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NORTHUMBERLAND MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

FIXED PRICE OFFERING
(common shares without par value)

Number of Shares Offered	Underwriter's Commission	Net Amount to Corporation
900,000	$135,000	$1,260,000
	15¢ per share	$1.40 per share

Under an agreement dated October 7, 1980 between Northumberland Mines Limited ("the Corporation") and Goulding, Rose & Turner Limited, as Underwriter, the Corporation has agreed to sell and the Underwriter has agreed to purchase 900,000 shares at a price of $1.40 per share. The Underwriter, acting as principal, will offer the shares over-the-counter in the Provinces of Ontario and Nova Scotia at the price of $1.55 per share. The price to be paid to the Corporation was established by negotiation between the Corporation and the Underwriter.

SECONDARY OFFERING: 100,000 shares

Shares comprising the secondary offering will be offered by the Underwriter at the same price as the shares under the primary offering are offered. The proceeds of the sale of these shares will accrue to the selling shareholder and not to the treasury of the Corporation. The selling shareholder will bear his pro rata share of the expenses of the offering.

71,500 shares are to be issued hereunder to a seller of equipment as part of the purchase price. Reference is made to the headings "The Cochrane Hill Gold Prospect" and "PRIOR SALES" herein.

THESE SHARES ARE SPECULATIVE SECURITIES

GOULDING, ROSE & TURNER LIMITED
Suite 1300
11 King Street West
Toronto, Ontario
M5H 1A5

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SUMMARY OF PROSPECTUS

Northumberland Mines Limited ("the Corporation") owns two properties which are presently being explored. The first property is a gold prospect in Nova Scotia in which the Corporation can earn a 50% interest by exploration expenditures. As a result of an earlier offering, the Corporation has sufficient funds to carry out the exploration work required to earn the interest. The second are calcium carbonate properties in the Havelock area of Ontario. They are presently under option to Preussag Canada Limited, which is carrying out exploration work to which the Corporation is not liable to contribute. (See BUSINESS AND PROPERTY OF NORTHUMBERLAND commencing on page 4.)

The Corporation intends to use part of the proceeds of this offering to retire a debt owned to Bechtel Canada Limited for engineering services, specifically a feasibility study on the calcium carbonate properties of the Corporation. The Corporation also intends to use part of the proceeds together with funds previously raised to purchase a test cyanide ore dressing plant for the extraction of gold and evaluation of the Cochrane Hill gold deposit. (See USE OF PROCEEDS commencing on page 21.) The Corporation will receive proceeds of $1,260,000 from the issue which, after the expenses of the offering, will enable the Corporation to pay off the debt and purchase the plant. Some of the funds raised by the earlier offering referred to above are required to be spent only on Canadian Exploration Expenditures as defined in the Income Tax Act. The proceeds from the issue are not so restricted.

The Corporation's shares are speculative. Neither property referred to above has been shown to contain minerals in commercial quantities. If the exploration work being carried out on each property yields satisfactory results, additional funds may be required for further exploration and/or development work. The only source of funds presently available to the Corporation is through the sale of equity capital.

The shares of the Corporation trade over-the-counter only. Upon completion of this offering, the net tangible book value of the 3,444,240 shares then outstanding would be 52 cents per share. Purchasers of common shares will accordingly suffer an immediate dilution of approximately $1.03 per share (based on the difference between the subscription price per share and the net tangible book value per share after the offering).
(See RISK FACTORS on page 35.)

THE ISSUER AND THE MARKET

Northumberland Mines Limited ("the Corporation") was incorporated under the laws of the Province of Ontario by Articles of Incorporation dated the 30th day of May, 1974, with an authorized capital of 3,000,000 common shares without par value. By Articles of Amendment dated December 3, 1979, the authorized capital was increased to 5,000,000 common shares without par value. The head office of the Corporation is located at Suite 1014, 111 Richmond Street West, Toronto, Ontario, M5H 2G4.

Shares of the Corporation have not traded, generally speaking, in sufficient volume to constitute a bona fide market until recently, when a bona fide market developed. Particulars as to the prices at which shares have traded are as follows:

	Volume	High	Low
1979			
August	7,500	.30	.25
September	46,100	.65	.30
October	32,700	.50	.25
November	9,000	.50	.35
December	23,000	.50	.40
1980			
January	73,300	.65	.45
February	66,600	.75	.50
March	32,100	.55	.40
April	5,000	.50	.50
May	1,000	.40	.40
June	223,500	.80	.40
July	449,000	.90	.40
August	230,400	1.37	.80
September	363,150	2.20	.90

BUSINESS AND PROPERTY OF NORTHUMBERLAND

The Corporation was incorporated for the purpose of mining exploration and its objects include exploring for, acquiring, developing and mining mineral deposits.

The Corporation has two principal properties, the Cochrane Hill Gold Prospect and the Calcium Carbonate Properties..

The Cochrane Hill Gold Prospect

By an agreement dated October 24, 1979 between Atlantic Gold Mines Ltd. and Massval Mines Ltd. as optionors and the Corporation as optionee, the Corporation agreed to extract and have metallurgical tests conducted on a bulk sample from a property known as the Cochrane Hill Gold Prospect referred to in the engineer's report summarized below as the Cochrane Hill Claim Group. In consideration for this agreement, the Corporation was given an option to acquire a 50% interest in the property. The expiry date of the option was September 30, 1980, but has since been extended to December 31, 1980. The option may be extended for one year if the Corporation spends not less than $150,000 for exploration and development of the property by December 31, 1980. As at August 31, 1980, the most recent date for which figures are available, the Corporation had spent $60,714.64 on such exploration. The Corporation intends to spend sufficient funds in exploration on or before December 31, 1980 to satisfy the remainder of such commitment, that is the sum of $89,285.36 Such exploration expenditures, although they commenced prior to the recommendations of William A. MacPherson the cost estimates for which are set out on pages 21 and 22 hereof, are substantially covered by such cost estimates. In order to earn the 50% interest, the Corporation must either spend an aggregate of $300,000 within two years or put the property into commercial production. Upon the expenditure of $300,000, the Corporation will receive 50% of the net profits from the property. If the property is taken into commercial production before an aggregate of $300,000 has been expended, the whole of the net profits will be paid to the optionors until the net profits so paid and the total amount spent by the Corporation total $300,000, after which time 50% of all net profits will be paid to the Corporation. Further funds as required are to be advanced by the optionors and the Corporation in proportion to their respective interests in the property. Failure to pay such amounts will result in a reduction of the interest of the party so failing. The interest of the Corporation may not be reduced below 30% and the interests of each of Atlantic and Massval may not be reduced below 15%.

