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CARIBOO-BELL COPPER MINES LIMITED

4th Annual Report

1969

Annual Meeting

The Annual General Meeting of the Shareholders of Cariboo-Bell Copper Mines Limited will be held on Thursday, 30th April, 1970, in the Queen Anne Room, Hotel Georgia, Vancouver, B.C., at 2:30 o'clock in the afternoon (Vancouver time).

CARIBOO BELL COPPER MINES LIMITED

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

Authorized Capital:

3,000,000 shares without
nominal or par value.

DIRECTORS

W. R. BERGEY West Vancouver, B.C.
SIR MICHAEL BUTLER, Bt., Q.C. Vancouver, B.C.
FRED E. HALL Islington, Ont.
N.B. KEEVIL Jr. Toronto, Ont.
J.D. MUNROE West Vancouver, B.C.
R.W. WILSON North Vancouver, B.C.

OFFICERS

FRED E. HALL President
N.B. KEEVIL Jr. Vice-President
J.D. MUNROE Secretary-Treasurer

AUDITORS

PRICE WATERHOUSE & CO. Vancouver, B.C.

SOLICITORS

DOUGLAS, SYMES & BRISSENDEN Vancouver, B.C.

TRANSFER AGENTS

THE CANADA TRUST COMPANY Vancouver, B.C.
and Toronto, Ont.

BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE Vancouver, B.C.

REGISTERED OFFICE

SUITE 300 - 999 WEST PENDER STREET, VANCOUVER 1, BRITISH COLUMBIA

CARIBOO-BELL COPPER MINES LIMITED

REPORT OF THE DIRECTORS

To the Shareholders:

Your Directors submit herewith the Annual Report of the company, together with financial statements for the year ended December 31st, 1969.

This report will acquaint you with the work done and the results obtained during the 1969 season and the near term plans for further development of your company's copper property, located 45 miles northeast of William's Lake in the Cariboo Mining Division of British Columbia.

In summary, additional drilling has defined the boundaries of the ore in the zones previously developed and a calculation of the geological ore reserves in these areas permits a revised estimate of 48 million tons of 0.445% contained copper. Significant gold and silver values will add to the recoverable value of these indicated reserves. Prospecting has uncovered mineralization and indicated areas for future detailed work north and east of the known zones.

During the year, work done included 11,576 feet of "B.Q." drilling, 30,000 lineal feet of tractor trenching, close prospecting along a grid of closely spaced lines and geological studies in the field plus extensive sampling, both drill and surface, and interpretation.

Chalcopyrite occurs as disseminations and fine fracture fillings in zones in locally termed hybrid syenite and hybrid monzonite which are facies of the multiple intrusive underlying much of your company's large property. The intrusive rocks vary from unaltered syenite through monzonite to diorite. The hybrid rocks are altered facies of normal syenite and monzonite caused by the introduction of salmon pink potassium feldspar which to date has proven to be the most reliable guide to mineralization. Magnetic indications also can be a useful guide to areas of better mineralization. The boundaries of altered zones and between the kindred rock types can be quite irregular both horizontally and vertically. Overburden is widespread but generally light to relatively shallow and hinders surface prospecting and geological study.

The results to date are highly encouraging. There is ample scope, areally and geologically, for enlarging the presently known picture and good reason to be optimistic about the chance of doing this. As yet the attitude of the mineralized zones is not fully known nor is the relationship, if any, to faulting or other control. Geological work, including aerial photo and magnetic surveys, will be continued this year (1970) in the effort to learn answers to these and other questions. The experience and the generally favourable results obtained on your company's property to date serve to emphasize the difficulties, the cost and the tenacity so often required to make a mine once economic mineralization has been discovered.

Plans are in hand to push all phases of exploration this year (1970) and also to conduct further metallurgical testing. To defray the cost of this programme your company has entered into an agreement with Leitch Mines Limited to advance the necessary funds. Your directors feel confident that this continuing effort will be rewarded and that enough information will become available to justify a feasibility study next year.

On behalf of the Board,

Vancouver, B.C.
March 19th, 1970.

FREDE. HALL,
President.

