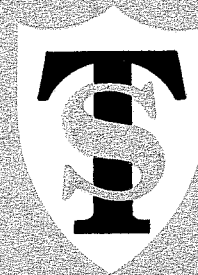


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**SILVER TITAN MINES LIMITED**  
**(N.P.L.)**



**PROSPECTUS**

# SILVER TITAN MINES LIMITED (N.P.L.)

*(Incorporated under the laws of British Columbia)*

Head Office:

328 Marine Building, 355 Burrard St., Vancouver, B.C.

Transfer Agent and Registrar:

Guaranty Trust Company of Canada, Vancouver, B.C.



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## OFFICERS

President ..... Aaro E. Aho  
Secretary-Treasurer ..... Cecil S. Walker

## DIRECTORS

A. E. Aho ..... North Vancouver, B.C.  
C. S. Walker ..... South Burnaby, B.C.  
P. L. Whittall ..... Vancouver, B.C.  
J. E. Bengert ..... Vancouver, B.C.

## ADMINISTRATION OFFICE

328 Marine Building  
355 Burrard Street  
Vancouver 1, B.C.

## REGISTERED OFFICE

402 - 1111 West Georgia Street  
Vancouver 5, B.C.

## CONSULTING ENGINEERS

Dr. D. D. Campbell  
L. G. White

## TRANSFER AGENT

Guaranty Trust Company of Canada

## AUDITORS

Reynolds, Anderson, McPherson & Co.,  
Vancouver, B.C.

## SOLICITORS

Lawrence, Shaw, McFarlane & Stewart,  
Vancouver, B.C.

## CAPITALIZATION

5,000,000 shares \$1.00 par value.

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# Prospectus

- 1st PUBLIC ISSUE
- COMMON SHARES (\$1.00 par value)

(a) The full name of the Company is Silver Titan Mines Limited (N.P.L.) (hereinafter called "the Company") and the address of its head office is 328 Marine Building, 355 Burrard Street, Vancouver, B.C.

(b) The Company was incorporated as a specially limited private company on May 3rd, 1962, under the "Companies Act" of British Columbia, by memorandum of association.

(c) On May 24th, 1962, the Memorandum of Association of the Company was amended to provide for an increase in the authorized capital of the Company from \$2,500,000.00 divided into 5,000,000 shares of 50c par value each to \$5,000,000.00 divided into 5,000,000 shares of \$1.00 par value each.

On August 2nd, 1962, the Company was licensed as an extra-territorial company under the "Companies Ordinance" of the Yukon Territory of Canada.

On September 27th, 1962, the Company converted itself from a private company into a public company.

(d) The full name, occupation and home address of each director of the Company is as follows:

Aaro Emil Aho,  
4219 Lions Avenue,  
North Vancouver, B.C.  
Consulting Geological Engineer,  
(President of the Company.)

Cecil Spencer Walker,  
7365 Punnett Close,  
Burnaby, B.C.  
Executive,  
(Secretary-Treasurer of the Company.)

Patrick Lanyon Whittall,  
6790 Arbutus Street,  
Vancouver, B.C.  
Executive.

Julius Edward Bengert,  
1347 Nicola Street,  
Vancouver, B.C.  
Hotel Operator.

(e) The auditors of the Company are Reynolds, Anderson, McPherson & Co., whose address is 1818 Marine Building, 355 Burrard Street, Vancouver, B.C.

(f) The Registrar and Transfer Agent of the Company is Guaranty Trust Company of Canada and the sole registry for shares of the Company is kept at the office of Guaranty Trust Company of Canada at 624 Howe Street, Vancouver, B.C.

(g) The authorized capital of the Company is \$5,000,000.00 divided into 5,000,000 shares of \$1.00 par value each, of which 1,250,002 have been issued as fully paid and non-assessable. All the shares of the Company, both issued and unissued are common shares. The Articles of Association of the Company provide that shares of the Company may be issued at a discount of up to 95%, and that the Company may pay a commission (not exceeding 50% of the selling price of the shares) to any person in consideration of his subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares of the Company.

(h) No bonds or debentures of the Company have been or are intended to be issued.

(i) The 750,000 shares of the Company referred to in paragraph (k) hereof are held in escrow by Guaranty Trust Company of Canada at its Vancouver office under the instructions of the British Columbia Securities Commission and cannot be sold, assigned, transferred or dealt with in any manner whatsoever without the written consent of that commission.

(j) (i) 500,002 shares of the Company have been sold for cash and the prices paid for them are as follows:

150,002 shares at 10c per share,  
300,000 shares at 30c per share, and  
50,000 shares at 40c per share.

(ii) The total cash received from the sale of the above 500,002 shares of the Company is \$125,000.20.

(iii) No commissions were paid or allowed on the sale of any shares of the Company.

(iv) A discount of 90% was allowed on the above mentioned 150,002 shares sold at the price of 10c per share, a discount of 70% was allowed on the above mentioned 300,000 shares sold at the price of 30c per share, and a discount of 60% was allowed on the above mentioned 50,000 shares sold at the price of 40c per share.

