

92C/9W REKO OF CIBC 0970  
0911  
110

B

006155

RECEIVED

APR 27 1972

PROSPECTUS

REAKO EXPLORATIONS LTD. (N.P.L.)

BRITISH COLUMBIA  
SECURITIES COMMISSION

First Public Issue

Offer of 300,000 Shares

92c091 Reako 05-10

	Price to Public	Commissions	Proceeds to Company
at	35¢	8.75¢	26.25¢
if all sold	\$105,000.00	\$26,250.00	\$78,750.00

IF ALL SECURITIES OF THIS OFFERING ARE SOLD, THE PROMOTERS, DIRECTORS, AND CONTROLLING PERSONS WILL OWN 72.5% OF THE TOTAL AMOUNT OF THE OUTSTANDING.

THIS OFFER REPRESENTS 26.7% OF THE TOTAL AMOUNT OF THE SHARES OUTSTANDING IF ALL SECURITIES OF THIS OFFERING ARE SOLD.

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.

THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS A PUBLIC OFFERING OF ANY OF THE SECURITIES OFFERED HEREBY FOR SALE IN THE UNITED STATES OF AMERICA, OR IN THE TERRITORIES OR POSSESSIONS THEREOF.

AS THE COMPANY'S MINERAL PROPERTIES (HEREINAFTER DESCRIBED) ARE IN THE STAGE OF EXPLORATION AND DEVELOPMENT, AND NO KNOWN BODY OF COMMERCIAL ORE HAS BEEN LOCATED, A PURCHASE OF THE SECURITIES OFFERED UNDER THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.

THERE IS NO MARKET FOR THE SECURITIES BEING OFFERED HEREUNDER.

NO SURVEY HAS BEEN MADE OF ANY OF THE COMPANY'S MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA, THE EXISTENCE AND AREA OF SUCH PROPERTIES COULD BE IN DOUBT.

THIS PROSPECTUS IS DATED THE 18TH DAY OF APRIL, 1972

PROPERTY FILE

TABLE OF CONTENTS

	Front Page
Distribution Spread .....	
The Company .....	1
Share Offering and Plan of Distribution .....	1
Share and Loan Capital Structure .....	1
Description of Shares .....	2
Sale of Securities for Cash .....	2
Particulars of Securities issued for a consideration other than Cash .....	2
Sales otherwise than for Cash .....	3
Use of Proceeds of Company .....	3
Business and Property of Company .....	5
Principal Holders of Securities .....	6
Escrowed Shares .....	8
Promoters .....	9
Directors and Officers .....	9
Preliminary Expenses .....	10
Remuneration of Directors and Senior Officers ..	10
Material Contracts .....	10
Auditor .....	10
Registrar and Transfer Agent .....	11
Purchaser's Statutory Rights of Withdrawal and Rescission .....	11
Certificate .....	12

THE COMPANY

REAKO EXPLORATIONS LTD. (N.P.L.) hereinafter called "the Company", was incorporated as a specially limited private company under the laws of the Province of British Columbia by Certificate of Incorporation dated July 30th, 1971. The Company has its registered office at 9th Floor, 900 West Hastings Street, Vancouver 1, British Columbia, and its principal office at 118-815 West Hastings Street, Vancouver 1, British Columbia.

The Company was converted to a public company on April 18th, 1972.

SHARE OFFERING AND PLAN OF DISTRIBUTION

The Company offers under this Prospectus 300,000 shares in the Company at \$0.35 per share through its trading directors and certain brokers and investment dealers registered under the Securities Act, 1967 of British Columbia. Such brokers and investment dealers selected by the Company will act only as agents for the Company and will be paid a commission of \$0.085 per share on each share sold by them. The trading Directors of the Company will not receive any commission in respect of sales made by them. Of the shares to be issued and outstanding on completion of this offering, 34.0% will be issued for cash or services rendered and 66.0% for properties. Of the shares to be issued and outstanding on completion of this offering 26.4% will be issued to the public for cash and 72.5% will be issued to the promoters, directors and officers and controlling persons for cash, services rendered and property.

SHARE AND LOAN CAPITAL STRUCTURE

The Company has an authorized capital of \$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of \$0.50 each.

Particulars of the issued share capital of the Company are as follows:

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of Dec.31,1971</u>	<u>Amount Outstanding as of February 17,1972</u>	<u>Amount Outstanding if all securities being issued are sold</u>
Common shares	5,000,000	834,002	834,002	1,134,002

#### DESCRIPTION OF SHARES

The capital of the Company consists of one class of shares only. All shares of the Company rank equally as to entitlement to dividends and voting rights, each share carrying one vote at all meetings of the Company. There are no agreements extant or proposed limiting the payment of dividends. There are no conversion, pre-emptive, liquidation or distribution rights or other special privileges or provisions whatsoever attaching to any of the shares in the capital of the Company. None of the presently issued and outstanding shares in the capital of the Company are subject to call, all having been issued as fully paid and non-assessable. None of the shares offered under this Prospectus will be subject to call or assessment of any kind. Provisions as to modifications, amendments or conversion of such rights or provisions are contained in the British Columbia Companies Act.

#### SALE OF SECURITIES FOR CASH

The Company has sold the following shares for cash prior to the date of this Prospectus:

<u>Designation of Security</u>	<u>Number Sold</u>	<u>Price per Share</u>	<u>Commissions Paid on Sale</u>	<u>Proceeds to Company</u>
Common Shares	2	50¢	Nil	\$ 1.00
	80,000	10¢	Nil	8,000.00
Total	80,002		Nil	\$8,001.00

#### PARTICULARS OF SECURITIES ISSUED FOR A CONSIDERATION OTHER THAN CASH

<u>Designation of Security</u>	<u>Number Issued</u>	<u>Deemed Price per share</u>	<u>Consideration</u>
Common Shares	750,000	10¢	Mineral Claims
Common Shares	4,000	10¢	Services rendered

#### SALES OTHERWISE THAN FOR CASH

No Securities are being offered hereunder otherwise than for cash.

#### USE OF PROCEEDS TO COMPANY

The Company has received the balance of \$4,001.00 receivable from the prior sale of shares sold for cash.

The anticipated net proceeds to be derived by the Company from the sale of securities offered hereunder after payment of commissions will be \$78,750.00.

The principal purposes for which the net proceeds are to be used are to implement the exploration programme recommended by Robert L. Roscoe, P.Eng., Consultant, in his Report dated January 21,1972. For further information reference should be made to the said Engineering Report which is attached hereto and which forms a part of this Prospectus. The estimated costs of carrying out the entire programme are as follows:-

#### ESTIMATED COST OF RECOMMENDED WORK

Geological mapping	\$4,000
Line cutting. 80 miles @ \$75/mile.	6,000
Magnetometer survey. 80 miles @ \$75/mile.	6,000
E.M.Survey. 60 miles @ \$140/mile.	8,400
Diamond drilling. 2,500 feet @ \$12/foot.	30,000
Bulldozing (trenching).	2,500
Sampling and assaying.	2,500
Camp costs.	4,000
Engineering and supervision.	5,000
	<hr/>
Contingencies @ 10%	\$68,400
	6,840
Total estimated cost.	<hr/> <hr/>
	\$75,240

The funds in hand and proceeds of this offering amounting together to \$82,751.00 will be applied firstly towards payment of current accounts payable in the amount of \$402.31, and towards the cost of this Prospectus, estimated at \$4,000.00, and administrative costs estimated at \$3,000.00, then towards the engineering costs as recommended in the Engineer's Report, for a total estimated cost of \$82,642.31. In the event the proceeds will be insufficient to accomplish the whole program as recommended by the Company's Engineer, the Company will carry out such modified proposal as recommended by him.

