



Wade-Sarga -
Major Contiguous
Claim Groups
826896

92I

General
Resources
Ltd. (NON-PERSONAL LIABILITY)

SECOND ANNUAL REPORT

FOR PERIOD ENDING MAY 31st

1962

GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

HEAD OFFICE

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

DIRECTORS AND OFFICERS

EARL M. OLTS, Vancouver, B.C.	-	-	-	-	<i>President</i>
W. E. SIMPSON, West Vancouver, B.C.	-	-	-	-	<i>Secretary-Treasurer</i>
JACOB AUSTIN, Vancouver, B.C.	-	-	-	-	<i>Director</i>

REGISTRAR AND SHARE TRANSFER AGENT

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

SOLICITORS

NEMETZ, AUSTIN, CHRISTIE & BRUK,
Vancouver, B.C.

AUDITORS

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

EXCHANGE LISTING

VANCOUVER STOCK EXCHANGE
Vancouver, B.C.

GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

DIRECTORS' REPORT TO THE SHAREHOLDERS

On this occasion of the second Annual Report of the Company, your Directors are pleased to advise of the following progress in the Company's affairs in the year since the last Annual General Meeting.

Property and Development

An intensive programme of exploration and development work has been continued in connection with the Wade Group of thirty-eight mineral claims located in the Nicola Mining Division of the Province of British Columbia approximately ten miles northwest of Merritt, British Columbia, and some three and one-half miles to the southwest of the Craigmont Mine. These claims lie on the southern slope of Promontory Hill and contain hills with a broad valley having a general northeast trend. The Wade Group rises from the Nicola Valley at 1800 feet to 3500 feet in the north. From the point of view of transportation, the Wade Group is favourably located, being within a mile of the Canadian Pacific Railway and the Merritt-Spences Bridge Highway. Originally, the Wade Group as acquired by the Company contained a total of fifty-two mineral claims, but after surveying the ground was consolidated to thirty-eight mineral claims by a process of abandonment and re-staking with the consent of the Gold Commissioner.

On the basis of recommendations made by the Company's technical staff, composed of Messrs. R. B. Stokes and H. H. Shear, an energetic programme of exploration was carried on by the Company in the summer and fall of 1961. An extensive programme of line cutting was conducted on a grid of 200 feet by 100 feet spacing and a thorough programme of geological mapping was commenced. A road was built by the Company for a distance of some three miles to connect with the Spences Bridge Highway, and the property is readily accessible by Land Rover. Hand trenching and bulldozing was carried on in 1961 and copper mineralization was found in an area over 1000 feet long by 50 feet wide. The total bulldozer trenching done in 1961 exceeded one mile.

As a result of surface exposures, a geophysical programme using Induced Polarization techniques was decided upon. A deep-seated anomaly was located at depth which appears to have a length of 1300 feet and a width of 400 feet. The overall minimum sulphide content reported by Hunting Surveys Ltd. ranged between two and six per cent. In the opinion of Mr. E. P. Chapman, Jr., consulting mining engineer and geologist, the anomaly was considered to be significant. As a result of recommendations by Mr. Chapman, a magnetometer survey was done which correlated with the Induced Polarization anomaly. On the advice of Mr. Chapman, a diamond drilling programme was withheld pending a further Induced Polarization survey of the anomalous area.

Consequent upon the exploration work done in 1961, your directors were advised that the Wade Group appeared to contain an anomalous zone at depth possibly in excess of 400 feet whose cause could be a sulphide ore body such as was known to exist in the immediate area. At this point, your directors entered into negotiations with American Smelting and Refining Company which led to the conclusion of an option agreement with that company on the 14th day of March, 1962. This Agreement provided for a joint venture between your Company and American Smelting and Refining Company under which the net benefits of the Wade Group were to be divided sixty per cent to American Smelting and Refining Company and forty per cent to your Company. All financing of

exploration and development was made the responsibility of American Smelting and Refining Company with recovery of such expenditures less the amount of \$250,000.00 out of eighty per cent of the cash flow from the Wade Group. The option agreement gave American Smelting and Refining Company a total of two and one-half years in which to elect to bring the Wade Group into production and provided for termination at any time previous to the end of that period.

