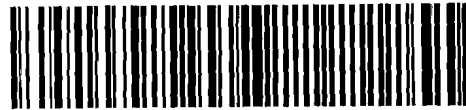


NO SECURITIES COMMISSION OR OTHER SIMILAR AUTHORITY  
UPON THE MERITS OF THE SECURITIES OFFERED HEREBY  
CONTRARY IS AN OFFENCE.



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PROSPECTUS

of

CABLE COPPER MINES LIMITED

(An Exploration and Development Corporation  
Incorporated under the laws of Ontario)



NEW UNDERWRITTEN ISSUE: 375,000 underwritten shares as follows :

	<u>Firmly Underwritten</u>	<u>Price to Public</u>	<u>Underwriter's Discount</u>	<u>Proceeds to Corporation</u>
Per Share	-	40¢	20¢	20¢
Total:	375,000	\$150,000	\$75,000	\$75,000

PLAN OF DISTRIBUTION:

The Underwriter, acting as principal, will offer the underwritten shares over-the-counter in the Province of Ontario at the price set forth above. Sales of the underwritten shares may also be made through other registered dealers acting as agents who may be paid commissions not exceeding 25% of the selling price of the shares so offered.

PURPOSE OF OFFERING:

The purpose of this offering is to provide the Corporation with funds to defray its ordinary operating expenses and to pay the costs of carrying out a program of exploration on its mining property as recommended by its consulting engineer. It is estimated that the sum of \$8,500 will be required to cover the costs of this issue. See within under the captions "History and Business", page 1, "Use of Proceeds", page 18. At least 30% of the total proceeds from the sale of the underwritten shares and the shares comprising the secondary offering must accrue to the Treasury of the Corporation.

SECONDARY OFFERING:

172,500 shares on the terms more particularly set forth herein under the caption "Secondary Offering". The proceeds from the sale of these shares will accrue to the Underwriter and not to the treasury of the Corporation. None of the aforementioned shares will be offered for sale until all of the 375,000 underwritten shares have been taken down, paid for and sold by the Underwriter.

THERE IS NO MARKET FOR THE SHARES OF THE CORPORATION. THE PURCHASERS MAY NOT BE ABLE TO SELL SHARES PURCHASED.

THESE SECURITIES ARE SPECULATIVE. See within under the caption "Speculative Nature of the Offering" page 23. Reference is also made to the captions "History and Business", page 1, "Offering" page 14, "Interest of Management and Others in Material Transactions", page 27, and "Principal Holders of Shares", page 22.

UNDERWRITER

Universe Securities Ltd.

Suite 129, 17 Queen Street East,

Toronto, Ontario.

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HISTORY AND BUSINESS

Cable Copper Mines Limited (the "Corporation"), was incorporated under The Corporations Act (Ontario) by Letters Patent of Incorporation dated March 8, 1956, to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits. The head office of the Corporation is situate at Suite 432, 12 Richmond Street East, Toronto, Ontario. None of the mining claims in which the Corporation has an interest contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore.

Freeman Township, Ontario, Property

By an agreement made as of the 6th day of April, 1978, between the Corporation and Michael M. Phillips, 120 Roxborough Drive, Toronto, Ontario, (the "Vendor"), the Corporation purchased from the Vendor ten (10) unpatented mining claims covering lots 31 to 35 inclusive of Concession IV of Freeman Township, District of Muskoka, Province of Ontario, and numbered E0463806 to E0463815 inclusive (the "Property"). The consideration for which the Property was acquired by the Corporation consists of 100,000 shares of the capital stock of the Corporation to be delivered to the Vendor within three (3) business days of the date on which the Ontario Securities Commission shall issue its receipt for this prospectus of the Corporation and a royalty granted to the Vendor of one and one-half (1½%) per cent of the returns on all ores, concentrates and minerals extracted and marketed from

the Property, less shipping and insurance costs.

The Vendor entered into an agreement made as of the 6th day of April, 1978 with Universe Securities Ltd. ("Universe") Suite 129, 17 Queen Street East, Toronto, Ontario, whereby in consideration of Universe agreeing to enter into the underwriting agreement more particularly referred to herein under the caption "Offering",/the Vendor agreed to sell to Universe all of the 100,000 shares received by him at the price of 20¢ per share as consideration for the transfer to the Corporation of the Property. Reference is made to the caption "Secondary Offering"/for particulars of the circumstances under which Universe may resell the shares purchased by it from the Vendor as a secondary offering under this prospectus.

#### Location and Access

The Property is situated 13 kilometres southwest of the Town of MacTier which is 180 kilometres by road north of Toronto. The Property is accessible by an all-weather gravel road which crosses the northeast corner of the Property. This road, which leads to Twelve Mile Bay, leaves Highway 69 (the TransCanada Highway) 8 kilometres south of MacTier. MacTier is a division point on the Canadian Pacific Railway Toronto-Sudbury main line. The Canadian National Railway main line passes through Footes Bay, 2 kilometres to the east. Access is facilitated by several old lumber roads providing easy walking and

negotiable by tracked vehicles.

#### History and Previous Work

The only known exploratory activity in the area of the Property consists of an airborne gamma-ray spectrometer survey carried out by Scintrex Ltd and published by Scintrex Ltd as part of a sales pamphlet on nuclear exploration techniques, published in 1975. The Corporation has learned that the survey was done to test a new airborne system and that the area was selected only on the basis of proximity to Toronto. It was this survey which was responsible for the discovery of the Lower Galla Lake Prospect on which the Property is situated. Michael M. Phillips, of Toronto, Ontario, previously described in this prospectus as the Vendor, carried out a program of blasting, trenching and stripping in 1976 and located the main showing on the Property.

#### Geology

The Property is underlain by metamorphic rocks of Precambrian age belonging to the Grenville Structural Province of the Canadian Shield.

The Lower Galla Lake area is geologically complex, and the rocks have been intensely folded. The gneiss in which the mineralization occurs is believed to be part of a single unit, which can be traced for over 100 km. around the margin of a very large fold known as the Moon River Synform, and from which nine other radioactive mineral occurrences

have been reported.

