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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.

NEW ISSUE

LION NICKEL MINES OF CANADA LIMITED

Hutton T.p.

135,000 underwritten shares

<u>No. of Shares</u>			
<u>Firmly Underwritten</u>	<u>Price Per Share</u>	<u>Maximum Allowable Offering Price Per Share</u>	<u>Net Proceeds to Company</u>
135,000	\$1.10	\$1.40	\$148,500.00
<u>135,000</u>			<u>\$148,500.00</u>

The Underwriter named under the heading "Offering" on page 5 hereof has, as agent, firmly purchased the 135,000 unissued treasury shares of the Company offered at a price of \$1.10 per share.

The Underwriter, Gold Freedman & Company, with respect to the shares of the Company being purchased by it, may offer the same for sale in the Province of Ontario from time to time through registered Brokers and Broker-Dealers who will be paid normal commissions at Toronto Stock Exchange rates.

There is no market for the shares of the Company.

THESE SECURITIES ARE SPECULATIVE.

The purpose of this issue is to provide the Company with sufficient funds to carry out the exploration programme recommended by the Company's Consultant and to meet a portion of the Company's deficiency of working capital, all as more fully set out under the headings "History and Business" and "Use of Proceeds" on pages 1-5 and 6 hereof respectively.

REGISTRAR AND TRANSFER AGENT

The Canada Permanent Trust Company
1901 Yonge Street
Toronto, Ontario.

This Prospectus is dated the *4th* day of February, 1970.



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HISTORY AND BUSINESS

The Company, whose address is Suite 1601, 8 King Street East, Toronto, Ontario, was incorporated under Part IV of The Corporations Act, (Ontario) by Letters Patent dated January 19, 1966, to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits.

By agreement, dated January 21, 1966 with Joseph Herman Hirshhorn, Roundhill, John Street, Greenwich, Connecticut, U.S.A., and Stephen Kay, 21 Springbank Avenue, Scarborough, Ontario, as vendors, the Company purchased 20 unpatented mining claims in the Pakwa Lake-Setting Lake Area, Cross Lake Mining Division, Province of Manitoba. \$5,266.14 was expended on exploration work on these claims and, on the advice of the Company's Engineers, the said claims were subsequently dropped.

As a consideration for the claims, the Company paid the aforementioned vendors 750,000 fully paid and non-assessable shares in the capital stock of the Company, of which 90%, namely 675,000 shares, were escrowed and the remaining 10%, namely, 75,000 shares, were free shares. Of this consideration, 67,500 free shares and 607,500 escrowed shares accrued to Mr. Hirshhorn and 7,500 free shares and 67,500 escrowed shares accrued to Mr. Kay. Certain employees of Mr. Hirshhorn's received a proportion of his vendor's consideration but in no case did such proportion amount to greater than 5% of the vendor's consideration.

By agreement, dated July 11, 1966, the Company took an assignment of an option to purchase 117 unpatented mining claims in the Setting Lake Area, Cross Lake Mining Division, Province of Manitoba from International Mine Services Limited, Suite 1601, 8 King Street East, Toronto, Ontario. The original option was between George Black, Atikoken, Ontario, as Optionor, and International Mine Services Limited, as Optionee, and was dated December 2, 1965. No consideration was paid to International Mine Services Limited for this assignment, but the Company paid Mr. Black the sum of \$4,000 as an option payment and expended approximately \$6,500 on exploration work thereon prior to the termination of the option on September 27, 1966.

In March, 1966, the Company acquired by staking 1 unpatented mining claim in the Pakwa Lake-Setting Lake Area, Cross Lake Mining Division, Province of Manitoba, adjoining the aforementioned 20 unpatented mining claims at a cost of \$30 and subsequently acquired by staking an additional 23 unpatented mining claims in the same general area at a cost of \$720, of which 9 were subsequently abandoned in March, 1968. Approximately \$15,985 has been spent on exploration on the aforementioned 24 mining claims and the 20 original vendor's claims in the same general area referred to above, including the drilling during the 1968 field season of a single 501 foot diamond drill hole which failed to locate any mineralization of economic significance. The remaining 15 claims were abandoned by the Company in March, 1969.

By agreement with Joseph Herman Hirshhorn, dated March 14, 1967, the Company acquired 7 unpatented mining claims in the Windy Arm-Carcross Area, Whitehorse Mining Division, Yukon Territory, for a total consideration of \$10,061, and subsequently staked 4 fractional claims to complete the claim block. In 1966, the Company rehabilitated the adit driven by previous operators and carried out a programme of geologic mapping, sampling and the driving of a 700 foot crosscut drift in order to gain suitable access sites for the diamond drilling of the projected intersection of the Arctic No. 1 and No. 2 veins. In the Spring and Summer of 1968, the Company drilled 33 diamond drill holes, totalling 5,244 feet, in testing this area and although several veins

were intersected they were not sufficiently mineralized to be of economic significance. The Company has subsequently sealed the adit and suspended further work on the property, after having expended a total of \$245,175 in exploration and development work thereon. Although the Company does not propose to carry out further work on the property at the present time, the aforementioned claims and fractions are in good standing and will remain so until June, 1976; the Company does not intend to abandon the claims and fractions at the present time.