Subsequent to the agreement of March 14, 1962, American Smelting and Refining Company are carrying on an energetic and detailed examination of the Wade Group including a considerable programme of geophysical work and detailed geologic mapping. Your directors wish to say that they consider the relations of the Company with American Smelting and Refining Company to be of a high order. Announcements of development work on the Wade Group will be made by the Company when significant results have been obtained.

Exploration

While the main interest of the Company has been the development of the Wade Group, nonetheless, an active search for other mineral properties of merit has been carried on. In the spring of 1962 your Company acquired by staking on locations immediately west and north of the Wade Group a block of twenty-one mineral claims which have been designated the "Sarg & Major Groups". These claims have subsequently been included under the agreement of March 14, 1962 with American Smelting and Refining Company and geological mapping and reconnaissance is under way as and from about the beginning of May, 1962.

Also located by staking in the Nicola Mining Division are two groups of mineral claims. The first is known as the "Lower Rover Group" and consists of twenty mineral claims. The Lower Rover Group is located approximately three miles northeast of the Craigmont Mine. An exploration party has been active in geological and geochemical work on the Lower Rover Group since mid-May, 1962. A considerable programme of line cutting has been carried on and followed up with a magnetometer survey and geochemical soil sampling. Preliminary studies indicate a geochemical anomaly of some 1000 feet in length in coincidence with a 1500 gamma magnetic anomaly. Overburden on the Lower Rover Group is heavy but a programme of bulldozer trenching is being considered in addition to a survey by Induced Polarization.

The second mineral claim group in the Craigmont area is known as the "Broom Creek Rover Group" and consists of six mineral claims. This group is located somewhat to the west of the Aberdeen Mine. Overburden is rather heavy but bulldozer work is planned to open trenches for geological examination for certain target areas. The programme planned for the Broom Creek Rover Group should be under way by mid-June, 1962.

Your directors have become increasingly interested in a programme of exploration in the Republic of Eire because of the discovery of a valuable zinc-silver-lead-copper deposit by Northgate Exploration Ltd. near Tynaugh in County Galway. Mr. W. E. Simpson, a director of the Company, in Europe in May, 1962, made a special trip to Eire at your directors' request in order to review the Irish mining situation. In consultation with officials of the mining branch of the government at Dublin, two applications have been made by your Company for prospecting licences of some ten square miles each in County Sligo. The western boundary of these prospecting licences is bordered by Sligo Bay and is immediately north of the City of Sligo. Arrangements are now under way for a programme of geological and geophysical reconnaissance which will be commenced as soon as the prospecting licences have been granted to the Company.

Elsewhere in this Annual Report, details of your Company's exploration and development work are provided by R. B. Stokes, Engineer-in-Charge of the Company's technical staff. This Annual Report also contains maps and other illustrations designed to highlight the Company's work to date and its proposed programme for the 1962 year.

Financial

In the opinion of the directors, the Balance Sheet and Financial Statements included as a part of this Annual Report indicate that the Company holds a secure financial position and is well able to carry out its planned programme of exploration and development together with any general programme of exploration in the foreseeable future. The uncommitted funds of the Company have, in part, been invested by your directors in shares of Craigmont Mines Limited (NPL) pursuant to general authority given to your directors by the shareholders at the last Annual General Meeting. Your directors consider that Craigmont Mines Limited (NPL) is an unusually satisfactory investment both from the point of view of capital appreciation as well as dividend income which can be expected in the near future. The Company also maintains some funds by way of investment in certificates issued by The Guaranty Trust Company of Canada. From the Balance Sheet and accompanying statement, the shareholders will also see that a strong cost-conscious programme has been conducted with unusually low charges for administration not directly connected with exploration work.

Pursuant to an Agreement dated February 12, 1962 between your Company and Continental Investment Corporation Limited, a member of the Vancouver Stock Exchange, 300,000 shares were sold from Treasury at a price of 14c per share and options were granted from Treasury on additional blocks of 200,000 shares at 20c per share, 200,000 shares at 27½c per share and 200,000 shares at 35c per share. To date, the options on 200,000 shares at 20c per share and 200,000 shares at 27½c per share have been exercised. The Company has received in cash at this time under the said Agreement a total of \$137,000.00 and no commission or discount has been paid. There is still outstanding under the Agreement an option on 200,000 shares from Treasury at 35c per share which must be exercised on or before July 12, 1962.