Funds

1.	Prior Sale of Shares	\$4,001.00
2.	Net proceeds of offering	<u>78,750.00</u>
	Total money:	<u><u>\$82,751.00</u></u>

Use of proceeds

1.	Accounts payable	\$ 402.31
2.	Costs of Prospectus	4,000.00
3.	Administrative costs	3,000.00
4.	Work program	<u>75,240.00</u>
	Total expenditures:	<u><u>\$82,642.31</u></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 propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus prior approval by the shareholders must be obtained and disclosure made to the regulatory

securities bodies having jurisdiction over the sale of securities offered by this Prospectus.

BUSINESS AND PROPERTY OF THE COMPANY

(a) The Company is a mining Company engaged in the exploration and development of mineral properties and is the recorded and beneficial owner of the following 48 mineral claims located in the Victoria Mining Division, in the Province of British Columbia:

<u>Claim No.</u>	<u>Record No.</u>	<u>Expiry Date</u>
REKO #1 - 6 inclusive	16755 - 16760 inclusive	July 29, 1973
REKO #7 - 12 inclusive	16924 - 16929 inclusive	April 8, 1973
REKO #13 - 24 inclusive	16944 - 16955 inclusive	June 4, 1973
REKO #25 - 48	17030 - 17053 inclusive	July 19, 1973

(b) The REKO Claims Nos.1 - 24 were acquired by the Company under Bills of Sale dated the 10th of September, 1971 from Martial H. Levasseur, a Director of the Company, in consideration of the issue and allotment of 200,000 fully paid and non-assessable shares of the Company to him.

The REKO Claims Nos.25-48 were acquired by the Company under Bills of Sale dated September 10th, 1971 in consideration of the issue of 550,000 fully paid and non-assessable shares in the Company to John Edmond Green, Robert Wood, Martial Levasseur, John W. Naylor and Douglas McKenzie, all of whom are Directors of the Company.

The Vendors acquired all the said claims by staking at a total cost of about \$3,500.00, not including any amount for time expended in prospecting and staking covering about 30 man days.

The REKO claims are located some six miles northeast of the head of Port San Juan Inlet on Vancouver Island, British Columbia.

Access is by road from the head of the Inlet with the first 5½ miles being a paved logging road and the balance a gravelled logging road.

Magnetite occurrences in the Port San Juan area have been known for over seventy years. Showings along the Gordon River and its tributary, Bugaboo Creek, were explored and staked as early as early as 1899.

During the Summer of 1970 bulldozing and blasting by a forestry company's roadbuilding crews uncovered hitherto unknown showings of magnetite and sulphides near the upper reaches of Renfrew Creek (known locally as Granite Creek).

Six claims from these showings were staked in July, 1970 by Mr. Martial Levasseur and in 1971 he staked more ground thus increasing the extent of the favourable contact zone held. The property now consists of forty-eight contiguous located claims.

Further prospecting and exploration during the Summer of 1971 uncovered additional magnetite and sulphide showings. Six X-ray diamond drill holes totalling 122 feet were completed during 1971. A limited amount of Magnetometer work was carried out during November, 1971, which indicated magnetic anomalies in the areas of known magnetic and sulphide exposures and a further strong anomaly in an area which has not yet been checked by trenching or drilling. While limited drilling gave widths and grades of magnetite and of sulphides containing copper, as described in Mr. Roscoe's Report, no known commercial body of ore has as yet been developed on the Property, and the proposed program is an exploratory search for ore.

Presently there is no underground or surface equipment on the Property.

#### PRINCIPAL HOLDERS OF SECURITIES

As at February 17th, 1972 the number of shares of the Company beneficially owned by persons who own of record or who are known to own beneficially more than Ten (10%) per cent of the said shares is as follows:-

<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>
Martial H. Levasseur 1661 Victoria Drive Vancouver, B.C.	Common	Beneficial and of record	346,251	41.5%
Robert Wood, 682 Donald Road, Richmond, B.C.	Common	Beneficial and of record	146,250	17.5%
John W. Naylor, 22995 64th Ave., RR7, Langley, B.C.	Common	Beneficial and of record	146,251	17.5%
Douglas McKenzie, 8026 Heather Street, Vancouver, B.C.	Common	Beneficial and of record	147,250	17.6%
				<u>94.1%</u>

The foregoing percentage calculations are based on there being 834,002 shares issued and outstanding prior to the sale of the 300,000 shares offered hereunder.

As of the said date the percentage of the shares of the Company beneficially owned directly or indirectly by all directors and senior officers of the Company as a group is as follows:-

<u>Definition of Class</u>	<u>Percentage of Class</u>
Common	98.5%

The foregoing percentage calculations are based on there being 834,002 shares issued and outstanding prior to the sale of the 300,000 shares offered hereunder.

### ESCROWED SHARES

The particulars of the common shares of the Company in escrow as of the date of this Prospectus are as follows:

DESIGNATION OF CLASS	NUMBER OF SHARES HELD IN ESCROW	PERCENTAGE OF CLASS
Common	750,000	
	By Escrow Agreements dated February 15th, 1972	90.0
	84,000	
	By Pooling Agreements dated February 15th, 1972	10.0

As of February 15th, 1972 all the 750,000 shares are held in escrow by Crown Trust Company, subject to the direction or determination of the British Columbia Securities Commission (the Commission). The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Commission.

In the event the company loses or abandons or fails to obtain title to all or part of the property for which it allotted all or part of the escrow shares, the company will declare any such event to the Commission 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 Commission 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.

The pooled shares are held in escrow with Crown Trust Company pursuant to Pooling Agreements which provide that no shares are to be released until thirty (30) days after completion of the primary distribution of shares offered by this Prospectus, at which time the shares pooled will be released.

### PROMOTERS

Under the definition of "Promoter" contained in Section 2 of the British Columbia Securities Act, 1967, Mr. Martial Levasseur may be considered the promoter of the Company in that he took the initiative in the founding of the Company, but he has received no consideration in the form of shares, cash or otherwise from the Company for so acting.

### DIRECTORS AND OFFICERS

The principal business or occupation in which each of the directors and officers of the Company has been engaged during the immediate preceding five years is as follows:

Name and Address	Position with Company	Business or Occupation
Martial H. Levasseur 1661 Victoria Drive Vancouver, B.C.	President and Director	President, Van Silver Explorations Ltd. (N.P.L.) and Van Silver Mines Ltd. (N.P.L.)
Robert Wood 682 Donald Road Richmond, B.C.	Director	Stationary & Marine Engineer - Vancouver School Board. Director - Van Silver Mines Ltd. (N.P.L.)
John W. Naylor 22995 64th Ave., RR7, Langley. B.C.	Director	Chartered Accountant - Self employed.

