P H X INC.

TWP. 26 - RANGE 25 - WAWA REGION

SAULT STE. MARIE MINING DIVISION

Report by

John A. Kosterper

P. Eng.

August 22, 1973
P M X Inc. has acquired the mineral rights to a group of 14 contiguous claims, totalling 560 acres, located in the Sault Ste. Marie Mining Division, Wawa-Kenitowick Lake area. Seven of the claims are owned outright by the company and seven are held under the terms of an option agreement.

The property is situated within a geological environment favorable to the deposition of base metal and gold-silver mineralization. The claims are underlain by acid to intermediate volcanics. At the southern property limits the silicious tuff and agglomerate is intruded by a large mass of granite, the contact area located in the bed of the lake. Northeasterly shearing occurs on strike of the lake and along the north shoreline.

Five years ago a copper discovery was made on the north shoreline of Manitocick Lake. Due to secondary oxidation, sampling of the showing is difficult with higher than representative copper assays being returned. Where fresh chalcopyrite can be obtained, assays average 1.25% copper together with low values in silver. The mineralization is both disseminated and of stringer variety.

Attempts to sample the showing with x-ray drill equipment from the lake ice proved unsuccessful due to
a lowered lake level and consequent unsuitable drill location, further complicated by poor core recovery in surface bedrock. The extent of the chalcopyrite occurrence remains to be determined as to grade and widths.

In February, 1970, a Crone REM geophysical survey was performed over the central property area on the lake ice and north shoreline. The survey data was referred to Dr. Duncan Crone, Consulting Geophysicist, for interpretation. Three relatively parallel conductors were outlined trending N.E.‘ly, one on the north shoreline, the other two in the bed of the lake. The conductors are approximately 1200 feet in strike length and average 300 and 500 feet apart respectively.

Dr. Crone concludes that the three conductors are characteristic of underlying sulphide mineralization. In view of the chalcopyrite showing centrally located between conductor axis 'A' and 'B' he recommends drill testing on the basis of the geophysical data referred to him.

Two drill holes using not less than 5Q diameter equipment are recommended to test the three conductors and the mineralized occurrence situated between conductor
axis 'A' and 'B'. The holes on adjoining 200 foot sections would be drilled to core lengths of 1000 feet respectively to adequately test the targets at depth. Further exploration of the property including additional claim staking, geophysical surveying and diamond drilling will be contingent upon results encountered in the initial program.

Dated at Val d'Or, Quebec,
this 22nd day of August, 1973.

John A. Honsberger, P. Eng.
P M X INC.

TWP. 26 - RANGE 25 - WAHA REGION
SAULT STE. MARIE MINING DIVISION

PROPERTY

P M X Inc. has acquired the mineral rights to 14 contiguous mining claims located in the N.W. i of township 26, range 25, Sault Ste. Marie Mining Division. The 40 acre claims, totalling 560 acres more or less, bearing license nos 370643-370649 incl., and 370698-370704 incl., are located approximately 2/3 in the bed of Manitowick Lake. Claims 370643-370649 incl. are owned outright by the company, while claims 370698-370704 incl. are held under option. All claims are registered in good standing with the Ontario Department of Mines. A complete listing of mining titles is to be found in the appendix of this report.

LOCATION AND ACCESS

The P M X Inc. property is situated 26 miles N. E. of Michipicoten Harbour on Lake Superior, and 22 miles N. E. of Wawa, centre of the Algoma Steel Corp. open pit iron mining operations. The Trans Canada
Highway between Sault Ste. Marie and Thunder Bay extends through Wawa. Hawk Junction, a divisional point on the Algoma Central Railway is a village approximately 10 miles S.W. of the claim group.

Access to the property can be made by either float or ski equipped aircraft from a nearby base at Wawa, or via the Chapleau-Wawa highway 10 miles N.E. of Wawa, thence by secondary access road to the south central Manitowick lake area. An additional 5 miles by boat or snow vehicle on Manitowick Lake is necessary to arrive on the claim group.

One of Algoma Steel Corporation's open pit mines is located in adjoining township 27, range 26, at Coudreau, Ont., 9 miles N.W. of the property. Adequate water supply, hydro electric power, transportation and experienced mine labour are therefore readily attainable.

**TOPOGRAPHY AND GENERAL GEOLOGY**

The property is located near the north shore of Lake Superior, which is characterized by rugged and bold relief. It is not uncommon for hills to rise as much as 300 feet above inland waterways and lakes. The hills are
generally covered by sparse stands of spruce, poplar and birch. Soil covering is shallow with the result that rock exposures are numerous.

