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ASBESTOS CORPORATION LIMITED

(INCORPORATED 1925)

DIRECTORS:

R. W. STEELE, *President and Managing Director*
C. W. COLBY, M.A., Ph.D., *Vice-President* KENNETH T. DAWES, *Vice-President*
W. A. ARBUCKLE A. H. PARADIS
G. R. COTTRELLE LIEUT.-COL. J. G. ROSS
J. C. H. DUSSAULT, K.C. H. P. THORNHILL

SIXTEENTH ANNUAL REPORT
For the Period of Twelve Months
Ending 31st December, 1941

MONTREAL, January 27th, 1942

To the Shareholders of
ASBESTOS CORPORATION LIMITED:

Your Directors submit the Sixteenth Annual Report of the Company with Balance Sheet and Profit and Loss Account for the year ending December 31st, 1941, as certified by your auditors, Messrs. Price, Waterhouse and Company.

The Profit for the year after charging all expenses including provision for taxes of \$455,000.00 but before depreciation and depletion amounted to \$1,152,396.41. From this amount \$405,516.31 was set aside in the reserve for depreciation and depletion leaving a balance of \$746,880.10. Dividends of \$720,000.00 were paid and \$26,880.10 added to surplus account.

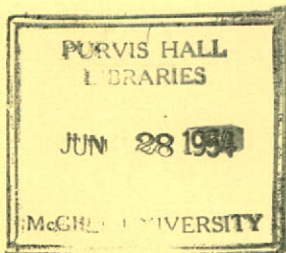
The condition of your mines and plants has been maintained at the previous high level of efficiency throughout the year.

In the last annual report your attention was directed to the curtailment of markets caused by war. This curtailment was accentuated during 1941 but increased requirements in the markets remaining to us are now tending to offset the previous loss of volume. As a consequence the British-Canadian Mine, closed on September 28th, 1940, was reopened on September 1st, 1941, and the King's, Beaver, British-Canadian and Vimy Mines are in full operation.

Cost of production has increased during the year due to higher costs of materials and supplies, unemployment insurance, and the cost of living bonus which applied only to the later months and which will therefore be reflected to a greater extent in 1942.

Your Directors wish to record again their appreciation of the loyal and efficient support rendered by the officers, staff and employees of the Corporation throughout the year.

R. W. STEELE,
President.



ASBESTOS CORP

BALANCE SHEET, D

ASSETS

CURRENT ASSETS:

Dominion of Canada Bonds \$1,400,000.00 par value (Quoted value \$1,402,250.00)	\$ 1,393,200.00	
Dominion of Canada Treasury Bills \$650,000.00 at market	649,843.35	
Inventories of Stocks on hand, as determined by responsible officials of the Company, valued as to Asbestos at standard rates, which are lower than market price, and as to Materials and Supplies at laid down cost—		
Asbestos	\$ 429,943.69	
Materials and Supplies	507,040.16	936,983.85
Accounts and Bills Receivable	\$ 548,168.01	
LESS: Reserve for Bad and Doubtful Accounts	35,140.07	513,027.94
Cash on hand and in Banks		97,666.81
		\$3,590,721.95

DEFERRED CHARGES TO OPERATIONS:

Prepaid Taxes and Insurance, etc	\$ 95,267.72	
Mine Development Work	\$ 241,936.36	
LESS: Amount written off	193,549.08	48,387.28
		143,655.00

PROPERTIES:

Mineral Areas and Development, Real Estate, Plant and Equipment stated at the written down value as determined by the management on the reorganization of the Company in 1932, plus subsequent additions at cost	\$7,693,076.85	
LESS: Reserves for Depreciation and Depletion	5,227,171.53	2,465,905.32
		\$6,200,282.27

APPROVED ON BEHALF OF THE BOARD:

Director R. W. STEELE,
Director KENNETH T. DAWES.

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE YEAR ENDING DECEMBER 31, 1941

Profit from Operations for the year ending December 31, 1941 before providing for the items undernoted	\$1,620,591.76	
Interest on Investments	\$ 30,196.26	
Miscellaneous Revenue	40,649.20	70,845.46
		\$1,691,437.22
Executive Salaries	\$ 56,350.00	
Legal Fees	1,193.71	
Directors' Fees	8,080.00	
Provision for Depreciation and Depletion	405,516.31	
Contribution to Pension Fund	18,417.10	489,557.12
		\$1,201,880.10
Provision for Dominion and Provincial Taxes		455,000.00
		\$ 746,880.10
Quarterly Dividends equivalent to 60c per share	\$ 360,000.00	
Extra Dividends equivalent to 60c per share	360,000.00	720,000.00
		\$ 26,880.10
ADD: Surplus, December 31, 1940		568,403.96
Earned Surplus, December 31, 1941		\$ 595,284.06

ASBESTOS CORPORATION LIMITED

DECEMBER 31st, 1941

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable and Accrued Liabilities.....	\$ 228,566.56	
Provision for Dominion, Provincial and Other Taxes.....	467,289.65	
		\$ 695,856.21

GENERAL RESERVE:..... 1,000,000.00

CAPITAL STOCK:

Represented by 600,000 Shares of no par value issued out of a total authorized issue of 1,200,000 shares..... 2,909,142.00

SURPLUS:

Distributable Surplus.....	\$1,000,000.00	
Earned Surplus per statement attached.....	595,284.06	1,595,284.06
		<u>\$6,200,282.27</u>

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Asbestos Corporation Limited for the year ending December 31, 1941, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet at December 31, 1941 is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Corporation.

MONTREAL, January 26, 1942.

PRICE, WATERHOUSE & CO.
Auditors.

January 23, 1942.

To the President and Directors,
Asbestos Corporation Limited.

The following summary report of operations on the properties of your Company for the year 1941 is submitted.

OPERATING TIME

Mills at the King, Beaver and Vimy Ridge Mines were operated at capacity throughout the year. The mill at the British-Canadian Mine resumed operations at capacity on September 1, 1941, having been closed since September 28, 1940.

MINING—

King

A main haulage drift was completed on the 900 foot level from the shaft to Block 905, a distance of 2,641 feet, together with 1,200 feet on the service drift on the 855 foot level.

A new blacksmith shop was built.

Beaver

4,416 feet of diamond drilling was done to further delimit the ore bodies.

Vimy Ridge

934 feet of diamond drilling was done ahead of the pit working faces.

Cobbing crudes was resumed in June, 1941, which had been discontinued in July, 1940.

Prospecting

Diamond drilling exploratory work was done on two outside properties.

I wish to commend to you the support of the Staff and Employees throughout the year.

Respectfully submitted,
J. G. ROSS,
Manager and Director.

ASBESTOS CORPORATION LIMITED

SIXTEENTH ANNUAL REPORT

AND

STATEMENT OF ACCOUNTS

FOR THE PERIOD OF TWELVE MONTHS ENDING

31st DECEMBER, 1941

DIRECTORS:

R. W. STEELE, *President and Managing Director*

C. W. COLBY, M.A., PH.D., *Vice-President*

KENNETH T. DAWES, *Vice-President*

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J. C. H. DUSSAULT, K.C.

H. P. THORNHILL

LIEUT.-COL. J. G. ROSS - *Manager*

J. T. MCCALLUM - *Secretary-Treasurer*

Head Office:

MONTREAL

Mines Office:

THETFORD MINES, P.Q.