Name and address	Position with Company	Business or Occupation
Douglas McKenzie 8026 Heather Street Vancouver, B.C.	Director and Secretary	Customs Officer, Canadian Customs.
John Edmond Green #1102-1350 Broughton St., Vancouver, B.C.	Director	B.C. Log Scaler.

#### PRELIMINARY EXPENSES

The total preliminary expenses incurred by the Company are \$3,488.45 of which \$197.65 are administrative expenses and \$3,290.80 development expenses. It is not expected that there will be further expenditures on preliminary matters save as referred to under the heading "Use of Proceeds".

#### REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Since the incorporation of the Company two directors and officers were paid a total amount of \$1,100.00 for services rendered in development of the Company's Property by the issuance of 1,000 fully paid and non-assessable shares of the Company at a deemed price of \$0.10 per share to one Director and the payment of \$1,000.00 to the other Director. It is not contemplated that any remuneration will be paid during the current fiscal year of the Company to the directors and officers of the Company in their capacity as such.

#### MATERIAL CONTRACTS

The Company has entered into contracts in connection with the acquisition of the mineral properties referred to under the heading "Business and Property of the Company".

#### AUDITOR

The Auditor of the Company is:

Henry J. Meyer, C.A.,  
Suite 105 - 691 Thurlow Street,  
Vancouver 5, B.C.

#### REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent of the Company is:

Crown Trust Company,  
455 Howe Street,  
Vancouver 1, B.C.

#### PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provides 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 British Columbia Securities Commission 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 must be served on the person who contracted to sell within sixty (60) days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three 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.

CERTIFICATE

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act of 1967 of the Province of British Columbia and the regulations thereunder.

DATED this 18th day of April 1972.

(Signed) Martial H. Levasseur  
Director and Promoter

*Martial H. Levasseur*

(Signed) Douglas McKenzie  
Director

*Douglas McKenzie*

(Signed) Robert Wood  
Director

*Robert Wood*

(Signed) John W. Naylor  
Director

*John W. Naylor*

(Signed) John Edmond Green  
Director

*John Edmond Green*

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REAKO EXPLORATIONS LTD. (NPL)

(Incorporated under the Companies Act of the  
Province of British Columbia)

I have examined the Balance Sheet of REAKO EXPLORATIONS LTD. (NPL) as at December 31, 1971 and the Statement of Source and Application of Funds and the Schedule of Deferred Exploration, Development and Administrative Expenses for the period July 30, 1971 (date of incorporation) to December 31, 1971. My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Company as at December 31, 1971 and the results of its operations and the source and application of funds from the date of incorporation, July 30, 1971 to December 31, 1971, in accordance with generally accepted accounting principles.

Vancouver, B.C.  
February 1, 1972

*Henry J. Meyer*  
Henry J. Meyer,  
Chartered Accountant.

REAKO EXPLORATIONS LTD. (NPL)

(Incorporated under the Companies Act of the Province of British Columbia)

BALANCE SHEET

as at December 31, 1971

ASSETS

Current Assets

Cash in Bank	\$ 187.87
Mineral Claims, at cost (Note 1)	75,000.00
Deferred Exploration, Development and Administrative Expenses (per Schedule)	3,488.45
Incorporation Costs	1,145.99
	<u>\$79,802.31</u>

LIABILITIES

Current Liabilities

Accounts Payable	\$145.99	
Due to Shareholder	<u>256.32</u>	402.31

SHAREHOLDERS' EQUITY

Share Capital

Authorized 5,000,000 shares par value 50¢ each	
Issued (Note 2) 834,002 shares	<u>79,400.00</u>
	<u>\$79,802.31</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

*W. H. L...*  
Director

Vancouver, B.C.  
February 1, 1972

*Douglas M. ...*  
Director

REAKO EXPLORATIONS LTD. (NPL)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Period  
July 30, 1971 (date of incorporation) to December 31, 1971

SOURCE

Proceeds from issue of shares (Note 2) \$79,400.00

APPLICATION

Purchases of mineral claims	\$75,000.00	
Deferred Exploration, develop- ment and administrative expenses.	3,488.45	
Incorporation Costs	<u>1,145.99</u>	<u>79,634.44</u>

WORKING CAPITAL DEFICIENCY, December 31, 1971 \$ 234.44

Vancouver, B.C.  
February 1, 1972

REAKO EXPLORATIONS LTD. (NPL)

SCHEDULE OF DEFERRED EXPLORATION, DEVELOPMENT  
and  
ADMINISTRATION EXPENSES

For the Period  
July 30, 1971 (date of incorporation) to December 31, 1971

EXPLORATION & DEVELOPMENT

Assays	\$ 86.95
Drilling, Stripping, Trenching	698.90
Engineering fees	686.75
Food and accommodation	93.76
Free miner's certificate	200.00
Prospecting	606.73
Recording fees	51.00
Sundry	2.50
Travel	335.21
Wages	550.00
	<u>\$3,290.80</u>

ADMINISTRATION

Stationery & Postage	80.69
Bank Charges	12.70
Secretarial Services	100.00
Sundry	4.26
	<u>197.65</u>

TOTAL EXPLORATION, DEVELOPMENT, &  
ADMINISTRATION EXPENSES \$3,483.45

Vancouver, B.C.  
February 1, 1972

REAKO EXPLORATIONS LTD. (NPL)

NOTES TO THE FINANCIAL STATEMENTS  
as at December 31, 1971

1. Mineral Claims

By agreement dated September 10, 1971, the Company acquired title to 4 mineral claims located near Port Renfrew in the Victoria Mining Division, Province of British Columbia, for a consideration of 750,000 shares of the Company's capital stocks issued at a deemed price of 10¢ per share, that is, \$75,000.00.

2. Share Capital

Since incorporation, the Company has issued the following shares:

	<u>Number of shares</u>	<u>Par Value</u>	<u>Discounts</u>	<u>Net</u>
Mineral Claims	750,000	\$375,000.00	\$300,000.00	\$75,000.00
Cash	80,002	40,001.00	32,000.00	8,001.00
Services	4,000	2,000.00	1,600.00	400.00
	<u>834,002</u>	<u>417,001.00</u>	<u>333,600.00</u>	<u>83,401.00</u>

LESS: Subscriptions Receivable 4,001.00

Proceeds from Issue of Shares \$79,400.00

Vancouver, B.C.  
February 1, 1972

REPORT ON  
THE REMFREW CREEK CLAIM GROUP  
OF  
REAKO EXPLORATIONS LTD.

PORT SAN JUAN AREA  
VICTORIA MINING DIVISION  
VANCOUVER ISLAND  
B.C.

ROBERT L. ROSCOE, P.ENG.  
JANUARY 21, 1972

TABLE OF CONTENTS

	PAGE
INTRODUCTION	2.
PROPERTY	3.
LOCATION MAP	5.
CLAIMS MAP	6.
GEOLOGY	7.
SHOWINGS, D.D.HOLES AND SAMPLE LOCATION MAP	8.
DIAMOND DRILLING	9.
SAMPLING	11.
SAMPLING RESULTS	13.
CONCLUSIONS	15.
RECOMMENDATIONS	16.
ESTIMATED COST OF RECOMMENDED WORK	17.
REFERENCES	18.

