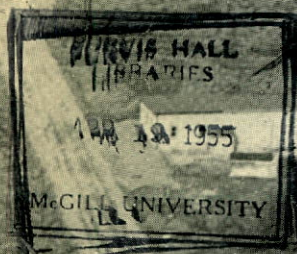


18th

ANNUAL REPORT



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 Friday, the 23rd day of January, 1953, at the hour of 12.00 o'clock noon, to receive reports, elect Directors and appoint Auditors, and to transact all such other business as may properly come before the meeting.

Each shareholder who may not be able to be personally 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 15th day of December, 1952.

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, _____
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 23rd day of January, 1953, 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 _____, 195_____.

WITNESS:

}

(SIGN HERE)

EIGHTEENTH 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)

Your Directors present their Eighteenth Annual Report along with the accompanying Financial Statements, Auditors' Report to the Shareholders and the Operating Report of the Mine Manager for the fiscal year of the Company ended 30th September 1952.

Your attention is drawn to the revised form of the Statement of Profit and Loss adopted this year, which emphasizes the relative importance of investment income in the year's results. The position has been reached where costs are substantially equal to mining revenue, including the amount received under the Emergency Gold Mining Assistance Act.

The net profit for the year was \$30,594, of which the net mine operating revenue was \$10,317. On a comparable basis, the net mine operating revenue for the previous year was \$98,126. The further decrease in the value of the U.S. dollar in terms of the Canadian dollar during the year under review resulted in the proceeds of bullion sold to the Mint being \$57,580 less than they would have been under the average price realized during the previous year. It is obvious that the mine cannot continue operating at a profit, unless more favourable factors materialize in the near future. The Minister of Finance very recently has announced an increase in the terms of assistance to gold mines. Present indications are that this will not materially improve your Company's position over the next financial year.

After paying a dividend of five cents per share in March 1952, the Surplus now shows a balance of \$333,332 compared with \$449,137 as at 30th September 1951.

Production operations show little change from the previous year, with the milling rate being slightly higher and the grade of ore treated somewhat lower. It is becoming increasingly difficult to secure adequate skilled labour for gold mining, particularly in the smaller centres such as Cadillac.

Underground development work was directed towards the opening of the No. 1 vein system, principally on the lower levels

of the Mine. The known ore bodies are found to continue with no appreciable change in indicated tonnage or grade. There is evidence of some increase in branching and parallel vein structures. However, ore reserves are lower than a year ago because of the elimination of certain tonnages formerly included therein, as a result of the reduced price received for gold and the higher cost of production.

Expenditures on outside exploration totalled \$29,386 compared with \$17,548 last year. A detailed investigation of a base metal prospect was carried on in New Brunswick, but failed to discover any worth-while values, and the option on this property has been dropped. Elsewhere, property examinations and prospecting were carried on with nothing of importance to report.

During the year your Company acquired a beneficial interest in shares of Alminex Limited, which is a private company engaged in the exploration and development of oil and gas in Western Canada, and your Directors look forward to interesting developments from this investment.

It is with pleasure that we again express our appreciation of the faithful and efficient services of the Mine Manager and members of the Staff in the conduct of the year's operations.

On behalf of the Board,

J. BARRY O'BRIEN,

President.

Ottawa, Ontario,
27th November 1952.

MINE MANAGER'S REPORT

Kewagama, Quebec,
October 20th, 1952

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

Gentlemen:

I submit herewith, for your consideration, the report of operations of your Company for the fiscal year ended September 30th, 1952.

