

53F15SW0008 63.3010 LINGMAN LAKE

010

REPORT
ON THE
LINGMAN LAKE PROPERTY
OF
LAKELYN MINES LIMITED
by
R.A. CROUSE, P. Eng.

June 25th, 1973

Lac du Bonnet, Manitoba



53F155W0008 63.3010 LINGMAN LAKE

010C

TABLE OF CONTENTS

	<u>Page</u>
PROPERTY AND ACCESS	1
HISTORY	1
GENERAL GEOLOGY	2
ECONOMIC GEOLOGY	2
ORE CALCULATIONS	4
CONCLUSIONS AND RECOMMENDATIONS	6
REFERENCES	7

APPENDIX A - PROPERTY MAP AND KEY MAP

APPENDIX B - GEOLOGICAL MAP

PROPERTY AND ACCESS

The property of Lakelyn Mines Limited consists of 21 Patent Mineral Claims and is situated in the Lingman Lake Area, District of Kenora, Patricia Portion of North-western Ontario. It is 195 air miles north and a little east of Red Lake. From Lac du Bonnet, Manitoba, the distance to the property is 210 miles in a north-easterly direction. The property is accessible by float equipped aircraft during the summer months and by ski equipped planes during the winter.

Apart from a few low ridges, the terrain is quite flat, and although wooded has no timber resources of note.

HISTORY

The Lingman Lake Gold Mines Limited, in 1945, carried out a surface diamond drilling program totaling 36,659 feet in 79 holes. Subsequently, as a result of this program, in 1946 to 1949 a three-compartment shaft was sunk to a depth of 415 feet. Levels were established at 150 feet, 275 feet, and 400 feet. A total of 4,536 feet of drifting, cross-cutting and raising was done as follows:

<u>LEVEL</u>	<u>DRIFTING</u>	<u>CROSS-CUTTING</u>	<u>RAISING</u>
1st Level - 150	771	388	
2nd Level - 275	1,378	313	207
3rd Level - 400	1,125	121	233

Underground diamond drilling totaling 9,796 feet was done on all three levels.

GENERAL GEOLOGY

The Lakelyn Mines Limited property is mainly underlain by intercalated gabbro and greenstone (probably andesite) of Keewatin age which have been intruded by acidic and granitic rocks of Algoman age. The Keewatin volcanics have an east-west strike, dip steeply toward the south, and are cut by quartz porphyry and feldspar porphyry of Algoman age. The feldspar porphyry consists of white feldspar phenocrysts in a dark glassy ground mass, the quartz porphyry contains quartz "eyes" in a fine grained ground mass, which in places is a sericite schist. The latter member is associated with the gold occurrences.

A diabase dyke striking north-south cuts both the Keewatin and Algoman age rocks. The dyke is cut by an east-west fault which moved the northern segment approximately 250 feet east relative to the south segment. It is deduced from this movement that the diabase dyke and fault are post mineralization and have no genetic bearing on the gold values.

ECONOMIC GEOLOGY

The principal gold showings on the property are contained within two shear zones known as the North and South Zones, both of which are cut by a diabase dyke. The mineralized zones strike east-west and dip south. The most favourable host rock is silicified greenstone with some carbonate and quartz, especially in the proximity of the quartz porphyry which lies between the two zones. Sulphide mineralization

consists mainly of pyrite with minor amounts of arsenopyrite, pyrrhotite and occasionally chalcopyrite. A third zone, called the West Zone, is apparently an extension of the North Zone lying on the west side of diabase dyke.

Diamond drilling and underground exploration work have established the dip of the north zone to be 65° south and the south zone 80° south. Previously it was felt that both of these zones should converge at depth with the depth of the intersection decreasing eastward and strike from the diabase dyke. The deep drill hole completed in February, 1973 intersected the downward projection of the two zones in a diamond drill hole that was drilled at an angle of 56° at 930 to 935 feet which ran 9.5 ozs. in gold over five feet of drill core.

The original plan called for the drilling of two deep diamond drill holes to penetrate the intersection of the north and south zones. After the first diamond drill hole was completed to a depth of 992 feet the contractor experienced an unfortunate accident and had his drill destroyed by fire. Because of the delay caused by the fire and additional costs of securing another drill, the Company decided not to proceed with the second diamond drill hole.

North Zone

Surface diamond drilling has indicated a gold bearing zone 1,400 feet long with an average width of 5.8 feet and open toward the east. The zone has a weighted average gold content of .63 ozs. per ton (uncut).

South Zone

The south zone, indicated by diamond drilling, has a length of 1,600 feet, an average width of 6 feet and a weighted average grade of .30 ozs. per ton (uncut).

Underground exploration on approximately 30% of the north and south zones developed 148,000 tons of auriferous material with an average grade of .41 ozs. per ton. (Smerchanski, 1949).

West Zone

The west zone, which appears to be an extension of the north zone, as a drill indicated length of 600 feet and a width of 5.4 feet. The weighted average gold content is .21 ozs. per ton.

ORE CALCULATIONS

Based on gold values of \$125.00 per oz. a reassessment has to be made of the gold ore reserves to the bottom of the 3rd level which is established at 400 feet.

1. The actual ore reserves are calculated at 148,000 tons with a grade of .41 ozs. or a total of 60,680 ozs. of gold.

2. There is still two-thirds of the original north and south zone structure as outlined in the surface diamond drilling program still to be explored by underground work. This ore as indicated and outlined by diamond drilling when fully explored by underground workings could yield a further tonnage of 148,000 tons with grade of .41 ozs. with a production of at least a further 60,000 ozs. of gold.

3. The West Zone as outlined by diamond drilling has an indicated length of 600 feet, with both ends open and an average width of 5.4 feet and an average grade of .21 ozs. per ton. With a length of 600 feet x a width of 5.4 feet and to a depth of 400 feet this has an indicated diamond drilling tonnage of 130,000 tons with a grade of .21 ozs. of gold.

The total potential tonnage to the 400 foot level is as follows:

1.	Proven ore - 148,000 tons @ .41 ozs.	60,680 ozs.
2.	Indicated and estimated ore by diamond drilling	
	a) north and south zone - 148,000 tons @ .41 ozs.	60,680 ozs.
	b) west zone - 130,000 tons @ .21 ozs.	<u>27,300 ozs.</u>
Total		<u>148,660 ozs.</u> of gold

There are other gold values indicated by diamond drilling such as the extension of the south zone west of the "diabase dyke" in diamond drill hole no. 30 which gave gold values of:

- .46 ozs./3.9 feet of drill core
- .37 ozs./3.0 feet of drill core
- .46 ozs./2.0 feet of drill core
- .72 ozs./2.2 feet of drill core

over a consecutive footage from 151.1 to 162.2 feet as well as diamond drill hole values in the hanging wall structure; all of which are not included in the above ore estimates but which could yield additional tonnage.

CONCLUSIONS AND RECOMMENDATIONS

1. Limited underground working has developed 148,000 tons of gold bearing material with an average of .41 ozs. of gold per ton.

2. The underground development has only explored 30% of the favourable structure outlined by diamond drilling.

3. A further diamond drilling program to extend some of the previous gold intersections. An estimate of 3,000 feet of diamond drilling would be carried out at a cost of about \$30,000.

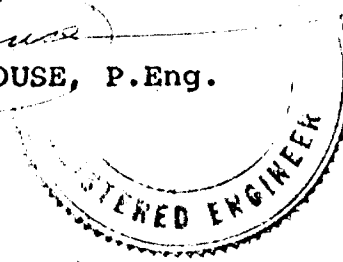
4. That a detailed valuation report be prepared to determine the total cost of the surface plant and underground facilities that would be required to bring the property into production based on gold reserves which have been developed to date. The cost of such a report would be about \$15,000.

Respectfully submitted


R.A. CROUSE, P.Eng.

June 25th, 1973.

Lac du Bonnet, Manitoba

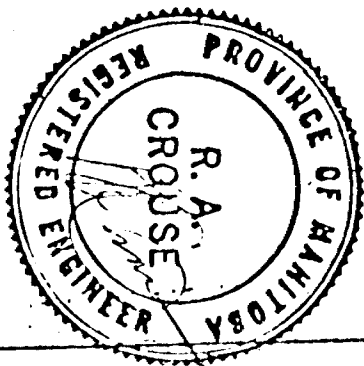
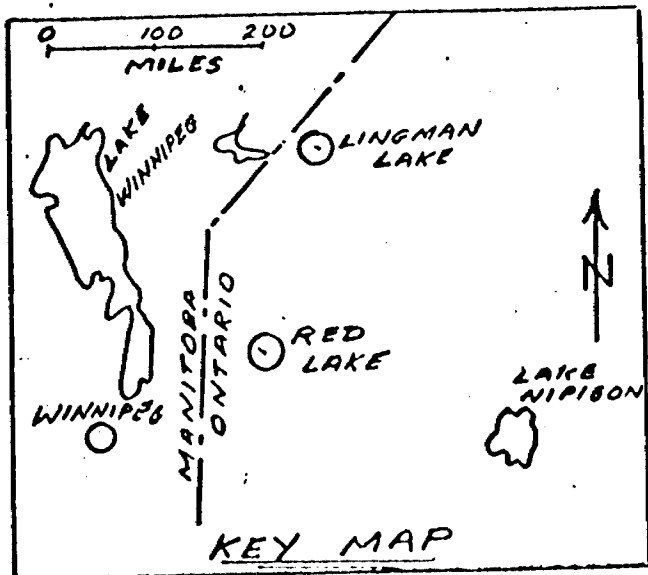


