

C

RISBY TUNGSTEN MINES LTD.



HOWARD ROSS LIBRARY
OF MANAGEMENT
JUL 6 1983
MCGILL UNIVERSITY

ANNUAL REPORT 1980

HEAD OFFICE: Suite 709-744 West Hastings St.
Vancouver, B.C.
V6C 1A9
Telephone (604) 669-8959
Telex 04-55590

BANKERS: Bank of Montreal
Main Branch
595 Burrard Street
Vancouver, B.C.
V7X 1L7

AUDITORS: Coopers & Lybrand
1055 W. Georgia Street
Vancouver, B.C.
V6E 3R2

SOLICITORS and
REGISTERED OFFICE: Russell & DuMoulin
1075 West Georgia Street
Vancouver, B.C.
V6E 3G2

TRANSFER AGENT
and REGISTRAR: Guaranty Trust Company of Canada
800 West Pender Street
Vancouver, B.C.
V6C 2V7

DIRECTORS and
OFFICERS: Alan C. Savage, President
John P. McGoran, Secretary
Colin K. Campbell, Controller

RISBY TUNGSTEN MINES LTD.

To The Shareholders

During 1980 the principal asset of your company continued to be the CAB group of claims under option to Hudson Bay Mining and Smelting Company Limited. To date, \$806,154 have been expended by Hudson Bay. These expenditures have indicated a developing body of tungsten mineralization which, while still below threshold reserve levels for an economic mining and milling operation holds great promise and continues to respond well to exploratory diamond drilling.

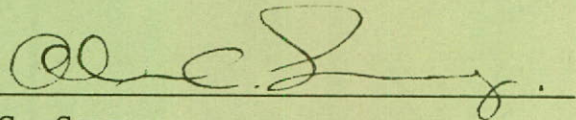
The 1981 program planned for the CAB group is estimated to cost approximately \$450,000 and will include diamond drilling, mapping, geological prospecting and geochemical exploration. The annual report of Hudson Bay made the following comment: "On a property optioned from Risby Tungsten Mines Ltd. and located near Ross River, Yukon, a drilling program continued to test a tungsten-bearing skarn zone located by previous work. The zone has been tested along 1,200 feet of strike length and to a vertical depth of 800 feet. It is still open at depth and will be further explored in 1981."

The financial statements which form a part of this annual report present the status of the company's affairs and should be reviewed by shareholders. Current assets stood at \$133,843 at year end and have since been increased by the \$75,000 May 1 option payment from Hudson Bay. Thus Risby is adequately funded for further exploration activity.

In this vein, Risby acquired a 20% net interest in the Alexis Joint Venture which will conduct exploration in the Chilcotin area of B.C. on an initial budget of \$75,000.

Following the year end shareholders approved a change in the controlling share position which took place when Invex Resources Limited acquired 585,000 shares (34%) of the outstanding Risby shares. Your new board consists of myself as President, John P. McGoran, Corporate Secretary and Colin K Campbell, Controller. We look forward to a long association with you, the shareholders, of a growing natural resource company.

On behalf of the Board of Directors,

A handwritten signature in cursive script, appearing to read "Alan C. Savage", written over a horizontal line.

Alan C. Savage,
President

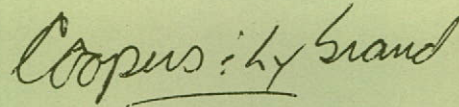
THE ANNUAL MEETING OF SHAREHOLDERS WILL TAKE
PLACE ON JUNE 30, 1981 AT 3:00 P.M. IN THE
OAK ROOM AT THE FOUR SEASONS HOTEL.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Risby Tungsten Mines Ltd. as at December 31, 1980 and the statements of mineral properties and related deferred costs and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures 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, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
March 6, 1981



CHARTERED ACCOUNTANTS

RISBY TUNGSTEN MINES LTD.

BALANCE SHEET AS AT DECEMBER 31, 1980

A S S E T S

	1980	1979
	\$	\$
CURRENT ASSETS		
Cash and term deposits	5,881	33,645
Due from a director (note 4)	8,716	
Accounts receivable		2,005
Prepaid expense		1,000
Advances to affiliated companies (note 2)	<u>119,246</u>	<u>55,881</u>
	133,843	92,531
FIXED ASSETS, at cost less accumulated depreciation of \$797 (1979 - \$252)	2,122	2,272
MINERAL PROPERTIES AND RELATED DEFERRED COSTS (notes 1 and 5)	<u>340,417</u>	<u>341,841</u>
	<u><u>476,382</u></u>	<u><u>436,644</u></u>

L I A B I L I T I E S

CURRENT LIABILITIES

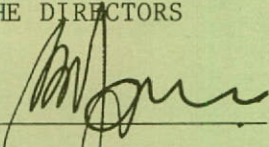
Accounts payable and accrued liabilities	2,881	3,643
--	-------	-------

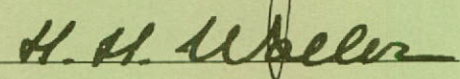
S H A R E H O L D E R S ' E Q U I T Y

CAPITAL STOCK (note 3)

Authorized - 5,000,000 shares of no par value		
Issued and fully paid - 1,702,502 shares	<u>473,501</u>	<u>433,001</u>
	<u><u>476,382</u></u>	<u><u>436,644</u></u>

APPROVED BY THE DIRECTORS


 _____ Director


 _____ Director

RISBY TUNGSTEN MINES LTD.

