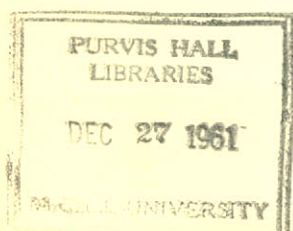


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27th  
Annual  
Report  
1961

O'BRIEN

*Gold Mines  
Limited*





Twenty-Seventh Annual Report of

# O'BRIEN

Gold Mines, Limited

## OFFICERS

*President, J. BARRY O'BRIEN*

*Vice-President and General Manager, ALAN SCOTT*

*Secretary-Treasurer, R. FERRIER BURNS, C.A.    Assistant Secretary-Treasurer, E. J. TURNBULL*

## DIRECTORS

J. BARRY O'BRIEN

M. J. O'BRIEN, JR.

B. A. O'BRIEN

ALAN SCOTT

ST. BARBE SLADEN

## STOCK TRANSFER AGENT & REGISTRAR

MONTREAL TRUST COMPANY

Montreal and Toronto

## OFFICES

Executive Office  
OTTAWA, ONT.

Head Office  
HULL, QUE.



# Directors' Report

To the Shareholders of

O'BRIEN GOLD MINES, LIMITED

Your Directors submit herewith their Twenty-seventh Annual Report together with the Auditors' Report to the Shareholders and the Financial Statements for the fiscal year ended September 30, 1961.

Revenues for the year at \$26,648 show practically no change from the previous year, as will be noted in the comparative Statement of Earnings. Expenses, although \$3,812 higher for outside exploration, show an overall decrease of \$4,035 due to reductions in administrative and general charges and in mine property expenses. The Net Loss for the year is \$51,931 compared with \$55,936 in the previous year. This does not take into account a profit of \$75,335 realized on the sale of Alminex Limited shares during the year. This profit, together with proceeds of disposal of mine plant and equipment, and a \$5,000 option payment on the Bachelor Lake property, more than offset the Net Loss for the year, with a resultant improvement of \$31,497 in Surplus Account, or Statement of Retained Earnings as it is now called.

Net working capital (excess of current assets over current liabilities) at \$411,814 shows a reduction of \$106,340 in the year, as evidenced on the Balance Sheet. Interest-bearing advances totalling \$237,498 were made to Atlantic Coast Copper Corporation Limited during the year, a portion of which was financed by a bank loan pending disposal of further investments at an appropriate time.

## *Atlantic Coast Copper Corporation Limited*

The completion of production facilities at the Little Bay property of Atlantic Coast Copper Corporation Limited in New-

foundland was of principal concern throughout the greater part of the year. Treatment of surface dump ores commenced on May 8, 1961, and 43,624 tons (632 tons daily) of this material were fed to the mill, prior to commencement of mine ore treatment on July 16, 1961. For the three months to the end of October, mill feed totalled 80,116 tons (880 tons daily) of which 55,959 tons (615 tons daily) came from underground workings. The concentrator has demonstrated its ability to treat up to 1,200 tons daily and this capacity will be utilized to the full as quickly as underground developments can deliver the increased tonnage. The grade of ore to the mill in the initial months of operation has been low (approximately 1.25% copper) due to the heavy proportion of crushed pillars and ore remnants that have had to be drawn from the previous workings. It is not expected that a normal production rate, in balance with ore reserve tonnage and grade, will be achieved until the first quarter of 1962, at which time production of approximately 1,000,000 pounds of copper monthly is envisaged.

Shipment of copper concentrates to the smelter commenced in September. All production from December onwards will be held in stockpile at the mine, pending the reopening of navigation in June 1962, but a partial settlement is advanced by the smelter monthly against these concentrates.

Your Company's total investment in this operation now stands at \$1,011,753, of which \$774,255 is reflected in the holding of 1,275,102 shares, and \$237,498 is in the form of interest-bearing notes convertible into shares of Atlantic Coast Copper Corporation Limited at a price of \$1.00 per share on or before June 1, 1963, at your Company's option. A background guarantee in the amount of \$300,000 has been provided by your Company in addition to the above, in respect of one-half of the working capital advances arranged by Atlantic Coast Copper Corporation Limited with its bankers.