REFERENCES

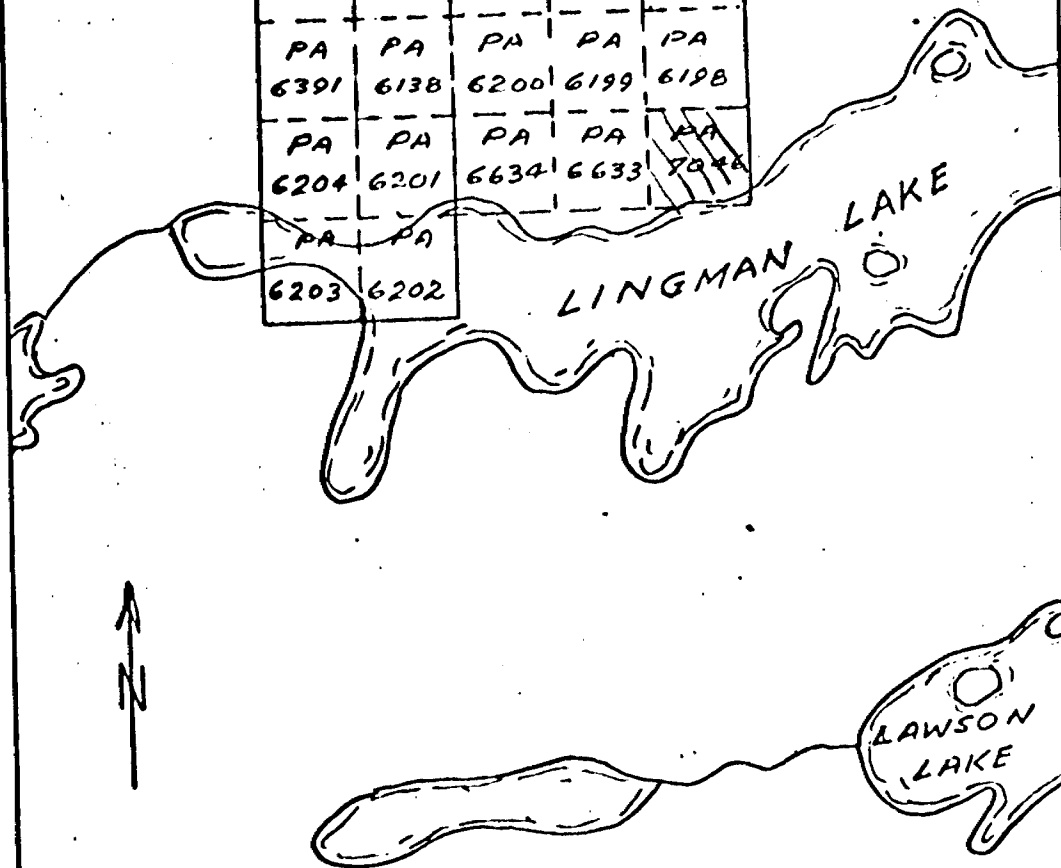
Reid, J.A. 1947 - Report on the Property of Lake Lingman
Gold Mining Company Limited.
Unpublished Report.

Smerchanski, M.G. - January, 1949
Report on the Property of Lingman Lake
Gold Mines Limited. Unpublished Report.

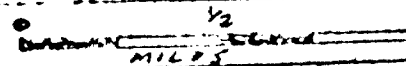
Smerchanski, M.G. - November, 1949
Report on the Property of Lingman Lake
Gold Mines Limited. Unpublished Report.



PA 6136	PA 6134	PA 6132	PA 6130	PA 6128
PA 6137	PA 6135	PA 6133	PA 6131	PA 6129
PA 6391	PA 6138	PA 6200	PA 6199	PA 6198
PA 6204	PA 6201	PA 6634	PA 6633	PA 7044
PA 6203	PA 6202			

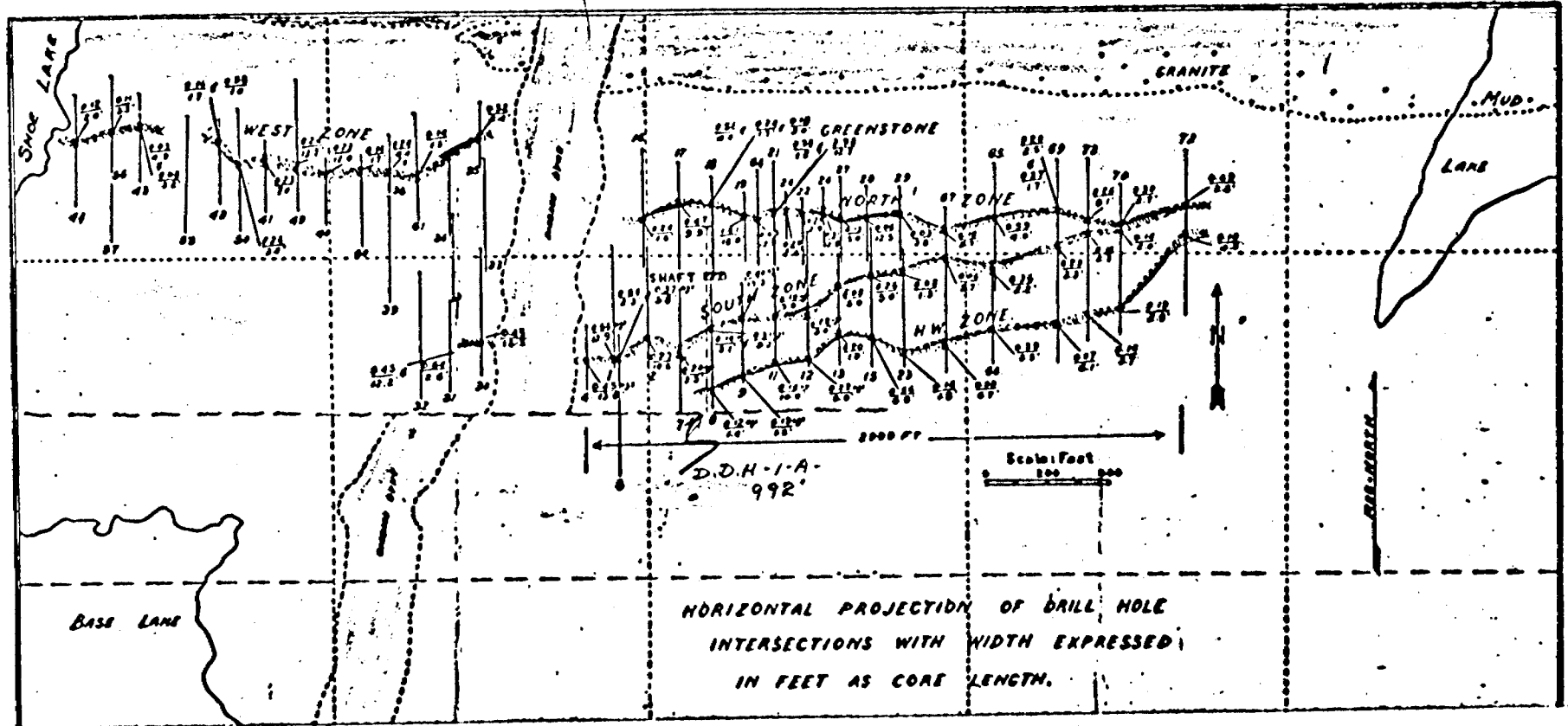


PROPERTY MAP
LINGMAN LAKE PROPERTY
OF
LAKELYN MINES LTD.



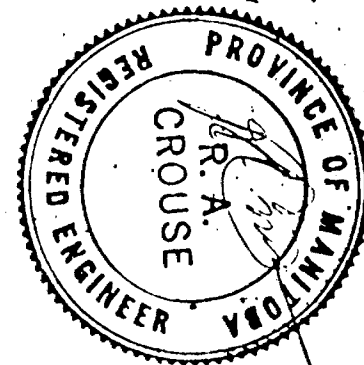
LAKELYN MINES LTD

GEOLOGICAL MAP



LEGEND


- Granite
- Greenstone, Andesite
- Diabase
- Mineralized Zone
- Diamond Drill Hole

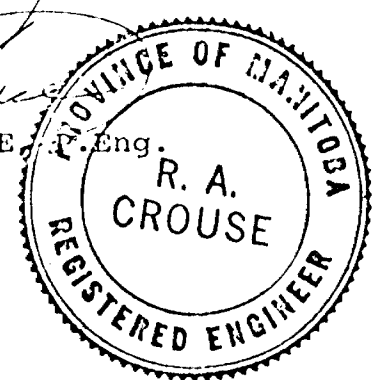


CERTIFICATE

I, Robert A. Crouse, of the Village of Lac du Bonnet, in the Province of Manitoba, certify that:

1. I am a geologist and reside in the Village of Lac du Bonnet, Manitoba.
2. I am graduated from Acadia University, Wolfville, Nova Scotia in 1951, and hold a Bachelor of Science degree.
3. I am a Professional Engineer in good standing in the Province of Manitoba and have practised my profession continuously since 1951.
4. I have no interests, direct or indirect, in the securities or properties of Lakelyn Mines Limited; nor do I expect to receive any such interests.
5. This report is based on a study of all available data pertaining to the property and a personal knowledge of the general area. I have not visited the property personally.


R.A. CROUSE, P. Eng.



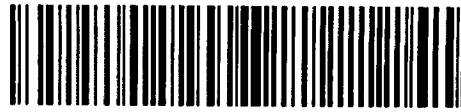
The seal is circular with a serrated edge. The outer ring contains the text "PROVINCE OF MANITOBA" at the top and "REGISTERED ENGINEER" at the bottom. The inner circle contains the text "R. A. CROUSE" in the center.

June 25th, 1973.

Lac du Bonnet, Manitoba

NOTICE FOR FILE: 63.3010

This report by Lakelyn Mines was filed
with the Ontario Securities Commission,
Oct. 2, 1972 not for Assessment Credits.



53F15SW0008 63.3010 LINGMAN LAKE

020

OCT 2 - 1972

COMMISSION

REPORT
ON THE
LINGMAN LAKE PROPERTY
OF
LAKELYN MINES LTD.

by

R.A. CROUSE, P.Eng.

June 1, 1972.
Lac du Bonnet, Manitoba.



53F15SW0008 63.3010 LINGMAN LAKE

TABLE OF CONTENTS

0200

1. PROPERTY AND ACCESS
 1. HISTORY
 1. GENERAL GEOLOGY
 2. ECONOMIC GEOLOGY
 3. CONCLUSIONS AND RECOMMENDATIONS
 4. REFERENCES
- APPENDIX A - PROPERTY MAP AND KEY MAP
- APPENDIX B - GEOLOGICAL MAP

PRIORITY AND ACCESS

The property of Lakelyn Mines Ltd consists of 22 Patent Mineral Claims and is situated in the Lingman Lake Area, District of Kenora, Patricia Portion of Northwestern Ontario. It is 195 air miles north and a little east of Red Lake. From Lac du Bonnet, Manitoba, the distance to the property is 210 miles in a north-easterly direction. The property is accessible by float equipped aircraft during the summer months and by ski equipped planes during the winter.

Apart from a few low ridges, the terrain is quite flat, and although wooded has no timber resources of note.

HISTORY

The Lingman Lake Gold Mines Limited, in 1945, carried out a surface diamond drilling program totaling 36,659 ft in 79 holes. Subsequently, as result of this program, in 1946 to 1949 a three-compartment shaft was sunk to a depth of 415 feet. Levels were established at 150 ft, 275 ft, and 400 ft. A total of 4,536 feet of drifting, cross-cutting and raising was done as follows:

<u>LEVEL</u>	<u>DRIFTING</u>	<u>CROSS-CUTTING</u>	<u>RAISING</u>
1st Level - 150	771	388	
2nd Level - 275	1,378	313	207
3rd Level - 400	1,125	121	233

Underground diamond drilling totaling 9,796 feet was done on all three levels.

