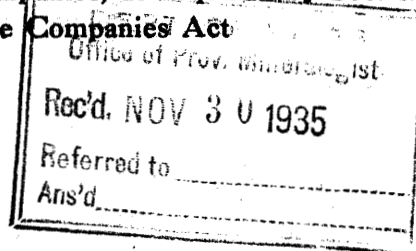


82KSW033 - 05 Whitewater

004306

A Copy of this Prospectus has been filed with the Registrar of  
Joint Stock Companies, as required by Sec. 89  
of the Companies Act



## PROSPECTUS

DATED 5TH MAY, 1924

# Whitewater Mines, Limited

(NON-PERSONAL LIABILITY)

PROPERTY FILE

82KSW033 - 05

Incorporated under the Laws of the Province of British Columbia  
as a Specially Limited Mining Company

# Whitewater Mines, Limited

(NON-PERSONAL LIABILITY)

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Authorized Capital - \$1,200,000.  
Divided into 300,000 Preference Shares and  
900,000 Ordinary Shares, all of \$1.00 par value.

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## DIRECTORATE

### *President:*

MAJOR GENERAL J. W. STEWART, VANCOUVER, B. C.

### *Vice-President:*

J. L. RETALLACK, VANCOUVER, B. C.

### *Directors:*

JAMES ANDERSON, KASLO, B. C.

W. H. BURGESS " "

DONALD MCLEOD, VANCOUVER, B. C.

### *Managing Director and Secretary:*

W. H. BURGESS, KASLO, B. C.

### *Consulting Engineer:*

R. H. STEWART, M.E.,  
VANCOUVER BLOCK, VANCOUVER, B. C.

### *Auditor:*

A. W. ANDERSON, KASLO, B. C.

### *Bankers:*

BANK OF MONTREAL, KASLO, B. C.

### *Registered Office:*

KASLO, B. C.

### *Solicitors:*

WILSON, WHEALLER & SYMES,  
WINCH BUILDING, VANCOUVER, B. C.

## Statutory Information

The Certificate of Incorporation is dated the 9th day of August, 1922.

The registered office is located at Kaslo, B. C.

The liability of the members is specially limited. No member shall be personally liable for the amount unpaid on his shares or for any debt contracted or payable by the Company.

The authorized capital is \$1,200,000.00, divided into 300,000 Preference and 900,000 Ordinary Shares, all of the par value of \$1.00. The Preference Shares are preferred in that they have a first charge of 25 cents per share on dividends, over all other shares. After settlement of this charge, they revert to Ordinary Shares and will rank as such for dividends.

10,000 Preference Shares and 600,005 Ordinary Shares have been subscribed and paid for. Thus 290,000 Preference Shares and 299,995 Ordinary Shares remain unissued and are available for sale, for the purposes of the Company.

The Company is authorized to pay or allow a discount up to 95% of the par value of its shares and to pay a commission of 10% on the sale of shares. Within such limits, the discount and commission may be fixed from time to time by the Directors.

Particulars of the plan of operations which the Company proposes to carry out by means of the proceeds of the subscription invited by this Prospectus, are as follows: Further development of the Company's mining properties hereinafter described, under the advice of Mr. R. H. Stewart, M.E., for particulars of which see his Report contained in this Prospectus.

The number of shares offered by this Prospectus is 290,000 Preference Shares at a discount of 75%.

The present price of such shares is 25 cents, payable one half on application and one half within six months, thereafter.

A broker's or agent's commission of not more than 10%, may be paid on the sale of such shares.

The minimum subscription on which the Directors originally proceeded to allotment, was five shares subscribed in cash by the promoters, the Company having been a reorganization of The Deep Mine Limited, which then owned and operated the Whitewater Deep Mine, described hereafter. Nothing was paid for services in relation to the formation or organization of the Company or for commission on sale of shares. The only preliminary expenses were the costs of incorporating the Company, which amounted to \$500.00.

Particulars of the property purchased by the Company within the last two years and paid for by shares are as follows:

### Parcel No. 1—(Whitewater Deep Mine)—

Lots 1421, 1422, 1423, 1424, 1163, 1425, 1427, 2024, 2267, 2268, 3335, 5824, 5990, 2275, 2270, all in Group 1, Kootenay District, British Columbia, and commonly known as the "Nancy Hanks," "Maud S.," "Fresno," "Hazel C.," "Paupers Dream," "Last Link," "Easter," "Vancouver," "Wedge Fraction," "Whitewater Deep Fraction," "Bryan Fraction," "Silver Tip Fraction," "Sloper Fraction," "Oregon," and "Yosemite Fraction" mineral claims and all the plant belonging to the "Whitewater Deep" mine.

