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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.

CYMBAL EXPLORATIONS INC.
(incorporated under the laws of the Province of Ontario)



NEW ISSUE

**750,000 underwritten common shares
without par value**

	Price to Public	Underwriters' Commission (1)	Proceeds to the Corporation (2) (3)
Per Share	50¢	25¢	25¢
Total	\$375,000	\$187,500	\$187,500

- (1) In addition to the underwriting commission referred to above, the Corporation has agreed to pay to the Underwriters a commission of \$28,125 to be satisfied by the issuance to them of 112,500 common shares of the Corporation.
- (2) Before deducting expenses of this issue estimated at \$17,500 a proportionate part of which, of approximately \$5,000, 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 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".

SECONDARY OFFERING

300,000 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."

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 Company for its shares was arbitrarily determined by the Underwriters.

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

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", and subject to the approval of all legal matters on behalf of the Corporation and on our behalf by Messrs. Salter, Apple, Cousland & Kerbel.



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TABLE OF CONTENTS

	Page
Prospectus Summary	3
History and Business	5
Kenora District Property	5
Description	5
Location and Accessibility	5
History	5
Geologist's Report	5
Title	6
Acquisition	6
Preliminary Expenses	7
Plan of Distribution	7
Underwritten Shares	7
Secondary Offering	7
Adjustment of Proceeds to the Corporation	8
Speculative Nature of the Securities	8
Use of Proceeds	9
Capitalization	10
Description of Securities	10
Common Shares	10
Preference Shares	10
Warrants	10
Management	11
Remuneration of Management	12
Prior Sales of Shares	12
Issuance of Shares in Settlement of Indebtedness	12
Promoter and Interest of Management and Others in Certain Transactions ...	12
Principal and Selling Shareholders	13
Dividends	14
Auditors, Transfer Agent and Registrar	15
Material Contracts	15
Certain Particulars Relating to Management and the Promoter	15
Purchaser's Statutory Rights of Withdrawal, Rescission and Damages	17
Financial Statements	19
Auditor's Report	19
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 Company and its Mining Claims

Cymbal Explorations Inc. (the "Corporation") is a public company incorporated under the laws of the Province of Ontario. The Company has acquired 13 unpatented mining claims in the Kenora District of the Province of Ontario and plans to explore same for occurrences of gold bearing mineralization. The mining claims have been reported upon by Mr. Stanley V. Burr, Geologist, and a summary of his conclusions and recommendations for development work are set out under "Geologist's Report" on page 5. The projected development programme is estimated to cost about \$100,000.

Use of Proceeds

The net proceeds to be received by the Corporation from the underwriting of its shares, after providing for the costs of the issue, will be approximately \$175,000. A detailed breakdown as to the expenditure of these funds will be found under "Use of Proceeds" on page 9.

The Offering

As particularized on the cover of the Prospectus, 750,000 treasury shares of the Corporation are being underwritten at 25¢ per share to provide the Corporation with \$187,500. The secondary offering of 300,000 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.

Management

The directors and officers of the Corporation have been associated with a number of junior exploration companies over the years. Details in this regard are set forth under "Certain Particulars Relating to Management and the Promoter" on page 15. Mr. Charles W. Archibald, the President and promoter of the Corporation, has been a consulting engineer for a number of years. Mr. John C. Archibald, a director of the Corporation, has been a consulting geologist, self-employed, since 1973. The benefit of the professional experience and expertise of these gentlemen will be available to the board of directors to assist it in formalizing ongoing exploration and development programmes for the Company's properties.

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 8. While the rewards to an investor if an ore body is discovered can be substantial, few of the properties which are explored are ultimately developed into producing mines. If the Company'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 weigh this consideration as well as a lack of a market through which he may sell his shares. Purchasers of common shares will suffer an immediate dilution in their investment.

Issuance of Shares

After this offering, the Corporation will have issued 1,050,005 common shares which will be held by the public. Included in this figure are 100,000 shares allotted to Mr. John C. Archibald in connection with the Corporation's acquisition from him of its mining claims. These shares will be sold by him at 25¢ per share to the Underwriters. Mr. Charles W. Archibald holds 500,000 preference shares, each carrying one vote at meetings of shareholders, thus enabling him to control the Corporation. Advances of \$21,875 by Mr. Charles W. Archibald are being settled by the issuance to him of 87,500 common shares which he is selling to the Underwriters at his acquisition cost of 25¢ per share. See also "Warrants" on page 10 respecting share purchase warrants to be received by Mr. Charles W. Archibald and which will enable him to purchase common shares of the Corporation in the future. These matters are also described in greater detail under "Principal and Selling Shareholders" on page 13 and "Promoter and Interest of Management and Others in Certain Transactions" on page 12.

CYMBAL EXPLORATIONS INC.

