673166
TAKLA

OFFERING OF

180,000 SHARES

OF

SECOND PROSPECTUS OF

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

A MINING COMPANY INCORPORATED UNDER THE LAWS OF THE PROVINCE OF BRITISH COLUMBIA WITH AN AUTHORIZED CAPITAL OF $1,500,000.00 DIVIDED INTO 3,000,000 SHARES WITH A NOMINAL OR PAR VALUE OF 50¢ EACH.

PLAN OF DISTRIBUTION

Anchor Mines Ltd. (N.P.L.) registered under the Securities Act, 1967, as a Security Issuer hereby offers as principal 180,000 shares of its capital stock at a price of 75¢ per share. The shares will be offered for sale by the trading directors of the Company and/or one or more duly registered salesmen. The amount payable on application for allotment of such shares is 75¢ per share. No discounts will be allowed by the Company and commissions of 15% (maximum) are payable. There are no underwriting, sub-underwriting, option, sub-option, or assignment agreements outstanding.

DISTRIBUTION SPREAD

Shares Offered	Price to Public	Underwriting Discounts & Commissions	Proceeds to Company
180,000	Per Unit 75¢ Aggregate $135,000	No discounts allowed. Per Unit 11 ¼¢ Aggregate - $20,250.00	63 ¾¢ Aggregate - $114,750.00

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.

NOTICE: NO SURVEY OF ANY PROPERTY OR PROPERTY INTEREST HELD BY THE COMPANY HAS BEEN MADE AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE APPROPRIATE JURISDICTIONS IN WHICH SUCH PROPERTY IS SITUATED, THE EXISTENCE OF AND THE AREAS OF SUCH PROPERTIES COULD BE IN DOUBT.

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

THE SHARES OFFERED HEREUNDER ARE A SPECULATIVE SECURITY AND SHOULD BE PURCHASED ONLY BY PERSONS AWARE OF THE RISKS INVOLVED. THE MINING BUSINESS IS BY NATURE SPECULATIVE AND THE TASK OF LOCATING AND DEVELOPING COMMERCIAL PRODUCTIVE ORE BODIES PRESENTS MANY UNCERTAINTIES.

A REFERENCE SHOULD BE MADE TO THE PARAGRAPHS "PROMOTERS" AND "DESCRIPTION OF BUSINESS AND PROPERTY OF COMPANY" HEREIN FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY PROMOTERS AND DIRECTORS OF THE COMPANY FOR CASH, SERVICES, AND PROPERTY WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

THE DATE OF THIS PROSPECTUS IS SEPTEMBER 16TH, A.D. 1968.

ANCHOR MINES LTD. (N.P.L.)
Prospectus

TABLE OF CONTENTS

PURCHASER'S RIGHT OF RECISSION AND WITHDRAWAL

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 the 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 recission must be served on the person who contracted to sell within 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.

USE OF PROCEEDS TO COMPANY

The total proceeds to be derived by the Company from the sale of the securities offered hereby will be the sum of $135,000.00. The said sum of $135,000.00 will be used by the Company as follows:

1. For payment of commissions (maximum)	$ 20,250.00

2. For purchase of 200,000 shares of Anchor-Takla Mines Ltd. (N.P.L.) at 50¢ each which will enable that Company to continue Stage 1 of the recommendations of Douglas D. Campbell, P.Eng., Ph.D., in his Report of August 1st, 1968, attached hereto and which are as follows:

Stage 1	
– Surface stripping, sampling and assaying No. 1 & No. 2 zones	7,000.00
– Surface diamond drilling No. 1 & No. 2 zones – 5,000 ft. No. 3 zone – 2,000 ft. 7,000 ft. @ $8.00	56,000.00

– Underground diamond drilling No. 1 zone – 6,000 ft. @ $6.00	36,000.00	
– Camp rehabilitation and move in men and equipment	10,000.00	
– Cookhouse loss	12,000.00	
– Engineering supervision and administration	15,000.00	
– Contingencies	14,000.00	
	150,000.00	
Less amount paid for shares of Anchor-Takla Mines Ltd. (N.P.L.)	50,000.00	
Balance	100,000.00	100,000.00
3. Legal and Audit		2,500.00
4. Administration		6,000.00
5. Examination of other properties		6,250.00
		$135,000.00

With moneys already on hand, the Company has purchased 100,000 shares of Anchor-Takla Mines Ltd. (N.P.L.) at a price of 50¢ each to commence Stage 1 of the recommendations of the said Douglas D. Campbell, P. Eng., Ph. D.

No parts of the proceeds will 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 hereby, approval by the shareholders will be obtained and disclosure will be made to the regulatory securities bodies having jurisdiction over the sale of securities offered by this Prospectus.

SHARE AND LOAN CAPITAL STRUCTURE

Designation of Security	Amount Authorized	Amount outstanding at the date of the Balance sheet attached hereto (July 31, 1968)	Amount outstanding as at September 6, 1968	Amount to be outstanding if all securities being offered are sold.
Common	3,000,000	1,162,502	1,162,502	1,342,502

NAME AND INCORPORATION OF COMPANY

The full name of the Company is ANCHOR MINES LTD. (N.P.L.) and its head office is at 1111 United Kingdom Building, 409 Granville Street, Vancouver 2, B.C. while its registered office is at Suite 201 846 West Hastings Street, in the said City of Vancouver, Province aforesaid. The Company was incorporated under the laws of the Province of British Columbia on the 23rd day of March, 1967 as a private company. The Company was converted to a public company on the 22nd day of April, 1968. There have been no further amendments to the Memorandum or Articles of Association of the Company.

DESCRIPTION OF BUSINESS AND PROPERTY OF COMPANY

The Company is a mining company engaged in prospecting for and exploring and developing mining properties. At present, the Company owns or holds an interest in two properties, one being the T group of 22 mineral claims in the Similkameen Mining Division of B.C. and the other being the Takla claims in the Omineca Mining Division. The Company allotted and issued a total of 750,000 shares for the T gronp while its interest in the Takla claims is held by virtue of an agreement dated for reference July 22nd, 1968 with Takla Silver Mines Ltd. (N.P.L.) The 750,000 shares allotted for the T group represents 65% of the total issued shares of the Company while 180,000 shares of the Company are offered by this Prospectus. For a brief description of the speculative nature of the seenrities offered hereby, see the Cover Page of this Prospectus.

T GROUP

The T group of 22 mineral claims is situated in the Similkameen Mining Division of B.C. approximately 11 miles southwest of Princeton. Access to the claims is by following a paved highway southerly for 14 miles from Princeton then turning westwards on the gravel Kennedy Lake road for one mile to near the eastern edge of the group. The claims are recorded as the T 1 to T 22 mineral claims, Record Nos. 19535 – 19556. They are held by the Company subject to the provisions of the Mineral Act of B.C. which provides that the Company must perform assessment work to the value of $100.00 per claim per annum or pay cash in lieu thereof. The Vendor of the T group of claims to the Company is Harold Jacques of 4330 Canterbury Crescent, North Vancouver, B.C. and he is a Director and Senior Officer of the Company. Jacques was allotted 750,000 shares of the capital stock of the Company as fully paid and non-assessable for selling the claims to the Company. Certificates for these shares are deposited in escrow subject to the order of the British Columbia Securities Commission. So far as the signatories hereto are aware, the only persons or companies who have received or will receive from the Vendor a greater than 5% interest in the shares received by him are Douglas N. Cameron, 1925 Mathers Avenue, West Vancouver, B.C., who received 125,000 shares of the capital stock of the Company and J.A.C. Ross, 7911 Angus Drive, Vancouver, B.C., who received 75,000 shares of the capital stock of the Company. Cameron and Ross are Directors and Senior Officers of the Company. George Tralnberg, White Rock, B.C. and James Turcotte, Cascade, B.C., prospectors, are entitled to recieve 15% of the consideration received by the Company from any subsequent disposal of the T group. There is no record of prospecting or previous operations on the claims as such. There is no underground or surface exploration, development, plant or equipment on the group. To date, the Company under present management has completed line-cutting and an IP survey on the claims. The work will be filed on the claims as assessment work. No part of the proceeds raised from the sale of the securities offered hereby will be spent on the T Group.