CARIBOO-BELL COPPER MINES LIMITED

BALANCE SHEET

DECEMBER 31 1969

ASSETS

	<u>1969</u>	<u>1968</u>
CURRENT ASSETS:		
Cash	\$ 31,647	\$ 1,997
Accounts receivable	605	—
Prepaid expenses	785	—
	<u>33,037</u>	<u>1,997</u>
EQUIPMENT, at cost	6,472	8,376
MINERAL CLAIMS, at cost, measured by the issue of 750,000 shares and \$50,000 cash	800,000	800,000
DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES — per statement attached	951,119	724,824
INCORPORATION AND ORGANIZATION EXPENSE	2,812	2,812
	<u>\$1,793,440</u>	<u>\$1,538,009</u>

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 5,935	\$ 504
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SHAREHOLDERS' EQUITY

SHARE CAPITAL:				
Authorized —				
3,000,000 shares without nominal or par value				
Issued and fully paid —	Shares			
For cash (200,000 shares at 75¢ per share and 100,000 shares at \$1 per share issued during 1969)	1,050,005	\$737,505		
For mineral claims	<u>750,000</u>	<u>750,000</u>	1,487,505	1,237,505
	<u>1,800,005</u>			
CONTRIBUTED SURPLUS		300,000	300,000	
		<u>1,787,505</u>	<u>1,537,505</u>	
		<u>\$1,793,440</u>	<u>\$1,538,009</u>	

APPROVED ON BEHALF OF THE BOARD:

FRED E. HALL, Director

J. D. MUNROE, Director

CARIBOO-BELL COPPER MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES FOR THE YEAR ENDED DECEMBER 31 1969

	Balance as at December 31 1968	Expenditure during year	Balance as at December 31 1969
Exploration Expenses:			
Diamond and percussion drilling	\$336,049	\$ 83,956	\$420,005
Drill roads and site preparation	10,979	1,593	12,572
Trenching	12,452	4,842	17,294
Sampling and assaying	30,183	10,884	41,067
Metallurgy	15,522	—	15,522
Prospecting	11,639	5,251	16,890
Engineering and geology	45,081	18,808	63,889
Temporary buildings	26,891	—	26,891
Freight	14,674	377	15,051
Road	17,988	252	18,240
Camp operations	47,581	21,028	68,609
Mine general	76,934	62,215	139,149
Water lines	3,579	3,728	7,307
	<u>649,552</u>	<u>212,934</u>	<u>862,486</u>
Administration expenses	<u>84,967</u>	<u>16,090</u>	<u>101,057</u>
	734,519	229,024	963,543
Deduct —			
Interest on investments	<u>9,695</u>	<u>2,729</u>	<u>12,424</u>
	<u>\$724,824</u>	<u>\$226,295</u>	<u>\$951,119</u>

CARIBOO-BELL COPPER MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31 1969

	<u>1969</u>	<u>1968</u>
Source of funds:		
Proceeds from issue of shares	\$250,000	\$ —
Interest on investments	2,729	—
Sale of equipment	<u>25</u>	<u>900</u>
	<u>252,754</u>	<u>900</u>
Application of funds:		
Exploration and administration expenses	229,024	8,743
Deduct —		
Charges not involving disbursement of funds —		
Loss on sale of equipment	<u>2,808</u>	<u>1,463</u>
	226,216	7,280
Purchase of equipment	<u>929</u>	<u>—</u>
	<u>227,145</u>	<u>7,280</u>
Increase (decrease) in working capital	25,609	(6,380)
Working capital at beginning of year	<u>1,493</u>	<u>7,873</u>
Working capital at end of year	<u>\$ 27,102</u>	<u>\$1,493</u>

AUDITORS' REPORT

To the Shareholders of
Cariboo-Bell Copper Mines Limited:

We have examined the balance sheet of Cariboo-Bell Copper Mines Limited as at December 31 1969 and the statements of deferred exploration and administration expenses and 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 December 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.

March 24 1970

Vancouver, B.C.

'PRICE WATERHOUSE & CO.'

Chartered Accountants.