
**First Maritime Mining
Corporation Limited**

(No Personal Liability)

Annual Report

For the year ended December 31,

1984



First Maritime Mining Corporation Limited

(No Personal Liability)

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

DIRECTORS	J. J. HOGAN, JR.....New York, New York R. J. ISAACSIslington, Ontario W. D. JAMIESON, Secretary.....Saint John, New Brunswick D. A. MACFARLANE, President and Treasurer..Saint John, New Brunswick DR. A. L. MCALLISTERFredericton, New Brunswick
HEAD OFFICE	FIFTH FLOOR, GOLDEN BALL BUILDING...Saint John, New Brunswick
AUDITORS	COOPERS & LYBRAND.....Saint John, New Brunswick
TRANSFER AGENT	GUARANTY TRUST COMPANY OF CANADAToronto, Ontario
ANNUAL MEETING	May 21, 1985, 2:30 P.M. (local time) The Allison Room, The Delta Brunswick Hotel, Saint John, New Brunswick

DIRECTORS' REPORT TO THE SHAREHOLDERS

Earnings for the year 1984 before extraordinary item were \$233,842 (4¢ per share) compared with \$468,281 (9¢ per share) in 1983. Earnings after extraordinary item were \$339,342 (6¢ per share) in 1984 compared with \$546,281 (10¢ per share) in the previous year. Revenue for 1984 was \$382,276 compared with \$600,145 in 1983.

Dividend income in 1984 and earnings after taxes were affected by a decision of the Board of Directors to take dividends from the Corporation's holding in Brunswick Mining and Smelting Corporation Limited ("Brunswick") in the form of shares rather than cash. As a result, 49,486 shares of Brunswick have been added to the Corporation's shareholding in lieu of dividend income of \$797,000. There were no other changes in investments during 1984.

Brunswick's net earnings in 1984 were \$26.6 million or \$0.77 per share compared with \$7.5 million or \$0.22 per share in 1983. While earnings in 1984 were higher than the previous year, the recent low level of metal prices is such as to prevent Brunswick from earning a satisfactory return on its invested capital.

On behalf of the Board,

Saint John, N.B.
March 22, 1985

D. A. Macfarlane,
PRESIDENT

First Maritime Mining Corporation Limited

(No Personal Liability)

BALANCE SHEET AS AT DECEMBER 31, 1984

ASSETS

	1984	1983
	\$	\$
CURRENT ASSETS		
Cash and short-term deposits	93,592	1,513,707
Demand loan receivable from affiliated company (note 2).....	2,230,000	430,000
Interest receivable	<u>22,460</u>	<u>63,781</u>
	2,346,052	2,007,488
INVESTMENTS (note 1)	<u>6,678,387</u>	<u>6,678,387</u>
LAND — AT NOMINAL VALUE.....	<u>2</u>	<u>2</u>
	<u>9,024,441</u>	<u>8,685,877</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	1,916	2,694
Income taxes payable	<u>33,234</u>	<u>—</u>
	35,150	2,694

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	<u>8,766,794</u>	<u>8,766,794</u>
DEFICIT	<u>(5,148,783)</u>	<u>(5,454,891)</u>
	8,989,291	8,683,183
	<u>9,024,441</u>	<u>8,685,877</u>

SIGNED ON BEHALF OF THE BOARD

D. A. Macfarlane,

Director

W. D. Jamieson

Director

**STATEMENT OF EARNINGS AND DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 1984**

	1984	1983
	\$	\$
REVENUE		
Dividend income.....	132,934	398,802
Interest income (including \$229,215; 1983 — \$56,500, from affiliated companies)	<u>249,342</u>	<u>201,343</u>
	<u>382,276</u>	<u>600,145</u>
EXPENSES		
Administration	42,934	53,026
Exploration	<u>—</u>	<u>838</u>
	<u>42,934</u>	<u>53,864</u>
	339,342	546,281
PROVISION FOR INCOME TAXES	<u>105,500</u>	<u>78,000</u>
EARNINGS BEFORE EXTRAORDINARY ITEM	233,842	468,281
EXTRAORDINARY ITEM		
Recovery of income taxes on application of prior years' losses.....	<u>105,500</u>	<u>78,000</u>
NET EARNINGS FOR THE YEAR	339,342	546,281
DEFICIT — BEGINNING OF YEAR	<u>5,454,891</u>	<u>6,001,172</u>
	5,115,549	5,454,891
REFUNDABLE DIVIDEND TAX (note 5)	<u>33,234</u>	<u>—</u>
DEFICIT — END OF YEAR	<u><u>5,148,783</u></u>	<u><u>5,454,891</u></u>
EARNINGS PER SHARE		
Before extraordinary item.....	<u>.04</u>	<u>.09</u>
For the year.....	<u><u>.06</u></u>	<u><u>.10</u></u>

**STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1984**

	1984	1983
	\$	\$
SOURCE OF WORKING CAPITAL		
From operations.....	233,842	468,281
Recovery of income taxes.....	<u>105,500</u>	<u>78,000</u>
	339,342	546,281
USE OF WORKING CAPITAL		
Refundable dividend tax (note 5).....	33,234	—
Purchase of investments.....	<u>—</u>	<u>641,112</u>
	<u>33,234</u>	<u>641,112</u>
INCREASE (DECREASE) IN WORKING CAPITAL	306,108	(94,831)
WORKING CAPITAL — BEGINNING OF YEAR.....	<u>2,004,794</u>	<u>2,099,625</u>
WORKING CAPITAL — END OF YEAR	<u><u>2,310,902</u></u>	<u><u>2,004,794</u></u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of First Maritime Mining Corporation Limited (No personal liability) as at December 31, 1984 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, 1984 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
February 8, 1985



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1984**

1. INVESTMENTS

The corporation's investments comprise:

	Cost		Quoted Value	
	1984	1983	1984	1983
	\$	\$	\$	\$
Brunswick Mining and Smelting Corporation Limited, 1,821,939 shares (1983—1,772,453 shares).....	5,259,356	5,259,356	24,140,691	37,221,513
Atlantic Coast Copper Corporation Limited, an affiliated company, 140,600 shares	299,691	299,691	211,000	267,140
Consolidated Rambler Mines Limited, an affiliated company, 186,400 shares	1,119,340	1,119,340	1,211,665	1,258,200
	<u>6,678,387</u>	<u>6,678,387</u>	<u>25,563,356</u>	<u>38,746,853</u>

2. RELATED PARTY TRANSACTIONS

Demand Loan

During the year, the corporation loaned affiliated companies varying amounts on a demand basis at the rate in effect for Bankers Acceptances. 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 \$59,000 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 has Canadian exploration expense reserves of \$191,000 that may be applied against future income subject to Part I tax.

5. REFUNDABLE DIVIDEND TAX

Certain taxes paid by the company on investment income are refundable to the company at the rate of \$1 for every \$4 of taxable dividends paid to shareholders. The cumulative refundable amount at December 31, 1984 was \$33,234. Such tax and its recovery is charged and credited to the deficit.