PROSPECTUS

HISTORY AND BUSINESS

Cymbal Explorations Inc. (the "Corporation") was incorporated under The Business Corporations Act (Ontario) by Articles of Incorporation effective October 29, 1979. The Corporation's objects include exploring for, acquiring and developing mineral lands and the operation and mining thereof.

The head and principal offices of the Corporation are located at Suite 806, 88 University Avenue, Toronto, Ontario.

KENORA DISTRICT PROPERTY

Description

The Property comprises a group of 13 contiguous unpatented mining claims covering some 520 acres in the Kenora Mining District. The claims comprise numbers K.517622 to and including K.517628; K.517631 and K.537489 to and including K.537493. Over one-half of the Property is covered by the waters of Dogpaw and Flint Lakes.

Location and Accessibility

The Property is located at the south-east end of Dogpaw Lake, some 10 miles south-east of Sioux Narrows, which is about 60 miles south of Kenora. Access may be by boat from the dam at the outlet of Dogpaw Lake at the Whitefish Bay Indian Reserve some 5 miles to the west, or by float - or ski-plane from Sioux Narrows, Kenora or Dryden.

History

A Noranda Mines prospector made the first reported discovery in 1943. Noranda took no interest, so another prospector staked claims over the discovery and optioned them to Sylvanite Gold Mines Limited in 1944. Sylvanite trenched several showings, but found interesting gold assays only in what was called: "Sewell No. 2 Showing". They returned in 1945 and carried out more trenching. In 1961, Gateway Uranium Mines Limited put down three of four short holes under the main showing, and tested other areas of interest with a few holes which gave negative results. The ground was staked again by the vendor to the Corporation, John C. Archibald, and some sampling and geophysical testing undertaken.

Geologist's Report

The following is management's summary of the conclusions and recommendations of Mr. Stanley V. Burr, Geologist, contained in his report dated October 30, 1979, the full report being available for inspection in the public offices of the Ontario Securities Commission, 10 Wellesley Street East, Toronto, Ontario.

The only showing of interest on the Property, known as the No. 2 showing, varies in width from 8 to 21 feet and has been cross-trenched for a length of 600 feet. Assays from grab and channel samples as well as shallow diamond drill cores returned low values in gold mineralization in the range of 0.10 ounces per ton.

Although no concentration of gold of ore grade has been found to date, the shear structure is strong and should persist a considerable distance on strike and to depth. What is interesting about the Property are the widths of the mineralization, the potential on strike and at depth, and the fact that the

zone has an easily identifiable geophysical signature. Except for taking bulk samples, neither further trenching nor shallow drilling on this zone are warranted. A bolder effort is needed, such as an exhaustive programme to follow the zone under the overburden and lakes by whatever geophysical methods are best, look for other such zones, test the downward extension of the present zone, and the strike extensions and parallel zones, if found, by drilling.

The following development programme is recommended.

Detailed geophysical surveying on lines spaced 200 feet apart should be carried out on the Property. The magnetometer and VLF tests have proven effective, but for the lake and perhaps some of the more heavily overburdened land areas, the Crone "Pulse" method is recommended.

The extensions of the known zone to depth could be tested as the geophysical surveys are being conducted. Enough footage should be contracted to allow drilling from the ice if interesting targets are found.

In the coming Spring, some bulk sampling of the zone should be undertaken. Since free gold has been reported, the best means to establish grade, short of mill tests, is by taking large samples. This will involve a bulldozer to strip large enough areas. If such a machine can be acquired, other zones on land could be exposed if indicated by geophysics. A self potential survey over the land areas in the Spring would be useful, and inexpensive, in case some of the mineralization is not a good conductor.

It is estimated that the recommended programme will cost approximately \$100,000 made up as follows:

26 miles of line cutting and picketing	\$2,750	
26 miles magnetometer	3,000	
26 miles VLF	2,000	
Approximately 18 miles of Crone "Pulse"	15,000	
3,000 feet diamond drilling (about 6 holes 500 feet deep)	45,000	
Stripping with bulldozer, sampling	10,000	
Assaying	3,000	
Supervision, engineering, travel, equipment, etc.	7,000	87,750
Contingencies		<u>12,250</u>
	Total:	\$100,000

Title

Title to the mining claims is recorded in the name of the Corporation. Five of the claims were recorded on September 5, 1979 and eight on October 5, 1979. In Ontario, to keep unpatented mining claims in good standing, 20 days' work must be performed and recorded in the first year after same are recorded, 40 days' work in each of the second, third and fourth years and 60 days' work in the fifth year after which, to maintain title, the claims must be surveyed and brought to lease. There is neither surface nor underground plant or equipment.

Acquisition

The Corporation, pursuant to agreement dated October 31, 1979, agreed to acquire the claims from Mr. John C. Archibald, a director of the Corporation, in consideration of the payment to him of \$2,000 and the issuance to him of 100,000 common shares of the Corporation. No person or company has received or is entitled to receive more than 5% of the consideration accruing to Mr. Archibald whose cost of staking the claims was approximately \$1,000.

