


104-0/16

REGIONAL RESOURCES' MIDWAY

DEPOSIT, WATSON LAKE AREA, Y.T.

MARCH 1984

**Regional Resources Ltd.**

INFORMATION BRIEF 

January 24, 1984

**820211**

**Regional  
Resources Ltd.** 

1418 - 355 Burrard Street, Marine Building  
Vancouver, B.C. V6C 2G8 (604) 669-3398

RECEIVED

JAN 27 1984

KERR ADDISON MINES LTD.

PER \_\_\_\_\_


John W. Stollery, P.Eng.  
PRESIDENT

---

**Regional Resources Ltd.**  
1418-355 Burrard Street, Marine Building  
Vancouver, B.C.  
V6C 2G8

Telephone: (604) 669-3398

## Regional Resources Ltd.

INFORMATION BRIEF 

January 24, 1984

**820211**

update

March 6th 1984.

DAL & Ray Dujardin are in touch with J. Stelling  
& talking.

My recommendation: There is no mine here yet  
but the kind of mineralization that has been located  
at Midway can generate a good NSR.

Value of US\$ 8.50 = NSR  $\frac{\$ \text{CAW}}{73.35}$  / ton mined & milled.  
US\$ 10.00 = NSR  $\frac{\$ \text{CAW}}{86.70}$  / " " "

Zn US 40¢/lb = NSR  $\frac{\$ \text{CAW}}{21}$  / " " "

Pb US 20¢/lb = NSR  $\frac{\$ \text{CAW}}{5}$  / " " "

In other words Pb concentrate generates rev. of about \$85/ton mined  
Zn " " " " " 21 / " "

$\$ 106 / " "$

Op profit should be around \$30/ton.

$\therefore$  1 million tons of ore should generate \$30m. This would get  
close to paying for a plant.  
There is hope for this property if tonnage of similar grade can

Regional Resources.

Midway Depos. f.

100% Equity assumption

Min. recovery	85%	87% $\bar{x}$
Dilution	15%	21% $\bar{x}$

Discovery Zone.	3.6 = $\bar{J}$ @	7.7 Ag	7.6% Zn	4.6% Pb.
	recovery	80% to Pb.	88%	92%
Tpd	1400.			

Target \$110 / s.d.f.

Zn conc.	169 lb/ton recovered.	50% conc grade =	5.92 $\bar{J}$ / conc ton.
	5.92 $\bar{J}$ .		
Demand.	1000 lb.		
Deduct 8 mt,	160 lb	chn. prod. price - $3\frac{1}{2}$ ¢ + 117¢.	= $50 - 3\frac{1}{2}$ = 46 $\frac{1}{2}$ ¢.
payable,	840		
<del>20</del> + chn. 46 $\frac{1}{2}$ ¢	\$390.00		
60% Rebn.	\$234.36		
Transport.	110.00		
NSR	124.36	$\bar{J}$ 5.92	= \$21 / ton ore.

Pb Conc. st. f.	1080 lbs.	12.62 $\bar{J}$ .	
Deduct 3 mt.	60		
Payable.	1020	Ag =	97.93 oz.
Price. 25¢ @ N.	255	95% =	93.03 payable.
Sulf.	140		41.86 R/C.
	115		967.51 Ag @ 78.5¢ = 1040
Transport	110		925.65
NSR.	5	40¢ / ton.	= 73.35 / ton.



$$NSR = \$94.75 / \text{ton.}$$

$$\text{Op cost} = \underline{64.75.}$$

$$\text{Op profit} = \$30 / \text{ton.}$$

$$\text{c } 420,000 \text{ tpy} = \$12.6 \text{ m} / \text{yr. op profit.}$$

	0	1	2	3	4	5	6	7	8	9
		12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6
Cap. (30)	(30)	(-6)	(-6)	(-6)	(-6)	(-6)	(-6)	(-6)	(-6)	(-6)
Fix.	-	-	-	(-2)	(1)	(1.5)	2	2	2	2.6
Op. (10)										10
(70)	12	12	11.5	11	10.5	10	10	10	10	20.6

repy cap.  
+17 m.

# Regional Resources Ltd.

## INFORMATION BRIEF

### CAPITALIZATION

Authorized:	15,000,000 common shares 50,000,000 preferred shares
Issued:	4,053,100 common shares (consolidated) Preferred - nil
Options Outstanding:	225,000 common shares

January 24, 1984

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## APPENDIX

ANNUAL REPORT 1982/83

3rd QUARTER INTERIM STATEMENT (nine months to October 31, 1983)

DECEMBER 5, 1983 NEWS RELEASE (with map)

JANUARY 13, 1984 NEWS RELEASE

# Regional Resources Ltd.

## THE COMPANY

Regional Resources Ltd. is a Canadian-controlled, Vancouver based company whose principal business is the exploration for, and development of, mineral deposits in Western Canada. Although the Company has intrests in several exploration prospects with excellent potential, its major asset is its 51 percent interest in the Midway silver-zinc-lead property.

The shares of the Company trade on the Toronto and Vancouver Stock Exchanges under the symbol RGL.



# THE MIDWAY PROPERTY

## LOCATION

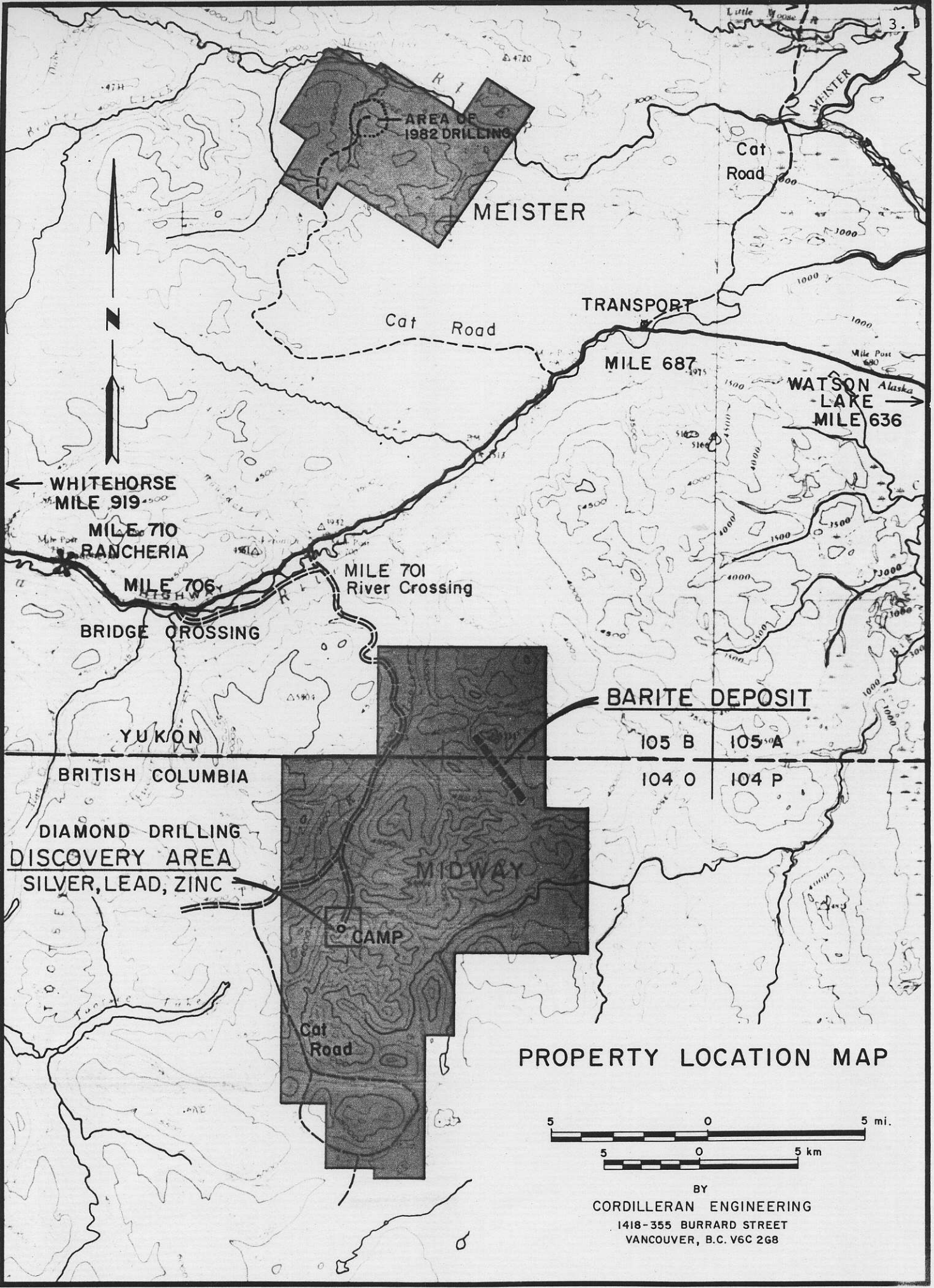
(Location Map, page 3).

The Midway property straddles the British Columbia-Yukon border approximately 90 kilometres west of Watson Lake, Yukon Territory. However, the silver-zinc-lead mineralization delineated to date lies entirely within British Columbia.

Access is by the Alaska Highway from the commercial airport at Watson lake to a point about 25 kilometres north of the property, and then by logging-quality roads to the property. Concentrate production can be shipped to international markets through Skagway, Alaska, or Stewart, British Columbia.

## EXPLORATION AND DEVELOPMENT HISTORY

The Midway silver-zinc-lead mineral deposits are in limestone, beneath a contact with shales, on the west side of a northwesterly trending syncline. Between 1957 and 1974 a number of companies explored a small area of the exposed limestone with geochemical, geophysical and geological surveys, drill holes and adits. In 1980, Regional Resources staked a large



AREA OF 1982 DRILLING

MEISTER

Cat Road

TRANSPORT

MILE 687

WATSON LAKE  
Alaska  
MILE 636

WHITEHORSE  
MILE 919

MILE 710  
RANCHERIA

MILE 706  
HIGHWAY

MILE 701  
River Crossing

BRIDGE CROSSING

YUKON

BARITE DEPOSIT

105 B

105 A

104 O

104 P

BRITISH COLUMBIA

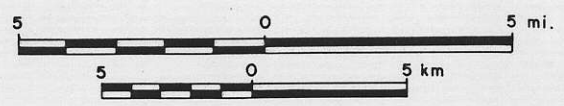
DIAMOND DRILLING  
DISCOVERY AREA  
SILVER, LEAD, ZINC

MIDWAY

CAMP

Cat Road

PROPERTY LOCATION MAP



BY  
CORDILLERAN ENGINEERING  
1418-355 BURRARD STREET  
VANCOUVER, B.C. V6C 2G8

claim block covering the syncline. During 1981, six diamond drill holes were drilled with encouraging results. This was followed in 1982 by fifteen drill holes, eleven of which intersected the Discovery area Lower Zone deposit in an area approximately 500 metres by 500 metres. The 1983 program consisted of 11,734 metres in 32 holes and located two additional mineralized zones, namely the Silver Creek and Silvertip Hill areas.