(k) (i) 750,000 shares of the Company have been issued for a consideration other than cash to the vendors of the Galena Hill property named in sub-paragraph (ii) of paragraph (m) hereof.

(ii) No cash was received on the sale of those 750,000 shares.

(iii) No commissions were paid or allowed on those 750,000 shares.

(iv) Those 750,000 shares were issued at a discount of 95% in consideration of the above mentioned vendors subscribing therefor.

(l) No shares have been issued or are to be issued, nor has any cash been paid or is to be paid, to any promoter.

(m) Particulars of property owned by the Company, or in which the Company has an interest, are as follows:

(i) The Company owns, free from all encumbrances, the following 91 mining claims situate at the base of the north slope of Galena Hill in the Mayo Mining District of the Yukon Territory of Canada:

Name of Mining Claim	Grant Number
Leo Nos. 9 to 17 inclusive	59859 to 59857 inclusive
Leo Nos. 18 and 19	59941 and 59942 respectively
Leo Fraction	61635
Leo Fraction No. 1	62891
Leo Fraction No. 2	62892
Leo Fraction No. 3	80395
Cone No. 3 Fraction	62933
Cone Fraction No. 2	62932
Cone Fraction	62864
KPO Nos. 1 to 8 inclusive	80082 to 80089 inclusive
9 to 12 inclusive	80092 to 80095 inclusive
13 to 27 inclusive	80362 to 80376 inclusive
29 to 36 inclusive	80378 to 80385 inclusive
37 to 39 inclusive	80385 to 80388 inclusive
KPO Fraction	80345
KPO Fractions 1 to 5 inclusive	80389 to 80393 inclusive
KPO No. 28	80394
AA 1 to 20 inclusive	80981 to 81000 inclusive
AA 21 and 22	82601 and 82602 respectively
AA 23 to 28 inclusive	81140 to 81145 inclusive

(All hereinafter referred to as "the Galena Hill property".)

The Company owns, free from all encumbrances, an undivided one-half interest in 8 mining claims which are situate among the above described 91 mining claims and are described as follows:

Name of Mining Claim	Grant Number
Leo Nos. 1 to 3 inclusive	59710 to 59712 inclusive
Leo Nos. 4 to 8 inclusive	59714 to 59718 inclusive

(which one-half interest is included in the expression "the Galena Hill property".)

and the Company is the holder, by a written assignment to it dated June 8th, 1962, from John H. Gerlitzki of Vancouver, B.C. of an option to purchase the remaining undivided one-half interest in those 8 mining claims from United Keno Hill Mines Limited, free from all encumbrances, for the price of \$50,000.00 paid and payable in cash as follows:

\$ 5,000.00 paid on March 15th, 1962,  
\$10,000.00 on or before March 15th, 1963,  
\$10,000.00 on or before March 15th, 1964,  
\$25,000.00 on or before March 15th, 1965.

The option is contained in a written agreement dated March 15th, 1962, made between United Keno Hill Mines Limited as optionor and John H. Gerlitzki as optionee.

The Company and Peso Silver Mines Limited (N.P.L.), the head office of which is in Vancouver, B.C. and which is hereinafter referred to as "Peso", hold equally between them an option to purchase from Dr. Allan C. Duncan of Vancouver, B.C., free from all encumbrances, the following mining claims situate about 5 miles northeast of Keno in the Mayo Mining District of the Yukon Territory:—

Name of Mining Claim	Grant Number
Forest	13412
Ivan	13799
Bell York	14826
Ada	14858
Yukon	55392
Bob	55394

(hereinafter referred to as "the Duncan property")

The option is contained in a written agreement dated August 15th, 1962, made between Dr. Allan C. Duncan as optionor and the Company and Peso as optionees. Under the terms of the agreement the Company and Peso are entitled to explore, develop and mine the Duncan property and are obligated to expend a total of \$10,000.00 on exploration and development work in the first year, and thereafter, if they wish to keep the option in good standing, to expend an equal sum in each following year. In addition, if they wish to keep the option in good standing beyond August 15th, 1964, they must pay to Dr. Duncan the total sum of \$5,000.00 in cash. They may purchase the property for \$60,000.00 in cash on or before August 15th, 1964, or for \$75,000.00 in cash on or before February 15th, 1965, or for \$125,000.00 thereafter, all on an option basis, providing the option is in good standing at the appropriate time. The purchase price of \$125,000.00 applicable after February 15th, 1965, is payable by 10% of net smelter returns from any production from the property (10% of net smelter returns being required to be paid to Dr. Duncan on account of the applicable purchase price from any production during the currency of the option in any event) with the provisions that minimum payments to Dr. Duncan after August 15th, 1967, are to be \$5,000.00 per year and that the full purchase price is to be paid on or before August 15th, 1972, all on an option basis. Peso and the Company have entered into a written joint venture agreement dated September 20th, 1962, providing for the joint management and development of the Duncan property and providing that either party may terminate the joint venture agreement on thirty (30) days notice, in which event the other party is to acquire the terminating party's one-half interest in the Duncan property subject to the option agreement.