GENERAL GEOLOGY

The Lakelyn Mines Ltd property is mainly underlain by intercalated gabbro and greenstone(probably andesite) of Keewatin age which have been intruded by acidic and granitic rocks of Algomian age. The Keewatin volcanics have an east-west strike, dip steeply toward the south, and are cut by quartz porphyry and feldspar porphyry of Algomian age. The feldspar porphyry consists of white feldspar phenocrysts in a dark glassy ground mass, the quartz porphyry contains quartz "eyes" in a fine grained ground mass, which in places is a sericite schist. The latter member is associated with the gold occurrences.

A diabase dyke striking north-south cuts both the Keewatin and Algomian age rocks. The dyke is cut by an east-west fault which moved the northern segment approximately 250 east relative to the south segment. It is deduced from this movement that the diabase dyke and fault are post mineralization and have no genetic bearing on the gold values.

ECONOMIC GEOLOGY

The principal gold showings on the property are contained within two shear zones known as the North and South Zones, both of which are cut by a diabase dyke. The mineralized zones strike east-west and dip south. The most favourable host rock is silicified greenstone with some carbonate and quartz, especially in the proximity of the quartz porphyry which lies between the two zones. Sulphide mineralization consist mainly of pyrite with minor amounts of arsenopyrite, pyrrhotite and occasionally chalcopyrite. A third zone, called the West Zone, is apparently an extension of the North Zone lying on the west side of the diabase dyke.

Diamond drilling and underground exploration work have established the dip of the north zone to be 65° south and the south zone 80° south. This being the case, both zones should converge at depth with the depth of the intersection decreasing eastward along strike from the diabase dyke.

North Zone

Surface diamond drilling has indicated a gold bearing zone 1400 feet long with an average width of 5.8 feet and open toward the east. The zone has a weighted average gold content of .63 ozs per ton (uncut).

South Zone

The south zone, indicated by diamond drilling, has a length of 1600 feet, an average width of 6 feet and a weighted average grade of .30 oz per ton (uncut).

Underground exploration on approximately 30% of the north and south zones developed 148,000 tons of auriferious material with an average grade of .41 oz per ton. (Smerchanski, 1949).

West Zone

The west zone, which appears to be an extension of the north zone, has a drill indicated length of 600 feet and a width of 5.4 feet. The weighted average gold content is .21 oz per ton.

CONCLUSIONS AND RECOMMENDATIONS

1. Limited underground working has developed approximately 148,000 tons of gold bearing material with an average grade of .41 oz of gold per ton.
2. The underground development has only explored a portion of the favourable structure outlined by diamond drilling.
3. The steep dipping south zone and the relatively flat dipping north zone should converge at a depth of approximately 1000 feet in the area of the present underground workings.
4. It is recommended that in view of the present upward trend in the price of gold further exploration on the Lakelyn Line Property be carried out in three phases as follows:

Phase 1 : Approximately 1500 feet of diamond drilling to determine whether or not the north and south zones converge at depth, the width of the gold bearing zone at the point of intersection and the grade.

Phase 2. Should phase 1 be indicative of a favourable structure and the results are satisfactory a second 2000 feet of drilling should be done to further outline the zone.

Phase 3. If both Phase 1 and Phase 2 are completed, it is recommended that a more extensive drilling program be carried out to further delineate the gold bearing zone at depth and along strike.

Cost of the above recommended work:

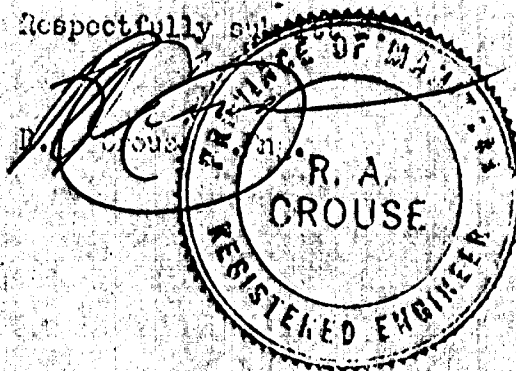
Phase 1 : 1500 ft of diamond drilling @ \$10.00 per ft. \$15,000.

This cost includes camp costs, mobilization, demobilization and assaying.

Phase 2: 2000 feet of drilling @ \$10.00 per ft. \$20,000.

Phase 3: Additional diamond drilling and development work will depend on the results of phases 1 and 2.

Respectfully signed



June 1, 1972.

Lac du Bonnet, Manitoba.

REFERENCES

Reid, J.A. 1947. Report on the Property of Lake Lingman Gold Mining Company Limited. Unpublished Report.

Smerchanski, M.G. Jan. 1949.

Report on the Property of Lingman Lake Gold Mines Limited. Unpublished Report.

_____, Nov. 1949.

Report on the Property of Lingman Lake Gold Mines Limited. Unpublished Report.

CERTIFICATE

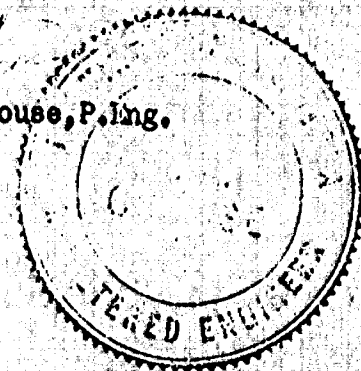
I, Robert A. Crouse, of the Village of Lac du Bonnet, in the Province of Manitoba, certify that:

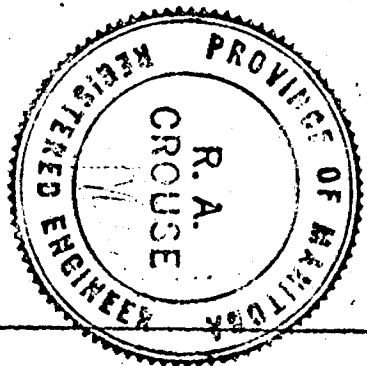
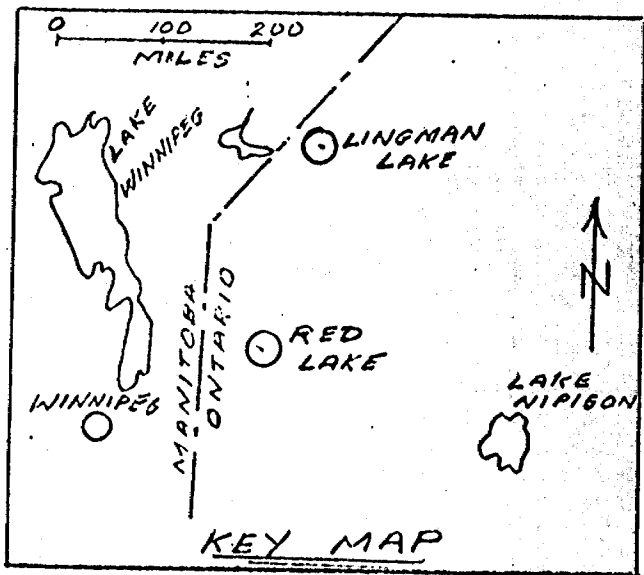
1. I am a geologist and reside at 76 3rd St.W. in the Village of Lac du Bonnet, Manitoba.
2. I am graduated from Acadia University, Wolfville, Nova Scotia in 1951, and hold a Bachelor of Science degree.
3. I am a Professional Engineer in good standing in the Province of Manitoba and have practised my profession continuously since 1951.
4. I have no interests, direct or indirect, in the securities or properties of Lakelyn Mines Ltd; nor do I expect to receive any such interests.
5. This report is based on a study of all available data pertaining to the property and a personal knowledge of the general area. I have not visited the property personally.

June 1, 1972.

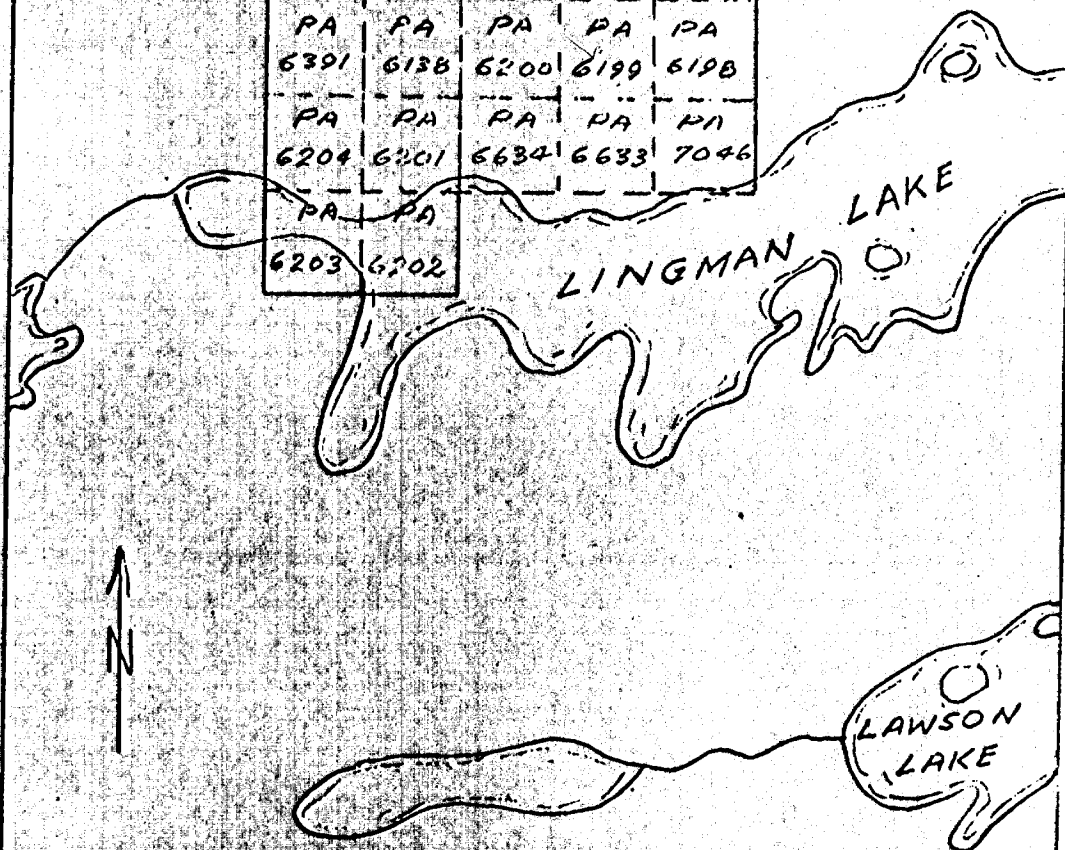
Lac du Bonnet, Manitoba.