The following is a summary of exploration expenditures on the Midway property. Exploration expenditures include geophysics, geochemistry, linecutting, geology and diamond drilling.

<u>Year</u>	<u>Number of Holes</u>	<u>Metres Drilled</u>	<u>Cost of Exploration</u>
1981	6	857	\$1,125,000
1982	15	5,283	1,749,000
1983	32	11,734	2,100,000
	<u>53 holes</u>	<u>17,874 metres</u>	<u>\$4,974,000</u>

### GEOLOGY

The major geologic features of the Midway property consist of Silurian to Middle Devonian Sandpile Group quartzite and McDame Group limestone overlain by Upper Devonian to Mississippian Lower Sylvester Group clastic rocks. Widespread siliceous exhalites, with local concentrations of Ag-Zn-Pb sulphides or barite, are hosted by the Lower Sylvester siltstones. High grade Ag-Zn-Pb massive sulphide deposits, called the Lower Zone, have been found in the underlying carbonates. These sulphides, probably hydrothermal in origin, occupy solution cavities and breccia bodies. The following similarities to the sulphide deposits at Gilman Colorado have been noted:

1. Deposition of sulphides in a karsted limestone overlain by shales and underlain by quartzite
2. Presence of widespread hydrothermal alteration
3. High silver content
4. The presence of "shaley lime"

## MINERAL RESERVES AND POTENTIAL

Lower Zone drill intersections in 19 of the 53 holes completed to date contribute to the geologically drill-indicated mineral reserve. In the Discovery (13 holes) and Silver Creek areas (5 holes) a reserve of 4.3 million short tons grading 10.5 oz/ton silver, 12.2% zinc and 5.5% lead has been calculated using the polygon method. In addition 0.3 million short tons grading 13.4 oz/ton silver, 3.9% zinc and 8.0% lead can possibly be attributed to a third area, Silvertip Hill, based on two intersections in one drill hole.

In the last three years, exploration efforts have been directed towards a small portion of the ultimate potential of the Midway property. The 240 square kilometres of the property are underlain by the McDame limestone which hosts the Lower Zone silver-zinc-lead deposits. There are approximately 28 square kilometres that are considered to be prime target areas accessible to surface diamond drilling. To date, only four square kilometres have been tested by widespaced grid drilling, resulting in a geologically indicated mineral reserve of 4.6 million tons. If this same success rate applies to the remaining 24 square kilometres that are untested, the Midway property would have an indicated potential of approximately 30 million tons. Some additional potential may also be attributed to the overlying shales which host some silver-zinc-lead mineralization.

A high grade barite deposit of possible direct shipping quality also exists on the Midway property.



## M I N I N G

### INTRODUCTION

Wright Engineers Limited was asked to provide an opinion on the potential mining conditions of Midway in order to assist Regional in developing future plans for the property. In addition, Wright Engineers Limited was to determine possible mining methods, production rates, operating costs, and percent recoverable of the potential ore. It should be appreciated that, due to the fact that Wright Engineers were asked to provide a rapid overview, they wish to emphasize that the answers to the above questions must be limited to tentative opinions. However, it is felt that the opinions of Wright Engineers as outlined below, provide a reasonable basis on which to provide a preliminary analysis of the property.

### MINING METHODS

Because of the attitude (30° to 35° dip) and ground conditions, it is suggested that the "plus 4 metre thick ore" be mined by the mechanized cut and fill method, assuming the use of tailings as backfill. With this method, it is estimated that the recoverable ore will be 85% of the reserves and that the dilution will be 15%. →

The thinner mineable zones would probably be mined open, up dip using scrapers and leaving random pillars. With this method, it is estimated that the recoverable ore will be 90% of the reserves, and that the dilution will be 30%.

On average, it is estimated that the recoverable ore will be 87% of the reserves, and that the dilution will be 21%.

### PRODUCTION RATE

The production rate of the mine is assumed to be 1400 tons per day, on a six day week, for a total of 420,000 tons per year (300 days/year x 1400 tons/day).

### RECOVERABLE RESERVES

Based on the above recovery and dilution factors, Wright Engineers Limited determined the recoverable reserves from a portion of the Discovery

*Tons/VF*

?

Zone to be approximately 3.6 million tons\* of the following grades:

Silver:	9.7 ounces per short ton
Zinc:	9.6%
Lead:	4.6%

We have assumed, for the purpose of the preliminary financial analyses, that this average grade would apply throughout the mine life. However, it is likely that the mine operator will select some of the higher grade zones in early years, thus increasing the calculated value of the deposit.

Although the 3.6 million tons would permit an 8½ year mine life, a 10½ year life (4,500,000 tons) has been assumed, based on the following:

- (i) Total recoverable reserves in the Discovery Zone are approximately 3.8 million tons versus the 3.6 million analyzed by Wright Engineers.
- (ii) Total recoverable reserves in the Silver Creek Zone are estimated to be almost 700,000 tons, based on a recovery factor of 85% and dilution of 20%. Although the grade of the Silver Creek geological reserves (10.4 ounces per ton silver, 10.2% zinc, and 6.2% lead) is slightly lower than that of the Discovery Zone, the Silver Creek deposit is much nearer surface, resulting in lower expected operating costs than those developed for the Discovery Zone.

It should be noted that the Silvertip Hill geological reserves of about 330,000 tons (grading 13.4 ounces per ton silver, 8.0% lead, and 3.9% zinc) were excluded from the financial analyses.

\*from in place geological reserves of 3.4 million tons  
at a grade of 11.7 ounces per ton silver, 11.7% zinc, and 5.6% lead.

### MILLING

It is expected that the mill will operate at 1200 tons per day for 350 days per year. The metallurgical recoveries, based on preliminary indications, are as follows:

Silver:	80 percent in the lead concentrate 10 percent in the zinc concentrate
Zinc:	88 percent
Lead:	93 percent

### OPERATING COSTS

The estimated operating costs per ton, at a mining rate of 1400 tons per day (for 300 days per year) and a milling rate of 1200 tons per day (for 350 days per year), are as follows:

Mining	\$33.00/ton
Milling	8.50/ton
General overhead	11.50/ton
Diesel power	<u>10.00/ton</u>
Total	\$63.00/ton

### CAPITAL COSTS

The total capital costs, excluding working capital and capitalized interest, have been estimated to be \$70 million at the above production rates. However, if the reserves were doubled to nine million tons and production were to increase to 2000 tons per day, the capital costs would be approximately \$85 million.

### METAL PRICE OUTLOOK

#### SILVER

J. Aaron & Co., the New York based metal traders and analysts, forecast prices in a strong upward trend throughout this decade, "punctuated by periods of consolidation, correction, and cyclical reversal". Expectations of renewed investor demand and continued improvement in industrial demand during the months ahead form the basis for these conclusions. Despite the recent low silver price, Aaron's analysts are convinced that the situation will change in 1984. They expect the U.S. consumer price inflation rate to rise by the end of 1984 and thereby contend that investors will take this as a signal that another cyclical wave of inflation is underway, given

the huge deficits of the U.S. Federal Reserve Bank and the difficulties which it is having in controlling the growth in the money supply.

In the longer term, the statistical discrepancy between supply and demand, with demand exceeding new mine production, will re-establish itself, and the price of silver is expected to increase from its present level to about \$12 by 1985 and \$15 by 1990. These estimated prices are expressed in 1984 U.S. dollars per troy ounce.

### ZINC

Zinc price increases have recently been implemented by the major producers in response to falling inventories and growing consumption. Most of the push comes from strong housing and automotive sales. The zinc price strength (now over 50 cents U.S. per pound, in Canada and the U.S.) is being aided by a growing trend among car manufacturers for an increased use of zinc and zinc-coated steel. Zinc galvanized products are becoming popular because of their rust-resistant qualities, lightness of weight, and cost-competitive features.

The International Lead-Zinc Study Group reported that commercial zinc stocks, including those held by producers, consumers, merchants, and the LME totalled under 690,000 tons at the end of July, 1983, compared with over 800,000 tons at the end of 1982. Zinc stocks at the present time have been estimated to be about 630,000 tons.

In summary, the zinc market has all the ingredients for a further major price advance in 1984.

### LEAD

The lead market remains relatively weak, with U.S. producer prices between 26 and 28 cents U.S. per pound. In historical terms, after adjusting for inflation, present price levels are extremely low, and especially low in comparison to the 1979 high price of about 60 cents U.S.

Although we don't expect any major increases in the lead price, we do expect it to recover to a level nearer 30 cents U.S. However, for purposes of this analysis, we have assumed a price range of between 26 cents and 30 cents U.S. for the period after 1985. In any case, the value of lead accounts for less than 10% of the value of the Midway deposit.



Now 39/40% *De L...?*

## MARKETING

### TREATMENT CHARGES

Treatment charges for zinc concentrates have been estimated at 37% of payable metal, while those for lead concentrate have been estimated to be \$145 U.S. per dry ton at a lead price of 30 cents U.S. The lead treatment charge changes by \$3.50 U.S. per dry ton for each 1 cent U.S. change in the lead price.

### TRANSPORTATION

Total transportation costs to offshore smelters have been estimated to be approximately \$110 per dry short ton of concentrate.

## OTHER ASSUMPTIONS

Working capital:	\$10 million
Replacement capital:	\$1 million per year
Exchange rate:	\$1 Canadian = 81 cents U.S.
Production start:	1986
Salvage value:	Zero
Concentrate grades:	Zinc 50% Lead 54%
Income taxes and Mining taxes:	As per existing Federal and B.C. regulations

## ECONOMIC AND FINANCIAL ANALYSIS SUMMARY

Utilizing the after-tax discounted cash flow approach, Wright Engineers Limited determined the value of the Midway property based on various assumptions and estimations. A summary of the detailed computer analyses that have been carried out, under differing assumptions as to metal prices, ore reserves, and financing, is presented below. It should be noted that these analyses assume constant dollars (no inflation of prices or costs) and a 12% real after-tax discount rate. This 12% real rate is approximately equivalent to an 18% after-tax discount rate if one had assumed a 6% increase in prices and costs.