PRELIMINARY EXPENSES

The preliminary expenses related to incorporation and organization are approximately \$2,500. There have been no administrative expenses incurred to date. It is estimated that administrative expenses during the next twelve months will be about \$15,000, and that exploration and development expenses will be approximately \$100,000.

PLAN OF DISTRIBUTION

Underwritten Shares

Under an agreement dated October 31, 1979 between the Corporation and Durham Securities Corporation Limited ("Durham"), 100 Adelaide Street West, Toronto, Ontario, Norwich Investments Limited ("Norwich"), 88 University Avenue, Toronto, Ontario and Rosmar Corporation Limited ("Rosmar"), 100 Adelaide Street West, Toronto, Ontario (the "Underwriters"), the Corporation has agreed to sell and the Underwriters have agreed to purchase 750,000 common shares (the "underwritten shares") of the Corporation offered by this prospectus for an aggregate consideration of \$187,500. The obligations of the Underwriters under the agreement may be terminated at their 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 within 30 days of the issuance by the Ontario Securities Commission of a receipt for this Prospectus (the "acceptance date"), as to 5/15ths within 60 days of the acceptance and as to 4/15ths within 90 days of the acceptance date.

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 750,000 underwritten shares, the Corporation has agreed to pay the Underwriters a commission of \$28,125 to be satisfied by the issuance to the Underwriters of 112,500 fully paid and non-assessable common shares (the "commission shares") of the Corporation following receipt by it of payment in full for the 750,000 underwritten shares. The 112,500 commission shares together with an additional 187,500 common shares to be acquired by the Underwriters (see "Principal and Selling Shareholders") for a total of 300,000 common shares, will be offered for sale by the Underwriters over-the-counter as described on the facing page hereof after all of the underwritten shares have been sold. Although there is no present intention to do so, the secondary shares may be offered at prices lower than those set forth on the cover of this Prospectus. 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, a Prospectus amendment 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, or such 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.

Adjustment of Proceeds to the Corporation

The Underwriters have agreed that if the sum of \$209,375 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 \$209,375, 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 in the purchase of common shares of the Corporation offered under this prospectus, up to and including the date of the giving of notification by the Underwriters to the Ontario Securities Commission under Section 62 of The Securities Act, 1978.

SPECULATIVE NATURE OF THE SECURITIES

The Kenora District 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 same. If the recommended programme is successful, additional funds will be required in excess of those to be provided by the present offering for further exploration work to prove an economic ore body and to bring such ore body to production. 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" 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 cover 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	%	Sales Proceeds Received	% of Sales Proceeds Received
Received by Underwriters	112,500	37.5	\$193,125	80.5
Received by Vendor	100,000	33.3	25,000	10.4
Received by Promoter	87,500	29.2	21,875	9.1
	<u>300,000</u>		<u>\$240,000</u>	

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

Upon completion of this offering, and after deducting anticipated expenses, the net proceeds to the Corporation are estimated at approximately \$175,000 and the net tangible book value of the 1,050,005 common shares then outstanding would be 20.9¢ per share calculated on the basis of assigning a book value of \$27,000 to the Kenora district Properties (100,000 common shares issued and arbitrarily valued at 25¢ per share and \$2,000 cash). 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 a secondary offering price of 80¢ per share:

Purchase of Underwritten Shares	
Public offering price per share	50.0¢
Tangible book value per share after offering	20.9¢
Dilution per share to investors	29.1¢
Purchase of Secondary Shares	
Public offering price per share	80.0¢
Tangible book value per share after offering	20.9¢
Dilution per share to investors	59.1¢

USE OF PROCEEDS

The net proceeds to the Corporation from the sale of the underwritten shares will be \$187,500. The costs of this issue are estimated at \$17,500. The underwriters will pay their proportionate share thereof of approximately \$5,000. The Corporation will receive an additional \$21,875 through the subscription by C. W. Archibald for 87,500 common shares at 25¢ per share. Such net proceeds will form the working capital of the Corporation and will be used as follows:

Implementation of development programme recommended by Mr. Burr	\$ 100,000
Corporation's share of costs of issue	12,500
Settlement of accounts payable	4,500
Administrative expenses during next 12 months	15,000
General corporate purposes (1)	<u>77,375</u>
	<u>\$ 209,375</u>

(1) Future administrative expenses not provided for above and the possible expenditure of additional funds to carry out exploration and development work on the Property and the carrying out of exploration and development work on other properties referred to below.

Additional work on the Corporation's Kenora District property may be carried out depending upon the results achieved from the programme recommended by Mr. Burr.

