

A L B E T A M I N E S L T D. (N. P. L.)

EIGHTH ANNUAL REPORT

For the Year Ended July 31, 1969

DIRECTORS AND OFFICERS

| | |
|------------------------|----------------|
| G. E. Apps | President |
| W. S. Welch | Vice-President |
| G. C. Cook | Secretary |
| A. H. Harder | Director |
| C. West | Director |

TRANSFER AGENT

The Royal Trust Company, Victoria, B. C.

TRUSTEE & ESCROW AGENT

The Royal Trust Company, Victoria, B. C.

AUDITOR . . . Roberts, Denson, Hill & Co.
Victoria, B. C.

REGISTERED OFFICE . . 404-620 View Street,
Victoria, B. C.

MINING PROPERTIES . . Cowichan Lake, B. C.

ALBETA MINES LTD. (N.P.L.)

EIGHTH ANNUAL REPORT

To the Shareholders,
Albeta Mines Ltd. (N.P.L.)

During the past year news has been released on the new major copper deposits resulting from mining exploration on Vancouver Island. The major deposits at Tofino and at Port Hardy are being developed by companies that don't give a great deal of publicity to what they are doing - but the mining industry and to some extent the public, now realize the great potential of some of these properties.

Other areas of mineral interest and potential importance are known on Vancouver Island. Some are in wilderness park areas, where our Government, by order-in-council, last year prohibited prospecting and staking. Some are in the vast area known as the 'E & N Lands' where the lands, timber and base metals were given to the railway company many years ago. In spite of this, mining companies are interested in exploration on the Island and we expect this interest to result in the finding of more new mines in the decade ahead. Not so

Your Directors have been working toward more mineral exploration in the Robertson River Valley. We have acquired some 21 additional claims by options and by staking and have base metal agreements on some 3,000 acres of 'E & N' land. Dr. R. H. Seraphim, Geological Engineer, was engaged to examine the properties and recommended that the area be explored for any potential 'Port Hardy' type of deposit.

A new issue of Shares to finance such work was considered until the market decline of late Spring and Summer made this impossible.

An agreement has now been made with Silver Standard Mines Ltd. wherein they will carry out a program of exploration on the property as recommended in Dr. Seraphim's report. Silver Standard has been working on copper exploration in northern B. C. and as reported recently in the press, may have come up with a major deposit. The Robertson River properties will have the benefit of their experienced field crews and geologists this winter and early next spring.

In summary then, your Directors report that they have acquired the other copper prospects in the Robertson River Valley, have had a professional examination of them with recommendations for exploration, and have made an agreement for the competent exploration of these properties.

On behalf of the Board of Directors

"George E. Apps",
President.

ROBERTS, DENSON, HILL & CO.
Chartered Accountants
Victoria, B.C. Duncan, B.C.

Victoria, B.C.
385-8791

Dennis C. Roberts, C.A.
R.W. Denson, B.Comm., C.A.
A. Kenneth Hill, C.A.

P. O. Box 1340
Duncan, B.C.
746-7136

AUDITORS' REPORT

The Shareholders,
Albeta Mines Ltd. (N.P.L.)
Victoria, B. C.

We have examined the Balance Sheet of Albeta Mines Ltd. (N.P.L.) as at July 31, 1969 and the Statement of Source and Application of Funds for the year then ended. 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, these financial statements present fairly the financial position of the company as at July 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

"ROBERTS, DENSON, HILL & CO."

Chartered Accountants

October 22, 1969
Victoria, British Columbia

ALBETA MINES LTD. (N.P.L.)

(Incorporated under the laws of the Province of British Columbia)

BALANCE SHEET

AS AT JULY 31, 1969

(With comparative figures as at July 31, 1968)

A S S E T S

| <u>Current</u> | <u>1969</u> | <u>1968</u> |
|---|----------------------|----------------------|
| Cash | \$ 65.13 | \$ 2,756.24 |
| Accounts receivable | - | 160.00 |
| Prepaid expenses | 213.75 | 217.20 |
| | <u>\$ 278.88</u> | <u>\$ 3,133.44</u> |
| <u>Exploration, Development and Administrative Expenses</u> | <u>\$ 103,408.21</u> | <u>\$ 98,762.09</u> |
| <u>Mining Properties and Equipment, at cost</u> | | |
| Mineral claims and properties | \$ 75,448.70 | \$ 75,448.70 |
| Mineral claims under option (Note 1) | 9,000.00 | - |
| Equipment | \$ 14,426.25 | |
| <u>Less: Accumulated depreciation</u> | <u>13,755.18</u> | <u>\$ 671.07</u> |
| | <u>\$ 85,119.77</u> | <u>\$ 76,119.77</u> |
| <u>Incorporation Costs</u> | <u>\$ 2,029.65</u> | <u>\$ 2,029.65</u> |
| | <u>\$ 190,836.51</u> | <u>\$ 180,044.95</u> |

Approved on Behalf of the Board of Directors:

"W. S. Welch" Director

"C. West" Director

December 4, 1969

LIABILITIES & SHAREHOLDERS' EQUITY

| | <u>1969</u> | <u>1968</u> |
|--|---------------|---------------|
| <u>Current</u> | | |
| Accounts payable | \$ 2,233.51 | \$ 441.95 |
| <u>Shareholders' Equity</u> | | |
| <u>Capital Stock</u> | | |
| <u>Authorized:</u> | | |
| 3,000,000 shares with a nominal or par value of \$1.00 per share <u>\$3,000,000.00</u> | | |
| <u>Issued and Fully Paid:</u> | | |
| (Note 2) | \$ 188,603.00 | \$ 179,603.00 |
| | <hr/> | <hr/> |
| | \$ 190,836.51 | \$ 180,044.95 |
| | <hr/> <hr/> | <hr/> <hr/> |

The accompanying notes form an integral
part of this statement.

