



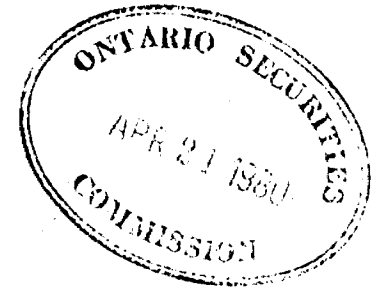
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NO SECURITIES COMMISSION OR OTHER SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

VEDRON LIMITED
(An Exploration and Development Company)
Suite 1105
347 Bay Street, Toronto, Ontario M5H 2R7



P R O S P E C T U S

400,000 common shares
(Without Par Value)

	<u>Firmly Underwritten</u>	<u>Price to Public</u>	<u>Underwriter's Discount</u>	<u>Proceeds to Company (1) (2)</u>
Per Share	-	\$1.00	10¢	90¢
Total	400,000	\$400,000	\$40,000	\$360,000

- (1) Before deducting the costs of this issue estimated at approximately \$25,000.
- (2) In addition to the Underwriter's Discount referred to above, the Company has agreed to allot and issue to the Underwriter without further payment 60,000 common shares as a bonus.

PLAN OF DISTRIBUTION

The Underwriter acting as principal will offer the underwritten shares over the counter in the Province of Ontario at the price set forth above. Sales of the underwritten shares may also be made through other registered dealers acting as principals or agents.

PURPOSE OF OFFERING

The purpose of this offering is to secure funds for the administrative expenses and exploration programs of the Company and particularly to provide funds for a drilling program to further define the zone on the property, bearing gold values, on which the Company holds an option.

SECONDARY OFFERING - 60,000 Common Shares

These shares represent the 60,000 bonus shares issued to the Underwriter referred to above. The proceeds from the sale of these shares will accrue to the Underwriter and not to the treasury of the Company. None of the aforementioned shares will be offered for sale until all of the 400,000 underwritten shares have been taken down, paid for and sold by the Underwriter.

THESE ARE SPECULATIVE SECURITIES. THERE IS NO MARKET FOR THE SHARES OFFERED HEREBY AND PURCHASERS MAY NOT BE ABLE TO RESELL THEM. Reference is made to the caption "Risk Factors".

U N D E R W R I T E R
MERIT INVESTMENT CORPORATION
Suite 400
155 University Avenue
Toronto - Ontario
M5H 3B7

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SUMMARY

An Underwriter has agreed to underwrite 400,000 treasury common shares @ \$1.00 per share. There is a secondary offering of 60,000 shares by the Underwriter, the proceeds of which will not go to the Company; these 60,000 shares will not be offered until after the sale of the underwritten shares.

The Company is the successor by amalgamation to several previous natural resource companies.

The primary asset of the Company is its option on the Fuller property near Timmins, Ontario. The option terms are noted later under "The Fuller Property". Previous work on the property indicates a zone, bearing gold values, at the 160 foot level of 535 tons per vertical foot, grading 0.15 ounces of gold per ton; the previous work also indicates that the ore-making conditions persist to at least the 500 foot level.

Proceeds of the underwriting will be used to drill the Fuller property to define the downward extension of the zone, bearing gold values, and for working capital for administration and option payment expenses, all as a basis for further action as to this property.

These are speculative securities. Please see under RISK FACTORS, page 9.

THE COMPANY

The full name of the company is Vedron Limited. Its head office is at Suite 1105, 347 Bay Street, Toronto M5H 2R7. It was formed, with the name Nordev Resources Limited, under the Ontario Business Corporations Act, by Articles of Amalgamation dated March 24, 1972, and amended by Articles of Amendment dated April 20, 1979. The amalgamating companies were Nordev Mines Limited, Impala Mines Limited and Silver Key Mines Limited. The 1979 Articles of Amendment changed the name to Vedron Limited, consolidated the common shares, three old for one new, cancelled previous special shares, and created the new special shares.

The company has been inactive for the past five years. Trading in its shares ceased. In late 1978 and in 1979, steps were taken to permit share trading and to reinstate and reorganize the company for the purpose of acquiring the Fuller property interest.

