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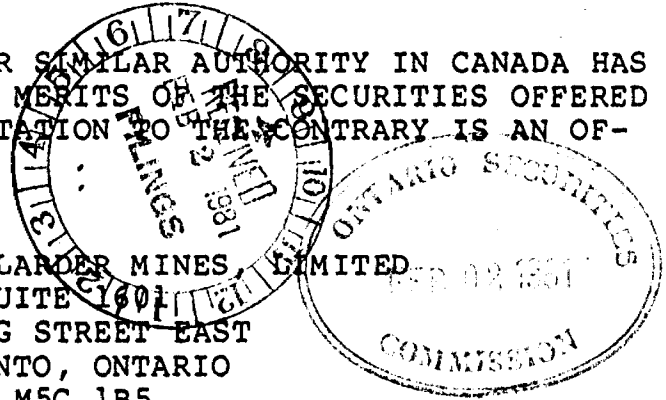
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THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

THE COMBINED LARDER MINES, LIMITED
SUITE 1001
8 KING STREET EAST
TORONTO, ONTARIO
M5C 1B5



SUBSCRIPTION RIGHTS OFFERING
OF 565,685 COMMON SHARES AT AN
AT AN ISSUE PRICE OF \$0.20 PER SHARE

THE SHARES TRADE ON THE "OVER-THE-COUNTER" MARKET IN TORONTO. THE PRICE TO BE PAID FOR THE SHARES OFFERED HEREBY WAS ESTABLISHED ARBITRARILY BY THE COMPANY. THERE IS CURRENTLY NO MARKET FOR THE RIGHTS. THE SHARES OFFERED HEREBY ARE SPECULATIVE (see "Speculative Nature of Shares" on p. 17 hereof)

	<u>Price of Common Shares Purchased Pursuant to Rights Offering</u>	<u>Proceeds to Company (1)</u>
Per Share	\$0.20	\$0.20
Total	\$113,137	\$113,137

(1) the proceeds to the Company before deducting the estimated costs of this issue of \$15,000.

Offering

The Combined Larder Mines, Limited (the "Company") hereby offers to each of its shareholders of record as at the close of business on February 2, 1981, except for those shareholders who are residents of the United States of America or any province of Canada other than Ontario (hereinafter called "the Excluded Jurisdictions"), the right to subscribe for additional common shares of the Company ("Shares") at \$0.20 (Canadian currency) on the basis of one Share for every four (4) Shares held by such shareholder. The maximum number of Shares which the Company is offering on this basis is 565,685. The number of subscription rights ("Rights") represented by the Subscription Rights Certificate enclosed herewith indicates the number of Shares registered in the particular shareholder's name as at the close of business on the record date, February 2, 1981. FOUR (4) SUBSCRIPTION RIGHTS PLUS \$0.20 ARE REQUIRED TO BUY ONE SHARE. No fractional Shares will be sold.

Additional Subscription Privilege

The Company is also offering to each holder of Rights who subscribes and pays for all of the Shares to which such holder's Subscription Rights Certificate entitle such holder, the right to subscribe for additional Shares, if available, at a price of \$0.20 per share (see "Additional Subscription Privilege" on p. 14 hereof).

Standby Commitment

In order that the Company be assured of the receipt of a minimum of \$113,137 pursuant to the exercise of Rights offered hereby and pursuant to the exercise of the aforementioned Additional Subscription Privilege, Tom & Barnt Limited, as agent for J.H. Hirshhorn, has agreed that within ten (10) business days after the expiration of the Rights it will purchase, at \$0.20 per Share, the balance of the Shares offered hereby to ensure that the Company will receive not less than the aforesaid \$113,137 (see "Standby Commitment" on p. 15 hereof).

Secondary Offering

One of the principal shareholders of the Company (see "Principal Holders of Shares" on p. 13 hereof), Mr. J.H. Hirshhorn, is a resident of the United States and therefore cannot exercise any of the Rights granted to him hereunder, and has indicated to the Company that he intends to sell his Rights to purchasers who are or appear to be residents of Ontario through Tom & Barnt Limited (see "Secondary Offering" on p. 13 hereof). Mr. Hirshhorn currently owns in the aggregate 400,000 Shares and will offer for sale all 400,000 Rights through Tom & Barnt Limited.



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PROSPECTUS SUMMARY

THIS SUMMARY PROVIDES A QUICK REFERENCE TO CERTAIN MATTERS RELATING TO THIS OFFERING AND IS NOT COMPLETE. REFERENCE SHOULD BE MADE TO THE MORE DETAILED INFORMATION CONTAINED IN THIS PROSPECTUS. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY REVIEW THE CONTENTS OF THIS PROSPECTUS WITH THEIR PROFESSIONAL ADVISERS.

SECURITIES OFFERED:

The Company is offering:

- (i) Rights to subscribe for Shares of the Company whereby each of the Company's shareholders will receive one right for each Share currently held by such shareholder;
- (ii) Shares of the Company to be issued pursuant to the exercise of the Rights offered hereby; and
- (iii) Shares to be issued pursuant to the Additional Subscription Privilege.

Tom & Barnt Limited, as agent, is offering Rights to subscribe for Shares of the Company granted to Mr. J.H. Hirshhorn.

THE SHARES OFFERED HEREBY ARE SPECULATIVE. (See "Speculative Nature of Shares" on p. 17 hereof.)

PRICE: The Shares offered pursuant to this Rights Offering are being offered on the basis of four (4) Rights, plus \$0.20 entitling the holder of Rights to one Share of the Company; the price per Share in the event of the exercise of the Additional Subscription Privilege will be \$0.20 per share.

RECORD DATE: Shareholders of record on February 2, 1981 will receive a Subscription Rights Certificate representing the number of Rights which is equal to the number of Shares recorded in such shareholder's name on February 2, 1981.

EXPIRY DATE: Any Right not exercised before 4:00 p.m., Eastern Standard Time, March 2, 1981, will expire and the Subscription Rights Certificate will thereafter become null and void.

PROCEEDS TO THE ISSUER: The proceeds to the Company will be \$98,137 after deducting the estimated costs of this offering of \$15,000.

BUSINESS AND PROPERTY OF THE COMPANY: The Company has been largely inactive since 1933. During 1980 additional claims were acquired and the Company commissioned a report by an independent geologist to assess its property (see "Business and Property of the Company" on p. 8 hereof).

USE OF PROCEEDS: The proceeds received by the Company from the sale of Shares pursuant to the terms of this Rights Offering will be used to carry out the program of exploration on the Company's Hearst Township Property, recommended by Mr. L. Cunningham, an independent geologist, (see "Use of Proceeds" on p. 10 hereof, and "Business and Property of the Company" on p. 8 hereof). Any proceeds received by the Company in excess of the amounts required for the aforesaid exploration program will be added to the Company's working capital.

THE COMPANY

The Company was incorporated under the laws of the Province of Ontario by Letters Patent dated the 6th day of February, 1911, and currently has an authorized capital of 6,000,000 Shares without nominal or par value. The head office of the Company is located at Suite 1601, 8 King Street East, Toronto, Ontario, M5C 1B5.

CAPITALIZATION

<u>DESIGNATION OF SECURITY</u>	<u>AMOUNT AUTHORIZED</u>	<u>AMOUNT OUT- STANDING AS OF NOVEMBER 30, 1980</u>	<u>AMOUNT OUT- STANDING AS OF JANUARY 15, 1981</u>	<u>AMOUNT OUT- STANDING IF ALL SHARES BE- ING OFFERED ARE SOLD</u>
Common Shares	6,000,000	2,262,739	2,262,739	2,828,424

DESCRIPTION OF RIGHTS

The Company is hereby offering to each of its shareholders of record as at the close of business on February 2, 1981, except for those shareholders who are residents of the Excluded Jurisdictions, the right to subscribe for additional Shares of the Company at \$0.20 (Canadian currency) per share on the basis of one (1) Share for every four (4) Shares held by such shareholder. The total number of Shares which the Company is offering on this basis is 565,685.

The number of Rights represented by the Subscription Rights Certificate enclosed indicates the number of Shares registered in the particular shareholder's name at the close of business on the record date, February 2, 1981. FOUR (4) SUBSCRIPTION RIGHTS PLUS \$0.20 ARE REQUIRED TO BUY ONE SHARE. No fractional Shares will be issued or sold.

There is currently no market for the Rights. It is anticipated that an "over-the-counter" market in Toronto

will develop in Rights. Holders of Rights who wish to buy or sell Rights may do so through usual investment channels.

ANY RIGHT WHICH IS NOT EXERCISED IN THE MANNER DESCRIBED HEREIN BEFORE 4:00 O'CLOCK IN THE AFTERNOON, EASTERN STANDARD TIME, ON MARCH 2, 1981, SHALL EXPIRE AND THE SUBSCRIPTION RIGHTS CERTIFICATE REPRESENTING SUCH RIGHTS SHALL IMMEDIATELY THEREAFTER BECOME NULL AND VOID.

DESCRIPTION OF SHARES

The Shares being offered hereunder are common shares without par value in the Company. Holders of the shares are entitled to one vote for each share held at all meetings of the shareholders of the Company. Upon liquidation, dissolution or winding-up of the Company or distribution of its assets after payment of all liabilities, holders of all Shares are entitled to participate in the distribution of the balance, if any, of the assets of the Company. All of the Shares rank equally.

BUSINESS AND PROPERTY OF THE COMPANY

The Company has been largely inactive since 1933. The original property of the company consists of 12 claims in Hearst Township, Ontario, acquired in 1911. On April 18, 1980 the Company acquired by staking an additional 7 claims in the same general area. On May 28, 1980, there was a change in management of the Company including a new board of directors. The Hearst Township property is located approximately 25 miles from Kirkland Lake. The property is accessible to within 2 miles by paved highway and is fully accessible by dirt road. The Company commissioned a report by Mr. L. Cunningham, an independent geologist, to assess the Hearst Township property, and in his report to the company dated December 15, 1980, Mr. Cunningham made certain recommendations as to additional work to be performed on the property. The following is an extract from the said report:

"The Combined Larder properties lie within the Larder Lake Group which consists of mafic and ultramafic volcanics,

volcanics, with interflow layers of sediments and tuff, overlain by sediments consisting mainly of greywacke with graphitic shale locally near the base. Irregular syenitic intrusive (mafic to felsic) have invaded all older rock types.