Manitowick Lake is in a regional Ontario hydro reservoir system so that there is considerable variation in the lake level. Relief along the north shore averages 200 feet, while depth measurements taken 300 feet offshore in the central property area this past winter exceed 250 feet. It is safe to assume that maximum property relief is well in excess of 500 feet.

All consolidated rocks of the area are of Precambrian age. Keewatin volcanics consist of rhyolite, andesite and basalt and their pyroclastic equivalents are tuff, agglomerate and breccia. Narrow bands of iron formation are often interbedded with the volcanics.

Small irregular diorite intrusives occur throughout the area. Algoma intrusives of syenite and granite occur in large masses surrounding the Kichipicoten area.

Black shale, iron formation, conglomerates and diabase dykes of Keweenawan age complete the succession.
The P K X property is essentially underlain by volcanics consisting of tuff, conglomerate and breccia. A large mass of pyrite outcrops on the south shore of the lake, the volcanic-intrusive contact being somewhere in the bed of the lake.

A mineral occurrence, consisting of pyrite and chalcopyrite was recently discovered at a period of low lake level on the north shore of the lake. The sulphides are found within a silicious tuff host rock occupied by claim 370645.

ECONOMIC GEOLOGY

A number of soil discoveries have been made in the Michipicoten region, some dating back before the turn of the century. Only limited production has resulted, generally west and southwest of the property.

Although sulphide occurrences are numerous in the area, base metal sulphide mineralization is uncommon. According to P.C.M. 184, a compilation sheet of the Michipicoten area, only 5 base metal showings have been investigated, of more than 90 mineral occurrences located
Alcan Steel Corporation operates iron mines in the Wawa-Goodwin region, accounting for all current production.

PROPERTY HISTORY AND MINERAL SHOWING

There are no available records of previous exploration history or mineralized showings existing on the property through government geological reports and maps, nor is there any evidence of previous exploration undertaken in the P.B.X claim area.

Five years ago, a Val d'Or, Quebec, prospector, Paul Dupras, discovered a copper showing on the north shore of Manitocick Lake.

Mr. Dupras and Mr. D. Vaughan subsequently raised a grubstake to investigate the showing area by geophysical surveying and limited x-ray diamond drilling. No further work has been undertaken on the claim group. During the current year the property was restaked by prospectors Vaughan and Keats.

The mineralization consists of highly oxidized pyrite and chalcopyrite. Objective sampling of the weathered sulphides is difficult at best. Assays of 10-12% copper were obtained. Where fresh chalcopyrite
can be sampled and considered representative, excluding as far as is possible the secondary oxidation, assay results average about 1.25% copper, together with low values in silver. The pyrite and chalcopyrite mineralization is both disseminated and of stringer variety.

Due to the steep shoreline, it was considered that x-ray drilling should be undertaken from the ice, to determine the width and grade of the mineralization below surface. Between the time of initial sampling and when the machine arrived on the property, the lake level had been lowered about 30 feet. As a result the x-ray drill had to be located nearer the showing on the steep hillside. Drilling was difficult and core recovery poor. Although set-up on bed rock, the hole was cased to a depth of 16.0 feet while an attempt was made to collect sludge samples. The hole on section, but steeper, encountered the same difficulty in the badly decomposed rock and was abandoned at 20.0 feet without any core recovered.

The core was subsequently transported to Val d'Or, logged and sampled by the McIntyre Porcupine exploration personnel. Assays of the recovered sludge ranged between 0.08-0.27% Cu, together with low values in gold and silver. With the exception of the top five
feet of core recovered in which minor chalcopyrite assayed 0.2% Cu, the balance of the core was mineralized by pyrite only.

Upon completion of drilling during January, a Crone FEM survey was performed over the central property area on 200 foot line spacing. A N.E.-S.W. base line was established over the ice with lines picketed and chained normal to the base line for a total grid of approximately 5 miles. The data was referred for interpretation to Dr. Duncan Crone, consulting geophysicist, whose instrumentation was used in the course of the survey. Dr. Crone outlined three relatively parallel conductors trending N.E.-ly, one on the north shore line, the other two in the bed of the lake. The conductors designated 'A', 'B', and 'C' are approximately 1200 feet in N.E.-S.W. strike length and average 300 and 500 feet apart respectively.

CONCLUSIONS

P M X Inc. holds a group of claims located within a geological environment favorable to the deposition of base metal and/or gold and silver mineralization. A recently discovered copper showing exists on claim 370645.
The extent of the occurrence remains to be determined as to grade and widths. Surface oxidation at the discovery site makes sampling difficult. Representative samples of unweathered chalcopyrite average 1.25% copper.