## INTRODUCTION

Magnetite occurrences in the Port San Juan area of southwestern Vancouver Island have been known for over seventy years. Showings along the Gordon River and its tributary, Bugaboo Creek, were explored and staked as early as 1899 (Ref. No.1).

During the summer of 1970, bulldozing and blasting by B.C. Forest Products road-building crews, uncovered hitherto unknown showings of magnetite and sulphides near the upper reaches of Renfrew Creek (known locally as Granite Creek).

Six claims covering these showings were staked in July, 1970 by Mr. Martial Levasseur. In 1971, Mr. Levasseur staked more ground surrounding the original holdings, thus increasing the extent of the favourable contact zone held. The property now consists of forty-eight contiguous located claims.

On June 2nd and 3rd, 1971, the writer, on behalf of and accompanied by Mr. Levasseur, examined and sampled magnetite and sulphide showings on this property. Further prospecting and exploration during the summer of 1971 uncovered additional magnetite and sulphide showings. These were examined and sampled by the writer on January 11, 1972.

This report is intended to describe the mineral occurrences on the property, to evaluate the work done to date, and to make recommendations concerning further exploration efforts, based on this evaluation.

- 2 -

## PROPERTY

In early June, 1971, at the time of the writer's first visit, the property consisted of twelve contiguous located claims (Reko 1-12, inclusive), staked along the upper reaches of Renfrew Creek. On June 4, 1971, Mr. Levasseur recorded twelve more claims, which he had staked parallel to, and adjoining the original group along its eastern boundary (Reko 13-24, inclusive). In July, 1971, an additional twenty-four claims were added to the group; to protect the favourable contact zone to the north, west and south of the original staking (Reko 25-48, inclusive). (Map No.1)

The claim group is located some six miles northeast of the B.C. Forest Products camp at the head of Port San Juan Inlet. The center of the claim group lies at approximately 48°-39'N, and 124°-18'W (Ref. No.2).

Access is by road from the B.C.F.P. camp. A paved road leads from the camp 5.5 miles to a junction a short distance beyond the bridge over Renfrew Creek. From here, a good gravel road leads in a northerly direction up the east side of the creek.

The southern boundary of the claim group lies about four miles above the junction of the logging road with the main valley road. The elevation at road level at the north end of the property is approximately 1700 feet above sea level.

For the most part, the property is heavily wooded; but there are several lumbered-off areas, (in particular, on Reko 9 and 10 claims). Rock exposures are scarce on the wooded hillside; although bulldozing and blasting during road construction has exposed bedrock in several places. Limestone bluffs can be seen some distance above the road on Reko 10 claim; while limestone and diorite are exposed in various places along the road and along canyon walls on the creek on Reko 1 claim (Map No.2).

## CLAIM DATA

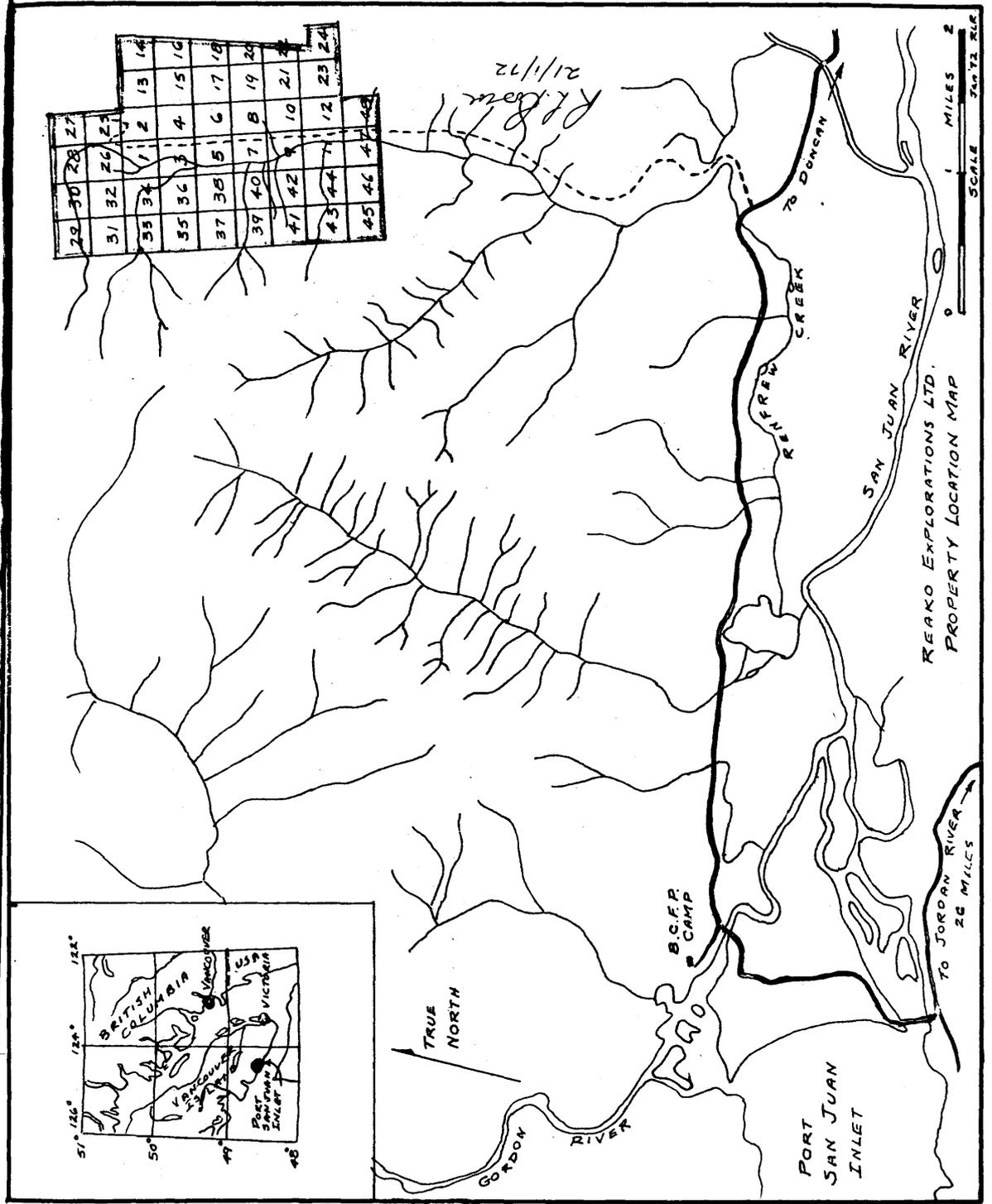
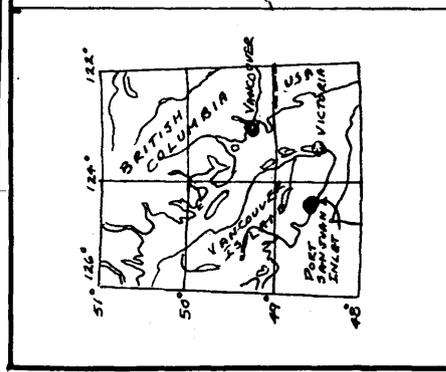
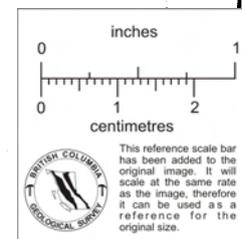
<u>NAME</u>	<u>RECORD NO.</u>	<u>RECORD DATE</u>
Reko 1 to 6	16755 to 16760	July 29, 1970