By agreement, dated May 26, 1967, the Company along with a number of other individuals and companies who had participated in the staking of 18 unpatented mining claims in Lorrain Township and Gillies Limit, Temiskaming Mining Division, Province of Ontario, sold its fractional interest in said claims to Ragged Chutes Silver Mines Limited, 49th Floor, Toronto-Dominion Centre, Toronto, Ontario, for 780 free and 7,020 escrowed shares of Ragged Chutes Silver Mines Limited. The Company's interest in these claims was acquired at a cost of \$56.

By agreement, dated as of September 30, 1968, the Company took an assignment of an option to purchase 38 unpatented mining claims in the Jubilee Mountain Area of the Yukon Territory from International Mine Services Limited. The original option was between Robert G. Hilker, in trust, P.O. Box 566, Whitehorse, Yukon Territory, as Optionor, and International Mine Services Limited, as Optionee, and was dated August 13, 1968. No consideration was paid to International Mine Services Limited for this assignment, but the Company paid Mr. Hilker the sum of \$2,500 as an initial option payment. The option is open up to and including the 15th day of October, 1970 and provides for the incorporation of a new company with an authorized capital of \$3,000,000 in the event the option is exercised, in which case, Mr. Hilker is to be given 100,000 of the vendor's shares and in addition, in the event commercial production is obtained from the subject claims, the new company is to pay Mr. Hilker out of the proceeds from production \$100,000 within 3 years from the commencement thereof.

In August, 1968, the Company acquired, by staking, 3 additional unpatented mining claims in the Jubilee Mountain Area of the Yukon Territory, adjoining the aforementioned 38 mining claims, at a cost of \$125, which claims are subject to the terms of the aforementioned option agreement with Mr. Hilker by virtue of the provisions thereof.

The 41 mining claims comprising the Jubilee Mountain Property are located at an elevation of 5,000 feet and are situated approximately 48 miles southeast of Whitehorse, Yukon Territory. Access is gained thereto by helicopter or by a 4 mile footpath from a microwave tower near the Tagish-Carcross Road. Since August 1, 1968, the Company has conducted mapping, geological studies and geophysical surveys thereon in an effort to ascertain whether the mineralized outcroppings on the property are governed by any structural control. As a result of the magnetic and electromagnetic geophysical work performed by the Company at a cost of \$24,091, it was concluded that the showings were mainly isolated small pockets of mineralization lacking both lateral and vertical extent. The extension of one surface showing was traced by means of geophysics for 500 feet beneath overburden. The Company has informed Mr. Hilker that it does not intend to exercise the option or to make any further payments pursuant to the said option agreement.

By agreement, dated as of November 15, 1968, the Company took an assignment of an option to purchase 12 unpatented mining claims in Hutton Township, Sudbury Mining Division, Ontario, from International Mine Services Limited. The original option was between Mr. Arthur Roy, 1355 Fernwood Drive, Sudbury, Ontario, as Optionor, and International Mine Services Limited, as Optionee, and was dated June 4, 1968.

No consideration was paid to International Mine Services Limited for this assignment, but the Company reimbursed International Mine Services Limited in the amount of \$100, being the amount of the initial option payment to Mr. Roy and in addition, the Company paid Mr. Roy a further sum of \$1,000 on December 4, 1968, thereby extending the option until October 31, 1970. Pursuant to the terms of the original option agreement, the option to purchase may be exercised on or before October 31, 1970 by vending said 12 unpatented mining claims to a new company to be incorporated and the granting by said new company to Mr. Roy of Ten Percentum (10%) of the maximum allowable vendor's shares, both free and escrowed in the same proportion, as may be allowed by the regulatory body or bodies having jurisdiction thereover.

By agreement, dated as of November 15, 1968; the Company acquired from Mr. Joseph Hirshhorn, Mr. Stephen Kay, Mr. Arthur Roy and Mr. John Laverne Tindale, 32 Hollybrook Crescent, Willowdale, Ontario, 7 unpatented mining claims adjacent to the aforementioned 12 mining claims in Hutton Township, Sudbury Mining Division, Ontario, for the exact cost of the staking and recording thereof, namely \$815.

By agreement, dated as of November 15, 1968, the Company acquired from International Mine Services Limited 37 unpatented mining claims adjacent to the aforementioned 19 mining claims in Hutton Township, Sudbury Mining Division, Ontario, for \$2,000 being the exact cost to International Mine Services Limited of the staking and recording thereof.

By agreement, dated as of November 18, 1968, the Company purchased from Mr. Arthur Roy 9 unpatented mining claims adjacent to the aforementioned 56 mining claims in Hutton Township, Sudbury Mining Division, Ontario, for \$450.

In addition, the Company acquired, by staking during 1969, 3 unpatented mining claims adjacent to the aforementioned 65 mining claims in Hutton Township, Sudbury Mining Division, Ontario, for \$225, giving the Company a claim group consisting of 68 mining claims in Hutton Township.