Attempts to sample the showing with x-ray drill equipment proved unsuccessful due to an unsuitable drill location and further complicated by poor core recovery in surface bedrock. The showing is located on survey grid section 0+00, station 10+50W. The x-ray collar location was on section 0+18S, station 9+20W. It is obvious that the hole did not reach its intended depth and in view of Dr. Cron's findings as regards a 60° dip of structure to the N.W., it would have required a hole length beyond the capability of the light x-ray machine to reach the assumed downward extension of the surface showing.

An electromagnetic survey undertaken over the winter ice and north shoreline has revealed 3 relatively parallel conductors. Recommendations have been made to test these conductors by diamond drilling. The copper showing is located between conductor axis 'A' and 'B'.
Two AXT diamond drill holes are proposed to test each of the three parallel conductors on two adjoining sections. The first hole should be situated on section 0+00, station 12+50W. The collar location would be approximately 175 feet N.W. of the discovery site and assuming a 60° N.W. dip, would intersect the assumed downward extension of the mineralized zone at a core length of 200 feet, approximately 150 feet below bedrock surface. The hole drilled at 45° dip, azimuth 125°, would intersect S.E.\'ly conductor 'C' at a core length of about 900 feet.

The second hole is tentatively located on section 2+00N, station 12+50W. The hole would be inclined at 60° and intersections in the conductive zones would determine attitudes of the conductors. This hole is scheduled as provisional, dependant upon results encountered in D.D.H. No.1.

If results warrant, additional claims should be staked and a more comprehensive geophysical program undertaken to cover the entire property.

STAGE 1 Costs of the drilling program are based on drill contract tenders. Cost of the two hole program
including transporting, engineering supervision, core handling and assaying and providing for contingencies is estimated at $25,000.00.

STAGE II  If results warrant, a similar expenditure may be invisced to include additional staking, geophysical surveying and further drilling.

Dated at Val d'Or, Quebec,
this 22nd day of August, 1973.

[Signature]

John A. Monsberger, P. Eng.
CERTIFICATE

I, John A. Nonsberger, residing at 1030 - 6th Street, Val d'Or, Quebec, do hereby certify as follows:

That I attended the University of Missouri School of Mines and Metallurgy and graduated with a B. Sc. Degree in Mining Engineering.

That I am a member of the Association of Professional Engineers of Ontario and of the Corporation of Engineers of Quebec.

That I have no direct or indirect interest in the claims forming the property of P M X Inc. nor in the shares or securities of that company.

That the report on the P M X Inc. property, attached herewith and dated August 22, 1973 is based:

a) on detailed examination of all pertinent data describing the local, regional and economic geology and relative developments in the area, as to be found in government reports and geological maps.

b) on a study of the geophysical data and pertinent locational maps as supplied by the prospectors.

c) on a visual examination of the x-ray core obtained during January-February, 1970.

d) on drill logs and assav results as supplied by McIntyre Porcupine exploration personnel.

e) on a personal inspection of the property in September, 1970.

Dated at Val d'Or, Quebec,
this 22nd day of August, 1973.

John A. Nonsberger, P. Eng.

[Signature]
APPENDIX

I. PROPERTY TITLES

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<th>Claim Numbers</th>
<th>ACREAGE</th>
<th>Anniversary Date</th>
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<td>370643 - 370649 incl.</td>
<td>7 x 40 acres</td>
<td>23/7/74</td>
</tr>
<tr>
<td>370708 - 370704 incl.</td>
<td>7 x 40 acres</td>
<td>23/7/74</td>
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<tr>
<td>14 Claims</td>
<td>560 Acres</td>
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II. REFERENCES

1) Geology of Goudreau Area from E.L. Bruce, 1940

III. COMPILATION MAP

Locational, Geological and Geophysical Map showing proposed drill hole location.
No Securities Commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

P.M.X. INC.
Head Office
Suite 406
129 Adelaide Street West
Toronto, Ontario

NEW ISSUE

This is a new offering of up to but not more than 200,000 common shares from the treasury of P.M.X. Inc. (the "Company") which will be offered on a "best efforts" basis. The shares will be offered by the Company to the public at the best price the market will permit, through Bouchard & Co. Ltd. acting as agents, who will be paid a commission of 10% of the selling price to the public, provided that in no case shall the Company receive less than 45 cents net per share after deducting commissions.

