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# KATANGA MINES

## LTD. (Non Personal Liability)

REGISTERED OFFICE:  
1650 - 777 Hornby Street  
Vancouver 1, British Columbia

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BRITISH COLUMBIA  
SECURITIES COMMISSION

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

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

NO SURVEY HAS BEEN CONDUCTED OVER THE MINING PROPERTIES HELD BY THE COMPANY, AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTION IN WHICH SUCH PROPERTY IS SITUATE, THE EXISTENCE OF AND THE AREA OF SUCH PROPERTIES COULD BE IN DOUBT.

*OFFERING: 470,000 Common*

Column 1	Column 2	Column 3
Price to Public	Commissions	Proceeds to Company
Per Unit: 50¢	12¢	38¢
Total: \$235,000.00	\$56,400.00	\$178,600.00 if all the shares are sold

The Company intends to engage in mineral exploration. Of the shares issued and to be issued, 28.8% are being offered to the Public and of the remaining 71.2%, 62.7% were issued to the Directors, Officers and controlling persons for cash and property. Reference in this behalf may be had to Item "Principal Holders of Securities" in the body of the Prospectus.

**A PURCHASE OF SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION.**

DATED THIS 14th DAY OF SEPTEMBER 1971.

# PROPERTY FILE

*Table of Contents*

	<b>Page No.</b>
INCORPORATION .....	3
CAPITALIZATION .....	3
SECURITIES SOLD FOR CASH TO DATE .....	3
DIRECTORS AND OFFICERS .....	3-4
REMUNERATION .....	4
DESCRIPTION OF THE BUSINESS AND PROPERTY OF THE ISSUER .....	4-6
USE OF PROCEEDS TO ISSUER .....	6-8
ESCROWED AND POOLED SECURITIES .....	8
PRINCIPAL HOLDERS OF SECURITIES .....	9
PRIOR SALES .....	9
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS .....	9
AUDITORS, TRANSFER AGENTS AND REGISTRARS .....	10
PENDING LEGAL PROCEEDINGS .....	10
ISSUANCE OF SHARES .....	10
PLAN OF DISTRIBUTION .....	10
PROMOTERS .....	10
RIGHTS OF RESCISSION .....	10-11
MATERIAL CONTRACTS .....	11
OTHER MATERIAL FACTS .....	11
CERTIFICATE .....	11
AUDITOR'S REPORT .....	13

## INCORPORATION

Katanga Mines Ltd. (NPL) was incorporated as a Specially Limited Private Company under the "Companies Act" of the Province of British Columbia, on the 11th day of October, 1968 by Certificate of Incorporation. The Head Office of the Company is situate at 31 - 615 West Hastings Street, in the City of Vancouver, Province of British Columbia. The Company was converted to a Public Company by Certificate dated the 10th day of February, A.D. 1970.

## CAPITALIZATION

The authorized capital of the Company is Six Million (\$6,000,000.00) Dollars divided into Six Million (6,000,000) shares with a nominal or par value of One (\$1.00) Dollar each, out of which One Million One Hundred Sixty Thousand Seven Hundred Eighteen (1,160,718) shares are issued and paid up.

Column 1	Column 2	Column 3	Column 4	Column 5
Designation of Security	Amount Authorized	Amount outstanding as of June 30, 1971	Amount outstanding as of Sept. 1, 1971	Amount to be outstanding if all securities being issued are sold.
COMMON	6,000,000	1,160,718	1,160,718	1,630,718

## SECURITIES SOLD FOR CASH TO DATE

- Shares sold for cash to date:
  - Two (2) shares at One (\$1.00) Dollar per share;
  - Three Hundred Seven Thousand (307,000) shares at Ten (10¢) cents per share;
  - One Hundred Twenty Thousand (120,000) shares at Twenty-Five (25¢) cents per share; and
  - Twenty Thousand Seven Hundred Sixteen (20,716) shares at Seventy-Five (75¢) cents per share.
- Total cash received for the sale of shares is Seventy-Four Thousand Six Hundred Sixty-Six Dollars and Fifty Cents (\$74,666.50).
- Commission has been allowed on the sale of the above shares in the amount of One Thousand Five Hundred Seventy-Two Dollars and Fifty Cents (\$1,572.50).
- Total discount that has been allowed to the Purchasers in consideration of their subscribing or agreeing to subscribe for the above shares in the Company amounts to Three Hundred Seventy-One Thousand Four Hundred Seventy-Nine (\$371,479.00) Dollars.

## DIRECTORS AND OFFICERS

The Directors and Officers of the Company are tabulated below:

Name and Address	Position and Office	Principal Occupation Within The Five Preceding Years
WILLIAM THOMPSON 650 East 49th Ave. Vancouver, B.C.	President Director	Feb. 1962 to present - President and Manager of Cinola Mines Ltd. (NPL) at 650 E. 49th Ave. Vancouver, B.C.

GEORGE ELMER PAPPAS  
No. 504 – 1250 Bute Street  
Vancouver 5, B.C.

Secretary  
Director

June 1963 to November 1965 – Stock  
Salesman for Van. Sec. Financial Corp. Ltd.  
March 1966 to March 1967 – Floor Trader  
for Gairdner & Co. Ltd. at 1030 W. Georgia  
St. Vancouver, B.C. Apr. 1967 to Sept. 1968  
– unemployed; from Sept. 1968 to present  
– Director and Secretary to Katanga Mines  
Ltd. (NPL)

HAROLD CORNWELL  
1692 E. 49th Ave.  
Vancouver, B.C.

Director

Insurance Investigator for Hooper Homes  
Bureau.

### REMUNERATION

The total remuneration paid by the issuer to its Directors and Senior Officers amounts to the sum of \$10,000 representing salary as office manager to George Pappas, Director and Secretary, in the amount of \$5,000.00 per annum. It is expected there will be no change in management remuneration in the near future.

### DESCRIPTION OF THE BUSINESS AND PROPERTY OF THE ISSUER

The Company intends to explore further its properties comprising a contiguous group of fifty-two (52) mineral claims and five (5) Placer Leases situate in the Liard Mining Division, in the Province of British Columbia, approximately fifty (50) miles east of Dease Lake, on Letain Creek and midway between Letain Lake and Wolverine Lake. Currently, the preferable means of access to the property is by float-equipped aircraft to Wolverine Lake and then by foot to the property along a winter road. There also exist a tractor road which runs East from the Cassiar Stewart Highway in Tanzilla River Valley for about forty (40) miles to Wheaton Creek, in Turnagain River Valley. Northern extension of the Pacific Great Eastern Railway apparently under construction is expected to result in the railroad being within 25 miles of the property.

(This property is hereinafter referred to as the “W.T. Group”).

The Company owns a group of forty-one (41) mineral claims situate near Sarita River in the Alberni Mining Division of the Province of British Columbia. These claims are readily accessible by logging road which constitutes the main highway from Port Alberni to Bamfield, in the Province of British Columbia, at a distance of 39 miles southwest of Port Alberni, British Columbia.

(This property is hereinafter referred to as the “Sarita River Group”).

1. The properties of the Company can be more particularly described as follows:

#### A. The “W.T. Group” (52 claims and 5 Placer Leases)

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
(i) W.T. 1–22 incl.	32302-32323 incl.	October 3, 1972
W.T. 37-54 incl.	32338-32355 incl.	October 3, 1972
(ii) W.T. 55-66 incl.	40192-40203 incl.	September 26, 1972
Placer lease 910		December 12, 1971
Placer leases 1020,1021, 1022 & 1023		December 30, 1971

**B. The "Sarita River Group" (41 claims)**

	<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
(i)	Gambler 1-8 incl. Omar 5 - 12 incl.	10072 - 10079 incl. 10701 - 10708 incl.	May 17, 1972 March 2, 1972
(ii)	K.S. 1-4 incl. B.S. 1-21 incl.	14430 - 14433 incl. 14192 - 14212 incl.	May 15, 1974 February 19, 1972

2. All of the mineral claims set out in 1(A) and 1(B) above are held by location pursuant to the provisions of the "Mineral Act" and "Placer Mining Act" of the Province of British Columbia.

3. The claims of the "W.T. Group" set out in 1(A) (i) above were acquired from William Thompson for the sum of Ninety-two Thousand Three Hundred (\$92,300.00) Dollars paid and satisfied as to Twenty Thousand (\$20,000.00) Dollars by the payment of cash and as to Seventy-Two Thousand Three Hundred (\$72,300.00) Dollars by the allotment and issue to William Thompson at an agreed value of Ten (.10¢) Cents per share, Seven Hundred and Twenty-Three Thousand (723,000) Vendors shares of the Company, reduced to Seven Hundred and Thirteen Thousand (713,000) Vendors shares by Deed of Gift to the Company for cancellation. Every reference to outstanding shares and percentages in this Prospectus, takes into account the aforesaid Ten Thousand (10,000) share reduction:

<u>Name and Address</u>	<u>Number of Shares Vendors</u>	<u>Relationship to Company</u>
WILLIAM THOMPSON 650 East 49th Ave. Vancouver, B.C.	713,000	Insider

The claims of the "Sarita River Group" set out in paragraph 1(B) (i) above were acquired by the Assignment of a Grubstake Agreement and Option Agreement by William Thompson to the Company for the sum of One (\$1.00) Dollar. Pursuant to the Grubstake and Option Agreements, payments in the total amount of Five Thousand (\$5,000.00) Dollars were payable to Gertrude Millahan (nee Gertrude Thies) and have been made by the Company and no monies are owing thereunder.

The "W.T. Group" set out in paragraph 1(A) (ii) and the "Sarita River Group" set out in Paragraph 1(B) (ii), were acquired at the cost of staking.

There is no person to the knowledge of the Company who has received or is to receive, from any Vendor, greater than five (5%) per cent interest in the shares or other consideration received or to be received by the Vendor.

4. (a) There is no previous history of the "W.T. Group" of mineral claims and the only previous mining activity in the area was intermittent work for the recovery of placer gold.

(b) Since the turn of the Century, intermittent work has been carried out in the area of the "Sarita River Group" being first explored for iron and in more recent years for copper. Previously, work took the form of trenches and adits and during 1965 and 1966, aero-magnetics, photogeology, reconnaissance, geochemistry and diamond drilling had been carried out on the "Sunny" and "Omar" claim groups.

5. (i) There has been no underground work carried out on either of the Company's properties

and the Company owns no underground development equipment.

(ii) Some surface sampling has been carried out in connection with the "W.T. Group" of mineral claims. A preliminary program of limited sampling, aided by some blasting in order to expose some outcrops, has been carried out by way of surface development work. The Company owns the following surface development equipment:

- (a) One Canadian Longyear X-Ray Portable Diamond Drill
- (b) 1965 Willys Jeep, 4-wheel drive

(iii) A preliminary program of limited prospecting and trenching has been carried out on the "Sarita Group" by way of surface development work and some additional sampling has been recently done.

6. For a description of the mineral deposits, reference may be had to the following Engineering Reports which are filed with the Superintendent of Brokers and copies whereof accompany and form part of this Prospectus:

- (1) For the "W.T. Group" – Engineering Report of Ross W. Kenway, P. Eng., dated October 19, 1970
- (2) For the "Sarita River Group" – Engineering Report of Ross W. Kenway, P. Eng., dated May 26, 1971

7. The work conducted by the present management of the Issuer of the Company's properties has consisted of the preliminary prospecting and sampling programs described above, on both the "W.T. Group" and the "Sarita River Group". The properties of the Company are without a known body of commercial ore and the proposed program is an exploratory search for ore.