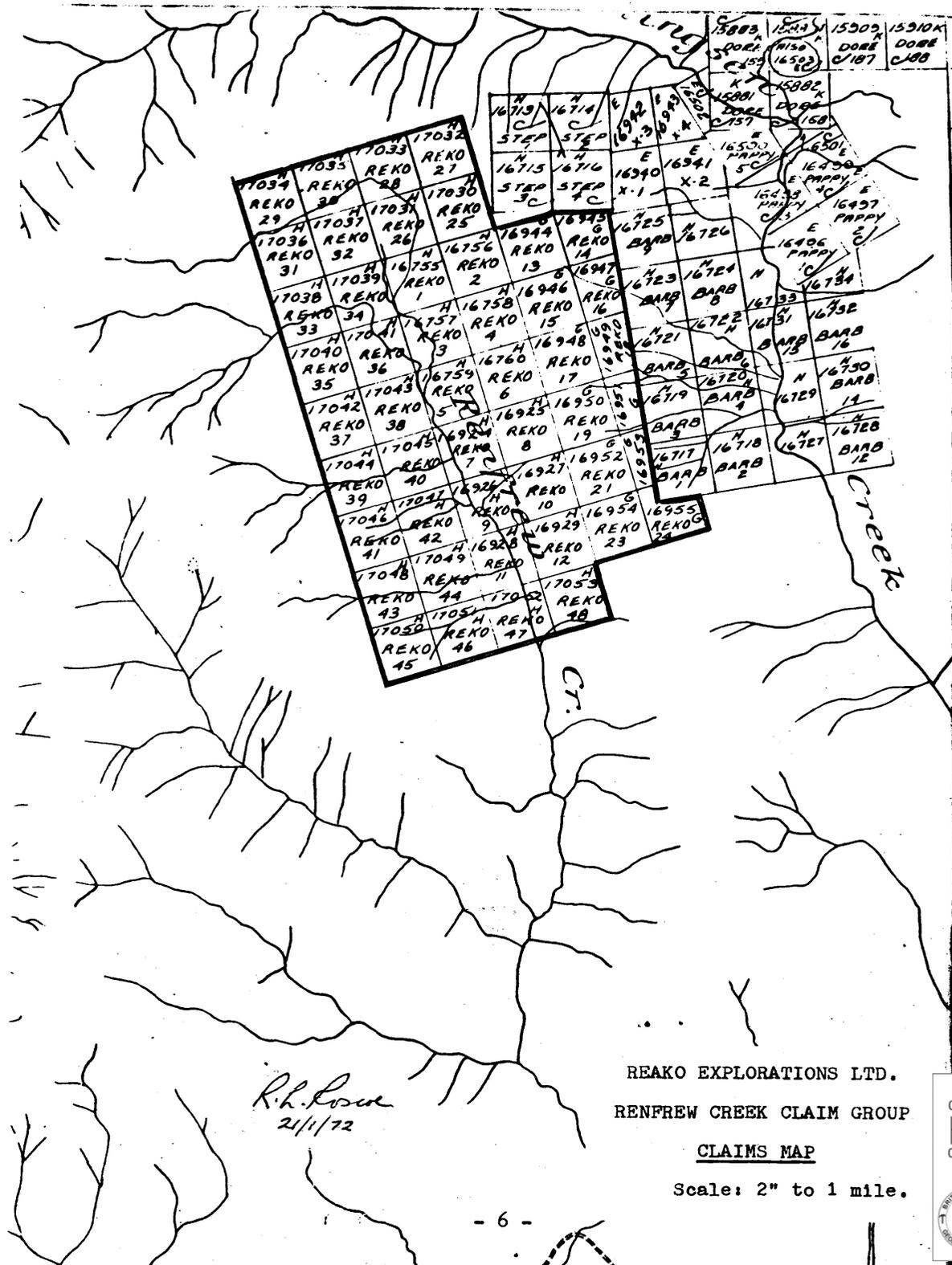
- 3 -

CLAIM DATA (CONTINUED)

<u>NAME</u>	<u>RECORD NO.</u>	<u>RECORD DATE</u>
Reko 7 to 12	16924 to 16929	April 8, 1971
Reko 13 to 24	16944 to 16955	June 4, 1971
Reko 15 to 46	17030 to 17053	July 19, 1971

Assessment work has now been recorded for the claim group (B.C. Mining Receipt No. 62579, dated Jan. 21, 1972), which keeps all the claims in good standing until their respective anniversary dates in 1973.





**GEOLOGY**

The main rock types in evidence in the Port San Juan area are Jurassic Coast Range batholith diorites and granodiorites, which have intruded the earlier Triassic rocks of the Vancouver group; represented here by massive, blue-grey, crystalline limestone (Ref. No.3)

There are not many bedrock exposures on the Renfrew Creek property; however, limestone does outcrop as bluffs high above the road on Reko 10 claim, in several places along the road, and along the canyon walls of the creek on Reko 1 claim. As well as the limestone, road building operations also exposed two massive magnetite showings, one on Reko 3, and one on Reko 10 claim. On Reko 3, a strong sulphide showing, containing pyrite, pyrrhotite, chalcopyrite and magnetite, was also exposed on the east side of the road, several hundred feet south of the magnetite exposure mentioned above. Several magnetite boulders, which contain considerable sulphides, were found beside the road (over a distance of about 300 feet) on Reko 5. Diorite is exposed along the creek on Reko 1 claim (Map No.2).

All the above-mentioned mineralized exposures were examined and sampled by the writer during a trip to the property in June, 1971. A second trip was made January 10-11, 1972, and several more magnetite and sulphide exposures, discovered during 1971, were examined and sampled.

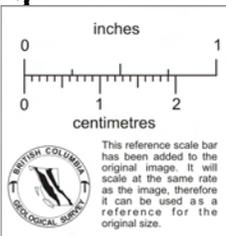
The magnetite and sulphide showings thus far exposed on the property, are probably contact metamorphic deposits, which have been formed at, or near the contact between the limestone and the diorite (Ref.No.4).