ALBETA MINES LTD. (N.P.L.)

Exhibit "B"

(Incorporated under the laws of the Province of British Columbia)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED JULY 31, 1969

(With comparative figures for the year ended July 31, 1968)

| | <u>1968</u> | <u>1969</u> |
|--|--------------------|----------------------|
| <u>Source of Funds</u> | | |
| Capital stock issued for cash | \$ - | \$ - |
| Capital stock issued for options on mineral claims | - | 9,000.00 |
| Sale of equipment | - | - |
| Proceeds of insurance claims on equipment | 357.80 | - |
| | <u>\$ 357.80</u> | <u>\$ 9,000.00</u> |
| <u>Application of Funds</u> | | |
| Exploration, development and administrative expenses | \$ 817.55 | \$ 4,646.12 |
| Purchase of equipment | 23.00 | - |
| Purchase of options on mineral claims | - | 9,000.00 |
| | <u>\$ 840.55</u> | <u>\$ 13,646.12</u> |
| <u>Increase (Decrease) in Working Capital</u> | \$(482.75) | \$(4,646.12) |
| <u>Working Capital (Deficiency) at Beginning of Year</u> | <u>3,174.24</u> | <u>2,691.49</u> |
| <u>Working Capital (Deficiency) at end of Year</u> | <u>\$ 2,691.49</u> | <u>\$(1,954.63)</u> |

Schedule I

ALBETA MINES LTD. (N.P.L.)

(Incorporated under the laws of the Province of British Columbia)

SCHEDULE OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED JULY 31, 1969

(With comparative figures as at July 31, 1968)

| | <u>1968</u> | <u>1969</u> |
|-------------------------------------|------------------|--------------------|
| <u>Exploration and Development</u> | | |
| Engineering and Supervision | \$ - | \$ 573.72 |
| Staking, geological and geochemical | - | 1,369.63 |
| Diamond drilling | - | 823.96 |
| Miscellaneous | - | 176.41 |
| Transportation | - | 50.67 |
| Equipment repairs | - | - |
| Depreciation | - | - |
| Road Construction and Maintenance | - | - |
| Property Taxes, fees and permits | 372.17 | 820.33 |
| Insurance | 193.45 | 217.20 |
| | <u>\$ 565.62</u> | <u>\$ 4,031.92</u> |

Administrative Expenses

| | | |
|--------------------|------------------|--------------------|
| Corporate expenses | \$ 152.78 | \$ 243.84 |
| Legal and audit | - | 306.50 |
| Telephone | 59.60 | - |
| Travel | 39.00 | 15.84 |
| Office expenses | - | 48.02 |
| Miscellaneous | .55 | - |
| | <u>\$ 251.93</u> | <u>\$ 614.20</u> |
| | <u>\$ 817.55</u> | <u>\$ 4,646.12</u> |

Exploration, Development & Administration
as at July 31, 1968

\$ 98,762.09

Exploration, Development & Administration
as at July 31, 1969

\$103,408.21

ALBETA MINES LTD. (N.P.L.)

(Incorporated under the laws of the Province of British Columbia)

NOTES TO FINANCIAL STATEMENTS

AS AT JULY 31, 1969

Note 1 - The terms of the option agreements under which these claims are held, call for the issuance of an additional 120,000 paid up shares in the company to the vendors during the period August 1, 1969 to July 1, 1970. The Company is also obligated to keep these claims in good standing and spend a total of \$7,000.00 on exploration and development during this period.

Note 2 - During the year ended July 31, 1969, the Company issued 90,000 shares at 10c per share for options on mineral claims. Since incorporation, the following shares have been issued, for the consideration indicated:

| | <u>Shares</u> | <u>Par Value</u> | <u>Discount</u> | <u>Total</u> |
|---|------------------|-----------------------|-----------------------|----------------------|
| For cash | 839,420 | \$ 839,420.00 | \$ 724,817.00 | \$ 114,603.00 |
| For mineral properties and options | 740,000 | 740,000.00 | 666,000.00 | 74,000.00 |
| | <u>1,579,420</u> | <u>\$1,579,420.00</u> | <u>\$1,390,817.00</u> | <u>\$ 188,603.00</u> |

Note 3 - Subsequent to the date of the balance sheet, the Company issued 50,000 shares at 10c per share, pursuant to the option agreements referred to in Note 1.

Note 4 - Remuneration received by the Directors of the Company for the year totalled \$196.73.