

W.A. NO. ....

**NAME**

*Mountain Chief*

**SUBJECT**

*PROSPECTUS*

*B2FNW177-05*  
**PROPERTY FILE**

**002440**

82F/14W

82F, NW-177

REPORT

on the

MOUNTAIN CHIEF PROPERTY

New Denver, B.C.

Slocan M.D.

September 30, 1971

## PROPERTY FILE

For:

NEW DENVER EXPLORATIONS LTD. (NPL)

1700 - 777 Hornby Street  
Vancouver, B.C.

By:

ALLEN GEOLOGICAL ENGINEERING LTD.

303 - 325 Howe Street  
Vancouver, B.C.

THE MOUNTAIN CHIEF PROPERTY

SLOCAN M.D.

INTRODUCTION

The Mountain Chief property was examined by the writer May 25th. 1970.

An examination was made of the adit tunnels, claim lines, and a check made of the posts.

The purpose of this examination was to investigate the conditions of the access road, the underground workings, and the located claims now in good standing, and to note any changes or deterioration since the property was examined by the writer in 1963.

Since my last examination, two core holes were drilled on the PET 11 - 12 claims. A packsack drill was used. These were directed into the steep hillside but no significant mineralization was encountered. Total footage was 133 feet, and this work was applied against assessment requirements for one year.

The access road requires little or no clearing or repair, the trails to the workings are in good condition, the adits are not caved or dangerous, and the stoped section is in fair condition.

The object of this report is to describe the property briefly and to detail a recommended exploration programme thereon.

## LOCATION AND ACCESSIBILITY

The property is located in southeastern British Columbia two miles east of New Denver, Slocan Mining Division.

The claims extend from Carpenter Creek, southerly across the old New Denver-Sandon road, and up the steep mountainside.

The workings are on the Mountain Chief Crown Grant mineral claim, Lot 474, a few hundred feet south of and above the road.

Excellent trails lead from the old Sandon road to the adit portals.

Access is via the old Sandon road from New Denver easterly up the south side of Carpenter Creek. From the bridge crossing Carpenter Creek on Highway #6 at New Denver, it is 1.5 miles to the trail which leads to the lowest tunnel about 200 feet south of the road.

## TOPOGRAPHY

The property is located on the east side of Slocan Lake in the ruggedly mountainous Selkirk Range. Carpenter Creek flows through a canyon-like valley into the lake, and the claims extend from creek level up the steep south side of this valley.

Small northerly flowing streams occupy narrow but deeply incised valleys. Although there is heavy second-growth of cedar, pine and fir, overburden appears to be light and there are numerous out-crops on the claims area.

### PROPERTY

The property is composed of the following claims:

Mountain Chief	L 474
Mammoth	L 1910
PET 1-4	INCL.
PET 9-14	" .

### HISTORY

High grade silver-lead-zinc was shipped from the property from 1892 to 1897.

The heavy zinc content precluded profitable operation during the ensuing years, and in 1926 leasers shipped concentrate after jigging the stope-fill.

No exploratory work has been done recently on the property.

## GEOLOGY

The area is underlain by the Slocan Group which is composed of slate, argillite, conglomerate, limestone and tuff.

Dykes and stocks of granitic rocks occurring throughout the strata are believed to have emanated from the Nelson batholith which outcrops 2 miles to the south. The sediments are contorted and fractured, but comprise the large structure known as the Slocan fold. The strike is north-westerly and the dip generally southwest.

The Mountain Chief ore zones are made up of sulphide replacements in a 2 foot band of limey argillite where intersected by the Mountain Chief and Apex quartz veins which are also mineralized.

The Apex vein was sampled by A.L. DeBriske in November 1966, and across 32 inches it assayed 9.7% zinc and 6.78 ounces of silver per ton.

The Mountain Chief vein is only two inches thick and it is composed of almost solid sphalerite galena with appreciable contained silver. Where the replacement ore occurred, a stope 300 feet by 30 feet by 4 feet was developed, and sorted material from same shipped to a smelter. From the bottom level a short winze was sunk on the mineralized zone. A 1-foot width, sampled near the collar

by B.C. Department of Mines in 1921 assayed, zinc 55.4% and silver 39.4 ounces per ton.

A.L. Debriske, in 1966, sampled remnants of the vein in the stope which assayed as follows:

Across 9 inches,      lead    0.30%  
                                 zinc    33.8%  
                                 silver 21.8 ounces/ton  
                                 gold    0.02    "    "

Across 24 inches      lead    0.40%  
                                 zinc    30.50%  
                                 Silver 43.30 ounces/ton  
                                 gold    0.02    "    "

Across 24 inches      lead    ----  
                                 zinc    33.2%  
                                 silver 16.58 ounces/ton  
                                 gold    0.03    "    "

The favourable zone plunges to the southwest at approximately 45 degrees on the stoped section. It has been stoped from near surface to the upper tunnel but not below that level.

The lower tunnel, 125 feet underneath, did not reach the downward projection of the mineralized zone.

## ADIT TUNNELS

Into the steeply sloping sidehill two tunnels have been driven in an easterly direction. The upper tunnel intersected the mineralized zone, but the lower tunnel was terminated about 150 feet from the indicated location of that zone.

The upper tunnel is directed a few degrees south of east, for 40 feet, looped to the south and back northeasterly to pick up the mineralized zone 200 feet farther in. It is continued for an additional 220 feet to the north and east on the Apex vein which may have been terminated by a series of fractures. This was the production level and the ore was mined from it to the surface, a slope distance of close to 300 feet.

The second tunnel is 125 feet lower in elevation, and also driven into the steep sidehill. It is directed southeasterly for 260 feet, and 35 feet from the face a crosscut is directed north for 40 feet. The ore zone was not intersected. If the zone is regular it would appear to be about 150 feet east of the present face.

Both tunnels are clear of debris and accessible for examination.



## DIAMOND DRILLING

Two diamond drill holes were drilled in order to prospect the ground on the strike of the mineralized zone to the south.

Pack sack equipment was used and the total footage was 133 feet. No silver-lead-zinc mineralization was penetrated, and it is apparent that deeper drilling will be required to outline the zone.