### *Exploration*

Exploration activity during the year was on an expanded and more diversified scale than in recent years. Two participations in silver exploration mentioned in last year's Report were unsuccessful in their objectives and have been terminated. A minor participation in two other prospecting syndicates was also without reward. Early in 1961, your Company joined with Rio Tinto Canadian Exploration Limited in a programme of geophysical studies on selected targets in Northwestern Quebec. This was revised late in the year into a similar programme under the sole sponsorship of your Company. Two areas have been shown to hold anomalies that merit further attention, including diamond drilling, and further work of this nature will be undertaken in the months ahead. Elsewhere in the field, your Company again maintained two prospecting parties throughout the summer season. An interesting anomaly, which was disclosed by these activities late in the year, has been fully protected by staking pending the results of additional geophysical and ground exploration.

### *General*

Early in 1961 your Company's Bachelor Lake gold property in Lesueur Township, Quebec, was placed under option to Sturgeon River Mines Limited. Terms of the agreement involved a substantial commitment for further exploration and provided for an ultimate sale price of \$250,000. Since the close of the year under review this option has been amended to a royalty lease, with provision for transfer of title when a total of \$275,000 has been received in royalty payments. We are informed that plans are already underway for the installation of a surface plant and shaft sinking. It is expected that ore treatment will commence late in 1962 at the nearby Coniagas mill.

Your Company's holding of 2,000 shares of H. G. Young Mines Limited has remained unchanged during the year. An

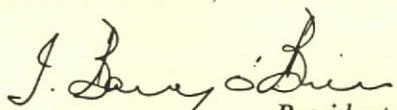
opportunity to participate in additional financing for this company in 1960 was not exercised and the option to acquire an additional 50,000 shares mentioned in last year's Report was thereafter no longer valid.

In view of your Company's substantial shareholding in Alminex Limited, you will be interested to know that the operations of this company are showing continued improvement both in sales revenue and in oil and gas reserves. An overall increase of approximately 50% is forecast for net production income for the 1961 fiscal year. Your Company's holding in Alminex Limited was reduced to 661,683 shares by the sale of 100,000 shares early in 1961.

Your attention is drawn to the change in the registered Head Office address of your Company from Kewagama, Quebec, to Hull, Quebec. With all activities at the Cadillac property terminated, it has been found desirable to have the Head Office and the Executive Office in as close proximity as possible, while still maintaining a Quebec address for the former as required by The Quebec Companies' Act.

Your Directors desire to express their appreciation of the loyal and efficient services of the staff in the conduct of the year's operations.

On behalf of the Board,

  
President.

November 24, 1961.



# O'BRIEN Gold Mines, Limited (NO PERSONAL LIABILITY)

(Incorporated under the laws of Quebec)

## Assets

Current Assets	1961	1960
Cash . . . . .	\$ 1,509	\$ 12,298
Accounts receivable . . . . .	6,665	5,936
Securities — at cost and accrued interest (quoted market value \$451,072) . . . . .	504,127	504,023
Prepaid expenses . . . . .	754	743
	<u>513,055</u>	<u>523,000</u>
<b>Other Assets</b>		
Investment in and advances to Atlantic Coast Copper Corporation Limited — Shares — at cost (quoted market value \$1,581,127) . . . . . \$774,255		774,255
Advances recoverable June 1, 1968 at 5% (Note 1) . . . . . 237,498	1,011,753	—
Shares in Alminex Limited — at cost, less amounts written off in previous years (quoted market value \$1,349,833). . . . .	659,468	759,133
Sundry investments and mining claims — at nominal values . . . . .	10	6
	<u>1,671,231</u>	<u>1,533,394</u>
<b>Fixed Assets (Note 2)</b>		
Mine property — at cost . . . . .	1,385,123	1,385,123
Mine plant, buildings and equipment — at nominal value . . . . .	1	1
	<u>1,385,124</u>	<u>1,385,124</u>
	<u>\$3,569,410</u>	<u>\$3,441,518</u>

- NOTES. 1. The company has the option of converting these advances into shares of Atlantic Coast Copper Corporation Limited up to June 1, 1963 at \$1 per share.
2. Mining operations were discontinued in 1956. The amounts shown for mine property and mine plant, buildings and equipment are not intended to reflect present or future values.



