

17<sup>th</sup>

# ANNUAL REPORT



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***O'BRIEN GOLD MINES, LIMITED***

(NO PERSONAL LIABILITY)





# O'BRIEN GOLD MINES, LIMITED

(No Personal Liability)

## TO THE SHAREHOLDERS:

TAKE NOTICE that the Annual General Meeting of Shareholders of O'Brien Gold Mines, Limited (No Personal Liability) will be held in Salon "B", the Windsor Hotel, in the City of Montreal, Que., on the 25th day of January, 1952, at the hour of 12.00 o'clock noon:

- (1) To receive reports;
- (2) To elect Directors;
- (3) To appoint Auditors;
- (4) To consider, and if deemed advisable, to confirm Bylaw No. 16 enacted by the Directors on the 29th of June, 1951, for the purpose of clarifying and consolidating former Bylaws 14 and 15 and authorizing the Directors to use Company funds in the purchase, sale and exchange of stocks, bonds, debentures or other securities, of any other company;
- (5) To transact such other business as may properly come before the meeting.

Each shareholder who may not be able personally to be present is respectfully requested to sign and return the enclosed proxy to the undersigned in the envelope provided. Your proxy for voting is required by by-laws to be filed with the Secretary forty-eight hours before the meeting.

Copy of the reports and the Financial Statements to be submitted to such meeting are forwarded herewith.

DATED this 17th day of December, 1951.

BY ORDER OF THE BOARD

A. S. CLERKE, *Secretary.*





# PROXY

O'BRIEN GOLD MINES, LIMITED

(No Personal Liability)

I, \_\_\_\_\_, of \_\_\_\_\_  
one of the shareholders of O'Brien Gold Mines, Limited (No Personal Liability), being the owner of \_\_\_\_\_ shares, hereby appoint J. Barry O'Brien, President, or failing him, Alan Scott, Vice-President, or failing him, A. S. Clerke, Secretary, or failing him, \_\_\_\_\_ as my proxy to vote for me and in my name at the Annual General Meeting of the Company to be held in the City of Montreal, Que., on Friday, the 25th day of January, 1952, at the hour of 12.00 o'clock noon, and at any adjournment thereof.

IN WITNESS WHEREOF I have hereunto set my hand this \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_\_\_\_.

WITNESS:

\_\_\_\_\_

}

\_\_\_\_\_

(SIGN HERE)



SEVENTEENTH ANNUAL REPORT  
of  
O'BRIEN GOLD MINES, LIMITED

(No Personal Liability)

President

J. BARRY O'BRIEN

Vice-President

ALAN SCOTT

Secretary-Treasurer

A. S. CLERKE

Directors

J. BARRY O'BRIEN . . . . .	Ottawa, Ontario
J. A. O'BRIEN . . . . .	Ottawa, Ontario
B. A. O'BRIEN . . . . .	Ottawa, Ontario
ALAN SCOTT . . . . .	Ottawa, Ontario
M. A. THOMSON . . . . .	Montreal, Quebec

Mine Manager

H. E. SPARKS

Stock Transfer Agent and Registrar

MONTREAL TRUST COMPANY

Montreal, P.Q., and Toronto, Ontario

Head Office

KEWAGAMA, P.O., QUEBEC







## DIRECTORS' REPORT

To the Shareholders of  
O'Brien Gold Mines, Limited  
(No Personal Liability)

We are pleased to present the Seventeenth Annual Report of the Directors along with Financial Statements, Auditors' Reports and the Operating Report of the Mine Manager for the fiscal year of the Company ended 30th September, 1951.

The year has been characterized by a slightly lower price for our gold bullion, owing to the decline in exchange premiums, and by added difficulties in maintaining a balanced labour force.

The net profit is \$115,930.89 as compared with \$140,692.99 the previous year, when the provisions required for income and mining taxes and depreciation totalled about \$19,000.00 more than the relative requirements for the year under review.

A dividend of \$162,500.00, at the rate of five cents per share was paid in March 1951, and the balance remaining in surplus account is \$449,137.62 as compared with \$491,551.99 on 30th September, 1950.

The scale of production operations shows no appreciable change. Development work, however, was curtailed through lack of experienced miners, with the result that new ore put in sight and total ore reserves are down by approximately 34,000 tons. No. 1 vein continues to show excellent values to the 3,150' level, which is the deepest horizon developed to date.

The total of operating and administration expenses at \$973,986.37 is practically unchanged. The reduction in development expenses was more than offset by general wage increases during the year, which largely account for the increased extraction cost.

In view of the new legislation permitting a controlled form of bullion sales in the free markets of the world, it is of interest to note that our gross revenues per ounce through Mint sales in recent fiscal years have been as follows: — 1949 - \$38.41,

1950 - \$41.46, 1951 - \$40.29. Your Directors have investigated the possible benefits of free market sales but are satisfied that such returns would be relatively less favourable in 1952, provided Cost-Aid is continued in its present or an improved form.

