

P R O S P E C T U S

- (a) The full name of the Company is Rio Plata Silver Mines Ltd. (N.P.L.), (hereinafter called the "Company") and the address of the Head Office is Suite 910, Hall Building, 789 West Pender Street, Vancouver, British Columbia.
- (b) The Company was incorporated under the "Companies Act" of British Columbia by Memorandum of Association on the 6th day of March, 1962.
- (c) The Memorandum of Association of the Company was amended on the 15th day of March, 1962, to provide for an increase in the maximum price or consideration at or for which the 300,000 shares without nominal or par value could be sold from \$1.00 to \$3.00 per share. The Memorandum of Association was further amended on the 25th day of June, 1962, to authorize the Company to issue 5,000,000 shares without nominal or par value with a maximum price or consideration of \$1.00 each. The Company was licensed on the 22nd day of August, 1962, as an Extra-Territorial Company under the "Companies Ordinance" of the Yukon Territory of Canada. The Company converted into a public company on the 8th day of February, 1963.
- (d) The officers and directors of the Company are as follows:
- | | | |
|--|---|--|
| Edwin Merin Chase,
Contractor. | 9314-124th Street
North Surrey, British Columbia | President
and Director |
| Hans Heinrich Buhr,
Prospector. | 3612 West 4th Avenue
Vancouver, British Columbia | Director |
| Jack Alexander Howard,
Executive | 4125 Lions Avenue
North Vancouver,
British Columbia | Secretary-
Treasurer and
Director. |
| Angus David Ross,
B.C.Land Surveyor | 1296 Kings Avenue,
West Vancouver,
British Columbia | Director |
- (e) Mr. Philip F. Dockerill, Chartered Accountant, of 307 Credit Foncier Building, 850 West Hastings Street, Vancouver, British Columbia, is the Auditor of the Company.
- (f) The National Trust Company Limited, 510 Burrard Street, Vancouver, British Columbia, is the Registry for shares and Transfer Agent for the Company.
- (g) The Company is authorized to issue 5,000,000 Common Shares without nominal or par value of which 1,546,801 shares have been issued to date as fully paid and non-assessable.
- (h) No bonds or debentures of the Company are outstanding or are proposed to be issued.

(i) Certificates representing 900,000 shares in the capital of the Company are held in escrow by the said National Trust Company Limited subject to release only with the consent of the Superintendent of Brokers of British Columbia and/or the British Columbia Securities Commission and further subject to transfer, hypothecation, assignment or other alienation only with the written consent of the Superintendent of Brokers and/or the British Columbia Securities Commission. 150,000 of the said escrow shares have been donated to the Solicitor for the Company, Mr. Howard V. Ross, to hold as Trustee for the benefit of the Company pursuant to the instructions of the Directors.

(j) (i) 606,347 shares of the Company have been sold, as follows:

200,000 shares at 5¢ per share
168,032 shares at 6¼¢ per share
80,000 shares at 9-3/8¢ per share
2,000 shares at 10¢ per share
1,315 shares at 19¢ per share
155,000 shares at 25¢ per share

(ii) The total cash received from the sale of the said shares is \$66,502.00.

(iii) Commissions paid or allowed on the sale of shares were \$3,900.00 and 40,454 shares.

(iv) The 200,000 shares at 5¢ per share referred to in sub-paragraph (i) of this paragraph were sold at a discount of 80% under an Option dated the 6th day of March, 1962.

(k) (i) The Company has issued 900,000 shares for a consideration other than cash to the Vendors of the original Plata, Centavos and Pesetas Groups of 32 Mining Claims, and for the further 50 Mining Leases and 6 Mining Claims later acquired by the Company, as more particularly mentioned in sub-paragraphs (ii) of paragraph (m) hereof.

(ii) No cash was received from the said 900,000 shares.

(l) No shares have been issued, or are to be issued, or has there been any cash paid, or is to be paid, to any promoter.

(m) The Company is the recorded owner of 64 Mining Claims, free from encumbrance, situate approximately 40 Miles North of the Townsite of Mayo, in the Mayo Mining District, Yukon Territory, of Canada, more particularly described as follows:

<u>Name of Mining Claims</u>	<u>Tag Numbers</u>
Plata Nos. 1 to 30 inclusive	80961 to 80968 inclusive 82840 to 82861 inclusive
Centavos Nos. 1 to 10 inclusive	80953 to 80960 inclusive 82359 to 82360 inclusive
Pesetas Nos. 1 to 16 inclusive	80945 to 80952 inclusive 80973 to 80980 inclusive
Pesetas Fractions Nos. 17 and 18	82838 and 82839

<u>Names of Mining Claims</u>	<u>Tag Numbers</u>
Extension Fraction	62325
Nugget	59358
Tequila	59390
Sunset Fraction	62135
Something	61618
Bean Pot	69321

The Company is the recorded owner of 50 Mining Leases, free from encumbrance, situate approximately 40 miles North of the Townsite of Mayo, in the Mayo Mining District, Yukon Territory of Canada, more particularly described as follows:

<u>Names of Mining Leases</u>	<u>Lease Numbers</u>
Rocket	476
Tyee	480
Aztec	563
Hacienda	564
Palo Seco	565
Palo Verde	566
Mescal	567
Silver Creek Fractional	692
Navajo	693
Mexico	694
Silver Basin No. 5	695 -
Silver Basin No. 6	696 -
Caliente	697
Sierra	698
Bull	699
Carscallen	700
Keefer	701
Caravan	702
Golden Queen	703 -
Golden Flat	704 -
Silver Basin	705 -
Chiko No. 1	724
Chiko No. 2	725
Chiko No. 3	726
Chiko No. 4	727
Chiko No. 5	728
Chiko No. 6	729
Chiko No. 7	730
Chiko No. 8	731
Wimpy Fraction	848
Spruce	849
Birch	850
Brook	851
Horn Silver	852 -
Caribbean	853
Premier	854
Bra	855
Silver Basin No. 8	856 -

<u>Names of Mining Leases</u>	<u>Lease Numbers</u>
Silver Basin No. 7	857
Cheechako	858
Tagish	859
Skookum	860
Tillicum	861
Papoose	862
Dorothy	863
Duncan	892
Cimarron	980
Watch	481
Taurus	482
Capricorn	483

(ii) The Company acquired the following Mining Claims on the 2nd day of March, 1962, from Hans H. Buhr, for which the Company issued him 315,000 Vendor's shares in the Company, and was to pay him \$5,000.00 on the 1st day of October, 1962, and \$5,000.00 on the 1st day of October, 1963, if adequate funds were then available. No money has been paid as yet.

