



*ventures Limited*

ANNUAL REPORT • 1954 •

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# 26<sup>th</sup> ANNUAL REPORT



*entures Limited*

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W. C. SCHMIDT  
J. M. THOMPSON  
W. H. WOODS

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A. S. DADSON  
D. H. BROWN  
S. N. CHARTERIS  
A. G. DARLING  
J. B. GORDON

W. H. GROSS  
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### CONSULTANTS

W. DUNN  
O. B. HOPKINS

W. F. JAMES  
I. B. JORALEMON



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### TRANSFER AGENTS AND REGISTRARS

Crown Trust Company  
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393 St. James Street West, Montreal, Quebec

Registrar and Transfer Company  
50 Church St., New York 7, N.Y.  
15 Exchange Place, Jersey City 2, N.J.

### AUDITORS

Clarkson, Gordon & Co.  
Toronto, Ontario

### BANKERS

The Canadian Bank of Commerce  
Toronto, Ontario  
Chemical Corn Exchange Bank  
New York, N.Y.

### SOLICITORS

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Ottawa, Ontario  
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New York 4, N.Y.



## REPORT OF THE DIRECTORS

To the Shareholders:

In last year's report, five of your more important new projects were emphasized and it might be well to review again the situation regarding these enterprises.

Northwest Power Industries Limited has been granted a full year, starting January 1st, 1955, to complete its survey work in Northwest British Columbia. Progress is being made in interesting several strong groups to become associated with your Company in this work.

Opemiska Copper Mines (Quebec) Limited has become established as an important producer of copper and has started expansion of its operations to a rate of 900 tons per day. All the bonds have been paid off and the current bank loans are covered by concentrates in transit and receivables. If the price of copper is maintained at 30¢ or better, the Directors will consider the payment of an initial dividend before the end of 1956.

Ontario Pyrites Company Limited has now been reorganized into Consolidated Sudbury Basin Mines Limited and has completed equity financing to the extent of \$3,250,000, of which \$1,500,000 has already been received. This Company plans an active development program to enlarge its ore reserves, and the preliminary work has been encouraging.

The Seaoil Company together with all oil holdings of Ventures and Associated Companies, have now been merged into a new company called Geoil Limited.

Negotiations are under way to provide for sufficient funds to complete a program of drilling production wells on the Cremona and Alhambra blocks in Alberta. Also test wells in Peru and elsewhere will be drilled.

Quebec Metallurgical Industries Ltd. has just concluded major financing which will place \$3 million dollars cash and \$2 million dollars worth of marketable securities in its treasury. This will permit that Company to proceed to put a number of its enterprises into production before the end of 1956.

Other new development projects such as Nipissing Mines Company Limited, Consolidated Ranwick Uranium Mines Limited and Seal Lake in Labrador, have given decided encouragement during the past year.

At our established operations, Falconbridge Nickel Mines Limited has made excellent progress in its construction work and is beginning to reap the benefits of many past years of intensive expansion both at Sudbury and at its refinery in Norway.

United Keno Hill Mines Limited has had another good year and is entering a period of active expansion of its large holdings in the Mayo district. The recently increased price in silver will be a decided help.

Metal Hydrides Incorporated has achieved new success in its research work on the production of rare metal powders and is also considering expansion of its production of certain special chemicals which will require enlargement of its plant.

**FINANCIAL**

In October 1954, your Company sold \$7,500,000 4½% Debentures, consisting of \$1,500,000 Serial Debentures maturing in 1955, 1956 and 1957 and \$6,000,000 Sinking Fund Debentures due October 1, 1969. The purchasers of the Sinking Fund Debentures were given Warrants for the purchase, for each \$1,000 of Debentures, of 8-1/3 shares of Falconbridge Nickel Mines Limited at \$20 per share and 8-1/3 shares of Ventures Limited at \$20 per share, good until October 1, 1969, the total shares optioned being 50,000 shares each of Falconbridge and Ventures. The funds from this issue were applied in reduction of the Company's bank loan. At December 31, 1954 the bank loan stood at \$850,000 and it is expected that this will be eliminated by the end of 1955.

Your Directors once more wish to record their appreciation of the great progress achieved by the staffs and employees of your various companies during a period of generally depressed conditions in the metal industry.

On behalf of the Board,

A handwritten signature in blue ink, appearing to read "T. Linsley", followed by a period.

President.

Toronto, Ontario,  
May 3, 1955.



## HOLDING AND EXPLORATION COMPANIES

 Hoyle Mining Company Limited  
 Consolidated Guayana Mines Limited

 Frobisher Limited  
 Geoil Limited

 The Nipissing Mines Company Limited  
 The Tonopah Mining Company of Nevada

## OPERATING AND DEVELOPMENT COMPANIES

### HYDRO PROJECTS

Survey and Engineering Studies ..... Northwest Power Industries Limited

### BASE METALS

Nickel, Copper .....	Producing .....	Falconbridge Nickel Mines Limited
Zinc, Lead, Silver .....	Producing .....	New Calumet Mines Limited
Silver, Lead, Zinc .....	Producing .....	United Keno Hill Mines Limited
Copper, Zinc, Gold .....	Producing (through Amulet-Dufault) .....	Lake Dufault Mines Limited
Copper, Gold .....	Producing .....	Opemiska Copper Mines (Quebec) Limited
Copper, Lead, Zinc .....	Being prepared for production .....	Consolidated Sudbury Basin Mines Limited
Copper, Gold .....	Underground development .....	Joliet-Quebec Mines Limited
Copper, Cobalt .....	Being prepared for production .....	Kilembe Mines Limited, Uganda
Copper .....	Producing .....	Appalachian Sulphides Inc.
Copper .....	Drilling development .....	Mantos Blancos, Chile
Copper .....	Exploration .....	Seal Lake, Labrador (Frobisher Limited)
Copper .....	Ore blocked out by drilling .....	Ore Knob, North Carolina (Appalachian Sulphides Inc.)
Lead, Zinc, Copper, Silver .....	Underground development .....	Chavin Mines Corporation
Lead, Zinc, Silver, Gold .....	Underground development .....	Eureka Corporation Limited
Lead, Zinc .....	Underground development .....	Northern Mining Co., Greenland
Tin .....	Producing .....	Associated Tin Mines (South West Africa) Limited

### OIL AND GAS

Exploration .....	Seaoil Limited, Peru
Exploration .....	Lake St. Clair Syndicate, Ontario
Production, some exploration .....	Louisiana, (Geoil Limited)
Exploration, some production .....	(Trans-Border Oils Ltd., Alberta Williston Oil and Gas Co., U.S.A.)

### IRON PROPERTIES

Partly developed by drilling and tunnels .....	Miferma, French Mauritania, Africa
Partly developed properties .....	Canada Iron Mining Limited
Proven ore .....	Michipicoten Iron Mines Limited

### RARE MINERALS

Uranium .....	Developed ore and exploration .....	Consolidated Ranwick Uranium Mines Limited
Columbium, Phosphate .....	Developed ore .....	Tororo Exploration Company Limited, Uganda
Lithium .....	Exploration .....	La Corne Lithium Mines Limited

### INDUSTRIAL MINERALS

Magnesium, Calcium etc. ....	Producing .....	Dominion Magnesium Limited
Nepheline syenite .....	Producing .....	American Nepheline Limited
Rutile, Zircon .....	Producing .....	Metal Recoveries Pty. Limited, Australia (International Titanium Corporation)

### PRECIOUS METALS

Gold .....	Producing .....	Giant Yellowknife Gold Mines Limited
Gold .....	Producing .....	Coniaurum Mines Limited
Gold .....	Producing .....	Canadian Malartic Gold Mines Limited
Gold .....	Producing .....	La Luz Mines Limited, Nicaragua
Gold .....	Producing .....	Connemara Mine, (Frobisher Limited) S. Rhodesia
Gold .....	Underground development .....	Consolidated Mosher Mines Limited
Gold .....	Ore blocked out by drilling .....	Akaitcho Yellowknife Gold Mines Limited
Silver, Cobalt .....	Producing .....	Nipissing-O'Brien Mines Limited

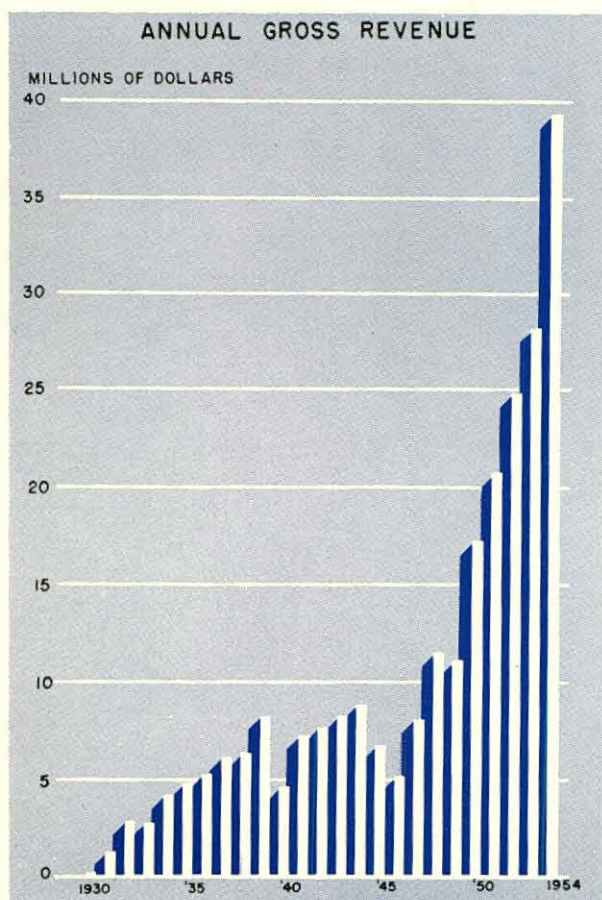
### RESEARCH AND METALLURGICAL PRODUCTS

Metallurgy and power projects .....	Quebec Metallurgical Industries Ltd.
Production of metal castings, alloys .....	Fahrallloy Canada Limited
Custom assaying, mill tests, research .....	Lakefield Research Limited
Production of metals and chemicals .....	Metal Hydrides Inc.



## FALCONBRIDGE NICKEL MINES LIMITED

<b>CAPITALIZATION</b>	Common Shares .....	Outstanding 3,756,272	Ventures 1,932,670	51.4%
<b>LOCATION</b>	Mines, mill and smelter in Sudbury District, Ontario. Refinery in Kristiansand, Norway.			
<b>FINISHED PRODUCTS</b>	Electrolytic nickel, copper and cobalt, nickel sulphate, refined platinum, palladium, iridium, rhodium, ruthenium, silver, gold and liquid sulphur dioxide.			
<b>PRODUCTION</b>	Total to Dec. 31, 1953 .....	Tons treated 14,643,546	Gross metal sales and other operating revenues \$213,884,757	
	Year ended Dec. 31, 1954 .....	1,523,360	39,317,333	
	Total Production .....	16,166,906	\$253,202,090	



### CURRENT DEVELOPMENTS

The year 1954 was a record in production, sales, earnings and expenditures on expansion of mines and plant. Earnings for the year amounted to \$4,660,945, equivalent to \$1.24 per share. However, due to a revision in the basis for charging depreciation and to a change in the manner of calculating the provision for

taxes, the results of 1954 and 1953 were not entirely comparable. The 1954 earnings were very substantially increased by the changes made. The operating profits per unit of production were lower in 1954 than in 1953. Sales and other operating revenues reached a total of \$39,317,333, an increase over 1953 of \$10,097,609. Charges to operations for development, preproduction and depreciation amounted to \$4,935,930, an increase of \$450,676.

The demand for the Company's products was very strong during the entire year, although there was some weakening in the demand for cobalt, and the prices for the platinum metals were weaker due to influx of substantial quantities of these metals from South Africa and Russian sources. The basic nickel price was raised by U.S. 4.5 cents per pound in November, 1954. The Canadian dollar was generally stronger throughout 1954 and the net prices realized by the Company on its sales in U.S. and other currencies were depreciated accordingly.

Production of mines, smelter and refinery exceeded all previous records by substantial margins. Treatment plants handled 1,523,360 tons, an increase of 224,426 tons over 1953. Shipments from independent mines in the district decreased from 140,723 tons to 113,530 tons. Smelter production increased by over 20%, and refinery production by 16% over 1953.

Capital expenditures in 1954, exclusive of preproduction, reached \$11,958,619, of which \$9,632,207 was spent in Canada and \$2,326,412 in Norway. These expenditures were somewhat less than twice the amount spent in 1953. It is probable that the expenditures in the next few years, although high, will recede from the level established in 1954.

Of the six new mines under development at the end of 1953, three were brought into production in 1954. Capacity of mills was increased by a total of 2,000 tons, of which an increase of 500 tons in the Falconbridge mill came into operation in 1954. A new



1,500 ton mill at Hardy was ready to commence operations very early in 1955. The pilot pyrrhotite plant was almost complete at the end of the year. Important items added or under construction at the end of the year included the following: central heating plant; dust collection system; additional thaw shed capacity; concentrate receiving station; office and change house facilities; employee housing; refinery smelting and tank house facilities.

