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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.

HANSON MINERAL EXPLORATION LIMITED

(Incorporated under the laws of the Province of Ontario)

NEW ISSUE 600,000 underwritten common shares without par value

	Price to Public	Underwriters' Commission (1)	Proceeds to the Corporation (2) (3)
Per Share	50¢	25¢	25¢
Total	\$300,000	\$150,000	\$150,000

- (1) In addition to the underwriting commission referred to above, the Corporation has agreed to pay to the Underwriters a commission of \$22,500 to be satisfied by its issue of 90,000 fully paid and non-assessable common shares of the Corporation.
- (2) Before deducting expenses of this issue estimated at \$15,000, a proportionate part of which, approximately \$3,300, will be borne by the Underwriters.
- (3) The net amount received by the Corporation will not be less than 35% of the gross proceeds of the new issue and secondary offering.

The purpose of this issue is to provide funds to carry out exploration work on the Corporation's properties and to secure funds for working capital purposes, all as referred to under "Use of Proceeds" on page 7.

SECONDARY OFFERING

170,000 common shares without par value

Shares comprising the secondary offering will be offered at prices arbitrarily fixed by the Underwriters. It is planned that such shares will initially be offered for sale in the 75¢ to 85¢ price range. The shares will not be offered for sale until after the underwritten shares have been sold. The proceeds from the sale of these shares will not accrue to the Corporation. See "Plan of Distribution" and "Principal and Selling Shareholders" on page 5 and page 13, respectively.

THESE SHARES ARE SPECULATIVE. THERE IS NO MARKET THROUGH WHICH THESE SHARES MAY BE SOLD. PURCHASERS MAY NOT BE ABLE TO SELL SHARES PURCHASED BY THEM. The price payable to the Corporation for its shares was arbitrarily determined by the Underwriters.

THESE SHARES ARE SPECULATIVE. See "Speculative Nature of the Securities" on page 6.

We, as principals, conditionally offer these shares, subject to prior sale, if, as and when accepted by us, in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" on page 5 and subject to the approval of all legal matters on behalf of the Corporation by Messrs. Aird & Berlis and on our behalf by Messrs. Salter, Apple, Cousland & Kerbel.

November 14, 1980

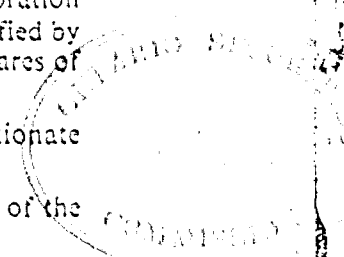




TABLE OF CONTENTS

	Page
Prospectus Summary	1
The Corporation and Its Mining Claims	1
Use of Proceeds	1
The Offering	1
Management	1
Risk Factors	1
Issuance of Shares	2
The Corporation	2
Chester Township Property	2
Description	2
Location and Access	3
History	3
Geologist's Report	3
Geologist's Recommendations	4
Title to and Acquisition of the Property	4
Other Property Interests of the Corporation	5
Preliminary Expenses	5
Plan of Distribution	5
Underwritten Shares	5
Secondary Offering	6
Adjustment of Proceeds to the Corporation	6
Speculative Nature of the Securities	6
Purchase of Underwritten Shares	7
Purchase of Secondary Shares	7
Use of Proceeds	7
Capitalization	9
Description of Securities	9
Common Shares	9
Special Shares	9
Warrants	10
Management	10
Certain Particulars Relating To Management and the Promoter	11
Remuneration of Management	11
Issuance of Shares in Settlement of Indebtedness	12
Escrowed Shares	12
Promotee and Interest of Management and Others in Certain Transactions	12
Principal and Selling Shareholders	13
Dividend	14
Auditors Transfer Agent and Registrar	14
Material Contracts	14
Purchaser's Statutory Rights of Withdrawal, Recession and Damages	15
Financial Statements	16
Certificates	22

PROSPECTUS SUMMARY

The following is intended to provide a summary of the principal features of the offering. Reference should be made to more detailed information contained elsewhere in the Prospectus.

The Corporation and Its Mining Claims:

Hanson Mineral Exploration Limited (the "Corporation") is a public company incorporated under the laws of the Province of Ontario on March 18, 1957. The Corporation has exercised an option on 9 unpatented mining claims (the "Chester Property") in Chester Township in the Porcupine Mining Division of the Province of Ontario and plans to explore the Chester Property for occurrences of gold mineralization. The mining claims have been reported upon by Mr. R. C. McMurchy, B.Sc., P.Eng., Consulting Geologist, and a summary of his conclusions and recommendations for development work is set out under "Geologist's Report" and "Geologist's Recommendations" on pages 3 and 4, respectively. The preliminary exploration programme is estimated to cost a minimum of \$35,000. The Corporation also has a 50% interest in 74 mining claims in Tully Township, Porcupine Mining Division, Ontario.

Use of Proceeds:

The net proceeds to be received by the Corporation from the underwriting of its shares, after providing for the costs of this issue, will be approximately \$138,300. The Corporation will receive an additional \$15,000 from Mr. John F. Daly as a result of his subscription for shares (see "Issuance of Shares in Settlement of Indebtedness" on page 12). A detailed breakdown as to the expenditure of these funds will be found under "Use of Proceeds" on page 7, and, as indicated, approximately \$35,000 will be allocated to defray the cost of carrying out the recommended preliminary exploration work on the Corporation's mining claims in Chester Township.

The Offering:

As particularized on the cover of the Prospectus, 600,000 common shares of the Corporation are being underwritten at 25¢ per share to provide the Corporation with \$150,000 less the expenses of the issue. The secondary offering of 170,000 shares will only be made by the Underwriters after the underwritten shares have been sold. The proceeds from the sale of the secondary offering will accrue to the Underwriters and not to the Corporation (see "Plan of Distribution" on page 5).

Management:

Certain of the directors and officers of the Corporation have been associated with Choiceland Iron Mines Ltd. Details in this regard are set forth under "Certain Particulars Relating to Management and the Promoter" on page 11.

Risk Factors:

Exploration for economic deposits of minerals is subject to a number of risk factors and reference is made to "Speculative Nature of the Securities" on page 6. While the rewards to an investor if an ore body is discovered can be substantial, few properties which are explored are ultimately developed into producing mines. If the Corporation's exploration programme is not successful, a purchaser of shares may lose his entire investment. In making an investment decision, a prospective investor should carefully weight this consideration as well as the lack of a market through which he may sell his shares.

Purchasers of the common shares offered hereby will suffer an immediate dilution of their investment.

Depending upon whether they purchase underwritten shares at the offering price of 50¢ or shares forming part of the secondary offering, the dilution effect will be different. Purchasers of the underwritten shares will suffer an immediate dilution of approximately 40.5 cents per share and assuming the secondary shares are sold at 80¢ per share, purchasers of the secondary shares will suffer an immediate dilution of approximately 70.5 cents per share. Reference is made to "Speculative Nature of the Securities" on page 6 for further particulars respecting dilution.

