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# First Maritime Mining Corporation Limited

(No Personal Liability)

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## Annual Report

For the year ended December 31,

**1982**

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# First Maritime Mining Corporation Limited

(No Personal Liability)

Incorporated under the laws of New Brunswick on December 30, 1955

DIRECTORS	J. J. HOGAN.....New York, New York
	R. J. ISAACS.....Islington, Ontario
	A. G. KIRKLAND.....Saint John, New Brunswick
	D. A. MACFARLANE.....Saint John, New Brunswick
	DR. A. L. MCALLISTER.....Fredericton, New Brunswick

OFFICERS	D. A. MACFARLANE..... <i>President and Treasurer</i>
	J. K. IRVING..... <i>Executive Vice-President</i>
	A. L. IRVING..... <i>Executive Vice-President</i>
	J. E. IRVING..... <i>Executive Vice-President</i>
	A. G. KIRKLAND..... <i>Vice-President</i>
	W. D. JAMIESON..... <i>Secretary</i>

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HEAD OFFICE	GOLDEN BALL BUILDING.....Saint John, New Brunswick
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AUDITORS	COOPERS & LYBRAND.....Saint John, New Brunswick
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TRANSFER AGENT	GUARANTY TRUST COMPANY OF CANADA.....Toronto, Ontario
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ANNUAL MEETING	June 22, 1983, 2:30 P.M. (Saint John time) Golden Ball Building, Saint John, New Brunswick
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# First Maritime Mining Corporation Limited

(No Personal Liability)

## **DIRECTORS' REPORT TO THE SHAREHOLDERS:**

Earnings for the year 1982 before extraordinary item were \$383,600 (\$0.07 per share) compared with \$1,244,903 (\$0.23 per share) in 1981. The major factor accounting for the decreased earnings was the reduction in dividends received from the Corporation's investment in Brunswick Mining and Smelting Corporation Limited ("Brunswick"). That company, because of its lower earnings in 1982, reduced its dividend payments from 60¢ per share to 15¢ per share.

First Maritime continues to hold its investment in 1,772,453 shares of Brunswick. Brunswick's net earnings in 1982 declined to \$16.5 million or \$0.48 a share from \$30.4 million or \$0.90 per share in 1981. The reduction in earnings was due primarily to lower metal prices which were realized during 1982 and continued in the first quarter of 1983. Brunswick's management foresee a surplus of mine capacity over metal demand in 1983 and state that earnings for 1983 will depend on the level of demand and metal prices. Considerable emphasis is being placed on cost control and employee productivity.

During the year your Corporation purchased 136,400 shares of Consolidated Rambler Mines Limited ("Rambler") for \$777,919. It has publicly been reported that underground mining operations at Rambler terminated on April 30, 1982. Since that date, all underground equipment has been removed and all concentrate shipped to the smelter. The Company is in a very liquid position, having a working capital at December 31, 1982 of \$30.4 million.

With respect to exploration, your Corporation continued the two programs begun in the previous year, one in Newfoundland and the other in New Brunswick. As the further work did not produce finds of economic value, the program has been terminated.

Saint John, N.B.  
May 15, 1983

On behalf of the Board  
D. A. Macfarlane,  
PRESIDENT

# COOPERS & LYBRAND

CHARTERED ACCOUNTANTS  
801 BRUNSWICK HOUSE  
SAINT JOHN, N. B., CANADA

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of First Maritime Mining Corporation Limited (No personal liability) as at December 31, 1982 and the statements of earnings and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the corporation as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

January 21, 1983

COOPERS & LYBRAND  
CHARTERED ACCOUNTANTS

# First Maritime Mining Corporation Limited

(No Personal Liability)

BALANCE SHEET AS AT DECEMBER 31, 1982

## ASSETS

	1982	1981
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and short-term deposits .....	1,277,405	2,300,057
Demand loans receivable from affiliated companies (note 2) .....	816,000	—
Accounts receivable .....	8,230	63,077
	<u>2,101,635</u>	<u>2,363,134</u>
INVESTMENTS (note 1) .....	6,037,275	5,259,356
LAND — AT NOMINAL VALUE .....	2	2
	<u>8,138,912</u>	<u>7,622,492</u>

## LIABILITIES

### CURRENT LIABILITIES

Accounts payable and accrued liabilities .....	<u>2,010</u>	<u>2,190</u>
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## SHAREHOLDERS' EQUITY

### CAPITAL STOCK

Authorized —

7,000,000 shares of \$1 par value

Issued and fully paid —

5,371,280 shares .....