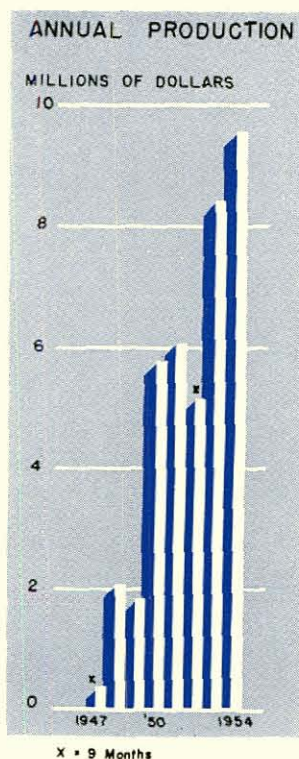
After extraction of 1,408,000 tons of ore in 1954, ore reserves at the end of the year were 945,000 tons greater than at the beginning of the year with average grade unchanged.

To finance the heavy capital and preproduction expenditures of the Company, negotiations were completed in April, 1954, with institutional buyers for the issue of \$30,000,000 of the Company's 5¼% bonds. During the year \$12,000,000 of the bonds were issued. The issue carries a sinking fund commencing August 15, 1958, which will retire all but \$1,000,000 of the bonds before maturity on August 15, 1966. In addition to the bond issues funds were also obtained from retained earnings and the issue for \$450,000 of 30,000 shares which had been under option.

GENERAL MANAGER - - - - - H. J. Fraser

## UNITED KENO HILL MINES LIMITED

		Outstanding		Frobisher		
CAPITALIZATION	Common Shares .....	2,470,000		811,139	32.8%	
LOCATION	Mines in Mayo District, Yukon Territory					
		Metals in Concentrate and Crude Ore Form				
		Tons Milled	Silver Ounces	Lead Pounds	Zinc Pounds	Cadmium Pounds
PRODUCTION	Total to Sept. 30, 1953 .....	512,411	20,539,084	81,279,906	48,013,357	619,569
	Year ended Sept. 30, 1954 ....	180,249	6,191,599	30,663,549	26,134,700	312,931
	Total Production .....	692,660	26,730,683	111,943,455	74,148,057	932,500



### CURRENT DEVELOPMENTS

Ore was milled at an average rate of 515 tons per day, which is an increase of 20% over the milling rate of 429 tons achieved during 1953.

The Hector and Calumet Mines supplied practically all of the milling ore for the year. Development work in these mines down to and including the 900 foot levels was most encouraging and sufficient high-grade ore was developed to replace ore milled during the year.

Ore reserves at the end of September, 1954, exclusive of the Onok Mine, were estimated at 616,868 tons grading 38.2 ozs. per ton silver, 8.8% lead and 7.7% zinc.

Exploration of the Shramrock Mine was commenced in June 1954. An adit has been driven to intersect the vein structure 200 feet below the outcrop and 100 feet below the old workings. The results of the work were sufficiently important to encourage a continuation of the work next summer. Development at the Elsa mine is to be resumed in 1955.

GENERAL MANAGER - - - - - C. E. White

MINE MANAGER - - - - - A. E. Pike

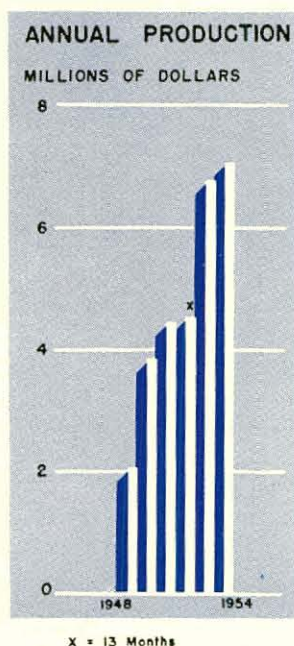


## GIANT YELLOWKNIFE GOLD MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Frobisher	
		4,000,000	388,742	9.7%	832,236	20.8%

LOCATION            Mine at Yellowknife, N.W.T.

PRODUCTION		Tons Milled	Gold Ounces	Silver Ounces	Gross value metals recovered (including E.G.M.A.)
	Total to June 30, 1953 .....	774,319	532,313	163,166	\$19,204,014
	Year ended June 30, 1954 ....	275,985	177,420	31,105	6,104,819
	Total Production .....	<u>1,050,304</u>	<u>709,733</u>	<u>194,271</u>	<u>\$25,308,833</u>



### CURRENT DEVELOPMENTS

Production began in 1948 at the rate of 250 tons per day. Since that time the mill capacity has been steadily increased and in 1954 an average of 768 tons per day was treated with mill heads assaying 0.785 ounces gold per ton.

The treatment of a more refractory type of ore resulted in an overall drop in gold recovery for 1954

as compared to previous years. Additions and changes in the plant are being made to improve the extraction.

The 750 is the deepest level developed in the mine to date. All of the production from the mine has come from above this level and at the end of June 1954, reserves of developed ore above the 750 level were estimated at 1,696,200 tons with an average grade of 0.78 ounces gold per ton.

Drilling from the upper levels of the mine has indicated that large tonnages of high-grade ore occur below the 750 level. The main production or "C" shaft was deepened 500 feet to enable lateral development to be carried out on the 950, 1,100 and 1,250 levels.

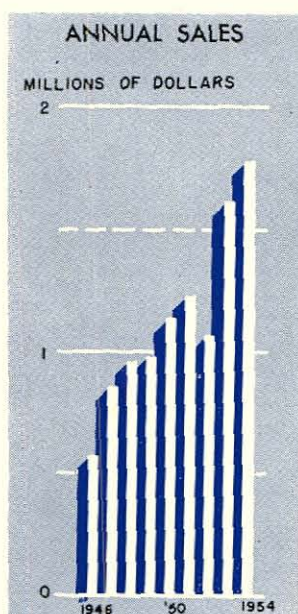
New ore zones developed in the mine largely replaced the ore removed during the year. One of these new zones, found by underground drilling during 1953, occurs near the Giant-Lolor boundary. A 750 level crosscut was driven east from the main workings to explore the boundary area. So far the development work done in a section of the new area has indicated 90,000 tons of ore of mine-average grade above that of the 750 level. The ore is expected to extend over a distance of at least 800 feet.

GENERAL MANAGER - - - - - P. N. Pitcher



## AMERICAN NEPHELINE LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures	
		3,000,000	1,541,560	51.4%
LOCATION	Mine at Nephton, near Lakefield, Ontario.			
PRODUCTION	Total from 1946 to Dec. 31, 1953 .....	Finished material all grades	Value sales	
	Year ended Dec. 31, 1954 .....	618,610 tons	\$ 8,327,364	
		123,024 tons	1,786,860	
	Total Production .....	741,634 tons	<u>\$10,114,224</u>	



### CURRENT DEVELOPMENTS

During 1954 sales tonnage at American Nepheline Limited increased 10% over 1953. The sales forecast for 1955 indicates a possible increase of 13% over 1954.

Exploratory diamond drilling was done on the north-eastern section of the ore-body, resulting in an increase of estimated reserves from 4,804,500 tons to 6,141,200 tons. A detailed geological survey was made which will act as a guide in the future development of the large nepheline syenite body.

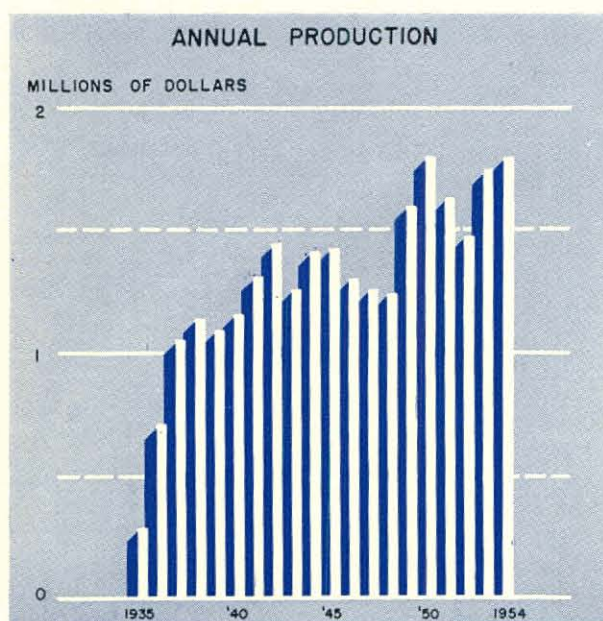
The Canadian Pacific Railway branch line of 17 miles from Havelock to Nephton was completed in 1954 with initial shipments being made on December 20. This will result in greatly improved transportation facilities and reduction in transportation costs during 1955.

In view of future possibilities of increased sales the question of plant expansion is being considered; such an expansion would result in operating economies by consolidating all facilities at Nephton and also in reduction of costs due to improved production methods.

GENERAL MANAGER - - - - - E. Craig  
 GENERAL SUPERINTENDENT - - - - - E. B. Wright  
 VICE-PRESIDENT—SALES - - - - - H. R. Deeth

## CANADIAN MALARTIC GOLD MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding		Ventures	
		3,651,355		1,388,635	38.0%
LOCATION	Mine at Malartic, Quebec.				
PRODUCTION		Tons Milled	Gold Ounces	Silver Ounces	Gross value metals recovered (including E.G.M.A.)
	Total to Dec. 31, 1953 .....	6,119,355	631,369	425,138	\$24,253,999
	Year ended Dec. 31, 1954 ....	472,802	45,750	19,673	1,781,377
	Total Production .....	6,592,157	677,119	444,811	\$26,040,376



### CURRENT DEVELOPMENTS

Production at the mine continued to be satisfactory. The heavy mine development expenditures caused a reduction in operating profit compared to the previous year. The program of deepening No. 2 shaft, moving the large underground crusher to the lower level crushing station and the related development work will be completed during 1955, after which expenditures on mine development can be considerably reduced.

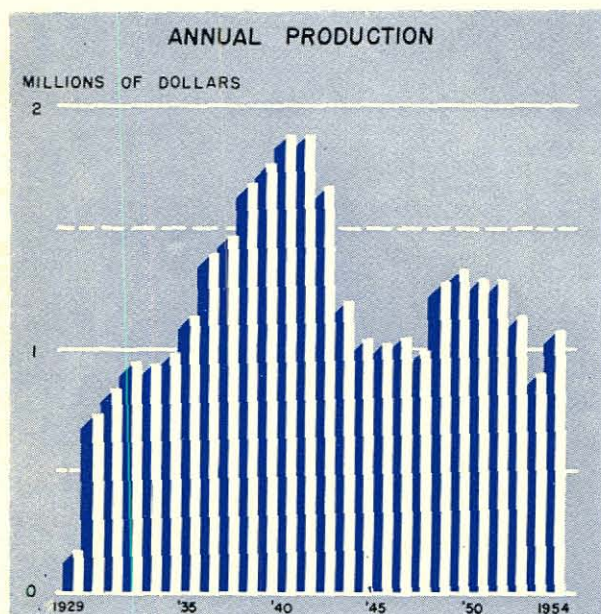
An active program of exploration for new ore is being carried on both in the area of the mine and on outside prospects. During the year the company acquired a substantial interest in Rainville Mines Limited which has a promising copper prospect located 26 miles east of Malartic.

GENERAL MANAGER - - - - - J. P. Millenbach  
 MANAGER - - - - - H. C. Herz

## CONIAURUM MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures	
		2,766,743	1,430,800 51.7%	
LOCATION	Mine at Schumacher, Ontario.			
PRODUCTION	By present company	Tons Milled	Gold Ounces	Gross value metals recovered (including E.G.M.A.)
	1929 to Dec. 31, 1953 .....	3,472,417	860,985	\$30,055,537
	Year ended Dec. 31, 1954 .....	118,180	28,160	1,084,329
	Total Production .....	3,590,597	889,145	\$31,139,866





### CURRENT DEVELOPMENTS

Underground operations were resumed during the first week of February following the settlement of the strike.

The joint Coniaurum-Central Porcupine internal shaft sinking program was started and at the end of the year the shaft had advanced to a point 1,108 feet below the 5,500 foot level. This shaft will be deepened with the object of exploring the favourable deeper horizons of the Central Porcupine property.

Most of the exploratory development work in the mine was confined to extending known ore zones. During the latter part of the year a new vein was opened up on the 3,000 foot level in the west end of the mine and 225 feet of mine average grade ore over a narrow width was developed.

GENERAL MANAGER - - - - J. M. Cunningham-Dunlop

MINE MANAGER - - - - - W. O. Lafontaine

## DOMINION MAGNESIUM LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures
		455,525	113,577 24.9%
LOCATION	Deposit and plant at Haley, Ontario.		

