



52G15NW0025 52G/15NW-62-D SIXMILE LAKE

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# PROSPECTUS

## Canadex Mining Corporation Limited

(Incorporated under the laws of the Province of Ontario)

*Head Office:*  
Suite 1602,  
80 Richmond Street West,  
Toronto 1, Ontario

*Registrar and Transfer Agent:*  
The Sterling Trusts Corporation,  
372 Bay Street,  
Toronto, Ontario.

UNDERWRITER/OPTIONEE  
**Marstan Investments Limited**  
Suite 201,  
330 Bay Street,  
Toronto 1, Ontario.

### NEW ISSUE

No. of Shares Underwritten	No. of Shares Optioned	Price per Share	Net Amount to be received by the Company	Maximum Offering Price to Public
200,000		15¢	\$30,000	\$37,500
	200,000	20¢	\$40,000 if exercised	\$50,000
	200,000	25¢	\$50,000 if exercised	\$62,500
	200,000	30¢	\$60,000 if exercised	\$75,000
	200,000	35¢	\$70,000 if exercised	\$87,500

### SECONDARY OFFERING

55,000 free vendor shares, the proceeds from the sale of which will accrue to the selling shareholders Gordon G. Plaskett, Peter B. Hill and Leonard J. Cunningham as to 17,500 shares, 30,000 shares and 7,500 shares respectively. (See heading "Business and Property" and "Offering".)

50,000 treasury shares purchased by Messrs. Edward O. Dearden and L. K. Smith at 15¢ per share, the proceeds from the resale of which will accrue to the said vendors. (See heading "Business and Property" and "Offering".)

The Underwriter purchasing the unissued treasury shares offered hereby from the Company may be said to realize a gross profit in an amount equal to the difference, if any, between the price paid for such shares and the price at which such shares are sold to the public.

The underwritten and optioned shares of the Company offered hereby, together with such other shares of the Company which may be purchased by the Underwriter from time to time during the course of primary distribution, will be offered by the Underwriter to the public in the Province of Ontario through the medium of registered security dealers, where such dealers, acting as agents, will be paid commissions not exceeding 25% of the selling price of such shares.

The shares offered hereby will be offered at such prices as may from time to time be determined by the Underwriter, subject to the maximum offering price as set out above.

There is an over-the-counter market for shares of the Company. The closing sale price as at December 5th, 1969, was 25¢ per share.

### PURPOSE OF OFFERING

The Company intends to use the funds received from the underwritten shares for exploration and development of the Company's mining properties as recommended by its Mining Engineer, and more particularly set out under the heading "Business and Property" and "Use of Proceeds".

### THESE SECURITIES ARE SPECULATIVE

The date of this Prospectus is December 5th, 1969.

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.



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## NAME AND INCORPORATION PARTICULARS

The full name of the Company is Canadex Mining Corporation Limited (hereinafter sometimes referred to as the "Company") with head office at Suite 1602, 80 Richmond Street West, Toronto 1, Ontario. The Company was incorporated under the laws of the Province of Ontario by Letters Patent dated April 3rd, 1969.

## BUSINESS AND PROPERTY

The Company was incorporated to engage in the acquisition, exploration, development and operation of mines, mineral lands and deposits.

### Properties on which the Company has commenced or intends to commence Exploration Work

#### Sturgeon Lake Area

By Agreement dated October 22nd, 1969, as amended November 11th, 1969, the Company purchased from Edward Oswald Dearden, 11 Tallforest Crescent, Etobicoke, Ontario and Lorne Knauf Smith, 1374 Broadmoor Avenue, Port Credit, Ontario as to 50% each, 24 contiguous mining claims being Nos. 227251 to 227256 inclusive, 227230 to 227241 inclusive and 227243 to 227248 inclusive located between Sturgeon and Lyon Lakes, Patricia Mining Division, Province of Ontario, for the cash consideration of \$2,400.00 and an option to purchase all or any part of 50,000 shares of the capital stock of the Company at 15¢ per share. The Company has received notices of exercise of the aforesaid options with payments, which will be accepted by the Company for issuance of the 50,000 shares upon acceptance for filing of this prospectus by the Ontario Securities Commission. (See the heading "Offering".)

The claims are located 23 miles south south-west of Savant Lake on the C.N.R. and 48 miles north-east of Ignace on the C.P.R. Highway #599 passes 8 miles north-west of the claims. The property is accessible by boat from Highway #599 through Sturgeon Lake, part of the claims being water claims on Sturgeon Lake and by chartered bush aircraft.

The immediate area is the locale of an important discovery by Mattagami Lake Mines Limited of a zoned base metal sulphide body in acid volcanic rock sequence of Precambrian Age near a contact with more basic volcanics. The Company's property, 3½ miles east north-east of the discovery has within its bounds similar acid volcanics and must be considered worthy of thorough exploration.

