

Re Sustat

THIRD AMENDMENT TO THE STATEMENT OF MATERIAL FACTS OF
KALCO VALLEY MINES LTD. (N.P.L.) DATED SEPTEMBER 18, 1972.

The following amendments are relevant to the Statement of Material Facts of Kalco Valley Mines Ltd. (N.P.L.) dated September 18, 1972.

1. THAT Item 1 be amended by adding the following paragraphs:

B. The company has entered into an agreement with one Jake Forster and Jim McLeod to acquire from them 80 mineral claims situate in the Omineca Mining Division, Sustat Peak area, in the Province of British Columbia, for a consideration of \$4,800, and the issuing free of any restrictions to each of them of 3,000 shares of capital stock of the company.

C. The company has entered into an agreement dated the 28th day of February, 1973, to participate in a petroleum and natural gas exploration programme with Rynco Enterprises Limited, an Alberta corporation. The company, for a consideration of \$10,000, will acquire a 6% interest in 5 wells of proven production, and in addition will acquire a right to participate in a well to be drilled, to test the area, immediately to the West of the wells of proven production. The company also acquires an option to participate in other ventures of Rynco in an area comprising 5,500 acres of petroleum and gas leases. It is anticipated that notwithstanding the success of other wells, that the \$10,000 invested will be repaid within a period of three years from the 5 wells of proven production.

2. THAT Item 16 shall be amended to reflect that William A. Dexter is now receiving a salary of \$750 per month, the increase being effective January 1st, 1973, and has been granted an option to acquire 75,000 shares of the company over a period of three years, in lots of 25,000 at prices of 30¢, 40¢ and 50¢.

Save and except as above amended, and as amended by the First Amendment to the Statement of Material Facts dated the 27th day of December, 1972, and the Second Amendment to the Statement of Material Facts dated the 12th day of February, 1973, the Statement of Material Facts is in full force and effect and the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Statement of Material Facts dated September 18th, 1972, and this Amendment.

Dated at Vancouver, B.C. this 9th day of March, A.D. 1973

KALCO VALLEY MINES LTD. (N.P.L.)

W.A. Dexter
W. J. Hamilton by his attorney W.A. Dexter
D. M. Cannon by his attorney W.A. Dexter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Statement of Material Facts dated September 18th, 1972.

Dated at Vancouver, B.C. this 9th day of March, A.D. 1973.

CARLISLE DOUGLAS & CO. LTD.

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A, B AND D CLAIM GROUPS

SUSTUT PEAK AREA
94D, OMINECA, M.D., B.C.