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 as opportunities and finances permit, but 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 this 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 Sub-section 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

<u>Designation of Securities</u>	<u>Authorized</u>	<u>Outstanding as of October 31, 1979</u>	<u>Outstanding on Completion of this Financing</u>
Common shares	5,000,000	100,005 (\$25,005)	1,050,005 (1) (\$262,505)
without par value			
Preference shares	2,000,000	500,000	500,000
with a par value of 1/10th of 1¢ per share	(\$2,000)	(\$500)	(\$500)

- (1) Gives effect to the issuance of 750,000 underwritten shares, 112,500 commission shares to the Underwriters, 100,000 shares to the vendor of the Kenora District Property and 87,500 shares subscribed for by the promoter. All references to the foregoing are to common shares.
- (2) 187,500 common shares are reserved for exercise of warrants.

DESCRIPTION OF SECURITIES

Common Shares

Each of the common shares without par value carries one vote at all meetings of shareholders, 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 preference 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 its Articles of Incorporation, the Corporation may purchase its common shares.

Preference Shares

Each of the preference shares with a par value of 1/10th of 1¢ per share 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 preference 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 preference shares are redeemable in any event on November 30, 1984. Preference 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 preference shares are not transferable without the prior written consent of the Ontario Securities Commission. All of the presently issued preference shares are fully paid and non-assessable.

Warrants

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, upon receipt of the sum of \$187,500 from the sale of the underwritten shares, warrants entitling the promoter of the Corporation, to purchase 187,500 common shares of the Corporation at the price of 3 1/4¢ per share until November 30, 1984. No common shares so purchased will be offered for 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. Up to an additional 312,500 warrants will be issuable to the promoter on the basis of warrants being issued entitling him to

purchase one common share of the Corporation for every four additional common shares of the Corporation sold by it from its unissued common shares. The purchase price payable on the exercise of such additional warrants will be 125% of the purchase price paid to the Corporation's treasury and said warrants will be exercisable for a period of five years from the date of their respective issuance. 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 home addresses of the directors and officers of the Corporation and the position presently held by them in the Corporation are as follows:

<u>Name</u>	<u>Address</u>	<u>Position</u>
Charles William Archibald	418 Glencairn Avenue, Toronto, Ontario	President and director
Irwin Arthur Wallace	Apt. 508, 2500 Bathurst St., Toronto, Ontario	Vice-President and director
John Thomas Tokarsky	90 Peckham Avenue, Willowdale, Ontario	Secretary-Treasurer and director
John Charles Archibald	333 Melrose Avenue, Toronto, Ontario	Director
Thomas Richard Heale	431 Crosby Avenue, Richmond Hill, Ontario	Director

The principal occupation of the directors and officers during the past ten years is as follows:

- Mr. C. W. Archibaldconsulting mining engineer, self-employed.
- Mr. Wallaceself-employed notary public, insurance agent and real estate broker.
- Mr. Tokarskyaccountant and corporate secretary self-employed and controlling shareholder of Tokarsky Corporate Services Limited since September 1974, previously Tokarsky Corporate Services since November 1971, between October 1969 and September 1971 in the employ of Shlesinger Corporate Services Limited and prior thereto in the employ of Robert Brown Corporate Services Limited.
- Mr. John C. Archibaldconsulting geologist, self-employed since 1973 and prior thereto university student in geology.
- Mr. Healeconsulting geologist, self-employed. Retired since January 1975.

It is not anticipated that the Directors or Officers 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. C. W. Archibald and Mr. John C. Archibald will render professional services to the Corporation in the carrying out of its exploration and development programme and will make available such portions of their time as may be required to this end from time to time.

Reference is made to the caption "Certain Particulars Relating to Management and the Promoter" respecting certain background information relating to the parties described above.

Mr. C. W. Archibald has agreed with the Underwriters that, until December 31, 1984, he will vote all shares of the Corporation, the voting of which he controls or directs, to cause two nominees of the Underwriters to be elected as Directors of the Corporation. None of the present Directors are nominees of the Underwriters.

REMUNERATION OF MANAGEMENT

To date no aggregate direct remuneration has been paid or is payable to the directors and senior officers of the Corporation, other than for accrued directors' fees of \$1,000. During the current financial year directors will be paid a fee of \$100 for each meeting of the board of directors or meeting of shareholders which they attend. A monthly fee not exceeding \$350 will be paid to Tokarsky Corporate Services Limited based upon services provided to the Corporation consisting of head office accommodation, accounting, administrative and secretarial services. Messrs. C. W. Archibald and John C. Archibald (the vendor of the Kenora District Property) will be paid for time expended by them on the Corporation's behalf.

PRIOR SALES OF SHARES

Five shares of the Corporation have been issued and sold at \$1.00 per share.

ISSUANCE OF SHARES IN SETTLEMENT OF INDEBTEDNESS

Following the issuance of a receipt for this prospectus, the Corporation, pursuant to agreement with Mr. C. W. Archibald, will be indebted to him in the amount of \$21,875 advanced by him by way of loan to the Corporation. This indebtedness will be satisfied by the issuance by the Corporation to Mr. Archibald of 87,500 common shares issued at a price of 25¢ per share. By agreement between Mr. C. W. Archibald and the Underwriters dated October 31, 1979, 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 87,500 shares so acquired by the Underwriters will form part of the shares referred to under "Secondary Offering" on the facing page of this prospectus. The aforementioned sum of \$21,875 represents a payment allocation as follows: John C. Archibald - \$2,000; accounts payable - \$2,500; costs of issue - \$17,375.