### Parcel No. 2—(Whitewater Mine)—

Lots 1170, 1171, 1418, 1419, 2430, 5819, 2428, 2429, 2431, all in Group 1, Kootenay District, British Columbia, and commonly known as the "Whitewater," "Irene," "Myrtle R.," "Tennie C.," "Breslau," "Alpha No. 2 Fraction," "Elkhorn," "Little Ralph" and "Hustler" mineral claims and Part of Lot 2428, Group 1, being 1.5 acres and all the plant belonging to the "Whitewater Mine."

The names and addresses of the Vendors of the above properties and the amounts paid them, in shares, are as follows:—

(1) The Deep Mine Limited, a company incorporated under the "Companies Act, 1897," on the 3rd day of August, 1908, and having its head office at Kaslo, British Columbia, was the Vendor of the property described as Parcel No. 1, above, and the consideration paid to the said Company was 300,000 Ordinary Shares.

(2) The Vendors of the properties described as Parcel No. 2 are as under and the number of shares allotted to them in consideration, is shown opposite each name.

NAME AND ADDRESS	NUMBER OF ORDINARY SHARES
John Ley Retallack, Vancouver Club, Vancouver, B. C.	108,333
John William Stewart, 506 Winch Building, Vancouver, B. C.	54,166
Welch Investment Co., Spokane, Wash., U. S. A.	54,167
Rebecca Cornell Pringle, Cobourg, Ont.	70,226
Arthur B. Brodrick, c/o The Molsons Bank, Ottawa, Ont.	13,108
	300,000

No amount was paid for good will.

Services rendered or to be rendered to the Company and to be paid for out of the proceeds of the subscription invited by this Prospectus, are the services of brokers and agents in selling the present issue of shares. No services rendered during the past two years, have been paid for in shares.

No money has been or will be paid to promoters. The promoters did not purchase any Shares of this Company, except five Shares as Directors.

There are no Founders or Management or Deferred Shares. Preference and Ordinary Shares carry the same voting powers. Every Member shall have one vote in respect of each share held by him.

The articles do not fix any number of shares as a qualification of a Director.

The Directors other than the Managing Director, receive no compensation for their services as such, unless voted by the Shareholders. The remuneration of the Managing Director has been fixed for the present, by the Board of Directors, at \$200.00 per month.

The Articles of Association do not require a copy of the Annual Balance Sheet and Report of the Directors to be sent to the members of the Company, but, at least once in every year, the Directors shall lay a statement of Income and Expenditure for the past year, before the Company, in General Meeting.

**The Directors are:**

John William Stewart, 506 Winch Building, Vancouver, B. C.

Contractor

John Ley Retallack, Vancouver Club, Vancouver, B. C.

Engineer

Donald McLeod, 506 Winch Building, Vancouver, B. C.

Contractor

James Anderson, Kaslo, B. C.

Mine Manager

William Howard Burgess, Kaslo, B. C.

Mine Manager

who each subscribed for or acquired one Ordinary Share, at \$1.00 cash.

Full particulars of the nature and extent of the interests of John William Stewart and John Ley Retallack in the property acquired by the Company, have been shown above, while the interests of the remaining Directors lie in their share holdings only.

The name and address of the Auditor of the Company is: A. W. Anderson, Kaslo, B. C.

The amount offered for subscription within the last two preceding years, is \$5.00, being 5 shares of \$1.00 each and the amount paid on the shares so allotted, was the full amount of each share.

No amount has been paid within the last two preceding years, as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure, subscriptions for any shares in or debentures of the Company or has been allowed as discount in respect of debentures or shares.

10,000 Preference Shares have been allotted to the Vendors of the Whitewater Mine to reimburse them for assuming the liabilities, at the 26th November, 1923, of this Company. The liabilities were \$2,513.00 and the shares were allotted at 25 cents per share.

