

RACKLA RIVER MINES LTD. (N.P.L.)

PROSPECTUS

May 20th, 1969

NEW ISSUE
300,000
COMMON SHARES

	Price to Public	Proceeds to Issuer
Per Unit	Not to exceed 35¢	30¢
Total	\$105,000.00	\$90,000.00

THERE IS PRESENTLY NO EXISTING OVER-THE-COUNTER MARKET FOR THE COMPANY'S SECURITIES IN THE PROVINCE OF BRITISH COLUMBIA OR ELSEWHERE.

A PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION SINCE THE COMPANY'S MINERAL CLAIMS ARE STILL ONLY IN THE EXPLORATION STAGE. REFERENCE SHOULD ALSO BE MADE TO THE CAPTION "PRINCIPAL HOLDERS OF SHARES" AND THE COMPARISON OF THE PERCENTAGE OF SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ALREADY ISSUED BY THE COMPANY TO ACQUIRE ITS PROPERTIES.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

NO SURVEY HAS BEEN MADE OF THE COMPANY'S LOCATED MINERAL CLAIMS AND THEREFORE IN ACCORDANCE WITH THE MINING LAWS OF THE YUKON TERRITORY AND THE PROVINCE OF BRITISH COLUMBIA THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

TABLE OF CONTENTS

	Page
Name and Incorporation of Issuer	3
Plan of Distribution	3
Directors and Officers	3
Capitalization	4
Securities Sold for Cash	4
Description of Share Capital Structure	4
Use of Proceeds	4
Description of Business and Property of Issuer	5
Preliminary Expenses	7
Promoters	7
Remuneration of Directors and Senior Officers	7
Escrow Shares	7
Principal Holders of Shares	8
Interest of Management and Others in Material Transactions	8
Auditors, Transfer Agents and Registrars	8
Purchaser's Statutory Rights of Rescission	9
Other Material Facts	9
Certificate	9
Engineer's Report	10
Financial Statements	19
Auditors' Report	21

NAME AND INCORPORATION OF ISSUER

The full name of the Company is "Rackla River Mines Ltd. (N.P.L)". Its registered office is Suite 404, 510 West Hastings Street, Vancouver, British Columbia, and its head office is Box 557, Whitehorse, Yukon Territory.

The Company was incorporated on the 5th day of April, 1968, under the laws of the Province of British Columbia by Memorandum of Association. The Company was incorporated as a private company and was converted to a public company on the 16th day of May, 1969.

PLAN OF DISTRIBUTION

The Underwriter, West Coast Securities Ltd., has agreed to purchase 300,000 shares in the capital stock of the Company pursuant to an Underwriting Agreement at 30¢ per share, payable 3 days after the acceptance by the British Columbia Securities Commission of this Prospectus.

There are no commissions or discounts paid or liable to be paid by the Company with respect to the sale of the shares offered hereby. The Underwriter may be said to realize a discount in the amount, if any, by which the price paid for such shares under the Underwriting Agreement is less than the price at which the shares are sold to the public by the Underwriter.

The persons who hold in excess of 5% of the shares of the Underwriter are as follows:

<u>Shareholder</u>	<u>Number and Class</u>	<u>Percentage of Class of Shares Held</u>
James McKissock 902 - 2135 Argyle West Vancouver, B.C.	700 Common 24,300 Preferred	70% 70%
James Dalton Thomas 2088 Westdean Crescent West Vancouver, B.C.	300 Common 14,700 Preferred	30% 30%

DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Principal Occupation for past five years</u>	<u>Position held with Company</u>
Gordon Francis Dickson Box 557 Whitehorse Yukon Territory	Self-employed Prospector	President and Director
Donald N. Mackay 1101-1025 Gilford Street Vancouver, B.C.	Assistant General Manager of Boyles Bros. Drilling Co. Ltd. until 1966. Securities Salesman with West Coast Securities Ltd. since then.	Director

<u>Name and Address</u>	<u>Principal Occupation for past five years</u>	<u>Position held with Company</u>
Leonard George White 704 Parkside Road West Vancouver, B.C.	Self-employed Consulting Mining Engineer until 1966. With Homestake Mining Company Ltd. since then.	Director and Secretary

CAPITALIZATION

<u>Designation of Security</u>	<u>Amount authorized by Memorandum of Association</u>	<u>Amount outstanding as at December 31, 1968 (date of Balance Sheet contained in Prospectus)</u>
Common shares par value 50¢	5,000,000	1,150,005
<u>Amount outstanding as at April 25, 1969</u>		<u>Amount to be outstanding if all securities being issued are sold</u>
1,150,005		1,450,005

SECURITIES SOLD FOR CASH

<u>Number of Shares</u>	<u>Price per share</u>	<u>Net cash received</u>	<u>Commission paid</u>
5 shares	.50¢	\$ 2.50	Nil
400,000 shares	.15¢	\$60,000.00	Nil

DESCRIPTION OF SHARE CAPITAL STRUCTURE

The share capital of the Company is divided into one class of shares only. All shares issued by the Company rank equally as to dividends, voting rights and as to any distribution of assets on winding-up or liquidation. There are no indentures or agreements limiting the payment of dividends and there are no conversion rights, no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding share capital is not subject to any call or assessment and the shares offered hereby when issued and sold as described in this Prospectus will not be subject to any call or assessment.

USE OF PROCEEDS

The estimated net proceeds to be derived by the issuer from the sale of the securities being offered hereby is \$90,000.00.

The proceeds of the sale of securities will be used to conduct the exploration programme recommended in the Reports of Edward O. Chisholm, P. Eng., dated March 30th, 1968, and January 15th, 1969, copies of which are attached hereto and form part of this Prospectus.

The total recommended expenditure of \$96,600.00 is as follows:

Bulldozing trenches	\$38,000.00
Geochemical Survey	13,800.00
Gravity Survey	4,000.00
Contingent Drilling	32,000.00
Contingencies	8,800.00

Approximately \$6,000.00 has been spent on the geochemical portion of the above programme and the balance of the programme will be completed with the funds derived from the sale of securities hereunder. If insufficient funds are received to complete all of the above programme the bulldozing will take priority.

The Company may, pursuant to the recommendations of an independent qualified engineer, abandon in whole or in part any of its properties or may alter as work progresses the work programme recommended or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any money so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus although the Company has no present plans in this regard. If any such event occurs during the primary distribution of the shares referred to in this Prospectus an amendment to this Prospectus will be filed and if a substantial portion of the Company's property is abandoned or sold after primary distribution, the shareholders will be notified.

No part of the proceeds will be used to invest, underwrite; or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdiction in which securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval by the shareholders will be obtained and disclosure will be made to the securities regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The principal business of the Company is the acquisition, exploration and development of mineral deposits.

