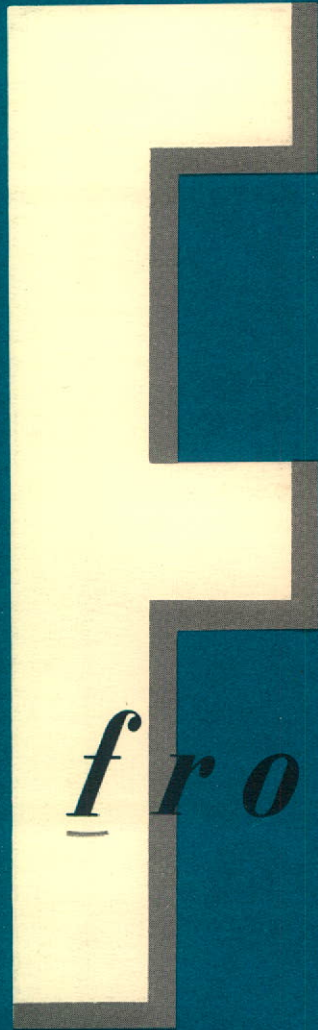


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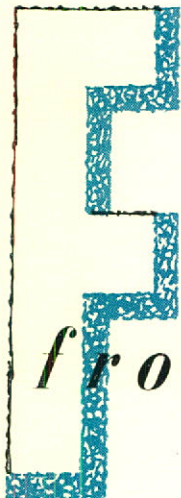
*Twelfth
Annual
Report*

for the year ended December 31 • 1955

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HEAD OFFICE: 25 KING STREET WEST, TORONTO, CANADA

OFFICERS

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 H. H. HEMMING Vice-President
 W. B. MAXWELL Vice-President
 G. T. N. WOODROOFFE Secretary and Treasurer
 S. F. TAIT Assistant Treasurer
 A. C. KILGOUR Assistant Secretary

DIRECTORS

T. LINDSLEY	H. B. LAKE
A. J. ANDERSON	L. J. LICHTY
J. D. BATEMAN	W. B. MAXWELL
A. C. CALLOW	J. R. TOLMIE
A. G. DARLING	P. W. ZECKHAUSEN

TRANSFER AGENTS AND REGISTRARS

NATIONAL TRUST COMPANY LIMITED, 20 King Street East, Toronto, Ontario.	225 St. James Street, Montreal, Quebec.
--	--

REGISTRAR AND TRANSFER COMPANY, 50 Church Street, New York 7, N.Y.	15 Exchange Place, Jersey City 2, N.J.
--	---

BANKERS

THE CANADIAN BANK OF COMMERCE, Toronto, Ontario.

AUDITORS

CLARKSON, GORDON & CO., Toronto, Ontario.

MINING ENGINEERS

A. J. ANDERSON	W. B. MAXWELL
B. G. EDWARD	E. V. NEELANDS
J. A. HARQUAIL	A. E. PUGSLEY
R. F. LETHBRIDGE	W. J. TOUGH

GEOLOGISTS

J. D. BATEMAN	W. H. GROSS
A. S. DADSON	W. G. ROBINSON
A. G. DARLING	D. C. SHARPSTONE
J. B. GORDON	ALEXANDER SMITH

METALLURGISTS

W. G. HUBLER	L. J. LICHTY
G. M. LEE	J. M. MORTIMER



Report of the Directors

To the Shareholders:

Herewith your Directors are pleased to submit the Twelfth Annual Report, together with Financial Statements and Auditors' Report, covering the activities of your Company for the year ended December 31, 1955.

FINANCIAL

During the year past, the constant endeavour of your Directors has been to use every means at their command to stabilize and strengthen your Company's financial structure. Substantial progress was achieved in this respect and your Company enters the new year of 1956 in a stronger financial condition than for some years past.

The financing arrangements for Kilembe Copper Cobalt Ltd., which were completed in 1955, provided the major funds required to bring the Kilembe Mine into production. Incidental to this financing, the shares of Kilembe Copper Cobalt Ltd. were listed on The Toronto Stock Exchange. Thus your investment in the Kilembe Mine now shows an indicated market value of \$6,359,926.

By arrangement with the Home Oil Group—our partners in Trans-Border Oils Ltd.—the necessity for the \$1.75-million payment, which was to have fallen due in 1955, was removed. Home Oil Company Limited and Geoil Limited will henceforth advance funds as they may be required to sustain the petroleum projects in which they jointly share interest.

On the attached Statement of Source and Application of Funds, it will be noted that \$1.6 million was received from the sale, during 1955, of 400,000 treasury shares at a price of \$4 per share. Under options granted when this financing arrangement was concluded, an additional amount of \$850,000 was received for a further 200,000 treasury shares in January, 1956; and \$735,000 was received for a further 163,333 treasury shares in April, 1956.

GENERAL

In the following pages is detailed the record of achievement during 1955, with respect to the more important projects in which your Company is interested. The unrelenting demand for metals, which now pervades world industry, is working to the particular advantage of your operating properties in pleasing fashion. When *Kilembe Mines Limited* joins the rank of copper producers this year, it appears likely that it will do so most opportunely with respect to favourable metal market conditions. *United Keno Hill Mines Limited* and *New Calumet Mines Limited* are currently enjoying satisfactory profits as a result of the same buoyant situation relative to the markets for silver, lead, and zinc.

While general conditions in the gold mining industry have shown no such improvement, and in fact are becoming annually somewhat more stringent because of increasing labour and other costs, both *Giant Yellowknife Gold Mines Limited* and your *Connemara Division* are successfully coping with the situation.

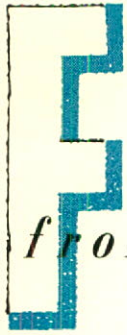
Notable developments occurred in the Alberta petroleum projects in which your Company participates through its 52.1% interest in *Geoil Limited*. Fifty-eight well sites were secured in the productive Pembina field, nine producing wells were brought in during the year in the Westward Ho field, and the existence of an important pool of oil and gas was proven in the Harmattan field where Geoil shares in possibly 30-50 well locations.

We expect the year 1956 to be an important one in your Company's history as a result of the active work programs planned and in progress. Most important, of course, will be the inception of production at Kilembe. Plans are in progress as well for early development of some of your British Columbia properties, for immediate intensive investigation of your Eastern Ontario iron ore reserves, and for a continuing and accelerated search for copper orebodies in the Seal Lake area of Labrador.

On behalf of the Board,

A. J. ANDERSON,
President.

Toronto, Ontario,
April 10, 1956.



frobisher LIMITED

Statement of Consolidated Source and Application of Funds

Year Ended December 31, 1955

We Received Funds

From operations		\$ 563,567
Consisting of:		
Net profit for year	\$ 281,829	
Add charges to operations which did not in themselves involve an outlay of cash during the year—		
Depreciation	124,694	
Transfer to provision for depletion on shares of associated companies	150,000	
	<u>\$ 556,523</u>	
Service fees earned by exploration sub- sidiaries less their administration ex- penses and exchange adjustments	7,044	
	<u>\$ 563,567</u>	

We Applied Funds

From sales of securities		991,274
From issue of 400,000 shares of capital stock		1,600,000
From repayment (net) of advances to subsidiary and associated companies		452,049
		<u>\$3,606,890</u>
Purchase of securities	\$1,897,750	
Exploration expenditures	371,532	
Purchase of fixed assets (net)	32,324	2,301,606
We increased our net working capital position by		<u>\$1,305,284</u>



frobisher LIMITED

Report of Operations – Year 1955

Producing Companies

Development Projects

Other Projects

CLASSIFICATION	COMPANY NAME	FROBISHER INTEREST	REFER TO PAGE No.
Silver - lead - zinc.....	United Keno Hill Mines Limited	29.5%	5
Gold.....	Giant Yellowknife Gold Mines Limited	19.6%	7
Oil and gas.....	Geoil Limited	52.1%	8
Zinc - lead.....	New Calumet Mines Limited	27.7%	10
Gold.....	Connemara Division	100.0%	11
Copper - cobalt.....	Kilembe Mines Limited (1) ..	70.0%	13
Copper.....	Rainville Mines Limited	25.1%	14
Lead - zinc.....	Northern Mining Company ...	15.0%	15
Cobalt - nickel - rare metals.....	Quebec Metallurgical Industries Ltd.	24.0%	16
Hydro - electric power.....	Northwest Power Industries Limited (2)		18
Hematite iron ores.....	Miferma	34.0%	19
Copper - silver - uranium.....	Seal Lake (Labrador) Concession	100.0%	20
Tin - columbium.....	Uis Tin Mining Company (S.W.A. Limited (3) ...	63.9%	21
Copper - iron - silver - lead - zinc	St. Eugene Mining Corporation Limited	34.8%	22
Gold.....	Akaitcho Yellowknife Gold Mines Limited	35.7%	23
Mineral - timber - hydro power...	Brinco	5.4%	23
Magnetic iron ores.....	Canada Iron Mining Limited	100.0%	23
Lead - zinc - copper.....	Consolidated Guayana Mines Limited	28.0%	23
Nickel - copper - platinoids.....	Falconbridge Nickel Mines Limited	4.0%	23
Uranium - copper.....	International Ranwick Limited	10.9%	24
Copper - gold.....	Joliet-Quebec Mines Limited	20.1%	24
Hematite & siderite iron ores....	Michipicoten Iron Mines Limited	32.6%	24
Copper - pyrite.....	Pilley's Island Copper-Pyrite Limited	41.4%	24
Uranium.....	Stewart Island Prospect		24

