

NO SECURITIES COMMISSION OR OTHER SIMILAR
WAY PASSED UPON THE MERITS OF THE SECURITIES
REPRESENTATION TO THE CONTRARY IS AN OFFENSE



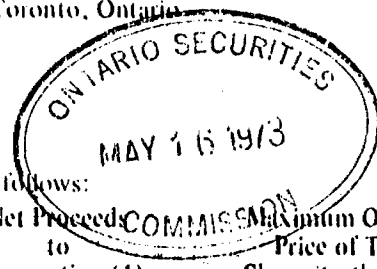
52F11NE0248 63.3064 BUCHAN BAY (EAGLE LA)

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KAMLO GOLD MIN

Suite 520, 25 Adelaide Street East, Toronto, Ontario

PROSPECTUS COMMON SHARES (without par value)



NEW ISSUE:

150,000 underwritten shares and 200,000 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¢
	100,000	25¢	25,000	50¢
	100,000	30¢	30,000	60¢
			<u>\$85,000</u>	

(1) Before deducting the expenses of this issue and incorporation and organization expenses payable by the Company, estimated not to exceed \$7,000.

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 200,000 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

HISTORY AND BUSINESS

Kamlo Gold Mines Limited (the "Company") was incorporated under The Business Corporations Act (Ontario) by Articles of Incorporation dated April 9, 1973, 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 520, 25 Adelaide Street East, Toronto, Ontario.

Eagle Lake Area Mining Claims

Description

Kamlo Gold Mines Limited (the "Company") is the beneficial owner of eighteen (18) contiguous unpatented mining claims covering an area of approximately Seven Hundred and Twenty (720) acres situate in the Buchan Bay Area of Eagle Lake in the Kenora Mining Division of the Province of Ontario. The mining claims were recorded on February 12th, 1973 as Nos. K346340 to K346350 inclusive and K368956 to K368962 inclusive and are in good standing for one year from the recording date.

Location and Access

The property is in the Kenora Mining Division of the Buchan Bay Area of Eagle Lake, about eighteen (18) miles by road (mainly Highway 594) from Dryden to Eagle Lake and a further seven (7) miles by boat to the property. The mining claims are about twenty-two (22) air miles from Dryden where float planes may land on Eagle Lake near the property. There are two float plane bases on Eagle Lake. The Canadian Pacific Railways' main line passes through Dryden and through Minnitaki about four (4) miles north of Eagle Lake. The Town of Dryden is a nearby source of materials, services and labour and Transair has a daily jet service to Dryden from Toronto.

History

The Eagle Lake Area was a center of interest in the search for gold about 1900 and a number of prospects were located, most of them in the southwestern part of the lake. Small amounts of gold were produced but by 1912 virtually all operations had ceased, save one small operation on the Grace property, which resumed work sporadically for two or three years around 1920. The Company has not itself carried out any work on the mining claims, and save for the foregoing, is unaware of any other work which may have been carried out other than airborne surveys for which no assessment work has been recorded.

Economic Geology

The mining claims cover several features of mineralogical promise within a rhyolite belt which has received insufficient investigation. It is known that the rhyolite has been covered by airborne geophysics, however, no such survey has been filed for assessment work, and there is no record of any ground follow up work. It is known that a spring at the east end of the rhyolite belt is precipitating iron hydroxide, and has a very distinct sulphur taste and odour. From this and from an iron occurrence on North Twin Island, a mile or so northwest of the property, it is believed that the rhyolite has some amount of associated sulphides which merit further investigation. Geochemical analysis of silts from the area of the spring can indicate whether metals other than iron are present in the source sulphide occurrence. The possible massive sulphide potential of a considerable portion of this small rhyolite belt including an area outside of the boundaries of the mining claims may be appraised through widely spaced reconnaissance geology and rock geochemistry. Some modification of the property boundaries may be required as the program progresses. The mining claims also contain a portion of the rhyolitic rocks, a rhyolite andesite contact; gold mineralization associated with high level intrusives; a portion of a granite-greenstone contact which elsewhere is mineralized with gold, quartz veins and shears. These features all merit

geological study and geophysical investigation using a method which will penetrate beyond the penetration depth of the airborne surveys estimated at approximately 150 feet. Induced polarization would also accommodate the possibility of finely disseminated mineralization occurring within the porphyry bodies or within the granites.

Geologist's Report

The following is a summary of a report by Margaret Louise Halladay, F.G.A.C., P. Eng., Geologist, dated April 12th, 1973, whose full report is available for inspection in the public files of the Ontario Securities Commission.

Conclusions and Recommendations

The mining claims cover several features of some mineralogical promise within a rhyolite belt which have received insufficient investigation. Work is known to have been carried out over part of the mining claims during the 1920's, but no records are available and there is no assessment work file on any part of the rhyolite belt.

It is recommended that geological surveys be carried out over the claims, to be followed by an Induced Polarization geophysical survey. Reconnaissance geology should be carried out over the rhyolite belt to locate possible areas for geochemical rock analyses and silt surveys.

If subsequent phases of work are warranted from results and indications obtained in Phase I they may involve further staking, geophysical surveys over selected areas, and eventual drilling and possible trenching as viable targets are found.

Costs for this recommended work are estimated as follows:

Phase I (Summer)

Line cutting (400 foot spacing: 7-3/4 miles @ \$100.00 and boat rental (6 days @ \$20.00)	\$ 900.00	
IP survey: 6 (field) days @ \$380.00 plus 5 days (mobilization, camp set-up, weather) @ \$325.00	\$3,925.00	
Magnetometer survey	\$ 475.00	
Geological survey: (including Assistant, subsistence, boat rental, mobilization, report and maps) 32 days	\$7,300.00	
Rock Geochemistry (40 samples @ \$25.00)	\$1,000.00	
Assaying (30 samples @ \$12.50)	\$ 625.00	\$14,225.00

Phase II (Winter)

Line cutting (11 miles @ \$100.00 and \$125.00 air mobilization)	\$1,225.00	
I.P. and Mag.	\$5,000.00	\$ 6,225.00

Phase III (Summer)

Diamond drilling (2000 ft. @ \$10.00/ft.) or drilling, stripping and trenching if indicated	\$20,000.00	\$20,000.00
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Phase IV (Winter)

Diamond drilling (1500 ft. @ \$10.00/ft.)	\$15,000.00	\$15,000.00
		\$55,450.00

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, twenty days work must be performed and recorded, forty days work performed and recorded yearly for the next three years, and sixty days work performed and recorded in the fifth year. Thereafter, and after surveying, claims are required to be brought to twenty-one year lease in the ensuing year with annual rental of \$1 per acre during the first year and \$2.25 per acre annually thereafter. If a lease is for mining rights only, the second and subsequent years' rental is at the rate of \$3.10 per acre.