While your directors are of the opinion that, because of financial arrangements made in the past, your Company has adequate funds to carry on its work, nonetheless, your directors are requesting the shareholders at the second Annual General Meeting to consider and, if thought desirable, to authorize the increase of the number of shares which the Company may issue from 3,000,000 to 5,000,000 shares. This step is requested at this time in order to provide flexibility for financial programming so as to meet any demands which may be required of your Company in the next few years and is now presented for your consideration to avoid the expense and delay which might otherwise be occasioned.

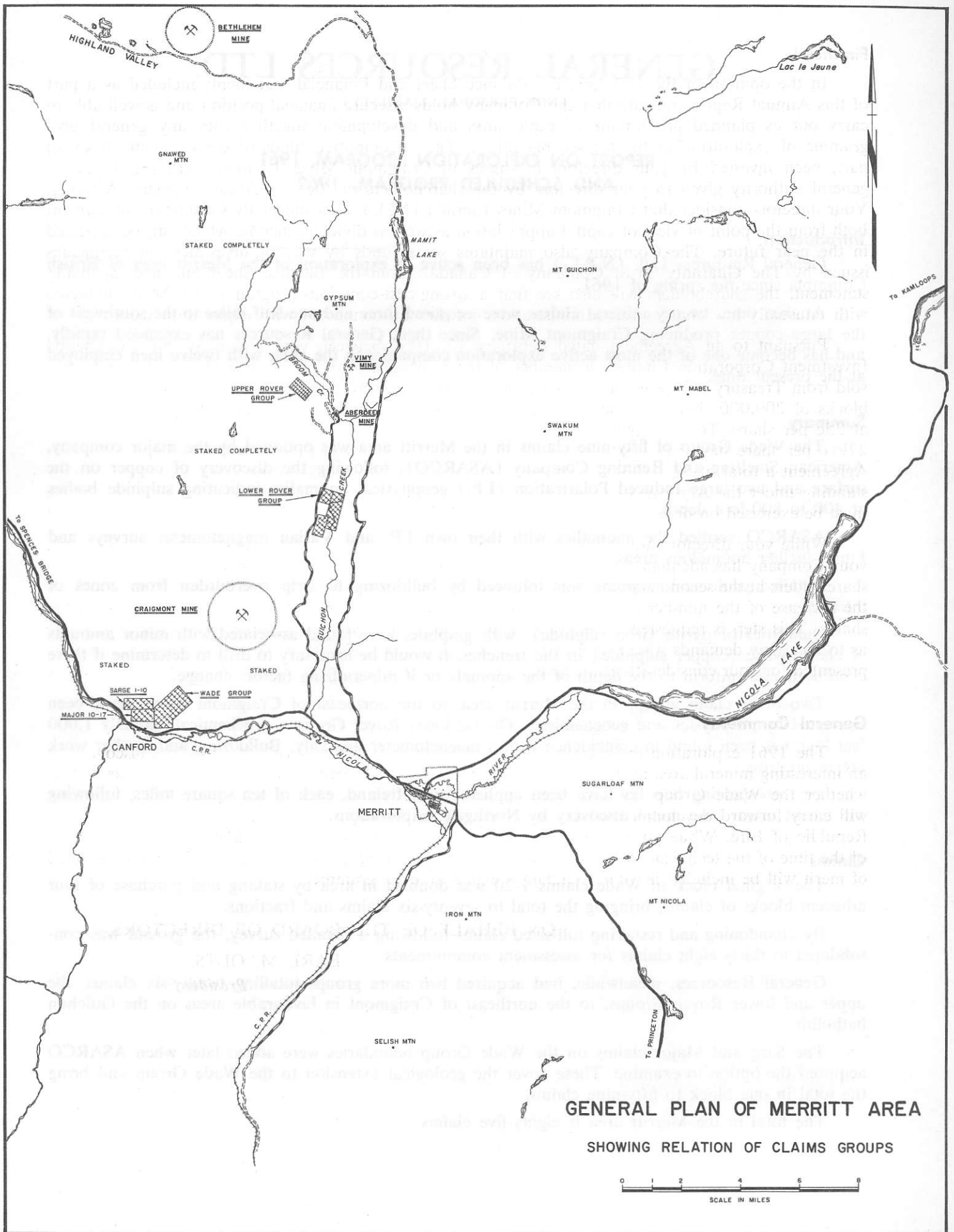
General Comments

The 1961 exploration programme conducted by your Company brought about the discovery of an interesting mineral area in the Wade Group and the 1962 exploration year should serve to determine whether the Wade Group holds promise of economic potential. Additionally, the 1962 programme will carry forward development work on presently located properties in the Merritt area and in the Republic of Eire. While your Company will concentrate on the properties now in hand, a portion of the time of the technical staff is devoted to general prospecting and properties which are considered of merit will be included in your Company's exploration programme,