On the main uranium zone, mineralization has been tested by eight trenches over a length of 50 metres and a width of 50 metres. The gneiss contains small seams of pegmatite which are often highly radioactive, and in places, carry visible crystals of uraninite (uraniumdioxide). The average of seven grab samples taken from these trenches is 0.163% or 3.26 lbs per ton of  $U_3O_8$ . It is estimated that the pegmatite makes up 10% of the rock. The following is management's summary of the conclusions and recommendations of Colin R. Bowdidge, M.A., Ph.D., F. G.A.C., Consulting Mining and Exploration Geologist, contained in his report dated February 10, 1978, and which report is available for inspection at the offices of the Ontario Securities Commission, 10 Wellesley Street East, Toronto, Ontario.

Mr. Bowdidge states that the uranium-bearing pegmatite on the Property occurs in a similar geological environment to several other such occurrences in the area of the Property, which appear to define a zone favourable to this type of mineralization.

Mr. Bowdidge concludes that the Property warrants a program of systematic exploration with a view to (a) evaluating the economic potential of the main zone and (b) locating any other occurrences which may be present.

Mr. Bowdidge recommends the following program:

I. Ground Work:

- (a) A picket line grid should be established on the Property, with lines at 100 metre intervals. It is estimated that this will require 26 kilometres of line.
- (b) This grid should be surveyed geologically and with magnetometer and scintillometer.
- (c) Further trenching and stripping may be required to test any new targets which are located by these surveys.

II Diamond Drilling:

It is recommended that two diamond drill holes, each inclined at 45° and 75 metres deep, be drilled under the main showing. To optimize sampling capacity, BQ core should be recovered. Two other drill holes also of 75 metres each are reserved either for further testing of the main zone or for any new targets which may warrant drilling. It is important that this part of the program be flexible.

III Further work may be required if any of the above yields encouraging results. The scope of such work cannot be foreseen at present.



IV

Cost Estimate:

Line cutting, 26 km. @ \$100/km.....	\$ 2,600.00
Magnetometer survey, 26km @ \$50/km.....	\$ 1,300.00
Scintillometer survey, 26km @ \$50/km.....	\$ 1,300.00
Geological mapping, 15 days @ \$150/day.....	\$ 2,250.00
Trenching, stripping.....	\$ 2,500.00
Supervision, expenses, assaying.....	\$ 1,500.00
Diamond drilling, 300m @ \$60/m.....	\$18,000.00

TOTAL:	<u>\$29,450.00</u>
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There are no buildings neither are there surface or underground plant or equipment located on the Property. There has been no underground exploration or development work carried out on the Property. The Corporation has not carried out any work on the Property. The Vendor has carried out a total of 649.30 days of assessment work on the Property.

Title:

The title to the Property has been recorded in the name of the Corporation and the Corporation is the owner thereof.

In order to keep unpatented mining claims in good standing in Ontario, during the first year after recording 20 days work must be performed and recorded, 40 days work performed and recorded yearly for the next three years, and 60 days work performed and recorded in the ensuing year, with annual rentals of \$1 per acre during the first year and 25¢ per acre annually thereafter. Where a lease is for

mining rights only, the second and subsequent years rental is at the rate of 10¢ per acre. The claims comprising the Property were recorded in the name of the Corporation on April 27, 1978.

The claims were originally recorded by the Vendor as follows:

<u>Number</u>	<u>Recording Date</u>
E0463806 to 463809 inclusive	July 12, 1976
E0463810 and 463812 to 463815, inclusive	April 29, 1976
E0463811	April 21, 1976

Based upon the total amount of assessment work carried out by the Vendor on the Property, the claims will be maintained in good standing at least until their respective 1979 anniversary dates.

Except for the Vendor no person has received or is entitled to receive any part of the consideration paid or payable to the Vendor in respect of the transfer of the Property by him to the Corporation, save for Universe Securities Ltd. which has agreed to purchase from the Vendor his 100,000 shares of the Corporation.

Prior Property Interests

Hallam and May Townships, Ontario, Properties

By an agreement made as of the 28th day of February, 1957, the Corporation purchased from New-Minda Scotia Mines Limited (now known as Andover Resources Limited), as Vendor, four (4) unpatented mining claims located in the Township of Hallam, District of Sudbury, Province of Ontario, and numbered S96392 to S96395 inclusive, and the mineral rights of parcel 10646 SWS and parcel 4673 SWS, May Township, both in the register for the District of Sudbury West Section (the "Hallam and May Townships Properties"). As consideration for the acquisition of the Hallam and May Townships Properties the Corporation allotted and issued to the Vendor a total of 750,000 fully paid and non-assessable shares with a par value of \$1.00 each of the Corporation. At the direction of the Vendor, the Corporation allotted and issued 135,000 shares to Roland Sabourin of North Bay, Ontario, and 15,000 shares to Ethel Farmer of Webbwood, Ontario. Of the 750,000 shares, 675,000 shares were held in escrow by the former Share Registrar and Transfer Agent of the Corporation, Guaranty Trust Company of Canada, and most recently, by the new Share Registrar and Transfer Agent of the Corporation, The Metropolitan Trust Company, of the said 675,000 escrowed shares, 545,000 shares were registered in the name of the Vendor, 115,000 shares were registered in the name of Roland Sabourin and 15,000 shares were registered in the name of Ethel Farmer. The remaining 75,000 shares were allotted and issued free from escrow, to the Vendor as to 55,000 shares and to Roland Sabourin, as to 20,000 shares.

The Corporation carried out a program of line cutting, geophysical surveying, trenching and diamond drilling on the Properties during the year 1957. Field work uncovered three zones having resistivity values below 50,000 ohm-centimeters. The known mineralization was determined to be in an area of relatively high resistivity as the host rock was quartzite. One zone was most promising since it was extensive in area and the low resistivity values seemed to be independent of topography. In the remaining two zones values below 50,000 ohm-centimeters occurred only at one station although relatively low values surrounded each. The Corporation concluded that low resistivity anomalies were present on the Properties and proceeded to test the three zones by several hundred feet of diamond drilling. The results of the drilling were disappointing, and with insufficient encouragement to proceed, and based upon the recommendation of its consulting geophysicist at the time, D. W. Smellie, M.A.Sc., the Corporation decided not to conduct any further work on the Properties.

