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*Interim
Statement*

for the nine month
period to October 31, 1983

*Regional
Resources
Ltd.*

Report to Shareholders

The 1983 exploration program on the Midway silver, zinc, lead property has been concluded. Since 1981, a total of 58,600 feet has been drilled of which 38,500 feet were completed in 32 holes during 1983. In all, 37 holes — a success rate of 70% — have intersected Lower Zone mineralization; the extent of this Lower Zone mineral deposit(s) is much larger than originally envisaged and still remains open in all directions.

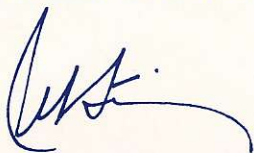
The objectives of the 1983 drilling — to expand reserves, to identify an area for underground exploration and to expand the overall property potential — were accomplished. Calculation of mineral reserves and planning for the 1984 program are now underway.

To the north of Midway one of the several exploration targets on the Meister Property, under option to Getty Canadian Metals, Limited, was evaluated. The initial results from this largely overburden-covered silver, lead, zinc property were inconclusive and further exploration is required.

As a result of the 1983 prospecting program, four new properties have been acquired; they are two silver, lead, zinc prospects in the vicinity of Midway and two gold prospects in central British Columbia near Horsefly Lake, where exploration by others has recently returned some excellent results.

The accompanying statements show a strong financial position which will be maintained.

On behalf of the Board,



John W. Stollery, P.Eng.
President

November 25, 1983

Consolidated Financial Statements (unaudited)

Deferred Exploration, Development and Administration Expenditures

	Three months ended October 31, 1983	Nine months ended October 31, 1983
Expenditures		
Exploration and Development	\$ 164,175	\$ 454,104
Administration		
Legal, audit, accounting	6,494	83,752
Office rent & services	9,000	27,000
Transfer & filing fees	4,402	36,621
Printing & office expenses	12,369	57,134
Travel	10,308	15,263
Insurance	—	1,638
Interest expenses	20	96
Donations	—	2,500
Capital tax	257	3,208
	<u>42,850</u>	<u>227,212</u>
Total expenditures	<u>207,025</u>	<u>681,316</u>
Revenue		
Interest income	55,429	177,692
Option payments	—	715,000
Net expenditures (recovery)	151,596	(211,376)
Balance beginning of period	597,940	960,912
Balance end of period	<u>\$ 749,536</u>	<u>\$ 749,536</u>

Changes in Financial Position

	Three months ended October 31, 1983	Nine months ended October 31, 1983
Working capital derived from		
Issue of shares	\$ —	\$ 78,750
Working capital applied to		
Additions (reductions) to resource properties		
Deferred exploration, development & administration expenditures		
Mineral interests	152,786	(208,012)
Oil and gas interests	(1,190)	(3,364)
	<u>151,596</u>	<u>(211,376)</u>
Unrealized foreign exchange	156	380
	<u>151,752</u>	<u>(210,996)</u>
Increase (decrease) in working capital	(151,752)	289,746
Working capital beginning of period	2,543,931	2,102,433
Working capital end of period	<u>\$2,392,179</u>	<u>\$2,392,179</u>

(Comparative figures have not been provided as they are not readily determinable.)

Corporate Information

Officers	John W. Stollery President Kenneth G. Hanna Secretary
Directors	Vaughan S. Bruneau Owen S. Hairsine Kenneth G. Hanna Garth Olmstead John W. Stollery
Head Office	1418 - 355 Burrard Street Marine Building Vancouver, B.C. V6C 2G8 (604) 669-3398
Registered and Records Office	24th Floor 1066 West Hastings Street Vancouver, B.C. V6E 3X1
Registrar and Transfer Agent	Guaranty Trust Company Vancouver, Regina, Winnipeg, Toronto
Shares Listed (RGL)	The Toronto Stock Exchange Vancouver Stock Exchange
Capitalization	Authorized: 15,000,000 common shares 50,000,000 preferred shares Issued: 4,003,100 common shares (consolidated) Preferred — nil