1-1-74) MINING CLAIMS ACT


J. P. JEWELL - MINING GEOLOGIST

The property is located southwest of the town of Kenora and can be reached by travelling west on Highway 17, the Trans-Canada Highway, for a distance of $9\frac{1}{2}$ miles from the town, thence $1\frac{1}{2}$ miles south on the old Kenricia Mine road. The claims are in the centre of attractive tourist country, and many summer cottages dot the shore lines of the claims, the land held under "surface rights only" deeds. The Aumac property is situated about 120 miles east of the City of Winnipeg along the Trans-Canada Highway. The main line of the Canadian Pacific Railway crosses the area 3 miles north of the claim block, while the Northern Ontario pipe line parallels the highway about $1\frac{1}{2}$ miles to the north. During previous mining operations, power had been supplied by erecting a 4 mile line north to the main line of the Winnipeg Electric Company and establishing the necessary substations. Now, however, only domestic power is supplied to the nearby cottages.

Supplies for exploration or any development program are readily available from Kenora and Winnipeg, both communities being linked with Toronto by daily train, plane and bus service. These centers and the surrounding settlements would be a reliable source of labor for a work force.

A water supply for exploration, or any eventual operation, is within 800 feet of almost any location on the property. A supply for the previous milling operation was provided by pumping facilities housed on the shore of the Bay, on claim 365017.

There are no useable mine buildings on the property. The only existing structures are the summer cottages on the shores of Clearwater Bay, and the old foundations from the Kenricia mining plant.

TOPOGRAPHY:

This area, in the northwest part of the Province of Ontario, contains a number of attractive lakes, the largest being Shoal Lake, Lake of the Woods, Kakagi Lake, and Upper and Lower Manitou lakes. About one half of the area in the general vicinity of the Aumac holdings is covered by water. The lakes are extensively studded with islands varying in size from tiny outcrops to sizeable land masses. Some sections, notably southwest of Clearwater Bay, and the area north of the Trans-Canada Highway, are rugged, but usually the relief is not over 200 feet. There are some marshy sections, chiefly in sheltered bays and narrows between islands. The town of Kenora is approximately 1350 feet above mean sea level.

HISTORY OF EXPLORATION IN THE AREA:

Gold was first reported in the Lake of the Woods area in 1878, although little real development was done before 1885. From that date until 1895, the period was referred to as the Lake of the Woods gold rush, and a number of discoveries were made. By 1893 20 gold properties were working in the vicinity of Rat Portage, now the town of Kenora. The outstanding of these were the Sultana and the Wendigo mines which became the chief gold producers in the area. In the year 1899, gold production in the Province of Ontario amounted to \$421,951 mainly from three mines in the Lake of the Woods district. After this date production declined, with only sporadic interest in the mines, and in 1909 with the gold discoveries at the Porcupine camp, mining activity was diverted away from the Kenora district, and the Lake of the Woods area was neglected for many years.

Gold mining activity was revived in the area with the revaluation of gold in the early 1930's, and many of the old properties were under examination. Interest in the Lakes of the Woods camp was further motivated by an important gold

discovery on the old property known as the Three Ladies mine on Clearwater Bay, and a second period of prospecting and exploration was underway in the Kenora district. Surface work and diamond drilling on the Three Ladies mines provided sufficient encouragement for the incorporation of Kenricia Gold Mines Limited in 1935, to develop the property and eventually reach the stage of underground operations and a short period of gold production. A further discussion of this operation will be found below.

After the year 1940, gold exploration in the area declined, and the only mineral activity in the district was confined to sporadic searches for base metal deposits. At the present time, however, with the steady revaluation of gold upwards at an unprecedented rate, attention has once more turned to the Kenora district camp, with many of the old showings being examined and evaluated in view of the higher price. One such project concerns the former Duport mine, which is being considered by Consolidated Professor Mines Limited for further underground development and possible production. This property is located on Cameron Island, 18 miles southwest of the former Kenricia mine. When the mining claims of Kenricia property were thrown open, they were restaked in February, 1974, and subsequently acquired by Aumac Explorations Limited, under an option agreement.

GENERAL GEOLOGY:

All of the consolidated rocks of the area are Precambrian. For the most part, Keewatin lavas and pyroclastic underlay the Lake of the Woods section of the district. Sedimentary rock of younger age lies stratigraphically above the lavas, separated from it by an unconformity. The rocks have been complexly folded and sheared, and intruded by granites and porphyries of Algomian age. Some diabase dikes, probably of Keweenawan age, are present, usually trending in a northwesterly direction.

To provide an insight into the structural geology of the region, volcanic studies were conducted in the Lake of the Woods area and results are the subject of a report by A. M. Goodwin, Geologist, Ontario Department of Mines, being P.R. 1965-2 issued in November, 1965. The study covered an area 125 miles in an east-west direction by 50 miles north-south. In this report Goodwin describes the Keewatin assemblage as containing a wide variety of volcanic and sedimentary rocks, with the volcanic members ranging from basalt flows to rhyolite pyroclastics, and sedimentary components from thin bedded greywacke and shale to coarse conglomerate and arkose. The author found indications that a definite cycle arrangement occurs in the Keewatin series in the following order: 1) basic volcanics, 2) acid volcanics, 3) sediments. Goodwin, and earlier A.C. Lawson in a report dated 1885, observed that two such superimposed cycles are present in that section of the area in which the Aumac holdings are located. The repeated threefold succession have been designated in the report as the Lower and Upper Keewatin Divisions.

Rock formations in the area are highly folded, trending east to northeast, plunging steeply to the west in the Lake of the Woods section. Shearing is common, the rocks usually carbonatized with mineralization being calcite, ankerite and siderite. Shearing is normally parallel to the rock layering, and direct evidence of faulting rarely detected. There are however, local evidences of faulting in some parts of the subject area.

The map accompanying Goodwin's report, depicts the Aumac holdings as being underlain by the Lower Keewatin sequence of rock and situated in the Clearwater Bay syncline.

FORM NO. 12 - 11 P. REPORT DATA - GRANITE & TOY LIMITED

GEOLOGY OF AUMAC PROPERTY:

Portions of mining claims Nos. 365011, 365013, 365017 and 365016 encompass the point of land between Clearwater Bay and Kendall Point containing approximately 58 acres, formerly designated as P.211 on which all the previous surface and underground development work had been performed. The country rock, usually outcropped on high rock ridges, is mainly acid volcanic agglomerate. While no basic volcanics were observed by the writer, such rock type was noted on the old mines dumps, indicating some of the underground workings encountered a fair amount of this formation. Some tuffaceous bands were noted in several outcrops.