R.A. Crouse, P.Eng.





PA 6136	PA 6137	PA 6132	PA 6130	PA 6128
PA 6137	PA 6135	PA 6132	PA 6131	PA 6127
PA 6391	PA 6138	PA 6200	PA 6199	PA 6198
PA 6204	PA 6201	PA 6634	PA 6633	PA 7046
PA 6203	PA 6202			



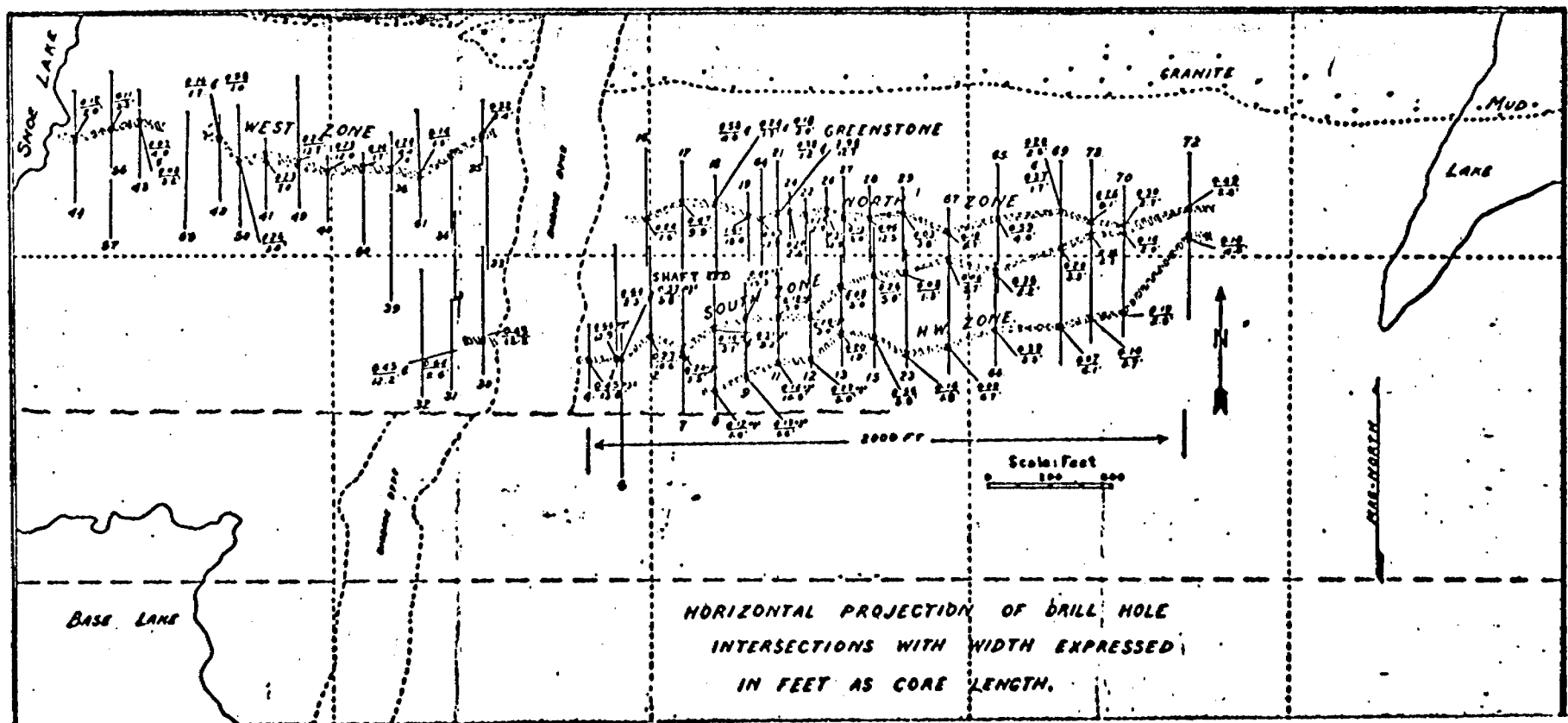
PROPERTY MAP
LINGMAN LAKE PROPERTY
OF
LAKELYN MINES LTD.

1/2
MILES

APPENDIX 1

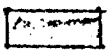
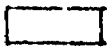

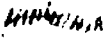
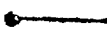
LAKELYN MINES LTD

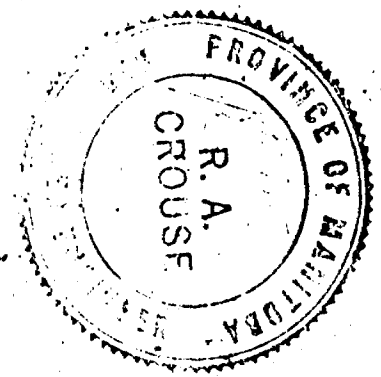
GEOLOGICAL MAP



HORIZONTAL PROJECTION OF DRILL HOLE INTERSECTIONS WITH WIDTH EXPRESSED IN FEET AS CORE LENGTH.

LEGEND

-  Granite
-  Greenstone, Andesite
-  Diabase
-  Mineralized Zone
-  Diamond Drill Hole



12772 N 21X B

63.3010

Securities Commission or other similar authority in Canada has in any way passed upon the merits of the securities offered hereunder, and any representation to the contrary is an offence.

LAKELYN MINES

Room 2019-A, 44 King

TORONTO



53F15SW0008 63.3010 LINGMAN LAKE

900

NEW ISSUE

1,000,000 Shares

LAKELYN MINES LIMITED (the "Company") offers 1,000,000 Common Shares without par value ("Shares") through Davidson & Company ("DAVIDSON") acting as Agent on its behalf. The Offering, to be by way of a distribution over-the-counter in the Province of Ontario, will continue for a period (the "Offering Period") of three months from the date of acceptance for filing of this Prospectus by the Ontario Securities Commission, until all of the 1,000,000 Shares have been sold or until earlier terminated on mutual consent of the Company and DAVIDSON, whichever shall first occur. The price at which Shares of the Company will be sold to the public will be determined by DAVIDSON but in any event will not be less than 15¢ per share. Purchasers of shares during the Offering Period will be charged commissions at normal rates, as prescribed by The Toronto Stock Exchange, by registered dealers, including DAVIDSON, acting as agents on behalf of such purchasers. The costs of this issue are estimated at \$4,500.

For acting on behalf of the Company, DAVIDSON will be paid a commission of 10% of the selling price of the shares sold pursuant to this Offering, all to net the Company 90% of the selling price of said shares.

DAVIDSON has agreed, following completion of the Offering Period, to purchase such number of Shares of the Company so that the purchase price thereof when added to the monies received by the Company from the sale of its Shares during the Offering Period, will, after payment of the commissions to DAVIDSON as referred to above, equal the sum of \$30,000. The price to be paid by DAVIDSON for Shares so purchased by it will be settled by DAVIDSON, but in any event, will not be less than 11.25¢ per Share or 75% of the closing selling price for Shares of the Company on the last day of the Offering Period whichever is greater. Any Shares so purchased by DAVIDSON may be offered for sale over-the-counter but at a price not exceeding the amount paid therefor plus 25%.

DAVIDSON may also make purchases and sales of Shares of the Company in the open market during the course of the distribution of Shares offered hereunder for the purpose of maintaining an orderly market for Shares of the Company and to assist in the distribution of the 1,000,000 Shares. Any Shares so purchased by it may be offered for sale in priority to any Shares offered by the Company, however, DAVIDSON will not itself purchase any of the Shares offered by the Company during the Offering Period. Reference is made to "Offering" on Page 5.

Shares of the Company trade in the over-the-counter market and are currently quoted at 15¢ bid and 18¢ asked.

The purpose of this issue is to secure funds to discharge liabilities of the Company, for general corporate expenses and particularly to provide funds for the carrying out of exploration and development work on the Company's properties in the Lingman Lake Area, Province of Ontario, as referred to under "Use of Proceeds" on Page 4.

THESE ARE SPECULATIVE SECURITIES

Particular reference should be made to the captions "History and Business", the various property sections thereunder and "Offering".

TABLE OF CONTENTS

	<u>Page</u>
HISTORY AND BUSINESS	1
PROPERTY INTERESTS.....	1
Lingman Lake Property	1
God's Lake Property	3
Prior Property Interests	4
USE OF PROCEEDS.....	4
OFFERING	5
DESCRIPTION OF SHARES	5
CAPITALIZATION	5
MANAGEMENT	6
SHAREHOLDINGS OF DIRECTORS AND SENIOR OFFICERS	6
REMUNERATION OF DIRECTORS AND SENIOR OFFICERS	6
PRINCIPAL HOLDER OF SHARES	7
DIVIDENDS	7
REGISTRAR AND TRANSFER AGENT	7
AUDITORS	7
MATERIAL CONTRACTS	7
AUDITOR'S REPORT	8
FINANCIAL STATEMENTS	9
PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION...	14
CERTIFICATES	14

HISTORY & BUSINESS

Lakelyn Mines Limited, (the "Company") was incorporated under the Companies Act (Ontario) and Part XI thereof by Articles of Incorporation dated February 9, 1945 as Lingman Lake Mines Limited (N.P.L.) to engage in the acquisition, exploration, and development of mines, mineral lands and deposits. The Articles of Incorporation were amended March 3, 1945 to change the Company's name to Lingman Lake Gold Mines Limited (N.P.L.). The Articles of Incorporation were again amended on January 5, 1948 to increase the Company's authorized capital to 4,000,000 shares having a par value of \$1.00 each. The Articles of Incorporation were once again amended on November 19, 1948 to change the Company's name to Lake Lingman Gold Mining Company Limited (N.P.L.) and to reorganize its capital structure so that the Company's authorized capital thereafter consisted of 3,000,000 shares having a par value of \$1.00 each. The Articles of Incorporation were further amended on April 7, 1954 to increase the Company's authorized capital to 5,000,000 shares having a par value of \$1.00 each. The Articles of Incorporation were once again amended on December 3, 1964 to change the Company's name to Lakelyn Mines Limited, to reduce its issued capital and subsequently to increase its authorized capital back to 5,000,000 shares having a par value of \$1.00 each.

The Articles of Incorporation were further amended October 30, 1972 by changing the 5,000,000 shares of the par value of \$1.00 each into 5,000,000 shares without par value.

The Company has been inactive for the past five years. None of the Company's properties contain a known body of commercial ore and the proposed exploration programme referred to hereafter is an exploratory search for ore.