The Statement of Operations contains a non-operating development charge of \$22,258.34. This relates to the cost of sinking No. 4 shaft to the 3,450' level in 1949 and completes the write-off of this item.

Expenditures on outside exploration were relatively light as field activity was confined almost entirely to prospecting. Since the end of the year a potential lead-zinc property in New Brunswick has been taken under option and will be investigated in 1952.

The cover of this Report carries a reproduction of an aerial view of your mining plant and property, which we believe will be of general interest.

Your Directors again take this opportunity to express their appreciation of the loyal and efficient services of the Mine Manager and the Staff in the conduct of the year's operations.

On behalf of the Board,

J. BARRY O'BRIEN,

President.

Ottawa, Ontario,  
30th November, 1951.

# MINE MANAGER'S REPORT

Kewagama, Quebec,  
October 22, 1951

The President and Directors,  
O'Brien Gold Mines, Limited.

Gentlemen:

The following report covers the operations for the fiscal year ended September 30th, 1951.

## PRODUCTION:

A summary of the production is as follows:

Tons of Ore Treated..... 65,173  
Average Grade per Ton Ore.... 0.446 ounces (\$16.49)

	<u>Ounces</u>	<u>Value</u>
Values in Ore Treated.....	29,061.890	\$1,074,686.53

## Tailings Loss:

	<u>Ounces</u>	
Flotation.....	815.255	
Roasting.....	113.396	
Cyaniding.....	262.315	
	1,190.966	\$ 44,040.73
Bullion Produced.....	27,870.924	\$1,030,645.80
Recovery per Ton Treated.....	0.428 ozs.	\$ 15.81
Percentage Recovered.....	95.9%	

The average daily tonnage milled was 186.4 tons.

## MINING:

The source and grade of ore sent to the mill were as follows:

<u>Source</u>	<u>Tons</u>	<u>Percent of Total Tons</u>	<u>Grade Ozs. per Ton</u>
Stopes and Backstopes.....	61,320	94.1	.460
Development.....	3,868	5.9	.237
	65,188	100.0	.446

The following is a summary of development work:

	<u>Current Year</u>	<u>Totals to Sept. 30, 1951</u>
Drifting.....	3,691	75,589
Crosscutting.....	145	17,137
Raising and Boxholding.....	311	8,053
Shaft Sinking.....		5,107
Station Cutting.....		1,569
	4,147 ft.	107,455 ft.



## DIAMOND DRILLING:

Underground.....	9,316 ft.	145,560 ft.
Surface.....	Nil ft.	20,295 ft.
	<u>9,316 ft.</u>	<u>165,855 ft.</u>

A serious shortage of skilled labour has reduced development footage by 35% in comparison with last year. This has resulted in a reduction in our Ore Reserves, due to inability to carry out work on available levels in the mine.

On the 3150' level, No. 1 Vein was opened up with encouraging results while the 3300' and 3450' levels remained idle.

A short length of ore was disclosed paralleling the eastern extremities of No. 1 Vein on the 3000' level.

Some 1800' east of No. 2 shaft on the 2000' level a small mineralized micaceous zone was developed with sufficient promise to encourage further exploration of the area.

New ore put in sight during the year amounted to 26,319 tons containing 13,368 ounces.

## ORE RESERVES as at October 1, 1951:

	Tons	Ounces per Ton
Broken Ore.....	17,235	.419
Probable Ore in Place.....	113,486	.389
	<u>130,721</u>	<u>.393</u>

## OPERATING COSTS:

		Per Ton Ore Treated
Development and Diamond Drilling	\$100,023.12	\$ 1.53
Extraction.....	528,638.62	8.11
Total Mining.....	<u>\$628,661.74</u>	<u>\$ 9.64</u>
Milling, Roasting and Cyaniding....	127,688.24	1.96
General.....	166,835.55	2.56
	<u>\$923,185.53</u>	<u>\$14.16</u>

Two wages increases of ten cents an hour, effective September 1, 1950 and June 16, 1951, account for the higher mining cost as compared with the previous year.

## CAPITAL EXPENDITURES:

The Capital Expenditures for the year were classified as follows:

Buildings and Machinery.....	\$ 1,247.07
Tools and Equipment.....	4,349.96
Trucking Equipment.....	4,948.65
	<u>\$10,545.68</u>

## OUTSIDE EXPLORATION:

Prospecting in the Lake La Treve and Lake Chicobi areas, Chibougamau District, failed to locate any ore deposits of economic size or grade.

Construction on the Bachelor Lake road was continued by the Provincial Government and it will possibly be completed to our property next year.