ON BEHALF OF THE BOARD OF DIRECTORS,

EARL M. OLTS,

President.



GENERAL PLAN OF MERRITT AREA

SHOWING RELATION OF CLAIMS GROUPS



GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

REPORT ON EXPLORATION PROGRAM, 1961 AND SCHEDULED PROGRAM, 1962

Introduction

General Resources Ltd. (N.P.L.) has been active in exploration of the Merritt area of British Columbia since the spring of 1961.

At that time, twenty mineral claims were acquired three and one-half miles to the southwest of the large copper producing Craigmont Mine. Since then, General Resources has expanded rapidly, and has become one of the most active exploration companies in the area, with twelve men employed at the present time.

Summary

The Wade Group of fifty-nine claims in the Merritt area was optioned by the major company, American Smelting and Refining Company (ASARCO), following the discovery of copper on the surface and two large Induced Polarization (I.P.) geophysical anomalies indicating sulphide bodies at 400 to 800-foot depth.

ASARCO verified the anomalies with their own I.P. and Varian magnetometer surveys and found further anomalous areas.

Detailed geological mapping was followed by bulldozing to strip overburden from zones of interest.

Quantities of pyrite (iron sulphide), with graphite, were found associated with minor amounts of chalcopyrite (copper sulphide) in the trenches. It would be necessary to drill to determine if these conditions are uniform to the depth of the anomaly or if mineralizing factors change.

Two other claim groups in the Merritt area, to the northeast of Craigmont Mine, have been examined by geophysics and geochemistry. On the lower Rover Group a geochemical anomaly 1,000 feet long has been found in coincidence with a magnetometer anomaly. Bulldozing and further work are in progress.

Two prospecting licences have been applied for in Ireland, each of ten square miles, following the recent major base metal discovery by Northgate Explorations.

Claims

The original block of Wade claims 1-20 was doubled in area by staking and purchase of four adjacent blocks of claims, bringing the total to seventy-six claims and fractions.

By abandoning and restaking full-sized claims following a detailed survey, the ground was consolidated to thirty-eight claims for assessment commitments.

General Resources, meanwhile, had acquired two more groups totalling twenty-six claims, the upper and lower Rover Groups, to the northeast of Craigmont in favourable areas on the Guichon batholith.

The Sarg and Major claims on the Wade Group boundaries were added later when ASARCO acquired the option to examine. These cover the geological extension to the Wade Group and bring the total in one block to fifty-nine claims.

The total in the Merritt area is eighty-five claims.

WADE GROUP

Work Completed

The initial copper discoveries made in 1961 were expanded by bulldozing and hand trenching to cover an area 1,000 feet long by 50 feet wide. Bulldozer trenches have a total length in excess of one mile.

A road has been built right through the property on a good grade for three miles to connect with the Spences Bridge Highway.

Geology

A topographic plan of the claims area was prepared on a scale of one inch to 500 feet by Hunting Survey Corporation. This was used as a master plan for geological mapping.

Over the area of the anomalies, very detailed mapping, down to one inch to 50 feet, was completed on exposed areas.

On the claims, the Nicola rocks of Triassic sediments and volcanics are largely limey and non limey tuffs interbedded with greywacke.

The copper mineralization was at first thought to be due to the quartz porphyry dykes which run through the property, but now the copper is seen to be associated with a massive, dark green, limey vitric tuff which was fractured in part by the injection of the quartz porphyry dykes. The fractures were filled by calcite and copper at a later date.

A tight fold encloses the copper bearing zone found on the surface, a desirable feature for the formation of ore bodies in this area.

Strong faulting has cut the beds in a NE-SW direction, and apparently offsets the anomaly in one place.