#### USE OF PROCEEDS TO ISSUER

The Company proposes to use the proceeds of this Issue to provide funds for the following:

(a) Discharge of current liabilities	—	\$ 31,887.33
(b) Cost of Prospectus	—	3,500.00
(c) Exploration Program on Sarita River Group	—	50,000.00
(d) Exploration Program on W.T. Group	—	80,000.00
(e) One year's salary to George Pappas	—	5,000.00
(f) General Administrative purposes of the Company	—	8,212.67
		<hr/>
	Total	— 178,600.00
		<hr/> <hr/>

The exploration programs of the Company will follow the recommendations of Ross W. Kenway, P. Eng. in his Engineering Report dated May 26, 1971 on the Sarita River Group, and October 19, 1970 on the W.T. Group, copies of which reports are filed with the Superintendent of Brokers and accompany and form part of this Prospectus.

The Company plans to proceed with the development program on the "Sarita River Group" in priority to the program on the "W.T. Group" commensurate with the raising of the funds of this Issue but fully intends to proceed with both programs contemporaneously if the proceeds of the Issue are fully subscribed. Priority will be given to the work set out in Steps 1 and 2 of the "W.T. Group" and the payment of the accounts payable of the Company.

A breakdown of the recommended work is as follows:

**A. "Sarita River Group"**

1.	Prospecting 100-man days @ \$80.00	—	\$ 8,000.00
2.	Linecutting 50 miles @ \$120.00	—	6,000.00
3.	Food & travel 120 days @ \$8.00	—	1,000.00
4.	Geophysics	—	10,000.00
5.	Air Photo Interpretation	—	6,000.00
6.	X-Ray Drilling	—	7,000.00
7.	Geology and Report	—	3,000.00
8.	Trenching	—	3,000.00
9.	Assaying	—	1,000.00
10.	Contingency	—	5,000.00
			<hr/>
		Total	— \$ 50,000.00
			<hr/> <hr/>

**B. "W.T. Group"**

*1. Step One*

(a)	Labour: 2 geologist & assistant — 14 days	—	\$ 2,000.00
	2 men @ \$60.00 — 30 days	—	3,600.00
(b)	Camp & Explosives	—	1,000.00
(c)	Camp Supplies — 88 man days @ \$5.00	—	440.00
(d)	Access & Communication		
	2 return Watson Lake to Vancouver—	\$360.00	
	2 float plane trips	— 150.00	
	1 bombardier	— 750.00	— 1,260.00
			<hr/>
		Sub-total	— \$ 8,300.00
		15% Contingency	— 1,250.00
			<hr/>
		Total	— \$ 9,550.00

*2. Step Two*

(a)	Labour: 2 drillers @ \$70.00		
	30 days — \$4,200.00		
	2 men @ \$60.00 — \$3,600	—	\$ 7,800.00
(b)	Camp Supplies 120 man days @ \$5.00	—	600.00
(c)	Drill Supplies	—	1,400.00
(d)	Drill Cost 540 ft. @ \$5.00	—	2,700.00
(e)	Access	—	600.00
(f)	Bombardier rental & use	—	750.00
			<hr/>
		Sub-total	— \$ 13,850.00
		15% Contingency	— 1,550.00
			<hr/>
		Total	— \$ 15,400.00

Total Stages One & Two — \$ 25,000.00

### 3. Step Three

(a) Labour: 2 drillers – 70.00 60 days – \$8,400.00		
2 men @ \$60.00 – 60 days – \$7,200.00	–	\$ 15,600.00
(b) Camp Supplies: 240-man days at \$5.00	–	1,200.00
(c) Drill Cost: 2100 ft. @ \$12.00	–	25,200.00
(d) Drill set-up & demobilization	–	2,000.00
(e) Bombadier rental & use	–	1,500.00
(f) Camp close-up	–	1,000.00
(g) Assays & Consulting	–	2,000.00
		<hr/>
Sub-total	–	\$ 48,500.00
15% Contingency	–	6,500.00
		<hr/>
Total –	–	\$ 55,000.00
		<hr/>
Total – Septs One, Two, Three	–	\$ 80,000.00
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No part of the proceeds shall be used to invest, underwrite or trade in securities other than those that qualify as investments in which the securities offered by this Prospectus may lawfully be sold.

Should the registrant propose to use the proceeds to acquire non-trustee type securities after the initial distribution of the securities offered by this Prospectus, approval by the shareholders must first be obtained and prior disclosure made to regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

### ESCROWED AND POOLED SECURITIES

By an Agreement in writing between the relevant shareholders and the Crown Trust Company, all of the Seven Hundred and Thirteen Thousand (713,000) Vendors shares, as well as the Two Hundred Thousand (200,000) cash shares allotted and issued to William Thompson, are held in escrow by the Crown Trust Company. Under the terms of this Escrow Agreement, these shares are subject to release or transfer only with the written consent of the Superintendent of Brokers of British Columbia. If the Company loses, abandons or discontinues the development of the mineral claims for which the Seven Hundred and Thirteen Thousand (713,000) shares were allotted, or if the said mineral claims are subsequently found to be not as represented herein, the Superintendent of Brokers may require the surrender by way of gift to the Company for cancellation, such number of the above shares as he, in his sole discretion deems fair and equitable. By a Pooling Agreement in writing between the relevant shareholders and the Crown Trust Company, all of the Two Hundred and Twenty-Seven Thousand and Two (227,002) shares issued for cash are held in pool until thirty (30) days after the cessation of the primary distribution and the consent of the Superintendent of Brokers is required for their release.

Column 1	Column 2	Column 3
	Number of shares	
Designation of Class	held in escrow	Percentage of Class
COMMON SHARES	913,000	78.6%



## PRINCIPAL HOLDERS OF SECURITIES

The table below shows all those who own more than Ten (10%) per cent of the Common Shares of the Company as of

Column 1	Column 2	Column 3	Column 4	Column 5
<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>
<b>WILLIAM THOMPSON</b> 650 E. 49th Ave. Vancouver, B.C.	Common	Beneficial	913,000	78.6%

The percentage of equity shares of the Company owned by the Directors or Senior Officers, directly or indirectly, is shown on the table below:

Column 1	Column 2
<u>Designation of Class</u>	<u>Percentage of Class</u>
COMMON SHARES	89.4%

## PRIOR SALES

Within the past twelve (12) months prior to the date of this Prospectus, the Company has sold Seven Thousand Six Hundred Sixty-Six (7,666) treasury shares at Seventy-Five (.75¢) cents per share; Seven Thousand Seven Hundred (7,700) treasury shares at Sixty-Five (.65¢) cents per share; and Five Thousand Three Hundred Fifty (5,350) treasury shares at Sixty (.60¢) cents per share, to net the treasury Thirteen Thousand Nine Hundred Sixty-Four Dollars and Fifty Cents (\$13,964.50).

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The approximate amount of interest, direct or indirect of the management of the Company in transactions of the Company within three (3) years prior to the date of this Prospectus is as follows:

Pursuant to the terms of a Vendors Agreement dated the 23rd day of October, 1968 between William Thompson, as Vendor, and the Company, as Purchaser, the Company purchased all rights to the "W. T. Group" of mineral claims for the sum of Ninety-Two Thousand Three Hundred (\$92,300.00) Dollars paid and satisfied firstly as to cash by the payment of Twenty Thousand (\$20,000.00) Dollars and secondly by the allotment to William Thompson of Seven Hundred and Twenty-Three Thousand (723,000) Vendors shares of the Company at an agreed price of Ten Cents (.10¢) per share, reduced to Seven Hundred Thirteen Thousand (713,000) Vendors shares by Deed of Gift to the Company for cancellation.

There is no one, to the knowledge of the Company, that is to participate with William Thompson in such Seven Hundred Thirteen Thousand (713,000) Vendors shares.

## **AUDITORS, TRANSFER AGENTS AND REGISTRARS**

1. The auditor of the Company is

Mr. R.W. Thacker  
Chartered Accountant  
No. B2 – 2590 Granville Street  
Vancouver, B.C.

2. The Registrar and Transfer Agent of the Company is:

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

## **PENDING LEGAL PROCEEDINGS**

There are no pending legal proceedings against the Issuer to the knowledge of the Company with the exception of a suit filed by Frontier Helicopters Ltd. for \$1,737.50 which is not disputed by the Company.

## **ISSUANCE OF SHARES**

The Company is offering by this Prospectus, Four Hundred Seventy Thousand (470,000) common shares at Fifty (.50¢) cents per share payable in cash upon application and subject to the allowance of a commission not to exceed Twelve (.12¢) cents per share. The rate of commission is Twenty-Four (24%) per cent and the offering is for shares with a discount of Fifty (.50¢) cents. All of the shares in this Offering will be fully paid and are not subject to further calls or to assessment by the Issuer. All of the shares authorized by this Company are common shares ranking *pari passu* and have attached to them no special rights or restrictions either to the shares already issued or those being offered.

## **PLAN OF DISTRIBUTION**

These shares are to be sold by the Company, its trading Directors, Registered Salesmen and Licensed Brokers without the use of Underwriters. No commission will be paid to the Trading Directors of the Company.

## **PROMOTERS**

The Promoters of the Company are William Thompson and George Pappas. The only consideration of value received by the Promoters from the Company amounts to Seven Hundred and Thirteen Thousand (713,000) Vendors shares and Twenty Thousand (\$20,000.00) Dollars received by William Thompson and One Hundred Seven Thousand (107,000) shares issued to George Pappas at Ten (.10¢) cents per share to retire accounts payable to him.

The "W.T. Group" was acquired by Promoter William Thompson at no cost to himself.

## **RIGHTS OF RESCISSION**

Section 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 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.

### **MATERIAL CONTRACTS**

The Company has entered into no material contracts within two years prior to the date of this Prospectus that have not been otherwise disclosed in this Prospectus.

### **OTHER MATERIAL FACTS**

There is no other material fact not declared under any other provision of this Prospectus.

### **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" 1967 and the Regulations thereunder.

DATED at Vancouver, B.C. this 14th day of September, A.D. 1971.

**"WM THOMPSON"**

William Thompson –  
President, Director and Promoter

**"GEORGE ELMER PAPPAS"**

George Elmer Pappas –  
Secretary, Director and Promoter

**"HAROLD CORNWELL"**

Harold Cornwell –  
Director

**KATANGA MINES LTD. (N.P.L.)**

**FINANCIAL STATEMENTS**

30 June, 1971

**INDEX**

<b>EXHIBIT "A"</b>	<b>Auditor's Report</b>
<b>EXHIBIT "B"</b>	<b>Balance Sheet</b>
<b>EXHIBIT "C"</b>	<b>Notes to Financial Statements</b>
<b>EXHIBIT "D"</b>	<b>Statement of Deferred Expenses</b>
<b>EXHIBIT "E"</b>	<b>Statement of Source and Application of Funds</b>

## AUDITOR'S REPORT

To the Shareholders,  
Katanga Mines Ltd. (N.P.L.)  
Vancouver, B.C.