The Company is the recorded owner, subject to the "Yukon Quartz Mining Act" of 130 located mineral claims situate in the Mayo Mining Division, Yukon Territory, and more particularly known and described as:

<u>Claim Name</u>	<u>Record Number</u>
Bud No. 1 - 24	Y14382 - Y14405
Bud No. 25 - 32	Y26506 - Y26513
Bud No. 33 - 48	Y14406 - Y14421
Bud No. 49 - 56	Y26514 - Y26521
Bud No. 57 - 80	Y27179 - Y27202
Bud No. 81 - 96	Y26522 - Y26537
Bud No. 97 - 104	Y31376 - Y31383
Bud No. 105 - 128	Y26538 - Y26561
Dago No. 3	80351
Dago No. 5	80353

The Company must record assessment work of \$100.00 per claim per year in order to keep the property in good standing.

Gordon Francis Dickson is the Vendor of the Bud No. 1 - 24, Bud No. 49 - 56, Dago No. 3 and Dago No. 5 mineral claims and the consideration received by him for the claims pursuant to an Agreement dated the 3rd day of June, 1968 was 750,000 shares of the Company. The Company also assumed the costs of recording the aforesaid claims.

Gordon Francis Dickson, whose address is Box 557, Yukon Territory, is an Insider of the Company.

The claims were acquired by him by staking, and the approximate cost to him of prospecting and staking was \$4,000.00.

To the best of the knowledge of the signatories hereto no person has received or is to receive from the Vendor of the claims a greater than 5% interest in the consideration paid therefor to him.

The claims are located approximately three and one-half miles north of Kathleen Lake and approximately forty-one air miles north-east of Keno Hill. Access is by aircraft to Kathleen Lake and thence by trail to the property. Winter road from Mayo, a distance of some seventy miles, passes up the McQuesten-Beaver River Valley within a mile or so of the property, and transportation of heavy supplies is possible during the winter months.

The original find in the area was made by Gordon Dickson in the early 1950s and preliminary trenching was carried out at that time. In 1954 Prospectors Airways Company Ltd. made a detailed surface examination, including geological mapping and sampling. A total of 39 hand trenches were completed, with approximately 90 samples taken for assay. Atlas Explorations conducted a regional geochemical survey over the area in 1966 and positive lead zinc anomalies were obtained.

There is no surface or underground plant or equipment on the property.

During the summer of 1968 the Company employed a crew of four men for two months to do a preliminary prospecting geochemical and trenching programme on the claims.

The principal metals on the property are zinc, lead and silver.

For further details including proposed exploration programme on the property see the Report of Edward O. Chisholm, P. Eng., attached hereto and forming part of this Prospectus.

There is no known body of commercial ore on the property and the proposed programme is an exploratory search for ore.

McDame and McBride Claims

The Company also holds full title and interest in the following mineral claims situate in the Liard Mining Division in the Province of British Columbia.

<u>Claim Name</u>	<u>Record Number</u>
AX No. 1 - 24	33882 - 33904
AX No. 25 - 96	34083 - 34154
Cal No. 1 - 51	32701 - 32751
Bel No. 1 - 96	32752 - 32847
Pic No. 1 - 96	32897 - 32992

<u>Claim Name</u>	<u>Record Number</u>
Lic No. 1 - 48	32993 - 33040
Win No. 1 - 60	33041 - 33100
Blu No. 1 - 68	33550 - 33617
JT No. 1 - 50	33961 - 34010
FH No. 1 - 12	33370 - 33381
FH No. 14	33382
FH No. 25 - 50	33383 - 33408

The above claims, with the exception of the JT and FH claims, are located approximately 20 miles northwest of the Village of McDame in north-central British Columbia. The JT and FH claims are located approximately 80 miles south of the Village of McDame in the McBride River Area. All of the above claims were acquired by the Company by staking.

The Company does not intend to spend any of the proceeds derived from the issue of securities offered by this Prospectus on these claims.

PRELIMINARY EXPENSES

Deferred exploration expense	\$37,640.89
Deferred administration expense	12,245.52
Purchase of drilling equipment	11,800.00
Incorporation expense	<u>1,594.84</u>
	\$63,281.25

PROMOTERS

Gordon Francis Dickson, acting in his capacity as Director of the Company may be considered the Promoter of the Company in accordance with Section 2 (1) of the Securities Act, 1967. Reference is made to the caption "Description of Business and Property of Issuer" wherein the interest of Gordon Francis Dickson in the property acquired by the Company and his interest in escrow shares issued with respect to such property transaction is disclosed, and to the caption "Remuneration of Directors and Officers" for salary received by Mr. Dickson.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Gordon Dickson received a total of \$6,750.00 for services as managing director of the Company since incorporation. Mr. Dickson will be paid \$900.00 per month for managing the affairs of the Company and for field work to be done on the Company's property during the current fiscal year. None of the other Directors or Senior Officers will be paid any remuneration during the current fiscal year.

ESCROW SHARES

Certificates representing 750,000 shares referred to below are held in escrow by Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia, subject to release only with the written consent of the Superintendent of Brokers for the Province of British Columbia. The shares may not be

traded in or dealt with in any manner without the consent of the Superintendent of Brokers and in the event of the Company losing or not obtaining a good and marketable title to, or abandoning or discontinuing development of the property for which such shares were issued, the Superintendent of Brokers may require all or any part of the escrowed shares to be surrendered to the Company.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Common shares	750,000	65.2%

PRINCIPAL HOLDERS OF SHARES

Set forth hereunder are particulars of the present principal holders of shares of the Company.

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Gordon Francis Dickson Box 557, Whitehorse, Yukon Territory.	Common shares	Direct of Record & Beneficial	842,001	73.2%

The following table shows the respective percentage holdings of the Directors and Senior Officers of the Issuer as a group.

<u>Designation of Class</u>	<u>Percentage of Class</u>
Common Shares	73.2%

400,000 shares of the capital of the Company sold for cash have been voluntarily pooled with the Guaranty Trust Company of Canada not to be sold until thirty (30) days after completion of the sale of the shares offered by this Prospectus or until abandonment of the right to sell name, without the consent of the British Columbia Securities Commission.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Reference is made to the caption "Description of Business and Property of Issuer" for the shares issued to a Director for property.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are Rose, Gale & Company, Chartered Accountants, of 1177 West Hastings Street, Vancouver, British Columbia.

The Company's Registrar and Transfer Agent is Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia.

PURCHASER'S STATUTORY RIGHTS OF RESCISSION

Section 61 and 62 of the Securities Act, 1967 (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to either of them or the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within sixty (60) days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice;
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of ninety (90) days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered by this Prospectus which are not disclosed under the foregoing captions.

CERTIFICATE

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967 and the regulations thereunder.

DATED this 20th day of May, A.D. 1969.

"GORDON F. DICKSON"

Director and Promoter

"L. G. WHITE"

Director

"D. N. MACKAY"

Director

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 this Prospectus as required by Part VII of the Securities Act, 1967, and the regulations thereunder.

Per: "JAMES D. THOMAS"

WEST COAST SECURITIES LTD.