Issuance of Shares:

Upon the completion of the primary and secondary offering as contemplated herein, the Corporation will have issued and outstanding 1,743,334 common shares, this figure being composed of the 770,000 shares offered hereunder and the existing issued and outstanding 973,334 common shares of the Corporation. Included in the 170,000 shares comprising the secondary offering are 80,000 shares issued and allotted to Mr. John F. Daly in consideration for funds advanced by him to the Corporation and used in the purchase of the Property and expenses of this offering, which shares will in turn be sold by Mr. Daly to the Underwriters at 25¢ per share, as well as 90,000 common shares issued to the Underwriters in settlement of their underwriting commission. Mr. Daly will also hold 500,000 special shares of the Corporation, each of which shares carry one vote at all meetings of shareholders, thus enabling him to control the Corporation. See also "Warrants" on page 10 respecting share purchase warrants to be received by Mr. Daly, which warrants will enable him under certain conditions to purchase up to 500,000 common shares of the Corporation in the future. These matters are also described in greater detail under "Promoter and Interest of Management and Others in Certain Transactions" on page 12 and "Principal and Selling Shareholders" on page 13.

THE CORPORATION

Hanson Mineral Exploration Limited, formerly Hanson Mines Limited, was incorporated under the laws of the Province of Ontario by Letters Patent dated March 18, 1957. By Articles of Amendment effective September 4, 1980, the Corporation changed its name to Hanson Mineral Exploration Limited and increased its authorized capital as described under "Capitalization" on page 9. The Corporation's objects include exploring for, acquiring and developing mineral lands and the mining and operation thereof. The authorized capital of the Corporation consists of 5,000,000 common shares with par value and 2,000,000 Class A special shares with par value of 1/10 of 1¢ each. The head office of the Corporation is located at Suite 1610, 25 Adelaide Street East, Toronto, Ontario, M5C 1Y2.

The Corporation has been largely inactive in recent years, operating on a limited budget and lacking the required funds to explore or develop its mining properties or acquire other properties of geological merit.

Chester Township Property:

Description:

The Chester Property consists of a total of 9 unpatented mining claims comprising 2 separate groups both located in Chester Township, Porcupine Mining Division, District of Sudbury, Ontario. The south group consists of 6 contiguous unpatented mining claims bearing numbers P517180, P517181 and P537233 to and including P537236. The north group consists of 3 contiguous claims bearing numbers P537237, P537238 and P540178.

Location and Access:

The Property is located in Chester Township approximately 75 miles southwest of Timmins or 10 miles southwest of Gogama and 95 miles northwest of Sudbury. Highway 144 from Timmins to Sudbury passes in a north-south direction through the eastern part of Chester Township. Branch roads from Highway 144 pass within 1/2 mile of the north group of claims. The south group of claims is 1/2 miles west of Highway 144. A powerline of Ontario Hydro passes within 1/2 miles of the north group of claims and within 2-1/2 miles of the south group of claims. Both groups of claims are directly accessible by float or ski equipped aircraft as both groups of mining claims surround lakes.

History:

Prospecting in the area began as early as 1900 and early showings in the area are outlined by Mr. R. C. Laird in the Ontario Department of Mines publication Volume 41, part 3, 1932. Some 16 prospects, including the James Cryderman Prospect, which is located in the south group of claims, were described in the said report with values in gold varying from trace to \$132.80 per ton, the price of gold at that time being \$20.67 per ounce. A chip sample taken from the James Cryderman Prospect was quoted by Mr. Laird as having "... gold, \$25.20 per ton; silver, 0.95 ounces per ton". Mineral Deposit Circular No. 18 of the Ontario Geological Survey, in describing the gold deposits in Ontario, refers to the Chester Township showings on pages 51-54 and 92-95 thereof, the James Cryderman showing being referred to on page 93 thereof.

Geological data on some of the recent exploration work may be found in the Assessment Files of the Ontario Ministry of Natural Resources located at 77 Grenville Street, Toronto, Ontario.

Geologist's Report:

The following is management's summary of the Geologist's Report of Mr. R. C. McMurchy, Ph.D., Eng., dated February 25, 1980, as supplemented by an addendum thereto dated October 24, 1980, the full report being available for inspection in the public files of the Ontario Securities Commission, 10 Wellesley Street East, Toronto, Ontario, as well as the results of certain drilling carried out on the Property subsequent to Mr. McMurchy's Report.

South Group

This group contains a quartz vein described by Mr. Laird as being approximately 2 feet wide and traceable for 325 feet from the north side of a small lake located in the centre of the claim block. The vein is a fissure type vein in a quartz porphyry phase of the younger granite. The showing contains visible gold, pyrite, chalcopyrite, sphalerite and galena. The sulphide mineralization extends into the rock wall at least 4 feet on either side of the vein. The vein dips approximately 84° to the north and strikes at about 55° near the lake but with offsets to the south that give it a strike of about 80° on average for the 325 feet traced to the east.

Gold values were obtained from the assaying of chip samples taken along the vein. A short diameter drill hole contained gold mineralization from 37.9 feet to 56.0 feet which assayed an average 0.262 ounces of gold per ton over 18.1 foot length of core having a true width of 6.0 feet. One sample was tested for silver and gave 1.0 ounces of silver per ton over 2.5 foot length of core taken at a depth of 48.8 feet to 51.3 feet.

An additional short "pack-sack" hole was drilled in late August, 1980 subsequent to Mr. McMurchy's Report for assessment work purposes at the same location as the hole drilled in 1979 due to its accessibility. This hole was drilled for assessment work purposes and not at a location de-

signed to test the rock structures as recommended by Mr. McMurchy. This second hole was drilled at a bearing 3° west of the original hole and intersected a 0.9 foot section from 47.3 feet to 48.2 feet of mineralized prophyry and quartz, assaying .005 oz. of gold per ton and in addition intersected pyrite and pyrrhotite mineralization extended over 4.1 feet from 51.2 feet to 55.3 feet of sheared prophyry, assaying .008 oz. of gold per ton. Further prospecting at this time by Mr. Lytle also revealed the existence of a new quartz vein in sheared prophyry with the same strike and dip as the original vein located west and north of the original showing and which, if found to be a continuation of the original vein implies a vein length of 1,000 feet still open at both ends.

North Group

This group contains Timiskaming sediments of a soft schistose variety containing rusted iron sulphide carrying gold values. A short "pack-sack" hole was also drilled for assessment work purposes on the secondary cast showing by Mr. Lytle as this was the easiest accessible drilling location. The drill hole intersected a shear zone of carbonated and sheared greywacke over a width of 19.3 feet of core, the heaviest sulphide mineralization assaying .053 oz. of gold per ton and 3.3 oz. of silver per ton over a 3.9 foot section from 43.0 to 46.9 feet.

Geologist's Recommendations:

In Mr. McMurchy's opinion, exploration work is justified on both claim groups. He has recommended a programme for the South Group of line cutting and the drilling of five diamond drill holes of 150 foot lengths along the quartz vein, the cost of which including supervision and assaying would be approximately \$25,000. For the North Group he has recommended a programme of line cutting, geologic mapping and sampling at an estimated cost of \$5,000.

