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PROSPECTUS

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**KITSAULT RIVER
MINING AND
DEVELOPMENT**

Company, Limited

(NON-PERSONAL LIABILITY)



A Copy of this Prospectus has been filed with the Registrar
of Joint Stock Companies

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KITSAULT RIVER MINING AND DEVELOPMENT

Company, Limited

(NON-PERSONAL LIABILITY)

Incorporated under the Companies Act, 1921, Chapter 10,
British Columbia Statutes

AUTHORIZED CAPITAL - \$1,000,000.00

Divided into 1,000,000 shares of the par value of
\$1.00 each.

President

A. F. Smith, Plumber - - - - - Alice Arm, B.C.

Vice-President

John Fiva, Miner - - - - - Alice Arm, B.C.

Directors

T. W. Falconer, Merchant - - - - - Alice Arm, B.C.

John Strombeck, Miner - - - - - Alice Arm, B.C.

Oscar Flint, Miner - - - - - Alice Arm, B. C.

Registered Office

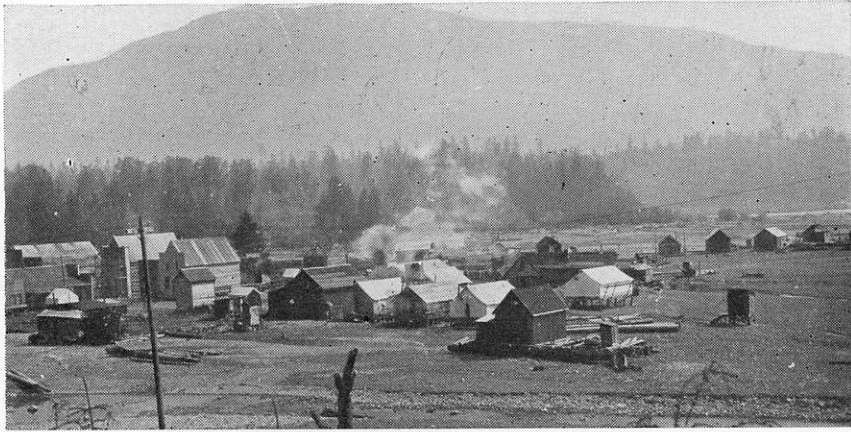
Alice Arm, British Columbia

Bankers

Royal Bank of Canada - - - - - Alice Arm, B.C.

Solicitors

Messrs. Taylor & Brethour, Belmont House, Victoria, B.C.



ALICE ARM, 1919

Kitsault River Mining & Development Company, Limited

(Non-Personal Liability)

— o —

SUBSCRIPTION OFFERING — FIRST ISSUE

For the Account of the Treasury

50,000 Shares. Price, 25c per Share

— o —

DESCRIPTION OF PROPERTIES

The property of the Company consists of the following mineral claims: Mountain Goat, Blue Ribbon, Silver Tip Fraction, Martin, Matilda, Elk, Fox, Fox Fraction, situate in the Naas River Mining Division at Alice Arm, in the Province of British Columbia. These claims are approximately eight miles in a north-westerly direction from the Dolly Varden railroad terminal, which is sixteen miles from tide-water at Alice Arm, Province of British Columbia, and a first-class trail extends from the terminus of the railroad to the claims in question.



THE ALICE ARM HOTEL

This group of claims lies in what is known locally as the Dolly Varden formation. There are three large veins or mineralized zones running through these claims, locally known as the Homestake vein, the Matilda and Fox veins, and the Blue Ribbon or Spar vein. These veins are again cut by a number of cross veins or fractures, on which considerable work has been done. The most important outcrop on the Matilda Claim shows a heavy mineralized silver lead ore, under which a tunnel has been driven for about 35 feet. Samples taken from this tunnel show from \$10 to \$63 in all values per ton, and an open cut on the surface of 53 feet long by 7 feet wide and 6 feet deep, shows ore of the same character as that found in the tunnel. Another open cut below the tunnel shows a silver lead ore of similar description to that found in the tunnel. This vein extends north to the Silver Tip Fraction, where a tunnel has been driven for a distance of 30 feet, showing silver lead ore in which considerable grey copper can be seen. This ore gives 29 ounces of silver and \$1.80 in gold. The Blue Ribbon vein, which lies west of the Matilda vein, has a width of from 4 to 12 feet. Samples from this vein given returns as high as \$40.80 in gold. A further tunnel has been driven for a distance of 30 feet on an outcrop on the Fox Claims, which shows a heavy Pyrite and Chalcopyrite mineralization, samples from which carry fair values in silver and gold, and three open cuts expose this vein for a distance of 60 feet, showing the vein to be six feet in width of nearly solid Chalcopyrite and Pyrite and grey copper ore. This is a very promising vein.