Previous surface exploration conducted in the mid 1930's uncovered four east-west striking gold bearing quartz veins, traced for substantial lengths - 1450 feet for No. 3 vein - over widths of from 30 inches to 6 feet. Two other structures, the Spider vein, and a zone in porphyry containing quartz stringers carrying gold values, were also discovered which now may be of greater interest. An attempt to locate these features during a recent inspection of the property was not successful.

The previous work on the property included the boring of 15 diamond drill holes to encounter No. 3 vein at a vertical depth of 100 to 125 feet, with two holes intersecting the vein below the 200 foot horizon. It is reported all holes returned gold values comparable to the surface results which is reported to have averaged \$20.00 in gold at the old price of \$35.00 per ounce - over 30".

The quartz veins are mainly vertical, and as described by Jas. E. Thomson, in the Forty-fifth Annual Report of the Ontario Department of Mines, contain black tourmaline and are mineralized with pyrite, chalcopyrite, galena and some sparse native gold. The veins exhibit different generations of quartz, with quartz carbonate stringers

being cut off by sugary quartz veins containing tourmaline and sulphide mineralization. The latter veins carry the best gold values.

On a recent trip to the property, this author was able to verify most of the facts as stated in earlier reports, but while most of the old pits and trenches were located, they were not in proper condition for sampling. Some rock and vein specimens were taken, and confirmed Mr. Thomson's description of the veins. Many of the casings from the diamond drill holes were found, but thus far log records can not be located.

The inspection of the property and study of available records would appear to bear out Mr. Goodwin's conclusion that mineral occurrences are not controlled by the more obvious structures of the area, such as regional shear zones, nor are they related to major granitic intrusions. Rather they appear to bear a spatial relationship to specific volcanic stratigraphic zones. Most gold and silver deposits lie directly in Lower Keewatin acid volcanic rocks, while the base metal occurrences are present in subjacent Lower Keewatin basic volcanic formations. Mr. Goodwin states that of the nine principal past producers accounting for 90% of the mineral production of the region, 4 are directly associated with Lower Keewatin acid volcanic rocks and five with subjacent basic volcanic formation.

PREVIOUS DEVELOPMENT:

Underground development on the old Kenricia property includes a vertical shaft to a depth of 531 feet, escapement raiseway from the 350 foot level to surface, 5,373 feet of drifting and 1444 feet of X-cutting on the 200, 350 and 500 foot levels. Most of the lateral work was conducted on the 350 foot level, while the bottom, or third

level, had not reached the ore zone with the limited amount of work completed on that horizon. From records it would appear that most of the development work was performed on the No. 3 vein system, mainly on the 2nd level, with a limited amount of work conducted on the No. 1 vein. There appears to be no attempt at development of veins between these two structures although there are surface indications of parallel veins. Other gold bearing quartz veins uncovered in surface exploration occur beyond the reach of underground development.

Milling operations commenced on the Kenricia property in July 1939 and continued until May 1940. During this milling period 61 days are included in which custom milling was done exclusively. A 100 ton cyanide milling plant had been erected on the property and for the period of operation an average of 80 tons per day was treated.

The decision to erect a milling plant on the property was based on ore estimates of 53,201 tons of ore with an average gold content of .362 ounces per ton, mainly from the No. 3 vein as developed on surface and in underground workings. Milling records show that 22,344 tons of ore were treated from the mine producing 2,533 ounces of gold and 521 ounces of silver. A vast discrepancy exists between the grade of the ore as determined first in the original development, later in the channel sampling in the stopes, and finally, the recovery from the mill. Records show that milling procedure was excellent, with recovery being estimated at 97.22%. Reasons for the grade discrepancy may be attributed to different factors, but the most obvious would appear to be an unusually high degree of dilution. The "sloughing" off of weak wall rock during mining operations would be the usual cause of dilution, but it appears from the sparse records of underground operations at the Kenricia mine that due to inadequate information relative to the ore limits, a great deal of sub-drifting and

box-holing had to be performed in the stopes, in waste rock, or weaker sections of the vein. This was due to the plunge of the ore shoots, which was much flatter than anticipated. Apparently some sorting of the waste rock was attempted, but it would be very difficult to compensate for the amount of waste material that was mixed with the ore. With a level interval of 150 feet this type of deposit would require a much greater control of the ore outline. With these facts at hand, it must be assumed that the gold values recovered from the milling operation are not representative of the vein systems that had been developed on the property.

CONCLUSIONS:

The mining property of Aumac Explorations Limited is situated geologically, in a stratigraphic zone which has proven to be a favourable environment for mineralized deposits in the Kenora district. The horizon has been designated as the Lower Keewatin acid volcanic zone and the subjacent basic volcanic formation. Past production records and the known mineral occurrences throughout the area, demonstrate the importance of this particular volcanic stratigraphic zone in the search for mineral deposits, though the genetic reasons may be unclear.

Gold bearing quartz veins and vein systems are known to occur on the property, some of which have been partially tested, but none fully developed. The possibility of developing wider gold bearing zones in a different structure has not been investigated but there are indications from previous exploration that such an event may be present on the claims. The extension of known vein structures, and the occurrence of new ore structures, underlying the waters of Clearwater Bay and Kendall Inlet have never been explored, although favourable volcanics horizons are present in these areas.

FORM NO. 12 - 111 - REPORT PAPER - CANADA DIV. LITHOLOGICAL



Motivated by the increase in the price of gold, the search for gold deposits will once again be an important phase of mineral exploration. Former mining areas where gold occurrences are known, or partially developed, will be the principal targets in these searches. The Lake of the Woods district will be the object of gold exploration because of its known potential. The holdings of Aumac Explorations Limited on Clearwater Bay must be considered an excellent target for such exploration.