Geophysics

A large part of the claims area is covered by heavy overburden. After the bulldozing and initial geological mapping was complete, it was decided with the company's consultants that the surface exposures warranted an Induced Polarization survey — a relatively new technique in the Merritt area.

Hunting Survey Corporation were engaged with their 10,000 watt equipment, one of the most powerful in North America, capable of probing to at least 1,000-foot depth.

The first survey ran 1.7 miles (9,000 feet) of line on 400 and 800-foot spacing. A deep seated anomaly was located which lies at an apparent minimum depth of 400-500 feet and appears to have a length of 1,300 feet and at least 400-foot width. The overall minimum sulphide content was reported by Hunting Surveys as ranging from 2 to 6 per cent.

A second I.P. survey was run on closer spacing to define the details of certain areas. The survey was run for 4,900 feet at 100 and 200-foot spacing.

The American Smelting and Refining Company then expressed an interest in the Wade Group and obtained an option to examine the property.

The two initial I.P. anomalies were quickly verified by the ASARCO geophysicists and carefully defined by lengthy and detailed work not yet fully reported. This includes depth probes and profiles to outline the shape of the anomalies.

Following the anomalous zone, three more anomalies were found in a pronounced geological trend on the hillside. In plan, these gave the shape of a hockey stick with two large anomalies on the blade and three extended along the curved handle.

In some cases response came from a considerable depth, as far down as 1,000 feet, but one limb of an anomaly was plotted from depth and pinned down to a point just thirteen feet below the surface.

Detailed geological mapping was still being carried out.

The small pinnacle was stripped by bulldozer (see photo) and mineralization was exposed. This was mostly pyrite and graphite in a sheared zone containing small amounts of copper.

Other bulldozing on the anomalies exposed the bedrock and further pyrite in some cases with minor amounts of copper.

Not all trenches reached the bedrock.

Conclusions

There is no doubt that a large proportion of the anomalies outlined by the I.P. surveys is due to the very widespread pyrite mineralization following a favourable bed. Just what proportion could only be determined by diamond drilling. The drill would undoubtedly intersect quantities of sulphides, and possibly graphite in places, through to a considerable depth.

The criterion is, however, whether these sulphides will be pyrite (iron sulphide) or chalcopyrite (copper sulphide) or a mixture of both.

It has been noted that a relatively small I.P. response was obtained from the 1,000 by 50-foot limey zone containing the disseminated chalcopyrite found early last year.

The chance of finding a major copper deposit now rests on drilling to find:

- (a) A structural trap or rock type that favours the concentration of copper sulphides versus iron sulphides.

or

- (b) A limey horizon obscured by the blanketing effect of the overall pyrite mineralization.

Such a drill hole would provide valuable geological data and would need to go at least 700 feet, starting with a large size core, and would cost \$7 - \$10 per foot.

ROVER GROUPS

General Resources' engineering staff and field parties have actively engaged in the Merritt area in the search for new properties since ASARCO optioned the Wade Group.

Two groups, comprising twenty-six claims, are held to the northeast of Craigmont Mine. The lower Rover Group is along the edge of the Guichon batholith.

Considerable activity is centered on this heavily covered region by General and other companies.

A magnetometer survey revealed a low magnetometer anomaly, which, by itself, is relatively unimportant. A superimposed geochemical soil survey revealed an anomaly 1,000 feet long directly over the geophysical anomaly.

Bedrock is expected to be deep in this area, but some information will be obtained by deep bulldozing, now underway, before proceeding to the more expensive I.P. geophysical survey.

The bulldozer will then be moved to the Rover 8 - 13 Group situated northwest of the Aberdeen Mine.

