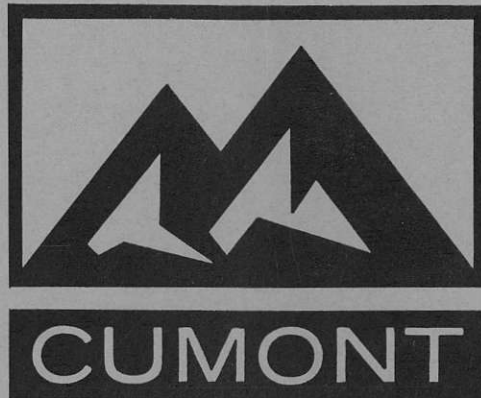


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R. V. KIRKHAM

802393



CUMONT MINES

LIMITED (n.p.l.)

ANNUAL REPORT

1971

To the Shareholders:

We are pleased to report that a plan of financing for your Company has been approved by the Vancouver Stock Exchange. Details of this plan, together with Financial Statements to June 30, 1973, and an Engineer's Report, are included in the enclosed "Statement of Material Facts".

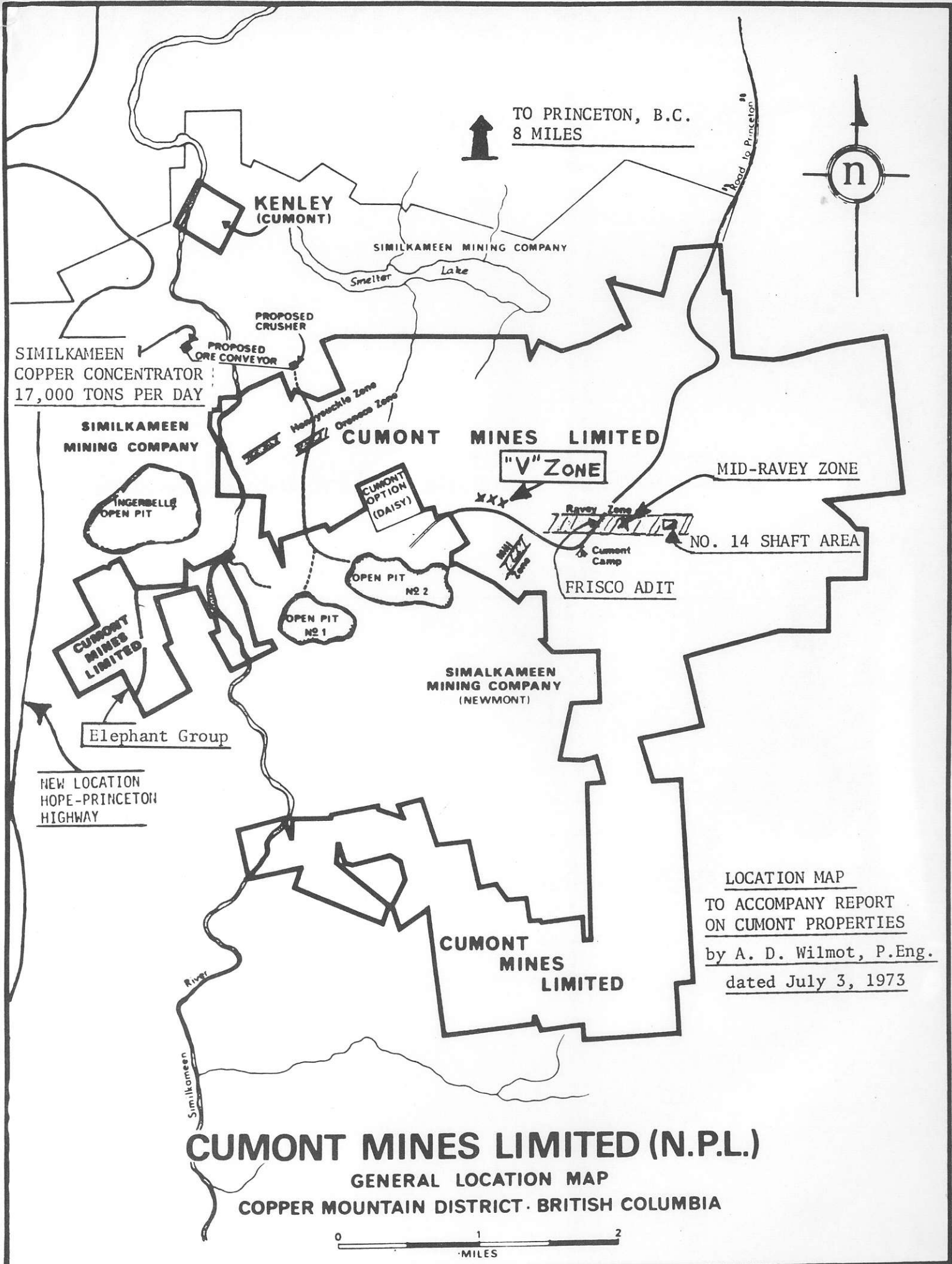
Under the terms of an Agency Agreement with Carlisle, Douglas & Co. Ltd., a member of the Vancouver Stock Exchange, a total of 300,000 treasury shares will be offered through the facilities of the Vancouver Stock Exchange at a price of 45 cents or more per share. Should all of these shares be sold, then the Cumont treasury would receive not less than \$135,000 before deducting standard brokerage commission fees.