Per: "JAMES McKISSOCK"

**REPORT ON BUD CLAIM GROUP
KATHLEEN LAKE, MAYO MINING DIVISION,
YUKON TERRITORY**

SUMMARY AND CONCLUSIONS

1. The Bud claim group, comprising 42 unpatented mining claims, owned by Gordon Dickson, prospector, of Whitehorse, Yukon Territory, is located in an area of Palaeozoic slates and limestone locally mineralized over an extensive area with disseminated lead and zinc sulphides carrying variable values in silver. The existence of large gossans along the limbs of a major synclinal structure suggests the possibility of sulphide replacement deposits at the contact zone between limestone and slate members.

2. Due to the isolated location, previous work carried out by various companies on the showings during the last ten years was limited to hand trenching to shallow depths and limited geochemical survey work. Improved transportation facilities and the proven existence of major base metal discoveries in the Anvil area, 70 miles to the south, enhance the potential of the Dickson discovery and the expenditure of further funds for bulldozer work, geochemical survey, and follow-up diamond drilling is fully justified.

RECOMMENDATIONS

I recommend that funds be expended to complete the following program of work on the claim group:

1)	<u>Bulldozing Trenches</u>		
	90 days @ \$400.00	\$ 36,000.00	
	Transportation to property	<u>2,000.00</u>	\$ 38,000.00
2)	<u>Geochemical Survey</u>		
	Line Cutting – 42 miles @ \$100.00	4,200.00	
	Sample Assay – 2,000 @ \$2.50	5,000.00	
	Supervision – 1 man for 3 months	3,000.00	
	Crew – 2 men for 1 month	<u>1,600.00</u>	13,800.00
3)	<u>Gravity Survey</u>		
	Selected targets – 10 miles @ \$400.00		4,000.00
4)	<u>Contingent Drilling</u>		
	Selected targets – 2,000 ft. @ \$16.00		32,000.00
5)	<u>Contingencies</u>		
	@ 10%		8,800.00
			<hr/>
		TOTAL	\$ 96,600.00
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INTRODUCTION

The Bud claim group consists of 42 unpatented mining claims, owned by Gordon Dickson, prospector, Whitehorse, located in the Mayo Mining Division, Yukon Territory, approximately 3½ miles north of Kathleen Lake and approximately 41 air miles northeast of Keno Hill. Kathleen Lake coordinates are, 64° 15' north and 134° 12' west. The claims are named Bud 1 to 24 inclusive, Bud 33 to 48 inclusive, and Dago 1 and 2. They are shown on map sheet 106-D-8, Department of Northern Affairs staking map.

Access is by aircraft to Kathleen Lake, and thence by trail to the property. A winter road from Mayo, a distance of some 70 miles, passes up the McQuesten-Beaver River valley within a mile or so of the property, and transportation of heavy supplies is possible during the winter months.

The immediate area of the claim group is characterized by gently rolling hills, covered by heavy vegetation consisting of spruce, poplar, dwarf birch and buck brush. A dark brown gossan area is visible from the air on the crest of an east-west-trending ridge at about 4,500 feet elevation, and forms a distinctive feature of the claim group. It extends for at least 2,000 feet in length and is 200 feet in width.

The writer is thoroughly familiar with the property, and examined the showings and supervised a program of work on the property for Prospectors Airways Co. Ltd. in 1958, and for Atlas Explorations Ltd. in 1967.

HISTORY OF THE PROPERTY

The original find in the area was made by Gordon Dickson, prospector, in the early 1950's, and preliminary trenching was carried out by the Springer interests. In 1954, Prospectors Airways Company Ltd. of Toronto made a detailed surface examination, including geological mapping and sampling. A total of 39 hand trenches were completed, with approximately 90 samples taken for assay. Some of these samples were of economic grade, but the general grade tenor was low. It is felt by the writer, however, that many of these trenches were of insufficient depth to penetrate the leached and oxidized surface zone. In view of the size of the zones and the erratic good grade silver and base metal values obtained, deeper exploration of the zones by drilling is clearly indicated. To date, this work has not been carried out.

Atlas Explorations of Vancouver conducted a regional geochemical survey over the area between August 20th and September 3rd, 1966. The purpose was to determine the possibility of other mineralized zones in the area and to delineate the extent of the showing. Due to the limited work completed, the second objective was not accomplished, however, positive lead-zinc anomalies were obtained over the main showing. All claims but the Dago 3 and 5 were subsequently lapsed and the present group of 42 claims was staked in 1968 by Dickson.

GENERAL GEOLOGY

The area north of the Rackla River, in the vicinity of Kathleen Lakes has not been mapped in detail, but is largely underlain by grey, bedded limestone, brown-weathering limestone and intercalated grey slate. The age of these formations is tentatively classified as early Palaeozoic, possibly of Cambrian age. Several bodies of diorite outcrop in the area to the north; and in addition, several steeply-dipping, west-trending dikes, a few lens, 7 feet wide, were noted intruding the sedimentary rocks in the Kathleen Lake area. They are classified as post Devonian in age.

DETAILED GEOLOGY AND STRUCTURE

In the area of the Bud claims, shale, limestone and ferruginous carbonate breccia outcrop. Detailed mapping by Lomer Daigle of Prospectors Airways Co. Ltd. in 1958, indicates that tight folding of the limestone and shale resulted in the formation of an intensely brecciated zone of shale which lies above the limestone and inside the fold. The greatest brecciation is around the apex of the fold and it is cemented with dolomite, followed by replacement with galena and sphalerite mineralization.

Shearing and drag folding occur locally in both the shale and limestone. The variable dips and strikes in the top shale member indicate that thrust faulting has taken place between formations.

Dips in the uppermost shale, along the northeast limit of the fold, are between 20 and 50 degrees. The southwest limb is obscured by overburden, but the few dips that could be measured here are to the northeast.

The structure indicated there is a synclinal fold, plunging southeast along its axis. This is shown on the accompanying composite plan of the property.

The mineralized zones occur near the nose of the fold and are accompanied by heavy, black manganese-stained gossan. The zone on the northeast limb strikes at 70° and dips 40° to the southwest, while the south-west mineralized zone strikes at 110° and dips at 20° to the northeast.

MINERAL OCCURRENCES

The principal mineral occurrence revealed to date on the property is a large gossan zone measuring at least 2,000 feet in length by some 300 feet in width, located near the north boundary of claim Dago No. 3. It contains disseminated sphalerite and galena mineralization in quite variable quantities throughout the zone in a dolomite breccia horizon that parallels the contact between an overlying shale member and an underlying limestone. Considerable siderite mineralization accompanies the lead-zinc, and the siderite contains appreciable manganese which imparts a black colour to the oxidized portions of the zone. The oxidation extends to a depth of at least 4 feet where trenched, and probably much deeper. It is possible that since most of the trenches are in the leached and oxidized zone, sampling to date does not accurately reflect the true mineral content of the underlying rock. It would be reasonable to assume that the values obtained are somewhat lower than the true value due to removal of the ore minerals by leaching.

The main zone has been exposed in 37 trenches along strike. These vary in size but average 5 x 4 x 3 feet in dimensions. Bedrock containing highly oxidized sulphides was reached in nearly all trenches. Permafrost was encountered at an average depth of 4 feet. Unoxidized sphalerite and galena mineralization was reported in only one trench.