NOTES:

- (1) Controlled through Kilembe Copper Cobalt Ltd., in which Frobisher Limited holds 83.4% of the issued capital.
- (2) Contingent upon the exercise of certain options Frobisher Limited has the right to acquire up to a 30% interest.
- (3) Controlled through Associated Tin Mines (S.W.A.) Limited.



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United Keno Hill Mines Limited

Property and Interests

1. 459 claims in the Keno Hill-Galena Hill area, Mayo District, Yukon Territory, on which a number of former mines are situated including the No Cash, Birmingham, Onek, Elsa, Shamrock, etc. Production operations are confined to the re-opened Hector and Calumet Mines, but certain others are under development.
2. 100% ownership of the Yukon Coal Company, Carmacks, Yukon.
3. 50% ownership (with Cassiar Asbestos Corporation Limited) of the Territorial Supply Company Limited.

Scale of Operations

Mill Capacity: 500 tons per day.

Treatment Rate, 1955: 445 tons per day.

Production Record

	Tons Milled	Silver Ounces	Lead Pounds	Zinc Pounds	Cadmium Pounds
To Sept. 30, 1954	692,660	26,730,683	111,943,455	74,148,057	932,500
Year ended Sept. 30, 1955	162,307	5,670,137	26,350,198	24,035,999	302,297
Total	854,967	32,400,820	138,293,653	98,184,056	1,234,797

Ore Reserves

	Tons	Silver Ozs. per ton	Lead Per Cent	Zinc Per Cent
Hector-Calumet Mines	587,830	37.7	8.7	8.0
Onek Mine	123,491	10.3	4.4	13.0

Developments in 1955

Production during the year again came from the Hector Mine, which supplied 87% of the mill feed, and the Calumet Mine, from which exploration and development muck made up the remaining 13%. By the end of the fiscal year, sufficient development work had been completed at the Calumet to permit it to deliver a regular daily output of 125 tons, commencing in October. Ore developed during the year was not quite sufficient to compensate for the tonnage milled, but in the first-half of the new fiscal year, this situation has undergone substantial change for the better.

Underground exploration, or work preliminary thereto, was carried out during the open season in three other mines at the property. At the Elsa Mine, a three-compartment shaft was sunk 171 ft. below the adit, or 400 Level. Installation of a permanent hoist on the 400 Level and preparation of the 525 Level for active development operations were in progress at year end. A limited program of drifting and raising at the Shamrock Mine



frobisher LIMITED

extended the ore shoot there to a length of 119 ft. grading 71.4 ozs. silver and 22% lead over an average width of 3.0 ft., but vertical continuity of the shoot was not established. Late in the season work was begun on re-opening the low level adit at the Ladue Mine to permit entry to and examination of the old workings.

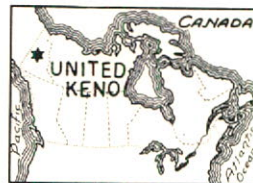
A program of detailed geological mapping on Keno and Galena Hills was carried out during the summer and, in addition, the Company took an active part in general exploration activities in the Mayo District. It is hoped, by these means, to appreciably prolong the life of the operation through ultimate disclosure of important new sources of future ore.

Earnings Record

	1955	Total
Metal Sales and Other Revenue	\$3,365,915	\$33,867,300
Total Cost of Operation	1,763,448	24,210,758
Net Profit	<u>\$1,602,467</u>	<u>\$ 9,656,542</u>

Management

- C. E. WHITE - - - - - *General Manager*
- A. E. PIKE - - - - - *Resident Manager*





frobisher LIMITED



Giant Yellowknife Gold Mines Limited

*Property and
Interests*

1. Main property, 26 claims, Yellowknife Bay area, N.W.T.
2. 87.5% interest Lolor Mines Limited, adjoining to East.

Scale of Operations

Mill Capacity: 800 tons per day.
Treatment Rate: 789 tons per day in 1955.

Production Record

	Tons Milled	Gold Ounces	Silver Ounces
Total to June 30, 1954	1,050,304	709,733	194,271
Year ended June 30, 1955	286,742	172,976	29,945
Total	1,337,046	882,709	224,216

Ore Reserves

	Tons	Gold Ozs. per ton
Developed ore above 750 level	1,334,400	0.77
Developed ore between 750-1,250 levels	454,600	0.80
Total developed as at June 30, 1955	1,789,000	0.78

*Developments
in 1955*

A vigorous program of underground development was carried out during the year from "C" Shaft on the three lower levels at 950, 1,100 and 1,250 ft. respectively. Ore disclosures were very encouraging as to both tonnage and grade; and the existence of substantial additional tonnages, to those reported as proven above, has been indicated by drilling at and below the bottom level. Unfortunately, much of the new ore appears to be of the more refractory type, which condition has dictated acceleration of the metallurgical research program. This has resulted in the development of a new roasting technique, based on treatment of raw ore, which is now being tested in a pilot plant at the mine. In addition, the treatment plant is being equipped with a new cyanidation unit which is expected to go into operation early in 1956. The function of this additional plant, to which the present flotation tailings will be routed, will be to reduce the gold losses which have hitherto been suffered when this product was discarded without further treatment.

Earnings Record

	1955	Total
Metal Sales and Other Revenue	\$6,576,857	\$35,332,950
Total Cost of Operation	5,593,188	29,276,875
Net Profit	\$ 983,669	\$ 6,056,075

Management

P. N. PITCHER - - - - - General Manager

*Summary of
Interests*

*Developments
in 1955*

Geoil Limited

1. 50% interest (with Home Oil Company Limited) in Trans-Border Oils Ltd.
2. 100% interest in Seoil Limited.
3. 20.75% interest in Lake St. Clair Gasfields Limited.
4. 50% interest in certain oil projects in Caddo Parish, Louisiana, U.S.A.

A number of important developments took place in 1955, as detailed below:

TRANS-BORDER OILS LTD.

The 1955 activities of this company were chiefly concentrated on its 72,353-acre Cremona block in which its interest is 20%. Following completion of the Westward Ho discovery well in March, 1955, with an indicated potential of 1,003 barrels per day, nine further offset development wells were drilled; all but one of which were completed as successful producers. It is considered that eleven further favourable sites, on 80-acre spacing, still remain to be drilled. Meanwhile, an exploratory test on the southeast extension of the structure, in the Harmattan area six miles south of Westward Ho, encountered a flow of wet gas rated at 20 million cu. ft of gas and 1,100 barrels of 48° API distillate per day. This major discovery pointed the way to an oil discovery well in the same area which was brought in with an initial potential of 4,412 barrels per day. Since the first of the year, two development wells, offset to this latter discovery well, have been completed as high-potential oil producers. Further development of the Westward Ho area has been deferred in favor of an accelerated drilling program at Harmattan, where Geoil Limited participates in a further 40 possible well sites. Four drill rigs are now actively engaged on development work in this area.

One unsuccessful Mississippian exploratory well was drilled on the 79,983-acre South Alhambra reservation located 18 miles north of the Cremona block. Here the Trans-Border interest is 10.36%. Two additional exploratory tests are scheduled for completion on this acreage during 1956.

At Alberta Crown sales, held in November 1955, and January 1956, Geoil Limited acquired directly, and indirectly through Trans-Border Oils Ltd., a net 5% interest before royalty in 58 proven well sites in the Pembina-Cardium field. It is expected that this acreage will all be drilled and in production before the end of April 1956.