By transfer within escrow, Andover Resources Limited, as to 545,000 shares, Roland Sabourin, as to 115,000 shares, and the Estate of Ethel Farmer, as to 15,000 shares, have donated all of the 675,000 escrowed shares forming the balance of the consideration paid by the Corporation for the acquisition of the Hallam and May Townships Properties, to the Corporation for its benefit. Reference is made to the caption "Escrowed Shares"/for further particulars.  
on page 18

CAPITAL STRUCTURE

Common Shares:

Pursuant to Articles of Amendment effective May 11, 1978, the Corporation has changed its issued and unissued common shares from shares with a par value of \$1.00 each, to common shares without par value. The holders of common shares are entitled:

to dividends if as and when declared by the board of directors; upon liquidation, dissolution or winding up of the Corporation to receive those assets distributable to shareholders subject to the prior rights of the holders of preference shares described below; to receive notice of and to attend and vote at all meetings of shareholders of the Corporation. Two shareholders personally present and entitled to vote thereat constitute a quorum. Resolutions at shareholders' meetings may be voted upon by a show of hands unless a ballot is required by law or a poll is demanded by a shareholder. On a show of hands every shareholder exercises one vote whereas on a poll every shareholder exercises one vote for each share held by him. In either case the chairman of the meeting has a second or deciding vote in the event of a tie vote. There are no pre-emptive or conversion rights. There are no indentures or agreements extant or proposed limiting the payment of dividends. None of the shares outstanding and none of the shares offered hereby will be subject to call or assessment of any kind.

Preference Shares:

Pursuant to the above Articles of Amendment the Corporation has increased its authorized capital by creating 500,000 preference shares with a par value of 1/10th of 1¢ per share.

The preference shares are not entitled to dividends at any time; are entitled, in the event of the liquidation, dissolution or winding up of the Corporation to receive, in priority to the common shares, a sum equal to the par value thereof, but are not entitled to any further participation in the assets of the Corporation; are redeemable by the Corporation at the par value thereof upon the expiration of five years from the date of issuance thereof; are not transferable without the prior written consent of the Ontario Securities Commission; and, entitle the holders thereof to receive notice of all meetings of shareholders and to one vote for each preference share held. The number of issued preference shares outstanding at any time is limited to 500,000 in number, and the present issued preference shares are not subject to call or assessment.

Warrants:

The Corporation has authorized the issuance of up to 500,000 warrants entitling the holders thereof to purchase, up until five (5) years from the date of the issuance of the warrants, one (1) common share of the Corporation for each warrant held. Not more than 500,000 promoters' shares and accordingly not more than 500,000 warrants may be outstanding at any given time. Warrants may be

exercised from time to time to an amount not to exceed 25% of the number of common shares issued for cash pursuant to the underwriting herein referred to.

The Corporation will issue to Brian P. McDonough, upon receipt of the sum of \$75,000 from the sale of the underwritten shares, warrants entitling the holder thereof to purchase 93,750 common shares of the Corporation at the price of 25¢ per share.

The warrants will contain anti-dilution provisions including, among other things, provisions for appropriate adjustments in the class, number and price of shares issuable pursuant to any exercise of the warrants upon the occurrence of certain events, including any subdivision, consolidation or re-classification of common shares, the payment of stock dividends, and the consolidation or merger by the Corporation with or into another corporation or the sale, conveyance, lease or other transfer by the Corporation of all or substantially all of its assets. Any shares issued pursuant to any exercise of the warrants may not be offered for sale until six months after the date of the receipt of the Ontario Securities Commission for this prospectus.

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as at May 24, 1978.</u>	<u>Amount Outstanding if all securities being issued are sold*</u>
Common Shares	3,000,000 (not to be issued for more than \$3,000,000)	750,005 (\$75,005 )	750,005 (\$75,005 )
Preference shares, par value of 1/10 of 1¢ per share (with warrants attached, see below)	500,000 (\$500)	-	500,000 (\$500)
Warrants to** purchase common shares	500,000	93,750	93,750

\*Gives effect to the donation of 675,000 previously escrowed shares of which 375,000 shares form the underwritten shares offered hereunder and 100,000 shares form the Vendor shares for the Freeman Township Property and the sale of 375,000 underwritten shares at 20¢ per share for a total of \$75,000. The sale of the 475,000 donated shares will create additional contributed surplus of \$95,000, which when added to the previous contributed surplus of \$26,299 will create a total contributed surplus of \$121,299.



\*\*Warrants may be exercised to no more than 25% of the common shares issued for cash pursuant to the current underwriting, (i.e., 25% of 375,000 = 93,750 warrants which may be exercised to purchase 93,750 common shares at the price of 25 cents per share.

DIVIDENDS

No dividends have been paid by the Corporation to date.

AUDITOR

The auditor of the Corporation is T. H. Bernholtz, Chartered Accountant, Suite 802, 330 Bay Street, Toronto, Ontario, M5H 2S8.

SHARE REGISTRAR AND TRANSFER AGENT

The Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, M5H 2T8, is the Share Registrar and Transfer Agent of the Corporation.

OFFERING

A. NEW ISSUE:

By an agreement dated April 6, 1978, (the "Underwriting Agreement") between the Corporation and Universe Securities Ltd. Suite 129, 17 Queen Street East, Toronto, Ontario, (the "Underwriter"), the

Underwriter, acting solely on its own behalf, agreed to purchase the following shares of the Corporation:

<u>Number of Shares Underwritten</u>	<u>Price Per Share</u>	<u>Net Proceeds to be Received by the Corporation</u>	<u>Offering Price of these Shares to the Public.</u>
375,000	20¢	\$75,000	40¢

The Underwriter may terminate the Underwriting Agreement prior to the date of acceptance for filing of this prospectus by the Ontario Securities Commission (the "Acceptance Date") for any reason in its sole discretion. Subject to the foregoing the Underwriter is obligated to take up and pay for all of the underwritten shares within the following times, calculated from the Acceptance Date:

<u>Net Proceeds to be Received by the Corporation</u>	<u>Time Within Which Payable from Acceptance Date</u>
\$30,000	30 days
\$25,000	60 days
<u>\$20,000</u>	90 days
\$75,000	

There are no sub-underwriting agreements or sub-option agreements outstanding or proposed. In the event that there shall occur the granting of a sub-underwriting or sub-option or an extension of any of the present dates referred to in the agreement, an amendment to this prospectus will be filed at the expense of the Underwriter within ten (10) days thereof if the shares of the Corporation are then in the course of public distribution.