THE FULLER PROPERTY

The company has an option to purchase the Fuller property for \$100,000, plus, in the discretion of the seller, either \$50,000 or 50,000 common shares of the company. Option payments are due by June 30th each year starting June 30th, 1979 and are the greater of \$15,000 or a "formula amount", and continue until \$100,000 is paid. The June 30th, 1979 option payment has been made. The "formula amount" is four tenths of 1¢ multiplied by the price (in U.S. dollars) for an ounce of gold for each ton of ore mined from the property and milled. The price per ounce is the average on the London Metal Exchange during the four months ending on the April 30th preceding the relevant June 30th payment date. Ore mined and milled means ore extracted from the property, transported to a mill and concentrated during the year to the April 30th before the relevant June 30th payment date. Also, if any metal other than gold is in the ore, and if the company receives payment therefor, one tenth of the payment is included in the formula amount.

The optionors are the beneficiaries of the Estate of Archie Fuller. They are Frank N. Fuller, 5845 Jersey Avenue North, Minneapolis, Minnesota, U.S.A. 55428, Joan Steis, 119 South Fourth, P.O. Box 215, Monmouth, Illinois, U.S.A. 61462, Mary Van Slyke, 1317 College Avenue, Topeka, Kansas, U.S.A. 66604 and Frederick F. Fuller, 500 Woodbine, Lee's Summit, Missouri, U.S.A. 64063.

An option on the property was first acquired by LaPrairie Ltd. in November, 1977, (and confirmed one year later) to acquire the property for \$100,000. In June, 1979, the assignment of the option to the company was negotiated with the optionors and settled on the above mentioned terms.

The property is Claim No. P-13189, comprising 40 acres. It is the southwest quarter of the south half of Lot 7, First Concession, Tisdale Township, Sudbury District, Ontario. It is about midway between Timmins and South Porcupine and is reached by a short gravel road from the back road between Timmins and South Porcupine.

Adjoining the property on the east is the property of Tisdale Ankerite Mines Ltd.

The claim was originally owned by W.S. Edwards. In 1924, he optioned it to English interests. Edwards died and it was sold to A.S. Fuller. In 1940, Fuller optioned the property to F.J. Fisher, who, in turn, caused the property to be brought into production by Nakhodus Mining Company. Early in 1943, production ceased. The property reverted to Fuller. He later died leaving it to his children, the above mentioned optionors.

In 1924, the English interests sank an inclined shaft to about 240 feet and did about 1,000 feet of diamond drilling. At 210 feet down the shaft (160 feet vertical), a level was established, 2,100 feet of drifting and crosscutting was done, and raises and stopes established above this level.

Between May, 1940 and November, 1941, Nakhodus drilled 41 holes from the surface, for a total of about 10,900 feet. The last three of these were 811 feet, 672 feet and 598 feet, and were to check the vein extensions below the

stopped areas. From July, 1940 until operations ceased, 83 holes were drilled from underground to locate the vein, test the adjacent wallrocks and search for extensions down the dip.

The ore mined by Nakhodus was trucked to the Faymar mill in Deloro Township. It appears that a total of 44,028 tons of ore were milled for a recovery of 6.566 ounces of gold and 586 ounces of silver. Production ceased during World War II due to the shortage of equipment and manpower.

The previously reported range of potential ore reserves for the Fuller property is:

	<u>Tons</u>	<u>Grade</u>	<u>Contained Gold</u>
1. Projected from present stopes and ties in with drilling results	114,000	0.15	17,100 oz.
2. Potential calculated from 400 tons per vertical foot	173,300	0.15	25,995 oz.

In the summer of 1974, a surface hole was drilled on the Tisdale Ankerite property close to the east boundary of the Fuller property. The hole deviated badly to the west ending up almost entirely in the Fuller Claim. This hole returned several gold bearing intersections grading:

- at vertical depth of 450 feet assays were 0.34/9.0 ft. core length
- at vertical depth of 490 feet assays were 0.19/7.0 ft. core length
- at vertical depth of 530 feet assays were 0.21/11.0 ft. core length.

These intersections were cut at core angles of less than 35° and probably have true widths considerably less than core lengths.

A report on the property has been prepared by K.F. O'Flaherty, P.Eng., dated July 18, 1979, and may be examined at the office of the company and at the Ontario Securities Commission, 10 Wellesley Street East, Toronto. This report includes information on the geology of the Fuller property, the geological structure shared by the Fuller property and the Tisdale Ankerite property, a discussion of previous drilling results, of ore potential and of the ore zone.

The report recommends that seven holes be drilled on the Fuller property to confirm and further define the grade of the possible downward extension of the zone bearing gold values.