(ii) The names and addresses of all the vendors to the Company of the Galena Hill property (except for mining claims AA23 to 28 inclusive which were staked directly on behalf of the Company) are as follows:

Vendor	Mining Claims
Cecil Doria Poli, Mayo, Yukon, Canada. Plus one half interest in all KPO claims listed below	Leo Nos. 9 to 17 inclusive Leo Nos. 18 and 19 Leo Fraction Leo Fraction No. 1 Leo Fraction No. 2 Leo Fraction No. 3 Cone No. 3 Fraction Cone Fraction No. 2 Cone Fraction One half interest in Leo Nos. 1 to 8 inclusive and option to purchase remaining one-half interest mentioned above.
John H. Gerlitzki, 1142 Harwood St., Vancouver, B.C.	KPO Nos. 1 to 8 inclusive 9 to 12 inclusive KPO Nos. 13 to 27 inclusive 29 to 35 inclusive 37 to 39 inclusive KPO Fraction KPO Fractions 1 to 5 inclusive KPO No. 28 AA 1 to 20 inclusive 21 to 22 inclusive
Alice A. Smith, Mayo, Yukon, Canada, and Cecil Doria Poli above mentioned	
Dr. Aaro E. Aho, 4219 Lions Avenue, North Vancouver, B.C.	

The total consideration which the above vendors received from the Company was 750,000 treasury shares of the Company, issued to Guaranty Trust Company of Canada as escrow trustee as fully paid and non-assessable at a discount of 95% (being the shares referred to in paragraph (k) hereof), and the sum of \$5,000.00 in cash. The beneficial interest in those 750,000 shares was distributed among the above vendors at the time of issue in the numbers following:

Cecil D. Poli .....	240,000	shares
John H. Gerlitzki .....	198,750	"
Alice A. Smith .....	150,000	"
Dr. Aaro E. Aho .....	161,250	"
Total .....	<u>750,000</u>	"

The above sum of \$5,000.00 in cash was credited by the Company to Dr. Aaro E. Aho, who had paid an equal sum to John H. Gerlitzki to make the payment of \$5,000.00 to United Keno Hill Mines Limited referred to in sub-paragraph (i) of this paragraph (m). In exchange for that credit of \$5,000.00 Dr. Aho received 50,000 fully paid and non-assessable treasury shares of the company amounting to a price of 10¢ per share and constituting a discount of 90%.

If the company exercises its option to purchase the remaining undivided one-half interest in the Leo. Nos. 1 to 8 mining claims inclusive, cash payments as set forth in sub-paragraph (i) of this paragraph (m) will be made to United Keno Hill Mines Limited, whose head office is at the Settlement of Elsa in the Yukon Territory.

If the company exercises its option to purchase the Duncan property payment as set out in sub-paragraph (i) of this paragraph (m) will be made to Dr. Duncan, who resides at 6088 Marguerite Street, Vancouver, B.C.

(iii) As far as is known to the Company no persons other than those mentioned in sub-paragraph (ii) of this paragraph (m) have received or are to receive an interest in any of the considerations mentioned in that sub-paragraph greater than one-twentieth thereof.

(iv) The Galena Hill property is parallel to the main Mayo-Elsa Highway and lies one half mile to the north. The Company has been using a connecting private road by verbal consent. The Duncan property is about five miles northeast of Keno and straddles an old public road beyond Wernecke Camp.

(v) No underground exploration or development has been done on either property except for several prospect shafts up to 30 feet deep sunk through the overburden by previous owners or licensees.

(vi) Turam electromagnetic geophysical surveys were conducted on unexplored parts of the Galena Hill property by Hunting Survey Corporation under a contract with the Company. Diamond drilling with a BBS 2 machine was started in July 1962, by Boyles Bros. Drilling Co. Ltd., of Vancouver, B.C. Four diamond drill holes, totalling over 1,000 feet have been completed. A camp consisting of six tents and two small frame buildings has been set up, and winterized, below the Silver King Mine. On the Duncan property trenching by bulldozer, mapping and sampling were carried out in August and September 1962.

In addition to the BBS 2 drilling machine of Boyles Bros. Drilling Co. Ltd. mentioned above, one D6 Caterpillar bulldozer leased by the Company and one old carryall truck owned by the Company are employed on the Galena Hill property.

One 1959 International truck, one mucking machine, one welding outfit, and miscellaneous small equipment, all owned by the Company, are employed on the Duncan property, together with two air compressors, three rock drills, and the above mentioned D6 Caterpillar bulldozer, all leased by the Company.

(vii) Little or no work was done on either the Galena Hill property or the Duncan property until recent years because of extensive overburden. In 1956 John H. Gerlitzki and Howard Colley discovered the silver-bearing Gerlitzki vein on the Leo Nos. 1 to 8 mining claims, now part of the Galena Hill property. In the same year a resistivity geophysical survey was done on Leo Nos. 9 to 17 mining claims and four unsuccessful diamond drill holes were drilled by Mining Geophysics Corporation. In 1959 United Keno Hill Mines

Limited stripped the Gerlitzki vein and after drilling ten short diamond drill holes in it, failed to exercise an option to acquire the property. Further resistivity surveys were also done in 1959 on the 45 KPO mining claims and Fractions to the west of the Gerlitzki vein by Petcal Company Limited of Calgary, Alberta.