TAKLA CLAIMS

The Takla claims consist of 27 mineral claims situated in the Omineca Mining Division of B.C., about 50 miles West of Manson Creek, east of Takla Lake at 55° 30' north latitude, 125° 30' east longitude. Access is by a fair road from Fort St. James, 170 miles to the southwest of the property and by good road from Takla Lake.

The claims are recorded in the name of Anchor-Takla Mines Ltd. (N.P.L.) (hereinafter called "Anchor-Takla") and they are more particularly known and described as Lustdust No. 1 to Lustdust No. 10, Record Nos. 13236 – 13245, Lustdust No. 11 to Lustdust No. 15, Record Nos. 13281 – 13285, Keno No. 1 to Keno No. 8, Record Nos. 28292 – 28299, and AG No. 1 to AG No. 4, Record Nos. 27742 – 27745. The claims are held by Anchor-Takla subject to the provisions of the Mineral Act of B.C. which requires performance of assessment work to the value of $100.00 per claim per annum or the payment of cash in lieu thereof. Anchor-Takla was incorporated pursuant to the terms of an Agreement dated for reference July 22nd, 1968, between the Company and Takla Silver Mines Ltd. (N.P.L.). Under the Agreement, Takla Silver Mines Ltd. (N.P.L.) received 450,000 shares of the capital stock of Anchor-Takla as Vendor of the Takla claims. The Company has purchased 100,000 shares of the capital stock of Anchor-Takla at a price of 50¢ each which moneys have been used to commence the recommendations of Douglas D. Campbell, P. Eng., Ph. D., as described in the heading "Use of Proceeds to Company" herein. The Company has the right under the Agreement to purchase an additional 200,000 shares of the capital stock of Anchor-Takla at 50¢ each (which it intends to do with part of the proceeds raised from the sale of the securities offered hereby) and an additional 250,000 shares at 60¢ each. If all or part of these additional shares are in fact purchased, the moneys will be used to carry out the said recommendations of Douglas D. Campbell, P. Eng., Ph. D. The Agreement further provides for additional financing of Anchor-Takla by both the Company and Takla Silver Mines Ltd. (N.P.L.) on a pro rata basis and for a Board of Directors of Anchor-Takla to be initially composed of three nominees of the Company and two nominees of Takla Silver Mines Ltd. (N.P.L.).

So far as the signatories hereto are aware no person or Company has received or will receive from the Vendor of the Takla claims to Anchor-Takla a greater than 5% interest in the shares received by it.

The Takla claims were first staked in the early 1940's and an adit-drift was driven for a length of 300 feet on a silver lead vein on Lustdust No. 1. The claims were allowed to lapse and they were restaked in 1950 – 1951 and optioned to Bralorne Mines Ltd. in 1952. Bralorne completed 3½ miles of car road and trails to the workings, seven trenches, thirty-four pits in overburden, 5,000 feet (lineal) of bulldozer trenches, eight feet wide by four to fifteen feet deep, and 19 diamond drill holes until 1960. Takla Silver Mines Ltd. (N.P.L.) was incorporated in 1964 and it has improved the main access roads and in addition it has completed further bulldozer stripping, driven 750 feet of underground heading and diamond drilled 750 feet underground and over 250 feet on the surface.

In addition to the adits and drill holes mentioned above, there are about 60 pits and open cuts now on the property, in various states of disrepair and about 30 extensive bulldozer trenches. Most of the workings are located on the Lustdust No. 1 and 6 mineral claims.

For a description of the mineral deposits on the Takla claims, see the said Report of Douglas D. Campbell, P. Eng., Ph. D. dated August 1st, 1968 attached hereto.

The Company under its present management has commenced work on the Takla claims and today has completed rehabilitation of camp facilities, installation of cookhouse, bunkhouses, wash and dry house, lighting plant and survey of underground and surface workings. Crews have commenced the drilling program. There is commercial ore indicated on the Takla claims and the proposed program is designed to extend and develop ore zones and tonnages.

PROMOTERS

By virtue of the statutory definition of a promoter contained in the Securities Act, 1967, Harold Jacques may be considered the promoter of the Company. He has received no consideration from the Company for acting as promoter but under the terms of the Agreement dated for reference January 18th, 1968, with the Company, as the Vendor of the T group, he received a total of 750,000 shares of the Company's capital stock. Including shares purchased for cash, Jacques now owns 586,000 shares of the capital stock of the Company. Jacques is a Director and Senior Officer of the Company.

ISSUANCE OF SHARES

The Company offers by this Prospectus 180,000 shares of its capital stock at a price of 75¢ per share. The shares are common shares and they have equal voting and dividend rights. They will rank equally on a liquidation and there are no pre-emptive, conversion or redemption rights, nor are there any sinking or purchase fund provisions.

DIRECTORS AND OFFICERS

The full name and home address of each director and officer of the Company and the principal occupation of each within the five preceding years is as follows:

NAME, ADDRESS & POSITION WITH COMPANY	OCCUPATION
Harold E. Jacques 4330 Canterbury Crescent, North Vancouver, B.C. PRESIDENT/DIRECTOR	Securities Salesman Vansec Financial Corporation Prospector, now Director of Mining Companies.
John A.C. Ross 7911 Angus Drive Vancouver, B.C. VICE-PRESIDENT/DIRECTOR	Mining Consultant for J.A.C. Ross & Associates Ltd., Vancouver, B.C.
Douglas N. Cameron 1825 Mathers Avenue West Vancouver, B.C. SECRETARY/DIRECTOR	Principal, Cameron McCutcheon Company Limited, Mining Contractors, now retired.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration has been received by the Directors and Senior Officers of the Company as such or otherwise. It is not anticipated that any remuneration will be paid by the Company to its Directors or Senior Officers as such or otherwise in the future.

ESCROWED SECURITIES

Designation of Class	Number of Shares held in escrow on the 16th day of September, A.D., 1968	Percentage of Class
Common	808,500	approx. 69%

The 808,500 shares are held in escrow by the Canada Trust Company, Vancouver, B.C., subject to release or transfer only with the written consent of the British Columbia Securities Commission. 750,000 shares were issued by the Company for a consideration other than cash, namely the T group and if the Company loses or does not obtain good and marketable title or abandons development of any property which was or formed part of any consideration for any of the shares so deposited in escrow, there shall be surrendered to the Company by way of gift for cancellation such number of escrow shares as the British Columbia Securities Commission deems fair and equitable or in such manner or proportion as the British Columbia Securities Commission may direct. 312,500 shares were issued by the Company as fully paid and non-assessable at a price of 10¢ and 15¢ each. Of these, 58,500 are held in escrow subject to the order of the British Columbia Securities Commission while the balance, 254,000 are held in pool by the Canada Trust Company until January 26th, 1969, under the terms of a certain Agreement dated March 28th, 1968, between some of the shareholders of the Company and Michael L. DuMoulin, as Trustee.

