

IONA SILVER MINES LTD. (N.P.L.)

014344

Registered Office:
1650 - 777 Hornby Street
Vancouver, British Columbia

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

THERE IS NO EXISTING MARKET FOR THE SECURITIES OF THE COMPANY.

OFFERING: 300,000 common

COLUMN 1	COLUMN 2	COLUMN 3
Price to Public	Commissions	Proceeds to Company (if all of the shares offered are sold)
Per Share: 25¢	6¼¢	18 3/4¢
TOTAL: \$75,000.00	\$18,750.00	\$56,250.00

The Company intends to engage in mineral exploration. Of the shares issued and to be issued, 22.9% are being offered to the public and of the remaining 77.1%, 92.5% were issued to the directors, officers and controlling persons for cash and property. Reference in this behalf may be had to Item "Principal Holders of Securities" in the body of the Prospectus.

THE PROPERTIES ARE WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE.

A PURCHASE OF SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. THIS IS THE FIRST PROSPECTUS OFFERED BY THE COMPANY.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION OF \$56,250.00 WITHIN 120 DAYS HEREOF.

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTION WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE.

DATED this 8th day of March , 1977

TABLE OF CONTENTS

	<u>Page No.</u>
INCORPORATION	1
CAPITALIZATION	1
SECURITIES SOLD FOR CASH TO DATE	1
DIRECTORS AND OFFICERS	1 & 2
REMUNERATION	2
DESCRIPTION OF THE BUSINESS AND PROPERTY OF THE ISSUER	2 - 4
USE OF PROCEEDS TO THE ISSUER	4 - 6
ESCROWED AND POOLED SECURITIES	6
PRINCIPAL HOLDERS OF SECURITIES	7
PRIOR SALES	8
PRELIMINARY EXPENSES	8
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	8
AUDITORS, TRANSFER AGENTS AND REGISTRARS	8
PENDING LEGAL PROCEEDINGS	8
ISSUANCE OF SHARES	8
PLAN OF DISTRIBUTION	9
PROMOTERS	9
RIGHTS OF RESCISSION	9
AUDITOR'S REPORT	10
ENGINEERING REPORT OF P.H. SEVENSMA, Ph.D., P. Eng.	15
ADDENDUM TO REPORT DATED APRIL 19, 1976	38
SUMMARY OF 1976 SEASON'S WORK	36
MATERIAL CONTRACTS	40
OTHER MATERIAL FACTS	40
CERTIFICATE.	40

INCORPORATION

Iona Silver Mines Ltd. (N.P.L.) was incorporated as a specially limited company on the 25th day of February, 1976 by Certificate of Incorporation No. 145,854. The Registered Office and Records Office is situate at 1650 - 777 Hornby Street, Vancouver, B.C.

CAPITALIZATION

The Company is authorized to issue 5,000,000 shares without par value out of which 1,070,002 shares are issued and outstanding and fully paid up.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
Designa- tion of Security	Amount Authorized	Amount out- standing as of Nov 30, 1976	Amount out- standing as of February 15, 1977	Amount to be out standing if all securities being offered are sold
Common	5,000,000	1,070,002	1,070,002	1,370,002

SECURITIES SOLD FOR CASH TO DATE

1. Shares sold for cash to date amount to 380,002 at 10¢ per share, and 60,000 at 25¢ per share.
2. Total cash received for the sale of shares is \$53,000.20.
3. No commission has been allowed or paid on the above shares.
4. No discount has been allowed to the purchasers in consideration of their subscribing or agreeing to subscribe for the above mentioned shares.

DIRECTORS AND OFFICERS

The Directors and Officers of the Company are tabulated below:

<u>Name and Address</u>	<u>Position and Office</u>	<u>Principal occupation within the five preceding years</u>
HOUSTON, William A. 421-1915 Haro Street Vancouver, B.C.	President and Director	Employed as a design engineer at Rossland, B.C. for Federa- ted Mining Corporation Ltd.