The Underwriter, acting as principal, will offer the underwritten shares over-the-counter in the Province of Ontario at the price set forth above. Sales of the underwritten shares may also be made through its agents who will also be security dealers and will be paid a commission not to exceed 25% of the selling price of shares so sold by them.

The Corporation has agreed that until June 30, 1981, the Underwriter will have the first right of refusal to undertake future financing planned by the Corporation.

SECONDARY OFFERING:

By an agreement dated April 6, 1978, between the Underwriter and the Vendor, the Underwriter has agreed to purchase from the Vendor all of the 100,000 shares issued to the Vendor by the Corporation as consideration for the acquisition of the Property, at the price of 20¢ per share, no later than 120 days from the Acceptance Date. Reference is made to the sub-caption "Freeman Township, Ontario, Property" on pages 1 to 7 inclusive under the caption "History and Business" on page 1 for particulars thereof. These 100,000 shares will be offered over-the-counter in the Province of Ontario by the Underwriter by way of a secondary offering. In addition thereto, 72,500 previously distributed shares of the Corporation purchased by the Underwriter at prices ranging from 5¢ to 20¢ per share will be offered for sale. Reference is made to the caption "Prior Sales" on pages 28 and 29 for further particulars. The Underwriter anticipates that it will offer the 72,500 shares at 50¢ per share, and the 100,000 shares at 60¢ per share.

At least 30% of the total proceeds from the sale of the underwritten shares and the shares comprising the secondary offering must accrue to the treasury of the Corporation.

If a material change occurs in the affairs of the Corporation that justifies an increase in the secondary offering price, an amendment to this prospectus will be filed before such increase is implemented.

The Underwriter may make such sales under this secondary offering directly to the public or through other registered dealers acting as its agents who may be paid commissions not exceeding 25% of the selling price of the shares so offered. None of the 172,500 shares will be offered for sale until all of the 375,000 underwritten shares have been taken down, paid for and sold to the public. None of the proceeds from the sale of this secondary offering will accrue to the treasury of the Corporation.

on pages 28 and 29

Reference is hereby made to the caption "Prior Sales" / for further particulars regarding the 172,500 previously distributed shares comprising this secondary offering.

As selling shareholder the Underwriter will pay a pro rata share of the costs relative to the secondary offering.

With respect to the sale of the underwritten and secondary shares offered by this prospectus, the Underwriter 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 such shares are sold to the public. For particulars relating to the ownership of shares of the Corporation, reference is made to the caption "Principal Holder of Shares" on pages 22 and 23. The only person having a greater than 5% interest in the Underwriter is David Sherman, 14 Carousel Court, Toronto, Ontario.

#### ESCROWED SHARES

There are presently no shares of the Corporation being held in escrow by The Metropolitan Trust Company, 353 Bay Street, Toronto, Ontario, by virtue of the donation to the Corporation for its benefit of a total of 675,000 previously escrowed shares by Andover Resources Limited as to 545,000 shares, Roland Sabourin as to 115,000 shares and by the Estate of Ethel Farmer, deceased, as to 15,000 shares, which such respective shareholders received as consideration for the acquisition by the Corporation in 1957 of the Hallam and May Townships, Properties. Reference is made to the sub-caption "Hallam and May Townships, Properties" on pages 8 and 9 under the heading "Prior Property Interests" on page 8 for further particulars.

#### USE OF PROCEEDS

The net proceeds to be received by the Corporation from the sale of the underwritten shares will be approximately \$66,500 after payment of the costs of this offering estimated at \$8,500. In the event the secondary offering of the shares of

the Corporation proceeds, the cost of this offering will be pro-rated between the Corporation and the selling shareholder in proportion to the number of shares sold by each. The estimated amount of administrative expenses for the ensuing year are \$8,000. The funds which will be received by the Corporation will be used to defray ordinary operating expenses and to pay the costs of carrying out the exploration program recommended by Colin R. Bowdidge, M.A., Ph.D, F.G.A.C., Consulting Mining and Exploration Geologist, on the Corporation's mineral prospect in Freeman Township, Ontario, referred to under the caption "History and Business"/, and estimated to cost \$29,450.

Additionally, monies in the Corporation's treasury as available may be used to defray programs of acquiring, staking, examining, exploring and developing mining and/or oil and gas properties, either alone or in concert with others, and to generally carry out exploration programs as opportunity and finances permit, provided, however, that no new properties will be acquired or expenditures made thereon without an amendment of the Corporation's prospectus being filed if the shares of the Corporation are still in the course of distribution to the public.

Monies not immediately required for the Corporation's purposes may be deposited in interest bearing accounts with Canadian chartered banks and/or trust companies. While there are no such immediate plans, monies available in the Corporation's treasury, subject to the approval of the shareholders of the Corporation, may be utilized

to purchase securities of other corporations but no such purchase will be made while the securities offered hereunder are in the course of distribution to the public.

Any corporate investments by the Corporation in securities will be in securities in which insurance companies registered under Part III of The Canadian and British Insurance Companies Act (Canada) may invest their funds without availing themselves of the provisions of Sub-section 4 of Section 63 of such Act.

#### PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

##### A. Right of Withdrawal

An agreement of purchase and sale covering any of the shares hereby offered is not binding upon the purchaser if the Corporation from whom the purchaser buys same receives written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement not later than midnight of the second day (exclusive of Saturdays, Sundays and holidays) after receipt of the prospectus of the Corporation or amended prospectus; provided the purchaser has not sold or transferred the said shares prior to the expiration of the said two-day period.

Receipt of the prospectus or amended prospectus by the agent of the purchaser and receipt of the said notice by the agent for the vendor of the said shares shall be receipt by the purchaser and vendor respectively.

B. Right of Rescission

A purchaser of any of the shares hereby offered has a right to rescind his contract to purchase while he is still the owner of the said shares if the prospectus of the Corporation and any amending prospectus received by such purchaser, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading; provided, however, such right of rescission will not apply:

- (a) if the untruth or fact of omission was unknown to the Corporation and to the underwriter and could not have been known in the exercise of reasonable diligence;
- (b) if such statement or omission is disclosed in an amended prospectus and same has been received by the purchaser;
- (c) if the purchaser knew the untruth of the statement or knew of the omission at the time of purchase.