## SUMMARY AND CONCLUSIONS

The Mountain Chief property is located in the Slocan area of southeastern British Columbia. Prior to 1900, high grade silver-lead-zinc ore was mined and shipped from the property. The heavy zinc content of the ore, at the upper tunnel level, made the operation uneconomic in the early days. For this reason, although the lower tunnel had reached past the midway point to the ore zone, work was stopped and no ore was stoped below the upper tunnel level.

This type of ore presents no unsolvable problems in a modern concentrator, and should such material be mined, saleable concentrates could be produced.

It is concluded, therefore, that the downward extension of the mineralized zone should be investigated, and this is herewith recommended.

RECOMMENDATIONS

It is recommended that the following work be undertaken on the Mountain Chief property, forthwith:

Estimated Costs

1.

Extend the lower tunnel 200 feet, and crosscut where necessary to prospect the downward extension of the mineralized zone; an estimated 300 feet of lateral work, \$30,000.00

2.

Connect the lower and upper tunnels with a raise, and between the levels extend short drifts across the mineralized zone; about 180 feet of raise and 50 feet of crosscut 15,000.00

3.

Office overhead and supervision 5,000.00

4.

Contingencies 5,000.00

Total estimated costs \$55,000.00

Respectfully submitted,

ALLEN GEOLOGICAL ENGINEERING LTD.

*Alfred H. Allen*  
Per *Alfred H. Allen* P. Eng.

Vancouver, B.C.

September 30, 1971

REFERENCES

- Cairnes, C.E., Geol. Survey Canada Mem.173-1934  
Cairnes, C.E., Geol. Survey Canada Mem.184-1935  
Hedley, M.S., B.C. Department of Mines Bul.29  
DeBriske, A.L., Report, November 1966  
Price, F.L., Report, October 24, 1967  
Price, F.L., Report, January 2, 1969  
Little, H.W., Geol. Survey Canada Mem.308

\* \* \* \* \*

X

Mountain Chief 82 F/14W  
82FNW001/177  
NO SECURITIES COMMISSION OR OTHER SIMILAR AUTHORITY  
IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE  
SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE  
CONTRARY IS AN OFFENCE.

This is the paper writing referred to  
as Exhibit "C" in the affidavit of  
December 15th, 1971  
Edward Arnold Hill

PROSPECTUS

NEW DENVER EXPLORATIONS LTD. (S.P.L.) before me this 15th day of

Incorporated under the laws of February 1972  
the Province of British Columbia

First Public Offering of 250,000 Common Shares

New Denver Explorations Ltd. (N.P.L.), referred to  
as "the Company" offers 250,000 of its common shares at 40 cents  
per share.

DISTRIBUTION SPREAD

	Price to Public	Commission	Proceeds to Company if all the shares are sold
Per Unit	\$ .40	\$ .10	\$ .30
Total	100,000.00	25,000.00	75,000.00

REGISTERED OFFICE

#1700 - 777 Hornby Street,  
Vancouver, B. C.

REGISTRAR AND TRANSFER AGENT:

Guaranty Trust Company of Canada,  
540 Burrard Street,  
Vancouver, B. C.

HEAD OFFICE

#403 - 717 West Pender Street,  
Vancouver, B. C.

PROPERTY FILE

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE  
SPECULATIVE AND SHOULD BE PURCHASED ONLY WITH AN AWARENESS OF  
THE RISKS INVOLVED. THE COMPANY'S PROPERTY IS WITHOUT A KNOWN  
BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM REFERRED TO  
UNDER THE CAPTION "USE OF PROCEEDS" IS PART OF AN EXPLORATORY  
SEARCH FOR ORE.

SAVE FOR THE CROWN GRANTED MINERAL CLAIMS MOUNTAIN  
CHIEF NO. 2 AND MAMMOTH MINERAL CLAIM REFERRED TO UNDER THE  
CAPTION "MINERAL CLAIMS", NO SURVEYS HAVE BEEN MADE OF THE  
MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS  
OF THE APPROPRIATE JURISDICTION IN WHICH SUCH PROPERTY IS  
SITUATE, THE EXISTENCE OF AND THE AREA OF SUCH PROPERTIES COULD  
BE IN DOUBT.

THERE IS NO EXISTING MARKET FOR THESE SHARES.

THE SHARES OFFERED UNDER THIS PROSPECTUS NUMBER  
250,000 AND THOSE ALREADY ISSUED AND OUTSTANDING NUMBER 949,500.  
UPON COMPLETION OF THIS OFFERING THE PUBLIC WILL HAVE  
APPROXIMATELY 34.18% OF THE SHARES ISSUED AND DIRECTORS,  
OFFICERS AND PROMOTERS OF THE COMPANY AND OTHER CONTROLLING  
PERSONS WILL HAVE ACQUIRED THE REMAINING APPROXIMATELY 65.82%  
FOR CASH AND PROPERTIES. REFER TO THE CAPTION "PRINCIPAL  
HOLDERS OF SECURITIES" FOR A LIST OF PERSONS HOLDING MORE THAN  
10% OF THE COMPANY'S SHARES.

THE SHARES OF THE COMPANY HAVE NOT PREVIOUSLY BEEN  
OFFERED TO THE PUBLIC AND ARE NOT AT PRESENT TRADED ON ANY STOCK  
EXCHANGE OR OTHER RECOGNIZED SECURITY MARKET.



P R O S P E C T U S

NEW DENVER EXPLORATIONS LTD. (N.P.L.)

	<u>Page Number</u>
Distribution Spread . . . . .	Front Cover
Incorporation . . . . .	4
Management: Directors and Officers . . . . .	5 and 6
Remuneration . . . . .	6
Promoters . . . . .	7
Plan of Distribution . . . . .	1
Use of Proceeds and Financial . . . . .	3 and 4
Description of Business and Property of Issuer . . . . .	2, 6 and 7
Mineral Claims . . . . .	Engineer's Report 1 and 2
Escrowed Shares . . . . .	7 and 8
Share Capital:	
Shares . . . . .	7
Capitalization . . . . .	8
Shares sold for cash . . . . .	9 and 10
Pooled shares . . . . .	10
Principal Holders of Securities . . . . .	9
Pending Legal Proceedings . . . . .	8
Interest of Management and Others in Material Transactions . . . . .	6 and 7
Auditors . . . . .	10
Transfer Agent and Registrar . . . . .	Front Cover
Material Contracts . . . . .	6 and 7
Purchaser's Statutory Rights of Rescission . . . . .	10 and 11

SCHEDULES

- I Financial Statement as at August 31st, 1971
- II Report of Allen Geological Engineering Ltd. by Alfred R. Allen, P.Eng., dated September 30th, 1971, on the Mountain Chief Property, New Denver, B. C.