<u>Name and Address</u>	<u>Position and Office</u>	<u>Principal Occupation within the five preceding years</u>
		(N.P.L.) from 1970 to 1972 President of Corrie Copper Ltd. (N.P.L.) from 1972 to 1976.
BECKER, Yvonne, J.K. 1578 West 62nd Avenue Vancouver, B.C.	Secretary and Director	1968 to 1971 Accountant with V.W. Ruskin & Associates. 1971 to 1973 unemployed. 1974 to date, Budget Control Officer with Government of Canada.
AIKINS, Harold, S. 376 East 4th Street North Vancouver, B.C.	Director	1971 to date, Manager, H.S. Aikins Exploration Services Ltd. 1973 to date President and Director of Sovereign Metals Corporation (N.P.L.).
RIBA, Anthony M. 809 Strickland Street Whitehorse, Y.T.	Director	1960 to date self-employed prospector.
SCHOENBAECHLER, Constantine, 7481 Vedder Road Sardis, B.C.	Director	1970 - 1971 Head Chef, Sheraton Hotel, Calgary, Alberta. 1972 - second cook, Cassiar Asbestos Mine. 1973 - Head Chef, Cassiar Asbestos Mine. 1974 - self-employed. 1975 - Chef, Park Hotel, Abbotsford. 1976 to date - Self-employed.

REMUNERATION

There has been no remuneration paid to any director or senior officer of the Company and none is contemplated at the present time.

DESCRIPTION OF THE BUSINESS AND PROPERTY OF THE ISSUER

The Company intends to explore its property consisting of 29 mineral claims located under the provisions of the Yukon Quartz Mining Act and forming the subject matter of an option agreement from the beneficial owners to the Company and dated June 22, 1976. These claims are situated in the Watson Lake Mining District of the Yukon Territory at about Latitude 61° 33 minutes north and Longitude 132° 10 minutes west. The claims may be reached by a 25 mile truck road connecting the claims to the main Watson Lake - Ross River Highway. A gravel air strip for

winter and summer use is located at the eastern edge of the property in the Ketz River Valley.

1. The properties are more particularly described as follows:

<u>Claim Name</u>	<u>Record No.</u>	<u>Date of Record</u>
A 1 to 8	Y64464-64471	May 31, 1972
B 1 to 8	Y64472-64479	May 31, 1972
C 1 to 8	Y64480-64487	May 31, 1972
D 1 to 4	Y64621-64624	August 1972
Camp 1	Y94026	November 21, 1975

2. All of the mineral claims set out in paragraph 1 are the subject matter of an option agreement from Henry H. Regehr, Arthur Becker, Yvonne Downey and Anthony M. Riba, being an agreement in writing dated June 22, 1976, for a consideration of \$30,000.00 cash and 630,000 escrowed vendors' shares out of the capital stock of the Company.

The aforesaid 630,000 treasury shares are held beneficially among the following persons:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage</u>
Henry H. Regehr	211,875	33.6
Anthony M. Riba	211,875	33.6
Arthur Becker	70,625	11.2
Yvonne Downey	120,625	19.2
William A. Houston	5,000	.8
Harold S. Aikins	5,000	.8
Constantine Schoen- baechler	5,000	.8

Except for the above shareholders there is no person to the knowledge of the Company who has received or is to receive from any vendor greater than 5% interest in the shares or other consideration received or to be received.

3. A brief history of the property discloses that showings were discovered by prospectors during the years 1946 to 1954. Conwest Exploration Co. carried on exploration work on the properties through 1954 to 1959 driving 3 adits approximately 40 feet each in length in the northern corner of the claim group. From 1960 to 1969 various groups expanded on surface exploration including prospecting geochemical surveys and drilling and drifting, in the total amount of approximately \$2,000,000.00 in the general area of the claims. The present group of mineral claims are a re-staking of THE SILVER KEY group. More recently, during the

1976 season, the work set out below under 4 (ii) was carried out.