It is expected that percussion drilling will begin early next month in the No. 14 Shaft area. The drill will then be moved to the Mid-Ravey and "V" Zones. You are referred to the Engineer's Report for detailed information regarding this proposed drilling program.

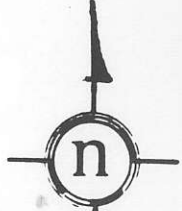
On behalf of the Board,
CUMONT MINES LIMITED (N.P.L.)

J. A. Harquail
President

August 28, 1973



TO PRINCETON, B.C.
8 MILES



**KENLEY
(CUMONT)**

SIMILKAMEEN MINING COMPANY

Smelter Lake

PROPOSED CRUSHER

PROPOSED ORE CONVEYOR

SIMILKAMEEN
COPPER CONCENTRATOR
17,000 TONS PER DAY

SIMILKAMEEN
MINING COMPANY

CUMONT MINES LIMITED

"V" ZONE

MID-RAVEY ZONE

INGERBELLE
OPEN PIT

CUMONT
OPTION
(DAISY)

RAVEY ZONE

NO. 14 SHAFT AREA

OPEN PIT
NO. 2

Cumont
Camp

FRISCO ADIT

OPEN PIT
NO. 1

**CUMONT
MINES
LIMITED**

SIMILKAMEEN
MINING COMPANY
(NEWMONT)

Elephant Group

NEW LOCATION
HOPE-PRINCETON
HIGHWAY

LOCATION MAP

TO ACCOMPANY REPORT
ON CUMONT PROPERTIES

by A. D. Wilmot, P.Eng.

dated July 3, 1973

**CUMONT
MINES
LIMITED**

CUMONT MINES LIMITED (N.P.L.)

GENERAL LOCATION MAP

COPPER MOUNTAIN DISTRICT · BRITISH COLUMBIA



CUMONT MINES

LIMITED (n.p.l.)

OFFICERS	J.A. Harquail President J.A. Brusset Vice-President S. Wisebrot Secretary-Treasurer
DIRECTORS	J.J. Brown Vancouver J.A. Brusset Vancouver J.A. Downing Calgary J.A. Harquail Toronto T.B. Read Vancouver
CONSULTANTS	Surveymin Limited Vancouver
BANKERS	Canadian Imperial Bank of Commerce
AUDITORS	McDonald, Currie & Co.
REGISTRAR AND TRANSFER AGENT	Guaranty Trust Company of Canada 540 Burrard Street, Vancouver, B.C.
SHARES LISTED	VANCOUVER STOCK EXCHANGE

Registered Office: Suite 302, 550 Burrard Street, Vancouver 1, British Columbia
Executive Office: Suite 915, 25 Adelaide Street East, Toronto 1, Ontario (Telephone 362-6424)

CUMONT MINES LIMITED (N.P.L.)