All oil production in Alberta is controlled by the Provincial Government through Pro-Rationing Regulations which specify, on a monthly basis,



frobisher LIMITED

the permissible rates at which wells may be produced. Following completion of all wells, both planned and probable, on acreage in which Geoil Limited participates, either directly or indirectly, in the Pembina, Westward Ho, and Cremona areas, the company estimates that its net interest in the resulting production will be in the order of 700 barrels per day.

LAKE ST. CLAIR GASFIELDS LIMITED

As the successor to the Lake St. Clair Syndicate, this company was incorporated early in 1955 to carry out the program of ten exploratory tests which had been recommended as a result of gravity meter surveys completed in 1954. A drilling barge from Louisiana was towed to the scene of operations and half the intended program was completed before the onset of winter. One gas well with an indicated flow in excess of 3 million cu. ft. per day resulted and has been capped pending further off-shore developments.

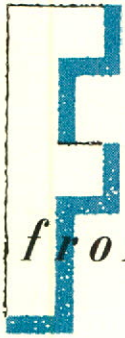
Financial Record

	1955	Total
Investments in companies and cost of petroleum participations	\$700,949	\$5,688,901

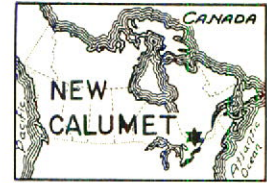
Management

- J. D. BATEMAN - - - - - *Vice-president*
- A. G. DARLING - - - - - *Consultant*





frobisher LIMITED



New Calumet Mines Limited

Properties and Interests

1. Main property, 370 acres, Grand Calumet Township, Pontiac County, Quebec; plus adjoining wholly-owned Grand Calumet Mining Company Limited property, 15 claims, 1,100 acres, adjoining to east.
2. Controlling interest in Jarviston Mines Limited, near Sault Ste. Marie, Ontario; and in Cadieux Mines Limited, near Renfrew, Ontario.
3. 100% interest in Tetagouche Exploration Company Limited which owns forty-seven claims, Tetagouche Group, in New Brunswick.

Scale of Operations

Mill Capacity: 800 tons per day
 Treatment Rate, 1955: 490 tons per day.

Production Record

	Tons Milled	Zinc Pounds	Lead Pounds	Silver Ounces	Gold Ounces
To Sept. 30, 1954	2,222,522	249,325,212	71,279,303	5,688,280	32,036
Year ended Sept. 30, 1955	150,200	16,516,909	4,584,111	431,675	3,406
Total	2,372,722	265,842,121	75,863,414	6,119,955	35,442

Ore Reserves

	Tons	Zinc Per Cent	Lead Per Cent	Silver ozs. per ton	Gold ozs. per ton
Total Proven	422,157	8.34	1.76	3.72	0.018
(Sept. 30, 1955)					

Developments in 1955

The first four months of the year were required to open up the new low levels from the No. 4 Shaft. During this period, the mill treatment rate was restricted to 448 tons per day, and the grade of feed was undesirably low, resulting in an operating loss for the period. Subsequently, and for the remainder of the year, additional tonnages of higher grade ore produced from the lower levels improved both conditions to such an extent that a modest net profit was achieved for the first year since 1952. The chief contributing factor to this more optimistic situation, and one which augurs well for the future of the mine, was the successful location of the main Longstreet orebody below the fault, on the new deep levels. Substantially improved metal prices during the latter part of the year also had a further beneficial influence on earnings.

Earnings Record

	1955	Total
Metal Sales and Other Income	\$1,599,761	\$24,704,449
Total Cost of Operation	1,424,077	20,332,692
Net Profit	\$ 175,684	\$ 4,371,757

Management

A. E. CAVE - - - - - General Superintendent



frobisher LIMITED

*Property and
Interests*

Scale of Operations

Production Record

Ore Reserves

*Developments
in 1955*

Connemara Division

1. Gold properties at Hunter's Road, Southern Rhodesia, on which active mining and milling operations are conducted.
2. Active development options on the following gold prospects in Southern Rhodesia:
 - (a) The Frog and Just-in-time Mines, east of Salisbury.
 - (b) The Regent Mine, 14 miles from Connemara.

Mill Capacity: 600 tons per day. Treatment rate, 1955: 435 tons per day.

	Tons Milled	Gold Ozs.
To December 31, 1954	1,000,155	191,406
Year ended December 31, 1955	158,850	32,910
Total	<u>1,159,005</u>	<u>224,316</u>

	Tons	Gold (ounces per ton)
Total, proven and possible	296,790	0.18

CONNEMARA MINE

Expenditures on exploration, development, and capital items were restricted to a bare minimum during the year to permit profitable salvage of the known ore blocks remaining in the mine. Small tonnages of new ore were found as mining progressed; but, as might be anticipated, the ore reserve figures shown above are substantially reduced from those of last year. Approximately two years of life remain to the mine on its present scale of operation during each of which the same comfortable operating surplus, as is now being enjoyed, can be expected to be achieved.

FROG AND JUST-IN-TIME MINES

These adjoining prospects were secured under development option in the third-quarter of the year. A small mill exists on the property and, through the provision of modest additional facilities, it is hoped that 300 ozs. of gold per month can be produced to offset development charges incurred in the exploration of the erratically-rich quartz orebodies being investigated.



frobisher LIMITED

REGENT MINE

Interest in this property is shared equally between Frobisher Limited and Anglo-American Corporation of South Africa Ltd. and the development option under which the property is being investigated covers a two-year period dated from December, 1955. In the period 1908-1939, the property produced 40,000 tons of ore grading 0.263 ozs. gold per ton from a consistent vein system over 1,000 ft. in length which was found to pinch, or otherwise terminate, at an average depth of only 150 ft. Subsequently, diamond drill holes from surface have intersected what appears to be the downward extension of this vein, a fact subsequently confirmed by shaft sinking and development on levels at 500 and 550 ft. respectively. Under the present option, it is intended to fully investigate the extent and grade of this lower ore zone. Two other parallel veins offer further possibilities, and their existence suggests that substantial reserves of good grade may ultimately be proven on this property.

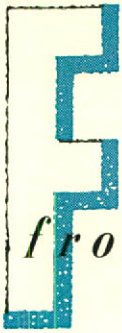
Earnings Record

	1955	Total
Metal Sales and other Revenue	\$1,197,600	\$8,219,215
Total Cost of Operation	1,064,896	8,383,784
Net profit or (loss)	<u>\$ 132,704</u>	<u>(\$ 164,569)</u>

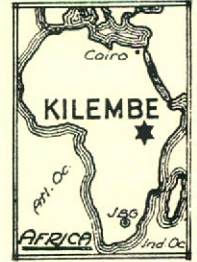
Management

D. L. COULTER - - - - - Resident Manager





frobisher LIMITED



Kilembe Mines Limited

(controlled through Kilembe Copper Cobalt Ltd.)

Property and Interests

Copper-cobalt property with extensive acreage (26.4 sq. mi.) in the eastern foothills of the Ruwenzori Mountains, Uganda, British East Africa.

Scale of Operations

Initial mill capacity: 1,335 tons per day. Milling to commence by July, 1956, and smelting about November, 1956.

Ore Reserves

Developed and proven: 13,452,000 tons, 1.91% Cu. and .16% Co.

NOTE: Both Company and independent consultants agree that future development will probably prove many millions of tons in excess of the above figures.

Developments in 1955

In the past year of intense activity at Kilembe, the project has emerged from the planning stage and entered a phase of creative construction in which the past years of engineering design are fast being converted into a reality. Construction of the 6,000 horsepower hydro plant on the Mobuku River is making excellent progress. This has involved preparation for diversion of the river through intake works, a tunnel, and a metal flume to a hillside penstock which will deliver water to the powerhouse building, housing two turbine-generator units 600' below. Power from the first unit is expected to be available by late May 1956, for transmission to the mine site over a 12-mile line now being built. Preparations for active mining, including the removal of 230,000 cu. yds. of overburden from the site of the open pit, are well advanced. Concentrator foundations have all been completed and the erection of steel was started before the end of the year. Copper concentrates and cobalt-pyrite concentrates will be transported, largely by gravity, through two separate pipelines to the rail terminus at Kasese, eight miles distant, where metallurgical treatment plants are in course of erection. Temporarily, cobalt concentrates will be stock-piled at Kasese, pending completion of the cobalt leach plant design. Initially, therefore, the sole function of the Kasese plant will be to prepare copper concentrates by dewatering and roasting for the 250-mile haul to the electric smelter at Jinja, on Lake Victoria. Here, smelter erection is going forward rapidly and completion of the stack, which now dominates this ancient and historic site, gives visible promise of the industrial activity to come later in the year. Through a fortunate combination of circumstances, railroad construction has been much accelerated since our last report and the new 158-mile Kampala-Kasese link was ready for service in March 1956.