Receipt of a prospectus or an amended prospectus by a party who is acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser. No action shall be commenced after the expiration of ninety days from the last to occur of the receipt of the prospectus or the date of the contract.

The full text of the respective statutory provisions summarized above is contained in Section 64 and 65 of The Securities Act, 1970, as amended throughout.



PRINCIPAL HOLDER OF SHARES

A. The following sets forth the principal holder of shares of the Corporation, being the only owner of record or known by the Corporation to own beneficially, directly or indirectly, more than 10% of the presently issued shares and the underwritten shares agreed to be sold to the Underwriter (based on a total of 750,005 shares, after giving effect to the donation of 675,000 previously escrowed shares, the purchase by the Underwriter of 375,000 underwritten shares, 100,000 Vendor shares and 72,500 previously distributed shares):

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned*</u>	<u>Percentage of Class</u>
Universe Securities Ltd., Suite 129, 17 Queen St. East, Toronto, Ontario.	Common Shares without par value	Direct and beneficial but not of record.	547,500	73.0%

The following sets forth the percentage of shares of the Corporation beneficially owned, directly or indirectly, by all directors and senior officers of the Corporation as a group:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common shares without par value	Less than 1%

B. Selling Shareholder:

As disclosed in this prospectus, a total of 172,500 shares may be offered hereunder by way of a secondary offering by the holder of such shares. The 172,500 shares which may be offered by the selling shareholder will be offered as follows:

<u>Name and Address</u>	<u>No. of Shares Offered</u>	<u>No. of Shares to be owned after Offering*</u>	<u>Percentage of class*</u>
Universe Securities Suite 129 17 Queen Street East, Toronto, Ontario.	172,500	Nil	Nil

\*Assumes the sale of all shares offered hereunder.

SPECULATIVE NATURE OF OFFERING

The shares of the Corporation being offered under this prospectus should be considered as an investment involving risk and are speculative. None of the claims comprising the Corporation's Freeman Township, Ontario, mineral prospect contains a known body of commercial ore and any exploration programs thereon are exploratory searches for ore.

PROMOTER

Brian P. McDonough, a director of the Corporation, may be regarded as its promoter. Reference is made to the caption on pages 30 and 31 "History of Promoter"/for particulars regarding the companies promoted on page 31 by Mr. McDonough, and to the caption "History of Management"/for particulars regarding his association with junior mining companies during the past 10 years.

On the 6th day of April , 1978, pursuant to an agreement of the same date between the Corporation and Brian P. McDonough, Mr. McDonough subscribed for and agreed to purchase 500,000 preference shares of the Corporation at par for the sum of \$500. Pursuant to the said agreement, the Corporation, subject to earlier redemption as hereinafter described, will redeem these preference shares at par on the expiration of 5 years from the date of issue of the said shares, unless such redemption is extended with the written concurrence of the Ontario Securities Commission. The Corporation has agreed to make application to extend the redemption date if requested by Mr. McDonough. The preference shares shall be redeemed at an earlier date at par on the basis of one share to be redeemed for each common share of the Corporation purchased pursuant to the warrants referred to hereunder. Under the agreement, the Corporation also agreed to issue warrants to Mr. McDonough entitling him to purchase 93,750 common shares of the Corporation at 25¢ per share exercisable not later than 5 years after their date of issue, but any shares purchased pursuant to the said warrants may not be offered for sale until six months after the date of the receipt of the Ontario Securities Commission for this prospectus. The Corporation has also agreed with Mr. McDonough, to the extent the Corporation hereafter receives funds from the sale of its common shares, exclusive of the common shares being purchased by the Underwriters from the Corporation, to issue to Mr. McDonough additional warrants to a maximum of 406,250 warrants entitling him to purchase, not later than 5 years after the date of issue of the said warrants, common shares of the Corporation. Such warrants will be issued on the basis of one warrant for every four common shares sold by the Corporation, and the

price at which common shares may be purchased thereunder will be equal to one and one-quarter (1¼) times the price received by the Corporation incidental to the sale of its common shares with respect to which such warrants are issued.

MANAGEMENT

The names and home addresses of the directors and officers of the Corporation and the positions presently held by them are as follows:

<u>Name</u>	<u>Position</u>
David D. Martin, 309 Lake Drive North, Keswick, Ontario.	President and a Director
Brian P. McDonough, 88 Teddington Park Avenue, Toronto, Ontario.	Director
Fred Munger 52 Albertus Avenue, Toronto, Ontario.	Secretary-Treasurer
Arthur John Fortens 47 Thorncliffe Park Drive, Toronto, Ontario.	Director

Mr. Martin is presently a director of Cessland Corporation Limited. He has been a Consultant to the mining industry for the past ten years.

Brian McDonough has been a self-employed metallurgical engineer for the past ten years. He has also been a sales representative for V. Campbell Real Estate Limited for the past four years.

Mr. Munger is an accountant employed since March, 1974 by Sprucedale Holdings Limited and from February, 1972 to March, 1974 by Newtor Holdings Limited. Prior thereto he was an accountant employed by Louada Holdings Limited until 1970 and by Sprucedale Holdings Limited until February, 1972. Mr. Munger is the sole director and officer of Sprucedale Holdings Limited which provides the Company with head office accommodation, accounting, administration and corporate secretarial services.

Mr. Fortens is an accountant and has been employed by Sprucedale Holdings Limited since June 1st, 1971. Prior thereto he was employed by Louada Holdings Limited.

on pages 31 to 34 inclusive

Reference is made to the caption "History of Management" / for further particulars concerning the association of the foregoing directors and officers with various junior mining companies during the past ten years.

#### REMUNERATION OF MANAGEMENT

The Corporation did not pay any remuneration to its directors and senior officers during the year ended December 31, 1977. Directors and senior officers of the Corporation are entitled to receive \$100 for each meeting attended by them.

A monthly fee not exceeding \$300.00 will be paid to Sprucedale Holdings Limited, Suite 432, 12 Richmond Street East, Toronto, Ontario, to cover head office rental and routine secretarial accounting and administrative services. Mr. Fred Munger, the Secretary-Treasurer of the Corporation, is the sole director and shareholder of Sprucedale Holdings Limited.

Mr. David Martin, the President and a director of the Corporation, will be paid up to \$300 per month for his services as a consultant to the Corporation.