STATEMENT OF MINERAL PROPERTIES AND RELATED DEFERRED COSTS

FOR THE YEAR ENDED DECEMBER 31, 1980

	1980	1979
	\$	\$
EXPLORATION AND DEVELOPMENT		
Assaying		838
Board, lodging and camp supplies		3,233
Drafting and blueprints	296	1,508
Drilling equipment		98
Engineering		792
Exploration management		3,130
Explosives		119
Field communications		160
Geological consulting and research	5,616	21,770
Recording	1,230	859
Salaries		9,150
Supplies		715
Travel and accommodation	<u>105</u>	<u>6,382</u>
	<u>7,247</u>	<u>48,754</u>
ADMINISTRATION		
Accounting and audit	7,555	8,703
Corporate and legal	8,115	15,648
Depreciation	545	252
Management fees (note 4)	7,000	12,000
Office and general	29,094	33,509
Promotion	1,287	15,100
Interest income	<u>(12,267)</u>	<u>(4,954)</u>
	<u>41,329</u>	<u>80,258</u>
EXPENDED DURING THE YEAR	48,576	129,012
OPTION PAYMENTS RECEIVED (note 5)	<u>(50,000)</u>	<u>(50,000)</u>
	(1,424)	79,012
BALANCE - BEGINNING OF YEAR	<u>341,841</u>	<u>262,829</u>
BALANCE - END OF YEAR	<u><u>340,417</u></u>	<u><u>341,841</u></u>
REPRESENTED BY:		
Cost of properties	75,000	75,000
Deferred exploration and development costs	186,947	179,700
Deferred administration costs	178,470	137,141
Option payments received (note 5)	<u>(100,000)</u>	<u>(50,000)</u>
	<u><u>340,417</u></u>	<u><u>341,841</u></u>

RISBY TUNGSTEN MINES LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1980

	1980	1979
	\$	\$
SOURCE OF WORKING CAPITAL		
Issue of share capital	40,500	170,000
Option payments received	<u>50,000</u>	<u>50,000</u>
	<u>90,500</u>	<u>220,000</u>
USE OF WORKING CAPITAL		
Mineral properties and related deferred costs	48,031	128,760
Advanced to affiliated companies		4,178
Purchase of fixed assets	<u>395</u>	<u>2,524</u>
	<u>48,426</u>	<u>135,462</u>
INCREASE IN WORKING CAPITAL	42,074	84,538
WORKING CAPITAL - BEGINNING OF YEAR	<u>88,888</u>	<u>4,350</u>
WORKING CAPITAL - END OF YEAR	<u><u>130,962</u></u>	<u><u>88,888</u></u>
REPRESENTED BY:		
Current assets	133,843	92,531
Current liabilities	<u>2,881</u>	<u>3,643</u>
WORKING CAPITAL - END OF YEAR	<u><u>130,962</u></u>	<u><u>88,888</u></u>

RISBY TUNGSTEN MINES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1980

1. SIGNIFICANT ACCOUNTING POLICIES

Operations

The company is in the process of exploring and developing its 161 mineral claims located in the Yukon Territory but, on the basis of information to date, has not yet determined whether these properties contain ore reserves which are economically recoverable. The underlying value of the mineral properties and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the company to obtain the necessary financing to complete development, and upon future profitable production.

Deferred Exploration and Development Expenses

Exploration and development expenses relating to mineral properties are deferred until such time as mineral properties are brought into production, abandoned or sold, at which time they are amortized on the unit of production basis or written off.

Mineral Property Option Agreement

The company is selling certain mineral properties pursuant to the terms of an option agreement, the specific details of which are set out in note 5. Because the option is exercisable entirely at the discretion of the optionee, the amounts receivable are not recorded as an asset or sale until such time as the option payment is received.

2. ADVANCES TO AFFILIATED COMPANIES

Advances to affiliated companies are comprised of a demand loan in the amount of \$60,000 bearing interest at the bank prime rate plus 2%, accrued interest on the loan of \$13,047, and a non-interest bearing advance of \$46,199.

These advances were repaid on March 6, 1981.

RISBY TUNGSTEN MINES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1980

3. CAPITAL STOCK

To December 31, 1980 shares have been issued and allotted as follows:

Consideration	Shares	\$
For underwriting of capital stock issue	25,000	13,000
For mineral properties	750,000	75,000
For cash	<u>927,502</u>	<u>385,501</u>
	<u>1,702,502</u>	<u>473,501</u>

During 1980, 67,500 shares were issued to directors of the company at 60¢ per share for a total cash consideration of \$40,500.

Options have been granted, subject to regulatory authorities' approval, to directors of the company to purchase up to 55,000 shares of the company at 74¢ per share. The options expire on November 30, 1981.

4. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No direct remuneration was paid to directors or senior officers by the company during the year. The company did, however, pay \$7,400 in fees to Warke Agencies Ltd., a company controlled by a director and the immediate past president of the company. At December 31, 1980, this director was indebted to the company in the amount of \$8,716.

5. OPTION AGREEMENT

On May 1, 1979, the company entered into an option agreement covering 128 mineral claims in the CAB claim group. The option agreement provides for a series of payments to the company and minimum expenditures to be made on the property by the optionee over the balance of the option period in order to earn up to an 80% interest in the property. If the option is fully exercised the company will receive total consideration of \$1,400,000 in varying amounts over five years from May 1, 1979. Consideration of \$100,000 has been received to date, of which \$50,000 was received in the current year.

The optionee has spent a total of approximately \$778,900 on the property, fulfilling the work requirement for the second year of the agreement and thereby earning a 15% interest in the property.