There is no assurance that any or all of the above shares will be sold. All purchase monies will be deposited in an account with Guaranty Trust Company of Canada, and if at least $50,000 is not received from subscriptions within 90 days from the commencement of distribution, all monies will be returned to the subscribers. If $50,000, including commissions, is raised within such time the offering may continue until the full 200,000 shares are sold to the public.

PURPOSE OF OFFERING

The purpose of the new offering is to provide the Company with sufficient funds to pay its operating expenses, make payments owing with respect to the acquiring of mining properties and to carry out the exploration programme recommended by its consulting engineer. See within under the headings "History and Business" and "Use of Proceeds".

There is no market for the shares of the Company.

THESE SECURITIES ARE SPECULATIVE

BOUCHARD & CO. LTD.
Suite 207,
18 King Street East,
Toronto, Ontario.

Prospectus dated November 16, 1973
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P. M. X. Inc. (hereinafter called the "Company") was incorporated under The Business Corporations Act, 1970, on August 15, 1973, for the purpose of acquiring, exploring and developing mining properties, and particularly to explore a group of 14 contiguous mining claims located in the Sault Ste. Marie Mining Division in the Wawa-Manitowick Lake area of Ontario.

The Company purchased 7 of the claims from Dean Vaughan and James Geert Nauta (the "vendors") and obtained an option to purchase the remaining 7 claims from such vendors. By an agreement made as of August 20, 1973 the vendors received 750,000 fully paid and non-assessable common shares for the claims that were purchased.

Under that agreement the Company has until August 20, 1974 to exercise the option to purchase the optioned claims. No payment was made for such option. However, if the option is exercised the Company is required to pay the vendors $25,000 on each 30th day of January in 1975 and 1976. At the option of the vendors they may, on notice to the Company at least 30 days prior to each payment date, elect to receive shares of the Company by forgiveness of all or any part of any such payment. The price for the shares has been agreed at 45¢ per share. If any of the 14 claims are placed in commercial production within 10 years the vendors will receive royalty payments in the aggregate of 2% of the net smelter returns.

The claims are unpatented and cover about 560 acres. They are in the north west quarter of Township 26, range 25 in the Sault Ste. Marie Mining division. Claims 370643 to 370649, both inclusive, are owned by the Company and claims 370698 and 370704, both inclusive, are held under option. They are all in good standing until July 22, 1974 (date of staking was July 23, 1973) at which time assessment work will be required. No surface rights are owned by the Company or the vendors.

The claims are located 26 miles North East of Michipicoten Harbour on Lake Superior, and 22 miles North East of Wawa, the centre of the Algoma Steel Corporation's open pit iron mining operations. The Trans-Canada Highway between Sault Ste. Marie and Thunder Bay extends through Wawa. Hawk Junction, a divisional point on the
Algoma Central Railway is a village approximately 10 miles South West of the claims. Access to the property can be made by either float or ski equipped aircraft from Wawa, or via the Chapleau-Wawa highway 10 miles North East of Wawa, thence by secondary road to the south central Manitowick lake area. An additional 5 miles by boat or snow vehicle on that lake is necessary to arrive on the claim group. An operating open pit mine is located 9 miles North West of the property and adequate water supply, hydro electric power and transportation is therefore readily attainable.

There is no underground or surface plant and equipment on the property, and the Company is not aware of any underground exploration and development work. The work done on the claims consisted of a geophysical survey in 1970 and some limited x-ray diamond drilling. Out of 2 holes only 1 core was recovered. The assays of the recovered sludge ranged between 0.08 - 0.23% Cu. with low values in gold and silver. The top 5 feet of core had minor chalcopyrite assayed at 0.20% Cu. with the balance mineralized by pyrite only. No other work has since been done on the claims.

The following summary of the proposed exploration programme is taken from the report dated August 22, 1973 by John A. Honsberger, P. Eng., a consulting geologist retained by the Company. Signed copies of this report have been filed with the Ontario Securities Commission and are available for inspection in the public files of the Ontario Securities Commission and at the head office of the Company.

Summary

The claims are situated within a geological environment favourable to the deposition of base metal and gold-silver mineralization. They are underlain by acid to intermediate volcanics. At the southern limits the silicious tuff and agglomerate is intruded by a large mass of granite, the contact area located in the bed of the lake. North Easterly shearing occurs on strike of the lake and along the north shoreline.

