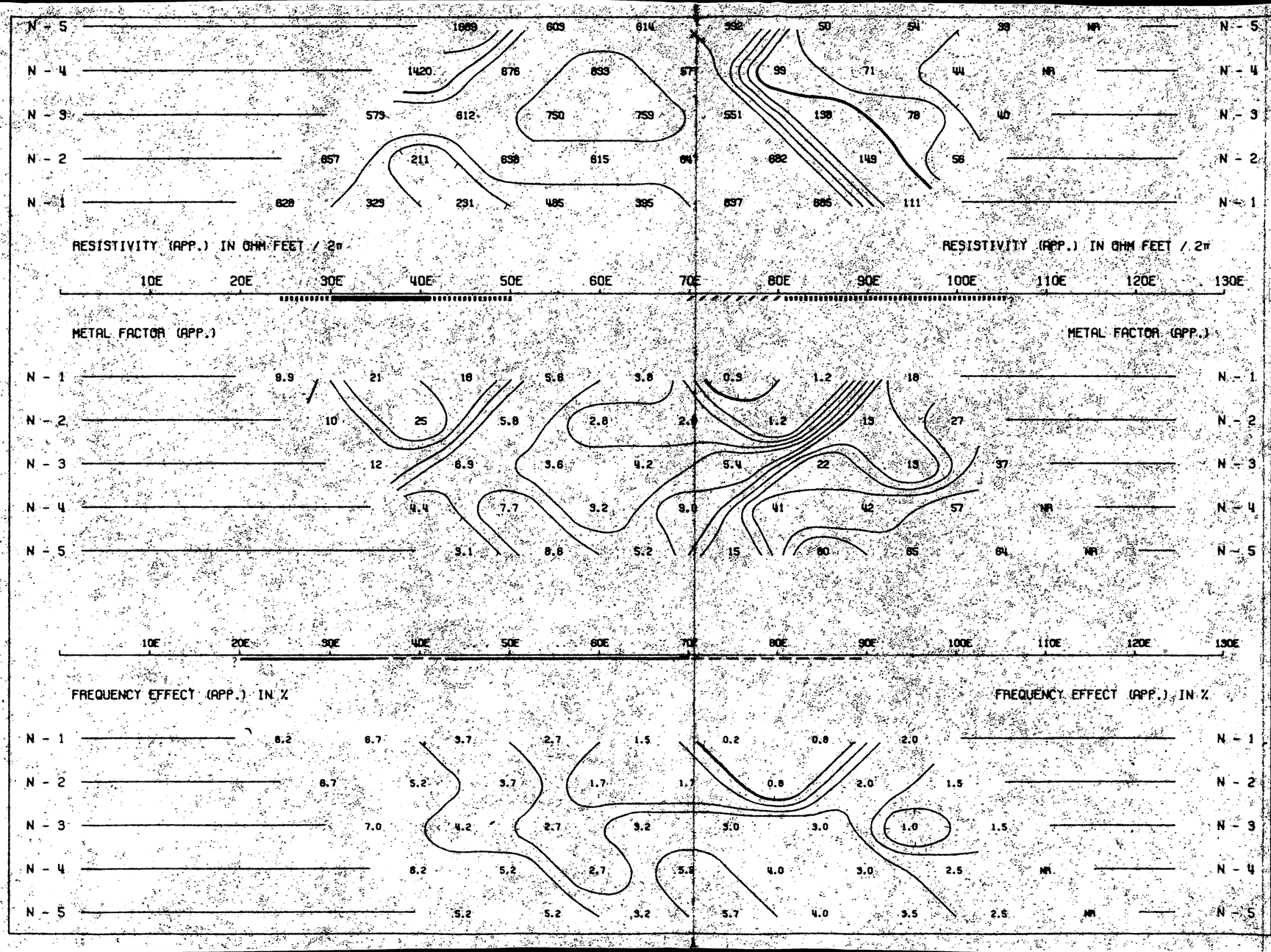


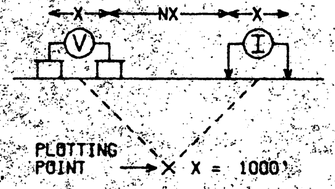
DWG. NO.- I.P.-5395-5

AMERICAN SELCO INC.

RAILROAD PROPERTY
RAILROAD M.D.
ELKO COUNTY, NEVADA

LINE NO.- 110N

ELECTRODE CONFIGURATION



SURFACE PROJECTION OF ANOMALOUS ZONES

DEFINITE
PROBABLE
POSSIBLE

FREQUENCIES: 0.1-1.25 CPS

DATE SURVEYED: JUL 1969

APPROVED:

NOTE: CONTOURS AT LOGARITHMIC INTERVALS 1.-1.5-2.-3.-5.-7.5-10

DATE:

McPHAR GEOPHYSICS INCORPORATED

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

NOTE: THIS PLOT WAS PRODUCED WITH AN IBM 360/75 COMPUTER AND A

FIGURE A-8

MEMORANDUM ON THE

INDUCED POLARIZATION

AND RESISTIVITY SURVEY

ON THE

RAILROAD GRID

RAILROAD MINING DISTRICT

ELKO COUNTY, NEVADA

FOR

AMERICAN SELCO, INC.

The induced polarization and resistivity survey results obtained by McPhar on American Selco's Railroad Project have been reviewed in light of the 1969 drilling results in consultation with Dr. Robert N. Parkinson. The following is a summary of the conclusions and recommendations:

Line 120N

1) Drill Hole 2-8, located at 42.5E has adequately tested the anomalous zone obtained with 500-foot dipoles in the interval 37.5E-45E. The anomalous zone obtained with 250-foot dipoles in the interval 37.5E-42.5E appears to be due to the same type of pyritic mineralization encountered at 502 feet in Drill Hole 2-8.

2) The anomalous zone in the interval 70E-75E should be detailed with 100-foot spreads in order to better locate Drill Hole 1-18. Effective coverage should extend from 68E to 80E.

APPENDIX "B"

Line 120N

1) The anomalous zone at the western ends of Line 130N and Line 120N could be tested with a single hole located at 5E between the two lines. A hole could also be drilled at 2.5W to test the Mississippian argillite and quartzite unit. The moderate metal factor anomaly and strong PFE anomaly along Line 120N could be tested with a vertical hole located 12.5E or 15E.

2) Drill Hole 3-7, located at 27.5E went to 600 feet and encountered chlorite and traces of pyrite on fractures. Drill Hole 2-9 went to 630 feet and encountered more pyrite. Drill Hole 2-9 should be deepened to at least 750 feet. If the results are encouraging, an additional hole could be drilled between 32.5E and 35E.

Line 110N

1) Drill Hole 3-4 went to 770 feet and encountered only minor sulfides except for heavy sulfides at 215-240 feet. The interval 15E-25E should be detailed with 100-foot dipoles. If the source appears to be narrow and untested by Drill Hole 3-4, the zone should be bounded on the north and south. If the source does not appear to be narrow, then it may trend westerly, parallel to the rp dike. In this case, the anomaly should be delineated with at least two north-south lines, spaced 200 feet apart.

2) Drill Hole 2-5, which went to 670 feet and encountered good molybdenum showings, will be deepened to 1200 feet. The PFE's at

depth in the vicinity of Drill Hole 2-5 are quite strong. The hole may have to go to 2,000 feet depth.

3) The shallow metal factor anomaly in the interval 45E-52.5E, to be tested with Drill Hole 2-10, should first be detailed with 100-foot dipoles. It may be desirable to trace out the anomalous zone to the north.

4) The shallow metal factor and PFE anomaly in the interval 60E-65E, to be tested with Drill Hole 1-4, should be detailed with 100-foot dipoles. It may be desirable to trace out the anomalous zone to the north and south.

Line 100N

1) Drill Hole 3-5, located at 15E, should be drilled 500-750 feet deep to explain anomaly east of the thrust fault. Because of the topography, it may be preferable to relocate the hole to 10E and 105N.

2) Drill Hole 2-2, located at 30E, went to 535 feet and encountered fair pyrite and some molybdenum. The interval 25E-35E should be detailed with 100-foot dipoles.

3) Drill Hole 2-1, located at 40E, was recommended to test the deep metal factor anomaly in the interval 37.5E-47.5E. The drill hole encountered granite porphyry to 700 feet, and quartz monzonite with apatite, biotite, and magnetite through a total depth of 1160 feet; at 980 feet it encountered significant showings of molybdenite and chalcopyrite. Drill Hole 2-1 should be deepened to at least 1,500

feet and perhaps to 2,000 feet or more. Line 100N should be rerun 1,000-foot dipoles so that the results can be correlated with the drilling and compared with the 1,000-foot dipole results obtained along Line 110N.

4) Drill Hole 1-6, located at 52.5E, went down dip in barren quartzite and hit the Lone Mountain dolomite contact. The interval 50E-55E should be detailed with 100-foot dipoles, and the drill hole deepened.

5) The probable metal factor anomaly in the interval 62.5E-67.5E, to be tested by Drill Hole 1-7, should be first detailed with 250-foot dipoles in order to access a possible topographic effect on the resistivity and metal factor results.

6) Drill Hole 1-8, located at 75E, intended to test the deep, very weak PFE anomaly in the interval 72.5E-77.5E, should not be drilled unless the results of Drill Hole 1-9 are favorable.

7) Drill Hole 5-1, located at 95E, should be definitely drilled. A single drill hole between Line 100N and Line 90N would test the anomalous zone detected in the vicinity of 95E on both lines.

Line 90N

1) The interval 20E-35E, to be tested by Drill Hole 3-8 at 22.5E, should be detailed with 100-foot dipoles.

2) The interval 45E-52.5E, to be tested by Drill Hole 1-9 at 50E, should be detailed with 100-foot dipoles.

3) The interval 62.5E-75E, to be tested by Drill Hole 1-11 at 72.5E, should be detailed with 100-foot dipoles.

4) Drill Hole 5-2, located at 95E, could be moved to the north between Line 90N and Line 100N.

Line 80N

1) Drill Hole 2-6, located at 45E, encountered water at 200 feet and should be deepened beyond 750 feet.

2) The interval 50E-60E should be detailed with 100-foot dipoles in order to better locate Drill Hole 1-16.

Line 70N

The interval 30E-50E should be detailed with 250-foot dipoles in order to assess a possible topographic effect on the resistivity and metal factor and to better locate Drill Hole 2-12.

Line 60N

1) The interval 20E-35E should be detailed with 250-foot dipoles in order to better locate Drill Hole 4-5.

2) The interval 35E-55E should be detailed with 250-foot dipoles in order to better locate Drill Hole 2-13.

Line 50N and Line 40N

1) The anomalous zones at the western ends of these lines, to be tested by Drill Hole 4-3 and Drill Hole 4-2, could be tested by a single Drill Hole 4-1 located between the two lines in Lee Canyon at 17.5E.

2) Drill Hole 4-2, located at 32.5E on Line 50N should be deferred.

3) Line 50N and Line 40N should be extended eastward to cover the geochemical anomalies south of Bunker Hill. Effective coverage should extend to 90E.

McPHAR GEOPHYSICS, INCORPORATED

Anthony M. Hauck III
Geophysicist

nk

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE, WHEAT RIDGE, COLORADO 80033 TEL. (303) 424-7718

TRACE ANALYSIS PRICE LIST
June 15, 19

ELEMENT	LOWER LIMIT OF DETECTION parts per million in sample	PRICE per determination
ANTIMONY		[illegible]
ARSENIC		25
BISMUTH		[illegible]
CADMIUM		
CHROMIUM		
COBALT		
COPPER		
GOLD		
GOLD		
GOLD		
LEAD		
MANGANESE		
MERCURY		
MOLYBDENUM		
NICKEL		
PHOSPHORUS		
SILVER		
TELLURIUM		
TELLURIUM		
TIN		
TUNGSTEN		
URANIUM		
VANADIUM		
ZINC		

CITRATE-SOLUBLE HEAVY METALS
COLD ACID-EXTRACTABLE COPPER

- All determinations made either [illegible] to feasibility
- Prices and sensitivities [illegible] listed for some elements [illegible]
- Semiquantitative [illegible]

SKYLINE LABS, INC.

SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE, WHEAT RIDGE, COLORADO [illegible]

DISCOUNT [illegible]

We will analyze a [illegible] number of samples [illegible]
too large to receive [illegible] closest attention [illegible]

Economies in analy[illegible] [illegible]
to be processed by [illegible] [illegible] ts
from our list prices:

[illegible] samples submitted [illegible]
[illegible] be run for [illegible]
[illegible]

[illegible] ples submitted [illegible]
[illegible] be run [illegible]
[illegible]

A contract [illegible] [illegible]

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[illegible] the same [illegible] [illegible]
submitted [illegible] [illegible] see
[illegible]
[illegible]
digestion are [illegible]

PLATE XVI 1969
PROPOSED EXPLORATION

PLATE XVI

PROPOSED DRILLING PROGRAM

Number of Holes	-	22
Proposed Depth	-	500' depending on water conditions at depth
Type of Drill	-	Air-driven rotary, 5¼ inch diameter, with down-the-hole hammer and 600 cf compressor to assure complete collection of cuttings
Access Roads	-	Under separate contract - D-7 with rippers on rental basis
Sampling:	-	Five foot samples to be riffled and bagged on site. Determinations to be made for copper, lead, zinc, molybdenum and gold at a custom laboratory such as Skyline Labs in Denver or Rocky Mountain Geochemical in Salt Lake City, or if acceptable, on our own atomic absorption unit in Elko, Nevada.
Location of Holes	-	As much as possible the holes are spotted on a 1000 foot grid. However, by comparison of the drillhole pattern with Plates XIII and XIV, it can be seen that holes 1-2, 1-5, 1-8 and 1-11 for example follow a clearly defined N-S target concentration of all minerals; holes 1-1 and 1-4 investigate a thoroughly leached and altered surface zone; hole 1-3 penetrates a concentration of copper and molybdenum, and so on. Each hole is designed to explain a mineralization target as well as provide information.

PLATE XVI

PROPOSED EXPLORATION DRILLING UNDER
THE O.M.E. ASSISTANCE PROGRAM

PLATES XIII - XIV

METAL DISTRIBUTION

PLATE XIII

SUMMARY OF METAL DISTRIBUTION:

ZINC, LEAD, COPPER, MOLYBDENUM AND MERCURY

This map is a summary of the results of the geochemical soil surveys; samples collected at 250-foot centers, and analyzed for the elements noted above, as well as for gold, silver and arsenic. Plotted and contoured results for the individual elements can be found on Plates XVII - XXVI.

It should be noted that these are samples of soil above bedrock, and as such are subject to error; while every precaution is taken to avoid mine workings and areas of abnormally rich mineralization, erratically high results will occasionally be obtained. Similarly, in areas which are thoroughly altered and leached on the surface, the results obtained will probably be low for the more soluble metals.

The results in general, therefore, must be considered as qualitative rather than quantitative, representing the present surface distribution of the metals. Careful interpretation is necessary to predict conditions at depth.

Plates XIII represents graphically the spread of the higher values of copper, lead, zinc, molybdenum and mercury, and provides the following information:

1. Zoning of the metals toward the intrusive is evident; from lead, through copper to molybdenum.

2. The area underlain by the intrusive stock contains the largest surface expression of molybdenum, with little evidence of the other base metals.

3. Copper, lead and zinc are confined to the sedimentary formations west of the Bunker Hill Fault, and the distribution is largely controlled by both the northwest and the north-south sets of fractures.

4. The mercury anomalies, which in many cases in the Basin and Range Province indicate deposits of base metals or gold at depth, are relatively large and quite distinct from the base metal indications east of the intrusive stock.

It is evident from this summary that we have a number of satisfactory targets for investigation by rotary and diamond drilling.

PLATE XIII

GEOCHEMICAL SOIL SURVEYS

SUMMARY OF METAL DISTRIBUTION

ZINC, LEAD, COPPER, MOLYBDENUM AND MERCURY

PLATE XIV

GEOCHEMICAL SOIL SURVEYS

SUMMARY OF METAL DISTRIBUTION

ARSENIC, SILVER AND GOLD

PLATE XIV

GEOCHEMICAL SOIL SURVEYS - SUMMARY OF METAL DISTRIBUTION

ARSENIC, SILVER AND GOLD

Unfortunately, many of the determinations of gold had not been completed in the laboratory at the time of preparation of this report; the area shown for gold is therefore limited, and further anomalies may exist within the sedimentary belt and also northwest of the intrusive stock.

While the arsenic, which in northern Nevada is often a good trace element for gold, appears to follow both north-south and northwest fractures, the silver, and to a large extent the gold, favor the north-south set. This may indicate a later stage of mineralization for these minerals.

We have planned a number of deep trenches, as shown in Plate XVI, to investigate some of the narrow precious metal anomalies.

The fact that gold could be detected in routine soil sampling is surprising, but the results as plotted in Plate XXI are clear-cut.

PLATES VII - XII

DUMP SAMPLING

PLATE XII

LEAD VALUES IN WASTE DUMPS

PLATE XI

ARSENIC VALUES IN WASTE DUMPS

PLATE X

MOLYBDENUM VALUES IN WASTE DUMPS

PLATE IX

SILVER VALUES IN WASTE DUMPS

PLATE VIII

ZINC VALUES IN WASTE DUMPS

PLATE VII - XII

SAMPLING OF WASTE DUMPS

SAMPLING OF WASTE DUMPS:

One of the first projects undertaken in 1968 was the sampling of approximately 125 waste or spoil dumps resulting from the excavation, largely at the turn of the century, of adits, pits and shafts. Some of these were working adits or shafts, but many were exploration or prospect workings.

The major points of interest in these illustrations are:

1. COPPER (Plate VII):

   At least forty of these dumps contain copper with a grade of 1 per cent or greater, some ranging as high as 12 per cent; silver was king in the early days of Railroad, and only that copper ore which could be hand-cobbed to 10 per cent was taken.

   Apart from Androssa, Grey Eagle and Copper Bell, which are probably satellite replacement orebodies, the majority of the high values in copper occur toward the intrusive contact. The Standing Elk, Sylvania, Wide West and Sweepstakes contain the copper, whereas the Tripoli group was the major silver-lead producer with only low values in copper.

2. ZINC (Plate VIII):

   The high values in zinc are distributed between the Tripoli silver area and the Standing Elk copper zone. A comparison with Plate VII will show that in general the zinc is found to the east of the copper.

3. SILVER (Plate IX):

   Silver is found in almost all areas, with the exception of Copper Bell and Wide West. Apart from the satellite bodies at Grey Eagle and Androssa, the major concentrations appear in the Tripoli group and in the skarn zone north and west of the Delmas property.

4. MOLYBDENUM (Plate X):

   Although most of the molybdenum we have observed has been within or adjacent to the intrusive stock, there is a band of reasonable molybdenum values in a strong gossan zone extending north from the Tripoli group.

5. LEAD (Plate XII):

   This illustration shows clearly that the lead, with which most of the silver is associated, was largely confined to the Tripoli group and the Sylvania Mine.

   A comparison of PLATES VII, VIII and XII confirms the metal zoning which we found in our geochemical soil surveys, from silver-lead on the east, through zinc-lead-copper, to copper-molybdenum to molybdenum.

PART VI 3/6

FIELD OPERATIONS

PLATE VI

FIELD OPERATIONS - 1968

PLATE VI

FIELD OPERATIONS - 1968:

Field investigations in 1968 were limited by restrictions in time, personnel and budget to surface surveys of various types. The object of these surveys was to locate targets for sub-surface investigation in 1969 and 1970 utilizing geochemical and geophysical techniques; such surveys could be carried out very economically using our own field staff.

A great deal of time was required for the establishment of an accurate survey grid for the correct location of mining claims, the excavation of discovery pits and trenches in rugged terrain, and the setting in of the necessary claim posts.

Additional work not shown on the map included the sampling of approximately 125 waste dumps, the results of which are plotted on Plates VII - X, and the geological interpretation of aerial photographs.

Two sets of black and white and one set of color photography were obtained for guidance in field work and for photo interpretation.

PLATES III-V
GEOLOGY

PLATE V

GEOLOGY - HYDROTHERMAL ALTERATION AND GOSSAN ZONES

PLATE V

GEOLOGY - HYDROTHERMAL ALTERATION AND GOSSAN ZONES:

No complete study of rock alteration has been attempted as yet. The observations recorded here are those noted by a student geologist during a short summer field season, and there are undoubtedly many more areas of intense alteration. This is particularly true in the vicinity of the intrusive stock, where much of the rock is obscured by rubble and talus.

Note again the apparent control exerted on the hydrothermal alteration by the northwest and north-south systems of faulting.

Some of the more obvious gossan zones have been explored by small adits or pits, but many have been tested inadequately or not at all.

PLATE II

1000 FOOT SURVEY GRID

AND LOCATION OF AMERICAN SELCO CLAIMS

PLATE III

GENERAL GEOLOGY

PLATE III

GENERAL GEOLOGY:

The geology shown on Plate III has been taken directly from Bulletin 1162-B of the U.S.G.S. by Ketner and Smith, 1963.

Superimposed are four of a northwest-trending set of faults indicated by geological interpretation of aerial photographs and by the distribution of metals shown by the geochemical soil survey. More detail on the number and location of these faults can be seen in Plate IV.

It can be seen clearly on this map how the faults displace the major thrust on the western edge of the map, offset many of the sedimentary formations, and control the direction and emplacement of rhyolite porphyry dikes and quartz veins.

We have an ideal environment for the emplacement of a sizable ore deposit. Paleozoic limestone, dolomite and quartzite are folded into an anticline which is normal in the southern part of the map area, overturned toward the center, and fades into a very complex structural situation in the north.

The folded sediments have been intruded by a composite stock with a core of rhyolite porphyry and an outer shell varying in composition between granodiorite and quartz monzonite. In part, at least, the stock is well shattered, with a myriad of quartz veins in the form of a stockwork. Molybdenite, pyrite, chalcopyrite and chalcocite have been observed, either in the quartz veins or on fracture surfaces.

Mineralization and hydrothermal alteration are intense and widespread in the Paleozoic sediments, and large areas of gossan remain untouched. There appears to be little point in attempting any further geological investigations on the surface, particularly in the north where the formations are highly altered and fractured: rotary drilling on a controlled grid pattern will have to be employed, both for assays and for additional geological information.

PLATE IV

GEOLOGY - FAULT SYSTEMS CONTROLLING MINERALIZATION

PLATE IV

GEOLOGY - FAULT SYSTEMS CONTROLLING MINERALIZATION:

The two fault systems shown here are those which can be detected most easily in the plotted results of the geochemical soil survey (Plates XVII - XXVI) and in the aerial photographs. There is most probably a third set trending approximately northeast.

The major faults, named the Bunker Hill and the Bald Mountain Faults, were mapped by the U.S. Geological Survey.

Some of the major faults of the northwest system can be traced with no difficulty in the map of the ground magnetic survey (Plate XV); the north-south faults are not so clearly indicated, but are nevertheless represented by breaks and flexures in the magnetic contour lines.

PLATES XVII - XXVI
SOIL SURVEY DETAILS

PLATE XV

MAGNETIC SURVEY

[redacted]

PLATES XVII - XXVI

These maps, showing the detailed contoured results of the geochemical soil survey, are contained in a separate envelope accompanying this report.

Selection Trust Limited

Annual Report to 31 March 1968

Selection Trust Limited

Directors' Report and Accounts
for the year ended 31 March 1968

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18–19	Ten-year financial summary
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28	Report of the Auditors
29–37	Accounts
38	Subsidiary companies and principal interests
39	Exploration organization
40	Miscellaneous information

Chairman's statement
A statement by the Chairman, Mr A.Chester Beatty, will be made at the Annual General Meeting and copies will subsequently be sent to shareholders.

The photograph of the late Sir Alfred Chester Beatty is reproduced by courtesy of *The Irish Times*. The other illustrations in this report depict aspects of the wide range of mining operations in which interests are held and are reproduced by courtesy of the companies concerned.

Notice of Meeting

Notice is hereby given that the 35th Annual General Meeting of Selection Trust Limited will be held at Selection Trust Building, Mason's Avenue, London, EC2, on Thursday 11 July 1968, at 12 o'clock noon, for the purpose of considering and, if thought fit, passing the following resolutions:

1. 'That the Directors' Report and the audited Statement of Accounts for the year ended 31 March 1968, now submitted, be and they are hereby received and adopted.'

2. 'That a Final Dividend of 2s 0d per Ordinary Share for the year ended 31 March 1968 be paid on 13 July 1968 to Members registered at 14 June 1968.'

3. 'That Mr R.M.Peterson, aged 76 years, be and he is hereby re-appointed a Director of the Company.'
   The Chairman has given Special Notice of his intention to propose the re-appointment to the Board of Mr Peterson, who retires by rotation.

4. 'That the undernamed be and they are hereby re-appointed Directors of the Company:
   (*a*) Mr H.J.L.Codrington
   (*b*) Mr H.J.Hinves
   (*c*) Mr S.D.H.Pollen, MBE, TD
   (*d*) Sir Ronald L.Prain, OBE
   (*e*) Mr M.W.Thomas.'
   These appointments will be dealt with in one resolution unless any Member present or represented at the meeting requires otherwise.

5. 'That the remuneration of the Auditors for the year ending 31 March 1969 shall be an amount to be fixed by the Board.'

A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.

Dated this 19th day of June 1968

By Order of the Board, L.A.COOK, *Secretary & manager*

Selection Trust Building
Mason's Avenue, London, EC2

In accordance with the General Undertaking which the Company has given to The Stock Exchange, London, the following will be available for inspection at the Registered Office of the Company during the usual business hours on any weekday (Saturdays excluded) until the conclusion of the Annual General Meeting:

(*a*) Particulars of transactions during the past year of the Directors and of their 'family interests' in the shares of the Company and its subsidiaries;
(*b*) A statement in respect of all contracts of service whereunder Directors of the Company are employed by the Company or by any subsidiary of the Company.

Officers and Appointments

Directors	A.Chester Beatty, *Chairman* E.C.Wharton-Tigar, MBE, *Managing Director* T.H.Bradford H.J.L.Codrington J.P.Du Cane, OBE C.B.Forgan E.J.T.Goudie H.J.Hinves R.H.MacWilliam W.T.Padgett R.M.Peterson (*Alternate* P.C.MacCulloch) S.D.H.Pollen, MBE,TD Sir Ronald L.Prain, OBE (*Alternate* A.M.Macleod-Smith,CMG) M.W.Thomas
Consulting engineer	C.M.Richardson
Consulting geologist	T.Parks
General manager – Engineering division	R.V.Rumble
Assistant consulting engineers	D.G.Cooper H.L.Henry S.D.Williams, MC
Secretary & manager	L.A.Cook
Chief accountant	W.J.Baker
Assistant secretaries	G.S.Bowden J.K.Cheeseman
Taxation adviser	T.F.Jackson
Purchasing agent	J.E.Clipperton
Solicitors	Freshfields
Auditors	Annan, Dexter & Co. *Chartered Accountants*
Bankers	Barclays Bank DCO Lloyds Bank Limited Morgan Guaranty Trust Company of New York National Bank of Australasia Limited Standard Bank of South Africa Limited
Registered office	Selection Trust Building Mason's Avenue, London, EC2 Telephone : 01-606 6000
Registrars and transfer office	Hill, Samuel & Co. Limited 6 Greencoat Place, London, SW1 Telephone : 01-828 4321

The late Sir Alfred Chester Beatty LL.D, D.Sc, M.I.M.M.

With the death on 19 January 1968 of Sir Alfred Chester Beatty, in his 93rd year, Selection Trust has lost its founder and first chairman. For more than thirty-five years prior to his retirement from the Board in May 1950 he actively inspired the development of a business which has given rise not only to the present Company but to other successful mining ventures in many parts of the world. He maintained a keen interest in the Company's affairs right up to the time of his death.

Born in New York City in 1875, he achieved great distinction in the field of mining even before he came to England. After graduating from the Columbia School of Mines, he began his career by working as a labourer in a tiny Rocky Mountains gold mine. By the age of 28 he had become assistant consulting engineer and assistant general manager of the Guggenheim Exploration Company and during the next six years played a prominent part in the acquisition and development of many projects, including gold and silver mines in Mexico, copper mines in the Western United States and prospecting concessions in the Belgian Congo.

In 1910 he retired from the American mining scene a wealthy man of wide and varied experience and came to England where in December 1914 he founded The Selection Trust Limited, forerunner of the present Company, with a capital of £50,000. This marked for him, in effect, the start of a second career. With his knowledge, foresight and leadership, he became the driving force in an organisation which was to participate in launching a range of mining ventures in various parts of the world.

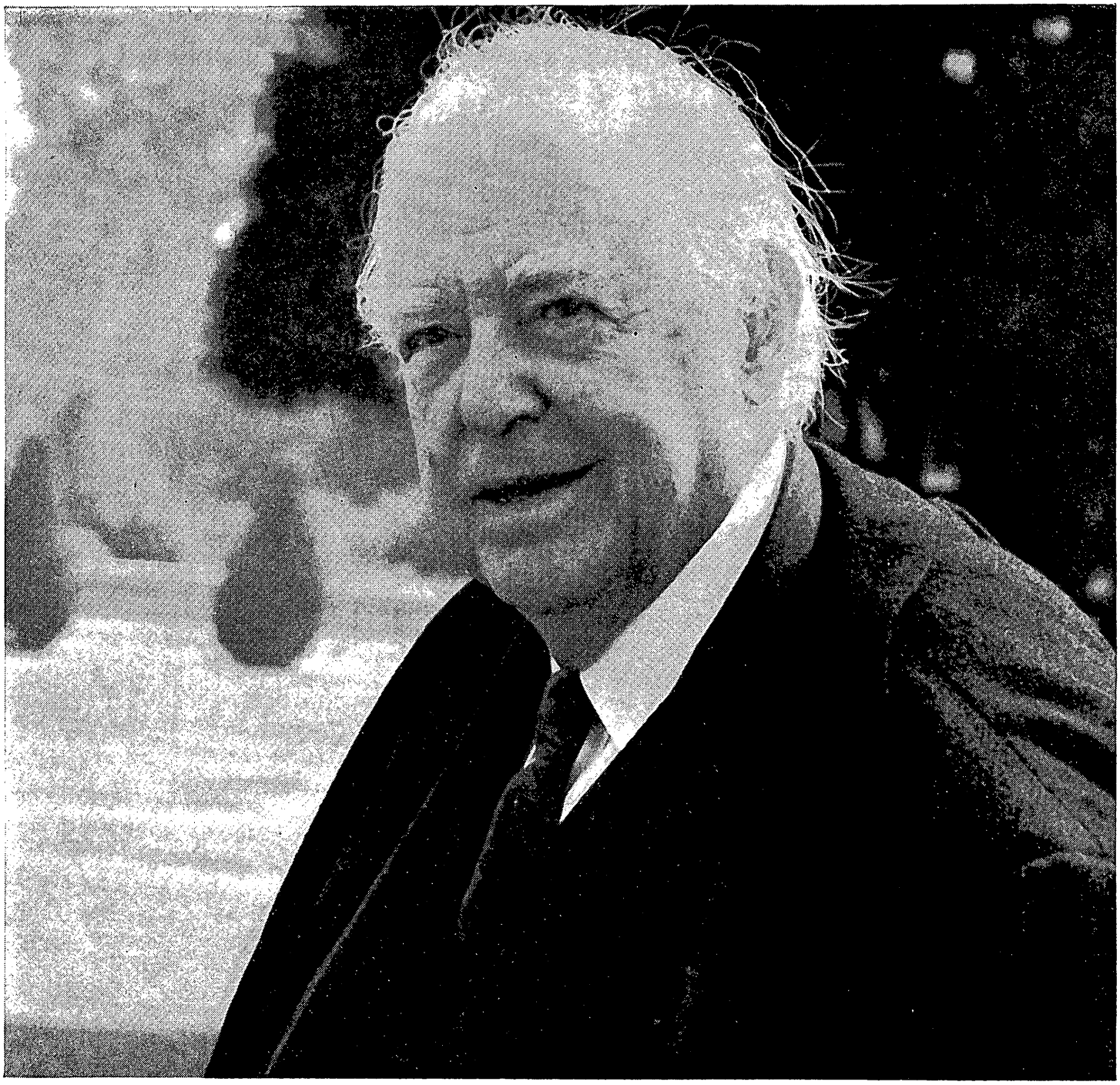
In the early 'twenties, exploration, mainly for diamonds, was begun in the Gold Coast (now Ghana) and the successful results led to the formation of Consolidated African Selection Trust Limited in 1924. In that same year, concessions were obtained in Siberia to permit the opening up of the Tetiuhe lead-zinc-silver mine. In 1925, claims were acquired in Northern Rhodesia (now Zambia) which led to the formation of what is now known as the RST Group of copper mines, the largest of the enterprises so far developed from Selection Trust's activities. Shortly thereafter, the Company initiated the opening up of extensive ancient lead-zinc-silver mines in Yugoslavia, culminating in the formation of Trepca Mines Limited in 1930.

These enterprises were the foundations on which the fortunes of the Selection Trust of today have been built. However, it is not the intention here to chronicle the development of the Company but rather to record the admiration and respect which all who were associated with that development felt for the qualities and inspiration of the man who led them. To those who worked with him in the service of the Company, Sir Chester was known for the vision, energy, enthusiasm and great technical skill which he applied to the tasks before him and above all, perhaps, for his immensely humanitarian interest in the people around him. An outstanding feature of the ventures with which he was connected was the care and attention paid to the health, welfare and comfort of his staff, particularly those who were in areas where the rigours of pioneering were most acute.

In 1935 he was awarded the Gold Medal of the Institution of Mining and Metallurgy for his distinguished service to the mining industry and in recognition of his far-sighted vision as a mining engineer in the development of mineral deposits, with particular reference to the copper resources of Northern Rhodesia (Zambia).

Sir Chester devoted himself to many interests. His collections of rare manuscripts, books, paintings and *objets d'art* were priceless, and from them he gave generously for the benefit of scholars and the public in both England and Ireland. His philanthropy took many forms and his support of medical progress is perpetuated in the Chester Beatty Institute for Cancer Research which he built and endowed in London. In 1954 he was knighted in recognition of his public services. Two years later he was made an honorary freeman of Dublin, where he had gone to live following his retirement, and shortly afterwards became the first honorary citizen of the Republic of Ireland. Upon his death, he was accorded a State Funeral by the Irish Government.

Renowned not only in the world of mining, but also in the world of scholarship, art and medical research, Sir Alfred Chester Beatty was among the most eminent of his generation. He will be remembered with respect, appreciation and affection by his friends, colleagues and employees, and by the people of many lands whose inheritance he enriched by his endeavours.



Report of the Directors

The Directors submit their Report together with the audited Accounts for the year ended 31 March 1968.

The Company is a British mining finance house owning a valuable portfolio of mining investments, which provide it with interests in a wide range of metals and minerals. An analysis of these interests and of income appears on pages 20 and 21.

Approximately 95% of the assets represented by these interests are located outside the United Kingdom. The Company's main sources of revenue are its holdings in American Metal Climax Inc. in North America, Consolidated African Selection Trust Limited in West Africa, Palabora Mining Company Limited in the Transvaal, Tsumeb Corporation Limited in South West Africa, and Vaal Reefs Exploration and Mining Company Limited and other gold mines in South Africa. There are prospects of additional sources of revenue arising from participations in the iron ore and nickel developments in Western Australia.

The Company's principal shareholdings and other interests are reviewed in the following pages. A list of subsidiary companies and of companies in which an equity interest of 10% or more is held is given on page 38.

Accounts

The results for the year, as can be seen from the summary opposite, are very similar to those of the previous year except that there is no item of tax relief comparable to that which enhanced the amount available for appropriation a year ago. In terms of assets, however, there is a substantial improvement, with total net assets valued at £112 million at 31 March 1968 compared with £71 million at 31 March 1967. The most significant contribution to this growth has been the appreciation in the value of the Company's holding in Western Mining Corporation Limited. It was announced in June 1967 that approximately 10% of the issued capital of that company had been acquired over a period of time.

There was little change in the other principal shareholdings during the year. The sale of shares from the smaller holdings continued, giving rise to the substantial profit on realisation shown in the summary opposite. These sales mainly concerned shares of South African gold mines which had become less attractive to the Company because of the loss of relief from double taxation on their dividends. Since the end of the financial year the holding in Western Decalta Petroleum Limited held by a wholly owned subsidiary, Selco Holdings Limited, has been sold.

Exploration

Exploration activities, undertaken with Consolidated African Selection Trust, have expanded in the past year to a higher level than ever before. In addition to programmes in Australia, North America and Africa, we have now entered upon the investigation of a copper deposit in Iran and we continue to participate in exploration for oil and gas in the North Sea. Consolidated African Selection Trust has a 40% participation in all exploration ventures except those for diamonds, when it is 60%.

The large exploration programme in Australia is being increasingly concentrated in Western Australia. Our work in the vicinity of the nickel developments of Western Mining Corporation at Kambalda is being intensified and the extensive surface work – geology, geochemistry and geophysics – which is essential to guide the major drilling programme is now well advanced. The number of drills in that area has been increased to five, including one of deep capacity. Results of drilling with the two drills which were active throughout most of the year under review showed some mineralized intersections over narrow widths, but not of a size or continuity required to indicate deposits which could be mined profitably.

Our programmes in Canada and the United States continue in a determined effort to locate new mines within the dollar area.

Iranian Selection Trust Limited has been formed in connection with our work on the Sar Cheshmeh Copper Prospect in the Kerman Province of Iran, which arises from an agreement with Mr. Mahmoud Rezai and the Kerman Mining Company providing for the examination and economic appraisal of the prospect, to be completed at our expense by the end of 1969. The work done by the latter company was sufficiently promising to justify our acquiring rights to a substantial interest in the prospect in the hope of proving a large open pit mine.

An important development in the North Sea programme was the recent award by the Netherlands Government to the Noordwinning Group, in which Selection Trust and Consolidated African Selection Trust together have an 18.5% interest, of two licences covering seven blocks totalling just under 2000 square kilometres for oil and gas exploration over the Dutch Continental Shelf. It is expected that in the current year the consortia in which we participate will materially increase their activities in the U.K. and Dutch sectors of the North Sea.

Summary of Results	£	1968 £	£	1967 £
Dividends and Interest–				
American Metal Climax		1,853,616		1,689,416
Tsumeb Corporation		1,537,982		2,033,343
Consolidated African Selection Trust		690,614		693,614
Palabora Mining Company		438,765		87,105
Vaal Reefs Exploration & Mining Company		426,945		398,216
Others		277,378		454,740
		5,225,300		5,356,434
Profit on Realisation of Investments		1,050,347		902,434
Sundry Revenue		368,038		173,549
		6,643,685		6,432,417
Expenses		451,517		345,352
		6,192,168		6,087,065
Taxation		1,990,506		1,844,628
		4,201,662		4,242,437
Relief under Section 85, Finance Act, 1965		—		546,938
		4,201,662		4,789,375
Amount attributable to outside shareholders in subsidiaries		47,500		47,500
		4,154,162		4,741,875
Transfers to–				
General Reserve	300,000		1,000,000	
Exploration Reserve	700,000		800,000	
		1,000,000		1,800,000
		3,154,162		2,941,875
Dividends on 18,690,159 shares (1967 on 16,613,475 shares)–				
Interim dividend of 1s 3d per share paid 9 January 1968	1,168,135		1,038,342	
Final dividend of 2s 0d per share recommended for payment on 13 July 1968	1,869,016		1,661,348	
		3,037,151		2,699,690
Unappropriated profit for the year		117,011		242,185
Add : Unappropriated profits at 1 April 1967		1,716,266		1,474,081
Unappropriated profits at 31 March 1968		£1,833,277		£1,716,266

Exploration expenditure amounting to £694,484 has been charged against Exploration Reserve.

Appreciation of £37,138 in the value of certain investments previously written down has been credited to Investment Reserve. The basis of valuation is shown in Note 12 on page 36.

The devaluation of the pound on 18 November 1967 increased the value in sterling of dividends received after that date from various overseas countries, but the effective cost of expenditure abroad, principally for exploration, was likewise higher.

No account has been taken of the earnings of the subsidiary in Rhodesia, Bikita Minerals (Private) Limited, in view of present circumstances. The net amount involved is Rhod. £44,144 and the comparative figures have been reduced by a net amount of £77,275 to correspond.

Capital and Debenture Stock

The issued capital remained unchanged at £4,672,539 15s in 18,690,159 shares of 5s each. The authorised capital was increased by resolution passed at the Annual General Meeting in July 1967 from £5,000,000 to £6,250,000 in 25,000,000 shares of 5s each.

A further £7,733 of the 3½% Debenture Stock was purchased on the market for redemption and cancelled together with £7,073 selected by drawing on 14 December 1967, thereby reducing the amount outstanding to £99,990. The provisions of the Trust Deed securing this stock impose limitations on the Company's powers to borrow money which are more restrictive than those contained in the Articles of Association and this is now proving inconvenient. In order to overcome this difficulty notice is being given to all holders of the Debenture Stock of the Company's intention to redeem the whole of the outstanding stock on 31 August 1968 at par as permitted in the Trust Deed.

Substantial shareholdings

The Company has been notified that Charter Consolidated Limited and its subsidiaries together hold approximately 27% of the Company's issued share capital.

Employees

The average number of employees per week in the year ended 31 March 1968, including salaried Directors but excluding persons working wholly or mainly outside the United Kingdom, was 352 and their aggregate remuneration during the year was £733,357. These totals include persons employed by the Company under arrangements whereby it provides staff for associated companies, and the aggregate remuneration was borne as follows:

	£
By the Company and its subsidiaries	240,675
By associated companies	492,682
	£733,357

Directors

A list of the Directors and alternate directors in office at 31 March 1968 appears on page 3. Mr H.J.L.Codrington, Mr H.J.Hinves and Mr M.W.Thomas were appointed to the Board on 25 January 1968; all of the other Directors served throughout the year. Mr D.D.Irwin retired from the Board on 4 July 1967. On 18 May 1967, Mr A.M. Macleod-Smith, CMG, was appointed alternate to Sir Ronald L. Prain, OBE and Mr P.C.MacCulloch was appointed alternate to Mr R.M.Peterson, having served until that date as alternate to Mr Irwin.

At the forthcoming Annual General Meeting six directors retire pursuant to the Articles of Association, the three Directors appointed during the year, Mr H.J.L. Codrington, Mr H.J.Hinves and Mr M.W.Thomas, together with Mr R.M.Peterson, Mr S.D.H.Pollen, MBE, TD, and Sir Ronald L.Prain, OBE, who retire by rotation. Resolutions for their re-appointment will be submitted.