I have examined the Balance Sheet of Katanga Mines Ltd. (N.P.L.) as at 30 June, 1971, and Statements of Deferred Expenses and Source and Application of Funds for the period from October 11, 1968 (date of incorporation) to that date. My examination included a general review of the accounting records and other supporting evidence as I considered necessary in the circumstances.

I have not verified the Company's mineral claims directly with Government Registry Office, but have the solicitor's opinion that the Company is the beneficial owner of all mineral claims recorded in its accounts.

Subject to the foregoing, in my opinion, the statements mentioned above, supplemented by the notes attached hereto, present fairly the financial position of the Company as at 30 June, 1971 and its source and application of funds for the period then ended in accordance with generally accepted accounting principles.

"R. W. THACKER"  
Chartered Accountant

29 July, 1971  
Vancouver, B.C.

**KATANGA MINES LTD. (N.P.L.)**

Exhibit "B"

**BALANCE SHEET**

as at 30 June, 1971

**ASSETS****CURRENT**

Cash on hand and in bank	\$ 400.84
Mineral properties – at cost (Notes 1, 3 and 4)	96,301.00
Fixed – at cost (Note 2)	4,368.33
Deferred expenses – Exhibit "D" (Note 1)	74,716.76
Incorporation costs	2,066.70
	<u>\$177,853.63</u>

**LIABILITIES****CURRENT**

Accounts payable	\$ 15,011.03
Shareholders' loans	<u>16,876.30</u>
	\$ 31,887.33

**SHAREHOLDERS' EQUITY****SHARE CAPITAL**

Authorized – 6,000,000 common shares – par value \$1.00 each	<u>\$6,000,000.00</u>
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<u>Issued</u>	<u>Shares</u>	<u>Par value</u>	<u>Discount</u>		
(Notes 3 and 4)					
for cash	447,718	\$ 447,718	\$ 373,051.50	\$74,666.50	
for mineral claims	713,000	713,000	641,700.00	71,300.00	145,966.50
	<u>1,160,718</u>	<u>\$ 1,160,718</u>	<u>\$1,014,751.50</u>		<u>\$177,853.83</u>

**APPROVED ON BEHALF OF THE BOARD**

"WM. THOMPSON" Director

"GEORGE PAPPAS" Director

This is the Balance Sheet referred to in our Report dated 29 July, 1971.

"R.W. THACKER"  
Chartered Accountant

**KATANGA MINES LTD. (N.P.L.)**

Exhibit "C"

**NOTES TO FINANCIAL STATEMENTS**

for the period 11 October, 1968 (Date of Incorporation) to 30 June, 1971

1. Values

The amounts shown for mineral properties and deferred costs represent costs to date and are not intended to represent present or future values.

2. Depreciation

The Company has provided for depreciation of fixed assets for the period to date, as follows:

Mining equipment	\$1,029.06
Office equipment	231.43
Jeep	378.30

3. Mineral Properties

The Company acquired 54 mineral claims known as the W.T. Group in the Liard Mining Division from a director, Mr. Wm. Thompson, in consideration of \$20,000.00 cash and 723,000 common shares issued at an ascribed value of \$72,500.00. Subsequently, Mr. Thompson deeded back to the Company by way of gift for cancellation 10,000 of these shares, and the capital will be reduced correspondingly upon the occasion of the first meeting of shareholders.

Cash consideration	\$20,000.00
Shares issued	<u>72,300.00</u>
	\$92,300.00
Less: Shares deeded back	<u>1,000.00</u>
	<u>\$91,300.00</u>

16 of these claims were allowed to lapse, and an additional 14 claims were staked to establish the total number at 52.

5 placer leases were also acquired at the cost of staking.

A further 22 claims known as the Sarita River Group in the Alberni Mining Division were acquired from Mr. Wm. Thompson and Mrs. Gertrude Thies as vendors. Mr. Wm. Thompson transferred his equity in these claims for \$1.00 and Mrs. Gertrude Thies received a cash consideration of \$5,000.00 for her equity.

6 of these claims were allowed to lapse.

Cash consideration	<u>\$ 5,000.00</u>
--------------------	--------------------

31 additional claims were also acquired in this area at the cost of staking.

6 of these claims were allowed to lapse.

4. Issued Share Capital

Of the shares shown as issued for cash, 200,000 shares at .10¢ per share were paid for by

offsetting subscription receivable from Mr. Wm. Thompson against amount payable to Mr. Wm. Thompson for Letain Group of mineral claims. (See Note 3).

Also of the shares shown as issued for cash, 107,000 shares at .10¢ per share were paid for by offsetting subscription receivable from Mr. G. Pappas against accounts payable to Mr. G. Pappas (relative to an agreement between Mr. Wm. Thompson and Mr. G. Pappas) for expenditures made on behalf of the Company for exploration and development of its mineral properties.

In addition, the Company issued 139,216 shares for cash of \$43,064.60.

5. Remuneration of Directors

Mr. George Pappas, Director and Secretary, has received the sum of \$10,000.00 representing a salary as Office Manager of \$500.00 per month until February, 1971.



KATANGA MINES LTD. (N.P.L.)

Exhibit "D"

STATEMENT OF DEFERRED EXPENSES

for the period 11 October, 1968 (Date of Incorporation) to 30 June, 1971

	11 Oct., 1968 to 15 April, 1969	16 April, 1969 to 16 Feb., 1970	Year Ended 16 Feb., 1971	17 Feb., 1971 to 30 June, 1971	Total
<b>EXPLORATION AND DEVELOPMENT</b>					
Letain Creek Property:					
Assaying	\$ 47.42		\$ 11.75		\$ 59.17
Consulting fees	202.50		1,000.00		1,202.50
Equipment rental		\$ 40.05			40.05
Exploration and investigation	1,705.50	1,544.96	6,924.17	\$ 2,452.36	12,626.99
Staking and recording	2,910.00	632.00	493.11		4,035.11
Sundry	161.27	2.00	135.12		298.39
Travel and lodging	4,805.48	1,048.90	2,145.23		7,999.61
Depreciation – equipment			511.60		511.60
	<u>\$ 9,832.17</u>	<u>\$ 3,267.91</u>	<u>\$11,220.98</u>	<u>\$ 2,452.36</u>	<u>\$26,773.42</u>
Sarita River Property:					
Assaying	\$ 647.99	\$ 134.75			\$ 782.74
Consulting fees	681.68			\$ 601.00	1,282.68
Equipment rental	225.00	567.99			792.99
Exploration and investigation	5,706.00	1,123.36	\$ 4,541.78		11,371.14
Staking and recording	3,089.28	1,555.78	265.00	476.00	5,386.06
Sundry	111.20	154.93			266.13
Travel and lodging	871.70	1,297.38	275.00	51.06	2,495.14
Depreciation – equipment			517.46		517.46
	<u>\$11,332.85</u>	<u>\$ 4,834.19</u>	<u>\$ 5,599.24</u>	<u>\$ 1,128.06</u>	<u>\$22,894.34</u>
<b>ADMINISTRATIVE</b>					
Audit and legal	\$ 500.00		\$ 4,828.25	\$ 500.00	\$ 5,828.25
Bank charges	6.35	\$ 6.00	17.86	6.05	36.26
Automobile and transportation		1,929.38	1,066.24	98.00	3,093.62
Promotion, printing and advertising	215.00	134.49	561.87		911.36
Stationery, postage and office	482.32	193.10	342.81	79.83	1,098.06
Telephone, light and rent	359.57	618.07	1,078.81	300.51	2,356.96
Licenses and fees		450.00	354.00		804.00
Salary		5,000.00	5,000.00		10,000.00
Sundry		54.76			54.76
Travelling		146.00			146.00
Depreciation – office			231.43		231.43
– Jeep			378.30		378.30
Interest paid			110.00		110.00
	<u>\$ 1,563.24</u>	<u>\$ 8,531.80</u>	<u>\$13,969.57</u>	<u>\$ 984.39</u>	<u>\$25,049.00</u>
Total Deferred Expenses	<u>\$22,728.26</u>	<u>\$16,633.90</u>	<u>\$30,789.79</u>	<u>\$ 4,564.81</u>	<u>\$74,716.76</u>

KATANGA MINES LTD. (N.P.L.)

Exhibit "E"

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the period from 11 October, 1968 (Date of Incorporation) to 30 June, 1971

	11 Oct., 1968 to 15 April, 1969	16 April, 1969 to 16 Feb., 1970	Year Ended 16 Feb., 1971	17 Feb., 1971 to 30 June, 1971	Total
<b>SOURCE OF FUNDS</b>					
Sale of shares for cash	\$53,202.00	\$ 7,500.00	\$13,064.50	\$ 900.00	\$74,666.50
Non-cash outlay expense – depreciation			1,638.79		1,638.79
Proceeds from insurance loss				1,788.75	1,788.75
	<u>\$53,202.00</u>	<u>\$ 7,500.00</u>	<u>\$14,703.29</u>	<u>\$ 2,688.75</u>	<u>\$78,094.04</u>
<b>APPLICATION OF FUNDS</b>					
Acquisition of mineral claims for cash	\$25,001.00				\$25,001.00
Purchase of fixed assets	2,537.46	\$ 1,246.98	\$ 3,819.00	\$ 192.63	7,796.07
Deferred expenses (Exhibit "D")	22,728.26	16,633.90	30,789.79	4,564.81	74,716.76
Incorporation costs	2,066.70				2,066.70
	<u>\$52,333.42</u>	<u>\$17,880.88</u>	<u>\$34,608.79</u>	<u>\$ 4,757.44</u>	<u>\$109,580.53</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>	\$ 868.58	\$(10,380.88)	\$(19,905.50)	\$( 2,068.69)	\$(31,486.49)
<b>WORKING CAPITAL – BEGINNING OF PERIOD</b>		868.58	(9,512.30)	(29,417.80)	
<b>WORKING CAPITAL (DEFICIT) – END OF PERIOD</b>	\$ 868.58	\$(9,512.30)	\$(29,417.80)	\$(31,486.49)	\$(31,486.49)

✓

Report on  
**LETAIN CREEK PROPERTY**  
Liard Mining Division, B.C.

for

**KATANGA MINES LTD. (N.P.L.)**

by

Ross W. Kenway, P.Eng.  
Mining Consultant  
October 19, 1970  
North Vancouver, B.C.

**1. Scope of Report**

The purpose of the present report is to summarize the writer's evaluation of the mineral showings, and to recommend a future course of action to further develop the potential of the property.

Base information regarding this property has been derived from a personal visit to the property September 5th to 9th, 1970, from examination of samples and diamond drill core gathered, and from existing government information concerning the area.

**2. The Property, Its Location and Access**

The property consists of 52 mineral claims in the Liard Mining Division of British Columbia. The claims in good standing at the time of writing are:

WT 1 to 22	32302M to 32323M
WT 37 to 54	32338M to 32355M
WT 55 to 66	40192M to 40203M

The prominent showings are in close proximity to the common corner of claims WT 55, 56, 57 and 58.

The property is located approximately at Latitude 58° 18' Longitude 128° 42' and is found on Mineral Claim Map 104-I-7E of the Department of Mines and Petroleum Resources and Map 9 - 1957, Stikine River Area, Cassiar District of the Geological Survey of Canada.