PROPERTY INTERESTS

Lingman Lake Property

Pursuant to the terms of an Agreement dated March 1, 1945, between the Company as Purchaser and Elmore George Hamilton Schultz of London, Ontario, as Vendor ("Vendor") the Company purchased 9 unpatented mining claims, PA 6196 to PA 6204 inclusive, located in the Lingman Lake Area of the District of Kenora, Patricia Mining Division, in the Province of Ontario and acquired an exclusive option to purchase a further nine mining claims, PA 6130 to PA 6138 inclusive, located in the same area. The consideration paid to the Vendor was \$3,000. and 1,200,000 fully paid and non-assessable shares of the Company as then constituted. By various amendments to the Articles of Incorporation of the Company in November 1948 and December 1964 the Company's capital structure has been reorganized so that the 1,200,000 shares aforesaid are represented by 171,428 fully paid and non-assessable shares of the Company as presently constituted.

By Agreement dated March 12, 1945 between the Company and Art Van der Brink and Loret Paget c/o McMurray, Greschuck, Walsh, Micay and Molloy, 707 McArthur Building, Winnipeg, Manitoba, (the "parties") the Company exercised its exclusive option to purchase the above mentioned claims under option in consideration for the sum of \$6,000. The Company also agreed to pay to the parties the sum of \$10,000 within six months after production commences from claims PA 6130 to PA 6138.

One claim located in the Lingman Lake Area, namely, PA 6391, was subsequently acquired at no cost to the Company.

During 1945 the Company also acquired two mining claims, namely, PA 6633 and PA 6634, located in the Lingman Lake Area from J. Kirsopp for the sum of \$2,000.

The above mining claims, all of which are recorded in the Company's name, may be described as follows:

<u>Claim Number</u>	<u>Parcel Number</u>	<u>Acreage</u>
PA 6196	2004	42.39
PA 6197	2005	42.54
PA 6198	2006	40.74
PA 6199	2007	56.68
PA 6200	2008	55.75
PA 6201	2009	45.80
* PA 6202	2010	33.27
* PA 6203	2011	38.72
* PA 6204	2012	45.53
PA 6130	1995	55.10
PA 6131	2015	57.69
PA 6132	1999	47.21
PA 6133	2000	45.92
PA 6134	1996	45.43
PA 6135	2001	51.71
PA 6136	1997	44.34
PA 6137	2002	51.49
PA 6138	2003	48.80
PA 6391	1998	30.31
PA 6633	2013	50.73
PA 6634	2014	69.42

* Excepting thereout and therefrom the surface rights only on and over a strip of land one chain in perpendicular width along the shore of Lingman Lake.

Title to the claims is the usual title enjoyed by patented mining claims in the Province of Ontario. The patents contain normal reservations and the claims are subject to the provisions of The Land Titles Act. Acreage taxes at the rate of 50¢ per acre are payable annually to the Province.

Location and Access

The above claims are situated in the Lingman Lake Area, District of Kenora, in North-western Ontario. The property is 195 air miles North and slightly East of Red Lake, Ontario, and approximately 210 miles North-east from Lac du Bonnet, Manitoba. Access to the area is by float-equipped aircraft during the summer and by ski-equipped plane during the winter.

History

In 1945 the Company drilled 79 holes totalling 36,659 feet on the property. Between 1946 and 1949 the Company, encouraged by its previous drilling, sunk a three-compartment shaft to a depth of 415 feet. Levels were established at 150 feet, 275 feet and 400 feet and a total of 4,536 feet of drifting, cross-cutting and raising was completed as follows:

<u>Level</u>	<u>Drifting</u>	<u>Cross-cutting</u>	<u>Raising</u>
1st level - 150	771	388	
2nd level - 275	1,378	313	207
3rd level - 400	1,125	121	233

A total of 9,796 feet of underground diamond drilling was completed on all three levels.

No further work has been done on the property and, save with respect to the foregoing, the Company is unaware of any previous surface or underground exploration and development work having been done.

Plant and Equipment

The Company owns a head frame building which serves the three-compartment shaft mentioned above, and a hoistroom containing a boiler power plant. These buildings are carried on the Company's Balance Sheet at a value of \$31,801. The Company has no other surface plant or equipment on this property.

Engineer's Report

The following is a summary of the report of R.A. Crouse, P. Eng., dated June 1, 1972, which is available for inspection in the public files of the Ontario Securities Commission.

Mr. Crouse states that the principal gold showings on the property are contained within two shear zones known as the North and South Zones, both of which are cut by a diabase dyke. The mineralized zones strike east-west and dip south. The most favourable host rock is silicified greenstone with some carbonate and quartz, especially in the proximity of the quartz porphyry which lies between the two zones. Sulphide mineralization consist mainly of pyrite with minor amounts of arsenopyrite, pyrrhotite and occasionally chalcopyrite. A third zone, called the West Zone, is apparently an extension of the North Zone lying on the west side of the diabase dyke. Diamond drilling and underground exploration work have established the dip of the north zone to be 65° south and the south zone 80° south. This being the case, both zones should converge at depth with the depth of the intersection decreasing eastward along strike from the diabase dyke. Mr. Crouse states that limited underground exploration has developed approximately 148,000 tons of Gold bearing material with an average grade of .41 oz. of Gold per ton, and only a portion of the favourable structure outlined by previous diamond drilling has been explored.

Recommendations

Mr. Crouse recommends that in view of the present upward trend in the price of Gold further exploration on the Lingman Lake property be carried out in three phases as follows:

Phase I: approximately 1,500 feet of diamond drilling to determine whether or not the North and South Zones converge at depth, the width of the Gold bearing zone at the point of intersection and the grade. This phase of the program is estimated to cost \$15,000.

Phase II: if Phase I is successful, a second 2,000 feet of diamond drilling should be undertaken to further outline the zone at depth and along strike. This phase of the program is also estimated to cost \$20,000.

Phase III: If both Phase I and Phase II are successful, it is recommended that a more extensive diamond drilling program be carried out to further delineate the Gold bearing zone at depth and along strike. The estimated cost of Phase III will depend on the results of Phases I and II.

God's Lake Property

Pursuant to the terms of an Agreement dated September 16, 1948 between the Company as Purchaser and God's Lake Gold Mines Limited, a Company organized under the laws of Manitoba and having its head office in Winnipeg, Manitoba, as Vendor ("Vendor") the Company purchased all the assets of the Vendor for the consideration of 500,000 fully paid and non-assessable shares of the Company as constituted following an Amendment to the Articles of Incorporation of the Company dated November 19, 1948. Following a further Amendment to the Articles of Incorporation of the Company in December 1964 the 500,000 shares aforesaid are represented by 142,856 fully paid and non-assessable shares of the Company as presently constituted.

The following mining claims situate at Elk Island in the Province of Manitoba are recorded in the Company's name, are free of encumbrance and the title thereto is the usual title to mining claims enjoyed by the Province of Manitoba when same are held under provincially granted 21 year leases. There are no requirements for the performance of assessment work and no rentals are payable other than rentals on the renewal of leases.

<u>Name of Claim</u>	<u>No. of Lease</u>	<u>Acreage</u>	<u>Expiry Date</u>
Cona No. 3	M-296	46.46	May 21, 1976
Cona No. 8	M-297	45.65	May 21, 1976
Cona No. 9	M-298	43.59	May 21, 1976
Cona No. 10	M-299	51.65	May 21, 1976
Cona No. 11	M-300	45.44	May 21, 1976
* Akers No. 1	M-304	46.28	May 21, 1976
* Akers No. 3	M-306	49.05	May 21, 1976
* Akers No. 7	M-310	60.00	May 21, 1976
Manitou	M-311	51.65	May 21, 1976
Lake No. 26	M-322	17.00	May 21, 1976

* Subject to the Company's right to mine thereunder, 4 acres of the surface rights of each of Akers No. 1 and Akers No. 7, and 14.5 acres of the surface rights of Akers No. 3 were set aside for public purposes, without any compensation to the Company, by Order of the Minister of Mines and Natural Resources, Manitoba, dated June 27, 1957.

The former owners carried out considerable surface and underground development work including mining and milling operations. Work was suspended many years ago and no work has been carried out or is planned by the Company.

Pursuant to the aforementioned agreement with the Vendor, the Company also acquired and owns a hydro-electric power plant located at Upper Kanuchuan Rapids on Island Lake River, Manitoba, which is located approximately 80 miles from the Lingman Lake property. This plant has been maintained in working condition. It is currently being operated to produce a nominal amount of power locally. While the plant and generators are in satisfactory condition, full power production would require very substantial outlays, particularly to replace water control dams. Save with respect to the foregoing the Company does not have any surface plant or equipment.

Prior Property Interests

During 1966 the Company staked or caused to have staked 203 mining claims in the Shoal Lake Area of Western Ontario and the Falcon Lake, Bird River area of Manitoba, at a cost of \$3,450. Air-borne and ground E M surveys were conducted on these claims at a total cost of approximately \$27,000; however results were disappointing and all of the claims have since been allowed to lapse.

USE OF PROCEEDS

The minimum proceeds to be received by the Company from the Shares offered hereunder is \$30,000 which will be reduced by the cost of this issue estimated at \$4,500. These monies will be used to discharge the Company's net liabilities, which at August 31, 1972, amounted to some \$7,450, including a loan in the amount of \$5,000 made to the Company by Cat Lake Mines Limited, such loan proceeds having been used for general administrative purposes. Monies will also be used to implement the initial exploration program recommended by R.A. Crouse, P. Eng., on the Company's Lingman Lake property, and estimated to cost approximately \$15,000. Dependant upon the results achieved and the availability of funds, further exploration may be carried out on the Lingman Lake property. 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 consort 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. While there are no such immediate plans, monies available in the Company's treasury, subject to 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 Shares offered hereunder are in the course of distribution to the public.

OFFERING

The Company offers 1,000,000 Common Shares without par value ("Shares") through Davidson & Company ("DAVIDSON") 25 Adelaide Street West, Toronto, Ontario. The Offering, to be by way of a distribution over-the-counter in the Province of Ontario, will continue for a period (the "Offering Period") of 3 months from the date of acceptance for filing of this Prospectus by the Ontario Securities Commission, until all of the 1,000,000 Shares have been sold, or until earlier terminated by mutual consent of the Company and DAVIDSON whichever shall first occur. The price at which Shares of the Company will be sold to the public will be determined by DAVIDSON but in any event will not be less than 15¢ per share. Purchasers of shares during the Offering Period will be charged commissions at normal rates, as prescribed by The Toronto Stock Exchange, by registered dealers, including DAVIDSON, acting as agents on behalf of such purchasers.