Gold with pyrite is associated with the ultramafic volcanics and the related tuffs and graphitic sediments at the Kerr Addison, Omega and Amalgamated Larder properties near a major structural discordance.

Gold with pyrite is found within the sediments above the mafic volcanics at the Martin-Bird property.

Gold with pyrite is associated with a syenite intrusive on the Sudbury Contact property.

Lead, zinc, silver with variable copper and gold mineralization is found in graphitic shales near the base of the sedimentary unit on Falconbridge Copper property.

Any of these forms of mineralization is possible on the Combined Larder properties.

Interflow oxide-sulphide-carbonate iron formation has been investigated by trenches and pits on the North Group of Combined Larder.

On the South Group a shallow shaft investigated a large mass of pyritic quartz located at the contact of mafic

volcanics and syenite. A strong airborne anomaly appears co-incident with this occurrence. 1,000 feet to the southwest a second strong anomaly is located. The anomalies may mark a graphitic-pyritic horizon which is suggested by O.D.M. geological map No. 1947-1. They are untested.

Early reports (1907) indicate the presence of significant gold mineralization on the Combined Larder properties but the location is unknown."

For the conclusions and recommendations of Mr. Cunningham please see "Use of Proceeds" below).

SHAREHOLDERS AND OTHERS ARE CAUTIONED THAT THE FOREGOING IS A SUMMARY OF THE SUBJECT REPORT AND REFERENCE SHOULD BE MADE TO THE REPORT ITSELF FOR A COMPLETE APPRECIATION THEREOF. A COPY OF THE FOREGOING REPORT IS ON FILE WITH THE ONTARIO SECURITIES COMMISSION.

USE OF PROCEEDS

The proceeds to the Company after deducting estimated expenses of this offering of \$15,000, is \$98,137. The proceeds of this offering will be used to carry out the program of exploration recommended by Mr. L. Cunningham in his report on the Hearst Township Property. The following is an extract from the report:

"Because of the favourable geological environment existing on the Combined Larder claims, a program of exploration is recommended to

- (i) locate and evaluate the airborne anomalies,

- (ii) locate and sample all trenches and pits to hopefully identify the source of the gold reported in 1907, and
- (iii) prospect the sediments for
 - (a) Martin-Bird type gold mineralization and ;
 - (b) for lead, zinc, silver mineralization associated with graphitic horizon near the base of the unit.

Recommendations

A program of line cutting, mapping, trenching, magnetometer and VLF surveys and diamond drilling is recommended at an estimated cost as follows:

Line cutting 25 miles @ 300.00/mile	7,500.00
Magnetometer Survey 25 miles @ 200.00/mile	5,000.00
VLF Survey 25 miles @ 200.00/mile	5,000.00
Mapping	6,000.00
Trenching	10,000.00
Sampling	3,000.00
Supervision, consulting fees & report writing	<u>8,500.00</u>
	45,000.00
Allowance for diamond drilling 1,500 feet @ 20.00/foot	<u>30,000.00</u>
TOTAL	<u><u>\$75,000.00 "</u></u>

ANY AMOUNTS RECEIVED BY THE COMPANY PURSUANT TO THE TERMS OF THIS OFFERING IN EXCESS OF THE AMOUNT REQUIRED TO COMPLETE THE INTENDED PROGRAM ON THE HEARST TOWNSHIP PROPERTIES WILL BE ADDED TO THE COMPANY'S WORKING CAPITAL.

DIRECTORS AND OFFICERS

The names and home addresses in full of the directors and officers of the Company, the positions and offices held, and the principal business in which each has been engaged for the past five years are as follows:

<u>Name and Address</u>	<u>Position with the Company</u>	<u>Principal Business in the last 5 years</u>
Stephen Kay (1) 66 Rowanwood Ave. Toronto, Ontario M4W 1Y9	Director and President	Professional Engineer, President of Inter- national Mine Services Limited
Sharon E. Kasher 110 Erskine Ave. Apt. 1001 Toronto, Ontario M4P 1Y4	Director and Secretary/ Treasurer	Secretary-Treasurer, International Mine Services Limited
J.D.S. Bohme, Q.C. 120 Glencairn Ave. Toronto, Ontario M4R 1M9	Director	Barrister and Solicitor, Partner of Aird & Berlis, Toronto
B. Attenborough 362 Balsam Drive Oakville, Ontario L6J 3X6	Director	Securities Dealer, Tom & Barnt Limited, since 1976; formerly Securities Dealer at Yorkton Securities
W.S. Vaughan 50 Elfindale Cres. Willowdale, Ontario M3J 1H5	Director	Barrister & Solicitor, Partner of Aird & Berlis, Toronto

(1) Mr. Kay currently owns 75,000 shares and has indicated that he intends to exercise his rights.

None of the officers or directors set forth above have ever received any compensation from the Company in respect of such offices.

The Company has a management contract with International Mine Services Limited pursuant to which International Mine Services Limited provides services of a management, administrative and general character in return for monthly compensation of \$1,000. The said contract runs for a period of 1 year from December 1, 1980 and is automatically renewed on an annual basis thereafter unless terminated by either party.

PRINCIPAL HOLDERS OF SHARES

The following table sets out the holdings of each person or corporation known to the Company to own, of record or beneficially, directly or indirectly, more than 10% of the issued shares of the Company:

<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 (1)</u>
J.H. Hirshhorn 600 Admiralty Parade West Naples, Florida U.S.A.	Common Shares	Direct, of record and beneficial	400,000	17.67%

(1) Calculated on the basis of there being 2,262,739 Common Shares issued and outstanding immediately prior to this offering.

SECONDARY OFFERING

One of the principal shareholders (see "Principal Holders of Shares" above) of the Company, Mr. J.H. Hirshhorn, is a resident of the United States and therefore cannot exercise any of the Rights granted to him hereunder, and has indicated to the Company that he intends to sell his Rights through Tom & Barnt Limited. Mr. Hirshhorn currently owns in the aggregate 400,000 Shares and will offer for sale all 400,000 Rights through Tom & Barnt Limited.

ADDITIONAL SUBSCRIPTION PRIVILEGE

The Company is offering to each holder of Rights who has subscribed and paid for all of the Shares to which such holder's Subscription Rights Certificate entitle such holder the right to subscribe for additional Shares, if available, at a price of \$0.20 per Share. IF ALL RIGHTS OFFERED HEREBY ARE EXERCISED, NO ADDITIONAL SHARES WILL BE AVAILABLE FOR THE PURPOSES OF THIS ADDITIONAL SUBSCRIPTION PRIVILEGE. If, however, less than all of the Rights offered hereby are exercised, the number of Shares available for the purposes of this Additional Subscription Privilege will be the difference between the number of Shares offered hereby and the number of Shares subscribed for pursuant to this Rights Offering.

If the number of Shares subscribed for pursuant to this Additional Subscription Privilege exceeds the number of Shares available for the purposes thereof, then the available Shares will be allotted on a pro rata basis. The guideline for this pro rata allotment will be the ratio which the number of Shares subscribed for pursuant to this Rights Offering by a particular holder of Rights who exercises this Additional Subscription Privilege bears to the total number of Shares subscribed for pursuant to this Rights Offering by all holders of Rights who exercise the Additional Subscription Privilege. The directors of the Company have reserved the right to round allotments made pursuant to this Additional Subscription Privilege to a number divisible by 100.

SHAREHOLDERS WHO ARE RESIDENTS OF
THE EXCLUDED JURISDICTIONS

The Shares to be issued upon the exercise of Rights are not registered under the Securities Act of 1933 of the United States of America and the amendments thereto, nor are such Shares qualified for offering or sale in any province of Canada other than Ontario. Accordingly, registered shareholders with addresses in the United States of America or any territory or possession thereof or in any province of Canada other than Ontario are expressly excluded from exercising their Rights. Neither the Company nor its

transfer agent will accept subscriptions from such shareholders or from any transferee of the Rights who is a resident or who the Company or its transfer agent have reason to believe is a resident of the United States of America or any territory or possession thereof or of any province of Canada other than Ontario.

REGISTERED SHAREHOLDERS WITH ADDRESSES IN THE UNITED STATES OF AMERICA OR ANY TERRITORY OR POSSESSION THEREOF OR IN ANY PROVINCE OF CANADA OTHER THAN ONTARIO WILL, HOWEVER, BE PROVIDED WITH SUBSCRIPTION RIGHTS CERTIFICATES REPRESENTING RIGHTS WHICH THEY MAY SELL OR TRANSFER WITHIN THE PROVINCE OF ONTARIO. ACCOMPANYING THIS PROSPECTUS ARE DETAILED INSTRUCTIONS AS TO POSSIBLE WAYS IN WHICH SUCH PERSONS MAY CHOOSE TO SELL THEIR RIGHTS IN ONTARIO.

STANDBY COMMITMENT

In order that the Company be assured of receipt of the aforementioned minimum of \$113,137, which amount must be realized from this Rights Offering to permit the Company to carry out the recommended program of exploration, Tom & Barnt Limited has agreed that, within ten (10) business days after the expiration of the Rights Offering on March 2, 1981, it will purchase as agent for a principal shareholder, Mr. J.H. Hirshhorn (see "Principal Holders of Shares" on p. 13 hereof), at \$0.20 per Share, the balance, if any, of the Shares offered hereby to ensure that the Company will receive not less than the aforesaid \$113,137.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Two directors of the Company, Stephen Kay and Sharon Kasher, are Officers of International Mine Services Limited and accordingly have an indirect interest in the management agreement between the Company and International Mine Services Limited.

Tom & Barnt Limited will receive usual brokerage commissions on the purchase and sale of rights or shares. Mr. B. Attenborough, a director of the Company, is a shareholder of Tom & Barnt Limited.

Two directors of the Company, J.D.S. Bohme and W.S. Vaughan are partners in the law firm of Aird & Berlis and will receive compensation in the form of legal fees for professional services rendered in respect of this offer.

MATERIAL CONTRACTS

The following are the only material contracts entered into by the Company during the preceding two years:

- (1) the standby commitment agreement between the Company and Tom & Barnt Limited, as agent for Mr. Hirshhorn, dated the 14th day of January, 1981 (see "Standby Commitment" on p. 15 hereof);
- (2) management agreement dated the 1st day of December, 1980 between International Mines Services Limited and the Company.