INTEREST OF MANAGEMENT AND OTHERS IN  
MATERIAL TRANSACTIONS.

Reference is made to the sub-caption "Hallam and May  
on pages 8 and 9  
Townships Ontario Properties"/ under the caption "Prior Property  
on page 8  
Interests"/for particulars concerning the purchase by the Corporation  
from Andover Resources Limited, of which David Martin, the President  
and a director of the Corporation, is President and a director, and two  
others, of 4 unpatented mining claims in Hallam Township and the

mineral rights to two parcels of land in May Township, in consideration of the allotment and issuance by the Corporation of 750,000 fully paid and non-assessable shares of the Corporation, of which 675,000 shares were previously held in escrow.

Andover Resources Limited has donated its 545,000 escrowed shares of the Corporation to the Corporation for the benefit of the Corporation, and has sold the 55,000 free shares allotted and issued to it to Universe Securities Ltd., which 55,000 shares form part of the secondary offering under this prospectus. Reference is made to the sub-caption "Secondary Offering" on page 16 and to the caption "Prior Sales" on pages 18 and 29 for further particulars.

#### PRIOR SALES

As disclosed under the caption "Secondary Offering" /  
Universe Securities Ltd. as underwriter and selling shareholder under this prospectus will be offering for sale 172,500 shares of the Corporation by way of a secondary offering. Of the 172,500 shares, 72,500 shares were acquired by Universe Securities Ltd from certain shareholders as follows:

<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>Price Per Share</u>
Andover Resources Limited	55,000	5¢
Estate of Ann Moore	5,000	20¢
Roland Sabourin	12,500	10¢

Reference is made to the sub-caption "Hallam and on pages 8 and 9 May Townships, Properties"/under the caption "Prior Property Interests"/ on page 8 Of the 20,000 free treasury shares of the Corporation originally received by Roland Sabourin from the 75,000 free shares allotted and issued by the Corporation to Andover Resources Limited, Ann Moore received 5,000 shares. Ann Moore since died and the 5,000 shares were held by her estate.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation within the past two years, copies of which may be inspected at the head office of the Corporation during normal business hours while the shares offered hereunder are in the course of public distribution, are as follows :



1. Agreement made as of the 6th day of April , 1978, between the Corporation and Michael M. Phillips covering the acquisition of ten (10) unpatented mining claims more particularly referred to under the sub-caption "Freeman Township Property"/under the caption "History and Business" on pages 1 and 2.
2. Agreement made as of the 6th day of April , 1978, between the Corporation and Universe Securities Ltd. covering the proposed underwriting of 375,000 shares of the Corporation, more particularly referred to under the caption "Offering" on pages 16 and 17.
3. Agreement made as of the 6th day of April , 1978, between Michael M. Phillips and Universe Securities Ltd. covering the acquisition of 100,000 vendor shares particularly referred to under the caption "History and Business" on pages 1 and 2.

#### HISTORY OF PROMOTER

on page 23

Reference is made to the caption "Promoter%": Brian P. McDonough is a director of the Corporation, and its promoter. Mr. McDonough has not been associated with any other companies as a promoter, either directly in his personal capacity or indirectly through a company.

In his capacity as promoter of the Corporation, Mr. McDonough will not be required to devote more than 5% of his time to the promotion of the Corporation's affairs. Reference is made to the caption "History of Management"/for further particulars regarding Mr. McDonough's association with various junior mining companies for the past ten years.

#### HISTORY OF MANAGEMENT

The associations of the directors and officers of the Corporation during the past ten years with junior mining companies, none of which companies mentioned below has discovered an ore body and reached a commercial production stage, are as follows:

Mr. Martin has been a director and/or officer of the following junior mining companies: Andover Resources Limited, D, Augdome Corporation Limited, A, Cable Copper Mines Limited, A, Cannon Mines Limited, CC, Cessland Corporation Limited, A, Crownbridge Copper Mines Ltd., D, Davidson Tisdale Mines Ltd., D, Early Bird Mines Limited, D, La Chib Mines Limited, A, Levack Mines Limited, CT, Mortimer Mines Limited, U, New Hope Porcupine Mines Limited, CC, Resolute Petroleum Ltd., A, Wabigoon Soapstone Co. Limited, CT.

Mr. McDonough has been a director and/or officer of the following junior mining companies: Aumac Explorations Limited, D, Coulee Lead and Zinc Mines Limited, D, Headway Red Lake Mines Limited, CC, Ville Marie Explorations Limited, D.

Mr. Munger has been a director and/or officer of the following junior mining companies: Canabec Explorations Limited, A\*, Consolidated Louanna Gold Mines Limited, A, Consolidated Summit Mines Limited, A, Deer Horn Mines Limited, CT\*, Forefront Consolidated Explorations Ltd., A, Frankfield Explorations Limited, A, Prodac Mines Limited, A, Gambit Consolidated Explorations Limited, A, Gold Ridge Mines Inc., A, Great Bear Silver Mines Limited, A, Great Pine Mines Limited, CC\*, Gull Lake Energy Resources Ltd., A, Hubert Lake Ungava Nickel Mines Limited, D, International Mariner Resources Ltd., D\*, Merit Explorations Inc. A, Mid-West Energy Inc., A, Minedel Mines Limited, A, Patricia Silver Mines Limited, CT\*, Pine Ridge Exploration Company Limited, CT\*, Rich Point Mines Limited, A, Royco Mining Company Limited, A, Silver Leader Mines Limited, A, Silver Shield Mines Inc., CT\*, Silver Tower Mines Limited, CC\*, Us-Ca-Mex Explorations Limited, A, and Zarina Explorations Ltd., A.