The following table shows the after-tax net present values of 100% of the Midway property and the values per share of Regional Resources Ltd. under differing assumptions. The values of 100% of the property assume a project analysis, meaning that tax write-offs generated from the project were not utilized to shelter income other than that from the project itself. The values per share of Regional Resources are based on 51% of the total values divided by 4,278,100 shares. In other words, we have assumed no control premium, and also that all of the outstanding share options will be exercised.

### Midway Property (net after-tax present values)

			R e s e r v e s			
			4.5 million tons (1200 tpd)		9.0 million tons (2000 tpd)	
			100%	Per Share*	100%	Per Share*
			(millions of \$)	(dollars)	(millions of \$)	(dollars)
<u>100% Equity</u>						
<u>Silver</u>	<u>Zinc</u>	<u>Lead</u>				
\$10.00	\$.50	\$.26	36.5	4.35	94.5	11.27
12.00	.52	.28	59.2	7.05	133.3	15.89
14.00	.54	.30	80.9	9.64	171.8	20.48
<u>70% Debt/30% Equity</u>						
<u>Silver</u>	<u>Zinc</u>	<u>Lead</u>				
\$10.00	\$.50	\$.26	50.4	6.01	112.1	13.37
12.00	.52	.28	73.3	8.74	151.1	18.02
14.00	.54	.30	95.4	11.37	189.7	22.62

\*Based on Regional's 51% share of Midway.

### 1984 EXPLORATION AND DEVELOPMENT PROGRAM

The exploration program proposed for 1984 has not been finalized. However, it is expected to consist of surface diamond drilling in the Silver Creek, Discovery and Silvertip Hill areas coincident with limited underground examination of the Silver Creek deposit. Underground work will likely be continued into the Discovery area in conjunction with an underground drilling program. At the completion of the above work there should be sufficient data available to commence feasibility studies, which are expected to indicate a very profitable mining operation.

Mineral exploration is planned in 1984 on the large prime target areas surrounding the Discovery, Silver Creek and Silvertip Hill areas. Access road construction and geological and geochemical evaluations will be undertaken. The probability of locating further mineral deposits on the property is high.

## OTHER ASSETS

### OF REGIONAL RESOURCES LTD.

In addition to its interest in the Midway property, Regional Resources owns several other prospects in the area which are considered to have excellent potential.

<u>Property Name</u>	<u>Commodity</u>
Logjam (Canamax Option)	Tungsten, Molybdenum
Meister (Getty Option)	Silver, Zinc, Lead
Blue	Lead, Zinc, Silver
Chief	Zinc, Silver, Lead, Barite
Jan	Zinc, Silver, Lead, Barite
Logan	Silver, Zinc, Copper, Lead, Tin
Wolf	Zinc, Lead, Silver, Gold, Copper, Tungsten
Eagle	Zinc, Lead, Silver, Copper
Cap	Gold, Zinc, Lead, Silver
Tim	Silver, Lead, Zinc
Spencer	Silver, Lead, Zinc

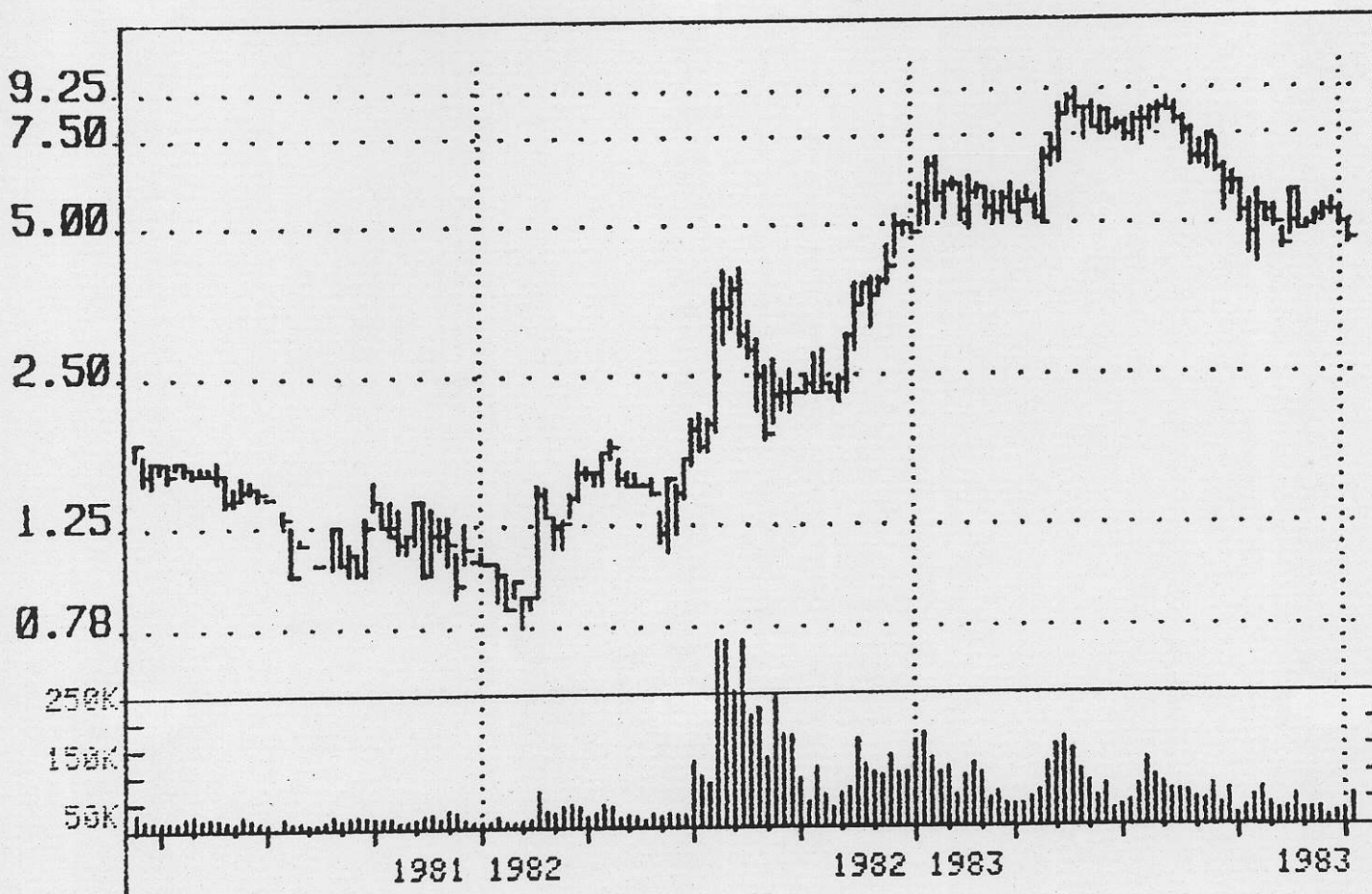
Regional has a 20% net profits interest in the Logjam Creek tungsten-molybdenum property and is entitled to receive advance royalty payments of \$100,000 per year for 10 years starting in 1984.

In addition to its exploration properties, Regional has an excellent balance sheet, with no debt and \$2.3 million working capital.



# SHARE PRICE HISTORY OF REGIONAL RESOURCES LTD.

STOCK: RGL      CDN\$ - WEEKLY FROM: 20MAR81 TO: 20JAN84  
ENTER REQUEST:

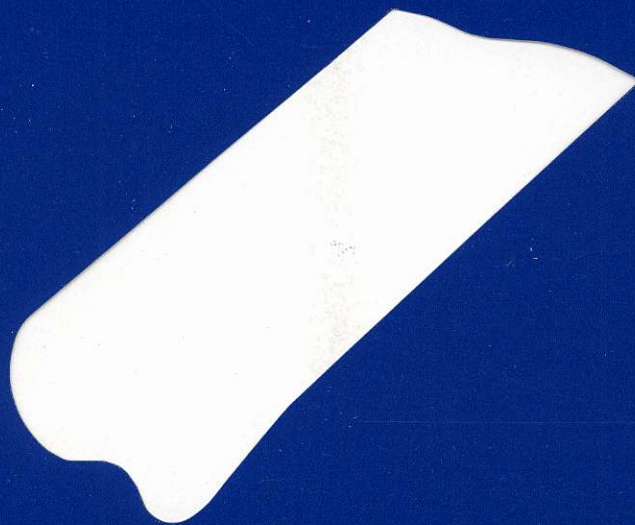


# APPENDIX



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*Annual Report*  
*1982/83*



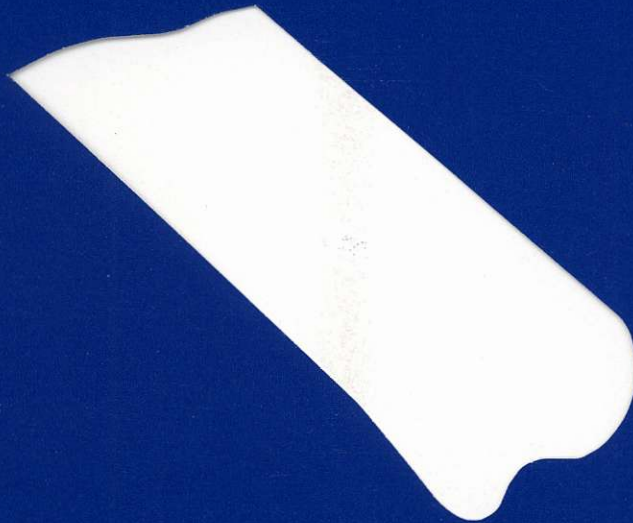
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*Regional*  
*Resources*  
*Ltd.*



*A Vancouver-based mineral exploration company, Regional Resources Ltd. holds an extensive portfolio of base and precious metal properties in northern British Columbia and southern Yukon. Regional, through its consultants Cordilleran Engineering, specializes in grass roots mineral exploration. The Company's shares are listed for public trading on the Toronto and Vancouver Stock Exchanges under the symbol RGL.*

*Photo opposite:  
Core samples from 1982  
Midway drilling program.*



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Corporate Data	IBC





## Highlights

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Diamond drilling at Midway established estimated geological reserves of 3.6 million tons grading 12 ounces silver per ton and 19% combined zinc-lead.