The Cochrane Hill Gold Prospect subject to the above option agreement consists of 51 claims covering about 2,040 acres in Nova Scotia, located 26 miles south from Antigonish, and is accessible by Highway 7 which crosses the property. There are gravel and bush roads within the property, which provide access to areas of immediate interest. The claims are officially designated as follows:

Reference Sheet No.	Tract No.	Claims		In Good Standing Until
11-E-8-A	1	A B C D	*	June 21, 1981
	1	E F G H		Oct. 1, 1981
	2	A B C D		Oct. 22, 1981
	3	A B		Oct. 22, 1981
11-F-5-B	12	A B C D E F G H		Oct. 1, 1981
11-F-4-C	108	J K L M N O P Q		Oct. 1, 1981
11-E-1-D	97	J K L M N O P Q	*	June 21, 1981
	98	J Q	*	June 21, 1981
	98	K L M N O P		Oct. 22, 1981
	99	J K O P Q		Oct. 22, 1981

* Denotes claims held under Development Licence

After entering into the October 24, 1979 option, the Corporation carried out a program of bulk sampling and mill testing to verify grade and recovery of mineralized material over various surface widths, in order to check estimates of drill indicated tonnage based on previous exploration work. The Corporation later carried out a combined airborne magnetic and VLF survey over the property. The results of such work are described in the report of William A. MacPherson referred to below.

Following that work, the Corporation staked 428 additional claims adjoining to the east and south of the 51 original claims. Mr. MacPherson refers to the 51 claims as the Cochrane Hill Claim Group, and the 428 claims as the Northumberland Claim Group. The latter claims each cover about 40 acres, for an aggregate acreage of about 17,120 acre They are contiguous to the Cochrane Hill Claim Group to the south and east, and accordingly lie 26 miles south of Antigonish, and are about 5 miles north of Sherbrooke.

The Northumberland Claim Group are officially designated as follows

Reference Sheet No.	Tract No.	Claims	In Good Standing Until
11-F-5-B	5	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-5-B	6	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-5-B	7	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-5-B	8	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-5-B	9	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-5-B	10	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-5-B	11	A D H E J M	July 9, 1981
11-F-4-C	78	J K L M N O P Q	July 9, 1981
11-F-4-C	79	J K L M N O P Q	July 9, 1981
11-F-4-C	80	J K L M N O P Q	July 9, 1981
11-F-4-C	81	J K L M N O P Q	July 9, 1981
11-F-4-C	82	J K L M N O P Q	July 9, 1981

Reference Sheet No.	Tract No.	Claims	In Good Standing Until
11-F-4-C	83	J K L M N O P Q	July 9, 1981
11-F-4-C	84	J K L M N O P Q	July 9, 1981
11-F-4-C	85	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	86	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	87	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	88	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	89	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	90	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	91	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	102	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	103	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	104	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	105	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	106	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	107	A B C D E F G H J K L M N O P Q	July 9, 1981
11-F-4-C	108	A B C D E F G H	July 9, 1981
11-E-1-D	73	J K L M N O P Q	July 9, 1981
11-E-1-D	95	A G H J K L N O P Q	July 9, 1981
11-E-1-D	96	A B C D E F G H J K L M N O P Q	July 9, 1981
11-E-1-D	97	A B C D E F G H	July 9, 1981
11-E-1-D	98	A B C D E F G H	July 9, 1981
11-E-1-D	99	A B G H	July 9, 1981

The Northumberland Claim Group is accessible by Highway 7 and a gravel road running roughly along the north boundary of the claims, from which several bush roads run south into the interior of the claims.

So far as history before the Corporation entered into the

October 24, 1979 option, the Northumberland Claim Group represents an unknown quantity, but the Cochrane Hill Claim Group, or parts of it, have been known since 1864 when gold was first discovered there. The extent of old workings on the property is minor. The major shaft is the Mitchell, which has a total depth of 220 feet. Exploration in the middle nineteen seventies consisted of trenching, VLF and proton magnetic ground surveys, stripping of the presently exposed zones, and forty-four diamond drill holes. Bulk sampling of surface zones was also carried out during this period; however, the methods and testing were of such a nature to render the results unreliable. It is estimated that from 1973 to 1979 in excess of $300,000 had been expended on the property.

Title to the Cochrane Hill Claim Group and the Northumberland Claim Group is the normal title to mineral claims under the laws of Nova Scotia. Claims are acquired under licences, each of which has a term of one year and allows for the staking of up to 16 contiguous 40-acre claims. Licences may be renewed for up to 5 years by completing 40 man days work per year on each claim. A fee of 50 cents per acre may be paid in lieu of work, and $200 spent in mechanized prospecting is equivalent to 40 man days work. A lease may be acquired upon performing 200 man days work, entitling the holder to mine for specific minerals, for a term of 20 years. The fee is $20 per claim, with an annual lease rental of 50 cents per acre. The lessee must carry out 600 feet of lateral development work, or its equivalent.

The following is a summary of the report on the Cochrane Hill Claim Group and the Northumberland Claim Group by William A. MacPherson, B.Sc., Consulting Geologist, dated August 12, 1980. The repor[illegible] available for inspection in the public files of the Ontario Securities Commission, 10 Wellesley Street East, Toronto.

B. C. Filingham in his 1975 report entitled "Proposed Development Cochrane Hill" has estimated reserves of 135,965 tons grading 0.315 ounces of gold per ton. In the report summarized herein, Mr. MacPherson has estimated drill indicated tonnage of 217,353 tons grading 0.25 ounces of gold per ton. Mill tests on this material indicates that a recovery of 96% gold can be achieved by straight cyanidation.

Included in the above figure is 182,529 tons grading 0.265 oz/au/ton in three main zones. These zones have an average width of 5.8 feet. The three zones, No. 4, New Zone Shear, and Bluebird, are located in what is referred to as the sheared zone or quartz-sulphide zone which has a width of forty feet. Numerous sights of visible gold have been identified in the intervening area between the main zones within the quartz-sulphide zone. However, in many cases channel or chip sampling in the area of visible gold has yielded negative results In order to better evaluate the forty foot zone a program of bulk sampling is underway.

In addition an airborne VLF and magnetic survey has been completed over the claim group, which has extended anomalous conditions over the main mineralized zone eastward to the original claim block boundary. Further anomalies have been found south of the original claim block. On the strength of data from this limited survey, the Corporation has staked an additonal 428 claims.

A continuing program of bulk sampling to establish grade and widths within the quartz-sulphide zone is recommended, as well as detailed examination of its potential extent as indicated by the airborne VLF and magnetic survey. A Cyanide test plant is being purchased by Northumberland which may be used in either of two ways, on site in conjunction with contract crushing and preparation, or it may be used in conjunction with a 50 ton per day gravity facility scheduled for completion in September, 1980 at Debert, Nova Scotia. (Since the preparation of Mr. MacPherson's report the scheduled completion date has been changed to October 31, 1980. The gravity facility referred to is owned by others and the Corporation has no financial interest in it.)

Future expenditures on the continuing bulk sampling project and fill in drilling on the main zone are estimated at $662,855.

An airborne VLF and magnetic survey with ground follow-up is recommended to evaluate the newly acquired claims. The above program will, it is estimated, cost $212,000. (End of summary. The total estimated cost of both programs is $724,855 after allowing for a credit of $150,000 - See page 22.)

The option agreement of October 24, 1979 between the Corporation as optionee, and Atlantic Gold Mines Ltd. and Massval Mines Ltd. as optionors, was entirely at arm's length. The Corporation understands that Atlantic is a closely-held company owned by Margaret Mills and Harry Morgan, both of Montreal, Quebec, and Avard Hudgins and the Estate of R. C. Thornton, both of Truro, Nova Scotia, and that Massval is a public company.

Reference is made to the heading USE OF PROCEEDS commencing on page 21 for details of Mr. MacPherson's recommendations and cost estimates. Reference is made therein to a cyanide test plant.