PROMOTER AND INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Mr. C. W. Archibald, the president and a director of the Corporation, is its promoter. Mr. John C. Archibald, the vendor of the Kenora District Property, a director of the Corporation, is a son of Mr. C. W. Archibald. By agreement dated October 31, 1979, Mr. C. W. Archibald subscribed for and the

Corporation issued to him a total of 500,000 preference 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 preference shares at par on November 30, 1984 unless such redemption date is extended with the written concurrence of the Ontario Securities Commission. The Corporation has agreed to make application to extend the redemption date if requested by a holder of preference shares. Said preference 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 187,500 common shares of the Corporation (see "Warrants" and "Capitalization") at 31¼¢ per share exercisable on or before November 30, 1984, but any shares purchased pursuant to said warrants will not be offered for 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 Corporation also agreed with the promoter that, to the extent the Corporation hereafter receives funds from the sale of its common shares, exclusive of the common shares being purchased by the Underwriters from the Corporation, it would issue to him additional warrants to a maximum of 312,500 warrants entitling him to purchase, for a period of five years, common shares of the Corporation. Such warrants will be issued on the basis of one warrant for every four common shares sold by the Corporation and the price at which common shares may be purchased thereunder will be equal to 125% of the price received by the Corporation incidental to the sale of its common shares with respect to which such warrants are issued.

PRINCIPAL AND SELLING SHAREHOLDERS

Set out below are particulars, as at October 31, 1979, 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	% of Class	No. of Shares Owned After This Offering	% Owned After This Offering
John C. Archibald, 333 Melrose Ave. Toronto, Ontario	Common shares	100,000	100% (1)	nil	nil
Charles W. Archibald, 418 Glencairn Ave., Toronto, Ontario	Preference shares	500,000	100%	500,000	100%

- (1) Calculated before giving effect to the proposed offering of common shares referred to on the facing page, and the issuance of additional common shares referred to under "Issuance of Shares in Settlement of Indebtedness".
- (2) Following receipt by the Corporation of the proceeds from the sale of the underwritten shares, Mr. Archibald will hold warrants entitling him to purchase an aggregate of 187,500 common shares of the Corporation. See "Promoter and Interest of Management and Others in Certain Transactions".

As disclosed in this prospectus, 300,000 common shares will be offered hereunder by way of a secondary offering as follows:

<u>Name and Address</u>	<u>No. of Common Shares to be Sold</u>	<u>No. of Common Shares to be Owned After This Financing</u>	<u>Percentage to be Owned After This Financing</u>
Durham Securities Corporation Limited 100 Adelaide St. W., Toronto, Ontario.	100,000	Nil	Nil
Norwich Investments Limited 88 University Ave., Toronto, Ontario.	100,000	Nil	Nil
Rosmar Corporation Limited 100 Adelaide St. W., Toronto, Ontario.	100,000	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 LimitedKenneth R. Macklin, Apt. 121, 35 Ormskirk Avenue,
Toronto, Ontario
June S. Brew, 28 Century Dr.,
Scarborough, Ontario.

Rosmar Corporation LimitedAlbert Allison, PH. 23, 400 Walmer Rd., Toronto,
Ontario.

Note: The 300,000 common shares referred to above comprise 112,500 bonus shares issued by the Corporation to the Underwriters, 100,000 shares to be purchased by them from John C. Archibald at 25¢ per share, and 87,500 shares to be purchased by them from C. W. Archibald at 25¢ per share.

As of the date of this prospectus, the directors and senior officers own 100% of the Corporation's issued common shares, and 100% of its issued preference shares.

DIVIDENDS

No dividends have been paid to date by the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

William E. Griffin, Chartered Accountant, Suite 300, 111 Rainside Road, Don Mills, Ontario is the Corporation's auditor.

National Trust Company, Limited, 21 King Street East, 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 preference shares and warrants.

MATERIAL CONTRACTS

Except for contracts entered into in 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 agreement between the Corporation and John C. Archibald referred to under "Acquisition".
2. Underwriting agreement between the Corporation and the Underwriters referred to under "Plan of Distribution".
3. Agreement between the Corporation and Mr. C. W. Archibald respecting the issuance of common shares to him in settlement of monies owed to him by the Corporation and referred to under "Issuance of Shares in Settlement of Indebtedness".
4. Agreement between the Corporation and Mr. C. W. Archibald respecting his subscription for preference shares of the Corporation and the issuance to him of warrants referred to under "Promoter and Interest of Management and Others in Certain Transactions".

Copies of the foregoing contracts 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.