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Meister zinc-lead-silver property, 15 miles north of Midway, optioned to Getty Canadian Metals, Limited; Getty can earn 50% interest by paying Regional \$1.0 million and expending \$4.5 million over next five years.

---

Takeover of Logtung Resources Ltd. completed by Regional; Logtung owns 40% interest of Logjam Creek tungsten-molybdenum property which has reserves of 254 million tons grading 0.104%  $WO_3$  and 0.050%  $MOS_2$ .

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Company maintained strong cash position, debt-free; at March 31, 1983 working capital exceeded \$2.8 million.

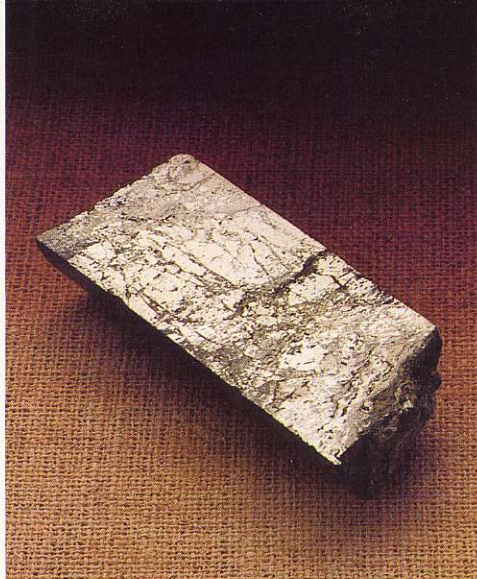
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Company listed on The Toronto Stock Exchange, March 3, 1983.

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Favourable research reports and 'buy' recommendations on Regional issued by two leading national investment houses, Richardson Greenshields of Canada Limited and Midland Doherty Limited.





**W**e at Regional look back on 1982 with enormous pride and satisfaction. These past months have seen your Company graduate to a position of prominence, thanks to our Midway discovery which is now regarded as a premier silver property.

Staked by Regional in 1980, Midway's first indicated potential was as a shale-hosted zinc-lead deposit. But, as drilling progressed, spectacular silver-rich mineralization was intersected in the underlying limestone formation. The significance of our discovery changed overnight. No longer just a long-term base metal prospect, Midway had become a major precious-base metal find and, most importantly, one with proven potential for near-term production.

From the 21 holes drilled to date, Midway's geological reserves are estimated at 3.6 million tons grading 12 ounces of silver per ton and 19% combined zinc-lead. The drilling program planned for 1983 should realize a substantial expansion of reserves.

Underground work could commence in 1984 once the mineralization is suitably delineated by surface drilling. Completing a commercial production scenario, a 1,500 to 2,000 ton per day mill could be operational by 1986.

Adding credence to this optimism are the reactions of the investment community, most notably Richardson Greenshields of Canada Limited and Midland Doherty Limited, both respected senior mining underwriters. In December 1982, Regional was the subject of a research report Richardson Greenshields issued to its clients with a 'buy' recommendation. A comment from that report:

*"A deposit of this size and this rich in silver is exceptionally rare in Canada."*

In a recent report, Midland Doherty Limited stated Regional qualifies under the criteria it looks for in a junior resource development company with:

## *Report to Shareholders*

*"The year 1982 was indeed remarkable. As shareholders, you have seen your Regional stock climb from a 1982 low of \$0.80 to over \$5.00 a share . . . As directors, we see a company in excellent financial health with almost \$2.8 million in working capital and no debt."*



*"... an excellent development project, several promising new properties under investigation, a healthy balance sheet and competent management which has structured its deals to preserve shareholder equity."*

Such assessments are gratifying, yet perhaps the best barometer of Midway's potential is the enthusiastic participation of our optionees, Amax of Canada Limited and Procan Exploration Company. To date, these two companies have contributed approximately \$3.0 million towards Midway exploration and, with a further expenditure of \$1.0 million during 1983, they will together earn a 49% interest in the property. A description of the Midway Agreement follows this report.

In addition to Midway, Regional has several other excellent mineral properties at various stages of exploration. Meister, a promising zinc-lead-silver prospect located approximately 15 miles north of Midway, was recently optioned to Getty Canadian Metals, Limited. Another property of proven potential is Logjam Creek, a tungsten-molybdenum property currently under option to Amax of Canada Limited, but temporarily on hold pending a market recovery of those commodities. The Logjam Creek property is 40% owned by Logtung Resources Ltd., which became a wholly owned Regional subsidiary in June 1982 by the issue of one share of Regional for each of the 2,039,000 issued shares of Logtung.

It is significant to note that Midway, Meister, Logjam and the other Regional properties were all discovered by the grass roots exploration professionals of Cordilleran Engineering and financed primarily by the Company, whose mutual philosophy is 'stick to what we do best'. The enviable strength of our property portfolio, which includes many significant mineral discoveries, is a tribute to the success of that philosophy.

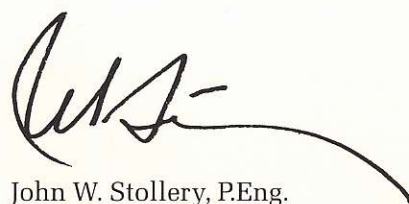
Following the acquisition of Logtung, the Company's year-end was changed

from September 30 to January 31 to coincide with that of Logtung and better facilitate financial reporting.

The year 1982 was indeed remarkable. As shareholders, you have seen your Regional stock climb from a 1982 low of \$.80 to over \$5.00 per share at the time of this writing. As directors, we see a company in excellent financial health with \$2.8 million in working capital and no debt. On March 3, 1983, Regional shares were listed for trading on The Toronto Stock Exchange.

With forecasts of very bullish precious metal markets ahead, 1983 promises to be another landmark year.

On behalf of the Board,



John W. Stollery, P.Eng.  
President  
March 31, 1983



#### **Midway Agreement**

*By Agreement dated January 31, 1981 Regional granted to Amax of Canada Limited, a wholly owned subsidiary of Amax Inc., the right to earn a 49% interest in the Company's Midway property by paying the Company \$600,000 and expending \$4,000,000 on the property. To date, Regional has received the \$600,000 and approximately \$1,000,000 is required to be expended by February 28, 1984 in order to earn the initial 49% interest. After earning the initial interest Amax may purchase an additional 11% interest by paying Regional \$2,600,000 and granting Regional a 4% net smelter return from 60% of production.*

*Amax assigned 50% of its interest to Procan Exploration Company, a partnership of Nelson Bunker Hunt, William Herbert Hunt and Lamar Hunt.*

*Amax sold its interest in the Midway project to Canamax Resources Inc. Regional objected to this sale on the basis that it was contrary to the provisions of the agreement made January 31, 1981 which precluded any sale or assignment until after Amax earned the initial 49% interest, and was detrimental to the best interests of Regional. By letter agreements*

*dated March 4, 1983 it was agreed that Regional would consent to the sale and, upon the \$4,000,000 being expended resulting in Canamax earning the initial 49%, Canamax would purchase the additional 11% interest. Regional and Canamax also agreed to offer the other full and complete prior discussion of proposed joint programs and make a whole-hearted effort to reach agreement thereon, failing which, differences would be submitted to arbitration.*

*The letter agreements of March 4, 1983 were subject to completion of a public financing by Canamax prior to April 30, 1983. In a press release dated March 24, 1983 Canamax announced it had decided not to proceed with the financing referred to in its prospectus dated March 10, 1983.*

*On March 26, 1983 Procan Exploration Company issued a Writ of Summons seeking a declaration that the letter agreements of March 4, 1983 were null and void.*

*If the Canamax financing is not completed by April 30, 1983, the original agreement of January 31, 1981 will continue in effect.*





**L**ocated on the British Columbia-Yukon border, 75 road miles west of Watson Lake, Yukon Territory, the Midway Property hosts a silver-zinc-lead deposit staked in 1980. The claims cover some 67,000 acres and are accessible by road from the Alaska Highway.

A 1981 program of geophysical surveys, mapping, geochemical sampling, prospecting, trenching and diamond drilling (six holes) identified three strongly mineralized zones in the discovery area. In 1982, a 15-hole diamond drilling program produced spectacular results and revealed the lower zone to be a very high grade silver-zinc-lead massive sulphide deposit.

Of the 21 holes drilled to date, 15 have intersected significant lower zone mineralization. Intercepts range up to 30 feet in thickness over an area of 1,500 feet by 2,000 feet. An overlying shale sequence rests unconformably upon mid-to-late Devonian limestone, which is characterized by collapse and solution breccias which host massive sulphides similar in character to those of a Mississippi Valley-type deposit.

Preliminary estimates suggest a geological reserve in the lower zone in the order of 3.6 million tons (860,000 being drill-indicated and 2.74 million tons being geologically inferred) with an estimated average grade of 12 ounces of silver per ton and 19% combined zinc-lead. The deposit has not been fully delineated and potential exists for greater tonnage. It is expected that drilling in the 1983 field season will expand reserves.

The discovery area also has two shale-hosted mineral horizons, referred to as the upper and discovery zones, with potential to add to reserves.

Plans for 1983 call for the expenditure of a minimum \$1.0 million, primarily for diamond drilling. At least 17,000 feet of drilling will further define and expand reserves.

## Midway Property

***"The Midway Project is one of the most significant new silver discoveries in recent Canadian mining history."***

M. Pickens/R. Sibthorpe, April 1983, Research Report  
(Midland Doherty Limited)

***"Our confidence in the management of the company and in the geological potential of the property is such that we expect that current drill-indicated reserves at Midway will be significantly expanded . . . The Midway property can be viewed as a long-term call on silver, an attribute difficult to find in a Canadian stock. Midway appears to be an exceptional mineral property . . . There are few large Canadian mineral deposits with grades comparable to those at Midway. Other Mississippi Valley-type lead-zinc deposits, such as Cominco's Pine Point and Polaris deposits, are poor in silver. These facts illustrate the remarkable nature of the mineralization at Midway."***

R. Goldie, December 6, 1982, Canadian Research Report  
(Richardson Greenshields of Canada Limited)





*Aerial view of the Midway silver-zinc-lead discovery area where drilling to date has outlined geological reserves of 3.6 million tons grading 12 ounces of silver per ton and 19% combined zinc-lead.*





The 1983 program will be funded by Amax of Canada Limited and Procan Exploration Company, which together will have expended \$4.0 million on Midway and paid Regional \$600,000 to earn a 49% interest in the property by February 28, 1984. After Amax and Procan earn the initial 49%, further expenditures will be on a pro rata joint venture basis.