Since the Mattagami discovery was made by the application of geophysics in a suitable geological environment it is therefore recommended that the entire property of the Company be covered by electromagnetic and magnetic surveys. These surveys will indicate whether or not further exploration by diamond drilling is warranted.

The estimated cost of the above exploration is as follows:

Geophysical electromagnetic and magnetic surveys inclusive of line cutting. Approximately 29 line miles at \$285.00 per line mile .....	\$ 8,000.00
Diamond drilling, if warranted. Four holes suggested each 400 feet in depth with careful consideration of overburden conditions for a total of 1,600 feet at approximately \$7.50 per foot .....	12,000.00
	<hr/>
	\$20,000.00

The aforesaid is a summary of the recommendations and estimated costs as set out in the report of D. W. Sullivan, P.Eng., F.G.A.C., dated November 3rd, 1969 which report is available for inspection on the public file of the Ontario Securities Commission.

No work has been done on these properties by the Company. The Company intends to proceed with the aforesaid recommended exploration work.

No work has been done by previous owners to the knowledge of the Directors of the Company.

Messrs. Dearden and Smith estimate their costs of the claims at \$75.00 per claim.

The claims are in good standing until October 1970. The property is without a known body of commercial ore and the proposed programme is an exploratory search for ore.

#### Trill Township

By Agreement dated June 30th, 1969 between the Company and Stanley Grimsell of the Town of Worthington, Ontario the Company received an option to purchase eight mining claims situate in the Township of Trill, in the District of Sudbury, Province of Ontario, more particularly described as claims numbers 151801 to 3 inclusive and 156004 to 8 inclusive in consideration of the payment of \$500.00, which has been paid, and to conduct a geophysical programme on the claims by December 31st, 1970, such programme to be at the discretion of the Company. In order to exercise the option it will be necessary for the Company to incorporate a new company to acquire the claims on or before June 30th, 1971 and the Optionor will receive 30% of the allowable vendor consideration in the capital stock of the new company.

The claims form a block in Lots 11 and 12, Concessions II, III and IV, Trill Township, Sudbury Mining Division. From Worthington near Highway #17, west of Sudbury, north trending all weather roads through Drury and Trill Townships provide access to within one mile of the property. From this point a bush road passable by 4-wheel drive vehicles, runs north-westerly across the south claims to Cameron Lake.

**Previous Work**

1920-1925 Chromium Mining and Smelting completed a magnetometer survey over this area and sunk a small pit 15 feet deep on a gabbro outcrop on claim 15802.

1953-1954 Transnorthern Nickel and Copper Mines and Callinon Flin Flon Limited completed a magnetometer survey and carried out drilling on a group of claims which included those held by Canadex. Three holes were drilled on what is now claim 208123 in a north-easterly direction and intersected quartz diorite in all the holes and two showed sulphide mineralization.

A fourth hole 600 feet east of the property intersected another quartz diorite dyke.

Since 1954 the ground has been staked a number of times but there are no records of additional work having been done.

The Company completed a magnetometer survey of the claims and did some line cutting in September 1969 at a cost of \$1,724.50. The Company intends to proceed with the recommended exploration programme set out hereunder.

The following is a summary of the recommendations and estimated costs as set out in the report of G. E. Moody, B.Sc., P.Eng., dated November 7th, 1969, which report is available for inspection on the public file of the Ontario Securities Commission:

Detailed E-M geophysical survey of selected parts of the property to test for possible sulphide concentrates associated with quartz diorite dykes. Any significant anomalies to be investigated by diamond drilling.

**Estimated Costs**

(a) Geophysical survey .....	\$ 4,000.00
(b) 2,000 feet drilling of any significant anomalies .....	12,000.00
(c) Supervision, engineering, assaying, contingencies, etc. ....	4,000.00
	<hr/>
	\$20,000.00

Six of the aforesaid claims being 151801 to 03 inclusive, 156004 and 156007 and 08 are in good standing until February 21st, 1970 and the remaining two claims until March 18th, 1970.

In June 1969 the Company staked five additional claims numbers 208120 to 4 inclusive adjacent to its aforesaid claims in Trill Township. These claims were staked for protection purposes, at a total cost of \$275.00.

The property is without a known body of commercial ore and the aforesaid programme is an exploratory search for ore.

There is no surface or underground plant and equipment on either the claims in the Sturgeon Lake Area or in Trill Township.

The following properties have been acquired by the Company, on which no work is to be undertaken at this time:

**Stikine River Area**

By Agreement dated July 29th, 1969 between the Company and George R. Kent, presently residing in the Country of Ethiopia in Africa, the Company acquired an option to purchase three groups of claims located in the Liard Mining Division, Stikine River Area, Province of British Columbia, more particularly described as follows: Group I — EWK 750813 to 750815 inclusive and EWK 750817 (four claims), Group II — LLK 750818 and 750819, LLK 750831 and 750832 (four claims), Group III — JAK 750820 to 750827 inclusive (eight claims).