After providing for a contingency of \$5,000, the total estimated cost for the programme on both groups is \$30,000 to be followed by additional work if the results of the initial programmes so warrant.

Title to and Acquisition of the Property:

Title to the mining claims comprising the Property is at present recorded in the name of Mr. W. S. Vaughan, Suite 1500, 145 King Street West, Toronto, Ontario, M5H 2J3, in escrow, pursuant to the terms of an option agreement dated June 9, 1980, as subsequently amended by agreements dated August 29, 1980 and November 3, 1980, between the Corporation and Mr. L. K. Lytle, 92 Tamarack Street, Timmins, Ontario, whereunder the Corporation obtained an option to purchase the Property from Mr. Lytle. This option was exercised by the Corporation on November 12th, 1980 and upon the said exercise of the option, the Corporation received from the escrow agent recordable transfers in the name of the Corporation of the said claims comprising the Property.

Upon the exercise of the option, Mr. Lytle became entitled to the immediate payment of \$5,000 and royalties equal to 2% of the gross value of production of all ores and minerals produced, saved and marketed from the Property. Mr. Lytle, under this agreement, is also entitled to monthly payments of \$200 commencing September 1, 1980, as an advance against future royalties.

Title to the mining claims comprising the North Group is at present in good standing in the case of two of the claims until September 26, 1981 and until September 26, 1982 in the case of the remaining claim. Title to four of the mining claims comprising the South Group is in good standing until September 7, 1981 while title to the remaining two claims of the South Group is in good standing until November 16, 1981. In Ontario to keep unpatented mining claims in good standing, 20 days work must be performed and recorded in the first year after the mining claims are staked and

recorded. A further 40 days work in each of the second, third and fourth years and 60 days work in the fifth year is required on said claims after which the claims must be surveyed and brought to lease in order to maintain title.

Other Property Interests of the Corporation:

The Corporation also owns a 50% interest in a group of 74 unpatented mining claims (the "Tully Claims") in Tully Township in the Porcupine Mining Division, District of Sudbury, Ontario. This group of claims, bearing numbers P339239 to and including P339253, P452503 to and including P452508, P501051 to and including P501065, P501075, P501076, P501081 to and including P501092, P504762 to and including P504784 and P515807 are registered in the name of Mr. R. C. McMurphy, hereinbefore referred to and who owns the remaining 50% interest in the said claims.

A drilling programme undertaken by Western Mines Limited, a prior optionee of the Tully Claims, whose option has since lapsed, and an aero-electromagnetic survey performed by Questor Surveys Limited indicate the possible presence of base and precious minerals in the areas covered by the claims and further exploration work on these claims appears warranted in the future; however, monies raised hereunder will not be expended thereon without an amendment to this Prospectus being filed if the securities are then in the course of distribution to the public.

PRELIMINARY EXPENSES

The preliminary expenses related to the corporate reorganization of the Corporation preliminary to this issue are estimated at approximately \$3,000 and administrative expenses incurred since the last fiscal year end of the Corporation total approximately \$2,000. It is estimated that administrative expenses during the current fiscal year will total approximately \$12,000 and that exploration expenses will be at least \$35,000.

PLAN OF DISTRIBUTION

Underwritten Shares:

Under an agreement dated September 5, 1980 between the Corporation and Durham Securities Corporation Limited ("Durham"), Suite 610, 100 Adelaide Street West, Toronto, Ontario, M5H 1S3, Norwich Investments Limited ("Norwich"), Suite 805, 88 University Avenue, Toronto, Ontario, M5J 1T6, and Rosmar Corporation Limited ("Rosmar"), Suite 805, 100 Adelaide Street West, Toronto, Ontario, M5H 1S5, (collectively referred to as the "Underwriters"), the Corporation has agreed to sell and the Underwriters have agreed to purchase 600,000 common shares (the "underwritten shares") of the Corporation offered by this Prospectus for an aggregate consideration of \$150,000. The obligations of the Underwriters under the agreement may be terminated in their sole discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the underwritten shares if any of the underwritten shares are purchased under the agreement. Payment of the purchase price of the underwritten shares will be made by the Underwriters to the Corporation as to 6/15ths (\$60,000) within 30 days of the issuance by the Ontario Securities Commission of a receipt for this Prospectus (the "acceptance date"), as to 5/15ths (\$50,000) within 60 days of the acceptance date and as to the remaining 4/15ths (\$40,000) within 90 days of the acceptance date. The underwritten shares are being purchased by Durham as to 160,000 shares, Norwich as to 220,000 shares and Rosmar as to 220,000 shares.

The Corporation has agreed that until December 31, 1984, the Underwriters will have the first right of refusal to undertake future financing planned by the Corporation. The Corporation has also agreed to indemnify the Underwriters against liability for misrepresentations contained in this Prospectus and any amendments thereto except for information contained herein furnished by the Underwriters.

Secondary Offering:

In consideration of the Underwriters' agreement to purchase 600,000 underwritten shares, the Corporation has agreed to pay the Underwriters a commission of \$22,500 to be satisfied by the issuance to the Underwriters of 90,000 fully paid and non-assessable common shares (the "commission shares") of the Corporation following receipt by it of payment in full for the 600,000 underwritten shares. The commission shares will accrue to the Underwriters in proportion to the number of underwritten shares they purchase. The 90,000 commission shares together with an additional 80,000 common shares to be acquired by the Underwriters from Mr. John F. Daly (see "Principal and Selling Shareholders" on page 13), for a total of 170,000 common shares, will be offered for sale by the Underwriters over-the-counter, as described on the face page hereof, after all of the underwritten shares have been sold.

The Underwriters anticipate that they will offer the 170,000 shares under the secondary offering at prices ranging from 75¢ to 85¢ per share. Although there is no present intention to do so, the secondary shares may be offered at prices lower than those set forth above. If a material change occurs in the affairs of the Corporation that justifies an increase in the then current offering price for the secondary shares, an amendment to the Prospectus will be filed before implementation of such increase.

The underwritten and secondary shares may be sold to other registered dealers acting as principals for resale by them and the secondary shares may be offered for sale by registered dealers acting as agents on behalf of the selling shareholders and who will be paid commissions not exceeding 25% of the public offering price, and any such sales would be made within the price ranges set forth above.

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

Adjustment of Proceeds to the Corporation:

The Underwriters have agreed that if the sum of \$170,000 is less than 35% of the gross proceeds paid by the public for the shares comprising the new and secondary offerings, the Underwriters will pay to the Corporation an amount which, when added to \$170,000, will yield a sum equal to 35% of such gross proceeds. The "gross proceeds paid by the public" for shares of the Corporation means the net total amount paid by the public to the Underwriters for the purchase of common shares of the Corporation whether forming part of the new issue or shares forming part of the secondary offering offered under this Prospectus, up to and including the date the Underwriters complete the distribution.

SPECULATIVE NATURE OF THE SECURITIES

The Chester Township Property does not contain a known body of commercial ore and the funds to be received from the sale of the common shares offered by this Prospectus are to be used to explore the said Property. If the recommended exploration program is successful, further exploration and development work will be carried out from the funds provided by this offering to determine whether

or not an economic ore body exists. Additional funds will be required in excess of those to be provided by the present offering to bring such an ore body to commercial production and the only source of future funds presently available to the Corporation is through the sale of equity capital.

