

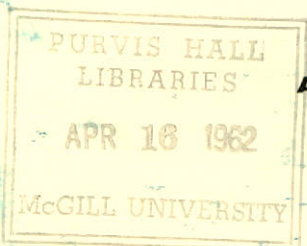
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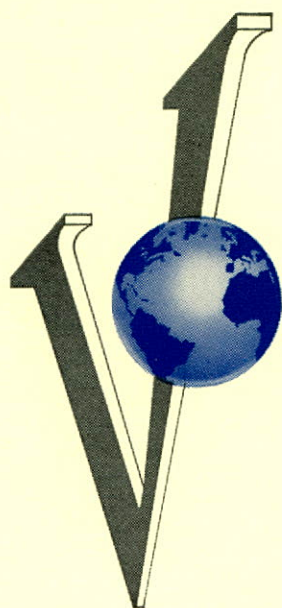


V E N T U R E S   L I M I T E D

1961  
A N N U A L   R E P O R T







**1961**

**VENTURES LIMITED**

**33RD ANNUAL REPORT**

**HEAD OFFICE • 25 KING STREET WEST • TORONTO • CANADA**

**OFFICERS**

Chairman of the Board  
President and Managing Director  
Vice-President and General Manager  
Vice-President and Secretary  
Vice-President  
Treasurer  
Assistant Secretary and Assistant Treasurer

**GENERAL COUNSEL**

**DIRECTORS**

J. D. BARRINGTON

H. J. FRASER

H. S. McGOWAN

G. T. N. WOODROOFFE

D. G. C. MENZEL

J. T. McWHIRTER

S. F. TAIT

J. S. D. TORY

J. D. BARRINGTON

H. J. CARMICHAEL

W. B. DIX

H. J. FRASER

T. LINDSLEY

L. J. McGOWAN

J. S. D. TORY

S. M. WEDD

G. T. N. WOODROOFFE



# VENTURES LIMITED

## REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS:

You have already been informed that the transactions contemplated by the merger agreement dated as of November 7, 1961 between Falconbridge Nickel Mines Limited, your company and McIntyre Porcupine Mines Limited were completed on January 31, 1962. As it now appears that your company will be unable to distribute the Falconbridge shares owned by it before the calling of the Falconbridge annual meeting, your directors considered it advisable to prepare and submit to you this thirty-third annual report.

As the present assets of your company consist solely of 2,876,822 Falconbridge shares, there will be enclosed with this report a copy of the Falconbridge thirty-third annual report for the year 1961. If you refer to the Falconbridge annual report you will see that there is a section in it devoted exclusively to the assets acquired by Falconbridge on the merger. There is also a pro forma balance sheet of Falconbridge as at December 31, 1961 which sets forth the financial position of the merged company on the basis that the merger had taken place on that date.

To comply with the statute governing the affairs of your company there is set forth on the following pages a balance sheet as at December 31, 1961 and the related statements of consolidated earnings and consolidated retained earnings together with notes relating thereto and the auditors' report thereon.

Your directors believe that this annual report together with the Falconbridge annual report will give to you complete information about the affairs of your company and of Falconbridge at this time.

It is not intended to hold an annual meeting this year. The directors of Falconbridge, however, have suggested that any shareholder of Ventures would be welcome at the Falconbridge annual meeting which will be held in the Alberta Room of the Royal York Hotel, Toronto, Ontario, on Friday, the 27th day of April, 1962

at the hour of 10:30 o'clock in the forenoon (Toronto time).

Your company has filed its 1961 income tax return and has made the election under the Income Tax Act (Canada) to pay a special tax on its undistributed income on hand so that no Canadian income tax will be payable by its shareholders upon the distribution to them of the Falconbridge shares. Your directors hope that the distribution of Falconbridge shares can be made in May, but shareholders are cautioned that your company has no control over the issuing of the appropriate tax clearances which must be received before the distribution is made. It will be recalled that the Falconbridge shares owned by your company will be distributed pro rata on the basis of 104 shares of Falconbridge for each 100 shares of Ventures.