The Company proposes to extend the tunnel on the Matilda Claim in order to determine the approximate boundaries of the ore bodies encountered.

HIGH ORE VALUES AT ALICE ARM DISTRICT

Some of the claims mentioned in this prospectus, and on which yearly assessment work has been done, were located as early as 1915. Evidence of the faith of the owners in the merits of the property is to be found in the adverse conditions under which they have had to work, supplies having had to be brought in by way of trails over which it was impossible to take horses.

The construction of the Dolly Varden Railroad, and improvements of trails, have solved these transportation difficulties.

That the Alice Arm district must soon become a producer of gold, silver, zinc and copper is conceded by engineers who have examined the district. The superior merits of the Dolly Varden Silver ores are well known in mining circles, and when active development is resumed after settlement of the present legal dispute, the mine will resume its place as one of the richest in Northern British Columbia.

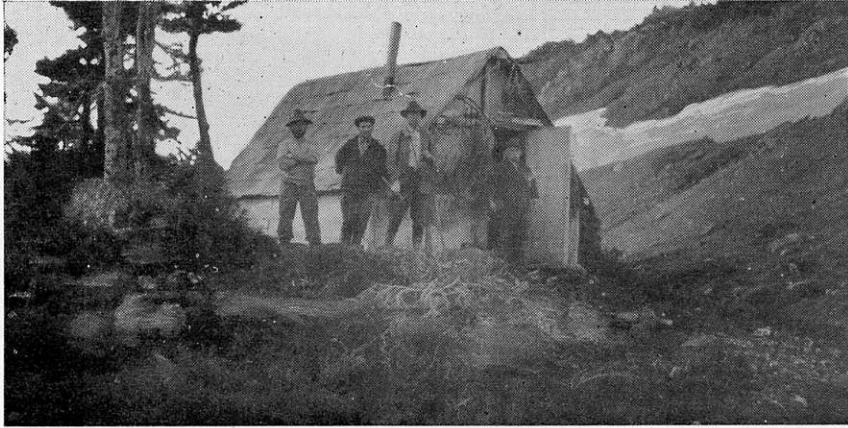
REMARKABLE OUTPUT OF DOLLY VARDEN MINE

During the brief period in which it has been operated, the Dolly Varden mine has yielded 1,304,411 ounces of silver from 36,609 tons of ore. In 1919 one shipment of 42 tons averaged 1,202 ounces of silver per ton. (Vide Dr. Hanson's Summary Report, 1921).

On the east side of Kitsault River, slightly north of and opposite the Dolly Varden Mine, lies the Toris property. A tunnel driven on this property encountered the vein 220 feet from the portal, showing so far seven feet of high-grade ore, carrying flakes of native silver and silver sulphides, proving that the Dolly Varden is only one of several rich properties in the Alice Arm district.



PORTAL OF MATILDA CLAIM TUNNEL, 1919



FIRST CAMP OF THE DISCOVERERS OF THE FOX GROUP

Mr. Wm. Bunting, who located the Cascade Falls mineral claims, now known as the Premier Mine, Portland Canal Mining District, and who is an acknowledged authority on the mineralogy of the district, spent one whole week in an exhaustive inspection of the Fox and Blue Ribbon Claims on Kitsault River. A short report by Mr. Bunting is attached hereto:

REPORT ON FOX AND BLUE RIBBON GROUP OF
MINERAL CLAIMS, KITSALT RIVER,
ALICE ARM, B. C.

By Wm. Bunting

This group lies in what is known locally as the Dolly Varden formation (see map accompanying Dr. Hanson's Summary Report, 1921), and is approximately eight miles in a north-westerly direction from the Dolly Varden R. R. terminal, which is sixteen miles from tide-water at Alice Arm, B.C. A first-class pack-horse trail connects the Homestake Mine with the Dolly Varden Railroad, and as this group adjoins the Homestake on the west at an elevation of 4,200 feet, the accessibility for development of the Fox and Blue Ribbon group is very good.

The most important exposure of metalliferous ore lies in two large veins, the strike of which is roughly northwest.