The Duncan property was first staked about 1921. R. Greaves subsequently sank a short prospect shaft on the property and assessment work has been done over a period of years. In 1959 and 1960 Canex Aerial Exploration of Vancouver, B.C. made a resistivity survey on it, followed by a bulldozer trenching and sinking of several short prospect shafts, and then failed to exercise an option to acquire the property. An option to purchase the property was acquired by the Company and Peso as mentioned above.

(viii) The work done on the Galena Hill property under the present management of the Company consists of line cutting and Turam electromagnetic surveys on four parts of the property, construction of a camp, roadwork, clearing of drill sites, stripping, sampling and mapping of the Gerlitzki vein, and drilling four diamond drill holes totalling over 1,000 feet. The work done on the Duncan property under the present management of the Company and Peso consists of trenching and stripping by bulldozer, geologic mapping, sampling, road improvement and preliminary camp construction.

(n) No options are proposed to be given in respect of any shares or other securities of the Company nor is any underwriting agreement in respect of the same proposed to be entered into by the Company. The Company, by this prospectus, offers to sell 200,000 of its shares without discount as fully paid and non-assessable at the price of \$1.00 per share net to the Company, subject, however, to the payment of a commission (at the discretion of the directors of the Company) in respect of some or all of those shares, not exceeding five cents per share.

(o) Particulars of the plans of the Company for future exploration and development are as follows:

Continued exploratory diamond drilling on the Galena Hill property to test the main vein zones and intersections, as recommended by Dr. D. D. Campbell, consulting geological engineer, in a written report dated September 1st, 1962, at a cost estimated by the Company at \$185,000.00, and open cutting and an adit on the Duncan property as recommended by L. G. White, consulting mining engineer, in a written report dated September 17th, 1962, together with Peso, completing the installation of a camp and purchasing equipment, at a total cost to the Company, as estimated by it, of \$15,000.00.

(p) The expenses incurred in the incorporation and formation of the Company are as follows:

Administrative expenses incurred as at August 31st, 1962 .....	\$2,535.98
Legal expenses incurred as at August 31st, 1962 .....	3,945.86
Total .....	<u>\$6,481.84</u>

Estimated administrative expenses incurred since August 31st, 1962 .....	\$ 500.00
Estimated legal expenses incurred since August 31st, 1962 .....	1,200.00
Estimated accounting expenses incurred since August 31st, 1962 .....	650.00
Total .....	<u>\$2,350.00</u>

The development expenses incurred by the Company as at August 31st, 1962, are \$54,772.61 and the estimated development expenses incurred since August 31st, 1962, are \$20,000.00.

Estimated future expenditures of the Company on preliminary matters are as follows:

Legal expenditures .....	\$1,500.00
Printing of prospectuses and share certificates .....	500.00
Office furniture and fixtures .....	500.00
Total .....	<u>\$2,500.00</u>

(q) No substantial indebtedness is intended to be created or assumed by the Company.

(r) Dr. Aaro E. Aho, a director and president of the Company, has been engaged in his own private practice as a consulting geological engineer since 1958.

Cecil S. Walker, another director of the Company and also its secretary-treasurer, has been engaged as an executive in the paint manufacturing and sales business since 1956. He has been president of Walker Brothers Ltd., of Burnaby, B.C., a company engaged in that business since that time.

Patrick L. Whittall, another director of the Company, has been engaged as an executive in the forest products business since 1948. He has been employed with Canadian Forest Products Limited of Vancouver, B.C. since that time and is at present the manager of its Shingle Division.

Julius E. Bengert, another director of the Company, has been engaged as an executive in the hotel business since 1932. He has been president of Astor Hotel Limited of Burnaby, B.C., since 1955.

(s) Dr. Aaro E. Aho, a director and president of the Company was the owner of the AA1 to AA22 mining claims inclusive, which form part of the Galena Hill property acquired by the Company. Cecil S. Walker, another director of the Company and its secretary-treasurer, is the president and a director and shareholder of Peso Silver Mines Limited (N.P.L.) which has, together with the Company, acquired an interest in the Duncan property, as referred to in sub-paragraph (i) of paragraph (m) hereof. Patrick L. Whittall, another director of the Company, is a director and shareholder of Peso. Julius E. Bengert, another director of the Company, is a shareholder of Peso. No other interests of the directors or officers of the Company, direct or indirect, exist or have existed in any property at any time acquired or proposed to be acquired or in which any interest was at any time acquired or is proposed to be acquired by the Company.

(t) No remuneration has been paid to any directors or officers since the incorporation of the Company. Dr. Aaro

E. Aho, a director and president of the Company, has received from the Company fees and expenses of \$1,650.00 and \$159.45 respectively for supervision of field work of the Company.

(u) (i) No remuneration is proposed to be paid to any directors of the Company during its current fiscal year.