The Company paid a cash consideration of \$6,000.00 being \$2,000.00 for each group of claims, and staking costs which amounted to \$3,000.00. The Company will have an option until December 30th, 1971 to incorporate a separate company to acquire each group of claims of which the Optionor will receive 25% of the maximum allowable vendor consideration of each company so incorporated, and the balance of such vendor consideration shall be controlled by Canadex. The Company will keep the claims in good standing during the option period.

The Company shall be reimbursed for staking costs and exploration and development work on the group of mining claims transferred to a new company by the allotment and issue of capital stock of such new company at 10¢ per share.

The claims are in good standing until July 1970.

The aforesaid agreement was entered into with Mr. Kent subsequent to a personal visit to the property by the Company's engineer and upon his recommendation.

The Company does not intend to undertake any work on these claims in the immediate future due to their inaccessible location at this time of the year.

**Kipawa Area**

The Company acquired for locational reasons a group of claims in the Kipawa Area, Province of Quebec, by staking at a cost of \$1,350.00, more particularly described as follows:

<u>License</u>	<u>Claims</u>	<u>Location</u>
296550	1 - 5 inclusive	Gendreau Township
296549	1 - 5 inclusive	Gendreau Township
296548	1 - 5 inclusive	Gendreau Township
296553	1, 2 and 4	Booth Township
298028	2 - 5 inclusive	Booth Township
296552	1 - 5 inclusive	Booth Township

The claims are in good standing until April 1970.

There are no current work plans for these claims, pending results of work being done on neighbouring properties.

**Original Property — Mont Laurier Area**

By Agreement dated April 14th, 1969 the Company acquired a group of 30 contiguous mining claims located in Montcalm County, Township 71, in the Mont Laurier Area, Province of Quebec, for 750,000 shares of the capital stock of the Company, 90% of which were placed in escrow subject to the terms herein set out under the heading "Escrowed Shares". The shares were issued to the following vendors as to the percentage indicated:

Gordon G. Plaskett, 5 King George's Road, Toronto 18, Ontario .....	50%
Peter B. Hill, 18 Oriole Gardens, Toronto 7, Ontario .....	40%
Leonard J. Cunningham, B.Sc., P.Eng., 1 McPhee Avenue, Kirkland Lake, Ontario .....	10%

The Company completed a scintillometer survey on the claims at a total cost of \$1,294.35. The results did not warrant proceeding with further work and on the recommendation of the Company's engineer the claims will be allowed to lapse.

**AUDITORS**

The Auditors of the Company are Halladay, Robinson & Co., 111 Jarvis Street, Toronto, Ontario.

Robert W. Adams & Company, Chartered Accountants, 55 York Street, Toronto, Ontario performed the audit for this Prospectus with the consent of the Company's auditors.

**REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

The Company is paying Sterling Engineering & Services, Suite 1602, 80 Richmond Street West, Toronto, Ontario (which is wholly-owned by the President, Mr. Gordon G. Plaskett) amounts not exceeding \$500.00 per month, commencing May 1st, 1969, in consideration for management and supervision of all the exploration activities of the Company. \$3,000.00 has been paid to October 31, 1969.

The Company is paying Mr. Gerald R. Hillsdon the sum of \$150.00 per month, commencing May 1st, 1969, in consideration of his services as Secretary of the Company. \$900.00 has been paid to October 31st, 1969.

L. J. Cunningham, B.Sc., P.Eng., is paid for his services as an engineer for the Company and in this respect has received \$1,725.00 to date for professional fees and expenses.

No Director or Senior Officer of the Company, except Mr. Gerald R. Hillsdon, has received any remuneration as such since incorporation of the Company and the Company does not propose, at the present time, to pay any remuneration either to Officers or Directors as such. However, Officers and Directors are entitled to be reimbursed with respect to out-of-pocket expenses incurred by them in the performance of their duties.

## PRELIMINARY EXPENSES

The expenses of incorporation and organization of the Company and the qualification of the original underwriting of 500,000 shares amounted to \$7,512.02, which has been paid.

Administrative expenses to date have amounted to \$3,853.76, which have been paid. It is estimated that such expenses during the remainder of the current financial year shall not exceed the sum of \$250.00 per month, which amount includes the \$150.00 to be paid to G. R. Hillsdon, the Company Secretary. \$12,060.78 have been expended on exploration and development and prospecting expenses to date. \$10,525.00 have been expended in connection with the property acquisitions hereinbefore referred to under the heading "Business and Property".