Copies of the aforementioned agreements will be available for inspection during business hours at the head office of the Company, Suite 1601, 8 King Street East, Toronto, Ontario, M5C 1B5.

PLAN OF DISTRIBUTION

Tom & Barnt Limited, as agent for Mr. J.H. Hirshhorn, has provided the Standby Commitment referred to under the heading "Standby Commitment" on p. 15 hereof. Not later than the tenth (10th) business day following the expiry date, the Company will allot and issue Shares to the Holders of Rights (other than residents of the Excluded Jurisdictions) who have exercised the Rights offered hereby, to those of such Holders who may be entitled to additional Shares pursuant to the Additional Subscription Privilege described herein (see "Additional Subscription Privilege" on p. 14 hereof), and to Tom & Barnt Limited, as agent for Mr. J.H. Hirshhorn, if necessary, pursuant to the Standby Commitment (see "Standby Commitment" on p. 15 hereof).

PRIOR SALES

There have been no prior sales by the issuer during the last 12 months. The shares trade on the over-the-counter market in Toronto. The price range during the last 12 months has been from \$0.05 to \$0.60.

REGISTRAR AND TRANSFER AGENT

National Trust Company, Limited, 21 King Street East, Toronto, Ontario, M5C 1B3 is the registrar and transfer agent of shares in the Company's capital.

AUDITORS

Gardner, McDonald & Co., Chartered Accountants, Suite 500, 111 Richmond Street West, Toronto, Ontario, M5H 2G4, are the auditors of the Company. Effective February 1, 1981 Gardner, McDonald & Co. will merge with Touche Ross & Co., Chartered Accountants.

SPECULATIVE NATURE OF THE SHARES

THE SHARES OFFERED HEREBY ARE SPECULATIVE. MINERAL EXPLORATION IS HIGHLY SPECULATIVE AND INVOLVES SUBSTANTIAL RISKS. THERE IS NO ASSURANCE THAT ANY EXPENDITURES MADE BY THE COMPANY ON THE FURTHER EXPLORATION OF THE PROPERTY WILL RESULT IN ANY DISCOVERY OF COMMERCIAL VALUE. The proforma dilution based on net tangible assets will be 83.5%. If a discovery is made, the realization of the value of the property will be dependant upon the Company obtaining additional financing.

THE COMBINED LARDER MINES LIMITED

BALANCE SHEET

November 30, 1980

Unaudited

A S S E T ' S

	<u>1980</u>	<u>1979</u>
CURRENT		
Cash	\$ 1,629	\$ 203
Marketable investments, at cost (quoted market value \$3,000)	3,948	3,948
Accounts receivable	-	160
	<u>\$ 5,577</u>	<u>\$ 4,311</u>
MINING CLAIMS	1,967,075	1,966,375
DEFERRED EXPENDITURES	<u>302,840</u>	<u>292,605</u>
	<u>\$2,275,492</u>	<u>\$2,263,291</u>

L I A B I L I T I E S

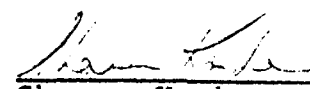
CURRENT		
Accounts payable	\$12,753	\$552

S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK		
Authorized 6,000,000 shares of no par value		
Issued 2,262,739 shares	<u>\$2,262,739</u>	<u>\$2,262,739</u>
	<u>\$2,275,492</u>	<u>\$2,263,291</u>

Approved by the Board of Directors:


Stephen Kay


Sharon Kasher

THE COMBINED LARDER MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURE

For the Eleven Months Ended November 30, 1980

Unaudited

	<u>1980</u>	<u>1979</u>
BALANCE AT BEGINNING OF THE PERIOD	<u>\$293,235</u>	<u>\$291,241</u>
EXPENDITURE		
Taxes	135	50
Management Fees	5,500	-
Legal and audit	1,919	130
Salary	-	285
General	174	5
Interest	-	68
Reports to Shareholders	1,388	-
Consulting	300	100
Claims Expense	<u>509</u>	<u>755</u>
Total Expenditures	<u>\$ 9,925</u>	<u>\$ 1,393</u>
Add:		
Loss on sale of Investments	-	343
Less:		
Interest earned	<u>320</u>	<u>372</u>
	<u>320</u>	<u>(29)</u>
Net (recovery) expenditures	<u>9,605</u>	<u>1,364</u>
BALANCE AT END OF THE PERIOD	<u>\$302,840</u>	<u>\$292,605</u>

THE COMBINED LARDER MINES LIMITED
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Eleven Months Ended November 30, 1980

Unaudited

	<u>1980</u>	<u>1979</u>
SOURCE OF FUNDS		
Interest	\$ <u>320</u>	\$ <u>372</u>
	\$ <u>320</u>	\$ <u>372</u>
APPLICATION OF FUNDS		
Loss on Sale of Investment	-	343
Deferred exploration & administration expenses	9,925	1,393
Aquisition of Claims	<u>700</u>	<u>-</u>
	<u>10,625</u>	<u>1,736</u>
INCREASE (DECREASE) IN FUNDS DURING THE PERIOD	(10,305)	(1,364)
FUNDS (DEFICIT) AT BEGINNING OF THE PERIOD	<u>3,129</u>	<u>5,123</u>
FUNDS (DEFICIT) AT END OF THE PERIOD	<u>\$ (7,176)</u>	<u>\$ 3,759</u>
Represented by working capital:		
Current Assets	\$ 5,577	\$ 4,311
Less: Current liabilities	<u>12,753</u>	<u>552</u>
	<u>\$ (7,176)</u>	<u>\$ 3,759</u>

GARDNER McDONALD & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders
The Combined Larder Mines Limited

We have examined the balance sheet of The Combined Larder Mines Limited as at December 31, 1979 and the statements of deferred expenditure and changes in financial position for the five years and three months then ended. 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 December 31, 1979 and the results of its operations and the changes in its financial position for the five years and three months then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Gardner, McDonald & Co.

Toronto, Ontario
December 29, 1980

CHARTERED ACCOUNTANTS

THE COMBINED LARDER MINES LIMITED

BALANCE SHEET

December 31, 1979

ASSETS

	December 31, 1979	September 30, 1979	September 30, 1978
CURRENT			
Cash	\$ 201	\$ 122	\$ 161
Marketable securities, at cost (quoted market value \$3,000)	3,948	3,948	5,922
Accounts receivable	<u>160</u>	<u>40</u>	<u>40</u>
	4,309	4,110	6,123
MINING CLAIMS (notes 2 and 3)	1,966,375	1,966,375	1,966,375
DEFERRED EXPENDITURE	<u>293,235</u>	<u>292,254</u>	<u>291,241</u>
	<u>\$ 2,263,919</u>	<u>\$ 2,262,739</u>	<u>\$ 2,263,739</u>

LIABILITIES

CURRENT			
Bank loan	\$ -	\$ -	\$ 1,000
Accounts payable	1,180	-	-

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 4)			
Authorized			
3,000,000 shares of \$1 each			
Issued			
2,262,739 shares	<u>2,262,739</u>	<u>2,262,739</u>	<u>2,262,739</u>
	<u>\$ 2,263,919</u>	<u>\$ 2,262,739</u>	<u>\$ 2,263,739</u>

See notes to financial statements.

Approved by the Board of Directors:

.....*Robert Kelly*.....Director
*Robert Kelly*.....Director

THE COMBINED LARDER MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURE

For the five years and three months ended December 31, 1979

	Three months ended December 31, 1979	Years ended September 30,				
		1979	1978	1977	1976	1975
BALANCE AT BEGINNING OF THE PERIOD	\$ <u>292,254</u>	\$ <u>291,241</u>	\$ <u>290,839</u>	\$ <u>289,906</u>	\$ <u>289,501</u>	\$ <u>289,473</u>
EXPENDITURE						
Taxes	-	478	507	514	427	375
Salary	-	285	225	165	285	75
Accounting and audit	900	-	-	-	-	-
Capital tax	-	50	50	50	55	50
General	11	-	-	83	85	35
Interest	-	68	100	98	30	-
Legal	130	-	-	70	-	-
Consulting	100	-	-	-	-	-
Bank charges	-	2	-	-	3	(1)
Total expenditure	<u>1,141</u>	<u>883</u>	<u>882</u>	<u>980</u>	<u>885</u>	<u>534</u>
Less:						
Gain on sale of investments	-	(343)	-	(433)	-	-
Interest earned	160	213	480	480	480	490
Dividends earned	-	-	-	-	-	16
	<u>160</u>	<u>(130)</u>	<u>480</u>	<u>47</u>	<u>480</u>	<u>506</u>
Net expense	<u>981</u>	<u>1,013</u>	<u>402</u>	<u>933</u>	<u>405</u>	<u>28</u>
BALANCE AT END OF THE PERIOD	\$ <u><u>293,235</u></u>	\$ <u><u>292,254</u></u>	\$ <u><u>291,241</u></u>	\$ <u><u>290,839</u></u>	\$ <u><u>289,906</u></u>	\$ <u><u>289,501</u></u>

See notes to financial statements.

THE COMBINED LARDER MINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the five years and three months ended December 31, 1979

	Three months ended December 31, 1979	Years ended September 30,				
		1979	1978	1977	1976	1975
SOURCE OF FUNDS						
Interest and dividend income	\$ <u>160</u>	\$ <u>213</u>	\$ <u>480</u>	\$ <u>480</u>	\$ <u>480</u>	\$ <u>490</u>
APPLICATION OF FUNDS						
Loss on sale of investments	-	343	-	433	-	-
Deferred exploration and administration expenditure	<u>1,141</u>	<u>883</u>	<u>882</u>	<u>980</u>	<u>885</u>	<u>534</u>
	<u>1,141</u>	<u>1,226</u>	<u>882</u>	<u>1,413</u>	<u>885</u>	<u>534</u>
DECREASE IN FUNDS DURING THE PERIOD	(981)	(1,013)	(402)	(933)	(405)	(44)
FUNDS AT BEGINNING OF THE PERIOD	<u>4,110</u>	<u>5,123</u>	<u>5,525</u>	<u>6,458</u>	<u>6,863</u>	<u>6,907</u>
FUNDS AT END OF THE PERIOD	\$ <u><u>3,129</u></u>	\$ <u><u>4,110</u></u>	\$ <u><u>5,123</u></u>	\$ <u><u>5,525</u></u>	\$ <u><u>6,458</u></u>	\$ <u><u>6,863</u></u>

See notes to financial statements.