Mr. Fortens has been a director and/or officer of the following junior mining companies: Canabec Explorations Limited, A\*, Consolidated Louanna Gold Mines Limited, A, Consolidated Skeena Mines Limited, D\*, Consolidated Summit Mines Limited, A, Dean Lake Mines Ltd., A, Deer Horn Mines Limited, CT\*, d'Quincy Explorers Inc., CT\*, Eagle Rock Iron Mines Limited, A, Fin Resources Inc., A, First Eastern Gold Development Inc., CT\*, Forefront Consolidated Explorations Ltd., A, Frankfield Explorations Limited, A, Prodac Mines Limited, A, Gambit Consolidated Explorations Ltd., A, Glen Lake Silver Mines Limited, CC\*, Glenshire Mines Limited, A, Gold Belle Mines Limited, A, Golden Sabre Mines Limited, A, Gold Ridge Mines Inc., A, Grand Valley Mining Company Limited, A, Great Bear Silver Mines Limited, A, Great Pine Mines Limited, CC\*

Gull Lake Energy Resources Ltd., A, Hartland Mines Limited, A, Hiho Silver Mines Limited, D\*, Hubert Lake Ungava Nickel Mines Limited, D, Huddersfield Uranium Mines Ltd., A, Iron Cliff Mines Limited, U\*, International Norvalie Mines Limited, D\*, Kamlo Gold Mines Limited, A, Kingdom Minerals Ltd., CT\*, La France Explorations Limited, A, Lobo Mines & Explorations Limited, A, Madrona Explorations Co. Limited, D\*, Minaki Gold Mines Limited, A, Minedel Mines Limited, A, Mistango River Mines Limited, A, Mid-West Energy Inc., A, Newmex Gold Resources Inc. A, Norlac Explorations Limited, A. North American Rare Metals Limited, A, Northumberland Mines Limited, A\*, Pacesetter Mines Limited, A, Pac Explorations Limited, D, Pan-Ore Gold Mines Limited, A. Patricia Silver Mines Limited, CT\*, Pine Ridge Explorations Company Limited, CT\*, Prestige Mines Limited, A, Proudearth Explorations Inc., CT\*, Rich Point Mines Limited, A, Royco Mining Company Limited, A, Sandhurst Mines Limited, A, Shilo Mines Limited, A, Shadrack Mining Limited, CT\*, Silver Leader Mines Limited, A, Silver Monarch Mines Limited, A, Silver Town Mines Limited, CC\*, Silver Tower Mines Limited, CC\*, Sloane Mining Company Limited, A\*, Steppingstone Explorations Limited, A, Streamside Mines Inc. U\*, Surge Mines Limited, CT\*, Temple Explorations Inc., A, Tri-Bridge Consolidated Mines Limited, A, Trinova Cobalt Silver Mines Limited, A, Us-Ca-Mex Explorations Limited, A, Valrex Gold Mines Limited, CC\* Vista Exolorations Ltd., A, and Zarina Explorations Ltd., A.

U	-	Status Unknown
A	-	Active Exploration Company
D	-	Dormant Exploration Company
CT	-	Subject to a Cease Trading Order
CC	-	Corporate Charter Cancelled or Surrendered
*	-	No longer a director or officer

THEODORE H. BERNHOLTZ, B.COMM., M.A.

CHARTERED ACCOUNTANT  
TRUSTEE IN BANKRUPTCY

To The Directors,  
Cable Copper Mines Limited.

I have examined the balance sheets of Cable Copper Mines Limited as at December 31 of 1977, 1976, 1975, 1974 and 1973, and the statements of deficit, deferred exploration expenditures and changes in financial position for the years ended December 31 of 1977, 1976, 1975, 1974 and 1973. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at December 31 of 1977, 1976, 1975, 1974 and 1973 and its activities and the changes in financial position for the years ended December 31 of 1977, 1976, 1975, 1974 and 1973 in accordance with generally accepted accounting principles applied on a consistent basis throughout.



Toronto, Ontario  
April 7, 1978

T. H. Bernholtz  
Chartered Accountant

CABLE COPPER MINES LIMITED

<u>BALANCE SHEETS AS AT</u>	<u>December</u> <u>31, 1977</u>	<u>December</u> <u>31, 1976</u>	<u>December</u> <u>31, 1975</u>	<u>December</u> <u>31, 1974</u>	<u>December</u> <u>31, 1973</u>
<u>ASSETS</u>					
<u>Current</u>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 3
Mining claims (Note 1)	-	-	-	-	75,000
Deferred exploration	-	-	-	-	24,281
	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ 99,284</u>
<u>LIABILITIES</u>					
<u>Current</u>					
Accounts payable (Note 2)	\$ 2,749	\$ 1,937	\$ 1,830	\$ 1,720	\$ 1,720
<u>Long term</u>					
Advances from mining company	-	-	-	-	26,300
<u>SHAREHOLDERS' EQUITY</u>					
<u>Capital stock (Notes 3 and 4)</u>					
Authorized:					
3,000,000 common shares with a par value of \$1.00 each					
Issued and fully paid:					
5 common shares for cash	5	5	5	5	5
750,000 common shares for mining properties (forfeited January 1, 1974)	750,000	750,000	750,000	750,000	750,000
Less: Discount thereon	675,000	675,000	675,000	675,000	675,000
	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
	75,005	75,005	75,005	75,005	75,005
<u>Deficit</u>	(104,053)	(103,241)	(103,134)	(103,024)	(3,741)
<u>Contributed surplus</u>	26,299	26,299	26,299	26,299	-
	<u>(2,749)</u>	<u>(1,937)</u>	<u>(1,830)</u>	<u>(1,720)</u>	<u>71,264</u>
	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ 99,284</u>

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

On behalf of the Board:

R. W. Manton Director

J. A. ... Director

CABLE COPPER MINES LIMITED

STATEMENTS OF DEFICIT

Administrative Expenditures

	Year Ended December 31, 1977	Year Ended December 31, 1976	Year Ended December 31, 1975	Year Ended December 31, 1974	Year Ended December 31, 1973
Head office	\$ 54	\$ -	\$ -	\$ -	\$ -
Legal and audit	300	-	-	-	(25)
Government fees and taxes	225	107	110	-	70
Miscellaneous	233	-	-	2	48
	<u>812</u>	<u>107</u>	<u>110</u>	<u>2</u>	<u>93</u>
Amount written off to deficit	-	-	-	75,000	-
- Mining claims	-	-	-	24,281	-
- Deferred exploration	-	-	-	3,741	-
Balance, beginning of period	103,241	103,134	103,024	3,741	3,648
Balance, end of period	<u>\$104,053</u>	<u>\$103,241</u>	<u>\$103,134</u>	<u>\$103,024</u>	<u>\$ 3,741</u>