Transfer and recording fees, in respect of the aforementioned 68 mining claims, involved the Company in further expenditures in the amount of \$267.

The foregoing mining claims form a contiguous block and are situated 28 miles north of Sudbury, Ontario, ¼ mile east of the Lowphos Iron Mine on Highway 806. During 1969, the Company carried out a programme of linecutting, geological mapping and diamond drilling thereon, at a cost of \$46,258. No economic mineralization was discovered and further work was suspended. The claims are in good standing at the date hereof, but further work will depend on favourable results being obtained on neighbouring properties.

By agreement, dated July 15, 1969, the Company entered into a joint venture exploration agreement with Indian Mountain Metal Mines Limited, Gui-Por Uranium Mines and Metals Limited and Prado Explorations Limited (to which International Mine Services Limited was also a party), all of Suite 1601, 8 King Street East, Toronto, Ontario, wherein each company, apart from International Mine Services Limited, has a 25% interest in a mineral exploration programme, under the management of International Mine Services Limited, in the Hayes Creek Mining Area, Whitehorse Mining Division, Yukon Territory. Pursuant to the terms of said agreement, International Mine Services Limited has staked and recorded in its name on behalf of the participants 2 contiguous claim blocks, known as the Tad and Frog groups covering 308 mineral claims and in addition is acquiring by staking 7 fractional claims to complete the claim blocks. The Company acquired its 25% interest in the aforementioned mineral exploration programme at a cost of \$1,873. Under the terms of said agreement International Mine Services Limited is required to carry out prospecting and exploration work on said claims on behalf of the four companies and is to be reimbursed its expenses by said companies in proportion to their respective interests in the said programme. International Mine

Services Limited also agreed to hold the above referred to claims as a bare trustee for and on behalf of each of the said four companies, their respective interests therein being in the proportion that each company's contribution bears to the total of the expenditures made during the course of exploration programme.

For the purposes of further description, the foregoing 308 mining claims and 7 fractions are grouped together as they form two contiguous blocks. The following material contains a summary of a report dated December 19, 1969, relating to the said mining claims by Mr. Peter E. Walcott, P.Eng., of Coquitlam, British Columbia, which report is available in the public file of the Ontario Securities Commission.

Dawson Range Claims
Yukon Territory

This property consists of 308 mining claims and 7 fractional mining claims located in the Dawson Range of the Yukon Territory. The claims and fractional claims, comprising two contiguous blocks, known as the Tad and Frog Groups respectively, may be legally described as follows:

<u>Mining District and Claim Sheet</u>	<u>Name of Claim</u>	<u>Record No.</u>	<u>Date Recorded</u>	
Whitehorse 115-I-12	Tad 1-8	Y37240-47	Sept. 12, 1969	
	Tad 9-16	Y38652-59	Sept. 22, 1969	
	Tad 17-24	Y36972-79	Sept. 4, 1969	
	Tad 25-44	Y36721-40	Aug. 29, 1969	
	Tad 45-47	Y38660-62	Sept. 22, 1969	
	Tad 48-60	Y36741-53	Aug. 29, 1969	
	Tad 61-68	Y38313-20	Sept. 30, 1969	
	Tad 69-76	Y38663-70	Sept. 22, 1969	
	Tad 77-84	Y38844-56	Oct. 20, 1969	
	Tad 85-132	Y38671-38718	Sept. 22, 1969	
	<u>Total of 212 claims</u>	Tad 133-140	Y38449-56	Oct. 6, 1969
		Tad 141-164	Y38719-38742	Sept. 22, 1969
		Tad 165-173	Y37248-56	Sept. 12, 1969
		Tad 174-177	Y38991-94	Oct. 24, 1970
		Tad 178-184	Y37257-63	Sept. 12, 1969
		Tad 185-192	Y38321-28	Sept. 30, 1969
		Tad 193-208	Y38743-38758	Sept. 22, 1969
Tad 209-212		Y38995-98	Oct. 24, 1969	
Tad 213F-216F		Current Staking		
Tad 224F-226F	Current Staking			
Whitehorse 115-I-12	Frog 1-8	Y36964-71	Sept. 4, 1969	
	Frog 9-16	Y38841-48		
	Frog 17-48	Y36840-71	Sept. 2, 1969	
	<u>Total of 96 claims</u>	Frog 49-56	Y38081-88	Sept. 22, 1969
		Frog 57-64	Y38337-44	Oct. 1, 1969
	Frog 65-96	Y36872-03	Sept. 2, 1969	

The two contiguous claim groups, having an area of approximately 15,000 acres, are located approximately 160 air miles northwest of Whitehorse, Yukon Territory, in the area around Hayes Creek. Access may be obtained either by vehicle along the Mayo Road to the abandoned settlement of Minto and thence by helicopter some 35 miles to the property. Access may also be obtained by direct helicopter flight from Whitehorse or by fixed wing aircraft to Minto and thence to an airstrip recently constructed at the north end of the Tad Group.