If positive drilling results continue as anticipated, an underground exploration program is expected to be undertaken in 1984.

Preliminary exploration on the balance of the Midway Property has identified six high priority silver-zinc-lead targets which warrant further work. The potential for locating other massive sulphide bodies is excellent.

A bedded barite occurrence seven miles north of the discovery area has been explored by trenching and four diamond drill holes. Reserves of 200,000 tons of readily accessible, high quality barite are indicated.

*Cordilleran Engineering prospector Ed Balon at the Midway discovery showing, October 17, 1980.*



### Midway Lower Zone Assay Results

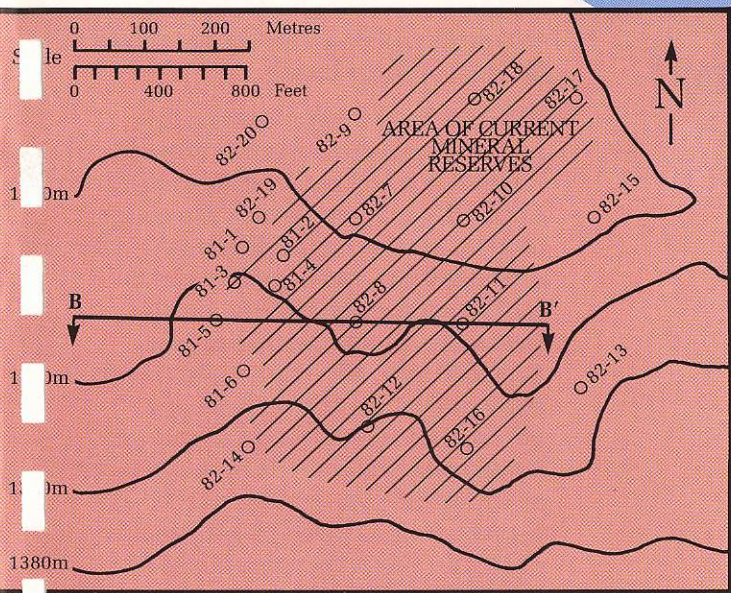
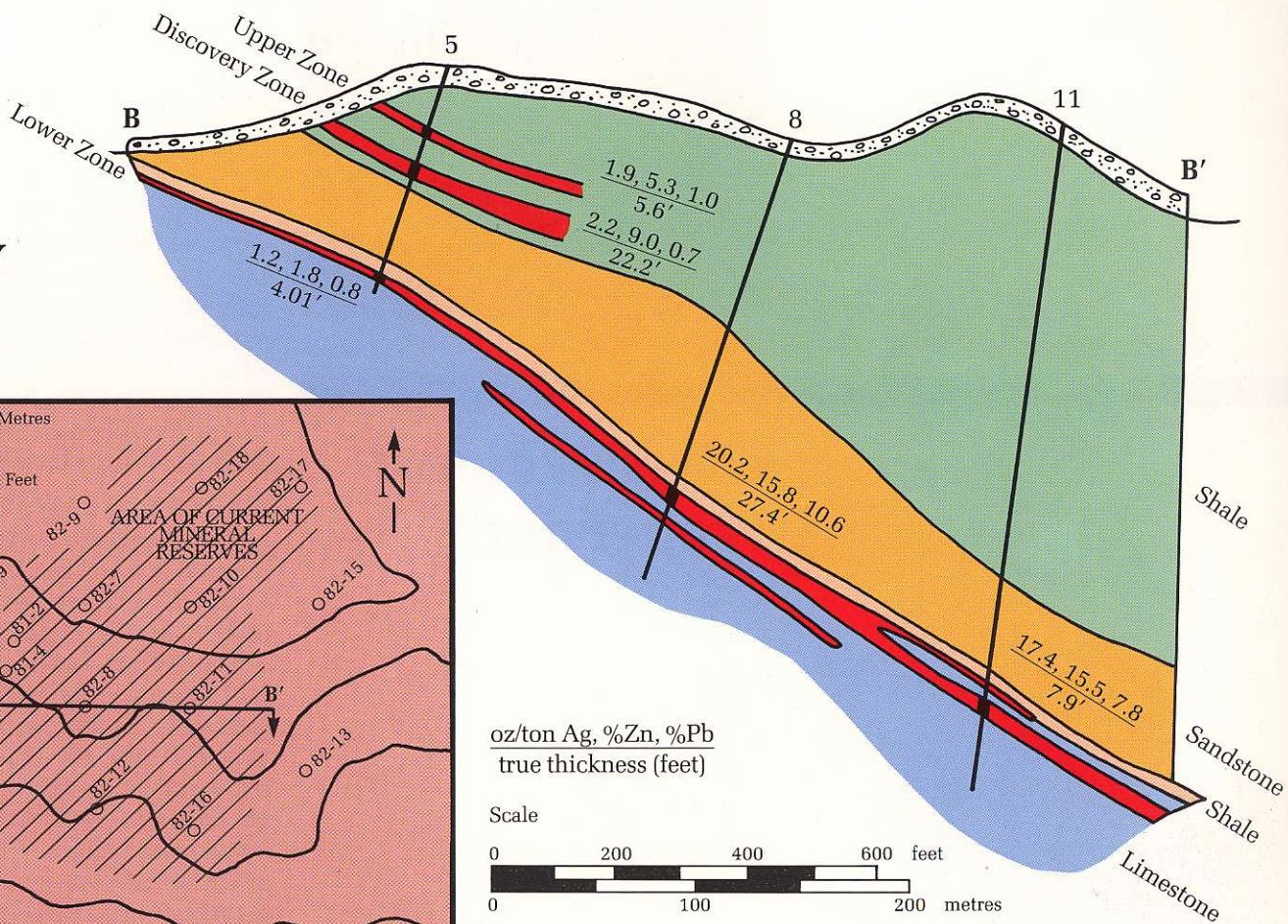
DDH	Length (ft)	% Zinc-Lead	oz/ton Silver
81-1	4.0	9.86	4.38
81-2	3.1	4.72	2.91
81-3 <sup>†</sup>	8.0	15.24	14.14
81-5	4.3	2.65	1.24
82-7 <sup>†</sup>	16.4	7.92	11.05
82-8 <sup>†</sup>	29.2	26.38	20.15
82-9	1.3	14.56	3.40
82-10 <sup>†</sup>	18.7 <sup>*</sup>	13.90	11.30
82-11 <sup>†</sup>	8.9	23.34	17.40
82-12 <sup>†</sup>	5.0	14.27	13.15
82-13	0.5	16.25	8.40
82-16 <sup>†</sup>	14.8	32.08	10.75
82-17 <sup>†</sup>	4.6	23.17	13.80
82-18 <sup>†</sup>	8.2	9.78	4.75
82-20	2.3	13.85	2.80

<sup>\*</sup> assays based on 9.5 feet of core recovered

<sup>†</sup> used to calculate mineral reserves



# MIDWAY DISCOVERY AREA



Diamond drill on Midway discovery area where 1983 drilling will be focused.





**Meister** (Zinc, lead, silver  
– 376 Yukon claims)

Located 15 miles north of the Midway Property and seven miles from the Alaska Highway, these claims hold considerable mineral potential.

Two years of exploration have revealed oxidized massive sulphide mineralization on surface, with selected samples yielding values up to 41.93% zinc, 0.08% lead and 5.2 ounces of silver per ton. Geophysical and geochemical results indicate that mineralization may extend over several thousand feet of strike length.

The Meister Property was recently optioned to Getty Canadian Metals, Limited, a wholly owned subsidiary of Getty Oil Company, which can earn a 50% interest by paying Regional a total of \$1.0 million and expending \$4.5 million on further exploration by December 31, 1987. Getty has paid \$200,000 and will finance additional geochemical sampling, extensive gravimetric surveying, trenching and subsequent diamond drilling in 1983 at an estimated cost of \$600,000. No expenditures are required by Regional until a production decision is made.

**Logjam Creek** (Tungsten,  
molybdenum – 187 Yukon claims,  
98 B.C. claim units)

This large-tonnage deposit, located 50 miles east of Teslin, Yukon, is 40% owned by Logtung Resources Ltd., a Regional subsidiary. The remaining 60% is held by Amax of Canada Limited which, since 1979, has paid Logtung \$1.0 million and spent \$5.1 million developing the 13,540-acre property.

Fifty-one drill holes and 1,628 feet of tunneling have indicated geological reserves amenable to open-pit mining of 254 million tons grading 0.104% tungsten trioxide and 0.050% molybdenum disulphide. With an increase in price and market demand for tungsten, this deposit could become commercially feasible.

## Other Mineral Properties

*“Two years of exploration [on Meister] have revealed oxidized massive sulphide mineralization on surface, with selected samples yielding values up to 41.93% zinc, 0.08% lead and 5.2 ounces of silver per ton. Geophysical and geochemical results indicate that mineralization may extend over several thousand feet of strike length.”*



**Cap** (Zinc, lead, silver – 100 B.C. claim units)

Staked in 1982, this new prospect is 15 miles south of Midway within the same stratigraphic belt. The results of an airborne geophysical survey are similar to those from mineralized areas at Midway; reconnaissance geochemistry returned encouraging zinc and barium values.

Recently, Regional optioned a 100% interest in the property to a junior resource company listed on the Vancouver Stock Exchange. Terms of the agreement include a commitment to spend \$100,000 on exploration in 1983, payment of \$50,000 and issuance of

100,000 shares of the company to Regional. Regional will retain a 10% net profits interest.