STATEMENT OF DEFERRED EXPLORATION EXPENDITURES

May Township, District of Sudbury, Ontario

Government fees and taxes	\$ -	\$ -	\$ -	\$ -	\$ 71
Balance, beginning of period	-	-	-	24,281	24,210
	-	-	-	24,281	24,281
Less: amount written off to deficit	-	-	-	24,281	-
Balance, end of period	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ NIL</u>	<u>\$ 24,281</u>

STATEMENTS OF CHANGES IN FINANCIAL POSITION

Source of funds

\$ NIL      \$ NIL      \$ NIL      \$ NIL      \$ NIL

Application of funds

Exploration expenditure	-	-	-	-	71
Administrative expenditures	812	107	110	2	93
Adjustment of advances - Andover Resources Limited	-	-	-	1	79
Increase (decrease) in working capital	(812)	(107)	(110)	(3)	(243)
Balance (deficit) at beginning of period	(1,937)	(1,830)	(1,720)	(1,717)	(1,474)
Balance (deficit) end of period	<u>\$ (2,749)</u>	<u>\$ (1,937)</u>	<u>\$ (1,830)</u>	<u>\$ (1,720)</u>	<u>\$ (1,717)</u>

Represented by:

Current assets	\$ -	\$ -	\$ -	\$ -	\$ 3
Current liabilities	2,749	1,937	1,830	1,720	1,720
	<u>\$ (2,749)</u>	<u>\$ (1,937)</u>	<u>\$ (1,830)</u>	<u>\$ (1,720)</u>	<u>\$ (1,717)</u>



CABLE COPPER MINES LIMITED  
Notes to Financial Statements  
As At December 31, 1977

- Note 1. (a) By agreement dated April 6, 1978, the Corporation has purchased ten unpatented mining claims in Freeman Township, Province of Ontario for a consideration consisting of 100,000 fully paid non-assessable donated shares without par value in the capital of the Corporation valued by the directors at 20¢ per share for a total of \$20,000.00, and a royalty of  $1\frac{1}{2}\%$  of the returns on all ores, concentrates, and minerals extracted and marketed from the claims, less shipping and insurance costs.
- (b) In consideration of the sum of \$2.00 and other good and valuable consideration paid, the Vendor has agreed to sell to the underwriter all of the Vendor's shares (Note 1 (a)) at the price of 20¢ per share.
- Note 2. (a) The cost of the proposed offering, estimated not to exceed \$8,500.00 is included in the accounts payable.
- (b) The underwriter will pay a pro rata share of the cost relative to the secondary offering of 172,500 shares.
- Note 3. (a) By special resolution passed by the board of directors on April 6th, 1978 and subsequently approved by the shareholders at a general meeting, the Articles of the Corporation were amended upon the issue of the Articles of Amendment dated the 11th day of May, 1978 by the Ministry of Consumer and Commercial Relations as follows:
- (i) changing the 3,000,000 authorized shares of the Corporation having a par value of \$1.00 each into 3,000,000 shares without par value, (not to exceed \$3,000,000.00);
  - (ii) increasing the authorized capital of the Corporation by creating 500,000 non-dividend paying redeemable, voting, preference shares, with a par value of 1/10¢ each;
  - (iii) expanding the objects of the Corporation; and
  - (iv) deleting from the Articles of the Corporation the provision that the Corporation shall be subject to Part IV of The Corporations Act (1953);

Note 3. (a) (v) when authorized by express resolution of the board of directors the Corporation may purchase any of its issued common shares.

(b) The following summarizes the additional rights, conditions and restrictions attaching to the Corporation's preference shares:

Number of shares issuable and consideration therefor;  
Issuable for cash only in such amounts so that at no time will there be more than 500,000 preference shares issued and outstanding.

Accompanying warrants;  
May be issued with accompanying warrants to purchase common shares on the basis of one warrant for each preference share.

Dividends;  
Non-dividend paying.

Redemption;  
Shall be redeemed at par after five years from the respective dates of issue or sooner, with the consent of the holders of the shares to be redeemed, or, if the preference shares have been issued with accompanying common share purchase warrants on the exercise of any such warrants on the basis of one share for each warrant exercised.

Purchase by Corporation;  
May be purchased by the Corporation for cancellation with the consent of the holders, at a price not exceeding par value.

(c) The Corporation has created 500,000 common share purchase warrants to accompany the 500,000 preference shares to be allotted and issued. The warrants may be exercised from time to time to an amount not to exceed 25% of the number of common shares issued for cash. Upon the payment for and issuance of the 375,000 common shares underwritten (Note 4), 93,750 warrants are to be issued which would entitle the holder to purchase up to 93,750 common shares at 25¢ per share. The warrants expire five years from the date of issuance of the preference shares.

(d) By agreement dated April 6, 1978 the promoter of the Corporation has subscribed for 500,000 preference shares with a par value of 1/10 of 1¢ per share for the sum of \$500.00 in all.

Note 4. By agreement dated April 6, 1978, the underwriter has agreed to purchase 375,000 common shares of the Corporation's capital stock for 20¢ per share (\$75,000.00) payable within the following times from the date of acceptance for filing of the prospectus by the Ontario Securities Commission (acceptance date) namely; \$30,000.00 within 30 days of acceptance, \$25,000.00 within 60 days of acceptance, and \$20,000.00 within 90 days of acceptance. All of the 375,000 underwritten shares consist of donated shares held for the benefit of the Corporation. The Corporation has agreed that until June 30, 1981, the underwriter will have the first right of refusal to undertake future financing planned by the Corporation.

Inasmuch as both the underwritten shares and the shares for the mining claims have been donated for the benefit of the Corporation, the sale of the said donated shares will create additional contributed surplus of \$95,000.00 which when added to the previously contributed surplus of \$26,299.00 will create a total contributed surplus of \$121,299.00

Note 5. The aggregate direct and indirect remuneration paid or payable to the directors and senior officers of the Corporation for the year ended December 31, 1977 was nil.

Note 6. Accounting policy:

When the Corporation is in the exploration stage a statement of profit and loss is not prepared. Exploration and administrative expenditures, reduced by sundry incomes, are charged to deferred expenditures as incurred. When an entire group of mining claims have been abandoned or disproven, exploration expenditures incurred on these claims and a pro-rata portion of administrative expenditures were written off directly to deficit. When the Corporation is without claims during an accounting period, administrative expenditures, net of sundry income, incurred during such a period are written off to deficit.