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CARIBOO-BELL COPPER MINES LIMITED

**5th ANNUAL REPORT
1970**



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.*
R. E. HALLBAUER *West Vancouver, B.C.*
N.B. KEEVIL Jr. *Toronto, Ont.*
J.D. MUNROE *West Vancouver, B.C.*
R.W. WILSON *North Vancouver, B.C.*

OFFICERS

N. B. KEEVIL, Jr. *President*
W. R. BERGEY *Vice-President*
J.D. MUNROE *Secretary-Treasurer*

AUDITORS

PRICE WATERHOUSE & CO. *Vancouver, B.C.*

SOLICITORS

FARRIS, FARRIS, VAUGHAN, WILLS & MURPHY, *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

700 - 1177 WEST HASTINGS STREET, VANCOUVER 1, BRITISH COLUMBIA

ANNUAL MEETING

The Annual General Meeting of the Shareholders of Cariboo-Bell Copper Mines Limited will be held on Monday, June 28, 1971, in the Patricia Room, Hotel Georgia, Vancouver, B.C., at 3:30 o'clock in the afternoon (Vancouver time).

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 31, 1970.

An extensive exploration programme was carried out during 1970 on your company's Bootjack Lake property. This consisted of low level airborne magnetic surveys, detailed geological mapping, geochemical sampling and approximately 75-line miles of induced polarization surveys followed by 17,225 feet of percussion drilling in 56 holes. The indicated ore reserves were not increased substantially as a result of this work. Most recent calculations show geological reserves of 50 million tons at a grade of slightly more than 0.5 % copper-equivalent (including values in gold and silver).

Additional metallurgical testing was carried out by Lakefield Research Ltd. The results of this work confirmed earlier test results which indicated that sulphide copper recovery is satisfactory at a very fine grind but that oxide copper is not recoverable using conventional flotation reagents. Since a substantial portion of the copper content of the indicated reserves occurs as oxides, additional metallurgical work would be required in order to develop a processing technique with acceptable recoveries.

The foregoing programme was financed by your Company's parent by way of a block share purchase and a subsequent loan. While additional exploration work and testing appears desirable relating to the large property, both in respect of known mineralization and on unexplored areas, further funds must first be obtained for this purpose. Teck Corporation Limited, which owns more than 50 % of your Company's shares, has put forward a proposal in this regard (described in the Information Circular) which requires shareholders' consideration, and if approved should permit that work which is warranted.

On behalf of the Board,



N. B. Keevil, Jr.
President.

Vancouver, B. C.
June 4, 1971.

PRICE WATERHOUSE & CO.

CHARTERED ACCOUNTANTS

1075 WEST GEORGIA STREET

VANCOUVER 5, B.C.

April 5 1971

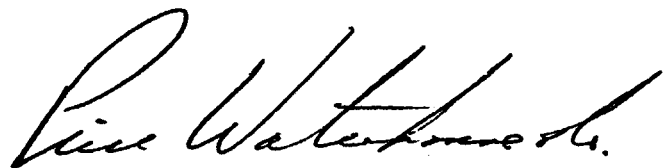
AUDITORS' REPORT

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 1970 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.

The ultimate value of the company's mineral claims and exploration expenses thereon is not known at the present time and any determination of such value is dependent upon future development work.

In our opinion, subject to the final determination of the matter referred to in the preceding paragraph, these financial statements present fairly the financial position of the company as at December 31 1970 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.



Chartered Accountants.

CARIBOO BELL COPPER MINES LIMITED

BALANCE SHEET

DECEMBER 31 1970

ASSETS

	<u>1970</u>	<u>1969</u>
<u>CURRENT ASSETS:</u>		
Cash	\$ 2,538	\$ 31,647
Accounts receivable	37	605
Prepaid expenses	-	785
	2,575	33,037
<u>EQUIPMENT</u> , at cost	16,346	6,472
<u>MINERAL CLAIMS</u> , at cost, measured by the issue of 750,000 shares and \$50,000 cash	800,000	800,000
<u>DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES</u> - per statement attached	1,192,690	951,119
<u>INCORPORATION AND ORGANIZATION EXPENSE</u>	2,812	2,812
	\$2,014,423	\$1,793,440

LIABILITIES

<u>ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</u>	\$ 1,918	\$ 5,935
<u>ADVANCE FROM LEITCH MINES LIMITED</u>	25,000	-

SHAREHOLDERS' EQUITY

SHARE CAPITAL:

Authorized-

3,000,000 shares without nominal
or par value

Issued and fully paid-

For cash (266,667 shares at 75¢
per share during 1970)

For mineral claims

Shares

1,316,672 \$937,505

750,000 750,000

2,066,672

1,687,505

1,487,505

CONTRIBUTED SURPLUS

300,000

300,000

1,987,505

1,787,505

APPROVED ON BEHALF OF THE BOARD:

\$2,014,423

\$1,793,440

 Director

 Director

CARIBOO BELL COPPER MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES

FOR THE YEAR ENDED DECEMBER 31 1970

	<u>Balance as at</u> <u>December 31</u> <u>1969</u>	<u>Expenditure</u> <u>during year</u>	<u>Balance as at</u> <u>December 31</u> <u>1970</u>
Exploration expenses:			
Diamond and percussion drilling	\$420,005	\$ 52,474	\$ 472,479
Drill roads and site preparation	12,572	9,349	21,921
Trenching	17,294	-	17,294
Sampling and assaying	41,067	6,733	47,800
Metallurgy	15,522	2,373	17,895
Prospecting	16,890	5,593	22,483
Engineering and geology	63,889	90,293	154,182
Temporary buildings	26,891	-	26,891
Freight	15,051	176	15,227
Road	18,240	2,247	20,487
Camp operations	68,609	17,902	86,511
Mine general	139,149	34,326	173,475
Water lines	7,307	-	7,307
	<u>862,486</u>	<u>221,466</u>	<u>1,083,952</u>
Administration expenses	<u>101,057</u>	<u>20,105</u>	<u>121,162</u>
	963,543	241,571	1,205,114
<u>Deduct-</u>			
Interest on investments	<u>12,424</u>	<u>-</u>	<u>12,424</u>
	<u>\$951,119</u>	<u>\$241,571</u>	<u>\$1,192,690</u>

CARIBOO BELL COPPER MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31 1970

	<u>1970</u>	<u>1969</u>
Source of funds:		
Proceeds from issue of shares	\$200,000	\$250,000
Sale of equipment	3,260	25
Advance from Leitch Mines Limited	25,000	-
Interest on investments	-	2,729
	<u>228,260</u>	<u>252,754</u>
 Application of funds:		
Exploration and administration expenses	241,571	229,024
<u>Deduct-</u>		
Charges not involving disbursement of funds-		
Loss on sale of equipment	2,543	2,808
	<u>239,028</u>	<u>226,216</u>
Purchase of equipment	15,677	929
	<u>254,705</u>	<u>227,145</u>
Increase (decrease) in working capital	(26,445)	25,609
Working capital at beginning of year	<u>27,102</u>	<u>1,493</u>
Working capital at end of year	<u>\$ 657</u>	<u>\$ 27,102</u>