## MANAGEMENT

### Directors and Senior Officers

The names and addresses of the Directors and Senior Officers of the Company and the positions held by them during the past 5 years are as follows:

Name	Address	Position
Gordon George Plaskett,	5 King George's Road, Toronto 18, Ontario.	President and Director. Self-employed, Prospector and Mining Executive, Suite 1602, 80 Richmond Street West, Toronto, Ontario. Director of Santa Maria Mines Limited and Fairfax Mines Limited.
Gerald Richard Hillsdon,	30 Brenham Crescent, Willowdale, Ontario.	Secretary-Treasurer and Director. Chartered Accountant. From October 1st, 1968 to date, self-employed, Suite 1208-80 King Street West, Toronto, Ontario. From October 1st, 1965 to September 30th, 1968 a partner with Stone & Co., Chartered Accountants. From September 1964 to October 1st, 1965, Controller of General Publishing Company. Director of Monteaegle Minerals Limited, Kirkland Townsite Gold Mines Limited and other mining companies.
Leonard Joseph Cunningham, B.Sc., P.Eng.	1 McPhee Avenue, Kirkland Lake, Ontario.	Director. Mining Engineer, self-employed Consulting Engineer.
Harold Ernest Plaskett,	28 Babcock Road, Scarborough, Ontario.	Director. Manufacturers' Agent, self-employed and conducting business under the name of Kimberly Sales from his residential address.

## DESCRIPTION OF CAPITAL STOCK

The capital stock of the Company consists of one class of shares of the par value of \$1.00 each. All shares issued by the Company rank equally as to dividends. There are no indentures or agreements limiting the payment of dividends. All shares issued by the Company rank equally as to voting power, one vote for each share. At all special or general meetings of the Company two shareholders personally present constitute a quorum. The by-laws of the Company provide that at meetings of shareholders a resolution may be voted upon by a show of hands unless a poll is demanded by a shareholder. On a show of hands every shareholder present in person shall have one vote. On a poll every shareholder shall have one vote for each share held by him. In each case in the event of a tie vote, the Chairman has no second or deciding vote. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding capital stock is not subject to any call or assessment and the shares offered hereby, when issued and sold as described in this prospectus, will not be subject to any call or assessment. Certificates representing 675,000 issued shares of the Company are held in escrow as referred to under the heading "Escrowed Shares".

## CAPITALIZATION

Designation of Security	Number and Amount Authorized by Letters Patent	Number and Amount Outstanding as of October 31, 1969 (date of Balance Sheet contained in Prospectus)	Number and Amount Outstanding as of date of Prospectus	Number and Amount to be Outstanding if all Securities being offered are sold
Common Shares .....	5,000,000	1,250,005	1,250,005	2,300,005
\$1.00 par value .....	(\$5,000,000)	(\$150,005)	(\$150,005)	(\$407,505)

## SHARES SOLD FOR CASH

Since the incorporation of the Company a total of 500,005 shares have been sold for cash as follows:  
5 shares at \$1.00 per share, 500,000 shares at 15¢ per share for the total consideration of \$75,005.00.

## ESCROWED SHARES

The Sterling Trusts Corporation, 372 Bay Street, Toronto, Ontario holds in escrow a total of 675,000 shares of the capital stock of the Company subject to release, transfer, hypothecation and/or alienation within the escrow on the written consents of the Ontario Securities Commission and the Board of Directors of the Company, and such other regulatory bodies under whose jurisdiction the shares of the capital stock of the Company may be qualified for public sale from time to time.

Capital Stock	Number of Shares Held in Escrow	Percentage of Class based on the Total Issued Capital as at the date of this Prospectus.
Common Shares par value \$1.00 each .....	675,000 Shares	53.99%

## OFFERING

- (a) The Company has entered into an agreement dated October 27th, 1969 with Marstan Investments Limited (hereinafter referred to as the "Underwriter") whereby the Underwriter, on its own behalf, has agreed to purchase the following shares of the Company:

No. of Shares Underwritten	No. of Shares Optioned	Price per Share	Net Amount to be received by the Company	Maximum Offering Price to the Public
200,000		15¢	\$30,000.00	\$37,500
	200,000	20¢	40,000.00	\$50,000
	200,000	25¢	50,000.00	\$62,500
	200,000	30¢	60,000.00	\$75,000
	200,000	35¢	70,000.00	\$87,500

The purchase price of the underwritten shares in the amount of \$30,000 is payable subject to the terms of the said agreement and upon the day of receipt of advice from the Ontario Securities Commission in its usual form, that it has accepted for filing a prospectus by the Company reflecting the terms of the said agreement, hereinafter referred to as the "effective date".

The shares under option are payable as to 200,000 each within 3, 6, 9 and 12 months, respectively, from the said effective date.

The Company is not aware of any assignments or sub-underwritings with respect to the aforementioned underwritten and optioned shares.