International Mine Services Limited is the recorded owner of all 308 mining claims which it holds as bare trustee on behalf of the four companies and is currently staking the 7 fractions. The 308 claims are held free

from encumbrance, the title thereto being the usual title to mining claims in the Yukon Territory. All of the mining claims are presently in good standing and will be so until at least August 29, 1970.

The staking of the property was commenced by International Mine Services Limited in July, 1969 as a follow-up to a regional stream sediment geochemical survey. To the best of the Company's knowledge, no substantial amount of previous prospecting, exploration or development work has been carried out on the property apart from sporadic placer mining for gold along Hayes Creek of an earlier period. Since acquiring the property, International Mine Services Limited has carried out linecutting, geochemical soil sampling and induced polarization and magnetometer geophysical surveys as well as the drilling of three diamond drill holes to the date hereof. There has been no underground exploration and development work on the property and there is no underground or surface plant or equipment on the property at the present time. The above-mentioned work has resulted in expenditures by the Company, pursuant to the joint venture exploration agreement, of \$36,588.

Based on the work done to date, the Company's Consultant has recommended the carrying out of additional work on the property consisting of linecutting, geological mapping, topographic surveying, geochemical surveying, geophysical surveying and diamond drilling in an effort to define the extent of the mineralization noted to date and to locate economic occurrences of lead, zinc, gold, silver, cadmium and molybdenum. The property is presently without a known body of commercial ore and the proposed programme is an exploratory search for ore.

The programme, as recommended by the Company's Consultant, is estimated to cost \$500,000, calculated as follows:

Linecutting (200 miles @ \$100 per mile)	\$ 20,000
Geologic Mapping (300 claims @ \$50)	15,000
Topographical Surveying (300 claims @ \$50)	15,000
Geochemical Surveying (10,000 samples @ \$5)	50,000
Geophysical Surveying (200 miles @ \$250 per mile)	50,000
Diamond Drilling (20,000 feet @ \$15 per foot)	300,000
Transportation and Supplies	25,000
Contingencies @ 5%	25,000
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Total Estimate:	\$500,000
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According to the terms of the joint venture exploration agreement (see heading "History and Business") the Company's share of the above estimate is \$125,000.

OFFERING

The Company entered into an agreement, dated December 19, 1969, with Tom & Barnt Limited, 80 Richmond Street West, Toronto, Ontario, ("the Underwriter") whereunder the Underwriter, acting as agent on behalf of Gold Freedman & Company, 74 Trinity Place, New York 17, New York, U.S.A., agreed to purchase 135,000 shares of the Company at a price of \$1.10 per share.

The purchase price in the amount of \$148,500 is payable forthwith upon this Prospectus being accepted for filing by the Ontario Securities Commission and the obtaining by the Company of a receipt therefor, such date being referred to as "Date of Qualification".

On the basis of the 135,000 underwritten shares offered hereby being sold to the public, the public will own 44% of the number of the shares of the Company outstanding, the remaining 56% being in the hands of Promoters, Directors and/or Officers.

There are no options on stock of the Company presently outstanding.

The Company is not aware of any assignments, or subunderwritings with respect to the aforementioned underwritten shares. The only persons known to the Company owning a greater than 5% interest in Tom & Barnt Limited are Harry J. Richardson, 3296 Credit Heights Drive, Cooksville, Ontario, and Paul D. Bryce, 76 Sunnylea Avenue, Toronto 18, Ontario, and in Gold Freedman & Company, Leo Gold, 24 Parkside Drive, Great Neck, New York, U.S.A., and Max Freedman, 1701 Albermale Road, Brooklyn, New York, U.S.A.

The shares offered hereby will be offered to the public at the market price prevailing from time to time but within the maximum allowable offering price as prescribed by the policy of the Ontario Securities Commission as referred to in the table on the front page hereof.

USE OF PROCEEDS

The proceeds to be received by the Company from the sale of the shares underwritten hereby are estimated at \$148,500. The Company intends to use these funds to meet the cost of the proposed development programme referred to under the heading "History and Business" on page 5 hereof and estimated to cost \$125,000 and to meet a portion of the Company's deficiency in working capital which amounted to \$31,301 on November 30, 1969. While the Company has no plans in this regard at the present time, moneys in its treasury, as available, may also be used for programmes of acquiring, staking, exploring and developing other mining properties and areas, either alone or in concert with others, but moneys will not be expended on any newly acquired properties without an amendment to this Prospectus being filed, if the securities of the Company are then in the course of primary distribution to the public. Moneys in the Company's treasury will not be used during the course of primary distribution to invest, underwrite or trade in securities other than those which qualify as investments in which life insurance companies may under the laws of Canada invest their funds. Should the Company propose to use moneys in its treasury to acquire other such securities, after primary distribution of the securities offered by this Prospectus has ceased, approval by the shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the shares offered by this Prospectus. Additionally, moneys will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development programme as set forth in this Prospectus and any amendment thereto.

