

R. R. #1,
Ganges, B. C.
VOS 1E0

February 10th, 1977

Mr. Ron Margetts,
3229 - West 49th Ave.,
Vancouver, B. C.

Dear Ron,

Re: Margetts - Beale Enterprise
Texada Island

Herewith a note confirming my views on the Anomaly 2220 Area - as expressed during our meeting at your home on February 3rd, 1977.

- 1) I directed our efforts to an area containing the "Anderson Line" on the west (running at a very acute angle, a few degrees NW, to our Line 53E) and Lots 530, 520 and 527 on the east.

Lines (8) were cut N-S at 100 meter intervals and I retained Mr. A. Mullan, P. Eng. to undertake a magnetometer survey of the area designated by the line cutting. (An attempt to undertake an electromagnetic survey was foiled by the proximity of a powerline)

The magnetometer survey indicated that the northern quarter of the designated area is underlain by the Marble Bay limestone and that the southern, larger part of the area is underlain by basic volcanics of the Texada formation. The contact of these two distinctive rock formations is the favourable geological environment for mineralization on Texada Island.

- 2) In spite of the foregoing, i.e. the favourable geological environment, no "drill targets" were indicated by the magnetometer survey and, therefore, no drilling is recommended now.

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- 3) No old trenches or pits are known in the designated area, indicating that the old-timers found no showings of interest. The only mineralization noted by myself is sporadic pyrite (on Lines 52E and 54E) in the volcanics and this is not an indicator of copper or other potentially economic mineralization.
- 4) The results thus far are not of sufficient interest to take to a major company. There are miles of favourable (limestone-volcanic) contact in the Texada Lime Belt but drilling is only warranted where a showing has been found or a valid (Geophysical or Geochemical) anomaly established.
- 5) More geochemistry could be undertaken although the lack of soil development on Lines 52E and 54E does not augur well for the success of this procedure. Possibly more patient prospecting, along and between the lines, would be rewarding. It should not be expensive (\$1,500 ±) and, at least, would add to the knowledge of the area's possibilities.

My statement to you of January 12th, 1977 showed me holding in trust for the Margetts - Beale Enterprise a sum of \$519.83 (out of \$6,500 advanced for the work). Subsequently, on February 3rd, I paid Phoenix Geophysics (Mr. Mullan) \$200 for preparing an assessment report that would hold the Natalie Claims in good standing (Hopefully, because our actual work was confined to the northeastern corner of the Natalie Group).

Thus, I now hold \$319.83 in trust for the enterprise and I await your instructions concerning its disposition.

Respectfully submitted,

W. R. Bacon, P. Eng.