**Blue** (Lead, zinc, silver – 81 B.C. claim units)

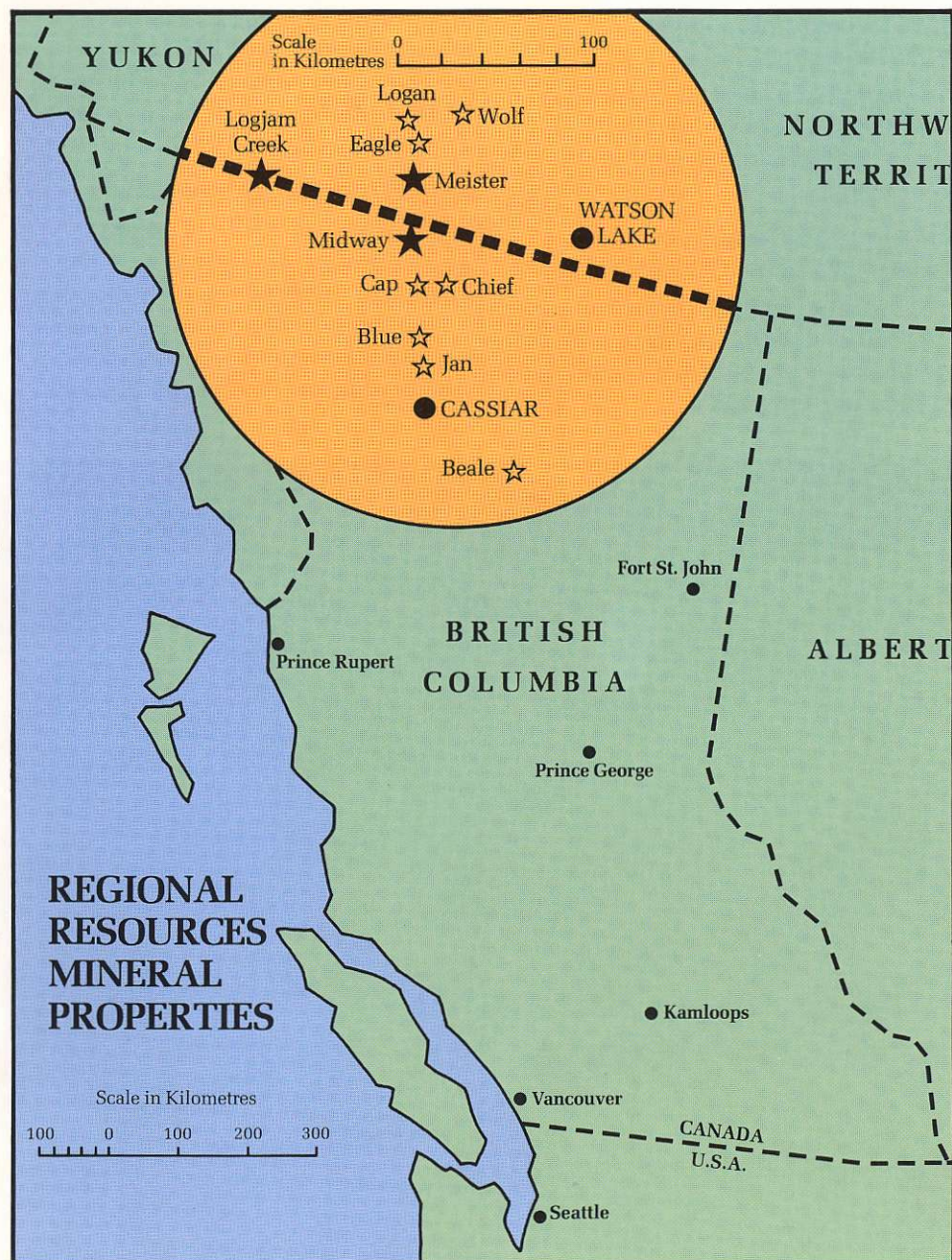
Featuring the same stratigraphy as Midway, Blue is located 18 miles north of Cassiar, B.C. This past year, geochemical surveying and mapping defined several target areas along a five mile strike length of favourable host rocks.

**Chief** (Lead, zinc, silver, barite – 392 B.C. claim units)

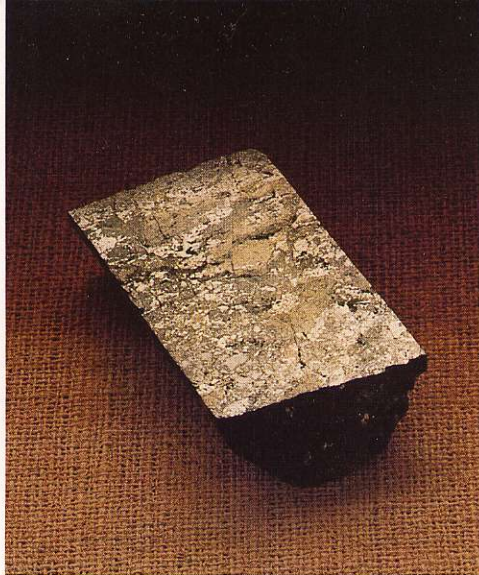
The considerable potential of this area, part of the geological belt which trends



*Helicopter-supported reconnaissance exploration will continue in 1983.*







**Eagle** (Zinc, lead, silver, copper – 32 Yukon claims)

Boulders of massive sulphide mineralization have been found on this property. Several anomalous zones have been outlined and further geophysical evaluation is warranted.

**Beale** (Gold, silver, lead, zinc – 80 B.C. claim units)

In 1982, limited prospecting and sampling revealed several gold and silver bearing veins. This property is located 28 miles southeast of the productive gold operations near Cassiar, B.C.

**Jan** (Zinc, lead, silver – 45 B.C. claim units)

In 1982, a program of geochemical sampling and geological mapping located bedded barite and indicated good zinc, lead and silver potential in the same stratigraphy that hosts the Midway mineralization.

### 1983 Prospecting Program

Regional has engaged Cordilleran Engineering to carry out a \$425,000 program of reconnaissance exploration in 1983. Similar programs in previous years have provided your Company with all of its mineral property assets.

through Midway to Blue, was further enhanced by airborne geophysical surveying, extensive soil geochemistry and geological mapping in 1982. Bedded barite and additional massive sulphide float were located.

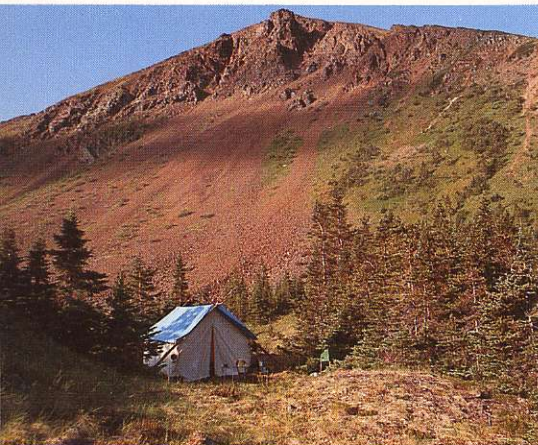
**Logan** (Silver, zinc, copper, lead, tin – 36 Yukon claims)

Geochemical sampling and trenching in 1982 located a second area with potential for further high grade vein mineralization.

**Wolf** (Zinc, lead, silver, gold, copper, tungsten – 52 Yukon claims)

Stratiform zinc, lead, silver and minor copper mineralization occur in out-crop. An overlying pyritic bed contains gold and tungsten values.

*Below: Exploration camp on the Beale gold-silver-lead-zinc property southeast of Cassiar, B.C. Bottom: Trench on discovery showing of the Blue lead-zinc-silver property.*

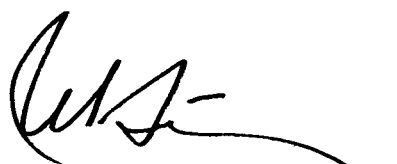





# Consolidated Balance Sheet

	January 31, 1983	September 30, 1982
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and term deposits	\$2,081,522	\$2,078,860
Accounts receivable	31,646	191,549
Prepaid expenses	2,383	—
	2,115,551	2,270,409
<b>Long-term Investment</b> , at nominal value		
20% interest in Render Resources Ltd.	10,000	10,000
<b>Resource Properties</b> (note 2)	2,745,724	2,704,805
	<b>\$4,871,275</b>	<b>\$4,985,214</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 13,118	\$ 7,370
Bank loan	—	120,000
	13,118	127,370
<b>Unrealized Foreign Exchange Gain</b>	4,358	4,045
<b>Deferred Income Taxes</b>	74,573	74,573
<b>Minority Interests</b>	21,070	21,070
<b>SHAREHOLDERS' EQUITY</b>		
<b>Capital Stock</b> (note 3)		
Authorized		
50,000,000 preferred shares without par value		
15,000,000 common shares without par value		
Issued		
3,958,100 common shares	4,758,156	4,758,156
	<b>\$4,871,275</b>	<b>\$4,985,214</b>

Approved by the Board

 Director  
 Director

## REGIONAL RESOURCES LTD.

**Consolidated  
Statement of Deferred  
Exploration,  
Development and  
Administration  
Expenditures**

	Four months ended January 31, 1983	Year ended January 31, 1983	Year ended September 30, 1982
	(unaudited)		
Exploration and development expenditures	\$138,992	\$593,647	\$565,930
Administration expenditures			
Advertising and promotion	830	3,654	3,099
Audit and accounting	9,400	24,625	15,225
Capital tax	4,907	8,942	4,035
Consulting fees	—	2,400	3,408
Dues and subscriptions	545	1,161	697
Insurance	142	142	—
Interest and bank charges	4,460	6,129	1,670
Legal	11,069	57,520	46,824
Management fees	—	21,500	25,500
Office rent and services	11,000	43,873	37,673
Printing, stationery and office expenses	5,533	24,991	20,469
Stock exchange fees	75	945	870
Telephone and postage	671	1,956	1,320
Transfer fees	8,021	18,595	12,183
Travel	4,137	5,159	1,022
	60,790	221,592	173,995
Total expenditures	199,782	815,239	739,925
Less revenue			
Option payments received	75,000	175,000	100,000
Interest	84,068	272,919	241,520
	159,068	447,919	341,520
	40,714	367,320	398,405
Balance at beginning of period	920,197	593,591	521,792
<b>Balance at end of period</b>	<b>\$960,911</b>	<b>\$960,911</b>	<b>\$920,197</b>

## REGIONAL RESOURCES LTD.

**Consolidated  
Statement of Changes  
in Financial Position**

	Four months ended January 31, 1983	Year ended January 31, 1983	Year ended September 30, 1982
		(unaudited)	
<b>Working capital derived from</b>			
Increase in unrealized foreign exchange gain	\$ 313	—	\$ 2,921
Issue of shares to acquire subsidiary	—	\$3,058,500	3,058,500
Shares issued for 1981 Canadian Exploration Expenditure program	—	87,248	198,524
Proceeds from partial disposition of oil and gas interests	—	56,098	56,098
	313	3,201,846	3,316,043
<b>Working capital applied to</b>			
Additions to resource properties			
Acquisition of oil and gas interests	205	3,302	63,381
Deferred exploration, development and administration expenditures			
Mineral interests	42,224	368,830	398,405
Oil and gas interests	(1,510)	(1,510)	—
Acquisition of subsidiary, less working capital of \$1,289,153 acquired	—	1,769,347	1,769,347
	40,919	2,139,969	2,231,133
<b>Increase (decrease) in working capital</b>	(40,606)	1,061,877	1,084,910
<b>Working capital at beginning of period</b>	2,143,039	1,040,556	1,058,129
<b>Working capital at end of period</b>	\$2,102,433	\$2,102,433	\$2,143,039

# Notes to Consolidated Financial Statements

Four months ended January 31, 1983

## REGIONAL RESOURCES LTD.

### 1. Accounting Policies

#### (a) Principles of consolidation

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiary companies, Logtung Resources Ltd., Regional Resources, Inc. and Swift River Resources Ltd.