By an agreement dated August 8, 1980 between the Corporation and J. M. Ore Dressing Equipment Co. Ltd., P. O. Box 370, Timmins, Ontario, P4N 7E3, the Corporation agreed to purchase a 100 ton per day 3 shift day cyanide ore dressing plant for $327,855, payable $50,000 on the signing of the agreement (which payment has been made), the sum of $100,000 to be satisfied by the issue to J. M. Ore Dressing Equipment Co. Ltd. of fully paid common shares of the Corporation at the same price as the price at which common shares of the Corporation are to be issued to the Underwriter under this prospectus. and the balance in cash on the first anniversary date of the delivery of the plant. Until such anniversary date, the Corporation will pay interest monthly on the unpaid balance at the same interest rate as that at which J. M. Ore Dressing Equipment Co. Ltd. is able to borrow from its bank.

The Calcium Carbonate Properties

The Corporation holds an interest in several calcium carbonate properties in Belmont and Methuen Townships, near Havelock, Ontario. The Corporation acquired its interest in the properties through various agreements relating to two sets of claims designated as the Belmont Township Claims (also known as the Whitney Claims) and the Vansickle Claims, together referred to as The Calcium Carbonate Properties.

Belmont (Whitney) Claims

The Corporation acquired its interest in the Belmont Township Claims by purchasing all of the rights held by William L. Young, the President of the Corporation, in an option agreement dated May 31, 1975 between William L. Young as optionee, and C. Roger Young and James D. Cumming as optionors. The claims covered a calcium carbonate and dolomite prospect which appeared to have the potential to become a source of fine, white calcium carbonate to be used in the paint, plastics and paper industries. The Belmont (Whitney) mineral holdings are officially designated as:

Mining Leases	101788 and 101789
Mining Claims	414084, 499376, 402602 and 499378

In consideration of the transfer of his rights under the agreement to the Corporation, William L. Young was paid the sum of $1.00 and was reimbursed for his costs to the date of the transfer.

The original option agreement required, for the full exercise of the option, $31,200 to be paid before May 31, 1976 and the performance of certain minimum amount of exploration work. Upon the satisfaction of the requirements, the optionee could acquire, free of all encumbrances, mining rights and privileges of preemption in and to the Belmont Township Claims. The agreement as conditional upon the optionee and the owners of the surface rights to the claims having agreed upon the manner of carrying out any further work on the claims. The original option agreement with C. Roger Young and James D. Cumming was extended by various agreements dated April 21, 1976, July 20, 1976, December 21, 1976, November 7, 1977, May 31, 1978 and November 21, 1978. The final agreement extended the time for the exercise of the option to December 31, 1978. The Mining Rights lease held by C. Roger Young and James D. Cumming was finally assigned to the Corporation by an assignment dated November 24, 1978, after payment of the full option price by the Corporation.

The surface rights to the claims were owned by Schickedanz Developments Limited ("Schickedanz"). The Corporation reached an agreement with Schickedanz dated September 19, 1975, under which Schickedanz would grant an option to purchase the surface rights plus a right-of-way for a specified sum. The option was to expire in September, 1976.

Further option agreements were entered into with Schickedanz as replacements for expiring agreements. Pursuant to an agreement dated January 24, 1977, the Corporation purchased the surface rights covering a 50-acre area for the sum of $1.00, after having spent the required amount of money on exploration pursuant to the agreement. The 50-acre parcel covers the principal mineralized zone.

By agreement dated March 1, 1980 between Schickedanz, Preussag Canada Limited and the Corporation (see description of an agreement with Preussag Canada Limited later in this section), Preussag agreed to pay Schickedanz $500 per month option price and a formula price per acre depending on when the option was exercised. If the option is terminated by Preussag, then Northumberland shall have the right to extend the option. If the Corporation elects not to continue with the option, then Schickedan shall have the right to purchase the Corporation's mineral rights at a price to be agreed upon.

The Vansickle Claims

The Corporation acquired its interest in the Vansickle Claims under an agreement dated November 8, 1975, between C. Roger Young and Bruce Robson as optionors and the Corporation as optionee. The agreement provided for the granting of an option on three mining claims. In order to fully exercise its option, the Corporation was required to make payments totalling $35,000 and to carry out certain exploration work by May 31, 1977. Upon the satisfaction of the requirements, the Corporation would become the sole owner of the lease of the mining claims subject to a royalty interest to the optionors. The required exploration work was "to perform such assessment work and do all other things which may be necessary to keep the claims in good standing". No work was done by the Corporation but the claims were renewed in 1976, and in December 1976 a new agreement was made to conform to the wishes of Canadian White Pigments Corporation, referred to below. Canadian White Pigments drilled several holes and eventually recorded sufficient assessment work to take the claims to lease subject to the performance of a survey.

The agreement of November 8, 1975 was amended by an agreement dated April 22, 1976, and the time limits for the exercise of the options were extended by agreements dated June 24, 1976, August 20, 1976, December 22, 1976 and November 8, 1977.

The agreements of December 22, 1976 and November 8, 1977 provided that the Corporation could acquire the claims free and clear of all encumbrances by a final payment of $195,000 on or before November 30, 1978. The option was not exercised. Surface rights to the properties involved were optioned, and such options subsequently were allowed to lapse.

Subsequently Preussag Canada Limited optioned four claims (EO 497152, 449379, 449380 and 463064) from Roger Young and Bruce Robson and these form part of the Northumberland-Preussag agreement dated November 5, 1979. In good standing in Northumberland's name are claims nos. EO 449310, 449311 and 454680, which were staked by the Corporation itself adjoining the optioned claims.

Principal Agreements Covering The Calcium Carbonate Properties

In 1977 agreement was reached with each of Canadian White Pigments Corporation and Engelhard Minerals and Chemicals Corporation providing for options to be granted to each of these corporations on the calcium carbonate properties. The Agreement with Canadian White Pigments Corporation was never exercised because the option provided pursuant to the agreement with Engelhard Minerals and Chemicals Corporation was terminated by that company as a result of a re-ordering of corporate priorities.

In mid-1978 an amalgamation of the Corporation with Belmont Magnetite Products Limited ("Belmont") was proposed. Belmont is, and was at all material times, a private Ontario corporation which held under option nearby magnetite deposits. William L. Young, the President and a director of the Corporation, is also an officer and director, and a principal shareholder, of Belmont. Belmont had developed markets for specialty magnetite products and one of its several sources of magnetite was the Marmora property operated by Bethlehem Steel. The advantage of the amalgamation was based on the possibility of the joint use of the plant referred to as the Marmoraton Plant owned by Bethlehem Steel near Marmora, Ontario. The Corporation, on behalf of Belmont and itself, retained Bechtel Canada Limited to prepare a feasibility study on the adaptability of the plant to the production of both calcium carbonate (Northumberland) and specialty magnetite products (Belmont). By mid-1979 the Marmoraton Plant was sold at auction before the Corporation and Belmont were able to raise the funds necessary for the purchase of the plant. By September, 1979 the possibilities for joint operations by the Corporation and Belmont no longer existed and they agreed to terminate their joint efforts, which had been operative for more than a year. Costs incurred during that period were agreed to be borne on the same basis as the proposed amalgamation had been negotiated, that is 60% to Northumberland and 40% to Belmont. The Corporation owes Bechtel Canada Limited $181,000, including interest to August 1, 1980, and accordingly Belmont is indebted to the Corporation for 40% of that amount. Belmont is not presently in a position to make payment and there is no assurance that it will be able to make payment. The Corporation had arranged to issue to Bechtel Canada Limited a convertible income debenture to secure the debt, but it is no longer proposed to issue such debenture, as the proceeds of the offering under this prospectus are to be applied first to the repayment of the Bechtel Canada Limited debt.