Management of the company believes the property is of sufficient merit to follow the recommendation and intends to do so, at an estimated cost of \$125,000 to \$150,000. This is an exploratory search for ore,

OTHER PROPERTIES

The company previously (in 1979) proposed acquiring an interest in a gold property in Keith Township, Sudbury District, Ontario; but this could not be completed. The company has an interest in Ketz River Mines Limited; this interest is subject to an agreement made in August, 1978 to return it to the vendor in return for the return by the vendor of the shares of the company received by the vendor and forgiveness of debt of \$6,460.

SHARE CAPITAL

Type of Security	Amount Authorized	Amount Outstanding August 31/79	Amount Outstanding as at March 31, 1980	Amount to be Outstanding if all Shares Offered are Sold
Common shares	5,000,000	550,342	592,467	1,052,467*
Special shares	1,000,000	500,000**	500,000	500,000

*Including the 60,000 bonus shares to the Underwriter but not including the common shares reserved for issue, noted below.

**Issued on March 30, 1979.

As at August 31, 1979, there was \$151,652 contributed surplus.

The special shares are "promoter" shares as referred to in Policy 3-02 of the Ontario Securities Commission. They are redeemable by the company, at the issue price, five years after they are issued (unless this is extended by the Commission).

Warrants have been created to accompany the special shares. Each warrant permits the holder of the special share to purchase one common share. The warrants and special shares may not be transferred without the consent of the Commission. The number of warrants that may be issued is governed by the Policy of the Commission. When a warrant is exercised, the underlying special share is redeemed.

When the original five year term for the special share has not been extended, and when the special share underlying the warrant is redeemed at the end of the five years, if the promoter has earned the right to purchase specific numbers of common shares at specific prices, but has not done so, these accrued rights may continue to be exercisable at any time during the five years from the redemption date of the underlying special share or so long as the company continues to hold the property, whichever is the shorter time.

Upon receipt by the company of the proceeds of the sale of the underwritten shares, the company will issue 100,000 warrants to the promoter to purchase common shares of the company at 92 1/2¢ per share.

In addition to the shares offered by this prospectus (including the 60,000 shares to be issued to the Underwriter), common shares are reserved for issue as follows:

	<u>Common Shares Reserved</u>
Reserve for management incentive options (see under Options to Purchase Common shares) @ 75¢ per share	80,000
Reserve for issue to LaPrairie Ltd. if the above mentioned warrants attached to special shares are exercised, @ 92 1/2¢ per share, maximum	100,000

Reserve for issue to the optionors of the Fuller property if the option to purchase is exercised 50,000

PRINCIPAL HOLDERS OF SECURITIES

The following are the principal holders of securities as at November 15th, 1979:

(a) <u>Name & Address</u>	<u>Class</u>	<u>Type of Ownership</u>	<u>Number</u>	<u>Percentage of Class</u>
New York Oils Ltd. 400 Three Calgary Place 355-4th Ave. S.W., Calgary, Alta.	common	Of record and beneficially	200,000	34%
Leon F. LaPrairie, PH.B, 700 Bay St., Toronto, and his wholly owned corporations, LaPrairie Ltd., Lapex Management Ltd., Suite 1105, 347 Bay Street, Toronto M5H 2R7.	common	Of record and beneficially	49,914	8.4%
LaPrairie Ltd. Suite 1105, 347 Bay St., Toronto M5H 2R7	special	Of record and beneficially	500,000	100%
Cenex Limited, Suite 1105, 347 Bay St., Toronto M5H 2R7	common	Of record and beneficially	69,805	12%

David W. Smith, 906 Riverdale Ave., Calgary, Alta. holds 22% of New York Oils Ltd.

(b) The directors and senior officers of the company as a group own 100% of the issued special shares and 15% of the issued common shares.

OPTIONS TO PURCHASE COMMON SHARES

80,000 common shares are reserved for options to three senior officers (other than Mr. LaPrairie). The options were granted for five years on March 30th, 1979, and are exercisable at 75¢ per share and so long as the holder is a director, officer or employee of the company. There was no

market for shares of the company when the options were granted, and at present, there is no market for the shares.