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. Except as otherwise indicated, none of the following companies has discovered an ore body or oil or gas well which has reached the stage of commercial production. The following table explains the meaning of the various symbols while the bracketed figures reflect the dates of association.

- A – Active Exploration Company;
- D – Dormant Exploration Company;
- CT – Subject to a Cease-Trading Order;
- CC – Corporate Charter Cancelled;
- I – Inactive Exploration Company;
- U – Status Unknown; and
- M – Amalgamated or merged with another corporation or corporations.

Mr. C. W. Archibald has been a promoter and a director of Nolan Lake Explorations Inc. from 18/6/1979 to date. This company received \$250,000 from the underwriting of its shares and to date \$8,500 has been expended in the field.

Mr. C. W. Archibald has been the technical director of the following companies:

Park Precious Metals Inc. (CC) (10/4/73 to 7/3/77); Glade Explorations Ltd. (CC) (7/7/72 to 27/7/77); Spirit Lake Explorations Ltd. (formerly Spirit Lake Mines Ltd.) (D) (17/3/66 to date); Canuc Mines Ltd. (D) (1/3/76 to 16/2/79); Jowsey Denton Gold Mines Ltd. (D) (18/12/71 to date); Invex Corporation Ltd. (D) (30/4/59 to date); Geolex Resources Ltd. (formerly Aspen Explorations Inc. and Vantage Mining Co. Inc.) (A) - drilling for oil and gas - (10/5/74 to date); Metina Developments Inc. (A) - field exploration and drilling - (29/6/78 to date); South Dufault Mines Ltd. (D) (5/8/77 to date).

Mr. Wallace is an officer and/or director of the following corporations: Belle Aire Resources Explorations Limited (A); Canada Costa Rica Mines Limited (D); Carday Uranium Mines Inc. (A); Consolidated Imperial Minerals Limited (A); Consolidated Tache Mines & Investments Ltd. (A); Fin Resources Inc. (A); First Canadian Gold Corporation Inc. (A); Gold Belle Mines Limited (I); Jamestown Explorations Inc. (A); Kintu Uranium Mines Ltd. (I); Lobo Mines & Explorations Limited (D); Magi Gold Mines Limited (I); Mill Creek Explorations Limited (A); Minaki Gold Mines Limited (D); Minedel Mines Limited (A); Natlama Mines Limited (A); Nautilus Explorations Limited (M); Newmex Gold Resources Inc. (A); Norlac Explorations Limited (D); Northumberland Mines Limited (A); Opawica Explorations Inc. (A); Pan-Ore Gold Mines Limited (I); Pelican Mines Limited (A); Petrobar Explorations Inc. (A); Proto Explorations Limited (A); Shilo Mines Limited (D); Streamside Mines Inc. (CT); Summit Gold Mines Inc. (I); Sumtra Diversified Inc. (A); Temple Explorations Inc. (A); Teckora Mines Limited (I); Thunderbolt Gas & Oil Explorations Inc. (A); Tri-Bridge Consolidated Gold Mines Limited (I); Ville Marie Explorations Limited (A); Vista Explorations Ltd. (A); Bonanza Red Lake Explorations Inc. (A); Mercier Explorations Limited (A); D'Eldona Gold Mines Ltd. (A); D'Eldona Developments Ltd. (A); Insulite Development Corporation Inc. (D); and Nolan Lake Explorations Inc. (A) (18/6/79 to date).

Mr. Wallace has been but is no longer a director and/or officer of the following companies: Aldona Mines Limited (A); Arcap Diversified Inc. (A); Ark Explorations Limited (A); Bolivian Gold Mines Limited (CC); Bombay Explorations Inc. (CT); Cavalier Energy Inc. (A); Dean Lake Mines Ltd. (CC); Erieshore Industries Inc. (A); Globe Exploration & Mining Company Limited (CC); Glenshire Mines Limited (M); Grand Valley Mining Company Limited (M); Hartland Mines Limited (I); Golden Sabre Mines Limited (M); Great Eagle Explorations & Holdings Limited (M); Huddersfield Uranium Mines Limited (M); Ideal Bay Explorations Limited (CC); Kayak Explorations Limited (M); Kerralda Mines Limited (A); Kopan Developments Limited (D); La France Explorations Limited (M); Mindeen Minerals Limited (U); Newore Developments Limited (CC); Newrich Explorations Limited (M); New Rouyn Explorations Limited (CC); Monpre Iron Mines Limited (A); New United Salt Mines Limited (CC); Norgold Mines Limited (U); Northolt Mining Corporations Limited (CC); Norseman Mines Limited (A); Pacesetter Mines Limited (M); Pensec Explorations Inc. (A); Prestige Mines Limited (M); Provincial Mining & Development Company Limited (CC); Sandhurst Mines Limited (M); Scintilore Mines Limited (D); Simil Explorations Inc. (M); Sloane Mining Company Limited (M); Staple Mining Company Limited (M); Steppingstone Explorations Limited (M); Summit Diversified Limited (M); Willow Lake Mines Limited (A); Marcana Resources Limited (A); Wolverine Developments Inc. (M); and Xtra Developments Inc. (M).