### PLAN OF DISTRIBUTION

The Company proposes to sell the shares offered hereunder directly to the public through trading directors without commission, or alternatively to sell these shares through the facilities of persons and companies registered for trading in securities within the Province of British Columbia, in which case a commission will be paid or allowed not exceeding 10¢ per share. No commission will be paid to trading directors of the Company.

The Company reserves the right to accept applications for these shares in whole or in part and to reject any applications and withdraw this offer at any time without notice. Subject as aforesaid, the Company intends to issue and allot the said shares from time to time as applications are received until the issue becomes fully subscribed.

### DESCRIPTION OF BUSINESS AND PROPERTY

The business carried on and intended to be carried on by the Company is that of acquiring, exploring, developing and operating mineral claims and leases and mining lands and rights. The Company was incorporated on November 13, 1967 and since that time has acquired an interest by way of option in Crown granted mineral claims known as the "Mammoth" and "Mountain Chief Number Two" in the Kootenay District, and a group of mineral claims known as the "Pet" claims. Particulars of these properties are described below. Refer to the caption "Material Contracts" for further details of the acquisitions.

### MINERAL CLAIMS

The Company has acquired an option on two Crown granted mineral claims known as the "Mammoth" mineral claim (Lot 1910) and "Mountain Chief No. 2" mineral claim (Lot 474), both in the Kootenay District, British Columbia, and has acquired from a promoter of the Company, Edward A. Little, contiguous and surrounding recorded mineral claims Pet No. 1 to 4 inclusive, record numbers 11,407 to 11,410 inclusive and Pet No. 9 to 14 inclusive, record numbers 11,415 to 11,420 inclusive, all in the Slocan Mining Division, British Columbia. The Company did not acquire claims Pet No. 5 to 8 inclusive as not being essential to the development program, and these claims have been abandoned.

The Company has drilled two exploratory diamond drill holes with pack sack equipment for a total footage of 133 feet but no significant mineralization was encountered.

The claims are located about two miles east of New Denver in the Slocan Mining Division and access is by a gravel road following along the south side of Carpenter Creek. The Crown granted mineral claims were in production during the years 1892 to 1897 and in the year 1926. For a full report on the location, accessibility, history and previous exploration and development of these claims refer to the report of Allen Geological Engineering Ltd. by Alfred R. Allen, P.Eng., dated September 30, 1971, a copy of which is annexed hereto and forms part of this Prospectus. Except as above and as disclosed in the engineer's report there is and has been no exploration and development of the claims either underground or on the surface and there is no plant or equipment on the property either underground or on the surface.

Mr. Allen in the said report describes the principal mineralization on the property as being silver, lead and zinc.

The option to purchase the two Crown granted mineral claims was acquired by assignment from Edward Arnold Little and Shane S. Chambers, both Directors and promoters of the Company. The assignors were reimbursed by the Company the sum of \$100.00 paid by them to secure the option.

The option to acquire these two Crown granted claims is contained in an Agreement dated for reference 2nd May 1968 expressed to be between Lawrence McCune, 714 Hobart Building, San Francisco, California, U.S.A., and Helen S. Davis, c/o First National Bank of Butte, Butte, Montana, U.S.A., and The Royal Trust Company, 555 Burrard Street, Vancouver, B.C., Trustee of the Estate of George W. Hughes, deceased, therein referred to as the Optionors, of the first part, and Edward Arnold Little and Shane S. Chambers, both Directors of the Company, therein referred to as the Optionee, of the second part. The option provided for the purchase of a 100% interest in the subject claims upon payment to the Optionors of the sum of \$250,000.00, of which sum there has been paid a total of \$15,000.00 by way of \$100.00 on the execution of the Agreement; \$2,400.00 November 1st, 1968; \$2,500.00 November 1st, 1969; \$5,000.00 November 1st, 1970 and \$5,000.00 November 1st, 1971; and in order to maintain the option in good standing there is required to be paid to the Optionors the sum of \$5,000.00 on November 1st in each and every year thereafter. The Option Agreement further provides that if the claims are brought into commercial production, the November 1st payment required to be paid in each year shall be an amount equivalent to 10% of net smelter returns or the sum of \$5,000.00, whichever amount is greater, until the full purchase price has been paid.

With respect to the recorded mineral claims, the Mineral Act of British Columbia requires a prescribed amount of work to be done or money paid in lieu in order to retain the claims. The Pet mineral claims recorded in the name of the Company are in good standing to March 21, 1972.

During 1968 the Company acquired an interest in the Jay group of mineral claims in the Kamloops Mining Division, but as a result of preliminary exploration work the claims were abandoned.

USE OF PROCEEDS

The estimated net proceeds to be derived by the Company from the sale of the securities hereby will be \$75,000.00. After deduction of legal, audit, printing and administrative expenses relating to this offering, estimated not to exceed \$5,000.00, the net proceeds available will be \$70,000.00. Of this amount approximately \$6,500.00 will be used to pay current liabilities and as working capital of the Company including a reserve for general administration and office expense, legal, audit, statutory, regulatory and professional and other miscellaneous fees and expenses, and the remaining \$63,500.00 will be applied for the following purposes:

A.	Repayment of Bank loan obtained to pay property payment to The Royal Trust Company, Helen S. Davis and Lawrence McCune due November 1, 1971 for an option on Lots 1910 and 474		\$ 5,000.00
B.	As recommended in engineer's report annexed:-		
	(1) Extend the lower tunnel 200 feet, and crosscut where necessary to prospect the downward extension of the mineralized zone; an estimated 300 feet of lateral work	\$30,000.00	
	(2) Connect the lower and upper tunnels with a raise, and between the levels extend short drifts across the mineralized zone; about 180 feet of raise and 50 feet of crosscut	15,000.00	
	(3) Office overhead and supervision	5,000.00	
	(4) Contingencies	5,000.00	
		<u>\$55,000.00</u>	55,000.00
C.	Repayment of loans made to the Company by a former Director and a former shareholder		<u>3,500.00</u>
			<u>\$63,500.00</u>



These expenditures are listed in order of their priority and funds received will in general be expended in that order of priority.