PRINCIPAL HOLDERS OF SECURITIES (Greater than 10%)

Name and Address	Designation of Class	Type of Ownership	No. of shares at September 16th, 1968	Percentage of Class
Harold E. Jacques 4330 Canterbury Cr., North Vancouver, B.C.	Common	Beneficial	586,000	Approx. 54%
Douglas N. Cameron 1825 Mathers Avenue West Vancouver, B.C.	Common	Beneficial	143,750	Approx. 12%

The percentage of shares of each class of equity shares of the Company beneficially owned, directly or indirectly, by all Directors and Senior Officers of the Company as at September 16, 1968 is as follows:

DESIGNATION OF CLASS	PERCENTAGE OF CLASS
Common	Approx. 70%

PRIOR SALES

The Company has sold the following shares for cash to date:

Number of Shares	Price per Share	Discount per Share	Total Cash Received
2	50¢	No Discount	1.00
154,500	10¢	40¢	15,450.00
158,000	15¢	35¢	23,700.00
100,000	50¢	NIL	50,000.00

Commissions of $7,500.00 were paid on the allotment and issue of the 100,000 shares at 50¢ per share.

INTEREST OF MANAGEMENT AND OTHER IN MATERIAL TRANSACTIONS

Harold E. Jacques, a Director and greater than 10% shareholder of the Company, has a material interest in an Agreement dated for reference January 18th, 1968, wherein the Company acquired the "T" group of mineral claims as he was the Vendor of those claims and as such received 750,000 shares of the capital stock of the Company as fully paid and non-assessable. Jacques has subsequently transferred a total of 200,000 of these shares to Douglas N. Cameron and John A.C. Ross, who are also Directors and Senior Officers of the Company. George Tralnberg and James Turcotte are entitled to 15% of the consideration received by the Company from any subsequent disposal of the claims. The price of the "T" group to Harold Jacqnes was the sum of $1,500.00 and the 15% above.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor for the Company is Dunwoody & Company, Suite 660, One Bentall Centre, 505 Burrard Street, Vancouver, B.C. The Registrar and Transfer Agent for the Company is the Canada Trust Company, 901 West Pender Street, Vancouver, B.C.

MATERIAL CONTRACTS

The only material contracts which may be considered outside the normal course of business are all disclosed in this Prospectus and copies of such contracts may be inspected during normal business hours either at the registered office of the Company, Suite 201 – 846 West Hastings Street, Vancouver, B.C. or at the executive office of the Company, 1111 United Kingdom Building, 409 Granville Street, Vancouver 2, B.C.

OTHER MATERIAL FACTS

There are no other material facts believed by the signatories hereto to be material to the public offering of shares of the Company at present proposed which are not disclosed by the foregoing and accompanying report.

The foregoing constitutes full, true and plain disclosures 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 16th day of September, A.D. 1968.

"HAROLD JACQUES"	"DOUGLAS N. CAMERON"	"JOHN A.C. ROSS"
Director/Promoter	Director	Director

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

Index to the financial statements

16 September 1968

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

We have examined the balance sheet of Anchor Mines Ltd. (N.P.L.) as at 31 July 1968, and the statements of deferred exploration, development and other expenditures, and source and application of funds for the period from incorporation, 23 March 1967 to 31 July 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at 31 July 1968 and the results of its operations and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles.

"DUNWOODY & COMPANY"

Chartered Accountants

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

Balance Sheet

as at 31 July 1968

CURRENT ASSETS	
Cash in bank	$ 13,234
6¾% deposit certificate due 30 August 1968	50,000
Accounts receivable – sundry	181
	63,415
INVESTMENT IN JOINT VENTURE – at cost – Note 3	3,344
MINING CLAIMS – Note 1	112,500
DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES	7,191
COMMISSIONS ON SALE OF SHARES	7,500
INCORPORATION COSTS	963
	$194,913

Approved on behalf of the Board.

"D.N. CAMERON"
Director

"H.E. HACQUES"
Director

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

Balance Sheet

as at 31 July 1968

CURRENT LIABILITIES			
Accounts payable			$ 250
SHAREHOLDERS' EQUITY			
Share capital			
Authorized			
3,000,000 shares with a nominal or par value of 50¢ each	$1,500,000		
Issued and fully paid – Note 2			
1,162,502 shares		$581,251	
Less – discount		379,600	
		201,651	
Deficit			
Cost of mining claims abandoned during period	4,000		
Exploration, development and other expenditures thereon	2,988	(6,988)	194,663
			$194,913

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

Statement of deferred exploration, development and other expenditures for the period from incorporation, 23 March 1967, to 31 July 1968

EXPLORATION AND DEVELOPMENT		
Princeton area, British Columbia		
Engineering and consulting fees and expenses	$1,384	
Government fees and licences	455	
Line cutting	700	
Supplies	29	$2,568
Carrot River area, Manitoba		
Exploration costs	2,679	
Less – transferred to deficit on abandonment	2,679	
ADMINISTRATION		
Legal and accounting fees	2,641	
Office and promotion expenses	821	
Office rent and salaries	1,100	
Travel	105	
Trust company fees	265	
	4,932	
Less – portion transferred to deficit on abandonment of claims	309	4,623
		$7,191

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

Statement of source and application of funds

for the period from incorporation, 23 March 1967,

to 31 July 1968

SOURCE OF FUNDS		
Issuance of 412,502 shares of capital stock		$89,151
APPLICATION OF FUNDS		
Exploration, development and other expenditure	$7,191	
Commissions on shares issued	7,500	
Option payment and exploration costs on claims abandoned	6,988	
Investment in joint venture	3,344	
Incorporation costs	963	25,986
EXCESS OF FUNDS PROVIDED OVER FUNDS APPLIED		$63,165
CURRENT ASSETS		$63,415
CURRENT LIABILITIES		250
WORKING CAPITAL		$63,165

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

Notes to the financial statements

as at 31 July 1968

Note 1 – Mining claims

Similkameen Mining Division, B.C.

22 mining claims were acquired for 750,000 shares of the company's capital stock at 15¢ per share. There is also a 15% retained interest applicable to these claims.

During the period, an option payment was made on a 49 mining claim block in the Carrot River area of Manitoba. After some preliminary exploration was done, the claims were abandoned.

Note 2 – Share capital

Capital stock has been issued during the period for the following consideration:-

	No. of shares	Par Value	Discount	Net
For cash	$ 412,502	$206,251	$117,100	$ 89,151
For mining claims	750,000	375,000	262,500	112,500
	$1,162,502	$581,251	$379,600	$201,651

Note 3 – Investment in joint venture

The company executed an agreement with Takla Silver Mines Ltd. (N.P.L.) on 22 July 1968, providing for Takla Silver Mines Ltd. (N.P.L.) to contribute certain mineral claims to a new company, Anchor-Takla Mines Ltd. (N.P.L.) for a consideration of 450,000 shares at 50¢ and for Anchor Mines Ltd. (N.P.L.) to contribute $50,000 for 100,000 shares of capital stock. Anchor Mines Ltd. (N.P.L.) has contributed $3,344 at 31 July 1968.