In short, all divisions of work connected with this major enterprise are proceeding smoothly and on schedule toward the goal of regular production of finished blister copper by the year end. The year 1956 will thus see the assured inception of Uganda's first important base metal mining industry, marking a turning point of exceptional significance in the economy of the Protectorate.



frobisher LIMITED

Financial Record

Management

Property and Interests

Ore Reserves

Developments During 1955

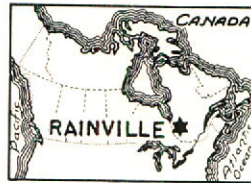
Financial Record

Management

	1955	Total
Funds expended	£1,800,000	£5,700,000
	(\$5,080,000)	(\$16,000,000)

NOTE: The total cost of bringing the property into production is estimated at £8,200,000 (\$22,000,000); funds being provided by Frobisher Limited, Colonial Development Corporation and Uganda Development Corporation Limited.

D. C. SHARPSTONE, *Managing Director* A. E. PUGSLEY, *General Manager*



Rainville Mines Limited

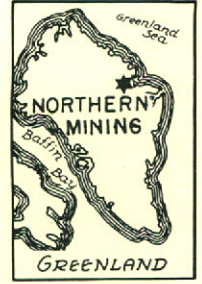
Sixty-seven claims in Louvicourt Township, Val d'Or District, Quebec, on which copper orebodies have been under intermittent investigation since 1941.

	Tons	Copper Per Cent
Total, proven and possible	414,830	2.34

A program of underground exploration was carried out during the early part of the year to investigate the No. 2 Zone West at and around the 550 ft. horizon. This indicated that the additional reserves, in this section of the mine, required a more extensive underground development program for their positive delineation than the Company was then prepared to initiate. Incidental to the work done, substantial tonnages of material grading about 1.5% Cu were indicated. These relatively wide zones included a number of higher grade lenses, comparable to the No. 4 Zone, which merited further detailed attention. To provide the financing for the comprehensive program of underground development required, it was decided, about mid-year, to put the property into production just as quickly as possible using the reserves already proven in the No. 4 Zone. Immediate steps were taken to implement this decision and, at year end, all necessary equipment had been ordered and construction had been started on a 400-ton-per-day concentrator. Preparation of the mine for active stoping operations is scheduled to start early in the new year and it is anticipated that the first production will be achieved about the latter part of April, 1956.

	1955	Total
Funds expended	\$122,988	\$1,051,257

W. HUBACHECK - - - - - *Mine Manager*



Northern Mining Company

(Nordisk Mineselskab A/S)

Property and Interests

The Company holds an immense concession in northeast Greenland on which a high-grade lead-zinc deposit, at Blyklippen, near Mesters Vig, has been under investigation since 1952. Frobisher Limited shares interest in the project with two Swedish mining houses, a Danish syndicate, and the Danish Government.

Scale of Operations

Initial Mill Capacity: 250 tons per day.

Ore Reserves

	Tons	Lead Per Cent	Zinc Per Cent
Total Proven	560,000	11.1	8.6

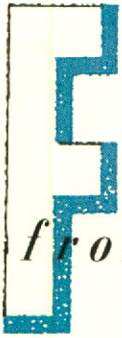
Developments During 1955

The Company is now preparing one of the most northerly mining properties in the world for early production, without fanfare, in smooth and business-like fashion. Proven ore reserves amounting to 560,000 tons, grading almost 20% combined lead and zinc, are ready for active mining operations and subsequent treatment, in a concentrator located underground in the side of a mountain. This novel plant arrangement, and other unusual features related to the property's geographic location, will mark the operation as a unique example of mining enterprise. The mill commenced production early in March, 1956, and the concentrates are to be stockpiled until September next for shipment overseas to smelter. An operating staff of 80 persons is resident on the property.

During 1955, an ambitious prospecting and geological exploration program was instituted under the direction of Frobisher engineers. This had as its objects investigation of possible extension of the known ore reserves in the vicinity of the mine and preliminary reconnaissance of the extensive concession area which the Company now controls. Some success was achieved in both directions in that, after study of the geologic setting in the immediate vicinity of the present mine, sound theories have been developed which may well lead, through further development work, to additional tonnages of commercial ore. In the Werner Mountains area to the north of the mine, a molybdenite occurrence of possible future importance has been discovered and will be investigated in more detail during the next open season.

Financial Record

	1955	Total
Funds expended	\$2,000,000	\$4,000,000



frobisher LIMITED

*Property and
Interests*

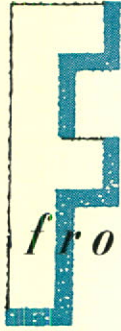
Quebec Metallurgical Industries Ltd.

1. Metallurgical laboratory, research and manufacturing facilities at Billings Bridge, Ottawa, Canada.
2. Patent rights on several metallurgical reduction processes.
3. Widely varied interests in a large number of mining, metallurgical, and power projects in various development stages, including the following of major significance:
 - a. An interest in Northwest Power Industries Limited ownership of which is shared with Ventures and Frobisher.
 - b. An important position in Temagami Mining Company Limited.
 - c. Ownership of the Bugaboo Placer Deposits (British Columbia) containing columbium and uranium.
 - d. An option on deposits of nickel-bearing, lateritic iron ores in the Philippine Islands.
 - e. Control of Klukwan Iron Corporation Limited, which holds extensive magnetic iron deposits in southeast Alaska.
 - f. Control of Lakefield Research Limited with metallurgical research laboratory at Lakefield, Ontario.
 - g. Control (through Lakefield Research Limited) of LaCorne Lithium Mines Limited with lithium properties in LaMotte Township, northwestern Quebec.
 - h. Ownership of Onslow Molybdenum Project, northwest of Ottawa, Canada.
 - i. Participation in Quebec Cobalt & Exploration Limited which holds a very large iron ore deposit in Northern Quebec.
 - j. Participation in S.A. Minerals Corporation, a manganese and chromite producer in South Africa.

Of major import during the year was the substantial appreciation in the value of the Q.M.I. holdings in Temagami Mining and LaCorne Lithium. In the case of the former, this resulted from the inauguration of shipments of high-grade copper ore and important discoveries of new orebodies made more recently; in case of the latter, as a result of inception of production at Quebec Lithium Corporation Limited in which LaCorne holds substantial interest.

Research on a variety of problems was carried out throughout the year at both the Lakefield and Ottawa laboratories. Much of this work was

*Developments
in 1955*



frobisher LIMITED

centered on perfecting ore dressing and metal recovery procedures relative to the Bugaboo Placer ores. Considerable progress was made and columbium metal has actually been produced by laboratory techniques developed in the course of this research. Work was also continued on the extractive processes previously developed for the production of nickel, cobalt, chromium, alumina and iron from the Company's lateritic ores.

Over the past several years, Q.M.I. has sponsored and promoted the use of cobalt alloys for specialized industrial usage and in so doing has developed a manufacturing division to produce and fabricate such alloys. In addition, this division offers manufacturers in the Ottawa district a custom heat-treating service for metal parts which is being utilized by an increasing number of customers. This branch of the Company's activities has so expanded that in 1955 it was necessary to provide it with a separate new modern building to accommodate its several different operations.

In the exploration field, Q.M.I. remained extremely active. At Onslow Molybdenum, indicated reserves of 500,000 tons of molybdenite ore are now in course of being proven. Encouraging uranium values have been found as well and they, too, are under detailed investigation. At Bugaboo, a program of churn drilling was carried out and the total estimated reserve of placer gravel available for dredging is now set at a minimum of 65 million cu. yds. carrying attractive amounts of columbium and uranium. Prospecting parties and engineering personnel were actively employed in British Columbia, Arizona, and other areas.