The programmes proposed by the Company are exploratory searches for ore and may be varied as the results of each step of the programme are obtained. If the actual net proceeds received from the sale of shares offered hereunder prove insufficient to carry out the entire programmes recommended in the said report, then the Company will apply the proceeds to the exploration and development of these properties in order of priority recommended by its consulting engineers from time to time.

If moneys become available for use by the Company due to the abandonment of any of its mining properties or variations in the work programme in accordance with the recommendations made by the Company's consulting engineer from time to time, then any moneys so available may be used by the Company for the purpose of acquiring, staking, examining, exploring or developing other mining properties, although the Company has no present plans in that direction. If the securities of the Company are in the process of primary distribution to the public, no moneys will be expended by the Company on any new mining properties which may be acquired by it until an amendment to this Prospectus has been accepted for filing by the British Columbia Securities Commission.

No part of the proceeds shall be used to invest, underwrite, or trade in securities other than those that qualify as investments in which Trust Funds may be invested under the laws of the jurisdictions in which the securities offered by this Prospectus may lawfully be sold.

Should the Company propose to use the proceeds to acquire non trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders must be obtained and disclosure made to the regulatory securities bodies having jurisdiction over the sale of the securities offered by this prospectus.

#### NAME AND INCORPORATION

The full name of the Company is New Denver Explorations Ltd. (N.P.L.). Its registered office is 1700 - 777 Hornby Street, Vancouver 1, British Columbia. The Company was originally incorporated as a private company on November 13, 1967 by Memorandum of Association under the name of New Denver Silver Mines Ltd. (N.P.L.). On December 21, 1970 the name of the Company was changed to New Denver Explorations Ltd. (N.P.L.). The Company was converted to a public company on the 13th day of December , 1971.

DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupations during preceding 5 years</u>
Shane S. Chambers, #1804 - 1666 Pendrell Street, Vancouver, B. C.	President and Director	Salesman for Donaldson Securities, Director and Security Salesman for Granite Mountain Mines Ltd. (N.P.L.), Salesman for Morocco Mines Ltd. (N.P.L.), Security Salesman for Stellar Metals Ltd. (N.P.L.), Security Salesman for Frobisher Securities Ltd., Security Salesman for Christiana Securities Ltd., Security Salesman for Venus Mines Ltd., Security Salesman for Columbia Securities Ltd., Security Salesman for Britannia Securities Ltd.
Edward Arnold Little, #4 - 1348 Barclay Street, Vancouver, B. C.	Secretary and Director	Self-employed Commercial Fisherman, Past President Granite Mountain Mines Ltd. (N.P.L.), Director and Manager of Gibraltar Mines Ltd., Past President and Security Salesman for Morocco Mines Ltd. (N.P.L.), Security Salesman for Stellar Metals Ltd. (N.P.L.), Manager for Columbia Securities Ltd., Security Salesman for Britannia Securities Ltd., Security Salesman for Reliance Securities Ltd.
Daye Duncan Ladner, 5475 Monarch Street, Burnaby, B. C.	Director	Marketing Manager, Sales Training of Vancouver Ltd., Salesman for Richardson & Wilson Securities,

		Director of Membership Enrollment for Shamrock Golf & Country Club, Salesman for Pitney Bowes of Canada Ltd., Salesman for Xerox Corporation Canada Ltd., Salesman and Sales Trainer for Encyclopaedia Britannica.
John Alexander Chambers, 7877 - 140th Street, Surrey, B. C.	Director	Self-employed Accountant, Accountant for E. C. Investments, Supervisor Rowe Bros. & Co., Technical Salesman and Draughtsman, Western Reinforcing Steel Services Ltd.

#### REMUNERATION OF DIRECTORS AND OFFICERS

The Directors have not received and will not receive any remuneration in their capacity as Directors of the Company. Messrs. Edward A. Little and Shane S. Chambers have been reimbursed for travelling and other expenses and disbursements and have since the incorporation of the Company been paid a total of \$3,500.00 for managerial services, of which sum \$600.00 was paid for the period December 1st, 1969 to November 30th, 1970 and the sum of \$500.00 from December 1st, 1970 to the date of this Prospectus.

Providing funds are available, it is intended to employ E. Fisher Corporation Ltd., #403 - 717 West Pender Street, Vancouver, B.C., to provide office space, telephone answering and administrative, management and secretarial services to the Company at a fee of \$1,000.00 per month.

E. Fisher Corporation Ltd. is a private British Columbia company, of which Errol Fisher of 3019 Point Grey Road, Vancouver, B.C., may for all purposes be considered the sole beneficial shareholder.

If any director or senior officer is hired by the Company in any capacity, he will be paid remuneration commensurate with his responsibilities.

#### MATERIAL CONTRACTS

The option on the Crown granted mineral claims was originally acquired by Edward A. Little and Shane S. Chambers from the registered owners of the claims, Lawrence McCune,

Helen S. Davis and The Royal Trust Company, and the interest of the optionees was acquired by the Company in consideration of the Company taking over the option and assuming all obligations and indemnifying and reimbursing the optionees for sums which they have paid.

Mineral claims Pet 1 to 4 and 9 to 14 were acquired by the Company from Edward A. Little in consideration of 750,000 shares of the Company. The following persons received an interest greater than 5% of the foregoing shares: Shane S. Chambers, #1804 - 1666 Pendrell Street, Vancouver, B.C., 211,667 shares; Edward A. Little, #4 - 1348 Barclay Street, Vancouver, B.C., 211,667 shares; Patrick Gouthro, General Delivery, Greenwood, B.C., 50,000 shares; E. Fisher Corporation Ltd., #403 - 717 West Pender Street, Vancouver, B.C., 216,666 shares. (See also item captioned "Escrowed Securities").

E. Fisher Corporation Ltd. is a private British Columbia company of which Errol Fisher, 3019 Point Grey Road, Vancouver, B.C., may for all purposes be considered the sole beneficial shareholder.

The 750,000 shares are shown on the books of the Company as having been issued at 50 cents per share, a determination made by the Directors of the Company named in this Prospectus but which does not necessarily indicate the value of the properties.

The cost to the promoters of the Pet 1 to 4 inclusive and Pet 9 to 14 inclusive mineral claims was \$600.00.