The company has an option, under the above-noted agreement, to purchase an additional 200,000 shares of the capital stock of Anchor-Takla Mines Ltd. (N.P.L.) at 50¢ each and a further 250,000 shares at 60¢ each.

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

Index to the financial statements

19 September 1968

19 September 1968

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

We have examined the statement of source and application of funds of Anchor Mines Ltd. (N.P.L.) for the period 31 July 1968 to 17 September 1968. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion this financial statement presents fairly the source and application of the company's funds for the period 31 July 1968 to 17 September 1968 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

"DUNWOODY & COMPANY"

Chartered Accountants

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

Statement of source and application of funds

for the period 31 July 1968 to 17 September 1968

WORKING CAPITAL, BEGINNING OF PERIOD			$63,164
SOURCE OF FUNDS			
Interest earned on term deposit		$ 277	
APPLICATION OF FUNDS			
Exploration, development and other expenditures	$ 4,160		
Investment in joint venture – Anchor-Takla Mines Ltd. (N.P.L.)	46,656		
Office expenses	256		
Legal fees	150		
Office rent and administration	200		
Subscriptions	25		
Promotion	275	51,722	
DECREASE IN WORKING CAPITAL			51,445
WORKING CAPITAL, END OF PERIOD			$11,719
CURRENT ASSETS		$12,059	
CURRENT LIABILITIES		340	
WORKING CAPITAL		$11,719	

Anchor Mines Ltd. (N.P.L.)

Summary Geological Report to March, 1966

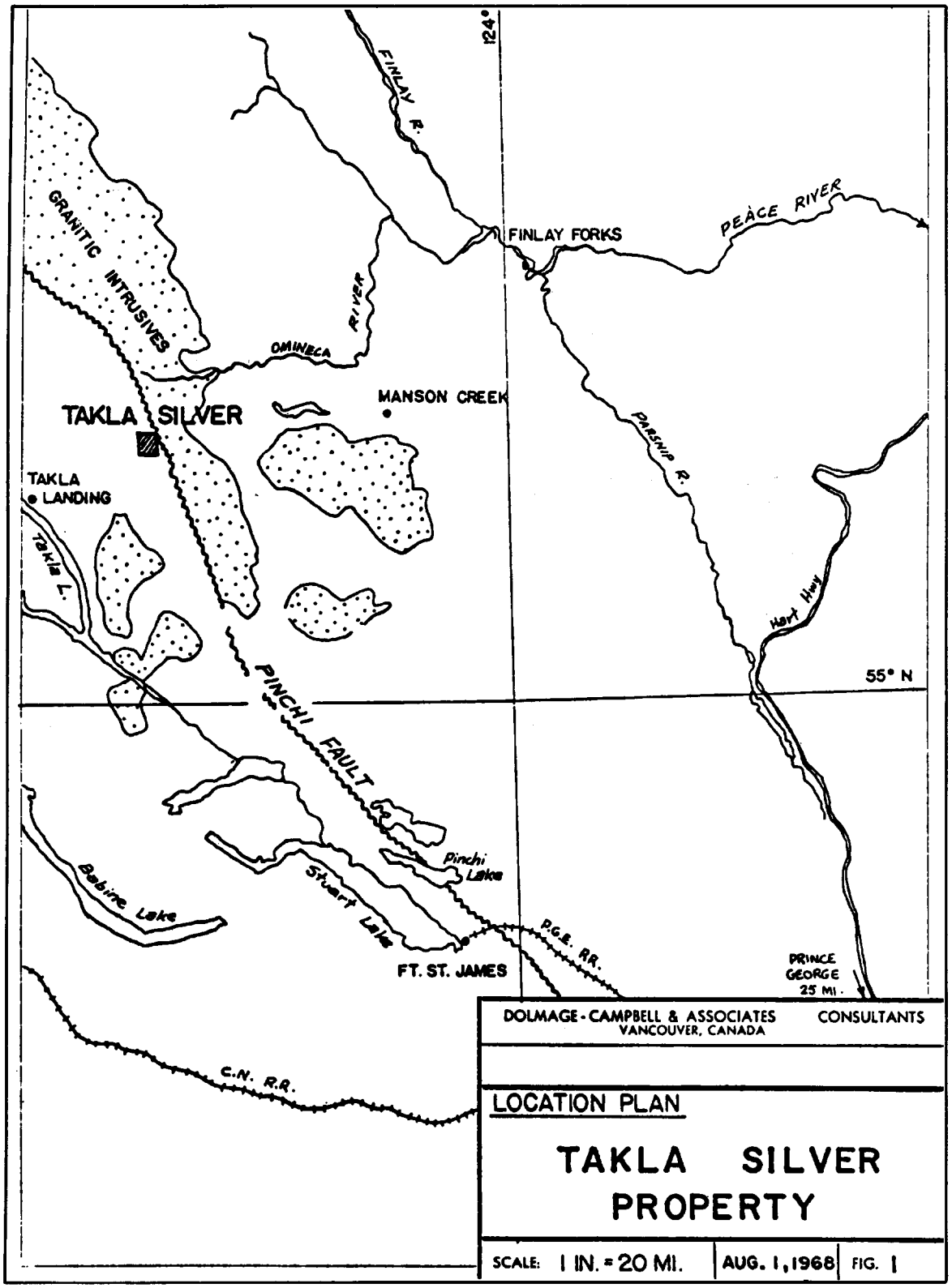
TAKLA SILVER PROPERTY

Manson Creek, B.C.

Aug. 1, 1968.

Douglas D. Campbell Dolmage-Campbell & Associates Vancouver, Canada

TABLE OF CONTENTS


124°
FINLAY R.
GRANITIC INTRUSIVES
FINLAY FORKS
PEACE RIVER
OMINECA
RIVER
MANSON CREEK
TAKLA SILVER
TAKLA LANDING
Takla L.
PARSNIP R.
Hart Hwy
55° N
PINCHI FAULT
Pinchi Lake
Babine Lake
Stuart Lake
P.G.E. RR.
FT. ST. JAMES
PRINCE GEORGE 25 MI.
C.N. R.R.
DOLMAGE - CAMPBELL & ASSOCIATES
VANCOUVER, CANADA
CONSULTANTS
LOCATION PLAN
TAKLA SILVER PROPERTY
SCALE: 1 IN. = 20 MI.
AUG. 1, 1968
FIG. 1

INTRODUCTION

The property of Takla Silver Mines Ltd. near Manson Creek, B.C. has had a lengthy career of surface exploration and minor underground development under various owners. The property is particularly noteworthy for the variety of types of orebodies distributed in different structural sites throughout the claim group. In 1964 Takla Silver Mines Ltd. was organized to develop the showings on the property and for the next two years it accomplished considerable underground drifting and drilling as well as some surface bulldozer trenching and diamond drilling. As yet, no concerted comprehensive effort had been made to properly develop and evaluate all of the promising showings on the property. The present report is a compilation and summation of the available data on the property to March, 1966, presented with the writer's conclusions and recommendations for further development. Most of the surface geology was mapped originally by E. Bronlund to accompany his report on the showings in December 7, 1960. Much of this geology has been checked in the field by the writer. The underground mapping was done by the writer in the course of several visits to the property in 1965. The only record available of the pre-1965 surface drilling is in the form of graphic plots by Mr. Bronlund.