DIRECTORS AND OFFICERS

<u>Name and Residence Address</u>	<u>Position with the Company</u>	<u>Principal Occupation for the Past Ten Years</u>
Leon F. LaPrairie, P.Eng., Apt. PHB, 700 Bay Street, Toronto M5G 1Z6.	Director, President, and member of audit committee.	Professional Mining Engineer, active associated with the Corporation and its predecessor corporations, more recently with Rare Earth Resources Ltd. and Cenex Ltd.
John N. Botsford, 6 Red Oaks Crescent, Toronto M4G 1A5.	Director and member of audit committee.	Vice President - special projects - Kesmark Ltd.
Henry T. Hurley, 126 Colin Avenue, Toronto M5P 2C3.	Director, Treasurer and member of audit committee.	Mining Company Accountant with the company and its predecessors.
A.J. Paul LaPrairie, 86 Teddington Park, Toronto M4N 2C6.	Director	Business Executive, President of Perrin-Turner Ltd.
David W. Smith, 906 Riverdale Avenue, Calgary, Alberta.	Director	Business Executive, President New York Oils Limited of Calgary.
James W. Berry, Star Route No. 63, Box 67, Michigamme, Michigan, U.S.A. 49861	Director	Retired - previously actively associated with a predecessor corporation of the company.
William P.G. Allen, 66 Dawlish Avenue, Toronto M4N 1H1	Director, member of audit committee.	Solicitor, Lang, Michener, Cranston, Farquharson & Wright.
Kathleen M. Foley, 845 Parkland Avenue, Port Credit, Ontario L5H 3G9.	Secretary	Secretary.

The aggregate direct remuneration to directors and senior officers for the last fiscal year was \$15,848.00, and the estimated amount for the current fiscal year is \$12,000.

PROMOTER

The Company's promoter is LaPrairie Limited, wholly owned by Mr. Leon F. LaPrairie. He is a Professional Engineer. For the past ten years, he has been associated with a number of companies and projects, including Nordev Resources Ltd., Nordev Mines Ltd., Impala Mines Ltd., Silver Key Mines Ltd., New York Oils Ltd., Rare Earth Resources Ltd. and Cenex Ltd.

The promoter holds 500,000 special shares that carry warrants to purchase common shares. See above, under Share Capital.

USE OF PROCEEDS

The \$360,000 proceeds to the Company on the sale of the underwritten shares will be applied as follows:

To drill the Fuller property:	
Seven drill holes, 5,000 feet @ \$25	\$125,000
Contingencies	<u>25,000</u>
	\$150,000
Fuller property option payment due June, 1980	15,000
Estimated costs of the offering	25,000
Administration	15,000
Working Capital	<u>155,000</u>
	\$360,000

The funds allocated to working capital will be held for further exploration and development of the Fuller property, depending on the results of the initial drilling program. Excess funds not currently required for expenses will be invested with banks as term deposits. The audit committee of the Directors will supervise these investments. Any other use of excess funds, while these securities are in the course of distribution, will occur only after the filing and approval of an amendment to this prospectus. Any use of excess funds to acquire and explore other properties will be subject to shareholders' approval.

PLAN OF DISTRIBUTION - THE OFFERING

The Company entered into an agreement (the "Underwriting Agreement") dated March 26, 1980, with Merit Investment Corporation (the "Underwriter"), Suite 400, 155 University Avenue, Toronto, Ontario M5H 3B7 whereunder the Underwriter, acting solely on its own behalf, agreed to purchase the following shares of the Company, namely:

<u>Number of Shares Underwritten</u>	<u>Price Per Share</u>	<u>Net Proceeds to be Received by the Company</u>	<u>Offering Price of these Shares to the Public</u>
400,000	\$1.00	\$360,000	\$1.00

The obligations of the Underwriter under the Agreement may be terminated, at its discretion, up to five business days following the date of the Receipt by the Ontario Securities Commission for this prospectus, on the basis of the Underwriter's assessment of the state of the financial markets, and may also be terminated upon the occurrence of certain stated events. However, if the Underwriter does not exercise this right of termination, it is obligated to take up all of the underwritten shares and to pay for them on the tenth business day following the date of such Receipt.

The Company is not aware of any assignments, sub-options, or sub-underwritings with respect to the aforementioned underwritten shares. The Underwriter acting as principal will offer the underwritten shares over the counter in the Province of Ontario. The price of \$1.00 per share was established by negotiation between the Company and the Underwriter. Sales of the underwritten shares may also be made through other registered dealers acting as principals or agents. Registered dealers acting as principals may receive all or any part of the Underwriter's discount of 10¢ per share and registered dealers acting as agents may be paid commissions not exceeding 10¢ per share.

During the three years following the sale of the underwritten shares to the Underwriter, the Underwriter has the first right to act for the company in connection with company financings.

Secondary Offering - 60,000 Shares

Pursuant to the Underwriting Agreement, the Company will issue to the Underwriter without further payment 60,000 bonus shares. Such bonus shares constitute the shares of the Company owned by the Underwriter which form the Secondary Offering.