Financial Record

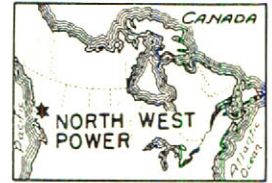
	1955	Total
Net Expenditures on Plant and Other Fixed Assets	\$ 74,600	\$ 3,192,800
Investments in and Advances to Companies	4,356,600	6,441,300
Participations in Outside Properties	1,025,000	2,639,500
Metallurgical Research	345,400	2,339,000
	\$5,801,600	\$14,612,600

Management

L. J. LICHTY - - - - - *General Manager*



frobisher LIMITED



*Developments
in 1955*

Northwest Power Industries Limited

During 1955, the Company continued engineering studies, water and field surveys, rock testing, and economic studies on the Yukon-Taku project. This project is now at a point where further expenditure in 1956, on particular aspects will bring the development to the design stage. Its economic feasibility has been established to the satisfaction of the Company's consulting engineers, J. M. Wardle and Dr. Thomas Hogg.

It became apparent to the Company during the past year that the Yukon-Taku power project involved potentially serious international factors with the possibility of delays beyond the control of the Company. Accordingly, it was decided to investigate, as a secondary first-stage power scheme, the Nass River, which would not be subject to international complications, so that the Company could proceed with the latter as a first-stage development pending resolution of the questions which might delay the Yukon-Taku project.

The Nass River is entirely situated within British Columbia, flowing into the Portland Inlet on the Pacific Coast some fifty miles north of Prince Rupert. Excellent deep water, year-round port facilities are available within twenty-five miles of the proposed power site. Reconnaissance surveys in the Fall of 1955 indicated that a uniform output of 450,000 horsepower may be available at an economic cost on the Nass River.

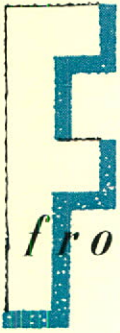
Ultimately the Nass River development can be integrated with the Yukon-Taku development and its much larger power potential (4,900,000 horsepower) and these two power schemes could be linked by a 360-mile transmission line over a low-level inland route. Even if not connected, the Nass River development, which engineering studies so far indicate is capable of early construction without delays caused by international negotiations, would constitute an important first-stage development of power in the Northwest to be applied to metallurgical reduction in that area.

The Company is conducting its surveys and engineering studies on the Nass River under permit from the Government of British Columbia, with all lands involved being held under Crown Reserve, and the Company is proceeding to complete its studies of the Yukon-Taku development under a temporary survey permit from the Government of British Columbia and a priority permit from the Government of Canada. The performance bond of \$2.5 million deposited with the Government of British Columbia is left as a guarantee that the Company will pursue its investigations with despatch.

Financial Record

	1955	Total
Funds expended	\$500,000	\$3,500,000*

Note: * includes \$2.5 million performance bond.



frobisher LIMITED

*Property and
Interests*

*Developments
in 1955*

Financial Record

Miferma

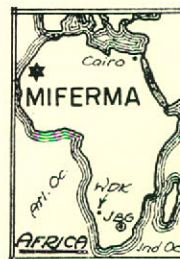
(Societe Anonyme des Mines de Fer de Mauritanie)

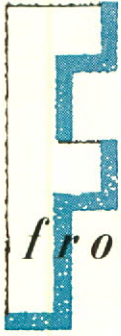
Huge iron ore concessions near Fort Gouraud in French West Africa were acquired by the company by grant from the Government of Mauritania in 1952, and high-grade hematite orebodies thereon have since been under intensive investigation. Frobisher Limited shares interest in the project with the British Iron and Steel Corporation (Ore) Limited and a French group led by the Bureau Minier de France d'Outre-Mer.

Additional diamond drilling, tunneling, stripping, sampling, and mapping, carried out during the past year, has resulted in the transfer of substantial additional tonnages of ore from the indicated to proven category. Over-all reserves in the several largest orebodies, as estimated by Frobisher engineers, now stand at 100,000,000 tons grading 64-65% iron. A continuing program of development work is contemplated for 1956.

Some little pressure has been brought to bear on the French Colonial Government, by residents of Mauritania, for the establishment of all-French rail facilities to Port Etienne on the Atlantic coast rather than the international route through Rio de Oro to Villa Cisneros. This situation has made it necessary to interrupt the negotiations which were proceeding with the Spanish authorities pending completion of a Government-sponsored survey of the new route and the alternate port site. The Miferma Company is taking an active part in these investigations through air-reconnaissance of possible right-of-way locations and delegation of a company representative to accompany and collaborate with the Government mission.

	1955	Total
Funds expended	\$350,000	\$2,050,000





frobisher LIMITED

*Property and
Interests*

*Developments
in 1955*

Financial Record

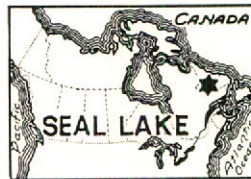
Seal Lake (Labrador) Concession

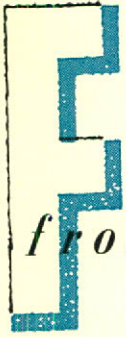
Exclusive prospecting rights are held by Frobisher Limited, under a concession from the Government of Newfoundland, to an area contained in four blocks, comprising in all almost 800 sq. mi., in and around the Seal Lake area.

The search for commercial concentrations of copper minerals was resumed with increased vigor in the copper-rich geologic province which it is felt exists within the area controlled by Frobisher Limited. An electromagnetic geophysical survey was carried out in two periods immediately before and after break-up, in the Adeline Lake area. This, however, produced no significant or startling results. During the field season, two geologists and more than 20 prospectors actively combed the concession area, carrying out both detailed work on deposits previously known and an intensive search for further occurrences. Although this work yielded encouraging results, in the way of more extensive concentrations of copper minerals than have been found in previous years, nothing worthy of designation as an orebody was found. It is now felt that extensive diamond drilling in several locations will be required to prove or disprove the theories held by our geological staff relative to the most important ore-making possibilities. A comprehensive drilling program is being planned for 1956.

In the course of general prospecting activities, a radioactive occurrence containing minor amounts of pitchblende scattered over a length of 1,800 ft. was discovered to the south and east of our concession area. Arrangement, subject only to ratification by the Newfoundland Legislature, has been concluded for an additional concession area of approximately 290 sq. mi. to protect this find. Further prospecting and detailed investigation of the present showing will be carried out on this new block as an important part of next season's activities.

	1955	Total
Funds expended	\$106,741	\$411,304





frobisher LIMITED

Uis Tin Mining Company (South West Africa) Limited

(under Judicial Management)

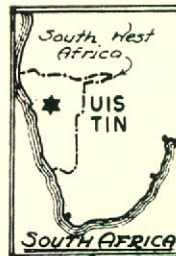
(controlled through Associated Tin Mines (South West Africa) Limited)

Property and Interests

The company owns eight mining concessions, comprising 26,842 acres, in the Brandberg District of South West Africa, on which tin mining operations have been conducted intermittently over a period of fifty years or more. Through Associated Tin and its other subsidiaries, notably Namib Tin Mines Limited and Omaruru Tin Mines Limited, Frobisher Limited controls other extensive acreages in the same area on which further reserves of low-grade tin ore are known to occur.

Developments During 1955

By the end of the year the Company had completed nineteen months under the administration of a Judicial Manager, appointed by the South West African courts. The performance of the operation during that period is still regarded as being inconclusive. Although a small, average operating profit was won, circumstances combined to keep the scale of the operation much below the desirable maximum that can be achieved with the existing equipment. Specifically, the power supply situation has been particularly vexing; adequate supplies of replacement parts being neither immediately available from stocks within the Union nor to be obtained quickly from the overseas suppliers. Until this situation is righted, and the plant can operate for several months continuously with an adequate supply of power, it is felt to be in the best interests of both shareholders and creditors of the Company to continue the Judicial Management phase.





frobisher LIMITED

*Properties and
Interests*

*Developments
During 1955*

*St. Eugene Mining Corporation
Limited*

Over the years of its existence, since 1937, this company, which was originally formed to exploit the Moyie silver-lead-zinc deposits, has accumulated a variety of meritorious properties on the West Coast. These include the Hat Creek coal and limestone deposits near the Moran dam site on the Upper Fraser; several copper prospects; and four magnetite properties, some of them cupriferous in part.