### CURRENT DEVELOPMENTS

The Company has been increasing its output and sales of magnesium, thorium and zirconium metals and alloys. Calcium sales were lower this year but an improvement in the market is expected for 1955. The production of light metal castings and ferrosilicon by wholly-owned subsidiary companies has been maintained.

The net profit for 1954 was lower than the previous year because of lower metal prices and a retroactive

adjustment in rentals for the use of the Government-owned foundry at Haley. Attention is being given to increasing plant efficiency to help offset the lower prices.

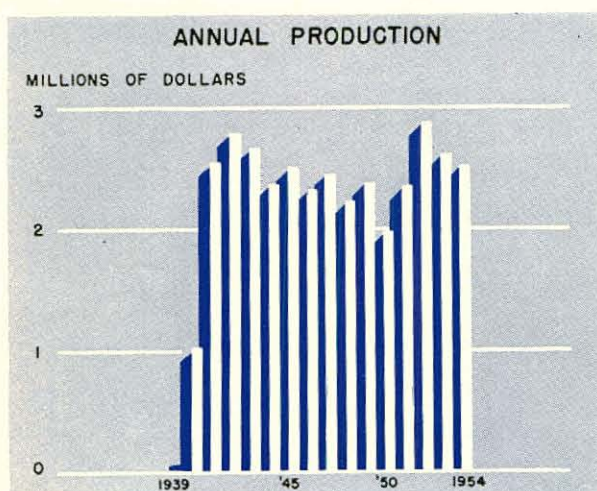
A research centre at Haley has been built and fully equipped, and methods for producing titanium metal and its alloys are being developed. The direct production of homogeneous alloy powders without subsequent mixing or melting was successfully achieved.

GENERAL MANAGER - - - - - L. G. White



## LA LUZ MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures	
		1,504,412	1,051,089	69.9%
LOCATION	Mine at Siuna, Nicaragua.			
PRODUCTION	Total to September 30, 1953 .....	Tons Milled	Gold Ounces	
		6,804,674	887,644	
	Year ended Sept. 30, 1954 .....	725,922	70,989	
		Total Production .....	7,530,596	958,633



### HISTORY AND CURRENT DEVELOPMENTS

This mine was originally an open-pit operation and has been in continuous production since 1939. All ore available from the surface has been mined and current production is from the underground workings.

In spite of a lower price received for gold, sufficient economies in operating costs were made to increase the operating profit by 18¢ per ton over the comparable 1953 figure.

Development of the lower levels is proceeding and in the year ended September 30, 1954, 19% of the millfeed was extracted from the 750 foot level, and a small amount from the 1,000 foot level. Ore reserves at the end of the year are estimated to be 6,756,247 tons averaging 0.118 ounces gold per ton. Production for the year ended September 30, 1954 amounted to \$2,510,225.

During the year La Luz Mines Limited purchased from associated companies full interest in the Rosita copper property and a wholly-owned subsidiary, Rosita Mines Limited, has been formed to develop the property. The company maintained its interest in other base metal enterprises through its holdings in associated companies.

GENERAL MANAGER - - - - - H. S. McGowan

## GEOIL LIMITED

<b>CAPITALIZATION</b>	Common Shares .....	Outstanding	Ventures		Frobisher	
		3,004,400	1,336,604	44.5%*	1,575,685	52.4%*

\* as of January 6, 1955.

### HISTORY

This company was formed in December, 1954, under an Ontario charter, to amalgamate the various interests in the petroleum industry of Ventures Limited and Associated Companies. Authorized capital is 6,000,000 shares of par value one dollar each, of which 3,000,000 shares were issued for assets acquired.

Funds expended up to the time of the merger, on the various petroleum projects less amounts written off, total \$5,383,947.

Petroleum interests now held by Geoil Limited are as follows:

1. 50% interest (Federated Petroleums Ltd. owns the remaining 50%) in Trans-Border Oils Ltd. and its subsidiary Williston Oil and Gas Co. Main interest at present lies in southern Alberta foothills where a Mississippian light gravity oil discovery of major importance was made in February 1955, on the 72,353 acre Cremona Block in which Trans-Border owns a 20% interest. There is ample reason

to believe that further development will verify the presence within the Cremona Block of a major oil field. Rapid development of the area is planned and in mid-April five wells were drilling within a two mile radius of the discovery well. On completion of these wells the program will be speeded up by use of additional drilling rigs.

2. 100% interest in Seaoil Limited, on whose large concessions in Peru, exploration and drilling are under way in association with International Petroleum Company Limited.
3. 34% interest in Lake St. Clair Syndicate which is about to commence drilling for gas and oil on a 144 square mile concession underlying Lake St. Clair, Ontario.
4. 50% interest in three oil properties in Caddo Parish, Louisiana, U.S.A. One of these is presently (February 1955) capable of producing 4,800 barrels of oil per month.

MANAGEMENT - - - - - J. D. Bateman

## LAKE DUFALT MINES LIMITED

<b>CAPITALIZATION</b>	Common Shares at December 31, 1954 .....	Outstanding	Ventures	
		2,547,600	1,237,397	48.6%
	Common Shares at March 31, 1955 .....	3,724,750	1,691,773	45.4%

**LOCATION** Dufresnoy Township, Quebec.

### CURRENT DEVELOPMENTS

During the early part of 1955 an agreement has been entered into whereby Lake Dufault Mines Limited for shares of its capital stock purchased the assets of the adjoining properties of Dupresnoy Mines Limited and Norbec Copper Mines Limited. The amalgamation of these properties will give Lake Dufault control of

approximately 5,672 acres of geologically favourable ground in the Noranda-Waite Amulet district. Detailed geological and geophysical surveys are underway and diamond drilling is planned early in 1955.

CONSULTING ENGINEER - - - - - J. P. Millenbach

CONSULTING GEOLOGIST - - - - - A. S. Dadson



## METAL HYDRIDES INCORPORATED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Hoyle	
		255,796	98,653	38.6%	20,666	8.1%
LOCATION	Plant at Beverly, Mass., U.S.A.					

### CURRENT DEVELOPMENTS

The year 1954 was profitable for Metal Hydrides and further expansion of the plant capacity was made.

The principal products of the company are the less common metals such as titanium, zirconium, their hydrides and alloy powders, and the complex hydrides of lithium and sodium. The metal products are consumed principally by the non-ferrous metal industry and the chemical hydrides are used in the pharmaceutical and fine chemical field.

The company continued an active program of re-

search, which is considered essential for further growth and development in this relatively new field of metals and chemicals. The research work enabled the company to evolve a new process for manufacturing calcium hydride and to develop a cheaper method for producing sodium borohydride on a large scale. A pilot plant has been built to make these products and it is hoped that this plant will form the nucleus for future expansion.

PRESIDENT - - - - - L. W. Davis

GENERAL MANAGER - - - - - S. K. Derderian

## NEW CALUMET MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Frobisher	
		4,623,656	112,951	2.4%	1,282,639	27.7%
LOCATION	Mine at Calumet Island, Quebec.					

PRODUCTION		Tons Milled	Zinc Pounds	Lead Pounds	Silver Ounces	Gold Ounces
	Total to Sept. 30, 1953 .....	2,101,855	236,461,297	67,666,473	5,369,062	30,201
	Year ended Sept. 30, 1954 .....	120,667	12,863,914	3,612,830	319,218	1,835
	Total Production .....	<u>2,222,522</u>	<u>249,325,211</u>	<u>71,279,303</u>	<u>5,688,280</u>	<u>32,036</u>

### CURRENT DEVELOPMENTS

The mill is now working at a rate of 500 tons per day and grade has recently been increased due to the better grade of material being obtained from the new shaft, which was completed in March, 1954. Good

progress is being made on the development of new levels below the 1,500 foot horizon and a substantial portion of the 1955 production will come from the higher grade ore lenses lying in this section of the mine.

MANAGING DIRECTOR - - - J. M. Cunningham-Dunlop



## THE NIPISSING MINES COMPANY LIMITED

CAPITALIZATION		Outstanding	Ventures	
	Common Shares at December 31, 1954 .....	1,200,000	242,840	20.2%
	Common Shares at March 1, 1955 .....	2,400,000	342,840	14.3%

### CURRENT DEVELOPMENTS

The major mining interests of The Nipissing Mines Company Limited are held by two subsidiary companies; Appalachian Sulphides, Inc., and Nipissing-O'Brien Mines Limited.

Appalachian Sulphides, Inc. is a wholly-owned subsidiary which operates a profitable copper mine in the State of Vermont and holds an option on the Ore Knob copper property in North Carolina, as well as 6,000 acres under lease in the old Virgilina copper area straddling the boundary of North Carolina and Virginia. Surface diamond drilling on the Ore Knob has indicated 1,219,700 tons grading 3.09% copper with

minor amounts of other metals. Preliminary work has started towards sinking a shaft to develop this deposit.

Nipissing-O'Brien Mines Limited is a partially-owned subsidiary which operates a silver-cobalt mine near Cobalt, Ontario.

The company has participations in programs of exploration for oil and natural gas in Alberta and Colorado.

Recent financing has netted the treasury \$2,040,000 which will finance the present plans of exploration and development.

GENERAL MANAGER - - - - J. M. Cunningham-Dunlop

## OPEMISKA COPPER MINES (QUEBEC) LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Hoyle
		5,509,000	350,296	6.4%	2,021,913
					36.7%
LOCATION	Mine in Chibougamau District, Quebec.				
PRODUCTION	Year ended Dec. 31, 1954 .....		Tons	Copper	Gold
			Milled	Pounds	Ounces
			134,879	14,047,210	6,259.6
					76,714

### CURRENT DEVELOPMENTS

Excellent performance was recorded for the first year of production and the company made a much larger profit than was forecast at the beginning of the year.

The regular operation of the mill started on January 1st and gradually worked up to its rated capacity of 400 tons per day. The average grade of ore milled was 5.61% copper, .061 ounces gold per ton and 0.71 ounces silver per ton. Expansion of the mill to 900 tons per day is underway.

Underground development was confined largely to the mineralized zone outlined by surface drilling. Part of this block has been opened up to a depth of 525 feet and the results are most encouraging, particularly on the number 3 and 4 zones. Diamond drilling below the 525 level indicated that the ore goes to depth. Shaft sinking was started in August with the object of

deepening the present shaft 600 feet below the 525 level. New mining levels will be opened up on the 675, 825 and 975 foot horizons.

The total of developed and indicated ore to December 31, 1954 is 1,445,570 tons with an average grade of 4.70% copper. The ore reserve shows an increase of 391,570 tons over the previous year's estimate, in addition to the 134,880 tons extracted and milled during the year.

Hydro-electric power from Lake St. John is expected to be available at the mine by mid summer. A railway from Beattyville to Chibougamau is under construction and is scheduled for completion in late 1956. These facilities will help cut the cost of the operations and will aid in the expansion that is underway at the mine.

GENERAL MANAGER - - - - J. P. Millenbach

GENERAL SUPERINTENDENT - - - - F. G. Cooke



## NORTHWEST POWER INDUSTRIES LIMITED

Field surveys and engineering studies relative to the Company's proposed major power development in northern British Columbia and the southern Yukon were continued during 1954 and have entirely confirmed the feasibility of the tentative plans developed in the preceding year.

It has now been shown definitely that a minimum of 4,300,000 h.p. can be developed in stages, at two sites between the south end of Atlin Lake and the Taku River, with the further possibility that an additional 500,000 h.p. can be economically developed on the Taku River itself. The scheme, as now conceived, envisages diversion of the waters of the Yukon watershed, by means of dams, into huge natural storage basins at elevations above 2,000 feet. The water reserves thus created will then be available, on a year-round basis, to maintain a consistently large uniform flow out of Atlin Lake through rock tunnels to generating stations located in the Taku River valley below. A feature of major importance in this development is the fact that at any particular stage the capital expenditure involved is approximately proportional to the amount of power to be developed at that stage.

The Government of British Columbia has extended, for a further period of one year, the temporary survey permit under which the Company has been carrying on these investigations. Northwest Power has undertaken to spend an additional \$550,000 during 1955 for further development of the project. As evidence of good faith, and as a guarantee that the Company will pursue its investigations with dispatch, a performance bond, in the amount of \$2.5 million, has also been deposited with, and accepted by, the British Columbia Provincial Government. Part of these monies can be used to defray a portion of the cost of the 1955 program, and the deposit is refundable in full in the event either that the British Columbia Government refuses a licence to proceed with construction, or the Company wishes to abandon the project.

The Government of Canada has granted to Northwest Power Industries Limited a Priority Permit under the Dominion Water Power Regulations Act, giving the Company exclusive rights, pro tem, to the water power in this area.

MANAGEMENT - - - J. M. Wardle—Consulting Engineer

## CONSOLIDATED SUDBURY BASIN MINES LIMITED

		Outstanding	Hoyle	Ventures
CAPITALIZATION	Common Shares .....	2,976,243	557,665 18.7%	191,665 6.4%
LOCATION	Mine and properties in the Sudbury Basin, Ontario.			