Access is by float plane from Watson Lake, B.C. to Wolverine Lake, a distance of 120 air miles. From Wolverine Lake there is a tractor road some four miles southwest to a camp and small airstrip beside Letain Creek. The camp is at elevation 4200 ft. approximately. There is a four-wheel drive truck (presently inoperable by virtue of a faulty starter) at the camp. The airstrip is in poor repair and suitable only for emergency landing.

From the base camp, the showings are four miles southeast (Mag S65°E). One must ford Letain Creek which is some 40 ft. wide, then proceed on foot uphill to the showings at approximately 5800 ft. elevation. The trip takes about 2½ hours to the showings and 1½ hours return.

There is a tractor road westward to Dease Lake, a distance of some 50 miles. Both the truck and a small tractor were brought to the base camp by this route for use on the placer

workings near the base camp.

It is worthy of note that this route would be used for construction purposes and for hauling of concentrate to Dease Lake should the property reach this stage. Completion of the road from Stewart and the P.G.E. Railway from Fort St. James would provide access from Dease Lake.

Klondike Helicopters presently maintain a base at Dease Lake.

### 3. Previous Work

There has been no previous work recorded on these claims other than that presented in the Prospectus of Katanga Mines Ltd. dated March 13, 1970. No recorded geological work exists except as noted.

### 4. Regional Geology

Permian and older rocks predominate the general area. The area lies on the eastern fringe of the Cassiar Batholith and northeast of the Stikine Plateau. These rocks are intruded by numerous ultramafic bodies of irregular size and shape.

### 5. Geology of the Property

The property is underlain by Permian and older rocks according to information on G.S.C. maps. No attempt was made during the present examination to verify this or to determine any contact horizons; mainly because of snow cover which hampered work throughout September.

In the area of the mineral showings, the country rock is serpentized peridotite. Since the showings are narrow and protrude on a steep talus slope, more detailed work would be necessary in order to determine accurate local geology.

### 6. Mineralization

Two outcrops some 115 ft. apart horizontally are the main distinguishing features. They appear on the side of a talus slope with an attitude of repose of about 28 degrees. From drilling observation, the talus is about four feet thick in the area around the outcrops although some outcropping does exist.

Mineralization occurs in a dike structure visible at the two outcrop locations. The dike appears to have a vertical attitude. Sulphide mineralization occurs as fine grained massive chalcocite and magnetite, very glassy at times, indicating rapid cooling. Except for minor malachite coating there are no other visible economic minerals.

Sampling of the two outcrops, whose exposure has been assisted by blasting, indicate both erratic width and copper and iron content. The main dike is interpreted as being two feet in width, carrying high values in copper. Penetration into the wall rock extends up to four additional feet.

Sampling in the two areas is as follows:

#### A. Upper Outcrop

<u>Sample No.</u>	<u>Sampled By</u>	<u>Width</u>	<u>Location</u>	<u>% Cu</u>
1	R. Kenway	2'	Center	5.40
2	R. Kenway	4'	E. Side	0.03
3	R. Kenway	4'	W. Side	0.04

<u>Sample No.</u>	<u>Sampled By</u>	<u>Width</u>	<u>Location</u>	<u>% Cu</u>
59502	R. Schumacher	11'	5' E. Side	1.40
			4' W. Side	
			2' Center	
			2' Center	
Interpretation of No. 59502				7.54 % Cu
Average Width 2'		Average Grade		6.47 % Cu
Average Width 6'		Average Grade		2.18 % Cu

B. Lower Outcrop

<u>Sample No.</u>	<u>Sampled By</u>	<u>Width</u>	<u>Location</u>	<u>% Cu</u>
B	R. Kenway	2'	Center	9.60
4	R. Kenway	2'	Center	6.20
5	R. Kenway	4'	E. Side	0.70
6	R. Kenway	4'	W. Side	2.70
59503	R. Schumacher	7'	2' Center	14.00
			2½' E. Side	
			2½' W. Side	
Average width 6 ft.		Average Grade		8.52% Cu.
Both outcrops		Average 6 ft.		Grade 5.35 % Cu.

In addition to the above outcrops, numerous pieces of float downhill from these exhibit extensive chalcocite mineralization. Grab samples of such high grade were assayed in No. 59501 and gave 70.0% Cu.

High grade float is also evident above these outcrops, and a dike of high grade sulphide was noted 228 ft. above the upper outcrop but was not sampled.

Sampling on either side of the outcrops to distances of some 400 ft. was carried out. These samples were in serpentized peridotite which appeared to be in place. All samples gave negative values in copper but contained fine grained magnetite in the order of 5% soluble Fe.

All samples assay from 0.15 to 0.20% Ni.

Silver values in the main dike range from 0.07 to 1.19 oz/T Ag.

One check assay for cobalt ran 0.05%.

It is concluded that mineralization may be expected over widths of two to seven feet. Six foot widths appear obtainable containing 5% Cu. Some silver would be recovered in a copper concentrate.

No knowledge has been gained of depth expression; however, the changes of the dike continuing or widening at depth is extremely likely.

\* It must be cautioned that the above conclusions are based on limited field evidence.

8. **Recommended Program of Exploration**

- (a) Camp Location: While the present camp on the north side of Letain Creek is centrally located for access to and from the area, the communication from these to the showing cannot be tolerated, even considering the use of a bombardier. It is therefore recommended that a camp be established in the valley below the showings, far enough removed to be safe from blasting.
- (b) Communication: Due to the cost of helicopter service, it is felt advisable to rent a bombardier to facilitate transport of men, supplies and equipment from Wolverine Lake to

- the site and to assist with work at the site.
- (c) **Timing:** The program should be initiated as soon as snow cover permits. A start time of June 15th is suggested.

## 8.2 Program

### 8.21 Step One:

- (a) To record the geology of the dike and surrounding area.
- (b) To locate the dike over a strike length of 1000 feet by geophysical means, including a magnetometer survey of the area.
- (c) To expose the dike over a strike length of 1,000 feet by means of blasting and hand clearing of trenches each 100 horizontal feet.
- (d) Sampling of trenches should be over widths of at least 10 feet. To facilitate sampling, a gasoline drill and stick powder may be advisable due to the massive nature of the dike material.

### 8.22 Step Two:

- (a) Using the X-ray drill presently on the property, to drill shallow holes each 200 feet along the strike length, to a vertical depth of 50 feet.  
Estimated 6 holes at 90 ft. 540 ft.

### 8.23 Step Three:

- (a) To drill holes each 200 ft. along the strike length to determine the nature of mineralization at depths of 100 ft. and 150 ft. below surface.  
Estimated 12 holes 2100 ft.

### 8.24 Step Four:

Completion of the above would warrant detailed analysis of results. Should the results be encouraging, the next stage could be either more drilling or establishment of an adit in the hillside.

## 9. Cost of Recommended Program

### 9.1 Step One:

(a) Labour:	2 geologist & assistant – 14 days	\$ 2,000.
	2 men @ \$60. – 30 days	3,600.
(b) Camp & Explosives:		1,000.
(c) Camp Supplies:	88 man days @ \$5.	440.
(d) Access & Communication		
	2 return Watson Lake to Vanc.	\$360.
	2 float plane trips	\$150.
	1 bombardier	\$750.
		1,260.
	S. Total	\$ 8,300.
	15% Contingency	1,250.
		TOTAL \$ 9,550.

### 9.2 Step Two:

(a) Labour:	2 drillers @ \$70. 30 days	— \$4,200.	
	2 men @ \$60. 30 days	— \$3,600.	7,800.
(b) Camp Supplies:	120 man days @ \$5.		600.
(c) Drill Supplies:			1,400.
(d) Drill Cost	540 ft. @ \$5.		2,700.
(e) Access			600.
(f) Bombadier rental & use			750.
		S. Total	\$ 13,850.
		Contingency 15%	1,550.
		<b>TOTAL</b>	<b>\$ 15,400.</b>
	<b>Total Stages One &amp; Two</b>		<b>\$ 25,000.</b>

### 9.3 Step Three

(a) Labour:	2 drillers @ \$70 60 days	\$8,400.	
	2 men @ \$60. 60 days	\$7,200.	\$ 15,600.
(b) Camp Supplies:	240 man days at \$5.		1,200.
(c) Drill Cost:	2100 ft. at \$12.		25,200.
(d) Drill set-up & demobilization			2,000.
(e) Bombadier rental & use			1,500.
(f) Camp close-up			1,000.
(g) Assays & Consulting			2,000.
		Sub Total	\$ 47,900
		Contingency 15%	7,100.
		<b>TOTAL</b>	<b>\$ 55,000.</b>
	<b>Total Steps One, Two, Three</b>		<b>\$ 80,000.</b>

### 9.4 Timetable

Step 1:	June 15 to July 15
Step 2:	July 1 to Aug. 1
Step 3:	Aug. 1 to Sept. 30

## 10. Conclusions:

- 10.1 That a dike occurs on the Letain Creek property of Katanga Mines Ltd. It has a possible strike length of 350 feet as presently evidenced by two major outcrops, a minor outcrop and a large amount of float. No known physical features preclude expansion at either end or at depth.
- 10.2 That present evidence indicates the dike to have a mineralized width of from two to seven feet between the two major outcrops and the grade to be about 5% copper over an average six foot width.
- 10.3 That the dike mineralization contains minor amounts of silver, nickel and cobalt but the degree of occurrence and possibility of economic extraction are presently not defined.

## **CERTIFICATE**

I, Ross W. Kenway, of the City of North Vancouver, Province of British Columbia, Mining Engineer, hereby certify:

1. That I am a practising Mining Engineer and reside at 4710 Mapleridge Drive, North Vancouver, Province of British Columbia.
2. That I am a graduate in Mining Engineering of Nova Scotia Technical College in 1954 and have been practising my profession for over fifteen years.
3. That I am a member of the Association of Professional Engineers of the Province of British Columbia and of the Yukon Territory.
4. That I am a member of the Canadian Institute of Mining and Metallurgy.
5. That in 1954 I joined Iron Ore Company of Canada and held the positions of Pit Engineer, Pit Foreman and Supervising Engineer until 1959 and the position of Chief Mining Engineer until 1964.
6. That with New Imperial Mines Ltd., I held the position of Mine Manager until 1965 and General Manager until 1969.
7. That I have practised my profession as Consulting Mining Engineer since 1969.
8. That I have no direct or indirect interest whatsoever, nor do I expect to receive any, in Katanaga Mines Ltd.
9. That the accompanying report is based on examination of the property, drill core and sampling.

Dated at North Vancouver, British Columbia, this nineteenth day of October, 1970.

“R. Kenway”

Ross W. Kenway, P. Eng.  
Province of British Columbia.