The Underwriter may offer the 60,000 shares for sale over the counter in the Province of Ontario. It is anticipated that the offering price of such shares will be higher than the underwriting price and will be based upon the prevailing price of bids for the Company's shares existing in the over the counter market at the time of the offering of the secondary shares.

None of the proceeds from the sale of the secondary shares will accrue to the Company. Sales of the secondary shares may also be made through other registered dealers acting as principals or agents. Registered dealers acting as principals may purchase such shares at such price as is negotiated with the Underwriter. Registered dealers acting as agents may be paid commissions not exceeding 25% of the selling price of the shares so sold. None of the aforementioned secondary shares will be offered for sale until all of the 400,000 underwritten shares have been taken down, paid for, and sold to the public.

With respect to all of the shares offered by this Prospectus, the Underwriter may be said to realize a profit before expenses in an amount equal to the amount by which the price paid for such shares is less than the price at which said shares are sold to the public. The only persons having an interest either directly or indirectly to the extent of not less than 5% of the capital of Merit Investment Corporation are Myron I. Gottlieb, J. Ronald Woods, Angelo P. Comi, Robert F. Rose, Gustav V. Celotti, Barry H. Kasman, H. Barry Kagan, Richard L. Fogler, and Robert A. Beder.

PRIOR SALES

During the last twelve months the following shares have been issued:

<u>Date Issued</u>	<u>To Whom Issued</u>	<u>Common Shares</u>	<u>Special Shares</u>
Mar. 30, 1979	LaPrairie Limited		500,000
June 27, 1979 Pursuant to March 30, 1979 Subscription	New York Oils Limited	200,000 @ 50¢	
Mar. 30, 1979 Pursuant to February 19 1979 Subscription	William J. Hay	2,000 @ 50¢	
Mar. 30, 1979 Pursuant to February 19 1979 Subscription	James W. Berry	2,000 @ 50¢	
Mar. 30, 1979 Pursuant to February 19 1979 Subscription	Samuel Medwid	3,000 @ 50¢	
Mar. 30, 1979 Pursuant to February 19 1979 Subscription	H.T. Hurley	9,420 @ 50¢	
Mar. 30, 1979 Pursuant to February 19 1979 Subscription	Cenex Limited	69,805 @ 50¢	
Nov. 15, 1979 Pursuant to February 19 1979 Subscription	LaPrairie Limited	36,125 @ 50¢	
Nov. 15, 1979 Pursuant to July 1979 Subscription	Byrnes & Hall Construction (1971) Limited	6,000 @ 75¢	

RISK FACTORS

1. There is no market through which the shares of the company may be sold. Purchasers may not be able to sell shares that they purchase under this prospectus.
2. While the reward to an investor in the exploration for mineral deposits can be substantial if an economic ore body is found, few properties that are explored lead to producing mines. If the program proposed by the company is not successful, a purchaser may lose his entire investment.
3. Each issued common and special share of the Company carries one vote. If all of the 460,000 common shares offered are sold, and if all the other common shares reserved for issue (see page 4) are issued, the 460,000 common shares will represent about 26% of the votes of all issued special and common shares (insiders will hold about 46% of all votes). The promoter, LaPrairie Ltd., (wholly owned by Leon F. LaPrairie) and Mr. LaPrairie hold about 51% of all of the votes attached to the presently issued common and special shares.

4. On February 29, 1980, there were 592,467 issued common shares and a working capital deficiency of \$56,415. After completion of the sale of the 460,000 shares offered by this prospectus, the working capital will be \$303,585 and there will be 1,052,467 issued common shares. Thus, shareholders purchasing underwritten shares will incur immediate dilution of 71.2¢ per share; and shareholders purchasing any of the secondary offering of 60,000 shares will incur dilution exceeding the minimum of such 71.2¢ per share by the amount by which the price paid for such share exceeds \$1.00 per share.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors are Cachia and Decker, Chartered Accountants, Suite 100, 8 King Street East, Toronto, Ontario.

The transfer agent and registrar is Canada Trust Company, 110 Yonge Street, Toronto.