Approximately 90 samples were taken for assay by L. Daigle of Prospectors Airways Co. Ltd., from highly oxidized sulphide zones. No sample exceeded 3 feet in length.

The following results were reported:

Trench Sampling:

<u>Trench No.</u>	<u>% Zn</u>	<u>Average % Pb</u>	<u>Oz. Ag</u>
1	3.11	Nil	0.16
2	3.42	Nil	0.17
3	0.40	0.16	—

<u>Trench No.</u>	<u>% Zn</u>	<u>Average % Pb</u>	<u>Oz. Ag</u>
4	0.35	0.69	Tr
5	1.25	0.03	0.18
6	0.05	0.18	—
7	3.53	0.60	0.74
8	1.35	Nil	—
9	Nil	Nil	—
10	Nil	Nil	—
11	Nil	Nil	—
12	Nil	Nil	—
13	No Mineralization		
14	No Mineralization		
15	0.75	Tr	—
16	Nil	Nil	Tr
17	Nil	Nil	—
18	Nil	Tr	Tr
19	6.41	0.11	0.58
20	1.18	0.05	Tr
21	0.17	Nil	—
22	2.00	0.32	—
23	0.31	Nil	—
24	0.34	0.04	0.20
25	1.33	0.80	Tr
26	0.51	Nil	Tr
27	1.02	0.05	Tr
28	Tr	1.00	0.96
29	1.64	Nil	—
30	0.80	Nil	—
31 and 32	2.94	1.63	4.56
33	1.74	Tr	—
34	11.55	1.55	3.96
35	25.78	0.44	—
36	16.61	2.65	3.92
37	0.10	Nil	Tr
38	Nil	Nil	Tr
39	Nil	7.77	2.84

Additional sampling for the main mineralized zone is reported as follows:

Samples taken by P.M. Cavanagh, Asbestos Corporation, 1957:

	<u>% Zn</u>	<u>% Pb</u>	<u>Oz. Ag</u>	<u>Au</u>
1) Chip sample across 6 feet width in Pit No. 7	4.6	Nil	1.14	
2) Chip sample across 8 feet width in Pit No. 19	4.9	Nil	0.34	

	<u>% Zn</u>	<u>% Pb</u>	<u>Oz. Ag</u>	<u>Au</u>
3) Gouge across 2 feet width at end of Pit No. 19	4.9	2.0	3.10	
4) Grab sample from pit dump of Pit No. 35	32.6	0.4	1.12	
5) Grab sample from pit dump pf Pit No. 35	15.4	19.4	11.36	

Samples taken by A.E. Aho, 1957:

1) Zinc float, 50 feet southeast of trench No. 20	44.2	—	33.86	Nil
2) Galena, dump of trench No. 36	29.2	19.9	14.44	Tr
3) Oxidized float, 75 feet east of trench No. 5	1.1	1.0	0.74	Tr
4) New trench, N.W. of limestone outcrop between trench No. 9 and No. 10	6.4	Nil	4.56	Tr

Specimens of massive galena and sphalerite, weighing several pounds, were obtained from the surface of the central part of the gossan, but attempts to trench these were unsuccessful.

Two grab samples, one of massive galena and another sphalerite, located within 100 feet of the limestone/shale contact, assayed 19 ozs. and 50 ozs. respectively in silver. The sphalerite specimen assayed 0.6% cadmium as well. A rusty specimen of limestone, containing no visible mineralization, also taken near the contact, assayed 0.44% lead and 0.41% zinc. The mineralization in trenches 35 and 36, which are closest to the contact, is higher in lead/zinc values. Nowhere was the actual contact exposed, and nearly all the trenching was done in gossan zones lying parallel to the contact and at an average distance of 200 feet from it. The contact zone should be thoroughly explored around the perimeter of the fold by deep trenching by bulldozer and ripper, or drilling.

The work done to date indicates a 1,500 to 2,000 feet zone of mineralization some 300 feet in width, with a grade tenor in trenching of about 3% zinc with low values in lead, silver and manganese. Spotty, erratic high grade silver values were obtained throughout the zone and encourage additional exploration, both along strike and at depth.

Another smaller gossan zone occurs some 1,500 feet south of the main zone and some 500 feet lower in elevation. A rock trench, No. 39, in this area exposed fresh dolomitic breccia containing coarse galena. A composite representative grab sample of the material from this trench ran 7.77% lead, nil zinc and 2.89 oz. of silver. The trench was approximately 6 feet by 2 feet by 2 feet deep, and the true width of the zone here is unknown. The material from this trench resembles typical Mississippian replacement-type mineralization of the tri-state and other similar limestone replacement deposits. As this type of deposit is often of considerable extent, thorough exploration should be undertaken of this area.

GEOCHEMICAL SURVEY RESULTS

Atlas Explorations Ltd. conducted a detailed geochemical survey over the area of the main gossan zone, on claim Dago No. 3 and the south half of adjoining claims, Bud 11 and Bud 10. In addition, a geochemical reconnaissance survey was done along the centre line of the southern group of claims, Bud 34 to Bud 48 inclusive.

A high-order, coincident lead and zinc anomaly was obtained over the main zone, on claim Dago No. 3 and adjoining claims, measuring some 2,200 feet in length and 200 to 500 feet in width. Values up to ten times background in lead and zinc were encountered over extensive areas. The area, as a whole, had a high background value both in lead and zinc. Copper values were all very low. The soil sampling indicates the known showing extends laterally for a considerable distance, measured in hundreds of feet beyond the trenched area. Stream sediment samples, taken along creeks traversing the area, showed a number of scattered, geochemically high areas and indicate the possibility of mineralization extending along strike of the presently outlined zone.

Additional detailed geochemical survey work should be conducted over the entire claim group as an initial exploration step. Anomalies should be trenched, where possible, with a bulldozer equipped with a ripper; followed by contingent diamond drilling.

Respectfully submitted,

“EDWARD O. CHISHOLM”

Edward O. Chisholm, B.Sc., P.Eng.

Vancouver, B.C.
March 30th, 1968.

CERTIFICATE

I, Edward O. Chisholm, of the City of Vancouver in the Province of British Columbia, hereby certify that:

- 1) I am a geologist with offices at 602 West Hastings Street, Vancouver 2, B.C.
- 2) I am a graduate of the University of Toronto, Ontario, Master of Arts, 1945.
- 3) I am a member of the Professional Engineers of Ontario and British Columbia.
- 4) I have no direct interest or indirect interest in the property described in this report, nor do I expect to receive any such interest.
- 5) This report is based on an examination of company records, maps and sections, and also several visits to the property.

Dated Vancouver, British Columbia,
March 30th, 1968

“EDWARD O. CHISHOLM”

Edward O. Chisholm, B.Sc., P. Eng.

**PROGRESS REPORT ON
BUD CLAIM GROUP
KATHLEEN LAKE, MAYO MINING DIVISION
YUKON TERRITORY**

INTRODUCTION

An examination was made on September 4th, 1968 of the work done on the Bud Claim Group, Kathleen Lake Area, owned by Rackla River Mines Ltd. The purpose of the examination was to review the progress of the exploration program recommended in my report on the property dated March 30, 1968.