The calcium carbonate deposits are now the subject of an option agreement dated November 5, 1979 between the Corporation as optionor and Preussag Canada Limited as optionee. Under the agreement, which has since been confirmed by the shareholders of the Corporation, Preussag Canada Limited was granted the exclusive option to explore the properties and to earn an undivided 60% interest therein by spending an aggregate of $300,000 within 30 months of November 30, 1979 the date upon which Preussag was advised of shareholder confirmation. Preussag has firmly agreed to spen $50,000 on the properties within the first 6-month period thereafter. Preussag's expenditure of $50,000 within the first 6 months will extend the option for an additional 12 months. If Preussag spends an additional $150,000 within that period the option will be extended for another 12-month period. If Preussag has expended an additional $100,000 within that period, Preussag will have an additional 18 months to present to the Corporation a feasibility report evaluating the possibility of commercial production at a rate of 35,000 to 50,000 tons per annum of marketable premium grade calcium carbonate products. Expenditures in excess of the minimum prescribed during any particular part of the option period will apply against the requirements for the succeeding period or periods.

If Preussag has made the expenditures referred to above within the period of 30 months from notice of shareholder confirmation, and has also produced such a feasibility report within the time prescribed, Preussag shall have earned an undivided 60% interest in the properties. The Corporation will be entitled to maintain its undivided 40% interest by contributing 25% of the cost of all work conducted on the properties thereafter. If the Corporation fails to pay its share, its undivided interest in the properties will be subject to dilution at the rate of 1% for each full $8,000 which the Corporation fails to pay towards its share of costs. The interest of the Corporation is not subject to dilution below 15% and, even if the Corporation suffers dilution to the limit, it will continue to hold an undivided 15% carried and non-assessable interest.

After earning its interest, Preussag has the exclusive right for 24 months to commit the properties to production. The Corporation will have the right to participate in the financing required for production if at that time it holds more than the minimum 15% interest, and the Corporation's right to participate will be limited to its proportionate interest in the properties at that time. If Preussag does not give to the Corporation a production notice within the 2-year period described, the Corporation will have the right to give a production notice to Preussag and assume management of the project.

The option agreement contains other provisions usual to such agreements, including mutual rights of first refusal to acquire any interest in the properties which either party may wish to dispose of.

Preussag has advised the Corporation that it has expended the firm commitment sum of $50,000 and has extended the option for a further 12-month period.

PLAN OF DISTRIBUTION

Treasury Offering

Under an agreement dated October 7, 1980, between the Corporation and Goulding, Rose & Turner Limited as Underwriter, the Corporation has agreed to sell and the Underwriter has agreed to purchase 900,000 shares at a price of $1.40 per share. The purchase price is payable in full within ten business days of the later of the date on which a final receipt is received for this prospectus under the securities laws of the Province of Ontario and the date on which the shares become qualified for distribution in the Province of Nova Scotia (the "effective date"). The obligations of the Underwriter under the agreement may be terminated at its discretion on the basis of its assessment of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriter is, however,obligated to take up and pay for all of the shares if any of the shares are purchased under the agreement. The Corporation is the beneficial owner of 75,000 of its own issued shares, which are presently held in escrow on the terms described under the heading ESCROWED SHARES. These shares are intended to be used for the purposes of the underwriting. There are no assignments, options or subunderwritings with respect to the foregoing underwritten shares, but the Underwriter has advised the Corporation that it may enter into subunderwritings with other registrants. No such agreements will be entered into without prior notice to the securities regulatory bodies having jurisdiction.

Secondary Offering

The secondary offering will consist of 100,000 shares to be offered at $1.55 per share. The proceeds of the sale of these shares less a 15 cent discount to the Underwriter will accrue to the selling shareholder, W. L. Young, and not to the treasury of the Corporation. None of these shares will be offered for sale until all of the 900,000 underwritten shares have been taken down, paid for and sold by the Underwriter. The selling shareholder will pay his pro rata share of the cost of the offering. The Underwriter will bear its own expenses such as those for advertising. The selling shareholder currently owns 739,969 shares of the Corporation and will continue to hold 639,969 shares of the Corporation if this secondary offering is successfully completed. The selling shareholder acquired the 100,000 shares April 9, 1980 at an aggregate cost of $25,000, or 25 cents per share, as part of 103,805 shares issued at 25 cents per share in payment for technical services rendered to the Corporation over a period of five years.

USE OF PROCEEDS

As of May 31, 1980, the date of the accompanying financial statements, the Corporation had a deficiency of working capital of about $244,000. The Corporation has since received the proceeds from its offering of partly tax-sheltered units, referred to under the heading PRIOR SALES in the amount of $495,000. Of such proceeds, the Corporation has applied $49,500 in payment of the agent's commission and has paid the $50,000 down payment on the test mill referred to under the heading "The Cochrane Hill Gold Prospect". The proceeds to be received by the Corporation from the sale of the underwritten shares will be $1,260,000, prior to deducting the expenses of the issue, estimated not to exceed $25,000. The costs of the issue will be shared, if the secondary offering is completed, between the Corporation and the selling shareholder, pro rata to the number of shares sold by each. Accordingly, the selling shareholder will contribute an estimated $3,125 towards such costs.

The Corporation intends to apply funds presently on hand, and the net proceeds of the issue as follows:

Payment of principal, interest and legal costs to discharge the Corporation's obligation to Bechtel Canada Limited, estimated at	$ 185,000.00

Operation of its test plant as recommended by William A. MacPherson in his report:		
(1) Stripping, bulk sampling, second phase	$ 35,000.00	
(2) Cyanide test plant (33 1/3 tons - 8 hours) Total Cost $327,955 Less paid on account 150,000 Balance payable (See Note*)	177,855.00	
(3) Transportation, building and ancillary services	130,000.00	
(4) Operation cost, test plant	100,000.00	$ 442,855.00
Diamond drilling		70,000.00
New exploration as recommended by William A. MacPherson in his report:		
Main Zone Extension Detailed exploration of the main zone consisting of geology, geophysics, geochemistry, trenching and sampling, including an allowance for 3,000 feet of exploratory drilling	$ 75,000.00	
Airborne VLF and Magnetic Survey Approximately 225 line miles at 800 foot spacings	27,000.00	
Ground Follow-up of Anomalies This should consist of follow-up on the anomalies presently indicated, plus an allowance for new ones. Follow-up to consist of ground EM-16, geochemistry, trenching, sampling	50,000.00	
Allowance for Exploratory Drilling Allowance for 3,000 feet of drilling in the ground follow-up program	60,000.00	212,000.00

* Note: This is the test plant referred to under the heading "The Cochrane Hill Gold Prospect" and has been acquired by the Corporation on the terms there described, of which $50,000 has been paid. $100,000 is to be satisfied by the issuance of shares and the remaining $177,855, although payable more than a year from the date hereof, has been considered to be a use of proceeds.