### CURRENT DEVELOPMENTS

The Ontario Pyrites Company Limited has been re-organized under the above new name on the basis of an exchange of one share of the new company for two shares of Ontario Pyrites.

The company reorganization will permit the further financing required to step up the development program on both the Vermillion and Errington mines. The work will include drifting and diamond drilling. It will be designed to block out and extend the known orebodies

and also to explore for new ore in the major structures known to be favourable.

The estimated proven ore reserves are 5,346,288 tons, containing 1.20% copper, 0.83% lead, 3.64% zinc, 0.0187 oz. gold and 1.65 ozs. silver per ton, and probable ore reserves of 4,349,058 tons containing 1.08% copper, 0.85% lead, 3.51% zinc, 0.0167 oz. gold and 1.48 ozs. silver per ton. In addition, there are an estimated 636,882 tons of indicated ore at the Errington Mine, containing 0.98% copper, 3.95% zinc, 0.013 oz. gold and 1.50 ozs. silver per ton.

GENERAL MANAGER - - - - J. M. Cunningham-Dunlop



## EUREKA CORPORATION LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Frobisher	
		8,239,101	1,303,564	15.8%	156,750	1.9%
LOCATION	Mine at Eureka, Nevada, U.S.A.					

### CURRENT DEVELOPMENTS

During 1953 a program of diamond drilling in the Adams Hill area cut eight intersections containing high values in gold, silver, lead and zinc. The mineralization occurred in the Hamburg dolomite at a depth of from 853 feet to 1,037 feet below the surface. The ore values and structure were considered of sufficient importance to warrant investigation underground.

During 1954 a shaft was sunk to 910 feet and cross-cuts are being advanced at the present time north and south from the shaft, on the 850 foot level, to open up

the areas of high-grade ore indicated by the surface drilling.

So far the underground flow of water has not been extensive but as a precautionary measure electrical pumping equipment has been installed to handle any unforeseen surges of water which could otherwise slow down the development.

Work has been suspended for the time being in the Fad shaft area to allow for a concentration of effort in the new Adams Hill zone.

MANAGING DIRECTOR - - - - - George W. Mitchell

## QUEBEC METALLURGICAL INDUSTRIES LTD.

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Frobisher	
		2,009,713	386,883	19.2%	638,733	31.8%

### CURRENT DEVELOPMENTS

The Company's attention in 1954 was centered chiefly on the Northwest Power Industries' Yukon project, with special emphasis being placed on the future ore supply for the proposed concentrating, smelting and refining plants. As a result of an intensive exploration campaign conducted on the west coast by the Company's engineers, extensive placer deposits of columbium and uranium were discovered and staked. Laboratory test work is indicating an effective procedure for the economic recovery of the valuable minerals from the placer ores. Concentration tests were also carried out on the magnetic ores from the Klukwan deposits in Alaska, demonstrating that it is possible to make a high-grade, low-cost product.

Progress was made on the development of plans for establishing pilot plants in Vancouver to produce pig iron and to treat lateritic ores in preparation for

the contemplated future large scale operations. A process for the extraction of nickel, cobalt, chromium, alumina and iron from laterite ores has already been developed in the laboratory and is now being proven on a somewhat larger scale.

The Cobalt Chemicals Company has been treating cobalt ores at Cobalt, Ontario. The plant is temporarily closed pending the results of further research now in progress, with the object of simplifying the operating procedures and reducing the cost of production.

The Company has a diversified investment portfolio which include a minority position in S. A. Minerals Corporation (chrome and manganese), a participation in Tororo Exploration Company Limited (phosphate and columbium) and a participation in Temagami Mining Company Limited (high-grade copper).

GENERAL MANAGER - - - - - L. J. Lichty

## KILEMBE MINES LIMITED

<b>CAPITALIZATION</b>	Common Shares .....	Outstanding 3,057,674	Kilembe Copper Cobalt Ltd. 2,173,635      71.1%
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**LOCATION**      Mine in Uganda, British East Africa.

### CURRENT DEVELOPMENTS

There is a proven ore reserve at the mine of 11,321,000 tons which average 2.12% copper and 0.18% cobalt. The company controls a large acreage of favourable ground and it is the opinion of both company and independent consulting engineers that future development work will outline a much larger tonnage of similar grade ore.

The mine is being prepared for production at an

initial rate of 1,335 tons per day. A concentrating plant is being erected at the mine and a railway is being built to connect the property to Jinja on Lake Victoria where the concentrate will be reduced in an electric smelter.

Frobisher Limited owns 93.0% of the outstanding shares of Kilembe Copper Cobalt Ltd.

MANAGING DIRECTOR - - - - - D. C. Sharpstone

GENERAL MANAGER - - - - - A. E. Pugsley

## CHAVIN MINES CORPORATION

<b>CAPITALIZATION</b>	Common Shares .....	Outstanding 2,000	Consolidated Guayana 500      25.0%	Frobisher 1,500      75.0%
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**LOCATION**      Central Peru.

### CURRENT DEVELOPMENTS

Underground development during 1954 was directed mainly towards the extension of the 3rd level towards the main ore zone and the starting of a new lower adit at level 4.

So far the development of the "G" vein on the 3rd level has not proven up any new ore. It is expected, however, that further development work on the 3rd and

4th levels will substantially increase the ore reserves in the coming year.

The 4th level has 350 feet of additional drifting before it enters the vein zone. However, a recent diamond drill hole cut the main vein 50 meters below this level in the eastern part of the mine and the core showed a strong vein structure with high-grade mineralization.

MANAGER - - - - - J. M. Birkbeck



## OTHER ACTIVITIES

### **CONSOLIDATED MOSHER MINES LIMITED,** Geraldton, Ontario

A plunging orebody has been outlined at this property, having an approximate length of 1,100 feet on the 1,740 foot level, 800 feet on the 1,890 foot level and 825 feet on the 2,040 foot level. While complete figures are not available, the grade averages approximately .21 oz. of gold per ton over a width of 26 feet.

Lun Echo Gold Mines Limited, in which Consolidated Mosher holds controlling interest, has developed 500,000 tons of low-grade, zinc-silver ore on their property in the Manitouwadge area. Work on the ground has been suspended to await further development of the district. Adequate money remains in the treasury for further exploration.

### **CONSOLIDATED RANWICK URANIUM MINES LIMITED**

This company has interests in a number of uranium properties and is active in exploration in both Canada and Western United States. The Montreal River and Charlebois Lake properties are retained in good standing.

### **LABRADOR CONCESSIONS, Seal Lake**

Frobisher Limited holds three concession areas in Labrador under an agreement with the Government of Newfoundland. The concessions total five hundred square miles and are about 90 miles northwest of Goose Bay. Numerous occurrences of native copper, chalcocite, bornite, and chalcopyrite have been found over a wide area. No commercial ore bodies have been outlined but the exploration results are considered encouraging. Further surface work will be done on the main discoveries, geophysical surveys will be made over favourable areas, and detailed prospecting will be continued during the 1955 season.

### **MANTOS BLANCOS, Chile**

The exploration work done on this property during the year succeeded in outlining approximately 2,000,000 tons of copper-oxide ore grading upwards of 2% metal. The exploration program will continue until March 1955 at which time the economics of the deposit will be reviewed and decisions made concerning future development.

### **NORTHERN MINING COMPANY, Greenland**

A total of 560,000 tons of ore grading 11.1% lead and 8.6% zinc has been proven and the property is

being prepared for production at a rate of 225 tons per day. There are possibilities of finding further ore zones in the vicinity of the mine at Blyklippen.

### **ASSOCIATED TIN MINES (S.W.A.) LIMITED,** South West Africa

A large tonnage of low grade tin ore occurs on the various properties held by this company through its subsidiaries. A 1,000 tons per day concentrating plant has been in operation during the year on the property of its subsidiary Uis Tin Mining Company (S.W.A.) Limited which is under Judicial Management.

### **CONNEMARA MINE, Southern Rhodesia**

This mine continued in production and was active in outside exploration during the year.

### **MIFERMA, French Mauritania**

The company is continuing to develop the extensive iron deposits located in the Fort Gouraud area. The object of the work is to prove the existence of 100,000,000 tons of high-grade, hematite ore, which is considered to be the minimum reserve that is necessary to warrant the construction of a railroad from Fort Gouraud to the Atlantic coast. During the year the company obtained permission from the Mauritanian Government to export the ore through the Spanish territory of Rio de Oro which will mean the construction of about 250 miles of railroad. Two independent groups of consulting engineers have given favourable reports on the economics and feasibility of the proposed rail route and its ancillary port facilities.

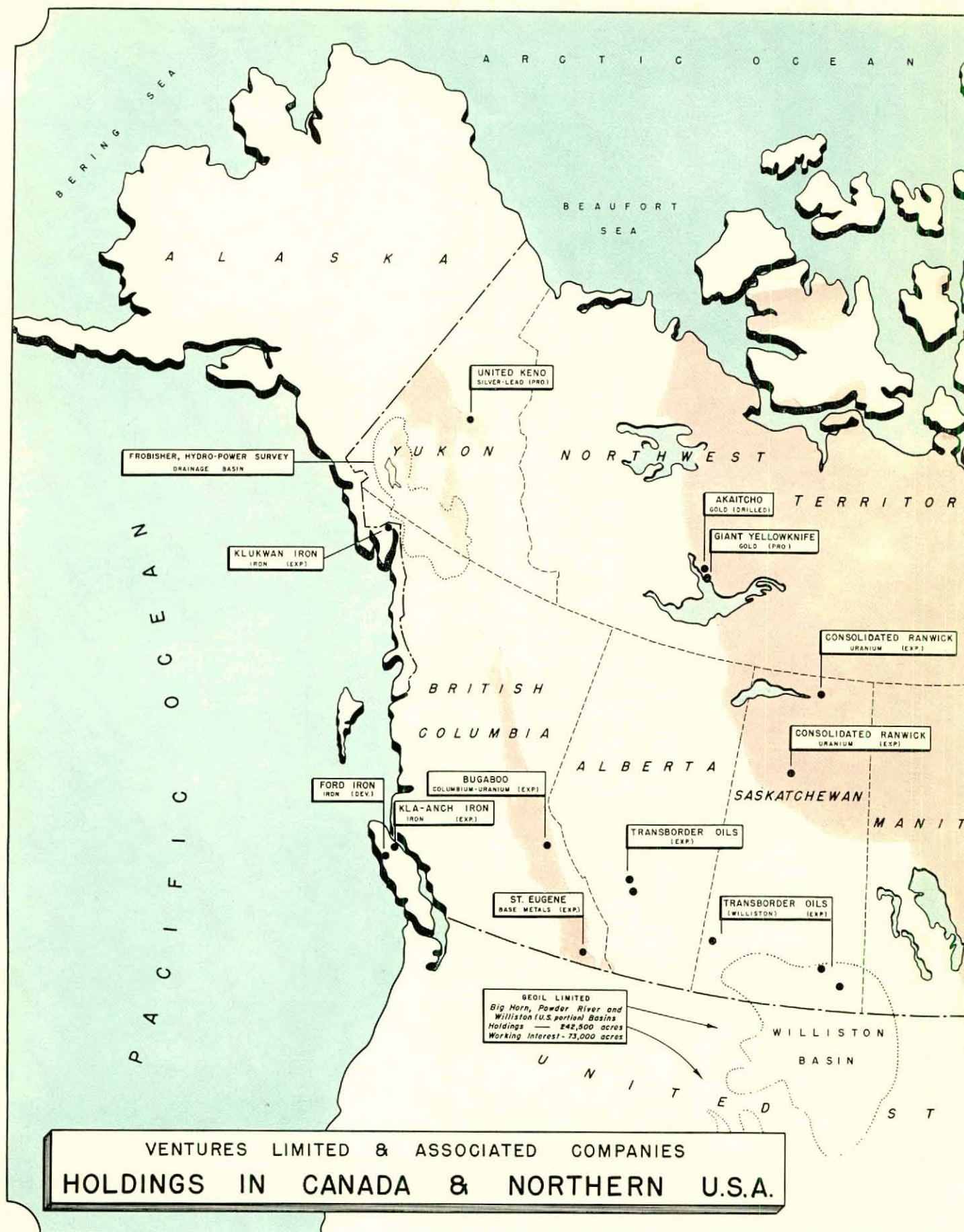
### **TORORO EXPLORATION COMPANY LIMITED, Uganda**

This company, in which a Quebec Metallurgical Industries Ltd. subsidiary has a one-third interest, has developed more than 200,000,000 tons of material containing workable quantities of phosphate, columbium and minor quantities of the rare-earth metals. Metallurgical work is being done at present to determine the most economic method of producing marketable products from this vast deposit.

### **LA CORNE LITHIUM MINES LIMITED**

This company holds 300,000 shares of Quebec Lithium Corporation with an option on 200,000 additional shares. Development of the lithium-bearing dikes on the La Motte township property is planned.