DESCRIPTION OF CAPITAL STOCK

The Company has only one class of capital stock. All shares issued by the Company rank equally as to dividends and there are no indentures or agreements limiting the payment of same. No dividends have been paid to date. All shares issued by the Company rank equally as to voting power, one vote for each share. At all special or general meetings of

the Company, 2 shareholders personally present holding or representing by proxy not less than 10% of the issued shares constitute a quorum. The by-laws of the Company provide that at meetings of shareholders, a resolution may be voted on by a show of hands unless a poll is demanded by a shareholder; on a show of hands every shareholder present in person has one vote and on a poll, every shareholder has one vote for each share held by him. There are no conversion rights and there are no special liquidation, pre-emptive or subscription rights. The presently outstanding capital stock is not subject to any call or assessment and the shares offered hereby, when issued and sold as prescribed in this Prospectus, will not be subject to any call or assessment. Certificates representing 675,000 issued shares in the Company are held in escrow as referred to under the heading "Escrowed Shares" on page 8 hereof.

PRIOR SALES

By virtue of a Prospectus dated December 31, 1968, the Company sold to the Underwriter, as agent acting on behalf of Gold Freedman & Company, 100,000 treasury shares of the Company at a price of \$1.00 per share, as a result of which \$100,000 accrued to the Company's treasury.

The shares of the Company have traded on the over-the-counter market in Toronto, Ontario, during the past year and have ranged in price during that period as follows:

<u>Month (1969)</u>	<u>Price Range *</u>
January	\$1.00 - \$1.25
February	\$1.00 - \$1.25
March	\$0.90 - \$1.10
April	\$0.90 - \$1.10
May	\$0.90 - \$1.10
June	\$0.90 - \$1.10
July	\$0.90 - \$1.10
August	\$0.90 - \$1.10
September	\$0.90 - \$1.10
October	\$0.80 - \$1.00
November	\$0.80 - \$1.00
December	\$1.30 - \$1.50

*The aforementioned prices are prices maintained for the shares of the Company by the Underwriter.

CAPITALIZATION

Number of Shares

<u>Designation of Security</u>	<u>Amount Authorized by Letters Patent</u>	<u>Amount Outstanding as of November 30, 1969 (date of Balance Sheet contained in Prospectus)</u>	<u>Amount Outstanding as of January 1st, 1970</u>	<u>Amount Outstanding if all securities being issued are sold</u>
Capital Stock	5,000,000	1,500,005 (\$488,755)	1,500,005 (\$488,755)	1,635,005 (A) (\$637,255)
par value	(\$5,000,000)			

(A) This figure reflects the sale of the 135,000 underwritten shares.

ESCROWED SHARES

Certificates representing the 675,000 shares referred to below are held in escrow by Canada Permanent Trust Company (formerly Eastern & Chartered Trust Company) subject to release pro rata with any other vendors' shares only with consent of the Board of Directors of the Company and the Ontario Securities Commission and/or any other similar regulatory body of any jurisdiction in which the shares of the Company may be qualified for sale to the public and further subject to transfer, hypothecation, assignment or other alienation only with the written consent of the Ontario Securities Commission.

<u>Capital Stock</u>	<u>No. of Shares held in Escrow</u>	<u>Percentage of Class</u>
Par Value \$1.00 per share	675,000	41.28% (B)

(B) Calculated on the basis of there being 1,635,005 shares issued and outstanding following the sale of the 135,000 underwritten shares.

PRINCIPAL HOLDERS OF SHARES

Set forth hereunder are the particulars as of January 1st, 1970 of the principal holders of shares in the capital stock of the Company:

<u>Name and Address</u>	<u>Class of Security</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Joseph H. Hirshhorn, Suite 1601, 8 King St. E., Toronto, Ontario.	Capital stock, par value \$1 per share	Direct of Record, Direct beneficial	589,500 <u>250,000</u> 839,500	51.35% (C)
Tom & Barnt Limited, 80 Richmond St. W., Toronto, Ontario.	Capital stock, par value \$1 per share	Of Record, beneficial ownership unknown	311,000	19.02%
Gold Freedman & Company, 74 Trinity Place, New York, N.Y., U. S. A.	Capital stock, par value \$1 per share	Of Record, beneficial ownership unknown	400,000	24.46%

DIRECTORS' AND SENIOR OFFICERS' SHARES

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

<u>Designation of Class</u>	<u>Percentage of Class</u>
Capital stock of par value \$1 per share	4.43% (C)

(C) Calculated on the basis of there being 1,635,005 shares issued and outstanding following the sale of the 135,000 underwritten shares.

MANAGEMENT

<u>Name</u>	<u>Address</u>	<u>Position</u>
Stephen Kay	21 Springbank Ave., Scarborough, Ontario.	President and Director
James Michael Maguire	193 Crocus Drive, Scarborough, Ontario.	Director and Secretary- Treasurer
John Laverne Tindale	32 Hollybrook Cres., Willowdale, Ontario.	Director and Vice-President
John David Sumner Bohme	120 Glencairn Avenue, Toronto 12, Ontario.	Director
Bruce Attenborough	4 Carriage Hill Court, Thornhill, Ontario.	Director

Mr. Kay, is and has been, during the past 5 years, a Director and/or Officer of various mining companies, including Silverfields Mining Corporation Limited, Initiative Explorations Limited, Pompey Oil & Minerals Company Limited, Snowdrift Base Metal Mines Limited, United Reef Petroleum Limited, Prado Explorations Limited and Murky Fault Metal Mines Limited.