Directors' interests

The interests of the Directors and alternate directors, including their families, in the ordinary shares of the Company were as follows:

Directors		At 31 March 1968
A.Chester Beatty		(a)316,772
T.H.Bradford		(b & c)706,428
J.P.Du Cane		556
C.B.Forgan		4,749
E.J.T.Goudie		2,418
R.H.MacWilliam		(d)1,800
W.T.Padgett		(b)666,788
R.M.Peterson		739
S.D.H.Pollen		640
Sir Ronald L.Prain		4,500
E.C.Wharton-Tigar		8,000
	At 25 January 1968	
H.J.L.Codrington	400	400
H.J.Hinves	688,531	(b)666,531
M.W.Thomas	Nil	400
Alternates		
P.C.MacCulloch		Nil
A.M.Macleod-Smith		Nil

(a) Includes 25,000 shares held as trustee
(b) Includes 665,708 shares held jointly as co-trustees
(c) Includes 40,000 shares held as nominee
(d) Held as nominee

None of the Directors or their families had any interest in any of the subsidiary companies except Mr W.T.Padgett who, at 31 March 1968, held 500 4½% cumulative redeemable preference shares of Seltrust Investments Limited.

By Order of the Board, L.A.COOK, *Secretary & manager*

Selection Trust Building
Mason's Avenue, London, EC2

29 May 1968

Review of Interests

American Metal Climax

Financial position (US $ millions)	1964	1965	1966	1967
Net current assets (working capital)	188.2	211.0	216.9	238.9
Investments (at book amounts)–				
African investments	32.5	32.8	30.9	28.4
Other investments	23.6	20.6	25.7	33.7
Property, plant and equipment, net of reserves	151.2	198.1	249.2	278.1
Long term debt	*81.4*	*108.0*	*125.5*	*156.9*
Other liabilities less other assets	*.2*	*4.5*	*9.3*	*6.1*
Shareholders' equity	$313.9	$350.0	$387.9	$416.1
Earnings and dividends (US $ millions)				
Operating and other income	45.3	58.9	62.0	49.5
Dividend income	11.7	20.8	20.9	19.0
Federal and foreign income taxes	*11.4*	*19.6*	*17.3*	*12.2*
Net income	$45.6	$60.1	$65.6	$56.3
Dividends–				
Preferred	1.8	1.8	1.4	0.9
Common	23.1	24.3	28.1	28.6
Total dividends	$24.9	$26.1	$29.5	$29.5
Per share of common stock–				
Net income	$3.03	$4.00	$4.35	$3.69
Dividends paid	$1.60	$1.675	$1.90	$1.90

The Company owns 11.4% of the equity share capital of American Metal Climax, Inc. (Amax).

After successive increases in each of the previous four years, Amax' net earnings suffered a set-back in the year ended 31 December 1967. Nevertheless, dividends on the equity capital were unchanged at a quarterly rate of 47½ cents per share, and have continued at this rate for the first two quarters of 1968. During our year to 31 March 1968, dividends totalling $1.90 per Amax share were received, the same as in the year before, but the sterling equivalent was enhanced by the effects of devaluation on the last two payments.

The reduction in earnings was attributable to the effects of the general economic situation. Strong inflationary tendencies developed in the U.S.A. during 1967, reinforced by pressures for substantial wage increases which inevitably followed. In the primary industries, business began to lag in the middle of the year and strikes disturbed sales and operations in the last six months. Amax suffered from serious strikes in its molybdenum, copper and aluminium operations, and slower economic growth resulted in cuts in the demand for some company products.

Capital expenditure at $81 million exceeded the previous year's record figure by $2.6 million. This was the third year of Amax' five-year programme to expand and diversify its operations and brought the total expenditure so far to $231 million. Amax has yet to feel the benefit to its operations of a large proportion of this investment because of the length of time required to bring many of the new ventures and major developments into production.

Amax has started well in 1968 with first-quarter earnings of almost $15.8 million, slightly higher than in the corresponding period of 1967. Although sales generally were still adversely affected by the U.S. copper strike, molybdenum sales were the highest for any quarter in the company's history.

Aluminium

In the six years since it entered the aluminium business Amax has built up a well integrated organisation covering a wide

variety of products ranging from foundry alloys to finished architectural and other fabricated shapes. It operates not only in U.S.A. but also in Canada, Mexico, U.K., Europe and Australia. Sales in 1967, although below the record level of the previous year, accounted for 43% of Amax' total sales.

Operations continued to benefit from the company's entry into primary aluminium production at the 50%-owned Intalco smelter in Bellingham, Washington. The two potlines already in operation appreciably exceeded their rated capacity of 152,000 tons. A third and final potline, scheduled to come into production in the latter half of 1968, will bring rated capacity up to 228,000 tons of metal per annum.

Among new facilities being brought into operation in 1968 are a continuous rod casting and rolling mill at Intalco, which Amax will use to produce drawn rod for the electrical conductor industry, and a sheet rolling mill in Illinois which commenced production in April. The Illinois facility will extend the company's sheet capacity to cover virtually the entire range of non-heat-treatable aluminium alloys.

Development work continues on a promising bauxite deposit found in 1965 near Port Warrender in the Kimberley area of Western Australia. If this proves to be economically viable and it is decided to work the deposit, Amax will have achieved its objective of becoming a completely integrated producer of aluminium, from the mining of ore to the marketing of finished goods.

Copper

Amax' domestic operations in this field were badly affected by the nation-wide copper strike which began in July 1967 and resulted in a complete stoppage of their United States Metals Refining plant at Carteret, New Jersey. A settlement was achieved in February 1968 and the plant resumed work.

Exploration continued in various parts of the world and a number of promising copper deposits were examined. The proposal submitted to the Government of Puerto Rico in 1966 to mine copper there was still under study by the Puerto Rican authorities at the year-end.

Iron

Amax' principal interest in iron is its 25% participation in the Mt. Newman project in Western Australia, being developed as an international joint venture. We have a direct 5% interest in this project and its progress is reviewed on page 16.

Amax is also concerned in iron powder metallurgy. Production at its Niagara Falls, New York, plant was slightly below the 1966 level but demand is expected to increase and plant facilities have been expanded to meet the growing requirement for structural parts made from iron powders.

Lead and Zinc

Construction of the new, fully integrated lead mine, mill and smelter complex in south-east Missouri, jointly owned by subsidiaries of Amax and Homestake Mining Company, is nearing completion, with start-up operations scheduled for this year. Production at the company's 75% owned Heath Steele lead-zinc-copper mine in New Brunswick, Canada, was increased. Ore reserves have been augmented by a drilling programme completed during the year and the mine extensions initiated in 1965 are due to be completed by mid-1968.

Molybdenum and Associated Metals

Amax' business in molybdenum and its associates, tungsten, uranium and vanadium, is based on the Climax mine and other facilities in Colorado, a conversion plant in Pennsylvania and a refractory metal plant and research laboratories in Michigan. Although free-world consumption of molybdenum continued to increase in 1967, Amax' sales declined by approximately 13% from the record level of the previous year as customers, particularly in U.S.A., reduced their abnormally high inventories.

Operations at the Climax mine achieved a new record of 15.4 million tons of ore mined and 58 million pounds of molybdenum produced, an increase of 1.7 million pounds from the previous year. In addition, the new Urad mine and concentrator near Empire, Colorado, seventy miles north east of Climax, were opened in September 1967 and 325,000 tons of ore were mined during the year, producing some 1.5 million pounds of molybdenum. Production from these facilities is scheduled to reach 7 million pounds of molybdenum a year and, although ore reserves at the Urad mine are relatively small, it is anticipated that production will be sustained until the mid-1970's by which time it should be feasible to bring the nearby Henderson deposit into operation.

Preliminary engineering and planning for the development of the Henderson deposit continued and the sinking of the first shaft is under way. The present objective is to commence production in the early 1970's and build to a capacity of some 50 million pounds of molybdenum per annum. Evaluation of the deposit has so far indicated proved and probable ore reserves totalling 303 million tons at an average grade of 0.49% MoS_2 and it is expected that further drilling will enable these estimates to be increased. Already the established

reserves represent, in terms of contained molybdenum, the equivalent of the remaining known reserves at the Climax mine.

Operations at the Langeloth conversion plant in Pennsylvania were suspended for five months by a strike which began on 1 July. During the second half of the year, the Rotterdam conversion plant in Holland worked at well in excess of rated capacity ensuring continuity of supply of molybdenum products to Japanese and other export customers normally supplied from the United States.

The recovery of by-product tungsten at the Climax mine increased slightly to 1.4 million pounds but sales were somewhat reduced. At the Canada Tungsten mine (35% Amax-owned) in the Northwest Territories of Canada, reconstruction of the mill destroyed by fire in December 1966 was completed and operations were resumed early in 1968.

Sales of uranium and vanadium were approximately 20% below the 1966 level, mainly due to the lower prices received for uranium concentrate following the expiration of the Atomic Energy Commission contract. However, a sharp growth in civilian nuclear power development, and hence in uranium fuel requirements, is expected in U.S.A. during the next decade and Amax, which already operates ten uranium-vanadium producing mines in Colorado and Utah, has stepped up its exploration for uranium.

Petroleum and Chemicals

The Amax Chemical and Petroleum Division manages the company's activities in oil, fertilizer materials and associated chemicals. During 1967 the company completed the sale of most of its oil and gas interests in U.S.A., the resulting profit of $3.5 million being included in the table on page 9 in the total of operating and other income for the year. Exploration activity is now concentrated on the North Sea where Amax participates with various other companies, including ourselves, in joint venture arrangements in both the United Kingdom and the Netherlands sectors.

Amax' fertilizer business is based on its potash mine at Carlsbad, New Mexico, and related chemicals plant at Vicksburg, Mississippi. Deliveries of muriate of potash were about equal to the level of 1966, but prices were weaker. On the other hand, sales of potassium nitrate were at a high level and production capacity was increased by more than 25% to meet the growing acceptance of this unique fertilizer material. The proposed development of the Bredenbury potash property in Saskatchewan, Canada, was deferred and further economic studies were carried out to evaluate this project in the light of world oversupply of potash and resultant price weakness.

Precious and Specialty Metals

Among its less evident activities, Amax is one of the largest refiners of precious metals in the U.S.A. Its plant at Carteret, New Jersey, recovers silver and gold as by-products of copper refining operations and from the treatment of other precious metals materials. Platinum, palladium, iridium, rhodium and ruthenium are among the products obtained.

The company is also interested in the production of zirconium and hafnium, both of which are used at present principally in nuclear applications, and has high hopes of these for the future.

Investments

Amax' investments in other companies, summarized in the table below, contributed roughly 28% of its income before tax in 1967. Dividends received amounted to $19 million, as compared with $20.9 million in the previous year. The main contributors, Roan Selection Trust Limited and Tsumeb Corporation Limited, are reviewed separately on other pages.

Investments of American Metal Climax in other companies at 31 December 1967

	% of Capital	Market value at 31 Dec 1967 US $
Quoted		
Roan Selection Trust	44	89,370,000
O'okiep Copper Company	18	23,770,000
Copper Range Company	17	15,160,000
Canada Tungsten Mining Corporation	35	3,890,000
Miscellaneous	–	330,000
		$132,520,000

Amax also owns important unquoted investments, including 29.13% of Tsumeb Corporation and interests in Palabora Holdings, Minera Frisco and others.

The full annual report of American Metal Climax can be obtained from Selection Trust Building.

Roan Selection Trust

Summarized results

	1964	1965	1966	Year to 30 June 1967
Copper sold–long tons	255,922	274,938	282,652	232,285
Earnings (£ 000's)				
Profit before tax	17,422	21,187	25,502	24,250
Income tax	9,231	9,303	11,969	10,620
Profit after tax	8,191	11,884	13,533	13,630
Outside interests in subsidiary companies	2,292	3,201	3,301	3,296
	5,899	8,683	10,232	10,334
Retained in business	1,167	1,926	2,566	2,656
Dividends	£4,732	£6,757	£7,666	£7,678

The Company's interest in Roan Selection Trust Limited derives from Amax' holding of about 44% of that company's share capital.

During RST's financial year ended 30 June 1967 the difficulties resulting from the political situation in central Africa continued, the most critical problem being a fuel shortage due almost entirely to a lack of transport facilities. Total production averaged only about 75% of capacity and sales fell short of the records achieved in the previous year. However, the net profit was maintained, principally because of the rise in copper prices, and the rate of dividend paid by RST was the same as for the year ended 30 June 1966.

Despite the problems, the RST Group is planning for a record production in the current financial year. The output of finished copper in the first three quarters amounted to 230,342 tons, as against 160,472 tons in the corresponding period of the previous year. The financial results for the nine months ended 31 March 1968 show a consolidated profit after taxation of £19.8 million, compared with £13.3 million for nine months of the previous year.

In April 1968 the President of Zambia announced new economic measures for that country involving a limitation on the dividends to be paid abroad by foreign controlled companies, changes in the mineral royalty system, State control of certain selected companies, and further legislation to encourage investment from overseas. Although it is too early yet to assess what effects these measures will have on the RST Group, it is evident that the copper companies are not affected by the provisions for State control.

The development of the small but high-grade copper deposit at Kalengwa, some 300 miles west of the Copperbelt, has been further delayed awaiting construction by the Government of the new access road over which the ore is to be transported to Luanshya for smelting. At Baluba, a few miles from Luanshya, the pilot project, which includes an underground reconnaissance of the orebody, is proceeding satisfactorily and it is hoped that by the middle of 1969 it should be possible to decide whether or not to open-up this property for full-scale mining. At Chambishi, which is at present an open-pit operation, investigations are being carried out to determine whether the rock formation is amenable to mechanized underground mining. In addition, further expansion is being undertaken at Mufulira.

Should all these ideas and projects be viable they will require capital expenditure which might be in the order of £60 million, increasing the group's production capacity to between 350,000 and 400,000 tons of finished copper a year.

Following the announcement last year of the discovery of deposits of copper and nickel in Botswana, arrangements were made for a new company, Botswana RST Limited, to raise money to finance the further examination of these and adjacent areas. In March 1968 Botswana RST made an issue to shareholders of RST which will provide approximately £2.5 million for this purpose. The investigation has so far established the existence of some 29 million short tons of copper-nickel material in one area and 8 million short tons of copper material in another. Much work remains to be done, however, before a decision can be taken as to whether or not these deposits are capable of being developed on a commercially economic basis and what additional funds would be required.

Consolidated African Selection Trust

Summarized results (£ 000's)	1964	1965	1966	Year to 30 June 1967
Profit from diamond operations	4,906	5,241	6,740	5,645
Income from investments	216	267	320	419
Profit before taxation	5,122	5,508	7,060	6,064
Taxation, including adjustments	3,068	3,424	4,388	3,360
Profit after taxation	£2,054	£2,084	£2,672	£2,704
Relief under Section 84, U.K. Finance Act, 1965	–	–	–	673
	£2,054	£2,084	£2,672	£3,377
Dividends	£1,703	£1,651	£1,744	£1,861
Dividends per share	3s 0d	3s 0d	2s 6d	2s 0d

The Company owns 36.8% of the issued shares of Consolidated African Selection Trust Limited (C.A.S.T.), which, at 30 June 1967, had an issued capital of £4,651,788 in ordinary shares of 5s each and reserves totalling £9,118,382.

In the first six months of its current financial year C.A.S.T. earned an estimated profit before taxation of £2,942,000, compared with £2,953,000 in the corresponding period of the previous year, and in March paid an unchanged interim dividend of 1s 0d per share. In our year to 31 March 1968 dividends totalling 2s 0d per share were received from C.A.S.T., the same as in the year before.

In Ghana, the company mines diamonds in concessions totalling some 52 square miles around the towns of Akwatia and Edubia, in the southern part of the country. Production in the year ended 30 June 1967 increased by 40,000 carats to a total of 2,449,000 carats but, as a result of a fall in world industrial demand, a much smaller quantity of diamonds was sold. Revenue from sales amounted to £4,817,000, a decline of £1,542,000 from the previous year. There was again a small increase in operating costs.

This was the first full year of operations after completion of the expansion programme begun in 1956 to raise annual production capacity to 2.4 million carats. The year was therefore essentially one of consolidation, and the anticipated production was comfortably achieved. The ore reserve position is considered by the company to be satisfactory.

In Sierra Leone the company's wholly-owned subsidiary, Sierra Leone Selection Trust Limited, mines diamonds in leases totalling some 284 square miles in the Yengema and Tongo areas in the eastern portion of the country. Production, at 686,000 carats, was slightly below the level of 1965/66, and the caratage of diamonds sold was also slightly less. Sales revenue, at £7,222,000, dropped by £250,000 and operating expenditure increased by a similar amount. This increase in costs reflected in part the still greater attention which had to be paid to security measures to reduce theft and illicit mining.

The project to replace some of the older plants by two new ones, incorporating the heavy media process of concentration as a further precaution against theft, is nearing completion and it is expected that both plants will have been commissioned by the end of July 1968. The cost of treating gravel should be lower in the new facilities than the old, so permitting the mining of ground of lower grade than hitherto.

In Ghana the basic income tax rate has been increased from 45% to 50% giving an aggregate tax rate on profits remitted from Ghana of 70%. The Ghana Government has however promised that the additional tax on remitted profits will gradually be reduced and finally abolished.

The new tax provisions forming part of the recent agreement with the Sierra Leone Government and involving *inter alia* changes in the basis of assessment and the introduction of a "pay as you earn" system of tax collection, became effective as from 1st July 1967.

In February 1968, C.A.S.T. announced that it was entering the quarrying business in the U.K. by purchasing a limestone quarry at Mansfield Woodhouse, in Nottinghamshire, for a total consideration of £650,000 in shares and cash.

Tsumeb Corporation

Summarized results (R000's)				Year to 30 June
	1964	1965	1966	1967
Metal sales	31,991	51,456	55,988	52,132
Cost of sales	18,158	21,222	24,111	22,367
Net operating income	13,833	30,234	31,877	29,765
Depreciation, etc. less other income	2,741	2,552	2,164	2,229
Profit before taxation	11,092	27,682	29,713	27,536
Taxation	3,484	8,796	9,005	8,522
Profit after taxation	R7,608	R18,886	R20,708	R19,014
Dividends	R5,000	R15,000	R20,000	R18,500
Dividends per share	R1.25	R3.75	R5.00	R4.625

The Company has a direct holding of 14.25% in the share capital of Tsumeb Corporation Limited and also an indirect interest through Amax which owns 29.13%.

In the nine months to 31 March 1968 Tsumeb earned an estimated profit after taxation of R8,724,000, as against R14,195,000 in the equivalent period of last year. For the year ending 30 June 1968 distributions totalling R3.50 per share have been declared, a reduction of R1.125 from the previous year. The dividends we received in our year to 31 March 1968 amounted to R3.50 per Tsumeb share, compared with R5 per share the year before, but this fall was partially offset by the effects of devaluation of sterling as half of the dividend was received at the new rate of exchange.

Tsumeb's properties are located in South-West Africa where it works complex ores containing lead, copper and zinc, and also certain minor constituent metals, notably cadmium, silver and germanium. The principal operations and facilities are at the Tsumeb mine and at Kombat, some 65 miles away.

In the year to 30 June 1967 the aggregate tonnage of ore mined and milled increased, due mainly to greater production from the Kombat mine. At Tsumeb, 794,399 short tons were milled at an average grade of 17.57% combined copper, lead and zinc, compared with 788,765 tons at 20.28% in the previous year. Production at Kombat totalled 344,006 tons at an average grade of 4.36% combined copper and lead as against 262,076 tons at 3.99% in 1965/66.

The lower grade of ore treated from the Tsumeb mine adversely affected production for the year to 30 June 1967 and the average prices received were lower than in the previous year. The dividend was reduced in the June quarter 1967 to a quarterly rate of 87½ cents per share and has since been maintained at that level.

The smaller size of the orebody in the lower levels of the Tsumeb mine restricts the availability of stoping ore. In addition, increasingly difficult operating conditions have been experienced in the recovery of ore pillars. As a result, the rate of mining at Tsumeb was reduced early in 1967 and, after a further reduction towards the end of the year, is currently running at about 50,000 tons of ore per month.

At 30 June 1967 the positive ore reserves were estimated at 7,700,997 tons averaging 4.82% copper, 10.83% lead and 2.88% zinc at Tsumeb, and 1,399,781 tons averaging 2.66% copper and 2.16% lead at Kombat. In addition there were probable ore reserves at Kombat amounting to 1,819,621 tons at 1.58% copper and 2.42% lead.

The positive reserves at Tsumeb are as re-calculated down to the 34 level. The additional reserves located below that level by the end of June 1967, classed as "tentative ore," were estimated at 2,673,000 tons averaging 4.12% copper, 4.94% lead and 1.59% zinc. The drilling programme is, however, by no means complete.

In an attempt to improve the ore reserve position, greater attention is being paid to exploration in the vicinity of the existing mines and elsewhere throughout South West Africa.

Vaal Reefs Exploration and Mining Company

Summarized results (R 000's)			Year to 31 December	
	1964	1965	1966	1967
Working profit–gold production	10,982	11,719	11,379	11,465
uranium revenue, net	1,224	772	2,093	3,875
Sundry income less expenditure	126	207	368	346
Profit before taxation	12,332	11,154	13,840	15,686
Taxation and State's share of profit	4,446	5,084	6,439	1,208
Profit after taxation	7,886	6,070	7,401	14,478
Retained in business	3,161	1,082	2,151	9,228
Dividends	R4,725	R4,988	R5,250	R5,250
Dividends per share	45c	47½c	50c	50c

A direct interest of 10% is held in the share capital of this South African company, which produces gold and uranium.

In our year to 31 March 1968 dividends totalling 50 cents per Vaal Reefs share were received, the same as in the year before, but the sterling equivalent of the 30 cents paid in December was enhanced by the effects of devaluation.

In the existing mining lease, now known as Vaal Reefs' North, the ore reserves at the end of 1967 were 6,610,000 tons at average grades of 10.62 dwt gold and 0.74 lb uranium oxide per ton, compared with 6,680,000 tons at 10.40 dwt gold and 0.75 lb uranium oxide per ton a year before. For the current year the planned production is 2,260,000 tons of ore milled at an average grade of 9.60 dwt per ton, compared with 2,275,000 tons at 9.71 dwt in 1967.

During 1967, arrangements were completed for Vaal Reefs to undertake the exploitation of an adjoining area south of the Vaal River in association with Southvaal Holdings Limited, a company formed by the holders of the mineral rights concerned. The area, which is to be known as Vaal Reefs South, is comparable in size with Vaal Reefs' existing undertaking and has a much longer prospective working life ahead of it. The programme of development provides for the new mine to come into production as early as possible after completion of the shaft systems in 1971 and for its milling rate to be built up to 150,000 tons a month. Shaft sinking operations began in November 1967.

The initial cost of bringing the new mine to the point at which further capital expenditure may be financed out of retained earnings is estimated at R60 million but, as this capital cost will be allowable for tax purposes in the accounts of Vaal Reefs, the amount of new money required is only expected to be about R32 million. Southvaal Holdings has undertaken to provide 78% of this new money by way of loan, the interest charges and repayment being made only from the profits of the operations of Vaal Reefs South. Southvaal Holdings will thus bear its full share of the risks of the new enterprise, even though it will form an integral part of the operations and accounting returns of the Vaal Reefs company, and will receive as royalty 60% of the profits from the new mine. The remainder of the finance is being provided by Vaal Reefs, which will receive 40% of the profits.

The foregoing estimates do not include the cost of a uranium plant. In the light of indicated values in the new area and of the upward trend of the uranium market, the company has decided that the new mine will produce uranium and additional capital funds will accordingly be required for this purpose.

The expenditure incurred at Vaal Reefs South in 1967, together with interest on the loan from Southvaal Holdings, amounted to R8.7 million which, in terms of the arrangement outlined above, was reduced to a net amount of R2.8 million of which approximately R2.2 million was provided by Southvaal. The programme for the current year involves capital expenditure of R7 million on the new mine and, in addition, expenditure totalling some R4.2 million on further developments at Vaal Reefs North. Despite this heavy capital expenditure, the company hopes to maintain dividend payments in 1968 at the current level of 50 cents per share.

As one of the original holders of mineral rights in the new mining area we have at present a direct interest in Southvaal Holdings of 8.6%, which will increase to approximately 10% as the financing of development proceeds.

Palabora Mining Company

A direct interest of 2.4% is held in the issued share capital of this South African company, and a further indirect interest through Amax which owns approximately 8%.

Palabora operates a large open-pit mine in the north-eastern Transvaal yielding copper, with sulphuric acid and magnetite as by-products, and also produces vermiculite. In 1967 mining increased progressively throughout the year to a rate of 100,000 short tons of ore and waste rock per day. Altogether, 14.6 million tons of ore averaging 0.71% copper were milled, as against 12 million tons averaging 0.78% copper in the previous year. This was the first full year of operations of the smelter and 84,370 tons of anode copper were produced.

Sales of all products increased from R46.6 million to R63.9 million resulting in profits of R36.8 million as opposed to last year's figure of R26.1 million. There was no liability to tax as the accumulated capital expenditure allowable for tax purposes exceeded the aggregate taxable profits earned so far. The dividend was increased by 15 cents to 80 cents per share involving a total distribution for the year of R22.7 million. In our year to 31 March 1968 dividends totalling R1.20 per Palabora share were received as against 25 cents in the year before. During its current year of operations, Palabora expects to reach the tax-paying stage and its rate of dividend may thereby be affected.

The tankhouse section of the electrolytic copper refinery was completed in September, somewhat ahead of schedule, and the wirebar section of the casting plant was commissioned in April 1968. Palabora has entered into partnership with Union Steel Corporation (of South Africa) Limited for the manufacture of continuous cast electrolytic copper rod using the Southwire process and this section of the plant is expected to be commissioned in July 1968. The design of these three facilities has been undertaken by the Engineering Division of Selection Trust.

Mount Newman Project

This iron-ore development in Western Australia has been organised as an international joint venture instead of a separate mining company. The Company has a direct interest of 5% through its subsidiary, Seltrust Iron Ore Limited, and a further indirect interest through Amax which has a 25% participation. The Broken Hill Proprietary Company Limited (B.H.P.) and The Colonial Sugar Refining Company Limited, both of Australia, and Mitsui & Company Limited of Japan, are the other participants. Operations are being managed by Mt. Newman Mining Company Pty. Limited which is a subsidiary of B.H.P.

In April 1967 final agreements between the parties were signed, initial financing arranged, and construction begun. Work has continued throughout the year on the development of the orebody at Mt. Whaleback, on the construction of a 265-mile railway from the mine to the point of shipment at Port Hedland, on ore-handling facilities at the mine and port, and on new townships and other essential facilities. The project is on schedule, and shipments of ore to meet existing contracts are due to commence in 1969.

So far, orders for a total of 170 million tons of ore for delivery over periods of up to 20 years have been received from major Japanese steel companies and from B.H.P. The development of markets for Mt. Newman iron ore throughout the world (excluding Australia) is the responsibility of Amax Mineral Sales Corporation, a subsidiary of Amax.

Our commitment in respect of the development of this property to an initial capacity of some 12 million tons of ore per annum is estimated at £3.9 million of which approximately £1.6 million had been contributed by 31 March 1968. It is expected that the first profits from this venture will accrue in our year to 31 March 1970.

Western Mining Corporation

A direct interest of 10% is held in the share capital of this Australian company.

In the past, Western Mining's business has been mainly concerned with gold mining operations based principally in Western Australia, and in recent years the company has expanded and diversified by acquiring interests in aluminium and iron.

The most important factor in the growth of Western Mining has, however, been its success in the search for nickel in the Kambalda / St.Ives area near Kalgoorlie in Western Australia. As a result of the company's exploration work five important zones of mineralisation have been discovered in this area. At Kambalda, mining and milling operations began in June 1967 on ore from the Lunnon Shoot. Drilling here and at the Durkin and Jan Shoots continues to outline reserves. As at 31 January 1968 the published ore reserves amounted to a total of 9.3 million tons at an average grade of 3.8% nickel. Promising indications have also been found at Kambalda West and Kambalda North.

Exploration for nickel is continuing in a number of other localities near Kalgoorlie and in addition the company has an active exploration programme for copper and other base metals as well as for gold.

The company plans to expand its existing operations and also to establish a refinery at Kwinana with the capacity to produce not less than 15,000 tons of nickel per year. The latter phase of the operation is expected to be complete by 1971. In order to provide funds for this and other purposes, the company made a rights issue of shares in March 1968 to raise approximately A$45 million. It seems certain that Western Mining is shortly to become a major producer of nickel and is entering a stage in its development in which the benefits of its recent diversification will be increasingly felt.

The company's interest in aluminium consists of a 20% holding in Alcoa of Australia (Pty.) Limited. Alcoa produces bauxite, alumina and refined aluminium and is also developing a business in fabricated products. The capacity of the refinery is currently being increased by some 50% to 620,000 metric tons and by the end of 1969 should be increased to 830,000 metric tons of aluminium.

Western Mining has a 50% share in a joint venture which is mining iron deposits at Koolanooka, Western Australia for shipment to Japan under an eight year contract. The company also has a share in iron ore deposits in the Yilgarn area of the same State. The other participants in these two projects are subsidiaries of two U.S.A. corporations, The Hanna Mining Company and Homestake Mining Company.

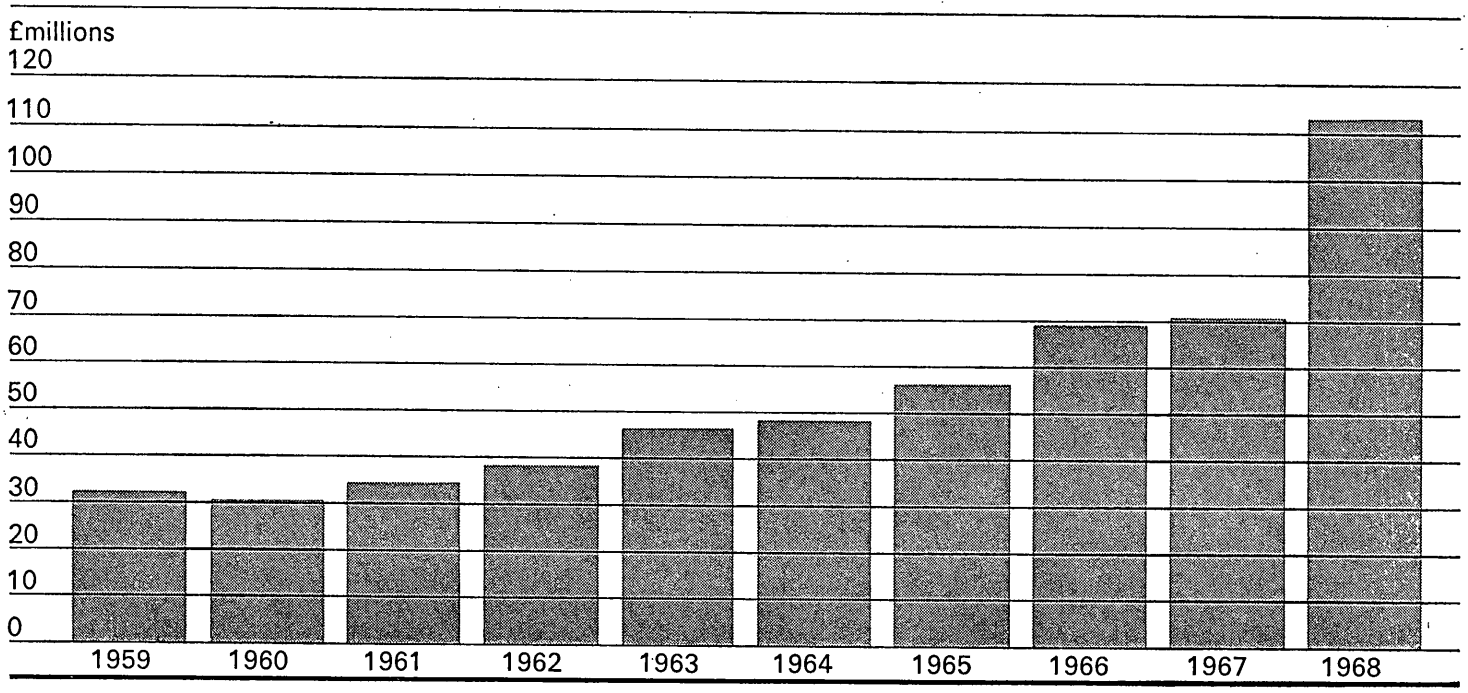
In the year ended 30 June 1967 the company's results showed a net profit after tax of A$779,000, of which A$739,000 was distributed by way of dividends. The company's gold mining operations accounted for 53% of these profits.

The currencies applicable to the companies dealt with in this Review and the exchange rates since 18 November 1967 are as follows:

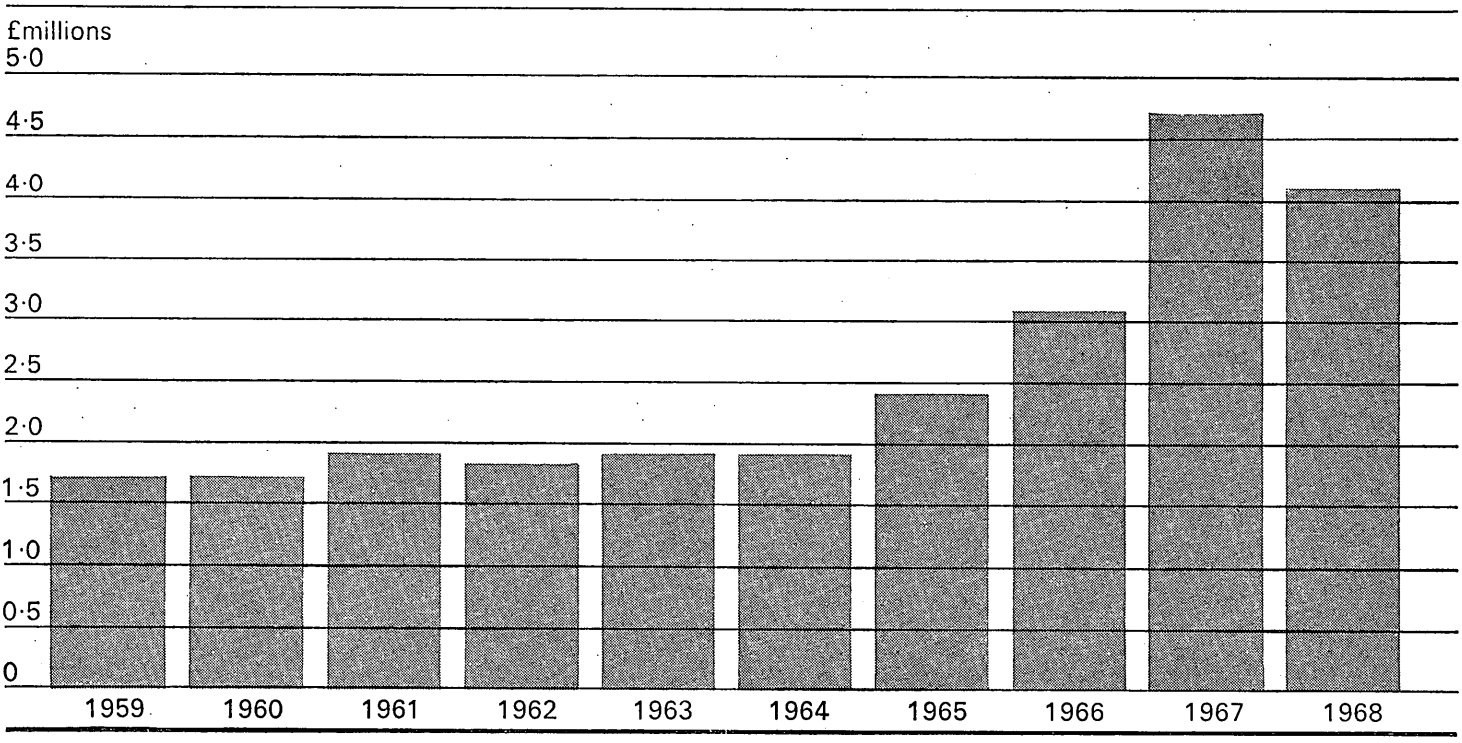
United States Dollars	US$ 1	= 8s 4d	US$ 2.40 = £1
South African Rand	R 1	= 11s 8d	R 1.714 = £1
Australian Dollars	A$ 1	= 9s 4d	A$ 2.147 = £1

Selection Trust Limited and subsidiary companies

Total net assets



Profit after Tax (before exploration expenditure)



Ten-Year Financial Summary

Net assets (£000's)	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
Investments at book values–										
Quoted	4,715	4,720	5,048	5,257	5,599	5,865	6,077	7,164	7,682	11,019
Unquoted (*1*)	1,080	898	602	569	384	261	460	580	699	2,149
Net current assets	2,408	2,801	2,095	2,137	2,415	2,583	2,915	2,744	9,098	5,074
Other assets less liabilities	43	19	31	47	119	143	838	995	1,018	1,114
Outside interests in subsidiary companies	*1,223*	*1,181*	*1,030*	*1,032*	*1,069*	*1,089*	*1,133*	*1,216*	*1,146*	*1,163*
	7,023	7,257	6,746	6,978	7,448	7,763	9,157	10,267	17,351	18,193
Appreciation of investments over book values (*2*)	25,332	23,178	27,856	31,623	38,984	41,036	47,265	58,916	53,656	93,895
Total net assets	£32,355	£30,435	£34,602	£38,601	£46,432	£48,799	£56,422	£69,183	£71,007	£112,088
Net assets per share (*3*)	39s 0d	36s 8d	41s 8d	46s 5d	55s 11d	58s 9d	67s 11d	83s 3d	76s 0d	120s 0d

(*1*) *Including subsidiary company not consolidated and interest in Mt. Newman project.*

(*2*) *Taking quoted investments at Stock Exchange prices and the unquoted investments at Directors' valuation.*

(*3*) *Based on 16,613,475 shares up to 1966 and 18,690,159 shares for 1967 and 1968.*

Earnings (£000's)										
Profit before taxation	3,304	3,136	3,497	3,521	3,756	3,841	4,635	6,382	6,087	6,192
Taxation	1,591	1,359	1,611	1,724	1,801	1,864	2,225	3,229	1,298	1,990
	1,713	1,777	1,886	1,797	1,955	1,977	2,410	3,153	4,789	4,202
Deduct: Amount attributable to outside shareholders	28	30	30	30	30	30	30	29	48	48
	£1,685	£1,747	£1,856	£1,767	£1,925	£1,947	£2,380	£3,124	£4,741	£4,154
Dividends paid per share (*4*)	2s 2¼d	2s 2¼d	2s 2¼d	2s 3½d	2s 6d	2s 9d	3s 0d	3s 3d	3s 3d	3s 3d
Total cost of dividends	1,096	1,113	1,113	1,153	1,272	1,399	1,485	1,929	2,700	3,037
Transferred to reserves or surplus	589	634	743	614	653	548	895	1,195	2,041	1,117
	£1,685	£1,747	£1,856	£1,767	£1,925	£1,947	£2,380	£3,124	£4,741	£4,154
Charged against reserves–										
Exploration	£272	£240	£360	£461	£392	£414	£447	£411	£415	£694
Investment	*Cr.58*	171	196	*Cr.26*	*Cr.110*	*Cr.106*	*Cr.159*	16	63	*Cr.37*

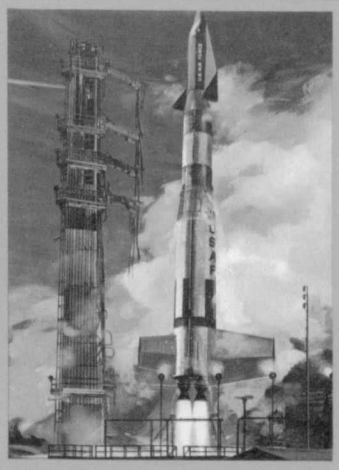
(*4*) *Based on 16,613,475 shares up to 1967 and 18,690,159 shares for 1968*

Analysis of Interests

Gold

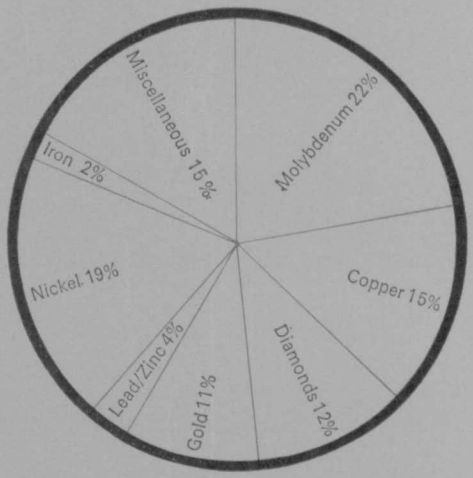
These diagrams show the division of the Company's net assets at valuation of £112 million, and the sources of its income, when analysed by references to commodities and geographical locations. The analyses have been traced through the investments concerned to take account of the indirect interests as well as direct interests; they are therefore necessarily only approximate. The illustrations are of the principal commodities in which we have interests and some of their uses.

