

LIARD COPPER MINES LTD. (N.P.L.)ANNUAL REPORT

October 30, 1969

To the Shareholders:

At the time of the Annual Meeting and at the close of the drilling season it is appropriate to report to shareholders results of the most recent work carried out by Hecla at Liard's Schaft Creek property.

This year Hecla drilled 13,334 feet in seven holes on Liard ground. The total of the drilling to date now stands at 40,433 feet in 45 holes. In addition, two holes were drilled on the Paramount Mining Company property which adjoins Liard on the north, and Liard Copper, of course, participates in this venture to the extent of 30 percent of Hecla's expenditures.

The greater part of the drilling was carried out on what is referred to as the East Zone. The zone was not enlarged appreciably, but two fill-in holes confirmed strike continuity. One of these holes, No. 45, returned an intersection of 1160 feet which graded 0.60 percent copper and 0.024 percent molybdenite. The East Zone has now been tested along five sections over a length of 2000 feet, and it will now be possible to make a meaningful preliminary estimate of a reserve within this block.

A single hole apparently confirmed the existence of a lean section between the Central and Eastern Zones and was continued to pick up the down-dip extension of the Central Zone. Step-out holes intersected the West or Breccia Zone, but did not add to the strike length of the ore-grade mineralization.

On the Paramount ground, one of the holes, No. P3, cut 380 feet that assayed 0.43 percent copper and 0.079 percent molybdenite. This intersection included 70 feet of breccia that assayed 1.16 percent copper equivalent, suggesting that the good grade Breccia Zone may persist through 3000 feet of untested Liard ground.

Much drilling remains to be done on the Liard property and continuation of the work on Paramount ground is well justified. An exact figure for Hecla's Paramount expenditures is still awaited, but \$15,000 has been set aside as Liard's share of this year's costs. After provision of this sum for repayment to Hecla, working capital at September 30, 1969 is \$5,936.29. Prior to being advised of Hecla's budget for the 1970 program, it is apparent that Liard must provide for a minimum of \$15,000 to finance its share of next year's expenditures on the Paramount ground.

On behalf of the Board of Directors,

"R.W. WILSON"  
President