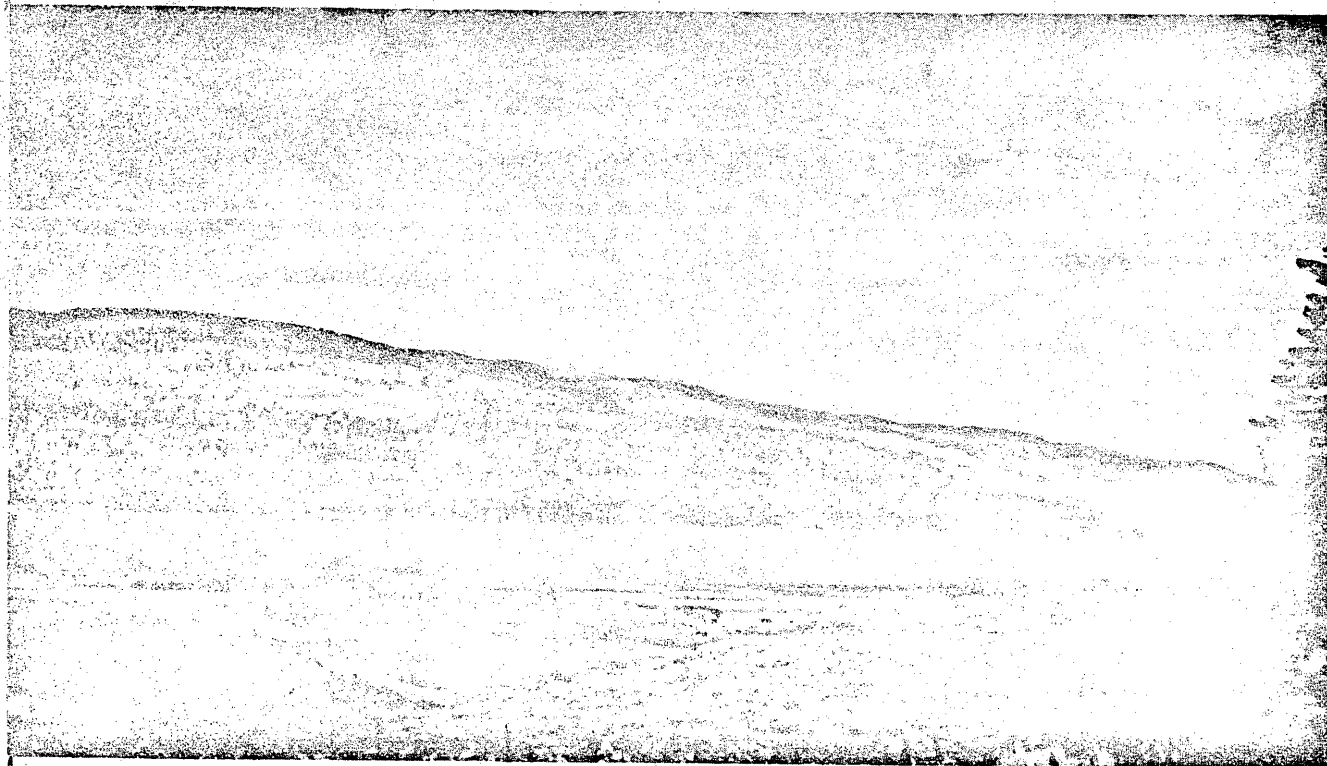


010510

Quilchena

MINING & DEVELOPMENT CO. LTD.
(NPL)



Information Bulletin

QUILCHENA MINING AND DEVELOPMENT CO. LTD. (NPL)

Administration Offices

201 - 901 Jervis Street, Vancouver 5, B.C.

Mine Office

Nicola, B.C.

Transfer Agent

Montreal Trust Company

Auditors

Rickard, Crawford and Co.

