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**GENERAL  
RESOURCES LTD.**

(NON-PERSONAL LIABILITY)

**6**TH ANNUAL REPORT 1966

# GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

## HEAD OFFICE

Suite 213 - 678 Howe Street, Vancouver, B.C.

## DIRECTORS AND OFFICERS

W. E. SIMPSON, West Vancouver, B.C. - - *President and Director*

EARL M. OLTS, Vancouver, B.C. - - - - - *Director*

JOHN BRUK, Vancouver, B.C. - - - - - *Secretary and Director*

## REGISTRAR AND SHARE TRANSFER AGENT

THE GUARANTY TRUST COMPANY OF CANADA  
Vancouver, B.C.

## SOLICITORS

LAWRENCE, SHAW, STEWART AND McLOUGHLIN  
Vancouver, B.C.

## AUDITORS

FREDERICK FIELD & Co., *Chartered Accountants*  
Vancouver, B.C.

# GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to submit to you their Report on the activities of the Company for the past year.

### PROPERTIES AND EXPLORATION

Your Company has been consistently active in primary mining exploration during the past year. The properties held in the Highland Valley, B.C. were explored throughout the winter. At other times, exploration activity ranged from the Pine Point area of the North West Territories, the Stikine in North B.C. and as far as Australia.

The most recent work is concentrated on the Okanagan Falls copper prospect acquired in the last month. Your Directors are very encouraged by the rapid expansion of discoveries on the key ground of this prospect. Disseminated copper has been found by drilling and blasting in an intrusive mass. Though still very early, there are indications of large dimensions such as are necessary for open pitting in this area. Brenda Mines lies 45 miles to the North West.

In Pine Point, Canex Aerial Exploration Ltd., subsidiary of Placer Development Limited, is carrying out line cutting on the Gen claims. The very wet condition of the ground has delayed the Induced Polarization survey.

During the winter six large diameter holes were diamond drilled on the Cris Group, South of Lornex Mines, in the Highland Valley. Extensive bulldozing and Induced Polarization surveys had indicated a similar geological situation at the intersection of two major fault structures underlying a large swamp on this property. The Company will consider the continuation of the exploration of the Cris Group.

Immediately after the Cris Group exploration, an Induced Polarization and diamond drill program was started on the Cal Group, North of the Stellako discovery, in the Highland Valley. Copper had been found on the extension of this zone in the previous Fall. Twenty-two trenches had confirmed the zone. Cyprus Mining Corporation, under an Option to acquire 51% of the property, paid for the program. To date, the two holes which were drilled under the edge of the Lake covering the main zone did not show economic values.

In Australia, the Burruga Copper Mine near Bathurst, N.S.W. held by your Company was examined by Mitsubishi Metal Mining Company of Melbourne, who carried out geochemical and geological surveys on the extension of the existing zones.

### FINANCIAL

An underwriting during the year placed ample funds in the Treasury for all immediate programs. Cyprus Exploration Corporation Ltd. continues to have the first refusal for the development of our properties.

### GENERAL

Your Company's role in primary exploration will continue. On behalf of the Company, your Directors would like to thank R. B. Stokes, P.Eng. and his staff for their consistent efforts for your Company.

ON BEHALF OF THE BOARD OF DIRECTORS.

September 1, 1966.

W. E. Simpson,  
President.

# GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

## NOTES TO THE BALANCE SHEET AS AT MAY 31, 1966

### Note 1:

Auscan Ventures Pty. Limited is a wholly owned Australian company which remained inactive during the year.

### Note 2:

As at the date of this balance sheet there was an outstanding option to a director to purchase 20,000 shares of the company at a price of 25c per share, which option expires on October 8, 1966.

### Note 3: Joint Venture with Cyprus Mines Corporation:

General Resources Ltd. has entered into an agreement with Cyprus Mines Corporation for development of certain claims held by General Resources. Under the agreement, Cyprus has advanced to General \$35,000.00 for preliminary work. This money must be spent within 150 days from the date of the agreement, April 14, 1966, or the balance of the funds must be returned. Any further exploration and development work will be at the discretion of Cyprus and will be paid for by them. If the results of the exploration and development program are encouraging, Cyprus may form a joint venture corporation in which General Resources initially would hold 49% of the issued shares.

Cyprus may terminate the agreement at any time and, if they do, they will receive 1 share of General Resources stock for each dollar expended by them on the joint venture operation, but not to exceed 250,000 shares.

Cyprus is to have first refusal on the disposal of all claims and properties held at the date of the signing of the said agreement or subsequently acquired by General Resources Ltd. with the exception of the claims mentioned in Note 4 below, and certain properties held in Australia.

### Note 4: Joint Venture with Canex Aerial Exploration Ltd.:

On January 20, 1966, General Resources Ltd. entered into an agreement with Canex Aerial Explorations Ltd. for exploration of certain claims held by General Resources. Under the agreement, Canex Aerial Explorations Ltd. is to carry out surveys at their expense. When this is completed, they are to become the registered holder of a 50% interest in the particular claims. If Canex Aerial should discontinue the exploration and development program, their interest in the claims will be transferred back to General Resources.

# GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

## BALANCE SHEET AS AT MAY 31, 1966

ASSETS				LIABILITIES	
<b>CURRENT:</b>				<b>CURRENT:</b>	
Cash at bankers and trust company.....	\$171,877.49			Accounts payable.....	\$ 1,887.35
Accrued interest.....	3,017.40			Accrued wages.....	200.00
Accounts receivable.....	28,614.13			Joints Venture Receipts.....	35,000.00
		203,509.02		LESS: Expended to May 31, 1966.....	3,030.12
<b>INVESTMENTS — at cost:</b>					31,969.88
140,000 common shares of Earlcrest Resources Ltd. (N.P.L.) (market value \$27,300.00).....		54,360.00			34,057.23
<b>INVESTMENT IN WHOLLY-OWNED SUBSIDIARY COMPANY:</b>				<b>SHAREHOLDERS' EQUITY</b>	
Auscan Ventures Pty. Limited (Note 1) shares — at cost.....	4.80			<b>SHARE CAPITAL:</b>	
advances.....	337.59	342.39		Authorized —	
				5,000,000 common shares of no par value	
<b>CAPITAL ASSETS — at cost:</b>				Issued and fully paid —	
Mining properties and claims.....	21,100.00			BALANCE — May 31, 1965	
Machinery and equipment.....	5,929.66			2,462,005 common shares of no par value	
Office equipment.....	6,163.28			for the amount of.....	284,702.50
Field dwellings and road.....	10,014.97			ADD: Issued for cash during the year	
		43,207.91		1,200,000 common shares of no par value	
<b>EXPLORATION AND DEVELOPMENT COSTS —</b>				for the amount of.....	280,000.00
per schedule 1.....		296,190.65			
<b>INCORPORATION EXPENSE.....</b>		1,149.76		BALANCE — May 31, 1966	
		\$598,759.73		3,662,005 common shares of no par value	
				for the amount of.....	564,702.50
				(including 581,000 shares held in escrow subject to the order of the Superintendent of Brokers)	
					\$598,759.73

NOTE: The attached notes form an integral part of this balance sheet.

APPROVED ON BEHALF OF THE BOARD:

“E. M. OLTS”, *Director*

“W. E. SIMPSON”, *Director*

*To the Members*

We have examined the above balance sheet of General Resources Ltd. (non-personal liability), as at May 31, 1966, and the exploration and development costs schedule for the year then ended, and have obtained all the information and explanations we have required. 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 above balance sheet and exploration and development costs schedule are properly drawn up in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year, so as to exhibit a true and correct view of the state of the affairs of the company as at May 31, 1966, and the results of its operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the company.

Vancouver, B.C.  
August 10, 1966.

“FREDERICK FIELD & Co.”  
*Chartered Accountants.*

**GENERAL RESOURCES LTD.**

(NON-PERSONAL LIABILITY)

**EXPLORATION AND DEVELOPMENT COSTS SCHEDULE**

for the year ended May 31, 1966

TOTAL COSTS to May 31, 1965.....		\$178,729.99
ADD: EXPLORATION COSTS:		
Salaries, wages and employee benefits.....	21,281.32	
Bulldozing.....	22,891.00	
Diamond drilling.....	31,385.80	
Joint ventures - expense.....	439.77	
Truck operating costs.....	1,634.16	
Filing fees and license.....	572.75	
Geophysical work.....	5,302.37	
Camp expenses.....	4,370.17	
Claims staking expenses.....	3,025.72	
Consulting Geologist and Engineer.....	1,723.85	
Miscellaneous.....	722.02	
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	93,348.93	
ADD: ADMINISTRATION COSTS:		
Management and office salaries*.....	13,190.04	
Office stationery.....	651.02	
Office expense.....	3,201.82	
Legal.....	1,980.20	
Audit.....	700.00	
Publicity.....	455.20	
Travel and miscellaneous.....	4,040.35	
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	24,218.63	
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	117,567.56	
ADD: Loss on sale of investments.....	4,091.24	
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	121,658.80	
DEDUCT: Investment income.....	4,198.14	
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	117,460.66	
TOTAL COSTS to May 31, 1966 — to balance sheet.....		<u>\$296,190.65</u>

\* Management and office salaries includes \$12,000.00 paid to directors acting as officers of the company.

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**REPORT ON THE EXPLORATION PROGRAMS FOR 1965-1966****INTRODUCTION**

General Resources Ltd. (N.P.L.) has carried out a heavy program of exploration throughout the year contributing to a record year of exploration for British Columbia.

**STIKINE, B.C.**

A joint venture initiated by General Resources Ltd. examined several claim groups in this very active area of northern B.C. The major participant, Noranda Mines, managed the venture with Van-metals Exploration and Bralorne-Pioneer contributing. No significant discoveries were made.