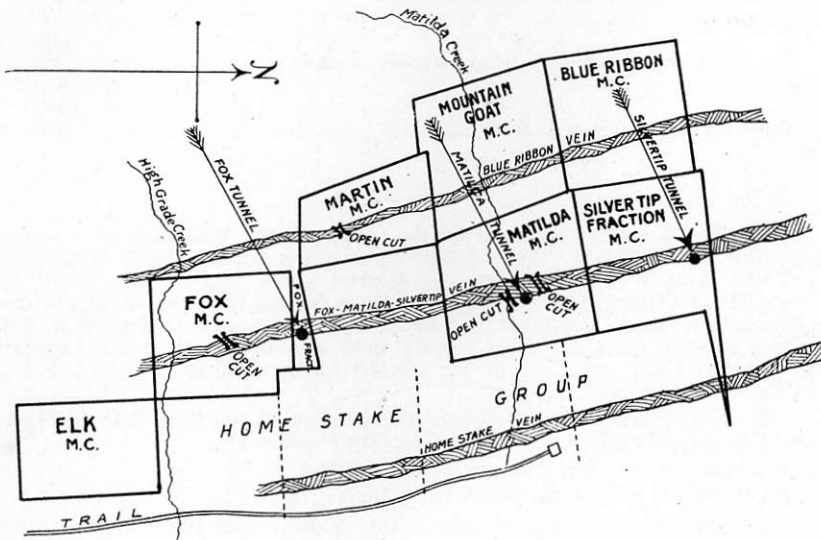
SIMILAR TO PREMIER MINE DEPOSITS

When I looked over this property in 1924, a large surface cut had been put in by the owners on the Matilda claim, showing a large deposit of silver-lead ore. This was of particular interest to me on account of the

similarity of the Premier Mine deposits, which I located in 1910 on Salmon River. A tunnel has been driven under this outcrop for a distance of thirty-five feet, giving proof that the ore occurs in cross-fractures characteristic of the Premier Hill on Salmon River. This tunnel gives a depth of thirty feet showing ore similar to that on the surface, and also carries grey copper. The vein can be traced on the surface for the length of three claims.

Another large outcrop of silver-lead ore occurs on the Silver Tip claim, which adjoins the Matilda on the north. A tunnel driven under this outcrop for a distance of thirty-five feet on the vein shows a fine-grain Galena-Grey Copper Ore in which the Grey Copper predominates. This group consists of eight claims. A week spent in careful examination of the property has convinced me that, with a reasonable amount of development work performed economically and efficiently, together with the excellent opportunities for tunnelling, etc., and also taking into account the similarity in formation to that of the Salmon River, the chances for developing this property into a large and valuable producing mine are excellent.

(Signed) WM. BUNTING,
Hyder, Alaska.



Kitsault River Mining & Development Company, Limited

REGISTERED OFFICE: ALICE ARM, B.C.

STATUTORY INFORMATION

- (1) The date of the incorporation of the Company is December 27th, 1924.
- (2) Its registered office is at Alice Arm, in the Province of British Columbia.
- (3) The extent of the liability of the members of the Company is limited to the amount agreed to be paid by them, and no personal liability attaches to any member of the Company.
- (4) The amount of the authorized capital of the Company is \$1,000,000, divided into 1,000,000 shares of \$1.00 each, all shares being of equal value.
- (5) 50,000 shares in the Company are to be issued and sold at a discount, namely, each \$1.00 share shall be at 25 cents.
- (6) The amount of paid-up capital of the Company is \$500,001, particulars of which hereinafter appear.
- (7) The Company proposes to carry on the business of mining at Alice Arm, in the Province of British Columbia, in the Naas River Mining Division, and to develop the properties acquired by the Company, namely: Mountain Goat, Blue Ribbon, Silver Tip Fraction, Martin, Matilda, E.k, Fox, Fox Fraction by means of the proceeds of the shares to be offered to the public.
- (8) The number of shares to be offered for sale is 50,000, and the amount payable on application for and allotment of each share shall be 25 cents. The amount of commission on sale of any shares shall not exceed 20 per cent.
- (9 and 10) The amount fixed as the minimum subscription on which each director may proceed to allotment, is \$5,000, which amount shall be expended in the mining operation and development of the above mentioned properties, and the preliminary expenses for services rendered, or to be rendered, in relation to the formation and organization of the Company, said amount being estimated as follows:—

20,000 shares at par value of \$1.00 a share.....	\$20,000
Discount on 20,000 shares at 75c per share.....	15,000
	5,000
Legal Expenses, including incorporation of the Company.....	1,500
	3,500
Commission on sale of shares.....	1,000
	\$ 2,500

(11) The properties acquired by the Company are Mountain Goat Mineral Claim, Blue Ribbon Mineral Claim, Silver Tip Fraction Mineral Claim, Martin Mineral Claim, Matilda Mineral Claim, Elk Mineral Claim, Fox Mineral Claim, Fox Fraction Mineral Claim, situate in the Naas River Mining Division, at Alice Arm, in the Province of British Columbia, and the Company is to pay, in consideration for obtaining the said mineral claims, 500,001 fully paid-up shares of this Company. These shares are not to be sold by the vendors for a period of two years, but are to be held in escrow.