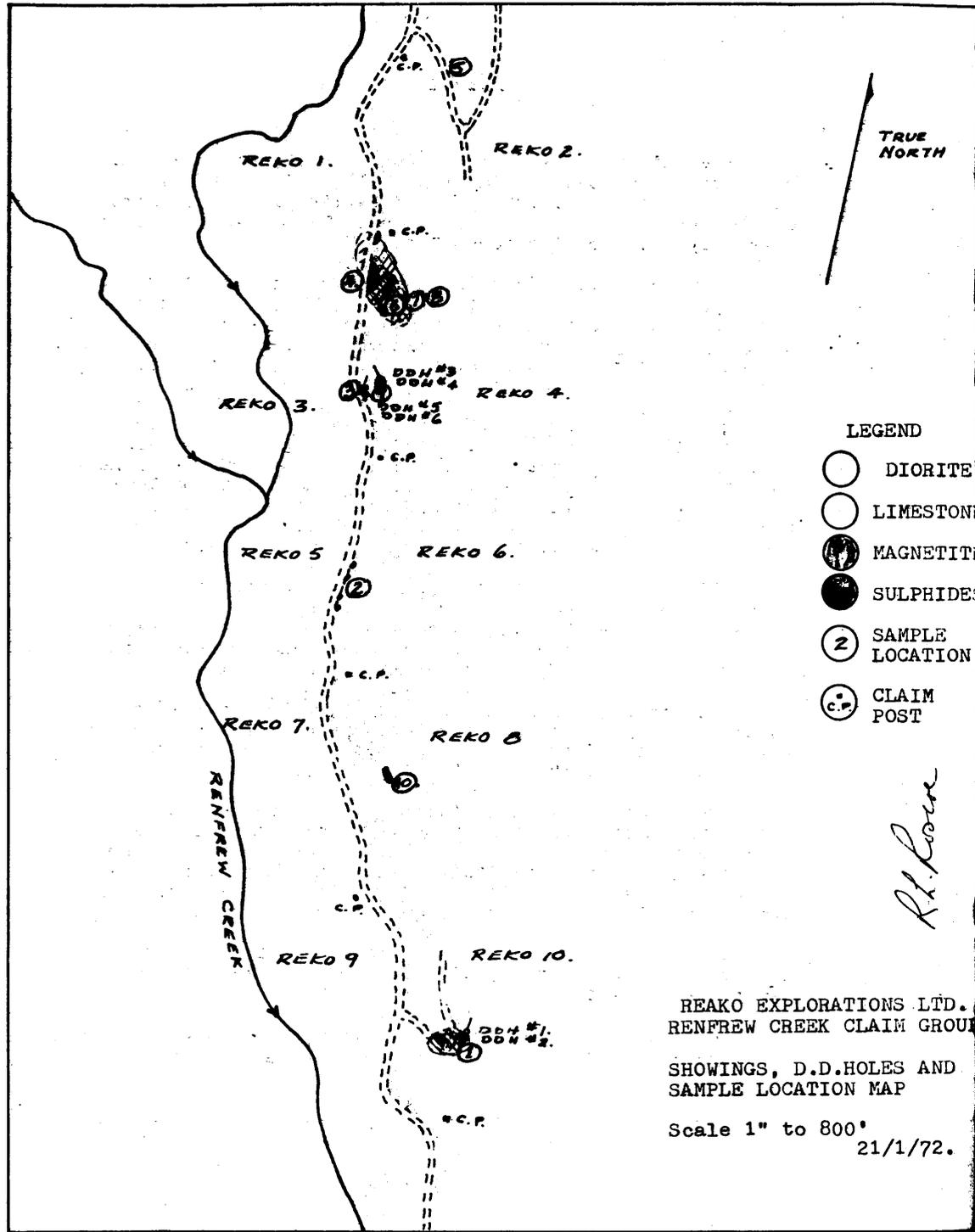
The limestone is a medium to coarse grained, blue-grey, crystalline variety, with no readily apparent bedding planes. However, in one area beside the road, light and dark layers in the massive limestone suggest a strike of about N60°W, and a dip of 45° to the NE. Several skarn areas, largely epidote and garnet, were also noted.

Hornblende diorite is from medium to fine grained, and has been considerably altered close to the diorite-limestone contact zone.

Several narrow lamprophyre dykes were seen, and pieces of feldspar porphyry float were found along the road.

REAKO EXPLORATIONS LTD.  
 RENFREW CREEK CLAIM GROUP  
**CLAIMS MAP**  
 Scale: 2" to 1 mile.





LEGEND

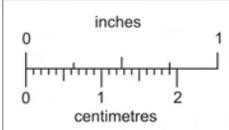
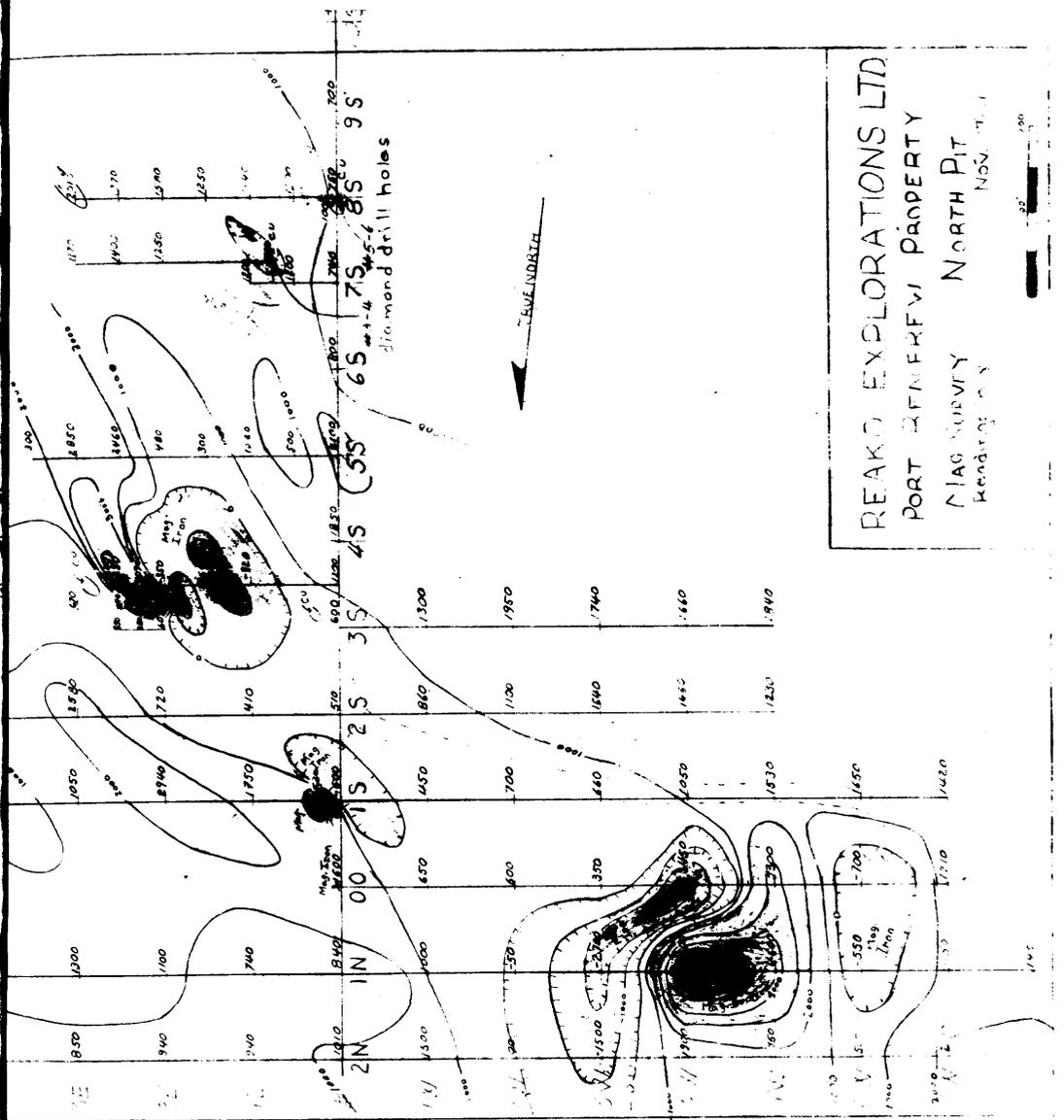
- DIORITE
- LIMESTONE
- MAGNETITE
- SULPHIDES
- SAMPLE LOCATION
- CLAIM POST