Most of the property acquisitions referred to above have been on extremely favourable terms and it has been company policy heretofore to simply await the advent of favourable conditions for their development. The buoyant market conditions, which now exist for both base metals and iron, encourage the belief that the present is an opportune time to undertake such development in certain more favourable situations. Accordingly, during 1955, it was decided to put the Maid-of-Erin Mine, located in extreme northwestern British Columbia, into production. This mine, in which proven reserves have been indicated by previous underground development, lies about three miles off the Haines' cutoff of the Alaska Highway. Simple mining equipment was moved to the property, camps were established, and construction of an access road was almost completed before early snowfall in October forced termination of the work for the season. Commencing in May, 1956, it is the intention to complete this preliminary work and immediately thereafter initiate shipments from the presently proven high-grade reserves. The 1956 target is shipment of 6,000 tons of ore on which the Company's engineers estimate an operating profit of \$50 per ton can be won.





frobisher LIMITED

Brief Notes on Other Projects of Importance

Akaitcho Yellowknife

Akaitcho Yellowknife Gold Mines Limited, controlled by Frobisher Limited, owns a gold property adjoining Giant Yellowknife on which 375,000 tons of ore grading 0.75 ozs. per ton have been indicated. For some years past, funds with which to initiate development when gold mining conditions are more favourable have been maintained in the Company's treasury. While awaiting the advent of such circumstances, the Directors of Akaitcho are considering the advisability of employing a portion of such monies in a search for minerals which are currently in greater demand.

Brinco

British Newfoundland Corporation Limited. Frobisher Limited was one of the original founding members of this aggressive organization which, since 1953, has been investigating the timber, water power, and mineral resources of large concession areas in both Labrador and Newfoundland. Engineering surveys just completed indicate that an ultimate potential of 4 million horsepower, in low-cost hydroelectric power, can be developed in easy stages on the Hamilton River at Grand Falls, where a head of 1,050 ft. is available. Market research, to the end of selling large blocks of future power, will constitute the next phase in connection with this project. Mineral reconnaissance programs conducted to date have met with success, as well, and the results thereof encourage the hope that the detailed work to follow may prove up commercial deposits of radioactive and other valuable minerals and metals.

Canada Iron

Canada Iron Mining Limited. Since the years of World War II, Frobisher Limited has held several magnetic iron deposits in Southeastern Ontario. The aggregate reserves thereon, as indicated by incomplete preliminary work to date, are estimated at 7-10 million tons of concentrating ore located on several scattered properties. Over the years, market conditions and other variable factors relating to the iron ore business have been closely followed with a view to instituting a more complete assessment of the properties at a propitious time. It now appears that the time has come to take action and accurately establish the true potential of the properties held. Active steps are currently being taken to this end.

Consolidated Guayana

Consolidated Guayana Mines Limited. The 1955 activities of the Company's Lima staff included: the supervision of additional development work at the Chavin Mine (jointly owned with Frobisher Limited); and the examination and acquisition where justified, of various new mining prospects. Consequent upon the latter, further detailed investigation is planned in 1956 on three Peruvian copper properties of relatively large indicated potential and a high-grade silver-gold-copper prospect.

Falconbridge

Falconbridge Nickel Mines Limited. Here, the Frobisher position amounts to only 4% of the company's total issued capital. However, the



frobisher LIMITED

Falconbridge
(continued)

asset thus represented occupies a place of major importance in your Company's investment portfolio which makes, through dividends received, a substantial contribution to the Frobisher operating revenue. Falconbridge made steady progress during 1955 toward its immediate goal of production at the rate of 55 million pounds of nickel annually. This year's production of that metal was more than 41 million pounds — an increase of 3.5 million pounds over 1954.

*International
Ranwick*

International Ranwick Limited, previously known as Consolidated Ranwick Uranium Mines Limited, adopted its present name in 1955, coincidentally with an increase in its authorized capital required for the provision of new financing. Its major current interests lie on the Colorado Plateau and in Arizona, in the U.S.A.; but its original uranium properties in the Sault Ste. Marie and northern Saskatchewan areas of Canada are still retained. Additionally, International Ranwick participates in a number of producing oil leases in Caddo Parish, Louisiana.

Joliet-Quebec

Joliet-Quebec Mines Limited. Frobisher holds more than one million shares, representing 20% of the outstanding capital of this company, whose claims adjoin and lie between the Noranda and Quemont properties. By reason of its exceptionally favourable location and the encouragement arising out of past development operations, hope may be reasonably justified that the Company may one day become a profitable producer. Deep-level exploration is planned from the nearby Quemont workings.

Michipicoten Iron

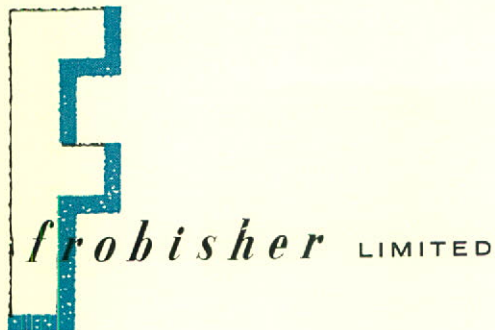
Michipicoten Iron Mines Limited. Ownership of this company, whose interests centre on proven reserves of four million tons of hematite (iron oxide) and five million tons of siderite (iron carbonate) on the Josephine Mine property, north of Sault Ste. Marie, Ontario, is shared with Sherritt Gordon Mines Limited. Under the same ownership combination (but varied interest relationships) 40 million tons of siderite have been proven, as well, on the adjacent Ruth and Lucy properties to a depth of only 750 ft. A minimum of 15 million tons of recoverable metallic iron is therefore available here, for joint future exploitation at an opportune time.

Pilley's Island

Pilley's Island Copper-Pyrite Limited holds a 21-year lease on properties at Notre Dame Bay, Newfoundland, whereon preliminary investigations in 1951-52 indicated some 625,000 tons of pyritic ore. Two-thirds of this tonnage carries copper values to the extent of almost 2%. Chances for further ore discoveries are regarded as being excellent and plans for an early comprehensive investigation of the property are now being formulated.

*Stewart Island
Prospect*

Stewart Island Prospect. In June, 1955, the Company entered into an option agreement with respect to 37 claims on Stewart Island, Lake Athabaska, on which a promising discovery of pitchblende had been made. Subsequently, the validity of the agreement was challenged by another company, whereupon your Company brought action to settle the matter. On April 10th, 1956, judgment was delivered in that action in favour of Frobisher Limited.



Auditors' Report

To the Shareholders of
Frobisher Limited:

We have examined the consolidated balance sheet of Frobisher Limited and its wholly-owned subsidiary companies as at December 31, 1955 and the statements of consolidated profit and loss, deficit and special deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and statements of consolidated profit and loss, deficit and special deficit, when read in conjunction with the notes appended thereto, present fairly the financial position of the companies consolidated therein as at December 31, 1955 and the results of their operations for the year ended on that date.

CLARKSON, GORDON & CO.,
Chartered Accountants.

Toronto, Canada,
April 23, 1956.



frobisher LIMITED

INCORPORATED UNDER THE LAWS OF ONTARIO

Consolidated Balance Sheet

(with comparative figures)

ASSETS

	1955	1954
CURRENT:		
Cash on hand and in banks	\$ 330,620	\$ 426,094
Bullion in transit		57,795
Accounts receivable	110,660	177,036
	<u>\$ 441,280</u>	<u>\$ 660,925</u>
INVESTMENT IN SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES AT COST LESS AMOUNTS WRITTEN OFF (Note 3):		
Subsidiary companies —		
Shareholdings	\$12,022,416	\$ 6,756,142
Advances	31,156	667,228
	<u>\$12,053,572</u>	<u>\$ 7,423,370</u>
Associated and other companies —		
Shareholdings	\$ 9,347,963	\$13,609,493
Advances	1,469,761	1,031,806
	<u>\$10,817,724</u>	<u>\$14,641,299</u>
	<u>\$22,872,296</u>	<u>\$22,064,669</u>
FIXED:		
Buildings, plant and equipment, at cost	\$ 1,420,531	\$ 1,394,835
Less accumulated depreciation	1,227,085	1,109,148
	<u>\$ 193,446</u>	<u>\$ 285,687</u>
Mining properties at cost	379,390	379,795
	<u>\$ 572,836</u>	<u>\$ 665,482</u>
OTHER:		
Exploration expenditures carried forward	\$ 1,335,743	\$ 1,378,322
Supplies and spare parts at the lower of cost or market	237,112	234,509
Sundry prepayments and deferred charges	20,795	28,848
	<u>\$ 1,593,650</u>	<u>\$ 1,641,679</u>
	<u>\$25,479,062</u>	<u>\$25,032,755</u>

