

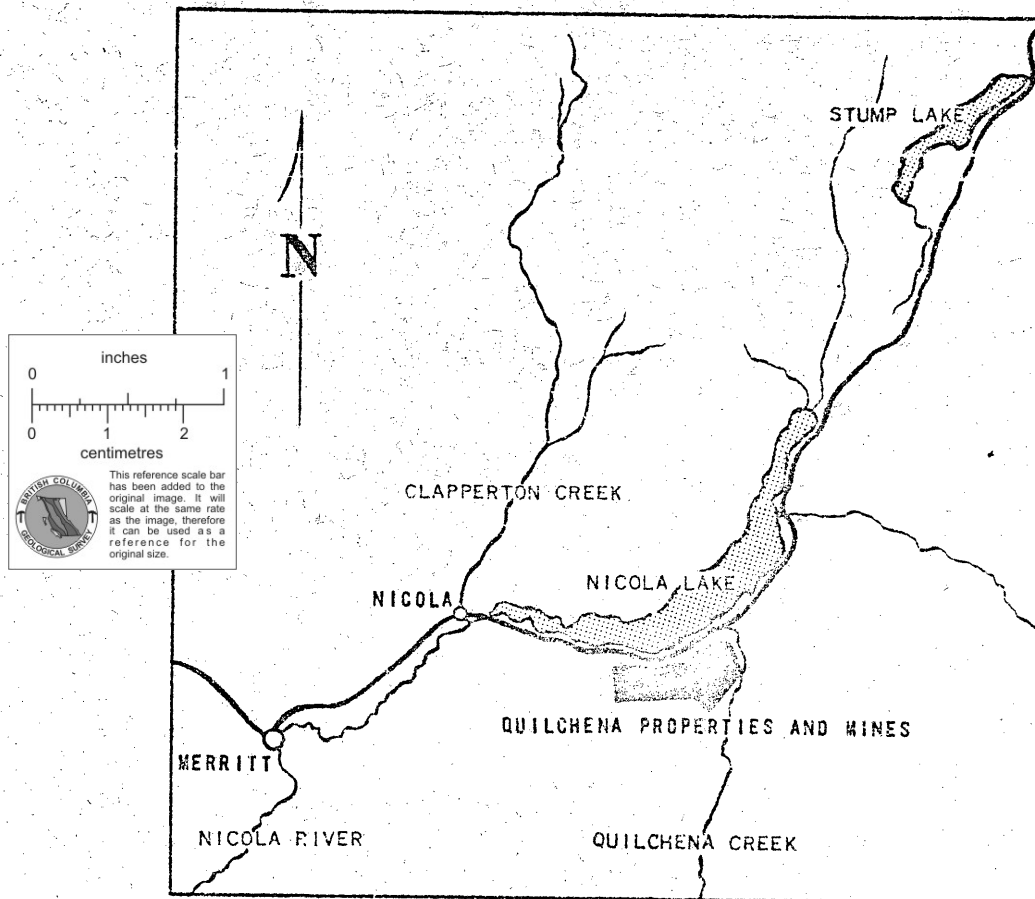
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QUILCHENA MINING AND DEVELOPMENT CO. LTD. (N.P.L.)

#201 - 901 JERVIS STREET, VANCOUVER 5, BRITISH COLUMBIA

TELEPHONE: Mutual 4-7811

PROSPECTUS



A copy of this Prospectus has been filed with
the Registrar of Companies for the Province of
British Columbia.

QUILCHENA MINING & DEVELOPMENT CO. LTD.
(Non-Personal Liability)

Incorporated under the "Companies Act"
Revised Statutes of British Columbia, 1960,
Chapter 67, as a specially limited company.

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P R O S P E C T U S

This is a speculative investment.
Authorized capital - 5,000,000 shares without
nominal or par value.

OFFICERS AND DIRECTORS

ANTHONY M. ARNOLD, Industrialist, 1245 Nicola Street, Vancouver, B.C.	President
THOMAS G. FIELDING, Publicist, 804 Calverhall Street, North Vancouver, B.C.	Vice-President
JOSEPH MCKAY, Accountant 4411 Glen Canyon, North Vancouver, B.C.	Secretary-Treasurer
GEORGE E. BINGAMAN, Executive 323 Leopold Crescent, Regina, Saskatchewan.	Director
ALEXANDER ALLEN, Executive P.O. Box 4280 San Jose Costa Rica.	Director
RALPH DOTY, Executive 49 Kentish Drive, Calgary, Alberta.	Director
EDWARD ALLEN KNIGHT, Power Dispatcher 1226 West 11th Avenue, Vancouver, B.C.	Director

Solicitors:

Hogan, Webber & Woodliffe

Registered Office: -

201 - 901 Jervis Street,
Vancouver 5, British Columbia.