Remaining funds will be available for the payment of debts and, to the extent required, for general corporate and administrative expenses.

While the Corporation has no plans in this regard at the present time, monies in its treasury as available may also be used to defray the cost of programs of acquiring, staking, exploring and developing other properties, either alone or in concert with others,and generally to carry out exploration programs as opportunities and finances permit, but no such properties will be acquired and monies will not be expended thereon without any amendment to this prospectus being filed if the securities of the Corporation are then in the course of distribution to the public.

Monies not immediately required for the Corporation's purposes as set out in this prospectus,will be deposited in interest bearing accounts with Canadian chartered banks and/or trust companies.

No part of the proceeds will be deposited outside Canada or be advanced or disbursed in any way to other companies or persons except to the extent necessary to enable the Corporation to implement and complete the exploration and development programs as set forth in this prospectus and amendments thereto. No part of the proceeds will be used to invest in securities other than securities in which a company registered under Part III of the Canadian and British Insurance Companies Act may invest its funds without availing itself for that purpose of the provisions of subsection 63(4) of the said Act. If the Corporation wishes to use the proceeds for purposes other than those set out in this prospectus, it will obtain the prior consent of a majority of the shareholders given at a meeting called for such purpose and will provide 21 days prior notice to the Ontario Securities Commission.

CAPITALIZATION

The shares being offered hereunder are common shares without par value. The Corporation does not have any other class of shares. All shares carry full voting rights of one vote for each share and rank equally as to dividends and participation in assets. The shares are not subject to further calls or to assessment. There are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights. No dividend has been paid to date, nor is it expected that any dividends will be paid in the foreseeable future.

Designation of Security	Amount Authorized	Amount Outstanding as of May 31, 1980 the date of the accompanying balance sheet	Amount outstanding at July 31, 1980	Amount to be outstanding if all securities being issued are sold
Common shares without par value	5,000,000	2,107,751 ($303,282)	2,547,740 ($435,279)	3,444,240 (1) ($1,795,379)

Note (1): 71,500 of these shares are to be issued to a seller of equipment at $1.40 per share to satisfy $100,100 of the purchase price.

Note (2): 237,000 shares are subject to options approved by the directors but conditional upon shareholder approval and Ontario Securities Commission rulings, neither of which conditions have been yet satisfied.

ESCROWED SHARES

Certificates representing 675,000 shares of the Corporation are held as of the date hereof by National Trust Company, Limited in escrow, subject to release only on the prior written consents of the board of directors of the Corporation and the Ontario Securitie Commission, and subject to transfer, hypothecation or other alienation within the escrow only on the prior written consent of such Commission

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Common Shares	675,000	26.5%

Note: 75,000 of the above shares are intended to be used in partial satisfaction of the share issue to the Underwriter. The percentage shown is based on the present issued capital.

OPTIONS TO PURCHASE SHARES

The Corporation proposes to adopt an incentive stock option plan covering 250,000 shares for officers, directors, consultants, employees and others. The plan is subject to the approval of shareholders. The directors of the Corporation have previously resolved to grant certain options under this plan, although the plan is not yet operative. The granting of such options is subject to the prior approval of the plan by shareholders, the prior approval of the specific options by shareholders, and the receipt of a favourable ruling by the Ontario Securities Commission. If the plan and options are approved by shareholders, a further application will be made to the Ontario Securities Commission for such a ruling. Options granted under the plan, after the approval of the plan and the existing conditional options by shareholders, will not be subject to shareholder approval.

The following options on common shares have been conditionally approved by the directors, all of which are for a period of five years:

Optionee	Number of Shares	Date of Grant	Market Value at Date of Grant (Note 1)	Option Price Per Share
Four Directors (Note 2)	57,000	Nov. 30/79	35¢-50¢	35¢
Three Directors (Note 3)	75,000	July 16/80	45¢-80¢	50¢
Peter Maltby Consultant (metallurgist)	25,000	Nov. 30/79	35¢-50¢	35¢
Harry Shlesinger Corporate Secretary	25,000	Nov. 30/79	35¢-50¢	35¢
Robert J. Armstrong Solicitor for the Corporation	25,000	Nov. 30/79	35¢-50¢	35¢
Ed. Harrington Consultant (geologist) (Note 4)	15,000	Apr. 15/80	40¢-50¢	35¢

Optionee	Number of Shares	Date of Grant	Market Value at Date of Grant (Note 1)	Option Price Per Share
William J. Dicker Public Relations Consultant	15,000	Aug. 8/80	85¢-95¢	90¢

Note 1 Since the shares of the Corporation are not listed on any exchange, the figures quoted for market value are the high and low for the week preceding the grant of option, or the most recent week when shares traded.

Note 2 These are the four directors in office in November, 1979 who are still living (one former director has since died).

Note 3 These directors took office on July 16, 1980.

Note 4 Mr. Harrington's option price was agreed on between him and the President of the Corporation prior to the date of the grant.

PRIOR SALES

Shares were issued in March, 1980, pursuant to exemptions granted by the Ontario Securities Commission by way of rulings pursuant to section 73 of The Securities Act, 1978, to creditors of the Corporation in satisfaction of the amounts owing to them. A total of 413,087 shares were issued at a price of 25 cents per share to fourteen creditors and lenders, including W. L. Young, the President and a director. In addition, also pursuant to an exemption, 40,000 shares were issued to Brockwell P. Mordy, a director of the Corporation, at 25 cents per share in repayment of the sum of $10,000 which he had spent as Canadian Exploration Expenses on behalf of the Corporation.

Subsequently the Corporation offered for subscription 33 Units, each consisting of 13,333 common shares, the right to expend $10,000 on exploration and be reimbursed in shares at a formula price, and a $1,000 royalty interest. All 33 Units were sold to a total of 25 purchasers resulting in the issue of 439,989 shares at 30 cents per share. Additional shares will be issued in each calendar quarter to the purchasers of the Units as exploration work is carried out using the subscription funds. The issue price for these shares will represent a discount of 10% from the average market value of the shares in the 30 trading days prior to the end of the quarter, provided that the shares shall not be issued at a price exceeding $1.00 per share.

By an agreement dated August 8, 1980 between the Corporation and J. M. Ore Dressing Equipment Co. Ltd., described under the heading "The Cochrane Hill Gold Prospect", the sum of $100,000, as part of the purchase price for a cyanide ore dressing plant, was to be satisfied by the issuance of common shares at the underwriting price. Upon the underwriting price being established as

$1.40 per share, the appropriate figures were rounded out resulting in the proposed issuance of 71,500 common shares to satisfy $100,100 of the purchase price. The Corporation will issue such shares to J. M. Ore Dressing Equipment Co. Ltd. under this prospectus forthwith after the effective date of the underwriting. J. M. Ore Dressing Equipment Co. Ltd. has advised that it is not acquiring such shares with a view to resale or distribution, but is also not acquiring such shares with investment intent. Accordingly J. M. Ore Dressing Equipment Co. Ltd. will be in the same position as any other member of the public with respect to such shares.