Acquisition

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 April 11, 1973. 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 vendors 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 John Haahti, 230 Laughton Avenue, Toronto, Ontario, pursuant to an agreement made the 14th day of February, 1973. The purchase price for the mining claims amounted to the sum of \$1,200. 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 Mr. Haahti or M. Rash & Co. Limited for the 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 contain a known body of commercial ore, and the proposed exploration program thereon is an exploratory search for ore. There has been no underground exploration and development of the mining claims and there is neither surface nor underground plant and equipment thereon.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the underwritten shares will be \$23,000 after deducting expenses of the issue and incorporation and organization expenses estimated not to exceed \$7,000. If all of the optioned shares are taken up and paid for, the Company would receive an additional \$55,000. The net proceeds will form part of the Company's working capital and the sum of \$14,225 will be used to implement the Phase I recommendations of Margaret L. Halladay, P. Eng., on the Company's Eagle Lake Area Mining Claims. Dependent upon the results achieved and the availability of funds, the Company may carry out the Phase II, Phase III and Phase IV recommendations of Margaret L. Halladay on the said mining claims, estimated to cost a total of \$41,225. 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 needs, 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 April 11, 1973, 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>
100,000	25¢	3 months	50¢
100,000	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 200,000 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 April 18, 1973</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 (\$16,005)	900,005 (\$46,005)

- (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 200,000 shares optioned are purchased, the number of shares to be outstanding will be 1,100,005 and the consideration paid therefor will be \$101,005.

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:

Name	Address	Position
Ian Albert McNaughtan	242 Kingslake Road Willowdale, Ontario	President & Director

Terry Sokoloff	749 Steeles Avenue W. Unit 25 Willowdale, Ontario	Secretary-Treasurer & Director
Peter Elvin Price	19 Coronado Court Weston, Ontario	Director
Arthur John Fortens	75 Thorncliffe Park Drive Toronto, Ontario	Director
Wilfred Walker	229 Bayview Fairways Drive Thornhill, Ontario	Director

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

Mr. MacNaughtan is an accountant and corporate secretary. He is also an officer and/or director of several mining companies including Mill Creek Explorations Limited, Pac Explorations Limited and Magi Gold Mines Limited.

Mr. Sokoloff is an accountant. Since September 24th, 1971 he has been employed by and is a director and officer of Shlesinger Corporate Services Limited, Suite 520, 25 Adelaide Street East, Toronto, Ontario. 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 Minaki Gold Mines Limited, Pan-Ore Gold Mines Limited and Magi Gold Mines Limited.

Mr. Price is presently the Supervisor of Stores of the Department of Housing of the Municipality of Metropolitan Toronto and director and/or officer of several mining companies including Nautilus Explorations Limited and North Expo Mines Limited.

Mr. Fortens is an accountant and is presently employed by Sprucedale Holdings Limited. From August 1st, 1970 to May 31st, 1971, he was employed as an accountant by Fifth Floor Services, prior thereto employed by Louada Holdings Limited, Louis Cadesky Associates (Northern) Limited and related companies. He is presently an officer and/or director of several mining companies, including Pan-Ore Gold Mines Limited and Pac Explorations Limited.

Mr. Walker is a Consulting Geologist and is self-employed. He is presently a director of several mining companies including Minaki Gold Mines Limited and Pac 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 St. Toronto, Ontario	Of record and beneficially	750,000	83.3

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 St. Toronto, Ontario	75,000	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.

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, five 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 "EAGLE LAKE AREA 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 \$5,500. The sum of \$14,225 will be expended pursuant to the Phase I recommendations of Margaret L. Halladay, P. Eng., for exploration and development of the Company's Eagle Lake Area 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. The Vendors' consideration paid by the Company for the Eagle Lake Area Mining Claims was determined by the present Directors 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 18 unpatented mining claims situate in the Buchan Bay area of Eagle Lake, Kenora 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. The said mining claims were purchased from John Haathi for the sum of \$1,200. Reference is made to the caption "OFFERING" for particulars of the interest of Rash in the underwritten and optioned shares of the Company and for particulars concerning the offering by Rash of 75,000 of the said vendor's 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.

Wilfred Walker, P. Eng., 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 520, 25 Adelaide Street East, 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 April 11, 1973 between the Company and M. Rash & Co. Limited, pursuant to which the Company acquired its interest in 18 unpatented mining claims situate in the Buchan Bay Area of Eagle Lake, Kenora Mining Division, Ontario, as referred to under "HISTORY AND BUSINESS".
2. Underwriting Agreement dated April 11, 1973 between the Company and M. Rash & Co. Limited, referred to under "OFFERING".

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

1. Agreement dated February 14, 1973 between M. Rash & Co. Limited and John Haahti, as referred to under "HISTORY AND BUSINESS".

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.

To The Directors
Kamlo Gold Mines Limited
Toronto, Ontario

I have examined the balance sheet of Kamlo Gold Mines Limited as at April 11, 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 April 11, 1973 in accordance with generally accepted accounting principles.