Vendor

Hans Heinrich Buhr,
3612 West 4th Avenue,
Vancouver, British Columbia,
Prospector.

Mining Claims

Plata Nos. 1 to 8 inclusive
Centavos Nos. 1 to 8 inclusive
Pesetas Nos. 1 to 16 inclusive

The Company acquired from the Yukeno Mines Limited the aforesaid 50 Mining Leases, and the following contiguous 6 Mining Claims, on the 24th day of October, 1962, for \$5,000.00 and 150,000 Vendor's shares in the Company, and \$95,000.00 to be paid by a 12½% share of the net smelter returns from the said Mining Leases and Claims:

Vendor

Yukeno Mines Limited,
357 Bay Street,
Toronto, Ontario.

Mining Claims

Extension Fraction,
Nugget
Tequila
Sunset Fraction
Something
Bean Pot

In acquiring the said Mining Leases and Mining Claims from Yukeno Mines Limited the Company was obliged to obtain a surrender of a sub-lease covering a portion of the same from Alexander A. Smith of Mayo, Yukon Territory, for a consideration of \$7,000.00 and the balance of \$8,000.00 to be paid by a 2% share of the net smelter returns from the said sub-lease, or to be prepaid in the discretion of the Directors.

- (iii) The persons owning more than a one-twentieth (1/20) interest in the said 900,000 shares are:

Hans Heinrich Buhr
Edwin Merin Chase

H. B. Harstad
Jack Alexander Howard
Yukeno Mines Limited

- (iv) The Mining Claims and Mining Leases are situate approximately 40 miles North of the Townsite of Mayo and access to them is by the Mayo-Elsa Highway in the Yukon Territory.
- (v) The character, extent and condition of the surface and development of Plata, Centavos, and Pesetas Groups of Mining Claims are more particularly described in the Report of Dr. A. C. Skerl dated the 21st day of September, 1962, which Report is attached hereto and forms part of this Prospectus, and to which reference is hereby specifically made. The character, extent and condition of the surface and underground exploration and development, including the 3400 feet of tunnels crosscuts and drifts and the 300 feet of shafts and raises on the Mining Leases and Mining Claims acquired from Yukeno Mines Limited, are more particularly described in the Report of Dr. Ian Bain of the 3rd day of November, 1962, which Report is attached hereto and forms part of this Prospectus, and to which reference is hereby specifically made.
- (vi) Turam Electromagnetic Geophysic Surveys and Ronka Horizontal Loop Electromagnetic Surveys were conducted over parts of the Plata, Centavos and Pesetas Groups of Mining Claims by the Hunting Survey Corporation Limited of Toronto, Ontario, under contract with the Company during August, 1962. During the Summer of 1962 the Company conducted bulldozing and surface trenching operations.
- (vii) No work was done on the Plata, Centavos and Pesetas Groups of Mining Claims until recent years, the said properties having only recently been acquired by the Company. The history of the Mining Leases and the Mining Claims acquired from Yukeno Mines Limited is contained in the said Report of Dr. Ian Bain.
- (viii) The Company has conducted the said Ronka Horizontal Loop Electromagnetic Surveys and extensive bulldozing in an endeavour to expose the anomalies, and has constructed roads, clearing of drill sites, stripping of veins, sampling and geologic mapping of the Company's properties and preliminary camp construction.

(n) By agreement dated the 6th day of March, 1962, the Company granted Hans H. Buhr, Edwin Chase, H. B. Harstad, Howard V. Ross and Jack A. Howard an Option to purchase 320,000 shares at the price of 5¢ per share. This option was exercised to the extent of 200,000 shares and the remainder was cancelled on the 20th day of December, 1962.

At the date of this Prospectus there are no option or sub-option agreements or underwriting or sub-underwriting agreements outstanding or proposed to be given in respect of any shares or other securities in the Company.

The Company, by this Prospectus, offers to sell 200,000 of its common shares without nominal or par value at the price of 50¢ per share, subject to the payment of a commission in respect of some or all of the shares, not to exceed twenty-five (25%) per cent.

(o) The Company proposes to expend the proceeds from the shares to be sold in development and exploration work in accordance with the recommendations set out in the Reports of Dr. A. C. Skerl and Dr. Ian Bain hereinbefore referred to, and in payment of other corporate expenses. The extent of the development and exploration programme is estimated at \$45,000.00 on the said Mining Leases, and \$25,000.00 on the Plata, Centavos and Pesetas Groups of Mining Claims, at this time, but will depend on the results achieved from time to time.

(p) The preliminary expenses of the Company, including the incorporation, organization, extra-territorial registration in the Yukon Territory, and increases of capitalization amount to \$1,779.93. The development expenses already incurred to the 28th day of December, 1962, on the Plata, Centavos and Pesetas Groups of Mining Claims were \$36,286.24. It is estimated that on preliminary matters expenses will not exceed \$3,500.00 for legal and accounting expenditures, prospectus and share certificate costs, Trust Company fees, and the Vancouver office administrative expenses.

(q) No substantial indebtedness is to be created or assumed which is not shown in the Balance-Sheet as at and to the 28th day of December, 1962, accompanying this Prospectus, and accordingly no security has been given for such indebtedness.