RECOMMENDATION:

It is recommended that an exploratory program be conducted on the Aumac Exploration property to thoroughly investigate all the known gold occurrences and fully develop them, and to explore the untested portions of the property, mainly water claims, by geophysical means. Such a program would entail the following work:

- 1) Establish a grid line system over the entire claim group, with cross line at 200 foot intervals on the land claims and 400 foot spacings over the water claims.
- 2) Geologically map in detail the surface exposures, specifically former claim P.211.
- 3) Conduct a combined magnetometer and electromagnetic over the grid line system.
- 4) Sample veins at indicated points and conduct preliminary diamond drill testing with small drilling equipment where required in critical areas.

Scheduling the different projects in the program will be an important factor, due to the location of the property in relation to the waters of Clearwater Bay and Kendall Inlet. The grid system will be established over the main surface claims, formerly P.211, and the geophysical work, geological mapping, sampling, and any required diamond drilling can be performed in a program that will commence at the earliest possible date. When ice conditions allow, the grid system will be continued over the water claims

FORM NO. 13 - 11-7-64 REPORT PAGE 8 GRANDS AUMAC LIMITED

and the geophysical work completed during the winter months. As scheduled, results of the program conducted over the surface claims will be completed and these findings will be useful in interpreting the geophysical surveys which will be conducted over the ice.

ESTIMATED COST OF PROGRAM:


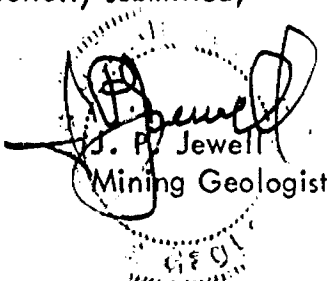
The estimated cost of the above recommended program is as follows:

Line Cutting 13 miles @ \$125.00 per mile	\$ 1,625.00
Magnetometer Survey 13 miles @ \$60.00 per mile	780.00
Electromagnetic Survey 13 miles @ \$85.00 per mile	1,105.00
Geological Mapping	450.00
Sampling, stripping	1,000.00
Provisions for 750 feet of diamond drilling	6,750.00
	<hr/>
Total Cost of Program	\$11,700.00

As a result of this program additional diamond drilling with larger equipment may be indicated and more expenditure anticipated which is not provided for in this cost estimate.

Toronto, Ontario
May 22nd, 1974

Respectfully submitted,


J. P. Jewell
Mining Geologist



J. P. JEWELL
Mining Geologist
207 - 80 Richmond Street W.
Toronto - Ontario

CERTIFICATE

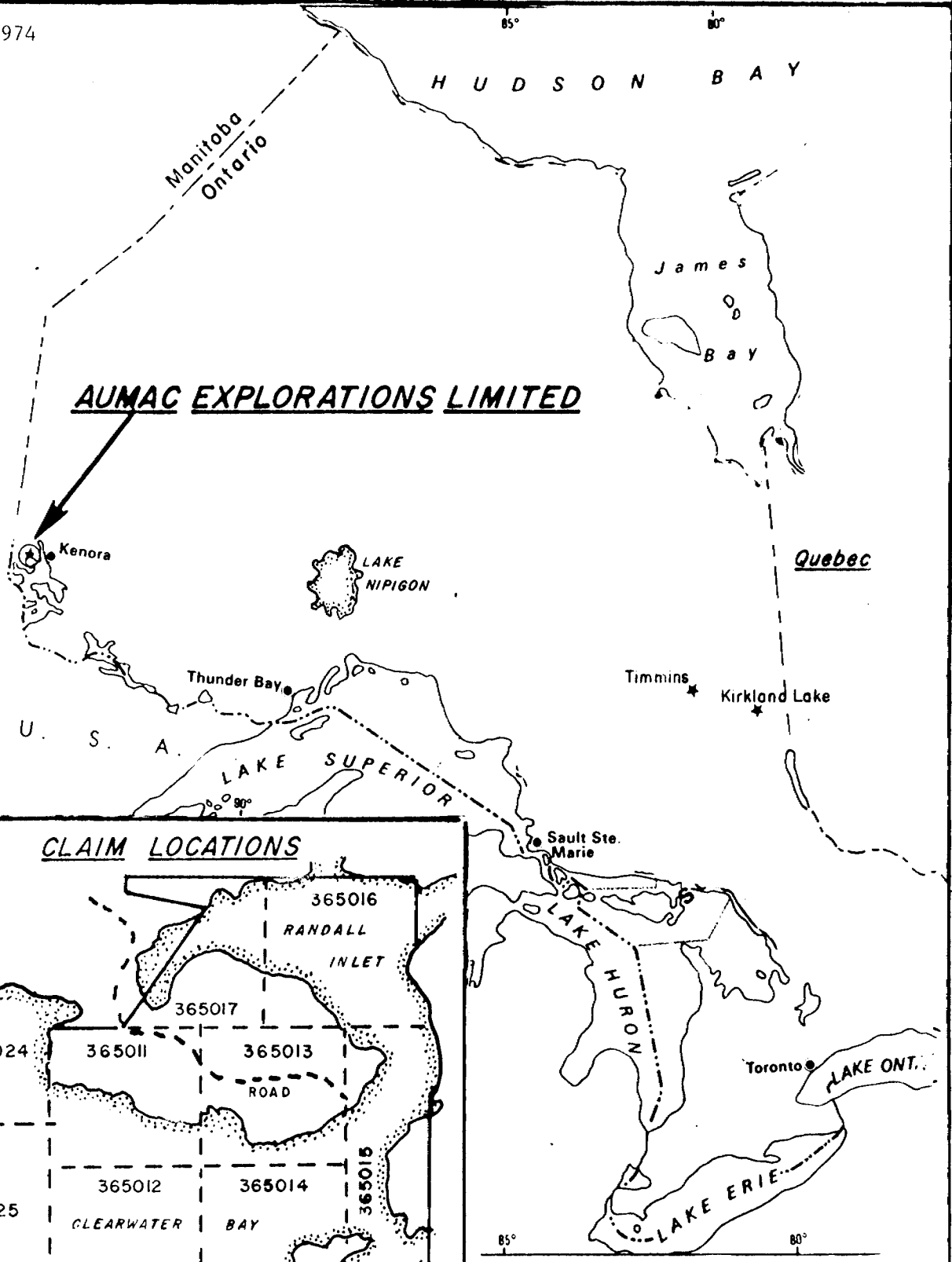
I, J. P. Jewell, hereby certify:

- 1) That I am a Geologist and reside at 82 Pine Crescent, Toronto, Ontario;
- 2) That I am a graduate of the University of Michigan and have been practising my profession in Canada for over fifteen years;
- 3) That I have no direct or indirect interest in the property covered by this report, nor do I expect to receive any such interest.
- 4) That I have no direct or indirect interest in the securities of Aumac Explorations Limited, nor do I expect to receive any such interest;
- 5) That the accompanying report is based on visits to the property on May 17 and 18, 1974, and on the following geological reports and maps:
 - a) Report and map by A.M. Goodwin; P.R. 1965-2, Volcanism and mineralization in Lake of the Woods Region.
 - b) Report and Map, Jas. E. Thomson, Vol. XLV, Part III, 1936 Annual Report Ontario Department of Mines.
 - c) Kenora-Fort Frances Geological Compilation Sheet No. 2115.
 - d) Lake of the Woods, Preliminary Map No. P.281
 - e) Report on Kenricia Mine by D.A. Duff, dated June 17, 1940

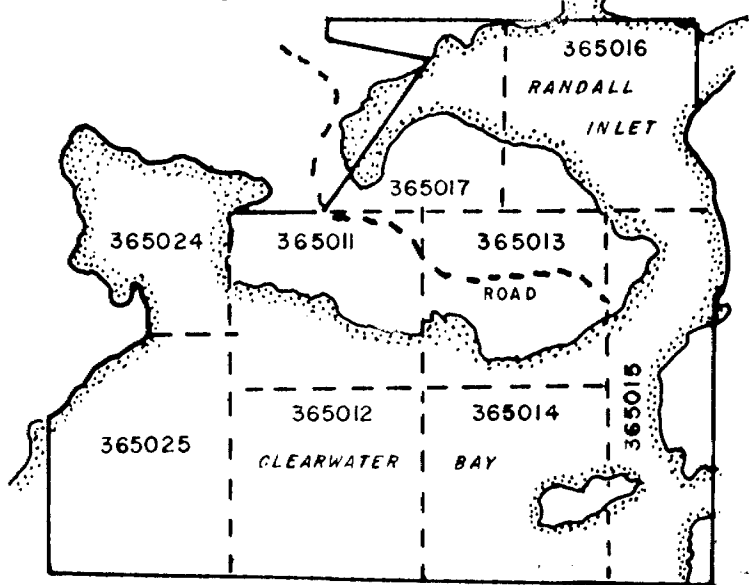
Toronto, Ontario.
May 22nd, 1974


J. P. Jewell,
Mining Geologist.

Report, May 22, 1974
J. P. Jewell



CLAIM LOCATIONS



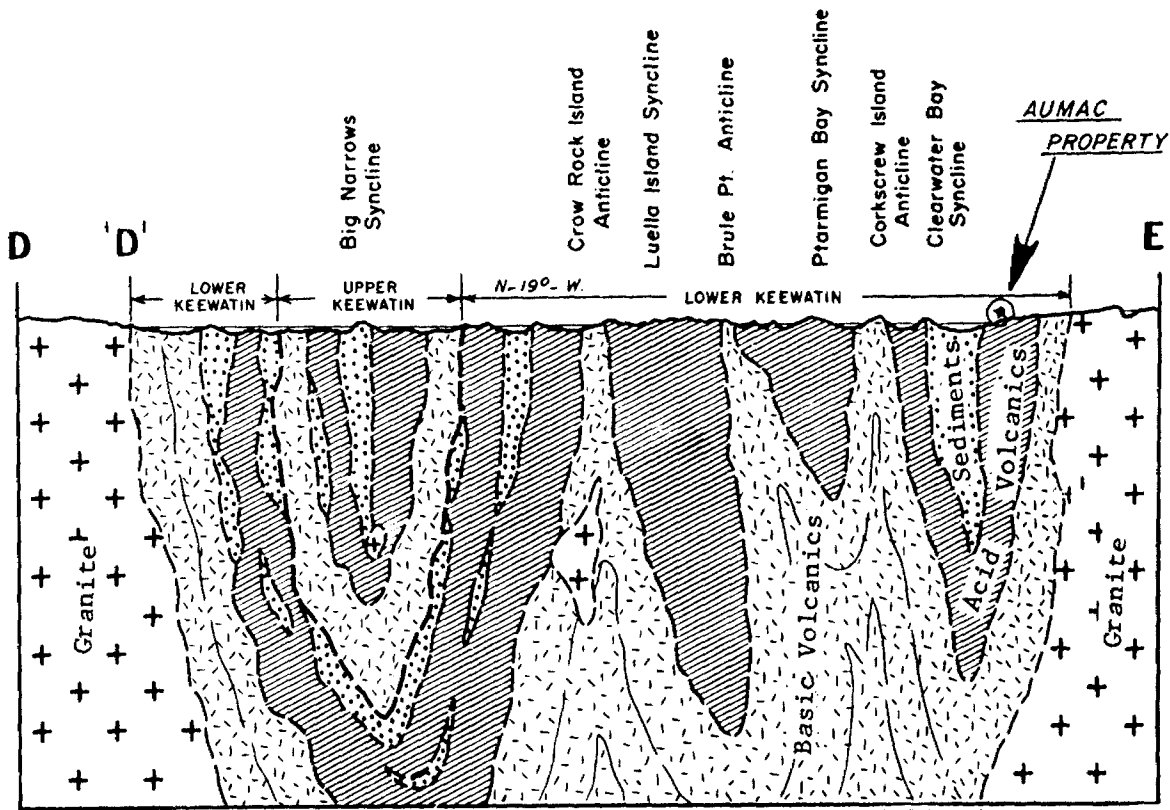
1" = 1320'