Toronto, Ontario
April 18, 1973

T.H. Bernholtz
Chartered Accountant

KAMLO GOLD MINES LIMITED
BALANCE SHEET
AS AT APRIL 11, 1973

ASSETS

Cash on hand		\$ 5.00
Mining claims and properties (Note 1)		16,000.00
Organization expenses and costs of issue, estimated		<u>7,000.00</u>
		<u>\$23,005.00</u>

LIABILITIES AND CAPITAL

Accounts payable, estimated		\$ 7,000.00
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	<u>16,000.00</u>	<u>16,005.00</u>
		<u>\$23,005.00</u>

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

Approved on behalf of the Board of Directors:

<u> <i>"I.A. MacNaughtan"</i> </u>	Director
<u> <i>"T. Sokoloff"</i> </u>	Director

KAMLO GOLD MINES LIMITED
NOTES TO BALANCE SHEET
AS AT APRIL 11, 1973

Note 1. The mining claims consist of eighteen contiguous, unpatented claims in the Buchan Bay Area of Eagle Lake in the Kenora Mining Division, 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 April 11, 1973 an 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 200,000 shares of the Corporation's capital stock as follows:

100,000 shares at 25¢ per share payable within three months following the acceptance date of the agreement;
100,000 shares at 30¢ per share payable within six months following the acceptance date of the agreement.

Note 3. A statement of source and application of funds from inception (April 9, 1973) to April 11, 1973 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 18th day of April, 1973.

IAN ALBERT MacNAUGHTAN
Chief Executive Officer

TERRY SOKOLOFF
Chief Financial Officer

ARTHUR JOHN FORTENS
Director

WILFRED WALKER
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 18th day of April, 1973.

M. RASH & CO. LIMITED
Per: MARK RASH



52F11NE0248 63.3064 BUCHAN BAY (EAGLE LA

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REPORT ON THE PROPERTY OF
KAMLO GOLD MINES LIMITED
EAGLE LAKE AREA
KENORA MINING DISTRICT, ONTARIO

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



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LIST OF FIGURES

Fig. 1

(follows page 6)

LIST OF DRAWINGS

<u>DWG.NO.</u>		<u>SCALE</u>
8-400-3	Locality Plan	
8-400-4	Geology	1" = 1 mile

1. SUMMARY

Kamlo Gold Mines Limited holds a group of 18 contiguous unpatented claims in the Eagle Lake area of Kenora Mining District in Western Ontario.

The claim group covers several features of mineralogical promise within a rhyolite belt which has received insufficient investigation. The rhyolite is part of the lower Keewatin series in the Lake of the Woods - Wabigoon area to which series Goodwin (Ref. 2) ascribes most of the minor occurrences and all of the productive mines of the area.

It is known that the rhyolite has been covered by airborne geophysics (probable maximum penetration of 150 feet), and it would appear, from lack of assessment work on file, that no ground follow-up was done. It is known that a spring at the east end of the rhyolite belt is precipitating iron hydroxide and has a very distinct sulphur taste and odor (Ref. 3). From this and from an iron occurrence on North Twin Island, a mile or so northwest of the property, it is believed that the rhyolite has some amount of associated sulphides which merit further investigation. Geochemical analyses of silts from the area of the spring can indicate whether metals other than iron are present in the source sulphide occurrence.

Recent geochemical studies of strata-bound sulphide occurrences indicate that significant exhalative mineralization is always accompanied by an increase in MgO and a depletion of Na_2O as a halo surrounding deposited ores. This knowledge could be employed in conjunction with widely spaced reconnaissance geology and rock geochemistry over an area outlined on Drawing No. 8-400-5 to appraise, with long term interests in mind, the possible massive sulphide potential of a considerable portion of this small rhyolite belt as well as within the Kamlo claims proper. Some modification of the property boundaries may be merited as the programme progresses.

The Kamlo claims contain, as well as a portion of the rhyolitic rocks, a rhyolite-andesite contact; gold mineralization associated with high level intrusives; and a portion of a granite-greenstone contact which elsewhere is mineralized with gold-quartz veins and shears. These features all merit geological study and geophysical investigation using a method which will penetrate beyond 150 feet. There

is a possibility that finely disseminated mineralization may occur within the porphyry bodies or within the granites, which would be best investigated by an induced polarization geophysical method. The old Fournieri showings should be examined and mapped during the geological survey, as well as receiving geophysical coverage. Published sketch and description (Ref. 3) indicates the economic importance of the occurrence would likely be in conjunction with other mineralization. Trenches could be cleaned out and systematically sampled in Phase III if such is indicated in Phase I work.

It is reasonable to expect that drilling targets will be located and to anticipate expenditures for their testing. Costs for such studies are estimated as follows:-

Phase I (summer)		
	Geology, geophysics, rock geochemistry and assaying	\$ 15,000.00
Phase II (winter)		
	Geophysics requiring ice	\$ 6,500.00
Phase III (summer)		
	Diamond drilling (and possibly stripping and trenching)	\$ 20,000.00
Phase IV (winter)		
	Diamond drilling	\$ 15,000.00

The initial phase will shape the form of subsequent phases, which should be executed as/and if warranted.

2. INTRODUCTION

The Eagle Lake rhyolite belt has been the object of at least one airborne survey, but to judge from the lack of work filed for assessment credit, has seen little intensive work on the ground since the early days of gold. The present recommendations are for an intensive study of a newly acquired part of the belt where several features of interest are close together, and a more rapid appraisal of the rest of the belt with long term interests in mind. The techniques used will be aimed at locating ore deposits which would not be found by airborne surveys, because of the type or depth. Some modification of the property boundaries may well be merited as the work progresses.

3. PROPERTY

The property consists of 18 contiguous unpatented mining claims in the Kenora Mining Division of Western Ontario. They are numbered as follows:-

K 346340 to K 346350 inclusive (11 claims)

K 368956 to K 368962 inclusive (7 claims)

They comprise about 720 acres, partly on land and partly under the waters of Eagle Lake.

4. LOCATION AND ACCESS

The property is in Kenora Mining Division in the Buchan Bay area of Eagle Lake. It is about 18 miles by road (mainly on Highway 594) from Dryden to Eagle Lake and a further 7 miles by boat to the property. It is about 22 air miles from Dryden to the claim group where float planes may land on Eagle Lake near the property. The Canadian Pacific Railway's mainline passes through Dryden and through Minnitaki, about 4 miles north of Eagle Lake. There are two float plane bases on Eagle Lake. The Town of Dryden is a nearby source of material, services and labour. Transair has a daily jet service to Dryden from Toronto.