Molybdenum



Assets

Commodities

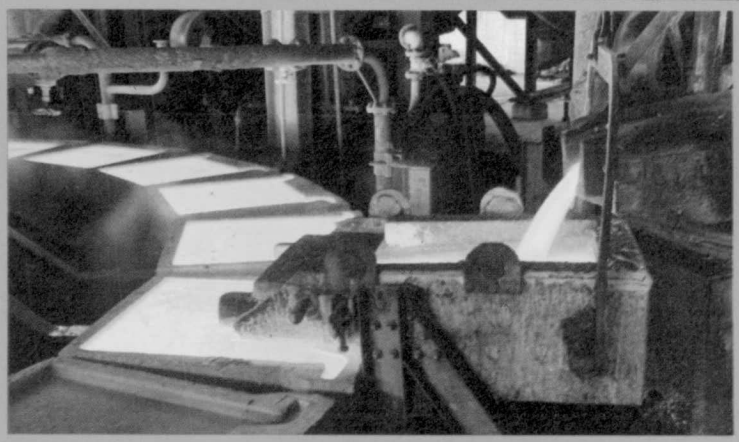


Geographical Situation

Income

Commodities

Nickel



Copper

Diamonds

Lead

Summaries

Geographical Situation

Assets	NA	SWA	SA	Z	G& SL	A	UK&	T
Molybdenum	22							22
Copper	3	5	4	3				15
Diamonds					12			12
Gold			10			1		11
Lead/Zinc	2	2						4
Nickel						19		19
Iron						2		2
Miscellaneous	9					1	5	15
Total	36	7	14	3	12	23	5	100

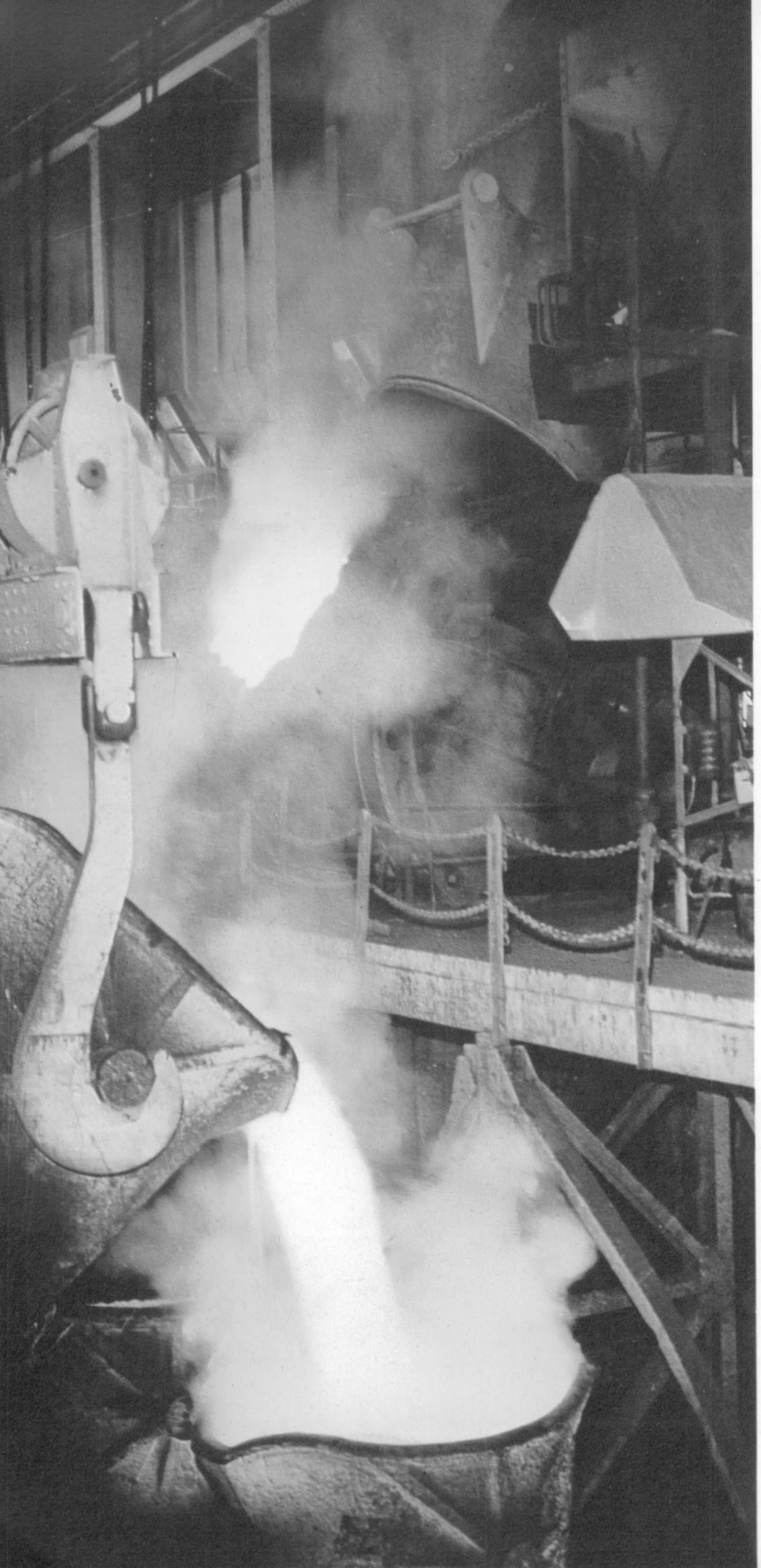
NA	North America
SWA	South West Africa
SA	South Africa
Z	Zambia
G&SL	Ghana and Sierra Leone
A	Australia
UK&	United Kingdom and elsewhere
T	Total

Income	NA	SWA	SA	Z	G& SL	A	UK&	T
Molybdenum	13							13
Copper	1	18	8	4				31
Diamonds					10			10
Gold			10					10
Lead/Zinc	1	8						9
Sundries	5					1	5	11
Realisation Profits							16	16
Total	20	26	18	4	10	1	21	100

◁ **North America**
Whole page: The surface facilities at Amax' Urad molybdenum mine, ten thousand feet above sea level in the Colorado Rockies. This mine has the largest complete underground crushing-plant in North America.
Inset–Left: The Intalco primary aluminium reduction plant on Puget Sound, Washington State, is half-owned by Amax.
Inset–Right: Deep water facilities allow ocean-going vessels to discharge alumina direct to the plant by giant conveyors. Most Intalco alumina comes from Australia where Amax continues development work for bauxite, the basic ore.

△ ▽ **Australia–The Mount Newman Project**
Both Amax and ourselves are participating in this vast project to mine iron-ore in Western Australia.

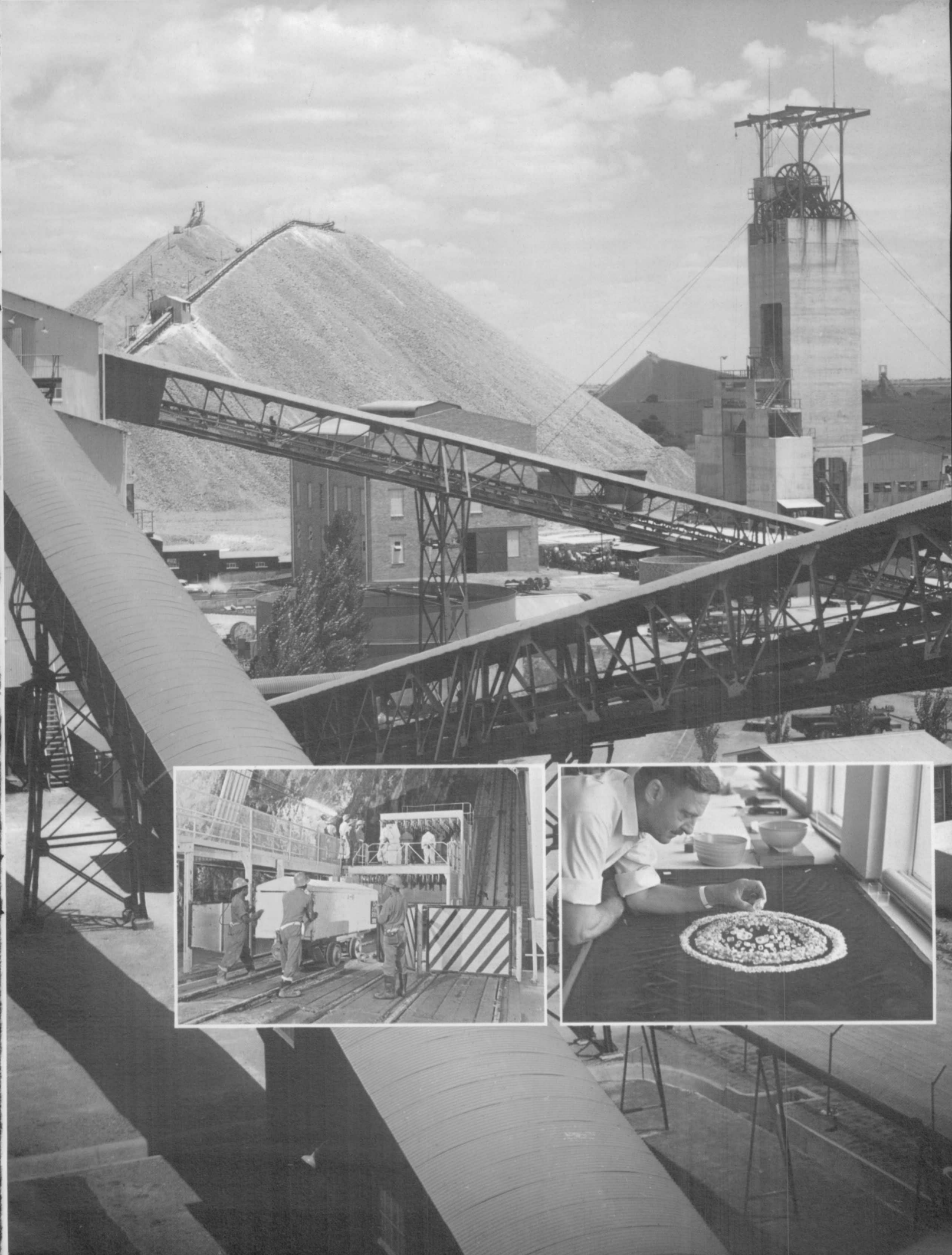
Above: Mount Whaleback, the main orebody, stands out in bold relief as a large deposit of high-grade haematite.
Centre: From the air, development roads and the townsite in the foreground show the rich brown of oxidized iron under the vegetation.
Below: To the northwest, at the end of a 265-mile railway, work continues on dredging Port Hedland to receive bulk ore-carriers. A lively community with every facility is being developed.



Africa

◁
Pouring lead in the smelter at Tsumeb, South West Africa.

▷
No. 1 shaft headgear at the Vaal Reefs North gold mine in South Africa, showing the waste rock dump and in the foreground, the conveyor systems which serve the reduction plant.
Inset – Left: The Peterson inclined shaft at the Mufulira Copper Mine of Roan Selection Trust in Zambia.
Inset – Right: A display of Sierra Leone Selection Trust's diamonds in the sorting office at Freetown.



Accounts

◁ **Western Australia**

Western Mining's Silver Lake shaft overlooking Lake Lefroy, Kambalda, the site of present nickel mining and treatment operations.

Report of the Auditors

to the Members of Selection Trust Limited

In our opinion the accounts and notes set out on pages 29 to 38 give a true and fair view of the state of affairs and the profit of the Company and the Group and comply with the Companies Acts 1948 and 1967.

The accounts of the overseas subsidiaries have been audited by other firms.

Annan, Dexter & Co, *Chartered Accountants*
21 Ironmonger Lane, London, EC2

29 May 1968

Consolidated Profit and Loss Account for the year ended 31 March 1968

Selection Trust Limited
and subsidiary companies

	Notes		1968		1967
Revenue	1	£	£	£	£
Dividends and interest from–					
Quoted investments		3,681,743		3,314,733	
Unquoted investments		1,543,557		2,041,701	
			5,225,300		5,356,434
Profit on realisation of investments	2		1,050,347		902,434
Sundry revenue			368,038		173,549
			6,643,685		6,432,417
Expenditure					
Administration and property expenses		438,949		345,352	
Interest on bank loans		12,568		—	
			451,517		345,352
			6,192,168		6,087,065
Taxation	3		1,990,506		1,844,628
Net profit for the year (*see note below*)			4,201,662		4,242,437
Add: Relief under Section 85, Finance Act, 1965			—		546,938
			4,201,662		4,789,375
Deduct: Interest of outside shareholders in profits of subsidiaries			47,500		47,500
Net profit for the year available for appropriation			4,154,162		4,741,875
Dealt with in accounts of the parent company		3,787,813		3,567,956	
Retained by subsidiary companies		366,349		1,173,919	
Transfers to					
General reserve		300,000		1,000,000	
Exploration reserve		700,000		800,000	
			1,000,000		1,800,000
			3,154,162		2,941,875
Dividends					
on 18,690,159 shares (1967, on 16,613,475 shares)					
Interim dividend of 1s 3d per share (1967, 1s 3d)		1,168,135		1,038,342	
Final dividend of 2s 0d per share recommended (1967, 2s 0d)		1,869,016		1,661,348	
			3,037,151		2,699,690
Unappropriated profit for the year			117,011		242,185
Add: Unappropriated profits at 1 April 1967			1,716,266		1,474,081
Unappropriated profits at 31 March 1968			£1,833,277		£1,716,266

Note: Exploration expenditure £694,484, less recovery in value of investments £37,138 (1967, £414,927 plus £63,342) has been charged against reserves.

Consolidated Balance Sheet 31 March 1968

Selection Trust Limited
and subsidiary companies

	Notes		1968		1967
		£	£	£	£
Capital					
Authorised–25,000,000 shares of 5s each		6,250,000		5,000,000	
Issued–18,690,159 ordinary shares of 5s each, fully paid			4,672,540		4,672,540
Share premium account	**4**		4,811,220		4,816,740
Reserves					
Capital reserve	**5**	1,455,360		1,035,095	
General reserve	**6**	2,942,320		2,674,729	
Investment reserve	**7**	986,466		949,328	
Exploration reserve	**8**	1,492,137		1,486,621	
Unappropriated profits		1,833,277		1,716,266	
			8,709,560		7,862,039
			18,193,320		17,351,319
Outside interests in subsidiary companies	**9**		1,162,777		1,145,906
3½ per cent debenture stock	**10**		99,990		114,796
			£19,456,087		£18,612,021

A.Chester Beatty, *Director*

E.C.Wharton-Tigar, *Director*

L.A.Cook, *Secretary & manager*

	Notes		1968 £		1967 £
Fixed assets	**11**				
Freehold property			951,871		938,133
Exploration equipment			90,412		54,668
Office equipment and furniture			111,515		90,045
			1,153,798		1,082,846
Interest in Mount Newman iron ore project, at cost			1,577,805		172,199
Investments	**12**				
	Stock Exchange value 1968 / 1967				
Quoted	£98,889,734 / £55,373,792	11,019,399		7,681,704	
	Directors' valuation 1968 / 1967				
Unquoted	£6,160,000 / £6,056,000	135,781		92,119	
			11,155,180		7,773,823
Shares in subsidiary company not consolidated, at cost	**1**		435,261		435,261
Interests in mining investigations					
Unquoted investments, at cost		—		125,118	
Other interests, at cost		1,914,654		1,137,919	
		1,914,654		1,263,037	
Less: Provision		1,854,559		1,212,973	
			60,095		50,064
Net current assets					
Debtors and payments in advance		1,476,147		675,337	
Taxation recoverable		432,162		647,585	
Treasury bills, at cost		1,575,895		3,712,030	
Cash and short-term deposits		4,897,094		6,283,110	
		8,381,298		11,318,062	
Less:					
Creditors (secured £15,676)		387,514		451,325	
Bank loans		1,050,820		107,561	
Final dividend recommended for the year ended 31 March 1968		1,869,016		1,661,348	
		3,307,350		2,220,234	
			5,073,948		9,097,828
			£19,456,087		£18,612,021

Balance Sheet 31 March 1968

Selection Trust Limited

	Notes	£	1968 £	£	1967 £
Capital					
Authorised–25,000,000 shares of 5s each		6,250,000		5,000,000	
Issued–18,690,159 ordinary shares of 5s each, fully paid			4,672,540		4,672,540
Share premium account	**4**		4,811,220		4,816,740
Reserves					
Capital reserve		827,847		827,847	
General reserve	**6**	742,320		774,729	
Investment reserve	**7**	955,708		956,359	
Exploration reserve	**8**	1,492,137		1,486,621	
Unappropriated profits		670,394		619,732	
			4,688,406		4,665,288
			14,172,166		14,154,568
3½ per cent debenture stock	**10**		99,990		114,796
			£14,272,156		£14,269,364

A.Chester Beatty, *Director*

E.C.Wharton-Tigar, *Director*

L.A.Cook, *Secretary & manager*

	Notes		1968 £		1967 £
Fixed assets	**11**				
Freehold property			920,382		920,382
Office equipment and furniture			94,052		78,470
			1,014,434		998,852
Subsidiary companies					
Shares, at cost *less* provision		1,391,935		1,391,935	
Unsecured loans, at cost *less* provision		1,754,178		1,119,112	
Dividend recommended		1,300,000		812,500	
		4,446,113		3,323,547	
Add: Current accounts		130,867		85,999	
			4,576,980		3,409,546
Investments	**12**				
	Stock Exchange value 1968 / 1967				
Quoted	£40,405,961 / £11,723,371	7,658,830		3,948,990	
	Directors' valuation 1968 / 1967				
Unquoted	£1,910,000 / £1,810,000	58,332		22,105	
			7,717,162		3,971,095
Interests in mining investigations					
Unquoted investments, at cost		—		125,118	
Other interests, at cost		161,720		179,717	
		161,720		304,835	
Less: Provision		161,720		268,769	
			—		36,066
Net current assets					
Debtors and payments in advance		870,069		484,769	
Treasury bills, at cost		932,363		2,760,366	
Cash and short-term deposits		1,876,076		4,213,762	
		3,678,508		7,458,897	
Less:					
Creditors		225,167		195,433	
Taxation		80,416		*Deduct* 359,250	
Bank loan		540,329		107,561	
Final dividend recommended for the year ended 31 March 1968		1,869,016		1,661,348	
		2,714,928		1,605,092	
			963,580		5,853,805
			£14,272,156		£14,269,364

Notes on the Accounts

1. Subsidiary companies

Details of the Company's holdings in all of its subsidiaries, with countries of incorporation, are shown on page 38.

Owing to the political uncertainties concerning Rhodesia it has been decided not to consolidate the accounts of the Rhodesian subsidiary, Bikita Minerals (Pvt) Limited. The comparative figures for the year ended 31 March 1967 have been adjusted accordingly, involving the omission of net assets of £1,009,460 and net profit of £77,275 after allowing for outside interests in this subsidiary, and the inclusion at cost of the parent company's interest.

The accounts of Bikita Minerals are prepared to 31 December for administrative convenience. The profits of the company attributable to the parent company for the year to 31 December 1967 were Rhod. £44,144 and since the date of acquisition to 31 December 1966 were Rhod. £196,960, no part of which has been brought into the consolidated accounts.

2. Turnover

Proceeds from sale of investments amounted to £2,120,277

3. Taxation

Based on the profit for the year–	£	1968 £	£	1967 £
United Kingdom Corporation Tax, less relief of £64,479 (1967, £47,554) under Section 84, Finance Act 1965	1,973,469		1,837,557	
Less: Double Taxation Relief	1,638,705		1,706,707	
		334,764		130,850
Overseas Taxation		1,660,970		1,730,198
		1,995,734		1,861,048
Less: Adjustments in respect of previous years		5,228		16,420
		£1,990,506		£1,844,628

4. Share premium account

A further £5,520 of expenses relating to the February 1967 issue of shares has been charged against share premium account.

5. Capital reserve

	Group £
Balance at 1 April 1967	1,035,095
Profit on realisation of investments by Seltrust Investments Limited	363,067
Exchange adjustment	57,198
Balance at 31 March 1968	£1,455,360

6. General reserve	Parent company £	Group £
Balance at 1 April 1967	774,729	2,674,729
Add: Appropriation for the year	—	300,000
	774,729	2,974,729
Deduct: Provision against possible exchange difference on eventual repayment of bank loans	32,409	32,409
Balance at 31 March 1968	£742,320	£2,942,320

7. Investment reserve	Parent company £	Group £
Balance at 1 April 1967	956,359	949,328
Add: Net appreciation in the value of investments	*Deduct* 651	37,138
Balance at 31 March 1968	£955,708	£986,466

8. Exploration reserve	Parent company £	Group £
Balance at 1 April 1967	1,486,621	1,486,621
Add: Appropriation for the year	700,000	700,000
	2,186,621	2,186,621
Deduct:		
Expenditure on abandoned investigations	61,522	196,416
Provision for expenditure on current investigations (including £683,427 by the parent company in respect of subsidiary companies) after crediting £60,904 in respect of previous years' provision no longer required	632,962	498,068
	694,484	694,484
Balance at 31 March 1968	£1,492,137	£1,492,137

9. Outside interests in subsidiary companies

	£	£
Seltrust Investments Limited		
Preference shares	1,000,000	
Preference share redemption premium reserve	47,500	
		1,047,500
Other subsidiary companies		115,277
		£1,162,777

The preference shares of Seltrust Investments Limited are redeemable at that Company's option by 31 March 1979, at a premium of 2s 0d per share up to 31 March 1969 or 1s 6d per share thereafter.

10. 3½ per cent debenture stock

The Company intends to redeem the whole of the outstanding stock on 31 August 1968 at par.
The stock and £870 interest accrued thereon are secured by a first floating charge upon the assets of the Company.

During the year, £14,806 stock was redeemed. Interest of £3,865 for the year (1967 £4,008) has been included in administration expenses.

11. Fixed assets and depreciation

(*a*) *Bases of valuation*

(i) Freehold property in London was revalued during the year to 31 March 1965 at £900,000. The remaining freehold property has been purchased in the last five years and is included at cost.

(ii) Other fixed assets are included at cost or, where replacements are charged to revenue, at cost of original assets.

(*b*) *Summary of fixed assets and depreciation*

	Parent company	Group			
	Office equipment and furniture	Freehold property	Exploration equipment	Office equipment and furniture	Total
	£	£	£	£	£
Totals at 1 April 1967	112,742	938,133	276,832	150,296	1,365,261
Additions	23,853	10,944	88,552	34,381	133,877
Disposals	*119*	—	*16,655*	*1,708*	*18,363*
Exchange adjustments	—	2,794	44,557	5,983	53,334
Totals at 31 March 1968	136,476	951,871	393,286	188,952	1,534,109
Provision for Depreciation					
Totals at 1 April 1967	34,272	—	222,164	60,251	282,415
Exchange adjustments, less disposals	*108*	—	24,625	1,293	25,918
Charge for the year*	8,260	—	56,085	15,893	71,978
Totals at 31 March 1968	42,424	—	302,874	77,437	380,311
Net Book Values 31 March 1968	£94,052	£951,871	£90,412	£111,515	£1,153,798

*£38,183 (1967 £23,322) charged to Exploration Reserve, £8,260 (1967 £7,137) included in administration expenses, and the remainder borne by outside interests

12. Investments

Quoted investments are included at the lower of cost or Stock Exchange value. Unquoted investments are included at the lower of cost or Directors' valuation.

In arriving at the Stock Exchange value of the quoted investments account has been taken, where applicable, of the investment dollar premium of 29⅝% at 31 March 1968 amounting in total to £10,699,128 (1967–20½% £6,236,432). The full amount of premium would not be obtained on a realisation of the investments concerned as existing exchange control regulations require the surrender to the Treasury of 25% of the premium.

13. Capital commitments

(i) £2.3 million in respect of 5% participation in Mount Newman iron ore project.

(ii) £2.1 million in respect of rights under the March 1968 share issue of Western Mining Corporation Limited which the directors intend shall be taken up by the Company.

(iii) £1.8 million in respect of participation in financing of Southvaal Holdings Limited.

(iv) Exploration participations and development guarantees in respect of mining projects, the total amount of which is not capable of determination.

14. Foreign currencies

Basis of conversion—assets and liabilities and Stock Exchange value of investments at rates ruling at 31 March 1968.

15. Emoluments of directors

(i) Aggregate emoluments of directors of Selection Trust Limited from the Company and its subsidiaries:	1968 £	1967 £
As directors, including £6,497 (1967 £7,000) additional remuneration under Article 83	13,535	13,708
As executives	66,817	63,558
	£80,352	£77,266

(ii) Details of emoluments, excluding pension contributions:		
Emoluments of the Chairman	£4,317	£4,260
Emoluments of the highest paid director	£17,600	£16,470

Number of directors whose emoluments were:

	1968	1967
Nil to £2,500:	9	6
£2,501 to £5,000:	3	4
£5,001 to £7,500:	1	Nil
£7,501 to £10,000:	1	Nil
£10,001 to £12,500:	Nil	1
£12,501 to £15,000:	Nil	Nil
£15,001 to £17,500:	Nil	1
£17,501 to £20,000:	1	Nil

16. Auditors' remuneration

Parent Company £4,478 (1967 £2,966).
Group £8,504 (1967 £5,817).

Subsidiary companies and principal interests

Subsidiaries of Selection Trust Ltd.	Country of Incorporation	Proportion of Issued Capital held* Parent Company	Group Interest
Finance			
African Selection Trust Ltd.	England	100%	100%
Auselex Investment Holding (Pty) Ltd.	Australia	100%	100%
Australian Selection Trust Ltd.	England	100%	100%
Iranian Selection Trust Ltd.	England	60%	60%
North Sea Selection Company Ltd.	England	100%	100%
North Sea Selection Netherlands Company Ltd.	England	60%	60%
Selco Holdings Ltd.	Canada	100%	100%
Seltrust Investments Ltd.	England	100% 20%†	100% 20%†
Exploration			
African Selection Trust Exploration (Pty) Ltd.	South Africa	100%	100%
American Selco Inc.	U.S.A.	100%	100%
Australian Selection (Pty) Ltd.	Australia	100%	100%
Iran Selection Exploration Ltd.	England	100%	100%
Selco Exploration Company Ltd.	Canada	100%	100%
Selection Trust Exploration Ltd.	England	100%	100%
South West African Selection Trust (Pty) Ltd.	S.W.Africa	100%	100%
Mining			
Bikita Minerals (Pvt) Ltd.	Rhodesia	50%	50%
Subsidiary of Auselex Investment Holding (Pty) Ltd.			
Exploration			
Selcast Holdings (Pty) Ltd.	Australia	Nil	60%
Subsidiary of Selcast Holdings (Pty) Ltd.			
Exploration			
Selcast Minerals (Pty) Ltd.	Australia	Nil	60%
Subsidiaries of Seltrust Investments Ltd.			
Finance			
African Selection Trust (Pty) Ltd.	South Africa	Nil	100%
Seltrust Iron Ore Ltd.	England	Nil	100%
Principal companies in which a Group interest of 10% or more of the equity capital was held at 31 March 1968:			
American Metal Climax, Inc.	U.S.A.	1.1%	11.4%
Consolidated African Selection Trust Ltd.	England	6.4%	36.8%
Tsumeb Corporation Ltd.	S.W.Africa	4.2%	14.2%
Vaal Reefs Exploration & Mining Company Ltd.	South Africa	10.0%	10.0%
Western Decalta Petroleum Ltd.	Canada	Nil	15.1%
Western Mining Corporation Ltd.	Australia	10.0%	10.0%

*Ordinary shares or their equivalent, except where stated
†4½% cumulative redeemable preference shares

Exploration Organization

London

Selection Trust
Exploration Limited,
Selection Trust Building,
Mason's Avenue,
London, EC2

Executive director
M.W.Thomas

Consulting geologist
T.Parks

Senior geologist, diamonds
Dr.E.Gerryts

Senior exploration geologist
Dr.O.W.Nicolls

North America

Canada
Selco Exploration
Company Limited,
Suite 1201,
121 Richmond Street West,
Toronto

Executive director
P.C.MacCulloch

Exploration manager
J.S.Auston

United States
American Selco
Incorporated,
9 East 44th Street,
New York

Technical manager
R.N.Parkinson

Australia

Australian Selection
(Pty) Limited,
22-30 Bridge Street,
Sydney
New South Wales

Resident director
Air Commodore
H.I.Edwards, VC, CB,
DSO,OBE, DFC

Technical director
P.B.Andrews

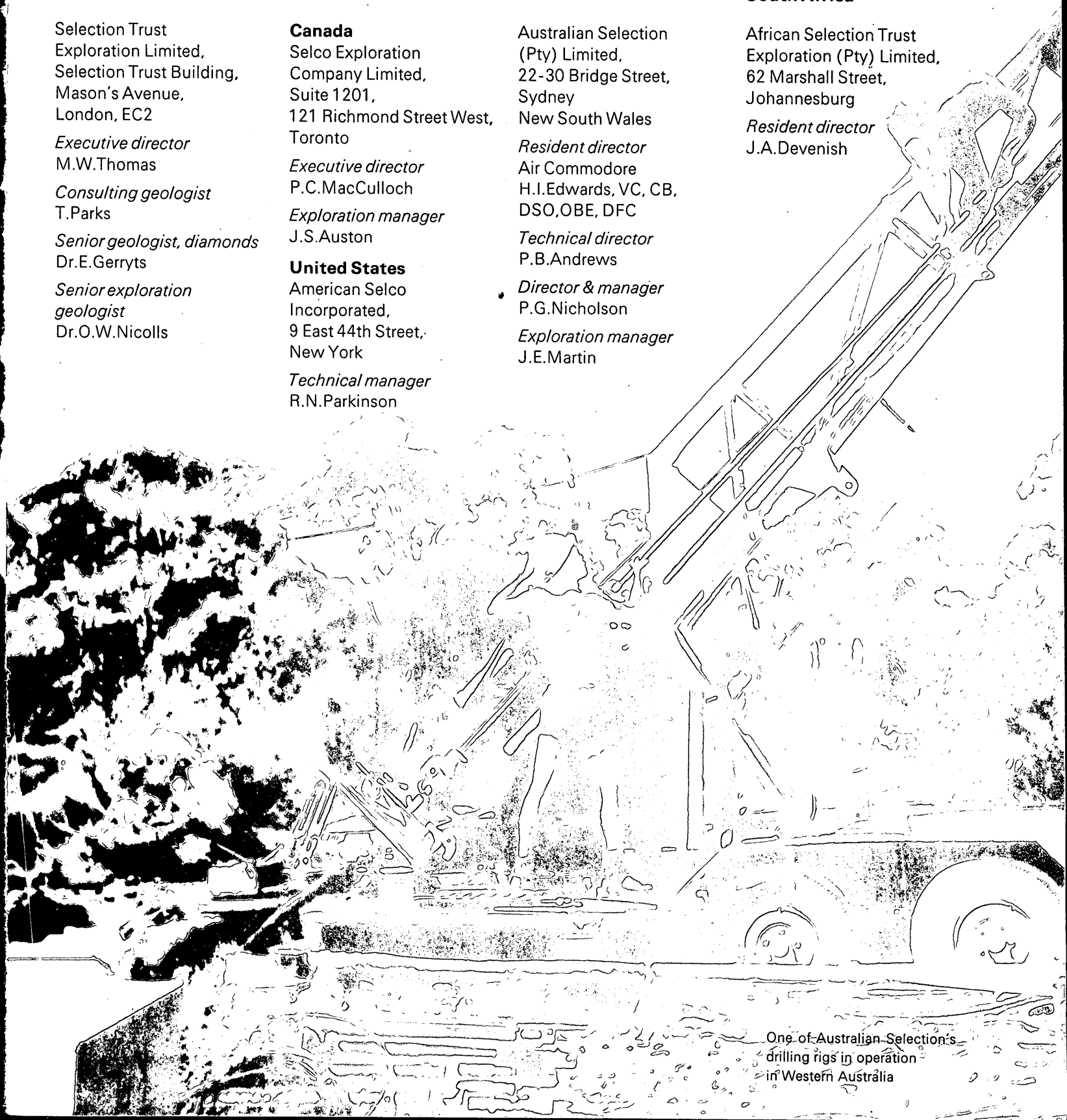
Director & manager
P.G.Nicholson

Exploration manager
J.E.Martin

South Africa

African Selection Trust
Exploration (Pty) Limited,
62 Marshall Street,
Johannesburg

Resident director
J.A.Devenish



One of Australian Selection's drilling rigs in operation in Western Australia

Miscellaneous Information

Dates for reference	1967/68
Half-year results and interim dividend announced	16 November
Interim dividend–	
Shares quoted ex-dividend	27 November
Record date	11 December
Dividend paid	9 January
Year's results and final dividend announced	29 May
Final dividend–	
Shares quoted ex-dividend	31 May
Record date	14 June
Dividend payable	13 July
Report and Accounts posted to shareholders	19 June
Annual General Meeting to be held on	11 July
Interest paid on 3½% debenture stock	30 June and 30 December

Finance Act 1965

(*a*) **Capital gains tax**

The prices of the undermentioned securities on 6 April 1965 for the purposes of the capital gains tax were as follows:

Selection Trust ordinary shares	43s 1½d
Selection Trust 3½% debenture stock	£70 per cent
Seltrust Investments preference shares	15s 0d

(*b*) **Close company provisions**

These provisions do not apply to the Company.

Registrars and Transfer Office

Documents for registration, and notifications of change of address, should be sent to:
Hill, Samuel & Co. Limited
6 Greencoat Place, London, SW1

Designed by
Leslie McCombie Associates
Printed by Portsoken Press London

Selection Trust Limited
Annual Report to 31 March 1970

Selection Trust Limited

Directors' Report and Accounts
for the year ended 31 March 1970

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Chairman's statement
A statement by the Chairman, Mr A.Chester Beatty, will be made at the Annual General Meeting and copies will subsequently be sent to shareholders.

Notice of Meeting

Notice is hereby given that the 37th Annual General Meeting of Selection Trust Limited will be held at Winchester House, 100 Old Broad Street, London, EC2, on Thursday 9 July 1970, at 12 o'clock noon, for the purpose of considering and, if thought fit, passing the following resolutions :

1 'That the Directors' Report and the audited Statement of Accounts for the year ended 31 March 1970, now submitted, be and they are hereby received and adopted.'

2 'That a Final Dividend of 2s 0d per ordinary share for the year ended 31 March 1970 be paid on 13 July 1970 to Members registered at 12 June 1970.'

3 'That the undernamed be and they are hereby re-appointed Directors of the Company:
(*a*) Mr.T.H.Bradford
(*b*) Mr.H.J.L.Codrington
(*c*) Mr.C.B.Forgan
(*d*) Mr.R.H.MacWilliam
(*e*) Mr.L.G.Stopford-Sackville'
These appointments will be dealt with in one resolution unless any Member present or represented at the meeting requires otherwise.

4 'That the remuneration of the Auditors for the year ending 31 March 1971 shall be an amount to be fixed by the Board.'

5 'That the maximum number of Directors permitted under Article 75 of the Company's Articles of Association be increased from fifteen to eighteen.'

A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.

Dated this 16th day of June 1970

By Order of the Board, J.K.CHEESEMAN, *Secretary*

Selection Trust Building
Mason's Avenue, London, EC2

Selection Trust Limited

Directors	A.Chester Beatty, *Chairman* E.C.Wharton-Tigar, MBE, *Managing Director* T.H.Bradford H.J.L.Codrington J.P.Du Cane, OBE C.B.Forgan E.J.T.Goudie (*Alternate* L.A.Cook) H.J.Hinves R.H.MacWilliam W.T.Padgett R.M.Peterson (*Alternate* P.C.MacCulloch) Sir Ronald L.Prain, OBE (*Alternate* A.M.Macleod-Smith, CMG) S.Spiro, MC L.G.Stopford-Sackville M.W.Thomas
Secretary	J.K.Cheeseman
Registered office	Selection Trust Building Mason's Avenue, London, EC2 Telephone: 01-606 6000
Auditors	Annan, Dexter & Co. *Chartered Accountants*
Solicitors	Freshfields
Registrars and transfer office	Hill Samuel & Co. Limited 6 Greencoat Place, London, SW1 Telephone: 01-828 4321

London appointments

Technical	C.M.Richardson *(Chief consulting engineer)* D.G.Cooper *(Assistant consulting engineer)* Dr.E.Gerryts *(Senior exploration geologist)* H.L.Henry *(Assistant consulting engineer)* Dr.O.W.Nicolls *(Senior exploration geologist)* R.V.Rumble *(General manager–Engineering division)* S.D.Williams, MC *(Consulting engineer, diamonds)*
Administration	L.A.Cook *(Manager)* W.J.Baker *(Chief accountant)* G.S.Bowden *(Assistant secretary)* T.F.Jackson *(Taxation adviser)* A.R.Saunders *(Purchasing agent)*

Overseas offices and appointments

African Selection Trust Exploration (Pty) Limited Suite 1403, Standard Bank Centre, 78 Fox Street, Johannesburg	J.A.Devenish *(Resident director)* Dr.L.E.Wolhuter *(Exploration manager)*
American Selco Incorporated Suite 1207, 9 East 44th Street, New York	R.N.Parkinson *(Technical manager)*
Australian Selection (Pty) Limited 22/30 Bridge Street, Sydney, New South Wales	Air Commodore H.I.Edwards, VC, CB, DSO, OBE, DFC *(Resident director)* P.B.Andrews *(Technical director)* P.G.Nicholson *(Director and manager)*
5/13 Tupper Street, Kalgoorlie, Western Australia	J.E.Martin *(Exploration manager)*
Selco Exploration Company Limited 6th Floor, 55 Yonge Street, Toronto, Ontario	P.C.MacCulloch *(Executive director)* J.S.Auston *(Exploration manager)*
Selco Mining and Development Limited 6th Floor, 55 Yonge Street, Toronto, Ontario	M.A.Upham, MBE *(President)*

Report of the Directors

The Directors submit their Report together with the audited Accounts for the year ended 31 March 1970.

The Company is a British mining finance house with total net assets valued at approximately £150 million at 31 March 1970. It has a valuable portfolio of mining investments which provide it with interests in a wide range of metals and minerals. It also seeks additional interests throughout the world by conducting its own exploration programme for new ore deposits, as well as by participating in the development of mining properties and allied businesses controlled by others.

The Company's principal shareholdings and other interests are reviewed in the following pages. A list of subsidiary companies and of companies in which an equity interest of 10% or more is held is given on page 12.

An analysis of the assets and of the income appears on pages 26 and 27. Approximately 96% of the assets represented by the Company's interests are located outside the United Kingdom. The main sources of income are shown in the summary below.

Summary of Results		1970		1969
	£	£	£	£
Dividends and interest–				
American Metal Climax		2,276,868		2,033,462
Tsumeb Corporation		1,894,562		1,833,748
Consolidated African Selection Trust		700,614		690,614
Vaal Reefs Exploration & Mining Company		309,931		473,403
Others		433,036		424,924
		5,615,011		5,456,151
Profit on realisation of investments		1,293,669		1,653,452
Net revenue from mining operations		399,863		—
Sundry revenue		757,806		396,763
		8,066,349		7,506,366
Expenses		787,319		621,557
		7,279,030		6,884,809
Taxation		2,482,965		2,136,662
		4,796,065		4,748,147
Amount attributable to outside shareholders in subsidiaries		43,084		47,500
		4,752,981		4,700,647
Transfers to–				
General reserve	400,000		—	
Investment reserve	—		771,879	
Exploration reserve	1,000,000		700,000	
		1,400,000		1,471,879
		3,352,981		3,228,768
Dividends on 20,301,672 shares–				
Interim dividend of 1s 3d per share paid 8 January 1970 (1969 1s 3d on 18,690,159 shares)	1,268,855		1,168,135	
Final dividend of 2s 0d per share recommended for payment on 13 July 1970 (1969 2s 0d on 20,247,672 shares)	2,030,167		2,024,767	
		3,299,022		3,192,902
Unappropriated profit for the year		53,959		35,866
Add: Unappropriated profits at 1 April 1969		1,869,143		1,833,277
Unappropriated profits at 31 March 1970		£1,923,102		£1,869,143

Accounts
The results for the year, as can be seen from the summary opposite, are very similar to those of the previous year. Slightly higher dividends were received from American Metal Climax and Tsumeb Corporation and revenue started to accrue from the Mount Newman iron ore project.

Profit on realisation of investments amounting to £1,293,669 arose mainly from the sale of shares in Palabora Mining Company. The holding in that company was substantially reduced by these sales and by those referred to in the next paragraph.

A surplus on the realisation of investments by the subsidiary, Seltrust Investments Limited, of £394,501 after providing for the relevant corporation tax, is not available for dividend and has been added to Capital Reserve, as required by its Articles of Association.

There was a net depreciation of £206,014 in the value of certain investments which has been debited to the Investment Reserve. The basis of valuation of investments is shown in Note 11 on page 23.

Exploration expenditure is dealt with through the Exploration Reserve, the year's charge amounting to £1,248,874 after deducting £116,387 in respect of provisions previously made but no longer required; this charge was some £416,000 more than that for the previous year.

The expenditure by South Bay Mines Limited, a Canadian subsidiary, on developing its copper-zinc-silver orebody at Uchi Lake in north-western Ontario and the expenditure on the Sar Cheshmeh copper property in Iran are carried in the accounts as assets at cost.

Now that production has commenced at Mount Newman the Company's direct interest in the assets of the project, less depreciation thereon, has been allocated over appropriate headings in the consolidated balance sheet instead of being shown as a single item.

The transfer to General Reserve of £400,000 was made by the subsidiary, Seltrust Iron Ore Limited, which owns the Mount Newman interest, in recognition of the fact that revenue from the project is being reinvested in further development.

Capital
The authorised capital remained unchanged at £6,250,000 but the issued capital was increased to £5,075,418 in 20,301,672 ordinary shares of 5s each by the issue in July 1969 of 54,000 new shares of 5s each, fully paid, to the trustees of The Selection Trust Share Trust (1969). As a result of this issue an amount of £512,174 has been added to Share Premium Account.

The new shares were subscribed by the trustees at 195s each with funds borrowed by them from the Company, pursuant to "The Selection Trust Employees Share Trust Scheme". At 31 March 1970 the loan to the trustees was £524,517, having been reduced under the terms of the Scheme by a payment out of the net dividend received by the trustees on the shares during the year.

Also in July 1969, options were granted at 3d per share to overseas members of the staff to call for an allotment at 195s each of a total of 16,250 shares of 5s each between 22 July 1971 and 22 July 1976. This grant of options was made pursuant to "The Selection Trust Share Option Scheme".

As a result of the foregoing, 129,750 shares of 5s each of the Company remained available at 31 March 1970 for issue under the Trust Scheme and the Option Scheme, which were both approved by the shareholders at the last Annual General Meeting.

Exploration
Exploration activities in the past year continued to be concentrated in North America, Australia and southern Africa and were on an increased scale compared with previous years. Consolidated African Selection Trust Limited has a 40% participation in all exploration ventures, except those for diamonds in which it has 60%.

Most of the exploration work in Canada was undertaken on 82 square miles of mining claims held in the Uchi Lake area of Ontario and encompassing the small high-grade copper-zinc-silver deposit of our subsidiary, South Bay Mines Limited, discovered at the end of 1968 and referred to separately below. Continuing exploration work in the area has comprised drilling of other geophysical targets, but so far without discovery of other ore deposits.

Drilling is just beginning on interesting geophysical targets contained within a further 30 square miles of mining claims held by our Canadian exploration subsidiary, Selco Exploration Company Limited, in the nearby Sturgeon Lake area where a great deal of exploration activity has

resulted from a recent major base metal discovery by another company.

Apart from the extensive programmes being carried out in these two areas, investigations are in progress elsewhere in north-western Ontario and in the United States.

Our work in Australia has been concentrated almost exclusively on areas in Western Australia where rights are held over approximately 1,000 square miles of land.

As announced last November, one of our subsidiaries, Selcast Minerals (Pty) Limited, has exercised its option to acquire from Hampton Gold Mining Areas Limited a 42-year lease over the northern portion of that company's East Location 48, comprising 18,500 acres in the vicinity of Kalgoorlie. This was done to enable us to continue the examination of the ground which remains an important exploration target. As a result of the exercise of the option, Hampton Gold Mining Areas has a one-third interest in the issued share capital of Selcast Minerals.

At Spargoville, 40 miles south of Kalgoorlie, diamond drilling has indicated three small nickel sulphide ore shoots. These are encouraging results, but at this time these shoots, neither singly nor together, contain sufficient ore to make an economic mining operation possible. Accordingly, the work at Spargoville is being directed to seeing if additional ore can be delineated in these shoots and to the finding of further nickel deposits in the vicinity.

Elsewhere in Western Australia, in areas north of Kalgoorlie, the rate of surface investigation for base metals has been increased in the past year. Some diamond drilling was carried out without yielding results of economic significance.