SUMMARY AND CONCLUSIONS

A small prospecting crew of four men spent approximately two months on the property in the vicinity of the main showing on Dago No. 3 claim and completed a preliminary program of prospecting and trenching an extension of the main zone and made a preliminary geochemical survey in the vicinity.

The work uncovered a zone similar to the original and sub-parallel to it, 1200 to 1500 feet to the south. This is indicated in a series of widely spaced shallow rock trenches, gossan exposures, and a geochemical lead-zinc anomaly. It has been indicated for a length of 5,600 feet. Its true width was not apparent in the work done but gossan exposures on the zone containing lead-zinc mineralization were over a width of 30 feet. Insufficient work was done to allow systematical sampling and no valid estimate can be made of the grade of mineralization. Where exposed, it appears to be a low grade disseminated zone similar to the No. 1 zone to the north. The host rock is dolomitized limestone breccia similar to the No. 1 zone.

The No. 1 zone was extended to the west by detailed geochemical work for an additional 5,000 feet and has an indicated length of approximately 7,000 feet.

In addition, two other geochemically high zones, 800 feet and 1200 feet in length respectively, have been indicated to the north and south of Zones 1 and 2.

Financial arrangements were not completed in time to take advantage of the 1968 summer work season on the recommended program of bulldozer trenching. The recommendations in my report of March 30, 1968 are still valid and should be carried out as early as possible in 1969.

The original group of 42 claims was extended to the northwest and southeast by staking an additional 88 claims named Bud 25 to 32 and Bud 49 to 128.

GEOCHEMICAL SURVEY

The 1968 work program was not sufficient to indicate the economic importance of the showings. The surface is covered with shallow but widespread frost heaved talus material and vegetation. The limited geochemical work over the main showing has demonstrated the usefulness of the method in delineating mineralized zones under the shallow overburden conditions on the property and should be extended systematically over the entire claim group as recommended earlier. The sampling system should be improved to ensure that the optimum depth of sample is selected. The preliminary survey indicates that some of the samples were not taken deep enough to reach the proper sampling zone. This should lie in the "B" soil zone, a brown oxidized soil layer that lies immediately beneath the whitish volcanic ash horizon prevalent in this area.

The oxidized zone lies at a depth of approximately one foot beneath the surface.

The attached plan of the geochemical survey at 200 feet to the inch, shows the relationship of the new zones to the previous work. The attached plan at 100 feet to the inch shows detail of Zone 2.

The survey indicates a background of 150 parts per million in zinc and 50 parts per million in lead. Anomalous values are taken as two times these values. Samples were taken at 100 foot intervals on lines 400 feet apart and determined by atomic absorption methods for total lead and zinc content.

SUMMARY OF RESULTS

<u>Zone</u>	<u>Claim Location</u>	<u>Co-Ordinates</u>	<u>Total Length</u>
ZONE 1	North Boundary: Bud 13, Dago 5, Dago 3, Bud 9, Bud 7	24W to 56E O-S	7,000 feet
ZONE 2	South Boundary of above Claims	8W to 48E, 1500S	5,600 feet
ZONE 3	Centre Bud 16, Bud 11	32E to 40E, 600N	800 feet
ZONE 4	South Boundary Bud 44	2E to 14E, 3000S	1,200 feet

REMARKS

ZONE 1 – Described in March 30th report as a large gossan zone 2,000 feet in length, up to 300 feet in width with disseminated lead-zinc mineralization in a dolomite breccia horizon. Mineralization is erratically distributed and of low grade tenor although local sections show good grade lead-zinc mineralization with appreciable silver values. Broken oxidized bedrock and shallow overburden prevent an accurate assessment of grade, and bulldozer trenching is required to open up the zone. The length of the zone was extended to 7,000 feet by geochemical soil sampling. The recent work indicates a length shear type structure.

ZONE 2 – similar in nature to Zone 1 but narrower. No systematic sampling possible at this stage due to overburden. Bulldozer trenching is required to assess its potential. It appears to be a sub-parallel shear zone to Zone 1 located 1200 to 1500 feet south.

ZONE 3 – A geochemical anomaly occurring in similar geological environment as Zones 1 and 2 but shorter in length. It requires trenching to assess its potential.

ZONE 4 – A geochemical anomaly occurring in similar geological environment to Zones 1 and 2 but shorter in length. It requires trenching to assess its potential.

OTHER SHOWINGS

BUD NO. 51 CLAIM

Prospecting has uncovered occurrences of lead-zinc mineralization in the northwest corner of Claim Bud No. 51. A selected high grade sample of talus material reported 23.60% lead, 17.90 oz. silver, trace of gold and 0.84% copper. A narrow calcite vein exposed for a length of 150 feet and a width of 2 to 3 feet was uncovered near the float material. A representative sample along the vein reported 0.72 oz. silver, 8.3% lead, 2.6% zinc and trace of copper. The area was not visited by the writer.

BUD NO. 4 CLAIM

A gossan area was found near the southeast corner. Lead-zinc mineralization is reported in limestone. The area was not visited by the writer.

BUD NO. 17 CLAIM

A gossan area similar to Bud No. 4 showing is reported near the central part of the claim. The area was not visited by the writer.

The limited amount of work carried out during the 1968 season shows concentrations of lead-zinc-silver mineralization in a favourable limestone host rock over an extensive area. Insufficient work has been done to indicate the economic potential of the property. The length of the zones of mineralization signify major structures and the program of detailed trenching by bulldozer recommended in my March 30th report should be carried out. The remainder of the group should be covered by geochemical soil survey.

Respectfully submitted,

“E. O. CHISHOLM”
E. O. Chisholm, P.Eng.

CERTIFICATE

I, Edward O. Chisholm, of the City of Vancouver in the Province of British Columbia, hereby certify that:

- 1) I am a geologist with offices at 602 West Hastings Street, Vancouver, B.C.
- 2) I am a graduate of the University of Toronto, Ontario, Master of Arts, 1945.
- 3) I am a member of the Professional Engineers of Ontario and British Columbia.
- 4) I have no direct interest or indirect interest in the property described in this report, nor do I expect to receive any such interest.
- 5) This report is based on an examination of company records, maps and sections, and also several visits to the property.

Dated at Vancouver, British Columbia
January 15th, 1969

“E. O. CHISHOLM”
Edward O. Chisholm, P.Eng.

RACKLA RIVER MINES LTD. (N.P.L.)