Quilchena Mining & Development Co. Ltd. (N.P.L.) is a specially limited company which has been incorporated to develop mining properties in the general area of Merritt, British Columbia, extending along the south shore of Nicola Lake. Although the mining properties form one contiguous group they may be conveniently classified into three (3) sub-groups, which are as follows: -

- (a) The Sunnyboy Group - This group consists of some 16 claims held by the company under Crown Lease.
- (b) The Joe Group - In this group are some 44 mineral claims held by location under the British Columbia Mineral Act.
- (c) The Guichon Group - These represent some 7 Crown granted mineral claims, together with 11 claims and related fractions located on the North and East boundaries of the Crown grant.

The Sunnyboy Group and Joe Group are held by the Company absolutely, and the Guichon group form the subject matter of a mine working agreement in writing dated the 27th day of July A.D., 1961, between Guichon Mine Limited (N.P.L.) and Anthony M. Arnold which has been assigned to the company by the said Anthony M. Arnold by an agreement in writing dated the 17th day of August A.D., 1961.

The mining property borders the main Merritt, Kamloops Highway, approximately four (4) miles East of Nicola, British Columbia.

The mining properties are being extensively explored with present emphasis on the Guichon group, under the direct supervision of Sherwin F. Kelly, Mining Engineer and Consulting Geologist, who has prepared and submitted a report dated the 12th day of March, 1962.

Mr. Kelly describes the present program being undertaken in the following words: -

"In the summer of 1961, Quilchena Mining and Development Co. initiated a program of development on the Guichon and adjacent claims, utilizing trenching, stripping, geophysical surveys and diamond drilling. Exploration work continued through the past winter, is still in progress, and will be intensified shortly with the advent of spring weather. The program commenced last summer with bulldozing and trenching, concentrated mainly in the vicinity of the No. 1 vein, the No. 6 tunnel and the Fence vein nearby, with some attention devoted to the gold vein on the Sunnyboy group, and to opening up the promising copper showing on the Camperdown claim. Later in the summer, a geophysical survey by the spontaneous polarisation technique was started in the area of the principal showings, on the Ingersoll and Ensign claims. The relationship of these features can be clarified by referring to the accompanying sketch map, facing this page."

Mr. Kelly later outlines the primary result of his geophysical survey as follows. -

"The geophysical technique utilised in the survey of the Quilchena claims is known as the spontaneous polarisation method, or self-potential method. It depends on detecting at the ground surface, those weak electrical currents having their origin in bodies of electrically conductive sulphide mineralisation. They are generated in the chemical reactions taking place between the metallic sulphides, and the surrounding moisture contained in the rock and soil. In other words, deposits mineralised with metallic sulphides act as natural buried batteries. Zones of concentrated and increased current flow, indicative of underlying bodies of conductive materials are known as anomalies.

Observations have been taken over part of the grid traverse lines laid out for the purpose. These traverse lines run NE and SW from the Base Line, which is 2,000 ft. long, and runs NW and SE. The location of the Base Line is shown in the sketch facing page 4, but only traverse lines 2 and 10 are depicted, to keep the map as uncluttered as possible. In the area between traverses 2 and 10 from 150 ft. to 400 ft. southwest of the Base Line, detailed observations have been conducted for the purpose of defining anomalies in that area. Their general form is indicated on the sketch map referred to. Other anomalies, not yet detailed, occur in the other portions of the grid area.

The principal anomaly runs thus far detailed, lies along the base of the slope, just above the bench, between traverses 4 and 6; between traverses 3 and 4 it angles up the slope in the vicinity of Tunnels 2, 3 and 4. It then returns more or less to its original strike of about N20 degrees W, and extends across to traverse 2, and probably beyond. No work has yet been done southeast of traverse 2, so the anomaly is still open in that direction. Testing this anomaly is the objective of the current drilling program.

Anomalies yet to be detailed are found on both sides of the Base Line. To the northeast, there is an anomaly in the vicinity of the Fence Vein, and four others lie further down the slope east of it, towards the Quilchena Valley. To the southwest, four anomalies are found on traverses 2, 3, 4, 5, and 6 near the southwest of the Base Line. The reconnaissance work also remains to be completed on the northwest segment of the survey grid, from traverse 10 to traverse 20. An anomaly awaiting further definition, was encountered on traverse 10, about 250 ft. southwest of the Base Line. The continuance of the geophysical survey will provide a numerous additional target for diamond drilling."