PRODUCTION:

A summary of the production is as follows:

Tons of Ore Treated..... 67,567
Average Grade per Ton Ore..... 0.397 ounces (\$13.80)

	<u>Ounces</u>	<u>Value</u>
Values in Ore Treated.....	26,853.919	\$932,543.65

Tailings Loss:

	<u>Ounces</u>	
Flotation.....	795.652	
Roasting.....	77.346	
Cyaniding.....	275.214	
	<u>1,148.212</u>	\$ 39,750.37
Bullion Produced.....	<u>25,705.707</u>	<u>\$892,793.28</u>
Recovery per Ton Treated.....	0.380 ozs.	\$ 13.21
Percentage Recovered.....	95.7%	

The average daily tonnage milled was 187.9 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.....	64,773	95.7	.400
Development.....	2,900	4.3	.341
	<u>67,673</u>	<u>100.0</u>	<u>.397</u>

The following is a summary of development work:

	<u>Current Year</u>	<u>Accumulated Totals to Sept. 30th, 1952</u>
Drifting.....	2,532	78,121
Crosscutting.....	137	17,274
Raising and Boxholing.....		8,053
Shaft Sinking.....		5,107
Station Cutting.....		1,569
	<u>2,669 ft.</u>	<u>110,124 ft.</u>

DIAMOND DRILLING:

	Current Year	Accumulated Totals to Sept. 30th, 1952
Underground.....	13,330 ft.	158,890 ft.
Surface.....		20,295 ft.
	<u>13,330 ft.</u>	<u>179,185 ft.</u>

Development of the 1A Vein on the 3,150' level was completed with satisfactory results. Back testing on both No. 1 and No. 1A Veins on this level, returned favourable grades.

On the 3,300' level, development of No. 1 Vein has indicated the downward continuity of ore from the level above. Final results will be determined when back testing is carried out.

On the 2,000' level the micaceous mineralized zone developed 1,800' east of No. 2 Shaft was mined to a height of 130' where length and grade decreased to an unmineable degree. Average grade resulting from the operations was 0.290 ounces per ton.

On the 1,000' level, investigation of the upward extension of the east ore shoot of No. 1 Vein was proceeding at year end.

The area to the north of the Cadillac shear zone was investigated during the year by some 4,500 feet of contract diamond drilling from various underground locations. No commercial values were encountered.

The net total of new ore put in sight during the year amounted to 30,231 tons containing 12,072 ounces. Lower grade ore to an amount of 21,000 tons has been written out of Ore Reserves as being no longer economic under existing costs and the price received for gold.

ORE RESERVES as at October 1st, 1952:

	Tons	Ounces per Ton
Broken Ore.....	27,538	.372
Probable Ore in Place.....	65,847	.400
	<u>93,385</u>	<u>.392</u>

OPERATING COSTS:

		Per Ton Ore Treated
Development and Diamond Drilling	\$ 80,415.57	\$ 1.19
Extraction.....	546,419.28	8.09
Total Mining.....	626,834.85	9.28
Milling, Roasting and Cyaniding....	145,421.18	2.15
General.....	146,949.87	2.17
	<u>\$919,205.90</u>	<u>\$13.60</u>

CAPITAL EXPENDITURES:

There were no Capital Expenditures during the year.

OUTSIDE EXPLORATION:

An investigation of a reported copper occurrence in Sault Ste. Marie area failed to disclose anything of interest. In the Chibougamau district, ten claims have been staked to protect a narrow copper discovery until further work is done.

On the Rocky Brook-Millstream Concession in New Brunswick, prospecting throughout the summer, followed by a Magnetometer Survey, failed to find any evidence of mineral occurrence and the option was terminated.

GENERAL:

A shortage of underground labour continues. A number of our experienced miners are moving to projects under construction in other districts, where higher earnings are realized.

The cost of supplies continues to increase while the average price received for gold in terms of the Canadian dollar is at a new low since 1934. The average price received for an ounce of fine gold during the year was \$34.67, and compares with \$36.91 for 1951 and \$38.37 for 1950, cost aid excluded in all instances.

A further shipment of one hundred and fifty tons of crude arsenic was made to Belgium in the first part of the year, but this market now appears to be saturated.

I wish to thank the President and Directors for their advice and co-operation, and the Mine Staff and Employees for their loyal and excellent work.