The Underwriters referred to under "Plan of Distribution" on page 5 hereof are not obligated to buy back common shares except to the extent that they may have oversold the offering. In the event of their repurchasing common shares, the buy-back price may be significantly lower than the original selling price. If overselling does occur, it will not exceed 10% of the number of common shares offered for sale by this Prospectus.

As indicated on the face page of this Prospectus, 50% of the monies paid by investors to purchase the underwritten shares will accrue to the Corporation and 50% will accrue to the Underwriters. The following table reflects the distribution of the proceeds received from the sale of the shares comprising the secondary offering assuming an average selling price of 80¢ per share:

	No. of Shares	%	Sale Proceeds Received	% of Sales Proceeds Received
Received by Underwriters	90,000	52.9	\$116,000	85.3
Received by Promoter	80,000	47.1	\$ 20,000	14.7

Note — The shares received by the promoter will be sold to the Underwriters at 25¢ per share.

Upon completion of this offering, and after deducting anticipated expenses of this issue, the net proceeds to the Corporation are estimated at approximately \$138,300 and the net tangible book value of the 1,743,334 common shares then outstanding would be approximately 9.5 cents per share. Purchasers of common shares will accordingly suffer an immediate dilution, the effect of which will depend upon whether an investor purchases underwritten shares at the offering price of 50¢ per share or shares under the secondary offering. The following tables summarize the information concerning dilution (excluding the exercise of Warrants), the second table assuming secondary offering price of 80¢ per share:

Purchase of Underwritten Shares

Public offering price per share	50¢
Tangible book value per share after offering	9.5¢
Dilution per share to investors	40.5¢

Purchase of Secondary Shares

Public offering price per share	80¢
Tangible book value per share after offering	9.5¢
Dilution per share to investors	70.5¢

USE OF PROCEEDS

The gross proceeds to the Corporation from the sale of the underwritten shares will be \$150,000. The Corporation will receive an additional \$20,500 through the subscription by

Mr. John F. Daly or 80,000 common shares at 25¢ per common share, and 500,000 Class A special shares at 1/10¢ per Class A share. Such net proceeds, along with the existing current assets of the Corporation of \$8,000, will form the working capital of the Corporation and will be used as follows:

Implementation of the first phase of the exploration programme recommended by Mr. R. C. McMurchy, Ph.D., P.Eng.	\$ 35,000
Exercise of option agreement on Chester Property	5,000
Advance royalty payments to Mr. L. T. Lytle	2,400
Cost of reorganization of Corporation and its estimated share of costs of this issue	15,000
Settlement of accounts payable	1,000
Administrative expenses during next 12 months	<u>18,000 (1)</u>
Future exploration and development activities of the Corporation	<u>94,100 (1)</u>
	<u>\$170,500</u>

(1) Provision has not been made for administrative expenses beyond the next 12 months for the possible expenditure of funds to carry out additional exploration and development work on the Property should results achieved from the first phase of the recommended exploration programme warrant it or for the carrying out of exploration and development work on other properties now held or hereafter acquired by the Corporation.

Additional work on the Corporation's Chester Township Property may be carried out depending upon the results achieved from the programme recommended by Mr. McMurchy and this work, to the extent possible, will be financed by the working capital of the Corporation.

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

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

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

CAPITALIZATION

Designation of Securities (1)	Authorized (1)	Outstanding as of June 30, 1980 (1)	Outstanding as of October 31, 1980 (1)	Outstanding on Completion of this Financing
Common shares without par value	5,000,000 (2)	2,920,002	973,334 (3)	1,743,334 (4)
			(\$1,311,699)	(\$1,481,699)
Class A special shares with a par value of 1/10 of 1¢ per share	2,000,000	0	0	500,000
	(\$2,000)	0	0	(\$500)

(1) By Articles of Amendment effective September 4, 1980, the Corporation changed the authorized common shares of the Corporation with a par value of 90¢ each into common shares without par value, decreased the authorized capital of the Corporation by consolidating the 2,920,002 issued common shares without par value of the Corporation on a 1 for 3 basis into 973,334 issued common shares without par value of the Corporation and increased the resultant authorized capital of the Corporation by creating an additional 1,946,668 common shares without par value of the Corporation and created 2,000,000 Class A special shares with a par value of 1/10th of 1¢ each of the Corporation.

(2) 500,000 common shares are reserved for exercise of warrants.

(3) The 973,334 figure given for the issued common shares of the Corporation is the number of issued common shares that would result from the aforesaid 1 for 3 share consolidation if all fractional share certificates issued upon the share consolidation are aggregated and converted into issued common shares of the Corporation.

(4) Gives effect to the issuance of 600,000 underwritten shares, 90,000 commission shares to the Underwriters, and 80,000 shares subscribed for by the promoter and subsequently sold to the Underwriters. All references to the foregoing are to common shares of the Corporation.

Reference is also made to "Description of Securities" on page 9 hereof.

DESCRIPTION OF SECURITIES

Common Shares:

Each of the common shares without par value of the Corporation carries one vote at all meetings of shareholders and is entitled to dividends as and when declared by the directors and is entitled upon liquidation to a pro rata share of the assets of the Corporation distributable to the holders of common shares, subject only to the prior right of holders of Class A special shares to receive an amount equal to the par value thereof. The common shares carry no conversion or pre-emptive rights. Upon completion of this issue, all issued and outstanding common shares will be fully paid and non-assessable. Under Articles of Amendment effective June 21, 1971, the Corporation is authorized to purchase its issued common shares.

Special Shares:

Pursuant to Articles of Amendment effective September 4, 1980 referred to under

"Capitalization" on page 9 hereof, the Corporation increased its authorized capital by the creation of 2,000,000 Class A special shares (the "special shares"). Each of the special shares has a par value of 1/10 of 1¢ per share and carries one vote at all meetings of shareholders but is not entitled to receive any dividends or to participate in the assets of the Corporation in the event of its dissolution other than to receive, in priority to the common shares, a sum equal to the par value thereof. The special shares, or any part thereof, are redeemable at their par value at any time at the option of the Corporation with the consent of the holders. All outstanding special shares are redeemable in any event within 5 years of their date of issue unless such redemption period is extended by the Ontario Securities Commission. Special shares are redeemable at an earlier date at par on the basis of one share to be redeemed for each common share of the Corporation purchased pursuant to the share purchase warrants referred to hereunder. The special shares are not transferable without the prior written consent of the Ontario Securities Commission. All of the presently issued special shares are fully paid and non-assessable.