FROM PLAN N-2062
ONT. M.O.N.R

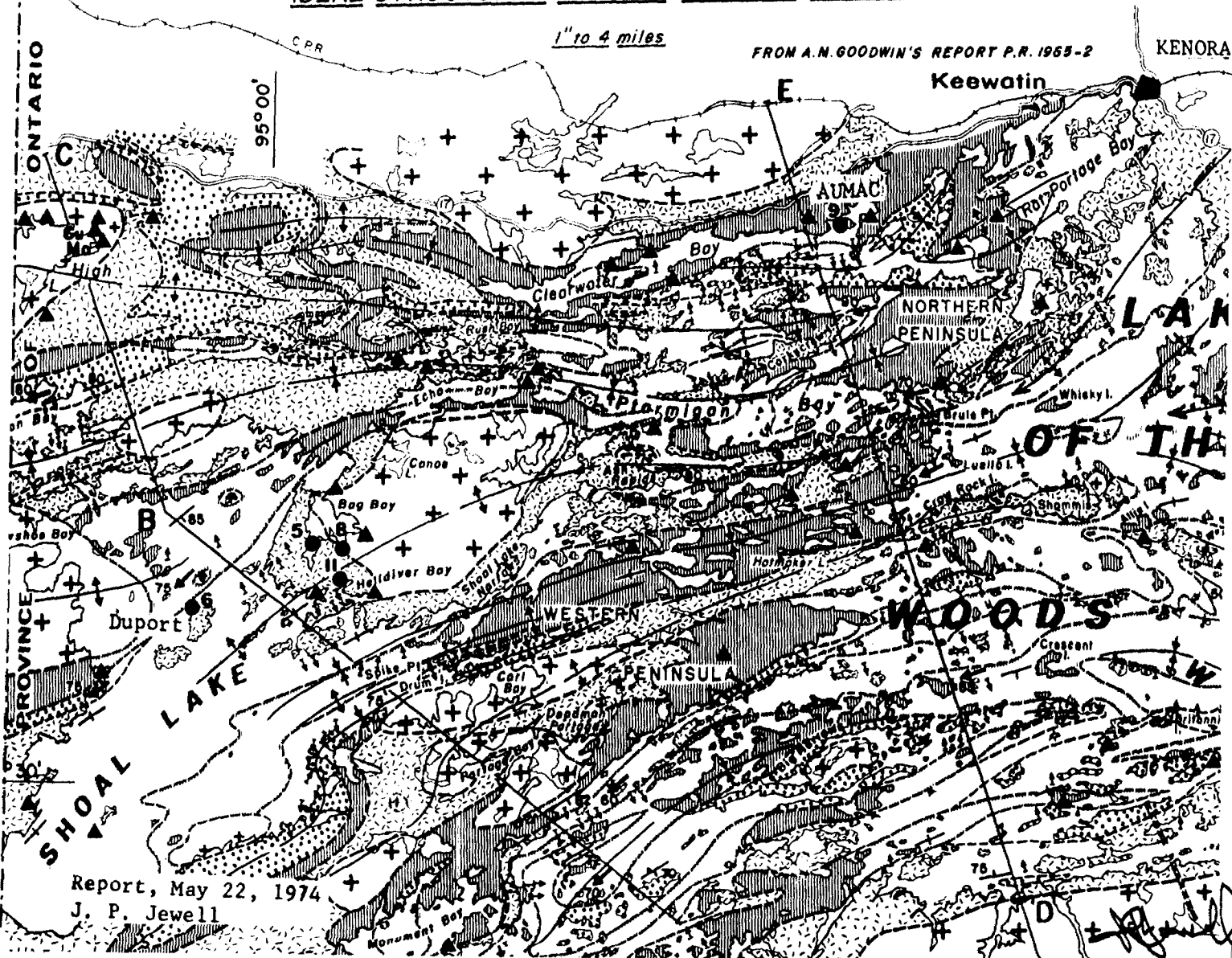
LOCATION MAP



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LOCATION of AUMAC PROPERTY in RELATION to IDEAL STRUCTURAL SECTION THROUGH E-D'-D



NO SECURITIES COMMISSION OR SIMILAR
ANY WAY PASSED UPON THE MERITS OF
ANY REPRESENTATION TO THE CONTRARY



52E10NE8986 63.3319 CLEARWATER BAY

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AUMAC EXPLORATIONS LIMITED

63,311

(Incorporated under the laws of the Province of Ontario)

SHARES WITHOUT PAR VALUE

R. E. BARNHARDT SECURITIES, INC.

Underwriter - Optionee



NEW ISSUE:

This is a new issue consisting of 150,000 underwritten shares and 50,000 optioned shares, as follows:

Firmly Underwritten	Under Option (1)	Price Per Share	Net Proceeds to the Corporation	Maximum Offering Price per Share
150,000	50,000	20¢	\$ 30,000	40¢
		25¢	\$ 12,500	50¢
150,000	50,000		\$ 42,500	

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

The offering by the Underwriter-Optionee will be at the market from time to time but within the maximum price ceilings set forth above.

SECONDARY OFFERING:

62,500 shares, the proceeds of which will accrue to the selling shareholder, R. E. Barnhardt Securities, Inc., and not to the treasury of the Corporation. These shares will not be offered for sale until after the above mentioned underwritten and optioned shares have been taken down and sold. (See caption "PLAN OF DISTRIBUTION".)

PURPOSE OF ISSUE:

The purpose of this issue is to provide funds to implement the exploration program recommended by the Corporation's Consulting Engineer relating to its property held under option and located in the Lake of Woods area, in the Province of Ontario, and to pay its ordinary operating expenses (See caption "USE OF PROCEEDS").

THESE SECURITIES ARE SPECULATIVE
THERE IS NO MARKET FOR THE SHARES OF THE CORPORATION

REGISTRAR AND TRANSFER AGENT

The Metropolitan Trust Company
353 Bay Street, Toronto, Ontario.

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THE CORPORATION

Incorporation

Aumac Explorations Limited (herein called the "Corporation") was incorporated under the laws of the Province of Ontario by Articles of Incorporation dated the 3rd day of May, 1972, with an authorized capital consisting of 3,000,000 shares without par value. The head and principal office of the Corporation is Suite 435, 100 Richmond Street West, Toronto, Ontario.

HISTORY AND BUSINESS

LAKE OF WOODS AREA CLAIMS

By agreement dated the 21st day of May, 1974, between the Corporation as purchaser and R. E. Barnhardt Securities, Inc., Suite 435, 100 Richmond Street West, Toronto, Ontario, as vendor, the vendor agreed to assign unto the Corporation all its right, title and interest in and to a certain agreement dated as of the 16th day of May, 1974, and made between the vendor, as optionee, and Robert Rosenblat, 753 Dynes Road, Burlington, Ontario, as optionor, in consideration of the allotment and issue by the Corporation to the vendor of 737,500 fully paid and non-assessable shares in the capital stock of the Corporation.