PROPERTY: The Takla Silver Mines property consists of 33 mineral claims named:

Lustdust #1–#15	Nos. 13236–13245 –	15
	13281–13285 –	
A.G. #1–#6	27742–27745 –	6
	26420–26421 –	
Ag #1–#4	26238–26241 –	4
Keno #1–#8	28292–28299 –	8
		33 claims.

They are located in the Omineca Mining District 50 miles west of Manson Creek, east of Takla Lake at 55° 30' N Lat., 125° 30' E Long. Access is by a fair road from Ft. St. James 170 miles to the southwest of the property and by good road from Takla Lake.

HISTORY: The property was first staked in the early "40's" and was optioned to Leta Explorations Ltd., a wholly owned subsidiary of Leitch Gold Mines Ltd. Leta Explorations drove an adit drift for a length of 300 feet on a silver-lead vein zone exposed in surface trenches on Lustdust #1 M.C. The adit missed the desired zone but exposed a much lower grade structure and the option was subsequently dropped and the claims were allowed to lapse. The claims were restaked in 1950–51 by Mr. J. Regan and optioned to Bralorne Mines Ltd. in 1952. From that year until 1960 Bralorne accomplished a large amount of surface exploration including: 3.5 miles of car-road and trails to workings, 7 trenches in bedrock (4 x 6 x 2 ft.), 34 pits in overburden (4 x 4 x 2–9 ft.), 5000 lineal feet of bulldozer trenches 8 ft. wide by 4–15 feet deep, and 19 diamond drill holes.

Takla Silver Mines Ltd., since its formation in 1964, has improved the main access roads to all-traffic quality and in addition has done further bulldozer stripping, driven 750 feet of underground heading and diamond drilled 750 feet underground and over 2500 feet on surface.

Besides the adits and drill holes mentioned above there are about 60 pits and open cuts now on the property, in various states ef disrepair, and about 30 extensive bulldozer trenches. Most of the workings are located on the Lustdust #1 and #6 mineral claims with minor extensions into adjacent claims. All of the showings lie along a north-northeastwardly trending belt that extends about 5000 feet from the adits and camp at the south end. This belt covers a vertical topographic interval of about 300 feet and is traversed throughout its length by a car road.

This report summarizes the results available to the writer of all the work done up to the time of his last visit in 1966.

SUMMARY AND RECOMMENDATIONS

The Takla Silver property is located on the west side of and immediately adjacent to the Pinchi Fault in the Omineca District, 90 miles northwest of Fort St. James, B.C. Present access is by air or truck road from Fort St. James; however, with the Pacific Great Eastern Railroad projected to pass close to Takla Lake, transportation to the property could be considerably improved in the near future.

The mine property is entirely underlain by folded and faulted, moderately metamorphosed, discontinuous bands of limestone, chert-argillite and greenstone schist, all of which have been intruded by feldspar potphyry and granodiorite dikes.

The ore occurrences on the property consist of steeply dipping replacement and fracture filling vein type bodies locallized along north trending shear zones. Four separate zones are exposed on the property, of which No. 1 and No. 2 Zones contain high grade silver-base metal ore, whereas No. 3 and No. 4 Zones contain relatively large tonnages of medium grade zinc ore in iron mineral gangue.

No. 1 Zone contains one probable silver orebody of at least 22,000 tons of $66. per ton gross value, open at depth, as well as two other possible orebodies of comparable size and grade. Further surface stripping and drilling, as well as underground drifting is definitely warranted for the exploration of this zone of silver ore. There is little data available on No. 2 Zone but it appears that it is similar to No. 1 Zone in character and warrants further exploration.

No. 3 and 4 Zones appear to have a drill and surface indicated reserve of over 1 million tons of zinc ore grading up to $20. per ton gross. The potential of these zones has not yet been delimited in any direction therefore both deserve further surface stripping and drilling. The mining widths appear to range from 10 to 100 ft.

RECOMMENDATIONS:

The following work is warranted by the available information and is recommended by the writer as the first stage of development of the potential of the property. This first stage should include surface stripping, sampling and assaying, together with surface and underground diamond drilling.

STAGE 1:

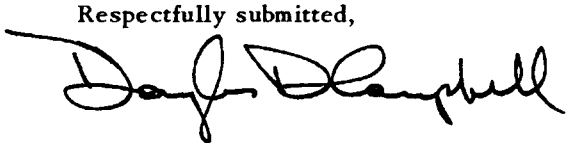
–Surface stripping, sampling and assaying No. 1 and No. 2 Zones –		$ 7,000.
–Surface diamond drilling		
No. 1 and No. 2 Zones – 5000 ft.		
No. 3 Zone – 2000 ft.		
– 7000 ft. @ $8.00		$ 56,000.
–Underground diamond drilling		
No. 1 Zone – 6000 ft. @ $6.00		$ 36,000.
–Camp rehabilitation and move in men and equipment		$ 10,000.
–Cookhouse loss		$ 12,000.
–Engineering supervision and administration		$ 15,000.
–Contingencies		$ 14,000.
	Total:–	$150,000.

Success of this stage will warrant the further expenditure of at least $150,000. in underground development on all ore zones as production feasibility development.

STAGE 2:

Underground exploration following Stage 1:	$150,000.

Respectfully submitted,



Douglas D. Campbell, P. Eng., Ph. D.

GEOLOGICAL SETTING

The Takla Silver property lies one mile west of the Pinchi Fault, a major regional structure that trends northwestwardly through the Omineca District. The east side of the Pinchi Fault is underlain principally by intrusive granitic rocks comprising the Omineca Batholith of Jurassic Age. The west side of the fault, in the vicinity of Takla Silver Mines, is underlain by metasedimentary formations belonging to the Asitka Group of Permian Age. Regionally these formations strike north-northwesterly, more or less parallel to the fault, and dip steeply to the east. In detail, they are intricately drag folded overturned, sheared and crossfaulted. The rocks of the Asitka Group consist principally of volcanic flows, tuffs and breccias which are locally intercalated with argillites, cherts and limestones. Quartzites, schists and phyllites are common in this section and attest to varying degrees of diastophism in different parts of the area.

The principal rock formations underlying the Takla Silver Mines property are limestone, chloritic schist and phyllite, interbedded ribbon cherts and argillites, and tuffs. These formations are tightly folded and ihtraformationally sheared. All dips are to the west, and the overturning is to the east. Faulting is well evidenced in the limited underground exposures but since surface exposures are scattered and limited largely to open cuts the overall aspect of the faulting can only be surmised.

INTRUSIVES: There are no major intrusive bodies cropping out on the property; however, large and small dikes and irregular plugs occur throughout the property area and are comprised of two principal rock types, acid aphanitic porphyries and medium crystalline monzonitic intrusives.

The monzonitic rocks occur in northnorthwesterly trending irregular dikes ranging from 50 to 200 feet in width and are confined to the northwest part of the property.