#### PROMOTERS

The promoters of the Company are Edward A. Little, Daye Duncan Ladner and Shane S. Chambers. Reference is made to captions "Material Contracts" and "Remuneration of Directors and Officers" where the nature of the interest of the promoters is particularized.

#### SHARES

The Company has only one class of shares, namely common shares with a nominal or par value of 50 cents each. All shares rank equally as to dividends and participation in capital. Each share carries one vote at meetings of the shareholders of the Company. The presently outstanding capital stock is not subject to call or assessment and the shares offered hereby when issued, sold and paid for as described in this Prospectus will not be subject to call or assessment.

#### ESCROWED SECURITIES

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common	750,000	Approximately 62.52%

As of the date of this Prospectus 750,000 shares are held in escrow by Guaranty Trust Company of Canada subject to the direction or determination of the British Columbia Securities Commission (Commission). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Commission.

In the event the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare any such event to the Commission by way of directors resolution and the holders of such shares, the trustee thereof and the Company, have agreed that such number of said shares as the Commission determines shall have become subject to cancellation shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the Company's registered office.

By an Agreement dated for reference the 15th day of December, 1971, Shane S. Chambers and Edward A. Little, both Directors of the Company, and E. Fisher Corporation Ltd., have each agreed to transfer 20,000 shares, for a total of 60,000 shares, of their present escrowed shareholdings to George E. Scott, Barrister and Solicitor, of 4526 Connaught Drive, Vancouver, B.C., as Trustee for the Company. By the said Agreement Mr. Scott has agreed that upon the transfer within escrow to him of these 60,000 shares, he will hold such shares upon the trust that he will surrender them to the Company by way of gift for cancellation, and Mr. Scott has executed a Deed of Surrender to the Company for the said shares.

CAPITALIZATION

Designation of Security	Amount authorized by Memorandum of Association	Amount outstanding as at August 31st, 1971 (date of balance sheet annexed)	Amount out-standing as at the date of this Pros-pectus	Amount out-standing on the completion of this offering if all securities being offered are sold
Common Shares	3,000,000 shares	949,500 shares	949,500 shares	1,199,500 shares

PENDING LEGAL PROCEEDINGS

To the knowledge of the signatories, no legal proceedings are pending in which the Company is a party, or in which any of its property is subject.

PRINCIPAL HOLDERS OF SECURITIES

Shareholders holding more than 10% of the common shares of the Company as of the date of this Prospectus are as follows:

Name and Address	Designation of Class	Type of Ownership	No. of Shares Owned	Percentage of Class
Shane S. Chambers, #1804 - 1666 Pendrell Street, Vancouver, B.C.	Common	Beneficial and Recorded	251,417 *	Approx. 26.5%
Edward A. Little, #4 - 1348 Barclay Street, Vancouver, B.C.	Common	Beneficial and Recorded	251,407 *	Approx. 26.5%
E. Fisher Corporation Ltd., #403 - 717 West Pender Street, Vancouver, B.C.	Common	Beneficial and Recorded	256,666 *	Approx. 27.0%

\* See item captioned "Escrowed Securities"

The percentage of shares of each class of equity shares of the Company beneficially owned, directly or indirectly, by all directors and senior officers of the Company as a group at the date of this Prospectus is as follows:

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	Approximately 56.1%

PRIOR SALES

Prior to the date of this Prospectus the following shares were sold for cash:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Total Cash Received</u>
20	50¢	\$ 10.00
<u>199,480</u>	<u>10¢</u>	<u>19,948.00</u>
<u>199,500</u>		<u>\$19,958.00</u>

Of the 199,480 shares sold at 10¢ per share 45,000 were sold within the last twelve months.

POOLED SHARES

Certificates representing the 199,500 shares of the capital stock of the Company allotted and issued for cash are held in pool by Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B.C., under an agreement that they would not in any event be released until the consent in writing of the Superintendent of Brokers for British Columbia is first obtained.

AUDITORS

The Auditors for the Company are Liverant, Yip & Company, Suite 202 - 845 West Pender Street, Vancouver, B. C.

PURCHASER'S STATUTORY RIGHTS OF RESCISSION

Sections 61 and 62 of the "Securities Act", 1967 (British Columbia) provide, in effect, that where a security is offered to the public in the course of primary distribution,

- (a) A purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within sixty (60) days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three (3) months from the date of service of such notice.
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a

purchaser after expiration of ninety (90) days from the later of the date of such contract or the date on which such prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

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 1967 and the Regulations thereunder.

DATED at Vancouver, British Columbia, this 15th day of December, 1971.



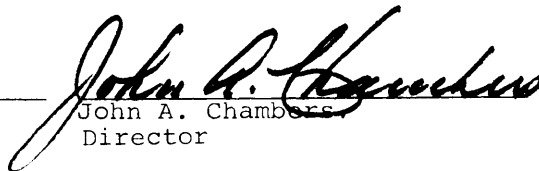
Shane S. Chambers,  
Director and Promoter



Edward A. Little,  
Director and Promoter



Daye D. Ladner,  
Director and Promoter



John A. Chambers,  
Director



# LIVERANT, YIP & CO.

Chartered Accountants

ROBERT LIVERANT, B.A.  
WEI W. YIP, B.S.A.

SUITE 202 INSURANCE EXCHANGE BLDG.  
845 WEST PENDER STREET  
VANCOUVER 1, B.C.  
TELEPHONE 682-7141

## AUDITOR'S REPORT

To the Shareholders of  
New Denver Explorations Ltd. (N.P.L.)

We have examined the Balance Sheet of New Denver Explorations Ltd. (N.P.L.) as at August 31, 1971 and the Statements of Exploration and Administration Expenses and Source and Application of Funds for the period from date of incorporation to August 31, 1971. 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.

We have not verified titles to the mineral claims directly with the Government Registry Offices. We have obtained a letter from the Company's solicitor which states that the Company is the recorded owner or the optionee of all claims recorded in the books of account and that all claims and options are in good standing.

Subject to the foregoing, in our opinion, these Financial Statements present fairly the financial position of the Company as at August 31, 1971 and the results of its operations and source and application of its funds for the period then ended in accordance with generally accepted accounting principles.

*Liverant Yip & Co.*  
Chartered Accountants

Vancouver, B.C.  
September 29, 1971.

NEW DENVER EXPLORATIONS LTD. (N.P.L.)