5. HISTORY

The Eagle Lake Area was a centre of interest in the search for gold about 1900. A number of prospects were located, most of them in the southwestern part of the lake. Small amounts of gold were produced but by 1912 virtually all operations had ceased. One of these small operations, the Grace property, resumed work sporadically for 2 - 3 years about 1920.




The Kamlo claim group includes the old Fornieri claims, one of prospects mentioned above. Mineralisation occurs in rhyolite fragmentals, intrusive quartz porphyry, and in shears in rhyolite. It consists of pyrrhotite, chalcopyrite, pyrite and gold. Moorhouse mentions that some of the work done on the claims was done by Erie Canadian Mines, Limited. Moorhouse provides a short description of the claims in his report published in 1939 (Ref. 3). This report includes a map of the Eagle Lake Area at a scale 1" = 1 mile.

In 1965 the Ontario Department of Mines published a report and map (Ref. 2) by A.M. Goodwin dealing with the Lake of the Woods - Wabigoon Area, of which Eagle Lake is a part. His study gave an integrated picture of the regional geology and structure.

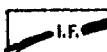


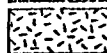
There is no assessment work on file at Queen's Park for this area.

LEGEND

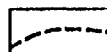
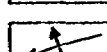
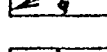



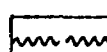
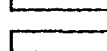
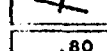
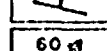
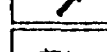

POST-KEEWATIN INTRUSIVE ROCKS

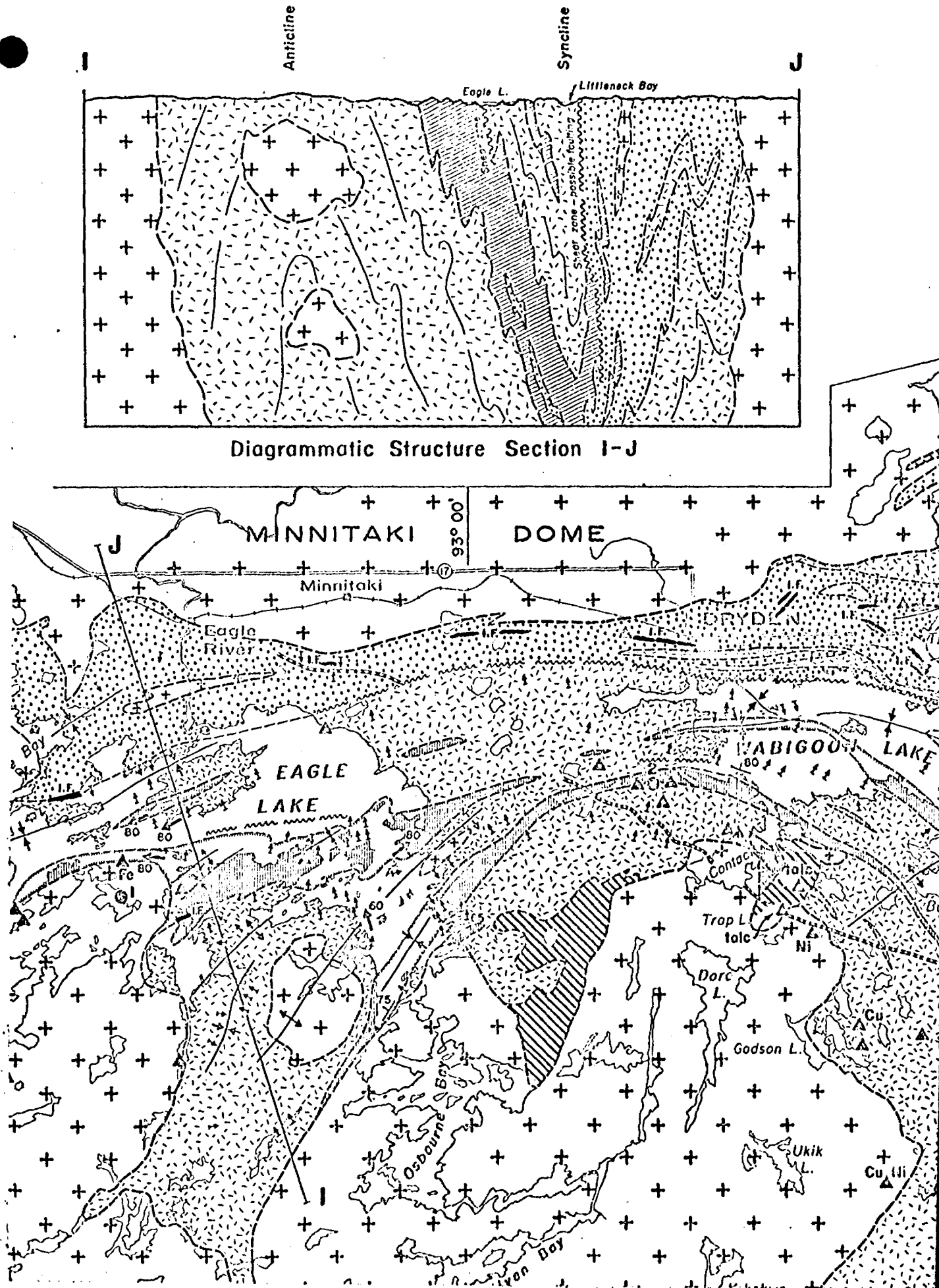
	Diabase.
	Granite.
	Gabbro-peridotite.

KEEWATIN

	Iron formation.
	Sedimentary rocks.
	Acid volcanic rocks.
	Basic volcanic rocks.

SYMBOLS

	Geological contact.
	Anticlinal axis; arrow in direction of plunge.
	Synclinal axis; arrow in direction of plunge.
	Stratigraphic top; pillow structures and grain gradations.
	Shear zone, possible faulting.
	Strike and vertical dip.
	Strike and dip.
	Lination with plunge.
	Railway.
	Highway.
	Mineral occurrence (all gold except as otherwise stated).
	Past producer.