The notes to financial statements are an integral part of the above

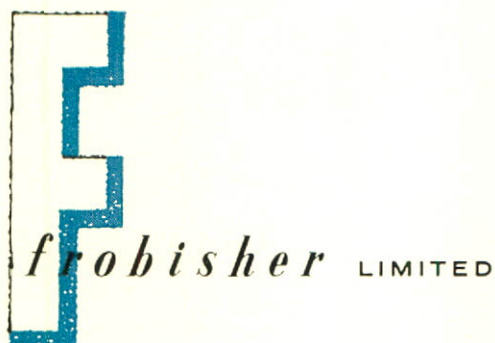
- as at *December 31, 1955*

or December 31, 1954)

LIABILITIES

	1955	1954
CURRENT:		
Bank loans — secured		\$ 1,480,910
Accounts payable and accrued charges	\$ 241,559	286,541
Amounts owing to associated companies	5,570	32,521
Income taxes payable	22,464	
	<u>\$ 269,593</u>	<u>\$ 1,799,972</u>
COMMITMENTS AND CONTINGENT LIABILITIES — see Note 4		
ADVANCES FROM VENTURES LIMITED (Note 6)	\$ 6,532,638	\$ 6,532,638
LONG TERM:		
4% convertible debentures due February 15, 1968 (Note 3)	\$ 5,000,000	\$ 5,000,000
PROVISION FOR DEPLETION ON SHARES OF ASSOCIATED COMPANIES	\$ 526,000	\$ 376,000
CAPITAL AND DEFICIT (Notes 5, 6 and 7):		
Capital —		
Authorized — 7,500,000 shares of no par value		
Issued — 5,949,488 shares (1954 — 5,549,488 shares)	\$16,519,489	\$14,919,489
Deficit	\$ 191,504	\$ 473,333
Special deficit	3,177,154	3,122,011
	<u>\$ 3,368,658</u>	<u>\$ 3,595,344</u>
	<u>\$13,150,831</u>	<u>\$11,324,145</u>
Approved on behalf of the Board:		
T. LINDSLEY, Director.		
A. J. ANDERSON, Director.		
	<u>\$25,479,062</u>	<u>\$25,032,755</u>

consolidated balance sheet and should be read in conjunction therewith.



**STATEMENT OF CONSOLIDATED DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 1955**

(with comparative figures for the year 1954)

	1955	1954
Balance at beginning of year	\$ 473,333	\$ 652,578
Net profit for the year	281,829	179,245
Balance at end of year	<u>\$ 191,504</u>	<u>\$ 473,333</u>

STATEMENT OF CONSOLIDATED SPECIAL DEFICIT

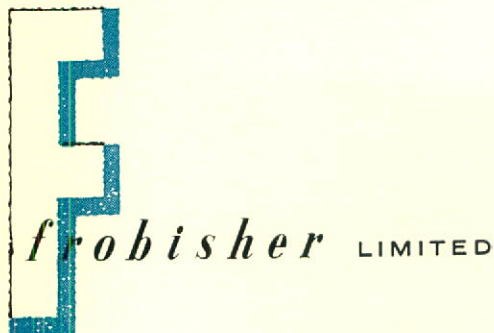
(Consisting of the amounts written off exploration and research expenditures and interest in and advances to associated and other companies less the profit (net) on sales of securities and fixed assets.)

FOR THE YEAR ENDED DECEMBER 31, 1955

(with comparative figures for the year 1954)

Balance at beginning of year	\$3,122,011	\$1,736,582
Amounts written off:		
Securities	17,500	487,859
Advances to associated companies	(14,117)	92,088
Exploration expenses	174,573	203,829
Loss or (profit) on conversion of the net foreign currency assets of exploration subsidiaries	1,983	(1,847)
	<u>\$ 179,939</u>	<u>\$ 781,929</u>
	<u>\$3,301,950</u>	<u>\$2,518,511</u>
Deduct:		
Net profit or (loss) on sales of securities	\$ 115,768	\$ (713,200)
Net profit on disposal of fixed and other assets at Black Donald Graphite Division		76,872
Service fees earned by an exploration subsidiary less administration expenses	9,028	32,828
	<u>\$ 124,796</u>	<u>\$ (603,500)</u>
Balance at end of year	<u>\$3,177,154</u>	<u>\$3,122,011</u>

The notes to financial statements are an integral part of the above statements of consolidated deficit and special deficit and should be read in conjunction therewith.



**STATEMENT OF CONSOLIDATED PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 1955**

(with comparative figures for the year 1954)

	1955	1954
HEAD OFFICE DIVISION :		
Interest earned and dividends received from associated companies—		
Falconbridge Nickel Mines Limited	\$ 165,000	\$ 37,500
Giant Yellowknife Gold Mines Limited	284,194	464,894
United Keno Hill Mines Limited	300,264	244,922
Other	25,921	16,528
	\$ 775,379	\$ 763,844
Less portion of dividends received transferred to provision for depletion	150,000	150,000
	\$ 625,379	\$ 613,844
Dividends received from other companies	115	101
	\$ 625,494	\$ 613,945
Deduct—		
Administrative and general expenses	\$ 129,372	\$ 120,863
Interest on debentures	200,000	200,000
Interest on advances from Ventures Limited	78,876	80,127
Other interest paid	62,420	77,867
Foreign tax paid on interest received	5,701	
	\$ 476,369	\$ 478,857
Net profit of Head Office Division	\$ 149,125	\$ 135,088
CONNEMARA DIVISION (Southern Rhodesia) :		
Net proceeds from production	\$1,171,381	\$1,122,601
Sundry income	9,872	10,514
	\$1,181,253	\$1,133,115
Deduct—		
Operating expenses (excluding allowance for depreciation)	\$ 921,594	\$ 966,076
Southern Rhodesia income taxes	22,464	
Allowance for depreciation	121,182	166,626
Loss or (profit) on conversion of foreign currencies	(16,691)	7,620
	\$1,048,549	\$1,140,322
Net profit or (loss) of Connemara Division	\$ 132,704	\$ (7,207)
BLACK DONALD GRAPHITE DIVISION :		
Net sales		\$ 264,806
Sundry income		6,829
		\$ 271,635
Deduct—		
Operating expenses (excluding allowance for depreciation)		\$ 189,329
Allowance for depreciation		30,942
		\$ 220,271
Net profit of Black Donald Graphite Division		\$ 51,364
Net profit for the year (excluding items in consolidated special deficit)	\$ 281,829	\$ 179,245

The notes to financial statements are an integral part of the above statement of consolidated profit and loss and should be read in conjunction therewith.



frobisher LIMITED

FROBISHER LIMITED
CONSOLIDATED STATEMENT OF INVESTMENT IN SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES
AS AT DECEMBER 31, 1955 AND DECEMBER 31, 1954

	December 31, 1955				December 31, 1954					
	Share and bondholdings				Share and bondholdings					
	Number of shares or par value	% of out-standing capital	Indicated market values (Note 1)	Cost less amounts written off	Advances	Number of shares or par value	% of out-standing capital	Indicated market values (Note 1)	Cost less amounts written off	Advances
Subsidiary companies:										
Associated Tin Mines (South West Africa) Limited	720,000	60.0%	\$ 577,858	\$ 577,858	\$ 24,644	720,000	60.0%	\$ 577,858	\$ 735,000	\$ 664,352
Chavin Mines Corporation	1,500	75.0	4,487,850	6,149,885		1,500	75.0	4,487,850	4,904,852	
Geoil Limited (Note 2)	1,575,685	52.1				1,487,733	92.9		473,609	
Kilembe Copper Cobalt Ltd.	1,843,457	83.4	\$ 6,359,926			\$173,635	*			
Kilembe Mines Limited										
6% first mortgage debentures due 1959-1975				71,823	6,512					
Miscellaneous participations of less than \$50,000 each			\$ 6,359,926	\$12,022,416	\$ 31,156			Nil	\$ 6,756,142	\$ 2,876
* Kilembe Mines Limited is a subsidiary of Kilembe Copper Cobalt Ltd.										
Associated and other companies:										
Akaiicho Yellowknife Gold Mines Limited	1,165,230	35.7%	\$ 629,224	\$ 380,243		1,165,230	35.7%	\$ 757,399	\$ 380,243	
Anacon Lead Mines Limited	11,200		37,740	61,625						
Anyox Metals Limited	200,000	40.0			\$ 78,117	200,000	40.0			\$ 78,117
Beaver Lodge Uranium Mines Limited	48,000	1.8	32,160	60,000		50,500	2.4	28,280	63,125	
British Newfoundland Corporation Limited	259,651	5.5		259,651		86,900	4.1		86,900	
Consolidated Guayana Mines Limited	714,343	28.0	250,020	538,048	252,753	714,343	28.0	200,016	538,048	251,195
Consolidated Pershcourt Mines Limited	74,000	2.2	22,385	133,920		222,000	7.4	17,760	133,920	
Dominion Magnesium Limited						7,334	1.6	99,926	58,672	
Dupresnoy Mines Limited						746,802	27.0		78,580	
Eureka Corporation Limited	156,750	1.8	227,288	184,800	63,168	166,750	2.0	181,757	195,337	63,168
Falconbridge Nickel Mines Limited (Note 3)	150,000	4.0	4,593,750	722,091		150,000	4.0	3,525,000	722,091	
Ferrum Limited — Shares	26,265	34.6		105,693		26,265	34.6		105,693	
— 5% debentures due 1957/1960	\$111,667					\$111,667				