An earlier progress report of Rodney E. Renshaw, Professional Engineer, of Vancouver, British Columbia, is cited with approval of Mr. Kelly: -

R. E. Renshaw Report

A progress report was made on the Quilchena operations by Mr. R. E. Renshaw, Professional Engineer of Vancouver in December, 1961. He recommended detail geological mapping, continuation, and expansion of the geophysical survey, stripping by bulldozing, and trenching on geological or geophysical indications, diamond drilling of indicated veins, and underground exploration. For the first underground work he suggested: -

- (a) Extend the long cross-cut tunnel to intersect the vein zone.
- (b) Extend the No. 3 and 6 tunnels about 200 ft. each.
- (c) Driving about 150 ft. of new tunnel on the Sunnyboy vein, where it is exposed on the face of a steep slope.

His recommended expenditures for this program are: -

ESTIMATED EXPENDITURES

1. Surface Exploration

- A. Stripping, 30 days.....\$3,000.00
- B. Spontaneous polarisation survey..... 8,000.00
- C. Diamond drilling, 2000 ft. @ \$10.00 per ft....20,000.00

2. Underground Exploration

- A. Rehabilitation of long tunnel.... ..\$1,500.00
and drive 200 additional feet \$35 per foot.... 7,000.00

B.	On the Sunnyboy Claims, 150 ft. of tunnelling @ \$35 per foot.....	\$5,250.00
C.	In tunnels No. 3 & 6, extend each 200 ft. for a total of 400 ft. @ \$35 per foot.....	14,200.00
D.	Preparing drill stations.....	1,000.00
	Diamond drilling 1000 ft. @ \$4 per foot	4,000.00
3.	Engineering and Supervision, 6 months.....	12,000.00
4.	Contingencies.....	16,050.00
		<hr/>
		\$100,000.00
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RECOMMENDATIONS

"The work of earlier years, and the present operations, all combine to indicate that this property exhibits veins of copper-gold mineralisation of potential commercial interest. The values found are such that a considerable expenditure of time, work, and money is justified to define the mineral-bearing possibilities of this group of claims. To that end the recommendations of the R. E. Renshaw Report referred to above, are seconded, and submitted as being also the recommendations of this report."

As may be seen in the report of Mr. Kelly, a great deal of the geological knowledge in connection with the Guichon Group has been obtained from exploration work carried out on this

group by previous operators, which has been given significance by the Geophysical exploration carried out in recent months. It is now proposed that the company shall implement the recommendations of the Kelly Report under his direct supervision.

STATUTORY INFORMATION

- (a) The company was incorporated in pursuance of the Companies Act of British Columbia on the 1st day of August A.D., 1961, as a Private Company and was converted into a Public Company on the 24th day of April A.D. 1962.

The registered office of the Company is situate at 201 - 901 Jervis Street, in the City of Vancouver in the Province of British Columbia.

The liability of any member in respect of any shares held by him is limited to the amount unpaid thereon of the price or consideration for which the shares were issued by the company, and a member shall not be personally liable for more than the amount actually agreed to be paid for any shares to be taken or held by him.

The company is authorized to issue 5,000,000 shares without nominal or par value and the capital of the company shall, with respect to those shares, be at least equal to the aggregate amount paid to the company on or for such of those shares as are issued, together with such amount as may from time to time be added by ordinary resolution to such capital. The maximum price at or for which the shares without nominal or par value may be sold is One (\$1.00) Dollar.

The issued capital of the Company is 750,000 shares

The indebtedness of the Company is as follows:-

Equipment Rental	\$ 1,800.00
Equipment Purchases	2,600.00
Bank Loan	<u>5,000.00</u>
	<u>\$ 9,400.00</u>

(b) By means of the proceeds of the subscription invited by the Prospectus, the company proposes to carry on the present exploratory development programme on the company's properties in accordance with the recommendations of its geologist.

(c) The number of shares offered by the Prospectus is 300,000 at Forty-Eight (48) cents per share payable in cash upon application.

The rate of commission is twenty-five (25) per cent.

(d) The company has been converted from a Private Company to a Public Company and the minimum subscription under section 133 of the Companies Act upon which the Directors may proceed to allotment is \$25,000.00 and is calculated as follows: -

Further stripping, spontaneous polarisation	\$5,000.00
Diamond Drilling.....	13,000.00
Administration and Office.....	2,000.00
Contingencies.....	5,000.00
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	\$25,000.00
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(e) The several amounts or estimated amounts payable for preliminary expenses and services rendered or to be rendered in connection with the formation and reorganization of the company or commissions for procuring subscriptions for the shares offered by the Prospectus as follows: -

(i) For preliminary expenses and services rendered or to be rendered in relation to the reorganization of the company \$2,000.00

(ii) Commission for subscribing or agreeing to subscribe or procuring or agreeing to procure, subscriptions for shares offered by the Prospectus will be at the rate of twenty-five (25) per cent.