Authorized Capital

Five Million Common Shares of No Par Value

Directors

Anthony M. Arnold President

Thomas G. Fielding Vice-President

Joseph McKay Secretary-Treasurer

George E. Bingaman Director

Alexander Allen Director

Ralph Doty Director

Edward Allen Knight Director

A copy of the company's prospectus has been filed with the Registrar of Companies for the Province of British Columbia.

Introduction

The group of 73 claims now being developed by Quilchena Mining & Development Co. Ltd. (NPL), represents a consolidation of several holdings.

—The Joe group of 44 claims — held by location.

—The Sunny Boy group—16 crown-granted claims, mineral lease 13-R.

—The Guichon Mines group of 13 claims (7 crown grant, 6 located).

All of these strategically located claims in tests, surveys and drilling have indicated sizeable tonnage possibilities. Increased mineral exploration has resulted in several important discoveries.

The claims are on the southeast side of the Merritt to Kamloops highway, 13 miles northeast of Merritt and seven miles past the village of Nicola. The major part of this claim group lies in heavy wooded areas so there is sufficient timber for mining and tunnelling work. Water is easily available in Quilchena Creek or Nicola Lake. The distance to rail shipping facilities is only seven miles over a flat, paved highway. See map.

A history of development

1908—Guichon group staked—some tunnelling and exploration completed.

1922—Report by F. J. Crossland, a professional engineer, who recommended diamond drilling and further underground work. Some of Crossland's samplings of outcroppings and tunnels ran as high as \$65 a ton.

1938—Report by A. J. Arland, a professional engineer, who found the property had been "rather indifferently developed." He recommended extensive diamond drilling and that the No. 1 vein be opened up by surface work and, later, deep development.

1946—F. A. Orr, professional engineer, recommended tunnelling, drifting and diamond drilling to open up surface showings. Twenty-two samples were taken with surface and tunnelling grabs and drill cores and only five of these ran less than \$10 a ton, the remainder ran up to \$56 a ton, with one running to \$855 a ton.

1947—Guichon Mines Ltd. did further sampling and tunnelling. A tunnel was driven westerly from an elevation of 250 feet below the surface showings to cut under the downward extensions of the mineralization area. It went in about 1200 feet and was stopped 300 feet short of the mineralized area, presumably through lack of finances.

1961—Quilchena Mining & Development Co. Ltd., assumed these properties which had remained idle since that period.