## GENERAL:

The lack of experienced miners has been a severe handicap to all operations during the year. Workmen continue to arrive from Europe but these men require an extensive period of training after arrival, and frequently move on to other industries after their initial stay.

A general wage increase of approximately ten per cent became effective on June 16th.

A shipment of one hundred tons of crude arsenic was made to Belgium the latter part of the year.

I wish to thank the President and Directors for their advice and co-operation and the loyal and excellent work of the mine staff and employees.

Respectfully submitted,

H. E. SPARKS,  
Manager.

**O'BRIEN GOLD**  
(NO PERSONAL)

INCORPORATED UNDER THE LAW

**BALANCE SHEET AS AT**

**ASSETS**

**Current Assets:**

Cash.....	220,081.41	
Dominion of Canada bonds— at cost and accrued interest (Quoted market value \$1,369,543.75)	1,391,155.00	
Other bonds and preferred shares— at cost and accrued interest (Quoted market value \$100,438.55)...	105,499.18	
Bullion.....	71,084.09	
Accounts receivable.....	9,629.16	
Claim under the Emergency Gold Mining Assistance Act — estimated.....	60,000.00	1,857,448.84

**Sundry Assets:**

Inventories of general stores — at not more than cost.....	187,406.96	
Prepaid expenses.....	29,226.64	
Sundry investments — at nominal values	7.00	
Sundry mining claims — at nominal values	2.00	216,642.60

**Fixed Assets:**

Mine property — at cost.....	1,385,122.84	
Plant, buildings and equipment — at cost... 1,032,142.20		
Less: Reserves for depreciation..... 938,416.86	93,725.34	1,478,848.18

\$3,552,939.62



**MINES, LIMITED**

(LIABILITY)

OF THE PROVINCE OF QUEBEC

30th SEPTEMBER 1951

**LIABILITIES****Current Liabilities:**

Accounts payable and accrued expenses.	46,708.62	
Wages payable.....	15,351.48	
Income tax and tax under the Province of Quebec Mining Act.....	<u>22,288.58</u>	84,348.68

**Deferred Liability:**

Re pension plan, for past service of employees.....		19,453.32
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**Capital Stock and Surplus:**

Capital stock —		
Authorized —		
4,000,000 shares of a par value of \$1 each.....	<u>\$4,000,000.00</u>	
Issued as fully-paid and non-assessable —		
3,250,000 shares.....	3,000,000.00	
Surplus —		
As per attached statement.....	<u>449,137.62</u>	3,449,137.62

Approved on behalf of the Board:

J. Barry O'Brien	} Directors
M. A. Thomson	

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the books and accounts of O'Brien Gold Mines, Limited (No Personal Liability) for the year ended 30th September 1951, and we have obtained all the information and explanations which we have required.

We report that, in our opinion, the above balance sheet and the accompanying statements of operations and of surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at 30th September 1951 and the results of the operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

Ottawa, 13th November 1951

McDONALD, CURRIE & CO.,  
Chartered Accountants\$3,552,939.62

# O'BRIEN GOLD MINES, LIMITED

(NO PERSONAL LIABILITY)

## Statement of Operations for the Year Ended 30th September 1951

### Revenue:

Bullion.....	1,030,645.80		
Less: Marketing expenses..	<u>7,602.90</u>	1,023,042.90	
Estimated revenue under the Emergency Gold Mining Assistance Act (including approximately \$17,500 applicable to prior year)....		98,494.78	
Interest on investments and deposits.....		45,844.32	
Dividends received.....		<u>2,509.07</u>	1,169,891.07

### Expenditure:

Operating —			
Development, mining, milling, general and office.....	923,185.53		
Legal and directors' fees, stock transfers, regis- tration, administration and miscellaneous.....	<u>50,800.84</u>	973,986.37	
Other —			
Reserved for depreciation of plant.....	27,166.97		
Development other than operating — balance written off.....	22,258.34		
Outside exploration.....	<u>17,548.50</u>	<u>66,973.81</u>	1,040,960.18
			<u>128,930.89</u>

Provision for Income Tax and Tax under the Province of Quebec Mining Act.....			13,000.00
<b>Net Profit for the Year.....</b>			<u><u>\$115,930.89</u></u>

## STATEMENT OF SURPLUS

<b>Balance — 30th September 1950.....</b>		491,551.99
Net profit for the year.....	115,930.89	
Profit on sale of fixed assets.....	1,300.00	
Profit on sale of Dominion of Canada bonds and preferred shares.....	2,035.65	
Net reduction in liability re pension plan, for past service of employees — arising from terminations and adjustments during the year.....	<u>819.09</u>	120,085.63
		<u>611,637.62</u>
Dividend No. 15 paid 7th March, 1951.....		162,500.00
<b>Balance — 30th September 1951.....</b>		<u><u>\$449,137.62</u></u>