#### (b) Foreign exchange

All accounts in foreign currencies have been translated to Canadian dollars using the exchange rate as at January 31, 1983. Gains or losses on translation are deferred.

#### (c) Resource properties

The company is in the development stage and defers all exploration, development and administration expenditures less recoveries relating to resource properties until such time as the properties are put into commercial production, sold or abandoned.

The amounts shown for resource properties represent costs to date less recoveries and are not intended to reflect present or future values. The company does not accrue the estimated future costs of maintaining its resource properties in good standing.

### 2. Resource Properties

#### (a) Midway property — Watson Lake Mining District, Yukon Territory and Liard Mining Division of British Columbia

The company has granted Amax of Canada Limited a first option to earn a 49% interest and a second option to earn a further 11% interest in the Midway property. Under the terms of the agreement once Amax has paid the company \$600,000 and spent \$4,000,000 in exploration expenditures it will have earned a 49% interest in the property. If the second option is exercised the purchase price will consist of cash and a non-interest bearing promissory note payable 30 days after demand totalling the difference between all prior cash payments and \$3,200,000 and a 4% royalty of net smelter returns from 60% of production. At January 31, 1983 Amax had paid the company \$300,000 and had incurred approximately \$2,870,000 in exploration expenditures. On February 28, 1983 Amax paid the company \$300,000 thereby fulfilling its requirement for payments under the first option. On March 4, 1983 the company consented to Amax selling its interest in the property to Canamax Resources Inc., a subsidiary of Amax, subject to Canamax completing a public financing. As part of the agreement Canamax agreed to exercise the second option within 15 days notice from the company that \$4,000,000 in exploration expenditures had been incurred. Once \$4,000,000 of exploration expenditures have been incurred the company will fund future exploration expenditures on the basis of its interest in the property or convert its interest to a 15% net profits royalty.

#### (b) Logjam Tungsten property — Watson Lake Mining District, Yukon Territory and Atlin Mining District of British Columbia

Amax may acquire a 60% interest in the Logjam Tungsten property by paying \$1,000,000 and incurring \$2,000,000 in exploration costs by March 1, 1983. If Amax incurs exploration costs in excess of \$2,000,000 then within 120 days from receipt of notice from Amax that it has earned its

60% interest the company must either pay to Amax 40% of such excess expenditures or convert its interest to a 20% net profits royalty. At January 31, 1983 Amax had expended on exploration a total of approximately \$5,220,000. On March 1, 1982 and on March 1, 1983 Amax paid the company \$200,000 thereby fulfilling its requirement for payments to the company. As at March 4, 1983 Amax had not given notice of its intention to earn their 60% interest. On March 4, 1983 the company consented to Amax selling its interest in the property to Canamax.

(c) Meister property — Watson Lake Mining District, Yukon Territory

The company has granted Getty Canadian Metals, Limited an option to earn a 50% interest and a second option to earn a further 10% interest in the Meister property. Under the terms of the agreement Getty must pay the company \$1,000,000 and spend \$4,500,000 in exploration expenditures on the property by December 31, 1987 in order to earn the 50% interest in the property. Getty will earn a further 10% interest in the property by paying the company an additional \$200,000 and funding 100% of exploration expenditures on the property until a production decision is made. At January 31, 1983 Getty had paid the company \$75,000. On February 1, 1983 Getty paid the company a further \$125,000.

Resource properties consist of the following:

	Cost	Deferred exploration, development and administration expenditures	Total
Mineral interests	\$1,684,681	\$961,796	\$2,646,477
Oil and gas interest	100,132	(885)	99,247
	\$1,784,813	\$960,911	\$2,745,724

### 3. Capital Stock

220,000 common shares are reserved for director options and 100,000 common shares are reserved as field exploration incentive options exercisable until May 31, 1987 at \$1.75 per share. On February 2, 1983 10,000 shares were issued for cash consideration of \$17,500.

On a cumulative basis capital stock has been issued for the following consideration:

	Shares	Net consideration
Resource properties	605,000	\$ 423,286
Cash	2,064,600	3,177,120
Shares of Logtung Resources Ltd.	2,039,000	3,058,500
	4,708,600	6,658,906
Less shares held by subsidiary company	750,500	1,900,750
	3,958,100	\$4,758,156

#### 4. Income Taxes

Certain resource properties were acquired in exchange for the issuance of shares at a deemed consideration of \$411,439 pursuant to the provisions of subsection (85)(1) of the Income Tax Act. As a consequence of acquiring the properties in this manner, the adjusted cost base of the resource properties at the date of acquisition is nil for income tax purposes.

#### 5. Related Party Transactions

Two directors are partners in the engineering firm retained by the company for exploration and development. The engineering firm received \$66,531 (1982 — \$177,155) as management and consulting fees during the period.

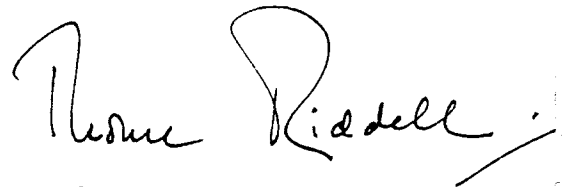
A director is a partner in the law firm retained by the company which received \$11,069 (1982 — \$46,824) for legal services provided during the period.

To the Shareholders of Regional Resources Ltd.

We have examined the consolidated balance sheet of Regional Resources Ltd. as at January 31, 1983 and the consolidated statements of deferred exploration, development and administration expenditures and changes in financial position for the four months then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at January 31, 1983 and the results of its operations and the changes in its financial position for the four months then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

## *Auditors' Report*



Chartered Accountants

Vancouver, Canada

March 4, 1983

# Corporate Information

# 3

## 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:  
1,003,100 common shares  
(consolidated)  
Preferred — nil

## 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.

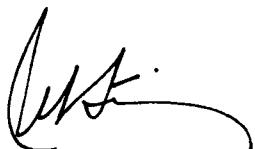
The objectives of the 1983 drilling — to expand reserves, to identify an area for underground exploration and to expand the overall property potential — were accomplished. Calculation of mineral reserves and planning for the 1984 program are now underway.

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.

# Consolidated Financial Statements (unaudited)

## Deferred Exploration, Development and Administration Expenditures

	Three months ended October 31, 1983	Nine months ended October 31, 1983
<b>Expenditures</b>		
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>
<b>Total expenditures</b>	<u>207,025</u>	<u>681,316</u>
<b>Revenue</b>		
Interest income	55,429	177,692
Option payments	—	715,000
<b>Net expenditures (recovery)</b>	151,596	(211,376)
<b>Balance beginning of period</b>	597,940	960,912
<b>Balance end of period</b>	<u>\$ 749,536</u>	<u>\$ 749,536</u>

## Changes in Financial Position

	Three months ended October 31, 1983	Nine months ended October 31, 1983
<b>Working capital derived from</b>		
Issue of shares	\$ —	\$ 78,750
<b>Working capital applied to</b>		
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>
<b>Increase (decrease) in working capital</b>	(151,752)	289,746
<b>Working capital beginning of period</b>	2,543,931	2,102,433
<b>Working capital end of period</b>	<u>\$2,392,179</u>	<u>\$2,392,179</u>



# Corporate Data

## **Directors & Officers**

John W. Stollery  
President & Director  
Kenneth G. Hanna  
Secretary & Director  
Vaughan S. Bruneau  
Director  
Owen S. Hairsine  
Director  
Garth Olmstead  
Director

## **Head Office**

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Telephone (604) 669-3398

## **Registered & Records Office**

24th Floor  
1066 West Hastings Street  
Vancouver, B.C.  
V6E 3X1

## **Auditors**

Thorne Riddell  
1177 West Hastings Street  
Vancouver, B.C.  
V6E 2L9

## **Registrar & Transfer Agent**

Guaranty Trust Company  
Vancouver, Regina,  
Winnipeg, Toronto

## **Geological Consultants**

Cordilleran Engineering  
1418-355 Burrard Street  
Marine Building  
Vancouver, B.C.  
V6C 2G8

## **Solicitors**

Barbeau, McKercher,  
Collingwood & Hanna  
24th Floor  
1066 West Hastings Street  
Vancouver, B.C.  
V6E 3X1

## **Bank**

Bank of Montreal  
Marine Building Branch  
385 Burrard Street  
Vancouver, B.C.  
V6C 2J4

## **Share Listings (RGL)**

The Toronto Stock Exchange  
Vancouver Stock Exchange

## **Capitalization**

Authorized:  
15,000,000 common shares  
50,000,000 preferred shares  
Issued:  
3,968,100 common shares (consolidated)  
Preferred – nil

## **Annual General Meeting**

Wednesday, May 18, 1983  
2:00 p.m.  
Holiday Inn Harbourside  
Victoria Room  
1133 West Hastings Street  
Vancouver, B.C.  
V6E 3T3



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*Regional Resources Ltd.*

1418-355 Burrard Street  
Marine Building  
Vancouver, B.C.  
V6C 2G8

# Regional Resources Ltd.

1418-355 Burrard Street, Marine Building, Vancouver, B.C. V6C 2G8  
Telephone: (604) 669-3398

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NEWS

For Release: December 5, 1983

Contact: J. W. Stollery

(604) 669-3398

## MIDWAY Silver, Zinc, Lead Property

The 1983 program results have increased the estimated geological reserves at Midway to 4.3 million tons grading 10.5 ounces of silver per ton and 17% combined zinc lead using similar parameters as the 1982 estimate. The reserves were calculated from results of drilling to date in the Discovery and Silver Creek areas. No reserves have been attributed to Silvertip Hill where hole 83-40 intersected high grade mineralization.

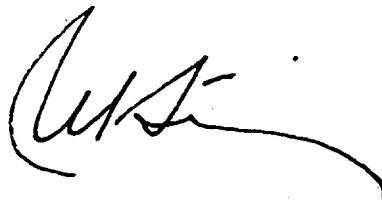
The potential for locating additional reserves is considered to be excellent. The Discovery, Silver Creek and Silvertip Hill deposit(s) remain open to further expansion.

