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**CORPORATE PROFILE**


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# Reg Resources Corp.

## THE COMPANY:

Reg Resources Corp. was founded in 1982 with the objective to acquire, explore and develop mineral properties. The company is backed by a group of persons with strong mining, financial and administrative backgrounds. Since its inception, Reg Resources acquired mineral properties in several Mining Divisions of British Columbia, all attractively located near significant discoveries made by other companies. In 1984, the company diversified its activities through the acquisition of a working interest in a producing oil and gas property in Texas, U.S.A., from which Reg Resources now receives a monthly cash flow.

The 1985 mineral exploration program is concentrated on the company's Silverknife Claims, where a 30-day drilling program is being prepared now and is to commence in the first week of June. This property is adjacent to REGIONAL RESOURCES LTD.'s "Midway" orebody, where, only 500 meters from the Silverknife Claims, a substantial lead, zinc, and silver discovery was made.

It is the objective of the management team, headed by President Mr. John G. Robertson, to build Reg Resources Corp. into a financially strong company with extensive holdings in precious metals mineral properties, oil & gas properties, and possibly other diversifications.

The shares of Reg Resources Corp. are listed on the Vancouver Stock Exchange (stock symbol RRE.V).

## THE PROPERTIES:

### 1. FLY 1,2,3,4,2-A AND AG 1,2 CLAIMS.

These claims were acquired in 1982 and 1983 and are situated in the Liard Mining Division of British Columbia, 10 kilometers west of Regional Resources' Midway property. These claims are 100 % owned by Reg Resources, subject to a 50/50 joint venture agreement with Teryl Resources Corp..

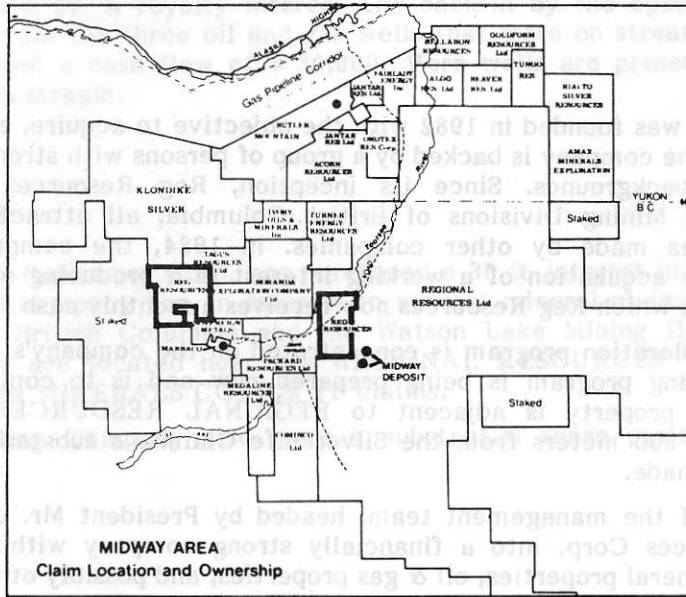
In 1979 the AG claims were explored by Dupont Explorations; on these claims Dupont revealed a lead, zinc, silver anomaly which was trenched, and this work revealed a high

grade vein in limestone, mineralized with galena, sphalerite and ruby silver. Selected assays from the trench varied from 0.53 to 56.00 % lead, from 3.18 to 27.50 % zinc and from 3.80 to 28.00 ounces per ton silver.

In 1983 a brief exploration program was conducted by Mr. Peter Christopher, P.Eng. on the Fly 2 claims; in 1984 a geochemical and geophysical program was conducted on the Fly and AG claims to explore a silver, lead, zinc anomaly found during the 1983 prospecting program. A total of 105 soil and 4 rock samples were collected along chained and flagged lines. Over 25 % of the samples collected were anomalous in silver, lead, zinc, with values in soils of up to 74 ppm silver, 1850 ppm lead and 4700 ppm zinc. A strong positive correlation exists for the three elements. A northeast trenching anomalous zone, over 500 meters wide and 1,000 meters long, was delineated. Trenching and further geophysical testing and drilling is recommended; additional work is planned in 1985.