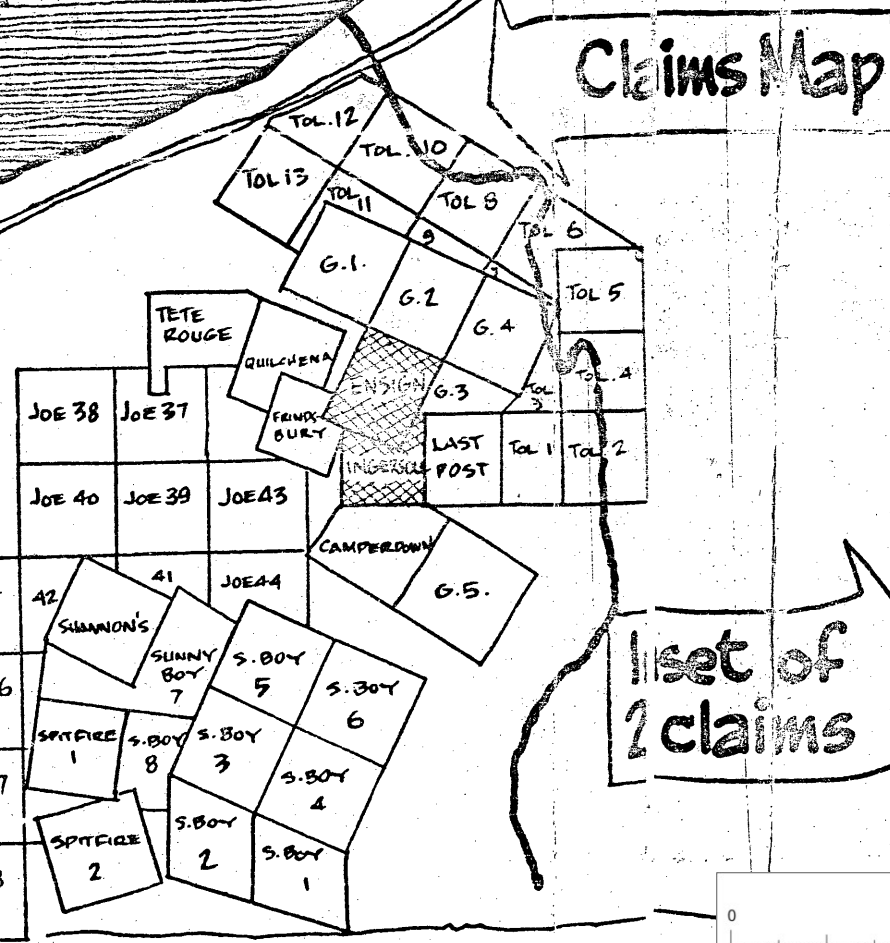
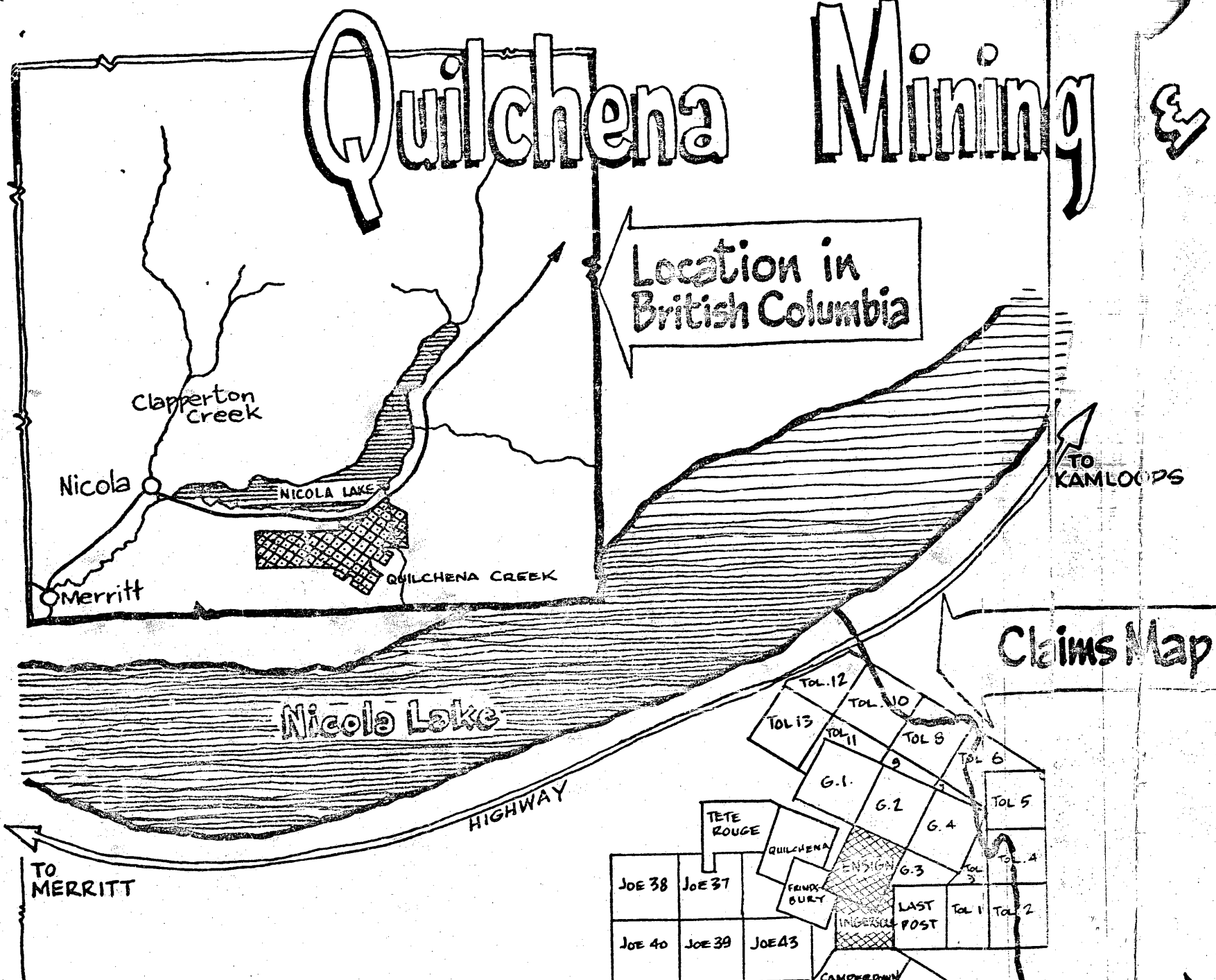
The property today