IRELAND

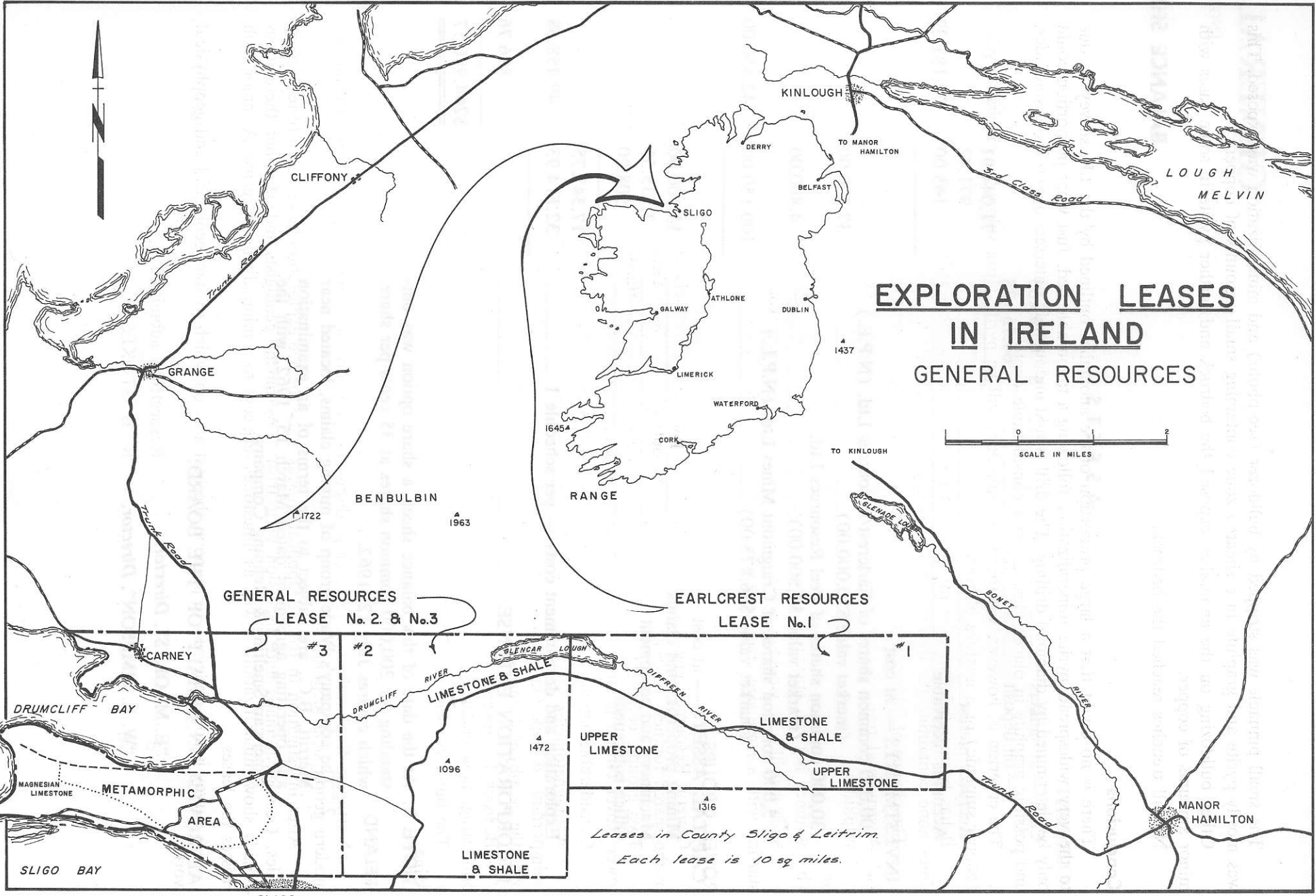
Northgate Explorations have recently discovered a major base metals prospect in Ireland by modern geophysical techniques.

After investigation in Ireland application was made for two exploration leases, each of ten square miles. Geological maps and discussion with Irish Government geologists indicate that these areas already show mineralization as well as limestones adjacent to a mineralizing intrusive. A major fault crosses the leases.

A survey is now underway to pinpoint the best area on which to start geological and geophysical work.

Respectfully submitted,

R. B. STOKES



**EXPLORATION LEASES
IN IRELAND
GENERAL RESOURCES**

SCALE IN MILES

GENERAL RESOURCES
LEASE No. 2 & No. 3

EARLCREST RESOURCES
LEASE No. 1

*Leases in County Sligo & Leitrim.
Each lease is 10 sq miles.*

SLIGO

GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

BALANCE SHEET AS AT MAY 31, 1962

ASSETS

CURRENT:

Cash — at bankers	\$ 6,293.53		
— on deposit	64,751.38		
	71,044.91		
Accrued interest	971.42		
Accounts receivable	165.00	72,181.33	