Cutting all of the rocks on the property, except the monzonitic intrusives, are irregularly branching swarms and individuals of porphyry dikes. These dikes are comprised of a dense, cream coloured aphanitic rock in which feldspar phenocrysts up to ½ inch in length are common. In all probability these dikes are probably genetically related to the coarser crystalline dikes and may be a later, fine grained phase of them. The porphyry dikes all exhibit contacts and commonly occupy the northnorthwest trending faults and shear zones which are also the ore zones. In such zones the dikes are entensively and intensively sheared, fractured, hydrothermally altered and locally mineralized.

FORMATIONS: Most of the rocks underlying the Takla Silver claims are included in three formations: limestone, chert-argillite and chloritic schist. The limestone and chert-argillite predominate, with the schist occurring in discontinuous belts and locally disconformable lenses, suggesting that the schists are metamorphosed lensey volcanic tuffs and/or flows. All formations trend northnorthwestward and dip vertically to steeply westward. The limestone is a mottled dark gray to black, soft, fine grained to finely crystalline marble and is generally massive within beds ranging from 100 to several hundred feet in width. The cherts are hard, gray, ribbon banded and are intercalated with more massive quartzites and black argillites. These rocks are locally fissile and in some locations are schistose. The schists are finely foliated, soft, black green, locally pyritic and locally phyllitlc and are composed principally of chlorite plus argillite and thin bands of quartz. Ore-bearing shear zones commonly follow the edges of schist bands and locally dissipate into the adjoining schist.

STRUCTURE: As described earlier, the northnorthwest trend of all rock formations and intrusives is universal throughout the claim group. A few minor cross faulrs are indicated by surface exposures but general trends of formations are regular enough to indicate that cross dislocation by faulting is a minor structure in this area.

The dominant disclocation of the rocks is in the form of steeply westdipping fault and shear zones that trend westnorthwest across the formations and displace them up to several hundreds of feet to the right. In many places these fault zones are essentially parallel with the formations and locally merge with bands of schist. Most of the known ore occurrences on the property are on or closely related to these extensive strike shear zones, generally located in tension structures that branch off or trend parallel to the shear zones.

All of the general geology of the property shown on the maps accompanying this report was mapped by Emil Bronlund and checked by the writer. Almost without exception the areas of the ore zones are covered by overburden up to 15 feet in depth. This material is comprised of glaeial outwash as well as oxidized soil and rock detritus. The presence of considerable depths of gossan on the surface of the ore zones indicates that denudation by glaciation has not been severe in the area.

ORE OCCURRENCES

The ore at Takla Silver occurs as replacement and fracture-filling in and along a series of steeply-dipping north-trending shear zones which strike parallel to, or at a very low angle to, the formational trends. Within this environment there are two types of ore on the property; lead-zinc-antimony replacement veins with relatively high values in silver, and iron-zinc massive elongate replacement bodies with low but consistent values in silver. The high grade silver ore occurs in Zones 1 and 2 (Fig. 2) and the replacement zinc-iron ore occurs in Zones 3 and 4. There is some indication of gradation between the two types of ore in Zone 3.

Essentially all of the exposures of the ore structures are in trenches, some of which are widely spaced and most of which are not well or deeply cleaned out therefore there is necessarily considerable extrapolation involved in projecting the ore structures any appreciable distances at this time. It is evident from the available exposures, both on surface and underground, that the shear structures which are the hosts to the ores are persistent for at least thousands of feet on strike but that the orebodies are separate lenses along these structures.

Because the silver orebodies and the zinc orebodies are in separate structure, requiring markedly different exploration and development, and are of decidedly different economic potentials, they have been discussed separately in the following portion of this report. Both types of ore of course represent present and potential value to the entire property.

SILVER OREBODIES: (No. 1 and No. 2 Zones)

The known occurrences of economic silver ore on the Takla Silver property are on No. 1 Zone, with minor indications on No. 2 Zone. No. 1 Zone has been exposed on the surface by scattered hand and bulldozer trenches for a length of about 3000 feet (see Figure 2). It has been confirmed to a depth below surface of 200 feet by a crosscut from the adit as well as by 10 surface diamond drill holes. No. 2 Zone is exposed on the surface by four bulldozer trenches for a strike length of 400 feet. It has not been drilled.

MINERALOGY: No. 1 and No. 2 ore zones are comprised of vein-like bodies of replacement and fracture-filling sulphides in mixed gangues of altered wallrock gouge and local quartz and/or carbonate. These zones oxidize on the surface to rusty limonitic-manganiferous aggregates locally leached of much of their sulphides. The principal sulphides are sphalerite, pyrite, galena, arsenopyrite, stibnite and jamesonite. Earlier workers have reported the identification of andorite, freibergite and native silver, all of which would contribute to the high silver values in the ore. Free gold has also been identified in material from some surface cuts.

Underground in No. 1 Zone a number of sulphide veinlets have been exposed in the wallrocks, well removed from the mainore zones, and are vuggy fillings by quartz, sphalerite, pyrite and fine grained black sulphides, locally highly argentiferous. Similar mineral assemblages have also been exposed as fine grained dark replacement veins, more often in schists than in limestone.

TONNAGE: Ore mining widths in No. 1 Zone, as exposed in surface cuts and in the adit crosscut range from three to ten feet with an average of 5–7 feet. The only well delineated ore shoot is in the surface cuts and has an established length of 200 feet. Judging from available exposures it would appear that any orebodies will be approximately this size.

GRADES: Sampling of the surface trenches has revealed a wide range of values across the vein zone in the ore shoot, from 10 to 130 oz. Ag/ton, with a general average of about 30 oz/ton across mining widths. Because this material is locally excessively leached and oxidized it is difficult to assess what would be a true grade of the primary material. The only sample available from underground returned a grade in silver of 42.5 oz. Ag/ton across a width of two feet.

In addition to the silver the ore contains up to 0.40 oz. Au/ton as well as 1–7 percent zinc, 1–5 percent lead, and 2–10 percent antimony. It is extremely doubtful if the antimony would be marketable in this concentrate therefore it is not considered as an asset in this report. The lead and zinc in the concentrate would most certainly be a real asset, and the gold may contribute a small revenue. In this report the lead, zinc and gold have been calculated into ore grades where enough samples have been taken to justify such inclusion.

OREBODIES AND RESERVES:

Three separate ore shoots have been indicate on the surface of No. 1 Zone: one directly north of the adit portal, another one 500 feet north and the third 1200 feet north (see Fig. 2.). Surface samples from trenches returned the following values for these three shoots:–

	Length (ft.)	Width (ft.)	Au (oz/t.)	Ag (oz/t.)	Pb (%)
Portal Orebody:	200	7	0.12	27.4	–
Middle Orebody:	255	7	0.13	23.4	2.0
North Orebody:	100	3.3	0.08	15.0	–

Of these ore shoots only the middle one has been investigated below surface. This zone was intersected by three surface diamond drill holes, (DH2,3 and 33), at a depth of about 100 feet, (Fig. 2) and by one cross cut heading in the 1965 adit (Fig. 3). Drill hole #1, when correlated with underground information steepened from the collar and did not reach the vein zone. The crosscut intersection assayed 42.5 oz. Ag/ton across 2 feet, with lead and zinc not determined: the DH#2 intersection assayed 0.12 oz. Au, 100 oz. Ag, 2% Lead and 3% Zinc, (all uncut), across a true width of 5 feet; however, it is not entirely positive that this intersection is on No. 1 Zone or on a branch from it. DH#3 intersected

no values but also may not have reached the zone. DH #33 crossed through the zone at a very oblique angle but returned 0.09 Au, 11.6 Ag, 2.0 Pb and 6.7 Zn across a true width of 4 feet. It should be noted that core recovery from all of the drill holes was extremely low, seldom exceeding 10% in the ore zones; however, the results generally confirm the downward extension of the surface ore.