Report to the Shareholders:

The Directors submit for your information the 1971 Annual Report which includes the audited financial statements to December 31, 1971. All of your Company's property holdings near Copper Mountain, British Columbia, have been retained in good standing.

A highlight of the past year was the start of mining and milling operations on the property of Similkameen Mining Company, a subsidiary of Newmont Mining Corporation. Reports indicate that the 15,000 tons-per-day copper concentrator will be operating at rated capacity in the near future.

The location of the Ingerbelle open-pit mine and concentrator, relative to Cumont's property holdings, is shown on the map which accompanies this report. Future exploration targets include percussion drill tests of both the Ravey and Oronoco Zones and a diamond drill test of the Mill Zone.

The Ravey Zone, with its significant copper and gold content, will be given top priority in this program. Proven reserves at the No. 14 Shaft total 87,000 tons averaging 1.63% copper and 0.1 ounces of gold per ton. Additional reserves have been outlined for a half mile to the west of this Shaft, while the zone to the east remains to be tested by drilling.

The Oronoco Zone has been explored by a series of surface trenches, one of which averaged 0.94% copper over a sampled width of 150 feet. A few samples were checked for gold and results indicated an interesting gold content.

Discussions are now in progress concerning the financing of this surface exploration program. We hope to have something to report to you on this matter in the near future.

On behalf of the Board,

J. A. Harquail
President

Toronto, Ontario
June 28, 1972

MCDONALD, CURRIE & CO.

CHARTERED ACCOUNTANTS

COOPERS & LYBRAND
IN PRINCIPAL AREAS
OF THE WORLD

TELEPHONE (416) 366-2551
120 ADELAIDE STREET WEST
TORONTO 110, ONTARIO, CANADA

March 10, 1972

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Cumont Mines Limited (N.P.L.) as at December 31, 1971 and the statements of deferred exploration, development and administration costs and source and use of working capital 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, 1971 and the results of its operations and the source and use of its working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

M^cDonald, Currie & Co

CHARTERED ACCOUNTANTS

CUMONT MINES LIMITED (N.P.L.)
BALANCE SHEET AS AT DECEMBER 31, 1971

A S S E T S

	1971	1970
	\$	\$
CURRENT ASSETS		
Cash	6,687	3,942
Short-term deposits	-	10,000
Deposits on surface rights	<u>693</u>	<u>-</u>
	<u>7,380</u>	<u>13,942</u>
MINERAL PROPERTIES - at cost (notes 1, 2 and 3)	<u>103,711</u>	<u>103,711</u>
FIXED ASSETS		
	Cost	Accumulated
	\$	depreciation
		\$
Camp buildings	4,267	3,747
Machinery and equipment	<u>1,974</u>	<u>1,704</u>
	<u>6,241</u>	<u>5,451</u>
	<u>790</u>	<u>1,778</u>
DEFERRED COSTS (note 2)		
Exploration, development and administration	416,519	398,869
Incorporation expenses	<u>1,350</u>	<u>1,350</u>
	<u>417,869</u>	<u>400,219</u>
	<u>529,750</u>	<u>519,650</u>
SIGNED ON BEHALF OF THE BOARD		
"J. A. Harquail"		
Director		
"J. J. Brown"		
Director		

CUMONT MINES LIMITED (N.P.L.)
BALANCE SHEET AS AT DECEMBER 31, 1971

L I A B I L I T I E S

	1971 \$	1970 \$
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>650</u>	<u>550</u>

S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK (note 3)

Authorized - 5,000,000 shares of the par value of 50 cents each		
Issued - 1,942,980 shares	971,490	951,490
Discount - net	<u>442,390</u>	<u>432,390</u>
	<u>529,100</u>	<u>519,100</u>
	<u>529,750</u>	<u>519,650</u>

CUMONT MINES LIMITED (N.P.L.)