THE COMBINED LARDER MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

For the five years and three months
ended December 31, 1979

1. SIGNIFICANT ACCOUNTING POLICY

Acquisition costs of mining claims together with exploration and administration expenditure are deferred in the accounts to be written off when production is attained, or disposition or abandonment occurs. If results from exploration warrant the abandonment of certain mining claims included in a group and retention of the remainder, all acquisition, exploration and other costs relating to the entire group are deemed to represent such costs relating to the retained mining claims, consequently no adjustment is made in the accounts in respect of the mining claims.

2. INTEREST IN AND EXPENDITURE ON MINING PROPERTIES

The realization of acquisition costs of mining properties and expenditure thereon carried on the company's books in the amounts of \$1,966,375 and \$292,235 respectively is dependent upon the future commercial success of these properties or proceeds from disposition thereof.

3. MINING PROPERTIES

The company holds 12 patented claims covering approximately 470 acres situated in two groups approximately one mile apart in the Larder Lake area, Timiskaming, Ontario.

4. CAPITAL STOCK

The following shares have been issued since incorporation:

	<u>Number</u>	<u>Value</u>
For cash	262,739	\$ 262,739
For mining properties	<u>2,000,000</u>	<u>2,000,000</u>
	<u>2,262,739</u>	<u>\$ 2,262,739</u>

SUBSCRIBER'S STATUTORY RIGHTS

Sections 70, 126 and 135 of The Securities Act, 1978 (Ontario) provide, in effect, that where security is offered for sale in the course of a distribution:

- (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 statement of material fact which was untrue at the date of purchase or fails to state a material fact which was true at such date, the purchaser who purchases such security during the course of such distribution,
 - (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 said 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 this 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

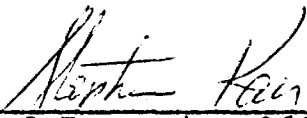
(2) where the purchaser has purchased the security from a person or company referred to in (i) or (ii) above or from another underwriter of the securities, he may elect to exercise a right of rescission against such person, Company or underwriter, in which case he shall have no right of action for damages 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 gave 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 is subject to the express provisions thereof.

CERTIFICATES

DATED: January 27, 1981

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 and the regulations thereunder.



Chief Executive Officer
Steve Kay

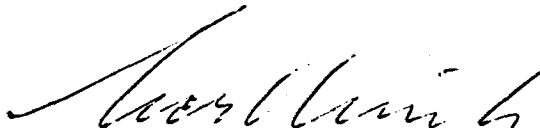


Chief Financial Officer
Sharon Kasher

On behalf of the Board of Directors



Director J.D.S. Bohme



Director Bruce Attenborough

CERTIFICATE OF THE AGENT

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 and the regulations thereunder.

Tom & Barnt Limited

by: 

Bruce Attenborough

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Tom & Barnt Limited:
Robert Richardson, Bruce Attenborough and Elizabeth Crump.



32D04SE0230 63.3875 HEARST

020

REPORT

ON

THE TWO PROPERTIES

OF

~~QUANTER LARDEE MINE~~

HEARST TOWNSHIP

LARDEE LAKE MINING DIVISION

ONTARIO

by L.J. Cunningham, B.Sc., P.Eng.
Mining Engineer
dated in Kirkland Lake, Ontario
15th December, 1980



32004SE0230 63.3875 HEARST

020C

I N D E X

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SUMMARY	
INTRODUCTION	1
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FIGURES:

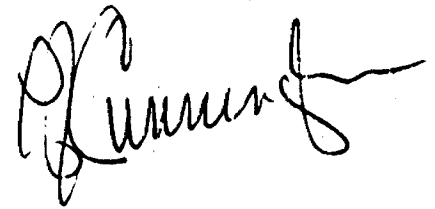
1. Location Map
2. Claim Map
3. General Geology
4. Geology -- North Group
5. Geology -- South Group

Combined Larder
Hearst Twp.
Dec. '80
Summary

- 2 -

7. In 1979 high resolution aeromagnetic and electromagnetic maps were released by the Ontario Geological Survey as part of the Kirkland Lake Initiatives Program. This survey, which included Hearst Township, revealed two strong anomaly clusters on the South Group. One cluster is apparently centred on a large mass of pyritic quartz which had been tested by a shaft in earlier days. These conductors have not been investigated.

8. A program of line cutting, mapping, geophysics, trenching and sampling is recommended at an estimated cost of \$45,000.00 with an allowance of \$30,000.00 for follow-up drilling for a total of \$75,000.00.

A handwritten signature in black ink, appearing to read "D. L. Lumsden", is written in the lower right quadrant of the page.

S U M M A R Y

1. The two properties of Combined Larder Mines Limited are old gold prospects acquired before 1907. They have been idle since 1933.
2. The two blocks of 13 claims (6 patented and 7 unpatented) and 6 patented claims respectively are about 1/2 mile apart and lie in the southeast part of Hearst Township, Ontario.
3. The claims were prospected in the early wave of exploration in the Larder Lake Area, circa 1905. Pits and shallow shafts were put down on both groups. 1600 lbs. of rock grading 0.4 oz. gold per ton were shipped to Queen's University in 1907. The source of this material is unknown.
4. The Combined Larder properties lie within the Larder Lake Group of rocks which consists of mafic to ultramafic volcanics with interflow layers of sediments and tuffs, overlain by sediments consisting mainly of greywacke with graphitic shale locally near the base. Irregular syenitic intrusives (mafic to felsic) have invaded all older rock types.
5. In the Larder Lake Group, major deposits of gold are found in the ultramafic volcanics (the Kerr Addison mine). Gold is also found within the sediments (the Martin-Bird property). Gold is associated with a syenitic intrusive on the Sudbury Contact property. Lead, zinc, silver with variable copper and gold mineralization is localized in graphitic shale near the base of the sedimentary unit on the Falconbridge Copper property. All of these forms of mineralization are exploration targets on the Combined Larder properties.
6. The Martin-Bird property has special significance to Combined Larder. Located on the north boundary of the North Group this deposit is being explored by a joint venture of Long Lac Mineral Explorations Limited and Thunderwood Explorations Limited. The possibility of a large tonnage, low grade mining operation is being investigated. Previous investigations by Kerr Addison Mines indicated a zone 1,000 ft. long, 120 ft. wide, tested to a depth of 200 feet and grading between 0.03 and 0.12 oz. gold per ton. This zone as presently known will not enter the Combined Larder property. However, the rocks which host this deposit cover over 50% of the North Group and warrant investigation for similar type deposits.

REPORT
ON
THE TWO PROPERTIES
OF
COMBINED LARDER MINES LIMITED
HEARST TOWNSHIP
LARDER LAKE MINING DIVISION
ONTARIO

INTRODUCTION

The two properties of Combined Larder Mines Limited are very old prospects (acquired in 1907), one of which has been enlarged by recent staking in 1980. They are gold prospects and have been idle since 1933. The recent increase in the price of gold coupled with a high level of activity in the immediate area are good reasons for re-evaluating the properties.

The exploration work that is of most significance to Combined Larder is an extensive program presently underway by Long Lac Mineral Explorations Limited on the Martin-Bird property which lies contiguously to the north.

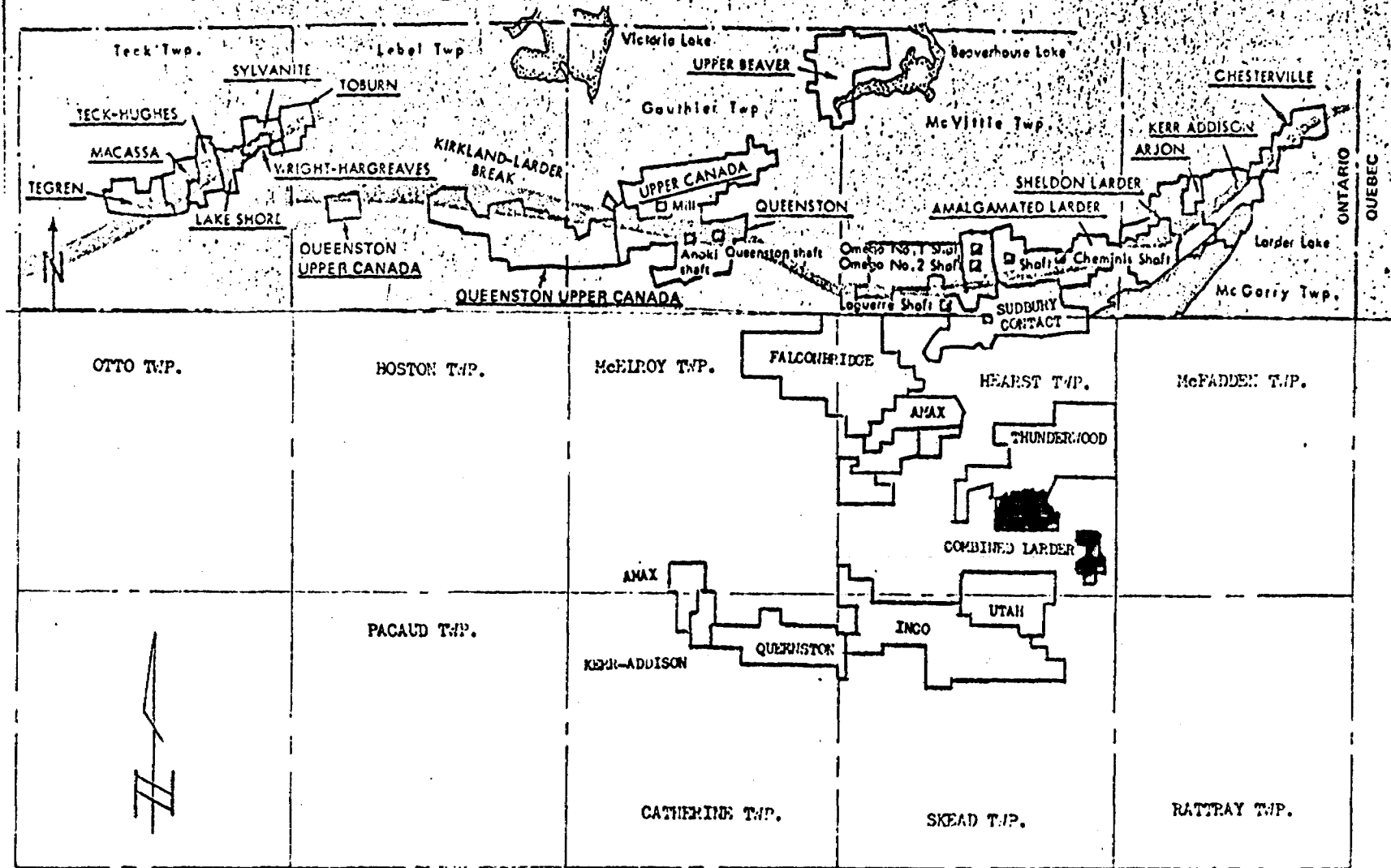
Sources of information are given in an appendix.