MATERIAL CONTRACTS

The following may be inspected at the offices of the Company during office hours and while this offering is open:

1. Option to purchase the Fuller property, including assignment of interest in this option from LaPrairie Limited.
2. Agreement between the company and the promoter dated as at March 30, 1979, regarding the issue of the special shares with warrants.
3. Underwriting Agreement dated March 26, 1980.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Section 70, 126 and 135 of The Securities Act, 1978 (Ontario) provides, in effect, that when a security is offered in the course of a distribution or a distribution to the public:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the dealer from whom the purchaser purchased the security not later than midnight on the second business day after the latest prospectus and any amendment to the prospectus offering such security is received or deemed to be received by the purchaser or his agent, and
- (b) if a prospectus together with any amendment to the prospectus contains a misrepresentation, a purchaser who purchases a security offered thereby during the period of distribution or distribution to the public shall be deemed to have relied on such misrepresentation if it was a misrepresentation at the time of purchase and, subject to the limitations set forth in the Act,
 - (1) has a right of action for damages against,
 - (i) the issuer or a selling security holder on whose behalf the

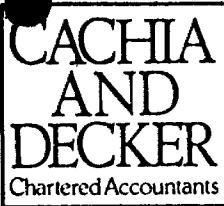
distribution is made,

- (ii) each underwriter required to sign the certificate required by Section 58 of the Act,
- (iii) every director of the issuer at the time the prospectus or amendment was filed,
- (iv) every person or company whose consent has been filed pursuant to requirement of the regulations under the Act but only with respect to reports, opinions or statements made by them, and
- (v) every 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 to 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 Directors of
Vedron Limited

We have examined the balance sheet of Vedron Limited as at August 31, 1979 and the statements of deficit, contributed surplus and changes in financial position for each of the two years then ended. Our examinations were 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 August 31, 1979 and the changes in its financial position for each of the two years then ended in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto.
November 15, 1979 (except for
Note 10 as to which the date is
March 26, 1980).

CHARTERED ACCOUNTANTS.

VEDRON LIMITED

BALANCE SHEET

	February 29, 1980 (Unaudited)	August 31, 1979
ASSETS		
CASH	\$ 5,188	\$ 26,075
INVESTMENTS (note 2)	6,004	9,114
OPTION ON MINING PROPERTY (note 3)	<u>15,000</u>	<u>15,000</u>
	<u>\$ 26,192</u>	<u>\$ 50,189</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 44,466	\$ 39,508
LOANS PAYABLE	<u>17,137</u>	<u>39,931</u>
	61,603	79,439
SHAREHOLDERS' DEFICIENCY		
CAPITAL STOCK (note 4)		
Authorized		
1,000,000 voting, redeemable, special shares of no par value		
5,000,000 common shares of no par value		
Issued		
500,000 special shares	50	50
592,467 common shares (1979 - 550,342 shares)	<u>1,581,740</u>	<u>1,559,176</u>
	1,581,790	1,559,226
CONTRIBUTED SURPLUS	151,652	151,652
DEFICIT	(<u>1,768,853</u>)	(<u>1,740,128</u>)
	(35,411)	(29,250)
	<u>\$ 26,192</u>	<u>\$ 50,189</u>

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

Approved by the Board:

Leon F. La Prairie
Leon F. La Prairie, Director

Henry T. Hurley
Henry T. Hurley, Director

VEDRON LIMITED

STATEMENT OF DEFICIT

	Six Months Ended February 29, February 28, 1980 1979 (Unaudited)		Year Ended August 31, 1979 1978	
BALANCE AT BEGINNING OF PERIOD	\$1,740,128	\$1,685,305	\$1,685,305	\$1,680,519
General and administrative expenses	28,725	10,608	54,823	4,786
BALANCE AT END OF PERIOD	\$1,768,853	\$1,695,913	\$1,740,128	\$1,685,305

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

STATEMENT OF CONTRIBUTED SURPLUS

	Six Months Ended February 29, February 28, 1980 1979 (Unaudited)		Year Ended August 31, 1979 1978	
BALANCE AT BEGINNING OF PERIOD	\$ 151,652	\$ 139,652	\$ 139,652	\$ 139,652
Donation of special convertible shares (note 4)	-	-	12,000	-
BALANCE AT END OF PERIOD	\$ 151,652	\$ 139,652	\$ 151,652	\$ 139,652