Two seasons of extensive, continual development of all the properties have followed. Quilchena's program has included trenching, stripping and geophysical surveys and diamond drilling.

Exploration work which was begun in the summer of 1961 is continuing with particular emphasis on the No. 1 vein, the No. 6 tunnel, the Fence Vein, the gold vein on the Sunny Boy group, the Ingersoll and Ensign claims and the opening up of the promising copper showings on the Camperdown claim.

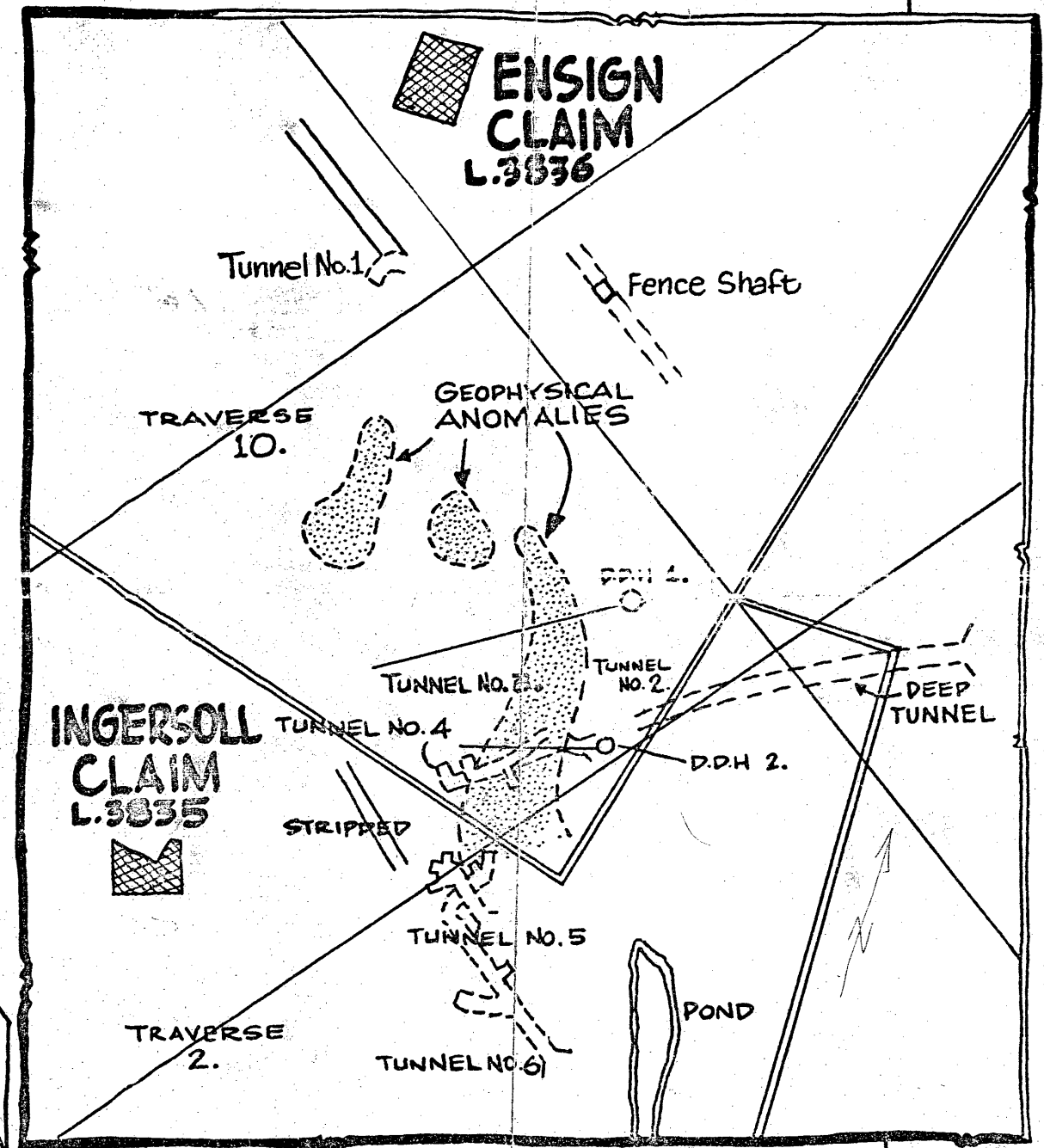
A description of the anomalies on the Ingersoll and Ensign claims and the positions of the other tunnels is found on the maps on pages 4 and 5.