(ii) No remuneration is proposed to be paid to any officers of the Company during its current fiscal year, except for a salary of \$700.00 per month from October 1st, 1962, to Ronald Victor Markham, of 4069 West 35th Avenue, Vancouver, B.C., the office manager of the Company.

(v) The vendors of the Galena Hill property acquired by the Company, whose names and addresses are set forth in sub-paragraph (ii) of paragraph (m) hereof, are able to elect a majority of the directors of the Company.

(w) No dividends have been paid to date by the Company.

(x) Dr. Aaro E. Aho, a director and president of the Company, owns 60,750 free shares and 139,750 escrow shares of the Company. Cecil S. Walker, another director and the secretary-treasurer of the Company, owns 40,000 free shares and 8,334 escrow shares of the Company. Patrick L. Whittall, another director of the Company, owns 50,000 free shares and 11,666 escrow shares of the Company. Julius E. Bengert, another director of the Company, owns 27,500 free shares and 5,377 escrow shares of the Company. Ronald V. Markham, the office manager of the Company, owns no shares of the Company. There are no other material facts which are not disclosed under the foregoing provisions of this prospectus.

The foregoing constitutes a full, true and plain disclosure of all material facts in respect of the offering of the securities referred to above, as required by the "Securities Act" of the Province of British Columbia, and there is no further material information applicable other than, in the financial statements or reports where required.

DATED at Vancouver, B.C. this 12th day of October, 1962.

AARO E. AHO

Aaro Emil Aho

C. S. WALKER

Cecil Spencer Walker

JULIUS EDWARD BENGERT  
BY HIS AGENT C. S. WALKER

Julius Edward Bengert

P. L. WHITTALL

Patrick Lanyon Whittall

## Auditors' Report

We have examined the books and accounts of Silver Titan Mines Limited (Non-Personal Liability) as at August 31st, 1962, and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

We have not confirmed title to the mineral claims directly with the Government Registry Office. We have accepted a letter from the company solicitors which states that in their opinion the mineral claims were in good standing, free from any encumbrances and recorded in the name of the company, or in the case of mineral claims held under option, in the name of the optionor.

In our opinion, subject to the foregoing, the attached balance sheet, supplemented by the accompanying notes, is properly drawn up so as to exhibit a true and correct view of the company's affairs as at August 31st, 1962, according to the best of our information and the explanations given to us and as shown by the books of the company.

REYNOLDS, ANDERSON, McPHERSON & CO.

Vancouver, B.C.  
October 12th, 1962.

Chartered Accountants.

## ASSETS

### CURRENT ASSETS

Cash on hand and in banks .....

Accounts receivable (Note 1) .....

Expense advances outstanding .....

### MINERAL PROPERTY

Mineral claims—Galena Hill property .....

Less: Amount unpaid on option agreement  
(Note 2) .....

Mineral claims—Duncan property (Note 3) .....

### CAPITAL ASSETS, at cost

Machinery and equipment .....

Camp buildings .....

### DEFERRED CHARGES

Incorporation costs .....

Prepaid expenses .....

Exploration and development expenses and  
administrative expenses, per Schedule "1" .....

### APPROVED ON BEHALF OF THE BOARD

AARO E. AHO

Director

P. L. WHITTALL

Director

(Non-Personal Liability) Vancouver, B.C.

## BALANCE SHEET AS AT AUGUST 31st, 1962

		<b>LIABILITIES</b>	
		<b>CURRENT LIABILITIES</b>	
\$55,337.00		Accounts payable .....	\$ 30,605.43
7,618.69		Subscriptions received on shares to be issued .....	4,120.00
<u>1,189.33</u>		Wages and holiday pay payable .....	1,611.78
	\$ 64,145.02	Employees' tax deductions .....	<u>761.55</u>
			\$ 37,098.76
\$87,500.00			
		<b>SHARE CAPITAL</b>	
<u>45,000.00</u>	42,500.00	<i>Authorized:</i>	
	<u>1.00</u>	5,000,000 shares of \$1.00 each par value .....	<u>\$5,000,000.00</u>
	42,501.00		
		<i>Issued:</i>	
15,211.27		474,702 shares issued for cash .....	474,702.00
<u>4,137.14</u>		Less: discount .....	<u>358,321.80</u> 116,380.20
	19,348.41	750,000 shares issued for property .....	750,000.00
		Less: discount .....	<u>712,500.00</u> 37,500.00
1,306.91		<u>1,224,702</u> shares	<u>153,880.20</u>
4,229.48			
<u>59,448.14</u>			
	64,984.53		
	<u>\$190,978.96</u>		<u>\$190,978.96</u>

The accompanying notes 1 to 3 form an integral part of this balance sheet.

This is the balance sheet referred to in the report of Reynolds, Anderson, McPherson & Co.,  
Chartered Accountants, dated October 12th, 1962.