Pursuant to the terms of the agreement dated May 16, 1974, made between the vendor, as optionee, and Robert Rosenblat ("Rosenblat"), as optionor, and assigned by the vendor to the Corporation by the agreement dated May 21, 1974, Rosenblat granted unto the vendor the sole and exclusive option to carry on an exploration and development program on the nine contiguous unpatented mining claims located in Lake of Woods Area, District of Kenora, Province of Ontario, until September 30, 1974, subject to extension of said option period as follows:

- (a) upon payment to Rosenblat of the sum of \$2,500, the said option will be extended until December 31, 1976; and
- (b) upon payment to Rosenblat of the additional sum of \$5,000 on or before December 31, 1976, the said option will be extended until December 31, 1977; and
- (c) upon payment to Rosenblat of the additional sum of \$5,000 on or before December 31, 1977, the said option will be extended until December 31, 1978.

The said agreement further provides that the Corporation

may at any time on or before December 31, 1978, so long as the said option is in good standing either:

- (a) acquire a 100% interest in the said mining claims upon payment to Rosenblat of the sum of \$50,000 and a royalty equal to 3% of profits from production on the said mining claims; or
- (b) acquire a 100% interest in the said mining claims subject to the payment of a royalty equal to 8% of the annual profits derived from the mining claims.

For the purposes of the said agreement, the term "profit" shall have the same meaning and be calculated in the same manner as provided pursuant to the Mining Tax Act, Ontario, as at January 1, 1974.

R. E. Barnhardt Securities, Inc. paid to Rosenblat the sum of \$500 in consideration of the agreement dated May 16, 1974. Rosenblat acquired the said mining claims by staking them at a cost to him of approximately \$550.00.

Of the 737,500 shares issued to the vendor by the Corporation in consideration of the assignment by the vendor to the Corporation of all of the vendor's right, title and interest in and to the agreement dated May 16, 1974, 675,000 thereof are deposited in escrow with the Transfer Agent and Registrar of the Corporation subject to the terms set out herein under the caption "ESCROWED SHARES". The 737,500 shares issued to the vendor were arbitrarily valued by the directors at the price of 10¢ per share.

Other than the aforementioned vendor, no person has received or is entitled to receive a greater than 5% interest in the consideration paid by the Corporation.

The only persons having a greater than 5% interest in R. E. Barnhardt Securities, Inc. are Ronald Ernest Barnhardt, 12 Beardmore Crescent, Willowdale, Ontario, and 281907 Ontario Limited, Suite 904, 111 Richmond Street West, Toronto, Ontario. The only person having a greater than 5% interest in 281907 Ontario Limited is Michael Winston, 32 Apollo Drive, Willowdale, Ontario.

The 9 unpatented mining claims referred to above are located in the Lake of the Woods Area, on Clearwater Bay, Kenora District, Province of Ontario, and are shown on Plan M-2062 issued by the Ministry of Natural Resources, Province of Ontario as follows:

<u>Claim Number</u>	<u>Date Staked</u>
K-365011	February 7, 1974
K-365012	February 7, 1974
K-365013	February 7, 1974
K-365014	February 7, 1974
K-365015	February 7, 1974
K-365016	February 8, 1974
K-365017	February 8, 1974
K-365024	February 6, 1974
K-365025	February 6, 1974

The foregoing claims are in good standing until various dates in February, 1975.

The property is located south-west of the Town of Kenora, Ontario, and can be reached by travelling west on Highway 17, the Trans-Canada Highway, for a distance of 9 1/2 miles from Kenora, then 1 1/2 miles south on the old Kenricia Mine Road. The property is situated about 120 miles east of the City of Winnipeg along the Trans-Canada Highway. The main line of the Canadian Pacific Railway crosses the area 3 miles north of the claim block, while the Northern Ontario pipe line parallels the highway 1 1/2 miles to the North.

The following is a summary of a report by J. P. Jewell, Mining Geologist, dated May 22, 1974, a copy of which has been filed and is available for inspection at the office of the Ontario Securities Commission, 555 Yonge Street, Toronto, Ontario.

Aumac Explorations Limited recently acquired an option on a block of 9 unpatented mining claims located in the Lake of the Woods area on Clearwater Bay, Kenora District, Ontario. These claims contain 9 of the 12 mining claims that comprised the old Kenricia Gold Mines and encompass all of the former claim on which is located all of the development, surface and underground, conducted by Kenricia Gold Mines Limited ("Kenricia").

In the 1930s, extensive development work was carried on by Kenricia including the sinking of a vertical shaft to a depth of 531 feet, escapement raiseway from the 350 foot level to surface, 5,373 feet of drifting and 1444 feet of cross cutting on the 200, 350 and 500 foot levels. Milling operations commenced in July of 1939 and continued until May, 1940. During this milling period, 61 days are included in which custom milling was done exclusively. A 100 ton cyanide milling plant was erected on the property and for the period of operation an average of 80 tons per day was treated. Milling records show that 22,344 tons of ore were treated from the mine, producing 2,533 ounces of gold and 521 ounces of silver.

Mr. Jewell concluded that the property under option by Aumac Explorations Limited is situated geologically, in a stratigraphic zone which has proven to be a favourable environment for mineralized deposits in the Kenora District. The horizon has been designated as the Lower Keewatin acid volcanic zone and the subjacent basic volcanic formation. Past production records and the known mineral occurrences throughout the area, demonstrate the importance of this particular volcanic stratigraphic zone in the search for mineral deposits, though the genetic reasons may be unclear.

Gold bearing quartz veins and vein systems are known to occur on the property, some of which have been partially tested, but none fully developed. The possibility of developing wider gold bearing zones in a different structure has not been

investigated but there are indications from previous exploration that such an event may be present on the claims. The extension of known vein structures, and the occurrence of new ore structures, underlying the waters of Clearwater Bay and Kendall Inlet have never been explored, although favourable volcanics horizons are present in these areas.

Mr. Jewell recommended that an exploratory program be conducted on the property to thoroughly investigate all the known gold occurrences and fully develop them and to explore untested portions of the property, mainly water claims, by geophysical means. Such a program would include establishing a grid line system over the entire claim group, geological mapping in detail, a combined magnetometer and electromagnetic program and preliminary diamond drill testing with small drilling equipment, where required.