Mr. Maguire is a Chartered Accountant and has been employed during the past 5 years as a student in accounts and a Chartered Accountant with the firm of Touche, Ross, Bailey & Smart, Toronto, until November 1965 and then with Sun Oil Company Limited, Toronto, as an Accountant. Since July, 1968, he has been employed with International Mine Services Limited as the Secretary-Treasurer and is a Director of Murky Fault Metal Mines Limited, Initiative Explorations Limited and Snowdrift Base Metal Mines Limited.

Mr. Tindale is and has been during the past 5 years a Professional Engineer and a Geologist employed by International Mine Services Limited as well as being a Director and Officer thereof and prior thereto by Siscoe Mines Limited. He is a director of Murky Fault Metal Mines Limited, Indian Mountain Metal Mines Limited and Initiative Explorations Limited.

Mr. Bohme has been a partner in the legal firm of Edison, Aird & Berlis, 111 Richmond Street West, Toronto, Ontario, and is a Director of Murky Fault Metal Mines Limited, Initiative Explorations Limited and Consolidated Marbenor Mines Limited.

Mr. Attenborough has been employed as a Salesman and is now a partner of Annett Partners Limited, 11 King Street West, Toronto, Ontario, and is a Director of Murky Fault Metal Mines Limited, Consolidated Panther Mines Limited and Silver Pack Mines Limited.

No Director or Senior Officer of the Company has received any remuneration from the Company since the incorporation thereof on January 19, 1966, nor will any of the Directors or Senior Officers be paid any remuneration from the Company during the current fiscal year.

AUDITORS, TRANSFER AGENT
AND REGISTRAR

The Auditors of the Company are Eddis & Associates, 110 Yonge Street, Toronto, Ontario, who have been Auditors of the Company since March 31, 1967. From the date of its organization until the appointment of Eddis & Associates on March 31, 1967, the Auditor of the Company was Mr. E.F. Griffith, Public Accountant.

The Registrar and Transfer Agent of the Company is The Canada Permanent Trust Company (formerly Eastern & Chartered Trust Company), 1901 Yonge Street, Toronto, Ontario.

PROMOTERS

Joseph Herman Hirshhorn and Stephen Kay are the Promoters of the Company. Reference is made to the heading "History and Business" concerning the mining claims in the Cross Lake Mining Division, Manitoba, sold by them to the Company for 750,000 shares of its capital stock. Since these claims were completely unproven at the time, it was not possible to assign any particular value thereto, accordingly such shares were allotted at a value of 15 cents per share (arbitrarily set by the incorporating directors of the Company) or for a total amount of \$112,500, which amount did not necessarily bear any relation to the actual worth of the properties which were staked by the vendors at the cost of approximately \$800.

Reference is made to the heading "History and Business" relating to the purchase by the Company from Mr. Hirshhorn of 7 mining claims in the Windy Arm-Carcross Area, Whitehorse Mining Division, Yukon Territory. These claims had been previously acquired by Mr. Hirshhorn by staking and were conveyed to the Company for \$10,061, which sum equalled the actual cost of staking the claims and the work Mr. Hirshhorn performed thereon prior to conveying them to the Company.

Reference is made to the heading "History and Business" relating to the acquisition by the Company from Mr. Hirshhorn and Mr. Kay and others of 7 mining claims in Hutton Township, Ontario, for \$315, being the exact cost of the staking and recording thereof.

INTEREST OF MANAGEMENT AND OTHERS
IN MATERIAL TRANSACTIONS

Reference is made to the headings "History and Business" and "Promoters" for particulars concerning the agreement dated January 21, 1966 whereby the Company acquired 20 unpatented mining claims at Pakwa Lake, Cross Lake Mining Division, Manitoba, for 750,000 shares from certain vendors. Stephen Kay, one of the vendors, is one and the same person as Stephen Kay, the President of the Company. Joseph Herman Hirshhorn, one of the vendors, is of record the largest and controlling shareholder of the Company.

Joseph Herman Hirshhorn, Stephen Kay and James Michael Maguire and John Laverne Tindale are shareholders and/or directors and/or employees of International Mine Services Limited, the Company which by agreement, dated July 11, 1966, assigned its option on 117 unpatented mining claims in the Setting Lake Area, Cross Lake Mining Division, Manitoba, to the Company for no consideration.

By agreement dated September 30, 1968, International Mine Services Limited assigned, for no consideration, its interest in an option agreement with Mr. Robert G. Hilker relating to 38 mining claims in the Jubilee Mountain Area of the Yukon Territory. International Mine Services Limited also assigned its interest in an option to purchase 12 mining claims in Hutton Township, Ontario, from Mr. Arthur Roy in return for being reimbursed in the amount of \$100, being its actual expenditures in this connection. In addition, the Company acquired from International Mine Services Limited 37 mining claims in Hutton Township, Ontario, for \$2,000, being the exact cost to International Mine Services Limited of the staking and recording thereof.