A copy of the last Balance Sheet and general information as to the business which has been carried on by the Company and as to its property and assets, are as follows:

**BALANCE SHEET AS AT JANUARY 1st, 1924.**

<b>Assets—</b>	
Bank of Montreal, Balance.....	\$ 54.45
Property .....	580,000.00
Buildings .....	7,000.00
Plant, Machinery and Tools.....	11,850.00
Electric Plant .....	850.00
Office Furniture .....	300.00
Accounts Receivable .....	.50
Treasury Stock—Ordinary .....	299,995.00
Treasury Stock—Preference .....	290,000.00
Stock Discount .....	7,500.00
Profit and Loss .....	3,590.79
	1,201,140.74
<b>Liabilities—</b>	
Bills Payable .....	\$ 1,140.74
Capital Stock .....	1,200,000.00
	1,201,140.74

Certified Correct:

Kaslo, B. C., 18th February, 1924.

A. W. ANDERSON, Auditor.

This Company did not work the Whitewater-Deep Mine (being Parcel No. 1 described above), nor did it carry on active business, until it acquired the Whitewater Mine.

The Whitewater Mine was worked by its Vendors to this Company, since 1912, and work has been continued since its acquisition by this Company.

The dates of and parties to every material contract are as follows:

Agreement, 19th September, 1922, The Deep Mine Limited, of the first part, and Whitewater Deep Lead-Zinc Mine Company, Limited, Non Personal Liability, of the second part.

A contract, not reduced to writing, for the purchase of the Whitewater Mine, evidenced by the resolution of the shareholders dated 28th September, 1923.

The said agreement and resolution may be inspected at the Company's office, Kaslo, B. C., during office hours.

## Information Supplementing "Statutory Information."

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This Company, before the consolidation described below, owned only the "WHITE-WATER DEEP MINE," described hereafter, which has not been worked since before the War.

Its Capital was \$600,000 in \$1 shares, of which 300,005 shares were issued to subscribers of, approximately, \$110,000; which amount was expended in purchasing and opening up the mine, the latter in the manner and with the results described hereafter: Thus, 299,995 Ordinary Shares remained unissued.

The "Whitewater Mine," as described hereafter, has been active and profitable to this date and recently, until the consolidation described below, was owned by a partnership.

Following an opinion by Mr. R. H. Stewart, M.E., that the Whitewater vein had a south branch, from which better results were to be expected than from the northern vein then being worked, such partnership spent \$18,000 in demonstrating the correctness of Mr. Stewart's theory.

Recently, following a further examination and report by Mr. Stewart, in which latter he recommended that the "Whitewater" and "Whitewater Deep" mines should be consolidated and further developed, especially as regards the south vein,—such consolidation was brought about and a method was provided for financing such development, as follows:—

- (a) This Company changed its name to as now and increased its Capital from 600,000 Ordinary to 900,000 Ordinary and 300,000 Preference Shares, all of \$1 par value. (The Preference Shares are preferred in that they have a first charge on dividends of 25 cents per Share over all other shares, after settlement of which charge, they revert to Ordinary Shares and rank as such for dividends).
- (b) The "Whitewater Mine" was purchased by an issue to its owners of 300,000 Ordinary Shares.
- (c) Such "Owners" purchased 10,000 Preference Shares at 25 cents to pay the debts of this Company at that date. (Expenses incidental to the necessary changes in the legal organization of this Company and to the issue of this Prospectus, will be paid from profits now being derived from the operation of what was the "Whitewater Mine").

290,000 Preference Shares and 299,995 Ordinary Shares thus remain unissued and available for sale, for the purposes of this Company.

The purpose of this Prospectus is to invite applications for the 290,000 Preference Shares, which are now offered at 25 cents per share, payable one half on application and one half within six months thereafter; for the purpose of providing funds for the further development of the now consolidated mine, as recommended by Mr. R. H. Stewart, M.E., in his Report, contained hereafter.

As regards what is expected from such further development:—Attention is directed to the very favourable nature of Mr. Stewart's Report. Such of the Directors as are familiar with the mine, are confident that, as an immediate result of such further development, at least as much ore will be made available as has been so far produced (for particulars of which see hereafter) following which, very extensive vein areas will remain for further exploration. Attention is also directed to:—The extraordinary good markets now existing for the metals to be produced (especially lead) which feature is dealt with in greater detail, hereafter: The terms on which the Preference Shares can be purchased, thus, not only will purchasers of such shares come in on the same footing as present shareholders (there are no "promoters" in the usual sense of the word) but, as evidence of their faith in the result of the further work recommended by Mr. Stewart, the present shareholders are willing that purchasers of Preference Shares shall receive back the price they paid for their shares before they, the present shareholders, receive any dividend.