Warrant :

The Corporation has authorized the issuance of up to 500,000 warrants entitling the holders thereof to purchase one common share of the Corporation for each warrant held. The Corporation will issue warrants entitling the promoter of the Corporation, Mr. John F. Daly, to purchase 500,000 common shares of the Corporation exercisable on the basis of one warrant for every four common shares sold by the Corporation to the public. The price at which said common shares may be purchased by the warrant holder will be equal to 125% of the maximum price per share received by the treasury of the Corporation incidental to the sale of its common shares to the public with respect to which the warrants are exercisable. Upon receipt by the Company of the sum of \$150,000 from the sale of the underwritten shares as contemplated herein, Mr. Daly will be entitled to exercise 150,000 of said warrants and thereby purchase 150,000 common shares of the Corporation at a price of 31.25 cents per share. No common shares so purchased by Mr. Daly will be offered to sale within a period of six months from the date of the issuance by the Ontario Securities Commission of a receipt for this Prospectus and thereafter without the written consent of the Underwriters if the shares offered by this Prospectus are then in the course of distribution to the public. The said warrants will be exercisable for a minimum period of five years from the date of their issuance and are further subject to the terms and conditions as prescribed by Amended O.S.C. Policy No. 3-02 of the Ontario Securities Commission. Warrants may not be transferred without the prior written consent of the Ontario Securities Commission. The warrants will contain anti-dilution provisions including, among other things, provisions for appropriate adjustments in the class, number and price of shares issuable pursuant to any exercise of the warrants upon the occurrence of certain events including any subdivision, consolidation or re-classification of common shares, the payment of stock dividends, and the consolidation or merger by the Corporation with or into another corporation or the sale, conveyance, lease or other transfer by the Corporation of all or substantially all of its assets.

MANAGEMENT

The names and residence addresses of the directors and officers of the Corporation and the positions currently held by them in the Corporation are as follows:

<u>Name and Position</u>	<u>Addresses</u>	<u>Principal Occupation in the Last 10 Years</u>
Werner William Amerongen Director	1421 West Roselawn Roseville, Minnesota, U.S.A. 55113	Medical Doctor

John Francis Daly Director/President	107 Wimbledon Road Islington, Ontario M9A 3S4	Mining Executive with Hanson Mineral Exploration Limited and Choiceland Iron Mines Limited
Clemens Joseph Bucher Director/Vice President	114 Garfield Road Toronto, Ontario M4T 1G1	Stockbroker with Greenshields Incorporated
John Francis Drohan Director	62 Wendover Road Toronto, Ontario M8X 2L3	Professional Engineer, Senior Vice-President Eastern Construction Co. Ltd.
James Arthur Garry Director Secretary/Treasurer	17 Brooke Avenue Toronto, Ontario M5M 2S5	Retired since 1978, prior to then an independent insurance agent

It is not anticipated that the directors or officers of the Corporation, with the exception of Mr. Daly, will devote more than 5% of their time to managing the affairs of the Corporation. They will, however, be available to carry out their duties and responsibilities as required. Mr. Daly will provide supervision and direction over all aspects of the Corporation's operations, including administration of the day to day business of the Corporation, supervision and guidance of the Corporation's exploration programme on its Chester and other properties, oversee the future acquisition of additional mining properties by the Corporation and similar activities. Mr. Clemens J. Bucher, a mining engineer, will render professional services to the Corporation respecting its exploration and development programme and will make available such portions of his time as may be required to this end from time to time.

CERTAIN PARTICULARS RELATING TO MANAGEMENT AND THE PROMOTER

The following particularizes the association of the undernamed with other junior mining exploration and development companies during the past ten years, the association extending from the indicated date.

Mr. John F. Daly has been an officer and director of Choiceland Iron Mines Ltd. since 1964, said company being the owner of certain mining claims in Saskatchewan which have not as yet been developed.

Mr. Clemens A. Bucher, B.A., B.Sc. (Mining) has been associated with Choiceland Iron Mines Ltd. since 1964 and has been a director thereof since 1965.

Messrs. James A. Garry, John F. Drohan and Werner A. Amerongen are not associated with any mining companies except for the Corporation.

REMUNERATION OF MANAGEMENT

Since December 31, 1979, the last fiscal year end of the Corporation, no aggregate direct remuneration has been paid or is payable to the directors and senior officers of the Corporation, other than for accrued director's fees of \$500. During the current financial year directors will be paid a fee of \$50 for each meeting of the board of directors or meeting of shareholders which they attend. A monthly fee not exceeding \$400 will be paid to Mr. John F. Daly based upon services provided to the Corporation consisting of head office accommodation, accounting, administrative and secretarial services. Mr. Daly, the President and a director of the Corporation, Mr. Clemens J. Bucher, a

director and Vice-President of the Corporation and Mr. James A. Garry, the Secretary and a director of the Corporation, will also be paid for time expended by them on the Corporation's behalf at competitive rate.

ISSUANCE OF SHARES IN SETTLEMENT OF INDEBTEDNESS

Following the issuance of a receipt for this Prospectus, the Corporation, pursuant to an agreement with Mr. John F. Daly, will be indebted to him in the amount of \$20,000 advanced by him by way of loan to the Corporation. This indebtedness will be satisfied by the issuance by the Corporation to Mr. Daly of 80,000 common shares issued at a price of 25¢ per share. By agreement between Mr. Daly and the Underwriters dated September 5, 1980, these shares will be purchased by the Underwriters from him at 25¢ per share following the acceptance for filing of this Prospectus by the Ontario Securities Commission. The 80,000 shares so acquired by the Underwriters will form part of the shares referred to under "Secondary Offering" on the face page of this Prospectus. The aforementioned sum of \$20,000 represents a payment allocation as follows: option exercise payment on the Chester Township Property, \$5,000; costs of the corporate reorganization of the Corporation and costs of this issue, \$15,000.

ESCROWED SHARES

There are no shares of the Corporation being held in escrow.

PROMOTER AND INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Mr. John F. Daly, the President and a director of the Corporation, is its promoter. By agreement dated September 5, 1980, Mr. Daly subscribed for and the Corporation agreed to issue to him a total of 500,000 special shares of the Corporation for an aggregate consideration of \$500. Pursuant to said agreement, the Corporation, subject to earlier redemption as hereinafter described, will redeem these special shares at par within 5 years of their date of issuance unless such redemption date is extended with the concurrence of the Ontario Securities Commission. The Corporation has agreed to make application to extend the redemption date if requested by a holder of special shares. Said special shares will be redeemed at an earlier date at par on the basis of one share to be redeemed for each common share of the Corporation purchased pursuant to the warrants referred to hereunder. Under said agreement, the Corporation also agreed to issue warrants to the promoter entitling him to purchase an aggregate of 500,000 common shares of the Corporation as permitted by the Ontario Securities Commission (see "Capitalization" at page 9 and "Warrants" at page 10). Any shares purchased pursuant to said warrants will not be offered for sale within period of six months from the date of the issuance by the Ontario Securities Commission of a receipt for this Prospectus and thereafter without the written consent of the Underwriters if the shares offered by this Prospectus are then in the course of distribution to the public. Such warrants will be exercisable on the basis of one warrant for every four common shares sold by the Corporation to the public and the price at which common shares may be purchased by the warrant holder will be equal to 125% of the maximum price per share received by the treasury of the Corporation incidental to the sale of its common shares to the public with respect to which the warrants are exercisable.