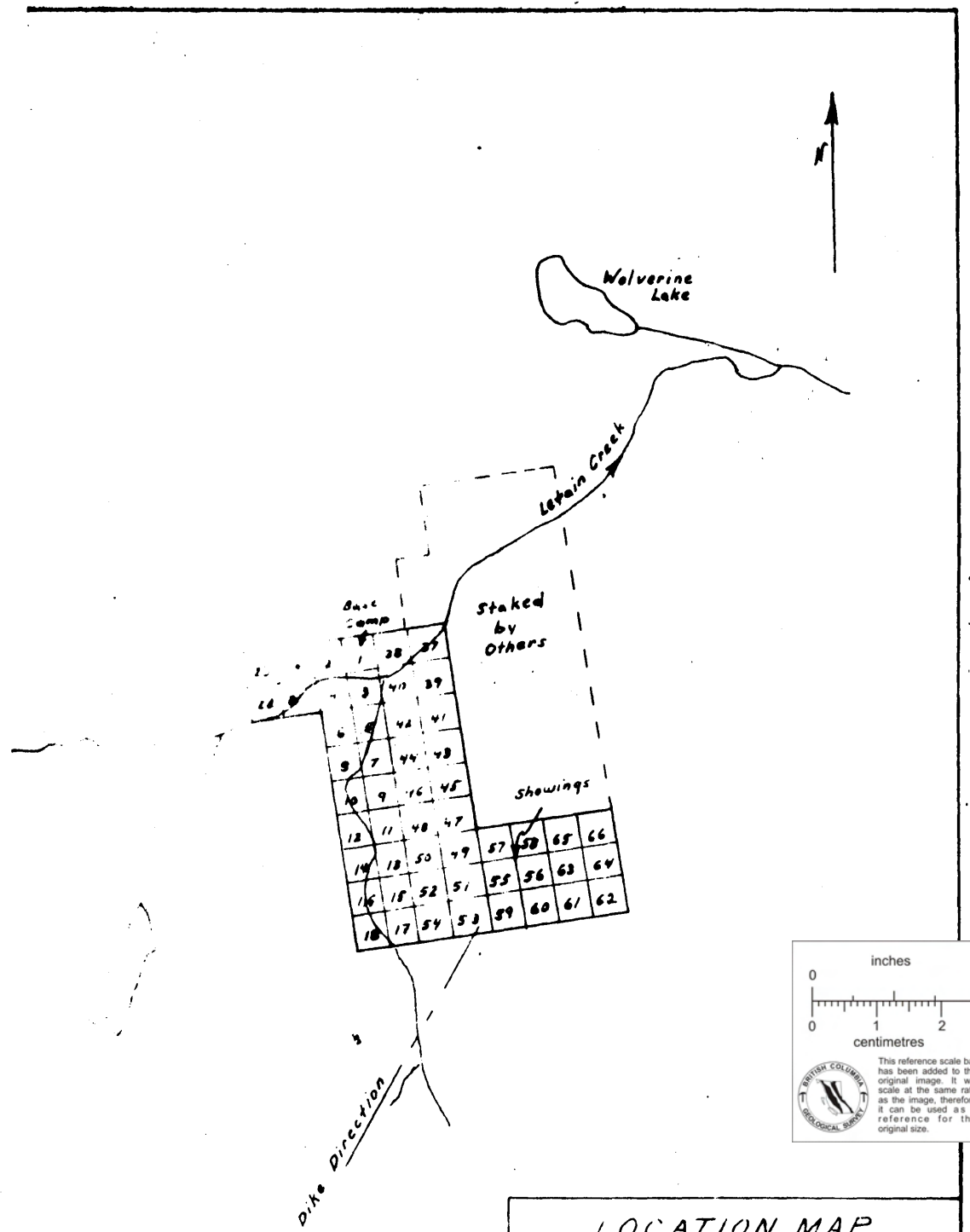




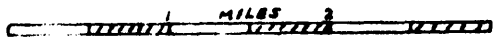




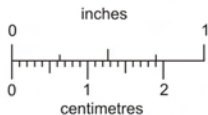




From Mineral Claim Map 104 I / 7E (M)



LOCATION MAP  
 Letain Creek Property  
 KATANGA MINES LTD.  
 Date: Oct. 19/70  
 ReKenway



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.

Sample	Cu	Ni	Fe
59504	0.22	0.18	4.30
59505	0.04	0.11	2.90
59506	0.02	0.16	4.10
7	0.74	0.18	
8	0.03	0.20	

15' low  
25' low

30

No. 59505



20' 285'

No. 59504

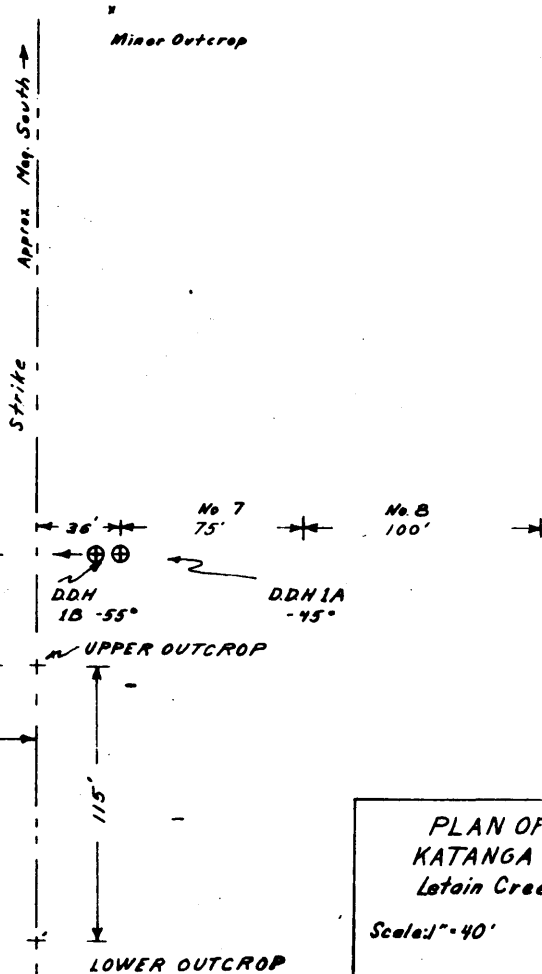


15' 135'

No. 59506



20' 385'

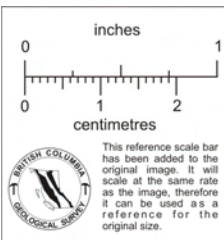


PLAN OF SAMPLING  
KATANGA MINES LTD.  
Latain Creek Property

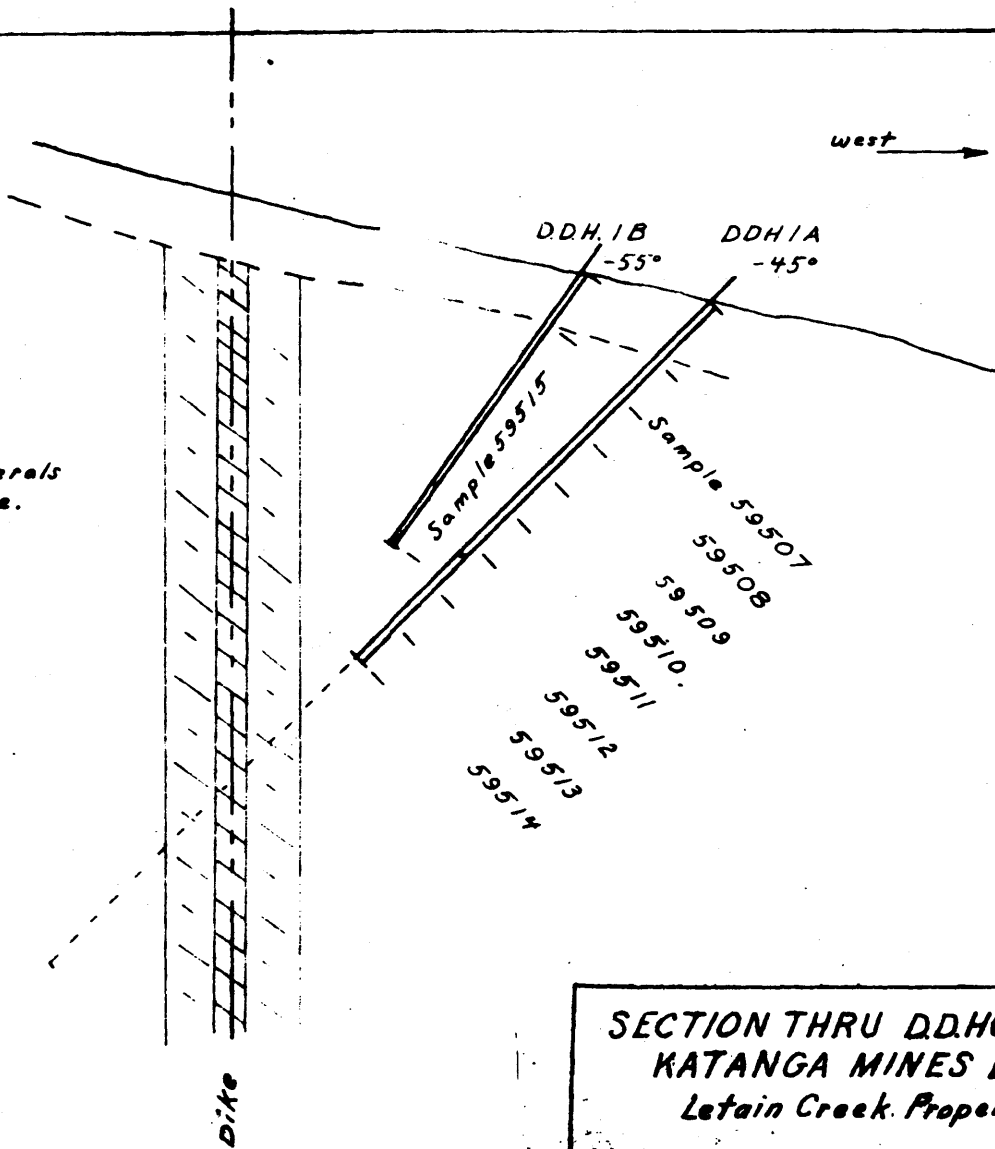
Scale: 1" = 40'

Date: Oct. 19/70

B. Kenway



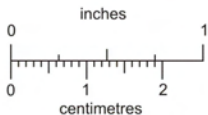
*No economic minerals found in drill core.*