Persons with more than 5% beneficial interest in the Underwriter are:

Marion E. Hawkins, 36 Shamokin Drive, Don Mills, Ontario.  
Frank L. Hawkins, 12 Deerford Road, Willowdale, Ontario.  
George and Allyson Kelly, 1718 Pickmere Park, Port Credit, Ontario.

The Underwriter is registered as an Underwriter under The Securities Act, 1966, of the Province of Ontario.

It is impracticable at this time to state the price to the public of the shares offered hereby. The shares will be offered at such prices as may from time to time be determined by the Underwriter subject to the maximum offering price as set out above and on the cover page hereof.

- (b) Reference is made to heading "Business and Property". 55,000 free vendor shares issued by the Company in part consideration for the Company's original property acquisition will be offered pursuant to this prospectus. These shares will be offered by the Vendors as follows:

Vendor	Number of Shares
Gordon G. Plaskett .....	17,500
Peter B. Hill .....	30,000
Leonard J. Cunningham .....	7,500
	55,000

None of the proceeds from the sale of these shares will benefit the treasury of the Company.

- (c) As partial consideration for claims in the Sturgeon Lake Area (see heading "Business and Property") each of E. O. Dearden and L. K. Smith have exercised their options to purchase 25,000 shares each at 15¢ per share to the treasury of the Company and these shares will be offered through registered security dealers at the prevailing market prices under this Prospectus. The proceeds of such resale will accrue to the selling shareholder.

#### USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the underwritten shares will amount to \$30,000.00, and will be used together with funds on hand in the amount of approximately \$42,000.00 to pay general operating expenses and to defer the costs of the proposed exploration programme referred to under the caption "Business and Property" estimated to cost up to \$40,000.00.

Further development expenditures will depend upon the results of the work done on the properties, the recommendations of the Company's engineer and funds in the Company's treasury.

Excess moneys will form part of the general working capital of the Company to be used for general operating expenses. While the Company has no immediate plans in this regard at the present time, moneys in its treasury, as available, may also be used to defer the cost of programmes of acquiring, staking, exploring and developing other properties, either alone or in concert with others, and to generally carry out explorational programmes as opportunity and finances may permit.

During primary distribution to the public of the shares offered hereby, no part of the proceeds is to be advanced in any way to other companies or individuals, except to the extent necessary to enable the Company to implement and complete the exploration and development programmes as set forth in this Prospectus, or is to be used to invest, underwrite or trade in securities other than securities in which insurance companies may invest under the provisions of The Canadian and British Insurance Companies Act, R.S.C. 1952, Chapt. 31, as amended, without prior approval by the shareholders and the filing of an Amendment to this Prospectus, but nothing in this Prospectus shall preclude the Company from acquiring shares in other companies through its participation in joint exploration programmes with such companies.

After completion of primary distribution of the shares offered by this prospectus and any amendments hereto, if the Company proposes to use the proceeds to acquire securities in which insurance companies may not invest, prior approval by the shareholders will have to be obtained, and disclosure will have to be made to the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus and any Amendment hereto.

#### PRIOR SALES

By Agreement dated April 14th, 1969, Eastcoast Investments Limited, Suite 1002, 110 Yonge Street, Toronto, Ontario purchased 500,000 shares of the capital stock of the Company at 15¢ per share for which the Company received \$75,000.00.

#### PROMOTERS

Gordon G. Plaskett, 5 King George's Road, Toronto 18, Ontario is Promoter of the Company. No shares have been issued or any remuneration paid to the Promoter for promotional services. Reference is made to the heading "Business and Property" for particulars of the property acquired by the Company from Messrs. Gordon G. Plaskett, Peter B. Hill and Leonard J. Cunningham.

#### INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

Messrs. Gordon G. Plaskett and Leonard J. Cunningham were two of the three Vendors who sold to the Company its 30 claims in the Mont Laurier area of the Province of Quebec by Agreement dated April 14th, 1969 and referred to under the heading "Business and Property".

#### PRINCIPAL HOLDERS OF SECURITIES

Set forth hereunder are particulars of the present principal holders of shares of the Company:

Name and Address	Class of Security	Type of Ownership	No. of Shares Owned	Percentage of Class based on the total issued capital as of November 11, 1969
Gordon G. Plaskett, 5 King George's Rd., Toronto 18, Ont.	Common Shares \$1.00 par value	Direct of record and beneficially	355,001	28.40%
Peter B. Hill, 18 Oriole Gardens, Toronto 7, Ont.	Common Shares \$1.00 par value	Direct of record and beneficially	300,000	24.00%
Eastcoast Investments Limited, Suite 1002, 110 Yonge Street, Toronto, Ontario.	Common Shares \$1.00 par value	Of Record only	278,000	22.25%



Save as herein set out, the Company has no knowledge of any voting trust or any agreement or restriction with respect to any of the shares referred to in this paragraph apart from the escrow provisions as disclosed under the heading "Escrowed Shares".