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION COSTS

FOR THE YEAR ENDED DECEMBER 31, 1971

	1971 \$	1970 \$
BALANCE - BEGINNING OF YEAR	<u>398,869</u>	<u>397,085</u>
General	229	224
Assaying	-	131
Automotive equipment operation	-	128
Consulting and engineering	600	175
Depreciation	358	841
Repairs and maintenance	640	2,140
Insurance	53	63
Licences and taxes	803	1,930
Maps and blueprints	240	65
Wages and wage assessments	-	998
Stripping, trenching and bulldozing	-	1,177
Travel and accommodation	399	1,200
	<u>3,322</u>	<u>9,072</u>
Deduct:		
Drilling refund	-	361
Equipment and property rental	1,200	440
	<u>1,200</u>	<u>801</u>
	2,122	8,271
Administration costs - per schedule	<u>15,528</u>	<u>16,513</u>
Total expenses during period	17,650	24,784
Less: Sale of right of way	-	23,000
	<u>17,650</u>	<u>1,784</u>
BALANCE - END OF YEAR	<u>416,519</u>	<u>398,869</u>

CUMONT MINES LIMITED (N.P.L.)
 SCHEDULE OF ADMINISTRATION EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 1971

	1971	1970
	\$	\$
Audit	800	1,100
Consulting and management fees	6,000	6,000
Dues and subscriptions	400	150
Legal fees	363	1,304
Miscellaneous	3	53
Office administration fees	6,000	6,000
Registrar and transfer agent	712	866
Shareholders' information and reports	961	1,243
Travel	<u>461</u>	<u>353</u>
	15,700	17,069
Less: Interest earned on investments	<u>172</u>	<u>556</u>
TOTAL, transferred to deferred costs	<u>15,528</u>	<u>16,513</u>

CUMONT MINES LIMITED (N.P.L.)

STATEMENT OF SOURCE AND USE OF WORKING CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 1971

	1971 \$	1970 \$
SOURCE OF WORKING CAPITAL		
Sale of right of way	-	23,000
Sale of mineral properties	-	2,000
Sale of fixed assets - proceeds	630	599
Capital stock issued	<u>10,000</u>	<u>-</u>
	<u>10,630</u>	<u>25,599</u>
USE OF WORKING CAPITAL		
Purchase of mineral properties	-	15,000
Exploration, development and administration expenses	17,650	24,784
Less: Item included in costs which is not a use of working capital - Depreciation	<u>358</u>	<u>841</u>
	<u>17,292</u>	<u>38,943</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(6,662)	(13,344)
WORKING CAPITAL - BEGINNING OF YEAR	<u>13,392</u>	<u>26,736</u>
WORKING CAPITAL - END OF YEAR	<u><u>6,730</u></u>	<u><u>13,392</u></u>

CUMONT MINES LIMITED (N.P.L.)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1971

1. MINERAL PROPERTIES

The company acquired the Copper Mountain Group of mineral claims and leases located in the Similkameen Mining Division of the Province of British Columbia for cash payments of \$10,711 and 800,000 shares of capital stock of the company having a value ascribed thereto of \$80,000. The company must pay Cominco five percent of the net smelter returns on the ore extracted from specified mineral claims. During 1970 the company disposed of certain mineral and surface rights included in the aforementioned group in consideration for \$2,000. In addition, the company received \$23,000 for sale of a right of way.

Under the terms of an agreement dated April 16, 1970 the company acquired the mineral and surface rights of six crown granted claims located in the Similkameen Mining Division.

The agreement also provides for an option to be exercised within five years from April 16, 1970 to purchase the 50% interest in mineral rights now owned by Similkameen Mining Company in the Daisy Crown grant for \$3,000 plus the option to purchase at their cost the remaining mineral rights if purchased by Similkameen, subject to Similkameen obtaining all of the surface rights.

2. VALUES

The amounts shown for mineral properties and deferred costs represent cost to date and are not intended to reflect the present or future values.