Mr. Daly will also be issued common shares of the Corporation as described in "Issuance of Shares in Settlement of Indebtedness" on page 12.

PRINCIPAL AND SELLING SHAREHOLDERS

Set out below are particulars, as at October 31, 1980, of the present principal holders of shares of the Corporation, whose ownership is direct, of record and beneficial.

Name and Address	Class of Security	No. of Shares Owned (1)	% of Class (1)	No. of Shares Owned After This Offering (2)	% Owned After This Offering (2)
John F. Daly	Common Shares	54022	5.6%	54022	3.1%
John F. Daly	Special Shares	0	—	500,000	100%

(1) Calculated before giving effect to the proposed offering of common shares referred to on the face page, and the issuance of additional common shares referred to under "Issuance of Shares in Settlement of Indebtedness" on page 12.

(2) Following receipt by the Corporation of the proceeds from the sale of the underwritten shares, Mr. John F. Daly will hold warrants entitling him to purchase an aggregate of 500,000 common shares of the Corporation. See "Promoter and Interest of Management and Others in Certain Transactions" on page 12.

The directors and senior officers of the Corporation, as a group, beneficially own 131,489 or 13.5% of the presently issued 973,334 common shares of the Corporation.

As disclosed in this Prospectus, 170,000 common shares will be offered hereunder by way of a secondary offering as follows:

Name and Address	No. of Common Shares to be Sold	No. of Common Shares to be Owned After This Financing	Percentage to be Owned After This Financing
Durham Securities Corporation Limited Suite 610, 100 Adelaide St. W. Toronto, Ontario	45,333	Nil	Nil
Norwich Investments Limited Suite 805, 8 University Ave. Toronto, Ontario	62,333	Nil	Nil
Rosmar Corporation Limited Suite 805, 100 Adelaide St. W. Toronto, Ontario	62,334	Nil	Nil

The following are the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of the Underwriters:

Durham Securities Corporation Limited:

David J. Foster
32 Forest Ridge Drive
Toronto, Ontario

Alex Pancer
110 Elise Terrace
Willowdale, Ontario

Norwich Investments Limited:

Estate of the late Kenneth R. Macklin
Apartment 121, 35 Ormskirk Avenue
Toronto, Ontario

June S. Brew
54 Brantwood Drive,
Scarborough, Ontario

Rosmar Corporation Limited:

Albert Allison
PH. 23, 400 Walmer Road
Toronto, Ontario

NOTE: The 170,000 common shares referred to above are composed of the 90,000 bonus shares issued by the Corporation to the Underwriters and the 80,000 shares to be purchased by them at 25¢ per share from Mr. John F. Daly.

DIVIDENDS

No dividends have been paid by the Corporation to its shareholders within the past five years.

AUDITORS, TRANSFER AGENT AND REGISTRAR

MacGillivray & Co., Chartered Accountants, Suite 2400, 390 Bay Street, Toronto, Ontario, M5H 2R6, is the Corporation's auditor.

Crown Trust Company, P.O. Box 38, First Canadian Place, Toronto, Ontario is the Transfer Agent and Registrar with respect to the Corporation's common shares.

The Corporation acts as its own transfer agent with respect to special shares and warrants.

MATERIAL CONTRACTS

Except for contracts entered into the ordinary course of business, the only contracts entered into by the Corporation within the two years prior to the date of this Prospectus are the following:

1. Property acquisition agreements between the Corporation and Mr. L. T. Lytle referred to under "Title to and Acquisition of the Property" on page 4.
2. Agreement between the Corporation and Rosmar Corporation Limited dated May 26, 1980, being a letter agreement precedent to and establishing certain of the terms of the underwriting.
3. Underwriting agreement between the Corporation and the Underwriters referred to under "Plan of Distribution" on page 5.
4. Agreement between the Corporation and Mr. John F. Daly respecting the issuance of common shares, special shares and warrants to Mr. Daly and referred to under "Issuance of Shares in Settlement of Indebtedness" on page 12 and under "Promoter and Interest of Management and Others in Certain Transactions" on page 12.

Copies of the foregoing agreements may be inspected at the head office of the Corporation during ordinary business hours during the distribution of the securities offered by this Prospectus and, after the issuance of a receipt for this Prospectus, in the public offices of the Ontario Securities Commission, 10 Wellesley Street East, Toronto, Ontario.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL, RESCISSION AND DAMAGES

Sections 70, 26 and 135 of The Securities Act, 1978, provide, in effect, that when a security is offered in the course of a distribution or a distribution to the public:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the dealer from whom the purchaser purchased the security not later than midnight on the second business day after the latest prospectus and any amendment to the prospectus offering such security is received or deemed to be received by the purchaser or his agent, and
- (b) if a prospectus together with any amendment to the prospectus contains a misrepresentation, a purchaser who purchases a security offered thereby during the period of distribution or distribution to the public shall be deemed to have relied on such misrepresentation if it was a misrepresentation at the time of purchase and, subject to the limitations set forth in the Act,
 - (a) (1) has a right of action for damages against,
 - (i) the issuer or a selling security holder on whose behalf the distribution is made,
 - (ii) each underwriter required to sign the certificate required by section 58 of the Act,
 - (iii) every director of the issuer at the time the prospectus or amendment was filed,
 - (iv) every person or company whose consent has been filed pursuant to a requirement of the regulations under the Act but only with respect to reports, opinions or statements made by them, and
 - (v) every other person or company who signed the prospectus or the amendment.but no action to enforce the right can be commenced by a purchaser more than the earlier of 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action or three years after the date of the transaction that gave rise to the cause of action, or
 - (2) where the purchaser purchased the security from a person or company referred to in (i) or (ii) above or from another underwriter of the securities, he may elect to exercise a right of rescission against such person, company or underwriter, in which case he shall have no right of action for damages against such person, company or underwriter, but no action to enforce this right can be commenced by a purchaser more than 180 days after the date of the transaction that gave rise to the cause of action.

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

AUDITORS' REPORT

To the Shareholders of
Hanson Mines Limited:

We have examined the balance sheet of Hanson Mines Limited as at December 31, 1979 and the statements of loss and deficit and changes in financial position for the year 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 year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario.
May 15, 1980.

MacGILLIVRAY & CO.
Chartered Accountants

COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

To the Directors of
Hanson Mines Limited:

We have prepared the accompanying unaudited interim financial information comprising the balance sheet as at June 30, 1980, and the statements of loss and deficit and changes in financial position for the six month period ended June 30, 1980, from the records of Hanson Mines Limited and from other information supplied to us by the company and have reviewed such interim financial information. Our review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

We have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which we have expressed an opinion were for the period ended December 31, 1979.

