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WHELCHEL MINES COMPANY

(An Idaho Corporation)

P. O. Box 7 Caldwell, Idaho

3,000,000 Non-Assessable,
Common SharesPar Value 10 Cents
Per Share

10001

These Securities are Offered as a Speculation

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE.

	Price to Public	Discounts and Underwriting Commissions	Net Proceeds to Company
Offering	\$300,000	\$120,000	\$180,000
Per Share	10 Cents	4 Cents	6 Cents

CAPITALIZATION

The Whelchel Mines Company, an Idaho Corporation, was incorporated September 23, 1953, for ten million authorized shares, all Common, non-assessable, fully paid when issued, and is offering three million of these common, authorized shares in this offering. The par value of shares offered is 10c per share and the selling price is also 10c per share. Dividends can only be paid on shares ACTUALLY ISSUED AND OUTSTANDING. No shares will be sold on any basis other than for CASH.

PROPERTY

Patented mining claims and unpatented fractions, fixtures, appurtenances, and improvements used in connection therewith, about one mile northeasterly from the old town of National, in the National Mining District, County of Humboldt, State of Nevada, as follows:

Fairview Mining Claim,
Charleston Mining Claim,
S $\frac{1}{2}$ West Virginia Mining Claim No. 1,
West Virginia Fraction

Fairview Mining Claim No. 1,
West Virginia Mining Claim,
Charleston Fraction.

This property is quit claim deeded to the Company with a purchase provision that an aggregate sum of \$200,000 shall have been paid by July 1, 1961. Said payment to be made from gross ore-returns, after deducting transportation and treatment charges. Payments on purchase price are determined on a fixed scale based upon the value per ton of gross ore returns. An annual payment of \$2,400 is to be applied on the purchase provision, payable either by cash or from ore returns. Six hundred dollars in assessment work to be performed annually is also required by this provision.

From this Property (1909 to 1912) was shipped high grade "ELECTRUM-ORE" (alloy composed of about 50% native gold and 50% silver) averaging about \$30,000 to the ton, and during a certain period of the Stall Bros. Lease averaged about \$24.84 a pound, or at the rate of \$48,000 per ton! The present price of gold would make this amount per ton almost \$52,055 for the ore averaging \$30,000 to the ton and about \$86,554 to the ton for the ore taken from the Stall Lease during a certain period.

DIRECTORS AND OFFICERS

William Edward Whelchel, President Ralph Arthur Whelchel, Vice Pres. Thressa Mae Whelchel, Sec. & Treas.

The directors and officers have subscribed to 10 shares each of the Common shares of the Company, and Ralph Arthur Whelchel and William Edward Whelchel (the Promoters of and Salesmen of shares for the Issuer) both of Caldwell, Idaho, will receive 25 $\frac{1}{2}$ %, or 2,550,000 shares each of the total authorized Capital Shares of the Company for the property deeded by quit claim deed by them to Company. Said Shares to be issued in amounts of, and at such time as the Promoters demand. No shares are to be sold on behalf of any person, other than the Issuer.

USES OF MONEY RAISED

The purposes for which net proceeds are to be used and the amount to be used for each purpose indicated in order of priority is as follows:

1. Annual payment on purchase contract of property should be allotted \$4,800 for this and next year's installments, or until the property is actually in production and is financially able to make these annual payments.
2. Under the mining laws, each claim or fraction must have \$100 worth of assessment work done and recorded each year for five years before a patent can be applied for, or may be held as long as desired by doing the assessment work and recording each year. Four hundred dollars should be allotted for this and next year's assessment work on the two unpatented fractions of the property.

3. The present plans of the Company are to reopen the main working tunnel of the property, commonly referred to as the NATIONAL MINE, and one of the upper levels. The object of reopening the main tunnel is to get to the southern part of the property, (Refer to attached map) where the discovery of extremely rich "Electrum-ore", averaging \$125 to the pound is reported by Edgar Noble and is believed to contain an entirely new "BONANZA SHOOT" of high grade "ELECTRUM-ORE". In this southern section of the property there lies a large body of unexplored ground about 1900 feet from the portal of the main tunnel and about 600 feet south of the original "BONANZA ORE-SHOOT" of the NATIONAL MINE. This unexplored block of ground is roughly 700 feet long and 600 feet deep. The original "BONANZA ORE SHOOT" of the NATIONAL MINE produced MILLIONS of DOLLARS and was contained within a comparatively small block of ground said not to have averaged

more than 250 feet in length along the strike of the vein and about 438 feet in depth. The driving of an entirely new tunnel to intersect the unexplored block of ground in the south part of the property is now under study and consideration. The opening of the upper level is necessary to circulate air throughout the old workings and will enable men to work in the south workings with fresh air. Since the greater portion of the main tunnel was driven through solid rock, most of the work to re-open the tunnel will be timbering of the weak points, cleaning out the cave-ins, relaying track, installing compressor lines, electric power lines for power, lights, etc.