The estimated cost of the above recommended program is as follows:

Line Cutting		
13 miles @ \$125.00 per mile		\$ 1,625.00
Magnetometer Survey		
13 miles @ \$60.00 per mile		780.00
Electromagnetic Survey		
13 miles @ \$85.00 per mile		1,105.00
Geological Mapping		450.00
Sampling, stripping		1,000.00
Provisions for 750 feet of diamond drilling		<u>6,750.00</u>
		<u>\$11,700.00</u>

As a result of this program, additional diamond drilling with larger equipment may be indicated and more expenditure anticipated.

There is no useable surface or underground plant or equipment on the claim and no work has been done thereon by the present management of the Corporation.

USE OF PROCEEDS

The net proceeds to be received by the Corporation from the sale of the underwritten shares is \$30,000. The net proceeds will be used to pay the costs of incorporation, organization and the costs of this offering, together estimated as approximately \$8,000, and in implementing the exploration recommendations of the Consulting Engineer relating to the Lake of Woods Area property at an estimated cost of \$11,700. (See caption "HISTORY AND BUSINESS"). Excess moneys will form part of the general working capital of the Corporation to be used for general administrative and operating expenses estimated at approximately \$1,500 for the next year. While the Corporation has no plans in this regard at the present time, moneys in its treasury, as available, may also be used to implement programs to acquire, stake, explore and develop other properties either alone or in concert with others and to generally carry out exploration programs as opportunity and finances permit, but so long as shares of the Corporation are in the course of distribution to the public, such moneys will not so be used without an amendment to this Prospectus being filed.

PLAN OF DISTRIBUTION

By an agreement dated May 24, 1974 between the Corporation and the Underwriter-Optionee, the Corporation has agreed to sell and the Underwriter-Optionee has agreed to purchase the shares of the Corporation set out below. The obligations of the Underwriter-Optionee to take up and pay for the shares under such agreement may be cancelled by the Underwriter-Optionee in the discretion of the Underwriter-Optionee based upon its assessment of the financial markets or on the occurrence of certain other stated events. The agreement further provides that the Underwriter-Optionee is obliged to take up and pay for all of the underwritten shares if any of such shares are purchased. The address of the Underwriter-Optionee is Suite 435, 100 Richmond Street West, Toronto, Ontario.

Underwritten Shares

<u>Number of shares Firmly Underwritten</u>	<u>Price per Share</u>	<u>Net amount to be Received by Corporation</u>
150,000	20¢	\$ 30,000

The purchase price for the 150,000 shares underwritten at 20¢ per share, in the amount of \$30,000, is payable three (3) days after the date upon which the Ontario Securities Commission accepts this Prospectus for filing, such date being referred to as the "effective date". The Underwriter-Optionee was also granted the undernoted option to purchase the

following shares of the Corporation:

Optioned Shares

<u>Number of Shares Optioned</u>	<u>Price per Share</u>	<u>Time from Effective Date within which Option is exercisable</u>
50,000.	25¢	3 months

The Corporation is not aware of any assignments, sub-options or sub-underwritings with respect to the aforementioned underwritten and optioned shares.

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

Secondary Offering

The 62,500 free shares issued to the Underwriter-Optionee, the vendor of the property to the Corporation (see caption "HISTORY AND BUSINESS") as consideration for the property are also being offered under this Prospectus. These shares will only be offered for sale after the underwritten and optioned shares have been taken down and sold. None of the proceeds from the sale of the 62,500 shares will accrue to the treasury of the Corporation.

CAPITALIZATION

The authorized capital of the Corporation is 3,000,000 shares without par value. All shares when issued by the Corporation will be entitled to one vote per share, will rank equally as to dividends when declared and on any distribution of the assets of the Corporation. The shares have no pre-emptive or conversion rights and may not be redeemed or purchased for cancellation. The outstanding shares of the Corporation are outstanding as fully paid and non-assessable and the shares offered hereby, when issued and sold as described in this Prospectus, will be outstanding as fully paid and non-assessable.

<u>Security</u>	<u>Authorized</u>	<u>Outstanding as at April 30, 1974</u>	<u>Outstanding if all securities being offered are sold (1)</u>
Shares without par value	3,000,000 (not to exceed \$1,500,000)	737,500 (\$73,750)	887,500 (\$103,750)

- (1) This figure reflects only the sale of the 150,000 underwritten shares. If the 50,000 shares under option are all taken up and paid for the number of shares outstanding would be 937,500 for \$116,250.

ESCROWED SHARES

Pursuant to an Escrow Agreement dated as of May 23, 1974, certificates representing 675,000 shares in the capital stock of the Corporation are held in escrow by The Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, subject to release only upon written consents of the Ontario Securities Commission and the Board of Directors of the Corporation and subject further to transfer, hypothecation, assignment or other alienation only with the written consents of the Ontario Securities Commission and the Board of Directors of the Corporation.

Pursuant to the provisions of the said Escrow Agreement, it has been agreed that if the Corporation abandons the Lake of Woods Area property, or discontinues development thereon, or if the mining rights become of little or no value, the 675,000 escrowed shares will be returned to the Corporation by the owners thereof; and further that if the Corporation abandons part of such claims or discontinues development on part thereof, or if the mining rights to part of the claims become of little or no value, such part of the said escrowed shares as the Ontario Securities Commission, in its sole discretion shall determine, will be returned to the Corporation by the owners thereof.

Designation of Security	Number of Shares Held in Escrow	Percentage of Class
Shares without Par Value	675,000	76.06% (1)

- (1) Calculated on the basis of their being 887,500 shares issued and outstanding following the sale of the 150,000 underwritten shares.

PRINCIPAL HOLDERS OF SHARES

Set forth hereunder are particulars of the present principal holder of shares of the Corporation, whose ownership

is direct, of record and beneficial.

Name and Address	Class of Security	Type of Ownership	No. of Shares Owned	Percentage of Class (1)
R. E. Barnhardt Securities, Inc., Suite 437, 100 Richmond St. W., Toronto, Ontario.	Shares Without Par Value	Direct, of record and beneficially owned	737,500	100 %

(1) Calculated before the proposed offering of shares referred to on the facing page.

As disclosed in this Prospectus, 62,500 shares may be offered hereunder by way of a secondary offering. The said shares which may be offered will be 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>Percentage to be owned after this Financing (1)</u>
R. E. Barnhardt Securities, Inc., Suite 435, 100 Richmond St. W., Toronto, Ontario.	62,500	675,000	72 %

(1) Calculated on the basis of their being 937,500 shares issued and outstanding.