The Directors will themselves apply for 30,000 Preference Shares.

#### LOCATION OF MINE

Whitewater (Retallack Station) on the Kaslo and Nakusp Branch of the C. P. R., Slokan District, B. C.

#### MINING PROPERTIES AND RIGHTS

In addition to the 24 mineral claims, detailed above under "Statutory Information," which constitute a solid block of 507.73 acres and to which this Company now has registered title, free from any charge or encumbrance—this Company now also has property and rights as under:

- A six drill air compressor, with water power and air pipes.
- Rails and ventilating pipes in workings.
- Considerable general equipment, tools, etc.
- Camp and mine buildings.
- Enough adjacent standing timber to carry on work for several years.

#### POWER AND TRANSPORTATION

The position in respect to both is ideal. This Company owns a Water Right, now developed to produce 200 H.P., which can be cheaply increased to any power likely to be required in future.

The exit for ore from its workings, is at the railway, mentioned above.

Freight rates to the Consolidated M. & S. Co.s smelter at Trail, B. C., at this date, progressively advance, according to the value of the ore, from \$1.70 to \$3.90 per 2,000 lbs. Exceptionally high grade ores, not likely to occur in quantities, take progressively higher rates.

#### DIRECTORS

The number of Directors, now five, can be increased to seven and any new interest can be represented. It is necessary, however, that there be a local quorum.

#### PRESENT FINANCIAL POSITION

Referring to "Balance Sheet, Jan. 1st, 1924," under "Statutory Information" above—this Company owed at that date \$1,140.74, being liabilities contracted since 26th November, 1923; (the Vendors to this Company of the "Whitewater Mine" having paid the liabilities of this Company to such latter date.)

Such liabilities at Jan. 1st, 1924, and such costs as have been incurred since, will be offset by royalties receivable from ore produced by "leasers."

#### DESCRIPTION OF THE MINE

The area which immediately before the present consolidation, was the "Whitewater Mine", contains the "outcrop" of the main "Whitewater" vein and its continuation downwards to a maximum depth of 1,350 feet on its slope. The vein in such area has been opened by 10 adit tunnels (viz. driven from surface) either in or on its course. The maximum length of any tunnel is about 1,800 feet.

The area which immediately before the present consolidation, was the "Whitewater Deep Mine," and being the area below the 10th adit tunnel, contains the "deep" or continuation downwards, of the vein, below what was the "Whitewater Mine." Such "deep" has been opened by a crosscut tunnel, 2,225 feet long, (the portal of which is at the K. & N. Branch of the C. P. R.), and by a "raise" from such tunnel to No. 10 tunnel, and by a small amount of work in the vein, from such "raise". The vein has thus been opened to a depth of 650 feet on its slope.

Thus, by connected workings of what were the "Whitewater" and "Whitewater Deep" Mines, the vein is opened to a depth of 2,000 feet on its slope.

Two other veins are known to occur on this Company's property, both carrying values and one of which has been cut at depth, by the "crosscut tunnel" described above.

#### PAST

##### Whitewater Mine—

Under its original owners and under Lessees who operated it together with what was,

before this Company was first organized, the upper part of "Whitewater Deep" territory, (viz., above No. 10 Tunnel), the production was:

	DRY TONS	Return from Smelters after payment of Rail- way freight.
LEAD Ore and Concentrates	30,825	\$1,309,850
ZINC Ore and Concentrates	14,245	161,543
	<u>45,070</u>	<u>\$1,471,393</u>

From such Smelter returns, and with an expenditure of \$75,000 for a concentrating mill, \$557,515 were distributed as dividends.

Such results, however, do not represent what would result today from similar ore and under similar physical conditions.

Thus, the average metal contents and the average smelter return per dry ton of ore, on such past shipments, were:

Ore and Concentrates	Gold	Silver	Lead	Zinc	Per Dry Ton
LEAD	.06 oz.	85 oz.	45%	15%	\$42.50
ZINC		15 oz.		44%	11.25

Ore with the same metallic contents, at present prices for lead and zinc (which are higher than at any period since mining of such ores commenced in British Columbia, excepting a brief period, during the War) and present freight and smelting charges, would now return:

LEAD Ore and Concentrates, per dry ton, \$83.67.