2. SILVERKNIFE 1 AND 2 CLAIMS.

These claims were acquired in January 1983 and are also situated in the Liard Mining Division, 9 kilometers east of the Fly and AG claims, and only 500 meters west from



REGIONAL RESOURCES' Midway property, where the Discovery and Silver Creek silver, lead, zinc deposits are located.

Regional Resources spent \$ 6 million in 1984 on an aggressive surface drilling and underground program (the largest program in B.C.) and also for 1985 an intensive exploration program is announced. Just recently the company announced that underground access totalling 4,650 feet will be completed this month and that a 40,000 foot drilling program to further explore the Silver Creek deposit is now underway. The Silver Creek deposit has two high grade cores with estimated geological reserves of 1.5 million tons grading 19.3 oz/ton silver and 25% combined lead-zinc. The Discovery and Silver Creek deposits together are estimated to contain over 6.0 million tons grading 11.7 oz/ton silver and 18 % combined lead-zinc and both deposits remain open to further expansion.

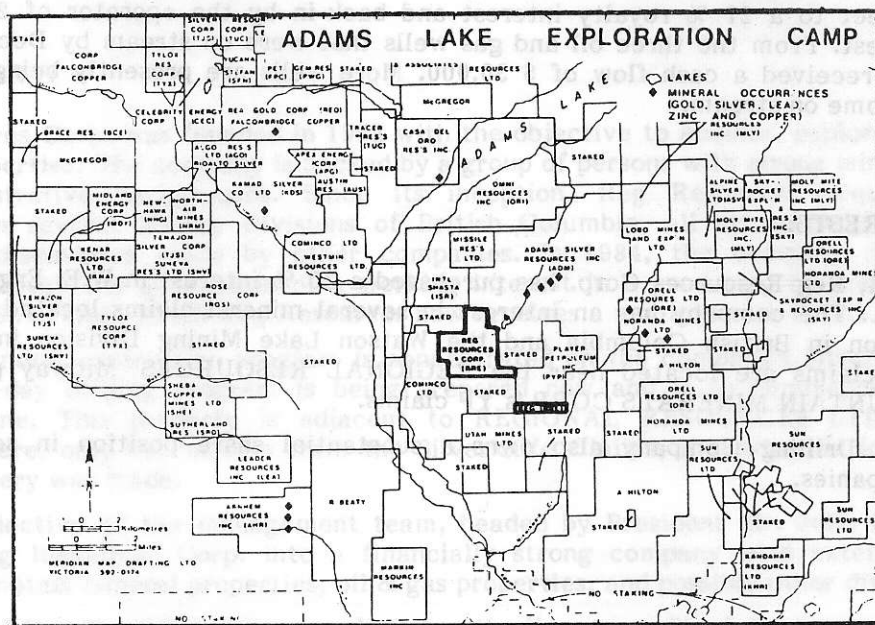
In 1984 Reg Resources Corp. completed a preliminary exploration program on the Silverknife Claims. Results from an electromagnetic survey revealed a 4,000 ft long anomaly. This

anomaly was discovered by Dr. Gary Medford, Ph.D. Geology, under the supervision of Peter Christopher & Associates, P.Eng..

The 1985 program will consist of additional geophysical work and 2,000 ft of diamond drilling. According to Dr. Medford, "the electromagnetic survey carried out by a Noranda geophysical crew on the Silverknife claims in early May 1985, on behalf of Reg Resources Corp., has resulted in the discovery of a third anomaly in addition to the two anomalies located during the 1984 field season. This anomaly is believed to be located in the limestone that hosts the Marbaco deposit (140,000 tons containing 10.7 oz/ton silver, 2.84 % lead, 6.03 % zinc)."