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

VEDRON LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Six Months Ended		Year Ended	
	February 29, 1980 (Unaudited)	February 28, 1979	August 31, 1979	1978
FUNDS WERE PROVIDED BY				
Issue of common shares	\$22,564	\$ -	\$143,112	\$ -
Deduct shares issued for reduction of debt	<u>22,564</u>	<u>-</u>	<u>43,112</u>	<u>-</u>
	-	-	100,000	-
Net proceeds on sale of investment	2,231	-	-	-
Issue of special shares	-	-	50	-
Donation of special convertible shares	-	-	12,000	-
Increase in accounts payable and accrued liabilities	9,458	-	14,030	3,973
Increase in loans payable and advances from directors	-	12,614	-	767
Decrease in cash	<u>20,887</u>	<u>-</u>	<u>-</u>	<u>46</u>
	<u>\$32,576</u>	<u>\$12,614</u>	<u>\$126,080</u>	<u>\$4,786</u>
FUNDS WERE APPLIED TO				
General and administrative expenses	\$28,725	\$10,608	\$ 54,823	\$4,786
Deduct loss on investment not affecting funds	<u>879</u>	<u>-</u>	<u>443</u>	<u>-</u>
	27,846	10,608	54,380	4,786
Purchase of investment	-	-	3,553	-
Option on mining property	-	-	15,000	-
Cancellation of special convertible shares	-	-	12,000	-
Increase in cash	-	6	26,074	-
Decrease in accounts payable and accrued liabilities	-	2,000	-	-
Decrease in loans payable and advances from directors	<u>4,730</u>	<u>-</u>	<u>15,073</u>	<u>-</u>
	<u>\$32,576</u>	<u>\$12,614</u>	<u>\$126,080</u>	<u>\$4,786</u>

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

VEDRON LIMITED

NOTES TO FINANCIAL STATEMENTS

(Information at February 29, 1980 and for the six months ended February 29, 1980 and February 28, 1979 is unaudited)

1. ACCOUNTING POLICY

INVESTMENTS

Investments are stated at the lower of cost and net realizable value.

2. INVESTMENTS

	February 29, <u>1980</u>	August 31, <u>1979</u>
Shares in non-consolidated subsidiaries:		
Pegmar Investments Limited	\$ 1	\$ 1
Ketza River Mines Limited	6,000	6,000
Shares in New York Oils Limited (market value - \$3,110)	-	3,110
Shares in other companies	<u>3</u>	<u>3</u>
	<u>\$ 6,004</u>	<u>\$ 9,114</u>

Pegmar Investments Limited, a wholly owned inactive subsidiary, has been excluded from consolidation in these financial statements because it has no assets, other than 202,500 escrowed shares in Monteagle Explorations Limited, and no liabilities. In the opinion of the directors, the shares in Monteagle Explorations Limited are worthless.

The Company owns 72.8% of the equity in Ketza River Mines Limited. This subsidiary has been excluded from consolidation in these financial statements because a formal plan exists to dispose of the investment.

3. OPTION ON MINING PROPERTY

Under an agreement dated June 1, 1979 the Company acquired an option to purchase a mining property in Tisdale Township, Sudbury District, Ontario, together with the patented mineral rights and surface rights thereon.

The agreement provides for the Company to make annual payments equal to the greater of \$15,000 or a "formula amount" until payments aggregating \$100,000 are made. At such time the optionors shall elect to receive \$50,000 or 50,000 common shares of the Company and title to the property shall pass to the Company.

VEDRON LIMITED

NOTES TO FINANCIAL STATEMENTS

(Information at February 29, 1980 and for the six months ended
February 29, 1980 and February 28, 1979 is unaudited)

4. CAPITAL STOCK

AUTHORIZED

Effective April 20, 1979, the Company amended its Articles to provide for the following changes in its authorized capital stock:

- a) The consolidation of 4,250,000 common shares into 1,416,667 common shares and the creation of an additional 3,583,333 common shares, all of no par value.
- b) The cancellation of 75,000 special convertible shares of no par value.
- c) The creation of 1,000,000 voting, redeemable, special shares of no par value which are not entitled to dividends and may be redeemed at the issue price.

ISSUED

During the year ended August 31, 1979, 792,352 issued common shares were consolidated into 264,117 issued common shares, 200,000 common shares were issued by a private placement for \$100,000 in cash, 86,225 common shares were issued to discharge debts amounting to \$43,112, 500,000 special shares were issued for \$50 reduction of debt and 50,050 special convertible shares were donated back to the Company and cancelled.

The special shares were issued in accordance with Policy No. 3-02 of the Ontario Securities Commission and carry warrants to subscribe for a maximum of one common share for each special share on the terms set out in that policy.

During the six months ended February 29, 1980, 42,125 common shares were issued to discharge debts amounting to \$22,564.

RESERVATIONS OF CAPITAL STOCK

The following is a summary of common shares reserved for issue in the future.