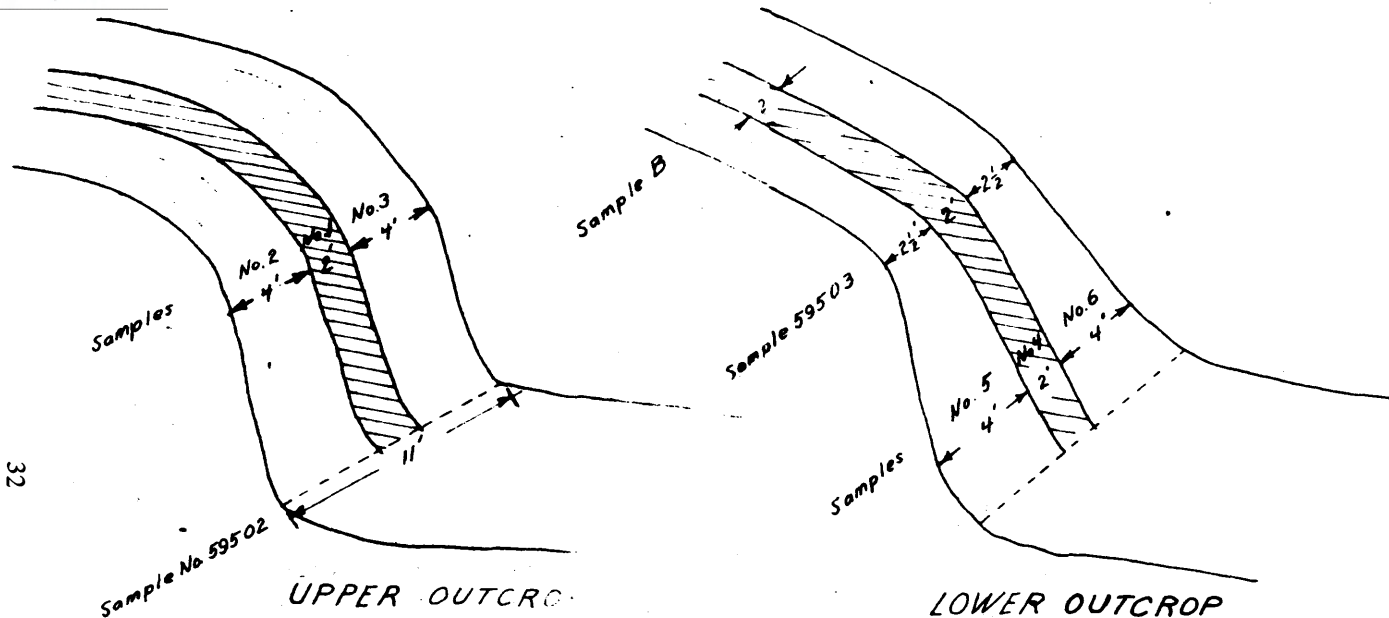
SECTION THRU DD.HOLES  
KATANGA MINES LTD.  
Letain Creek Property

Scale: 1" = 10' Date: Oct. 19/70

*D. Penney*



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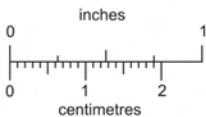


32

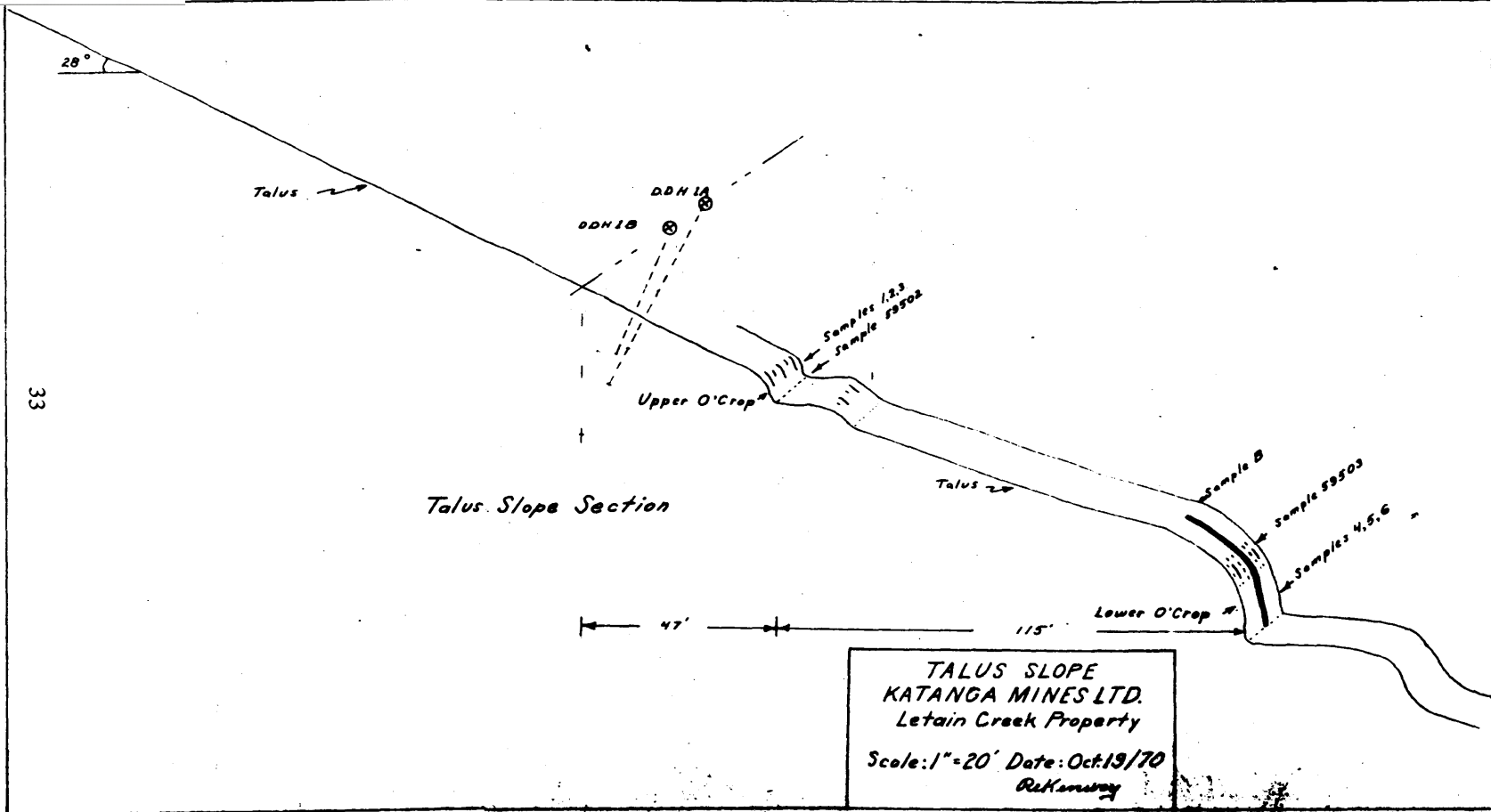
Sample	Width	Cu	Ni	Fe	Ag	Co
1	2'	5.40	0.17		0.70	
2	4'	0.03	0.17			
3	4'	0.04	0.15			
59502	11'	1.40	0.13	4.50	0.12	
B	2'	9.60	0.13	45.00		
59503	7'	14.00	0.14	6.80	0.07	0.05
4	2'	6.20	0.20		1.19	
5	4'	0.70	0.18			
6	4'	2.70	0.15			

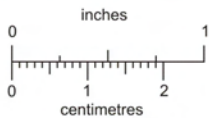
OUTCROP SAMPLING  
 KATANGA MINES LTD.  
 Letain Creek Property  
 Scale: 1" = 50' Date: Oct. 19/70  
 R. K. Murray



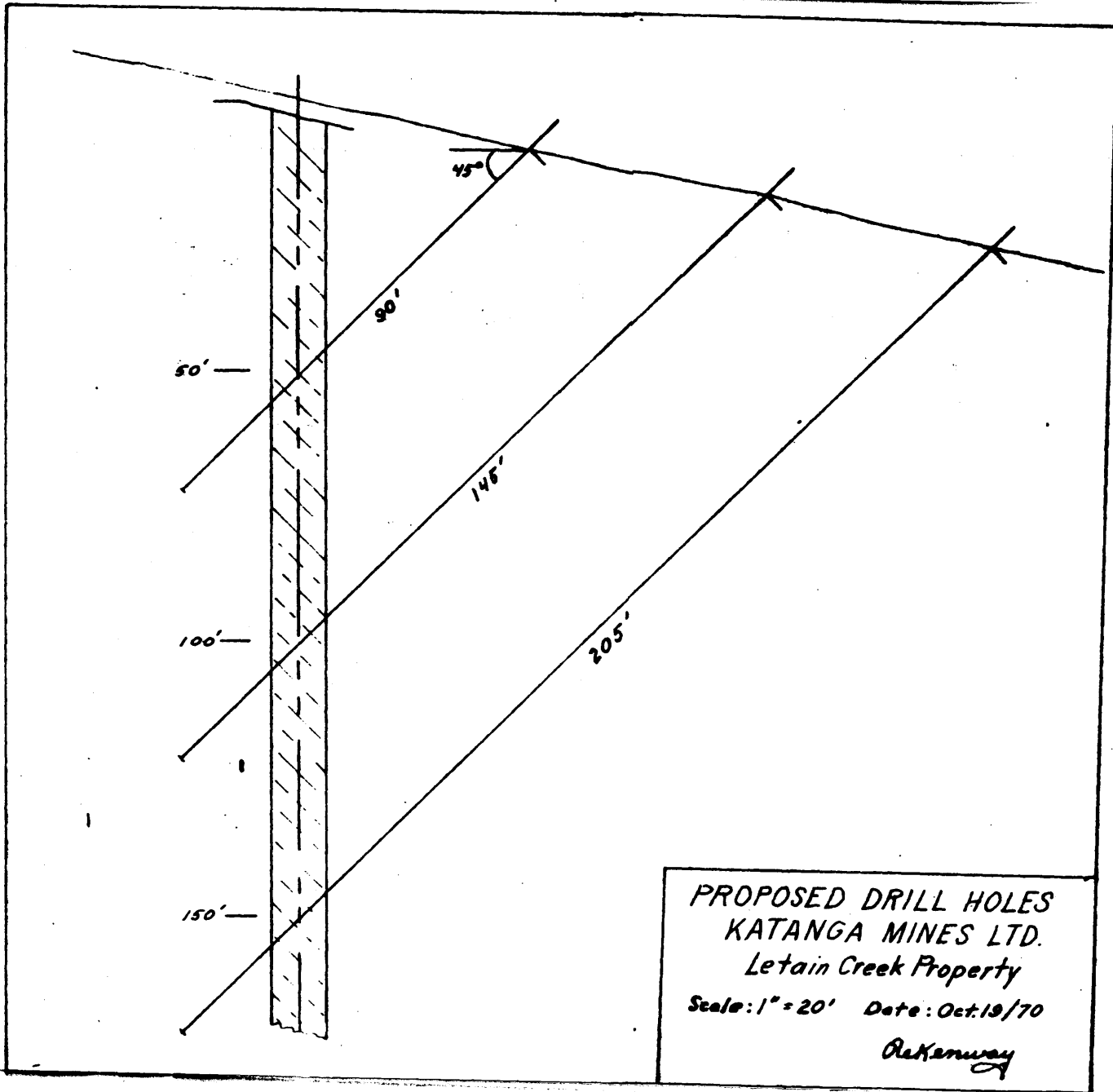


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This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.



34

PROPOSED DRILL HOLES  
KATANGA MINES LTD.  
Letain Creek Property

Scale: 1" = 20' Date: Oct. 19/70

*DeKenway*

x

**REPORT ON**  
**SARITA RIVER PROPERTY**  
**VANCOUVER ISLAND, B.C.**  
**FOR**  
**KATANGA MINES LTD. (N.P.L.)**

By Ross W. Kenway, P.Eng. – Consulting Mining Engineer.

May 26, 1971

North Vancouver, B.C.

*INDEX*

1.	Conclusions . . . . .	36
2.	Scope of Report . . . . .	36
3.	History of the Area . . . . .	36
4.	Location and Access . . . . .	36-37
5.	General Geology . . . . .	37
6.	Gambler Group	
6.1	Location, Access . . . . .	37
6.2	Geology and Mineralization . . . . .	37-38
6.3	Assay Determinations . . . . .	38
6.4	Recommended Work . . . . .	38
7.	Omar Group	
7.1	Location, Access . . . . .	38
7.2	Geology and Mineralization . . . . .	38
7.3	Assay Determinations . . . . .	38
7.4	Recommended Work . . . . .	39
8.	B.S. Group	
8.1	Location, Access . . . . .	39
8.2	Geology and Mineralization . . . . .	39
8.3	Recommended Work . . . . .	39
9.	Cost of Program . . . . .	39

## 1. Conclusions

It is concluded that the property of Katanga Mines Ltd. near Sarita River on Vancouver Island is in a very favorable geological environment and shows potential capability of divulging economic ore grade material.