Five years ago a copper discovery was made on the north shoreline of Manitowick lake. Due to secondary oxidation, sampling of the showing was difficult with higher than representative copper assays being returned. Where fresh chalcopyrite was obtained, assays averaged 1.25% copper together with low values in silver. The mineralization is both disseminated and of stringer variety.
Attempts to sample the showing with x-ray drill equipment from the lake ice were unsuccessful due to a low lake level at the time and consequent unsuitable drill location, further complicated by poor core recovery in surface bedrock. The extent of the chalcopyrite occurrence remains to be determined as to grade and widths.

In February 1970, a Crone REM geophysical survey was performed over the central property area on the lake ice and north shoreline. Three relatively parallel conductors were outlined trending North Easterly, one on the north shoreline, the other two in the bed of the lake. The conductors are approximately 1200 feet in strike length and average 300 and 500 feet apart respectively. Those conductors were stated to be characteristic of underlying sulphide mineralization.

Recommendations

Two AXT drill holes are recommended to test the three parallel conductors. The holes on adjoining 200 foot sections would be drilled to core lengths of 1000 and 1100 feet respectively to adequately test the targets at depth. Further exploration of the property including additional claim staking, geophysical surveying and diamond drilling will be contingent upon results encountered in the initial programme.

The cost of the first stage (the 2 hole programme), including transporting, engineering supervision, core handling and assaying and providing for contingencies is estimated at $25,000. If results of that stage warrant further work there would be a similar expenditure which would include additional staking, geophysical surveying and further drilling as a second stage of exploration.

THE BLACK HILLS BULLION PROPERTY

The above property recently acquired by the Company is located in Pennington County, in the Black Hills district of South Dakota, in the south western part of the State, and is 15 miles south from Lead, the site of the largest gold producer in the United States, the Homestake gold mine. Access to the property is easy by means of a good dirt road.

The Northern Part of the property is crossed by the Chicago-Burlington-Quincy railway line from Lead to Rochford, and on to Rapid City. It lies in the middle of a presently inactive gold camp, which was the site of a rush between 1880 and 1900. These hills are in fact an enormous outcropping or erosional dome of Precambrian rocks exposed through a window carved into the more recent central plains sedimentary formations. Several gold-silver mines were developed where the massive chert beds bearing gold and silver were located through the overburden.
The property is located entirely in the Middle Precambrian, which contain the Rochford Formation, a commonly gold-bearing cherty and ferruginous unit. This formation has been the locus of mineralization throughout the district, for it was originally to the north near Lead that the first extensive and rich deposits of the Homestake mine were discovered.

Similar conditions appear to be present in the area of the Company's Black Hills Bullion property namely the lithology which controlled gold deposition within the cherty unit and the structures in the form of plunging folds where most of the gold mines in that area were found.

The Black Hills Bullion property consists of two parts; the northern part just north of Rochford and the southern part just south of Rochford. The northern part consists of six claims; Linda Jane #1 to #6 located in the south east quarter, section 15, T. 2 N., R. 3 E., Pennington County, and the southern part consists of four claims; Marion #1 to #4 located in the western half, section 25, T. 2 N., R. 3 E., Pennington County. The claims will be in good standing until August 20, 1974. Prior to that date some work will have to be done on them to keep them in good standing. A report on such property prepared by Jean-Claude LeKoy under date of August 27, 1973 is available for inspection at the office of the Ontario Securities Commission and at the Company's head office.

The vendors previously referred to, Dean Vaughan and James Geert Nauta, acquired the property for the Company as a gold-silver prospect. It was staked by them on August 20 and 21, 1973. The cost to the Company for such acquisition will be approximately $2,172, the amount needed to reimburse Messrs. Vaughan and Nauta for the expenses incurred by them to obtain the property. No part of the proceeds of this issue is presently intended to be used to do any exploration work on this property. There are no immediate plans for the property.

OFFERING

The Company entered into an agreement dated September 21, 1973 with Bouchard & Co. Ltd., (the "Agent"), 18 King Street East, Toronto, Ontario, whereby the Agent would offer for sale to the public in the Province of Ontario 200,000 common shares without par value in its capital at the best price the market will permit, but not at less than 50 cents per share, to net the Company 45 cents per share after deducting a commission of 10% of the selling price.
to the public, and also provided that a minimum of $50,000 including commissions is raised from subscriptions for shares. The offering will commence on the next business day following the date of issuance by the Ontario Securities Commission of its official receipt for the prospectus which qualifies such shares for distribution. The Company may direct the appointment of sub-agents and the Agent may appoint sub-agents, who may offer the shares at the same price and on the same terms.