It is with a good deal of sadness that your directors report to you that this will probably be the last annual report of your company and the name "Ventures Limited" will pass from the list of Canadian mining corporations. Your directors believe your company has made a great contribution not only to you, its shareholders, but also to the people of Canada. While the name "Ventures" will disappear, the spirit which has enabled Ventures to contribute so much will continue in the Falconbridge organization and even a short glance at the Falconbridge annual report will, we think, convince you that the merged company has every attribute necessary to challenge the future successfully.

On behalf of the Board,

H. J. FRASER,  
President.

Toronto, Ontario,  
March 27, 1962.



\*  
AUDITORS'  
REPORT

ARTHUR YOUNG, CLARKSON, GORDON & CO.  
ACCOUNTANTS AND AUDITORS  
OFFICES IN PRINCIPAL CITIES OF U.S.A.

*Clarkson, Gordon & Co.*  
*Chartered Accountants*

15 WELLINGTON STREET WEST

*Toronto 1*  
CANADA

AUDITORS' REPORT

To the Shareholders of  
Ventures Limited:

We have examined the consolidated balance sheet of Ventures Limited and its consolidated subsidiaries as at December 31, 1961 and the statements of consolidated earnings and retained earnings for the year then ended, and have obtained all the information and explanations we have required. 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, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and statements of consolidated earnings and retained earnings, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the state of affairs of the companies as at December 31, 1961 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We also report that in our opinion the information required under section 118 of the Companies Act (Canada) is correctly stated in note 2 to the financial statements.

*Clarkson, Gordon & Co.*  
Chartered Accountants.

Toronto, Canada,  
March 13, 1962.

# VENTURE

(Incorporated under the laws of the State of Nevada)

and its consolidated subsidiaries

## Consolidated Balance Sheet

(with comparative figures for 1960)

### ASSETS

Current:	1961	1960
Cash .....	\$ 4,051,454	\$ 1,937,787
Short term investments at cost (approximate market value) .....		4,513,511
Bullion .....	22,908	13,066
Accounts receivable —		
Unconsolidated subsidiary and associated companies .....	95,077	169,085
Sundry .....	75,378	204,576
	<u>\$ 4,244,817</u>	<u>\$ 6,838,025</u>
Investment in unconsolidated subsidiary, associated and other companies at cost, less amounts written off (note 2):		
Unconsolidated subsidiary companies —		
Shares:		
Falconbridge Nickel Mines Limited .....	\$ 4,288,030	\$ 4,759,804
Other .....	17,894,647	18,047,663
	<u>\$22,182,677</u>	<u>\$22,807,467</u>
Advances and debentures .....	3,012,224	4,947,818
	<u>\$25,194,901</u>	<u>\$27,755,285</u>
Associated companies —		
Shares .....	\$23,057,452	\$22,282,498
Advances and debentures .....	239,581	
	<u>\$23,297,033</u>	<u>\$22,282,498</u>
Other companies —		
Shares .....	\$ 397,954	\$ 444,999
	<u>\$48,889,888</u>	<u>\$50,482,782</u>
Other:		
Mining claims .....	\$ 40,005	\$ 40,005
Supplies .....	97,054	121,831
Prepaid expenses .....	3,862	12,314
Buildings and equipment at cost, less accumulated depreciation .....	117,858	120,818
Mortgages and property sales agreements .....	87,815	98,334
	<u>\$ 346,594</u>	<u>\$ 393,302</u>
	<u>\$53,481,299</u>	<u>\$57,714,109</u>

See notes to consolidated financial statements



# S LIMITED

(the laws of Canada)

ated subsidiaries

Sheet — December 31, 1961

(e figures for 1960)

## LIABILITIES

### Current:

	1961	1960
Accounts payable and accrued charges .....	\$ 184,424	\$ 256,012
Due to unconsolidated subsidiary and associated companies .....	274,147	15,683
Dividend payable .....		957,390
Long-term debt payable within one year .....		500,000
Provision for taxes and expenses arising out of the implementation of the agreement referred to in note 1 .....	3,000,000	
	<u>\$ 3,458,571</u>	<u>\$ 1,729,085</u>