BALANCE SHEET

AS AT AUGUST 31, 1971

ASSETS

Current Assets

Bank

\$ 1,476.57

Mining Properties - at cost

Mining Claims in the Slocan Mining Division,  
Province of B.C. acquired for 750,000 shares  
at \$.50 per share

375,000.00

Option to Purchase Mining Claims (Note 1)

10,000.00

Deferred Expenses

Incorporation Expense

\$ 914.98

Exploration and Administration Expenses

12,083.93

12,998.91

\$ 399,475.48

NEW DENVER EXPLORATIONS LTD. (N.P.L.)

BALANCE SHEET

AS AT AUGUST 31, 1971

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts Payable	\$ 1,962.98	
Loan Payable	<u>3,500.00</u>	\$ 5,462.98

Shareholders' Equity

Share Capital -

Authorized:

3,000,000 Shares, Par Value \$.50 \$ 1,500,000.00

Issued:

199,500 Shares for Cash	\$ 99,750.00	
<u>Less: Discount</u>	<u>79,792.00</u>	\$ 19,958.00
750,000 Shares for Properties		<u>375,000.00</u>
<u>949,500</u>		\$ 394,958.00

Deficit -

Write off of Expenditures on  
Mining Claims Abandoned

945.50 394,012.50

\$ 399,475.48

APPROVED ON BEHALF OF THE BOARD:

*[Signature]* DIRECTOR

*[Signature]* DIRECTOR

This is the Balance Sheet referred to  
in our Report dated September 29, 1971

*Liverson, Yip & Co*

NEW DENVER EXPLORATIONS LTD. (N.P.L.)

STATEMENT OF EXPLORATION AND ADMINISTRATION EXPENSES

FOR THE PERIOD FROM NOVEMBER 13, 1967 (date of incorporation) to AUGUST 31, 1971

	Nov. 13/67 to <u>Nov. 30/68</u>	Dec. 1/68 to <u>Nov. 30/69</u>	Dec. 1/69 to <u>Nov. 30/70</u>	Dec. 1/70 to <u>Aug. 31/71</u>	<u>Total</u>
<u>Exploration:</u>					
Engineering	\$ --	\$ --	\$ 960.50	\$ --	\$ 960.50
Equipment Rental	500.00	--	54.00	--	554.00
Prospecting	1,200.00	--	--	--	1,200.00
Recording Fees, Licenses and Taxes	262.00	472.78	270.00	563.00	1,567.78
Sundry	--	--	75.00	--	75.00
Travelling and Accommodation	<u>1,325.87</u>	<u>--</u>	<u>386.71</u>	<u>--</u>	<u>1,712.58</u>
	\$ <u>3,287.87</u>	\$ <u>472.78</u>	\$ <u>1,746.21</u>	\$ <u>563.00</u>	\$ <u>6,069.86</u>
<u>Administration:</u>					
Legal and Audit	\$ 674.50	\$ --	\$ 650.00	\$ 75.00	\$ 1,399.50
Management Fees	1,800.00	600.00	600.00	500.00	3,500.00
Office, Rent and Telephone	<u>231.89</u>	<u>--</u>	<u>197.17</u>	<u>685.51</u>	<u>1,114.57</u>
	\$ <u>2,706.39</u>	\$ <u>600.00</u>	\$ <u>1,447.17</u>	\$ <u>1,260.51</u>	\$ <u>6,014.07</u>
<u>Total</u>	\$ <u>5,994.26</u>	\$ <u>1,072.78</u>	\$ <u>3,193.38</u>	\$ <u>1,823.51</u>	\$ <u>12,083.93</u>

NEW DENVER EXPLORATIONS LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD FROM NOVEMBER 13, 1967 (date of incorporation) to AUGUST 31, 1971

	Nov. 13/67 to <u>Nov. 30/68</u>	Dec. 1/68 to <u>Nov. 30/69</u>	Dec. 1/69 to <u>Nov. 30/70</u>	Dec. 1/70 to <u>Aug. 31/71</u>	<u>Total</u>
<u>Source of Funds</u>					
Proceeds from Sale of Shares	\$ 11,258.00	\$ 3,600.00	\$ 600.00	\$ 4,500.00	\$ 19,958.00
<u>Application of Funds</u>					
Acquisition of Mining Claims	\$ 375,000.00	\$ --	\$ --	\$ --	\$ 375,000.00
Less: Paid by issuance of shares	(375,000.00)	--	--	--	(375,000.00)
Payments on Option to Purchase Mining Claims	2,500.00	2,500.00	5,000.00	--	10,000.00
Exploration and Administration Expenses	5,994.26	1,072.78	3,193.38	1,823.51	12,083.93
Expenditures on Mining Claims Abandoned	945.50	--	--	--	945.50
Incorporation Expense	<u>914.98</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>914.98</u>
	\$ <u>10,354.74</u>	\$ <u>3,572.78</u>	\$ <u>8,193.38</u>	\$ <u>1,823.51</u>	\$ <u>23,944.41</u>
<u>Increase (Decrease) in Working Capital</u>	\$ <u>903.26</u>	\$ <u>27.22</u>	\$ <u>(7,593.38)</u>	\$ <u>2,676.49</u>	\$ <u>(3,986.41)</u>

NEW DENVER EXPLORATIONS LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

AS AT AUGUST 31, 1971

1. By agreement dated June, 1968, the Company acquired an option to purchase two Crown Granted mineral claims in the Slocan Mining Division, Province of B.C. for the sum of \$250,000.00 of which \$10,000.00 has been paid. Balance of payments is \$5,000.00 on or before November 1 in each and every year until fully paid.

If the claims are brought into commercial production, the amounts payable shall be 10% of the net smelter returns or \$5,000.00 (whichever is the greater) until the full purchase price has been paid.

2. Remuneration of Directors  
During the period under review, the Company paid a total remuneration to Directors of \$3,500.00.

REPORT

on the

MOUNTAIN CHIEF PROPERTY

New Denver, B.C.

Slocan M.D.

September 30, 1971

For:

NEW DENVER EXPLORATIONS LTD.( NPL )

1700 - 777 Hornby Street  
Vancouver, B.C.

By:

ALLEN GEOLOGICAL ENGINEERING LTD.

303 - 325 Howe Street  
Vancouver, B.C.

# THE MOUNTAIN CHIEF PROPERTY

SLOCAN M.D.