*R.L. Lowe*

REAKO EXPLORATIONS LTD.  
RENFREW CREEK CLAIM GROUP

SHOWINGS, D.D.HOLES AND  
SAMPLE LOCATION MAP

Scale 1" to 800'  
21/1/72.



BRITISH COLUMBIA  
GEOLOGICAL SURVEY

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

DIAMOND DRILLING

Six X-Ray diamond drill holes, totalling 122 feet, were completed by Mr. Levasseur during 1971. The core from these holes was logged and sampled by the writer. Locations and logs are as follows (Map No.2):

D.D.H. No.1

Location: Magnetite showing on Reko 10 claim.  
Strike: Approximately N70°W.  
Dip: 60°.

<u>From</u>	<u>To</u>	<u>Description</u>
0'	5'	Fine to coarse grained magnetite, with minor pyrite and chalcopyrite, some epidote and garnet.
5	6	Skarn, mostly epidote and garnet.
6	8	Magnetite, mixed with skarn and considerable pyrite and chalcopyrite.
8	10	Skarn.
10	16	Skarn, badly shattered.
16	27	Mostly massive magnetite, some sulphides and a minor amount of skarn.
	27	End of hole.

D.D.H. No.2

Location: Magnetite showing on Reko 10 claim.  
Strike: Approximately N30°E.  
Dip: 60°.

<u>From</u>	<u>To</u>	<u>Description</u>
0'	7'	Magnetite, minor skarn and sulphides.
7	11	Mostly skarn, badly shattered.
11	22	Mostly skarn, badly shattered.
22	31	Skarn, badly shattered, with considerable magnetite and some sulphides. 1" massive magnetite at the end of the section.
31	32	Skarn.
32	35	Fine grained blue-grey crystalline limestone.
	35	End of hole.

D.D.H. No.3

Location: 95' ENE of the sulphide showing on the road on Reko 3 claim

DIAMOND DRILLING (CONTINUED)

D.D.H. No.3

Strike: Approximately N30°W.  
Dip: 60°.

<u>From</u>	<u>To</u>	<u>Description</u>
0'	6'	Sulphides; pyrite, pyrrhotite, chalcopyrite, with skarn minerals and some magnetite.
6	9	Badly shattered; appears to contain more skarn, but still considerable sulphides.
9	15	Altered diorite, fractures and veinlets filled with chalcopyrite, some skarn minerals.
	15	End of hole.

D.D.H. No.4

Same location as D.D.H. No3. Drilled vertically.

<u>From</u>	<u>To</u>	<u>Description</u>
0'	9'	Mostly sulphides; pyrite, pyrrhotite, chalcopyrite, with minor amount of skarn minerals, epidote and garnet.
9	14	Altered diorite, fairly fine grained.
14	15	Skarn, mostly epidote and garnet.
	15	End of hole.

D.D.H. No.5

Location: Sulphide showing on the road on Reko 3 claim.  
Strike: N30°E, approximately.  
Dip: 60°.

<u>From</u>	<u>To</u>	<u>Description</u>
0'	8'	Sulphides; pyrite, pyrrhotite, chalcopyrite, some skarn.
8	10	Mostly skarn.
10	15	Hard, siliceous, fine grained altered diorite, with some sulphide stringers.
	15	End of hole.

D.D.H. No.6

Location: Same as D.D.H. No.5.  
Strike: Approximately S75°E.  
Dip: 60°.

## DIAMOND DRILLING (CONTINUED)

## D.D.H. No.6

<u>From</u>	<u>To</u>	<u>Description</u>
0'	7'	Sulphides; pyrite, pyrrhotite, chalcopyrite.
7	11	Skarn.
11	15	Skarn and altered diorite, minor sulphides.
	15'	End of hole.

## MAGNETOMETER SURVEY

A limited amount of magnetometer work was carried out during November, 1971. This work indicated magnetic anomalies in the areas of known magnetite and sulphide exposures on Reko 3 and 4 claims. It also indicated a strong anomaly west of the road on Reko 1 and 3 claims. This area has not yet been checked by trenching or drilling.

## SAMPLING

Grab samples were taken by the writer in June, 1971, from five locations, as noted herein and on the accompanying sketch (Map No.2). These samples consisted of chips cut from various areas of each showing, in order to get as representative a sample as possible. Five more grab samples were taken in January 1972, from other mineralized areas exposed in prospecting during the summer of 1971. As well, sixteen samples were taken of X-Ray diamond drill core from locations as noted herein and on the accompanying sketch (Map No.2).

<u>Sample No.</u>	<u>Location</u>
17676	Magnetite showings along a spur switchback road on Reko 10 claim.
17678	Taken from several magnetite boulders found along a 300' stretch of road on Reko 5 claim.
17679	Sulphide showing on the road on Reko 3 claim.

## SAMPLING (CONTINUED)

<u>Sample No.</u>	<u>Location</u>
17680	Magnetite showings on Reko 3 claim.
17681	Altered diorite exposure on the road switchback on Reko 25 claim.
17626	From a 10' wide showing of magnetite on Reko 4 claim, 150' up to the east of the road.
17627	From a 20' wide exposure, 90' up the hillside to the NE of 17626.
17628	From a large boulder 80' further up the hill to the NE of 17627.
17629	Diamond drill bit 95' east of the sulphide showing on the road on Reko 3 claim.
17630	From a pyrrhotite showing on Reko 8 claim, 150' above the road, in a creek bed.
17631	D.D.H. No.1: 0'-5'. Magnetite showing on Reko 10 claim.
17632	D.D.H. No.1: 5'-10'.
17633	D.D.H. No.1: 10'-20'.
17634	D.D.H. No.1: 20'-27'.
17635	D.D.H. No.2: 0'-7' Same location as D.D.H. No.1.
17636	D.D.H. No.2: 7'-11'.
17637	D.D.H. No.2: 11'-22'.
17638	D.D.H. No.2: 22'-31'.
17639	D.D.H. No.3: 0'-8'. Same location as 17629.
17640	D.D.H. No.3: 8'-15'.
17641	D.D.H. No.4: 0'-9'. Same location as 17629.
17642	D.D.H. No.4: 9'-15'.
17643	D.D.H. No.5: 0'-9'. Same location as 17679.
17644	D.D.H. No.5: 8'-15'.