Commitments and contingent liabilities (note 4):

Long-term debt less amount payable within one year (note 6) ..... \$ 5,744,317

### Shareholders' Equity (note 5):

Capital —		
Authorized: 4,000,000 shares of no par value		
Issued: 1961 2,763,667 shares (1960 2,735,399) .....	\$38,470,246	\$37,828,531
Retained earnings .....	11,552,482	12,412,176
	<u>\$50,022,728</u>	<u>\$50,240,707</u>

On behalf of the Board:

J. D. BARRINGTON, Director.

H. J. FRASER, Director.

\$53,481,299

\$57,714,109

financial statements.

# VENTURES LIMITED

and its consolidated subsidiaries

## STATEMENT OF CONSOLIDATED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1961

(with comparative figures for 1960)

### Dividends received from:

	1961	1960
Unconsolidated subsidiary companies —		
Falconbridge Nickel Mines Limited .....	\$3,645,585	\$3,112,588
Other subsidiaries .....	546,583	272,755
	<u>\$4,192,168</u>	<u>\$3,385,343</u>
Other companies .....	886,782	571,605
	<u>\$5,078,950</u>	<u>\$3,956,948</u>
Interest earned .....	482,817	526,166
Royalty received .....	37,500	70,327
Net profit of Connemara Mine .....	84,989	41,812
	<u>\$5,684,256</u>	<u>\$4,595,253</u>

### Deduct:

Administrative and general expenses —		
Executive salaries .....	\$ 97,756	\$ 158,967
Directors' fees .....	15,500	15,500
Legal fees and expenses .....	15,970	20,739
Other administrative expenses less amounts recovered from unconsolidated subsidiary and associated companies .....	316,097	303,515
	<u>\$ 445,323</u>	<u>\$ 498,721</u>
Interest on debentures .....	293,381	282,340
Other interest paid .....		6,199
Income taxes deducted at source from dividends received .....	2,828	3,908
	<u>\$ 741,532</u>	<u>\$ 791,168</u>
Earnings for the year before exploration expenditures .....	\$4,942,724	\$3,804,085
Exploration expenditures .....	561,892	784,171
Net earnings for the year .....	<u>\$4,380,832</u>	<u>\$3,019,914</u>

### Supplementary information:

1. Fees paid to directors of Ventures Limited by unconsolidated subsidiaries amounted to \$8,400 in 1961 and \$5,400 in 1960.
2. Depreciation provided totalled \$42,101 in 1961 and \$16,662 in 1960.

See notes to consolidated financial statements.



# VENTURES LIMITED

and its consolidated subsidiaries

## STATEMENT OF CONSOLIDATED RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1961

(with comparative figures for 1960)

	1961	1960
Balance at beginning of year .....	\$12,412,176	\$11,410,201
<b>Add:</b>		
Net earnings for the year .....	4,380,832	3,019,914
Gain on disposal or liquidation of investments (net) .....	1,059,009	326,828
Interest on advances to unconsolidated subsidiaries, applicable to prior years .....	332,469	
	<u>\$18,184,486</u>	<u>\$14,756,943</u>
<b>Deduct:</b>		
Adjustment (net) arising out of the consolidation of the company's wholly-owned subsidiaries, consisting primarily of the restatement of the subsidiaries' assets to the basis of valuation employed by Ventures Limited .....		\$ 185,829
Loss on liquidation of investment in Pelletier Lake Gold Mines Limited .....		319,252
Amounts written off investment in unconsolidated subsidiary, associated and other companies (net) .....	\$ 383,201	54,868
Costs incurred in connection with the merger of Frobisher Limited with Ventures Limited .....		145,329
Cost of retiring long-term debt, including premium on redemption and foreign exchange losses (note 6) .....	350,745	
Provision for taxes and expenses arising out of the implementation of the agreement referred to in note 1 .....	3,000,000	
	<u>\$ 3,733,946</u>	<u>\$ 705,278</u>
	\$14,450,540	\$14,051,665
Less dividends declared .....	2,898,058	1,639,489
Balance at end of year .....	<u>\$11,552,482</u>	<u>\$12,412,176</u>

See notes to consolidated financial statements.