DAVIDSON has entered into an Agreement dated September 19, 1972, with the Company whereunder it has agreed within 3 business days following completion of the Offering Period to purchase such number of Shares of the Company so that the purchase price thereof when added to the monies received by the Company from the sale of its Shares during the Offering Period will, after the payment of the commissions to DAVIDSON as referred to below, equal the sum of \$30,000. The price to be paid by DAVIDSON for Shares so purchased by it will be settled by DAVIDSON but in any event will not be less than 11.25¢ per Share or 75% of the closing selling price for Shares of the Company on the last day of the Offering Period, whichever is the greater. Any Shares so purchased by DAVIDSON may be offered for sale over-the-counter but at a price not exceeding the amount paid therefor plus 25%. If DAVIDSON purchases any Shares as aforesaid, an amendment to this Prospectus will be filed with the Ontario Securities Commission.

In consideration for acting on behalf of the Company in this Offering, and the guarantee that the Company will receive at least the sum of \$30,000. DAVIDSON will be paid a commission of 10% of the selling price of the Shares sold pursuant to this Offering, all to net the Company 90% of the selling price of said shares.

DAVIDSON may also make purchases and sales of Shares of the Company in the open market during the course of the distribution of the Shares offered hereunder for the purpose of maintaining an orderly market for Shares of the Company and to assist in the distribution of the 1,000,000 Shares. Any Shares so purchased by it may be offered for sale in priority to the Shares offered by the Company, however, DAVIDSON will not itself purchase any of the Shares offered by the Company during the Offering Period.

DESCRIPTION OF SHARES

Each holder of shares is entitled to one vote at all meetings of shareholders for each share held. Each share ranks equally with all other shares with respect to rights to dividends and upon a winding up or dissolution of the Company. All shares to be outstanding upon completion of the present financing will be fully paid and non-assessable.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount outstanding as at August 31, 1972</u>	<u>Amount outstanding as at Sept. 15, 1972</u>	<u>Amount outstanding if all securities being offered are sold (1)</u>
Common shares no par value	5,000,000	1,464,286 (\$756,430)	1,464,286 (\$756,430)	2,464,286

- (1) This figure assumes that the 1,000,000 shares being offered by the Company and referred to under the caption "Offering" are all sold.

MANAGEMENT

The names and home addresses of the Directors and Officers of the Company, offices held in the Company and their principal occupation within the five preceeding years is as follows:

<u>Name and Address</u>	<u>Position with Company</u>	<u>Principal Occupation</u>
Mark Gerald Smerchanski 2147 Portage Avenue Winnipeg, Manitoba	President & Director	Member of parliament for the past 4 years. Consulting Geologist, self-employed, President of Border Chemical Company Ltd. Winnipeg, Manitoba and Cat Lake Mines Limited, Toronto, Ontario
Wilbur Ralph Salter, Q.C. 496 Russell Hill Road Toronto, Ontario	Vice-President & Director	Solicitor, Partner in the firm of Salter, Reilly, Jamieson & Apple, Solicitors, Toronto, Ontario
Clarence Robert Schultz 3 Cobblestone Drive Willowdale, Ontario	Secretary- Treasurer & Director	Accountant, self-employed
Basil Filardi, Jr. 59 Greenridge Avenue White Plains, New York, U.S.A.	Director	Attorney, Partner in the firm of Filardi and Caruso, White Plains, New York, U.S.A.
Harry Meronek 118 Wenzel Street St. Paul, Winnipeg Manitoba	Director	Chemical Engineer. Vice-President of Aerofoam Chemicals Ltd., Winnipeg, Manitoba

SHAREHOLDINGS OF DIRECTORS AND SENIOR OFFICERS

Set forth below are particulars of the shares of the Company beneficially owned by Directors and Senior Officers:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common shares No par value	Less than 1% (1)

- (1) Calculated on the basis of shares issued and outstanding prior to the sale of shares referred to under "Offering".

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the fiscal year of the Company ended March 31, 1972, no remuneration was paid to the Directors and Senior Officers of the Company save that the Secretary, who is also a Director of the Company, received \$600 in consideration of his providing the Company with secretarial services. No remuneration was paid to the Directors and Senior Officers of the Company for the period from March 31, 1972 to August 31, 1972.

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 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 the Purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

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

DATED this 31st day of October, 1972.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act (Ontario) and the regulations thereunder.

M.G. SMERCHANSKI
Chief Executive
Officer

C.R. SCHULTZ
Chief Financial
Officer

ON BEHALF OF THE BOARD OF DIRECTORS

Harry Meronek
Director

W. R. Salter
Director

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 7 of the Securities Act (Ontario) and the regulations thereunder.

DAVIDSON & COMPANY

Per:

J.C. LABBETT

The following are the only persons having an interest, directly or indirectly, to the extent of not less than 5% in the capital of Davidson & Company:
J.C. Labbett, A. Castledine, Keith Walker, G.A. Wiley, R.A. Marcello, Jalab Securities Limited, Brewster Securities Limited, R.W. Moody, Donald B. Climo.

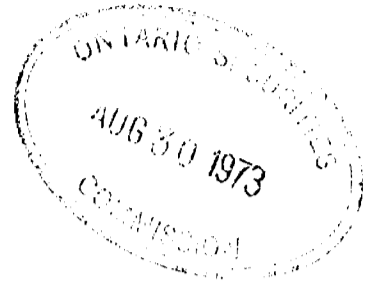
TO SECURITIES COMMISSION OR OTHER SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER, AND REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

63.3010

LAKELYN MINES LIMITED

Room 2019-A, 44 King Street West

TORONTO - ONTARIO



P R O S P E C T U S

COMMON SHARES
(without par value)

NEW ISSUE:

200,000 underwritten shares and 400,000 optioned shares as follows:

Firmly Underwritten	Under Option	Price Per Share	Net Proceeds to Corporation (1)	Maximum Offering Price of These Shares to the Public
200,000		20¢	\$ 40,000	25¢
	200,000	25¢	50,000	31.25¢
	200,000	30¢	60,000	37.5¢

(1) Before deducting the expenses of this issue, estimated not to exceed \$ 7,500.

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

PLAN OF DISTRIBUTION

The Underwriter-Optionee, acting as principal, will offer the underwritten and optioned shares over-the-counter in the Province of Ontario within the maximum price ceiling 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 expenses on the Company's properties referred to under "Use of Proceeds" in this Prospectus.

Shares of the Company trade in the over-the-counter market and on August 14, 1973 were quoted at 23¢ bid and 27¢ asked.

THESE SHARES ARE SPECULATIVE.

Particular reference should be made to the captions "History and Business", the various property sections thereunder and "Offering".

UNDERWRITER-OPTIONEE

DAVIDSON PARTNERS LIMITED
25 Adelaide Street West
Toronto, Ontario

TABLE OF CONTENTS

	Page
HISTORY AND BUSINESS	1
PROPERTY INTERESTS	1
Lingman Lake Property	1
Location and Access	2
History	2
Plant and Equipment	3
Engineer's Report	3
Recommendations	3
God's Lake Property	3
USE OF PROCEEDS	4
OFFERING	5
Underwritten Shares	5
Optioned Shares	5
DESCRIPTION OF CAPITAL	6
CAPITALIZATION	6
MANAGEMENT	6
SHAREHOLDINGS OF DIRECTORS AND SENIOR OFFICERS	7
REMUNERATION OF DIRECTORS AND SENIOR OFFICERS	7
PRIOR SALE OF SHARES	7
PRINCIPAL HOLDERS OF SHARES	7
DIVIDENDS	7
REGISTRAR AND TRANSFER AGENT	7
AUDITORS	8
MATERIAL CONTRACTS	8
PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	8
AUDITOR'S REPORT	9
FINANCIAL STATEMENTS	10
CERTIFICATES	15

HISTORY AND BUSINESS

Lakelyn Mines Limited, (the "Company"), was incorporated under the Companies Act (Ontario) and Part XI thereof by Articles of Incorporation dated February 9, 1945, as Lingman Lake Mines Limited (N.P.L.) to engage in the acquisition, exploration and development of mines, mineral lands and deposits. The Articles of Incorporation were amended March 3, 1945, to change the Company's name to Lingman Lake Gold Mines Limited (N.P.L.). The Articles of Incorporation were again amended on January 5, 1948 to increase the Company's authorized capital to 4,000,000 shares having a par value of \$1.00 each. The Articles of Incorporation were once again amended on November 19, 1948 to change the Company's name to Lingman Gold Mining Company Limited (N.P.L.) and to reorganize its capital structure so that the Company's authorized capital thereafter consisted of 3,000,000 shares having a par value of \$1.00 each. The Articles of Incorporation were further amended on April 7, 1954, to increase the Company's authorized capital to 5,000,000 shares having a par value of \$1.00 each. The Articles of Incorporation were once again amended on December 3, 1964 to change the Company's name to Lakelyn Mines Limited, to reduce its issued capital and subsequently to increase its authorized capital back to 5,000,000 shares having a par value of \$1.00 each. By Articles of Amendment dated October 30, 1972, the Company changed its 5,000,000 shares of the par value of \$1.00 each into 5,000,000 shares without par value.

Between December 1972 and February 1973, the Company carried out a diamond drilling program which is referred to under the heading "Lingman Lake Property". Except for the foregoing, the Company has been inactive for the past five years.

PROPERTY INTERESTSLINGMAN LAKE PROPERTY

Pursuant to the terms of an Agreement dated March 1, 1945, between the Company as Purchaser and Elmore George Hamilton Schultz of London, Ontario, as Vendor ("Vendor") the Company purchased 9 unpatented mining claims, PA6196 to PA6204 inclusive, located in the Lingman Lake Area of the District of Kenora, Patricia Mining Division, in the Province of Ontario and acquired an exclusive option to purchase a further nine mining claims, PA6130 to PA6138 inclusive, located in the same area. The consideration paid to the Vendor was \$3,000 and 1,200,000 fully paid and non-assessable shares of the Company as then constituted. By various amendments to the Articles of Incorporation of the Company in November 1948 and December 1964, the Company's capital structure has been reorganized so that 1,200,000 shares aforesaid are represented by 171,428 fully paid and non-assessable shares of the Company as presently constituted.

By Agreement dated March 12, 1945 between the Company and Art Van der Brink and Loret Paget c/o McMurray, Greschuck, Walsh, Micay and Molloy, 707 McArthur Building, Winnipeg, Manitoba, (the "Parties") the Company exercised its exclusive option to purchase the above mentioned claims under option in consideration for the sum of \$6,000. The Company also agreed to pay to the Parties the sum of \$10,000 within six months after production commences from claims PA6130 to PA6138.

One claim located in the Lingman Lake Area, namely, PA6391 was subsequently acquired at no cost to the Company.

During 1945, the Company also acquired two mining claims, namely PA6633 and PA6634, located in the Lingman Lake Area from J. Kirsopp for the sum of \$2,000.