FROM O.D.M. PR-1965-2

Fig. 1

6. GENERAL GEOLOGY

6.1. Regional Setting

Eagle Lake lies within the eastern part of a regional belt of volcanics, volcanogenic intrusions, and large composite granite batholiths. A.M. Goodwin studied this belt from Shoal Lake, west of Lake of the Woods to Wabigoon Lake, east of Eagle Lake. His results are presented in O.D.M. publication numbered P.R. 1965-2. In the immediate area of the Lake of the Woods, Goodwin found two volcanic sequences. The lower sequence is found throughout the entire regional belt, whereas the upper sequence is local to Lake of the Woods. Past producing mines were all located within the lower sequence. These volcanic sequences were intruded by very large granitic domes which buckled the volcanics and left them as elongated belts of folded rocks girdling the domes. On the north and west sides of the Atikwa-Niven Dome in the east end of the area are several large mafic intrusives which range in composition from gabbro to periodotite.

Eagle Lake belt is one of the volcanic remnants of the lower Keewatin sequence which lies between the Minnitaki Dome to the north, the Atikwa-Niven Dome adjacent to the south and the Dryberry Dome to the west.

6.2. Local Geology

The Eagle Lake acid volcanic belt lies on the north margin of the Atikwa-Niven Dome. The area was mapped by Moorhouse in 1939 (Ref. 3). The rhyolite occupies a peninsula and several islands in central and eastern Eagle Lake (see Dwg.8-400-4). Flows on either side of it are more mafic and a sedimentary sequence lies north of the volcanics. The extrusives and the sediments are tightly folded between the granite domes into an east-west striking southern anticline and a northern syncline. Goodwin's study shows that the rhyolite forms the southern limb of the anticline (see Fig. 1) and is not present on the north limb. If the rhyolite was once present on the north limb it has been cut off by a fault which is mapped as a shear zone.

The claim group is marked out over part of the rhyolite belt which involves the following features:-

- (a) a former gold prospect at Fornieri Bay in intrusive quartz porphyry

- (b) a segment of rhyolite rocks
- (c) a rhyolite-andesite contact
- (d) a small part of the margin of a granite intrusive

7. ECONOMIC GEOLOGY

The Eagle Lake rhyolite band apparently has received little if any study since the intrusive gold searches of the 1920's. It is known (personal communication from O.D.M. Resident and Field geologists) that the belt has been studied by airborne geophysics, at least once. However, no such survey has been filed for assessment work and there is no record in assessment files of any ground follow-up.

The rhyolite band is, according to A.M. Goodwin, part of the lower Keewatin series which contains most of the mineral occurrences and all of the orebodies of the Lake of the Woods-Wabigoon area. It is quite possible that orebodies lie within the flows which because of the nature of the mineralisation, or their situation below penetration depths of the average airborne survey (150') were not discovered by the airborne geophysics.

Geological study is suggested as the next tool followed if and where necessary with ground geophysics and/or geochemistry. Early interest was in gold quartz veins, and our present knowledge of strata-bound sulphide deposits may not have been applied in ground work.

Several traverses should be made across the strike of the rhyolite looking for traces of sulphide mineralisation which may be combined with introduction of MgO and removal of Na_2O , with or without enrichment in K_2O . In the Abitibi volcanic belt these abnormal deviations from background are recognized only in association with volcanogenic copper-zinc mineralisation. Sufficient sampling must be done to establish background values, and to ascertain that the volcanics are within the calc-alkaline series, which is the only one containing economic mineralisation in the Abitibi belt, and probably other Kuroko type mineralised sequences (Ref. 1).

Geochemistry should also be used in reconnaissance studies of overburden covered areas of interest. Moorhouse refers to a cold clear spring found in Spring Bay, at the east end of the rhyolite band and about 6 miles east of the Kamlo property. He states it is depositing heavy iron hydroxide precipitation and has a very distinct sulphur taste and odor. He suggests it may be in contact with a

decomposing sulphide zone. The nature of the sulphide mineralisation should be investigated by sampling silt. If sulphide other than iron is indicated, other seeps around the bay should be checked.

Gold in this area, according to Moorhouse, occurs in three different settings:-

- (a) in shear zones in granite
- (b) in shears and quartz veins in basic Keewatin lava
- (c) in shear zones in quartz porphyry

It is unlikely that previously unknown gold mineralisation would be found at surface. However, mineralisation within the quartz porphyry rock itself, devoid of large quartz veins, should be looked for. A number of relatively small porphyry bodies with low grade mineralisation, perhaps enhanced with copper, might be mineable in conjunction with known veins as sweeteners. Similar situations should be watched for along the margins of granite batholiths.

The Kamlo claim group includes the former Fornieri gold property in which quartz veins with pyrrhotite, chalcopryrite, pyrite and bismuthinite (?) were found in acid fragmented rocks and quartz porphyry intrusives. The Fornieri showing has not been mapped or sampled by the author and present knowledge of it was completed by Moorhouse (Ref. 3) from various accounts in the publications of the Ontario Bureau of Mines.

8. CONCLUSIONS AND RECOMMENDATIONS

The Kamlo claim group covers several features of some mineralogical promise within a rhyolite belt which has received insufficient investigation. Work is known to have been carried out over part of the claims during the 1920's but except for Moorhouse's description no records are available. There is no assessment work filed on any part of the rhyolite belt.

It is recommended that geological surveys be carried out over the claims, to be followed by an Induced Polarization geophysical survey. Reconnaissance geology should be carried out over the rhyolite belt to locate possible areas for geochemical rock analyses and silt surveys.

If subsequent phases of work are warranted from results and indications obtained in Phase I they may involve further staking, geophysical surveys over selected areas, and eventual drilling and possible trenching as viable targets are found.