# VENTURES LIMITED

and its consolidated subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1961

1. Under an agreement ratified by the company's shareholders on January 30, 1962 the company on January 31, 1962 sold to Falconbridge Nickel Mines Limited all of its assets (except its shareholdings in Falconbridge and \$3,000,000 cash) in consideration of the assumption by Falconbridge of all the liabilities and obligations of Ventures (except the liability, estimated at \$3,000,000 for taxes and expenses arising out of the implementation of the agreement) and the issue to Ventures of 738,527 shares of the unissued capital of Falconbridge. At the same meeting, approval was also given to the distribution pro rata to the shareholders of the company's only remaining asset; i.e. the shares of Falconbridge, on the basis that each shareholder will receive 104 shares of Falconbridge for each 100 shares of Ventures.

Under warrants issued and options granted by Ventures, the obligation for which has been assumed under the aforesaid agreement by Falconbridge, Falconbridge may be required to issue up to an additional 54,734 shares of its unissued capital as follows:

(a) Under warrants outstanding at January 31, 1962, exercisable on or before October 1, 1969 —	
At U.S. \$19.23 per share .....	21,041 shares
At U.S. \$20.00 per share .....	18,101 shares
(b) Under options granted to employees which may be exercised at a cumulative rate not in excess of 20% per annum, expire on April 30, 1969 and contain a termination of employment clause —	
At \$27.27 per share .....	15,592 shares
	<u>54,734 shares</u>

2. The consolidated financial statements reflect the financial position and operating results of the company and its principal wholly-owned subsidiaries.

The earnings of the remaining subsidiary companies are included in income only to the extent of dividends received; such dividends were approximately \$5,100,000 less than the company's share of the aggregate profits less losses of the unconsolidated subsidiaries for the year ended December 31, 1961 (consisting of \$6,075,000 net profit in respect of Falconbridge and \$975,000 net loss in respect of other subsidiaries). The interest of Ventures Limited in the aggregate of accumulated surpluses less deficits of unconsolidated subsidiary companies from the date of their acquisition to December 31, 1961 not taken up in the parent company's accounts amounted to approximately \$30,700,000 (consisting of \$32,709,000 surplus in respect of Falconbridge and \$2,009,000 net deficit in respect of other subsidiaries).

3. Assets and liabilities in currencies other than Canadian dollars are converted into Canadian funds at the current quoted rates of exchange at December 31, 1961 except fixed assets (and the related accumulated depreciation) 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.

4. The company holds an option to purchase 122,547 shares of Kilembe Copper Cobalt Ltd. at \$2.10 per share exercisable on or before December 31, 1962 and has agreed to exercise this option upon the written demand of Kilembe Copper Cobalt Ltd.

At December 31, 1961 Ventures was contingently liable as a result of having sold a note of Kilembe Copper Cobalt Ltd. for \$600,000 to a bank.

Actions instituted in 1957 are still pending against the company and one of its directors relating to the acquisition of the mining properties of La Luz Mines Limited and its wholly-owned subsidiary, Rosita Mines Limited. At the present time no determination can be made as to the liability, if any, in this connection.

5. 28,268 shares of the capital stock were issued by Ventures for \$641,715 cash during the year under warrants and options similar to those referred to in note 1.
6. Prior to December 31, 1961 the company called for redemption its 4½% sinking fund debentures due October 1, 1969 and its 5% debentures due February 15, 1970 and deposited with the respective trustees sufficient funds to redeem these debentures in January, 1962. The difference between the carrying value of these debentures and the cost of their redemption, amounting to \$350,745 has been charged to retained earnings.