(r) Particulars of the principal business in which each Director has been engaged in the past three years are as follows:

Edwin Merin Chase

has been self-employed as a prospector since May, 1961, and prior to that was employed as a Fieldman for Noranda Explorations Ltd., 2256 West 12th Avenue, Vancouver, British Columbia.

Hans Heinrich Buhr

has been self-employed as a prospector since 1961, and prior to that time was employed as a Fieldman for Nicolet Asbestos Mines Ltd., 2195 Crescent Street, Montreal, Quebec.

Jack Alexander Howard

has been engaged in his own private insurance business, Howard Insurance Agencies, 4488 Main Street, Vancouver, British Columbia.

Angus David Ross

has been self-employed as a B.C. Land Surveyor, with a business address at 1296 Kings Avenue, West Vancouver, British Columbia.

(s) None of the Directors, or Officers of the Company was interested directly or indirectly, either personally or as a partner in a firm, in any of the properties acquired or to be acquired by the Company except Hans Heinrich Buhr, who was the Vendor of Mining Claims referred to in sub-paragraph (ii) of Paragraph (m) hereof.

(t) No remuneration has been paid to any Officers or Directors as such since the incorporation of the Company except a reasonable amount to Messrs. Edwin Chase and Hans Buhr for fieldwork on the Company's properties during the summer of 1962.

(u) No remuneration will be paid to any Director or Officer as such in the present fiscal year of the Company except for a salary of \$500.00 per month to Jack A. Howard for his services as Secretary-Treasurer and Office Manager for the Company, commencing in December, 1962.

(v) No persons or persons by reason of beneficial ownership of shares in the Company or by any agreement in writing known to the signatories hereto are in a position to elect or cause to be elected a majority of the Directors of the Company.

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

(x) There are no other material facts.

The foregoing constitutes 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, British Columbia, this 9th day of February,
A. D. 1963.

DIRECTORS

"EDWIN M. CHASE"

"HANS H. BUHR"

"JACK A HOWARD"

"A. DAVID ROSS"

A REPORT ON RIO PLATA'S HAGGERT CREEK GROUP OF CLAIMS

INTRODUCTION

by

Dr. A. C. Skerl

At the request of Mr. Ed Chase, the President of Rio Plata Mines, I spent four days in the Yukon inspecting the company's property, the neighbouring mine of Peso Silver Mines and the Strebchuk optioned ground under the guidance of Mr. A. C. Doulis.

Through the kindness of Mr. W. Read, the manager, I was able to inspect the workings of Peso Silver Mines and to gain a valuable impression of the type of mineral occurrence that could be present at Rio Plata.

LOCATION

The property is situated in the Yukon Territory astride Haggert Creek at latitude $64^{\circ} 00' N$ and 28 miles due north of Mayo Landing although it is twice as far by road. Elsa is 25 miles to the northwest where United Keno Hill Mines is actively producing silver, lead and zinc.

The elevation varies from 2500 to 3500 feet in the claim area.

The property adjoins the southeast corner of Peso Silver Mines and is south of the Barker claims that are held under option by that company as well.

CLAIMS

There are 56 claims in a belt stretching for three miles in an east-northeast direction. They are arranged in three groups named Plata, Pesetas and Centavos.

I have not checked the actual location posts of any of the claims and I assume that they are essentially in the position shown on the recorder's map. It will be advisable to tie in as many of the posts as possible now that there is a surveyed grid of lines to work with.

GEOLOGY

The general area was mapped by H. S. Bostock in 1942 for the Geological Survey of Canada as part of the Upper McQuesten River sheet (map 43-9).

A series of flat dipping quartzites and quartz mica schists of Pre-Cambrian Age have been intruded by small stocks and sills of granodiorite which lie immediately north and east of the claims.

At half a mile south of the claims a southwesterly flowing section of Haggert Creek and also its tributary Lynx Creek occupy a major fault. The south flowing upper section of Haggert Creek also occupies a valley aligned along a fault.

Within the claim area very few rock outcrops have been found but the extensive stripping with bulldozers by Peso Silver Mines has shown that schist is the predominant rock type.

MINERALIZATION

The work on Peso Silver ground has demonstrated that a number of easterly to east-northeasterly fault zones are present that contain a considerable amount of the sulphides pyrite, jamesonite, galena, arsenopyrite and chalcopryrite with a valuable content of silver that is probably present in tetrahedrite.

Haggert Creek and particularly its tributary Dublin Gulch have been the source of placer gold for many years - a total of \$1½million being reported. In addition scheelite, ferberite and cassiterite have been produced. These latter minerals and the gold are associated with the granodiorite intrusive that lies immediately east of Haggert Creek whereas the silver-antimony deposits of Peso Silver appear to be connected with a granodiorite stock to the east of the Creek.

The fault zone along the valley of Haggert Creek that separates the two areas can therefore be considered a major structure. The amount of gouge and crushed rock exposed by a temporary excavation in the placer workings on Haggert Creek is certainly impressive. Some siliceous replacement rock containing finely disseminated sulphide was sampled here but it assayed only Au 0.005 oz and Ag 0.20 oz per ton.

The fact that the known mineralization in the Peso Silver property is in strong faults that have been traced for over a thousand feet in some cases encourages the hope that similar structures will be found in Rio Plata's ground.

As a first step in endeavouring to locate mineralized structures a geophysical survey was instituted as described in the next section.

ELECTROMAGNETIC SURVEY

The Hunting Survey Corporation Ltd. carried out Turam and Ronka electromagnetic surveys on Rio Plata ground from August 13th to 26th after a similar survey of the Peso Silver property.

The ground covered amounted to approximately 25% of the total area of the claims.

Three base lines were set out and the results were submitted on separate maps for each, on a scale of 1 inch to 200 feet. The various anomalous readings obtained were classified into :

1. Medium to strong. 2. Weak to medium. 3. very weak, and connected together on the maps as various trend lines.

It was pointed out in the covering report that

"previous work carried out in the general area has only given weak intensity anomalies over known veins. It is therefore believed that although weak the anomalies can still be considered of significance and that further exploration should be guided by these anomalies."