Under the agreement Guaranty Trust Company of Canada, the Registrar and Transfer Agent of the Company, has agreed to act as trustee for the Company and for subscribers. All monies received from subscriptions for shares offered under the prospectus will be held in trust by the trustee and paid over to the Company only if and when a total of $50,000 has been received from subscriptions. If such amount has not been received within 90 days from the commencement of the offering, all funds will be returned to subscribers without deduction of any kind and without interest. If $50,000 has been subscribed within such time, the trustee will pay the funds from subscriptions to the Company and to the Agent and approved sub-agents to the extent that the commissions have been earned and the offering may continue until a total of 200,000 common shares have been sold to the public.

As no market presently exists for the shares of the Company, the shares offered hereby will be offered at the best price obtainable. The shares offered by this prospectus are speculative securities and should only be purchased by persons aware of the risks involved. The Company's properties are without a known body of commercial ore. The proposed programme described under the heading "History and Business", while carefully considered, is of an exploratory nature and an undertaking involving a significant risk.

USE OF PROCEEDS

If the minimum offering is successful, the net proceeds to be received therefrom, namely $45,000, after deducting the estimated incorporation and organization expenses, and of this issue estimated at $6,000, are estimated at $39,000. There is no assurance that the balance of the offering will be sold but if it is, the
Company will receive a minimum of an additional $45,000. Preliminary exploration expenses will be at least in the amount of $25,000 if the minimum offering is successful and could be $50,000 if the new offering is completed and results warrant that expenditure.

The Company has agreed to pay Dean Vaughan and James Geert Nauta approximately $2,172 to reimburse them for their expenses in connection with the acquiring of the Black Hills Bullion property. The Company has also agreed to pay them the sum of $9,000 to cover the cost of x-ray diamond drilling, geophysical work and engineering reports on the Wawa area claims. Such property and claims are described under the headings "History and Business".

Excess monies will continue to form part of the general working capital of the Company to be used for general administrative and operating expenses and such further work on the Wawa area claims as may be warranted by preliminary results of the programme outlined. While having no present plans in this regard, the Company may utilize the funds available to it from time to time to carry out further programmes of acquiring, staking, exploring and developing other properties, either alone or in concert with others provided that in the event of such activity occurring while the shares hereunder are in the course of distribution to the public, an amendment to this Prospectus will be filed in accordance with The Securities Act of Ontario.

No part of the proceeds is to be advanced in any way to other companies or individuals except to the extent necessary to enable the Company to implement and complete the exploration programme as set forth in this Prospectus and any amendments thereto, or is to be used to invest in securities other than the securities in which insurance companies may invest under the provisions of the Canadian and British Insurance Companies Act, Chapter 31, R.S.C. 1952, as amended. No part of the proceeds is to be deposited outside Canada.

CAPITALIZATION

The capital of the Company is divided into 3,000,000 common shares without par value. All shares issued by the Company rank equally as to dividends and rights on liquidation or winding up. Each issued share carries the right to one vote at annual and general meetings of the shareholders of the Company. There are
no conversion or redemption rights. The shares presently outstanding are not subject to any call or assessment and the shares offered hereby, when issued and sold as described in this Prospectus, will not be subject to any call or assessment.

Information as to the number of shares issued and outstanding is summarized as follows. The dollar amounts in parentheses represent the respective aggregate amounts for which such shares have been or are to be issued or which the Company has received in respect of such shares.

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<th>Designation of Securities</th>
<th>Number Authorized by Articles of Incorporation</th>
<th>Number Outstanding as of September 25, 1973 (date Sheet contained in Prospectus)</th>
<th>Number Outstanding as of November 15, 1973</th>
<th>Number Outstanding if all securities are sold</th>
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(The aggregate consideration for the 3,000,000 shares cannot exceed $1,500,000) ($75,002) ($75,002) ($120,002)

(i) This figure reflects only the sale of 100,000 shares. If the offering is successful in entirety the total number of shares outstanding would be 950,002 which would have a minimum dollar value of $165,002 after deducting commissions.

ESCROWED SHARES

As of the date hereof 750,000 shares are held in trust by Guaranty Trust Company of Canada, Toronto, under the terms of an Escrow Agreement dated September 21, 1973 made between the holders of the said shares (Dean Vaughan and James Geert Nauta),
the said Trust Company as trustee and the Company. The Escrow Agreement is in the form required under the Securities Act of Ontario and provides, in part, that the shares deposited thereunder shall not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow or in any manner dealt with without the express consent, order or direction of the Ontario Securities Commission being first had and obtained.