BALANCE SHEET AS AT DECEMBER 31, 1968

ASSETS

CURRENT	
Cash	\$ 2,719.78
MINERAL CLAIMS, acquired for shares	75,000.00
DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES (Exhibit "B")	49,205.85
DRILLING EQUIPMENT	11,800.00
INCORPORATION EXPENSE	<u>1,594.84</u>
	<u>\$140,320.47</u>

LIABILITIES

CURRENT		
Accounts payable	\$ 1,451.91	
Wages payable	599.16	
Due to a shareholder	<u>3,266.90</u>	5,317.97
SHARE CAPITAL		
Authorized:		
5,000,000 shares of 50¢ each par value	<u>\$2,500,000.00</u>	

	<u>Number</u>	<u>Par Value</u>	<u>Discount</u>			
Issued:						
For cash	400,005	\$200,002.50	\$140,000.00	\$	60,002.50	
For mineral claims	<u>750,000</u>	<u>375,000.00</u>	<u>300,000.00</u>	<u>75,000.00</u>		<u>135,002.50</u>
	<u>1,150,000</u>	<u>\$575,002.50</u>	<u>\$440,000.00</u>			<u>\$140,320.47</u>

Signed on behalf of the Board:

"D. N. MACKAY" Director"GORDON F. DICKSON" Director

RACKLA RIVER MINES LTD. (N.P.L.)

**STATEMENT OF DEFERRED EXPLORATION AND
ADMINISTRATION EXPENSES FOR PERIOD APRIL 5, 1968
(date of incorporation) TO DECEMBER 31, 1968**

EXPLORATION

KATHLEEN LAKE AREA

Assays	\$ 1,320.78	
Camp supplies and expenses	2,608.81	
Claim recording expense	1,526.00	
Engineering fees	1,266.00	
Sundry	76.55	
Staking expense	1,899.55	
Travel and air charter	5,523.60	
Wages	<u>11,248.12</u>	\$ 25,469.41

McDAME AREA

Camp supplies and expenses	1,069.25	
Recording expenses	2,489.50	
Staking expenses	1,519.50	
Travel and air charters	<u>4,078.93</u>	9,157.18

McBRIDE RIVER AREA

Recording expenses	617.50	
Staking expenses	1,380.00	
Travel and air charters	<u>1,016.80</u>	3,014.30

37,640.89

ADMINISTRATION

Accounting and audit	550.00	
Bank charges	74.48	
Canada pension plan	251.30	
Insurance	690.00	
Legal	1,500.00	
Office expenses	142.47	
Telephone	553.99	
Unemployment insurance	89.88	
Licenses	250.00	
Management salary paid a director	6,750.00	
Travel	<u>1,393.40</u>	
	12,245.52	
Less: Interest income	<u>680.56</u>	<u>11,564.96</u>
		<u>\$ 49,205.85</u>

RACKLA RIVER MINES LTD. (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR PERIOD APRIL 5, 1968 (date of incorporation)
TO DECEMBER 31, 1968

SOURCE OF FUNDS		
Sale of shares		\$ 60,002.50
Loan from a shareholder		3,266.90
Interest income		<u>680.56</u>
		63,949.96
 APPLICATION OF FUNDS		
Deferred exploration expense	\$ 37,640.89	
Deferred administration expense	12,245.52	
Purchase of drilling equipment	11,800.00	
Incorporation expense	<u>1,594.84</u>	
	63,281.25	
Less: Accounts and wages payable	<u>2,051.07</u>	<u>61,230.18</u>
 CASH ON HAND, DECEMBER 31, 1968		 <u><u>\$ 2,719.78</u></u>

AUDITORS' REPORT

The Shareholders,
 Rackla River Mines Ltd. (N.P.L.)

We have examined the balance sheet of Rackla River Mines Ltd. (N.P.L.) as at December 31, 1968 and the related statements of deferred exploration and administration expenses and source and application of funds for the period ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the aforementioned statements present fairly the financial position of the company as at December 31, 1968 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles.

"ROSE, GALE & CO."

Chartered Accountants

Vancouver, Canada
 February 14, 1969

RACKLA RIVER MINES LTD. (N.P.L.)

534 - 789 West Pender Street,
Vancouver, British Columbia

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual General Meeting of Shareholders of Rackla River Mines Ltd. (N.P.L.) (hereinafter called the "Company") will be held at the Kent Room, Hotel Georgia, 801 West Georgia Street, Vancouver, British Columbia, on Wednesday the 8th day of October, 1969 at the hour of ten o'clock in the forenoon for the purpose of receiving the Report of the Directors, receiving the Financial Statements of the Company and the Auditors' Report thereon for the period ended August 31st 1969, fixing the number of Directors for the ensuing year at three unless otherwise determined by the Directors, electing Directors, appointing Auditors and authorizing the Directors to fix their remuneration, conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation (which authority shall expire at the next general meeting of the shareholders of the Company unless it is continued by ordinary resolution passed thereat), and transacting such other business as may properly be brought before the meeting or any adjournment or adjournments thereof.

SHAREHOLDERS who are unable to attend the meeting in person are requested to date and sign the enclosed form of instrument of Proxy and return it to the Guaranty Trust Company 624 Howe Street, Vancouver, British Columbia.

DATED at Vancouver, British Columbia, this 30th day of September, 1969.

By Order of the Directors.

"Gordon F. Dickson"

President.

RACKLA RIVER MINES LTD. (N.P.L.)
534 - 789 West Pender Street,
Vancouver, British Columbia

INFORMATION CIRCULAR

as at September 30th, 1969.

This Information Circular accompanies the Notice of Annual General Meeting of the Shareholders of Rackla River Mines Ltd. (N.P.L.) called for Wednesday the 8th day of October, 1969 and is furnished in connection with a solicitation of proxies for use at that meeting.

REVOCABILITY OF PROXY

Any shareholder returning the enclosed form of proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law a proxy may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation under its corporate seal, or by an officer or attorney thereof, duly authorized, and deposited with the Company's transfer agent, the Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked.

PERSONS MAKING THE SOLICITATION

THE ENCLOSED PROXY IS BEING SOLICITED BY THE MANAGEMENT.

Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse Shareholders' nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company is \$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of 50¢ each, of which 1,450,005 shares are issued and outstanding. Each share is entitled to one vote.

To the knowledge of the Directors or Senior Officers of the Company, the only person who beneficially owns, directly or indirectly, share carrying more than 10% of the outstanding voting shares of the Company is the following:-

<u>Owner</u>	<u>Number of Shares</u>	<u>Percentage of Outstanding Shares</u>
Gordon F. Dickson	852,001	74%

The Share Transfer Record of the Company will not be closed prior to the meeting, and only shareholders on record

on October 6th, 1969 will be entitled to vote at the meeting. Those shareholders desiring to be represented at the meeting by proxy must mail the form of proxy to or deposit same with the Company's Transfer Agent, the Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia, at any time before the meeting.

ELECTION OF DIRECTORS

The Directors of the Company are elected annually to hold office until the next annual meeting of shareholders or until their successors are appointed. The enclosed proxy will be voted for the nominees herein listed, all of whom are presently members of the Board of Directors.

THE MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

<u>Name</u>	<u>Present Office Held</u>	<u>Term Expires</u>	<u>Present Principal Occupation</u>	<u>Principal Occupation for last 5 years</u>	<u>Period for which Nominee has been a Director of the Company</u>	<u>Approx. No. of shares beneficially owned directly or indirectly as of September 30, 1969</u>
Gordon F. Dickson	President & Director	1969 Annual Meeting	Prospector	Prospector	April 5th 1968	852,001
Donald N. MacKay	Director	1969 Annual Meeting	Securities Salesman	Asst. Gen. Manager Drilling Company & Securities Salesman	April 5th 1968	Nil
Leonard George White	Director & Secretary-Treasurer	1969 Annual Meeting	Consulting Engineer	Consulting Engineer	April 5th 1968	Nil

REMUNERATION OF MANAGEMENT AND OTHERS

Gordon F. Dickson a director of the Company received \$900.00 per month for services performed during the past year and the Company intends to pay Mr. Dickson a similar amount during the current fiscal year.