I have plotted all the anomalies on a base map made from the enlargement of an aerial photograph with an approximate scale of 1 inch to 600 feet.

I have modified the interpretation of the geophysicist on account of the Haggert Creek fault and changed the direction of the fault that he suggested. He has designated 20 anomalies obtained by the Turam method and there are two others (1-10A & 1-15) that were indicated by the Ronka survey.

On the basis of intensity he has picked out the following for testing: 1-1, 1-5, 1-6, 1-12, 1-13, 2-1 and 3-1.

The approximate alignment for 5000 feet of 1-13 through 1-14 to 1-8 and then to the Rex vein in Peso Silver ground places a high priority on testing this anomalous zone.

Mr. Chase reports finding float Jamesonite at the west end of anomalies 1-6 and 1-7 which makes them of additional interest.

Although not admitted in the report by the geophysicist it appears that the 'background noise' is too intense near the base line in Turam surveys to recognize anomalous conditions. It is a curious fact that no anomalies were usually obtained in the first 600 feet from the base lines. When the opportunity arises these areas should therefore be surveyed by the Turam or other method with new base lines well to one side.

As suggested by the geophysicist some of the anomalous readings can be aligned in a north-south direction rather than northeast as shown on the maps. This applies particularly to the vicinity of Haggert Creek where the fault zone may be quite wide and be responsible for many of the anomalous readings.

DISCUSSION

The next stage of exploration should be to uncover the bedrock with bulldoze cuts across the major anomalies. Those on higher ground should be investigated first in the hope that the overburden will be shallow. The best equipment would be a D 8 or D 9 with hydraulic blade and back rippers to cut into the permafrost. To be effective this work must be well supervised by an experienced field engineer.

Once the presence of sulphide bearing veins has been established it may be best to search for the higher sulphide sections with a self-potential survey along the projected strike of the structures. The oxidising conditions of the veins should produce a strong self-potential reaction.

Until the actual presence as well as condition of the veins and of the wallrocks have been ascertained by bulldozing it is unwise to attempt the diamond drilling of the anomalies.

If it is demonstrated that geophysical surveying can locate the mineralization in this area then the remaining three quarters of the property should also be surveyed using whichever method is suitable and economic.

COSTS

It is difficult to decide in advance on how much bulldozing will be required but 100 hours of work this season should demonstrate whether the anomalies are significant. If so then an enlarged campaign of bulldozing can be scheduled for next season.

Thus the preliminary stripping would cost between \$3000 and \$4000 but further detailed work could amount to \$10,000 or more depending on results.

RECOMMENDATIONS

A. Investigate some of the anomalies, starting at the east end of the property, by means of bulldoze cuts to bedrock in the following order

1. 1-5 and 1-6
2. 1-8
3. 1-12
4. 1-9, 1-10A and 1-11
5. 1-14
6. 1-1
7. 2-1
8. 3-1

B. After these have been tested carry out a geophysical survey along the veins that have been uncovered.

C. Strip along the sections of the veins that give the best response.

D. After a critical inspection of the ground conditions decide whether to diamond drill or to proceed with underground exploration.

A minimum of \$25,000 should be available for items A, B and C.

NOTE

It is respectfully requested that if this report is published nothing is added or deleted without my consent.

R I O P L A T A M I N E S L I M I T E D

SUMMARY AND CONCLUSION

The property of Rio Plata Mines is situated in a favourable structural setting for mineralization, namely astride a major north-trending fault that separates an intrusive associated with silver bearing veins on the west from another intrusive associated with auriferous veins on the east.

An electromagnetic survey over a portion of the claims has indicated 22 anomalous trends that have the strike direction of the nearest major vein in the neighbouring ground of Peso Silver Mines. Several of these anomalies have been picked for immediate investigation by bulldozing.

There is an excellent chance that the success already achieved by Peso Silver Mines in the adjacent property will be repeated in the ground owned by Rio Plata Mines.

CERTIFICATE

I, Augustus C. Skerl, of the city of Vancouver, in the Province of British Columbia, do hereby certify that

1. I am a Mining Geologist with residence and office at 1758 Western Parkway, Vancouver 8, B. C.
2. I am registered as a Professional Engineer in the Province of British Columbia.
3. I received the degrees of B. Sc. and Ph. D. both in Mining Geology from the University of London, England in 1929 and 1936 respectively and have practised my profession since then.
4. I have no interest either directly or indirectly in the property described in this report or in the securities of Rio Plata Silver Mines Ltd. nor do I expect to receive any such interest.
5. This report on the Haggert Group of Claims of Rio Plata Silver Mines Ltd. is based on a personal examination of the ground and the results of an electromagnetic survey carried out by Hunting Survey Corporation as set out in the report.

"A. C. SKERL"

21st September, 1962.

Rio Plata Silver Mines Ltd.
(Non-personal liability)

Balance Sheet
December 28, 1962.

<u>Assets</u>		<u>Liabilities</u>	
Current:		Current:	
Cash on hand and in banks	\$ 11,227.99	Trade accounts payable	\$ 2,140.70
Sundry accounts receivable	172.75	Due to employees	<u>301.93</u>
Due from subscriber (note 1)	500.00		
Prepaid expenses	<u>625.00</u>	Total current liabilities	2,442.63
Total current assets	12,525.74	Due on property acquisition agreements (notes 2 and 3)	103,000.00
Mineral claims (at cost):		Share capital:	
64 mineral claims, including 3 fractions, and 50 leases of mineral claims which expire between 1976 and 1982 located in the Mayo Mining Division, Yukon Ter- ritory	\$215,000.00	Authorized:	
Staking and exploration expenditures thereon	<u>36,286.24</u>	5,000,000 common shares without nominal or par value	
	251,286.24	Subscribed and issued:	
		1,546,801 common shares without nominal or par value	173,565.50
Fixed (at cost):		Approved on behalf of the Board,	
Diamond drill and "Landrover"	2,992.72	"J. A. HOWARD"	
Office furniture	<u>160.00</u>	Director	
Commissions re shares	10,263.50	"HANS H. BUHR"	
Incorporation, extra territorial registration and share capital increase expenses	1,779.93	Director	
	<u> </u>		
	<u>\$279,008.13</u>		<u> </u>
			<u>\$279,008.13</u>