4. (i) The Company has carried out on no underground work on the properties and owns no underground development equipment.
- (ii) The Company, during the 1976 season, carried out the following surface development work:
During the summer and fall of 1976 a work program was carried out comprising rehabilitation and improvement of service roads to and within the property, rehabilitation of old workings, sampling, geological investigation, trenching and prospecting. A summary and evaluation of this work by P.H. Sevensma, P. Eng. and dated December 15th, 1976 is attached hereto forming part of this Prospectus.
5. The A, B, C, D claims cover several significant silver-lead showing in steeply dipping veins from 6" to 12" wide with mineralized shoots of about 100' to 450' long. These veins are not yet fully explored but two types of ore grade material are present: silver bearing galena with a ratio of about 1 oz. of Ag to 1% Pb and tetrahedrite bearing siderite often assaying as high as 150 oz/T silver.

USE OF PROCEEDS TO ISSUER

The net proceeds of this issue of \$56,250.00, along with funds on hand of approximately \$3,400.00 will be used for the following purposes in the order of priority as set out below, namely:

a)	Payment of the expenses of this offering of	\$ 3,500.00
b)	Carry out the recommended development work set out in the engineering report of P.H. Sevensma, Ph.D, P. Eng., dated April 19, 1976, in the amount of	\$45,000.00
c)	Working capital	\$ 9,150.00
d)	Listing fee - Curb Stock Exchange	\$ 2,000.00
	TOTAL:	<u>\$59,650.00</u>

The engineer's budget for \$45,000.00 is as follows:

Geophoto map, 12 sq. miles @ \$200.	\$ 2,500.
Data Compilation	1,000.
Road work and bulldozer trenching	5,000.
Hand-trenching (cobra-drill)	<u>2,000.</u>
	\$10,500. c/f

	\$10,500. b/f
Geological mapping, 4 men-months	8,000.
Camp operation, 400 man-days @ \$7.50	3,000.
Miscellaneous supplies	1,500.
Transportation, truck	2,000.
Transportation, aircraft	1,000.
Winkie drilling, 1000' @ \$10.00	10,000.
Assaying, 60 samples @ \$25.00	<u>1,500.</u>
	\$37,500.
Supervisor, engineering, 10%	3,750.
Contingencies, 10%	<u>3,750.</u>
Total field budget	<u>\$45,000.</u>

No part of the proceeds shall be used to invest, underwrite, or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this prospectus may lawfully be sold.

Should the Company intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

For the offering to succeed, purchase orders to net the Company a total of \$56,250.00 (the "minimum") must be received by the Company before the expiration of 120 days (the "initial period") following acceptance by the Superintendent of Brokers of this Prospectus for filing. If purchase orders to net the Company the minimum amount are not received by the Company during the initial period, then, all subscription monies received by the Company during the initial period, including commissions, will be returned to the subscribers immediately thereafter and the Company will withdraw this offering.

Subscription monies will be held in trust by Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B.C.

Immediately after cessation of primary distribution of the shares issued under this Prospectus, the Company will endeavour to attain listing on the Vancouver Curb Exchange. To that end \$2,000.00 of the proceeds of this issue have been allocated for the listing fee and will be held in trust for that purpose only by Guaranty Trust Company of Canada to be released only with the consent of the Superintendent of Brokers.

Should the funds raised be insufficient to complete the proposed

programs the order of priority of expenditures will follow the table on pages 4 & 5.

No property will be abandoned nor any material change made in the work program set out above without the recommendation of a qualified engineer.

It is not proposed to acquire any assets with the proceeds of this issue other than in the ordinary course of business.

ESCROWED AND POOLED SECURITIES

As of the 15th day of December, 1976, 630,000 shares are held in escrow by the Guaranty Trust Company of Canada subject to the direction or determination of the Superintendent of Brokers for the Province of British Columbia. The escrow restrictions provide that the shares may not be traded in, dealt with in any matter whatsoever or released not may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent.

In the event the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company will declare any such event to the Superintendent of Brokers aforesaid by way of directors' resolution and the holders of such shares, the trustee thereof and the Company, have agreed that such number of said shares as the Superintendent of Brokers determines shall have become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the Company's offices.