## INTRODUCTION

The Mountain Chief property was examined by the writer May 25th. 1970.

An examination was made of the adit tunnels, claim lines, and a check made of the posts.

The purpose of this examination was to investigate the conditions of the access road, the underground workings, and the located claims now in good standing, and to note any changes or deterioration since the property was examined by the writer in 1963.

Since my last examination, two core holes were drilled on the PET 11 - 12 claims. A packsack drill was used. These were directed into the steep hillside but no significant mineralization was encountered. Total footage was 133 feet, and this work was applied against assessment requirements for one year.

The access road requires little or no clearing or repair, the trails to the workings are in good condition, the adits are not caved or dangerous, and the stoped section is in fair condition.

The object of this report is to describe the property briefly and to detail a recommended exploration programme thereon.



## LOCATION AND ACCESSIBILITY

The property is located in southeastern British Columbia two miles east of New Denver, Slocan Mining Division.

The claims extend from Carpenter Creek, southerly across the old New Denver-Sandon road, and up the steep mountainside.

The workings are on the Mountain Chief Crown Grant mineral claim, Lot 474, a few hundred feet south of and above the road.

Excellent trails lead from the old Sandon road to the adit portals.

Access is via the old Sandon road from New Denver easterly up the south side of Carpenter Creek. From the bridge crossing Carpenter Creek on Highway #6 at New Denver, it is 1.5 miles to the trail which leads to the lowest tunnel about 200 feet south of the road.

## TOPOGRAPHY

The property is located on the east side of Slocan Lake in the ruggedly mountainous Selkirk Range. Carpenter Creek flows through a canyon-like valley into the lake, and the claims extend from creek level up the steep south side of this valley.

Small northerly flowing streams occupy narrow but deeply incised valleys. Although there is heavy second-growth of cedar, pine and fir, overburden appears to be light and there are numerous out-crops on the claims area.

### PROPERTY

The property is composed of the following claims:

Mountain Chief      L 474

Mammoth              L 1910

PET 1-4 INCL.

PET 9-14 " .

### HISTORY

High grade silver-lead-zinc was shipped from the property from 1892 to 1897.

The heavy zinc content precluded profitable operation during the ensuing years, and in 1926 leasers shipped concentrate after jiggging the stope-fill.

No exploratory work has been done recently on the property.

## GEOLOGY

The area is underlain by the Slocan Group which is composed of slate, argillite, conglomerate, limestone and tuff.

Dykes and stocks of granitic rocks occurring throughout the strata are believed to have emanated from the Nelson batholith which outcrops 2 miles to the south. The sediments are contorted and fractured, but comprise the large structure known as the Slocan fold. The strike is north-westerly and the dip generally southwest.

The Mountain Chief ore zones are made up of sulphide replacements in a 2 foot band of limey argillite where intersected by the Mountain Chief and Apex quartz veins which are also mineralized.

The Apex vein was sampled by A.L. DeBriske in November 1966, and across 32 inches it assayed 9.7% zinc and 6.78 ounces of silver per ton.

The Mountain Chief vein is only two inches thick and it is composed of almost solid sphalerite galena with appreciable contained silver. Where the replacement ore occurred, a stope 300 feet by 30 feet by 4 feet was developed, and sorted material from same shipped to a smelter. From the bottom level a short winze was sunk on the mineralized zone. A 1-foot width, sampled near the collar

by B.C. Department of Mines in 1921 assayed, zinc 55.4% and silver 39.4 ounces per ton.

A.L. Debriske, in 1966, sampled remnants of the vein in the stope which assayed as follows:

Across 9 inches, lead 0.30%  
zinc 33.8%  
silver 21.8 ounces/ton  
gold 0.02 " "

Across 24 inches lead 0.40%  
zinc 30.50%  
Silver 43.30 ounces/ton  
gold 0.02 " "

Across 24 inches lead ----  
zinc 33.2%  
silver 16.58 ounces/ton  
gold 0.03 " "

The favourable zone plunges to the southwest at approximately 45 degrees on the stoped section. It has been stoped from near surface to the upper tunnel but not below that level.

The lower tunnel, 125 feet underneath, did not reach the downward projection of the mineralized zone.

## ADIT TUNNELS

Into the steeply sloping sidehill two tunnels have been driven in an easterly direction. The upper tunnel intersected the mineralized zone, but the lower tunnel was terminated about 150 feet from the indicated location of that zone.

The upper tunnel is directed a few degrees south of east, for 40 feet, looped to the south and back northeasterly to pick up the mineralized zone 200 feet farther in. It is continued for an additional 220 feet to the north and east on the Apex vein which may have been terminated by a series of fractures. This was the production level and the ore was mined from it to the surface, a slope distance of close to 300 feet.

The second tunnel is 125 feet lower in elevation, and also driven into the steep sidehill. It is directed southeasterly for 260 feet, and 35 feet from the face a crosscut is directed north for 40 feet. The ore zone was not intersected. If the zone is regular it would appear to be about 150 feet east of the present face.

Both tunnels are clear of debris and accessible for examination.

## DIAMOND DRILLING

Two diamond drill holes were drilled in order to prospect the ground on the strike of the mineralized zone to the south.

Pack sack equipment was used and the total footage was 133 feet. No silver-lead-zinc mineralization was penetrated, and it is apparent that deeper drilling will be required to outline the zone.

## SUMMARY AND CONCLUSIONS

The Mountain Chief property is located in the Slocan area of southeastern British Columbia. Prior to 1900, high grade silver-lead-zinc ore was mined and shipped from the property. The heavy zinc content of the ore, at the upper tunnel level, made the operation uneconomic in the early days. For this reason, although the lower tunnel had reached past the midway point to the ore zone, work was stopped and no ore was stoped below the upper tunnel level.

This type of ore presents no unsolvable problems in a modern concentrator, and should such material be mined, saleable concentrates could be produced.

It is concluded, therefore, that the downward extension of the mineralized zone should be investigated, and this is herewith recommended.

## RECOMMENDATIONS

It is recommended that the following work be undertaken on the Mountain Chief property, forthwith:

### Estimated Costs

1.

Extend the lower tunnel 200 feet, and crosscut where necessary to prospect the downward extension of the mineralized zone; an estimated 300 feet of lateral work, \$30,000.00

2.