Our exploration programme in southern Africa is much smaller than those in Australia and North America. However, several areas are being investigated for diamonds and for base and precious metals but it is too early to draw firm conclusions from the work, including drilling, accomplished to date.

We continued to remain interested in the search for oil and gas in the North Sea. In the Dutch sector, the second well drilled by the Noordwinning Group, in which we are a participant, was dry. No further drilling by the Group is at present envisaged. In the United Kingdom sector, Total Oil Marine succeeded Amax Petroleum Corporation as operator of the Group in which we have an interest. Some seismic work was carried out by the Group over its two licence areas during the year but this failed to establish any worthwhile drill targets.

South Bay Mines Limited

The development of the South Bay mine is proceeding very satisfactorily under the direction of Selco Mining and Development Limited. Fifty miles of access road have been built by South Bay Mines Limited under the auspices of the Ontario Provincial Government. The shaft has been collared and surface plant construction has commenced.

Production at the rate of 500 tons of ore per day is forecast for the middle of 1971 based on reserves established above the 300 foot horizon. After shaft sinking has been completed to 700 feet, mineral intersections already indicated from surface drilling and favourable geological features will be explored laterally and in depth by development and diamond drilling from underground.

Iran

Under the agreement with our Iranian partners, Mr. Mahmoud Rezai and the Kerman Mining Company, we had to decide by 31 December 1969 whether we wished to participate with them in the development of the Sar Cheshmeh copper property on which we had been carrying out investigations for the previous two years. Shareholders were informed in the Chairman's Statement to the Annual General Meeting of Consolidated African Selection Trust Limited on 10 December 1969 that the Boards of both that company and Selection Trust Limited had decided that this should be done and notice to this effect was duly given.

Current work is concerned with the feasibility of operating at an initial capacity involving the milling of 30,000 metric tons of ore per day. Economic studies on this basis are nearing completion and a great deal of work has been carried out in investigating possible sources of finance. During the year, for reasons connected with this financing, our interest in Kerman Copper Industries, the intended operating company in Iran, was transferred from Iranian Selection Trust Limited to Luxembourg Selection S.A., a wholly-owned subsidiary of Iranian Selection Trust which is beneficially owned as to 60% by the Company and as to 40% by Consolidated African Selection Trust.

Directors
It is with deep regret that the Directors record the death in December last year of Mr S.D.H.Pollen, M.B.E., T.D., who was appointed a Director of the Company in 1959. Although Mr Pollen retired from the Board on 17 April 1969, his valued advice continued to be available through his directorship of Seltrust Investments Limited and he will be greatly missed.

A list of the Directors and alternate directors appears on page 4. All of them were in office at 31 March 1970 and had served throughout the year except Mr S.Spiro, M.C. and Mr L.G.Stopford-Sackville who were appointed to the Board on 17 April and 18 September 1969 respectively.

At the forthcoming Annual General Meeting five Directors retire pursuant to the Articles of Association. They are Mr T.H.Bradford, Mr H.J.L.Codrington, Mr C.B.Forgan and Mr R.H.MacWilliam who retire by rotation and Mr L.G. Stopford-Sackville who has been appointed since the last Meeting. Resolutions for their re-appointment will be submitted.

With the continuing growth in the Company's activities it is considered desirable to provide for possible further appointments to the Board. Shareholders will therefore see in the Notice of Meeting a resolution to increase from fifteen to eighteen the maximum number of Directors permitted under the Articles of Association.

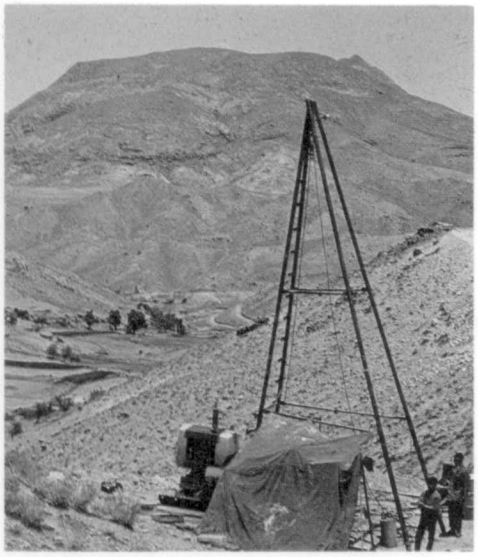
General Information
Other particulars as required by the Companies Acts, which constitute part of this report, together with certain miscellaneous information, will be found on pages 34 and 35.

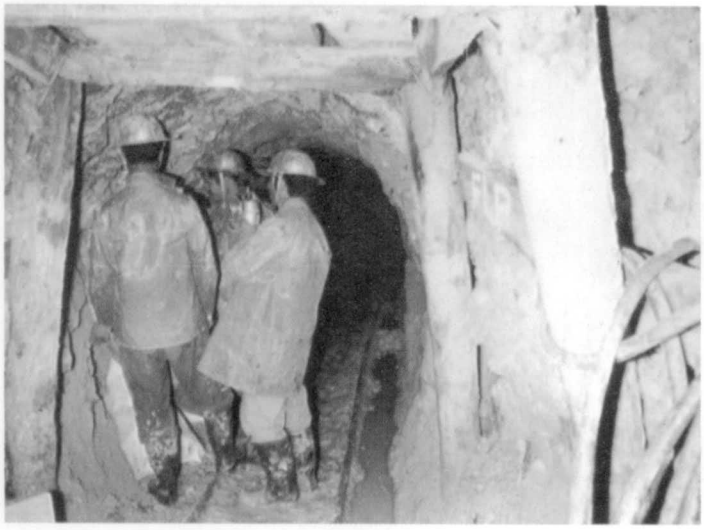
Annual General Meeting
The Annual General Meeting will be held on 9 July at Winchester House, 100 Old Broad Street, London, E.C.2. A Form of Proxy for use at the meeting is enclosed for the convenience of shareholders who are unable to attend the meeting. To be effective, Forms of Proxy must reach the Registered Office not later than 12 noon on 7 July 1970. Lodgement of a proxy will not prevent a shareholder from attending and voting in person at the meeting if he desires to do so.

By Order of the Board, J.K.CHEESEMAN, *Secretary*

Selection Trust Building
Mason's Avenue, London, E.C.2.

28th May 1970





Iran—The photographs above illustrate two of the many important aspects of the investigation of the Sar Cheshmeh copper property. First, a drill rig in operation—some 95,000 ft. of diamond drilling having been accomplished since the investigation commenced early in 1968. Second, underground development from adits driven into the mountain to allow more detailed examination of geological features and to facilitate bulk sampling of ore.

Australia—A vital part of any exploration programme is the drilling undertaken to obtain information on structural geology and to test below surface indications of mineralisation. During last year some 85,000 ft. of diamond drilling were completed by our Drilling Division in Western Australia. The photograph on the right shows drill core laid out for examination and logging prior to sampling. On the left is the field geologists' office at Spargoville.

Canada—The recent work in north-western Ontario has included construction of an all-weather access road from Ear Falls to our South Bay mine. Despite unfavourable weather conditions the road was completed on time to enable equipment and supplies to be brought into the area for the development of the mine and to service the continuing exploration programme. Construction of the road is pictured on the right; prior to its completion, 'planes fitted either with skis in the winter to land on the frozen lakes or with floats in the summer, as illustrated above, were the principal means of transport.

Subsidiary companies and principal interests

at 31 March 1970

Subsidiaries of Selection Trust Ltd.	Country of Incorporation	Proportion of Issued Capital held* Parent Company	Group Interest
African Selection Trust Ltd.	England	100%	100%
African Selection Trust Exploration (Pty) Ltd.	South Africa	100%	100%
American Selco Inc.	U.S.A.	100%	100%
Auselex Exploration (Pty) Ltd.	Australia	Nil	100%
Auselex Investment Holding (Pty) Ltd.	Australia	100%	100%
Australian Selection (Pty) Ltd.	Australia	100%	100%
Australian Selection Trust Ltd.	England	100%	100%
Bikita Minerals (Pvt) Ltd.	Rhodesia	50%	50%
Iranian Selection Trust Ltd.	England	60%	60%
Iran Selection Exploration Ltd.	England	100%	100%
Luxembourg Selection S.A.	Luxembourg	Nil	60%
Noordzee Selection N.V.	Netherlands	60%	60%
North Sea Selection Company Ltd.	England	100%	100%
North Sea Selection Netherlands Company Ltd.	England	100%	100%
Selco Exploration Company Ltd.	Canada	100%	100%
Selco Holdings Ltd.	Canada	100%	100%
Selection Trust Exploration Ltd.	England	100%	100%
Seltrust Investments Ltd.	England	100% 20%†	100% 20%†
South West African Selection Trust (Pty) Ltd.	S.W.Africa	100%	100%
Subsidiaries of Auselex Investment Holding (Pty) Ltd.			
Selcast Exploration (Pty) Ltd.	Australia	Nil	56·5%
Selcast Holdings (Pty) Ltd.	Australia	Nil	60%
Selcast Minerals (Pty) Ltd.	Australia	Nil	40%
Selcast Mining & Investment (Pty) Ltd.	Australia	Nil	60%
Shield Exploration (Pty) Ltd.	Australia	Nil	60%
Western Nickel (Pty) Ltd.	Australia	Nil	60%
Western Selcast (Pty) Ltd.	Australia	Nil	60%
Subsidiaries of Selco Holdings Ltd.			
Saracen Mines Ltd.	Canada	Nil	60%
Selcast Canadian Holdings Ltd.	Canada	Nil	60%
Selco Mining & Development Ltd.	Canada	Nil	60%
South Bay Mines Ltd.	Canada	Nil	56·5%
Subsidiaries of Seltrust Investments Ltd.			
African Selection Trust (Pty) Ltd.	South Africa	Nil	100%
Seltrust Iron Ore Ltd.	England	Nil	100%
Principal companies in which a Group interest of 10% or more of the equity capital was held:			
American Metal Climax, Inc.	U.S.A.	1·5%	11·8%
Consolidated African Selection Trust Ltd.	England	7·0%	37·3%
Tsumeb Corporation Ltd.	S.W.Africa	4·3%	14·3%
Vaal Reefs Exploration & Mining Company Ltd.	South Africa	10·2%	10·2%
Western Mining Corporation Ltd.	Australia	10·1%	10·1%

*Ordinary shares or their equivalent, except where stated
†4½% cumulative redeemable preference shares

Accounts

Report of the Auditors

to the Members of Selection Trust Limited

In our opinion the accounts and notes set out on pages 15 to 24 and the statement of subsidiary companies and principal interests on page 12 give a true and fair view of the state of affairs and the profit of the Company and the Group and comply with the Companies Acts 1948 and 1967.

The accounts of the overseas subsidiaries have been audited by other firms.

Annan, Dexter & Co. *Chartered Accountants*
21 Ironmonger Lane, London, EC2

28 May 1970

Consolidated Profit and Loss Account for the year ended 31 March 1970

Selection Trust Limited and subsidiary companies

	Notes		1970		1969
		£	£	£	£
Revenue					
Dividends and interest from–					
Quoted investments		3,714,156		3,611,524	
Unquoted investments		1,900,855		1,844,627	
			5,615,011		5,456,151
Profit on realisation of investments	2		1,293,669		1,653,452
Net revenue from mining operations	2		399,863		—
Sundry revenue			757,806		396,763
			8,066,349		7,506,366
Expenditure					
Administration and property expenses		720,206		590,400	
Interest on bank loans		67,113		31,157	
			787,319		621,557
			7,279,030		6,884,809
Taxation	3		2,482,965		2,136,662
Net profit for the year (*see note below*)			4,796,065		4,748,147
Deduct: Interest of outside shareholders in profits of subsidiaries			43,084		47,500
Net profit for the year available for appropriation			4,752,981		4,700,647
Dealt with in accounts of the parent company		3,962,259		3,862,000	
Retained by subsidiary companies		790,722		838,647	
Transfers to					
General reserve		400,000		—	
Investment reserve		—		771,879	
Exploration reserve		1,000,000		700,000	
			1,400,000		1,471,879
			3,352,981		3,228,768
Dividends on 20,301,672 shares					
Interim dividend of 1s 3d per share (1969 1s 3d on 18,690,159 shares)		1,268,855		1,168,135	
Final dividend of 2s 0d per share recommended (1969 2s 0d on 20,247,672 shares)		2,030,167		2,024,767	
			3,299,022		3,192,902
Unappropriated profit for the year			53,959		35,866
Add: Unappropriated profits at 1 April 1969			1,869,143		1,833,277
Unappropriated profits at 31 March 1970			£1,923,102		£1,869,143

Note: Exploration expenditure £1,248,874 and depreciation in value of investments £206,014 have been charged against reserves (1969 £832,317 and £100,385)

Consolidated Balance Sheet 31 March 1970

Selection Trust Limited
and subsidiary companies

	Notes		1970		1969
		£	£	£	£
Capital	**14**				
Authorised–25,000,000 shares of 5s each		6,250,000		6,250,000	
Issued–20,301,672 ordinary shares of 5s each, fully paid			5,075,418		5,061,918
Share premium account	**4**		15,640,235		15,128,061
Reserves					
Capital reserve	**5**	2,097,285		1,702,257	
General reserve	**6**	3,364,028		2,928,294	
Investment reserve	**7**	1,451,946		1,657,960	
Exploration reserve	**8**	1,110,946		1,359,820	
Unappropriated profits		1,923,102		1,869,143	
			9,947,307		9,517,474
			30,662,960		29,707,453
Outside interests in subsidiary companies	**9**		3,207,519		1,948,956
			£33,870,479		£31,656,409

A.Chester Beatty, *Director*

E.C.Wharton-Tigar, *Director*

J.K.Cheeseman, *Secretary*

	Notes		1970		1969
		£	£	£	£
Fixed assets	**10**				
Freehold property			980,330		971,325
Mining claims and equipment			5,813,618		3,866,205
Exploration equipment			328,865		210,086
Office equipment, furniture and vehicles			200,357		160,518
			7,323,170		5,208,134
Shares in subsidiary company not consolidated, at cost	**1**		435,261		435,261
Investments	**11**				
	Stock Exchange value 1970 / 1969				
Quoted	£130,064,679 / £127,291,704	17,670,922		12,943,322	
	Directors' valuation 1970 / 1969				
Unquoted	£6,500,000 / £6,500,000	562,993		345,514	
			18,233,915		13,288,836
Sar Cheshmeh copper property, at cost			3,659,038		1,497,063
Interests in mining investigations, at cost		3,837,784		2,167,561	
Less: Provision		3,837,784		2,151,345	
			—		16,216
Loan to trustees of employees share trust scheme			524,517		—
Net current assets					
Debtors and payments in advance		3,235,518		1,988,886	
Mine stores, at cost		117,151		—	
Mineral ore in stock, at cost		41,654		—	
Deposit fixed to February 1972		500,000		—	
Treasury bills, at cost		490,902		1,961,678	
Cash and short-term deposits		7,972,645		11,540,431	
		12,357,870		15,490,995	
Less:					
Creditors		1,552,501		1,053,122	
United Kingdom corporation tax payable 1 January 1971		556,297		745,326 deduct	
Bank loans		3,693,624		1,947,533	
Loan repayable February 1972		830,703		—	
Final dividend recommended for the year ended 31 March 1970		2,030,167		2,024,767	
		8,663,292		4,280,096	
			3,694,578		11,210,899
			£33,870,479		£31,656,409

Balance Sheet 31 March 1970

Selection Trust Limited

	Notes		1970		1969
		£	£	£	£
Capital	**14**				
Authorised–25,000,000 shares of 5s each		6,250,000		6,250,000	
Issued–20,301,672 ordinary shares of 5s each, fully paid			5,075,418		5,061,918
Share premium account	**4**		15,640,235		15,128,061
Reserves					
Capital reserve		827,847		827,847	
General reserve	**6**	764,028		728,294	
Investment reserve	**7**	598,021		857,726	
Exploration reserve	**8**	1,110,946		1,359,820	
Unappropriated profits		1,016,881		639,492	
			4,317,723		4,413,179
			£25,033,376		£24,603,158

A.Chester Beatty, *Director*

E.C.Wharton-Tigar, *Director*

J.K.Cheeseman, *Secretary*

	Notes		1970		1969
		£	£	£	£
Fixed assets	**10**				
Freehold property			920,382		920,382
Office equipment, furniture and vehicles			172,469		129,541
			1,092,851		1,049,923
Subsidiary companies					
Shares, at cost *less* provision		1,452,035		1,452,035	
Unsecured loans, at cost *less* provision		4,605,830		4,006,072	
		6,057,865		5,458,107	
Current accounts		176,466		91,657	
			6,234,331		5,549,764
Investments	**11**				
	Stock Exchange value 1970 / 1969				
Quoted	£65,548,582 / £59,276,999	13,637,493		9,641,063	
	Directors' valuation 1970 / 1969				
Unquoted	£2,240,000 / £2,134,000	431,514		201,428	
			14,069,007		9,842,491
Interests in mining investigations, at cost		279,940		243,452	
Less: Provision		279,940		243,452	
			—		—
Loan to trustees of employees share trust scheme			524,517		—
Net current assets					
Debtors and payments in advance		1,148,214		1,022,092	
Dividend recommended by subsidiary company		3,250,000		1,218,750	
Deposit fixed to February 1972		500,000		—	
Treasury bills, at cost		—		980,839	
Cash and short-term deposits		2,500,857		8,037,712	
		7,399,071		11,259,393	
Less:					
Creditors		630,580		568,792	
United Kingdom corporation tax payable 1 January 1971		346,054		523,634 deduct	
Bank loans		1,279,600		1,028,488	
Final dividend recommended for the year ended 31 March 1970		2,030,167		2,024,767	
		4,286,401		3,098,413	
			3,112,670		8,160,980
			£25,033,376		£24,603,158

Notes on the Accounts

1 Subsidiary companies

Details of the Company's holdings in all of its subsidiaries, with countries of incorporation, are shown on page 12. In view of present circumstances concerning Rhodesia it has again been decided not to consolidate the accounts of the Rhodesian subsidiary, Bikita Minerals (Pvt) Limited.

2 Turnover

Proceeds from sale of investments £2,074,686 (1969 £2,947,410)
Proceeds from sale of mineral ore £1,118,934 (1969—Nil)

3 Taxation

		1970		1969
	£	£	£	£
Based on the profit for the year–				
United Kingdom corporation tax	2,589,446		2,148,664	
Less: Double taxation relief	1,784,075		1,797,958	
		805,371		350,706
Overseas taxation		1,805,707		1,870,250
		2,611,078		2,220,956
Less: Adjustments in respect of previous years		128,113		84,294
		£2,482,965		£2,136,662

4 Share premium account

	£
Balance at 1 April 1969	15,128,061
Add: Premium of 190s per share on 54,000 shares, less share issue expenses	512,174
Balance at 31 March 1970	£15,640,235

5 Capital reserve

	Group £
Balance at 1 April 1969	1,702,257
Add: Profit on realisation of investments by Seltrust Investments Limited, less United Kingdom corporation tax thereon	394,501
Exchange adjustment	527
Balance at 31 March 1970	£2,097,285

6 General reserve	Parent company £	Group £
Balance at 1 April 1969	728,294	2,928,294
Appropriation for the year	—	400,000
	728,294	3,328,294
Add: Provision no longer required against possible exchange differences on eventual repayment of bank loans	35,734	35,734
Balance at 31 March 1970	£764,028	£3,364,028

7 Investment reserve	Parent company £	Group £
Balance at 1 April 1969	857,726	1,657,960
Less: Net depreciation in the value of investments	259,705	206,014
Balance at 31 March 1970	£598,021	£1,451,946

8 Exploration reserve	Parent company and Group £
Balance at 1 April 1969	1,359,820
Appropriation for the year	1,000,000
	2,359,820
Less: Expenditure on abandoned investigations and provision for expenditure on current investigations	1,248,874
Balance at 31 March 1970	£1,110,946

9 Outside interests in subsidiary companies

	£
Seltrust Investments Limited	
Preference shares of £1 each	1,000,000
Preference share redemption premium reserve	52,500
	1,052,500
Other subsidiary companies	2,155,019
	£3,207,519

The preference shares of Seltrust Investments Limited are redeemable on 31 March 1979, or earlier at that company's option, at a premium of 1s 6d per share

10 Fixed assets and depreciation

(a) Bases of valuation

(i) Freehold property in London was revalued during the year to 31 March 1965 at £900,000. The remaining freehold property has been purchased in the last seven years and is included at cost.

(ii) Other fixed assets are included at cost or, where replacements are charged to revenue, at cost of original assets.

(b) Changes in fixed assets and depreciation

	Parent company	Group				
	Office equipment, furniture and vehicles £	Freehold property £	Mining claims and equipment £	Exploration equipment £	Office equipment, furniture and vehicles £	Total £
Totals at 1 April 1969	181,973	971,325	3,866,205	449,514	257,092	5,544,136
Additions	60,531	9,005	2,128,741	262,753	64,568	2,465,067
Disposals	*3,172*	—	—	*33,280*	*4,430*	*37,710*
Totals at 31 March 1970	239,332	980,330	5,994,946	678,987	317,230	7,971,493
Provision for Depreciation						
Totals at 1 April 1969	52,432	—	—	239,428	96,574	336,002
Disposals	*1,965*	—	—	*30,504*	*3,741*	*34,245*
Charge for the year*	16,396	—	181,328	141,198	24,040	346,566
Totals at 31 March 1970	66,863	—	181,328	350,122	116,873	648,323
Net Book Values at 31 March 1970	£172,469	£980,330	£5,813,618	£328,865	£200,357	£7,323,170

*£90,102 (1969 £46,088) charged to exploration reserve, £7,581 (1969 £7,312) included in administration expenses, £180,000 (1969—Nil) deducted from net revenue from mining operations. The remainder is borne by outside interests.

11 Investments

Quoted investments are included at the lower of cost or Stock Exchange value. Unquoted investments are included at the lower of cost or Directors' valuation.

In arriving at the Stock Exchange value of the quoted investments, account has been taken, where applicable, of the investment dollar premium of 28¾% at 31 March 1970 amounting in total to £12,165,798 (1969–45⅜% £15,532,112). The full amount of premium would not be obtained on a realisation of the investments concerned as existing exchange control regulations require the surrender to the Treasury of 25% of the premium.

12 Emoluments of directors and employees

	1970	1969
(i) Aggregate emoluments of directors of Selection Trust Limited from the Company and its subsidiaries:	£	£
As directors, including £8,537 (1969 £7,581) additional remuneration under Article 83	24,775	23,100
As executives	67,512	51,970
	£92,287	£75,070

(ii) Details of emoluments, excluding pension contributions:

Emoluments of the Chairman	£4,358	£4,329
Emoluments of the highest paid director	£24,247	£20,395

Number of directors whose emoluments were:

	1970	1969
Nil to £2,500:	9	7
£2,501 to £5,000:	3	5
£5,001 to £7,500:	2	1
£7,501 to £10,000:	1	Nil
£20,001 to £22,500:	Nil	1
£22,501 to £25,000:	1	Nil

(iii) One employee received emoluments, excluding pension contributions, of between £10,001 and £12,500 (1969 Nil)

13 Auditors' remuneration

Parent Company £4,200 (1969 £4,578)
Group £11,437 (1969 £12,014)

14 Capital
Details of share options granted and shares available for issue under the employees' share incentive schemes are given on page 7 of the Directors' Report.

15 Capital commitments
(i) £4.5 million in respect of 5% participation in Mount Newman iron ore project.

(ii) £1·4 million in respect of participation in financing of Southvaal Holdings Limited.

(iii) Exploration participations and development guarantees in respect of mining projects, the total amount of which is not capable of determination.

16 Foreign currencies
Basis of conversion—assets and liabilities and Stock Exchange value of investments at rates ruling at 31 March 1970.

Ten-year Financial Summary

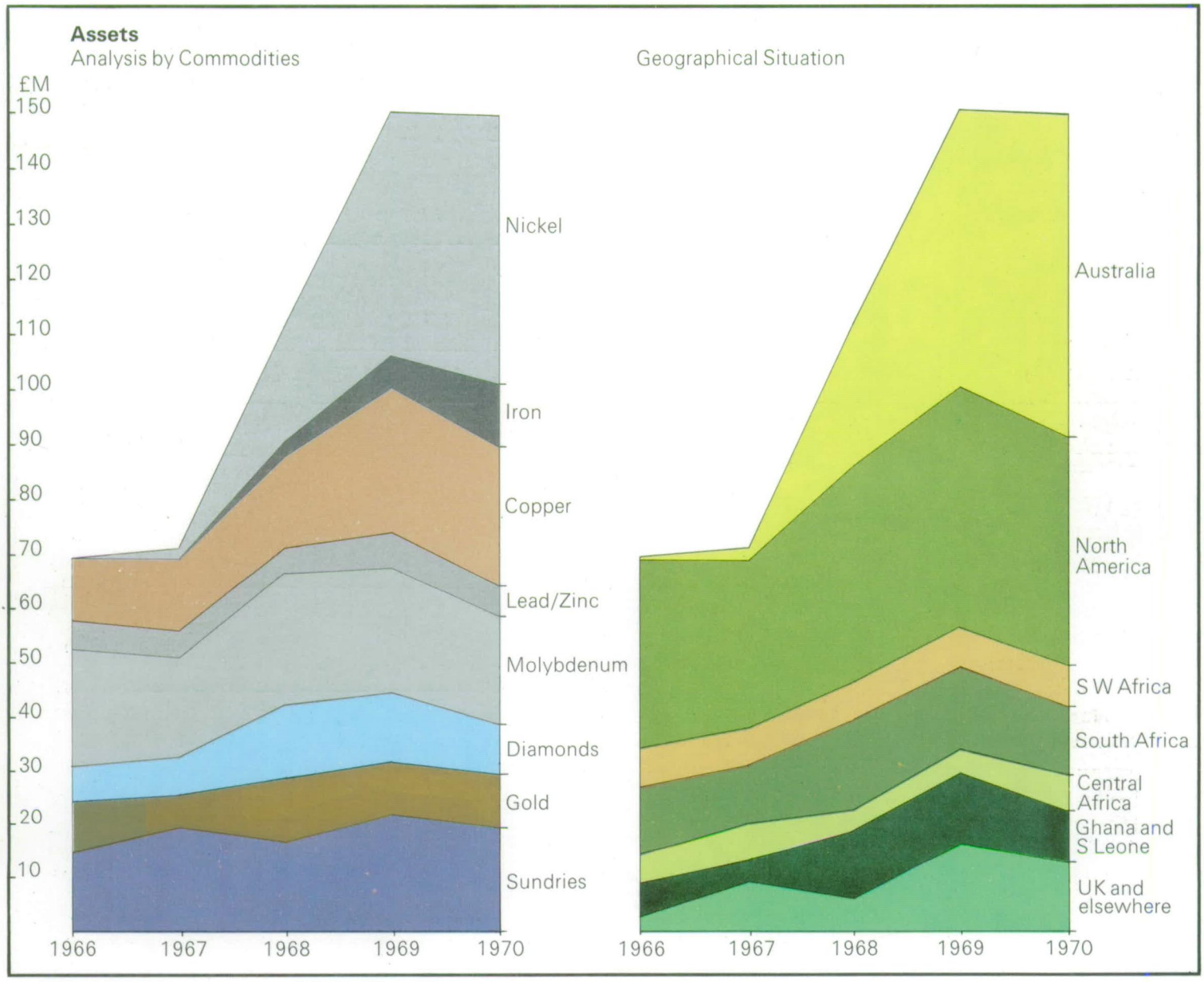
Selection Trust Limited
and subsidiary companies

Net assets (£000's)	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961
Investments at book values–										
Quoted	17,671	12,943	11,019	7,682	7,164	6,077	5,865	5,599	5,257	5,048
Unquoted (*1*)	4,657	2,278	571	527	580	460	261	384	569	602
Net current assets	3,695	11,210	5,150	9,098	2,744	2,915	2,583	2,415	2,137	2,095
Other assets less liabilities	7,848	5,225	2,616	1,190	995	838	143	119	47	31
Outside interests in subsidiary companies	*3,208*	*1,949*	*1,163*	*1,146*	*1,216*	*1,133*	*1,089*	*1,069*	*1,032*	*1,030*
	30,663	29,707	18,193	17,351	10,267	9,157	7,763	7,448	6,978	6,746
Appreciation of investments over book values (*2*)	118,102	120,503	93,895	53,656	58,916	47,265	41,036	38,984	31,623	27,856
Total net assets (*3*)	£148,765	£150,210	£112,088	£71,007	£69,183	£56,422	£48,799	£46,432	£38,601	£34,602
Net assets per share (*4*)	146s 7d	148s 0d	110s 5d	69s 11d	68s 2d	55s 7d	48s 1d	45s 9d	38s 0d	34s 1d
Earnings (£000's)										
Profit before taxation	7,279	6,885	6,192	6,087	6,382	4,635	3,841	3,756	3,521	3,497
Taxation	2,483	2,137	1,990	1,298	3,229	2,225	1,864	1,801	1,724	1,611
Profit after taxation	4,796	4,748	4,202	4,789	3,153	2,410	1,977	1,955	1,797	1,886
Amount attributable to outside shareholders	*43*	*48*	*48*	*48*	*29*	*30*	*30*	*30*	*30*	*30*
Profit after tax (before exploration expenditure)	£4,753	£4,700	£4,154	£4,741	£3,124	£2,380	£1,947	£1,925	£1,767	£1,856
Dividends paid per share (*5*)	3s 3d	3s 3d	3s 3d	3s 3d	3s 3d	3s 0d	2s 9d	2s 6d	2s 3½d	2s 2¼d
Total cost of dividends (*6*)	3,299	3,193	3,037	2,700	1,929	1,485	1,399	1,272	1,153	1,113
Transfers to reserves or surplus	1,454	1,507	1,117	2,041	1,195	895	548	653	614	743
	£4,753	£4,700	£4,154	£4,741	£3,124	£2,380	£1,947	£1,925	£1,767	£1,856
Charged against reserves–										
Exploration	£1,249	£832	£694	£415	£411	£447	£414	£392	£461	£360
Investment	206	100	*Cr.37*	63	16	*Cr.159*	*Cr.106*	*Cr.110*	*Cr.26*	196

(1) Including subsidiary company not consolidated and interest in Sar Cheshmeh copper property.
(2) Taking quoted investments at Stock Exchange prices and unquoted investments at Directors' valuation.
(3) During the period of ten years £16,000,000 has been raised by share issues.
(4) Based on present issued capital of 20,301,672 shares.
(5) Dividends paid per share for 1961 to 1963 have been adjusted in respect of the sub-division of shares and capitalisation issue in January 1964.
(6) Dividends paid to 5 April 1966, are shown net; thereafter they are shown gross.

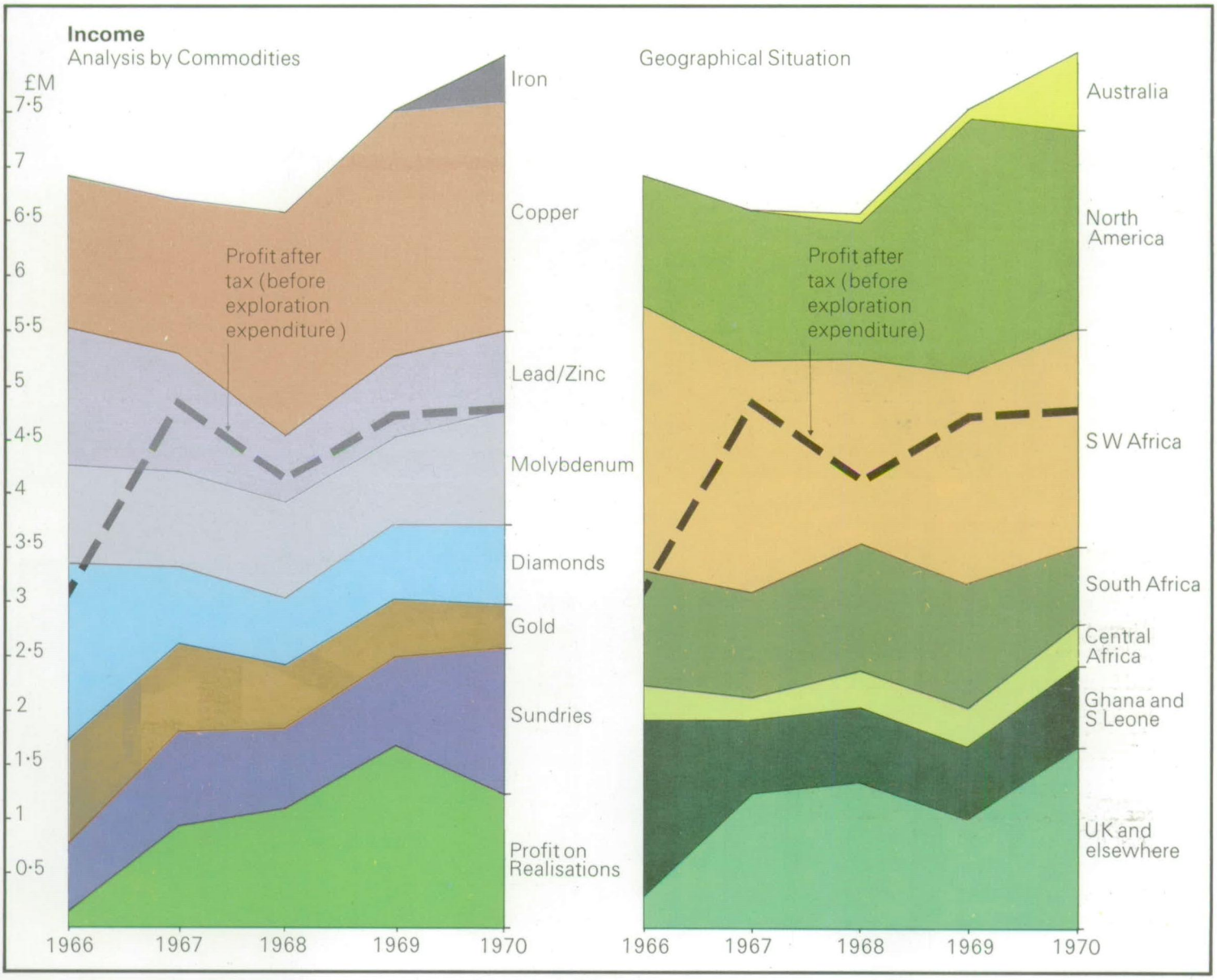
Analysis of Interests

These diagrams show the division of the Company's net assets at valuation, and the sources of its income, when analysed by reference to commodities and geographical locations. The analyses have been traced through the investments concerned to take account of the indirect interests as well as direct interests; they are therefore necessarily only approximate.



Analysis of Assets 1970 – Percentages

	Australia	North America	S West Africa	South Africa	Central Africa	Ghana and S Leone	UK and elsewhere	Total %
Nickel	32				1			33
Iron	8							8
Copper		4	3	3	3		4	17
Lead/Zinc		2	2					4
Molybdenum		13						13
Diamonds						6		6
Gold				6				6
Sundries		9					4	13
Total	40	28	5	9	4	6	8	100



Analysis of Income 1970 – Percentages

	Australia	North America	S West Africa	South Africa	Central Africa	Ghana and S Leone	UK and elsewhere	Total %
Iron	5							5
Copper		1	17	4	5			27
Lead/Zinc		1	8					9
Molybdenum		13						13
Diamonds						9		9
Gold				5				5
Sundries	1	6					9	16
Profit on Realisations	3	1		1			11	16
Total	9	22	25	10	5	9	20	100

Review of Interests

American Metal Climax, Inc.

Amax is a major American mining and industrial organisation concerned with the production of a wide variety of metals and minerals and with interests across the United States, in Canada, the United Kingdom, Continental Europe, Africa and Australia.

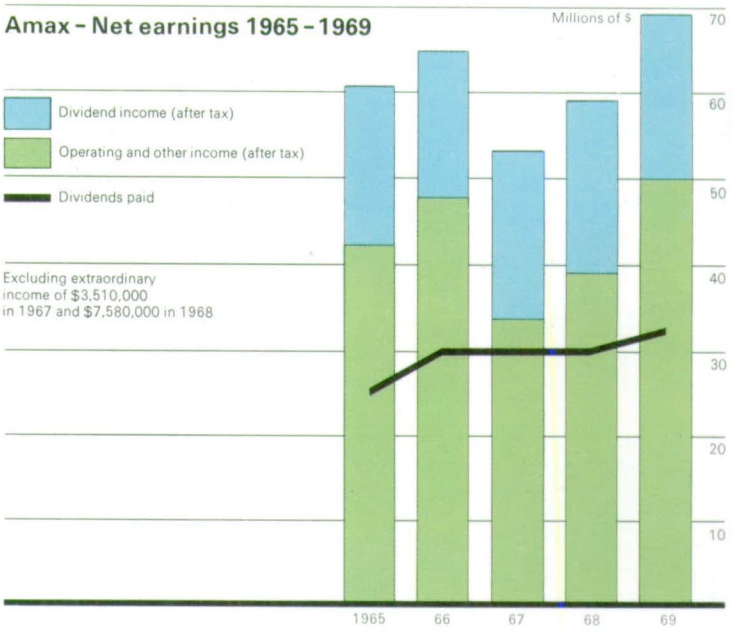
Amax enjoyed record trading in 1969 and paid higher dividends to shareholders, completing a decade of notable achievement by the company. The total net sales in 1969 amounted to $753 million and were 32% higher than in the previous year. The average level of sales in the decade was $471 million and showed growth at the rate of 8.4% per annum. The growth in net earnings during the ten years to 1969 averaged 7.2% per annum and earnings in 1969, excluding extraordinary income, were up by 15.6% at $69.1 million. Dividends per share of common stock amounted to $1.33 compared with $1.27 in 1968, adjusted for the three-for-two stock split last September. Amax is now paying quarterly dividends of 35 cents per share.

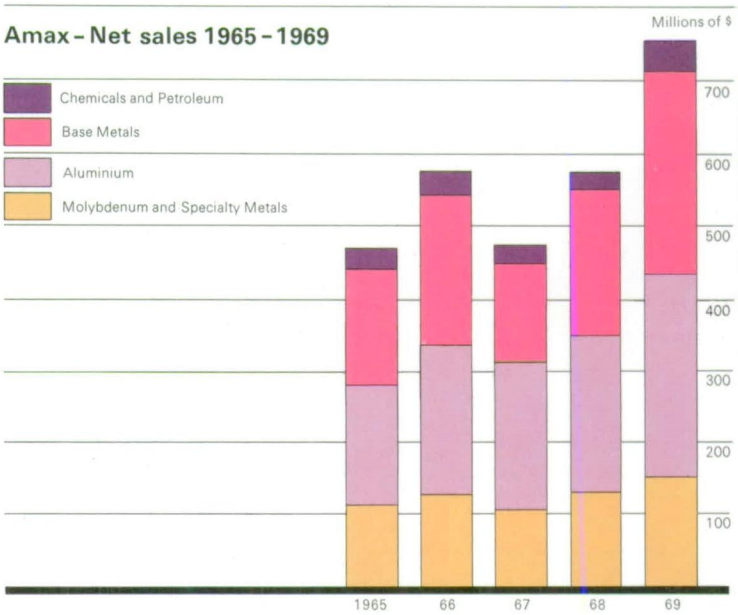
During 1969 a merger was arranged which absorbed Ayrshire Collieries Corporation into the Amax group and introduced an important new activity in coal mining. Ayrshire ranked eleventh among bituminous coal producers in the United States during 1968, with a production of 8.7 million tons.

The other major new developments for Amax in 1969 were the signing of preliminary agreements with Penarroya of France to develop a nickel mining complex in New Caledonia in the South Pacific and the beginning of iron ore shipments in April 1969 from the Mount Newman iron ore project in Western Australia in which Amax has a 25% interest.

In its established fields, Amax maintained its leadership in the production of molybdenum. World consumption in 1969 was 132 million lbs., 7.3% higher than in 1968. With a continuing growth rate of 7% per annum demand could reach 200 million lbs. by 1975 which is the year in which Amax is scheduled to start producing from its new Henderson Mine in Colorado. Sales of the Molybdenum and Specialty Metals Group reached a record figure of $155 million in 1969, 25% above the 1968 level.

The Aluminum Group continued to expand with sales of $280 million, an increase of over 23% compared with 1968. The 50% owned Intalco operation at Ferndale, Washington, was in full production at its rated 265,000 tons capacity for the first time for a full year. In the production and sales of





secondary aluminium and of aluminium products new high levels were also attained. Amax is making progress in putting together a consortium of alumina users to bring into production its important bauxite reserves in Western Australia.

In the Base Metals Group, refining and selling mainly copper, silver, lead, zinc and cadmium, and in the newly formed Fuels and Chemicals Group, expansion and production programmes were maintained satisfactorily. Activities in which Amax is interested outside the United States were dominated by the

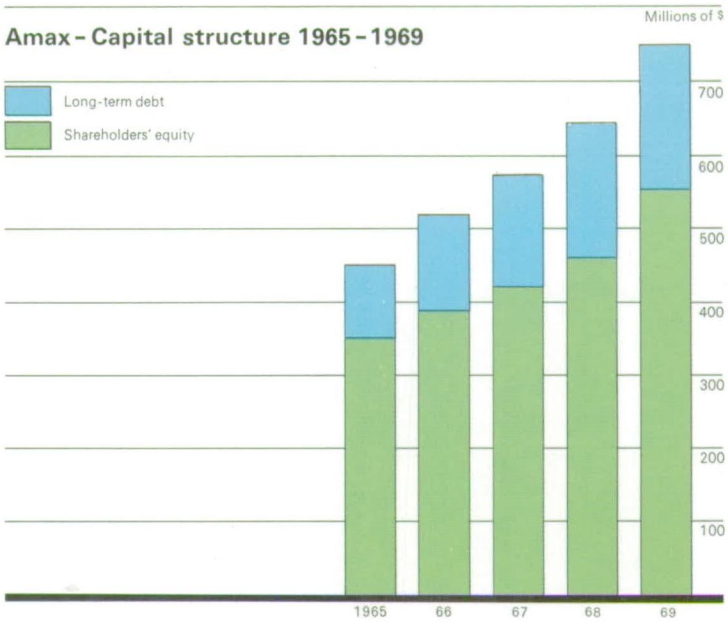
Mount Newman iron ore project in Western Australia, where shipments of 4 million long tons were made in 1969 and 12 million are anticipated in 1970. Mount Newman began to contribute to Amax earnings in 1969 and this contribution will grow as Mount Newman expands.

During 1969 negotiations with the Zambian Government resulted in an agreement to reconstruct Roan Selection Trust, the company controlling various copper mining operations in Zambia in which Amax has 42% of the equity. The RST operating companies are to be merged into a Zambian company, Roan Consolidated Mines Limited, which will be owned as to 51% by the Zambian Government, 36¾% by RST and the balance by other shareholders. It is proposed then to distribute some of RST's assets to its non-Amax shareholders and to amalgamate RST and Amax who feel that this scheme of reorganisation offers the best and most equitable means of utilising RST's remaining substantial assets for the benefit of the shareholders in both companies.