As of the 15th day of December, 1976, 440,000 shares of the Company are held in pool by Guaranty Trust Company of Canada to be in no wise dealt with, sold or alienated until the expiration of 30 days after cessation of primary distribution and the consent of the Superintendent of Brokers.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
<u>Designation of Class</u>	<u>Number of Shares held in escrow</u>	<u>Percentage of Class</u>
Common Shares	630,000	58.9

PRINCIPAL HOLDERS OF SECURITIES

The following are those who own more than 10% of the common shares of the Company as of December 15th, 1976.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>	<u>Column 5</u>
<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number of shares owned</u>	<u>Percentage of Class</u>
Henry H. REGEHR 2542 Edgar Cres. Vancouver, B.C.	Common	Beneficial	335,875	31.4
Anthony M. RIBA 809 Strickland Street Whitehorse, Y.T.	Common	Beneficial	323,875	30.3
Yvonne J.K. DOWNEY 1578 W. 62nd Ave. Vancouver, B.C.	Common	Beneficial	170,625	16.0
Arthur BECKER 1578 West 62nd Ave. Vancouver, B.C.	Common	Beneficial	144,625	13.5

975000

The percentage of equity shares of the Company owned by the directors or senior officers, directly or indirectly, is shown on the table below:

<u>Column 1</u>	<u>Column 2</u>
<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	
635,125	59.4

PRIOR SALES

Within the past 12 months prior to the date of this Prospectus, the Company has sold 380,000 shares at 10¢ per share and 60,000 shares at 25¢ per share to net the treasury \$53,000.20. These shares were issued to Messrs. Henry H. Regehr, Arthur Becker and Anthony Riba in satisfaction of equipment rentals and accounts paid on behalf of the Company for exploration and development.

INTEREST AND MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There is no interest, direct or indirect, of the management of the Company in transactions of the Company within a period of 3 years prior to the date of this Prospectus other than disclosed in this Prospectus.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

1. The auditor of the Company is Cecil J. Goodman & Company, 222 - 470 Granville Street, Vancouver, B.C.
2. The Registrar and Transfer Agent of the Company is Guaranty Trust Company of Canada, 540 Burrard Street, Vancouver, B.C.

PENDING LEGAL PROCEEDINGS

There are no pending legal proceedings against the Issuer to the knowledge of the Company.

ISSUANCE OF SHARES

The Company is offering by this Prospectus THREE HUNDRED THOUSAND (300,000) common shares at 25¢ per share payable in cash upon application. All of the shares in this offering will be fully paid and are not subject to further calls or to assessment by the Issuer. All of the shares authorized by this Company are common shares ranking pari passu and have attached to them no special rights or restrictions either to the shares already issued or those being offered.

PRELIMINARY EXPENSES

The Company's preliminary administrative expenses amounted to \$1,234.22 representing the cost of incorporation, registration extra-territorially in the Yukon Territory and application for registration as Security-Issuer with a Prospectus. The Company further expended \$17,769.94 on exploration and development expenses.

PLAN OF DISTRIBUTION

These shares are to be sold by the Company by its trading directors, salesmen registered by the Company and licensed brokers without the use of underwriters. No commission will be paid to the trading directors of the Company.

PROMOTERS

Henry H. Regehr, Anthony M. Riba and Arthur Becker are the promoters of this Company.

RIGHTS OF RESCISSION

Sections 61 and 62 of the "Securities Act" (British Columbia) provide in effect that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities; written notice of intention to commence an action for rescission within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of 3 months from the date of service of such notice.

- (b) A purchaser has the right to rescind a contract for the purchase of such security while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

AUDITOR'S REPORT

The Shareholders,
Iona Silver Mines Ltd. (N.P.L.)

We have examined the Balance Sheet of Iona Silver Mines Ltd. (N.P.L.) as at November 30, 1976, and the Schedule of Deferred Exploration, Development and Administration Expenditures and Statement of Source and Application of Funds for the period ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet, Schedule of Deferred Exploration, Development and Administration Expenditures and Statement of Source and Application of Funds present fairly the financial position of the Company as at November 30, 1976, and costs of its deferred expenditures for the period ended on that date, in accordance with generally accepted accounting principles.