DIRECTORS AND OFFICERS

The principal occupations of each of the officers and directors during the past five years are as follows:

President and Director	WILLIAM LEE YOUNG, Ph.D., P.Eng., M.C.I.M., Toronto, Ontario Geologist
Secretary-Treasurer and Director	BROCKWELL P. MORDY, Toronto, Ontario Company Director, self-employed as a corporate executive and investor. From August, 1974 to March, 1979, Vice-President and Investment Manager at Elliott and Page Limited, Investment Counsel.
Director	G. R. K. "DIGBY" LYNCH, Halifax, Nova Scotia Life Agent with The Prudential Assurance Company Limited
Director	GEORGE B. SEELY, Willowdale, Ontario Associated with Goulding, Rose & Turner Limited since December, 1979; prior thereto Independent Financial Consultant
Director	G. B. DUHAMEL, Lake Bluff, Illinois President, Promenade Tours Inc.

Dr. Young is the only director or officer who usually devotes more than 5% of his working time to the affairs of the Corporation, although the others are available as required. Dr. Young estimates that he currently spends about 90% of his time on Corporation business.

PROMOTER

William L. Young, the President of the Corporation, is the Promoter. Dr. Young holds 739,969 shares of the Corporation and is the largest known shareholder. His shareholdings represent 29% of the outstanding shares. By an agreement dated the 17th day of June, 1974, between Dr. Young as Vendor and the Corporation as Purchaser, Dr. Young sold to the Corporation all of his interest in a property known as "The California Lake Property" in the Province of New Brunswick, for a consideration of 750,000 fully paid and non-assessable shares in the capital of the Corporation. 675,000 of the shares were to be held in escrow, and are still in escrow, subject to release only on the prior written consent of the board of directors of the Corporation and the Ontario Securities Commission. 75,000 of the 675,000 escrowed shares were donated to the Corporation by Dr. Young as part of a property transaction, so that 75,000 of the escrowed shares are beneficially owned by the Corporation. After the offering 600,000 shares will continue to be held in escrow, all owned by William L. Young.

HISTORY OF MANAGEMENT

The associations of the various directors and officers of the Corporation during the last ten years with public exploration companies as officers and/or directors are set out below:

Brockwell P. Mordy is the President and a director of Paragon Explorations Limited, an active exploration company whose shares are unlisted.

William L. Young is a director of Paragon Explorations Limited and Lasir Gold Inc, both active exploration companies, and from 1970 to 1973 was Managing Director of Allstate Explorations Pty. Limited, an Australian active exploration company. He has not been a promoter, except with respect to the Corporation, during the past ten years.

None of the remaining directors of the Corporation have had such associations with public exploration companies during the past ten years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Directors were paid an aggregate of $200 for their services as directors during the fiscal year ended May 31, 1980. Dr. Young, the President of the Corporation, is paid a retainer of $2,000 per month by the Corporation on a part-time basis, such retainer covering the equivalent of ten full working days per month, largely for technical services.

PRINCIPAL HOLDERS OF SHARES

The President of the Corporation, Dr. William L. Young, as of the date hereof owns 739,969 common shares of the Corporation, or approximately 29% of all outstanding shares. No other person is known to the Corporation to hold more than 10% of the outstanding common shares. All directors and officers of the Corporation, including Dr. Young, own an aggregate of 907,202 common shares of the Corporation, or approximately 35.6% of all outstanding shares.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Auditors of the Corporation are Deloitte Haskins & Sells, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1K4.

The Transfer Agent and Registrar of the Corporation is National Trust Company, Limited, 21 King Street East, Toronto, Ontario, M5C 1B3. Atlantic Trust Company, 1741 Barrington Street, Halifax, Nova Scotia, B3J 3C4, is a Co-Transfer Agent.

MATERIAL CONTRACTS

The Corporation has entered into the following material contracts within the two years prior to the date hereof:

1. Agreement dated October 24, 1979 between Atlantic Gold Mines Ltd. and Massval Mines Ltd. as optionors and the Corporation as optionee, as amended, fully described under the heading "The Cochrane Hill Gold Prospect".
2. Agreement dated November 5, 1979 between the Corporation as optionor and Preussag Canada Limited as optionee, fully described under the heading "The Calcium Carbonate Properties".
3. Twenty-five agreements with purchasers of the partly tax-sheltered units sold by the Corporation in 1980, fully described under the heading PRIOR SALES.
4. Agreement dated August 8, 1980 between J. M. Ore Dressing Equipment Co. Ltd. and the Corporation, fully described under the headings "The Cochrane Hill Gold Prospect" and PRIOR SALES.
5. Agreement dated the 7th day of October, 1980 between the Corporation and Goulding, Rose & Turner Limited, as Underwriter, fully described under the heading PLAN OF DISTRIBUTION.

Copies of the foregoing agreements may be inspected at the head office of the Corporation, Suite 1014, 111 Richmond Street West, Toronto, Ontario, during normal business hours during distribution of the securities offered under this prospectus.

RISK FACTORS

Exploration for economic deposits of minerals is subject to a number of risk factors. While the rewards to an investor if an ore body is discovered can be substantial, few of the properties which are explored by mining exploration companies are ultimately developed into producing mines. If the Corporation's exploration programs are not successful, a purchaser of shares may lose his entire investment. In making an investment decision, a prospective investor should carefully weigh this consideration as well as a lack of a market for which he may sell his shares. If the exploration programs are successful, additional funds may be required to bring an economic ore body to production. The only source of future funds presently available to the Corporation is through the sale of equity capital.

The shares of the Corporation trade over-the-counter only. Upon the completion of this offering, the net tangible book value of the 3,444,240 shares then outstanding would be 52 cents per share. Purchasers of common shares will accordingly suffer an immediate dilution of approximately $1.03 per share (based on the difference between the subscription price per share and the net tangible book value per share after the offering).

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL, RESCISSION AND DAMAGES

Sections 70, 126 and 135 of The Securities Act, 1978, provide, in effect, that when a security is offered in the course of a distribution or a 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 dealer from whom the purchaser purchased the security not later than midnight on the second business day after the latest prospectus and any amendment to the prospectus offering such security is received or deemed to be received by the purchaser or his agent, and

(b) If a prospectus together with any amendment to the prospectus contains a misrepresentation, a purchaser who purchases a security offered thereby during the period of distribution or distribution to the public shall be deemed to have relied on such misrepresentation if it was a misrepresentation at the time of purchase and, subject to the limitations set forth in the Act,

(1) has a right of action for damages against,

(i) the issuer or a selling security holder on whose behalf the distribution is made,

(ii) each underwriter required to sign the certificate required by section 58 of the Act,

(iii) every director of the issuer at the time the prospectus or amendment was filed,

(iv) every person or company whose consent has been filed pursuant to a requirement of the regulations under the Act but only with respect to reports, opinions or statements made by them, and

(v) every other person or company who signed the prospectus or the amendment, but no action to enforce the right can be commenced by a purchaser more than the earlier of 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action or three years after the date of the transaction that gave rise to the cause of action, or

(2) where the purchaser purchased the security from a person or company referred to in (i) or (ii) above or from another underwriter of the securities, he may elect to exercise a right of rescission against such person, company or underwriter, in which case he shall have no right of action for damages against such person, company or underwriter, but no action to enforce this right can be commenced by a purchaser more than 180 days after the date of the transaction that give rise to the cause of action.