In addition, by agreement dated January 21, 1966, between the Company and International Mine Services Limited, a Company incorporated under the laws of Ontario, International Mine Services Limited undertook to manage the Company and to provide all technical, secretarial and administrative services at costs consistent with that of the industry. The Company has paid International Mine Services Limited the sum of \$16,125 from the date of the agreement to November 30, 1969, and pursuant to the terms of said agreement, the Company is obligated to pay International Mine Services Limited a monthly amount calculated on the services performed, but not exceeding \$500. This agreement may be terminated by either party giving 30 days' notice to the other. International Mine Services Limited is to be paid usual and ordinary charges for services other than management and consulting services as supplied to the Company, if any. Joseph Herman Hirshhorn is the beneficial owner of all the voting shares in International Mine Services Limited.

Reference is made to the aforementioned headings for particulars concerning the agreement dated March 14, 1967 whereby the Company acquired 7 mining claims in the Windy Arm-Carcross Area, Whitehorse Mining Division, Yukon Territory, for \$10,061 from Joseph Herman Hirshhorn and in relation to the agreement dated November 15, 1968 whereby the Company acquired 7 mining claims in Hutton Township, Ontario, for \$315 from Joseph Herman Hirshhorn, Stephen Kay and other persons.

Reference is made to the heading "History and Business" for particulars of the joint venture exploration agreement dated July 15, 1969, whereby the Company acquired a 25% interest in the mining claims making up the Tad and Frog groups in the Dawson Range, Yukon Territory. Messrs. Kay, Maguire and Tindale are directors and/or senior officers of Indian Mountain Metal Mines Limited and Gui-Por Uranium Mines Limited. Messrs. Kay and Maguire are directors and/or senior officers of Prado Explorations Limited. Mr. Hirshhorn owns more than 10% of the shares of Indian Mountain Metal Mines Limited and Prado Explorations Limited and, through his holdings in Indian Mountain Metal Mines Limited, indirectly, beneficially owns more than 10% of the shares of Gui-Por Uranium Mines Limited. Mr. Attenborough is a director and shareholder of Prado Explorations Limited. Messrs. Kay and Tindale are shareholders of Indian Mountain Metal Mines Limited, Gui-Por Uranium Mines Limited and Prado Explorations Limited.

John David Sumner Bohme is a director of Indian Mountain Metal Mines Limited and is a partner of Edison, Aird and Berlis, a law firm, which acts as solicitors for the Company.

**PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL
AND RESCISSION**

Under Sections 63 and 64 of The Securities Act, 1966, a purchaser of the shares offered by this Prospectus during the course of primary distribution, may while still the owner of such shares rescind such purchase:

- 1) If the vendor of such shares receives written or telegraphic notice evidencing intention of the purchaser (being not a registrant) to rescind not later than Midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the Purchaser of this Prospectus; or
- ii) If this Prospectus as of the day of receipt of it by the purchaser, contains an untrue statement or a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it is made (unless unknown to the vendor, company or underwriter) or known to the purchaser or disclosed in an amendment to this Prospectus duly filed and received by the Purchaser, and action to rescind shall have been taken within 90 days of the later of the dates of the receipt of this Prospectus by the purchaser or of the contract of purchase.

A copy of this Prospectus sent by prepaid mail shall be deemed to have been received by the addressee in the ordinary course of mail. Receipt for all the foregoing purposes by an agent or by a person subsequently an agent shall be deemed to be receipt by either the vendor or the purchaser, except in the case of a purchaser's agent who has received or has an agreement to receive compensation from or on behalf of the vendor or with respect to the purchase.

MATERIAL CONTRACTS

The material contracts entered into by the Company within 2 years prior to the 1st day of January, 1970, are as follows:

1. Agreement, dated as of September 30, 1968, with International Mine Services Limited, whereunder the Company took an assignment of an option to purchase 38 mining claims in the Jubilee Mountain Area, Yukon Territory;
2. Agreement, dated as of November 15, 1968, with International Mine Services Limited, whereunder the Company took an assignment of an option to purchase 12 mining claims in Hutton Township, Ontario;
3. Agreement, dated as of November 15, 1968, with Joseph H. Hirshhorn, Stephen Kay, Arthur Roy and John L. Tindale, whereunder the Company acquired 7 mining claims in Hutton Township, Ontario;
4. Agreement, dated as of November 15, 1968, with International Mine Services Limited whereunder the Company acquired 37 mining claims in Hutton Township, Ontario;
5. Agreement, dated as of November 18, 1968, with Mr. Arthur G. Roy, whereunder the Company purchased 9 mining claims in Hutton Township, Ontario;
6. Agreement, dated July 15, 1969 between the Company, Indian Mountain Metal Mines Limited, Gui-Por Uranium Mines Limited and Pradco Explorations Limited (to which International Mine Services Limited was also a party), whereunder the Company has acquired a 25% interest in the mining claims making up the Tad and Frog groups in the Dawson Range, Yukon Territory;

all of which agreements are referred to under the heading "History and Business"; and