GOODMAN & CO.



Certified General Accountants

Vancouver, B.C.
December 15th, 1976.

IONA SILVER MINES LTD. (N.P.L.)

Balance Sheet as at November 30, 1976.

ASSETS

Current Assets:

Cash

\$ 3,409.86

Mining Properties: Note 1

93,000.00

Deferred Expenses:

Exploration, Development and
Administration
Incorporation

\$19,689.40

1,000.00

20,689.40

TOTAL

\$117,099.26

LIABILITIES

Current Liabilities:

Shareholders advances
Accounts Payable

\$ 891.21

207.85

\$ 1,099.06

Shareholders' Equity:

Capital: Note 2

Authorized: 5,000,000 shares, no par value

Issued: 1,070,002 shares

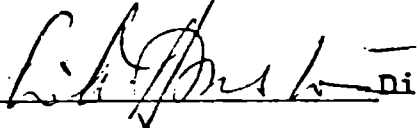
116,000.20

TOTAL

\$117,099.26

Signed on behalf of the
Board of Directors

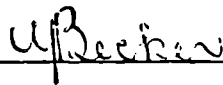
This is the Balance Sheet referred to
in our report dated December 15, 1976.



Director

GOODMAN & CO.





Director

Certified General Accountants

1070002
- 975000 (HELD BY DIRECTORS)
95002 (ON MARKET)

IONA SILVER MINES LTD. (N.P.L.)

Notes to Financial Statement as at November 30, 1976.

1. Mining Properties:

By option agreement dated June 22nd, 1976, the Company acquired twenty-nine mineral claims in the Watson Lake Mining District of the Yukon Territory for a consideration of \$30,000.00 cash and 630,000 treasury shares of the Company. Under the terms of the agreement the Company is required to expend on exploration and development of the mineral claims \$25,000.00 on or before November 30 in each of the years ending in 1976, 1977, 1978, 1979, 1980 and 1981, excepting in the year ending in 1976 when the expenditure may be in such lesser sum as the Company may see fit.

2. Share Capital:

Authorized: 5,000,000 shares no par value

Issued:

For mineral claims	630,000 shares	\$ 63,000.00
For cash	440,002 shares	53,000.20
	<u>1,070,002 shares</u>	<u>\$116,000.20</u>

3. Remuneration of Officers and Directors:

No remuneration was paid or credited during the period ended November 30, 1976.

IONA SILVER MINES LTD. (N.P.J.)

Deferred Exploration, Development
and Administration Expense

From inception (February 25, 1976) to November 30, 1976

Exploration and Development Expenses:

Camp Supplies	\$ 2,957.53
Engineering and Geological	6,057.06
Licenses and Taxes	240.50
Stripping, trenching and road maintenance	4,850.00
Travel	812.35
Wages	2,790.00
Workers Compensation	62.50
	<hr/>
<u>Total for the period</u>	<u>\$ 17,769.94</u>

Administration Expenses:

Legal and Audit	\$ 1,325.00
Office Supplies	96.51
Telephone	157.95
Transfer Agent	340.00
	<hr/>
<u>Total for the period</u>	<u>\$ 1,919.46</u>

Total Exploration, Development and Administration
Expense for the period

\$ 19,689.40

IONA SILVER MINES LTD. (N.P.L.)

Statement of Source and Application of Funds

From inception (February 25, 1976) to November 30, 1976

Funds were derived from:

Sale of shares \$ 53,000.20

Funds were applied to:

Purchase of mineral claims \$ 30,000.00

Incorporation Expense 1,000.00

Exploration, Development and

Administration Expense 19,689.40

50,689.40

Working Capital at end of the period

\$ 2,310.80

Represented by:

Current Assets \$ 3,409.86

Current Liabilities 1,099.06

\$ 2,310.80