Toronto, Ontario.
September 1, 1980

MacGILLIVRAY & CO.
Chartered Accountants

HANSON MINES LIMITED
BALANCE SHEET

ASSETS

	June 30, 1980 (Unaudited)	December 31 1979	December 31 1978
Current:			
Bank	\$ 1,325	\$ 1,280	\$ —
Marketable securities (Note 2)	7,700	8,700	10,700
	9,025	9,980	10,700
Incorporation Expense, at cost	1,368	1,368	1,368
	\$ 10,393	\$ 11,348	\$ 12,068

LIABILITIES

Current:			
Bank indebtedness	\$ —	\$ —	\$ 190
Accounts payable and accrued liabilities	3,139	1,495	600
	3,139	1,495	790

SHAREHOLDERS' EQUITY

Capital Stock			
Authorized			
5,000,000 Shares with a par value of \$.90 each			
Issued			
2,920,000 Shares	2,628,000	2,628,000	2,628,000
Less: Discount on shares issued	1,316,303	1,316,303	1,316,303
	1,311,697	1,311,697	1,311,697
Deficit	(1,304,443)	(1,301,844)	1,300,419
	7,254	9,853	11,278
	\$ 10,393	\$ 11,348	\$ 12,068

Approved by the Board

(Signed) JOHN F. DALY, Director

(Signed) JAMES A. GARRY, Director

HANSON MINES LIMITED
STATEMENT OF CHANGES IN FINANCIAL POSITION

	June 30, 1980 (Unaudited)	December 31 1979	December 31 1978
Working Capital Applied To:			
Net loss for the year	<u>\$2,599</u>	<u>\$1,425</u>	<u>\$ 636</u>
Decrease in working capital	2,599	1,425	636
Working capital, beginning of year	<u>8,485</u>	<u>9,910</u>	<u>10,546</u>
Working capital, end of year	<u><u>\$5,886</u></u>	<u><u>\$8,485</u></u>	<u><u>\$9,910</u></u>

HANSON MINES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1979

Note 1: Significant Accounting Policies:

(a) **Marketable Securities**

Marketable securities are carried initially at cost but written down where appropriate to recognize a decline in value which is other than temporary.

(b) **Incorporation Expense**

Incorporation expense is stated at cost.

Note 2: Marketable Securities:

	Market Value		Book Value	
	1979	1978	1979	1978
Mining shares	\$2,550	\$ 3,240	\$1,700	\$ 2,700
Bonds	5,600	7,410	7,000	8,000
	<u>\$8,150</u>	<u>\$10,650</u>	<u>\$8,700</u>	<u>\$10,700</u>

Note 3: Income Taxes:

A December 31, 1979, the company has losses carried forward on a tax filing basis as follows:

(a) allowable capital losses available to reduce future taxable capital gains	<u>\$ 3,262</u>
(b) non-capital losses available to reduce future income for tax purposes until —	
1980	\$18,161
1981	5,877
1982	3,008
1983	586
1984	1,638
	<u>\$29,270</u>

Note 4: Statutory Information:

The aggregate direct remuneration paid or payable to directors and senior officers, as defined by the Ontario Business Corporations Act, amounted to nil in 1979.

HANSON MINES LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENTS JUNE 30, 1980

Note 1: Significant Accounting Policies:

a) Marketable Securities

Marketable Securities are carried initially at cost but written down where appropriate to recognize a decline in value which is other than temporary.

b) Exploration and Development Costs

Exploration and development costs relating to active properties are deferred and carried on the balance sheet as an asset. However it is the company's policy to write off these costs to deficit once development work has ceased or the claims have lapsed.

Note 2: Marketable Securities:

	Market Value		Book Value	
	June 30, 1980	December 31, 1979	June 30, 1980	December 31, 1979
Mining shares	\$1,190	\$2,550	\$ 700	\$1,700
Bonds	5,800	5,600	7,000	7,000
	<u>\$6,990</u>	<u>\$8,150</u>	<u>\$7,700</u>	<u>\$8,700</u>

Note 3: Mining Claims:

The company owns a one half interest in 74 mining claims in Tully Township, Ontario.

Note 4: Income Taxes:

At December 31, 1979, the company has losses carried forward on a tax filing basis as follows:

(a) allowable capital losses available to reduce future taxable capital gains	<u>\$ 3,262</u>
(b) non-capital losses available to reduce future income for tax purposes until —	
1980	\$18,161
1981	5,877
1982	3,008
1983	586
1984	1,638
	<u>\$29,270</u>

Note 5: Option on Mining Claims:

By agreements dated June 9, 1980 and August 28, 1980 the company obtained an option to

acquire a 100% interest in 9 mining claims in Chester Township, Porcupine Mining District in the Province of Ontario. The agreement requires an initial payment of \$5,000 and as further consideration, the company is required to pay a royalty of 2% on the gross value of future production. Advance payments on account of the above royalties are to be made at the rate of \$200 per month commencing September 1980. The company may terminate this agreement at any time. This agreement will not become valid until the company receives approval of its final prospectus by the Ontario Securities Commission.

Note 6: Articles of Amendment

Pursuant to Articles of Amendment effective September 4, 1980, the company changed its name from Hanson Mines Limited to Hanson Mineral Exploration Limited and also altered its authorized capital as follows:

- (a) All of the authorized but unissued common shares of the corporation previously having a par value of 90¢ are converted to common shares without par value.
- (b) The existing issued common shares of the corporation are consolidated and converted from 2,920,002 common shares with a par value of 90¢ each to 973,334 common shares with no par value.
- (c) The authorized common shares are increased to 5,000,000 common shares with no par value by the creation of 1,946,668 new common shares with no par value.
- (d) The authorized capital of the corporation is further increased by the creation of 2,000,000 Class A special shares with a par value of 1/10 of 1¢ each. These Class A shares are non participating, redeemable at par after 5 years of issuance, having voting rights of 1 vote for each share held, and have priority over the common shares of the corporation in the event of liquidation. The maximum number of these Class A shares issued at anytime shall not exceed 500,000.

Note 7: Issuance of Share Capital:

The company has entered into an agreement dated September 5, 1980 to issue 80,000 new common shares to the President of the company for a consideration of \$20,000. The company has further agreed to issue 500,000 Class A shares to the President at par value for cash consideration.

Note 8: Financing:

By an agreement dated May 26, 1980 between the company and underwriters, the underwriters agreed to subscribe for 600,000 common shares. The underwriters intend to sell the shares to the public at 50¢ per share and the proceeds to the company would be 25¢ per share less expenses. However the net amount to be received by the company will not be less than 35% of the gross proceeds of the new issue and secondary offering. The secondary offering will consist of 90,000 common shares issued by the company to the underwriters as a commission, plus 80,000 common shares to be granted to the underwriters by the Company's President.

The acceptance date of the agreement is the date on which the Ontario Securities Commission issues its final receipt for a prospectus of the Company.

Note 9: Warrants

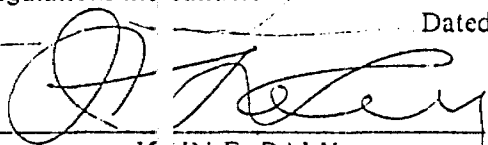
The company has agreed to issue to the President 500,000 warrants which will entitle the holder to acquire 500,000 common shares. If the warrants are exercised, the consideration for the purchase of each share will be 125% of maximum price per share received by the company from the underwriter. One warrant may be exercised for every four common shares issued for cash pursuant to the terms of the underwriting agreement and accordingly upon the completion of the above mentioned financing, the president will be entitled to exercise 125,000 of such warrants.