Respectfully submitted,

H. E. SPARKS,
Manager.

O'BRIEN GOLD
(NO PERSONAL)
INCORPORATED UNDER THE LAWS
BALANCE SHEET AS AT

ASSETS

Current Assets:

Cash	56,436.24	
Bullion	82,514.65	
Accounts receivable	8,290.74	
Claim under the Emergency Gold Mining Assistance Act — estimated	90,378.39	
Overpayment of income and Quebec mining profits taxes	1,584.92	
Dominion of Canada bonds, par value \$1,355,000 — at cost and accrued interest (Quoted market value \$1,293,118.75) ..	1,361,767.00	
Other bonds and preferred shares — at cost and accrued interest (Quoted market value \$138,614.17)	<u>139,616.68</u>	1,740,588.62

Sundry Assets:

Inventories of general stores — at cost	149,709.15	
Prepaid expenses	28,009.10	
Sundry investments and mining claims — at nominal values	9.00	
Investment in shares of Alminex Limited — at cost (see note)	<u>25,000.00</u>	202,727.25

Fixed Assets:

Mine property — at cost	1,385,122.84	
Plant, buildings and equipment — at cost ...	1,025,902.69	
Less: Reserves for depreciation	<u>960,170.35</u>	<u>65,732.34</u>
		1,450,855.18

NOTE: \$3,394,171.05

The company has subscribed for an additional \$25,000 payable on call.

Approved on behalf of the Board:

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

MINES, LIMITED

(LIABILITY)

OF THE PROVINCE OF QUEBEC

30th SEPTEMBER 1952

LIABILITIES**Current Liabilities:**

Accounts payable and accrued expenses.	31,702.72	
Wages payable	<u>16,015.41</u>	47,718.13

Deferred Liability Re Cost of Past Service

Pensions		13,120.92
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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>333,332.00</u>	3,333,332.00

AUDITORS' REPORT TO THE SHAREHOLDERS\$3,394,171.05

We have examined the balance sheet of O'Brien Gold Mines, Limited (No Personal Liability) as at 30th September 1952 and the statements of profit and loss and surplus for the year ended on that date 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 accompanying balance sheet and statements of profit and loss and 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 1952 and the results of its 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.

MCDONALD, CURRIE & CO.,
Chartered Accountants.

OTTAWA, 7th November 1952.

O'BRIEN GOLD MINES, LIMITED

(NO PERSONAL LIABILITY)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30th SEPTEMBER 1952

Mine Operating Revenue:

Bullion.....	892,793.28		
Less: Marketing expenses..	<u>7,096.91</u>	885,696.37	
Estimated revenue under the Emergency Gold Mining Assistance Act (including approximately \$22,300 applicable to prior year)....		<u>114,972.04</u>	1,000,668.41

Mine Operating Expenditure:

Development, mining, milling, general and office.....	919,205.90		
Legal and directors' fees, stock transfers, registration, administration and miscellaneous.....	<u>52,128.14</u>	971,334.04	
Provision for depreciation of buildings and machinery...		<u>19,016.88</u>	990,350.92
			<u>10,317.49</u>

Other Revenue:

Interest on bonds and deposits	41,775.23		
Dividends received.....	5,176.86		
Profit on sale of fixed assets...	<u>3,336.45</u>	50,288.54	

Other Expenditure:

Outside exploration.....	29,386.41		
Loss on sale of Dominion of Canada bonds.....	<u>625.50</u>	<u>30,011.91</u>	20,276.63

Net Profit for the Year.....			<u><u>\$30,594.12</u></u>
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NOTE: In addition to the provision for depreciation of \$19,016.88 shown above, an amount of \$8,976.12 is included in the above accounts representing depreciation of equipment.

STATEMENT OF SURPLUS

Balance — 30th September 1951.....		449,137.62
Net profit for the year.....	30,594.12	
Adjustment of provision for income and Quebec mining profits taxes of previous years — arising from assessments and the application of the terms of The Income Tax Act respecting losses.....	14,988.81	
Reduction in reserve for cost of past service pensions — arising from terminations during the year.....	<u>1,111.45</u>	46,694.38
		<u>495,832.00</u>
Dividend No. 16 paid 12th March 1952.....		162,500.00
Balance — 30th September 1952.....		<u><u>\$333,332.00</u></u>