The writer has been a geological consultant in the Kirkland Lake Area for over 20 years and has examined pits and trenches on the north claim block of Combined Larder during 1980. The south group has not been visited.

LOCATION & DESCRIPTION

The holdings are in two blocks of mining claims designated The North Group (13 claims) and The South Group (6 claims). Located in the southeast quarter of Hearst Township, the North Group can be reached by car via a gravel road which extends east from Highway 624 at a point three miles south of the Village of Larder Lake (located on Highway 66, 18 miles east of Kirkland Lake). The gravel road traverses the north boundary of claims L.524367 and H.S. 903. A well travelled

The gold interest is at Larder Lake



From Financial Post July 17, 1976, modified by L.J. Cunningham, B.Sc., P.Eng.,
December, 1980



L.J. Cunningham
15 Dec/80

PROPERTY MAP
KIRKLAND-LARDER AREA
ONTARIO

foot trail traverses the North Group from north to south along the east bank of Sharp Creek.

The South Group lies about 3,000 feet southeast of the North Group. It lies about two miles east of Highway 624. No roads or trails are known that give access to the group.

The claims are numbered as follows:

North Group: Patented Claims (6) H.S. 903-04-05-06
H.S. 925 and 926
Unpatented Claims (7) L.524,367-68-69-70-71
72 & L.524,631

South Group: Patented Claim (6) H.S.907-08-09-10-11-12

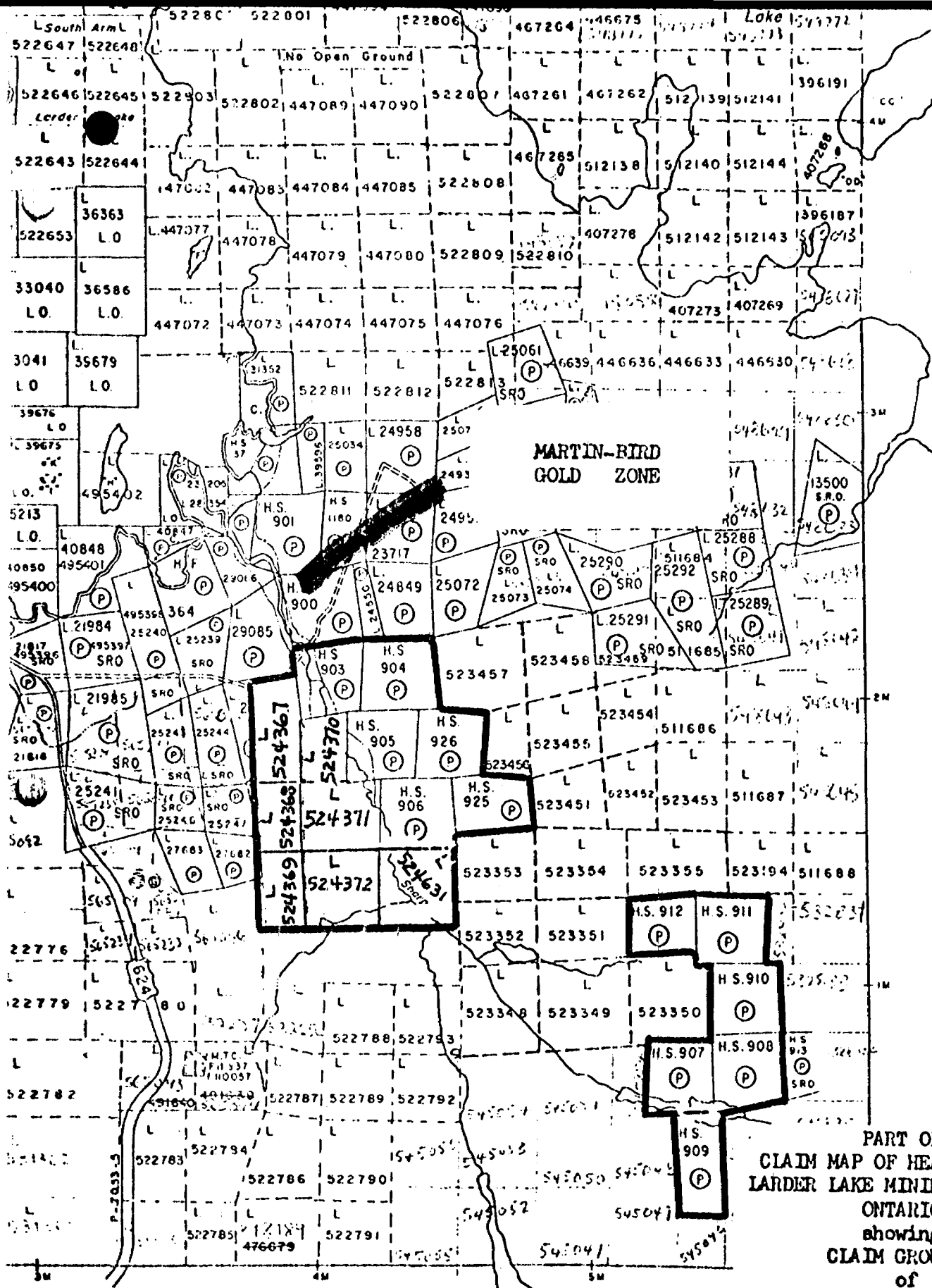
The patented claims can be maintained in good standing by the payment of taxes which are \$1.00 per acre or approximately \$500.00 per year. Surface rights are owned on all patented claims.

The 7 unpatented mining claims require assessment work to be maintained in good standing. 20 days of work per claim are due by 7th April, 1981. The minimum required expenditure prior to 7th April, 1981, is estimated at \$3,500. 200 days of work per claim are due by 7th April, 1985, at which time the claims may be leased. The surface rights are owned by unknown parties over approximately 1/3 of the area of the unpatented claims.

HISTORY

The properties were explored very early in the history of Larder Lake.

By 1907 a company called Combined Goldfields Limited Inc. had been incorporated to work the claims. Part 1 of Volume 17 (1907) Ontario Bureau of Mines reports that 1600 lbs. of rock, shipped to Queen's University by Combined Goldfields Limited, ran 0.4 oz. gold per ton. The source of this material is unknown.



PART OF
 CLAIM MAP OF HEARST TWP.
 LARDER LAKE MINING DIVISION
 ONTARIO
 showing
 CLAIM GROUPS
 of
 COMBINED LARDER MINES LTD.

Scale 1" = 1/2 mile

L.J. Cunningham, B.Sc., P.Eng.
 15 December, 1980

FIGURE 2

Combined Larder
Hearst Twp.
Dec. '80

- 5 -

In 1911, a new company called Combined Larder Mines Limited was formed to incorporate the holdings of Combined Goldfields Limited and Searchlight Larder Lake Mines Limited. Nothing is known of this latter company.

Extensive prospecting was carried out and a 25' pit was sunk on a sulphide-oxide iron formation band on claim H.S. 903, of the North Group.

Pits and a shallow shaft were also sunk on the South Group. This shaft investigated a large mass of quartz located on a contact between mafic volcanics and a quartz-feldspar porphyry intrusive.

The properties and the company have been inactive since 1933.

Hearst Township was mapped by the Ontario Department of Mines in 1947. Map No. 1947-1 contains the only known geological information of the properties.

In 1975 an aerial electromagnetic survey by Dighem, privately financed and designed to cover adjoining property, overflow the Combined Larder properties. The resultant maps, filed as assessment work with the Ontario Geological Survey, revealed a weak anomaly on the North Group and **strong anomalies** on the South Group.

In 1979 high resolution aeromagnetic and electromagnetic maps were released by the O.G.S. as part of the Kirkland Lake Initiatives Program. This survey, which covered approximately 20 townships, included Hearst Township. The anomalies were confirmed.