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

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares, par value \$1.00 each .....	34.40%

### **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION**

Sections 63 and 64 of The Securities Act, 1966, Ontario contain certain provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase:

- (a) While the purchaser is still the owner of the securities, if the prospectus and any amended prospectus, as of the date of receipt by the purchaser, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading, but only if action is commenced within 90 days from the last to occur of the receipt of the prospectus or amended prospectus or the contract of purchase; and
- (b) If the person or company from whom the securities were purchased is notified in writing or by telegraph of the purchaser's intent to rescind not later than midnight of the second day, exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the prospectus or amended prospectus. A prospectus or amended prospectus sent by prepaid mail is deemed conclusively to be received in the ordinary course of mail. The receipt thereof by a person or company acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser as of the date of the agent's receipt thereof; however, for the purpose of the foregoing, a person or company is not considered to be acting as agent of the purchaser unless the person or company is acting solely as an agent of the purchaser and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase and sale. This right of rescission is not available to a registrant or to a purchaser who sells or otherwise transfers beneficial ownership of the securities purchased before the expiration of the time within which rescission may be effected.

### **MATERIAL CONTRACTS**

The material contracts entered into by the Company to date, copies of which may be inspected at the head office of the Company during normal business hours while the shares offered hereunder are in the course of primary distribution, are as follows:

1. Agreement dated April 14th, 1969 between the Company as Purchaser and Gordon G. Plaskett, Peter B. Hill and Leonard J. Cunningham, as Vendors covering the acquisition of mining properties in the Mont Laurier area of the Province of Quebec for 750,000 shares of the capital stock of the Company. These claims have been allowed to lapse. (See "Business and Property").
2. Agreement dated April 14th, 1969 between the Company and Eastcoast Investments Limited covering the underwriting of 500,000 shares of the capital stock of the Company at 15¢ per share, which was exercised. (See "Prior Sales").
3. Agreement dated October 27th, 1969, between the Company and Marstan Investments Limited covering the underwriting of 200,000 shares of the capital stock of the Company at 15¢ per share and options on a further 800,000 shares, being 200,000 each at 20¢, 25¢, 30¢ and 35¢ per share. (See "Offering").
4. Agreement dated October 22nd, 1969, as amended November 11th, 1969, between the Company and Messrs. E. O. Dearden and L. K. Smith, covering 24 mining claims in the Sturgeon and Lyon Lakes region, Patricia Mining Division, Province of Ontario. (See "Business and Property" and "Offering").
5. Option Agreement dated June 30th, 1969 between the Company and Stanley Grimsell covering 8 claims in the Township of Trill, District of Sudbury. (See "Business and Property").
6. Option Agreement dated July 29th, 1969 between the Company and George R. Kent, Country of Ethiopia, Africa, covering three groups of claims aggregating 16 claims in Liard Mining Division of the Stikine River Area, Province of British Columbia. (See "Business and Property").

### **OTHER MATERIAL FACTS**

There are no other material facts.

**CANADEx MINING CORPORATION LIMITED**  
(Incorporated under the laws of the Province of Ontario)

**INTERIM BALANCE SHEET AS AT OCTOBER 31, 1969**

**ASSETS**

<b>Current Assets</b>	
Cash and bank deposit receipt .....	\$ 42,805.80
Travel advance .....	248.96
<b>Total Current Assets</b> .....	<b>\$ 43,054.76</b>
Mining Properties and Claims (Note 1) .....	85,525.00
Deferred exploration, development and other expenditures .....	20,257.94
Organization expense .....	2,010.00
	<b><u>\$ 150,847.70</u></b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>Current Liabilities</b>	
Accounts payable and accrued .....	\$ 842.70
<b>Shareholders' Equity</b>	
Capital Stock — par value \$1.00 each (Note 2)	
Authorized 5,000,000 shares	
Issued 1,250,005 shares .....	\$ 1,250,005.00
Less discount thereon .....	1,100,000.00
	<u>150,005.00</u>
	<b><u>\$ 150,847.70</u></b>

Approved on behalf of the Board

"G. G. PLASKETT", Director

"GERALD R. HILLSDON", Director

**AUDITORS' REPORT**

To the Directors,  
Canadex Mining Corporation Limited.

We have examined the interim balance sheet of Canadex Mining Corporation Limited as at October 31, 1969, and the interim statements of deferred exploration, development and other expenditures and source and application of funds from the date of incorporation on April 3, 1969 to October 31, 1969. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these interim financial statements present fairly the financial position of the company as at October 31, 1969, and the results of its operations and the source and application of its funds from the date of incorporation on April 3, 1969 to October 31, 1969, in accordance with generally accepted accounting principles.