Reference is made to the aforesaid Act for the complete text of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

Deloitte Haskins · Sells

Chartered Accountants

3200 Royal Trust Tower
P.O. Box 283
Toronto-Dominion Centre
Toronto, Ontario M5K 1K4
(416) 863-1315
Cable DEHANDS

To the Directors of
Northumberland Mines Limited:

We have examined the balance sheet of Northumberland Mines Limited as at May 31, 1980 and 1979 and the statements of exploration and development expenditures, loss and deficit, and changes in financial position for the five years ended May 31, 1980. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at May 31, 1980 and 1979 and the results of its operations and the changes in its financial position for the five years ended May 31, 1980 in accordance with generally accepted accounting principles applied on a consistent basis.

"DELOITTE HASKINS & SELLS"

Auditors

August 8, 1980
(October 7, 1980 with respect
to Note 7(b) only)

NORTHUMBERLAND MINES LIMITED

(Incorporated under The Business Corporations Act, Ontario)

BALANCE SHEET

ASSETS

	May 31 1980	May 31 1979
CURRENT ASSETS:		
Cash	$ 21,716	$ 15,852
Prepaid expenses	7,283	-
Total current assets	28,999	15,852
INVESTMENT IN AND ADVANCES TO SUBSIDIARY COMPANY	-	398
CALIFORNIA LAKE MINING CLAIMS (Note 2)	1	1
BELMONT AND VANSICKLE MINING CLAIMS (Note 3(a)):		
Claims	49,928	48,428
Exploration and development expenditures	124,028	120,028
COCHRANE HILL MINING CLAIMS (Note 3(b)) - exploration and development expenditures	23,488	-
ORGANIZATION EXPENSE - at cost	7,029	7,029
DUE FROM ASSOCIATED COMPANY - Belmont Magnetite Products Limited (Note 4)	-	61,522
TOTAL	$233,473	$253,258

Approved by the Board:

........"W. L. YOUNG".......Director

........"B. P. MORDY".......Director

The accompanying notes are an integral part of the financial statements.

LIABILITIES AND CAPITAL DEFICIENCY

	May 31 1980	May 31 1979
CURRENT LIABILITIES:		
Accounts payable and accrued charges	$228,613	$223,496
Loans payable to shareholders	11,192	11,192
Note payable	33,200	-
Total current liabilities	273,005	234,688
LOANS PAYABLE	-	67,709
CAPITAL DEFICIENCY:		
Share capital (Notes 5 and 6):		
Authorized - 5,000,000 common shares without par value		
Issued and outstanding - 2,107,751 shares (1979 - 1,654,664 shares)	308,282	195,010
Less 75,000 donated shares held for benefit of the treasury	5,000	5,000
	303,282	190,010
Deficit	342,814	239,149
Net capital deficiency	(39,532)	(49,139)
TOTAL	$233,473	$253,258

NORTHUMBERLAND MINES LIMITED

STATEMENT OF EXPLORATION AND DEVELOPMENT EXPENDITURES

FOR THE YEARS ENDED MAY 31

	1980	1979	1978	1977	1976
BELMONT AND VANSICKLE MINING CLAIMS:					
Balance at beginning of the year	$120,028	$ 81,622	$59,974	$59,722	$ -
Engineer's fees and expenses	-	-	-	-	2,189
Technical directors' fees and expenses	4,000	13,389	12,889	3,771	5,317
Diamond drilling	-	-	-	-	9,333
Geophysical survey	-	-	-	-	558
Evaluation and testing	-	1,454	1,846	(4,428)	35,034
Geological mapping	-	-	-	-	6,335
Feasibility study	-	23,421	5,971	-	-
Miscellaneous	-	142	942	909	956
Total	4,000	38,406	21,648	252	59,722
Balance at end of the year	124,028	120,028	81,622	59,974	59,722
COCHRANE HILL MINING CLAIMS:					
Balance at beginning of the year	-	-	-	-	-
Technical directors' fees and expenses	9,244	-	-	-	-
Diamond drilling	1,120	-	-	-	-
Geophysical survey	3,000	-	-	-	-
Evaluation and testing	7,264	-	-	-	-
Miscellaneous	2,860	-	-	-	-
Balance at end of the year	23,488	-	-	-	-
TOTAL BALANCE AT END OF THE YEAR	$147,516	$120,028	$81,622	$59,974	$59,722

The accompanying notes are an integral part of the financial statements.

NORTHUMBERLAND MINES LIMITED

STATEMENT OF LOSS AND DEFICIT

FOR THE YEARS ENDED MAY 31

	1980	1979	1978	1977	1976
INCOME:					
Option receipts.............	$ -	$ -	$ -	$ 16,000	$ -
Interest income.............	-	-	-	-	850
Total income........	-	-	-	16,000	850
GENERAL AND ADMINISTRATIVE EXPENSES:					
Accounting and corporate management..............	3,600	3,000	2,950	3,600	4,200
Bank charges and interest.	22,344	12,112	389	-	35
Directors' fees...........	200	250	250	600	450
General and office........	3,686	1,656	1,140	2,456	1,565
Legal and audit...........	(921)	14,460	3,222	10,792	6,223
Transfer agent's fee......	313	327	447	230	583
Travelling................	833	102	60	263	-
Rent......................	2,556	2,326	2,100	5,220	-
Feasibility study - Marmora plant...........	-	86,199	-	-	-
Bad debt (Note 4).........	71,054	-	-	-	-
Total general and administrative....	103,665	120,432	10,558	23,161	13,056
LOSS BEFORE THE UNDERNOTED ITEM.......................	103,665	120,432	10,558	7,161	12,206
MARION BRIDGE - write-off of acquisition cost of claims......................	-	-	-	-	21,334
LOSS FOR THE YEAR.............	103,665	120,432	10,558	7,161	33,540
DEFICIT AT BEGINNING OF THE YEAR...................	239,149	118,717	108,159	100,998	67,458
DEFICIT AT END OF THE YEAR....	$342,814	$239,149	$118,717	$108,159	$100,998
LOSS PER SHARE (based on weighted monthly average of shares outstanding)......	$.056	$.078	$.007	$.005	$.027

The accompanying notes are an integral part of the financial statements.

NORTHUMBERLAND MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED MAY 31

	1980	1979	1978	1977	1976
WORKING CAPITAL PROVIDED:					
Issue of share capital (Note 5)............	$ 113,272	$ 15,000	$ 10,000	$ 40,000	$ -
Less portion pertaining to long-term notes payable.............	67,709	-	-	-	-
	45,563	15,000	10,000	40,000	-
Notes payable.........	-	67,709	-	-	-
Total.........	45,563	82,709	10,000	40,000	-
WORKING CAPITAL APPLIED:					
To operations:					
Loss for the year....	103,665	120,432	10,558	7,161	33,540
Less items not affecting working capital:					
Marion Bridge - write-off of acquisition cost of claims.	-	-	-	-	21,334
Bad debt (Note 4)	61,920	-	-	-	-
Applied to operations........	41,745	120,432	10,558	7,161	12,206
Investment in and advances to subsidiary company...	-	-	110	288	-
Exploration and development expenditures (net of recoveries).......	27,488	38,406	21,648	252	59,722
Belmont and Vansickle mining claims........	1,500	37,550	6,601	1,650	2,627
Due from associated company - Belmont Magnetite Products Limited.............	-	61,522	-	-	-
Total.........	70,733	257,910	38,917	9,351	74,555
INCREASE (DECREASE) IN WORKING CAPITAL........	(25,170)	(175,201)	(28,917)	30,649	(74,555)
WORKING CAPITAL (DEFICIENCY) AT BEGINNING OF THE YEAR..	(218,836)	(43,635)	(14,718)	(45,367)	29,188
WORKING CAPITAL DEFICIENCY AT END OF THE YEAR...........	$(244,006)	$(218,836)	$(43,635)	$(14,718)	$(45,367)

The accompanying notes are an integral part of the financial statements.