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

15 WELLINGTON STREET WEST

*Toronto 1*  
CANADA

AUDITORS' REPORT

To the Shareholders of  
Ventures Limited:

We have examined the balance sheet of Ventures Limited as at December 31, 1954 and the statements of profit and loss, earned surplus and special surplus for the year ended on that date 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 the accompanying balance sheet and statements of profit and loss, earned surplus and special surplus, 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 the affairs of the company as at December 31, 1954 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

The interest of Ventures Limited in the profits of those subsidiary companies which made a profit during the year amounted to \$3,020,710, which is \$1,953,582 greater than the dividends received from such subsidiaries and included in the accounts of Ventures Limited for the year. The interest of Ventures Limited in the losses sustained by those subsidiary companies which made a loss during the year and which were not provided for in the accounts of Ventures Limited amounted to \$124,718. One of these companies paid a dividend during the year out of its previously accumulated earnings; Ventures' proportion of such dividend amounted to \$105,109 and this has been included in the accounts of Ventures Limited for the year. The aggregate of accumulated surpluses less deficits of subsidiary companies as shown by their 1954 balance sheets amounted to \$17,640,033 of which the interest of Ventures Limited therein was \$10,036,531.

*Clarkson, Gordon & Co.*  
Chartered Accountants.

Toronto, Canada,  
May 2, 1955.



## NOTES TO THE BALANCE SHEET

### AS AT DECEMBER 31, 1954

1. The advances to Frobisher Limited of \$6,532,638 at December 31, 1954 will be reduced to the extent that Ventures Limited is called upon to meet a commitment to purchase any of the 495,512 shares of Frobisher Limited at \$10 per share not taken up by the holders of purchase warrants issued by Frobisher Limited which expire on June 26, 1956.
2. At December 31, 1954 the following shares had been loaned by Ventures Limited to subsidiary and associated companies for hypothecation as security for loans to such companies:

	Number of shares	Book value	Market value at December 31, 1954
Loaned to Hoyle Mining Company Limited—			
Giant Yellowknife Gold Mines Limited .....	7,500	\$ 8,999	\$ 58,500
Nipissing Mines Company Limited .....	9,000	20,833	20,700
Sherritt Gordon Mines Limited .....	4,600	12,403	23,230
Loaned to Seacil Limited—			
Falconbridge Nickel Mines Limited .....	50,000	51,889	1,175,000
Giant Yellowknife Gold Mines Limited .....	20,000	23,997	156,000
Loaned to Consolidated Guayana Mines Limited—			
Frobisher Limited .....	50,000	51,648	220,000
Giant Yellowknife Gold Mines Limited .....	15,000	17,998	117,000
Falconbridge Nickel Mines Limited .....	10,000	10,378	235,000
Loaned to Quebec Metallurgical Industries Ltd.—			
Frobisher Limited .....	75,000	77,471	330,000
Loaned to Chavin Mines Corporation—			
Dominion Magnesium Limited .....	10,000	68,080	136,250
Frobisher Limited .....	15,000	15,494	66,000
		<u>\$ 359,190</u>	<u>\$2,537,680</u>

In addition Ventures Limited had borrowed from Frobisher Limited 20,000 shares of United Keno Hill Mines Limited (market value at December 31, 1954 \$130,000) which had been loaned to and hypothecated by Hoyle Mining Company Limited (a subsidiary company) as partial security for a bank loan to that company.

3. The advance of \$2,000,010 to Northwest Power Industries Limited was made to enable that company to deposit an amount of \$2,500,000 with the Province of British Columbia to be held by that Province under agreements dated August 23, 1954 and January 7, 1955 as security for the due performance by the company of the proposal to develop certain hydro-electric power resources in the north-west corner of British Columbia. The Province of British Columbia has agreed that within four months after December 31, 1955 or such later date as the parties may agree upon, the Province of British Columbia will issue a Conditional Water Licence to the company authorizing the company to carry out the hydro-electric development program. In the event that the said Conditional Water Licence is not issued to and accepted by the company by April 30, 1956 or such later date as the parties may agree upon or if the company informs the Province of its intention to abandon its application for the licence, the deposit of \$2,500,000 will be returned by the Province to the company.
4. At December 31, 1954 the company had guaranteed bank loans of associated companies to the extent of \$1,112,000. At that date also it was committed to make advances of approximately \$100,000 to an associated company. Subsequently on February 1, 1955 the company agreed to loan another associated company up to \$500,000 on or before September 30, 1955.
5. Warrants were issued in connection with the company's sinking fund debentures sold during 1954 and were outstanding at December 31, 1954 which entitled the holders to purchase from the company 50,000 shares of its holdings of Falconbridge Nickel Mines Limited at \$20 a share and to purchase 50,000 shares of the company's share capital at \$20 per share — all exercisable on or before October 1, 1969.
6. Under the trust indenture authorizing the certification and issue of the company's debentures, the maximum amount of surplus available for dividends at December 31, 1954 was \$554,350.

## Balance Sheet as at

(with comparative figures

### ASSETS

Current:	1954	1953
Cash in banks .....	\$ 903,319	\$ 425,039
Accounts receivable—		
Subsidiary and associated companies .....	72,114	58,507
Sundry .....	5,076	5,120
	<u>\$ 980,509</u>	<u>\$ 488,666</u>
Interest in subsidiary, associated and other companies at not more than cost (Notes 1, 2 and 5):		
Subsidiary companies—		
Shareholdings .....	\$ 8,504,406	\$ 8,738,651
Advances .....	126,958	256,811
	<u>\$ 8,631,364</u>	<u>\$ 8,995,462</u>
Associated companies—		
Frobisher Limited:		
Shareholdings .....	\$ 1,823,730	\$ 2,116,448
Advances .....	6,532,638	6,600,087
	<u>\$ 8,356,368</u>	<u>\$ 8,716,535</u>
Northwest Power Industries Limited:		
Advance (Note 3) .....	\$ 2,000,010	
Other associated companies:		
Shareholdings .....	\$10,717,491	\$ 7,463,314
Advances .....	2,146,628	1,442,593
	<u>\$12,864,119</u>	<u>\$ 8,905,907</u>
	<u>\$23,220,497</u>	<u>\$17,622,442</u>
Other companies—		
Shareholdings .....	\$ 553,290	\$ 507,736
	<u>\$32,405,151</u>	<u>\$27,125,640</u>
Other:		
Mining claims .....	\$ 71,477	\$ 71,477
Expenditures on sundry projects, exploration, etc. carried forward .....	237,222	139,678
49% interest in Ile Perrot refinery site .....	94,935	94,840
Equipment and furniture less accumulated depreciation .....	36,807	36,699
	<u>\$ 440,441</u>	<u>\$ 342,694</u>
	<u>\$33,826,101</u>	<u>\$27,957,000</u>

The accompanying notes are an integral part of the above



December 31, 1954

(for December 31, 1953)

## LIABILITIES

	1954	1953
<b>Current:</b>		
Bank loan—secured .....	\$ 850,000	\$ 3,541,873
Note payable to an associated company .....	100,000	
Accounts payable and accrued charges .....	115,945	52,406
Dividend payable January 7, 1955 .....	268,112	
Liability for treasury shares purchased from Falconbridge Nickel Mines Limited .....		450,000
Long-term debt instalment maturing within one year .....	500,000	
	<u>\$ 1,834,057</u>	<u>\$ 4,044,279</u>
<b>Commitments and Contingent Liabilities—</b> see Notes 1, 2 and 4		
<b>Long-term:</b>		
4½% Serial Debentures due in equal annual instalments of \$500,000 on October 1, 1955 to 1957 inclusive .....	\$1,500,000	
Less instalment maturing October 1, 1955 shown under current liabilities .....	500,000	
	<u>\$ 1,000,000</u>	
4½% Sinking Fund Debentures due October 1, 1969—(U.S. \$5,500,000) (Can. \$500,000) .....	5,831,563	
	<u>\$ 6,831,563</u>	
Provision for depletion on shares of subsidiary, associated and other companies	<u>\$ 5,033,588</u>	<u>\$ 4,783,588</u>
<b>Capital and Surplus (Notes 5 and 6):</b>		
Capital—		
Authorized—2,000,000 shares of no par value		
Issued —1,787,416 shares .....	\$ 9,343,348	\$ 9,343,348
Earned surplus .....	\$ 6,323,722	\$ 6,519,372
Special surplus .....	4,459,823	3,266,413
	<u>\$10,783,545</u>	<u>\$ 9,785,785</u>
Approved on behalf of the Board:	<u>\$20,126,893</u>	<u>\$19,129,133</u>
T. LINDSLEY, Director.		
W. B. MAXWELL, Director.		
	<u>\$33,826,101</u>	<u>\$27,957,000</u>

balance sheet and should be read in conjunction therewith.

## STATEMENT OF PROFIT AND LOSS

### For the Year Ended December 31, 1954

*(with comparative figures for the year 1953)*

	1954	1953
Dividends received from:		
Subsidiary companies—		
Falconbridge Nickel Mines Limited .....	\$1,005,435	\$1,095,622
Other subsidiaries .....	166,801	134,690
	<u>\$1,172,236</u>	<u>\$1,230,312</u>
Other companies .....	135,937	98,525
	<u>\$1,308,173</u>	<u>\$1,328,837</u>
Less portion thereof transferred to provision for depletion on shares of subsidiary, associated and other companies .....	250,000	250,000
	<u>\$1,058,173</u>	<u>\$1,078,837</u>
Deduct:		
Administrative and general expenses—		
Executive salaries .....	\$ 15,090	\$ 27,450
Directors' fees .....	2,700	1,450
Legal fees and expenses .....	14,407	4,862
Other administrative expenses less amounts recovered from associated companies .....	68,149	68,566
	<u>\$ 100,346</u>	<u>\$ 102,328</u>
Interest on debentures .....	59,504	
Other interest paid less received .....	101,691	104,357
Income taxes deducted at source from dividends received .....	3,167	3,795
	<u>\$ 264,708</u>	<u>\$ 210,480</u>
Net profit for the year (excluding items in special surplus) .....	<u>\$ 793,465</u>	<u>\$ 868,357</u>

NOTE: Fees paid to directors of Ventures Limited by subsidiary companies amounted to \$2,500 in 1954 and \$2,575 in 1953.

## STATEMENT OF EARNED SURPLUS

### For the Year Ended December 31, 1954

*(with comparative figures for the year 1953)*

	1954	1953
Balance at beginning of year .....	\$6,519,372	\$6,045,936
Add:		
Net profit for the year .....	793,465	868,357
Exchange profit realized on retirement of note payable in U.S. funds .....		141,303
	<u>\$7,312,837</u>	<u>\$7,055,596</u>
Deduct:		
Dividends .....	\$ 804,337	\$ 536,224
Financing expenses (including legal fees of \$17,355) .....	184,778	
	<u>\$ 989,115</u>	<u>\$ 536,224</u>
Balance at end of year .....	<u>\$6,323,722</u>	<u>\$6,519,372</u>



## STATEMENT OF SPECIAL SURPLUS

(Consisting of the profit (net) on sales of securities less the amounts written off exploration expenditures, mining claims and interest in and advances to affiliated and other companies)

### For the Year Ended December 31, 1954

(with comparative figures for the year 1953)

	1954	1953
Balance at beginning of year .....	\$3,266,413	\$2,279,823
Net gain on sales of securities during the year .....	1,363,838	1,310,815
	<u>\$4,630,251</u>	<u>\$3,590,638</u>
Less amounts written off:		
Securities .....	\$ 15,000	\$ 11,865
Exploration expenses and payments on lapsed options .....	143,797	296,377
Advances to subsidiary and associated companies .....	11,631	15,983
	<u>\$ 170,428</u>	<u>\$ 324,225</u>
Balance at end of year .....	<u>\$4,459,823</u>	<u>\$3,266,413</u>

## PROVISION FOR DEPLETION ON SHARES OF SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES

### For the Year Ended December 31, 1954

(with comparative figures for the year 1953)

	1954	1953
Balance at beginning of year .....	\$4,783,588	\$4,533,588
Add transfer from statement of profit and loss during the year .....	250,000	250,000
Balance at end of year .....	<u>\$5,033,588</u>	<u>\$4,783,588</u>

**STATEMENT OF INTEREST IN SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES  
AS AT DECEMBER 31, 1954 AND DECEMBER 31, 1953**