GENERAL GEOLOGY (Jensen, L.S. 1980) (Figure 3)

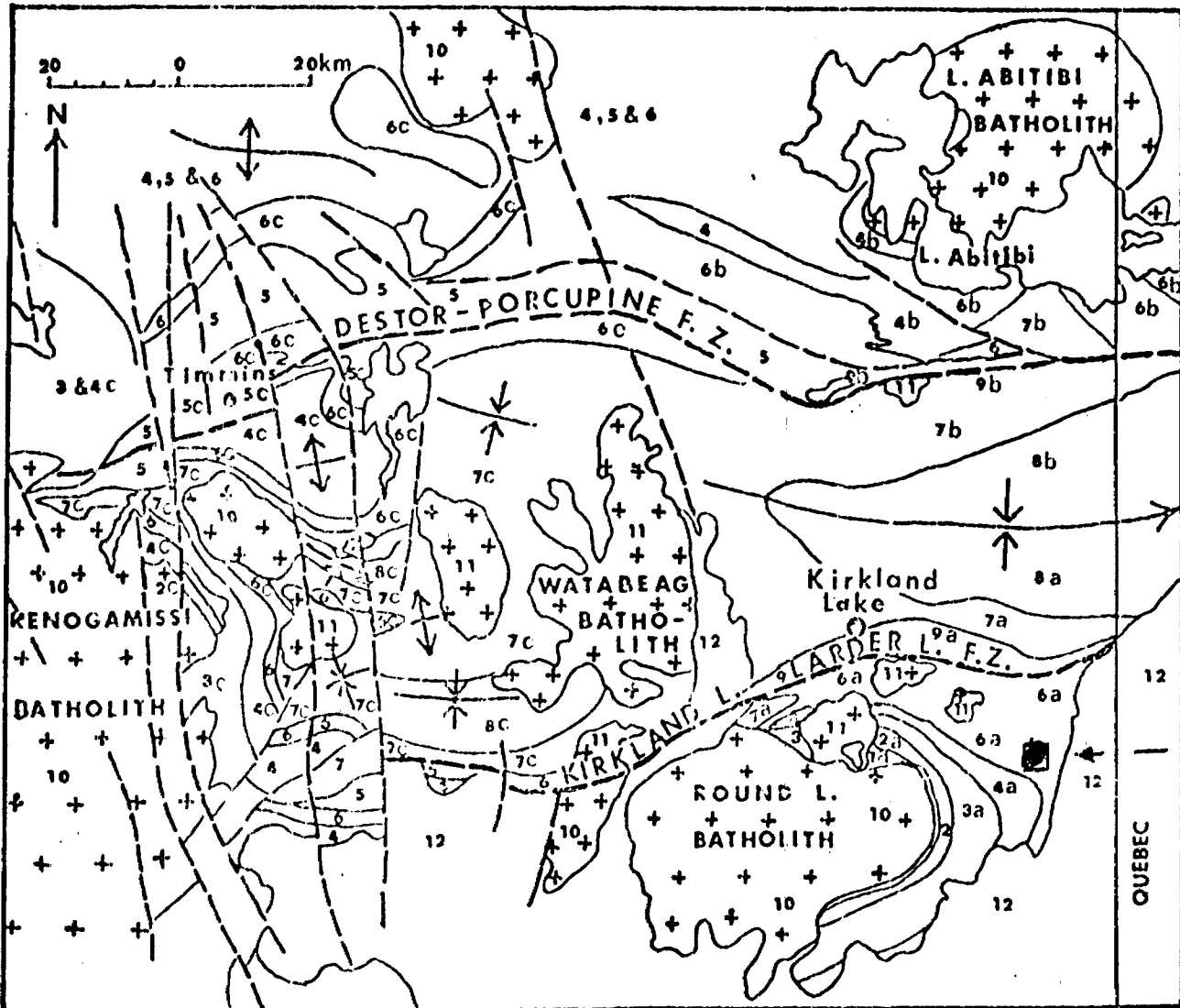
"Bedrock in the area consists of Early Precambrian (Archean) metavolcanics, metasediments and plutonic rocks. Middle Precambrian (Huronian) sedimentary rocks unconformably overlie the Early Precambrian rocks in parts of the area. Pleistocene deposits of till, esker deltaic sand and varved clay mantle the bedrock throughout the area.

The volcanic succession in the Kirkland Lake area consists of successive volcanic piles, each composed of komatiitic rocks at the base, overlain in turn by tholeiitic and calc-alkalic rocks, and capped by alkalic volcanics. Two such piles, plus the top of an older third pile, are preserved in the Kirkland Lake area. The successive piles together form a stratigraphic section greater than 50,000 m thick, with the uppermost pile being in excess of 35,000 m thick. The volcanic succession is preserved in a large east-plunging synclinorium 80 to 120 km wide.

On the south limb of the synclinorium, the basal komatiitic section of the younger volcanic pile is called the Larder Lake Group (Jensen 1978b). This group disconformably overlies calc-alkalic volcanic rocks (Skead Group) of an older volcanic pile to the south. The thickness of the Larder Lake Group is still unknown. It consists of peridotitic komatiites, basaltic komatiites and magnesium-rich tholeiitic basalts interlayered by turbiditic conglomerate, greywacke, argillite, carbonate and iron formation.

Both the Stoughton-Roquemaure and Larder Lake Groups are conformably overlain by tholeiitic rocks belonging to the Kinojevis Group. The Kinojevis Group consists of magnesium-rich and iron-rich tholeiitic basalt with tholeiitic andesite, dacite and rhyolite toward its top. This group is about 10,000 m thick.

Above the Kinojevis Group is a calc-alkalic sequence called the Blake River Group. It consists of magnesium-rich tholeiitic basalt, plus calc-alkalic basalt, andesite, dacite and rhyolite flows



Combined Larder properties

LEGEND

Proterozoic

- Keeweenawan diabase (not shown)
- 12 Cobalt Group

Archean

- Matachewan diabase (not shown)

Granitic rocks

- 11 Granodiorite, monzonite, quartz monzonite, syenite
- 10 Massive to gneissic quartz diorite, tonalite, trondhjornite

Upper Supergroup

- 9 9a* Timiskaming Group, 9b** Destor-Porcupine Complex
- 8 8a, 8b, Blake River Group, 8c*** Blake River (Upper Fm., Tisdale Group)

- 7 7a, 7b, Kinojevis Group, 7c Kinojevis Group, (Middle Fm., Tisdale Group)
- 6 6a Larder Lake Group, 6b Stoughton Roquemare Group, 6c Lower Fm., Tisdale Group
- 5 5c Porcupine Group
- Lower Supergroups
- 4 4a Skead Group, 4b Hunter Mine Group, 4c Upper Fm., Deloro Group
- 3 3a Catherine Group, 3c Middle Fm., Deloro Group
- 2 2a Wabewawa Group, 2c Lower Fm. Deloro Group
- 1 1a Pacaud tuffs****

*a refers to Kirkland Lake Area, south limb of synclinorium (Jensen 1978c, 1979).
 **b refers to Kirkland Lake Area, north limb of synclinorium (Jensen 1976, 1978b).
 ***c refers to Timmins Area (Pyke, 1983).
 **** (Goodwin, 1965).

--- Geological map of the Timmins-Kirkland Lake area showing the distribution of volcanic successions showing location of COMBINED LARDER MINES LIMITED Hearst Township, Ontario

Handwritten signature and date: 15 Oct 80

and pyroclastic units derived from two or more volcanic centers represented by massive rhyolite domes at the center of the synclinorium. The Blake River Group is about 10,000 m thick.

Unconformably overlying the Kinojevis Group, the Blake River Group and possibly the Larder Lake Group, is the Timiskaming Group. It is about 3,000 m thick and consists of alkalic volcanic rocks interlayered with fluviatile sedimentary rocks.

TABLE 2 SOUTH LIMB STRATIGRAPHY

Group	Volcanic Rocks	Sediments	Intrusive Rocks	Relationships
Timiskaming Group (Kirkland Lake- Larder Lake Section) 3 000 m	Na- and K-rich mafic to felsic alkalic volcanic rocks and K-rich subalkalic felsic volcanic rocks	Fluviatile conglomerate, wacke and argillite of material derived locally and from LLG	Mafic to felsic syenodiorite and syenites	Unconformably overlies BRG, KG and in places LLG Mainly a fault contact with LLG
Blake River Group (BRG) 10 000 m	Calc-alkalic basalt, andesite, dacite and rhyolite flows and pyroclastic rocks Minor Mg-rich tholeiitic basalt	Volcaniclastic turbidites derived by slumping off volcanic edifices	Gabbro, diorite, quartz diorite and rhyolite domes	Conformably overlies KG
Larder Lake Group (LLG) Thickness unknown 5000 m	Peridotitic and basaltic komatiite and Mg-rich tholeiitic basalt, minor Fe basalt, calc-alkalic rhyolite tuff toward base of group	Turbiditic conglomerate wacke, argillite of material derived locally from komatiitic flows and distally from SR graphite, carbonate and iron formation Pebble conglomerate with syenite clasts.	Dunite, peridotite, pyroxenite and gabbro Syenite intrusion?	Disconformably overlies GS
Skead Group (SG)	Calc-alkalic basalt, andesite, dacite and rhyolite flows and pyroclastics	Cherts and iron formation	Rhyolite porphyries	Conformably overlies CG
Catharine Group (CG)	Mg-rich and Fe-rich tholeiitic basalt	Minor argillite	Gabbro	Conformably overlies WG
Wabewawa Group (WG)	Peridotitic and basaltic komatiite and Mg-rich tholeiitic basalt Minor rhyolite-tuff	?	Dunite, peridotite, pyroxenite and gabbro	Overlies calc- alkalic tuffs (Pacaud tuffs)