STAKING REPORT

by

J. W. McLeod, B.Sc.
March 3, 1973

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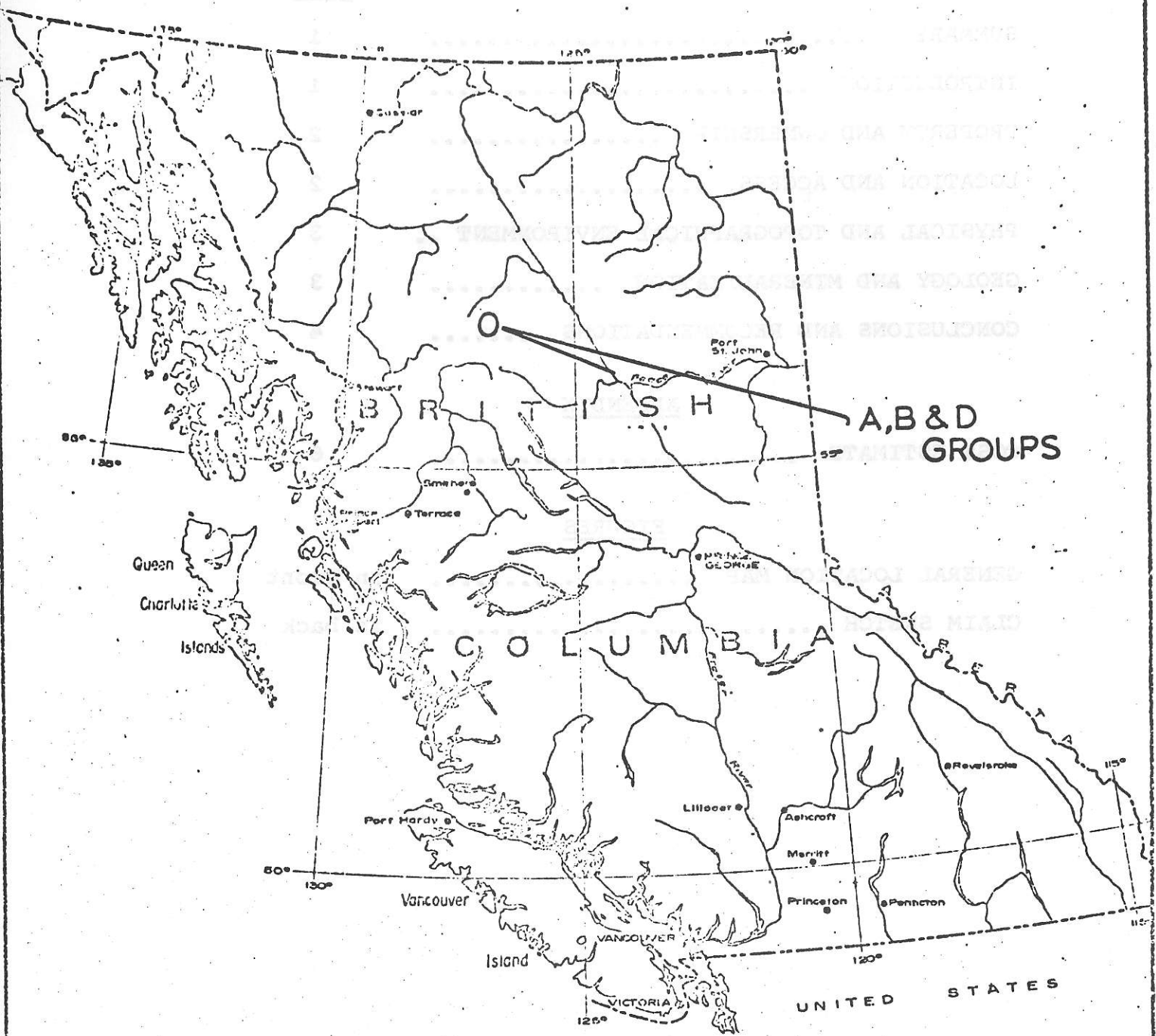
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FIGURES

GENERAL LOCATION MAP	in front
CLAIM SKETCH	in back



SCALE 1" = 235 MILES.

FIGURE 1

SUMMARY:

During February 1973 the A, B and D claim groups were staked. All of the mineral claims were staked in accordance with the British Columbia Mineral Act as full sized, located claims. No witness staking was performed.

All of the claims centre about several large groups of mineral claims held by Westfrob Mines Ltd.

Westfrob Mines Ltd. (Falconbridge Nickel Co.) has reportedly made a major copper discovery rumored to be in the magnitude of sixty million tons of 1-2% copper sulphides (see NO. 1 & 2 Claim Group, Property Report, January 23, 1973 by J. W. McLeod).

All of the claims presently reviewed are well located with respect to the main area of interest and each should be explored by detailed prospecting, reconnaissance geological mapping and a geochemical silt and contour soil program.

A recommended work cost estimate is included for each of the A, B and D claim groups separately as an appendix to this report.

INTRODUCTION:

The A, B and D claim groups comprise a total of 180 full sized mineral claims (see claim sketch).

The claims were staked by Jake Forster and Jim McLeod during February 1973. All of the claims were staked in the required fashion using blazed lines. No witness staking was performed.

The claim groups are situated about several large groups of claims owned by Westfrob Mines Ltd. who have reportedly made a major copper discovery.