	Common Shares Reserved February 29, <u>1980</u>	August 31, <u>1979</u>	<u>Price Per Share</u>
Offer in proposed prospectus	400,000	-	\$1.00
Commission re shares to be sold under proposed prospectus	60,000	-	-
Debt conversion	-	42,125	.54
Management incentive options	80,000	80,000	.75
Optionors of mining property	50,000	50,000	-
Warrants attached to issued special shares	100,000	-	
	<u>690,000</u>	<u>172,125</u>	

Subject to Policy No.
3-02 of the Ontario
Securities Commission.

The management incentive options expire in March 1984.

VEDRON LIMITED

NOTES TO FINANCIAL STATEMENTS

(Information at February 29, 1980 and for the six months ended February 29, 1980 and February 28, 1979 is unaudited)

5. INCOME TAXES

The Company has \$28,000 of unclaimed exploration expenditure at August 31, 1979 which, under certain circumstances, may be utilized to reduce taxable income of future years.

The Company has losses for income tax purposes of \$125,511 at August 31, 1979 which may be carried forward to reduce taxable income of future years. These losses expire as follows:

1980	\$ 48,780
1981	15,564
1982	2,000
1983	4,787
1984	<u>54,380</u>
	<u>\$125,511</u>

6. CONTINGENT LIABILITIES

There is a possible claim, under an agreement dated June 24, 1974, by Stump Mines Limited to cause the Company to issue 66,667 common shares to Stump Mines Limited in consideration for six mining claims. If this claim were successful, the Company could claim the return of such shares under the "vendor share escrow" terms of the Ontario Securities Commission's policies.

There is a possible claim, under an agreement dated October 4, 1974, by Matt Berry Mines Limited to cause the Company to issue 65,592 common shares to Matt Berry Mines Limited and to assume the liabilities of Matt Berry Mines Limited at October 4, 1974, estimated by the directors to be \$13,000, in consideration for substantially all of the assets of Matt Berry Mines Limited at that date.

7. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration paid or payable to the directors and senior officers, as defined by The Ontario Business Corporations Act, was as follows:

Year Ended

August 31, 1978	\$ -
August 31, 1979	\$ 15,848

Six Months Ended

February 28, 1979	\$ 2,806
February 29, 1980	\$ 7,874

VEDRON LIMITED

NOTES TO FINANCIAL STATEMENTS

(Information at February 29, 1980 and for the six months ended February 29, 1980 and February 28, 1979 is unaudited)

8. ADVANCES TO DIRECTOR

During the year ended August 31, 1979, advances of \$11,500 were made to a director and were repaid in full.

9. CHANGE OF CORPORATE NAME

Effective April 20, 1979, the Company amended its Articles to change its name from Nordev Resources Limited.

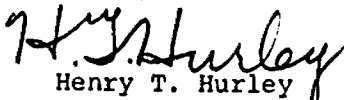
10. UNDERWRITING AGREEMENT


On March 26, 1980, the Company entered into an agreement providing for the sale to an underwriter of 400,000 common shares at a price of \$1.00 per share. The underwriter will be paid a commission of \$0.10 per share and 60,000 common shares. The net proceeds are estimated at \$335,000 after deducting expenses of issue including the commission payable to the underwriter.

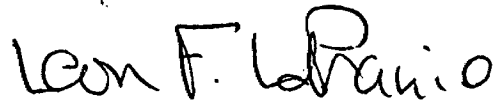
There are no other material facts.

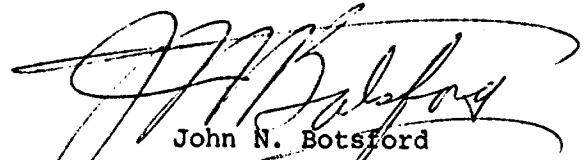
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XIV of The Securities Act, 1978, and the regulations thereunder.

DATED April 9th, 1980.


Henry T. Hurley
Director and Chief Financial
Officer

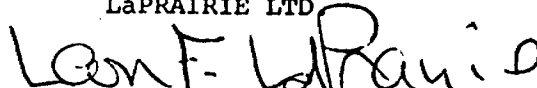

William P.G. Allen
Director


Leon F. LaPrairie
President


John N. Botsford
Director

PROMOTER

LaPRAIRIE LTD


per Leon F. LaPrairie

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 April 15th , 1980.

MERIT INVESTMENT CORPORATION

per Gus V. Celotti