ZINC Ore and Concentrates, per dry ton, \$23.00.

Such differences, however, by no means represent all the advantages of present day operation, in comparison with the past. A very material increase in the saving of metal values and better products from the marketing standpoint, are now obtainable from modern milling equipment. In the early days of the "Whitewater Mine," Zinc, being unmarketable, was wasted and its presence in the Lead Ore or Concentrates was heavily penalized. Following this period, recoveries of metal values in concentration by milling were low and their separation thereby into marketable Lead and Zinc products, was very imperfect.

Concentrating mills in the District, one of which is in the market to treat ore at a fixed price per ton—now return from ore similar in character to that which was treated in the Whitewater mill, at least fifteen per cent. more general value.

Under similar physical conditions and balanced against increased costs of labor and material, the advantages of the present milling, smelting and marketing situation, compared with the average of the past, will produce fifty per cent. more profit.

Shortly before the War, the "Whitewater" mill was destroyed by a forest fire, and, after a period of inactivity, the mine was purchased by its recent Vendors to this Company.

Work under their ownership was stopped by the outbreak of War, but later, during the War, a system of leasing sections of the mine to working miners ("leasers") was instituted and continues at this date.

Production during this period, and to this date was:

	DRY TONS	Returns from Smelter after payment of Rail- way freight.
Hand Sorted LEAD Ore	4,577	\$321,131
Hand Sorted ZINC Ore	2,450	60,856
	<u>7,027</u>	<u>\$381,987</u>

The profits thus made by the working "leasers," are not available, but the owners received \$87,677.40.

The total production of the "Whitewater Mine" and what was originally the upper part of "Whitewater Deep" territory has thus been, to the date of this Prospectus:

	DRY TONS	Returns from Smelter after payment of Rail- way freight.
LEAD Ore and Concentrates	35,402	\$1,631,081
ZINC Ore and Concentrates	16,695	222,362
	<u>52,097</u>	<u>\$1,853,443</u>

The distributed profits, including an estimate of those made by working "leasers," have been over \$600,000, equivalent under present conditions to \$900,000.

There has been no exploratory (development) work by "leasers" in the "Whitewater Mine," since the outbreak of the War, but, since an examination by Mr. R. H. Stewart, M.E., its Vendors to this Company carried out considerable work on his recommendation, to prove or disprove the existence of a vein branching Southerly from the original vein.

Such work proved the existence of such a vein, extending from the upper workings downwards to the bottom of the now consolidated mines, as they are so far developed, and, in No. 7 tunnel, what is apparently the top of an important ore body was found in the Southerly vein. It is necessary, however, to advance a lower tunnel before this ore body can be economically mined.

The Vendors to this Company also recently re-opened No. 1 tunnel which had been "caved" for some years and thus disclosed a streak of high grade lead ore, in its face.

There are still considerable showings of concentrating ore in and below No. 8 tunnel which could not be treated, since the destruction of the mill referred to above.

#### Whitewater Deep Mine—

Its first owners spent a large amount of money in purchasing and perfecting title to the 15 mineral claims described under "Statutory Information," and in the erection of expensive buildings, all since destroyed by the forest fire already referred to—but, as to developing the mine, contented themselves with driving a tunnel (No. 10) near the top of their territory, which proved that the Whitewater vein continued down to that level and carried ore. As, in their opinion, this ore was of little commercial value, the "first owners" did no more work, but, after a period of inactivity, leased and subsequently sold, the upper part of their territory, viz. all above No. 10 tunnel, to the Vendors to this Company of the Whitewater Mine. The territory thus disposed of, proved very profitable, results therefrom being included in the figures given above.

The "first owners" subsequently sold the lower part of their territory, viz., all below No. 10 Tunnel, to this Company, when it was first organized, which, in such purchase, and in the work described above under "Description of Mining Properties," spent about \$110,000.

Such work, as to the 2,225 feet of crosscut tunnel, and 520 feet of "raise," was not designed to be itself productive of ore, as it is not in the vein. Its object was to make further work in the vein possible, at the increased depth thus gained. This object was accomplished and thus, no more "dead work" (or work outside the vein from which no direct results can be anticipated) remains to be done. All future work will be in the ore-bearing vein.