The above mining claims, all of which are recorded in the Company's name, may be described as follows:

<u>Claim Number</u>	<u>Parcel Number</u>	<u>Acreage</u>
PA 6196	2004	42.39
PA 6197	2005	42.54
PA 6198	2006	40.74
PA 6199	2007	56.68
PA 6200	2008	55.75
PA 6201	2009	45.80
*PA 6202	2010	33.27
*PA 6203	2011	38.72
*PA 6204	2012	45.53
PA 6130	1995	55.10
PA 6131	2015	57.69
PA 6132	1999	47.21
PA 6133	2000	45.92
PA 6134	1996	45.43
PA 6135	2001	51.71
PA 6136	1997	44.34
PA 6137	2002	51.49
PA 6138	2003	48.80
PA 6391	1998	30.31
PA 6633	2013	50.73
PA 6634	2014	69.42

* Excepting thereout and therefrom the surface rights only on and over a strip of land one chain in perpendicular width along the shore of Lingman Lake.

Title to the claims is the usual title enjoyed by patented mining claims in the Province of Ontario. The patents contain normal reservations and the claims are subject to the provisions of The Land Titles Act. Acreage taxes at the rate of 50¢ per acre are payable to the Province.

Location and Access

The above claims are situated in the Lingman Lake Area, District of Kenora, in North-Western Ontario. The property is 195 air miles north and slightly east of Red Lake, Ontario, and approximately 210 miles north-east from Lac Du Bonnet, Manitoba. Access to the area is by float-equipped aircraft during the summer and by ski-equipped plane during the winter.

History

In 1945 the Company drilled 79 holes totalling 36,659 feet on the property. Between 1946 and 1949 the Company encouraged by its previous drilling, sunk a three-compartment shaft to a depth of 415 feet. Levels were established at 150 feet, 275 feet and 400 feet and a total of 4,536 feet of drifting, cross-cutting and raising was completed as follows:

<u>Level</u>	<u>Drifting</u>	<u>Cross-Cutting</u>	<u>Raising</u>
1st level - 150	771	388	
2nd level - 275	1,378	313	207
3rd level - 400	1,125	121	233

A total of 9,796 feet of underground diamond drilling was completed on all three levels.

Between December 1972 and February 1973, the Company carried out a drilling program by drilling one hole on the property. The Company intended to drill two deep diamond drill holes to penetrate the intersection of the north and south zones referred to under "Engineer's Report" on page 3. After the first drill hole was completed to a length of 992 feet the contractor experienced an accident and had his drill destroyed by fire. Because of the delay caused by the fire and additional costs that would be entailed in securing another drill, the Company decided not to proceed with the second diamond drill hole.

No further work has been done on the property and, save with respect to the foregoing, the Company is unaware of any previous surface or underground exploration and development work having been performed.

Plant and Equipment

The Company owns a head frame building which serves the three-compartment shaft mentioned above, and a hoistroom containing a boiler power plant. These buildings are carried on the Company's Balance Sheet at a value of \$ 31,801. The Company has no other surface plant or equipment on this property.

Engineer's Report

The following is a summary of the report of R.A. Crouse, P. Eng., dated June 25, 1973, which is available for inspection in the public files of the Ontario Securities Commission.

Mr. Crouse states that the principal gold showings on the property are contained within two shear zones known as the North and South Zones, both of which are cut by a diabase dyke. The mineralized zones strike east-west and dip south. The most favourable host rock is silicified greenstone with some carbonate and quartz, especially in the proximity of the quartz porphyry which lies between the two zones. Sulphide mineralization consists mainly of pyrite with minor amounts of arsenopyrite, pyrrhotite and occasionally chalcopyrite. A third zone, called the West Zone, is apparently an extension of the North Zone lying on the west side of the diabase dyke. Diamond drilling and underground exploration work have established the dip of the north zone to be 65 degrees south and the south zone 80 degrees south. The deep drill hole completed in February, 1973 intersected the downward projection of the two zones in a diamond drill hole that was drilled at an angle of 56° at 930 to 935 feet which ran 9.5 ozs. in gold over five feet of drill core.

Mr. Crouse states that previous exploration work has indicated the following potential tonnages to the 400 foot level:

Proven ore - 148,000 tons @ .41 ozs.	60,680 ozs.
Indicated and estimated ore by diamond drilling:	
a) North and south zone - 148,000 tons @ .41 ozs.	60,680 ozs.
b) West zone - 130,000 tons @ .21 ozs.	27,300 ozs.

Recommendations

Mr. Crouse recommends that:

1. A further diamond drilling program be carried out to extend some of the previous gold intersections. The cost of this diamond drilling is estimated at \$30,000 for 3,000 feet of drilling.
2. A detailed valuation report be prepared to determine the total cost of the surface plant and underground facilities that would be required to bring the property into production based on gold reserves which have been developed to date. The report is estimated to cost approximately \$15,000.

GOD'S LAKE PROPERTY

Pursuant to the terms of an Agreement dated September 16, 1948 between the Company as Purchaser and Gold's Lake Gold Mines Limited, a Company organized under the laws of Manitoba and having its head office in Winnipeg, Manitoba, as Vendor ("Vendor") the Company purchased all the assets of the Vendor for the consideration of 500,000 fully paid and non-assessable shares of the Company as constituted following an Amendment to the Articles of Incorporation of the Company dated November 19, 1948. Following a further Amendment to the Articles of Incorporation of the Company in December 1964, the 500,000 shares aforesaid are represented by 142,856 fully paid and non-assessable shares of the Company as presently constituted.

The following mining claims situate at Elk Island in the Province of Manitoba, are recorded in the Company's name, are free of encumbrance and the title thereto is the usual title to mining claims enjoyed by the

Province of Manitoba when same are held under provincially granted 21 year leases. There are no requirements for the performance of assessment work and no rentals are payable other than rentals on the renewal of leases.

<u>Name of Claim</u>	<u>No. of Lease</u>	<u>Acreage</u>	<u>Expiry Date</u>
Cona No. 3	M-296	46.46	May 21, 1976
Cona No. 8	M-297	45.65	May 21, 1976
Cona No. 9	M-298	43.59	May 21, 1976
Cona No.10	M-299	51.65	May 21, 1976
Cona No.11	M-300	45.44	May 21, 1976
*Akers No. 1	M-304	46.28	May 21, 1976
*Akers No. 3	M-306	49.05	May 21, 1976
*Akers No. 7	M-310	60.00	May 21, 1976
Manitou	M-311	51.65	May 21, 1976
Lake No. 26	M-322	17.00	May 21, 1976

* Subject to the Company's right to mine thereunder, 4 acres of the surface rights of each of Akers No. 1 and Akers No. 7, and 14.5 acres of the surface rights of Akers No. 3, were set aside for public purposes, without any compensation to the Company, by Order of the Minister of Mines and Natural Resources, Manitoba, dated June 27, 1957.

The former owners carried out considerable surface and underground development work including mining and milling operations. Work was suspended many years ago and no work has been carried out or is planned by the Company.

Pursuant to the aforementioned agreement with the Vendor, the Company also acquired and owns a hydro-electric power plant located at Upper Kanuchuan Rapids on Island Lake River, Manitoba, which is located approximately 80 miles from the Lingman Lake property. This plant has been maintained in working condition. It is currently being operated to produce a nominal amount of power locally. While the plant and generators are in satisfactory condition, the full power production would require very substantial outlays, particularly to replace water control dams. Save with respect to the foregoing, the Company does not have any surface plant or equipment.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the underwritten shares will be \$ 32,500 , after deducting expenses of the issue estimated at \$ 7,500. If all of the optioned shares are taken up and paid for, the Company would receive an additional \$ 110,000. The net proceeds will form part of the Company's working capital and the sum of \$ 30,000 will be allocated to implement the diamond drilling program recommended by R.A. Crouse, P. Eng., on the Company's Lingman Lake property. Additional development work may be carried out dependent upon the results obtained from the aforementioned drilling program and the availability of funds. Dependent upon the results achieved and the availability of funds, the Company may have a valuation report prepared as recommended by R.A. Crouse to determine the total cost of the surface plant and underground facilities that would be required to bring the property into production. Such a report is estimated to cost approximately \$15,000. While the Company has no plans in this regard at the present time, the 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 consort with others, and generally to carry out exploration programs as opportunities and finances permit, but no such properties will be acquired and monies will not be expended thereon without an amendment to this Prospectus being filed if the securities of the Company are then in the course of distribution to the public.

Monies not immediately required for the Company's purposes are deposited in interest bearing accounts with Canadian Chartered Banks and/or Trust Companies. While there are no such immediate plans, monies available in the Company's treasury, subject to the approval of the shareholders of the Company, may be utilized to purchase securities of other corporations but no such purchases will be made while the securities offered hereunder are in the course of distribution to the public.

OFFERING

The Company entered into an Agreement (the "Underwriting Agreement"), dated July 17, 1973, with Davidson Partners Limited, (the "Underwriter-Optionee"), 25 Adelaide Street West, Toronto, Ontario, whereby the Underwriter-Optionee 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>
200,000	20¢	\$ 40,000	25¢

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>
200,000	25¢	3 months	31.25¢
200,000	30¢	4 months	37.5¢

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

In the event the Underwriter-Optionee defaults 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 and above. Sales of the underwritten and optioned shares may also be made through registered dealers acting as agents who will be paid commissions not exceeding 25% of the selling price of the shares so offered.

DESCRIPTION OF CAPITAL

Each holder of shares is entitled to one vote at all meetings of shareholders for each share held. Each share ranks equally with all other shares with respect to rights to dividends and upon a winding up or dissolution of the Company. All shares to be outstanding upon completion of the present financing will be fully paid and non-assessable.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount out-standing as at March 31, 1973</u>	<u>Amount out-standing as at June 30, 1973</u>	<u>Amount out-standing if all Securities being offered are sold (1)</u>
Common shares no par value	5,000,000	1,689,286 (\$786,805)	1,689,286 (\$786,805)	1,889,286 (\$826,805)

(1) This figure assumes that the 200,000 shares underwritten and referred to under the caption "Offering" are taken up and paid for. If said shares and all of the 400,000 shares optioned are purchased, the number of shares to be outstanding will be 2,289,286 and the consideration paid therefor will be \$ 936,805.