INVESTMENTS — at cost

100,000 common shares of Earlcrest Resources Ltd. (N.P.L.) (market value \$20,000.00)	37,500.00		
30,000 common shares of Peel Resources Ltd. (market value \$7,500.00)	4,800.00		
5,000 common shares of Craigmont Mines Ltd. (N.P.L.) (market value \$86,875.00)	100,150.00	142,450.00	

CAPITAL ASSETS — at cost

Mining properties and claims	13,100.00		
Machinery and equipment	3,735.55		
Office equipment	508.20		
	17,343.75		
Exploration and development costs — per schedule 1	32,114.93	49,458.68	

INCORPORATION EXPENSE

896.76

\$264,986.77

LIABILITIES

CURRENT:

Accounts payable		\$ 10,286.77
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SHAREHOLDERS' EQUITY

SHARE CAPITAL:

Authorized—		
3,000,000 common shares of no par value		
Issued and fully paid (see note 1)—		
2,262,005 common shares of no par value for an amount of		254,700.00
(including 629,500 shares held in escrow subject to the order of the Superintendent of Brokers)		

\$264,986.77

NOTE 1: At the date of this balance sheet, a share option was outstanding for 200,000 common shares at 35 cents per share, which expires July 12, 1962.

2: The company's Wade group of mining claims, located near Merritt, B.C., are subject to the terms of an examination and operating agreement dated March 15, 1962, with the American Smelting & Refining Company.

APPROVED ON BEHALF OF THE BOARD:

"E. M. OLTS", *Director.*

"W. E. SIMPSON", *Director.*

To the Members

GENERAL RESOURCES LTD.,
(non-personal liability):

We have examined the balance sheet of General Resources Ltd. (non-personal liability), as at May 31, 1962, and the exploration and development costs schedule for the period then ended and have received 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 so as to exhibit a true and correct view of the state of the affairs of the company as at May 31, 1962, and its expenditures for the period 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.
June 7, 1962.

FREDERICK FIELD & Co.,
Chartered Accountants.

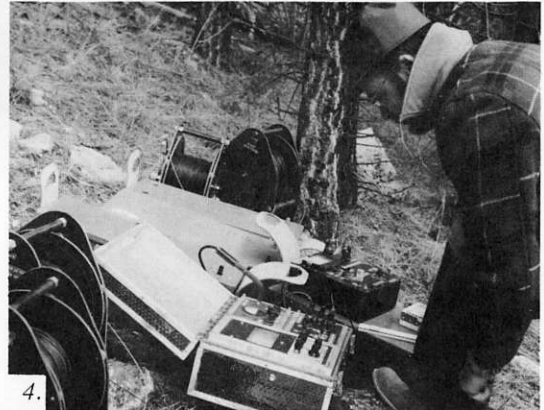
GENERAL RESOURCES LTD.

(NON-PERSONAL LIABILITY)

EXPLORATION AND DEVELOPMENT COSTS SCHEDULE

for the year ended May 31, 1962

TOTAL COSTS to May 26, 1961.....		\$ 8,163.43
<i>add:</i> Engineering salaries	\$ 4,512.93	
Wages	2,850.02	
Employee benefits	843.74	
Consulting geologists	2,658.27	
Surface stripping	1,458.00	
Surveying	485.95	
Filing fees and licenses	688.50	
Truck and transportation expense.....	949.97	
Sundry mine expense	1,025.75	
Office rent	990.00	
Office light	63.18	
Office telephone	698.05	
Office salaries	754.00	
Office stationery	320.54	
Sundry office expense	965.64	
Legal	3,362.43	
Audit	400.00	
Trustees' fees	650.52	
Miscellaneous expense	2,171.81	
	25,849.30	
<i>deduct:</i> deposit interest earned	1,897.80	23,951.50
	25,849.30	23,951.50
TOTAL COSTS to MAY 31, 1962 — to balance sheet.....		\$32,114.93



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1. *Hunting Survey Corporation 10,000 watt I.P. Equipment*
2. *Geologists discuss the Wade Group overlooking the Nicola Valley*
3. *H. Shear, company geologist, examines one of the trenches*
4. *ASARCO geophysicist with the I.P. equipment set up on the Wade Group*
5. *A pinnacle of sulphides comes within 13 feet of the surface and was exposed by trenching*
6. *E. P. Chapman, consultant, measures geological dip*
7. *General Resources Ltd. crew are active in the Merritt area*



7.