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# First Maritime Mining Corporation Limited

(No Personal Liability)

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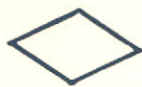
## Annual Report

For the year ended December 31,

**1983**

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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
	W. D. JAMIESON .....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>
	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	May 8, 1984, 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 1983 before extraordinary item were \$468,281 (\$0.09 per share) compared with \$383,600 (\$0.07 per share) in 1982. Earnings after extraordinary item were \$0.10 per share in 1983 compared with \$0.10 in the previous year. Revenue for 1983 was \$600,145 compared with \$638,349 in 1982.

Dividends received from the Corporation's investment in 1,772,453 shares of Brunswick Mining and Smelting Corporation Limited ("Brunswick") were slightly higher in 1983 as Brunswick paid dividends at the rate of 22½¢ per share compared with 15¢ per share in 1982. Brunswick's net earnings in 1983 were \$7.5 million or \$0.22 per share compared with \$16.5 million or \$0.49 per share in 1982. The decrease in 1983 was due to many factors including treating ore having a lower head grade, inventory write-downs and a write-down in the value of the preliminary work on a proposed zinc plant.

During 1983, two investment purchases were made, namely, 50,000 shares of Consolidated Rambler Mines Limited for a cost of \$341,421 (\$6.83 per share) and 140,600 shares of Atlantic Coast Copper Corporation Limited for a cost of \$299,691 (\$2.13 per share). Both of these companies operated profitably in 1983 and have book values greater than their cost to First Maritime.

No exploration programs were carried out in 1983.

Saint John, N.B.  
March 15, 1984

On behalf of the Board,

D. A. Macfarlane,  
PRESIDENT

# Coopers & Lybrand

chartered accountants

801 Brunswick House  
Saint John, New Brunswick  
Canada

January 27, 1984

## **AUDITORS' REPORT TO THE SHAREHOLDERS**

We have examined the balance sheet of First Maritime Mining Corporation Limited (No personal liability) as at December 31, 1983 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, 1983 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.

**COOPERS & LYBRAND  
CHARTERED ACCOUNTANTS**

# First Maritime Mining Corporation Limited

(No Personal Liability)

BALANCE SHEET AS AT DECEMBER 31, 1983

## ASSETS

	1983	1982
	\$	\$
<b>CURRENT ASSETS</b>		
Cash and short-term deposits .....	1,513,707	1,277,405
Demand loans receivable from affiliated companies (note 2) .....	430,000	816,000
Interest receivable .....	63,781	8,230
	<u>2,007,488</u>	<u>2,101,635</u>
INVESTMENTS (note 1) .....	6,678,387	6,037,275
LAND — AT NOMINAL VALUE .....	2	2
	<u>8,685,877</u>	<u>8,138,912</u>

## LIABILITIES

### CURRENT LIABILITIES

Accounts payable and accrued liabilities .....	<u>2,694</u>	<u>2,010</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 .....

(5,454,891)

(6,001,172)

8,683,183

8,136,902

8,685,877

8,138,912

SIGNED ON BEHALF OF THE BOARD

D. A. MACFARLANE, Director

W. D. JAMIESON, Director

# First Maritime Mining Corporation Limited

(No Personal Liability)

## STATEMENT OF EARNINGS AND DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1983

	1983	1982
	\$	\$
REVENUE		
Dividend income.....	398,802	265,868
Interest income (including \$56,500; 1982 — \$97,000, from affiliated companies) .....	<u>201,343</u>	<u>372,481</u>
	<u>600,145</u>	<u>638,349</u>
EXPENSES		
Administration .....	53,026	31,544
Exploration .....	<u>838</u>	<u>90,205</u>
	<u>53,864</u>	<u>121,749</u>
	546,281	516,600
PROVISION FOR INCOME TAXES .....	<u>78,000</u>	<u>133,000</u>
EARNINGS BEFORE EXTRAORDINARY ITEM.....	468,281	383,600
EXTRAORDINARY ITEM		
Recovery of income taxes on application of prior years' losses.....	<u>78,000</u>	<u>133,000</u>
NET EARNINGS FOR THE YEAR.....	546,281	516,600
DEFICIT — BEGINNING OF YEAR .....	<u>6,001,172</u>	<u>6,517,772</u>
DEFICIT — END OF YEAR .....	<u><u>5,454,891</u></u>	<u><u>6,001,172</u></u>
EARNINGS PER SHARE		
Before extraordinary item.....	<u>.09</u>	<u>.07</u>
For the year.....	<u>.10</u>	<u>.10</u>

# First Maritime Mining Corporation Limited

(No Personal Liability)

## STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 1983

	1983	1982
	\$	\$
SOURCE OF WORKING CAPITAL		
From operations.....	468,281	383,600
Recovery of income taxes.....	<u>78,000</u>	<u>133,000</u>
	546,281	516,600
USE OF WORKING CAPITAL		
Purchase of investments.....	<u>641,112</u>	<u>777,919</u>
DECREASE IN WORKING CAPITAL.....	94,831	261,319
WORKING CAPITAL — BEGINNING OF YEAR.....	<u>2,099,625</u>	<u>2,360,944</u>
WORKING CAPITAL — END OF YEAR.....	<u><u>2,004,794</u></u>	<u><u>2,099,625</u></u>



# First Maritime Mining Corporation Limited

(No Personal Liability)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1983

### 1. INVESTMENTS

The corporation's investments comprise:

	Cost		Quoted Value	
	1983	1982	1983	1982
	\$	\$	\$	\$
Brunswick Mining and Smelting Corporation Limited, 1,772,453 shares.....	5,259,356	5,259,356	37,221,513	24,371,228
Atlantic Coast Copper Corporation Limited, an affiliated company, 140,600 shares .....	299,691	—	267,140	—
Consolidated Rambler Mines Limited, an affiliated company, 186,400 shares (1982 — 136,400).....	1,119,340	777,919	1,258,200	733,150
	<u>6,678,387</u>	<u>6,037,275</u>	<u>38,746,853</u>	<u>25,104,378</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.

#### Corporation management

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

### 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 \$265,000 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 December 31, 1985.

The corporation also has Canadian exploration expense reserves of \$191,000 that may be applied against future income.

Recent 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 of \$398,800.