<table>
<thead>
<tr>
<th>Name and Address of Holder</th>
<th>Designation of Security</th>
<th>Number of Escrow Shares</th>
<th>Percentage of Class (i)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean Vaughan, 6 Foxden Rd., Don Mills, Ontario.</td>
<td>Common Shares No Par Value</td>
<td>375,000</td>
<td>44.1%</td>
</tr>
<tr>
<td>James Geert Nauta, R. R. 4, Stouffville, Ontario.</td>
<td>Common Shares No Par Value</td>
<td>375,000</td>
<td>44.1%</td>
</tr>
</tbody>
</table>

(i) Calculated on the basis of there being 850,002 shares issued and outstanding following the sale of 100,000 shares under the offering.

**PRELIMINARY EXPENSES**

Incorporation and organization expenses are estimated to be approximately $6,000. An amount for subsequent professional services, including legal and audit fees cannot be estimated as it will depend on the services performed. Preliminary exploration and development expenses will be at least in the amount of $25,000 if the minimum offering is successful and could be about $50,000 if the new offering is completed, and further work is warranted.

**PROMOTERS**

Messrs. Vaughan and Nauta, two of the directors, and who are designated as vendors under the heading "History and Business"
are to be considered as promoters of the Company as that term is defined in The Securities Act of Ontario. Reference is made to that heading concerning the Wawa area claims and the interest therein sold and optioned to the Company by them for 750,000 shares. Since those claims are completely unproved, it is not possible to assign any value thereto, and accordingly, such shares were allotted at an arbitrary value of 10 cents each for a total amount of $75,000 which amount does not bear any correlation to the actual worth of the claims. The value of 10 cents per share was arbitrarily set by the directors of the Company.

DIRECTORS AND OFFICERS

The names and home addresses of the directors and officers of the Company, the positions held by each of them and their respective principal occupations during the last five years are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Address</th>
<th>Name &amp; Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and Director</td>
<td>6 Foxden Road, Don Mills.</td>
<td>Dean Vaughan, Prospector, self-employed.</td>
</tr>
<tr>
<td>Secretary-Treasurer and Director</td>
<td>R. R. 4, Stouffville.</td>
<td>James Geert Nauta, Self-employed since April 1, 1973. Prior to that date President from 1956 of Nauta Ltd., an importing and distributing firm.</td>
</tr>
<tr>
<td>Director</td>
<td>26A Austin Crescent, Toronto.</td>
<td>Jean-Claude Leroy, Consulting Geologist, Self-employed, involved in mineral exploration on this continent and in Europe.</td>
</tr>
<tr>
<td>Director</td>
<td>99 Southill Drive, Don Mills.</td>
<td>Alasdair James Mowat, Consulting Mining Technician, self-employed since August 1, 1971. Prior to that Assistant Mine Geologist with Falconbridge Nickel Mines Ltd. from July 1, 1970, after graduating from the Haileybury School of Mines where he had been for 2 years.</td>
</tr>
</tbody>
</table>
**PRINCIPAL HOLDERS OF SHARES**

<table>
<thead>
<tr>
<th>Name</th>
<th>Class of Security</th>
<th>Type of Ownership</th>
<th>Number of Shares Held</th>
<th>Percentage of Class (See below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean Vaughan</td>
<td>Common shares</td>
<td>Direct, beneficial</td>
<td>375,001</td>
<td>44.1%</td>
</tr>
<tr>
<td>6 Foxden Road, Don Mills, Ontario.</td>
<td>No Par Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>James Geert</td>
<td>Common shares</td>
<td>Direct, beneficial</td>
<td>375,001</td>
<td>44.1%</td>
</tr>
<tr>
<td>Nauta, R. R. #4, Ontario.</td>
<td>No Par Value</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above percentages are calculated on the basis of there being 850,002 shares issued and outstanding following the sale of 100,000 shares under the offering and similarly the directors and officers of the Company as a group who own 750,002 common shares of the Company would then own 88.2% of that class.

**REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

No direct remuneration has been paid to any director or senior officer of the Company as such from the date of incorporation to the date hereof. There is no intention to pay any remuneration to officers as such, and the directors may receive up to $500 per year, payable quarterly, for acting in such capacity. Reference is made to the following heading describing arrangements whereby certain of the directors and senior officers may be said to receive indirect remuneration.

**INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Reference is made to the sections under the headings "History and Business", "Use of Proceeds" and "Promoters" concerning the transfer to the Company by the vendors therein named of the Wawa area mining claims.
PRIOR SALES

In addition to the two incorporator's shares issued at $1.00 per share, the Company issued 750,000 shares to the vendors as described under the section "History and Business".