Cost for this recommended work is estimated as follows:

Phase I (Summer)

Line cutting (400 foot spacing: 7-3/4 miles @ \$100.00) and boat rental (6 days @ \$20.00)	\$ 900.00	
IP survey: 6 (field) days @ \$380.00 plus 5 days (mobilization, camp set-up, weather) @ \$325.00	\$3,925.00	
Magnetometer survey	\$ 475.00	
Geological survey: (including Assistant, subsistence, boat rental, mobilization, report and maps) 32 days	\$7,300.00	
Rock Geochemistry (40 samples @ \$25.00)	\$1,000.00	
Assaying (30 samples @ \$12.50)	<u>\$ 625.00</u>	\$14,225.00

Phase II (Winter)

Line cutting (11 miles @ \$100.00 and \$125.00 air mobilization)	\$1,225.00	
I.P. and Mag	<u>\$5,000.00</u>	\$ 6,225.00

Phase III (Summer)		
Diamond drilling (2000 ft. @ \$10.00/ft.) or drilling, stripping and trenching if indicated	<u>\$20,000.00</u>	\$20,000.00
Phase IV (Winter)		
Diamond drilling (1500 ft. @ \$10.00/ft.)	\$15,000.00	<u>\$15,000.00</u>
		\$55,450.00

Respectfully submitted,

M. L. Halladay

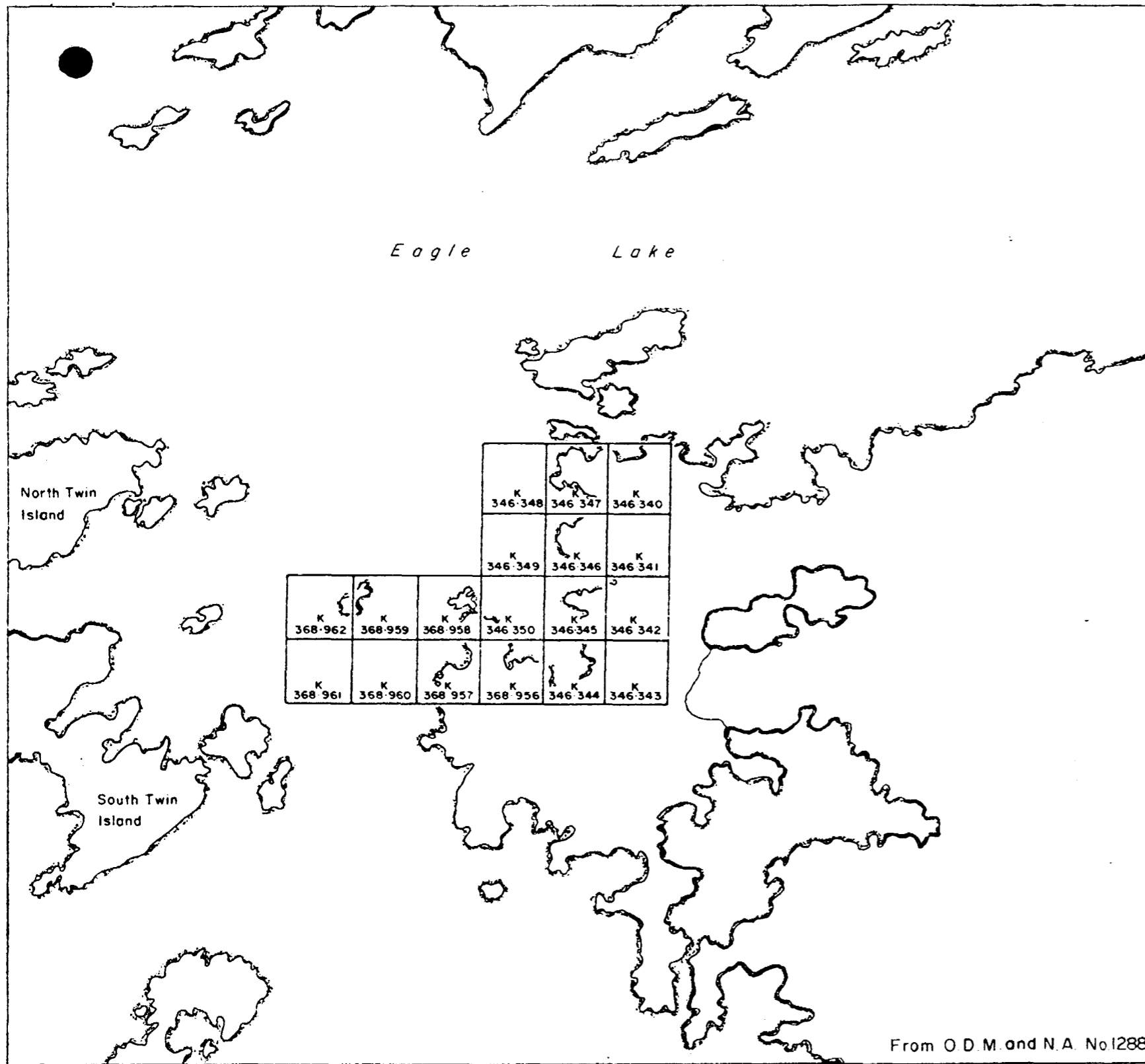
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April 11, 1973