For the second consecutive year, RST set records in 1969 for copper production, sales and profits. Shipments of copper were in excess of 350,000 long tons and dividends paid by RST amounted to $0.77 per share which was nearly 43% above the 1968 level of $0.54. The total income from RST attributable to Amax in 1969 amounted to $14,280,000, before United States income taxes, compared with $10,110,000 in 1968 and formed the greater part of its dividend income for the year.

RST and Amax each own approximately 30% of the issued capital of Botswana RST Limited, which in turn owns about 61% of the shares of Bamangwato Concessions Limited. Following the reorganisation mentioned above, Amax's interest in Botswana RST would be approximately 42.6%. Bamangwato Concessions holds a copper-nickel prospect with reported proven ore reserves of 31.8 million short tons averaging 1.32% copper and 1.25% nickel which could be mined to produce copper-nickel matte, yielding 15,800 long tons of copper and 13,700 long tons of nickel per year. The cost of the project is put at $100 million, in addition to the supporting infrastructure to be financed by Government. If the prospect goes into production Botswana RST's interest in Bamangwato Concessions drops to 51% due to Botswana Government participation.

Amax's long sustained search for new sources of minerals continued with increased expenditures in 1969. Major programmes directed toward finding molybdenum and copper in the United States accounted for about 45% of the activities of its exploration division. Another 40% related to exploration in Canada to find molybdenum, copper and nickel and approximately 10% to expanded exploration in Australia.



To keep Amax abreast of the accelerating opportunities and requirements of base metals technology, an integrated research and development facility is under construction at Carteret, New Jersey. Research will be pursued in extractive and physical metallurgy with the object of developing new processes and products.

Environmental protection is also receiving the attention of Amax. Its plants and mines have intensified their programmes for improving air and water quality control and environmental factors are emphasised in planning new projects and developments.

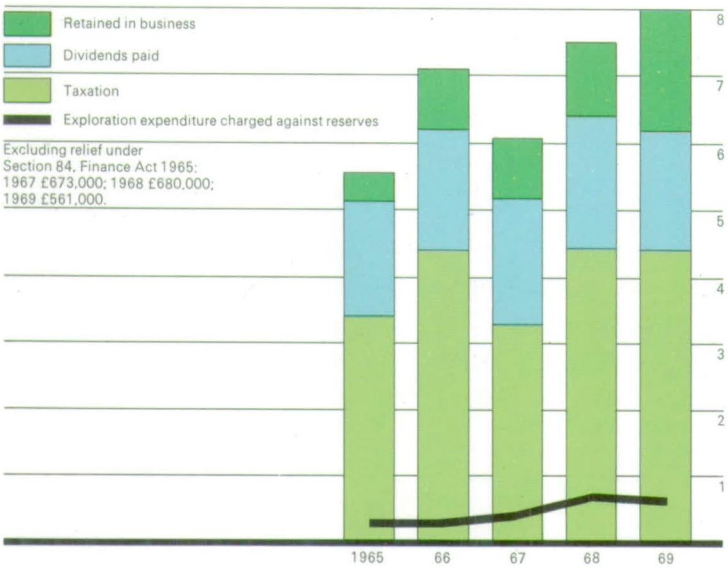
Selection Trust holds approximately 11.8% of the issued common stock of Amax. The Stock Exchange value on 31 March 1970 of this holding, including investment dollar premium, was approximately £55 million.

The full Annual Report of American Metal Climax can be obtained from Selection Trust.

Consolidated African Selection Trust Limited

C.A.S.T.'s primary business is the mining of alluvial diamonds in Ghana and, through its subsidiary Sierra Leone Selection Trust, in Sierra Leone. It also joins with Selection Trust in exploration outside West Africa as described more fully on pages 7 and 8.

CAST - Allocation of profits 1965 - 1969



Consolidated earnings after tax by C.A.S.T. in the year to 30 June 1969 were £3,653,000 compared with £2,947,000 for the previous year and dividends paid were maintained at 2s 0d per share. C.A.S.T. has paid an interim dividend of 1s 0d per share in respect of the year to 30 June 1970.

Exploration expenditure of £603,000 was charged to exploration reserve in the year to 30 June 1969, against £681,000 in the previous year.

In December 1969, the Government of Sierra Leone announced its intention to buy a majority interest in all the major mining operations in that country. Negotiations between representatives of the Sierra Leone Government and of C.A.S.T. were concluded on 6 May 1970, and heads of agreement have been reached between the two parties. All meetings have been adjourned and no further announcement is to be expected until the heads of agreement are formally signed.

Illicit diamond mining operations in Sierra Leone continue to be a cause of grave concern. The ravages of illicit diamond miners during the greater part of 1969 appreciably shortened the life of Sierra Leone Selection Trust's mine while hampering current mining. In announcing its new mining policy the Government of Sierra Leone acknowledged that any Government owning a majority interest in a mining venture had an accentuated responsibility to protect the profitability of that interest. It is hoped that when the new policy is implemented this responsibility will be fully met.

Selection Trust owns approximately 37% of the issued shares of Consolidated African Selection Trust Limited and, on the basis of the London Stock Exchange price at 31 March 1970, this investment was valued at some £16 million.

Western Mining Corporation Limited

Production of nickel began from the Silver Lake Shaft in Western Mining's Lunnon Shoot in June 1967. During the last quarter of 1969 production started from the Durkin Shoot, where it is anticipated that the rate of mining will eventually reach 500,000 tons of ore per year, and from the smaller, easily accessible, Otter Shoot. Production of high grade concentrates by the company was 51,140 tons averaging 11.9% nickel in the year to 30 June 1969 and 102,926 tons averaging 11.52% nickel in the nine months to 31 March 1970. Western Mining is aiming at an annual output of 30,000 tons of contained nickel.

For the year ended 30 June 1969 Western Mining had a consolidated net profit attributable to it of A$2,600,000, slightly higher than in the previous year, but as the material increase in nickel production began in the last quarter of that financial year any indication of the measure of the company's future profitability cannot be expected until the current year's figures are available. Dividends paid amounted to A$1,129,000 against A$849,000 in the year to June 1968.

In the quarterly report covering the twelve week period to 31 March 1970 Western Mining announced that its Kwinana Nickel Refinery in Western Australia was virtually completed, with production scheduled to commence in the June quarter. The refinery will initially cater for an annual production of 15,000 tons of nickel metal and this figure should gradually increase. A feasibility study on the erection of a nickel smelter in Western Australia is also under way and a decision on its construction is likely this year.

Apart from its nickel operations which have brought world wide recognition, Western Mining has an interest in aluminium through its 20% shareholding in Alcoa of Australia Limited,

in gold and in iron ore, and it is conducting an active exploration programme in many parts of Australia.

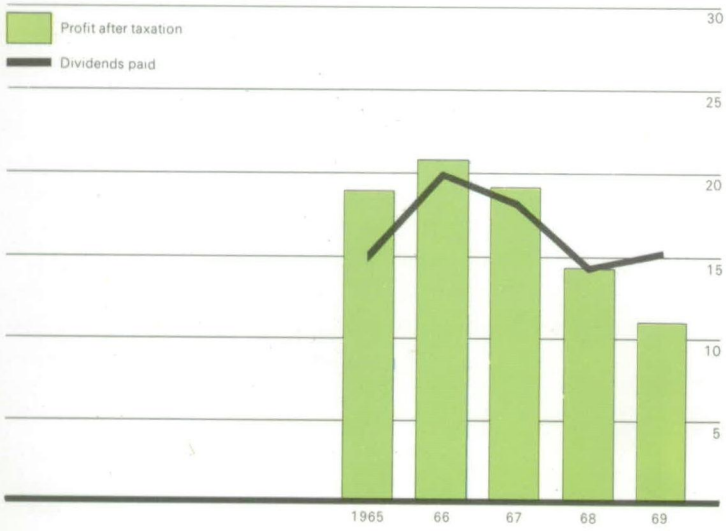
The expansion of Alcoa of Australia is going ahead rapidly and its Kwinana Alumina Refinery is scheduled to reach a production rate of 1,250,000 tons a year by the end of 1970 which will make it one of the largest alumina refineries in the world. Profits earned by Alcoa of Australia reached A$10,400,000 in 1969, compared with A$5,800,000 in 1968 and are expected to show continued growth as a result of current expansion of production. A maiden dividend of 5% was declared by Alcoa of Australia in April 1970.

Selection Trust owns approximately 10% of the issued shares of Western Mining and, on the basis of the London Stock Exchange price on 31 March 1970, this investment was valued at some £45 million.

Tsumeb Corporation Limited

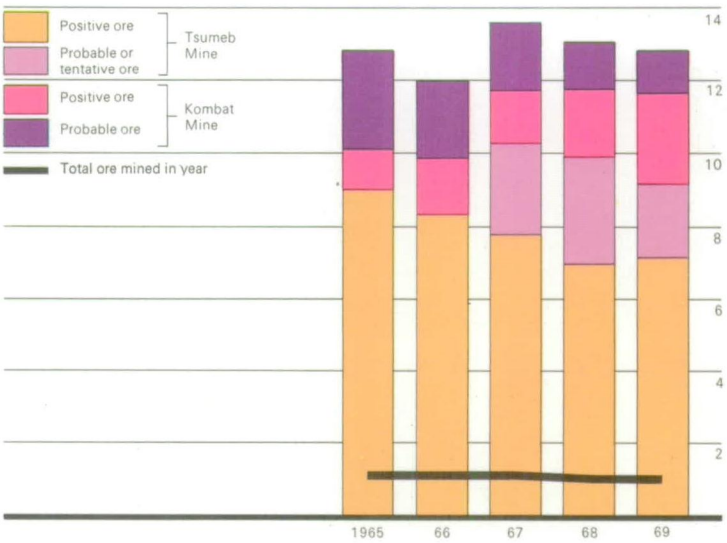
Tsumeb's base metal mines in South West Africa operated at approximately the same levels in the year to 30 June 1969 as in the previous year, but metal sales were marginally lower and this, combined with higher operating costs and an increased incidence of tax, resulted in a fall in net earnings to R10.9 million from R14.4 million in the year to 30 June 1968. However, profits for the nine months to 31 March 1970 show a considerable increase compared with those for the nine months to 31 Millions R 1969 due to higher metal prices and increased production of lead and zinc.

Tsumeb - Net profits 1965 - 1969



The average price of copper in the year to June 1969 was much the same as in the previous year though lead, zinc and cadmium prices all showed significant increases. Since the year end, however, the company has sold its copper production at notably better prices and dividends received

Tsumeb - Ore reserves 1965 - 1969



by Selection Trust in its year to 31 March 1970 amounted to R4.00 per share compared with R3.875 and R3.50 in the two previous years.

Ore reserves were satisfactorily maintained and at 30 June 1969 the average grade of the positive ore reserves was 17.23% combined copper, lead and zinc at the Tsumeb mine and 4.60% combined copper and lead at the Kombat mine, compared with 18.97% and 5.01% respectively at June 1965, the first year shown in the accompanying illustration.

The economic analysis of the Matchless mine was completed during the year to 30 June 1969 and it is due to be brought back into production in 1970 which should further increase the company's productive and profit earning capacity. The probable ore reserves at Matchless at 30 June 1969 were 2,440,000 tons averaging 1.71% copper and 12.04% sulphur.

Exploration continued at the same tempo as in the previous year and at June 1969 several outside prospects were under examination.

Selection Trust owns 14.25% of Tsumeb's issued shares and has an indirect interest in a further 29.13% held by Amax.

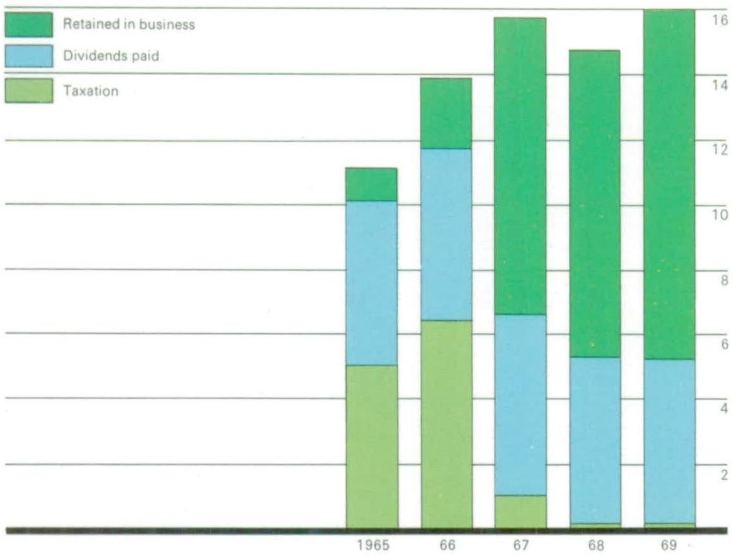
Vaal Reefs Exploration & Mining Company Limited

Vaal Reefs, a gold and uranium producing mine in the Transvaal, is developing satisfactorily into a mining complex considerably more diverse than the normal gold mine.

In 1969 some 2,200,000 metric tons of ore were milled and this will increase to 2,400,000 tons in 1970. Profits from gold mining amounted to R12,075,000 in 1969 compared with R11,247,000 in 1968. An expected reduction in unit costs, with an unchanged grade of ore, should see these profits satisfactorily maintained this year. Development of the Vaal Reefs South Mine, referred to in the next section, is proceeding according to schedule.

The company's own uranium plant operated at full capacity throughout 1969. Although some of the uranium oxide produced remained unsold and had to be added to stockpile, profits from the uranium operations rose from R3,440,000 in 1968 to R4,010,000 mainly as a result of lower operating costs. Because of a decrease in the treatment capacity available to Vaal Reefs at the Western Reefs uranium plant, the total tonnage of slimes treated in 1969 fell by 302,803 metric tons to 1,863,255 metric tons. However, spare capacity at the Western Reefs plant became available once again from mid-December 1969 and it is being utilised by Vaal Reefs.

Vaal Reefs - Allocation of profits 1965 - 1969



Production of uranium oxide should be further increased in 1970 as the result of the installation of a solvent extraction plant, which will increase the precipitation capacity of the Vaal Reefs uranium plant.

Vaal Reefs also operates a pyrite flotation plant which was commissioned in January 1969 and it has entered into a contract to produce sulphuric acid for which a plant is in the course of erection.

Part of the northern area of Vaal Reefs' property is being opened up by the development of a new haulage by Western Reefs, which is also providing Vaal Reefs with hoisting capacity at the No. 3 joint shaft on their common boundary and with spare treatment capacity in its uranium plant. The close collaboration of what is effectively a block of three mines in Western Reefs and Vaal Reefs North and South, should have substantial long term benefits for shareholders in the respective companies.

The capital expenditure requirements at both Vaal Reefs North and South will continue to limit the funds available for distribution during 1970 but the company expects that it should be possible to maintain the dividend rate at 50 cents a share.

Selection Trust holds 10% of the issued capital of Vaal Reefs and, on the basis of the London Stock Exchange price on 31 March 1970, this investment was valued at some £6 million.

Southvaal Holdings Limited

Southvaal Holdings is committed to lending Vaal Reefs 78% of its after tax requirements to develop and equip the new South Mine to which reference is made in the preceding section, and has the right to receive 60% of the profits derived from that area. Development of the property is proceeding satisfactorily and it is expected that production will commence at a milling rate of some 45,000 metric tons per month towards the end of 1971.

Work is currently concentrated on the provision of housing, the construction of the reduction plant, the sinking of the twin shaft system roughly in the centre of the lease area, and on developing twin haulages from Vaal Reefs North No. 2 shaft to link up with the new shaft system. Sampling the reef in these haulages has given values averaging 504 inch dwts. and 690 inch dwts. in the last quarter of 1969 and the first quarter of 1970 respectively, which are significantly higher than the boreholes in the area indicated.

Capital expenditure on the South mine up to the end of 1969 totalled nearly R25 million and a further R11 million is scheduled for 1970, but savings in lease and tax payments in the hands of Vaal Reefs will meet a large proportion of the

total. Loans from Southvaal to meet their proportion of the capital expenditure amounted to R8,038,000 by the end of 1969.

Selection Trust was one of the original subscribers to the share capital of Southvaal and is contributing by way of loans towards the funds required by it. In return for its proportion of this commitment, the Company has the right to subscribe for further Southvaal shares which would bring its holding to 10.81% when all the shares are issued and options are converted.

Mount Newman Project

The participants in this project, in which Selection Trust has a direct interest of 5% through its subsidiary, Seltrust Iron Ore Limited, and a further indirect interest through the 25% held by Amax, are working a large iron ore deposit in the Pilbara region of Western Australia.

Deliveries of Mount Newman iron ore began on 1 April 1969 and shipments to customers in the initial year of trading operations totalled 6.45 million long tons. During the year additional contracts were negotiated for the sale of more than 60 million long tons to Japanese and European steel mills, increasing the total of orders so far arranged by the Mount Newman participants to more than 270 million long tons. To meet these commitments, and provide for potential new markets, the expansion of the project has been further accelerated and it is expected that at least 12 million long tons of ore will be shipped in the year to March 1971. The programme of development now being implemented provides for a production capacity of at least 30 million long tons of ore per annum to be reached by 1974 and it is estimated that the total cost of facilities to this level will be more than £200 million.

The ore reserves in the leases held by the Mount Newman joint venturers are still being assessed. As a result of further drilling carried out during the year the proved reserves in the Mount Whaleback sector, where mining is currently taking place, were re-calculated at 500 million long tons of high grade ore with a potential reserve exceeding 1,000 million long tons. There are other iron ore deposits within the lease area which have yet to be examined.

As a result of the higher scale of operations, Seltrust Iron Ore's share of the cost of development is now estimated at some £10 million but a significant part of this will be met out of the revenue.

The currencies and exchange rates applicable to the companies dealt with in this Review are as follows:

Australian Dollar	A$ 1 = 9s 4d	A$ 2.147 = £1
South African Rand	R 1 = 11s 8d	R 1.714 = £1
United States Dollar	US$ 1 = 8s 4d	US$ 2.40 = £1

General Information

Directors' interests

The interests of the Directors and alternate directors, including their families, in the ordinary shares of the Company as at 31 March 1970, with comparative figures as at 1 April 1969, were as follows:

Directors	31 March 1970	1 April 1969
A.Chester Beatty	(a) 320,583	335,583
T.H.Bradford	(b, c & d) 464,363	644,363
H.J.L.Codrington	433	433
J.P.Du Cane	788	638
C.B.Forgan	5,144	5,144
E.J.T.Goudie	17,035	8,035
H.J.Hinves	(b, c & e) 428,954	604,154
R.H.MacWilliam	(f) 1,950	1,950
W.T.Padgett	(b) 416,361	596,361
R.M.Peterson	800	800
Sir Ronald L.Prain	4,875	4,875
S.Spiro	(f) 400	(g) 400
L.G.Stopford-Sackville	400	(h) 400
M.W.Thomas	433	400
E.C.Wharton-Tigar	9,000	8,666
Alternates		
L.A.Cook	Nil	Nil
P.C.MacCulloch	Nil	Nil
A.M.Macleod-Smith	40	40

(a) Includes 19,500 shares held as trustee (1969–19,500)
(b) Includes 415,191 shares held jointly as co-trustee (1969 – 595,191)
(c) Includes 8,072 shares held jointly as co-trustee (1969 – 8,072)
(d) Includes 40,000 shares held as nominee (1969 – 40,000)
(e) Includes 4,800 shares held as trustee (1969–nil)
(f) Held as nominee
(g) As at date of appointment 17 April 1969
(h) As at date of appointment 18 September 1969

In addition to the interests shown above, at 31 March 1970 Mr P.C.MacCulloch had an option to subscribe for 1,500 shares of the Company, granted during the year pursuant to The Selection Trust Share Option Scheme, and Mr H.J.Codrington, Mr L.A.Cook, Mr J.P.Du Cane, Mr H.J.Hinves, Mr A.M.Macleod-Smith, Mr M.W. Thomas and Mr E.C.Wharton-Tigar were among those beneficially interested in The Selection Trust Share Trust (1969) which at that date comprised 54,000 shares of the Company, subscribed during the year pursuant to The Selection Trust Employees Share Trust Scheme.

Mr W.T.Padgett held 500 4½% cumulative redeemable preference shares of Seltrust Investments Limited at 31 March 1970, the same as at the beginning of the year.

At 31 March 1970, Mr T.H.Bradford, Mr C.B.Forgan, Mr E.J.T.Goudie, Mr H.J.Hinves, Mr W.T.Padgett, Mr R.M.Peterson and Mr E.C.Wharton-Tigar each held 2,500 common shares of Canadian $1 each of South Bay Mines Limited and Mr P.C.MacCulloch held 8,000 shares of that company, the same as at the beginning of the year.

Mr H.J.L.Codrington, Mr J.P.Du Cane, Mr H.J. Hinves, Sir Ronald L.Prain, Mr M.W.Thomas and Mr E.C.Wharton-Tigar each held at 31 March 1970 2,000 ordinary shares of Australian $1, paid up to the extent of 10 cents each, of Selcast Exploration (Pty) Ltd.; these shares were acquired during the year.

Apart from the foregoing, none of the Directors and alternate directors, nor their families, had any other interest in the subsidiary companies at the beginning or end of the year.

Employees

The average number of employees per week in the year ended 31 March 1970, including salaried directors but excluding persons working wholly or mainly outside the United Kingdom, was 467 and their aggregate remuneration during the year was £1,226,399. These totals include persons employed by the Company under arrangements whereby it provides staff for associated companies, and the aggregate remuneration was borne as follows:

	£
By the Company and its subsidiaries	321,588
By associated companies	904,811
	£1,226,399

Substantial Shareholdings

The Company has been notified that Charter Consolidated Limited and its subsidiaries together hold approximately 27% of the Company's issued share capital.

Documents for Inspection

In accordance with the General Undertaking which the Company has given to The Stock Exchange, London, the following will be available for inspection at the Registered Office of the Company during the usual business hours on any weekday (Saturdays excluded) until the date of the Annual General Meeting and at Winchester House, 100 Old Broad Street, London, EC2, on 9 July 1970 from 11.45 am until the conclusion of the Annual General Meeting:

(a) Particulars of transactions during the past year of the Directors and of their 'family interests' in the shares of the Company and its subsidiaries;
(b) Copies of all contracts of service whereunder Directors of the Company are employed by the Company or by any subsidiary of the Company.

Finance Act 1965

(a) Capital gains tax

The prices of the undermentioned securities on 6 April 1965 for the purposes of the capital gains tax were as follows:

Selection Trust ordinary shares – 43s 1½d
Seltrust Investments preference shares – 15s 0d

(b) Close company provisions

These provisions do not apply to the Company.

Dates for reference

Half-year results and interim dividend announced	27 November 1969
Interim dividend:	
Shares quoted ex-dividend	8 December 1969
Record date	8 December 1969
Dividend paid	8 January 1970
Year's results and final dividend announced	28 May 1970
Final dividend:	
Shares quoted ex-dividend	1 June 1970
Record date	12 June 1970
Dividend payable	13 July 1970
Report and Accounts posted to shareholders	16 June 1970
Annual General Meeting to be held on	9 July 1970

Registrars and Transfer Office

Documents for registration, and notifications of change of address, should be sent to:
Hill Samuel & Co. Limited
6 Greencoat Place, London, SW1

Maps ~~& Annual Report~~

INSTRUCTIONS FOR USE

1. Void Previously Used Block
2. Identify Agency of Addressee
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4. Send Surplus Envelopes

Standard Form No. 65
November 1961
General Services Administration
FPMR (41 CFR) 101-11.6

U.S. Government Messenger Envelope

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
~~Bob Wooten~~ ~~Rm 100~~ ~~Beaty, 10~~	STOP		STOP
Harold Kirkemo Rm 4460 - Interior Bldg	STOP		STOP
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Use STOP only when messenger service between Government buildings in Washington, D.C., is required or wherever a STOP system is used. Your mail room has STOP information.

65-107

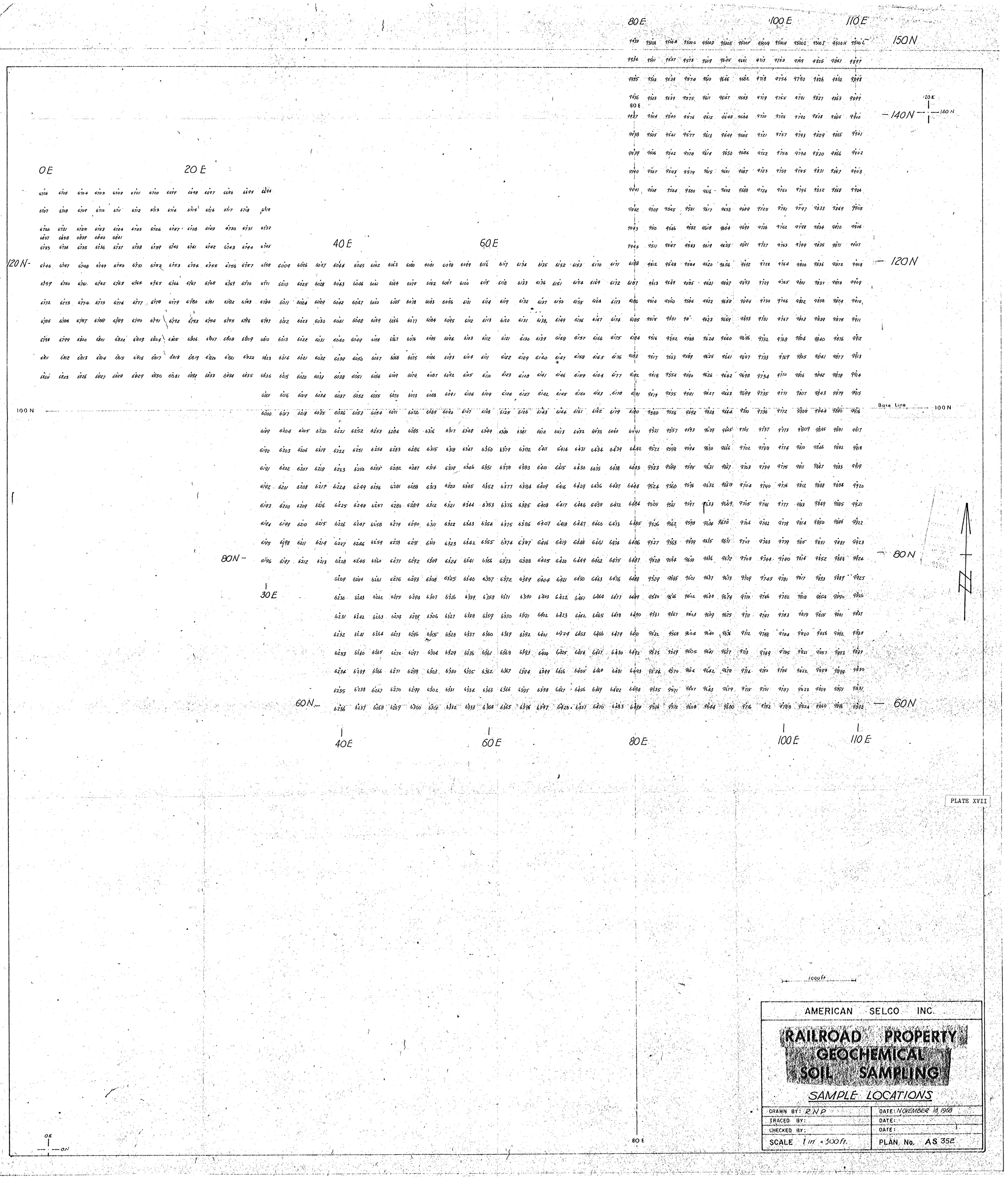
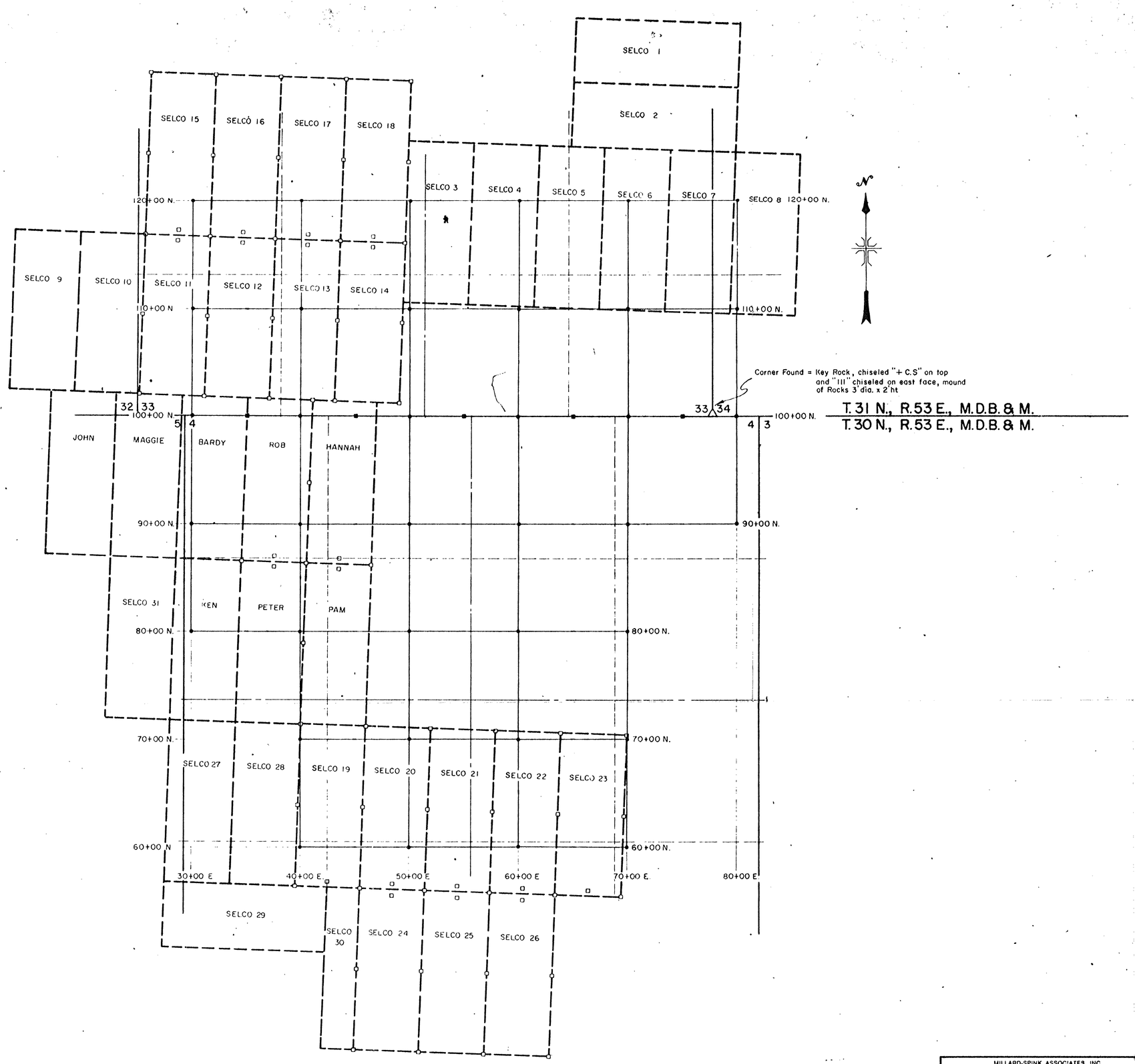

80E
100E
110E
150N
140N
120N
100N
Base Line
80N
60N
0E
20E
40E
60E
30E
1000 ft
AMERICAN SELCO INC.
RAILROAD PROPERTY
GEOCHEMICAL
SOIL SAMPLING
SAMPLE LOCATIONS
DRAWN BY: R.N.P
DATE: NOVEMBER 18, 1968
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in = 500 ft.
PLAN No. AS 352

PLATE XVII



NOTES

Basis of Bearings - Solar Observation

PLATE II

LEGEND

- Grid point, steel pin 1/2" x 18" lg.
- Intermediate Grid point, 1" x 2" w/ tack
- Location Monument, 4" x 4" x 4 1/2' Post
- Claim Corner, 4" x 4" x 4 1/2' Post

0 500 1000 1500 2000

Scale 1" 500'

MILLARD-SPINK ASSOCIATES, INC.
1035 IDAHO STREET, ELKO, NEVADA

DATE	DESCRIPTION

FIELD W. L. D.	CHECK D.E.M.
DETAIL D. L. J.	APPROVED
DESIGN D. L. J.	FILE No.
TRACING D. L. J.	DRG. No

MAP SHOWING

1000 FOOT GRID

AT RAILROAD MINING DISTRICT

FOR AMERICAN SELCO

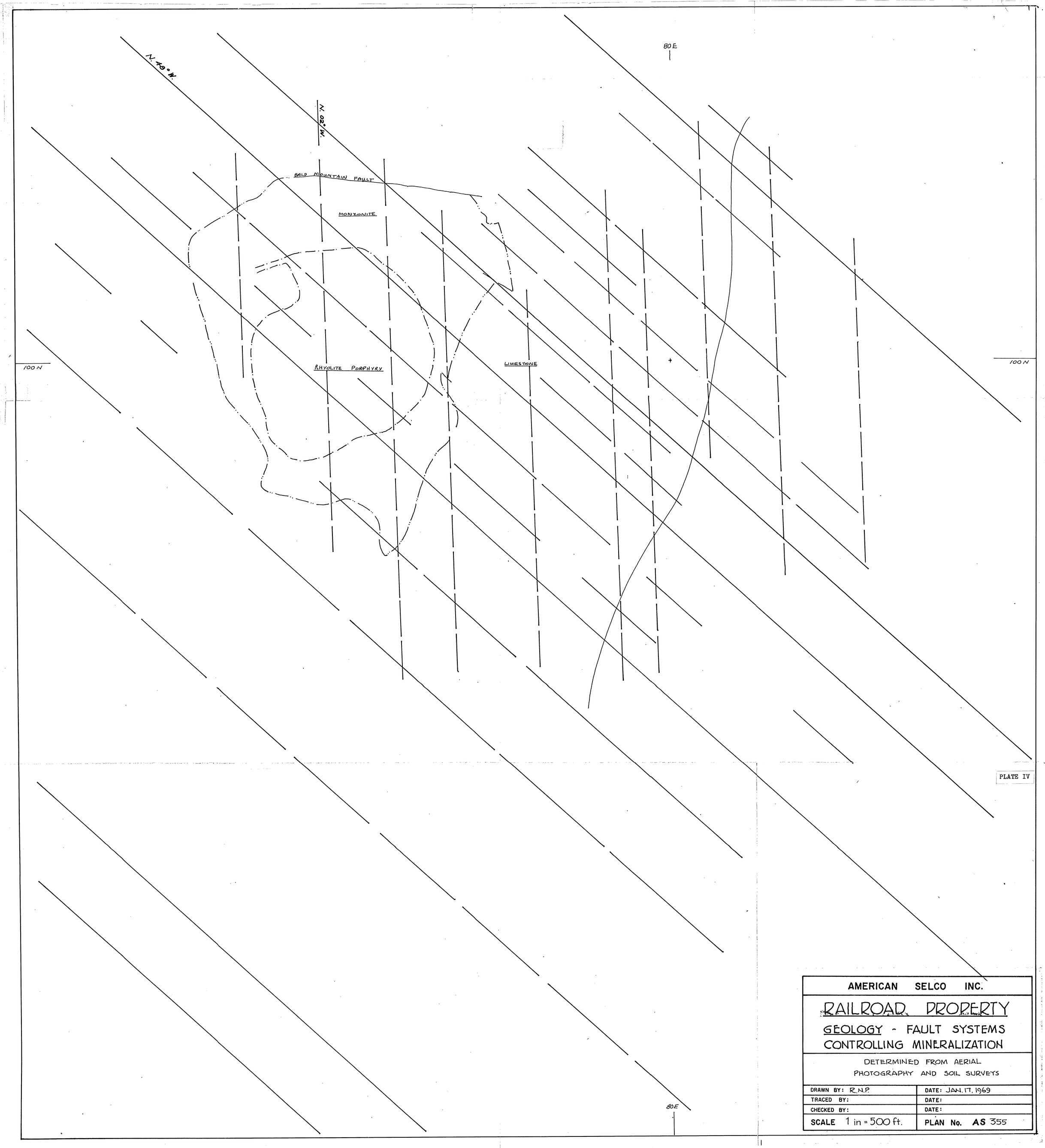
IN ELKO COUNTY, NEVADA

MILLARD - SPINK ASSOCIATES, INC
ENGINEERS - PLANNERS - SURVEYORS

MAY, 1968

AS249

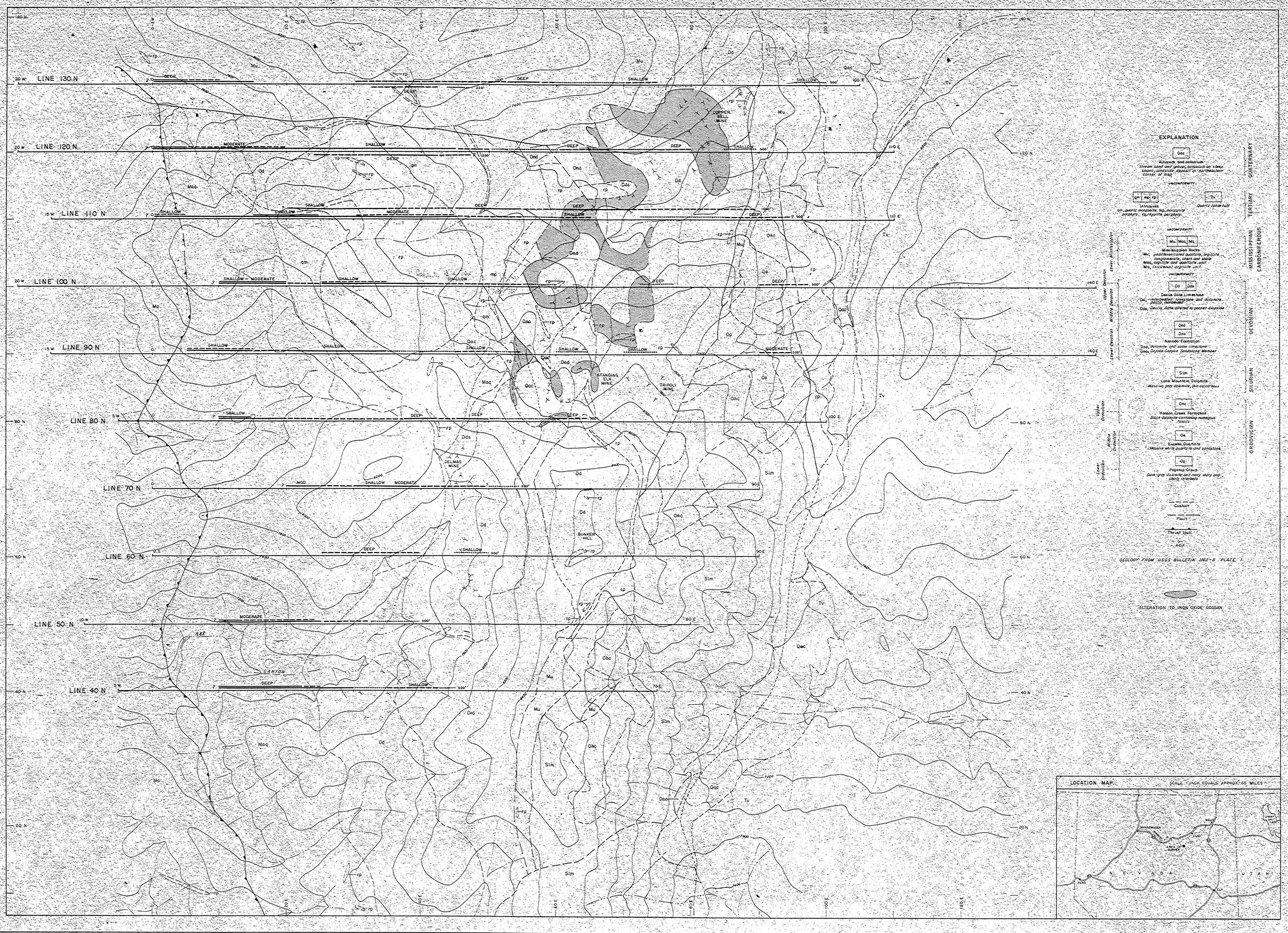
Job No. 0227-001


80 E
N. 40° W.
N. 02° W.
BALD MOUNTAIN FAULT
MONZONITE
RHYOLITE PORPHYRY
LIMESTONE
100 N
100 N
80 E
PLATE IV
AMERICAN SELCO INC.
RAILROAD PROPERTY
GEOLOGY - FAULT SYSTEMS
CONTROLLING MINERALIZATION
DETERMINED FROM AERIAL
PHOTOGRAPHY AND SOIL SURVEYS
DRAWN BY: R.N.P.
DATE: JAN. 17, 1969
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in = 500 ft.
PLAN No. AS 355

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

PLAN MAP



SURFACE PROJECTION OF PFE ANOMALOUS ZONES

7.5 – 10		VERY STRONG
7.5 – 10		STRONG
5 – 7.5		MODERATE
3 – 5		WEAK
2 – 3		VERY WEAK

Number at the end of anomaly indicates spread used

AMERICAN SELCO INC.