**PINE POINT - Northwest Territories**

Your Company's staff acquired 18 claims by staking very early in the rush that developed after the Pyramid discovery. The Gen claims are now under Option to Canex Aerial Explorations Ltd., subsidiary of Placer Development Limited, who will carry out all work to production for a 50% interest. In a recent report, they stated line cutting had come to a standstill because of flooding of the muskeg. An Induced Polarization survey will be carried out as the surface freezes.

**WADE GROUP - Merritt, B.C.**

An NX wireline hole was drilled to a depth of 872 ft. to test a large Induced Polarization anomaly that had been known for several years on this Promontory Hill property.

With similar geology, a Craigmont-type orebody was hoped for. Heavy sulphides were encountered, mostly pyrite with minor copper values. The very large block of claims is being maintained.

**SKUHUN CREEK - Highland Valley, B.C.**

The Hank claims were gridded with 19,000 ft. of line and a magnetometer survey run in an attempt to extend known copper showings on adjacent claims.

**CRIS GROUP - Highland Valley, B.C.**

This group of Cris and Trio claims lies at 5500 ft. elevation just south of the huge Lornex Mines development. It has all the earmarks of a similar structure. Two major fault systems intersect in the middle of a large swamp. The program had to wait for the winter. Five miles of new trucking road were built and a winter camp was established. Earlier bulldozer trenching, a magnetic survey and an Induced Polarization survey indicated an anomaly underlying the swamp 2000 ft. long and 500-800 ft. wide.

Diamond drilling started in December 1965. Disseminated copper and molybdenum values were found in the first four holes which were not on the main anomaly. The key to the area was the fifth hole. A drill pad had to be bulldozed out into the swamp and allowed to freeze during the January sub-zero temperatures. Minor copper values were encountered and it was considered that the anomalies were caused by mineralized sheared clays in the faults. Six NX wireline holes were drilled totalling 2292 feet.

Work has been filed for 10 years as the area will receive continued exploration in the future.

### CAL GROUP – Highland Valley, B.C.

The Cal claims located 1 mile North of the Stellako discovery were staked in the summer of 1965. They contain a shallow lake, averaging 5-6 ft. depth.

An extensive program of bulldozing around the lake following geophoto and magnetometer targets revealed four parallel copper bearing zones. Twenty-two trenches totalling 4680 ft. as deep as 33 ft. showed two main types of mineralization; — disseminated chalcopyrite largely to the East of the lake, and chalcocite, bornite and malachite in the heavily faulted and altered zones adjacent to and trending into the lake.

Following the freeze-up, lines were extended over the lake and magnetic and Induced Polarization surveys were carried out. Two anomalous zones were found. They are the main anomaly alongside and underlying the eastern edge of the lake with a length of 2500 ft. and average width of 400 ft. and the eastern anomaly — length 2000 ft., width 150 ft. with a gap between of 100-200 ft.

These anomalies coincided with magnetic lows and known copper zones found in the trenches.

Following an Agreement with Cyprus Mines Corporation, a road was extended into the property. In the Spring of 1966 a camp was built and drilling started.

Two NX wireline holes were drilled at an angle out under the lake edge to 550 ft. and 509 ft. respectively. Copper values were encountered but were of sub-economic grade.

The program was terminated and assessment filed to maintain the 12 claims in good standing.

### LYNX GROUP – Okanagan Falls, B.C.

In August, 1966 this group of 27 claims was optioned following a discovery in a new area. Disseminated copper had been exposed by blasting out a visually barren outcrop of syenite.

Concerted work by a six man crew during August has extended the mineralization exposed in places over a 2500 ft. by 1500 ft. area. A bulldozer has been moved in to expose lower lying zones between outcrops and a number of new trenches are being blasted out. Disseminated primary bornite in coarse syenite gave an assay of Trace Gold; 0.5 oz. Silver and 0.83% Copper over 31 ft. in the first trench sampled.

Much bulk sampling needs to be carried out in what appears to be a very large copper bearing zone.

### AUSTRALIA

Negotiations have been carried on with groups interested in your Company's holdings in N.S.W.

Mitsubishi Metal Mining Company carried out a geological and geochemical survey over the Burrage copper mine previously drilled by General Resources. Tonnage indicated by this work is 700,000 tons of 1% copper available by open pit.

The old Burrage mine had produced 500,000 tons of 4% copper from underground workings.

The Cow Flat copper property, also near Bathurst, N.S.W., has been maintained as it contains a large tonnage, low grade open pit prospect.

Respectfully submitted,

R. B. Stokes, P.Eng.  
Mining Engineer.

September 2, 1966.



Muskeg such as this covers a large part of some claim groups in the Pine Point area.



Helicopters were used extensively in the Pine Point rush but the snow storms still produced hazardous conditions.



Four post staking is used in the N.W. Territories. This group starts at the edge of the Great Slave Lake.



This 33 ft. deep trench on the Cal Group is one of the deepest in the Highland Valley.



Lynx Group, Okanagan Falls. The new discovery made at 5500 ft. by your Company indicates that much exploration is warranted in this area south of Brenda Mines.



This outcrop appeared completely barren on the surface yet when blasted out widespread disseminated copper mineralization was exposed.