Quilchena Mining & Development Co. (NPL)

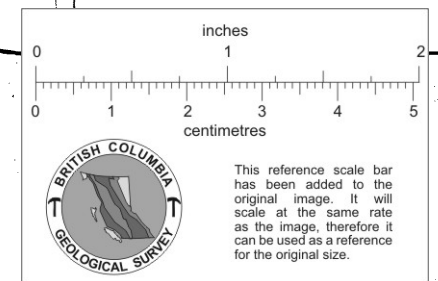


| | | | | | | | | |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| JOE 19 | JOE 21 | JOE 23 | JOE 25 | JOE 27 | JOE 29 | JOE 31 | JOE 33 | JOE 35 |
| JOE 20 | JOE 22 | JOE 24 | JOE 26 | JOE 28 | JOE 30 | JOE 32 | JOE 34 | JOE 36 |
| JOE 1 | JOE 3 | JOE 5 | JOE 7 | JOE 9 | JOE 11 | JOE 13 | JOE 15 | JOE 17 |
| JOE 2 | JOE 4 | JOE 6 | JOE 8 | JOE 10 | JOE 12 | JOE 14 | JOE 16 | JOE 18 |

1 set of 2 claims



Sketch Maps by O.L. TURNER



Seven good reasons

Rich assays and samples have been taken from a wide area of the Quilchena properties but present development is concentrated mainly in seven important portions of the holdings.

1. Tunnel No. 1 has been dealt with favorably in three separate engineer reports. Two of these have taken samples from the tunnel which assayed at \$39.80 a ton and \$46.20 a ton. Both were for gold.

2. Tunnels Nos. 3 and 4 have been studied and samples assayed. Engineer report says No. 3 runs \$33.29 a ton gold and No. 4 runs \$44.29 a ton gold. A sample taken in March, 1946 by Guichon Mines across twelve inches of vein in the face of No. 3 gave \$26.69 a ton. The vein showing in both tunnels are currently being investigated. Current sampling by company geologists has returned assays as high as 3.63 oz. per ton gold, 15 oz. per ton silver, and 2.85 oz. copper per ton across a true width of three feet. This represents a gross value of \$165 per ton at present day prices.