The mode of occurrence of the mineralization indicates that detailed exploration in the form of an underground program will be required to place the currently estimated reserves into probable and proven categories. The 1984 program will therefore be directed toward expansion and improved definition of mineral reserves.

Exploration of the Midway property is being funded under a joint-venture agreement between Regional, Canamax Resources, Inc. and Procan Exploration Company. Regional is the operator with a 51% interest. Canamax and Procan have together acquired a 49% interest by expending \$4 million on exploration and paying Regional \$600,000, and have an option exercisable until March 1, 1984 to purchase an additional 11% interest for a total of 60% by paying Regional \$2.6 million and a 4% Net Smelter Return from 60% of production.

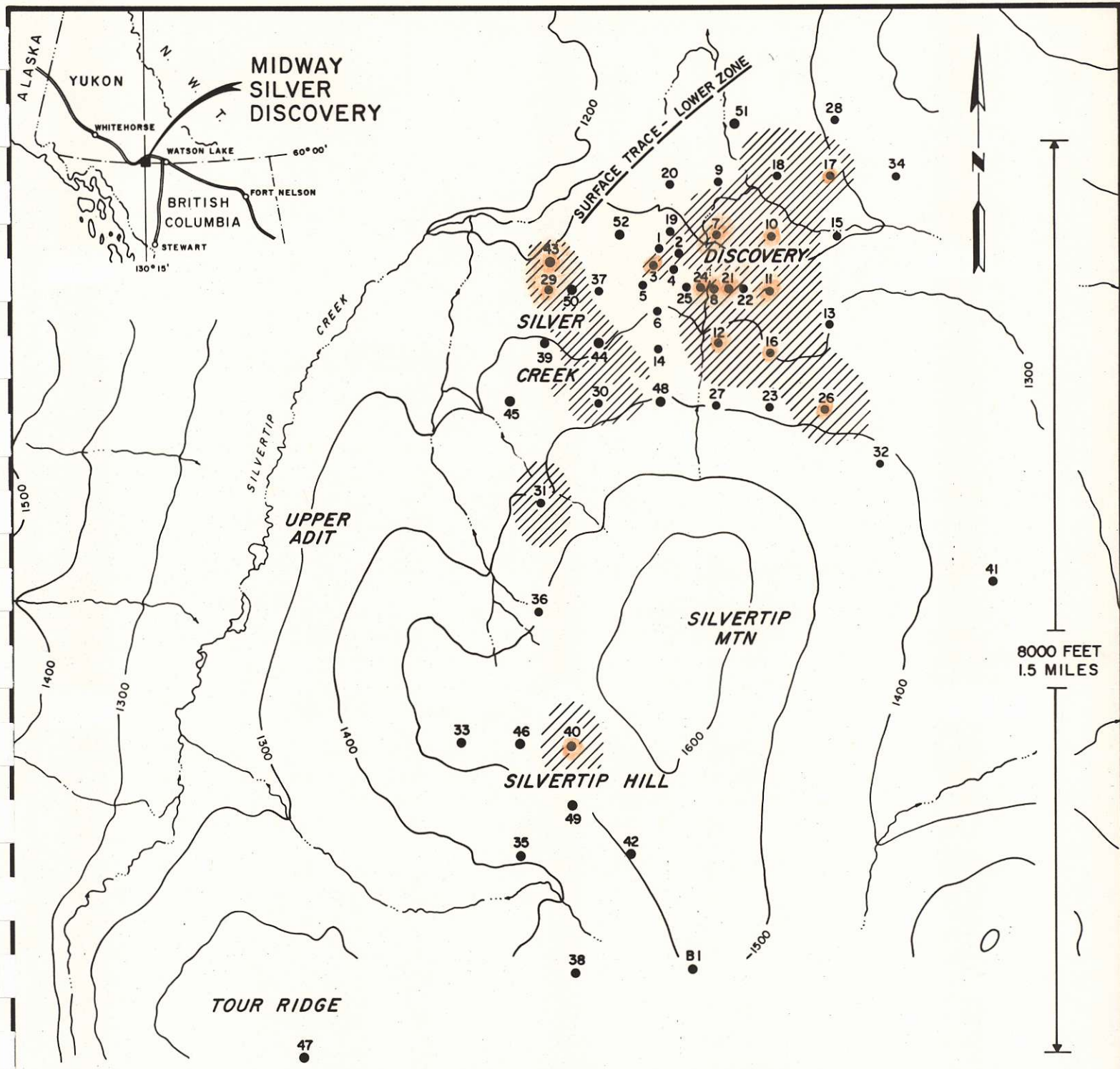
Regional Resources is listed on the Toronto and Vancouver Stock Exchanges under the symbol RGL.

REGIONAL RESOURCES LTD.



By: John W. Stollery, President





### SUMMARY OF LOWER ZONE INTERSECTIONS

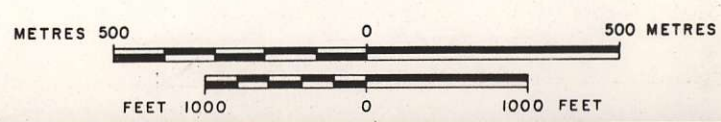
DDH	Inclination	Azimuth	FROM-TO (ft)	LENGTH (ft)	ZINC %	LEAD %	ZINC-LEAD %	SILVER oz/ton	DDH	Inclination	Azimuth	FROM-TO (ft)	LENGTH (ft)	ZINC %	LEAD %	ZINC-LEAD %	SILVER oz/ton
81-1	-70°	330°	406.0- 410.0	4.0	6.92	4.06	10.98	4.89	83-31	-80°	270°	1545.0-1548.9	3.9	3.55	4.20	7.75	5.05
81-2	-70°	300°	465.9- 469.0	3.1	3.02	1.70	4.72	2.91	83-40	-80°	270°	1043.0-1049.7	6.7	6.60	4.34	10.94	10.10
81-3	-70°	300°	373.1- 381.1	8.0	5.24	11.80	17.04	16.18				1454.1-1455.0	0.9	1.69	48.27	49.96	68.20
81-5	-70°	300°	386.6- 390.9	4.3	1.87	0.86	2.73	1.27	83-43	-80°	270°	64.6- 77.7	13.1	1.35	10.15	11.50	14.10
82-7	-70°	270°	633.6- 650.0	16.4	4.85	3.07	7.92	11.05	83-44	-80°	270°	433.2- 438.8	5.6	7.32	1.65	8.97	3.80
82-8	-70°	270°	671.3- 700.5	29.2	15.80	10.58	26.38	20.15	83-50	-80°	270°	157.1- 195.5	38.4	0.50	1.51	2.01	3.31
			743.1- 746.4	3.3	10.10	14.15	24.25	24.00				208.0- 217.2	9.2	11.05	0.23	11.28	0.39
82-9	-70°	270°	650.6- 651.9	1.3	13.31	1.25	14.56	3.44									
82-10	-70°	270°	823.2- 841.9	18.7	5.95	7.95	13.90	11.30									
			805.8- 813.3	7.5	6.30	0.86	7.16	4.55									
82-11	-80°	270°	1037.1-1046.0	8.9	15.54	7.80	23.34	17.40									
82-12	-70°	270°	935.0- 940.0	5.0	6.95	7.48	14.43	12.98									
82-13	-90°		1723.4-1723.9	0.5	11.00	5.25	16.25	8.37									
82-16	-80°	270°	1257.9-1281.8	23.9	18.96	5.63	24.59	9.52									
82-17	-80°	270°	1584.1-1588.7	4.6	21.39	1.78	23.17	13.80									
82-18	-80°	270°	1015.8-1024.0	8.2	7.40	2.38	9.78	4.75									
82-20	-80°	270°	532.5- 534.8	2.3	12.00	1.85	13.85	2.76									
83-21	-70°	270°	761.0- 774.6	13.6	7.45	5.90	13.35	8.13									
			861.9- 876.8	14.9	14.07	17.44	31.51	25.15									
83-23	-80°	270°	1694.3-1696.9	2.6	9.55	0.19	9.74	1.64									
83-24	-70°	270°	671.8- 673.9	2.1	8.30	11.20	19.50	19.80									
			687.7- 693.6	5.9	6.80	4.60	11.40	7.31									
83-26	-80°	270°	1853.7-1860.3	6.6	31.00	0.05	31.05	0.45									
83-27	-80°	270°	1254.3-1259.5	5.2	1.92	3.01	4.93	4.75									
83-29	-80°	270°	212.9- 223.4	10.5	14.92	11.43	26.35	18.10									
82-30	-80°	270°	901.2- 904.8	3.6	11.10	0.30	11.40	5.28									

\*Assay based on 9.5 feet of core recovered

#### LEGEND

- DIAMOND DRILL HOLE
- TOPOGRAPHIC CONTOUR IN METRES
- CREEK
- ▨ SILVER, ZINC, LEAD DEPOSIT

REGIONAL RESOURCES LTD.  
**DIAMOND DRILL HOLE PLAN**  
**MIDWAY**  
**SILVER ZINC LEAD PROPERTY**



# Regional Resources Ltd.

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Telephone: (604) 669-3398

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## NEWS

**For Release:** January 13, 1984

**Contact:**

J. W. Stollery

(604) 669-3398

### MIDWAY Silver, Zinc, Lead Property

Regional is pleased to announce that Canamax Resources Inc. and Procan Exploration Company have formally confirmed that they will not exercise their second option to acquire an additional 11% interest in the Midway property by paying Regional \$2.6 million and a 4% Net Smelter Return from 60% of production.

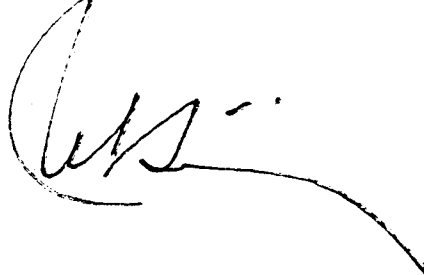
Regional now maintains control and management of the property through its 51% interest.

Canamax has proposed a \$1.15 million 1984 program for surface diamond drilling in preparation for underground exploration. Regional is studying the proposal and may implement a considerably larger first-phase program to include underground development.

Regional has held preliminary discussions with two major mining companies interested in participating in the Company and/or the Midway property. Regional's 51% interest in Midway will clearly improve the probability of finalizing these negotiations in the near future.

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REGIONAL RESOURCES LTD.



By: John W. Stollery, President