**EXPLORATION AND DEVELOPMENT EXPENSES  
AND ADMINISTRATIVE EXPENSES  
FROM THE DATE OF INCORPORATION  
MAY 3rd, 1962 TO AUGUST 31, 1962**

EXPLORATION AND DEVELOPMENT EXPENSES

Wages and wage assessments .....	\$ 9,342.54
Contract drilling expense .....	16,054.12
Contract staking .....	1,443.00
Equipment rental .....	7,580.32
Equipment repairs and maintenance .....	1,115.50
Cookhouse and commissary .....	3,936.51
Camp supplies and expense .....	2,830.49
Gas and oil .....	1,376.18
Freight .....	488.83
Consultants fees and expenses .....	3,230.12
Geophysical survey .....	4,000.00
Contract line cutting .....	325.25
Travel and lodging .....	1,635.50
Assaying .....	646.95
Telephone and telegraph .....	207.25
Printing, office and stationery .....	120.80
Licenses and fees .....	215.00
Maps and blueprints .....	141.77
Sundry expense .....	69.18
Insurance .....	12.30
	\$54,771.61

**NOTES TO BALANCE SHEET AS AT AUGUST 31st, 1962**

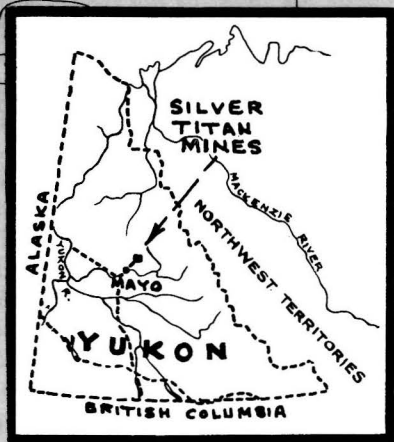
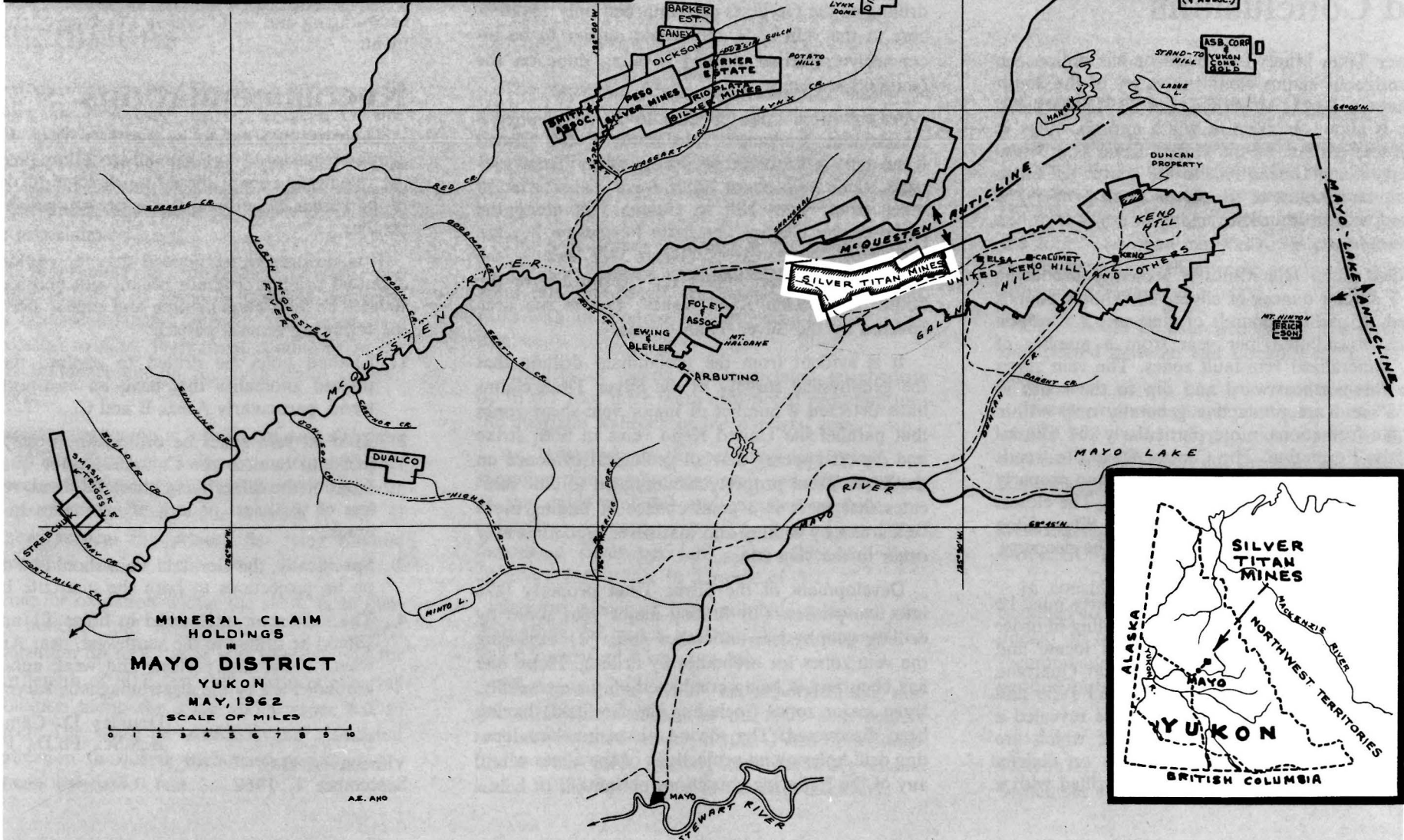
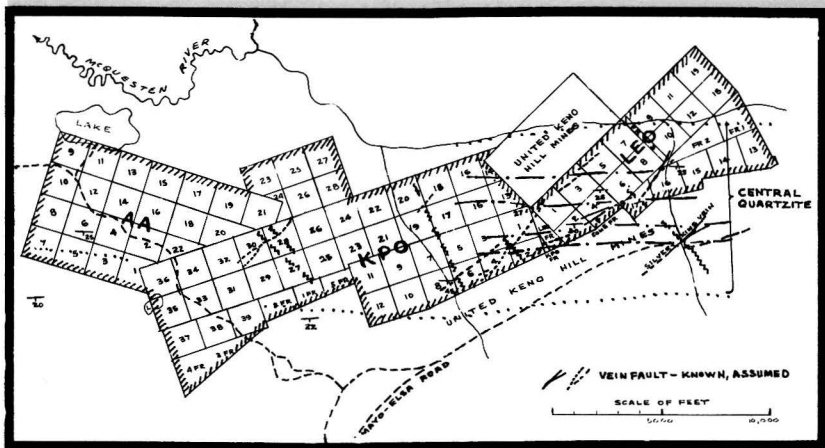
1. Included in the accounts receivable is an amount of \$6,862.49 the collectibility of which has not been established.
2. Terms of payment under the option are as follows:
  - \$10,000.00 on or before March 15th, 1963
  - 10,000.00 on or before March 15th, 1964
  - 25,000.00 on or before March 15th, 1965
  - \$45,000.00
3. Under an agreement dated August 15th, 1962 the company and Peso Silver Mines Limited (N.P.L.) obtained an option to purchase jointly six mineral claims in the Mayo area of the Yukon Territory. In order to keep the agreement in good standing the companies must expend jointly an amount of \$10,000.00 annually on the property. The companies may exercise their option by payment of a purchase price which varies depending on the date the option is exercised as set out in the agreement.