"Unaudited"

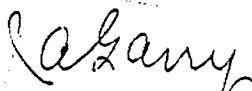
CERTIFICATES

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.

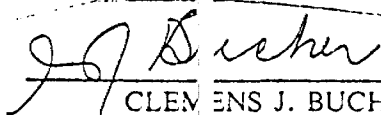
Dated: November 14, 1980



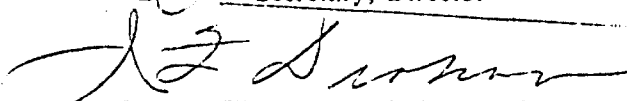
JOHN F. DALY
President, Director



JAMES A. GARRY
Secretary, Director



CLEMENS J. BUCHER
Vice-President, Director

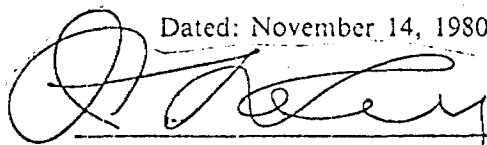


JOHN F. DROHAN
Director

PROMOTER

To the best of my 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.

Dated: November 14, 1980



JOHN F. DALY

UNDERWRITERS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XIV of The Securities Act, 1978 and the regulations thereunder.

Dated: November 14, 1980

DURHAM SECURITIES CORPORATION
LIMITED

By: D. J. Foster

NORWICH INVESTMENTS LIMITED

By: J. S. Brew

ROSMAR CORPORATION LIMITED

By: H. Bauman

NEVILLE TP. M.888

THE TOWNSHIP OF
OF
CHESTER

DISTRICT OF
SUDBURY

PORCUPINE
MINING DIVISION

SCALE: 1-INCH=40 CHAINS

DISPOSITION OF CROWN LANDS

- PATENT, SURFACE AND MINING RIGHTS ----- ●
- " , SURFACE RIGHTS ONLY ----- ○
- " , MINING RIGHTS ONLY ----- ◐
- LEASE, SURFACE AND MINING RIGHTS ----- ■
- " , SURFACE RIGHTS ONLY ----- □
- " , MINING RIGHTS ONLY ----- ◑
- LICENCE OF OCCUPATION ----- ▼
- ROADS -----
- IMPROVED ROADS -----
- KING'S HIGHWAYS -----
- RAILWAYS -----
- POWER LINES -----
- MARSH OR MUSKEG -----
- MINES -----
- CANCELLED -----

NOTES

400' Surface Rights Reservation along the shores of all lakes and rivers.

Flooding rights to 1200' contour reserved to Ont. Hydro ▼ 7543, Loc HY 34 file 10621

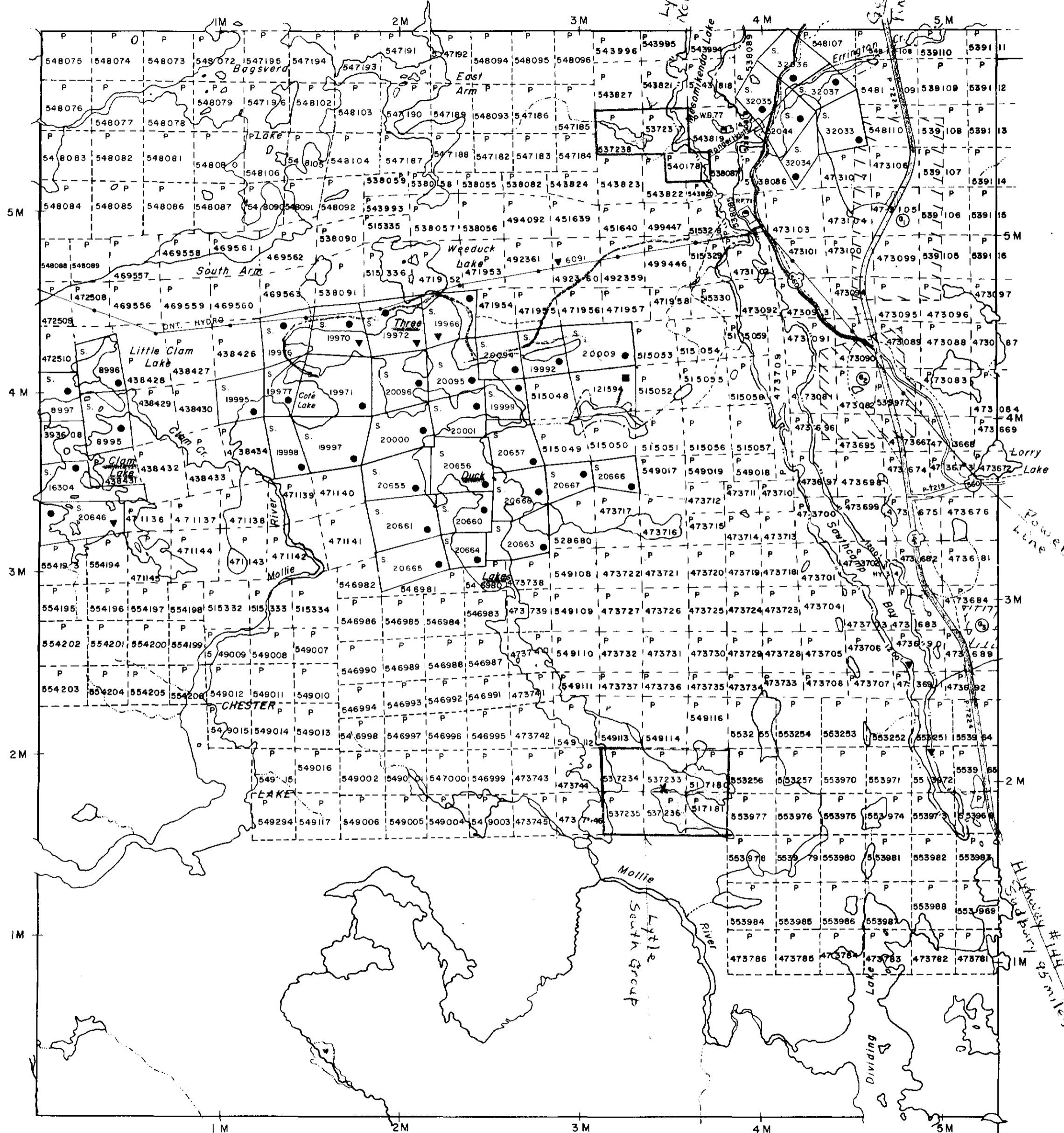
SAND & GRAVEL

- ① M.T.C. Pit No. 1349
- ② " Gravel Pit No. 1649
- ③ " " " No. 1385

DATE OF ISSUE
FEB 21 1980
**SURVEYS AND MAPPING
BRANCH**

YEO TP. M.1188

BENNEWEISS TP. M.658



INVERGARRY TP. M.948



41P125W0084 63.3909 CHESTER

PLAN NO.-M.717

ONTARIO
MINISTRY OF NATURAL RESOURCES
SURVEYS AND MAPPING BRANCH