Obviously, insufficient work has been done to date on No. 1 Zone to properly prove an orebody; however, the extensive surface sampling plus the drilling and underground results suggest that the ore length of 250 feet on the surface probably extends at least to a depth of 200 feet with an average width of probably about 5 feet. Using the surface assay averages for the entire orebody the following ore can be considered as "probable" on No. 1 Zone.

PROBABLE ORE:

21,700 tons @ 0.13 oz. Au/ton, 23.4 oz. Ag/ton and 2% Pb.

Gross value per ton – $66.17 (Au - $37., Ag - $2.40. Pb - $0.13)

Total gross value – $1,436,000.

The potential of No. 1 Zone along strike and at depth has not yet been determined but appears to be promising and very definitely warrants considerable further surface and underground development. Certainly the Portal Orebody and the North Orebody must be further developed.

No. 1 Dike Zone: As shown in Figure 3 the original 1945 adit encountered and drifted along a shear zone largely occupied by a feldspar porphyry dike on the footwall (west) contact of which occur sulphide veins mixed with fault gouge. This same zone was exposed in the new adit crosscut 500 feet to the north.

Near the portal the sulphides occur in very lensey pockets and it is dubious if this area will return worthwhile reserves; however, in the new workings further north, (Fig. 3), a narrow vein branching from the footwall of the dikefault zone returned ore values in silver, zinc, gold and lead for an interrupted length of 30 feet. This vein also returned good values from the early surface drill holes and it definitely warrants further investigation. The average grade for the 40 feet of best exposed portion of this vein is 0.10 Au, 29.0 Ag, 2.6% Pb and 3.2% Zn across 2.5 feet, for a gross value of $88.70 per ton.

No. 2 Zone: No. 2 Zone has been exposed by three bulldozer trenches spaced over 200 feet of strike length. Five samples from these trenches returned assays of 3 to 20 oz. Ag/ton, 3 to 12% Pb and 1 to 3% Zn across widths from 2 to 6 feet. More stripping should be done to properly expose, delineate and sample this structure.

RECOMMENDATIONS:

Surface: Both No. 1 Zone, No. 1 Dike Zone and No. 2 Zone must be completely stripped by bulldozer and ripper for as much of the present trenched length as possible. Hand trenches should then be excavated across the bulldozer strip at 10 ft. intervals and properly channel sampled. All sampling should of course be related to new geological mapping.

Underground: Underground development recommended for No. 1 Zone is the drifting north and south from the crosscut intersection of the zone, (North end, Fig. 3), to explore the downward extension of the surface middle ore shoot. The vein zone warrants drifting for at least 200 feet in both directions from the crosscut.

In the footwall branch vein in the drift, near the fault-dike zone of the north end, also should be drifted to the north and a few rounds taken southward to expose it back towards the crosscut. The vein in the present north face assays 110 oz. Ag/ton across a width of 2.5 feet, therefore development northward is most worthwhile and should be extended for at least 100 feet or more, pending results from the underground as well as surface stripping.

In addition to the drifting recommended, the southern extension of No. 1 Zone from the north-end crosscut should be explored by diamond drill holes from the new adit, south to the portal. In conjunction with this it is recommended that the No. 1 Zone middle orebody be redrilled from the surface, with the holes collared uphill from the 1953 setups, and angled to intersect the zone half way between the surface pits and the adit level. This will give better depth correlation than did the early drill holes, most of which did not reach the zone.

ZINC-SILVER OREBODIES

As shown on Fig. 2, two extensive complex shear zones lie west and north of No. 1 Zone and are essentially parallel to it. Both zones are expressed on the surface as dark maroon and orange earthy gossan at least tens of feet in depth in most places, therefore very few bulldozer cuts managed to expose primary sulphides. Limited diamond drilling on No. 3 Zone in 1953–54 and on No. 4 Zone in 1965–66 has revealed the nature of these primary zones and has indicated local extensive tonnages of sphalerite in pyrrhotite, arsenopyrite and pyrite with small but consistent gold and silver contents. In 1954 such material could not be considered as possible ore because of the high transportation costs and low metal prices pertaining at that time. At present metal prices and with the P.G.E. Railway extending north past the property, these deposits are definitely of interest and, depending on tonnage reserves, could be ore.

No. 3 Zone: In the main showing on No. 3 Zone is a lense-shaped area of gossan, 400 x 100 feet, which lies along the footwall side of a steeply westdipping fault zone. Exposures are poor and the mapping of many trenches not definitive therefore it is not possible to determine the exact nature of any lateral extensions of the main gossan lense at this time.

In 1953 four diamond drill holes (21–24) were drilled to explore No. 3 Zone but no core was recovered from the zone. In 1954 eight holes were drilled in the gossan lense and all returned gossan mixed with corroded sulphides and gold was reportedly panned from the sludges. The results of this drilling indicated that the primary sulphides are largely pyrite and arsenopyrite with minor sphalerite and galena all of which carries 0.10 – 0.40 oz. Au/ton, 1–15% Zinc and about 2–4 oz. Ag./ton. Both surface and drilling sampling results are difficult to assess from No. 3 Zone because of poor recovery and unsystematic drill hole and trench locations; however, the results do suggest that this zone definitely warrants further exploration to properly delineate it and determine its character and grade, particularly since it could be combined with material from No. 4 Zone to make a mill concentrate.

POTENTIAL: No detailed plan of No. 3 Zone is presented with this report; however, the writer has studied Mr. Bronlund's maps and drill hole sections and will refer to the general map (Fig. 2) of this report to generally describe the potential of this zone.

The general country rock in this area is limestone, however, the large lense of gossan on No. 3 Zone is closely associated with a discontinuous band of schist that appears to cross the zone at the lense. Beyond the schist, to the southeast, a scattering of hand and bulldozer trenches present a confused picture of the geology but it appears that the possible continuation of the No. 3 Zone is exposed in and southeast of Trench H1. In H1 and three trenches to the south a gossan-sulphide zone 15 feet in width returned an avetage grade of 0.06 Au, 2.10 Ag, 4.7% Pb and 5.2% Zn. Enough indications exist of continuity of this zone to the northnorthwest to suggest that it represents the southern extension of the main lense 550 feet to the northnorthwest.

The main gossan lense of No. 3 Zone was explored by four drill holes in 1953, all of which were collared in the zone. They indicated that the zone is at least 100 feet in depth and dips 60° to the west. Sludges from these holes returned 0.10 – 0.20 oz. Au/ton and 1.0 – 5.0 oz. Ag/ton throughout. In 1954 four more holes (27–30) were collared in the zone again and fanned down dip. They encountered gossan to a depth of 175 feet then intersected primary sulphides. A good example of the grade of these holes is DH29 from which the following assays were obtained:

	Au (oz)	Ag (oz)	Zn (%)
0–160 ft. – Gossan (sludge)	0.12	1.40	1.20
160–190 ft. – Sulphides (sludge)	0.24	1.33	2.09

In other holes the gold ranged up to 0.40 oz/ton, and the zinc up to 4%.