STATEMENT 4

	December 31, 1954				December 31, 1953			
	Shareholdings			Advances	Shareholdings			Advances
	Number of shares or par value	% of outstanding capital	Cost less amounts written off		Number of shares or par value	% of outstanding capital	Cost less amounts written off	
<b>Subsidiary companies:</b>								
American Nepheline Limited	1,541,560	51.3%	\$ 539,961		1,479,050	* 49.3%	\$ 483,711	
Avenue Realty Company Limited	39,100	55.6	3,750	\$ 20,000	39,100	55.6	3,750	\$ 20,000
Coniarum Mines Limited	1,430,800	51.7	554,476		1,430,800	51.7	554,476	
Devonian Limited	80,005	* 43.2	80,005		80,005	* 43.2	80,005	
Falconbridge Nickel Mines Limited (Note 1)	1,932,670	51.4	2,005,672		2,198,245	58.5	2,296,167	
Hoyle Mining Company Limited	1,724,604	90.8	1,492,979	91,958	1,724,604	90.9	1,492,979	66,959
La Luz Mines Limited	1,051,089	69.8	2,289,904		1,051,089	69.8	2,289,904	
Matachewan Consolidated Mines Limited	1,866,827	54.2	503,816		1,866,827	54.2	503,816	
Panaminas, Inc.		*		15,000				
Pelletier Lake Gold Mines Limited	2,135,100	78.7	305,843		2,135,100	78.7	305,843	
Rambridge Mines Limited	720,000	* 24.0	40,000		720,000	* 24.0	40,000	
Seacoll Limited	670,000	55.0	670,000		670,000	55.0	670,000	291
Toronto Mines Finance Limited	12,500	100.0	12,500		12,500	100.0	12,500	169,561
Miscellaneous participations of less than \$10,000 each			5,500				5,500	
			<u>\$ 8,504,406</u>	<u>\$ 126,958</u>			<u>\$8,738,651</u>	<u>\$ 256,811</u>
* Controlled through subsidiary companies								
<b>Associated companies:</b>								
Frobisher Limited — shares (Notes 1 and 2)	1,804,274	32.5%	\$ 1,823,730	\$ 6,532,638	1,883,574	34.2%	\$2,116,448	\$6,600,087
— warrants	150,709				150,709			
Northwest Power Industries Limited				\$ 2,000,010				
Other associated companies —								
Associated Tin Mines (S.W.A.) Limited				\$ 123,244				
Canadian Molartic Gold Mines Limited	1,388,685	38.0	\$ 513,411		1,388,685	38.0	\$ 513,411	
Chavin Mines Corporation				170,570				
Consolidated Guayana Mines Limited	261,636	10.2	192,133	1,005,961	261,636	10.2	192,133	\$ 981,107
Consolidated Mosher Mines Limited	417,633	12.9	43,620					
Consolidated Ranwick Uranium Mines Limited	233,765	12.0	133,766					100,000



Consolidated Sudbury Basin Mines Limited (Note 3)	191,073	6.4	270,999		105,573	3.2	142,749	
Dominion Magnesium Limited — shares (Note 1)	113,577	24.9	773,230		106,057	25.7	679,230	
— 5% bonds due								
March 1, 1962					\$104,000		104,000	
Duport Mining Company Limited	553,262	39.5	82,236		553,262	39.5	82,236	
Dupresnoy Mines Limited	1,138,078	41.2	10,881	1,955	1,138,078	41.2	10,881	1,955
Eureka Corporation Limited	1,303,564	15.8	2,170,135	200,657	1,184,564	14.3	2,063,035	203,114
Giant Yellowknife Gold Mines Limited (Note 1)	388,742	9.7	466,440		73,042	1.8	168,914	
Lake Dufault Mines Limited	1,237,397	48.5	191,773		1,237,397	48.5	191,773	
Metal Hydrides Incorporated	98,653	38.5	809,394		98,653	38.5	809,395	
New Calumet Mines Limited	112,951	2.4			157,951	3.4	2	
Nipissing Mines Company Limited (Note 1)	242,840	20.2	562,115		242,840	20.2	562,115	
Opemiska Copper Mines (Quebec) Limited	350,296	6.3	385,201					
Osisko Lake Mines Limited	241,581	9.4	157,252		241,581	9.4	157,252	
Pascal's Gold Mines Limited	1,462,837	48.7	244,468		1,462,837	48.7	244,468	
Quebec Metallurgical Industries Ltd. (Note 2)	386,883	19.2	1,304,121	165,302	186,883	16.8	604,121	
St. Eugene Mining Corporation Limited	1,079,593	44.7	289,348	98,339	1,079,593	44.7	289,348	98,339
Tonopah Mining Company of Nevada	252,760	29.0	521,620		252,760	29.0	521,620	
Trans-Border Oils Ltd.	300,000	19.0	1,500,000					
Uis Tin Mining Company (S.W.A.) Limited				372,503				50,000
West Wasa Mines Limited	100,000	3.4	25,000		100,000	3.4	25,000	
Miscellaneous participations of less than \$25,000 each			70,348	8,097			101,631	8,078
			<u>\$10,717,491</u>	<u>\$ 2,146,628</u>			<u>\$7,463,314</u>	<u>\$1,442,593</u>
			<u>\$12,541,221</u>	<u>\$10,679,276</u>			<u>\$9,579,762</u>	<u>\$8,042,680</u>
<b>Other companies:</b>								
Bobjo Mines Limited	216,723		\$ 60,573		218,223		\$ 61,023	
Geco Mines Limited	5,300		59,633					
Lyndhurst Mining Company Limited	272,500		59,950					
Pine Point Mines Limited	67,233		50,063		93,333		78,914	
United North Atlantic Securities Limited	10,000		100,000		10,000		100,000	
Miscellaneous participations of less than \$40,000 each			223,071				267,799	
			<u>\$ 553,290</u>	<u>Nil</u>			<u>\$ 507,736</u>	<u>Nil</u>

NOTES: (1) See footnote (2) on the balance sheet as to shareholdings loaned to subsidiary and associated companies and footnote (5) as to warrants outstanding entitling holders thereof to purchase from the company 50,000 shares of Falconbridge Nickel Mines Limited owned by the company.

(2) 125,000 shares of Frobisher Limited were exchanged for 168,750 Treasury shares of Quebec Metallurgical Industries Ltd. subsequent to December 31, 1954.

(3) At December 31, 1953 the company held 211,146 shares of Ontario Pyrites Company Limited which were subsequently exchanged for 105,573 shares of Consolidated Sudbury Basin Mines Limited.

## COMPARATIVE SUMMARY OF PROFIT AND LOSS ACCOUNT

### 1928 – 1954

	<i>Income from shareholdings and bonds and sundry credits</i>	<i>Administrative expenses and sundry debits</i>	<i>Transfer to Reserve for Depletion</i>	<i>Provision for Taxes</i>	<i>Net Profit (or Loss) for the year</i>	<i>Dividends Paid</i>
1928.....	\$ 812	\$ 55,706	\$ .....	\$ 23,193	\$ 78,087	\$ .....
1929.....	36,006	133,677	.....	1,768	99,438	.....
1930.....	27,636	73,866	12,592	122	58,944	.....
1931.....	13,194	56,088	6,529	82	49,505	.....
1932.....	128,390	61,695	23,818	.....	42,877	.....
1933.....	466,955	55,521	192,626	.....	218,808	.....
1934.....	450,839	32,300	208,023	.....	210,516	.....
1935.....	448,200	32,538	270,000	80,000	65,663	.....
1936.....	584,242	57,374	100,000	146,153	280,715	590,235
1937.....	874,940	67,303	170,000	12,208	625,428	590,235
1938.....	1,117,997	68,875	200,000	2,500	846,621	354,143
1939.....	1,060,319	54,348	350,000	15,000	640,971	78,698
1940.....	869,819	52,100	250,000	47,000	520,719	236,093
1941.....	1,005,992	50,849	300,000	15,620	639,523	314,790
1942.....	824,710	47,666	200,000	10,993	566,051	393,488
1943.....	797,929	69,041	200,000	55,000	473,888	357,483
1944.....	904,731	62,865	200,000	812	641,055	357,483
1945.....	863,257	88,948	200,000	63,265	511,044	357,483
1946.....	408,887	97,718	100,000	1,156	210,014	357,483
1947.....	882,925	93,269	200,000	43	589,613	89,371
1948.....	1,187,907	105,971	250,000	615	831,321	.....
1949.....	1,240,935	128,097	250,000	749	862,090	89,371
1950.....	1,305,538	146,880	250,000	2,345	906,313	89,371
1951.....	1,569,055	147,802	300,000	3,449	1,117,804	536,224
1952.....	1,475,838	182,643	300,000	5,209	987,986	536,224
1953.....	1,328,837	206,685	250,000	3,795	868,357	536,224
1954.....	1,308,173	261,541	250,000	3,167	793,465	804,337



**AMERICAN NEPHELINE LIMITED**

**CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1954**

**ASSETS**

**Current:**

Cash on hand and in banks	\$ 75,788	
Accounts receivable	263,673	
Inventories of crude ore and finished products — as determined and certified by responsible officials and valued at the lower of average cost or market	100,506	\$ 439,967

**Deferred:**

Inventory of mine and mill supplies — at cost	\$153,834	
Deferred charges and sundry receivables	6,999	160,833

**Fixed:**

Mining properties — at cost	\$ 75,499	
Land, buildings, machinery, equipment, automobiles and trucks — based upon the values at which such assets were acquired from the predecessor company, Canadian Nepheline Limited, in 1940 with subsequent additions at cost — less depreciation provided of \$1,153,265	642,292	
Staff dwellings — at cost, less depreciation provided of \$39,024	\$105,834	
less C.M.H.C. loan thereon	53,061	52,773
Construction in progress	123,003	893,567

**Other:**

Deferred development expenditures, less amounts written off of \$322,537	\$ 8,717	
Interest in outside mining claims	11,044	
Flotation and other equipment not presently in use, less depreciation provided of \$3,669	6,815	
Investment in shares of associated and other companies at cost — \$27,619, less full reserve thereon		26,576
		<u>\$1,520,943</u>

**LIABILITIES**

**Current:**

Accounts payable and accrued charges	\$ 42,712	
Estimated corporation income and mining taxes, less amounts paid thereon	64,077	\$ 106,789

**Capital:**

Capital stock		
— authorized and issued 3,000,000 shares with a par value of fifty cents each	\$1,500,000	
Capital surplus	24,964	
	<u>\$1,524,964</u>	

**less:**

Deficit as shown on statement attached	110,810	1,414,154
		<u>\$1,520,943</u>

**NOTES:**

1. The net value of the fixed assets of the subsidiary company upon consolidation has been increased, as in prior years, by \$47,169 representing the excess of the value placed upon the stock issued at acquisition over the net book value of the assets of the subsidiary company.
2. The subsidiary company's plant, which is taken into this balance sheet at an approximate net book value of \$190,000, is currently being offered for sale. No provision has been included for losses which may arise from this liquidation.

**CONIAURUM MINES LIMITED**  
**BALANCE SHEET — DECEMBER 31, 1954**

**ASSETS**

**Current:**

Cash .....		\$ 80,444.90
Bullion on hand .....		75,160.88
Accounts receivable—		
Estimated amount receivable under the Emergency Gold Mining Assistance Act .....	\$ 54,257.12	
Other .....	8,976.58	63,233.70
		<u>218,839.48</u>

**Investments—at cost:**

Shares of partially owned subsidiary company, Ridgely Mining Company Limited (50.01% owned) .....	\$ 183,249.60		
Shares of companies with quoted market values			
Affiliated company (quoted market value \$326,344) .....	\$ 47,628.00		
Other companies (quoted market value \$902,600) .....	554,693.61	602,321.61	
Shares of other companies			
Affiliated companies .....	\$193,867.77		
Other companies .....	33,499.95	227,367.72	1,012,938.98

**Fixed, at cost less amount written off: \***

Buildings, machinery and equipment .....	\$1,394,490.23		
Less accumulated depreciation .....	1,375,083.45		
	\$ 19,406.78		
Mining properties (no deduction has been made for ores mined) .....	2,243,709.14	2,263,115.92	

**Other:**

Supplies at cost .....	\$ 123,741.20		
Prepaid expenses .....	11,385.07		
Government bonds on deposit with Hydro-Electric Power Commission of Ontario at cost (market value \$15,180) .....	15,037.50	150,163.77	
		<u>\$3,645,058.10</u>	

**LIABILITIES**

**Current:**

Wages payable .....	\$ 30,075.89		
Accounts payable and accrued charges .....	38,855.24		
Estimated taxes payable .....	2,439.24		
		<u>\$ 71,370.37</u>	

**Capital:**

Authorized—3,000,000 shares of no par value			
Issued —2,766,743 shares of no par value .....	\$4,456,337.30		
Less amount applied in 1938 in reduction of book values of deferred development, buildings, machinery, etc., taken over from predecessor company * .....	708,842.30		
	\$3,747,495.00		
Deficit .....	173,807.27	3,573,687.73	

\$3,645,058.10

- Notes: (1) Under an agreement dated March 1, 1951, the company arranged with Central Porcupine Mines Limited to expend up to \$300,000 on a joint effort to sink a shaft near the boundary line of the Coniaurum and the Central Porcupine properties. Of this amount \$222,726 has been expended to December 31, 1954, and the balance of \$77,274 constitutes a firm commitment on the part of the company.
- (2) Because of the large minority interest in the partially owned subsidiary company, Ridgeley Mining Company Limited, its assets have not been consolidated with those of the company.



