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George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

RECO SILVER MINES LIMITED

FIRST PHASE PROGRAM ESTIMATED AT \$45,000 - On recommendation of W.S. Ellis, P.Eng., Reco Silver Mines Limited plans a first phase program estimated to cost \$45,000 on Reco's optioned property which was an important unit in the initial Slocan mining boom in the mid-1890's. It is credited with being the highest grade shipper for its tonnage size and as an early profitable operation. It has been idle except for a small amount of exploration about 1957 by a Syndicate insufficiently financed.

Corporate Structure

Inc.: B.C., June 24, 1964.
H.O.: 201 - 535 Howe St., Vancouver.
Reg. & T.A.: National Trust Co., Vancouver.
Auth. Cap.: 5,000,000 shs.; \$1 par.
Shares Issued:

For properties	750,000
For \$142,827 net cash	834,561
Shares outstanding Mar.31, 1968	1,584,561
Escrowed subject to B.C.S.C.:	819,124 shs.

Financial Position: Work.cap. deficiency at March 31, 1968, \$17,085.

Share Offering: By prospectus dated Mar.31, 1968, the company as principal 250,000 shs. priced at 30¢ p/s, subject to maximum commission of 7½¢ p/s to net \$56,250.

Directors: S.E. Cropper, president; R.W. Long, vice-pres.; S.D. McLeod, treasurer.

Promoters: Originally Dynamic Metals Corp. Ltd., recipient of 600,000 Reco shs. for property was classed as promoter. Present promoters are deemed to be the directors.

Property: 26 crown granted claims in a solid block except for one claim located on south slope of Reco Mountain, adjacent to and NE of Cody, Slocan Dist. of B.C. Elevations are from about 4,000 to 8,000 ft.; acquired from S.E. Cropper acting on behalf of Dynamic Metals Corp. Ltd. by assignment of rights held in an option from Alma L.Harris and Reco Mining & Milling Co.Ltd., optioners. As at Mar.31, 1968, option payments payable in instalments to July 15, 1960, \$18,600 with 10% of net smelter returns to apply against purchase price. Dynamic received 600,000 and Alma L. Harris 150,000 escrowed shares.

Also made available is a report dated Sept. 22, 1966, in which Mr. Ellis reviewed the work done by the present company which included a topographic plan prepared from aerial photos and a preliminary geochemical survey along with considerable rehabilitation work on tunnel portals.

S.E. Cropper, president, states in a June 19, 1968, report to shareholders that Richardson Wilson Securities Ltd. has arranged the financing for the company and that \$56,250 is available to the company treasury. Further financing is being arranged. The engineers are preparing a work program. Mr. Cropper states that, in conjunction with the development of the veins on the Reco ground, work will also proceed in the development of the Bluebird group of claims of which Reco has management and a 50% interest.

Mr. Ellis advised work at two locations which have ore showings - the No. 2 mine, for which he suggests development, and the Chambers claim for which he proposes diamond drilling. Surface exploration is advised on the New Denver claim to test geo-chemical anomalies. Preliminary exploration, partly by bulldozer, should be done in other geologically favorable areas. This program, he said, should be considered as the first phase of a more complete program and is designed to indicate in what directions work during the second phase should be emphasized. This second phase he estimates should cost about \$60,000, to include re-opening of the lower portals of the Reco-Goodenough mine for geological examination. He points out that different ownership of claims complicated the previous operation of this mine. New leases on the adjoining claims, purchased from Dynamic Metals Corp. for \$5,000, solved this old problem. Deeper exploration could be justified, the consultant states. He adds in his report dated Dec. 15, 1967, that much technical information is already available on the company's property and points out that there are access roads to its centre.

A comprehensive review of the work to July 10, 1964, done by previous developers, is included in the current prospectus, signed by Mr. Ellis and by W.S. Read, P.Eng. In summarizing their conclusions, they expressed the view that the Reco property is one of the most attractive bets in the Slocan for exploration by venture capital. It had an excellent production record in the 1890's and the early 1900's both in ore grade and profit. They add what with title now centralized, a fair agreement has been reached for its exploration in search of new orebodies by modern methods.