The "crosscut tunnel" cut the vein, at 2,000 feet on its slope, below its "outcrop." In the small vein area thus disclosed in the "crosscut tunnel" the usual high grade zinc and some lead ore was found. The work in the vein from the "raise," disclosed, at from 1,700 to 1,850 feet of depth, the largest mineralized fractured zone (300 feet long, 150 feet wide, with limits of both length and breadth, still undetermined), so far found in the Slocan District. The fractures (fissures) in such zone are heavily mineralized with high grade zinc and some lead ores, which at the time of discovery, could not be marketed at a profit, but now can be.

Work in the "Whitewater Deep Mine" ceased at the outbreak of the War and has not been continued since, as this Company as it was constituted before the present consolidation, found itself unable to raise further funds, on account of the death of some of its principal shareholders, whose interests are now represented by Trustees, legally barred from subscribing further.

#### PRESENT

"Leasers" are now working upwards and westwards in the vein, from No. 2 tunnel with profitable results. A carload of ore recently shipped by them returned over \$150 per ton. Two carloads are now ready for shipment, as soon as the condition of the wagon road permits.

No work is being done below No. 10 tunnel, viz., in what was the "Whitewater Deep" Mine.

#### FUTURE

It has been decided to adopt the recommendations of Mr. R. H. Stewart, M.E., of Vancouver, B. C., who is regarded as the leading authority in Canada, on the class of mining this Company is concerned in.

Mr. Stewart has consented to act as our Consulting Engineer and work will be carried out under his direction.

His opinion as to the potential value of our Mine and his recommendations as to its further exploration, are contained in his Report, which follows.

In considering Mr. Stewart's recommendations, it should be borne in mind that the vein area so far "mined out," and thus presumably exhausted, is but one-seventh of the vein area, the existence of which is assured by the result of the workings described under "Description of the Mine," above, and less than one-tenth of the vein area which may be still available, if the vein persists in the Eastern part of what is now this Company's territory.

#### COPY

R. H. STEWART,  
Mining Engineer,  
736 Granville Street,

Vancouver Block,  
Vancouver, B. C.  
September 18th, 1923.

To the Directors,  
WHITEWATER MINES, LIMITED, N.P.L.  
Kaslo, B. C.

Dear Sirs:—

Having examined the "Whitewater" and "Whitewater Deep" Mines now being consolidated under the ownership of your Company, I will say that the physical aspects of the vein as disclosed by existing workings, provide good reasons for anticipating that further exploration in the vein, at the elevations of both mines, will open up further profitable ore bodies.



I recommend:—

(a) The further exploration of the fractured zone, partly disclosed at the 12th and 13th levels.

The work done here is under what is an unproductive section of the vein (as indicated by workings above), yet such work has demonstrated a fractured zone of unusually large dimensions, which is well mineralized, showing considerable bodies of high grade Zinc and some Lead Ore. It also shows cross fracturing which leads me to believe that it has still greater dimensions.

The best ore in the upper levels was found on the hanging wall side of the ore zone, and the same conditions may be expected in the lower levels. So far as I can see, the hanging wall—corresponding with the south branch vein which you have recently been developing above—has not been reached at any point in the work in your lower levels, and it certainly should be explored.

To do so, and thus to develop the cross fissure, and with it the width of the fractured zone at the 12th and 13th levels, I recommend driving in the cross fissure on the 12th level, which carries considerable Lead, to where your recent work above indicates that the hanging wall or South vein should occur. From information so obtained, further exploration in the South vein can be decided on.

As it is below an unproductive zone in the vein, and as the "productive zone," being that from which shipments to date were obtained at higher levels, rakes to the East—thus at the elevation of 12th level it is likely to be several hundred feet East of the "raise"—it is probably that the "fractured zone" at the 12th and 13th levels is separate and distinct from the "productive zone." It seems probable that it is the bottom of another ore zone, in which case its upper section will lie in territory so far undeveloped by your workings. I therefore also recommend the exploration upwards of the "fractured zone," following results from the work recommended above.

(b) Exploration East from the "raise" at a level to be decided, either in the North or South vein, as the result of the work recommended under (a) may indicate to be the more desirable. Thus, to explore for the probable extension downwards of the "productive zone" and particularly for the "split" (or branching point) of the North and South veins, at such greater depth. The "productive zone" has proved profitable to the 10th level, and continues in a Winze sunk 40 feet below such level, and the most profitable ore was found at or near the "split," in the 10th level and above it. Such "splitting" point should be the point of greatest fracturing, consequently the most favorable for finding ore. I strongly recommend its exploration below the 10th level.