**LA LUZ MINES LIMITED**  
**BALANCE SHEET — SEPTEMBER 30, 1954**

<b>Current Assets:</b>	<b>ASSETS</b>		
Cash on hand and in bank		\$ 158,228.96	
Bullion in transit and at refineries at estimated realizable value		124,542.04	
Sundry accounts receivable		42,065.85	
		<u>\$ 324,836.85</u>	
<b>Investments:</b>			
Marketable Securities — at Cost			
(quoted market value \$1,869,441)			
Frobisher Limited — 292,710 shares	\$ 342,278.80		
Giant Yellowknife Gold Mines Limited — 14,841 shares	71,423.64		
Falconbridge Nickel Mines Limited (an affiliated company) — 21,708 shares	80,586.88	\$ 494,289.32	
Other Investments and Advances, at Cost			
less provision for loss			
Eureka Corporation Limited (quoted market value \$449,350) — 454,303 shares	\$ 553,244.26		
Consolidated Guayana Mines Limited (quoted market value \$103,692) — 272,000 shares	204,000.00		
advance	75,000.00		
Panaminas Incorporated — wholly-owned subsidiary (at nominal value)	1.00		
	<u>\$ 832,245.26</u>		
less provision for loss	200,000.00	632,245.26	
Investment in Rosita Mines Limited — cost of property and development expenditures thereon (see note 3)		534,841.37	1,661,375.95
<b>Inventories of Supplies valued at average cost which is less than current replacement cost:</b>			
Mining and milling supplies and spare parts	\$ 882,696.50		
Commissary supplies	102,308.96	985,005.46	
<b>Fixed Assets:</b>			
Siuna mining claims, at cost	\$1,550,000.00		
Potosi property, at cost	570,130.16		
	<u>\$2,120,130.16</u>		
Less accumulated depletion	1,343,261.39		
	<u>\$ 776,868.77</u>		
Riscos De Oro, at cost	113,558.04		
Mine buildings, machinery, equipment, roads, airports, and Yy River power development, at cost	\$4,786,458.26		
Less accumulated depreciation	1,379,078.40	3,407,379.86	4,297,806.67
<b>Deferred Expenditures:</b>			
Prepaid fire insurance and taxes, etc.	\$ 30,159.35		
Native housing project, at cost less amounts written off	15,881.77	46,041.12	
		<u>\$7,315,056.05</u>	
<b>Current Liabilities:</b>	<b>LIABILITIES</b>		
Amounts due to bankers (secured) —			
Demand loan	\$ 195,000.00		
Bank overdraft	73,714.62	\$ 268,714.62	
Accrued wages payable		9,770.81	
Accounts payable and accrued charges		109,737.19	
Due to Panaminas Incorporated, a wholly-owned subsidiary		5,369.33	
		<u>\$ 393,591.95</u>	
<b>Capital Stock:</b>			
Authorized—2,000,000 shares of no par value			
Issued —1,504,412 shares (see note 4 re options outstanding)	\$3,139,191.10		
General reserve	2,403,802.53		
Earned surplus	1,378,480.47	6,921,474.10	
		<u>\$7,315,056.05</u>	

**NOTES TO FINANCIAL STATEMENTS**

1. Because of the relative insignificance of the financial position and operations of the wholly-owned subsidiary company, Panaminas Incorporated, its financial statements have not been consolidated with those of La Luz Mines Limited. The loss of the subsidiary for the year ended September 30, 1954 amounting to \$12,263.88 has not been provided for in the accounts of La Luz for the year ended on that date. In previous years La Luz reduced its investment in and advances to the subsidiary to a nominal value of \$1 in order to provide for the subsidiaries' accumulated losses which at September 30, 1954 amounted to \$316,540.38. Based on the values recorded in the balance sheet of the subsidiary at September 30, 1954 the equity of La Luz Mines in that company amounted to \$68,723.60.
2. The company's transactions arise for the most part in United States and Nicaraguan currencies and to a limited extent in Canadian currency. The financial statements are presented in terms of U.S. dollars with the exception of share capital and the expenditures therefrom for mining claims, plant and development, which are recorded in Canadian dollars. Conversion during the year from cordobas to U.S. dollars has been made at the official rate of 6.6 cordobas to \$1 U.S. Conversion during the year from Canadian to U.S. dollars has been made at various rates prevailing from time to time.
3. During the current fiscal year La Luz caused Rosita Mines Limited to be incorporated for the purpose of acquiring and developing certain Nicaraguan mining claims known as the Rosita Property which at September 30, 1954 were the property of a wholly-owned subsidiary of Frobisher Limited. Prior to that date La Luz had expended \$18,933.72 in developing this property and incorporating the new company and had paid \$515,907.65 to Frobisher to reimburse it for the cost of its investment in the wholly-owned subsidiary referred to above and for exploration costs absorbed by Frobisher in connection with such property. In consideration for the payment of \$515,907.65, Frobisher has agreed to cause its subsidiary to transfer the Rosita Property to La Luz or its nominee.
4. Options are outstanding on 5,250 shares of the company's capital stock to be allocated at the discretion of the Chairman of the Board and the President at the price of \$2.00 per share.
5. The administrative expenses outside of Nicaragua include remuneration of the directors as such (excluding remuneration for services as officers and employees) amounting to \$500.
6. The provision for depletion is based on the average gold content of the ore milled during the year ended September 30, 1954. The rate of provision so determined was 22c per ton as compared with a rate of 21c per ton used in the previous year.



**FALCONBRIDGE NICKEL MINES LIMITED**

**CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1954**

(With comparative figures for December 31, 1953)

ASSETS		1954	1953
<b>Current:</b>			
Cash on hand and in banks		\$ 961,383	\$ 53,935
Government bonds at cost (quoted market value 1954—\$951,500)		948,182	435,610
Accounts receivable —			
Trade (including the United States Government)	\$3,336,361		
Sundry	203,494	3,539,855	2,366,018
Income taxes recoverable		556,089	6,115
Inventories — (Note 4)			
Refined metals	\$1,113,000		
Matte and metals in process	4,135,870	5,248,870	5,130,510
		<u>\$11,254,379</u>	<u>\$ 7,992,188</u>
<b>Investment in Shares of Unconsolidated Subsidiaries</b>			
at cost less amounts written off (Note 1)		\$ 493,821	\$ 493,821
<b>Fixed:</b>			
Plant and equipment at cost		\$41,539,601	\$29,693,363
Less accumulated allowance for depreciation		18,607,222	15,826,268
		<u>\$22,932,379</u>	<u>\$13,867,095</u>
Mining and other property at cost		3,724,003	3,488,295
		<u>\$26,656,382</u>	<u>\$17,355,390</u>
<b>Other:</b>			
Supplies, at average cost		\$ 3,177,888	\$ 2,915,685
Prepaid expenses and deferred charges (including unamortized financing expenses in 1954 of \$179,705)		427,281	625,899
Long-term accounts receivable		85,910	66,054
Sundry security investments at cost less amounts written off —			
Affiliated companies	\$ 112,623		
Other (quoted market value 1954 — \$660,000)	748,369	860,992	758,336
Guaranteed deposit (cash and Government of Canada bonds at cost)		327,590	337,390
Mine development and preproduction expenditures less amounts written off		4,942,427	3,225,463
		<u>\$ 9,822,088</u>	<u>\$ 7,928,827</u>
		<u>\$48,226,670</u>	<u>\$33,770,226</u>
<b>LIABILITIES</b>			
<b>Current:</b>			
Bank overdraft		\$	\$ 403,236
Accounts payable and accrued charges		5,095,526	4,077,183
Portion of long-term liabilities maturing within one year		91,855	191,855
Taxes payable (estimated)		288,044	370,404
		<u>\$ 5,475,425</u>	<u>\$ 5,042,678</u>
<b>Long-Term:</b>			
5 1/4 % First Mortgage and Collateral Trust Sinking Fund Bonds, Series A, due August 15, 1966—			
Authorized — \$30,000,000			
Issued		\$12,000,000	\$
3% Mortgage payable in equal semi-annual instalments from June 30, 1955 to December 30, 1961 inclusive (secured by refinery land and plant) (N.Kr. 3,850,000 in 1954)		642,987	734,842
Net advance from the United States Government, including accrued interest thereon at 4%, repayable on or before March 31, 1957 (U.S. \$2,290,814 in 1954) (Note 6)		2,233,939	3,654,333
Amount due on purchase of shares of wholly-owned subsidiary company payable in annual instalments to September 30, 1955 (secured)			175,000
		<u>\$14,876,926</u>	<u>\$ 4,564,175</u>
Less instalments maturing within one year included under current liabilities		91,855	191,855
		<u>\$14,785,071</u>	<u>\$ 4,372,320</u>
<b>Shareholders' Equity:</b>			
Capital —			
Authorized — 5,000,000 shares of no par value			
Issued — 3,756,272 shares of no par value (Note 7)		\$12,214,125	\$11,764,125
Retained earnings (Note 8)		15,752,049	12,591,103
		<u>\$27,966,174</u>	<u>\$24,355,228</u>
		<u>\$48,226,670</u>	<u>\$33,770,226</u>



# FALCONBRIDGE NICKEL MINES LIMITED

## STATEMENT OF CONSOLIDATED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1954

(With comparative figures for December 31, 1953)

	1954	1953
Metal sales and other operating revenues	\$39,317,333	\$29,219,724
Cost of sales and operating expenses other than the undermentioned items	\$26,625,423	\$18,256,501
Selling, general and administrative expenses (including remuneration of directors as such of \$1,750 in 1954)	1,534,430	1,212,306
	\$28,159,853	\$19,468,807
Operating profit before providing for development and preproduction expenditures, depreciation and income taxes	\$11,157,480	\$ 9,750,917
Development and preproduction expenditures written off	\$ 2,114,745	\$ 1,737,317
Allowance for depreciation (Note 9)	2,821,185	2,747,937
	\$ 4,935,930	\$ 4,485,254
Operating profit before income taxes	\$ 6,221,550	\$ 5,265,663
Other income:		
Dividend from Fahlralloy Canada Limited, a wholly-owned subsidiary, not consolidated (Note 1)	35,050	35,050
Income from investments	43,833	36,131
	\$ 6,300,433	\$ 5,336,844
Other deductions for income:		
Interest on long-term liabilities and financial expenses written off	\$ 649,548	\$ 174,366
Exploration expenditures	665,057	905,326
Net loss on sale of securities and fixed assets	12,040	3,662
	\$ 1,326,645	\$ 1,083,354
Earnings before income taxes	\$ 4,973,788	\$ 4,253,490
Income taxes — estimated (Note 10)	312,843	533,885
Earnings for the year (Notes 9 and 10)	\$ 4,660,945	\$ 3,719,605

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) The consolidated financial statements reflect the financial position and the results of operations of Falconbridge Nickel Mines Limited and three of its wholly-owned subsidiaries, Falconbridge Nikkelverk Aktieselskap (Norway), Falconbridge Realty Limited and The M. J. Poupore Lumber Company Limited. The accounts of the other wholly-owned subsidiary, Fahlralloy Canada Limited, have not been consolidated as its operations are neither similar nor related to those of the parent company; the accounts of the majority-owned subsidiaries have not been consolidated as their assets and liabilities are not material in relation to those of the parent company.

The interest of Falconbridge Nickel Mines Limited in the current year's profits of the unconsolidated subsidiaries exceeded the dividend received from one subsidiary by \$13,209. The parent company's interest in the aggregate of the profits less losses of unconsolidated subsidiaries accumulated from the date of their acquisition to December 31, 1954 and not taken up in its accounts amounted to \$361,300.

(2) The comparative figures shown for 1953 have been revised to include the financial position and results of operations of The M. J. Poupore Lumber Company Limited which was not consolidated in the financial statements of December 31, 1953. This has necessitated making the following adjustment in the retained earnings at January 1, 1954:

Balance at December 31, 1953 as shown in the consolidated financial statements at that date	\$12,738,567
Deduct parent company's interest since date of acquisition in the deficit of The M. J. Poupore Lumber Company Limited	147,464
Balance at January 1, 1954	\$12,591,103

(3) Assets and liabilities in currencies other than Canadian dollars have been converted into Canadian dollars at current quoted rates of exchange at December 31, 1954 except as follows:

(a) Fixed assets and the related accumulated allowances for depreciation—converted at the rates prevailing when the expenditures on fixed assets were made;

(b) Long-term liabilities—converted at the rates prevailing when the debts were incurred.

Revenues and expenses in currencies other than Canadian dollars have been converted into Canadian dollars at the average monthly quoted rates of exchange except that allowances for depreciation have been converted at the rates prevailing when the expenditures on the related fixed assets were made.

(4) Inventories of refined metals and of matte and metals in process are stated at the lower of cost or market value. In the case of inventories processed or in process from the company's own ores (total \$3,162,277 in 1954) cost has been determined on a "last-in, first-out" basis; in the case of inventories processed or in process from purchased ores (total \$2,086,593 in 1954) cost has been determined on a "first-in, first-out" basis.