5,371,280

5,371,280

CONTRIBUTED SURPLUS .....

8,766,794

8,766,794

DEFICIT .....

(6,001,172)

(6,517,772)

8,136,902

7,620,302

SIGNED ON BEHALF OF THE BOARD

8,138,912

7,622,492

D. A. MACFARLANE, Director

A. G. KIRKLAND, Director

# First Maritime Mining Corporation Limited

(No Personal Liability)

## STATEMENT OF EARNINGS AND DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1982

	1982	1981
	\$	\$
REVENUE		
Dividend income .....	265,868	1,061,642
Interest income (including \$97,000; 1981 — \$71,000, from affiliated companies) .....	<u>372,481</u>	<u>286,515</u>
	<u>638,349</u>	<u>1,348,157</u>
EXPENSES		
Administration .....	31,544	26,685
Exploration (note 2) .....	<u>90,205</u>	<u>76,569</u>
	<u>121,749</u>	<u>103,254</u>
	516,600	1,244,903
PROVISION FOR INCOME TAXES .....	<u>133,000</u>	<u>—</u>
EARNINGS BEFORE EXTRAORDINARY ITEM .....	383,600	1,244,903
EXTRAORDINARY ITEM		
Recovery of income taxes on application of prior years' losses .....	<u>133,000</u>	<u>—</u>
NET EARNINGS FOR THE YEAR .....	516,600	1,244,903
DEFICIT — BEGINNING OF YEAR .....	<u>6,517,772</u>	<u>7,762,675</u>
DEFICIT — END OF YEAR .....	<u>6,001,172</u>	<u>6,517,772</u>
EARNINGS PER SHARE .....		
Before extraordinary item .....	<u>.07</u>	<u>.23</u>
For the year .....	<u>.10</u>	<u>.23</u>

# First Maritime Mining Corporation Limited

(No Personal Liability)

## STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 1982

	1982	1981
	\$	\$
SOURCE OF WORKING CAPITAL		
From operations .....	516,600	1,244,903
USE OF WORKING CAPITAL		
Purchase of investments .....	<u>777,919</u>	<u>104,826</u>
INCREASE (DECREASE) IN WORKING CAPITAL .....	(261,319)	1,140,077
WORKING CAPITAL — BEGINNING OF YEAR .....	<u>2,360,944</u>	<u>1,220,867</u>
WORKING CAPITAL — END OF YEAR .....	<u><u>2,099,625</u></u>	<u><u>2,360,944</u></u>



# First Maritime Mining Corporation Limited

(No Personal Liability)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1982

### 1. INVESTMENTS

The corporation's investments comprise:

	Cost		Quoted Value	
	1982 \$	1981 \$	1982 \$	1981 \$
Brunswick Mining and Smelting Corporation Limited, 1,772,453 shares .....	5,259,356	5,259,356	24,371,228	25,922,000
Consolidated Rambler Mines Limited, an affiliated company, 136,400 shares.....	<u>777,919</u>	<u>—</u>	<u>733,150</u>	<u>—</u>
	<u>6,037,275</u>	<u>5,259,356</u>	<u>25,104,378</u>	<u>25,922,000</u>

### 2. RELATED PARTY TRANSACTIONS

#### Demand Loan

During the year, the corporation loaned affiliated companies varying amounts on a demand basis at the bank prime interest rate. This has resulted in higher returns than the corporation could otherwise obtain on other demand or short-term investments.

#### Exploration activities

The corporation's exploration activities have been carried out on a cost sharing basis with an affiliated company.

#### Corporation management

The corporation's management and officers are common with certain affiliated companies which share management cost.

### 3. LONG-TERM DEBT

#### Outstanding agreement

Falconbridge Limited, under existing agreements, has the right to participate to the extent of one-third in any future financing which might be arranged by the corporation.

### 4. FUTURE INCOME TAXES

The corporation has accumulated losses for tax purposes of \$812,000 which may be carried forward and used to reduce taxable income in future years and for which no future tax benefit has been recognized in the accounts. These losses may be claimed no later than:

	\$
Year ending December 31, 1983	56,000
1984	431,000
1985	<u>325,000</u>
	<u>812,000</u>

The corporation also has Canadian exploration expense reserves of \$190,000 that may be applied against future income.

Proposed tax legislation extends the application of Part IV tax to this corporation. The current year's income subject to Part IV tax has been reduced to nil on the application of prior years' tax losses.