Respectfully submitted,

**ROBERT W. ADAMS & COMPANY,**  
Chartered Accountants.

Toronto, Ontario,  
November 17, 1969

**CANADEx MINING CORPORATION LIMITED**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**As at October 31, 1969**

**1. Mining Properties and Claims**

**Montcalm 71 Township, Mont Laurier Area, Quebec**

30 unpatented claims acquired for 75,000 shares of capital stock and 675,000  
escrowed shares of capital stock valued by the directors at 10¢ per share (A) \$ 75,000.00

**Kipawa Area, Quebec**

27 unpatented claims acquired for cash ..... 1,350.00

**Trill Township, Ontario**

5 unpatented claims acquired for cash ..... 275.00

8 unpatented claims under option acquired for cash (B) ..... 500.00

**Stikine River Area, British Columbia**

16 unpatented claims under option acquired for cash (C) ..... 6,000.00

**Sturgeon Lake Area, Ontario**

24 unpatented mining claims acquired for cash ..... 2,400.00

\$ 85,525.00

(A) According to information furnished by Company officials the 30 unpatented claims will be allowed to lapse subsequent to date of this Balance Sheet.

(B) To fully exercise this option the Company must conduct a geophysical program on the claims on or before December 31, 1970 and issue to the optionor 30% of the maximum allowable vendor shares in the capital stock of a new company to be formed on or before June 30, 1971.

(C) The 16 unpatented claims are in three groups, with each group representing a separate option. To fully exercise each of these options a new company must be formed on or before December 30, 1971 with the optionor to receive 25% of the maximum allowable vendor shares in the capital stock of each new company so formed.

**2. Capital Stock**

Capital stock has been issued for the following consideration:

	<u>No. of Shares</u>	<u>Par Value</u>	<u>Discount</u>	<u>Net</u>
For cash .....	500,005	\$ 500,005.00	\$ 425,000.00	\$ 75,005.00
For mining claims .....	750,000	750,000.00	675,000.00	75,000.00
	<u>1,250,005</u>	<u>\$ 1,250,005.00</u>	<u>\$ 1,100,000.00</u>	<u>\$ 150,005.00</u>

The Company has granted to the vendors of the Sturgeon Lake mining claims an option to purchase all or any part of 50,000 shares in the capital stock of the Company at 15¢ per share on or before November 30, 1970.

On October 27, 1969, the Company entered into an underwriting agreement whereby the underwriter agreed to purchase 200,000 shares of capital stock at 15¢ per share. In consideration therefor, the underwriter received options to purchase an additional 800,000 shares of capital stock as follows:

- 200,000 shares at 20¢ per share on or before 3 months from the effective date;
- 200,000 shares at 25¢ per share on or before 6 months from the effective date;
- 200,000 shares at 30¢ per share on or before 9 months from the effective date, and
- 200,000 shares at 35¢ per share on or before 12 months from the effective date.

The effective date of the underwriting agreement is the date upon which the Ontario Securities Commission accepts for filing the Prospectus of the Company.

**CANADEx MINING CORPORATION LIMITED**  
**INTERIM STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT**  
**AND OTHER EXPENDITURES**

From the date of Incorporation on April 3, 1969 to October 31, 1969

<b>Exploration and Development</b>		
<b>General</b>		
Management .....	\$ 1,500.00	
Prospecting .....	1,298.30	
Assaying .....	86.50	
		\$ 2,884.80
<b>Mont Laurier</b>		
Engineering fees and expenses .....	\$ 318.05	
Scintillometer survey .....	1,294.35	
		1,612.40
<b>Kipawa</b>		
Travel .....		202.95
<b>Trill Township</b>		
Engineering fees and expenses .....	\$ 683.73	
Line cutting .....	1,224.50	
Magnetometer survey .....	500.00	
		2,408.23
<b>British Columbia</b>		
Engineering fees and expenses .....	\$ 3,703.06	
Travel .....	732.11	
		4,435.17
<b>Sturgeon Lake</b>		
Travel .....		517.23
		\$ 12,060.78
<b>Administration</b>		
Management .....	\$ 1,500.00	
Secretarial and accounting .....	900.00	
Shareholders' information .....	850.25	
Transfer agent's fees and expenses .....	640.42	
Telephone .....	95.50	
Office and general .....	417.84	
Legal .....	4,451.77	
Audit .....	400.00	
Licenses, fees and taxes .....	100.00	
		9,355.78
Expenditures for period .....		\$ 21,416.56
Deduct interest earned .....		1,158.62
		\$ 20,257.94

**INTERIM STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

From the date of Incorporation on April 3, 1969 to October 31, 1969

<b>Source of Funds</b>		
Issue of shares of capital stock .....		\$ 75,005.00
<b>Application of Funds</b>		
Exploration, development and other expenditures .....	\$ 20,257.94	
Acquisition of mining claims .....	10,525.00	
Organization expense .....	2,010.00	
		32,792.94
Working Capital at end of period .....		\$ 42,212.06
<b>Represented By:</b>		
Current Assets .....		\$ 43,054.76
Current Liabilities .....		842.70
		\$ 42,212.06

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 VII of The Securities Act, 1966, Province of Ontario and the regulations thereunder.