Auditor's Report

I have examined the balance sheet of Rio Plata Silver Mines Ltd., (Non-personal liability) as of December 28, 1962 and the statement of "Exploration Expenditures" for the period March 6, 1962 to December 28, 1962 and have obtained all the information and explanations I have required. My examination included a general review of the accounting procedures and such tests and confirmations of the accounting records and other supporting evidence as I considered necessary in the circumstances. I did not examine the records of the Mining Recorder's Office as to title to the mineral claims and leases of mineral claims but I have obtained a certificate from the company's Solicitor which sets forth that the said mineral claims and leases are recorded in the name of the company free of any encumbrances and in good standing at December 20, 1962.

Subject to the foregoing, in my opinion the balance sheet, its accompanying notes 1 - 6 inclusive and the statement of "Exploration Expenditures" are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company at December 28, 1962 and for its period of exploration ended on that date according to the best of my information and explanations given to me and as shown by the books of the company.

P. F. Dockerill,
Chartered Accountant.

Vancouver, B. C.
January 31, 1963.

Rio Plata Silver Mines Ltd.
(Non-personal liability)

Notes to Balance Sheet
of December 28, 1962

Note 1:

This \$500.00, since paid, was due from a Director for shares' subscription.

Note 2:

An agreement dated October 24, 1962 was entered into between Yukeno Mines Limited and the company whereby the company acquired from Yukeno 5 mineral claims, 1 fraction and the leases of 50 mineral claims for \$100,000.00 and 150,000 shares, to be escrowed, of the company. The sum of \$5,000.00 was payable in October 1962 (paid) and the balance of \$95,000.00 is payable at the rate of 12½% of the net smelter returns from the minerals produced from the claims as acquired.

Note 3:

An agreement dated December 27, 1962 was entered into with one Alexander Smith, in amount \$15,000.00, in consideration for him to surrender his lease with Yukeno Mines Limited on the mineral claims and leases acquired as above by the company. The sum of \$7,000.00 was payable in December 1962 (paid) and the balance of \$8,000.00 is payable at the rate of 2% of the net smelter returns from the minerals produced from the claims or may be prepaid at the discretion of the Directors.

Note 4:

Under the terms of an agreement dated March 2nd, 1962 between Hans H. Buhr and H. B. Harstead relating to the formation of this company, the company is to pay Hans H. Buhr \$5,000.00 On October 1, 1962 and \$5,000.00 on October 1, 1963, if funds are then available, for the original 32 mineral claims. Nothing has been paid under this agreement to date.

Note 5:

The Company executed a bond for \$5,000.00 on March 6, 1962 payable to H. M. the Queen in Rights of Canada to indemnify the Estate of E. H. Barker against damages or loss by the company to Creek Mineral Claims 1 - 17 inclusive in the area of Haggert Creek, Mayo Mining Division, Yukon Territory.

Rio Plata Silver Mines Ltd.
(Non-personal liability)

Exploration Expenditures
March 6, 1962 - December 28, 1962.

Transfer and registration fees of the original 32 mineral claims		\$	33.50
Recording and transfer fees of subsequent mineral claims acquired			511.50
Filing fees for recording assessment work			<u>810.00</u>
			1,355.00

Exploration and staking expenses:

Wages	\$6,911.33		
Diamond drillers' wages	<u>924.74</u>	7,836.07	
Travelling	<u>4,231.08</u>		
Board and groceries	<u>2,545.07</u>	6,776.15	
Accident (L. Ayotte)		<u>506.20</u>	15,118.42
"Landrover" repairs		415.91	
"Landrover" rent		533.00	
Hutton's Service being for gas, oil, repairs and local transportation		1,438.98	
Freight		176.30	
Bulldozing (trenching)		<u>6,241.26</u>	8,805.45
Equipment being for tools, tents, sleeping bags and lumber		1,057.27	
Sundry supplies		136.23	
Diamond drill bits and parts		<u>765.62</u>	1,959.12
Geologist's and engineer's fees		<u>700.00</u>	
Maps and prints		55.31	
Turam survey		1,800.00	
Assays		229.87	
Engineer's supplies		<u>25.54</u>	2,810.72
Wages (watchman)			200.00
Payments re options abandoned			<u>2,350.00</u>
			31,243.71

Overhead:

Agent's fee	20.00		
Fee for preparing option agreement in Y.T.	<u>118.00</u>	138.00	
Office Salary	300.00		
Legal and Management fees	700.00		
Auditing and accounting fees	670.00		
Rent, office and furniture	250.00		
Telephone	1,095.21		
Typing	7.58		
Office supplies	60.00		
Dues and subscriptions	24.50		
Workmen's Compensation insurance	280.00		
Bank charges	112.24		
Advertising	20.00		
Miscellaneous	<u>30.00</u>	<u>3,549.53</u>	<u>34,931.24</u>

Total, carried to Balance Sheet

\$36,286.24

A REPORT ON THE FORMO GROUP OF CLAIMS
GALENA HILL, YUKON TERRITORY

by
Dr. Ian Bain

INTRODUCTION:

Between October 22nd and November 3rd, 1962, I spent nine days on the Formo property. Time was spent securing previous mine plans, and awaiting the bulldozer which was delayed. The bulldozer cuts were completed after my departure. Mr. Terry Doubt sampled and sketched the remaining cuts. Mr. Alex Smith gave most generously of his help and hospitality.

LOCATION AND ACCESS:

The Formo group of claims is situated on the north slope of Galena Hill, about 20 miles northeast of Mayo, Yukon Territory. It is bordered on the south by the main property of United Keno Hill Mines Limited. It is on the highway connecting the Elsa and Keno Hill townsites to Mayo, and about halfway between them.