(12) The names and addresses of the vendors of the Blue Ribbon Mineral Claim, Mountain Goat Claim, and the Silver Tip Fraction are:

ELMER NESS, Alice Arm, British Columbia.

JOHN FIVA, Alice Arm, British Columbia.

These claims were staked by the vendors in 1916, 1919 and 1923 respectively, and the assessment work done each year to date.

The names and addresses of the vendors of the Fox Fraction Mineral Claim, the Fox Mineral Claim, Martin Claim, Matilda Claim and Elk Claim are:

ARTHUR F. SMITH, Alice Arm, British Columbia.

OSCAR FLINT, Alice Arm, British Columbia.

These claims were staked by the vendors in 1915 and 1917 respectively, and the assessment work done each year to date.

(13) No amount has been paid within the last two preceding years, nor will be paid to any promoter.

- (14) No founder or management or deferred shares have been issued.
- (15) All the shares of the Company are of one class and each share entitles the holder to one vote, subject to the Articles of Association.
- (16) The number of shares fixed by the Articles for qualification as Director shall be the holding of at least one share, and it shall be his duty to comply with the provisions of the Companies Act, 1921.
- (17) The remuneration of the Directors has not yet been fixed, but shall from time to time be determined by the Company in general meeting.
- (18) The balance sheet shall be made to the end of the year and laid before the Company in general meeting, made up to a date not more than four months before such meeting. The balance sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount, if any, which they propose to carry to reserve fund.
- (19) A copy of the balance sheet and report shall, seven days previously to the meeting, be sent to the persons entitled to receive notice of general meeting.
- (20) A prospectus was filed with the Registrar of Companies on the 29th day of December, 1924, but no shares were offered for subscription. This is a revised prospectus.
- (21) This Company received certificate March 10, 1925, to commence business.
- (22) The proposed directors of the Company are as follows:—
OSCAR FLINT, Miner, Alice Arm, B. C.
ELMER NESS, Smelter Man, Alice Arm, B.C.
WESLEY ALEXANDER BRETHOUR, Barrister, Belmont House, Victoria, B.C.
- (23) Particulars of the interest of each director in the Company is as follows:—
Elmer Ness, who holds in trust for himself and the other vendors of the property, namely, Arthur F. Smith, Oscar Flint and John Fiva, all of Alice Arm, B.C., 500,001 fully paid-up shares in the Kitsault River Mining and Development Company, Limited (Non-Personal Liability), in consideration for transferring the aforesaid claims to the Company.
Oscar Flint, of Alice Arm, B.C., holds one share in the Kitsault River Mining and Development Company, Limited, (Non-Personal Liability).
Wesley Alexander Brethour, of 614 Belmont House, Victoria, B.C., holds one share in the Kitsault River Mining and Development Company, Limited (Non-Personal Liability).
- (24) The name and address of the auditor is A. Kennedy, Colquitz, B.C.
- (25) The date and parties and contracts are as follows:—
The Agreement is dated December 29th, 1924.
Arthur F. Smith, Oscar Flint, Elmer Ness and John Fiva, all of Alice Arm,

Province of British Columbia, agree to transfer to this Company the mineral claims known as the Mountain Goat Claim, Blue Ribbon Claim, Silver Tip Fraction Claim, Martin Claim, Matilda Claim, Elk Claim, Fox Claim and Fox Fraction Claim, situate in the Naas River Mining Division, in the Province of British Columbia, in consideration of the issue of the said vendors of 500,001 fully paid-up shares of the Company. The said agreement and copies of transfers of the said properties made thereunder may be inspected at the registered office of the Company, Alice Arm, B.C. The Original of such transfers will be forwarded for due registration and also may be inspected at the same place after registration.

Dated this 8th day of January, 1925

WESLEY ALEXANDER BRETHOUR
ELMER NESS
OSCAR FLINT