ADMINISTRATIVE EXPENSES

Travel and lodging .....	952.85
Legal fees and expenses .....	2,741.55
Accounting and financial consulting .....	570.00
Trust company fees and expenses .....	150.00
Telephone and telegraph .....	119.87
Printing, office and stationery .....	51.32
Stenographic services .....	50.00
Dues and subscriptions .....	18.75
Bank charges and interest .....	22.19
	4,676.53

TOTAL, carried to Exhibit "A" .....

\$59,448.14



*The following are the summary, conclusions, and recommendations set out in a much more comprehensive report on the Galena Hill property by Dr. D. D. Campbell, consulting geological engineer.*

## Summary and Conclusions

Silver Titan Mines Ltd. owns or has options on 99 contiguous claims along the valley of the South McQuesten River, Mayo District, Y.T. The claim group is about one mile in width and six miles in length and borders on the United Keno Hill Mines property along Galena Hill to the south. All but a very minor amount of the Silver Titan property is covered with overburden ranging in depth from ten to seventy feet.

United Keno Hill Mines is presently producing over 7 million ounces of silver, 20 million pounds of lead, 15 million pounds of zinc and 2.5 million pounds of cadmium per year from a number of richly mineralized vein-fault zones. The vein zones strike east-northeastward and dip to the south at 60°-75° and are productive generally only within quartzite formations, more particularly the Central Quartzite Formation. The Central Quartzite trends west from Galena Hill into the Silver Titan property and traverses the length of the property. The closest productive vein to Silver Titan is the Silver King which lies near the eastern margin of the property, just inside the United Keno boundary.

Exploration of the Silver Titan property must be by geophysical means and diamond drilling in order to probe beneath the overburden and locate and then explore any vein zones in the Central Quartzite member. Resistivity surveys in 1956 and 1959 and an electromagnetic survey in 1962 have revealed a large number of conductors, many of which are parallel to the trend of the ore veins on Galena Hill. Two such anomalies have been drilled with a

few holes and were found to be major graphitic shear zones.

Another vein zone, the Gerlitzki vein located near the south edge of the Silver Titan property has been stripped and drilled for a length of 500 feet. The zone is 10-20 feet in width and contains appreciable silver values along a strike length of about 120 feet. One short interval in this length contains very high grade argentiferous galena. The drilling of the Gerlitzki vein returned only 15-20% core in the vein zone and would appear to be inconclusive. Further drilling is being done on the Gerlitzki showings.

At this time there appears to be no geological reason that productive vein zones of the United Keno type will not occur on the Silver Titan property. Such vein zones occur for a distance of 15 miles from Keno Hill to Galena Hill along the strike of the Central Quartzite Formation but are not known northwest of Galena Hill because the quartzite disappears under the overburden of the South McQuesten River valley; this is the area covered by the Silver Titan claims.