GEOLOGY OF THE PROPERTY

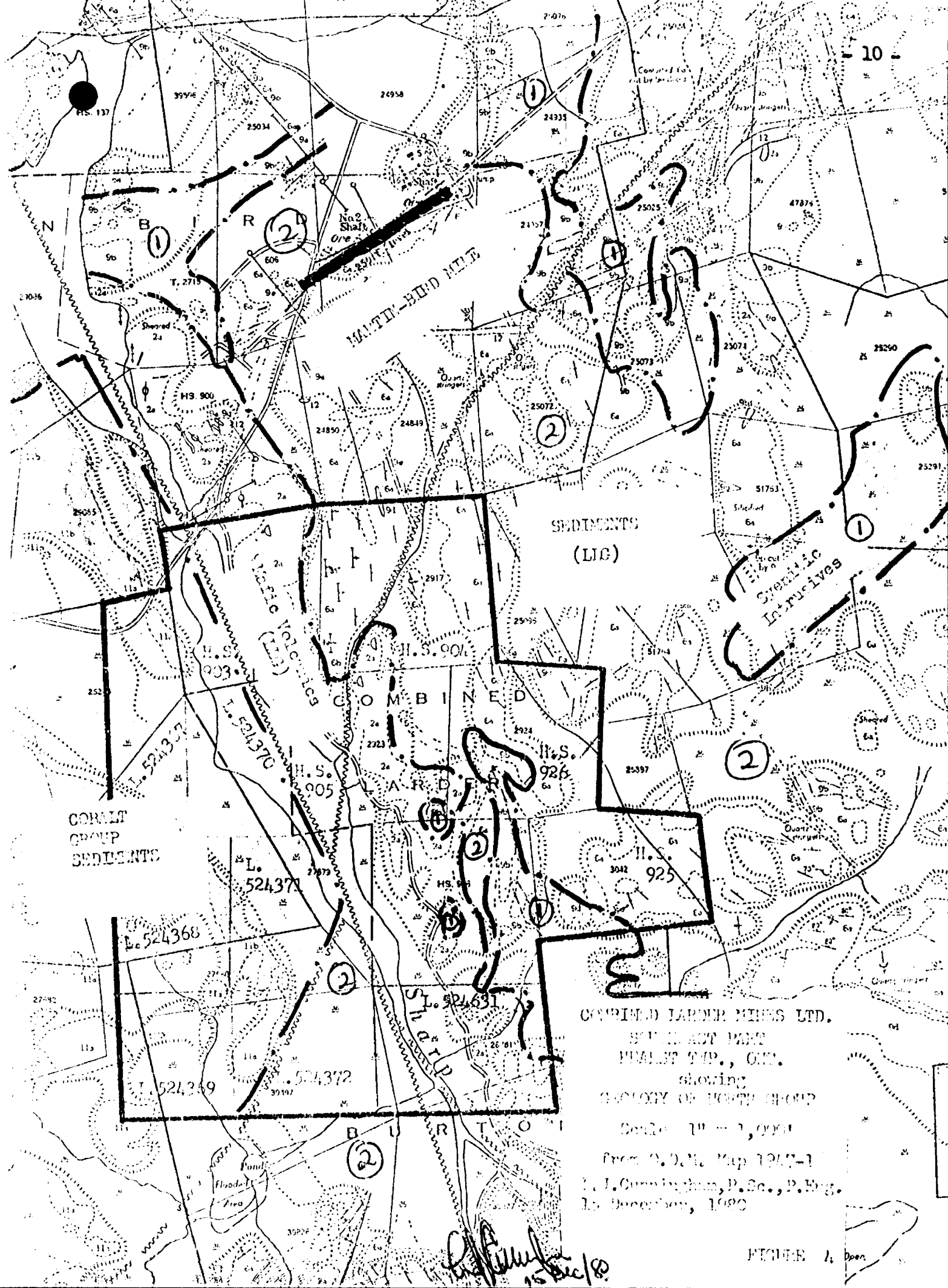
North Group (Figure 4)

This group straddles the contact between mafic volcanics and the overlying sediments of the Larder Lake Group immediately east of the Sharp Creek fault. The lavas are fine to medium grained, dark green rocks. They are pillowed, west facing and steeply dipping. A narrow band of interflow tuff-sedimentary material consisting of massive pyrite, 1 - 2 feet wide, and minor magnetite in a quartz-carbonate gangue strikes north along the edge of the outcrop area immediately east of Sharp Creek on claim H.S. 903 (2925). It has been tested by at least one pit estimated to be 25 feet deep. Sampling by the O.D.M. in 1947 revealed low values (0.01 oz. gold per ton).

The sediments which overlie the volcanics are mainly thin bedded and fine grained consisting of greywacke, arkose, quartzite, slate and iron formation. The units are stratified into beds ranging in thickness from less than an inch to several feet. They are readily distinguished by colour variations and grain sizes. A discontinuous conglomerate unit forms the base of the sedimentary sequence in some parts of the Larder Lake Area. On the North Group a narrow conglomerate unit has been traced for about 1,000 feet on a southeasterly strike across claim H.S. 905 (2923). The sediments strike north and face easterly with vertical dips and thus have a back to back relationship with the underlying volcanics which strike north and face west. The contact is an unconformity, not a fault.

Intrusives are widespread in the area, ranging in size from dikelets to large masses or plutons and varying in composition from basic to acidic types. Diorite, amphibolite and basic syenite are the earliest phases of the intrusive activity. These were followed by and often grade into syenite and syenite porphyry with quartz feldspar porphyry variants. Lamprophyre was the last phase of the intrusive activity and is often so intimately intermingled with the syenite that the two cannot be separated.

A tongue of syenite porphyry extends from the south into



COMBINED TANNER MINES LTD.
 SHOWING GEOLOGY OF NORTH GROUP
 Scale 1" = 1,000'
 from U.S. Geol. Survey Map 1247-1
 L. J. Cushman, P. Ge., P. Eng.
 15 December, 1920

FIGURE 1. Open

the central part of the block. It is part of a large stock of porphyritic syenite that lies between the north and south claim blocks.

South Group (Figure 5)

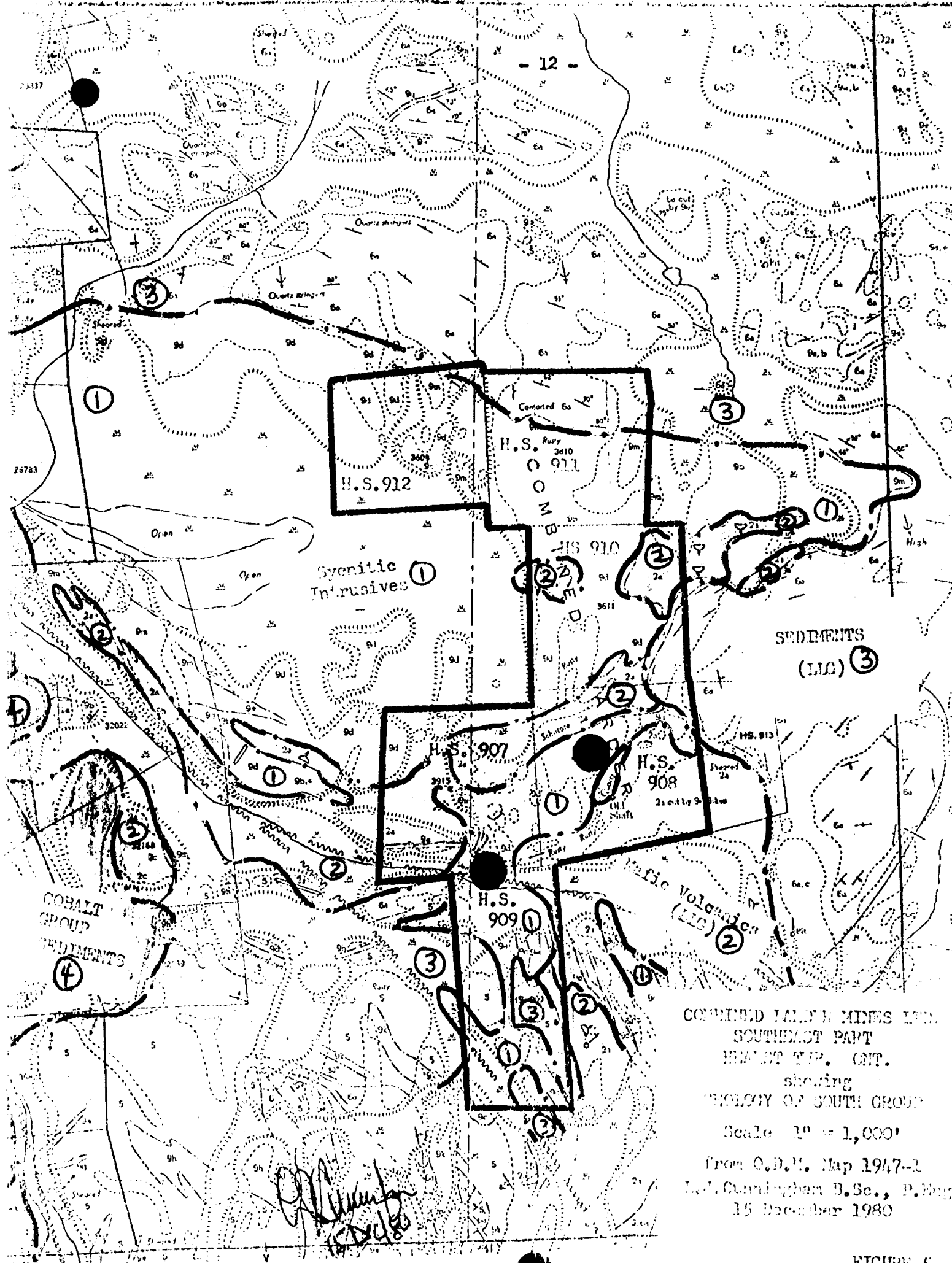
This block overlies the southeast edge of a large stock of porphyritic syenite about 3,000' by 6,000 feet in size. The syenite apparently intrudes both the mafic volcanics and the sediments.

Mafic volcanics, often schistose, are located along the south and easterly edges of the syenite and also occur as inliers on the syenite. Flow tops as determined by pillows show great variation in direction.

The bedded sediments, with steep dips and variable strike, overlie both the volcanics and the intrusive rocks. They are often contoured and overturned. A basal conglomerate is evident in some locations.

On claim H.S. 908 (3914) a shallow shaft was sunk on a large mass of quartz measuring about 500 feet by 150 feet. The quartz lense occurs at the contact between the syenite porphyry and pillowed mafic volcanics. A zone of rusty schist can be traced at intervals for several hundred feet along the contact to the southwest of the quartz body. Considerable pyrite accompanies the quartz in the shaft area. Thomson (1947) sampled the dump and the vein across a 9 foot width and obtained only traces of gold on assay.

During 1979 a regional exploration program, known as KLIP - Kirkland Lake Initiative Program, was funded by the provincial and federal governments. One phase of this program consisted of an Airborne Electromagnetic Survey and a Total Intensity Magnetic Survey of 22 townships including Hearst. The survey revealed a strong (5 & 6 channels) 3 anomaly cluster lying within claim H.S. 908 and apparently centred on or near the quartz body on which the shaft was sunk. A second 3 cluster anomaly lies approximately 1,000 feet to the southwest near the north boundary of claim H.S. 909. This cluster includes a



COMBINED LALINE MINES LTD.
 SOUTHEAST PART
 HEMET TWP. QNT.
 showing
 GEOLOGY OF SOUTH GROUP
 Scale 1" = 1,000'
 from C.D.M. Map 1947-1
 L.J. Cunningham B.Sc., P.Eng.
 15 December 1980

Combined Larder
Hearst. Twp.
Dec. '80

- 13 -

3, 4 and 5 channel anomaly. These conductive zones remain uninterpreted.
Ground investigation is warranted.