Work already accomplished on selected portions of the property indicates at least two specific areas where contact metamorphic conditions, both in limestone and volcanics, are indicative of widespread mineralization.

Mineralization is basically copper oriented with additional values in gold and silver being intimately associated. There is a possibility of molybdenum, nickel and zinc contributing to the economics of potential ore zones.

Because of the tendency of these type deposits to be irregular, of erratic dimensions, associated with shear structures and often small in individual occurrence, a systematic exploration program is recommended. This program should follow the sequence of aerial photo interpretation, prospecting, geological study and ground geophysics followed by limited trenching and short-hole diamond drilling where warranted.

An initial exploratory program of \$50,000 is recommended as being currently warranted on this property.

## 2. Scope of Report

The writer made a trip to the property on May 20, 1971 accompanied by Mr. R. Schumacher, Prospector who has carried out previous reconnaissance work in the area on behalf of Katanga Mines Ltd.

## 3. History of The Area

The Sarita River district was first explored at the turn of the century, with extensive work being done on nearby Crown Grants in the quest for a high-grade iron deposit. References to the area include:

Report of the Minister of Mines, 1902	page H215 - 217
Report of the Minister of Mines, 1906	page H189 - 190
Report of the Minister of Mines, 1916	page K283 - 285
G.S.C. Memoire 13, 1912, C H Clapp,	page 158 et al.

In more recent years, the district has enjoyed extensive exploration for copper, particularly on the Omar and R.S. claims. W.G. Timmins in his Report No. 202, May 28, 1969 refers to work in the form of trenches, adits, aero-magnetics, photogeology, reconnaissance, geochemistry and diamond drilling both by prospectors and mining companies.

## 4. Location and Access

The claims are located Near the mouth of the Sarita River on the southeast side of Berkley Sound Lat 48 53' Long. 124<sup>o</sup> 58', on Vancouver Island.

Access from Vancouver is 14 miles by paved road to Horseshoe Bay Ferry Terminal, two hours by ferry to Nanaimo, 49 miles by paved road to Port Alberni and thence some 45 miles of excellent gravel logging road on the route to Bamfield. Access to claim locations is by various roads and trails from the main logging road.

Claims presently held

<u>Claim Name</u>	<u>Number</u>	<u>Record Number</u>
Sunny	Lapsed	----
Sunny	Lapsed	----
Omar	5 - 12	10701 - 10708
Gambler	1 - 8	10072 - 10079
K.S.	1 - 4	14430 - 14433
B.S.	1 - 21	14192 - 14212

## 5. General Geology

The topography is generally rolling, with elevations varying between 500 and 2500 ft. Vegetation is fairly dense as expected of a west coast rain forest. Logging has been sporadic in this particular region, following valley concentrations of economic timber growth.

The property is of interest mostly because it lies within a contact metamorphic zone. Iron and copper skarn deposits are abundant on Vancouver Island, most of the largest known deposits having yielded ore in the past. The largest skarn deposits are at or near to the contact between Triassic Quatsino limestone and Jurassic intrusions. Host rocks may be limestone, volcanics or intrusive rock. Work in the early part of the century confined itself mostly to direct shipping lenses († 5% Cu) or to potential flotation ore († 2% Cu) at a time when copper prices were about 15¢ per pound and present metallurgical and open pit techniques were in their infancy. Fig. 1 is taken from "Geology and Mineral Possibilities of Vancouver Island", J.E. Muller and D.J.T. Carson, Can. Min. Journal, May 19, 1969. It illustrates the frequency of skarn copper and iron discoveries.

An excellent description of skarn copper deposits occurs in G S C Memoire 13, 1912. Clapp therein typifies the Sarita River area (at that time confined to the present Crown Grants) under "Deposits developed in contact metamorphosed limestones at or near the intrusive granitic rocks". Metallic minerals occurring in deposits of this type are pyrrhotite, magnetite, chalcopyrite and pyrite. Oxidized minerals are not abundant. The non-metallic gangue minerals are those derived by contact metamorphism of the limestones, garnet, diopside and epidote with secondary actinolite.

Clapp also describes "Deposits developed in contact metamorphic limestones at some distance from the intrusive granitic rocks" and "Deposits apparently developed in contact metamorphosed volcanic rocks." It would appear that all three types may be present within the claim area.

## 6. Gambler Group

6.1 Location, Access: Access is by logging road some 44 miles on the Bamfield road from Alberni and thence two miles up an overgrown logging trail by four-wheel drive vehicle (See Fig. 2)

6.2 Geology and Mineralization: Mineral occurrence is abundant over a considerable area, occurring in a highly sheared metamorphosed limestone. Eight major outcroppings were sampled and with the quantity of float occurrence uphill, it would appear that the entire area has been highly sheared and mineralized. Fig. 3 indicates the general tenor of work and results to date. This work is located on claims Gambler 3 & 4. The predominant mineral is pyrrhotite with inclusions of chalcopyrite, minor bornite, and tetrahedrite in a metamorphosed limestone accompanied by abundant garnet, diopside and epidote. Silver

and gold are present in possible economic quantity.

No attempt was made to resolve the detailed nature of occurrence, fault and shearing patterns, or to prospect areas farther afield. The area northward appears to be competent limestone for the remainder of the staked ground while areas to the south and east appear favorable for repetition of mineral occurrence and possible greater concentration.

### 6.3 Assay Determinations:

				<u>Cu</u>	<u>Ag</u>
59520	Outcrop	—	No. 1	0.11	0.01
59521	"		2	0.18	0.04
59522	"		3	0.11	0.01
59523	"		4,5,6	0.16	0.03
59524	"		7	0.31	0.01
59525	"		8	0.13	0.01
59526	Composite of 59520 to '25				
	Au 0.003	Ni Tr.	Zn Tr.		

Outcrop No. 3: 22' x 14' exposure. Sample taken on E - W exposure.

Outcrop No. 7: 62' linear exposure. Chip samples taken from S E at chainages 3,6,9,12,30,33,36,39,42,56,59,62.

It is recommended to take a 30 determination qualitative assay on Sample 59526. See Fig. 3.

### 6.4 Recommended Work:

- 6.41 Detailed airphoto geological interpretation of faulting, shear zones and rock type combined with elevation contouring.
- 6.42 Detailed prospecting to the east and south.
- 6.43 Detailed survey and geological examination of mineralized areas outlined as a result of the above.
- 6.44 Magnetometer and E.M. Survey of areas with adequate potential.

## 7. Omar Group

- 7.1 Location, Access: Access is by logging road some 46 miles on the Bamfield Road from Alberni and thence on a mile up a newly constructed logging access trail. From this point the former trail is currently not accessible by vehicle for the remaining three miles uphill to the property showings.
- 7.2 Geology and Mineralization: No appreciable detailed work has been attempted since the report of W. Timmins in 1969. His report at that time amply describes the geological and mineral setting. "Mineralization occurs as lenses of magnetite, and zones of pyrrhotite containing minor chalcopyrite. Some silver values obtained may indicate the presence of tetrahedrite."
- 7.3 Assay Determination: Additional sampling done in the general area was carried out by R. Schumacher, prospector. Results are shown in Fig. 4 and 4A. They indicate a zone approximately 3000' by 2000' with mineralization occurring in altered silicified zones and shears in the volcanics.

7.4 Recommended Work:

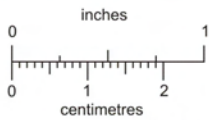
- 7.4.1 Detailed airphoto geological interpretation of faulting, shear zones and rock type combined with elevation contouring.
- 7.4.2 Detailed prospecting of all the R.S. Omar and Sunny claims.
- 7.4.3 Detailed survey and geological examination of mineralized areas outlined as a result of the above.
- 7.4.4 Magnetometer and EM survey of areas with adequate potential.

8. **R.S. Group**

- 8.1 Location, Access: Access is by logging road some 50 miles on the Bamfield Road from Alberni. The claims parallel this road for seven claim lengths.
- 8.2 Geology and Mineralization: Insufficient work has been done on this area other than to say that the prospecting potential is extremely interesting. Prospecting to date indicates the area to be in metamorphosed volcanics with mineralized shear zones prevalent. Some molybdenum values have been encountered.
- 8.3 Recommended Work: It is recommended that the area be prospected thoroughly as an initial step. Airphoto interpretation and contouring would be of immeasurable assistance in prospecting.

9. **Cost of Program**

(a) Prospecting 100 man-days @ \$80.	\$ 8,000.
(b) Linecutting 50 miles @ \$120.	6,000.
(c) Food & travel 120 days @ \$8.	1,000.
(d) Geophysics	10,000.
(e) Air Photo Interpretation	6,000.
(f) X-Ray Drilling	7,000.
(g) Geology and Report	3,000.
(h) Trenching	3,000.
(i) Assaying	1,000.
(j) Contingency	5,000.
	<hr/>
Total	\$50,000.



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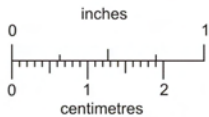