3. Tunnel No. 5 has also been checked by the experts. Guichon Mines, in the spring of 1946, took samples across 14 inches of vein and yielded \$28.49 a ton gold, \$2.65 a ton silver and \$11.20 a ton copper.

4. Tunnel No. 6 shows a number of rich veins, samples from which have yielded as high as \$48.50 a ton gold.

5. Camperdown vein is thickly-veined in gold and, more particularly, in copper. Reports say "this could be a productive copper vein carrying modest values in gold and silver, and occasionally enriched by spectacular gold returns."

6. Fence Vein has yielded promising assays in gold, silver and copper, and geophysical observations, stripping, drilling and underground work will be continued.

7. The Sunny Boy is a promising zone a mile south of the principal present tunnels. Sunny Boy shows several persistent gold-quartz veins. More work will open up these showings to locate other producing veins.

- - and more

Separate from the rich samples taken bodily from tunnels and surface showings, are the indications of productive ores through diamond drilling and detection through the geophysical technique known as the spontaneous polarization methods.

The spontaneous polarization method, or self-potential method, uses weak electrical currents emanating from deposits mineralized with metallic sulphides which act as natural, buried batteries. The zones of concentrated current flow which indicate hidden ore bodies are called anomalies.

Discovery of many anomalies and diamond drilling to detect their ore potential is continuing at the property.

See maps on pages 4 and 5 for some of the main anomalies.

Seven separate engineer reports have returned favorable recommendations for the immediate development of these properties.

THE POTENTIAL FOR QUILCHENA MINING AND DEVELOPMENT

CO. LTD. (NPL)

The monetary standard of the west assures a rich return in all gold mined and shipped. The price has remained almost fixed for over 20 years at \$35 to \$37 an ounce. Gold is found in good quantities in the company's holdings near Nicola Lake.

Another metal of indicated promise in Quilchena's properties is copper.

Copper prices have fluctuated since the end of World War II but recent industrial developments throughout the world have assured a steady, high price for that metal.

It has truly become known as the "Bonanza Metal."

About 12 years ago Japanese mining and smelting companies took their first good, hard look at British Columbia and its underground wealth. Their big interest was in one particular metal, copper!

The Japanese electronics and radio industries, accelerating far beyond all post war expectations, surpassing even Britain and West Germany, began to feel the first shortages of that basic metal which they require for their survival.

In the first ten years after the first Japanese copper buyers arrived in B.C.—a period during which B.C.'s copper industry had suffered serious setbacks—B.C. began shipping copper across the Pacific. Almost seven million tons, valued at \$50 million went to Japan.

Increasing orders for copper, offers of millions in cash for mill and smelter financing and actual purchase of mining properties by the Japanese, proved that the Japanese were in earnest.

—And the copper boom to the Orient is far from over.

Nine Japanese industrial and mining concerns have established offices in Vancouver: Abano Bussan Co., Ataka (Canada) Ltd., Nippon Mining Co. Ltd., Gosho Co. Ltd., C. Itoh & Co., Mitsui & Co. Ltd., Sumitomo Metal Mining Co. Ltd., C. T. Takahashi & Co. Ltd. and the famous Mitsubishi International Corporation.

Much of the Japanese interest is centred in the 7,000 square-mile Merritt area—an area which geologists and experts say is the hottest mining area in Canada—and overtures by the Orientals have been made to easily a dozen companies in the area. Offers include deals to purchase copper concentrates, millions of dollars in mill financing and production involving thousands of tons a day.

Current exports of copper to Japan run to about \$250,000 a month.

Every ounce of copper that is bought by Japan is used. The great multi-million electronic industry turning out millions of pieces of electronic equipment alone each month demands an almost inexhaustible supply of copper.

The Merritt area of B.C. and Quilchena Mining and Development Co. Ltd. will be first in line to fill that demand.