PROPERTY AND OWNERSHIP:

<u>Name</u>	<u>Date of Staking</u>	<u>Owner</u>
A1-A24	Feb. 14/73	Consolidated Standard Mines Ltd. (N.P.L.)
A25-A52	Feb. 15/73	"
A53-A64	Feb. 16/73	"
B1-B12	Feb. 16/73	Bow River Resources Ltd.
B13-B28	Feb. 17/73	"
B29-B36	Feb. 18/73	"
D1-D8	Feb. 20/73	Kalco Valley Mines Ltd. (N.P.L.)
D9-D20	Feb. 21/73	"
D21-D30	Feb. 20/73	"
D31-D40	Feb. 21/73	"
D41-D50	Feb. 22/73	"
D61-D76	Feb. 22/73	"
D51-D60	Feb. 23/73	"
D77-D80	Feb. 23/73	"

LOCATION AND ACCESS:

The A, B and D claim groups are situated near longitude 126°40'W. and latitude 56°35'N.

The claim groups lie approximately 125 miles north of Smithers, B.C., the centre used by the stakers to mobilize the staking job.

The British Columbia Railway right-of-way is reportedly prepared 17 miles north of the north-end of Bear Lake which lies approximately 25 miles to the S.W. of the claim groups. Access to the property was provided by Okanagan Helicopters Ltd. of Smithers, B.C.

PHYSICAL AND TOPOGRAPHICAL ENVIRONMENT:

The properties lie between the elevations of 3500'-6000' M.S.L.

The areas in which the claims lie are essentially ever-green covered; the higher areas by balsam and spruce and the lower river valleys and benches by jack pine.

The valleys are typically glacial in character (U-shaped); the higher ones being more steep-walled than the lower ones. Timberline appears at approximately 5000' M.S.L.

Since the area is one receiving much rain and snowfall most of the higher valleys are susceptible to moderate avalanche conditions.

GEOLOGY AND MINERALIZATION:

The areas covered by the claim groups are underlain by sediments and volcanics and metamorphosed members of both of these. The McConnell Creek, Map 962A depicts the claim areas as being traversed by at least three geological contacts and at least one major fault (Omineca Fault).

Areas of intrusive outcroppings (Omineca Intrusions) are known to occur within eight miles of the properties and could be found to occur on the properties as more detailed

geological mapping is conducted over the claim groups.

Mineralization at the Westfrob discovery is reported to occur as mainly replacement zones of bornite and some secondary chalcocite and possible native copper in selective tuffaceous beds.

Mineralization of this type has in the past been observed in the area as well as vein-type copper mineral occurrences.

CONCLUSIONS AND RECOMMENDATIONS:

If rumors of the magnitude and grade of the discovery of Westfrob Mines Ltd. are accurate and the type of occurrence of the mineralization is correct then a discovery of major economic significance has been made. The significance of the discovery can only be attributed to the proximity to the British Columbia Railway's new Dease Lake Extension which passes within 25 miles of the property at Bear Lake. Rail bedding has reportedly been completed 17 miles past the north-end of Bear Lake. The Sustut River valley which drains the claim areas could afford fairly inexpensive access to the property as a route for either a road or rail extension from the main railway line.

Upon consideration of all of these positive features of the property an active exploration program is recommended for the areas.

Such a program should involve good topographically controlled geological reconnaissance mapping, 1"-1000', and

detailed prospecting in conjunction with contour soil sampling on a 500 x 200' plan and silting of all the active creeks in the claim area at 200 foot intervals.

Samples should be analyzed for Cu and Pb.

If any one or a combination of the geological mapping, prospecting and geochemical sampling reveal areas which are found to be significantly anomalous then diamond drill testing should be initiated.

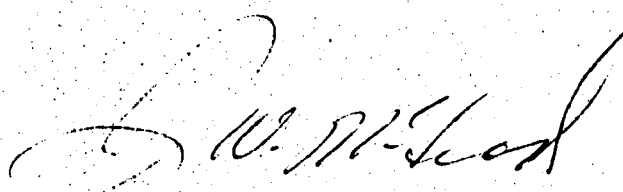
A cost estimate of each company's exploration program are included in the respective copies of this report as the appendix.

APPENDIX

The following is an estimate of cost to perform the recommended work on the D claim group which comprises 80 full sized mineral claims.

COST ESTIMATE:

Wages	\$ 5,000
Transportation	3,500
Room and board	800
Equipment and supplies	500
Sample analyses	3,000
Engineering and report	<u>400</u>
TOTAL:	<u>\$13,200</u>



J. W. McLeod, B.Sc.
March 3, 1973