PROPERTY:

The property consists of 15 claims whose area totals approximately 480 acres. All but two claims are held under a 21-year lease. The claims are listed below:

<u>Lot Number</u>	<u>Record Number</u>	<u>YQM Lease Number</u>	<u>Name</u>	<u>Expiry Date</u>
273	16575	476	Rocket	26.Sept.1976
274	16038	480	Tyee	26.Sept.1976
649	59162	854	Premier	3.Aug. 1980
650	38807	863	Dorothy	3.Aug. 1980
651	55462	859	Tagish	3.Aug. 1980
652	55461	860	Skookum	3.Aug. 1980
653	55463	858	Cheekako	3.Aug. 1980
654	55062	862	Papoose	3.Aug. 1980
655	56521	855	Bra	3.Aug. 1980
656	59339	850	Birch	3.Aug. 1980
657	59340	849	Spruce	3.Aug. 1980
658	55064	861.	Tillicum	3.Aug. 1980
660	61713	848	Wimpy Fr.	3.Aug. 1980
659	61618		Something Fr.	1.Oct. 1964
	62325		Extension Fr.	21.Aug. 1963

GENERAL GEOLOGY:

a. Surface Conditions

The gentle north slope (15 to 20 degrees) of Galena Hill is permanently frozen, thawing in summer only where stripped, to depths of 3 to 6 feet.

GENERAL GEOLOGY:

There is little or no cover from trees. The cover is mostly scrub blackbirch. Overburden varies from about 3 to 20 feet in depth, over schist, but is light or nil over greenstones. The area has been lightly glaciated.

b. Lithology

On the Formo claims, only the Lower Schist formation occurs. The schist is graphitic around the Formo shaft, but elsewhere may become more quartzitic. As elsewhere, sericitic schists will probably be found in the upper part of the formation. Just above this, on the adjoining claims to the south, are found the thick bedded quartzites, which are in turn overlain by the Upper Schist formation. The Lower Schists are studded with lensy masses of greenstone. These are altered diorites and gabbros, probably sills, which were sheared apart in the intense dynamic metamorphism. The dip is generally south 20 to 30 degrees.

In GSC. Paper 57-1, R. W. Boyle describes the beds favorable to ore shoots as follows (Page 7):

"In general, the schists and thin-bedded quartzites of the Lower Schist formation are structurally incompetent and unfavorable for the occurrence of ore shoots. The greenstones, on the contrary, are favorable. On Keno Hill several rich ore shoots were mined where vein faults intersected greenstones, and it is logical to expect that the greenstones on Galena Hill are similarly favorable sites for ore shoots. The lens-like nature of the greenstones, that is their tendency to pinch out on strike and dip should, however, be kept in mind when evaluating the extent and continuity of the orebodies in these rocks."

This statement is true of the Formo vein and its relationship to the greenstones.

c. Vein-Fault and Cross Fault Systems

The vein-faults, such as the Formo, are longitudinal to the axis of the McQuesten Anticline, whose south limb forms Galena Hill. Cross faults belonging to the northwest system which have right-hand displacement, cut the Formo vein. Early bedding faults which preceded the vein faults have not been identified on the Formo property. An early vertical east-westerly fault is offset by the Formo vein-fault.

PREVIOUS WORK:

In the 1920-1930 period Hans Formo and his brother sank a hand shaft 80 feet on a high grade galena-silver vein with some pyrite and sphalerite which varied from 2½ to 4 feet in width. The galena yielded 120 to 250 oz. per ton of silver.

At least 40 tons of the higher grade material was shipped. A drift was at some time driven 15 feet north and 150 feet south. The vein was faulted at the north end but nothing is recorded about the south drift. Some time later Nels Bjonnes leased the property and shipped a similar amount of ore from another small shaft, about 35 feet south.

In 1950 the property was optioned to Yukeno Mines Ltd. The writer mapped this vicinity in 1951, but does not now have any records. He recalls a trench exposing 1.5 feet of galena assaying about 120 oz. silver per ton, about 70 feet south of the shaft. East of the shaft several feet of fault gouge assayed about 15 oz. silver per ton. In 1952 and 1953 Yukeno Mines Ltd. drove adits on two levels about 100 and 200 feet below the bottom of the Formo shaft (Figure 3). It is estimated that the total length of drifts and crosscuts in both levels was about 3400 feet, connected by about 300 feet of raises. The total cost of this work must have been in the neighborhood of \$250,000.00. No diamond drilling is known of. Surface stripping was only taken to bedrock near previously-discovered showings.

On the lower level 80 feet of milling (not shipping) grade vein material occurs in widths of $1\frac{1}{2}$ to $2\frac{1}{2}$ feet. The vein strikes N55E and occurs south of the Formo shaft. On the upper level 80 feet of similar vein material 1 to 3 feet wide was encountered striking parallel to the Formo vein (N15E), but dipping flatter. Another 100 foot length of uneven lency vein might similarly be considered ore by a company with a large mill and low overhead. These workings were in schist below the greenstone, hence found no substantial high grade vein material.

Mr. Alex Smith leased the property in 1961-62 and hand sorted 20 tons of galena ore from surface cuts and from shallow hand workings. He shipped 14.8 tons to the smelter at East Helena, Montana, containing 144.6 oz. per ton, silver, 57% lead, and 10.3% zinc. Smelting cost was \$17.00 per ton, and freight \$53.40 per ton. Net return before lease royalty was \$2,119.40 or \$143.00 per ton. The net value of the silver was about 98¢ per oz., and of the lead about 6¢ per pound. At present the net value of the silver and lead would be about \$1.20 and 4¢ respectively, which would make the ore worth a net of about \$160.00 per ton. One of his workings was surveyed and sampled by R. McKamey. Some of the results are shown in Figure 2. Besides this, Mr. Smith did bulldozer stripping with his own equipment to a running cost of about \$5000.00.