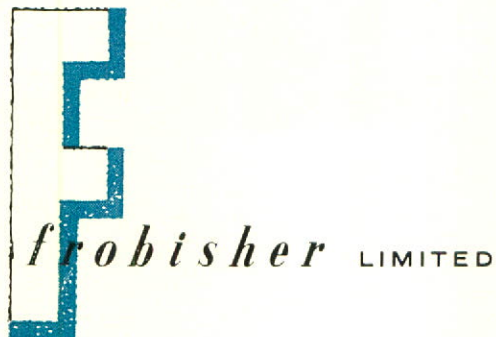
Giant Yellowknife Gold Mines Limited (Note 3)	784,977	19.6	4,356,622	164,244	832,236	20.8	6,491,440	177,748	
Horne Fault Mines Limited	881,634	33.8	149,878	84,900	881,634	33.8	79,347	84,900	6,400
International Ranwick Limited	315,825	10.9	385,307	246,108	315,825	16.3	154,754	246,108	
Joliet-Quebec Mines Limited	1,031,800	20.1	1,320,704	134,602	1,031,800	20.1	474,628	134,602	
Lake Dufault Mines Limited	224,962	5.5	528,661	83,070	204,963	27.5		81,985	
Lakefield Research Limited	874,111	32.6		304,819	874,111	32.6		304,819	90,786
Michipicoten Iron Mines Limited	1,282,637	27.7	1,475,035	348,767	1,282,639	27.7	718,278	348,767	
New Calumet Mines Limited					31,600	.1	32,864	64,150	
New Larder "U" Island Mines Limited	2,250	15.0		317,873	2,250	15.0		317,873	
Northern Mining Company	20,004	18.4		90,004	20,004	19.0		90,004	
Northfield Canada Limited									
Northwest Power Industries Limited (Note 4)							376,069		
Associated and other Companies (Cont'd.)									
Pilley's Island Copper Pyrite Limited	600,000	41.3	4,460,414	125,000	600,000	50.0	2,075,882	125,000	
Quebec Metallurgical Industries Ltd.	1,143,696	24.0	673,357	2,236,337	638,733	31.7	232,614	2,006,700	
Rainville Mines Limited	612,143	25.1		404,894	612,143	33.3		404,894	
St. Eugene Mining Corporation Limited	841,185	34.8		319,989	841,185	34.8		319,989	447,913
Seacoll Limited (Note 2)					426,354	35.0		426,354	7,669
Societe Anonyme des Mines de Fer de Mauritanie —									
Ordinary shares	21,250	34.0		602,638	17,000	34.0		481,989	60,600
Founders shares	6,778				6,778				
Trans-Border Oils Ltd. (Note 2)	729,276	29.5	5,433,106	453,426	487,880	31.0	5,247,404	4,025,010	
United Keno Hill Mines Limited (Note 3)					807,293	32.7		540,328	
Miscellaneous participations of less than \$60,000 each—									
Those with market value			999,019	463,219			474,177	494,951	1,516
Those without market value			\$25,574,670	\$9,347,963	\$25,574,670		\$20,791,526	\$13,609,493	\$1,031,806
			\$31,934,596	\$21,370,379	\$31,934,596		\$20,791,526	\$20,365,635	\$1,699,034

NOTES: (1) The market values shown above are based on closing market prices at December 31, 1955 and December 31, 1954. Because of the number of shares involved, the indicated market value for certain securities is not necessarily indicative of the amount that could be realized if the securities were to be sold.

(2) During the year the company's shareholdings in Seacoll Limited and Trans-Border Oils Ltd. were exchanged for shares of Geoil Limited.

(3) See note (3) to financial statements as to shareholdings hypothecated as security for the company's outstanding 4% debentures as well as shareholdings loaned to associated companies.

(4) At December 31, 1955 the outstanding share capital of Northwest Power Industries Limited consisted of 7 directors' qualifying shares.



Notes to Financial Statements

AS AT DECEMBER 31, 1955

1. The consolidated financial statements reflect the financial position and operating results of the company and its wholly-owned subsidiaries, Bushveld Limited, Canada Iron Mining Limited, Frobrican Exploration Company Limited and Mines Incorporated. The company's investment in its other subsidiaries is shown as a separate item in the balance sheet; they have not been consolidated because of substantial minority interests. A portion of the company's holdings in two of the subsidiaries is under option to Ventures Limited at the cost thereof to the company.

No dividends were received from the unconsolidated subsidiaries during the year ended December 31, 1955. The interest of Frobisher Limited in the current year's losses less profits of these subsidiaries amounted to \$441,677, no portion of which has been provided for in the accounts of Frobisher Limited. The interest of Frobisher Limited in the aggregate of the losses less profits of unconsolidated subsidiaries accumulated from the date of their acquisition to December 31, 1955, not provided for in its accounts, amounted to \$570,918.

2. Assets and liabilities in currencies other than Canadian dollars are converted into Canadian funds at the current quoted rates of exchange at December 31, 1955, except fixed assets (and the related accumulated depreciation) and exploration expenditures which are converted at the rates of exchange prevailing when the expenditures on the assets were made.

Revenues and expenses in currencies other than Canadian dollars are converted into Canadian funds at approximately the average monthly quoted rates of exchange, except the allowance for depreciation which is converted at the rates of exchange prevailing when the expenditures on the related assets were made.

3. The company has pledged 500,000 shares of Giant Yellowknife Gold Mines Limited, 500,000 shares of United Keno Hill Mines Limited and 150,000 shares of Falconbridge Nickel Mines Limited under the trust indenture securing the 4% convertible debentures.

The company has loaned 29,000 shares of United Keno Hill Mines Limited and 5,000 shares of Giant Yellowknife Gold Mines Limited to subsidiary companies.

4. The company has agreed to make expenditures subsequent to December 31, 1955 which it is estimated will cost it approximately \$4,265,000. This includes \$3,765,000 in connection with a commitment made by Frobisher Limited to make available to Kilembe Mines Limited sufficient funds to enable it to bring the Kilembe mine into production in commercial quantities on or before December 31, 1956, and to provide Kilembe Copper Cobalt Ltd. with sufficient funds to pay the costs of its own operations and the interest on its debentures to October 1, 1957.

5. During 1955, 400,000 shares of capital stock were issued for \$1,600,000 cash.

6. Share purchase warrants outstanding at December 31, 1955 entitle the holders to purchase 495,512 shares at \$10 per share on or before June 26, 1956. Ventures Limited has agreed to purchase at \$10 per share any shares not taken up by the holders of share warrants. Advances from Ventures Limited at December 31, 1955 were in excess of the maximum amount which might be receivable from that company under the agreement.

7. There are outstanding options to sell shares of the company's capital stock as follows:

- (a) 200,000 shares at \$4.25 per share exercisable on or before January 4, 1956 (since exercised).
- (b) 163,333 shares at \$4.50 per share exercisable on or before April 4, 1956 (since exercised).
- (c) 25,000 shares to an employee of the company at U.S. \$4.09 per share exercisable at any time before December 1, 1965; this option contains provisions for termination on cessation of employment.
- (d) 500,000 shares to Ventures Limited at \$8 per share in the event the company's authorized capital is increased sufficiently to permit this option to be exercised.

In addition 666,667 unissued shares are reserved for possible issuance upon conversion of 4% convertible debentures.

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