APPOINTMENT OF AUDITORS

It is intended to vote the proxy for the appointment of Rose, Gale & Co., Chartered Accountants, 1177 West Hastings Street, Vancouver, British Columbia, as Auditors. This firm has been the Auditors of the Company since incorporation.

OTHER MATTERS TO BE ACTED UPON

THE MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OF SHAREHOLDERS OTHER THAN REFERRED TO IN THE NOTICE OF MEETING. SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORD WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.

By Order of the Board.

"Gordon F. Dickson"

President.

RACKLA RIVER MINES LTD. (N.P.L.)

INDEX TO FINANCIAL STATEMENTS

AS AT AUGUST 31, 1969

Auditor's Report

Exhibit "A"

Balance Sheet

Exhibit "B"

Statement of Deferred
Exploration and
Administration Expenses

Exhibit "C"

Statement of Source and
Application of Funds

Notes to Financial Statements

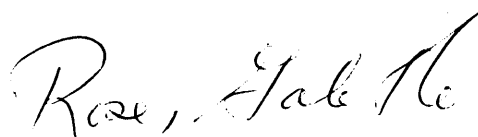
Rose, Gale & Co.

CHARTERED ACCOUNTANTS

The Shareholders,
Rackla River Mines Ltd. (N.P.L.)

We have examined the balance sheet of Rackla River Mines Ltd. (N.P.L.) as at August 31, 1969 and the related statements of deferred exploration and administration expenses and source and application of funds for the period ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the aforementioned statements present fairly the financial position of the company as at August 31, 1969 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles.



Vancouver, Canada
September 22, 1969

CHARTERED ACCOUNTANTS

EXHIBIT "A"

RACKLA RIVER MINES LTD. (N.P.L.)
BALANCE SHEET AS AT AUGUST 31, 1969

ASSETS

CURRENT		
Cash		\$ 71,421.84
INVESTMENTS, at cost (Note 1)		21,351.80
EQUIPMENT, at cost		13,077.90
MINERAL PROPERTIES AND RELATED EXPLORATION AND ADMINISTRATION EXPENSES		
Located claims acquired for shares	\$ 75,000.00	
Deferred exploration and administration expenses, including costs of locating, staking and recording claims (Exhibit "B")	89,180.46	164,180.46
INCORPORATION EXPENSE		1,594.84
		<u>\$ 271,626.84</u>

LIABILITIES

CURRENT					
Accounts payable		\$ 2,988.92			
Advances from a director		38,635.42			41,624.34
SHARE CAPITAL					
Authorized 5,000,000 shares of 50¢ par value		\$ 2,500,000.00			
Issued:	<u>Number</u>	<u>Par Value</u>	<u>Discount</u>	<u>Net</u>	
For cash	700,005	\$ 350,002.50	\$ 200,000.00	150,002.50	
For claims	750,000	375,000.00	300,000.00	75,000.00	225,002.50
	<u>1,450,005</u>	<u>\$ 725,002.50</u>	<u>\$ 500,000.00</u>		
SURPLUS					
Received under option agreement for sale of certain claims (Note 2)					5,000.00
					<u>\$ 271,626.84</u>

SIGNED ON BEHALF OF THE BOARD

"DONALD R. CLACKAY" Director

"L. C. WHITE" Director

RACKLA RIVER MINES LTD. (N.P.L.)

EXHIBIT "B"

STATEMENT OF DEFERRED EXPLORATION AND
ADMINISTRATION EXPENSES FOR PERIOD APRIL 5, 1968
(DATE OF INCORPORATION) TO AUGUST 31, 1969

EXPLORATION

Kathleen Lakes Area		
Assays	\$ 1,495.28	
Camp supplies and sundry	4,524.23	
Recording and staking	5,176.55	
Engineering fees	1,416.00	
Maps and blueprints	68.71	
Travel and air charters	6,926.94	
Wages	14,748.12	
Roadbuilding and trenching	19,293.64	\$ 53,649.47
		<hr/>
McDame Area		
Camp supplies and expenses	1,011.45	
Staking and recording fees	4,009.00	
Travel and air charters	4,078.93	
Wages	250.00	9,349.38
		<hr/>
McBride River Area		6,351.80
		<hr/>
Sundry Areas		
Wages	1,894.40	
Prospecting, staking and recording fees	2,279.75	
Travel and air charters	371.60	
Sundry expenses	1,150.92	5,696.67
		<hr/>
		75,047.32
Less: Value attributed to cost of shares received for McBride River claims		6,351.80
		<hr/>
		68,695.52

ADMINISTRATION

Advertising and promotion	317.30	
Bank charges	132.31	
Employee benefits	417.90	
Insurance	1,373.70	
Legal	4,603.60	
Licenses	650.00	
Managing director's salary	6,750.00	
Printing and office	952.33	
Telephone and telegraph	1,188.02	
Accounting and audit	2,025.00	
Travel	2,789.40	21,199.56
		<hr/>
		89,895.08
Less Interest income		714.62
		<hr/>
		\$ 89,180.46
		<hr/> <hr/>

EXHIBIT "C"

RACKLA RIVER MINES LTD. (N.P.L.)
STATEMENT OF SOURCE AND APPLICATION OF
OF FUNDS FOR PERIOD APRIL 5, 1968 (DATE OF
INCORPORATION) TO AUGUST 31, 1969

SOURCE OF FUNDS

Sale of shares		\$ 150,002.50
Received under option agreement for sale of certain claims		5,000.00
Interest income		714.62
		<hr/>
		155,717.12

APPLICATION OF FUNDS

Exploration		
Deferred expenses applicable to claims retained	\$ 68,695.52	
Expenses applicable to claims sold for share investment	6,351.80	
	<hr/>	
	75,047.32	
Administration	21,199.56	
Purchase of equipment	13,077.90	
Purchase of investments	15,000.00	
Incorporation expense	1,594.84	125,919.62
	<hr/>	
WORKING CAPITAL AUGUST 31, 1969		\$ 29,797.50
		<hr/> <hr/>

RACKLA RIVER MINES LTD. (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

AS AT AUGUST 31, 1969

1. Investments consist of common shares of Bowser Resources Ltd. (N.P.L.), acquired as follows:
For mineral claims located in the McBride River area, 291,550 vendors shares, valued at the cost of prospecting, staking and recording the claims \$ 6,351.80
For cash, 100,000 shares at 15¢ per share 15,000.00
\$ 21,351.80
2. The company has granted an option to Casino Silver Mines Ltd. (N.P.L.) for a 65% interest in certain claims located in the Kathleen Lake area of the Yukon. The consideration is \$135,000 payable in instalments by December 1, 1974, together with the expenditure of not less than \$60,000.00 of work on the property by December 31, 1969.
3. The company has granted an option on September 2, 1969 to Jorex Limited for an interest in certain claims located in the McDame area of British Columbia. The consideration is \$12,750.00 cash for a one year option, with another payment of \$12,750.00 on September 1, 1970 to extend the option to September 1, 1971.