RAILROAD PROPERTY, RAILROAD MINING DISTRICT, ELKO COUNTY, NEVADA

SCALE

FEET 500 0 500 1000 1500 2000 2500 FEET

1 INCH EQUALS 500 FEET

DRAWN JK

DATE AUG. 1969

APPROVED

DATE

PERCENT FREQUENCY EFFECT ANOMALY MAP

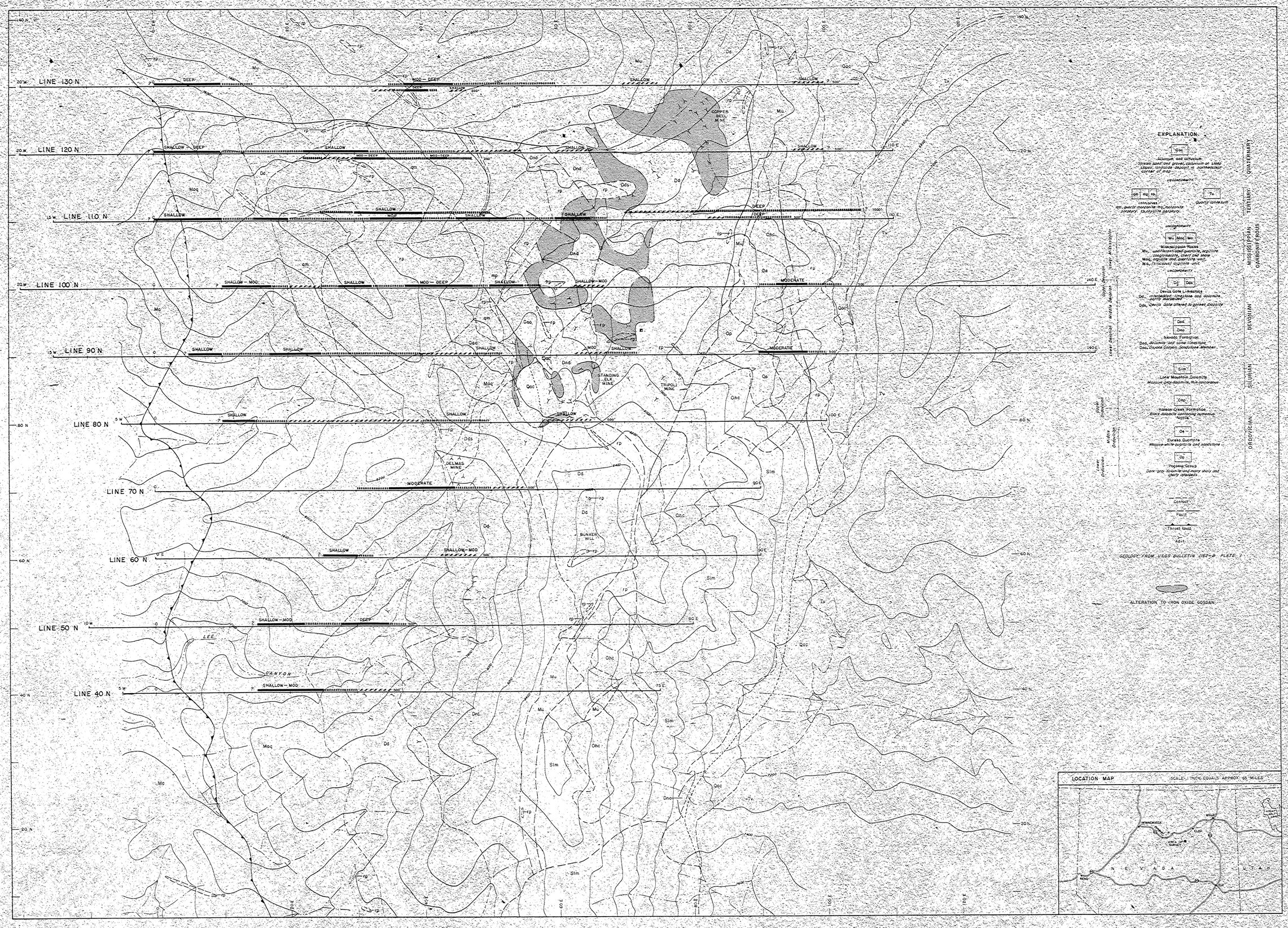
FIGURE A-1

DWG

Mc PHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

PLAN MAP



SURFACE PROJECTION OF M.F. ANOMALOUS ZONES

DEFINITE

PROBABLE

POSSIBLE

Number at the end of anomaly indicates "spread" used

AMERICAN SELCO INC.

RAILROAD PROPERTY, RAILROAD MINING DISTRICT, ELKO COUNTY, NEVADA

SCALE

FEET 500 0 500 1000 1500 2000 2500 FEET

1 INCH EQUALS 500 FEET

DRAWN: JK

DATE: AUG. 1969

APPROVED:

DATE:

METAL FACTOR ANOMALY MAP

FIGURE A-2

DWG

DRILL HOLE 2-8

130 N 45E

METAL CONTENT OF CUTTINGS (P.P.M)

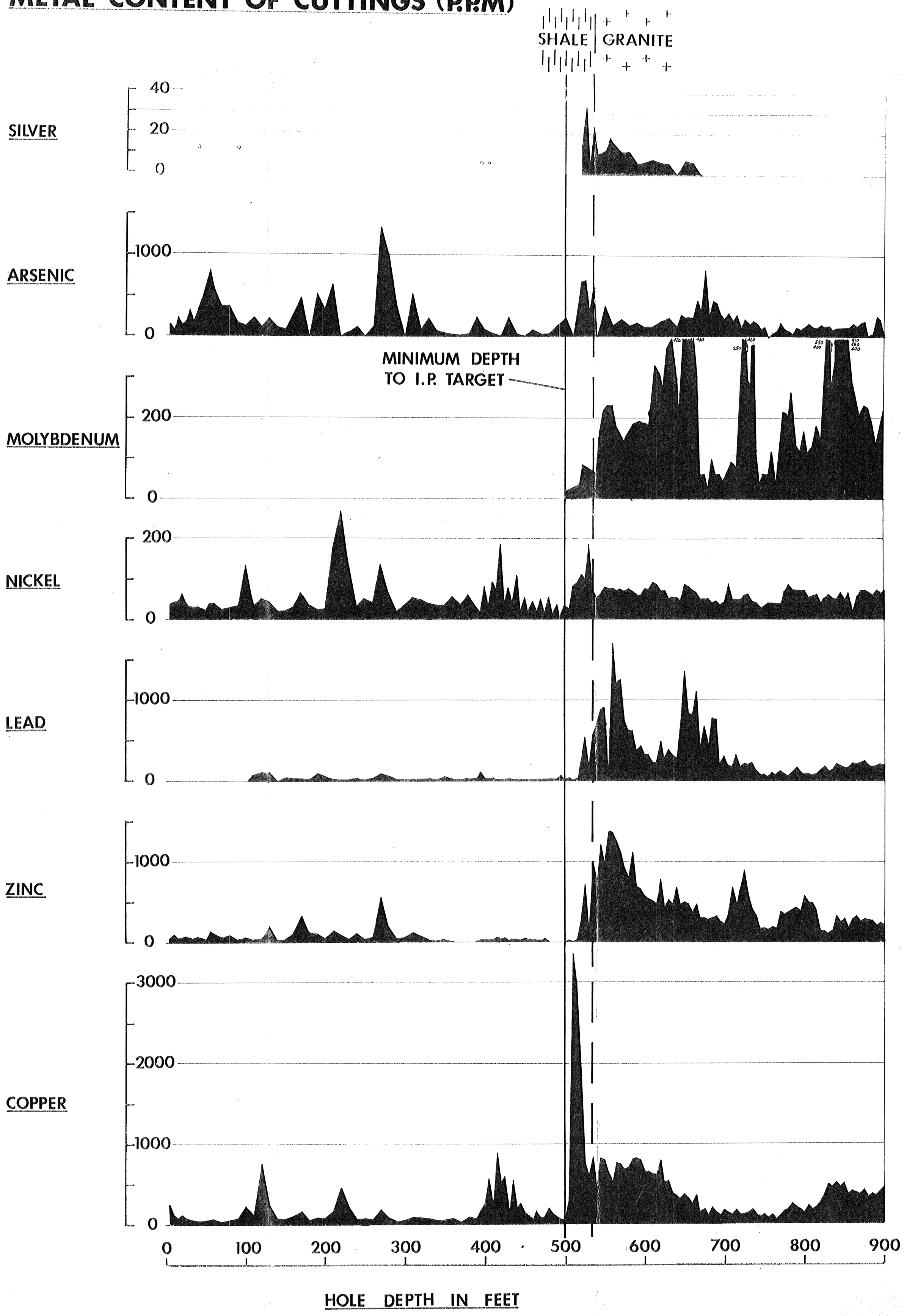
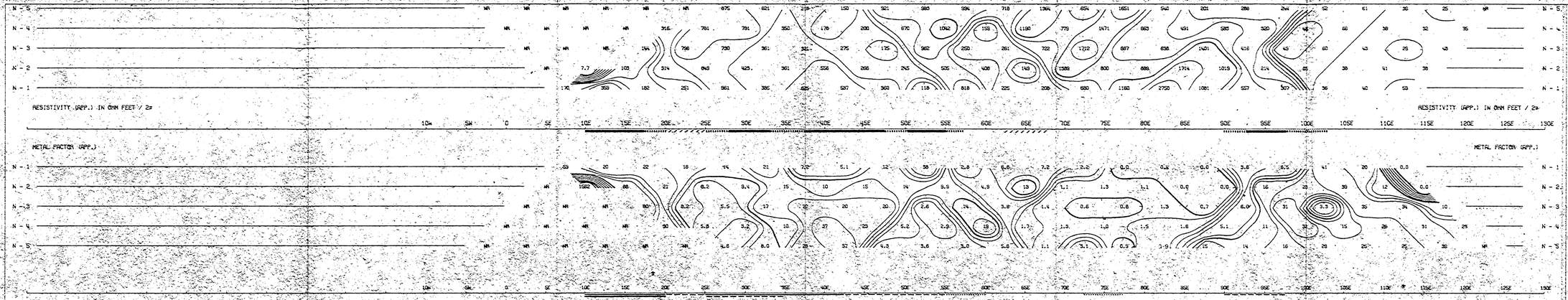


FIGURE B-2



DWG. NO.- I.P.-5395-7

AMERICAN SELCO INC.

RAILROAD PROPERTY
RAILROAD M.D.
ELKO COUNTY, NEVADA

LINE NO.- 100N

ELECTRODE CONFIGURATION

X — NX — X

PLOTTING POINT X = 500'

SURFACE PROJECTION OF ANOMALOUS ZONES
DEFINITE
PROBABLE
POSSIBLE

FREQUENCIES: 0.1-1.25 CPS

DATE SURVEYED: JUL 1985

APPROVED:

DATE: 5/13/86

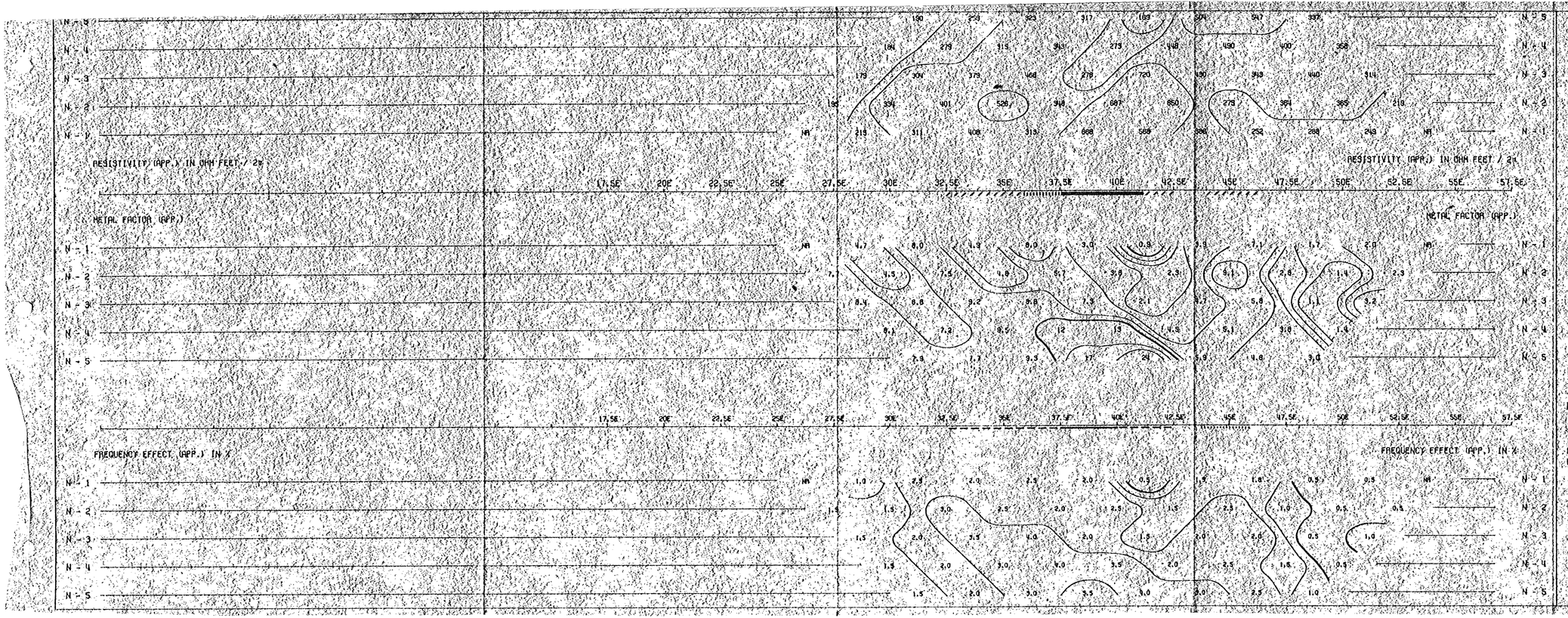
NOTE: CONTOURS AT LOGARITHMIC INTERVALS 1,1.5,2,3,5,7.5,10

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

NOTE: THIS PLOT WAS PRODUCED WITH AN HP 9825/75 COMPUTER AND A

FIGURE A-9



DWG. NO. - I.P. -5395-2

AMERICAN SELCO INC.

RAILROAD PROPERTY
RAILROAD M.D.
ELKO COUNTY, NEVADA

LINE NO. 130N

ELECTRODE CONFIGURATION

PLOTTING POINT X = 250'

SURFACE PROJECTION OF ANOMALOUS ZONES

DEFINITE
PROBABLE
POSSIBLE

FREQUENCIES: 0.1-1.25 CPS

DATE SURVEYED: JUL 1969

APPROVED:

NOTE: CONTOURS AT LOGARITHMIC INTERVALS 1,-1.5-2,-3,-5,-7.5-10

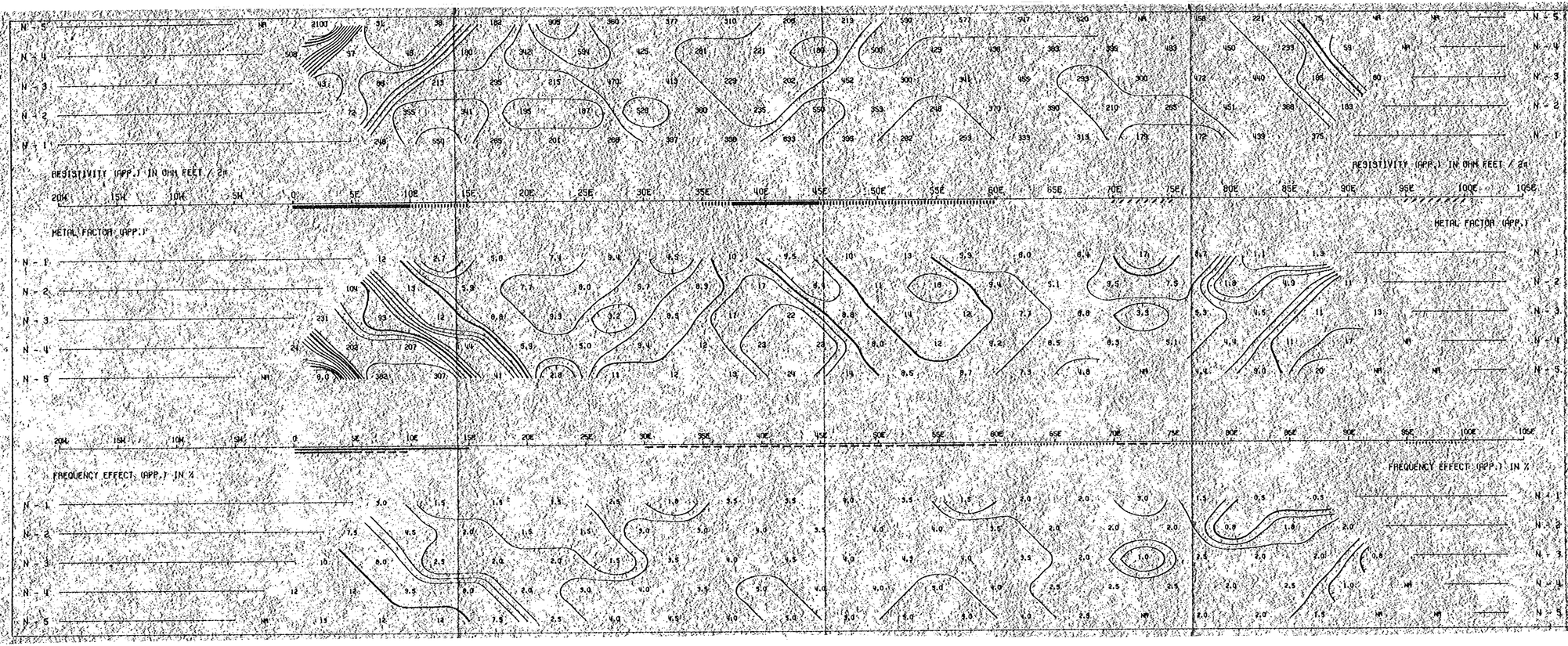
DATE:

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

NOTE: THIS PLOT WAS PRODUCED WITH AN IBM 360/75 COMPUTER AND A

FIGURE A-4



DWG. NO. I.P. 5395-1

AMERICAN SELCO INC.

RAILROAD PROPERTY
RAILROAD M.D.
ELKO COUNTY, NEVADA

LINE NO. 130N

ELECTRODE CONFIGURATION

PLOTTING POINT

SURFACE PROJECTION OF ANOMALOUS ZONES

DEFINITE
PROBABLE
POSSIBLE

FREQUENCIES: 0.11-1.23 CPS

DATE SURVEYED: JUN 1969

APPROVED:

NOTE: CONTOURS AT LOGARITHMIC INTERVALS 1, 1.5, 2, 3, 5, 7.5, 10

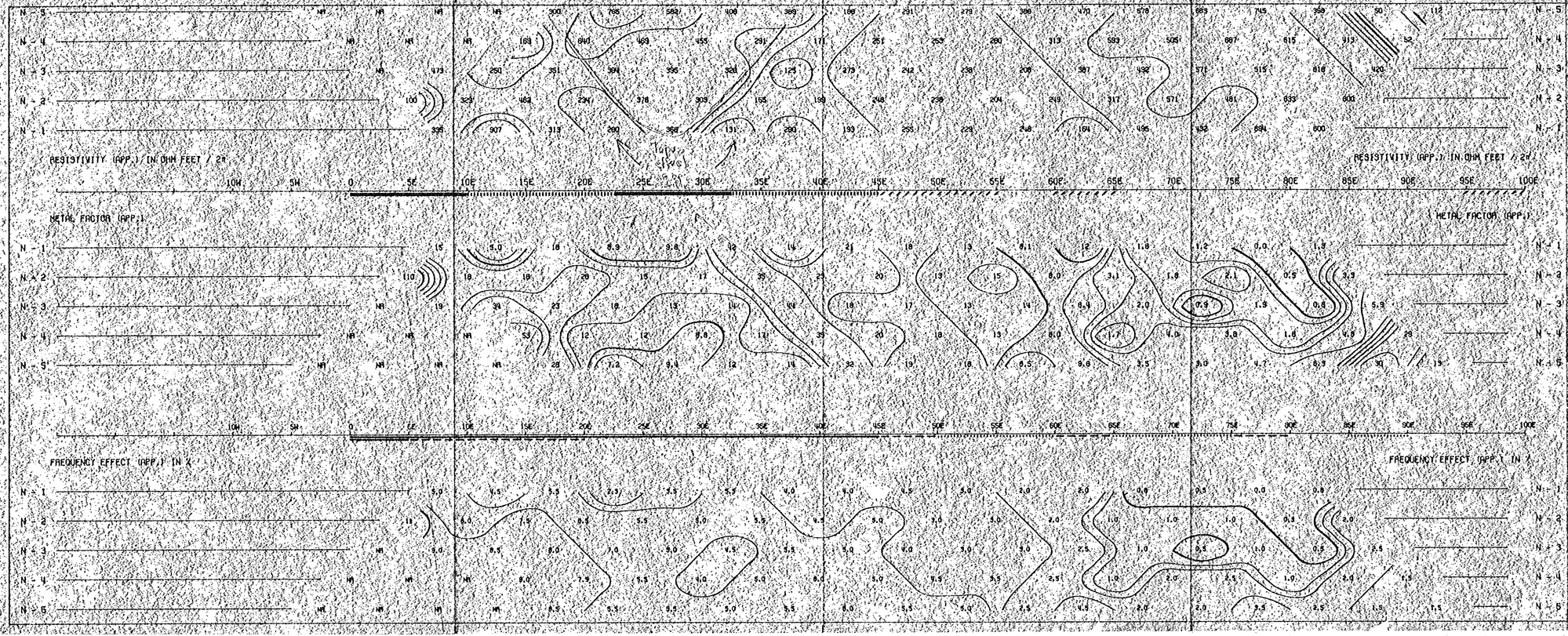
DATE:

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

NOTE: THIS PLOT WAS PRODUCED WITH AN IBM 360/75 COMPUTER AND A

FIGURE A-3



DWG. NO.- I.P. 5395-3

AMERICAN SELCO INC.

RAILROAD PROPERTY
RAILROAD M.D.
ELKO COUNTY, NEVADA

LINE NO.- 120N

ELECTRODE CONFIGURATION

FLOATING POINT → X = 500'

SURFACE PROJECTION OF ANOMALOUS ZONES
DEFINITE
PROBABLE
POSSIBLE

FREQUENCIES: 0.1-1.25 CPS

DATE SURVEYED: JUL. 1969

APPROVED:

NOTE: CONTOURS AT LOGARITHMIC INTERVALS 1,1.5,2,3,5,7,5,10.

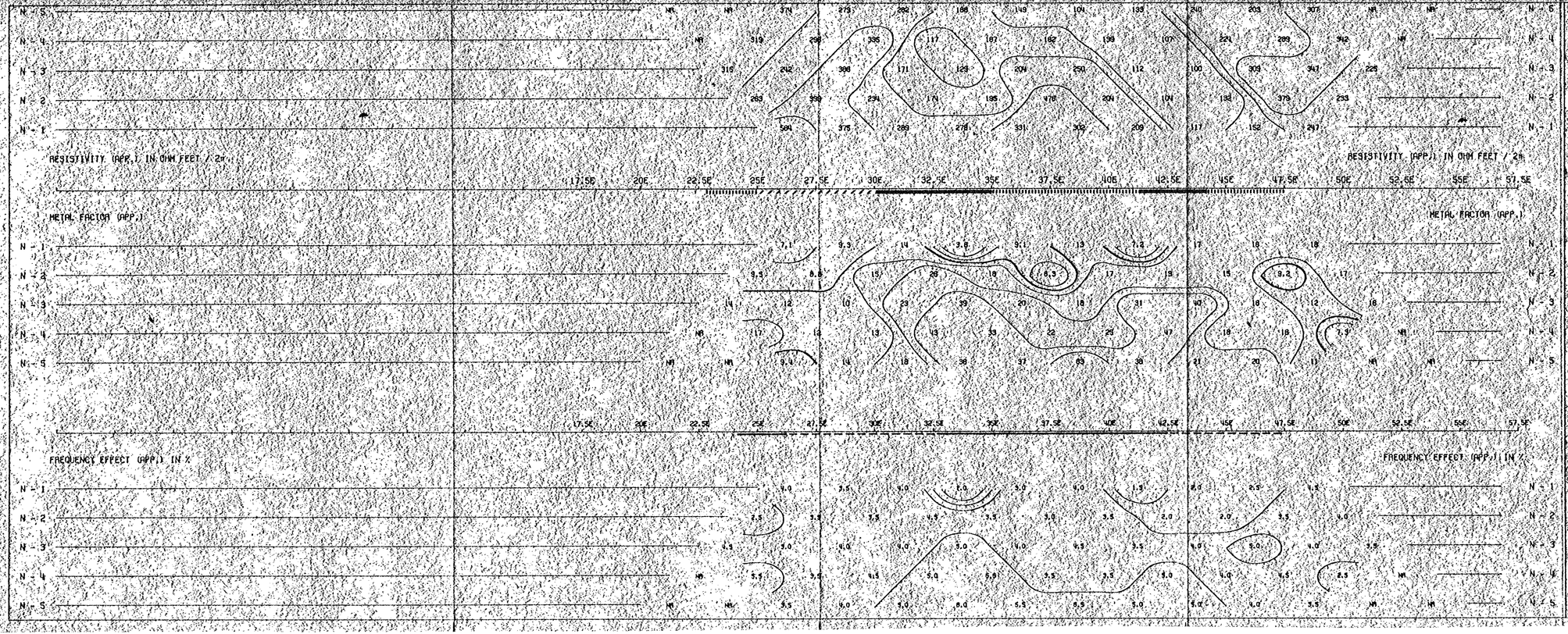
DATE: Dec 5/69

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

NOTE: THIS PLOT WAS PRODUCED WITH AN IBM 360/75 COMPUTER AND A

FIGURE A-5



DWG. NO.- I.P.-5395-4

AMERICAN SELCO INC.

RAILROAD PROPERTY
RAILROAD M.D.
ELKO COUNTY, NEVADA

LINE NO.- 120N

ELECTRODE CONFIGURATION

PLOTTING POINT X = 250

SURFACE PROJECTION OF ANOMALOUS ZONES

DEFINITE
PROBABLE
POSSIBLE

FREQUENCIES: 0.1-1.25 CPS

DATE SURVEYED: JUL 1969

APPROVED:

NOTE: CONTOURS AT LOGARITHMIC INTERVALS 1,1.5,2,3,5,7.5,10

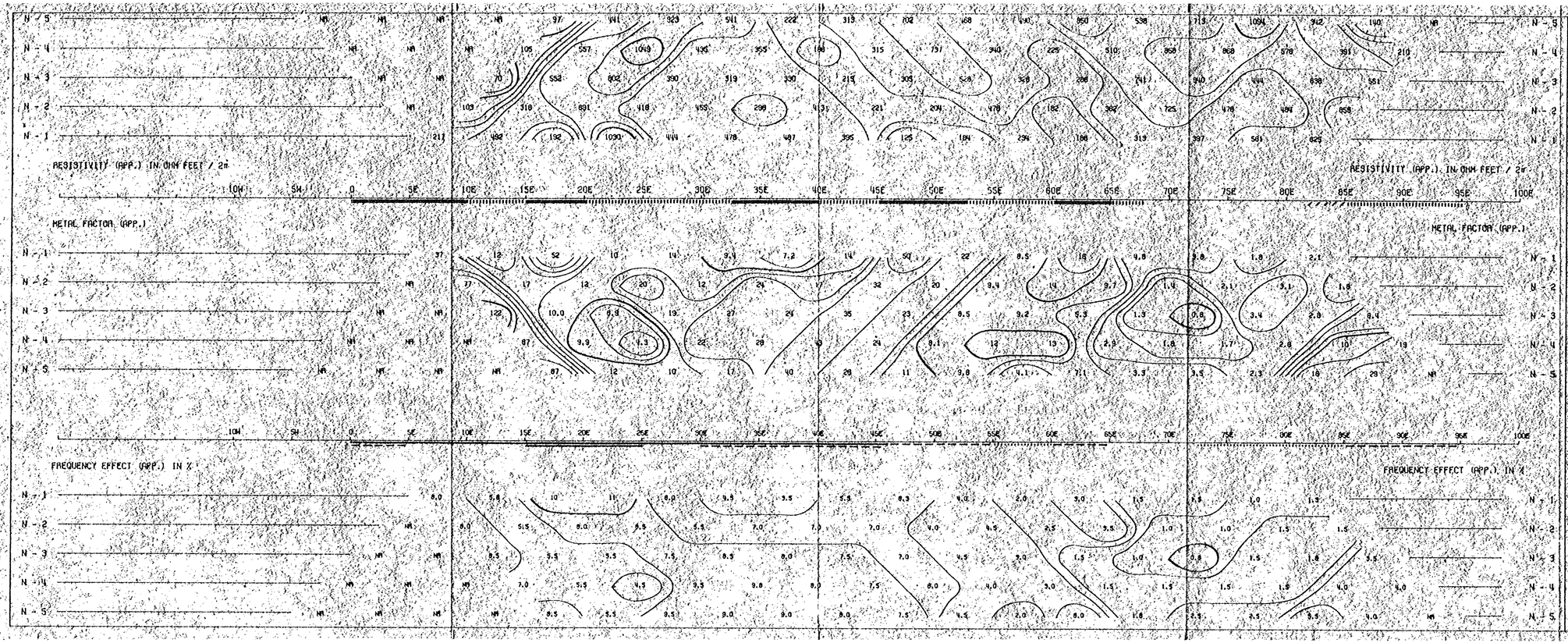
DATE:

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

NOTE: THIS PLOT WAS PRODUCED WITH AN IBM 360/75 COMPUTER AND R

FIGURE A-6



DWG. NO. - I.P. -5395-6

AMERICAN SELCO INC.

RAILROAD PROPERTY
RAILROAD H.D.
ELKO COUNTY, NEVADA

LINE NO.- 110N

ELECTRODE CONFIGURATION

PLOTTING POINT → X X = 50'

SURFACE PROJECTION OF ANOMALOUS ZONES

DEFINITE
PROBABLE
POSSIBLE

FREQUENCIES: 0.1-1.25 CPS

DATE SURVEYED: JUL 1969

APPROVED:

DATE:

NOTE: CONTOURS AT LOGARITHMIC INTERVALS 1.-1.5-2.-3.-5.-7.5-10

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

NOTE: THIS PLOT WAS PRODUCED WITH AN IBM 360/75 COMPUTER AND A

FIGURE A-7

Contour Interval 20 Feet

116° 02' 00" | 01' 30" | 01' 00" | 00' 30" | 116° 00' 00" | 59' 30"

° 32' 00" | 31' 30" | 31' 00" | 30' 30" | 0° 30' 00"

CARLIN-20 Mi
ELKO-30 Mi

Bald Mountain Chief
Copper Bell Claim

SELCO UNPATENTED CLAIMS (49)
Discovery work all claims completed August 1968

ALADDIN-REITE GROUP-19 PAT. CLAIMS

ALADDIN UNPATENTED CLAIMS (41)
Assessment work all claims completed August 1968

Mill Plant
Aladdin Sweepstakes Camp
Selco Office
Davis Tunnel

ALADDIN GREY EAGLE GROUP-7 PAT. CLAIMS

Gladstone and Androssa claim owned and kept in good standing by:
Nevada Ethyl Jones
% Henry Ethyl
2737 W. Cavalier Drive
Phoenix Arizona 85017

• Permanent survey stations

PLATE I

AMERICAN SELCO INC.

RAILROAD PROPERTY LAND STATUS

OCTOBER 1, 1968.

DRAWN BY: R.N. PARKINSON	DATE: OCT. 1, 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in. = 500 ft.	PLAN No. AS 350

McPHAR GEOPHYSICS

INDUCED POLARIZATION AND RESISTIVITY SURVEY

PLAN MAP

LINE 130 N
LINE 120 N
LINE 110 N
LINE 100 N
LINE 90 N
LINE 80 N
LINE 70 N
LINE 60 N
LINE 50 N
LINE 40 N

(3-10) 750-1000 MF anomaly at depth

(3-11) R | C 1000

THRUST

(3-16) 500 Shallow MF anomaly open to west High Ni-Au, Hg

(3-9) 500 High PFE's at shallow-mod. depth in Dd. Poss. res. low at depth.

(3-7) 500 Shallow MF anomaly in broad high PFE zone. R 2.83 C -

(2-8) 500 MF anomaly due to res. low and higher PFE's at depth

(2-9) PORPHYRY

500-150 MF anom. at mod. depth. High PFE's and res. low at depth in qm. R 6.20 C - 370

(Pending results at 22.5 E) MF anom. at mod. depth. May be continuation of anomaly at 30-35 E. R 500 C 1000

(1-19) (Detail at 100' spread)

Low res. from Qac PFE's only background

(3-4) 750+ REPLACEMENT TARGET Strong, shallow MF and PFE's along rp dike. Sb, Pb, Zn, Au geochem. highs and mag. high nearby. R 7.20 C

WEST REP

(2-5) 1000+ PORPHYRY-COPPER TYPE High PFE's suggest increased sulfides at depth. Res. at depth lower than at surface. High Mo in vicinity. PFE anomaly is broad mag. low. R 6.35 C 1000

(2-6) 500 MF anomaly at mod. depth. Prob. qm at depth gives broad PFE anomaly zone

(Detail at 100' spread) Shallow MF anomaly

(3-3) 500-750 REPLACEMENT TARGET Shallow stronger PFE's to west may be due to argillite in Ma. This zone is shallow-mod. depth in Mag and should be tested. Res.+ PFE patterns suggest Mg-lower mag. R - C -

(2-2) 500 A strong shallow MF & PFE anomaly within rp with Mo and Cu geochem. highs. May be part of deeper anomaly below 405. R 5.20 C - 400

(2-1) 1000-1500 PORPHYRY-COPPER TYPE Mod.-deep MF anomaly below broad Mo high in rp. Indicates broad mag. low. R 3.23 C 8.77 2000

(3-8) 500 Shallow MF anomaly in Mag. Part of broad shallow PFE high extending to 356. PFE high may be accounted for by surface contamination. R - C -

(1-6) 500 Shallow zone at rp. This contact, manganese nodule, mag. anomaly. R 6.02 C -

CONTACT

(1-9) (Detail at 100' spread) Shallow MF anomaly adjacent to rp dike. Mo high, sediment Hg highs. R - C -

(2-8) SOUTH REP 750-1000 EXCELLENT DEEP REPLACEMENT Shallow MF anomaly contains two higher PFE zones at mod. depth. East part, in Dd, is Cu, Mo, Pb and Zn high. Anomaly includes Mag. high in Dd adjacent to qm. contact. R 2.07 C 8.00

(2-12) 500-150 REPLACEMENT TARGET MF anomaly at mod. depth. Hg high. R - C -

(1-8) 2000 CONTACT REPLACEMENT (Detail at 100' spread) Shallow MF and PFE's over gossan. Mo, Sn and Au geochem. highs. PFE's at depth suggest sulfides increase with depth.

OXIDE 1

(1-20) 2000 DEEP REPLACEMENT MF high at depth. R - C -

DEEP REP

(1-8) 1500 DEEP REPLACEMENT Deep very weak PFE's coincident with res. low at depth below gossan in Dd. Sb, Hg, Au highs coincident with mag. high. NOTE: ONE 1000-FOOT HOLE WOULD TEST BOTH GEOCHEM. AND I.P. ANOMALIES AT (1-8) & (1-19)

(1-16) 500 OXIDIZED REPLACEMENT Shallow and deep MF zones in Dd adjacent to rp dike. Very deep res. low and weak PFE's. Smart gossan zone. Cu, Pb, Ni, Hg geochem. highs. R - C -

OXIDE 2

(1-11) 750 Shallow MF zone near gossan in Dd. PFE pattern suggest sulfides persist in depth. Mo, Cu, Ni, Hg highs to north. Pb, Zn to south. Adjacent to mag. anomalies.

(5-2) DIKE 1000 REPLACEMENT ZONE IN Dd MF anomaly at mod. depth. Deeper PFE anomaly. R - C 1000

750-1000 REPLACEMENT TARGET MF high at mod. depth at contact of rp with Ord. host rock. R - C -

(4-5) 500 Shallow MF zone in Mag. R - C -

(2-3) OXIDE 3 500 OXIDIZED REPLACEMENT Shallow MF zone in Dd. Very weak PFE's. Hg high. Around Ni high to northwest. MF anomaly coincides with a pair of mag. highs. R - C -

GREY EAGLE

(4-3) 750 MF anomaly at shallow-moderate depth. R - C 1000

(4-2) 1000-1500 Deep MF anomaly in Dd. Apparent res. low could be due to near-surface fill in Lee Canyon. Scan observed in vicinity. Variable dips - head of Lee Canyon may be structural intersection. R - C -

(4-4) 1000-1500 MF anomaly at shallow-moderate depth. Broad apparent res. low may be due to near-surface fill in Lee Canyon. High PFE anomaly at depth should be tested. R - C 1000

EXPLANATION

Alluvium and talus (m) Stream and alluvial gravel, alluvium on steep slopes, landslide deposit in northeastern corner of map area

Volcanic rocks Mu: andesitic mudflows and welded tuffs, lava flows, conglomerate, clastic and shale sedimentary and quartz veins Mu (Tv): rhyolite, rhyolite ash

Hallstatt Limestone Dd: limestone, dolomite, and shale Dd (Sim): dolomite and shale, locally altered to contact diopside

Nevada Formation Ohc: limestone and shale formations Ohc (Sim): contact diopside

Slide Low Mountain Dolomite Mostly dolomite, minor limestone

Ohn Hanson Creek Formation Mostly dolomite containing fossil reefs

Qc Pleistocene Lake Bonneville Lacustrine silt and gravel

Qac Alluvial Cones Lake Bonneville and modern alluvial cones

Hole number based on original exploratory grid.

(2-6) Site of recommended drill hole

750-1000 Minimum drill hole depth to cause MF anomaly of I.P. anomaly

Description of I.P. plot: Metal Factor / Percent Freq. Effect — From McPhar Report

	1969	1970
R	500	-
C	500	625

Drill Hole Data - planned and actual depths of Rotary and Core drilling

Additional detailed I.P. survey, 1970

LOCATION MAP

SURFACE PROJECTION OF M.F. ANOMALOUS ZONES

DEFINITE

PROBABLE

POSSIBLE

Number at the end of anomaly indicates depth used

AMERICAN SELCO INC.

RAILROAD PROPERTY, RAILROAD MINING DISTRICT, ELKO COUNTY, NEVADA

SCALE

FEET 500 0 500 1000 1500 2000 2500 FEET

1 INCH EQUALS 500 FEET

AMERICAN SELCO INC.