It is evident from the preliminary drilling that the geophysical surveys of the Silver Titan claims have detected a number of major vein-shear zones that parallel the United Keno veins in both strike and dip. It appears that all geological evidence on the Silver Titan property accumulated to date indicates that there is a good chance of finding more vein zones by drilling and that silver orebodies may occur in the vein zones.

Development of the Silver Titan property falls into two phases, (1) finding major vein zones by drilling geophysical anomalies and, (2) exploring the vein zones for orebodies by drilling. Phase one has been and is being conducted very successfully, three major zones (including the Gerlitzki) having been discovered. The second phase involves locating drill holes along projections of the zones where any of the following conditions pertain:

- (1) Where the vein zone is in massive quartzite, preferably near a contact.
- (2) Where the vein zone branches or bends. (Indications of this are available from the geophysical surveys).
- (3) Where any appreciable amounts of silver, galena, sphalerite, siderite or quartzite breccia are intersected.

Any intersection obtained of ore widths and grade (Keno type) can be considered extremely encouraging and significant in this type of environment.

## Recommendations

There is little aid to be garnered from further geophysical surveys of the Silver Titan property, the remaining energy should be directed to drilling of the targets as outlined by the present geophysical results.

It is strongly recommended that the exploratory diamond drilling program begun with considerable success be continued as time and money permit in the following general pattern:

1. Limited holes be drilled to explore the unprobed anomalies that have an east-northeast trend, particularly Areas B and C.
2. That all vein zones be drilled where they project into or near the Calumet-Hector quartzite band or the Silver King quartzite band, regardless of weakness or lack of anomalies in those areas.
3. Specifically, the Gerlitzki Vein should be drilled on its projections to both the quartzite bands.
4. The vein zone intersected in holes T1 and T2 should be drilled to the southwest, near Area E, where branching, faulting and weak anomalies are indicated by the electromagnetic survey.

Douglas D. Campbell,  
B.A.Sc., Ph.D., P.Eng.

Vancouver, B.C.  
September 1, 1962

*The following are the summary and conclusions, recommendations, and general recommendation and conclusions set out in a more comprehensive report on the Duncan property by Leonard G. White, consulting mining engineer.*

## Summary and Conclusions

Previous work on the Lake No. 1 mineral claim adjoining the Ivan claim of the "Duncan Group" exposed pods and stringers of galena and tetrahedrite mineralization containing high silver values within siderite veining striking N. 30° E across a bulldozer trench adjacent to the common boundary of the two claims.

The programme of bulldozer stripping and trenching initiated to locate a possible extension of the mineralized zone onto the Ivan claim was unsuccessful to date. Permafrost conditions in the parallel bulldozer cut on the Ivan claim delayed the work.

However, deepening a former cut and stripping in an area a distance of approximately 600 feet south-west of the above workings exposed a definite mineralized sheared fault lode striking N. 40° E with near vertical dip cutting flat lying phyllite host rocks.

A zone of oxidation within the shear zone containing bunches and stringers of massive galena mineralization up to 4" wide was well exposed for a strike length of 80.0 feet. The width of shearing and foliation along the zone varied from 8.0 to 10.0 feet. The width of oxidation and associated mineralization in quartz carbonate veining averaged from 1.0 to 5.0 feet.

The massive galena mineralization contained disseminated patches of tetrahedrite and characteristic azurite-malachite staining. It occurred as fracture filling along a fairly continuous en echelon pattern for an exposed 60 foot length of oxidized zone.

The most recent stripping at the South end of the trench exposed continuation of the sheared zone into competent greenstone-quartzite formations with an apparent strengthening of mineralization.

Stringers of galena and associated tetrahedrite up to 0.1 foot thick were also noted radiating into the quartzite wallrock of the oxidized zone.

As indicated on the attached geological and sampling plan, preliminary grab and chip sampling of the oxide material and massive sulphides returned values ranging from 0.6 ounces up to 509.0 ounces of silver per ton. The silver-lead ratio appeared favourable in a range of 5:1.

Selected pieces of fresh sulphide taken at random along the trench as deepening progressed ran 998.0 ounces of silver per ton.

The favourable tenor of mineralization and structural characteristics of the zone with respect to the projected trace of the Friendship-Sadie-Ladue vein fault system from adjoining claims added to the significance of the new discovery.

## Recommendations

Recommendations were made and implemented in the field to finish cleaning the remaining debris from the general area of the new find, then proceed immediately with open cutting along the strike of the zone. The open cut was to be continued as an exploratory adit when rock conditions permitted collaring a tunnel.

Care should be exercised to sort the high grade mineralized material and stockpile for future shipment.

It was estimated that expenditures in the amount of \$16,750 would be required to prepare the site and successfully open cut the zone for roughly 90 feet during the ensuing month.

### GENERAL RECOMMENDATION & CONCLUSIONS

In consideration of the very favourable results obtained to date by the preliminary stripping conducted on the well mineralized zone, it is strongly recommended that the above programme be expedited without delay.

L. G. White, P.Eng.  
Consulting Mining  
Engineer

Vancouver, B.C.  
September 17, 1962