**GORDON G. PLASKETT**  
(Chief Executive Officer  
and Managing Director)

**GERALD R. HILLSDON**  
(Chief Financial Officer)

**L. J. CUNNINGHAM**  
(Director)

**HAROLD E. PLASKETT**  
(Director)

**PROMOTER**

**GORDON G. PLASKETT**

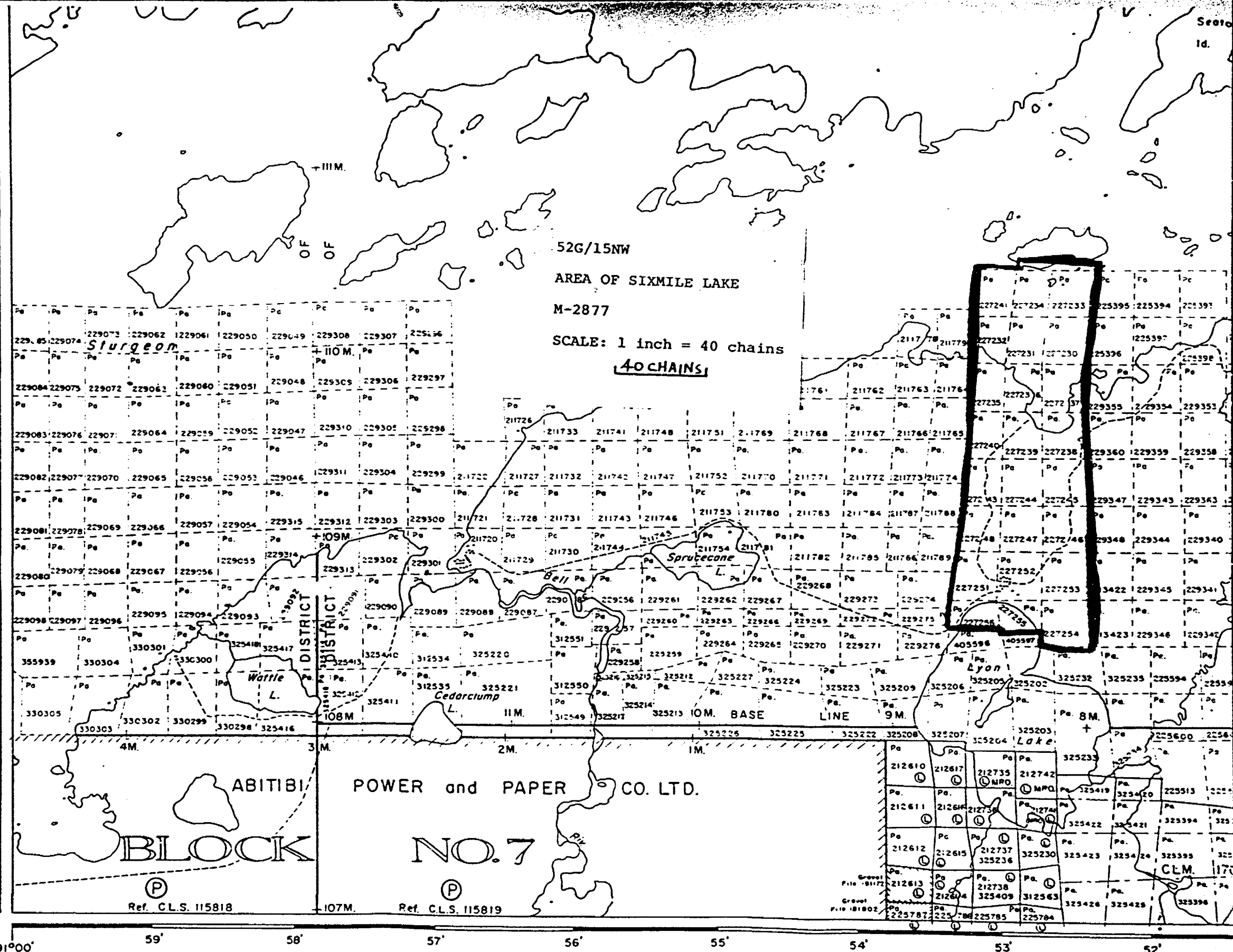
The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966, Province of Ontario, and the regulations thereunder.

**UNDERWRITER/OPTIONEE**  
**MARSTAN INVESTMENTS LIMITED**

Per: Marion E. Hawkins.

Dated this 5th day of December, 1969.

Penasi Lake M.22:



Bell Lake M.18  
ED