Equipment, machinery, material, supplies, etc., should be purchased whenever practical so we can eliminate expensive hired equipment, etc. A company truck should be given early priority to haul supplies and other trucking as needed. Miscellaneous items such as dynamite, fuse, blasting caps, drill steel, bits, pipe, air lines, timbers, lumber, etc., tools such as picks, hammers, shovels, drills, etc., equipment such as compressors, stoppers, ore-cars, muckers, rails, etc., supplies such as gasoline, oil, grease, and diesel fuel for operation of equipment, etc. will be needed during different stages of the development. These items should be allotted perhaps \$108,000, including payments on contract and assessment work.

4. Engineering, metallurgical test work, hired labor, salary of officers, maintaining company office, traveling expenses in connection with Company business, cost of Company transportation, office supplies, salary of book-keeper, etc., should be allotted about \$72,000.

Working Capital must be available as needed in order to maintain an uninterrupted schedule.

The above figures are computed on the assumption that the full \$300,000 worth of shares shall be sold and are not intended to be a definite statement, but an estimate of expenses and may be changed according to developments.

CORPORATION POLICY

It is the Policy of the Company to Acquire, Hold and Operate any Mineral Properties. We reserve the right to acquire any new property that shows economic promise or any property that may be of value to the Company in the future.

Also we reserve the right to drop any property now held or to be held, from our holdings without further notice in case it proves to be of doubtful economic value to us.

FINANCIAL STATEMENTS

Schedule 1.

**Statements of Assets Listed (as of October 6, 1953)
are prior to this offering of stock.**

1. Mining Property 5,100,000 Shares
2. Current Assets Receivable \$3.00

Schedule 2

Statements of Liabilities (as of October 6, 1953)

1. Liabilities None

Schedule 3.

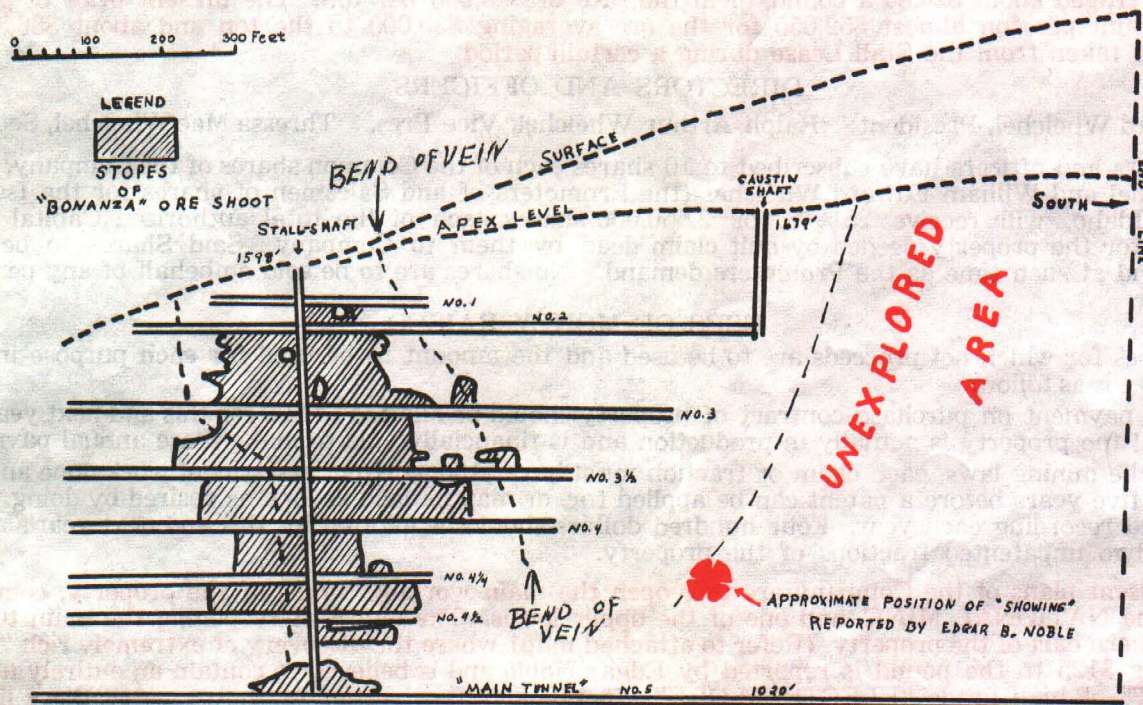
Statements of Capital Shares (as of October 6, 1953)

1. Authorized 10,000,000
2. Issued None
3. Outstanding None
4. Contracted for Mining Property.... 5,100,000
5. Subscribed 30

Schedule 4.

Statements of Receipts and Disbursements (as of October 6, 1953)

1. Receipts None
2. Disbursements None



Longitudinal Section of "BONANZA" Ore Shoot, National Mine

Map does not show all the claims held by the Company, particularly ground to the southwest.

The high grade ore shoot is reported to have produced between 3 and 4 million dollars by Waldemar Lindgren, U. S. Geologist, in 1912, and between 5 and 7 million dollars by P. G. Harrison, mine superintendent, in 1914. Actual production is unknown.