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TO THE SHAREHOLDERS
RACKLA RIVER MINES LTD.

The following report will brief you on activities of your company:

Kathleen Lakes Area, Mayo, Y.T.

In the Spring of 1969 Mr. Gordon Dickson instituted and personally supervised a programme of bulldozer trenching and general prospecting of the 130 claim block held by Rackla River Mines Ltd. in the above area.

Results of this work confirmed the existence of lead-zinc mineralization with fair silver values over widths of 25 - 40 feet in trenches along a sheared zone previously outlined by geochemical sampling and a resultant anomaly.

Subsequent to this work Mr. Dickson had engineers from major mining companies check his sampling of the trenches with a view to optioning the property to some large exploration company whereby finances would be provided by them for a continuing work programme.

By Agreement dated July 31st, 1969 the Company granted Casino Mines Ltd. (N.P.L.) [Brynelsen group] an option on the Kathleen property whereby Casino may earn a 65% interest by spending specified amounts of money on the property during the next 4-1/2 years. Terms of the deal commit Casino to spend \$60,000 developing the property this year with continuing commitments on an optional basis until a decision is made to equip the property for production, at which time Casino must permit to provide the funds to equip for production to earn a 65% interest. Casino paid Rackla River \$5,000 on execution and must pay an additional \$2,000 per month until December 1st, 1974 to maintain its option in good standing. If the cost of equipping the property for production is in excess of \$10,000,000.00, Casino will earn a 70% interest in the property.

Cassiar District, McDame Area, B.C.

Mr. Dickson was successful in acquiring, by staking, a total of 515 claims in the general Cassiar District, a large block of which adjoins Della Mines Ltd. who are currently drilling an attractive copper-molybdenum prospect on the north slope of Haskins Mountain. Negotiations are currently underway to farm out some of Rackla's claims to interested parties who will commit funds to do work on them.

Two other groups were located some 10 to 25 miles north of the above claim groups. On one of these groups the Company's prospector, Mr. Buster Groat, located a copper showing from which initial sampling returned 1%+ copper values across widths of up to 35 feet. Further work is planned for this group later in the year to fully assess the merits of the showing.

The second separated group of 164 claims cover a known mineralized area previously staked and investigated by Newmont prospectors in the mid-1950's. Concentrations of copper float have been discovered on this ground but insufficient work was done by Newmont to determine the source of the mineralization. It is intended either to farm out these claims under an overall deal or conduct an exploration programme on our own.

McBride River Area, B.C.

Through joint staking efforts with other parties, Mr. Dickson was able to acquire a large block of claims in the McBride River area, northern B.C. Several large exploration companies are currently investigating properties in this locality. Arrangements were completed with owners of other groups of claims in the area to consolidate holdings which were then transferred to a company named Bowser Resources

Ltd. (N.P.L.). For transferring its claims into Bowser Resources, Rackla will receive 291,000 vendor shares and in addition will purchase 100,000 treasury shares @ 15¢ per share. Bowser Resources Ltd. (N.P.L.) intends to convert to a public company at an early date.

The main showing in the area is held by Pelly Copper Mines and preliminary investigations indicate it to be 1,000 to 1,500 feet long and 200 to 300 feet wide with copper values averaging up to 2.0% from grab sampling. The copper mineralization occurs as chalcocite and bornite in volcanic rocks.

Current Financial Position

The recent underwriting by West Coast Securities Ltd. of 300,000 shares @ 30¢ to net the treasury \$90,000.00, has provided sufficient working capital to keep your company extremely active in the exploration field.

An application is now being prepared for interim listing of Rackla River Mines Ltd. (N.P.L.).

"L.G. WHITE"

L.G. White, Secretary.

RACKLA RIVER MINES LTD. (N.P.L.)
534 - 789 West Pender Street
Vancouver, British Columbia

NOTICE OF EXTRAORDINARY MEETING OF SHAREHOLDERS

TAKE NOTICE that the Extraordinary Meeting of Rackla River Mines Ltd. (N.P.L.) (hereinafter called the "Company") will be held at the Windsor Room, Hotel Georgia, 801 West Georgia Street, Vancouver, British Columbia on the 21st day of August, 1969 at the hour of ten o'clock in the forenoon for the purpose of considering an ordinary resolution conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation (which authority shall be retroactive to the date the Company became a public company and shall expire at the next general meeting of shareholders of the Company unless it is continued by ordinary resolution passed thereat), and transacting such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

SHAREHOLDERS who are unable to attend the Meeting in person are requested to date and sign the enclosed Form of Instrument of Proxy and to return it in the envelope provided for that purpose.

DATED at Vancouver, British Columbia, this 11th day of August, 1969.

By Order of the Directors.

"GORDON F. DICKSON"

Gordon F. Dickson,
President.

RACKLA RIVER MINES LTD. (N.P.L.)
534 - 789 West Pender Street
Vancouver, British Columbia

INFORMATION CIRCULAR

as at August 11th, 1969.

This Information Circular accompanies the Notice of Extraordinary Meeting of Shareholders of Rackla River Mines Ltd. (N.P.L.) called for Tuesday the 21st day of August, 1969 and is furnished in connection with a solicitation of proxies for use at that meeting.

REVOCABILITY OF PROXY

Any shareholder returning the enclosed form of proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law a proxy may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation under its corporate seal, or by an officer or attorney thereof, duly authorized, and deposited with the Company's transfer agent, the Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked.

PERSONS MAKING THE SOLICITATION

THE ENCLOSED PROXY IS BEING SOLICITED BY THE MANAGEMENT.

Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse Shareholders' nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company is \$2,500,000.00 divided into 5,000,000 shares with a nominal or par value of 50¢ each, of which 1,450,005 shares are issued and outstanding. Each share is entitled to one vote.

To the knowledge of the Directors or Senior Officers of the Company, the only person who beneficially owns, directly or indirectly, shares carrying more than 10% of the outstanding voting shares of the Company is the following:-

<u>Owner</u>	<u>Number of Shares</u>	<u>Percentage of Outstanding Shares</u>
Gordon F. Dickson	852,001	74%

The Share Transfer Record of the Company will not be closed prior to the meeting, and only shareholders on record on August 20th, 1969 will be entitled to vote at the meeting. Those shareholders desiring to be represented at the meeting by proxy must mail the form of proxy to or deposit same with the Company's Transfer Agent, the Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia, at any time before the meeting.

OTHER MATTERS TO BE ACTED UPON

THE MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OF SHAREHOLDERS OTHER THAN REFERRED TO IN THE NOTICE OF MEETING. SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORD WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.

By Order of the Board.

"GORDON F. DICKSON"

Gordon F. Dickson,
President.