NORTHUMBERLAND MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

Exploration and development expenditures

Exploration and development expenditures are capitalized until management establishes the project's viability.

Subsidiary company

The subsidiary company, Belmont Carbonates Limited, which was incorporated in 1975, has not been consolidated since it has been inactive since inception and is in the process of surrendering its charter.

2. CALIFORNIA LAKE MINING CLAIMS:

(a) Under an agreement dated June 17, 1974, the company was granted an option, expiring December 31, 1974, to acquire an undivided 80% interest (which can be reduced to 70% by the optionor, Canwex Explorations Ltd. (Canwex), contributing to the exploration programme) in the California Lake Mining Claims located in Northumberland and Gloucester counties, Province of New Brunswick. The option was exercised by the completion of expenditures of $50,000 in exploration and development work on the claims prior to December 31, 1974. In 1975 the company had no immediate plans to develop the claims further and the expenditures to date were written down to $1.

(b) Under an agreement dated May 20, 1975 with the company and Canwex, Boliden-Preussag Exploration of Toronto acquired a 60% interest in the California Lake Mining Claims by expending $150,000 and providing an engineering report on the claims prior to December 31, 1976.

The company retains a 20% undivided interest (which can be reduced to 10% by Canwex's contributing to the exploration programme) in the California Lake Mining Claims and will not be required to contribute to the financing of any additional expenditures until a feasibility study has been completed by Boliden-Preussag Exploration of Toronto.

3. MINING CLAIMS:

(a) Belmont and Vansickle:

Under various agreements, the company had acquired rights and options on mining claims and surface rights on various mining claims with respect to the calcium carbonate deposits.

On November 9, 1979, the company granted an option to Preussag Canada Limited under which Preussag can earn an undivided 60% interest on the claims by:

(1) expending $50,000 prior to May 31, 1980 (expended prior to May 31, 1980);
(2) expending a further $150,000 by May 31, 1981;
(3) expending a further $150,000 by May 31, 1982; and
(4) presenting a feasibility report to the company by November 30, 1983.

NORTHUMBERLAND MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. MINING CLAIMS: (continued)

(a) Belmont and Vansickle: (continued)

The company can maintain its 40% undivided interest by contributing 25% of the subsequent development expenditures or can maintain, without further expenditure, a 15% undivided interest.

(b) Cochrane Hill:

Under an agreement dated October 24, 1979, the company acquired an option for a 50% undivided interest in certain mining claims in the Cochrane Hill District upon the extraction and testing of a bulk sample of ore. This option expires December 31, 1980 but may be extended to December 31, 1981 if expenditures of at least $150,000 are made before December 31, 1980. Upon aggregate expenditures of $300,000 prior to December 31, 1981, the company will acquire a 50% undivided interest in the mining claims.

4. DUE FROM BELMONT MAGNETITE PRODUCTS LIMITED - ASSOCIATED COMPANY:

In 1978, in connection with a proposed amalgamation with Belmont Magnetite Products Limited, the company contracted for a joint feasibility study with respect to a plant to be used for processing the companies' mineral products. The amalgamation was abandoned in 1979 and 40% of the cost of the study was to be recovered from Belmont. Because of Belmont's significant financial difficulties, the amount receivable has been written off in 1980.

5. SHARE CAPITAL:

Changes during the five year period are as follows:

(1) In 1980, the authorized share capital was increased from 3,000,000 to 5,000,000 common shares without par value.

(2) Shares were issued for cash as follows:

1977 - 160,000 shares for $40,000
1978 - 100,000 shares for $10,000
1979 - 75,000 shares for $15,000

(3) In 1980, 413,087 common shares were issued at 25¢ per share in settlement of various accounts payable;

(4) In 1980, 40,000 common shares were issued at 25¢ per share to an investor who is also entitled to the tax write off resulting from the expenditure of these funds as Canadian exploration expenses.

NORTHUMBERLAND MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. STOCK OPTIONS:

The company has granted the following stock options, subject to approval of the Ontario Securities Commission and the shareholders:

Option Granted	Number of Shares	Price Per Share	Vesting Date
November 30, 1979	132,000	25¢	November 30, 1984
July 16, 1980	75,000	50¢	July 16, 1985
April 15, 1980	15,000	35¢	April 15, 1985
August 8, 1980	15,000	90¢	August 8, 1985

7. SUBSEQUENT EVENTS:

(a) On June 19, 1980, the company issued thirty-three units at $15,000 each for net aggregate consideration of $445,500, comprising the following:

(1) $4,000 for the issue of 13,333 common shares at 30¢ per share
(2) $10,000 to be expended by the company for Canadian exploration expenses on behalf of the investor, for which the company will issue at least 10,000 shares per unit (number of shares to be based on market value of shares)
(3) $1,000 for a 2-1/2% royalty interest on resource income, which royalty expires when the investor has received an aggregate of $13,333.

(b) By an underwriting agreement dated October 7, 1980, the company has agreed to sell to the underwriters 900,000 common shares for a consideration of $1,260,000, net of underwriting commission.

8. COMMITMENT:

Under an agreement dated August 8, 1980, the company will purchase a test plant for installation in Nova Scotia for an estimated cost of $328,000 plus transportation and installation, to be paid as follows:

(1) $50,000 cash on signing agreement plus company responsible for transportation and installation
(2) $100,000 to be satisfied by the issue of fully paid treasury shares at a price equal to the price established on the prospectus noted in Note 7(b)
(3) balance in cash, due one year from date of delivery of plant, with interest at the vendors bank borrowing rate.

There are no other material facts.

DATED this 9th day of October, 1980.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XIV of The Securities Act, 1978 (Ontario) and the regulations thereunder, and by the Securities Act of Nova Scotia.

"W. L. YOUNG"
Chief Executive Officer

"B. P. MORDY"
Chief Financial Officer

On behalf of the Board:

"G. B. DUHAMEL"
Director

"GEORGE B. SEELY"
Director

"W. L. YOUNG"
Promoter

UNDERWRITERS

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 XIV of The Securities Act, 1978 (Ontario) and the regulations thereunder, and by the Securities Act of Nova Scotia.

GOULDING, ROSE & TURNER LIMITED

per: "R. A. WILSON"

per: "JOHN M. HYNES"

The following includes the names of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Goulding, Rose & Turner Limited: W. G. Mikkila, R. A. Wilson, R. C. Wong, J. M. Hynes, D. L. Friesen and Mrs. D. K. Friesen.