RAILROAD PROPERTY-I.P. SURVEY

SUMMARY OF RECOMMENDATIONS AND PROGRESS OF ROTARY AND CORE DRILLING

DRAWN BY: R.N.P.	DATE: SEPT. 20, 1969
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE	PLAN No. AS

METAL FACTOR ANOMALY MAP

FIGURE 2

BWG

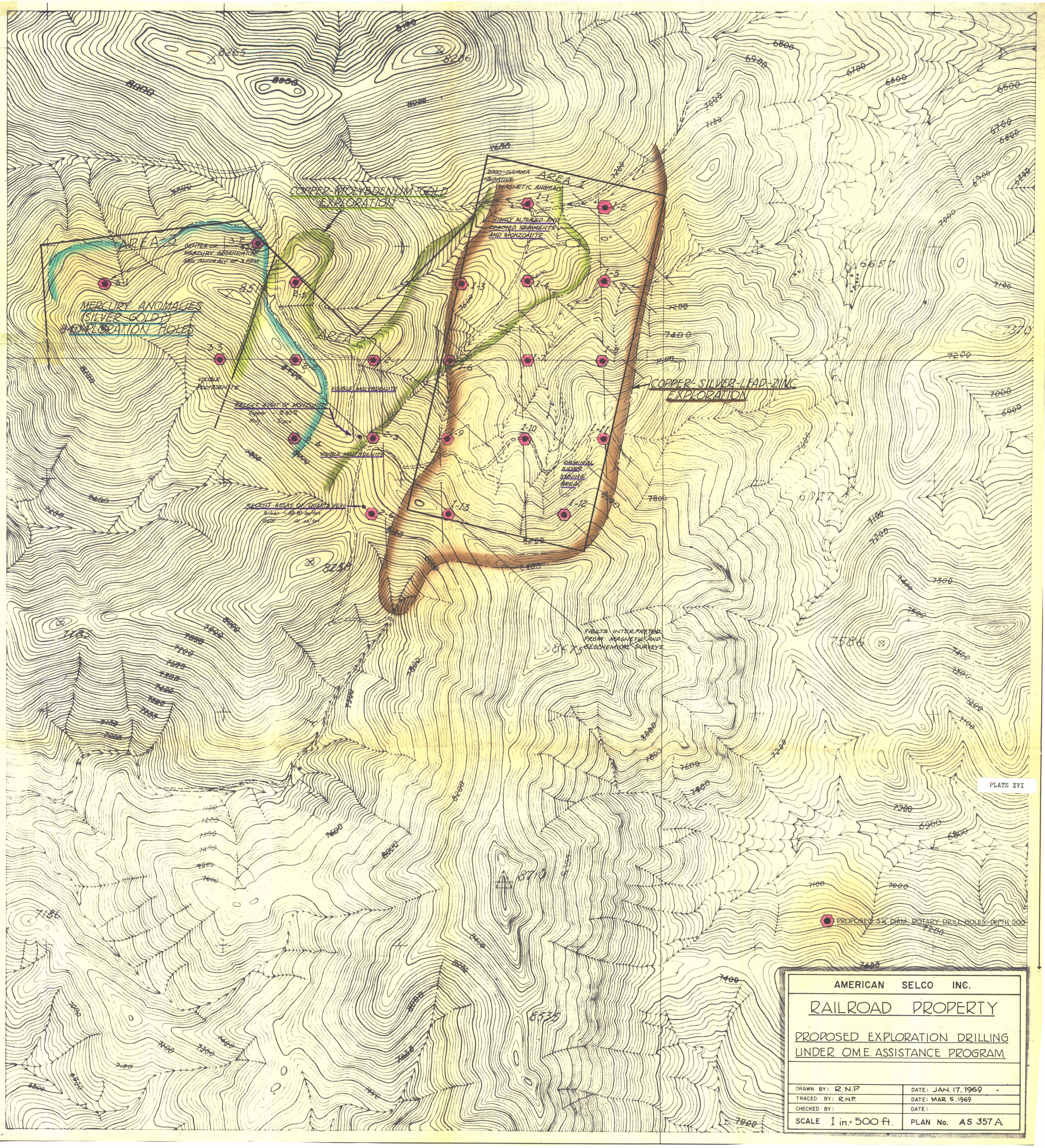
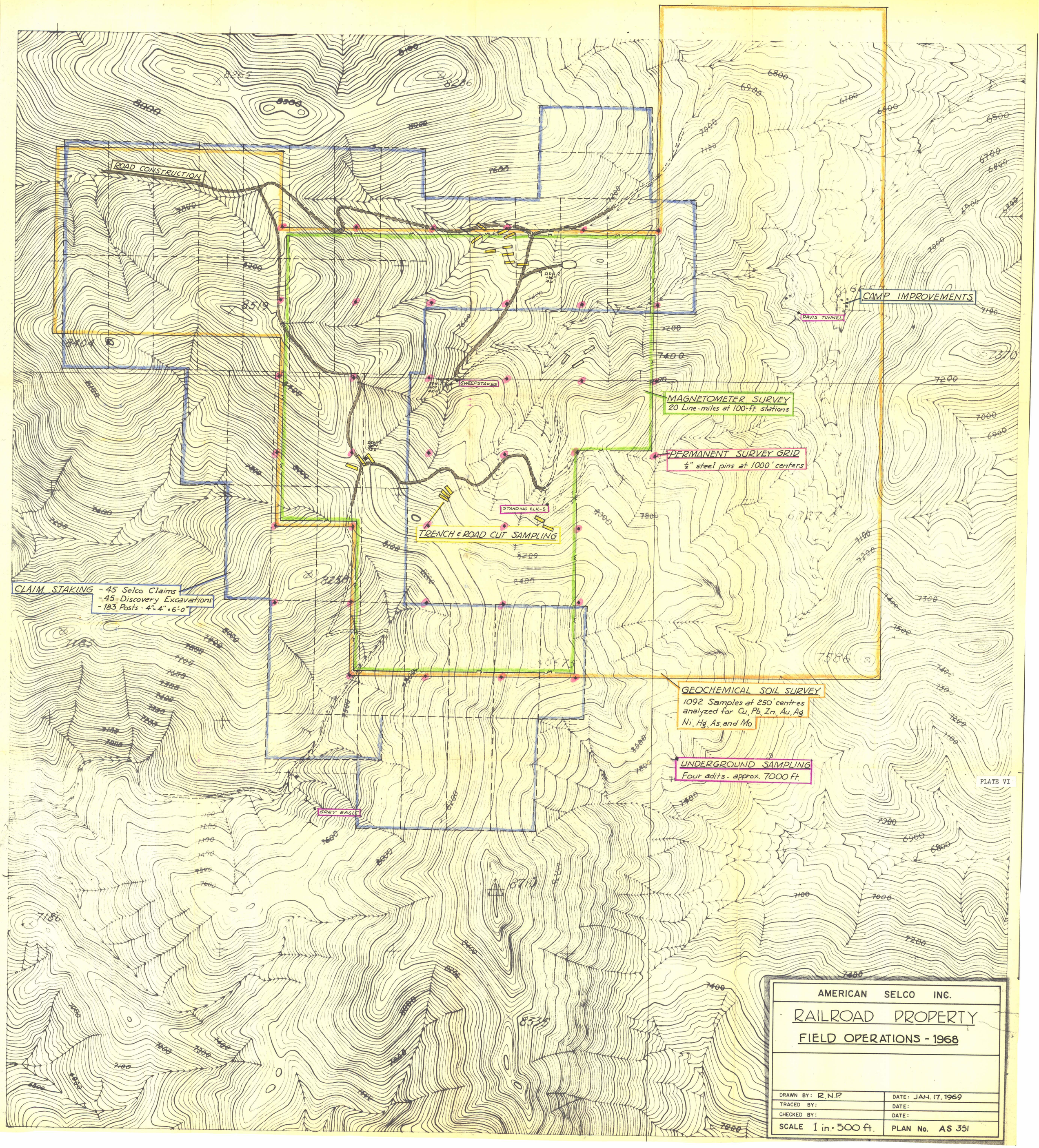
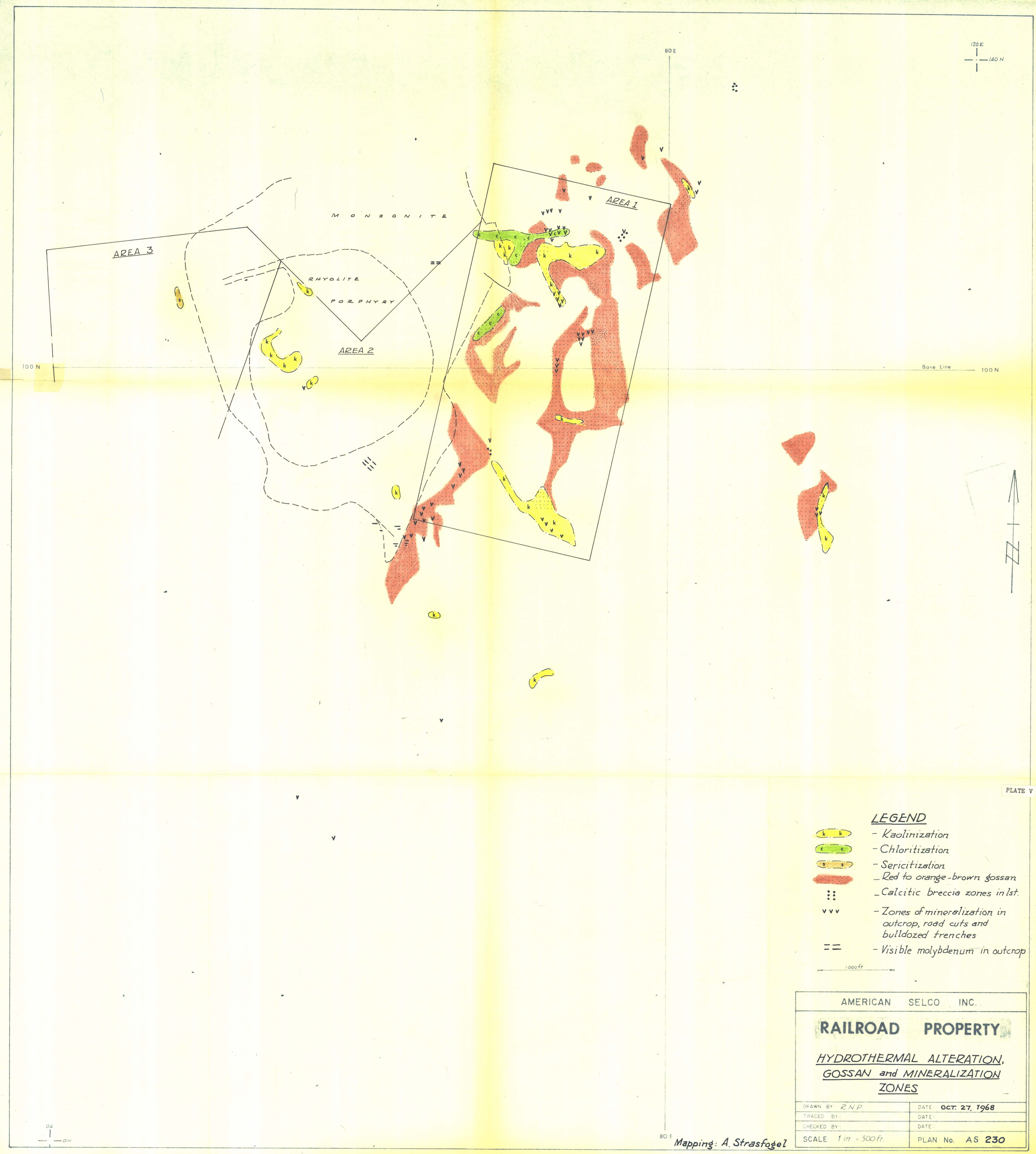
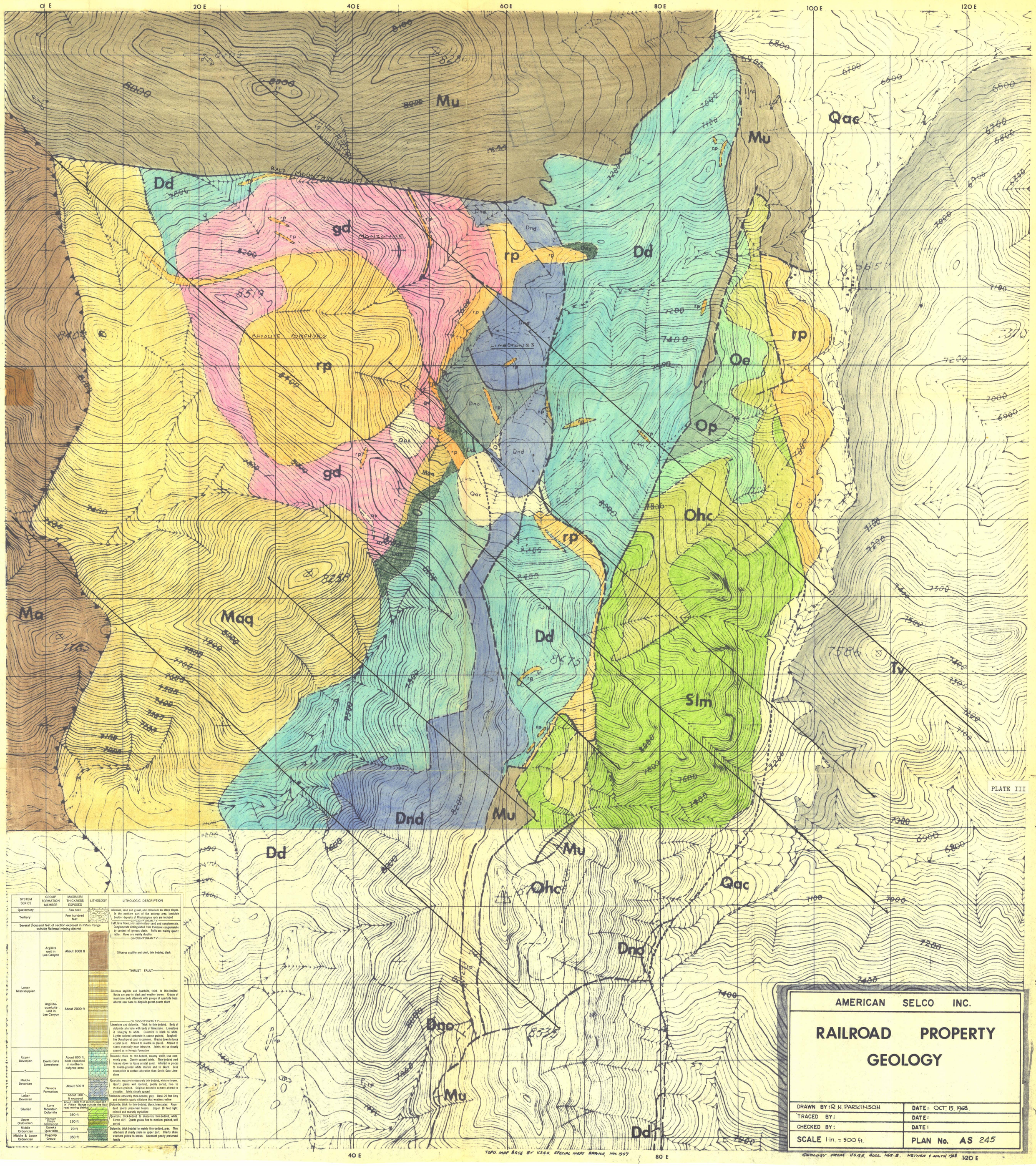


PLATE XVI
AREA 1
AREA 2
AREA 3
COPPER-MOLYBDENUM-GOLD EXPLORATION
COPPER-SILVER-LEAD-ZINC EXPLORATION
MERCURY ANOMALIES (SILVER-GOLD?) & EXPLORATION HOLES
CENTER OF MERCURY GEOCHEMICAL SOIL ANOMALY OF 3 PPM
2000-GAMMA NEGATIVE MAGNETIC ANOMALY
HIGHLY ALTERED AND LEACHED SEDIMENTS AND MONZONITE
VISIBLE MOLYBDENITE
RECENT ASSAY OF MONZONITE
Copper - 2.80%
Moly - Trace
RECENT ASSAY OF QUARTZ VEIN
Silver - 42.80 oz/ton
Gold - .01 oz/ton
ORIGINAL SILVER MINING AREA
FAULTS INTERPRETED FROM MAGNETIC AND GEOCHEMICAL SURVEYS.
PROPOSED 5¼" DIAM. ROTARY DRILL HOLES - DEPTH 500'
AMERICAN SELCO INC.
RAILROAD PROPERTY
PROPOSED EXPLORATION DRILLING UNDER O.M.E. ASSISTANCE PROGRAM
DRAWN BY: R.N.P.
DATE: JAN. 17, 1969
TRACED BY: R.N.P.
DATE: MAR. 5, 1969
CHECKED BY:
DATE:
SCALE 1 in. = 500 ft.
PLAN No. AS 357 A


ROAD CONSTRUCTION
CAMP IMPROVEMENTS
DAVIS TUNNEL
SWEEPSTAKES
MAGNETOMETER SURVEY
20 Line-miles at 100-ft. stations
PERMANENT SURVEY GRID
½" steel pins at 1000' centers
STANDING ELK-5
TRENCH & ROAD CUT SAMPLING
CLAIM STAKING - 45 Selco Claims
- 45 Discovery Excavations
- 183 Posts - 4" x 4" x 6'-0"
GEOCHEMICAL SOIL SURVEY
1092 Samples at 250' centres
analyzed for Cu, Pb, Zn, Au, Ag,
Ni, Hg, As and Mo.
UNDERGROUND SAMPLING
Four adits - approx. 7000 ft.
GREY EAGLE
PLATE VI
AMERICAN SELCO INC.
RAILROAD PROPERTY
FIELD OPERATIONS - 1968
DRAWN BY: R.N.P.
DATE: JAN. 17, 1969
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in. = 500 ft.
PLAN No. AS 351


80 E
120 E
140 N
AREA 1
AREA 2
AREA 3
MONZONITE
RHYOLITE
PORPHYRY
100 N
Base Line
100 N
N
PLATE V
LEGEND
- Kaolinization
- Chloritization
- Sericitization
- Red to orange-brown gossan
- Calcitic breccia zones in lst.
- Zones of mineralization in outcrop, road cuts and bulldozed trenches
- Visible molybdenum in outcrop
1000 ft
AMERICAN SELCO INC.
RAILROAD PROPERTY
HYDROTHERMAL ALTERATION, GOSSAN and MINERALIZATION ZONES
DRAWN BY: R.N.P.
DATE: OCT. 27, 1968
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in = 500 ft.
PLAN No. AS 230
Mapping: A. Strasfogel
80 E
0E
0N



SYSTEM SERIES	GROUP FORMATION MEMBER	MAXIMUM THICKNESS EXPOSED	LITHOLOGY	LITHOLOGIC DESCRIPTION
Quaternary		Few feet		Alluvium, sand and gravel, and colluvium on steep slopes. In the northern part of the outcrop area, landslide boulder deposits of Mississippian rock are included
Tertiary		Few hundred feet		Tuff, lava flows, and sedimentary sand and conglomerate. Conglomerate distinguished from Paleozoic conglomerate by content of igneous clasts. Tuffs are mainly quartz latite. Flows are mainly rhyolite
				—UNCONFORMITY—
Several thousand feet of section exposed in Pifion Range outside Railroad mining district				
Lower Mississippian	Argillite unit in Lee Canyon	About 1000 ft		Siliceous argillite and chert, thin bedded, black
				—THRUST FAULT—
	Argillite-quartzite unit in Lee Canyon	About 2000 ft		Siliceous argillite and quartzite, thick- to thin-bedded. Rocks are gray to black and weather brown. Groups of mudstone beds alternate with groups of quartzite beds. Altered near base to diopside-garnet-quartz skarn
				—DISCONFORMITY—
Upper Devonian	Devils Gate Limestone	About 800 ft, beds repeated in northern outcrop area		Limestone and dolomite. Thick- to thin-bedded. Beds of dolomite alternate with beds of limestone. Limestone is bluegray to white. Dolomite is black to white. Lighter colored carbonate is coarse grained. Spaghetti-like (Amphipora) coral is common. Breaks down to loose crystal sand. Altered to marble in places. Altered to skarn, especially near intrusive. Joints not so closely spaced as in Nevada Formation
?				
Middle Devonian	Nevada Formation	About 500 ft		Dolomite, thick- to thin-bedded, creamy white, less commonly gray. Closely spaced joints. Thin-bedded part breaks down to loose crystal sand. Altered in places to coarse-grained white marble and to skarn. Less susceptible to contact alteration than Devils Gate Limestone
?				Quartzite, massive to obscurely thin-bedded, white or brown. Quartz grains well rounded, poorly sorted, fine- to medium-grained. Original dolomite cement altered to diopside. Joints closely spaced
Lower Devonian		About 100 ft exposed		Dolomite obscurely thick-bedded, gray. Basal 20 feet limy and dolomitic quartz siltstone that weathers yellow
Silurian	Lone Mountain Dolomite	About 1000 ft of section exposed in Pifion Range outside the Railroad mining district		Dolomite, thick- to thin-bedded, black, brecciated. Abundant poorly preserved fossils. Upper 10 feet light colored and coarsely crystalline
Upper Ordovician	Hanson Creek Formation	350 ft		Quartzite, thick-bedded to obscurely thin-bedded, white. Forms cliff. Quartz grains fine to medium grained, well sorted
Middle Ordovician	Eureka Quartzite	130 ft		
Middle & Lower Ordovician	Pogonip Group	70 ft		Dolomite, thick-bedded to mainly thin-bedded, gray. Thin interbeds of cherty shale in upper part. Cherty shale weathers yellow to brown. Abundant poorly preserved fossils
		350 ft		

AMERICAN SELCO INC.

RAILROAD PROPERTY GEOLOGY

DRAWN BY: R.N. PARKINSON	DATE: OCT. 15, 1968.
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in. = 500 ft.	PLAN No. AS 245

TOPO. MAP BASE BY U.S.G.S. SPECIAL MAPS BRANCH, Nov. 1957

GEOLOGY FROM U.S.G.S. BULL. 1162-B. KETNER & SMITH, 1963

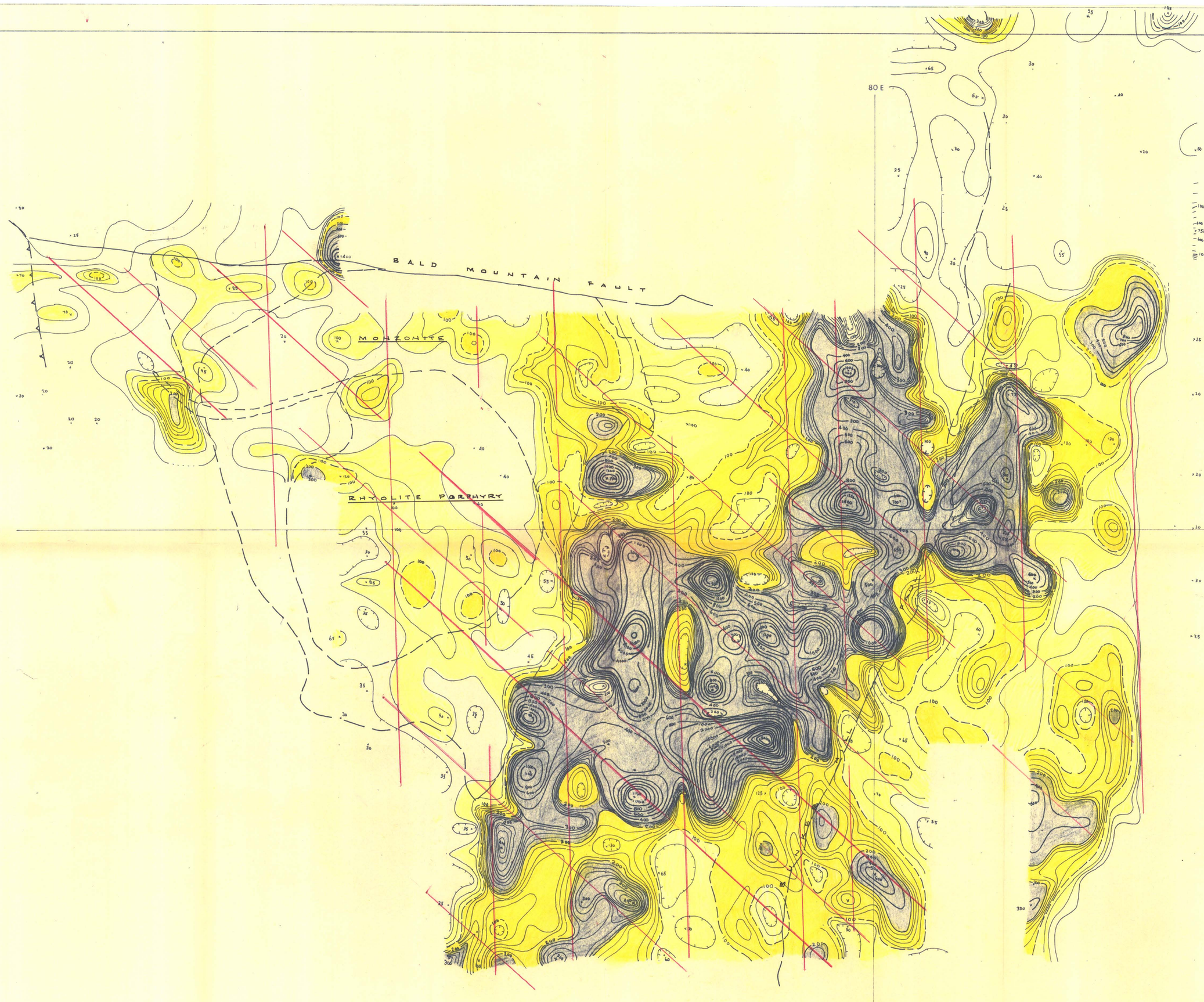


PLATE XIX

AMERICAN SELCO INC.

RAILROAD PROPERTY GEOCHEMICAL SOIL SAMPLING

LEAD, in p.p.m.

DRAWN BY: R.N.P.	DATE: DEC. 7, 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in. = 500 ft.	PLAN No. AS 240

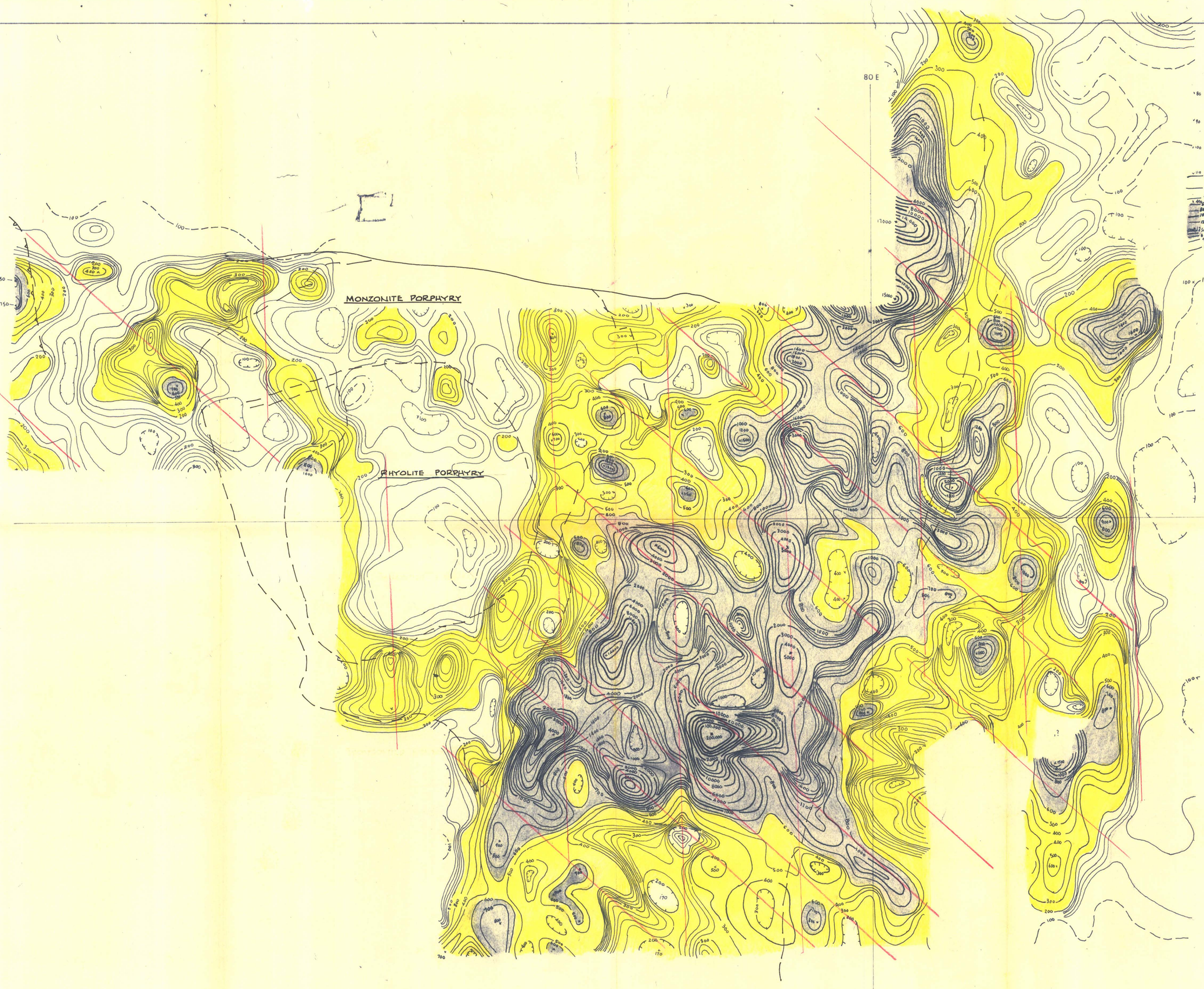


PLATE XX

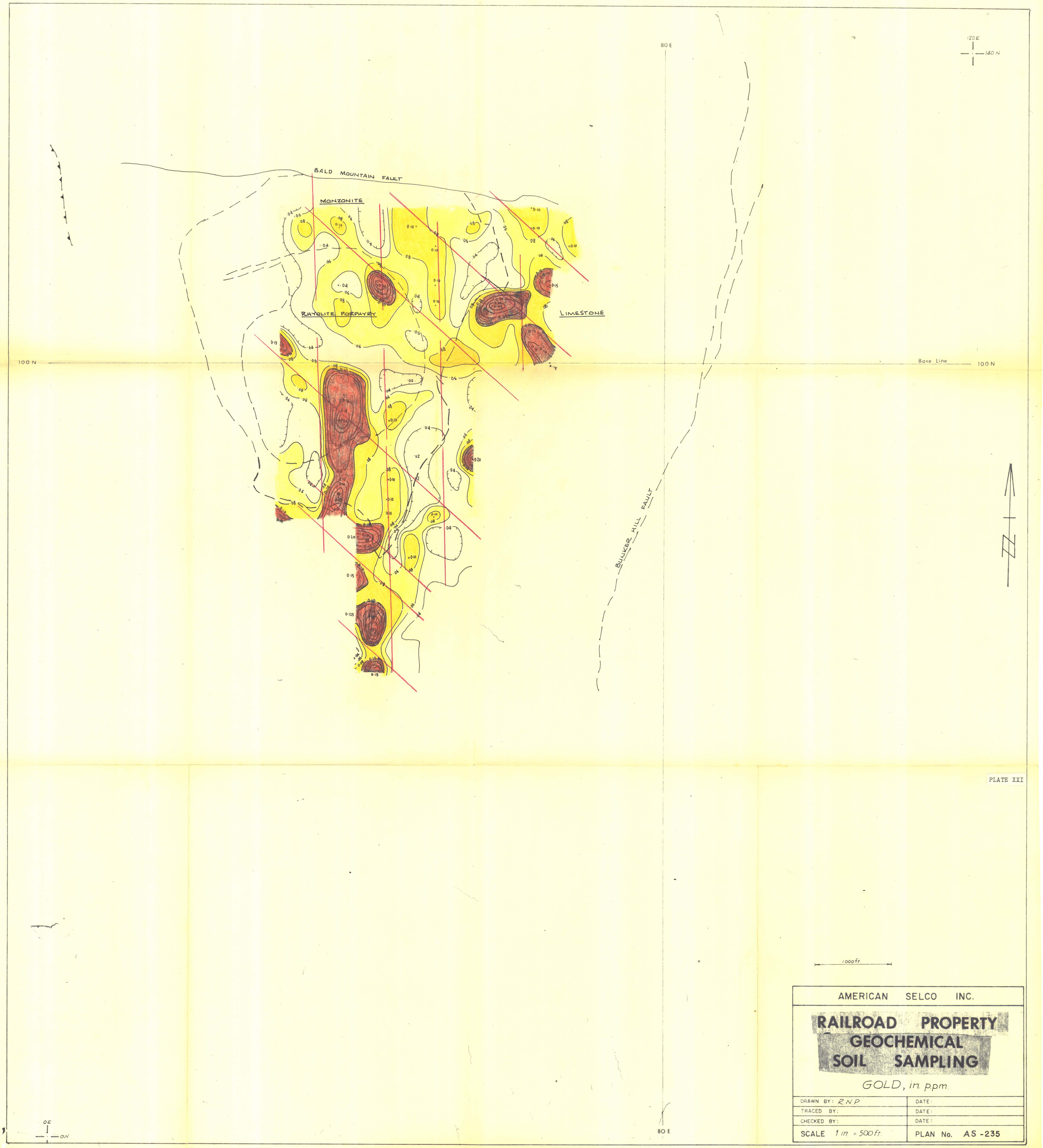
1000 ft.

AMERICAN SELCO INC.

RAILROAD PROPERTY GEOCHEMICAL SOIL SAMPLING

ZINC, in. p.p.m.

DRAWN BY: R.N.P.	DATE: Oct. 22. 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in. = 500 ft.	PLAN No. AS 241


BALD MOUNTAIN FAULT
MONZONITE
RHYOLITE PORPHYRY
LIMESTONE
BUNKER HILL FAULT
100 N
Base Line
100 N
80 E
120 E
140 N
N
PLATE XXI
1000 ft
AMERICAN SELCO INC.
RAILROAD PROPERTY
GEOCHEMICAL
SOIL SAMPLING
GOLD, in p.p.m.
DRAWN BY: R.N.P.
DATE:
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in = 500 ft.
PLAN No. AS-235
0E
0N
80 E

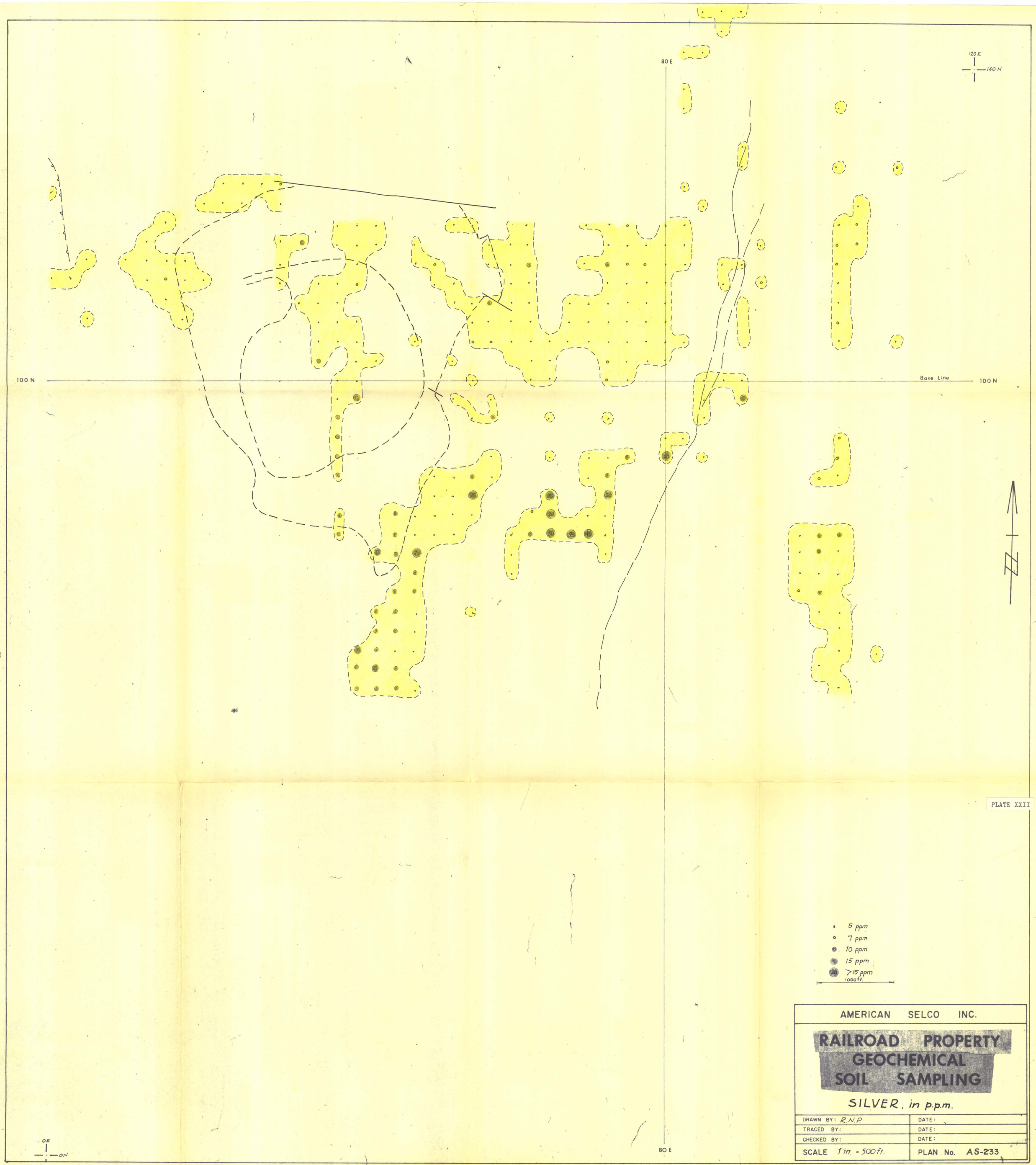

120 E
140 N
80 E
100 N
Base Line
100 N
N
5 ppm
7 ppm
10 ppm
15 ppm
>15 ppm
1000 ft.
AMERICAN SELCO INC.
RAILROAD PROPERTY
GEOCHEMICAL
SOIL SAMPLING
SILVER, in p.p.m.
DRAWN BY: R.N.P.
DATE:
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in. = 500 ft.
PLAN No. AS-233
0E
0N
80 E

PLATE XXII

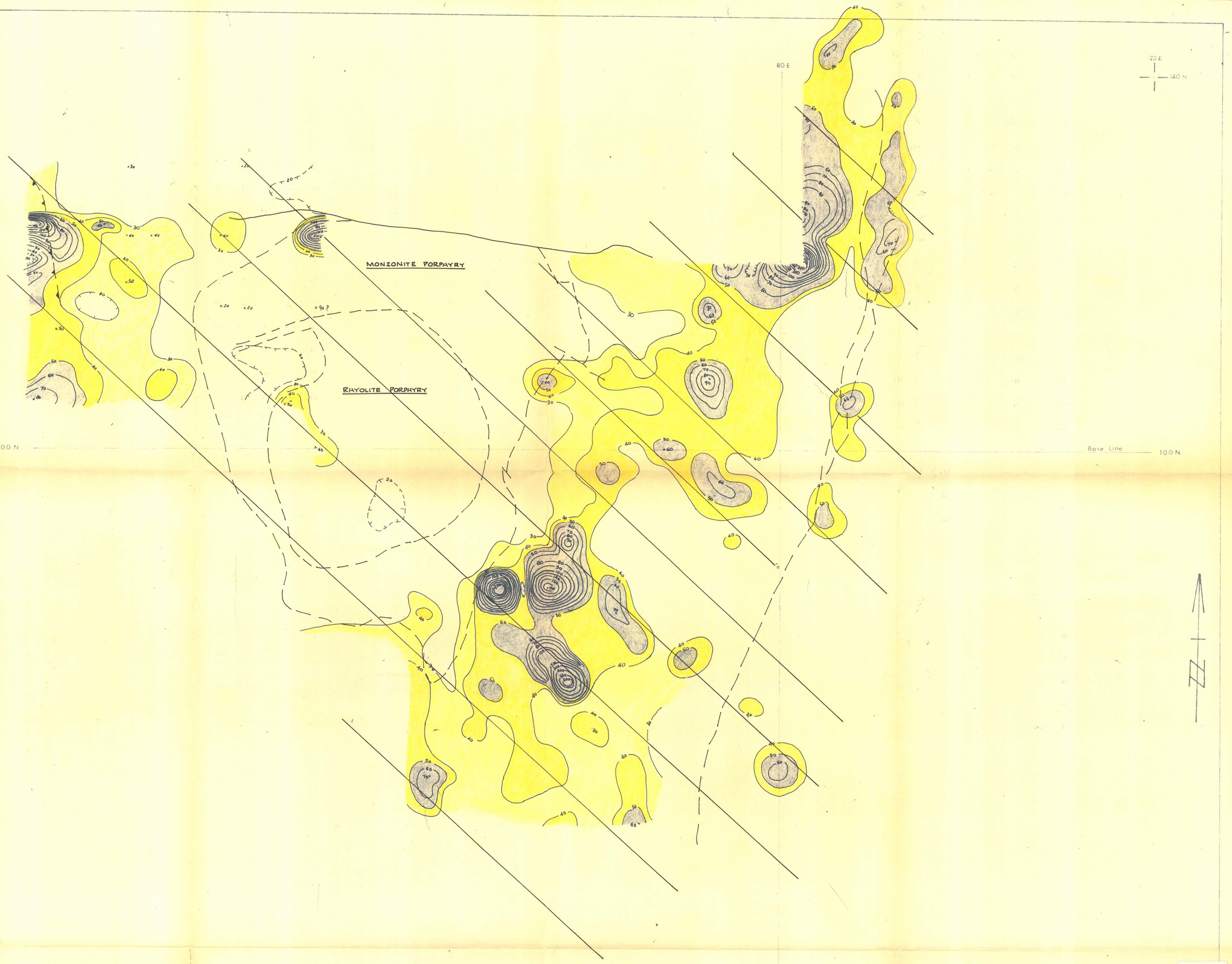


PLATE XXV

AMERICAN SELCO INC.

RAILROAD PROPERTY GEOCHEMICAL SOIL SAMPLING

NICKEL, in p.p.m.

DRAWN BY: R.N.P	DATE: OCT. 25, 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in = 500 ft.	PLAN No. AS-239

120 E
140 N
80 E
BALD MOUNTAIN FAULT
LIMESTONE
MONZONITE
RHYOLITE PORPHYRY
LIMESTONES
MISSISSIPPIAN ARGILLITE AND QUARTZITE
BUNKER HILL FAULT
100 N
Base Line
100 N
N
1000 ft
AMERICAN SELCO INC.
RAILROAD PROPERTY
GEOCHEMICAL
SOIL SAMPLING
MERCURY, in p.p.m.
DRAWN BY: R.N.P.
DATE: Oct. 25, 1968
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in = 500 ft
PLAN No. AS-237
0E
0N
80 E

PLATE XXVI

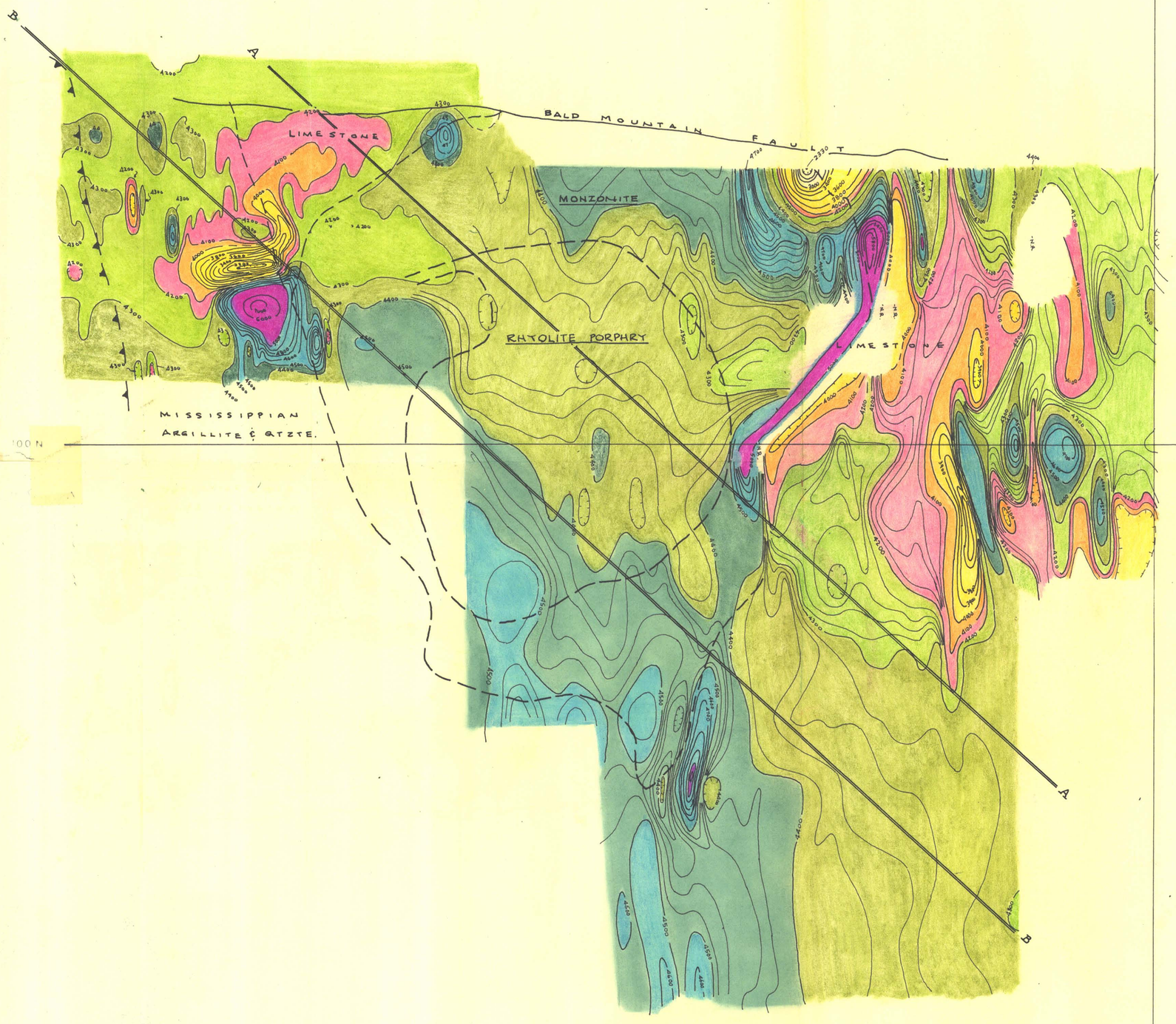


PLATE XV

AMERICAN SELCO INC.