SAMPLING (CONTINUED)

Sample No.	Location
17645	D.D.H. No.6: 0'-7'. Same location as 17679.
17646	D.D.H. No.6: 7'-15.

SAMPLING RESULTS

Sample No.	Location	<u>%</u>			<u>Oz./Ton</u>	
		Fe	S	Cu	As	Ag
17676	1.	61.87	1.65	0.08	--	--
17678	2.	32.27	--	1.40	--	--
17679	3.	--	--	2.72	Tr.	0.10
17680	4.	61.20	2.11	0.26	--	--
17681	5.	--	--	0.12	Tr.	0.20
17626	6.	66.10	--	--	--	--
17627	7.	56.97	--	0.18	--	--
17628	8.	29.64	--	0.94	0.01	0.10
17629	9.	--	--	8.02	0.16	0.80
17630	10.	--	--	0.25	0.01	0.10
17631	1.	59.23	--	0.16	--	--
17632	1.	29.96	--	0.13	--	--
17633	1.	51.55	--	0.07	--	--
17634	1.	58.90	--	0.15	--	--
17635	1.	54.50	--	0.20	--	--
17636	1.	19.49	--	0.14	--	--
17637	1.	55.73	--	0.15	--	--
17638	1.	51.01	--	0.15	--	--
17639	9.	--	--	9.20	0.16	1.00

SAMPLING RESULTS (CONTINUED)

Sample No.	Location	<u>%</u>			<u>Oz./Ton</u>	
		Fe	S	Cu	As	Ag
17640	9.	--	--	2.24	0.04	0.30
17641	9.	--	--	9.81	0.18	1.00
17642	9.	--	--	0.08	Tr.	Tr.
17643	3.	--	--	2.12	Tr.	0.20
17644	3.	--	--	0.17	Tr.	Tr.
17645	3.	--	--	1.24	0.01	0.10
17646	3.	--	--	0.15	Tr.	Tr.

## CONCLUSIONS

This property contains three known massive magnetite showings, as well as three known showings of sulphides (one of which carries good values in copper). Limited magnetometer work indicated at least one more strong anomaly which has not yet been checked by trenching or drilling.

The South magnetite showing on Reko 10 claim, exposed in two areas about 200 feet apart, was checked by a magnetometer survey by Mr. Levasseur. This work indicates an anomalous area enclosing both exposures; thus this magnetite body appears to outcrop in an oval area about 200 feet long by 100 feet wide. An X-Ray diamond drill hole, drilled roughly from east to west at an angle of  $-60^\circ$  across the long axis of the body, was stopped at 27 feet, still in magnetite.

The discovery of good widths and grades of magnetite on Reko 4 claim, more than 300 feet SE of the previously known exposure of magnetite on Reko 3 claim, raises the possibility that these exposures also belong to a single, larger magnetite body.

On Reko 3 claim, several hundred feet south of the above-mentioned magnetite exposures, a sulphide showing is exposed on the road. Samples from the outcrop and from two diamond drill holes collared at the outcrop, contained from 1.24 to 2.72 % Cu.

Some 95 feet up the hillside to the east of the above sulphide showing, a pit was blasted for the purpose of collaring two diamond drill holes. A grab sample of the sulphides exposed in the pit assayed 8.02 % Cu., with fair gold and silver values as well. The Diamond drill holes cut sulphides assaying 9.20 % Cu over a width of 8 feet, and 9.81 % Cu over a width of 9 feet. Both drill holes returned gold and silver values similar to those in the surface grab sample.

The widespread extent and the strength of the mineralized showings thus far discovered (with relatively little prospecting), the good iron values in the magnetite showings, the excellent copper values from Reko 3 claim, and the possibility of finding new showings along, or near the extensive contact zone covered by the claim group, make this an attractive prospect, worthy of further exploration efforts.

## RECOMMENDATIONS

1. Detailed geological mapping of the entire claim group. This would give an accurate picture of the location of the limestone-diorite contact zone, the strike and dip of the limestone, location and attitude of any faults or shear zones. It would also fix more accurately location of all the presently known mineralized showings and their relation to the contact zone.
2. A magnetometer survey, with readings at 100 foot intervals, should be made along the entire favourable contact zone. Any anomalous areas picked up by this work should then be checked and detailed by readings at closer intervals.
3. Using the lines and stations of the magnetometer survey, the contact zone should be checked again with an E.M. survey, to search for possible further copper-bearing sulphide occurrences.
4. Where overburden is relatively shallow, the known mineralized showings, and any new showings found by the above work, should be trenched and sampled.
5. Diamond drilling should be undertaken, to determine the size, attitude and grade of the presently known mineralized showings, and to check any anomalies resulting from the magnetometer and E.M. surveys.

ESTIMATED COST OF RECOMMENDED WORK

Geological mapping.	\$ 4,000
Line cutting. 80 miles @ \$75/mile.	6,000
Magnetometer survey. 80 miles @ \$75/mile.	6,000
E.M. Survey. 60 miles @ \$140/mile.	8,400
Diamond drilling. 2,500 feet @ \$12/foot.	30,000
Bulldozing (trenching).	2,500
Sampling and assaying.	2,500
Camp costs.	4,000
Engineering and supervision.	5,000
	<hr/>
	\$68,400
Contingencies @ 10%.	6,840
	<hr/>
Total estimated cost.	\$75,240

Respectfully submitted,

*R. L. Roscoe*

Robert L. Roscoe, P.Eng.

January 21, 1972.

REFERENCES

<u>Ref. No.</u>	<u>Publication</u>
1.	Geological Survey of Canada, Economic Geology Series No.3, Iron Ores of Canada, Vol. 1, British Columbia and Yukon, by G.A. Young and W.L. Uglow, 1928. Chapter IV, pages 167-191.
2.	National Topographic System, 1:50,000 Map 92-C/9, Mt. San Juan.
3.	Same publication as Ref. No.1, Chapter IV, pages 159-161.
4.	Same publication as Ref. No.1, Chapter IV, page 163.

ROBERT L. ROSCOE, P.ENG.  
4675 Skyline Drive,  
North Vancouver, B.C.

CERTIFICATE

I, Robert L. Roscoe, certify as follows:

I am a registered member of the Association of Professional Engineers of the Province of British Columbia.

I graduated from Queen's University, Kingston, Ontario, in 1944 with a B.Sc degree in mining engineering. I have also taken one year in post graduate work in geology at the same university.

I have been associated with the mining industry in a professional capacity for twenty-six years.

I have examined the staking of the key claims (Reko 1-12) of the Renfrew Creek property of Reako Explorations Ltd., and have found that it appears to be in compliance with the requirements of the Mineral Act.

My report of January 21, 1972, is based upon my personal examinations, sampling and observations on the property, and from other data gleaned from government publications and other sources as listed under references in my report.

I have no interest, directly or indirectly, nor do I expect to receive any such interest, in the properties or securities of Reako Explorations Ltd., of Vancouver, B.C.

  
R.L. Roscoe, P.Eng.

January 21, 1972