Two other holes (31–32) were drilled steeply from the west side of the zone and apparently did not reach the depth extension of it because of diverging dips.

The assays available from No. 3 Zone suggest values in gold, silver, lead and zinc, totalling $10.–$20. per ton (gross) at present metal prices, although much better work should be done to properly establish the grade. Drilling and trenching have indicated a possible tonnage potential of at least 1 million tons of this material, mostly as oxide, with the zone open to the south, and possibly the north, and at depth. The cost of reduction of this mineral assemblage will no doubt cut deeply into the gross value per ton but it will nonetheless add reserves to No. 4 Zone, being essentially similar in character of ore. Certainly the No. 3 Zone deserves further exploration to determine its tonnage potential and better define its grade.

RECOMMENDATIONS: Surface bulldozer stripping would be done on No. 3 Zone between the main lense and Trench H1 as well as at least 400 feet south from H1. Deepening and lengthening of existing trenches north of the main lense is also warranted.

In addition, a number of wireline core holes should be drilled across the zone at various depths to better sample it. This drilling should be concentrated at the main lense but several holes should also be drilled into the zone near Trench H1.

NO. 4 ZONE:

As shown on Figure 2, No. 4 Zone consists of a wide zone of branching lenses of heavily oxidized sulphides. In this zone the major primary sulphide is pyrrhotite, with subsidiary pyrite and arsenopyrite. Early sampling of Trenches M6 to M12, a distance of 550 feet, together with M14, 200 feet further north, returned an approximate average assay of: (lead assayed in only two trenches – 2%)

Sampled Width (ft.)	Au (oz./t.)	Ag (oz/t.)	Zn (%)
11	0.10	0.84	6.55

The above width is that of the sampled portion only, much of the gossan was not sampled and has not been included in the preceeding averages.

The zone was not exposed in trenches further north, down the slope, into Canyon Creek, (Fig. 2) although it apparently crops out at the creek. It remains open to the south from Trench M6.

In late 1965 and 1966 Takla Silver Mines Ltd. drilled 8 diamond drill holes across the No. 4 Zone in the vicinity of trenches M10 and M12 (Fig. 2). These holes have not yet been precisely surveyed or logged, however, the core has been split and assayed therefore the results will be discussed here although no detailed plans and sections will be presented. Holes #1, 2 and 3 were drilled eastward below Trench M12, at –30°, –45°, and –60° Respectively and the two shallow holes intersected two zones, about 5 feet in width, of massive pyrrhotite at depths of 150 and 200 feet below surface. The third hole did not reach the target. No assays are yet available from these holes but the pyrrhotite has been reported as appearing very low in sphalerite. The results of these drill holes suggest that the zone pinches down with depth at M12; however, more shallow correlative holes should be drilled to properly define the zone here.

Holes #4 and to #8 were recently drilled from the east side of the zone near Trench M10. They are in a fan, both horizontally and vertically and returned the following assays from what appears to be the No. 4 Zone: (No data for DH#4).

Hole	Depth (ft.)	Width (ft.)	Au	Ag	Pb	Zn
5	90	6	0.14	0.60	0.28	9.25
	85	7	0.10	0.55	–	12.25
	110	20	0.06	0.70	–	6.50
6	135	13	–	0.62	–	3.22
7	110	7	0.01	0.65	0.18	11.00
8	160	11	Assays not available.			

POTENTIAL: The foregoing data on No. 4 Zone is very fragmentary but it appears evident that the zone is consistently high in zinc with low but significant values in silver. Judging from surface exposures and drill hole results it would appear that the zone extends for at least 600 feet laterally and 100 feet in depth, open in all dimensions, for an average width of 10 feet with an average zinc content of about 7 percent or better. Using these figures, we derive a probable 50,000 tons with a gross value of approximately $20. per ton, with good potential for more of the same material.

RECOMMENDATIONS:

The old surface trenches on No. 4 Zone should be cleaned out by bulldozer and thoroughly resampled. Stripping should also be extended north and south of the known sampled portion to permit determination of the trend and width of zone.

Surface drilling should be extended north and south and at least two deep holes should be drilled beneath the best section of the zone to test for continuity at depth.

OTHER OCCURRENCES

Besides the ore zones described in the preceding pages the remainder of the Takla Silver property warrants additional careful prospecting and study by a qualified geologist. Last year a noteworthy occurrence of molybdenite was found in a road cut 1000 feet northwest of No. 4 Zone. This occurs within a granodiorite dike-like body and should be further investigated.

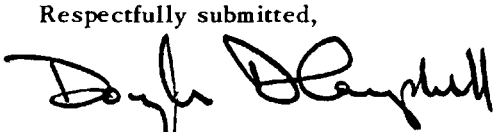
CONCLUSIONS

No. 1 Zone on the Takla Silver property comprises a worthwhile host for high grade silver-base metal ore, as attested in surface and underground exposures. It definitely warrants considerable development and holds the potential of containing enough reserves to support a small concentrator.

No. 3 and No. 4 Zones comprise good potential sources of considerable tonnages of complex but good grade zinc- (silver) ore. These zones warrant further development in order to determine if they have sufficient reserve to justify their metallurgical investigation.

Generally, the geological potential of the Takla Silver property is very good. The property has not been well explored to date and it definitely warrants more, well directed investigation of considerable extent. The writer recommends that such a program be directed by a resident manager who should be a technically trained person if at all possible.

Respectfully submitted,



Douglas D. Campbell, P. Eng., Ph. D.

August 1, 1968

CERTIFICATE

I, DOUGLAS D. CAMPBELL, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.

2. I am a graduate of the University of British Columbia, (B.A.Sc., Geological Engineering, 1964), and of the California Institute of Technology, (PH. D., Economic Geology and Geophysics, 1955).

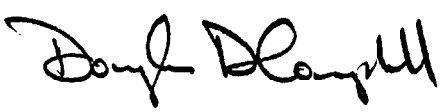
3. I am a registered Professional Engineer of the Province of British Columbia.

4. From 1946 until 1957 I was engaged in mining and mining exploration in Canada and the United States as geologist for a number of companies. I was chief geologist for Eldorado Mining and Refining Co. Ltd. when I retired in 1957 to begin private practice as a consulting geologist.

5. I have personally and repeatedly visited the Takla Silver property and reviewed all the available reports, maps and drill results up to March, 1966.

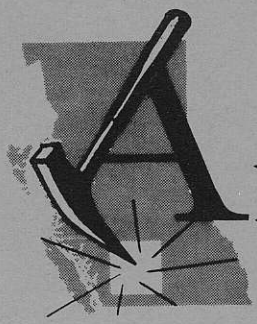
6. I have not received, nor do I expect to receive, any interest directly or indirectly in the properties or securities of Takla Silver Mines Ltd., or Anchor Mines Ltd. (N.P.L.)

Respectfully submitted,



Douglas D. Campbell, P. Eng., Ph. D.

Vancouver, B.C.



ANCHOR MINES LTD. [N.P.L.]

2nd Public Offering

PROSPECTUS

September, 1968