DETAIL OF THE FORMO VEIN:

The Formo vein (Figures 1 and 2) has been traced in ore for about 150 feet. It strikes N10E to N20E and dips east 46 to 49 degrees. In trench N6. 2 on the south, the vein is heavily oxidized with 79.8 oz. per ton in silver over 2.6 feet. The pure galena assayed 145.4 oz. silver per ton. In Smith's tunnel about 10 feet north and 20 feet lower, the vein was massive with 4.3 feet of galena assaying 135.2 oz. per ton in silver. It narrowed to 1.2 feet of similar grade in the shaft itself, while at the collar it was 1.1 ft. wide with 93.4 oz. per ton in silver. The writer sampled the surface exposure 40 feet north, which is 1.2 feet of galena assaying 155.1 oz. per ton in silver. The silver-lead ratio varies from 2:1 to 3:1 in general.

The proven length is about 100 feet in one block, faulted off on the north, and open on the south. The highest grade ore shoot seems to rake horizontally, probably being best where the Formo vein-fault is steeper dipping. It will pinch out or decrease in grade within tens of feet of where the greenstone ends. In preparing for a prospect adit portal, a faulted northern extension was discovered in cut No. 3. Heavily oxidized vein matter assayed 26.2 to 191.2 oz. per ton in silver over a width of 2 to 3 feet. It is about 15 feet long, faulted to the north. A probable further offset occurs at the east end of the cut, for an indicated length of about 20 feet, open to the northeast. Samples over a width of 3.6 to 4.0 feet indicated values of 61.8 to 88.0 oz. Of this 2.7 feet is massive galena, of which a grab sample runs 158.1 oz. per ton. A total length of 150 feet of vein can reasonably be expected. The depth is not certain, depending on the shape of the bottom of the greenstone, which probably rakes about 30 degrees south. All of the above described vein has a greenstone footwall and a schist hangingwall, except the most north-easterly offset where the rock types are reversed. Above the level of the proposed adit floor it is expected there will be 15 to 40 vertical feet of ore, being 20 to 55 feet up the dip. There will be ore below this elevation, especially to the south. The upper Yukeno adit is in greenstone for its southernmost 20 feet, indicating a plunge length of over 400 feet of greenstone to the south.

GOLD SHOWING:

Cut No. 1 (Figure 2a) investigated a vertical zone of finegrained pale greenish fault gouge 1 to 2 feet wide. It strikes N60E to N80E, and was only partially exposed in the trench. Some of the gouge may be ground quartz, since shattered quartz veins 2 to 6 inches wide flank the gouge. Bunches of arsenopyrite grab sampled at 0.16 oz. per ton in gold. A 1.3 foot channel sample of gouge with half arsenopyrite assayed 0.24 oz. per ton in gold and 2.3 oz. silver. Accordingly a character sample of gouge was assayed, and gave 0.42 oz. in gold. A grab sample of a loose mass of pyrite gave 0.52 oz. gold. Copper-stained gouge gave 0.24 oz. of gold, 1.4 oz. of silver. Gouge with tetrahedrite gave 0.96 oz. gold and 13.5 oz. silver. The gouge is heavily leached, retaining only a tiny remnant of fresh mineral. This is a fruitful zone for further prospecting. It is open to the west, but truncated to the east by a fault striking south and dipping 42 degrees east. The drag indicates that the faulted part may be displaced to the right. On the other hand, the pale green gouge zone formerly exposed east of the Formo shaft should be re-exposed. Also, the widest gouge zone in the 2700 adit should be sampled for gold, as this apparently was not done.

ADDITIONAL PROSPECTS:

Until we know more about the gold mineralization, it can only be suggested that prospecting continue along the strike. In the case of the silver-bearing galena, the full extent of the Formo vein-fault should be explored where it cuts greenstone. A prospect adit taking out shipping ore can be a low cost or even profitable method of extending the Formo vein from present near-surface and surface workings, and learning its structural habits.

There is a greenstone body about 1600 feet long and over 200 feet thick along the south edge of the Rocket claim. The Formo vein-fault is likely to cut this body. With light bulldozing in massive greenstone at each end of the ridge, Alex Smith uncovered indications of silver veining, with assays of 4 and 25 oz. per ton. There are two notches in the greenstone ridge which could be due to vein-faults. Bulldozer cuts should be made across these and westerly across the two ends along the top edge. At the same time the very rusty water flow found along the west edge of the Rocket claim should be exposed. This is a vein of some sort.

One or more of the Known and suspected vein-faults at the north end of the United Keno Hill Mines property probably extend into the Tagish and Dorothy claims. There are several bodies of greenstone on the Tagish claim. These faults cannot be traced on surface after they leave the quartzites, but a magnetometer survey could help locate them and could outline the areas of lightly concealed greenstone. Local geological opinion that the Formo vein-fault is part of the northern extension of the Hector-Calumet vein system, reinforces the value of exploring for northerly-striking faults cutting greenstone anywhere on the property, but especially on the intervening claims.

RECOMMENDATIONS:

1. An exploratory adit crosscut should be driven from just west of the ramp about S60W to intersect the Formo vein at about 25 feet, and drifting north and south should be carried out. The use of a KD70 Scoot-crete ore carrier is recommended, to lend flexibility to the operation. It would carry 1½ tons of ore and require a 6 by 6 foot drift. It operates on tires with a diesel engine with scrubber. Since 1/3 to 1/2 the drifting and a large part of the stoping will make shipping ore, hand loading is necessary and preferable. It would be preferable to contract the work at or near cost plus a percentage of net smelter returns, setting a cost per foot of drift, per ton of ore stoped, and per ton of waste stoped and taken out, or stoped and left in. The grade limit for shipping ore should be 75 oz. per ton in silver and 35% lead, or material which is less than half galena should be rejected, unless chunks can be hand sorted. Frequent assays should check grade. The greenstone wall should be followed. Free samples or back samples should be taken every 5 feet, and test hole samples in both walls every 10 feet. Geological mapping should be carried on.