Mr. Tokarsky, during the past ten years, has been associated with approximately 57 mining and oil exploration companies as a director and/or officer. The records of 30 of these companies are not available to him and their present status is also unknown to him; nine of these companies have had their charters cancelled. There are cease-trading orders outstanding against five and five are still in

good standing. The corporations with which he is presently associated are as follows, the association extending from the indicated date to the present time:

Arcap Diversified Inc. (A) (27/6/74); Geolex Resources Ltd. (A) formerly Aspen Explorations Inc. (16/11/76); Beetz Explorations Ltd. (D) (28/3/77); Canada Costa Rica Mines Limited (D) (27/8/70); Consolidated Copper-Lode Developments Inc. (D) (15/4/77); Edgewood Explorations Inc. (formerly Crystal Comstock Mines Ltd.)** (D) (29/3/77); Emmis Holdings Ltd. (A) (6/11/72); Enertex Developments Inc. (A) (29/12/75); Goldsec Explorations Ltd. (A) (9/7/75); Insulite Development Corporation Inc. (formerly Goshawk Mines Ltd.) (D) (10/12/74); Hilltop Minerals Ltd. (D) (30/3/76); Joiner Mining Company Ltd. (CT) (6/7/67); Maverick Uranium Explorations Inc. (D) (22/10/76); Midpines Explorations Inc. (formerly Southport Mines Ltd. (A) (25/2/75); *Natalma Mines Ltd. (A) (15/2/72); Nevasco Mines Ltd. (D) (3/5/74 to 27/6/78); New Athona Mines Ltd. (D) (1/12/76); Quinte Iron Mines Ltd. (D) (5/11/69); Streamside Mines Inc. (CT) (17/6/74); Goldsmith Resources Ltd. (D) (12/6/74); Woodville Mines Ltd. (CT) (13/6/75); Hiview Gold Mines Ltd.** (D) (29/8/77); Jacomo Mines Ltd.** (D) (1/9/77); Ridgemar Explorations & Developments Co. Ltd.** (D) (26/9/75); Orelcock Explorations Ltd. (A) (28/8/77); Fairview Mining Inc.** (D) (4/1/78); Western Uranium Explorations Inc. (A) (10/4/78 to date); Bonanza Red Lake Explorations Inc. (A) (Since 8/1/79); Metina Developments Inc. (A) (Since 29/6/78); Opawica Explorations Inc. (A) (Since 3/1/79); Petroline Explorers Inc. (A) (Since 19/5/78); Sumtra Diversified Inc. (A) (Since 10/1/79); Coronation Gold Explorations Inc. (A) (22/2/79); Mercier Explorations Limited (A) (3/5/79); and Nolan Lake Explorations Inc. (A) (18/6/79 to date).

*Income from producing natural gas wells and natural gas plant.

**Amalgamated to form Jaridge Explorations Inc. (D) (1/3/78 to date).

Mr. J. C. Archibald has been an officer and/or director of Hilltop Minerals Ltd. (D) (30/3/76 to date), Grand Bay Explorations Ltd. (D) (26/11/75 to date) and Nolan Lake Explorations Inc. (A) (18/6/79 to date).

Mr. Heale has been a director and/or officer of the following companies:

Consolidated Copper-Lode Developments Inc. (formerly Copper-Lode Mines Ltd.) (D) (21/11/77 to date); Insulite Development Corporation Inc. (formerly Goshawk Mines Ltd.) (D) (7/4/77 to date); Maverick Uranium Explorations Inc. (formerly Kedar Mines Ltd.) (D) (2/15/78 to date); Bombay Explorations Inc. (U) (22/12/71 to 17/3/75); First Eastern Gold Development Inc. (U) (29/1/74 to 12/3/75); Kingdom Minerals Ltd. (U) (13/7/72 to 17/3/75); Surge Mines Ltd. (U) (19/4/72 to 12/3/75); Midpines Explorations Inc. (A) (25/5/78 to date); Metina Developments Inc. (A) (29/6/78 to date); Western Uranium Explorations Inc. (A) (27/9/79 to date); and Nolan Lake Explorations Inc. (A) (18/6/79 to date).

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL, RESCISSION AND DAMAGES

Sections 70, 126 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.

(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.

CYMBAL EXPLORATIONS INC.