(f) The following properties were acquired by the allotment of the following shares in the company while constituted as a Private Company to the persons designated:-

(i) Crown Lease 13-R

Roy Evenson

Nick Kohl

Sigurdur S. Goodmanson 20,000

Which when sub-divided on conversion amount to 100,200

(ii) Joe Mineral Claims 1 to 44 inclusive

Rodney E. Renshaw 20,000

Which when sub-divided on conversion amount to 100,200

(iii) Assignment by Anthony M. Arnold of his rights in mine working agreement with Guichon Mine Limited on Crown granted mineral claims

Tete Rouge, Quilchens,

Frindsbury, Ensign, Ingersoll,

Last Post, and Camperdown 20,900

Which when sub-divided on conversion amount to 122,121

All in the Nicola Mining Division in the Province of British Columbia.

(g) Anthony M. Arnold, Industrialist, of 1245 Nicola Street, Vancouver, B.C. - Nil

Roy Evenson, Prospector, of 2334 Eton Street, Vancouver, B.C. - Nil

Nick Kohl - Prospector, of 7015 Gray, Burnaby, B.C. - Nil

Sigurdur S. Goodmanson, Prospector, of 4624 West 10th Avenue, Vancouver, B.C. - Nil

Rodney E. Renshaw, Geologist, of Merritt, B.C. - costs of staking.

(h) No Debentures are offered by this Prospectus.

(i) The Company has been continuously carrying out an extensive exploration programme on the mining properties and the expenses incurred by the company in connection with such services as may be still

unpaid, and outstanding and referred to in this paragraph "a" hereof, will be paid out of the proceeds of this subscription.

- (j) There is no amount other than the amount mentioned in paragraph "f" paid within the last two (2) preceding years, or intended to be paid to any promoter.
- (k) 1. Each member of the company has the right to one (1) vote for each share of which he is the registered holder at general meeting of the company and may be exercised in person or by proxy.
2. There are no special rights or restrictions attached to any shares offered by the Prospectus.
3. There are no shares fixed by the Articles of Association of the company as qualifications of a Director.
4. The remuneration of the Directors shall from time to time be determined by ordinary resolution whether previous notice thereof has been given or not.
- (l) The full names and addresses and occupations of the Directors and the amount in cash subscribed: -

Anthony M. Arnold, Industrialist, 1245 Nicola Street, Vancouver, B.C.	\$24,450.00
Thomas G. Fielding, Publicist, 804 Calverhall Street, North Vancouver, B.C.	2,500.00
George E. Bingaman, Executive, 323 Leopold Crescent, Regina, Saskatchewan.	3,500.00
Joseph McKay, Accountant, 4411 Glen Canyon, North Vancouver, B.C.	Nil
Alexander Allen, Executive, P.O. Box 4280, San Jose, Costa Rica.	500.00

Ralph Doty, Executive,
49 Kentish Drive,
Calgary, Alberta.

\$451.00

Edward Allen Knight, Power Dispatcher,
1226 West 11th Avenue,
Vancouver, B.C.

Nil

- (m) No Director has any interest in any property proposed to be acquired by the company; no sum or sums either in cash or in shares or otherwise has or have been paid or is payable either directly or indirectly to any Director either to induce him to become or to qualify him as a director, or otherwise, for services rendered by him directly or indirectly in connection with the formation of the company.
- (n) The names and address of the Auditors of the company is as follows: -
- Rickard, Crawford & Co.,
525 Seymour Street,
Vancouver, B.C.
- (o) There has been no previous offer of shares to the public made by the company.
- (p) The company has been incorporated for less than 18 months.
- (q) The dates of and parties to every material contract entered into by the company to the date of this Prospectus, other than contracts entered into in the ordinary course of business, are as follows: -

Nil

This company has been converted from a Private company and is not authorized to allow any shares or debentures unless the minimum subscription set out in the Statutory Information set out in this Prospectus is satisfied.

All money received by the company in respect to the minimum subscription will, in accordance with the Companies Act, be held in trust by the company to be repaid if the minimum subscription is not satisfied.

DATED at the City of Vancouver, in the Province of British Columbia, this 8th day of May A.D., 1962.

"A. M. Arnold"

Anthony M. Arnold

"Thomas G. Fielding"

Thomas G. Fielding

"George D. Bingaman"

George D. Bingaman

"Joseph McKay"

Joseph McKay

Alexander Allen by his
Attorney W.D. Gillespie

"W. D. Gillespie"

Alexander Allen

"Ralph Doty"

Ralph Doty

"Edward A. Knight"

Edward Allen Knight

Note:-

The Lettering in the paragraphs hereof, correspond with the lettering of Section 132 of the "Companies Act."