(c) The further development of the ore you have recently found in the South vein near the "split," at the 7th level.

(d) The exploration of the considerable area above and West of your mined out area. Thus, on the probable extension upwards of the "productive zone."

I agree with you that \$60,000 will carry out the essentials of the exploratory work I have recommended above.

I have also read your Prospectus, and consider your organization is sound, and that the expenditure now proposed is very reasonable, compared to the potential value of the territory it is proposed to explore.

Your mine is ideally situated as regards power and transportation, and, should the work I have recommended fail to develop sufficient ore to justify you in erecting a concentrating mill, you are so located on the Kaslo and Nakusp Railway, as to be able to deliver ore to other mills for customs treatment, very cheaply.

Your proposition in both its physical and economic aspects, is an unusually attractive mining opportunity, which I have no hesitation in recommending.

Yours very truly,

R. H. STEWART.

N.B.—For further explanation of the areas, the development of which is recommended by Mr. Stewart, see plan attached to this Prospectus.

### APPLICATION FOR SHARES

Applications will now be received for the remaining 290,000 Preference Shares at 25 cents per share, to provide funds to carry out the work recommended by Mr. R. H. Stewart, in his report, above.

No allotment will be made unless applications reach the net amount of \$40,000 and allotments will be proportionate to applications.

Payment may be made as to one half on application and the remainder in six months.

Forms of application herewith.

When dividends are declared, the 25 cents per share, paid for Preference Shares, will be entirely refunded, before the holders of Ordinary Shares receive any dividend. After such refund, Preference Shares will become Ordinary Shares and rank as such for dividends.

It is the intention to list this Company's shares on suitable Stock Exchanges, as soon as conditions justify.

DATED at Vancouver, B. C.  
the fifth day of  
May, 1924.