(Incorporated under the laws of Ontario)

OPENING BALANCE SHEET

October 31, 1979 (Note 2)

ASSETS

Current Assets	
Cash	\$ 505
Mining Property (Note 3)	27,000
Organization expense	2,500
Total assets	<u>\$ 30,005</u>

LIABILITIES

Current Liabilities	
Accounts payable and accrued liabilities (Note 4)	\$ 4,500
Share Capital (Note 5)	
Authorized –	
2,000,000 preference shares, at a par value of 1/10¢ each (\$2,000)	
5,000,000 common shares without par value	
Issued –	
500,000 preference shares	\$ 500
100,005 common shares	25,005
Total liabilities and capital	<u>\$ 30,005</u>

Approved by the Board:

(Signed) C. W. Archibald, Director

(Signed) John T. Tokarsky, Director

AUDITOR'S REPORT

To the Directors of
Cymbal Explorations Inc.

I have examined the balance sheet of Cymbal Explorations Inc. as at October 31, 1979. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion the balance sheet together with the notes thereto, presents fairly the financial position of the company, as at October 31, 1979 in accordance with generally accepted accounting principles.

November 19, 1979
Don Mills, Ontario

(Signed) WILLIAM E. GRIFFIN
Chartered Accountant

CYMBAL EXPLORATIONS INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 1979

1. Accounting Policies

The accounting policies of the company are in accordance with generally accepted accounting principles and those considered to be particularly significant are set out below.

(a) Deferred Exploration

Exploration and development expenditures are deferred until such time as they are written off against production from the property to which they apply or until the claims are sold or otherwise disposed of.

2. Incorporation

On October 29, 1979 a Certificate of Incorporation was issued incorporating Cymbal Explorations Inc. under the Business Corporations Act 1970 as at that date and empowering it under its objects to explore for, develop and produce ore and minerals including oil and gas.

3. Mining Property

On October 31, 1979 the company acquired 13 unpatented mining claims in Kenora Mining District, Ontario, for a consideration of 100,000 common shares valued by the directors at 25 cents per share and a cash payment of \$2,000 for a total purchase price of

\$ 27,000

4. Accounts Payable

Accounts payable consists of the estimated organization expenses of \$2,500 and the cash portion owing re the purchase of the mining property \$2,000 for total accounts payable of

\$ 4,500

5. Share Capital

(a) The preference shares carry 1 vote per share and are preferred as to repayment of capital but do not participate in earnings. These shares are redeemable at par. The Company has the right to purchase its common shares.

(b) During the period from incorporation October 29, 1979, the Company issued or agreed to issue shares as follows:

Preference Shares

500,000 shares for cash \$ 500

Common Shares

5 shares for cash \$ 5

100,000 shares for Mining Property 25,000

100,005 \$ 25,005

- (c) The subscription agreement with the holder of the issued preference shares (the shareholder) provides that the 500,000 shares will be redeemed no later than November 30, 1984 unless an extension is granted by regulatory bodies.

The Company has authorized the issue of warrants to purchase 500,000 common shares. One preference share would be redeemed contemporaneously with the exercise of a common share warrant.

On completion of the financing referred to in Note 6 the Company will issue to the shareholder, warrants to purchase 187,500 common shares at 31¼ cents per share exercisable at any time until November 30, 1984.

To the extent that the Company receives funds from the sale of its common shares exclusive of those sold under the financing referred to in Note 6, the Company has agreed to issue to the shareholders additional warrants up to a maximum of 312,500 warrants on the basis of one warrant for every four common shares sold by the Company. The exercise price would be equal to 125% of the price received by the Company incidental to the sale of common shares with respect to which the warrants are issued.

- (d) A shareholder has subscribed for 87,500 common shares at 25 cents per share, which subscription has been accepted by the Company effective forthwith upon the acceptance for filing of the Company's prospectus by the Ontario Securities Commission.

6. Financing

By agreement dated October 31, 1979, three underwriters have firmly agreed to purchase a total of 750,000 common shares of the Company's capital at 25 cents per share (\$187,500) payable as to \$75,000, \$62,500 and \$50,000 within 30 days, 60 days and 90 days of the date of acceptance for filing of the Company's Prospectus by the Ontario Securities Commission.

Upon completion of the aforesaid underwriting, the Company has agreed to pay commissions totalling \$28,125 to the underwriters, to be satisfied by the issue of a total of 112,500 common shares.

Under the agreement if the sum of \$209,375 is less than 35% of the total amount paid by the public to the underwriters in the purchase of common shares offered under the Prospectus during the course of distribution thereof, the underwriters will pay to the Company an amount which when added to \$209,375 will yield a sum equal to 35% of the amount so paid by the public in the purchase of said common shares.

The underwriters have a right of first refusal on future financing to December 31, 1984.

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 19, 1979.

C. W. Archibald
Chief Executive Officer

John T. Tokarsky
Chief Financial Officer

I. A. Wallace
Director

John C. Archibald
Director

Promoter

C. W. Archibald

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 19, 1979.

DURHAM SECURITIES CORPORATION
LIMITED

By: D. J. Foster

NORWICH INVESTMENTS LIMITED

By: K. R. Macklin

ROSMAR CORPORATION LIMITED

By: H. Bauman