MATERIAL CONTRACTS

The material contracts entered into by the Company since its incorporation are as follows:

1. Agreement made as of August 20, 1973, between Dean Vaughan and James Geert Nauta as vendors and the Company as purchaser. (For particulars see the section under the heading "History and Business").

2. Agreement dated September 21, 1973 among the Company, the Agent, and Guaranty Trust Company of Canada as Trustee. (For particulars see the section under the heading "Offering").

3. Escrow Agreement dated September 21, 1973, between Dean Vaughan, James Geert Nauta and Guaranty Trust Company of Canada. (For particulars see the section under the heading "Escrowed Shares").

A copy of each of the foregoing may be examined during normal hours at the head office of the Company during the period of primary distribution of the shares offered hereby.

DIVIDENDS

No dividends have been paid to date by the Company.

AUDITORS

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for shares of the Company is Guaranty Trust Company of Canada at Toronto.

PURCHASER’S STATUTORY RIGHTS OF WITHDRAWAL OR RESCISSION

Sections 64 and 65 of The Securities Act of Ontario provide, in effect, that where a security is offered 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 the purchaser 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 the purchaser or his agent.

Reference is made to the Act for the complete text of the provisions under which the foregoing rights are conferred.
November 15, 1973

To the Shareholders,
P.M.X. Inc.
Toronto, Ontario.

We have examined the balance sheet of P.M.X. Inc. as at September 25, 1973. Our examination from incorporation on August 15, 1973 to September 25, 1973 included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, this balance sheet presents fairly the financial position of the company as at September 25, 1973, in accordance with generally accepted accounting principles.

COSSAR, HECTOR, PAYNE & CO.,
Chartered Accountants.
P.H.X. INC.

BALANCE SHEET

AS AT SEPTEMBER 25, 1973

ASSETS

Cash on hand
Mining claims - note 2 -
Property
Expenditures
Estimated incorporation, organization
and financing expenses

$ 2
75,000
9,000
84,000
6,000
$ 90,002

LIABILITIES

Accounts payable

$ 15,000

SHAREHOLDERS' EQUITY

Share capital - notes 2 and 3

Authorized:
3,000,000 common shares without par value
not to exceed a total consideration
of $1,500,000

Issued:
750,000 for mining claims
2 for cash
750,000

$ 90,002

Approved on behalf of the Board:

_________________ Director

_________________ Director
P.M.X. INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 25, 1973

Note 1
The company was incorporated under The Business Corporations Act 1970 of Ontario on August 15, 1973. Since no income or expenses were incurred by the company from date of incorporation to September 25, 1973, only a balance has been presented.

Note 2
The company has entered into an agreement dated August 20, 1973 to purchase seven mining claims and obtain an option on an additional seven mining claims, all in the Wawa mining area in the District of Algoma.

The consideration for the purchased claims is 750,000 shares of the company valued at $75,000 or 10¢ a share. These shares are to be held in escrow with a trustee under an Escrow Agreement dated September 21, 1973 and are subject to release by the Ontario Securities Commission.

The option on the remaining claims must be exercised by August 20, 1974. If the option is exercised the company is expected to pay a consideration of $50,000 payable $25,000 on each 30th day of January 1975 and 1976. At the option of the vendors they may, on notice to the company at least 30 days prior to each payment date, elect to receive shares of the company for all or any part of such payment at a price of 45¢ per share.

In the event that the claims or any part thereof are placed in commercial production at any time within 10 years from August 20, 1973 the vendors will receive royalty payments in the aggregate of 2% of the net smelter returns.

Note 3
Under an agreement dated September 21, 1973 the company will sell to the public through an agent up to but not more than 200,000 of the company's shares on a best efforts basis. The company is to receive no less than 45¢ net per share after deducting agent's commission. If the minimum of shares under the agreement are sold, net proceeds to the company will be $45,000.
CERTIFICATES

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 of Ontario and regulations thereunder.

DATED the 16th day of November, 1973.

"Dean Vaughan"  "J. G. Nauta"

Chief Executive Officer.  Chief Financial Officer.

On behalf of the Board of Directors

"J. C. Leroy"  "A. J. M. Mowat"

Director.  Director.

"Jean Claude Leroy"

PROMOTERS

"Dean Vaughan"  "J. G. Nauta"

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 of Ontario and regulations thereunder.

DATED the 16th day of November, 1973.

BOUCHARD & CO. LTD.,

By:  "S. A. Moran"