LIABILITY) **Balance Sheet** as at September 30, 1961

(With comparative figures as at September 30, 1960)

**Liabilities**

Current Liabilities	1961	1960
Bank loan (secured) . . . . .	\$ 90,000	\$ —
Accounts payable and accrued expenses . . . . .	11,241	4,846
	<u>101,241</u>	<u>4,846</u>

Shareholders' Equity		
Capital Stock —		
Authorized —		
4,000,000 shares of a par value of \$1 each		
Issued as fully paid and non-assessable —		
3,381,569 shares . . . . .	3,131,569	3,131,569
Retained earnings . . . . .	336,600	305,103
	<u>3,468,169</u>	<u>3,436,672</u>

**Contingent Liability**  
As a joint guarantor of bank loans of Atlantic Coast  
Copper Corporation Limited up to \$600,000.

<u>\$3,569,410</u>	<u>\$3,441,518</u>
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Signed on behalf of the Board  
J. BARRY O'BRIEN } *Directors*  
ST. BARBE SLADEN }

# O'BRIEN Gold Mines, Limited

(NO PERSONAL LIABILITY)

## Statement of Retained Earnings

For the year ended September 30, 1961

(With comparative figures for the year ended September 30, 1960)

	1961	1960
<b>Balance — Beginning of year</b> . . . . .	\$305,103	\$353,838
Net proceeds on disposal of mine plant and equipment . . . . .	3,093	7,201
Profit on sale of shares of Alminex Limited . . . . .	75,335	—
Proceeds received from option granted to purchase certain mining claims . . . . .	5,000	—
	<u>388,531</u>	<u>361,039</u>
Net loss for the year . . . . .	51,931	55,936
<b>Balance — End of year</b> . . . . .	<u>\$336,600</u>	<u>\$305,103</u>

## Statement of Earnings

For the year ended September 30, 1961

(With comparative figures for the year ended September 30, 1960)

	1961	1960
<b>Revenue</b>		
Interest . . . . .	\$ 23,814	\$ 20,030
Dividends . . . . .	2,834	2,881
Recovery from gold bearing residues . . . . .	—	554
Profit on sale of securities . . . . .	—	3,213
	<u>26,648</u>	<u>26,678</u>
<b>Expense</b>		
Outside exploration — mining . . . . .	41,627	37,815
Mine property expense . . . . .	373	1,506
Administrative and general . . . . .	36,579	43,293
	<u>78,579</u>	<u>82,614</u>
<b>Net loss for the year</b> . . . . .	<u>\$ 51,931</u>	<u>\$ 55,936</u>



COOPERS & LYBRAND

CANADA, UNITED KINGDOM, UNITED STATES OF AMERICA, MEXICO,  
BELGIUM, FRANCE, GERMANY, THE NETHERLANDS, ITALY, SWITZERLAND,  
AUSTRALIA, NEW ZEALAND, IRAN, MALAYA, SINGAPORE,  
UNION OF SOUTH AFRICA, CENTRAL, EAST AND WEST AFRICA

MCDONALD, CURRIE & CO.  
CHARTERED ACCOUNTANTS

COOPER BROTHERS & CO.  
CHARTERED ACCOUNTANTS

MONTREAL, QUEBEC, OTTAWA, TORONTO, SAINT JOHN,  
CHARLOTTETOWN, HALIFAX, RIMOUSKI, SHELBROOKE, HAMILTON,  
KITCHENER, WINNIPEG, EDMONTON, CALGARY, VANCOUVER

TELEPHONE  
CENTRAL 5-7231  
CABLE ADDRESS  
"CURMAC"  
222 SOMERSET STREET WEST  
OTTAWA 4  
ONTARIO, CANADA

November 14, 1961

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of O'Brien Gold Mines, Limited (No personal liability) as at September 30, 1961 and the statements of earnings and retained earnings 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, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statements of earnings and retained earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at September 30, 1961 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*McDonald, Currie & Co.*  
CHARTERED ACCOUNTANTS