J. W. STEWART, by his specially appointed  
agent, D. McLeod.

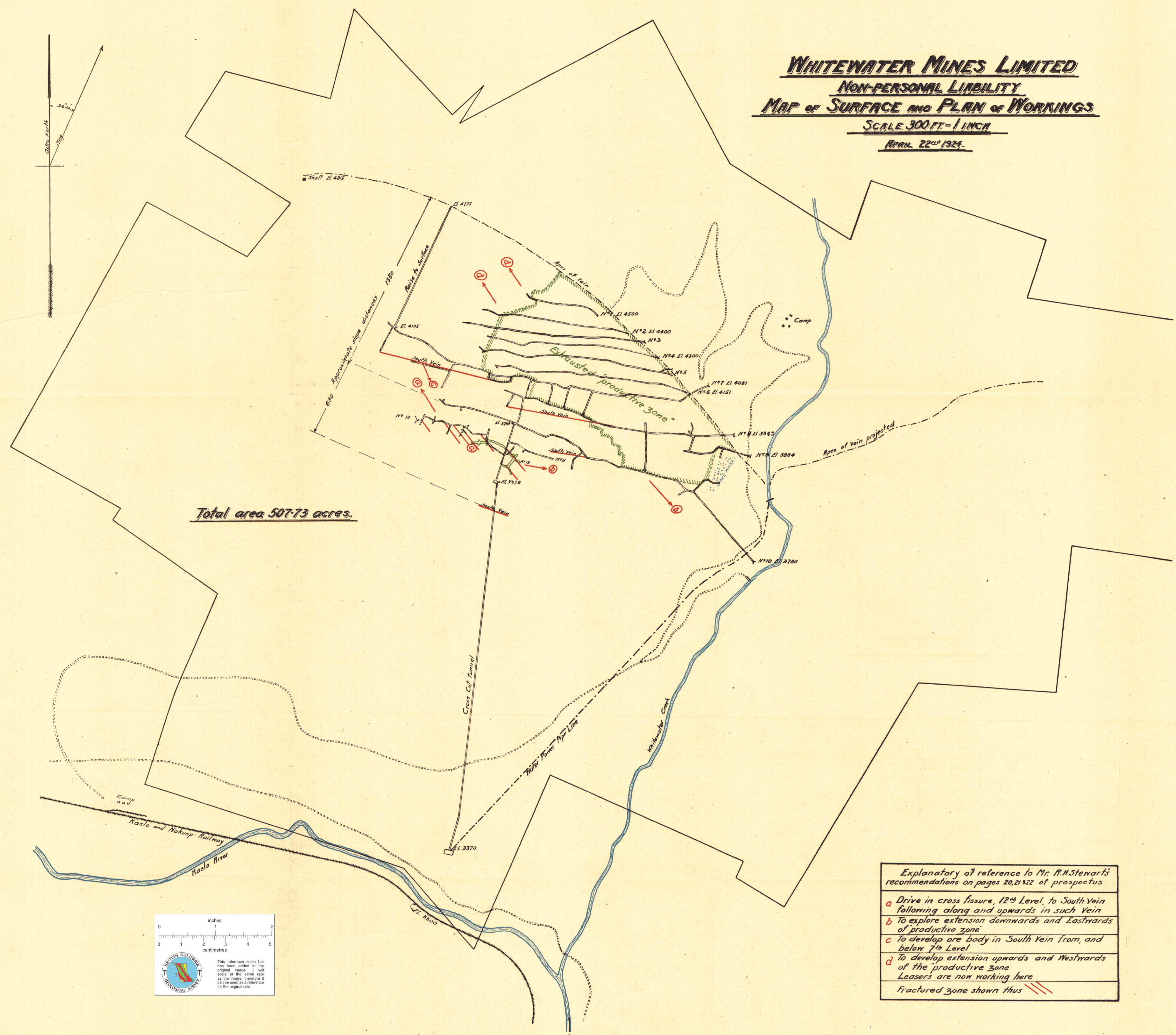
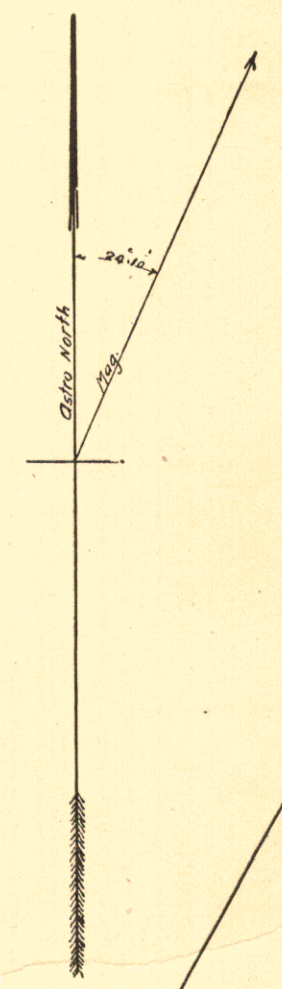
J. L. RETALLACK  
JAMES ANDERSON

W. H. BURGESS, by his specially appointed  
agent, J. L. Retallack.

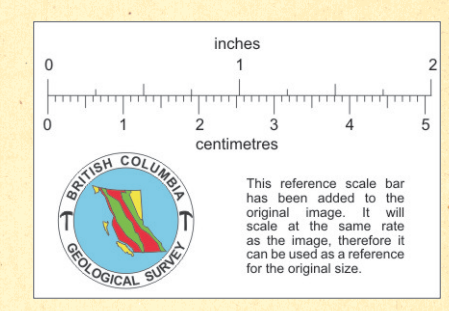
D. McLEOD

A copy of this Prospectus has been filed with the Registrar of Joint Stock Companies, as required by Section 89 of the Companies Act.

**WHITEWATER MINES LIMITED**  
**NON-PERSONAL LIABILITY**  
**MAP OF SURFACE AND PLAN OF WORKINGS**  
**SCALE 300 FT. = 1 INCH**  
**APRIL 22<sup>ND</sup> 1924.**



*Total area 507.73 acres.*



*Explanatory of reference to Mr. R.H. Stewart's recommendations on pages 20, 21 & 22 of prospectus*

- a Drive in cross fissure, 12<sup>th</sup> Level, to South Vein following along and upwards in such Vein*
- b To explore extension downwards and Eastwards of 'productive zone'*
- c To develop ore body in South Vein from, and below 7<sup>th</sup> Level*
- d To develop extension upwards and Westwards of the 'productive zone'*

*Leasers are now working here*

*Fractured zone shown thus*