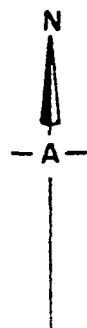
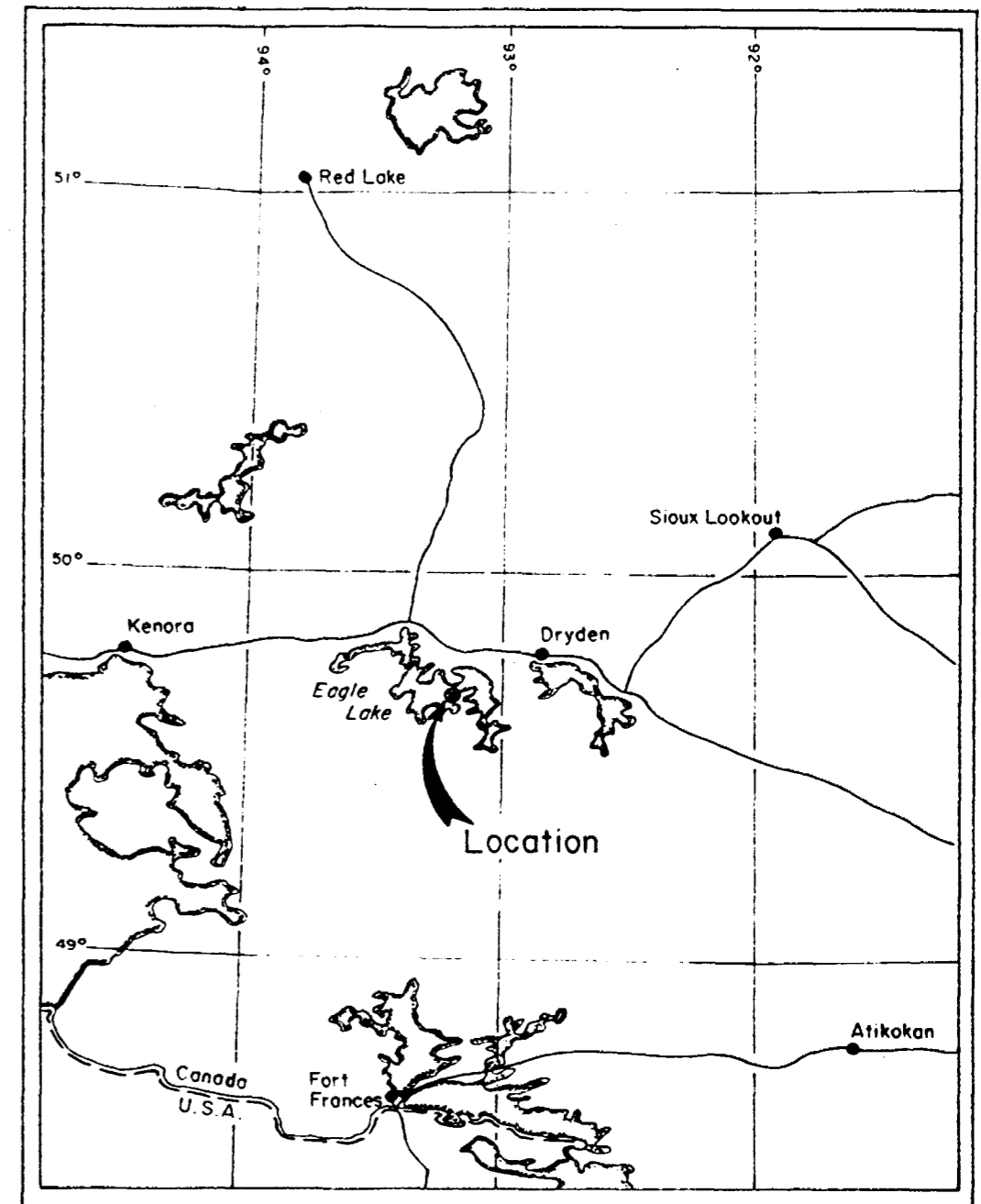
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M.L. Halladay, F.G.A.C., P. Eng.





From O.D.M. and N.A. No 1288



KAMLO GOLD MINES LIMITED
EAGLE LAKE AREA, ONTARIO

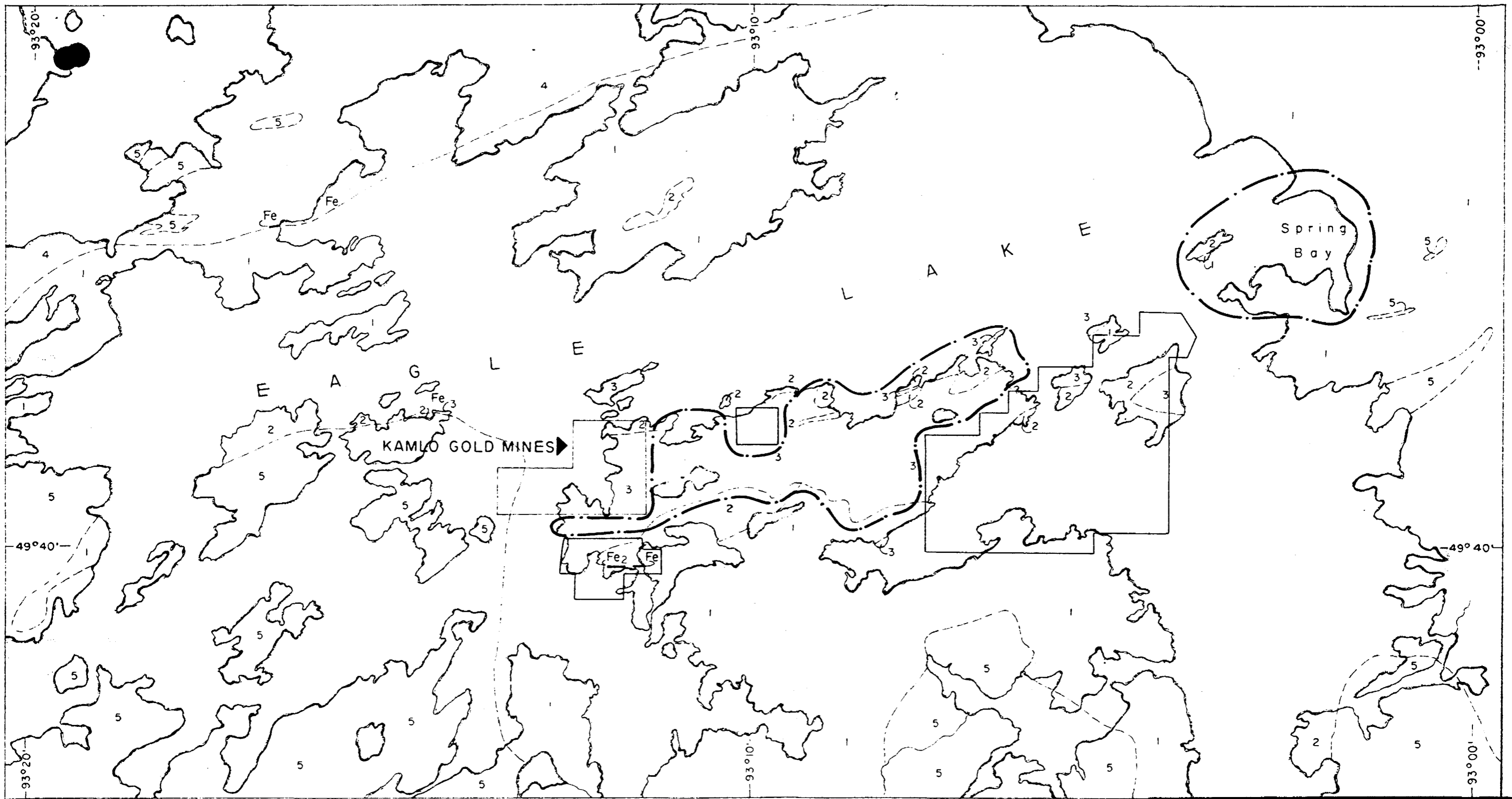
LOCALITY PLAN

Work undertaken by
BARRINGER RESEARCH LTD, Toronto, Canada.