Assuming the poorest result, the probable returns from a 100 foot length of vein half in shipping ore 1.2 feet wide averaging 100 oz. per ton in silver, and 40% lead, for an average dip length of 35 feet, would be \$25,000.00 to \$30,000.00 after freight and charges. This would probably pay for the mining. In return the length and habit of the vein can be worked out, and by means of the drift and winzes, ore below the level established. This could lead to further development from the 2600 level adit.

Stoping would proceed from the south end, and the drift would be progressively abandoned. If a permanent opening is required, it is likely that the drift from the Formo shaft can be tapped by an adit and rehabilitated next summer.

2. A magnetometer survey of all but the east and north corners of the Formo claim group should be undertaken in March or April 1963. North-south picket lines marked with laths every 100 feet will be required at 200 foot intervals. This will indicate buried greenstone bodies, and other geological structure, possibly helping to locate vein faults which cut greenstone.

3. A resistivity survey should be undertaken at the same time, along lines running east-westerly across the larger bodies of greenstone at 200 foot intervals. It should be tried across the Formo vein as a preliminary test. About half the area of the magnetometer survey would be involved. East-west picket lines will be required at 200 foot intervals.

4. Stripping with a D9 bulldozer having the correct hydraulic rippers should be undertaken in the areas mentioned in the south part of the Rocket claim. Additional stripping should be done to trace the Formo vein-fault south from the workings, and to explore the gold showing. Stripping should be done at points recommended from the results of the geophysical work. Geological mapping would accompany the stripping and the geologist would guide the program. It is hoped to rip frozen schist by cutting as nearly as possible parallel the bedding or schistosity. After consultation with the Caterpillar company, hammer seismograph tests of rippability may be recommended. The geophysical contractor could do this at little additional cost. Then the proper ripper design can be employed. A portable diamond drill may be required where the bulldozer cannot work economically.

PROPOSED ALLOWANCE FOR COSTS:

Mining Equipment supplied:

Loader	\$ 3,000.00	
Drill, air leg	1,500.00	
Light plant, tank, hose, misc.	<u>2,500.00</u>	\$ 7,000.00

Exploration:

Geophysical surveys	5,000.00	
Bulldozing	10,000.00	
Assays, supervision, head office, etc.	7,000.00	
Reserve for possible additional work required	<u>16,000.00</u>	<u>38,000.00</u>

Total Allowance:

\$45,000.00

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

1. Silver-bearing massive galena with a silver-lead ratio of between 2:1 and 3:1 occurs in the Formo vein which is 1.2 to 4.3 ft. in width. In some wider portions of the vein galena is mixed with pyrite and sphalerite. There is enough direct shipping ore in sight for hand mining and sorting, but no substantial body of milling ore is presently in prospect. Driving of a prospect adit is recommended, since the hand-sorted direct shipping ore will probably pay the costs, and could well realize a small profit. This work will establish better the geology of the vein-fault, the ore controls, and the nature of cross faulting. The probable minimum tonnage is estimated by assuming a vein 100 feet long (probable length 150 feet) with a 35 foot dip length, containing 1.2 feet of direct shipping ore over half its area. The grade shipped would average 100 oz. per ton in silver and 40% lead. Material containing less than 35% lead or (visually) less than half galena would be rejected. Stopping above the level, and sinking winzes below the level would aid in projecting the ore to other levels.

2. There is an interesting gold prospect in a fault gouge zone 1 to 2 feet wide which carries values up to 0.52 oz. per ton, and spot values to 0.96 oz. where tetrahedrite remains unaltered. It is offset by a north-south vein-fault. It is vertical, striking N60E to N80E. Further work is necessary to establish its potential value.

3. The high grade galena vein at the Formo property occurs in contact with, or near, a massive body of greenstone, and no substantial body of ore has been found in the relatively incompetent schists. The greenstone ridge at the south edge of the Rockit claim is good ground for additional prospecting, since some silver values were found at each end. The Formo vein-fault is thought by some geologists to be the extension of the northern part of the Hector-Calumet vein-fault system. Not only the above ridge, but also other greenstone bodies may be cut by this system of vein-faults.

4. Geophysical surveys are recommended to help outline the geological structure, and lead to the discovery of greenstone bodies cut by a vein-fault. A magnetometer survey will help outline these concealed greenstone bodies, and other geological structures. A resistivity survey may be able to indicate vein-faults if they are mineralized with sulphides.

5. Stripping with a D9 or equivalent bulldozer is recommended to trace the silver and gold mineralization around the Formo workings. Gold mineralization found in the gouge of an east-westerly fault zone should be further investigated, and other similar occurrences of gouge sampled. Other prospect stripping will follow up leads established by previous bulldozing and investigate favorable geophysical indications. Studies should be made to determine the most effective type of ripper to use on frozen schist and frozen mud.

C E R T I F I C A T E

I, Ian Bain, of the City of Port Coquitlam, in the Province of British Columbia, DO HEREBY CERTIFY:

1. THAT I am a Mining Geologist and reside and have an office at 1542 Kent Avenue, Port Coquitlam, B. C.

2. THAT I am registered as a Professional Engineer in the Province of British Columbia and that I received the degree of B.Sc. from the University of Alberta in 1941, and the degree of Ph.D. from the University of Toronto in 1960, and that I have practised my profession since 1941, except for time spent in the Armed Forces and in university post-graduate studies.

3. THAT I have no interest either directly or indirectly in the properties covered by my report, or in the securities of Rio Plata Silver Mines Ltd., nor do I expect to receive any such interest.

4. THAT my report on the Formo Group of Claims is based on personal examination during the summer of 1951, and during the period October 22nd to November 3rd, 1962, and that any information contained in this report based on the observations of other persons is believed by me to be correct.

"IAN BAIN"

Ian Bain, Ph.D., P. Eng.

Port Coquitlam, B. C.
November 30, 1962.
Amended January 24, 1963.