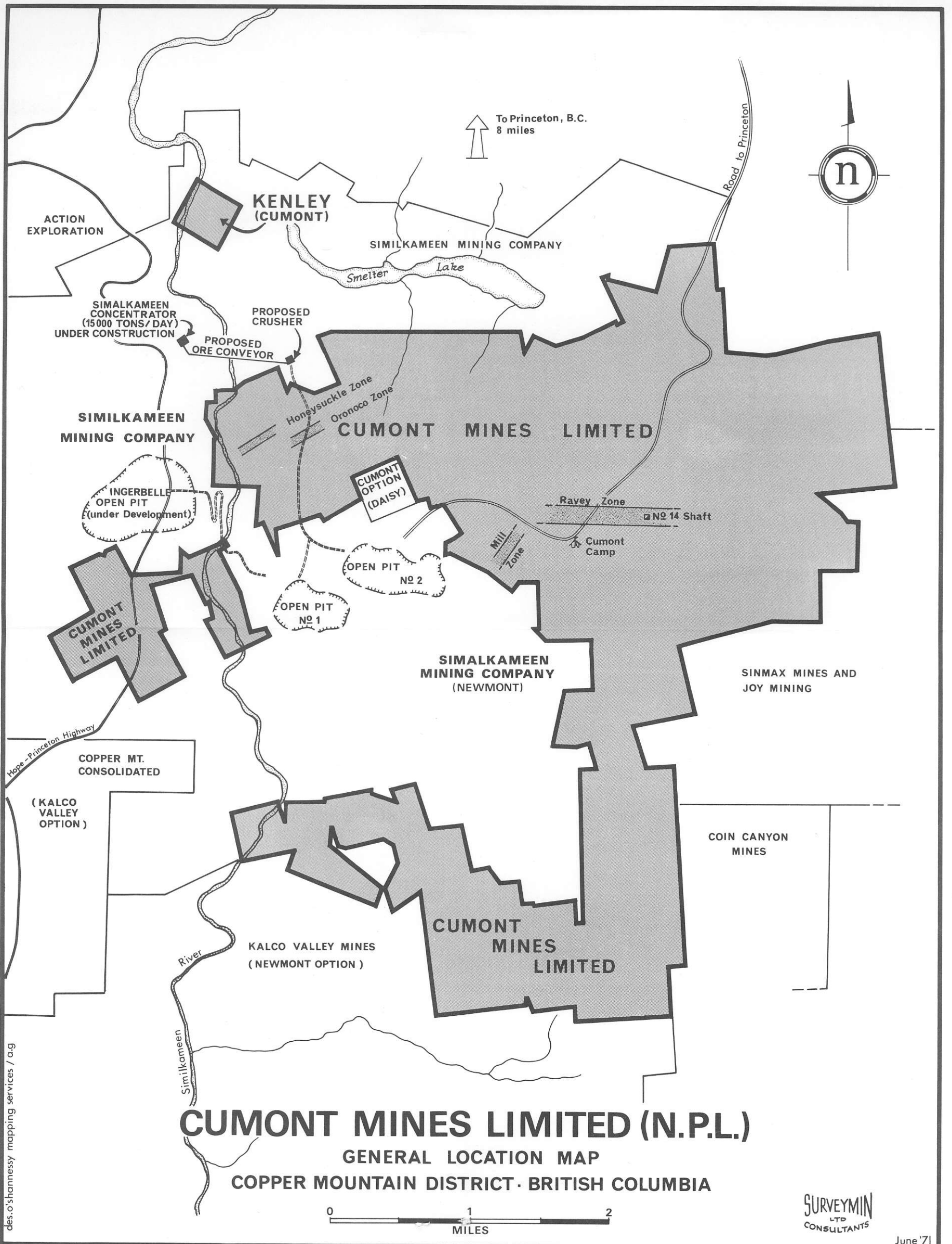
3. SHARE CAPITAL

Shares issued and their related discounts and premiums are classified as follows:

	Shares issued	Par value \$	Discounts \$	Premiums \$	Net \$
For cash -					
To December 31, 1970	1,102,980	551,490	260,330	147,940	439,100
During 1971	<u>40,000</u>	<u>20,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	1,142,980	571,490	270,330	147,940	449,100
For properties -					
To December 31, 1970 and 1971	<u>800,000</u>	<u>400,000</u>	<u>320,000</u>	<u>-</u>	<u>80,000</u>
	<u>1,942,980</u>	<u>971,490</u>	<u>590,330</u>	<u>147,940</u>	<u>529,100</u>

4. SENIOR OFFICERS' REMUNERATION

Remuneration paid to senior officers and directors was \$6,000.



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SURVEYMIN
 LTD
 CONSULTANTS

June '71