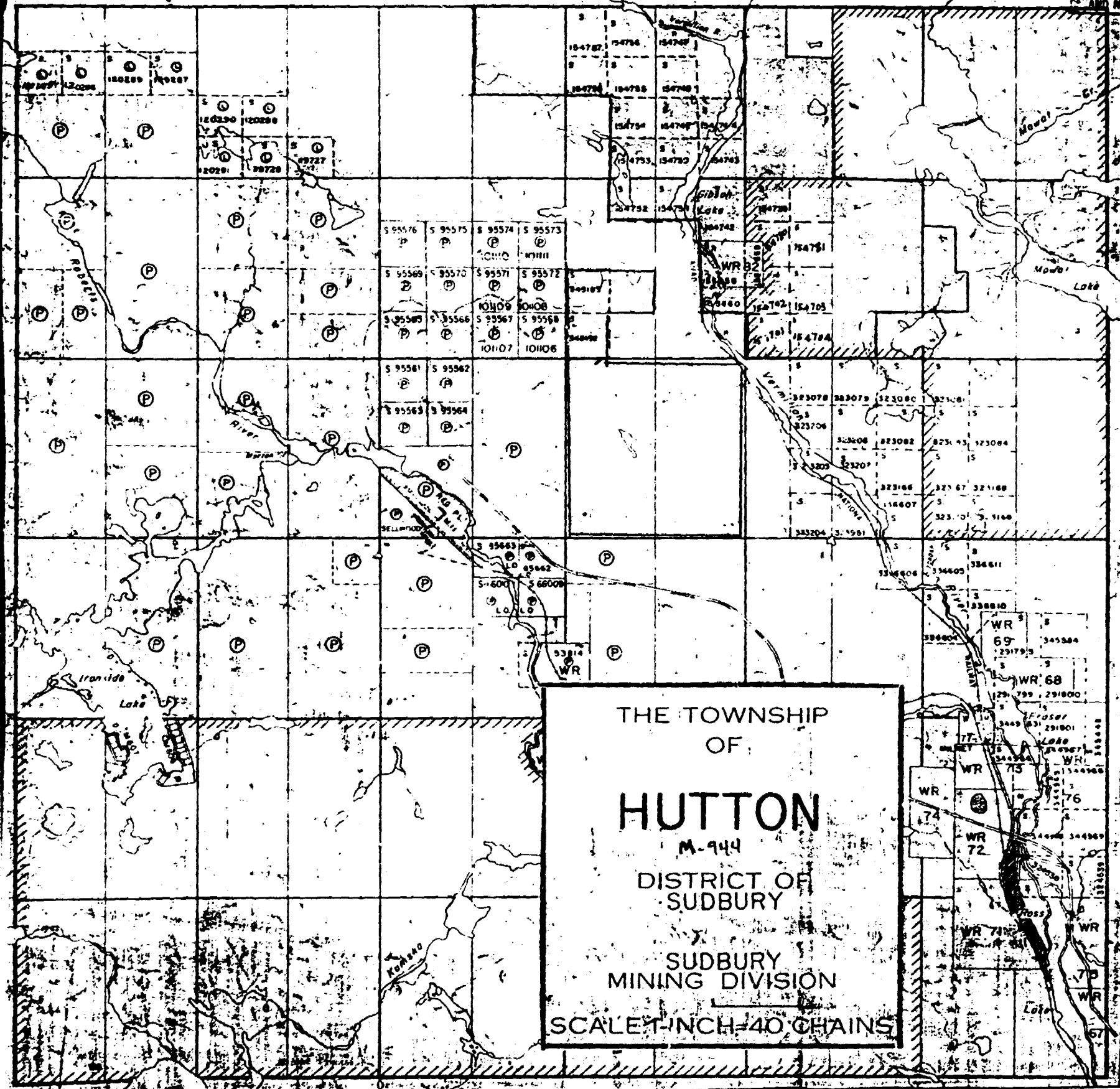
7. Agreement, dated January 25, 1968, with Tom & Barnt, acting as agent on behalf of Gold Freedman & Company, whereunder 100,000 shares of the Company were underwritten at a price of \$1 per share, for a total consideration of \$100,000;
8. Agreement, dated November 22, 1968, with Tom & Barnt, acting as agent on behalf of Gold Freedman & Company, whereunder 100,000 shares of the Company were underwritten at a price of \$1 per share, for a total consideration of \$100,000; and
9. Agreement dated December 19, 1969, with Tom & Barnt Limited, acting as agent on behalf of Gold Freedman & Company, whereunder 135,000 shares of the Company were underwritten at a price of \$1.10 per share, for a total consideration of \$148,500, the same being referred to under the heading "Offering".

During the primary distribution of securities offered by this Prospectus, copies of the aforementioned agreements may be inspected at the office of the Company during normal business hours.

. MATERIAL FACTS

There are no other material facts.

CREELMAN TWP.



THE TOWNSHIP OF
OF
HUTTON
M. 944
DISTRICT OF SUDBURY
SUDBURY
MINING DIVISION
SCALE 1 INCH = 40 CHAINS