APRIL 1973

Scale

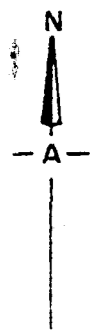
DWG. 8-400-3



— Legend —

Claim groups

Area outside KAMLO claims to be examined by
reconnaissance geology & geochemistry



GEOLOGY FROM O.D.M. MAP No. 48d

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KAMLO GOLD MINES LIMITED

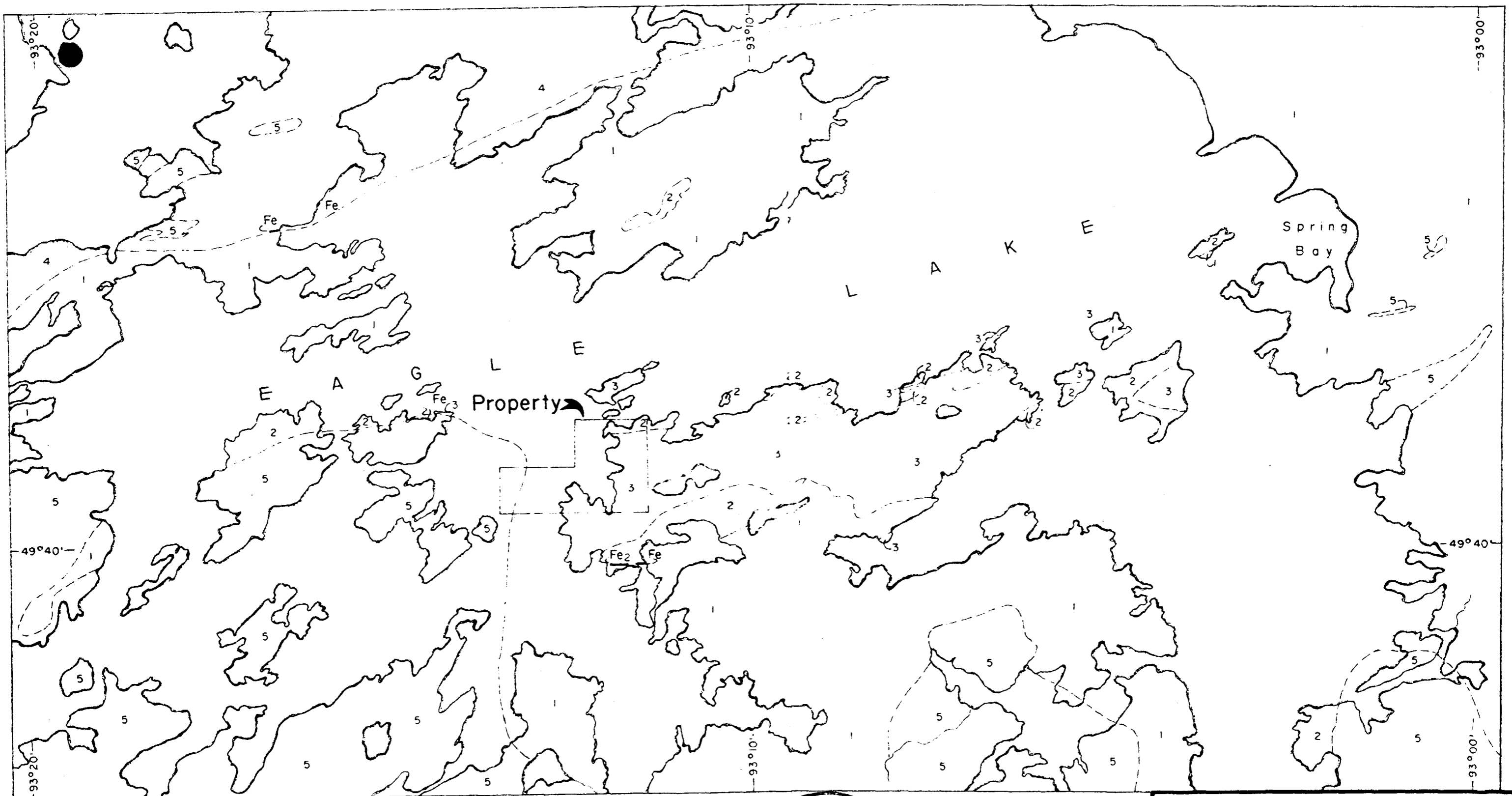
EAGLE LAKE AREA, ONTARIO

**MAP SHOWING
AREA OF RECONNAISSANCE GEOLOGY
& GEOCHEMISTRY**

APRIL 1973

Scale 1" = 1 Mile

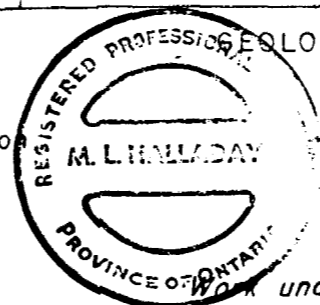
DWG. 8-400-5



- Legend -

- 5 Granite
- 4 Sediments
- 3 Rhyolitic flows pyroclastics and intrusives
- 2 Intermediate flows
- 1 Massive basic lavas

Fe - Iron Formation



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KAMLO GOLD MINES LIMITED

EAGLE LAKE AREA, ONTARIO

GEOLOGY

APRIL 1973

Scale 1" = 1 Mile

DWG. 8-400-4