MANAGEMENT

The names and home addresses of the Directors and Officers of the Company, offices held in the Company and their principal occupation within the five preceeding years is as follows:

<u>Name and Address</u>	<u>Position with Company</u>	<u>Principal Occupation</u>
Mark Gerald Smerchanski 2147 Portage Avenue Winnipeg, Manitoba	President and Director	Consulting geologist, self employed and President of Border Chemical Company Limited, Winnipeg. Member of Parliament for the four years preceeding October 1972.
Wilbur Ralph Salter, Q.C. 496 Russell Hill Road Toronto, Ontario	Vice-President and Director	Partner, Salter & Apple, Solicitors.
Clarence Robert Schultz 3 Cobblestone Drive Willowdale, Ontario	Secretary-Treasurer and Director	Accountant, self-employed.
Basil Filardi, Jr. 59 Greenridge Avenue White Plains, New York, U.S.A.	Director	Attorney-at-law, White Plains, N.Y.
Harry Meronek 118 Wenzel Street St. Paul, Winnipeg Manitoba	Director	Chemical Engineer, Vice-President of Aerofoam Chemicals Ltd., Winnipeg, Manitoba

SHAREHOLDINGS OF DIRECTORS AND SENIOR OFFICERS

Set forth below are particulars of the shares of the Company beneficially owned by Directors and Senior Officers:

<u>Designation of Class</u>	<u>Percentage of Class</u>
common shares, no par value	9 % (1)

- (1) Calculated on the basis of shares issued and outstanding prior to the sale of shares referred to under "Offering".

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the fiscal year of the Company ended March 31, 1973, no remuneration was paid to the Directors and Senior Officers of the Company save that the Secretary, who is also a Director of the Company, received \$1,000 in consideration of his providing the Company with secretarial services. No remuneration was paid to the Directors and Senior Officers of the Company for the period from March 31, 1973 to June 30, 1973.

PRIOR SALES OF SHARES

In November 1972, the Company, through a public offering, sold 225,000 shares at 15¢ per share and received proceeds of \$30,375.

PRINCIPAL HOLDERS OF SHARES

Set forth below are particulars as at July 9, 1973, of the principal holders of shares of the Company:

<u>Name and Address</u>	<u>Type of Ownership (1)</u>	<u>Number of Shares</u>	<u>Percentage of Class (2)</u>
Ruth Wade 845 West Pender Street, Vancouver, British Columbia	of record	370,500	21.9 %
Davidson & Company 25 Adelaide Street West, Toronto, Ontario.	of record	323,605	19.2 %

- (1) The Company does not have any knowledge of the beneficial ownership of the shares held of record by Ruth Wade and/or Davidson & Company.
- (2) Calculated on the basis of shares issued and outstanding prior to the sale of shares referred to under "Offering".

DIVIDENDS

No dividends have been paid by the Company during its last five completed fiscal years.

REGISTRAR AND TRANSFER AGENT

Crown Trust Company, 302 Bay Street, Toronto, Ontario, acts as the Company's Registrar and Transfer Agent.

AUDITORS

The Auditors of the Company are Messrs. Thorne Gunn & Co., Chartered Accountants, Royal Trust Tower, Toronto, Ontario.

MATERIAL CONTRACTS

The Company has entered into the following material contract during the past two years:

Agreement dated July 17, 1973, between the Company and Davidson Partners Limited, respecting the sale of shares hereunder and referred to under the caption "Offering".

A copy of the foregoing Agreement may be inspected within ordinary business hours at the head office of the Company, Room 2019-A, 44 King Street West, Toronto, Ontario, during 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 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 the Purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

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

AUDITORS' REPORT

To the Directors of
Lakelyn Mines Limited

We have examined the balance sheet of Lakelyn Mines Limited as at March 31, 1973 and the statements of deferred exploration and development expenditures, deficit, contributed surplus, administrative expenses and source and application of funds for the five years then ended. Our examination 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 these financial statements present fairly the financial position of the company as at March 31, 1973 and the results of its operations and the source and application of its funds for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Canada
May 23, 1973
(July 17, 1973 as to note 6)

THORNE GUNN & CO.
Chartered Accountants

LAKELYN MINES LIMITED
(Incorporated under the laws of Ontario)

BALANCE SHEET - MARCH 31, 1973

ASSETS

CURRENT ASSETS

Cash \$ 2,433

FIXED ASSETS (note 5)

Buildings and equipment, at cost less proceeds
from disposals and write-off of \$64,833 \$ 31,801

Kanuchuan Rapids hydro plant and power development,
mining plant and leases in the God's Lake Area,
Manitoba, at the value assigned to 142,856 shares
of the presently constituted capital stock less
proceeds from disposals of \$5,361 137,496 169,297

MINING CLAIMS (notes 1 and 5) 182,428

DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES (note 5) 721,770

\$1,075,928

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities \$ 1,813

SHAREHOLDERS' EQUITY

CAPITAL STOCK (notes 2 and 3)

Authorized - 5,000,000 shares without par value
Issued - 1,689,286 shares \$786,805

CONTRIBUTED SURPLUS (note 4) 287,310 1,074,115

\$1,075,928

Approved by the Board

M.G. SMERCHANSKI
Director

W.R. SALTER
Director

LAKELYN MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

	Year ended March 31,				
	1973	1972	1971	1970	1969
Travel					
Diamond drilling	\$ 5,749				
Engineering and consulting fees	5,363				
Government fees and taxes	1,050				\$ 2,423
Surveys	701	\$ 701	\$ 801	\$ 702	202
Assaying					180
	65				
Expenditures for the year	12,928	701	801	702	2,805
Balance deferred at beginning of year	708,842	708,141	707,340	736,448	733,643
Expenditures written off to deficit	721,770	708,842	708,141	737,150	736,448
				29,810	
Balance deferred at end of year	<u>\$721,770</u>	<u>\$708,842</u>	<u>\$708,141</u>	<u>\$707,340</u>	<u>\$736,448</u>

STATEMENT OF DEFICIT

	Year ended March 31,				
	1973	1972	1971	1970	1969
Deficit at beginning of year					
Add	\$259,945	\$257,365	\$252,863	\$214,280	\$205,765
Administrative expenses					
Mining claims abandoned	14,654	2,438	4,502	2,429	8,515
Cost					
Exploration and development				3,450	
General exploration				29,810	
		142		2,894	
	274,599	259,945	257,365	252,863	214,280
Deduct amount written off to contributed surplus (note 4)	274,599				
Deficit at end of year	<u>Nil</u>	<u>\$259,945</u>	<u>\$257,365</u>	<u>\$252,863</u>	<u>\$214,280</u>

LAKELYN MINES LIMITED

STATEMENT OF CONTRIBUTED SURPLUS

	Year ended March 31,				
	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>
Balance at beginning of year	\$561,909	\$561,909	\$561,909	\$561,909	\$561,909
Deficit written off (note 4)	<u>274,599</u>				
Balance at end of year	<u>\$287,310</u>	<u>\$561,909</u>	<u>\$561,909</u>	<u>\$561,909</u>	<u>\$561,909</u>

STATEMENT OF ADMINISTRATIVE EXPENSES

	Year ended March 31,				
	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>
Accounting and secretarial expenses	\$ 1,000	\$ 600	\$ 1,800	\$ 1,800	\$ 2,650
Audit	1,350	800			350
Government fees and taxes	85	100	85	85	155
Legal	7,355			75	2,800
Office expenses	402	65	962		759
Report to shareholders	1,679	166			588
Transfer agent's fees and expenses	1,960	707	1,754	1,036	1,704
Travelling expenses	823				395
	<u>14,654</u>	<u>2,438</u>	<u>4,601</u>	<u>2,996</u>	<u>9,401</u>
Less interest earned			99	567	886
Administrative expenses, written off to deficit	<u>\$ 14,654</u>	<u>\$ 2,438</u>	<u>\$ 4,502</u>	<u>\$ 2,429</u>	<u>\$ 8,515</u>

LAKELYN MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Year ended March 31,				
	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>
Source of funds					
Proceeds from issue of shares	<u>\$ 30,375</u>				
Application of funds					
Exploration and development expenditures	12,928	\$ 701	\$ 801	\$ 702	\$ 2,805
Administrative expenses (net)	14,654	2,438	4,502	2,429	8,515
General exploration		142		2,894	
	<u>27,582</u>	<u>3,281</u>	<u>5,303</u>	<u>6,025</u>	<u>11,320</u>
Increase (decrease) in working capital position	2,793	(3,281)	(5,303)	(6,025)	(11,320)
Working capital (deficiency) at beginning of year	<u>(2,173)</u>	<u>1,108</u>	<u>6,411</u>	<u>12,436</u>	<u>23,756</u>
Working capital (deficiency) at end of year	<u>\$ 620</u>	<u>\$ (2,173)</u>	<u>\$ 1,108</u>	<u>\$ 6,411</u>	<u>\$ 12,436</u>

LAKELYN MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1973

1. MINING CLAIMS

Lingman Lake Area, Kenora-Patricia Mining Division, Ontario at the value assigned to 171,428 shares of the presently constituted capital stock and \$11,000 cash. A further \$10,000 is payable by the company six months after production commences

\$182,428

2. CAPITAL REORGANIZATION

The Articles of Amendment of the company dated October 30, 1972, gave effect, among other things, to the change in the company's authorized capital from shares with a par value of \$1 each into shares without par value and transfer the balance of discount to issued capital.

3. CAPITAL STOCK

During the year, the corporation issued 225,000 shares of capital stock for net proceeds of \$30,375 cash.

4. CONTRIBUTED SURPLUS

On July 20, 1972 the shareholders authorized the company to write off accumulated deficit as it appears on the balance sheet of the company on a periodic basis to contributed surplus until all such contributed surplus has been written off the books of the company.

5. RECOVERY OF COSTS

The recovery of costs of fixed assets, mining claims and deferred exploration expenditures is dependent upon the successful development of the company's property.

6. SUBSEQUENT EVENT

By agreement dated July 17, 1973, Davidson Partners Limited have agreed to purchase 200,000 shares of the company's capital stock for \$40,000 and in consideration therefor has been granted options to purchase additional shares as follows:

200,000 shares at 25 ¢ per share within 3 months
200,000 shares at 30 ¢ per share within 4 months

from the acceptance date being 3 days after this prospectus has been accepted for filing by regulatory bodies.

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.

M.G. SMERCHANSKI
Chief Executive
Officer

C.R. SCHULTZ
Chief Financial
Officer

ON BEHALF OF THE BOARD OF DIRECTORS

BASIL FILARDI, JR.
Director

W.R. SALTER
Director

Dated this 14th day of August, 1973.

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.

DAVIDSON PARTNERS LIMITED

By: "J. C. Labbett"
"R. A. Marcello"

Dated this 14th day of August, 1973.

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Davidson Partners Limited: Brewster Securities Limited, Jalab Securities Limited, J.C. Labbett, R. A. Marcello, G.A. Wiley, A. V. Castledine, W. Keith Walker, D.B. Climo, R. W. Moody.