FIG 1.  
VANCOUVER ISLAND

- Copper Skarn
- x Iron Skarn

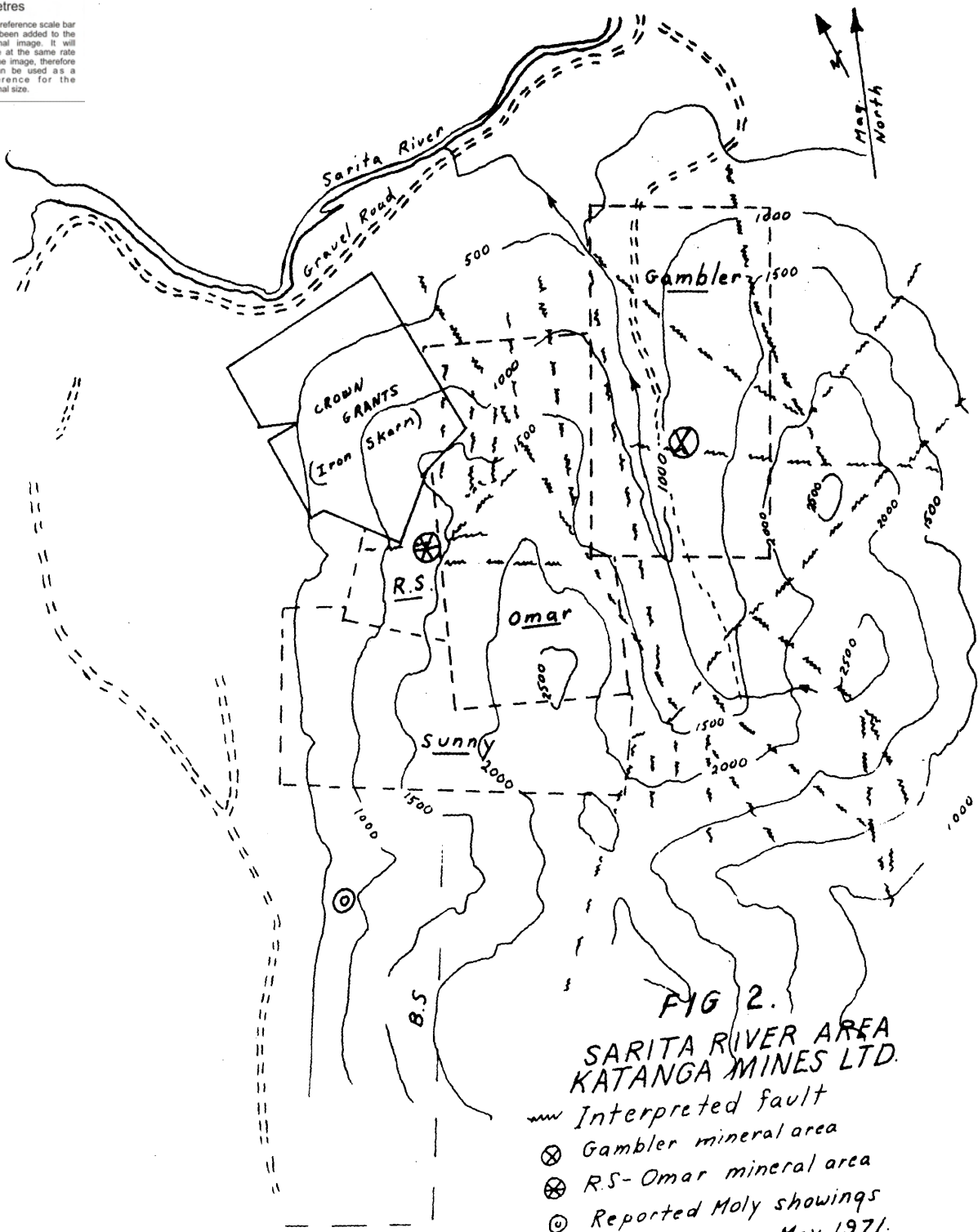
R. Kenway  
May, 1971



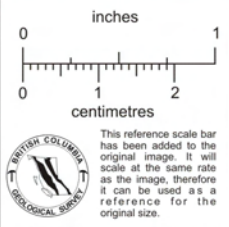


BRITISH COLUMBIA  
GEOLOGICAL SURVEY

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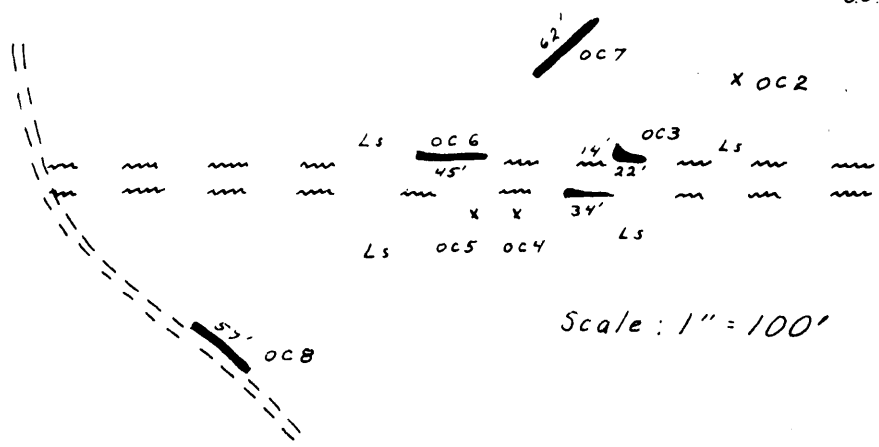
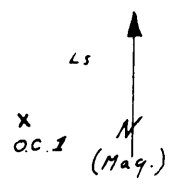
**FIG 2.**  
**SARITA RIVER AREA**  
**KATANGA MINES LTD.**  
 ~~~~ Interpreted fault  
 ⊗ Gambler mineral area  
 ⊗ R.S-Omar mineral area  
 ⊙ Reported Moly showings  
 R. Kenway, May 1971.



# GAMBLER CLAIMS

## Mineral Showings

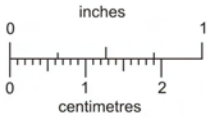
### KATANGA MINES LTD



| Outcrop   | Sample No. | Cu. % | Ag oz/T |     |  |
|-----------|------------|-------|---------|-----|--|
| 1         | 59520      | 0.11  | 0.01    |     |  |
| 2         | 59521      | 0.18  | 0.04    |     |  |
| 3         | 59522      | 0.11  | 0.01    |     |  |
| 4,5,6     | 59523      | 0.16  | 0.03    |     |  |
| 7         | 59524      | 0.31  | 0.01    |     |  |
| 8         | 59525      | 0.13  | 0.01    |     |  |
| Comp.     | 59526      | Au    | Ni      | Zn  |  |
| 59520-'25 |            | 0.003 | Tr.     | Tr. |  |

FIG 3.

R Kenway  
May 1971.



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.

# OMAR CLAIMS

## Mineral Showings

### KATANGA MINES LTD.

Scale: 1" = 400'

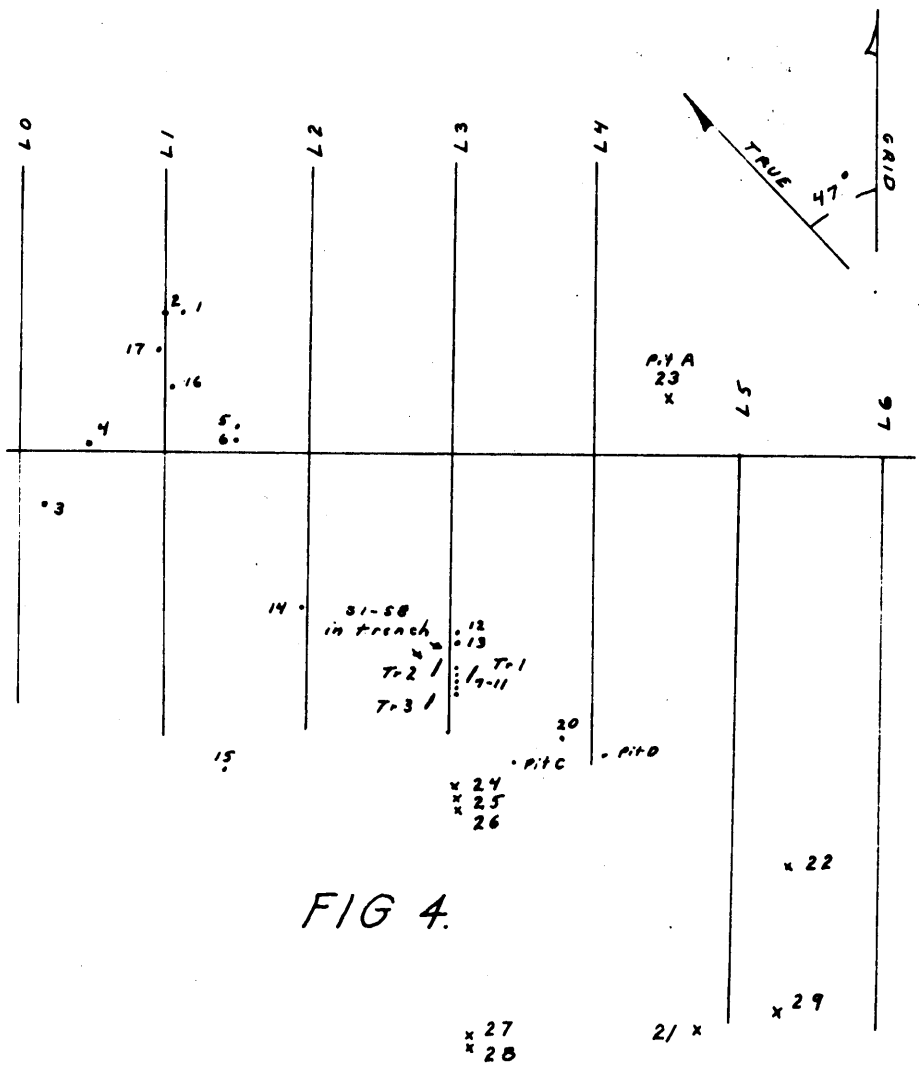


FIG 4.

- Timmins Reported, May '69
- x More recent work

R. Kenway  
May 1971.

**OMAR CLAIMS**  
*Mineral Showings*  
**KATANGA MINES LTD.**

| No. | Cu.  | Ag.   | Au.  | Pb.  | Zn.   |                                             |
|-----|------|-------|------|------|-------|---------------------------------------------|
| S1  | 0.10 | 0.20  | 0.02 | 0.18 | 1.60  | Sampled By<br>Timmins                       |
| S2  | 0.22 | 0.90  | 0.04 |      | 0.80  |                                             |
| S3  | 0.02 | 8.00  | 0.02 |      | 2.00  |                                             |
| S4  | 0.14 | 2.15  | 0.01 |      | 0.90  |                                             |
| S5  | 0.18 | 1.75  | 0.07 |      | 0.55  |                                             |
| S6  | 0.50 |       | 0.01 |      |       |                                             |
| S7  | 0.10 | 0.25  | Tr.  | 0.18 |       |                                             |
| S8  | 0.12 | 0.20  | Tr.  | 0.44 |       |                                             |
| 1   | 0.75 |       |      |      |       | Sampled By<br>Schumacer<br>Reported May '69 |
| 2   | Tr.  |       |      |      |       |                                             |
| 3   | 0.25 |       |      |      |       |                                             |
| 4   | 0.25 |       |      |      |       |                                             |
| 5   | 0.20 |       |      |      |       |                                             |
| 6   | 0.20 |       |      |      |       |                                             |
| 7   | 0.30 |       |      |      |       |                                             |
| 9   | 0.20 | 14.50 | 0.05 | 3.35 | 11.30 |                                             |
| 10  | 0.35 | 0.90  | 0.06 |      |       |                                             |
| 11  | 0.40 | 1.00  | 0.04 |      |       |                                             |
| 12  | 0.25 | 0.90  | Tr.  |      |       |                                             |
| 13  | 0.30 |       |      |      |       |                                             |
| 15  | 0.80 | 1.55  | 0.03 |      |       |                                             |
| 17  | 0.35 | 0.90  | 0.02 |      |       |                                             |
| 18  | 1.20 | 0.15  | 0.02 |      |       |                                             |
| 20  | 1.40 | 2.95  | 0.24 |      |       |                                             |
|     |      |       |      |      |       | New Reporting                               |
| 21  | 0.10 | 0.25  | 0.01 |      |       |                                             |
| 22  | 0.56 | 0.70  | 0.02 |      |       |                                             |
| 23  | 1.10 | 0.25  | 0.01 |      |       |                                             |
| 24  | 0.03 | 0.40  | Tr.  |      |       |                                             |
| 25  | 0.02 | 5.05  | Tr.  |      | 7.60  |                                             |
| 26  | 0.01 | 1.65  | 0.15 |      | 1.15  |                                             |
| 27  | 1.65 | 2.30  | 0.02 |      |       |                                             |
| 28  | 6.25 | 15.35 | 0.03 |      |       |                                             |
| 29  | 0.50 |       |      |      |       |                                             |

FIG. 4A

R. Kenway  
 May 1971.

X