### 3. JAN AND FEB CLAIMS.

At the end of 1983, the company staked mineral claims in the Kamloops Mining Division of British Columbia, called the Jan and Feb group. These claims are located approximately 10 kilometers southeast of REA GOLD CORPORATION's massive sulphide discovery, which is currently being worked on by CORPORATION FALCONBRIDGE COPPER. The mineralization occurrence (gold, silver, lead, zinc and copper) is located in the Eagle Bay Formation and the same formation is also identified on Reg Resources' claims.



In 1984 Reg Resources had a total of 67 kilometers of an aerial EM and Magnetometer survey completed by Dighem Limited of Toronto. The survey has outlined several discrete bedrock anomalies ranging in length from 250 meters to 700 meters long. Dighem's report on these anomalies recommend further investigation using appropriate surface exploration techniques. Work is planned for 1985 and/or the company will entertain bringing in an interested partner to further develop this prospect.

### 4. IVAN GROUP.

At the end of 1982 the Ivan and Ivan I claims were acquired in the Greenwood Mining Division in southeast British Columbia.

These claims are in the direct vicinity of KETTLE RIVER RESOURCES LTD.'s Sylvester K gold property on which assays were reported from between 0.3 and 0.4 oz/ton in 1983. More recently, in April 1985, another company that is operating in the direct neighbourhood

of Reg Resources' claims, SKYLARK RESOURCES LTD. working on the property of VISCOUNT RESOURCES LTD., reported a significant silver and gold discovery. Three intersections averaged 29.58 oz/ton silver and 0.119 oz/ton gold. In 1984, geophysical and magnetometer work was conducted, which will be followed up by geochemical work, which will possibly included in the company's 1985 exploration program.

#### **THE OIL AND GAS INTERESTS:**

Since March 1984, Reg Resources Corp. has acquired an interest in a group of oil and gas wells, known as the Sabine County Prospect in Sabine County, Texas. The Prospect is located 13 kilometers from the Manny Pendleton Field, which now has 513 producing oil and gas wells. According to the geologist of the operator, the same fault has been located on the Sabine County Prospect.

Reg Resources Corp. has a 3 % working interest in the first three producing wells of the Sabine Prospect, subject to a 27 % royalty, and on additional wells has a 2.7 % working interest, subject to a 27 % royalty interest and back-in by the operator of 20 % carried working interest. From the three oil and gas wells that were on stream by December 1984, the company received a cash flow of \$ 30,000. More wells are presently being drilled and expected to come on stream.

#### **OTHER INTERESTS:**

In March 1984, Reg Resources Corp. has purchased a 30 % interest in W.E. England Drilling Company Ltd.. The company has an interest in several mineral claims located in the Liard Mining Division in British Columbia and the Watson Lake Mining Division in the Yukon. The mineral claims are located near the REGIONAL RESOURCES' Midway property and BUTLER MOUNTAIN MINERALS CORP.'s YP claims.

W.E. England Drilling Company also owns a substantial share position in several junior resource companies.

#### **FINANCIAL:**

According to the (unaudited) Balance Sheet per April 30, 1985, the company has 2,301,090 common shares outstanding. Current assets of \$ 330,168 include approximately \$ 189,000 which, due to the obligations of the recent "flow-through" private placement, has to be spent on exploration. Current assets amount to \$ 120,328, which leaves the company with a Working Capital of \$ 209,840.

It is interesting to note that the Statement of Operations for the year ended April 30, 1985 includes revenues from oil and gas operations to the amount of \$ 102,864, whereas the positive cash flow started to be received in October 1984.

The shares are listed on the Vancouver Stock Exchange (stock symbol RRE.V). In 1985 the shares have been fluctuating between \$ 0.33 and \$ 0.90; current price (May 28, 1985) \$ 0.82.

**May 29, 1985.**