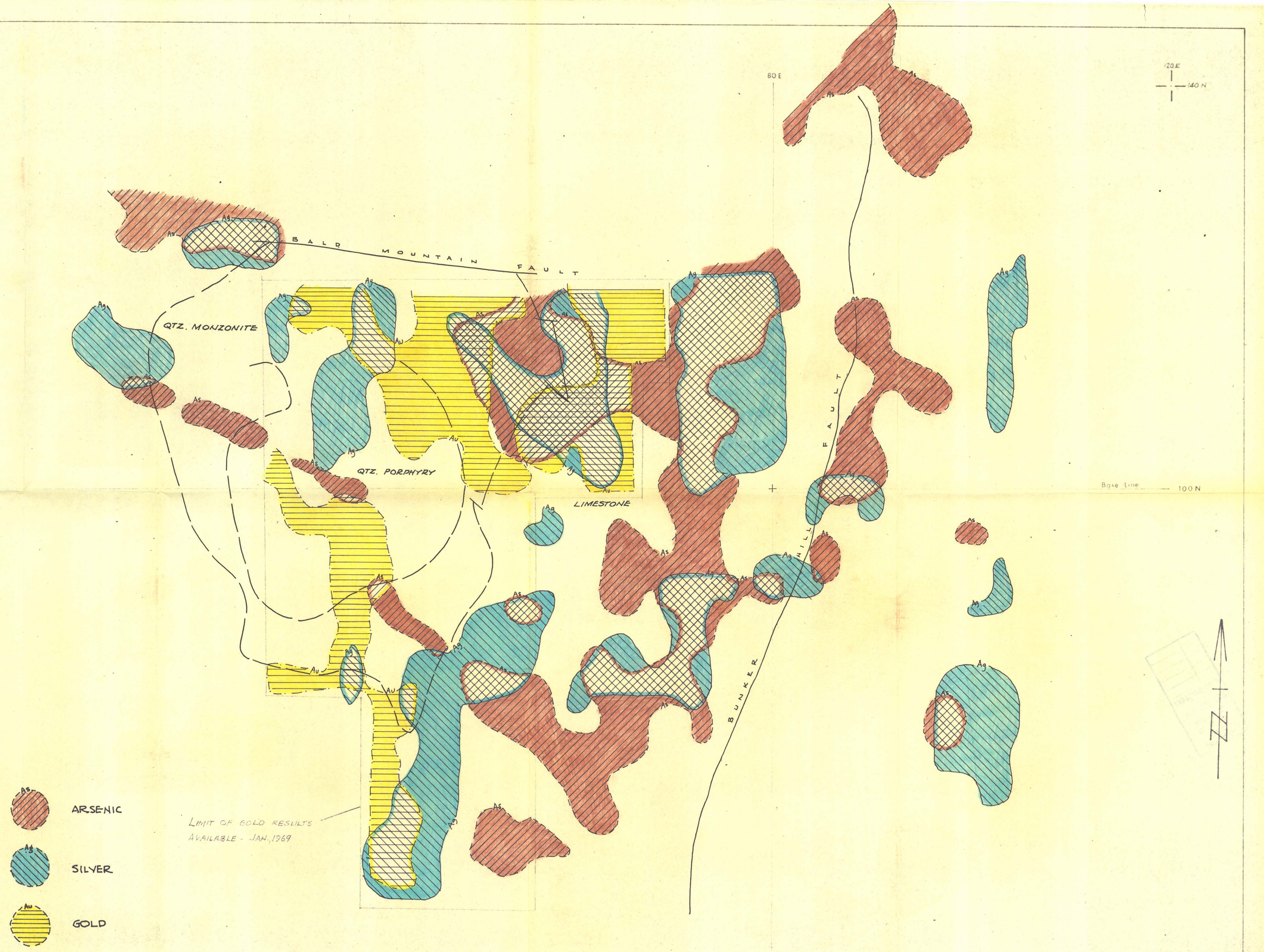
RAILROAD PROPERTY

MAGNETOMETER SURVEY

(CENTRAL AREA)

DRAWN BY R.N.P.	DATE DEC. 3, 1968
TRACED BY	DATE
CHECKED BY	DATE
SCALE 1 in = 500 ft	PLAN No. AS 340 A

INSTRUMENT:
BARRINGER GM 102



AMERICAN SELCO INC.

RAILROAD PROPERTY

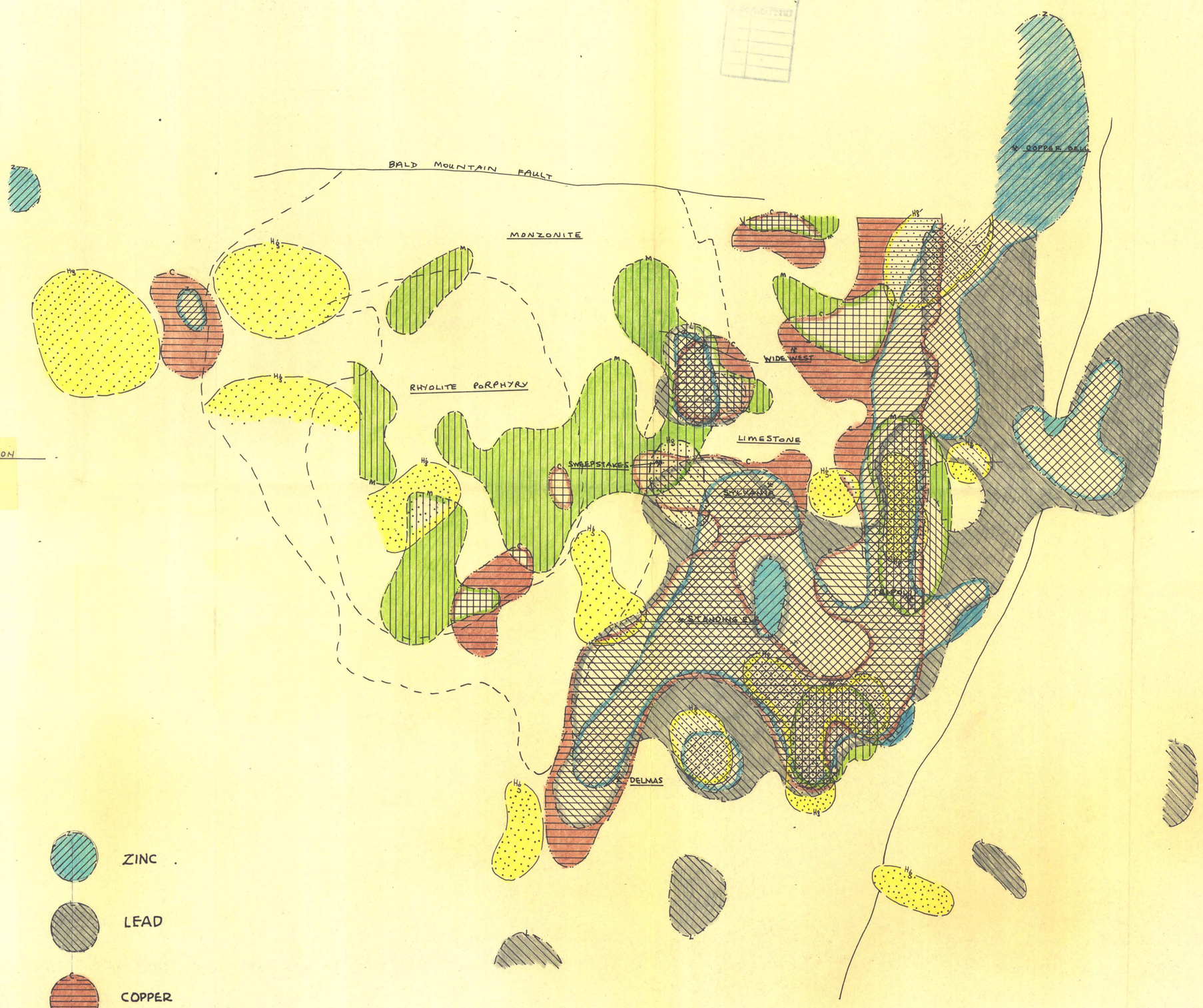
GEOCHEMICAL SOIL SURVEYS

SUMMARY OF METAL DISTRIBUTION

ARSENIC - SILVER - GOLD

DRAWN BY: RNP	DATE:
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in = 500 ft	PLAN No. AS 356A

PLATE XIV



ZINC

LEAD

COPPER

MOLYBDENUM

MERCURY

NOTE: GOLD, SILVER AND ARSENIC ARE NOT SHOWN DUE TO LACK OF SPACE. THE DISTRIBUTION OF THESE ELEMENTS CAN BE SEEN IN MAPS:

AS 233 - SILVER
AS 234 - ARSENIC
AS 235 - GOLD

PLATE XIII

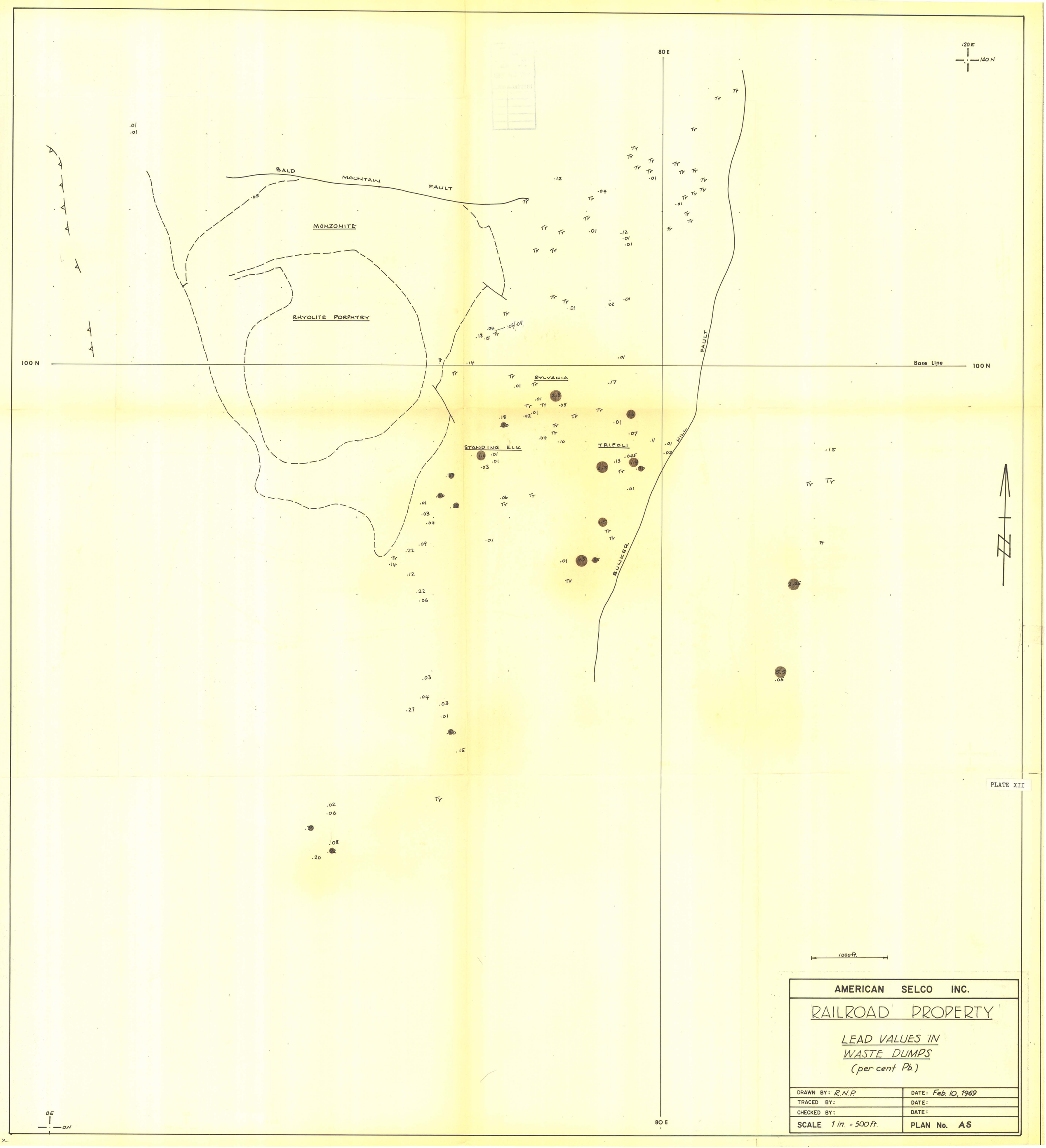
AMERICAN SELCO INC.

RAILROAD PROPERTY

GEOCHEMICAL SOIL SURVEYS
SUMMARY OF METAL DISTRIBUTION

ZINC, LEAD, COPPER, MOLYBDENUM & MERCURY

DRAWN BY: R.N.P.	DATE: JAN. 20, 1969
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in = 500 ft.	PLAN No. AS 356


120 E
140 N
80 E
BALD MOUNTAIN FAULT
MONZONITE
RHYOLITE PORPHYRY
SYLVANIA
STANDING ELK
TRIPOLI
BUNKER HILL FAULT
100 N
Base Line
100 N
PLATE XII
1000 ft.
AMERICAN SELCO INC.
RAILROAD PROPERTY
LEAD VALUES IN WASTE DUMPS
(per cent Pb.)
DRAWN BY: R.N.P.
DATE: Feb. 10, 1969
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in. = 500 ft.
PLAN No. AS
0E
0N
80 E

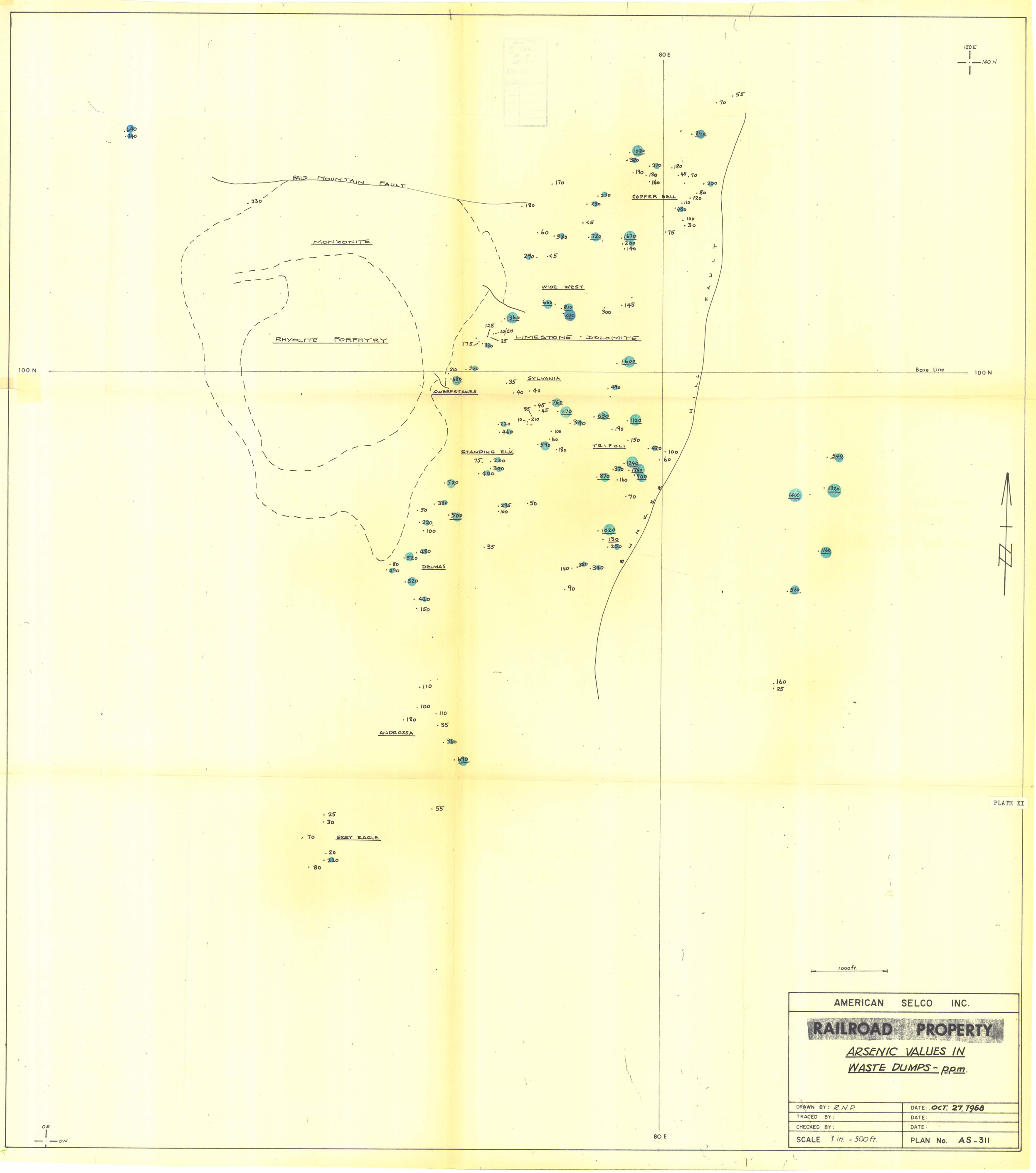

120 E
140 N
80 E
BALD MOUNTAIN FAULT
MONZONITE
RHYOLITE PORPHYRY
COPPER BELL
WIDE WEST
LIMESTONE - DOLOMITE
SYLVANIA
SWEEPSTAKES
STANDING ELK
TRIPOLI
DELMAS
ANDROSSA
GREY EAGLE
100 N
Base Line
100 N
1000 ft.
AMERICAN SELCO INC.
RAILROAD PROPERTY
ARSENIC VALUES IN
WASTE DUMPS - p.p.m.
DRAWN BY: R.N.P.
DATE: OCT. 27, 1968
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in. = 500 ft.
PLAN No. AS-311
0E
0N
80 E

PLATE XI

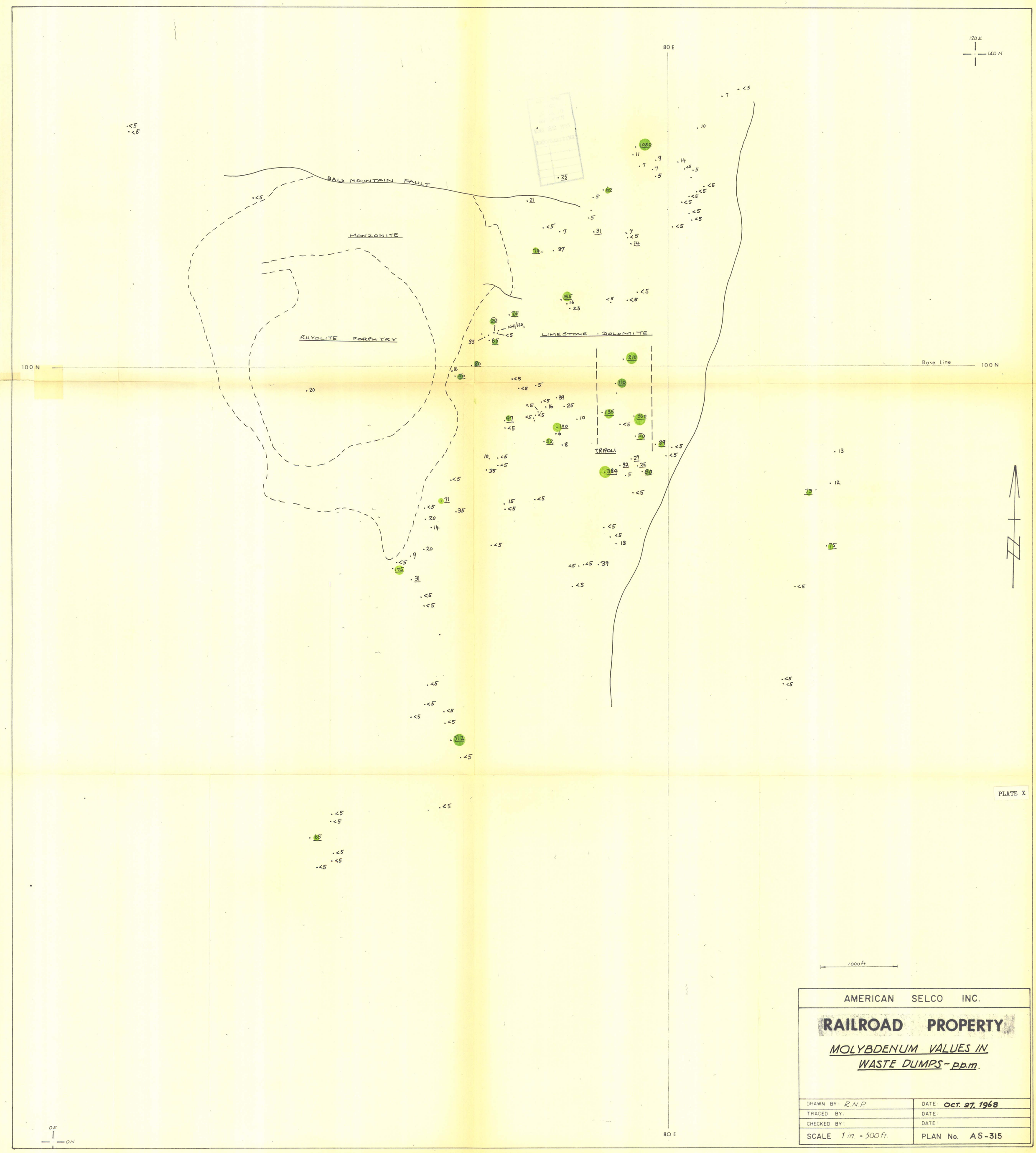


PLATE X

AMERICAN SELCO INC.

RAILROAD PROPERTY

MOLYBDENUM VALUES IN WASTE DUMPS - p.p.m.

DRAWN BY: R.N.P	DATE: Oct. 27, 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in. = 500 ft	PLAN No. AS-315

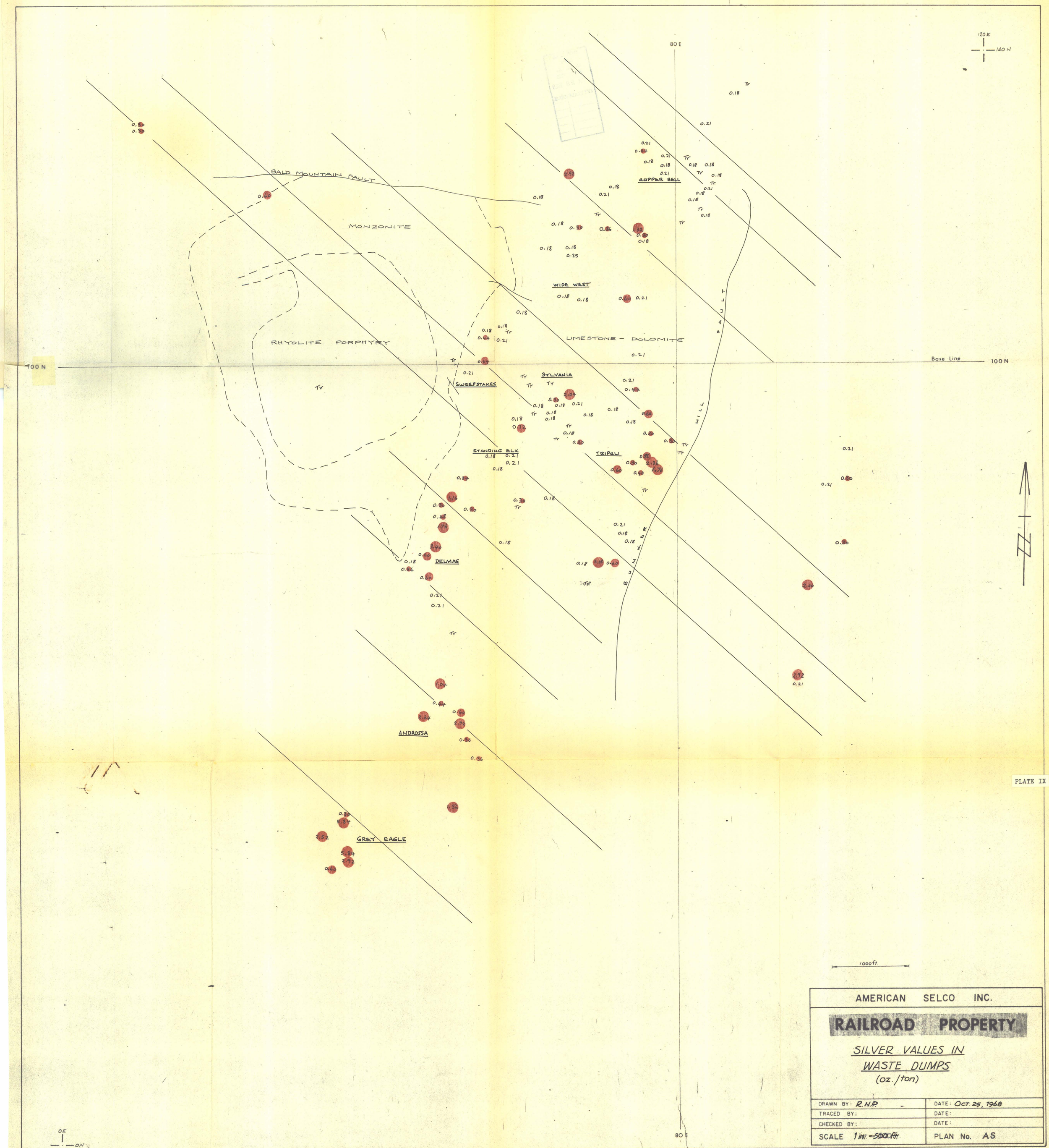
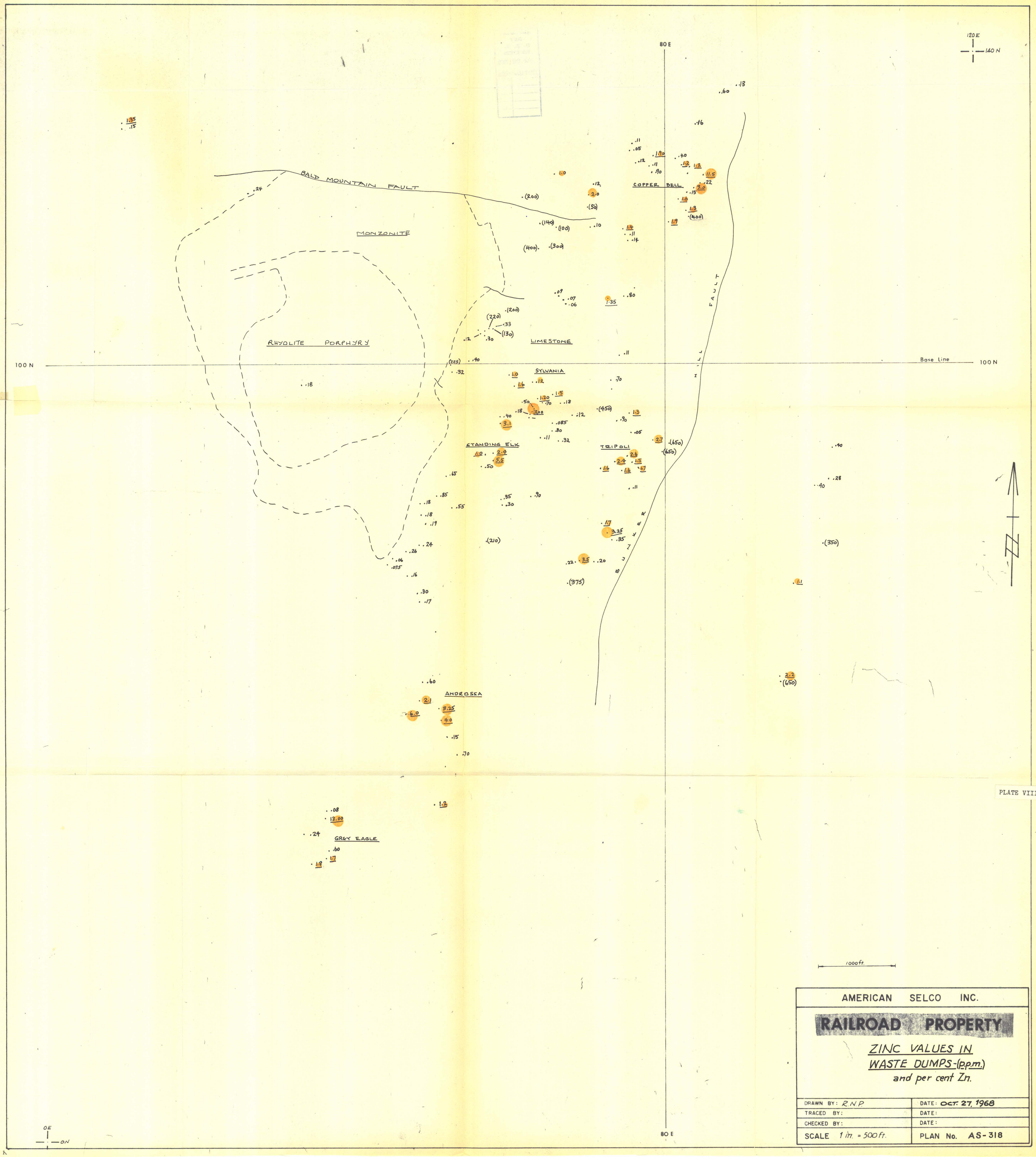

120 E
140 N
80 E
BALD MOUNTAIN FAULT
MONZONITE
RHYOLITE PORPHYRY
LIMESTONE - DOLOMITE
COPPER BELL
WIDE WEST
SYLVANIA
SWEEPSTAKES
STANDING ELK
TRIPOLI
DELMAS
ANDROSSA
GREY EAGLE
FAULT
HILL
VALLEY
Base Line
100 N
100 N
1000 ft.
AMERICAN SELCO INC.
RAILROAD PROPERTY
SILVER VALUES IN
WASTE DUMPS
(oz./ton)
DRAWN BY: R.N.P.
DATE: OCT. 25, 1968
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in. = 5000 ft.
PLAN No. AS
0E
0N
80 E

PLATE IX


120 E
140 N
80 E
BALD MOUNTAIN FAULT
MONZONITE
RHYOLITE PORPHYRY
COPPER BELL
LIMESTONE
SYLVANIA
STANDING ELK
TRIPOLI
ANDROSSA
GREY EAGLE
100 N
Base Line
100 N
1000 ft.
0E
0N
80 E
PLATE VIII
AMERICAN SELCO INC.
RAILROAD PROPERTY
ZINC VALUES IN
WASTE DUMPS-(p.p.m.)
and per cent Zn.
DRAWN BY: R.N.P.
DATE: OCT. 27, 1968
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in. = 500 ft.
PLAN No. AS-318

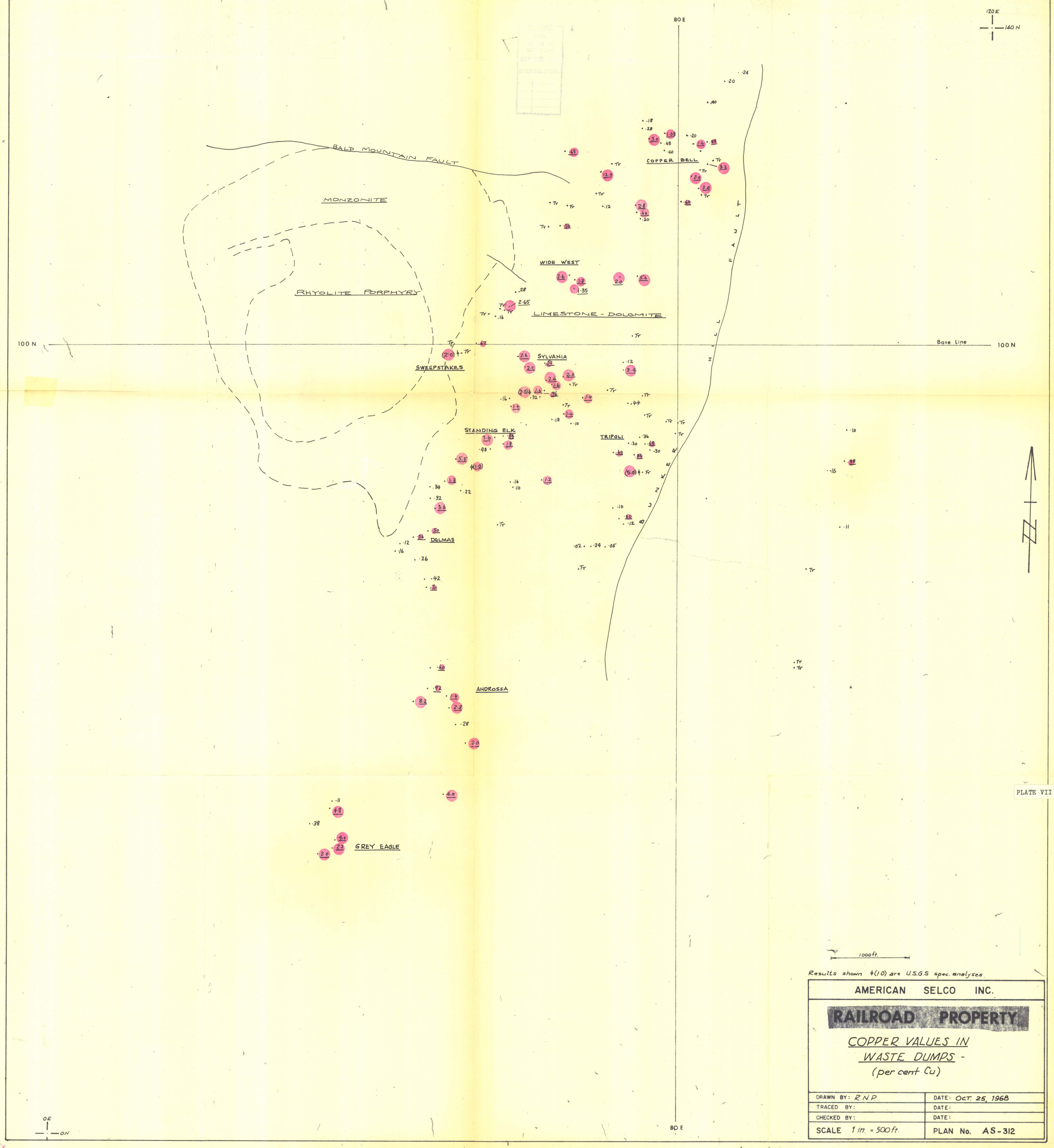

120 E
140 N
80 E
BALD MOUNTAIN FAULT
MONZONITE
RHYOLITE PORPHYRY
COPPER BELL
WIDE WEST
LIMESTONE - DOLOMITE
SYLVANIA
SWEEPSTAKES
STANDING ELK
TRIPOLI
DELMAS
ANDROSSA
GREY EAGLE
100 N
Base Line
100 N
1000 ft.
Results shown 4(1.0) are U.S.G.S spec. analyses.
AMERICAN SELCO INC.
RAILROAD PROPERTY
COPPER VALUES IN WASTE DUMPS -
(per cent Cu)
DRAWN BY: R.N.P.
DATE: OCT. 25, 1968
TRACED BY:
DATE:
CHECKED BY:
DATE:
SCALE 1 in. = 500 ft.
PLAN No. AS-312
0E
0N
80 E

PLATE VII

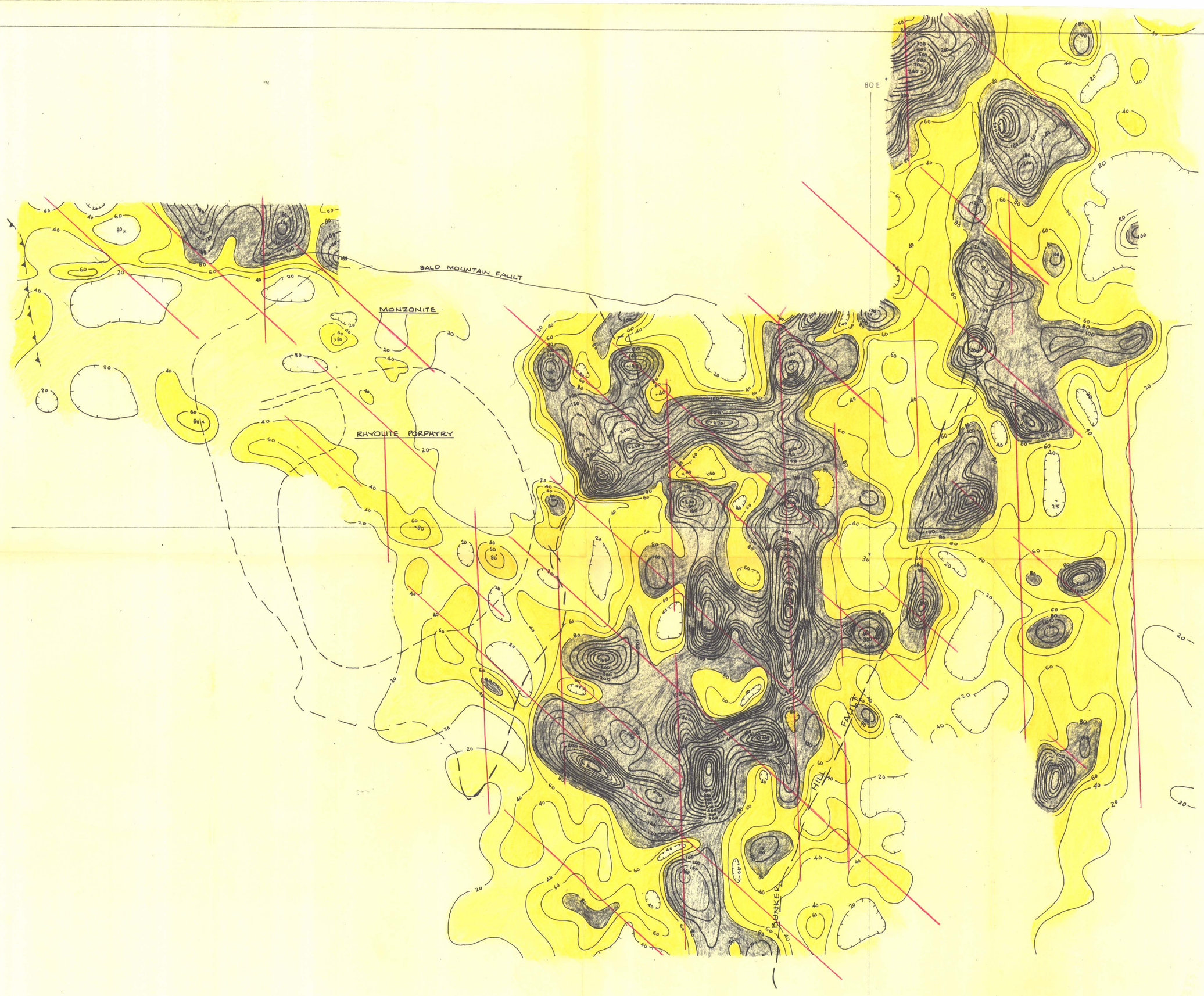


PLATE XXIII

1000 ft.

0 E
0 N

AMERICAN SELCO INC.

RAILROAD PROPERTY GEOCHEMICAL SOIL SAMPLING

ARSENIC, in ppm

DRAWN BY: R.N.P.	DATE: OCT. 27, 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE - 1 in. = 500 ft.	PLAN No. AS-234

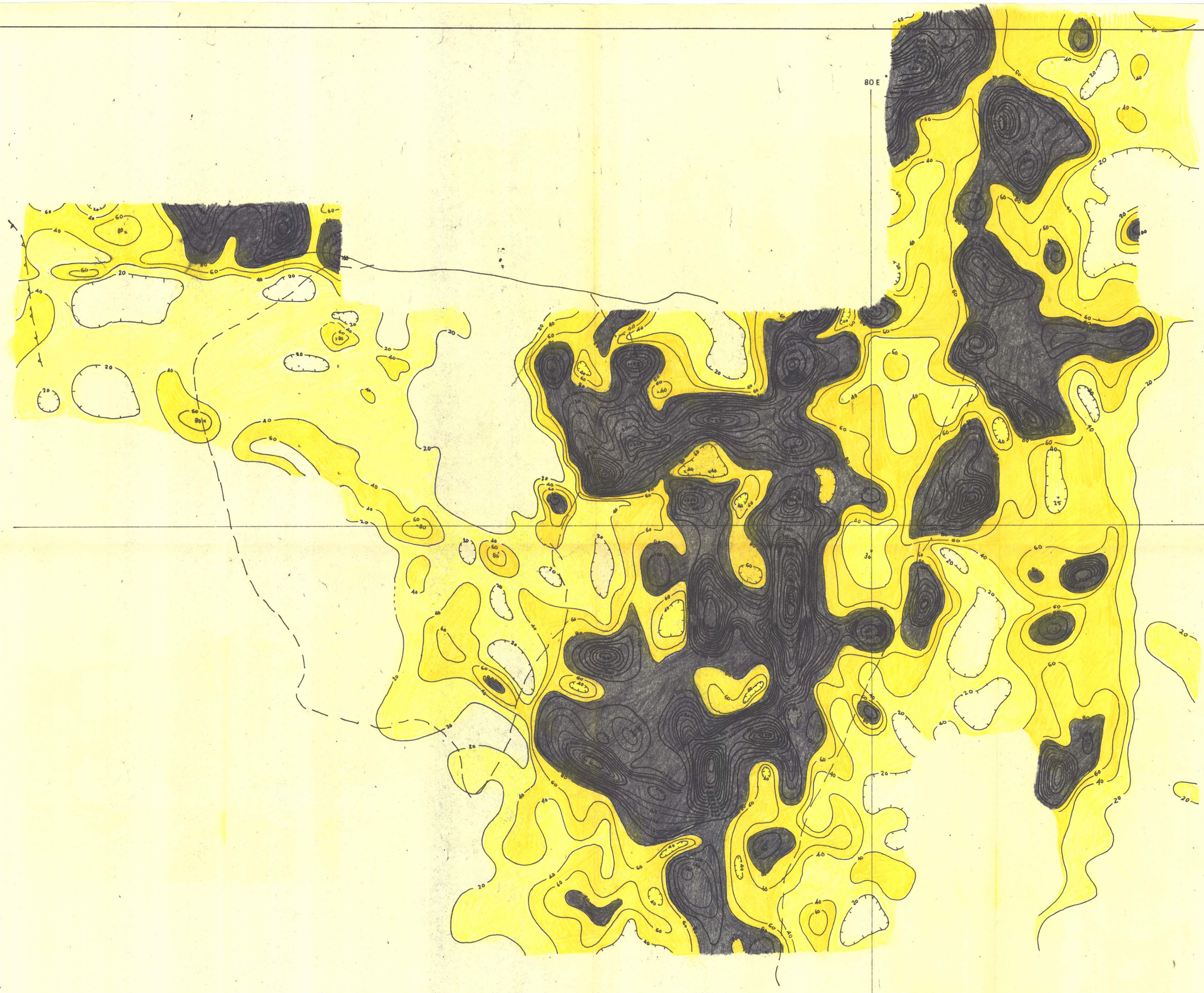


PLATE XXIII

1000 ft.

AMERICAN SELCO INC.

RAILROAD PROPERTY GEOCHEMICAL SOIL SAMPLING

ARSENIC, in ppm

DRAWN BY: R.N.P.	DATE: OCT. 27, 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in. = 500 ft.	PLAN No. AS-234

PLATE XXIV

1000 ft

AMERICAN SELCO INC.

RAILROAD PROPERTY GEOCHEMICAL SOIL SAMPLING

MOLYBDENUM, in p.p.m.

DRAWN BY: R.N.P	DATE: Dec. 10, 1968
TRACED BY:	DATE:
CHECKED BY:	DATE:
SCALE 1 in. = 500 ft.	PLAN No. AS 238

NOTE: FOR THIS MAP, DATA FROM ROCK CHIP SAMPLES WAS ADDED TO SOIL SAMPLE RESULTS TO MAKE A MORE COMPLETE PLOT.

80 E

0E

0N