Connect the lower and upper tunnels with a raise, and between the levels extend short drifts across the mineralized zone; about 180 feet of raise and 50 feet of crosscut 15,000.00

3.

Office overhead and supervision 5,000.00

4.

Contingencies 5,000.00

Total estimated costs \$55,000.00

Respectfully submitted,

ALLEN GEOLOGICAL ENGINEERING LTD.

Per Albert H. Allen P. Eng.

Vancouver, B.C.

September 30, 1971

REFERENCES

- Cairnes, C.E., Geol. Survey Canada Mem.173-1934  
Cairnes, C.E., Geol. Survey Canada Mem.184-1935  
Hedley, M.S., B.C. Department of Mines Bul.29  
DeBriske, A.L., Report, November 1966  
Price, F.L., Report, October 24, 1967  
Price, F.L., Report, January 2, 1969  
Little, H.W., Geol. Survey Canada Mem.308

\* \* \* \* \*



ALLEN GEOLOGICAL ENGINEERING LTD.

303 - 325 HOWE STREET  
VANCOUVER 1, B.C.

September 30, 1971

C E R T I F I C A T E

I, Alfred R. Allen, certify that:

I am a graduate of the University of British Columbia and hold the following degrees therefrom:

BASc Geological Engineering 1939

MASc Geological Engineering 1941

I am a member of the Association of Professional Engineers of the Province of British Columbia.

I have practised my profession for the past twenty-eight years.

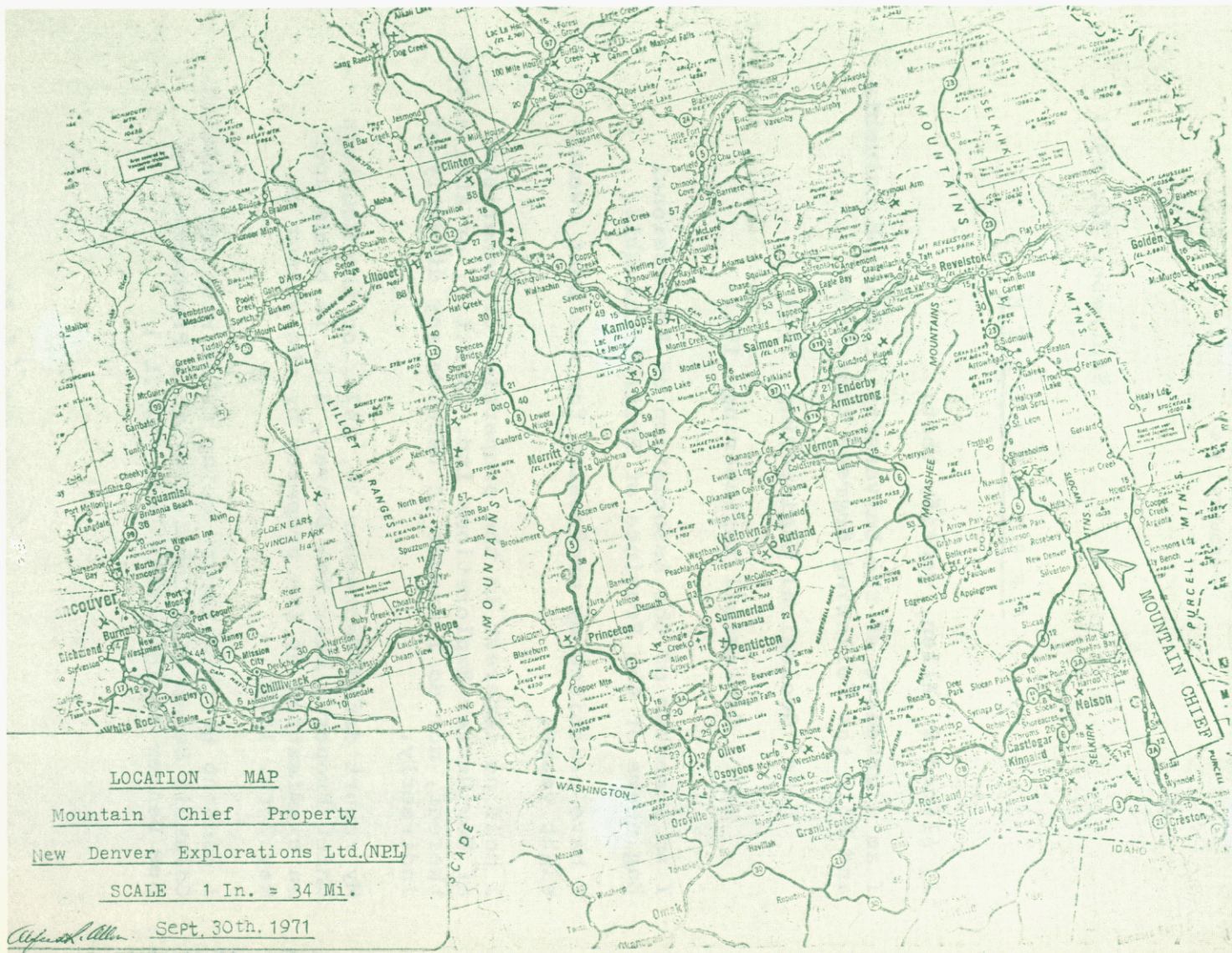
I hold no interest in the properties or securities of New Denver Explorations Ltd. (N.P.L.), or affiliates thereof, nor do I expect to receive any directly or indirectly.

My report dated September 30, 1971, on the Mountain Chief Property near New Denver, B.C. is based upon an examination of the property by the writer on May 25th. 1970.

I consent to this report being filed with the British Columbia Securities Commission in a Prospectus by New Denver Explorations Ltd. (N.P.L.)

Alfred R. Allen P. Eng.

Alfred R. Allen



LOCATION MAP

Mountain Chief Property

New Denver Explorations Ltd.(NEL)

SCALE 1 In. = 34 Mi.

*Clifford Allen* Sept. 30th. 1971



TO NORTH SEE MAP 82K/3W

117°15'

New  
Denver

Denver Canyon

Carpenter

SLOCAN  
LAKE

Silverton

CLAIMS MAP

MOUNTAIN CHIEF PROPERTY

NEW DENVER EXPLORATIONS Ltd.

Scale 1 In. = 3,000'

Sept. 30th. 1971

BC Dept. Mines Map 18F MN

John A. Allen