The percentage of shares of the Corporation beneficially owned, directly or indirectly, by all the directors and senior officers of the Corporation as a group as of the date of this Prospectus, is as follows:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Shares without par value	Nil

DIVIDENDS

No dividends have been paid by the Corporation.

MANAGEMENT

The names, home addresses and principal occupations within the 5 preceding years of the Directors and Officers of the Corporation are as follows:

<u>Name and Address</u>	<u>Position Held</u>	<u>Principal Occupation</u>
Gerald Iscove, 650 Eglinton Avenue West, Apt. #401, Toronto, Ontario.	President and Director	Insurance Agent with Paul Revere Life Insurance Company
Alec Mostov, C.A., 18 Nevada Avenue, Willowdale, Ontario.	Secretary- Treasurer and Director	Chartered Accountant; partner Davidson, Mostov & Company (January, 1972 to present); formerly employed by Dunwoody & Company
Edward Rosen, Suite 1910, 605 Finch Avenue West, Willowdale, Ontario.	Director	Self-employed printer
Brian McDonough, 88 Teddington Park Blvd., Toronto, Ontario	Director	Professional Engineer; Real Estate Salesman with Vern Campbell Real Estate Limited (September, 1973 to present); formerly self-employed mining consultant; director of Cominga - La Compagnie Miniere de L'Ungava Ltee; director of Coulee Lead & Zinc Mines Ltd.

REMUNERATION OF DIRECTORS

No Director or Senior Officer of the Corporation has received any remuneration in the last completed fiscal year of the Corporation. During the current financial year Directors will be paid the sum of \$50 for each meeting attended.

PROMOTERS

R. E. Barnhardt Securities, Inc. is the promoter of the Corporation.

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 Corporation acquired an option on the mining claims in the Lake of Woods Area from R. E. Barnhardt Securities, Inc., in consideration of the issuance of 737,500 shares by the Corporation to R. E. Barnhardt Securities, Inc. R. E. Barnhardt Securities, Inc. is the Underwriter-Optionee and promoter herein.

AUDITORS

The Auditors of the Corporation are Beallor, Beallor & Burns, Chartered Accountants, 55 Eglinton Avenue East, Toronto, Ontario.

TRANSFER AGENT AND REGISTRAR

The Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, is the transfer agent and registrar of the Corporation.

MATERIAL CONTRACTS

The material contracts entered into by the Corporation are as follows:

1. Agreement dated May 21, 1974, between the Corporation and R. E. Barnhardt Securities, Inc., relating to the Lake of Woods Area property (see caption "HISTORY AND BUSINESS");
2. Agreement dated May 24, 1974 between the Corporation and R. E. Barnhardt Securities, Inc. relating to the underwriting and optioning of the shares of the Corporation (see caption "PLAN OF DISTRIBUTION").
3. Agreement dated May 23, 1974 between the Corporation, The Metropolitan Trust Company and R. E. Barnhardt Securities, Inc., referred to under the caption "ESCROWED SHARES".

Copies of the aforementioned Agreements may be inspected at the Head Office of the Corporation during normal business hours during the period of distribution of these securities offered by this Prospectus.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities being offered which are not disclosed in the foregoing and accompanying reports.

PURCHASERS' STATUTORY RIGHTS OF
WITHDRAWAL AND RESCISSION

The Securities Act, 1970, as amended, provides in effect that where a security is offered to the public in the course of distribution,

- (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 or 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 Sections 64 and 65 of The Securities Act, 1970, as amended, for the complete text of the provisions under which the above mentioned rights are conferred.

To the Directors of
Aumac Explorations Limited

Auditors' Report

We have examined the balance sheet of Aumac Explorations Limited as at May 24, 1974, and in connection therewith reviewed such supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet presents fairly the financial position of the Corporation as at May 24, 1974, in accordance with generally accepted accounting principles.

BEALLOR, BEALLOR & BURNS
Chartered Accountants

May 24, 1974
Toronto, Canada

AUMAC EXPLORATIONS LIMITED

BALANCE SHEET AS AT MAY 24, 1974

A S S E T S

Mining claims (Note 1)	\$ 73,750
Organization and Financing expenses (estimated)	8,000
	<hr/>
	\$ 81,750
	<hr/> <hr/>

L I A B I L I T I E S

Accounts payable (estimated)	\$ 8,000
Capital Stock (Notes 1 and 2)	
Authorized:	
3,000,000 shares without par value	
not to exceed \$1,500,000	
Issued and fully paid - for properties	
737,500 shares without par value @ 10¢ per share	73,750
	<hr/>
	\$ 81,750
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Approved on behalf of the Board of Directors:

Director _____
 Gerald Iscove

Director _____
 Alec Mostov

NOTES TO BALANCE SHEET

- Note 1: By Agreement dated May 21, 1974, Aumac Explorations Limited acquired an option on 9 contiguous mining claims located in the Lake of Woods Area, Kenora District, in consideration of the issue by Aumac Explorations Limited of 737,500 fully paid and non-assessable shares of its capital stock, arbitrarily valued by the directors at the price of 10¢ per share.
- Note 2: By Agreement dated May 24, 1974, Aumac Explorations Limited agreed to sell and R.E. Barnhardt Securities, Inc. agreed to purchase 150,000 shares of the capital stock of Aumac Explorations Limited at 20¢ per share payable 3 days after the date upon which the Ontario Securities Commission accepts the Corporation's Prospectus for filing (the "effective date"). Pursuant to this Agreement, the following option on an aggregate of 50,000 additional shares of the Corporation's capital stock was granted as follows:
- 50,000 shares @ 25¢ per share payable
within 3 months of the effective date;
- Note 3: The Corporation was inactive from May 2, 1972 (the date of incorporation) until April 30, 1974.

May 24, 1974

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.

GERALD ISCOVE

President and Chief
Executive Officer

ALEC MOSTOV

Secretary-Treasurer and
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

EDWARD ROSEN

Director

BRIAN McDONOUGH

Director

PROMOTER

R. E. BARNHARDT SECURITIES, INC.

By: R. E. Barnhardt

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, and the Regulations thereunder.

R. E. BARNHARDT SECURITIES, INC.

By: R. E. Barnhardt