ECONOMIC GEOLOGY (Jensen, L.S. 1980)

"In the Larder Lake Group of komatiitic volcanics, calc-alkalic volcanics and sedimentary rocks above the Skead Group, gold at the Kerr Addison mine and iron at the Adams mine are the major economic deposits. At the Kerr Addison mine, gold is associated with carbonatized mafic and ultramafic volcanic rocks interlayered with sedimentary rocks that include conglomerate, wacke, argillite, and graphite. At the Adams mine, layers of magnetite ironstone alternating with chert form a sufficient thickness and grade to be economically mined."

"Gold is associated with the pyrite in graphitic sedimentary rocks which are interlayered with sedimentary carbonates, and clastic sedimentary rocks on the northern edges of the shelf between Larder Lake and Virginiatown. In many places, the carbonate has been remobilized, as the gold has been, so that it occurs in quartz carbonate veins and carbonatized lava flows.

Sphalerite, galena and argentite occur in pyritic graphitic shales which are interlayered with coarser clastic sedimentary rocks southwest of Larder Lake. Elsewhere, chalcopyrite, pyrrhotite and pyrite are mainly associated with graphitic rocks, interlayered with siliceous calc-alkalic tuffs which form interflow horizons 1 to 5 m thick among the mafic volcanic lavas.

In places, these graphitic rocks grade laterally and vertically into cherty iron formation. As yet, the exact relationship between the various graphitic horizons and their mineralization are unknown, but it would appear the mineralization was controlled by the Eh and pH of the sedimentary traps in which carbonaceous material accumulated, the depth of accumulation and the location of the traps with respect to the volcanism and erosion to the south. With further work, it should be possible to determine facies of mineralization throughout the Larder Lake Group."

LOCAL ACTIVITY

Thunderwood Explorations Limited and Long Lac Mineral Explorations Limited have entered a joint venture agreement to explore the former Martin-Bird property lying contiguously north of the North Group. On this property two shafts and underground development have tested 3 gold zones in sediments to a depth of 400 feet. The zones strike northeasterly and have been tested over a strike length of about 3,000 feet. S. A. Pain, former mine manager, estimated (2nd April, 1945) reserves (category unknown) at 157,600 tons grading 0.14 oz. gold per ton within the mine workings.

In 1973 Kerr Addison Mines Limited optioned and drilled the Martin-Bird property with a view to establishing a low grade, open pit deposit. In a progress report dated 13 November, 1973, Kerr Addison Mines Limited stated: "work indicates a zone, 1,000 feet long, 120 feet wide, tested to a depth of 200 feet, grading a minimum of 0.03 oz. gold per ton or a possible maximum of 0.12 oz. gold per ton. The zone can be considered as open to the west for an additional 800 feet. Core sample averages of split core indicated the low average grade as opposed to sludge samples that indicated the maximum possibility."

"The vein zone in the Martin-Bird mine strikes $N.48^{\circ} - 65^{\circ} E$ and dips steeply to the northwest. The country rock is very largely greywacke with small bodies of porphyritic intrusives and lamprophyre. The vein zones consist of quartz veins and stringers of irregular dimensions. These are twisting and discontinuous bodies, which are frequently difficult to follow. The quartz contains a considerable amount of crystalline carbonate. Carbonatization is also commonly found on both sides of the quartz veins, and this is described as zones of light green sericite and fuchsite alteration in the diamond drill logs. Gold values are found mostly along the edge of the quartz veins and are carried in sulphides in the altered sediments. These sulphides are largely pyrite with traces of chalcopryrite and galena. Values are carried in both coarse and fine grained pyrite. Some of the small quartz stringers contain native gold."

Combined Larder
Hearst Twp.
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Kerr Addison dropped the option on the property in 1974. Their drilling obtained gold values as far west as the northwest corner of claim HS 900, approximately 1,000 feet north of the Combined Larder claims. However, the strike of the Martin-Bird zone is such that it is not expected to enter the Combined Larder ground.

During 1977 Thunderwood Explorations continued work consisting of extensive stripping and trenching. In the Northern Miner Nov. 3, 1977, Thunderwood reported muck samples running 0.71 oz. gold per ton across 50 feet from a trench in argillite containing 5% pyrite. Chip sampling of the same trench ran 0.14 oz. gold per ton across 55 feet.

Diamond drilling was carried out in 1979-1980 by Thunderwood. In the Northern Miner, May 15, 1980, it was announced that Thunderwood Exploration and Long Lac Explorations Limited (LIME) has entered a joint venture agreement to continue exploration of the property - terms include management of the project by LIME, dewatering of the mine workings and LIME having the right to earn a 51% interest in the property. Road construction and stripping are now underway on the property.

During the field season of 1980 exploration programs consisting of line cutting, mapping and geophysics were carried out by Amax, Utah, Falconbridge Copper, Canico and Noranda Mines in Hearst and McElroy Townships. In addition, Amax, Falconbridge Copper and Canico completed diamond drill programs.

CONCLUSIONS

The Combined Larder properties lie within the Larder Lake Group which consists of mafic and ultramafic volcanics, with interflow layers of sediments and tuff, overlain by sediments consisting mainly of greywacke with graphitic shale locally near the base. Irregular syenitic intrusives (mafic to felsic) have invaded all older rock types.

Gold with pyrite is associated with the ultramafic volcanics and the related tuffs and graphitic sediments at the Kerr Addison, Omega and Amalgamated Larder properties near a major structural discordance.

Gold with pyrite is found within the sediments above the mafic volcanics at the Martin-Bird property.

Gold with pyrite is associated with a syenitic intrusive on the Sudbury Contact property.

Lead, zinc, silver with variable copper and gold mineralization is found in graphitic shales near the base of the sedimentary unit on Falconbridge Copper property.

Any of these forms of mineralization is possible on the Combined Larder properties.

Interflow oxide-sulphide-carbonate iron formation has been investigated by trenches and pits on the North Group of Combined Larder.

On the South Group a shallow shaft investigated a large mass of pyritic quartz located at the contact of mafic volcanics and syenite. A strong airborne anomaly appears co-incident with this occurrence. 1,000 feet to the southwest a second strong anomaly is located. The anomalies may mark a graphitic-pyritic horizon which is suggested by O.D.M. geological map No. 1947-1. They are untested.

Early reports (1907) indicate the presence of significant gold mineralization on the Combined Larder properties but the location is unknown.

Because of the favourable geological environment existing on the Combined Larder claims, a program of exploration is recommended to (i) locate and evaluate the airborne anomalies,

(ii) locate and sample all trenches and pits to hopefully identify the source of the gold reported in 1907,

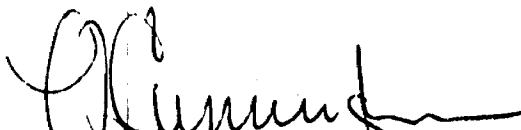
(iii) prospect the sediments for a) Martin-Bird type gold mineralization and b) for lead, zinc, silver mineralization associated with graphitic horizon near the base of the unit.

RECOMMENDATIONS

A program of line cutting, mapping, trenching, magnetometer and VLF surveys and diamond drilling is recommended at an estimated cost as follows:

Line cutting 25 miles @ 300.00/mile	7,500.00
Magnetometer Survey 25 miles @ 200.00/mile	5,000.00
VLF Survey 25 miles @ 200.00/mile	5,000.00
Mapping	6,000.00
Trenching	10,000.00
Sampling	3,000.00
Supervision, consulting fees & report writing	8,500.00
	<u>45,000.00</u>
Allowance for diamond drilling 1,500 feet @ 20.00/foot	30,000.00
	<u>75,000.00</u>
TOTAL	<u><u>\$ 75,000.00</u></u>

Signed,


L. J. Cunningham, B.Sc., P.Eng.
Mining Engineer

Dated at Kirkland Lake,
Ontario
15th December, 1980

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- | | |
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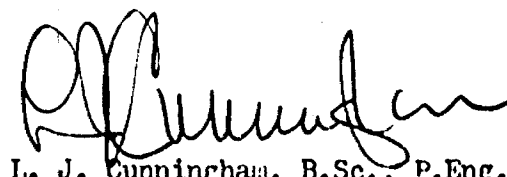
C E R T I F I C A T E

I, Leonard J. Cunningham, of 1 McPhee Avenue,
Kirkland Lake, Ontario, do hereby certify that:

1. I am a registered professional engineer residing at the above address,
2. I am a graduate of Queen's University in Mining Engineering and I have practised as a mining engineer since 1963,
3. I have no interest directly or indirectly nor do I expect to have any interest either directly or indirectly in the properties of Combined Larder Mines Limited or the securities of any company which may acquire the ground,
4. My report, dated 15th December, 1980 is based on:
 - a) Published government maps and reports,
 - b) Miscellaneous data in the files of the Resident Geologist, Ministry of Natural Resources, Kirkland Lake, Ontario,
 - c) My personal knowledge of the area which includes:
 - i) 18 years of consulting work in the Kirkland-Larder district,
 - ii) examination of surface outcrop and old pits during 1980 on the North Group. I have not visited the South Group.

Dated at Kirkland Lake, Ontario this 15th day of December, 1980.

Signed,



L. J. Cunningham, B.Sc., P.Eng.,
Mining Engineer

L. J. CUNNINGHAM & ASSOCIATES LIMITED

MINING AND GEOLOGICAL CONSULTANTS

1 MCPHEE AVENUE - TELEPHONE 705-567-5620

KIRKLAND LAKE, ONTARIO, P2N 1M1

12th January, 1981

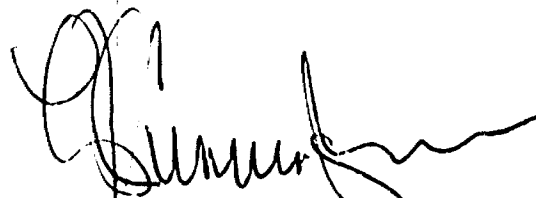
Combined Larder Mines Limited,
Suite 1601,
8 King Street East,
Toronto, Ontario M5C 1B5

Dear Sirs:

I hereby authorize Combined Larder Mines Limited to utilize my report dated 15th December, 1980 on the two properties in Hearst Township, Larder Lake Mining Division, Ontario.

It is my understanding that Combined Larder Mines Limited will be utilizing this report in a prospectus to be submitted to the Ontario Securities Commission.

Signed,



L. J. Cunningham, B.Sc., P.Eng.,
Mining Engineer