(5) There are commitments outstanding in connection with construction in progress and development and exploration of outside properties amounting to approximately \$2,430,000.

(6) The contract under which the company has received advances from the United States Government provides for liquidation of such advances in whole or in part from the credits that will be earned if certain production requirements are met.

(7) During the year 30,000 of the company's shares were issued for cash at \$15.00 per share in accordance with an agreement originally made on October 27, 1952.

(8) Under the deed of trust and mortgage securing the first mortgage and collateral trust bonds of Falconbridge Nickel Mines Limited, the maximum amount of retained earnings at December 31, 1954, which could be utilized for dividends totalled \$5,444,461.

(9) During 1954 the basis of calculating the allowance for depreciation was changed so as to exclude any allowance for depreciation on assets under construction and not in use at the end of the fiscal year. This change in basis resulted in decreasing the current year's allowance for depreciation and increasing the earnings for the year by approximately \$1,559,000.

(10) The company has computed its income taxes for 1954 on the basis that it will claim as deductions for depreciation and for preproduction expenditures amounts in excess of those provided in its accounts during the year. If the company's income taxes for 1954 were to be computed on the basis of deducting the amounts provided in its accounts during the year for depreciation and for preproduction expenditures written off, income taxes would be increased and the earnings for the year would be decreased by approximately \$1,630,000.

This reduction in taxes arises to the extent of \$740,000 from claiming for tax purposes in 1954 depreciation and preproduction expenditures written off but not claimed in prior years. The balance of \$890,000 is the result of claiming for tax purposes in 1954 as a deduction for depreciation and for preproduction expenditures an amount of \$2,722,983, which at December 31, 1954 had not been written off in the accounts of the company. When these amounts are written off to earnings in future periods no tax benefit will accrue to the company.

The 1953 provision for income taxes does not reflect the adjustment.



**FROBISHER LIMITED**  
**CONSOLIDATED BALANCE SHEET — DECEMBER 31, 1954**  
*(with comparative figures for December 31, 1953)*

	ASSETS	December 31, 1954	December 31, 1953
<b>Current:</b>			
Cash on hand and in banks		\$ 426,094	\$ 128,223
Bullion in transit		57,795	43,081
Accounts receivable		177,036	65,045
Inventory of graphite valued at 50% of selling price		67,735	67,735
		<u>\$ 660,925</u>	<u>\$ 304,084</u>
<b>Interest in Subsidiary, Associated and Other Companies (Note 3):</b>			
Subsidiary companies — Shareholding at cost less amounts written off		\$ 6,756,142	\$ 8,688,966
Advances		667,228	435,603
		<u>\$ 7,423,370</u>	<u>\$ 9,124,569</u>
Associated and other companies — Shareholdings at cost less amounts written off		\$13,609,493	\$13,169,185
Advances		1,031,806	1,115,137
		<u>\$14,641,299</u>	<u>\$14,284,322</u>
		<u>\$22,064,669</u>	<u>\$23,408,891</u>
<b>Fixed:</b>			
Buildings, plant and equipment, at cost		\$ 1,394,835	\$ 1,807,704
Less accumulated depreciation		1,109,148	1,376,611
		<u>\$ 285,687</u>	<u>\$ 431,093</u>
Mining properties at cost		379,795	374,863
		<u>\$ 665,482</u>	<u>\$ 805,956</u>
<b>Other:</b>			
Exploration expenditures carried forward		\$ 1,378,322	\$ 1,244,761
Deferred development expenses less amounts written off		7,674	7,674
Supplies and spare parts at cost		234,509	306,021
Sundry prepayments and deferred charges		28,848	27,464
		<u>\$ 1,641,679</u>	<u>\$ 1,585,920</u>
		<u>\$25,032,755</u>	<u>\$26,104,851</u>
	<b>LIABILITIES</b>		
<b>Current:</b>			
Bank loans (secured)		\$ 1,480,910	\$ 1,641,239
Bank overdraft		28,863	28,863
		<u>\$ 1,480,910</u>	<u>\$ 1,670,102</u>
Accounts payable and accrued charges		286,541	208,784
Amounts owing to associated companies		32,521	46,529
Income taxes payable		3,020	3,020
		<u>\$ 1,799,972</u>	<u>\$ 1,928,435</u>
<b>Commitments and Contingent Liabilities — see Notes 3 and 4</b>			
<b>Advances from Ventures Limited (Note 6)</b>		\$ 6,532,638	\$ 6,600,087
<b>4% Convertible Debentures Due February 15, 1968 (Note 3)</b>		\$ 5,000,000	\$ 5,000,000
<b>Provision for Depletion on Shares of Associated Companies</b>		\$ 376,000	226,000
<b>Capital and Deficit:</b>			
Capital (Notes 5 and 6) Authorized—7,500,000 shares of no par value			
Issued —5,549,488 shares		\$14,919,489	\$14,739,489
Less—Deficit		\$ 473,333	\$ 652,578
Special deficit		3,122,011	1,736,582
		<u>\$ 3,595,344</u>	<u>\$ 2,389,160</u>
		<u>\$11,324,145</u>	<u>\$12,350,329</u>
		<u>\$25,032,755</u>	<u>\$26,104,851</u>

**NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 1954**

- 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 interest 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, 1954. The interest of Frobisher Limited in the current year's losses less profits of these subsidiaries amounted to \$198,405, 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, 1954, not provided for in its accounts, amounted to \$129,241.
- Assets and liabilities in currencies other than Canadian dollars are converted into Canadian funds at the current quoted rates of exchange at December 31, 1954, except fixed assets (and the related accumulated depreciation), exploration expenditures and deferred development expenses 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 provision for depreciation and deferred development which is converted at the rates of exchange prevailing when the expenditures on the related assets were made.



# **FROBISHER LIMITED**

## **CONSOLIDATED STATEMENT OF INTEREST IN SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES AS AT DECEMBER 31, 1954**

Indicated market values	Number of shares or par value	% of out- standing capital	Company	Cost less amounts written off	Advances
			Subsidiary companies:		
	720,000	60.0%	Associated Tin Mines (South West Africa) Ltd. ....	\$577,858	
	1,500	75.0	Chavin Mines Corporation .....	735,000	
	1,487,733	92.9	Kilembe Copper Cobalt Ltd. ....	4,904,852	\$ 664,352
	£173,635	*	Kilembe Mines Limited—6% first mortgage debentures due 1959-1975 .....	473,609	
			Miscellaneous participations of less than \$40,000 each .....	64,823	2,876
				<u>\$ 6,756,142</u>	<u>\$ 667,228</u>
			* Controlled through a subsidiary company.		
			Associated and other companies:		
\$ 757,399	1,165,230	35.7%	Akaicho Yellowknife Gold Mines Limited .....	\$ 380,243	
	200,000	40.0	Anyox Metals Limited .....		\$ 78,117
28,280	50,500	2.4	Beaver Lodge Uranium Mines Limited .....	63,125	
	86,900	4.1	British Newfoundland Corporation Limited .....	86,900	
200,016	714,343	28.0	Consolidated Guayana Mines Limited .....	538,048	251,195
154,754	315,825	16.3	Consolidated Ranwick Uranium Mines Limited .....	246,108	
99,926	7,334	1.6	Dominion Magnesium Limited .....	58,672	
	746,802	27.0	Dupresnoy Mines Limited .....	78,580	
181,757	166,750	2.0	Eureka Corporation Limited .....	195,337	63,168
3,525,000	150,000	4.0	Falconbridge Nickel Mines Limited .....	722,091	
			Ferrum Limited		
	26,265		Shares .....		
	\$ 111,667	34.6	5% debentures due 1957/1960 .....	105,693	
6,491,440	832,236	20.8	Giant Yellowknife Gold Mines Limited .....	177,748	
79,347	881,634	33.8	Horne Fault Mines Limited .....	84,900	6,400
474,628	1,031,800	20.1	Joliet-Quebec Mines Limited .....	134,602	
	204,963	27.5	Lakefield Research Limited .....	81,985	
	874,111	32.6	Michipicoten Iron Mines Limited .....	304,819	90,786
718,278	1,282,639	27.7	New Calumet Mines Limited .....	348,767	
32,864	31,600	.1	New Larder "U" Island Mines Limited .....	64,150	
	2,250	15.0	Northern Mining Company .....	317,873	
	20,004	19.0	Northfield Canada Limited .....	90,004	
17,760	222,000	7.4	Pershcourt Goldfields Ltd. ....	133,920	
	600,000	50.0	Pilley's Island Copper Pyrite Limited .....	125,000	
2,075,882	638,733	31.7	Quebec Metallurgical Industries Ltd. ....	2,006,700	
232,614	612,143	33.3	Rainville Mines Limited .....	404,894	
	841,185	34.8	St. Eugene Mining Corporation Limited .....	319,989	447,913
	426,364	35.0	Seaoil Limited .....	426,364	7,669
			Societe Anonyme des Mines de Fer de Mauritanie—		
	17,000	34.0	Ordinary shares .....		
	6,778		Founders shares .....	481,989	60,600
	487,880	31.0	Trans-Border Oils Ltd. (including shares received in exchange for shares of Williston Oil and Gas Company) .....	4,025,010	
5,247,404	807,293	32.7	United Keno Hill Mines Limited .....	540,328	
			Miscellaneous participations of less than \$60,000 each—		
			those with market value .....	494,951	1,516
			those without market value .....	570,703	24,442
<u>\$20,791,526</u>				<u>\$13,609,493</u>	<u>\$1,031,806</u>

- 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 49,000 shares of United Keno Hill Mines Limited and 5,000 shares of Giant Yellowknife Gold Mines Limited to associated companies.
- The company has agreed to make expenditures subsequent to December 31, 1954, amounting to approximately \$6,000,000. These expenditures include the following:
 

Purchase of 212,120 shares of Trans-Border Oils Ltd. not later than July 1, 1955 .....	\$1,749,990
Purchase of 37,553 shares of Quebec Metallurgical Industries Ltd. prior to May 1, 1955 .....	281,648
Purchase at par of shares of Kilembe Copper Cobalt Ltd. and debentures of Kilembe Mines Limited during the next 1½ years (£1,402,730) .....	3,784,565
	<u>\$5,816,203</u>
- During 1954, 45,000 shares of capital stock were issued for \$180,000 cash.
- Share purchase warrants outstanding at December 31, 1954 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, 1954 were in excess of the maximum amount which might be receivable from that company under the agreement. There is also an option outstanding to sell 500,000 shares of capital stock to Ventures Limited at \$8 per share on or before February 12, 1957.
- The net loss on sale of securities includes a loss of \$975,750 arising from the sale of 300,000 shares of Williston Oil and Gas Company to Ventures Limited at \$5 per share.

## HOYLE MINING COMPANY LIMITED

BALANCE SHEET AS AT DECEMBER 31, 1954

ASSETS	
<b>Current:</b>	
Accounts receivable .....	\$ 11,407.19
<b>Investments In and Advances To Subsidiary Companies (Schedule 2)</b>	
Shares at cost (No market value) .....	\$ 66,279.86
Advances .....	17,466.28
	\$ 83,746.14
<b>Investments In Affiliated Companies (Schedule 2)</b>	
Investments at cost (Market value \$181,665.00 including \$55,000.00 of unlisted securities) .....	89,981.14
<b>Investments In Other Companies (Schedule 2)</b>	
Investments at cost (Market value \$7,521,292.03 including \$392,502.19 of unlisted securities) .....	\$3,009,041.89
Advances .....	107,734.75
	3,116,776.64
	3,290,503.92
Supplies, at cost: .....	19,480.63
<b>Fixed Assets:</b>	
Mining property .....	\$ 399,266.02
Haileybury land .....	2,208.81
Buildings, machinery and equipment .....	\$ 339,337.12
Less: Reserve for depreciation .....	124,072.41
	215,264.71
	616,739.54
<b>Expenditures on Outside Properties:</b>	
Expenditures to date .....	\$ 227,549.07
Less: Amounts written off .....	121,414.15
	106,134.92
<b>Deferred Charges:</b>	
Deferred development .....	\$ 711,740.85
Less: Amounts written off .....	507,528.79
	\$ 204,212.06
Incorporation expense .....	8,923.01
Prepaid expense .....	76.80
	213,211.87
	\$4,257,478.07
LIABILITIES	
<b>Current:</b>	
Bank overdraft (secured) .....	\$ 564,873.35
Accounts payable .....	711.20
Convertible notes payable .....	3,930.00
	\$ 569,514.55
Advances from Ventures Limited .....	91,958.25
<b>Capital and Deficit:</b>	
<b>Capital:</b>	
<b>Authorized:</b>	
1,500,000 Non-Voting Cumulative Preference Shares of No Par Value	
3,500,000 Common Shares of No Par Value	
<b>Issued:</b>	
272,298 Preference Shares .....	\$ 272,298.00
1,897,660 Common Shares .....	3,718,119.00
	\$3,990,417.00
<b>Deduct:</b>	
Operating Deficit .....	\$ 688,768.01
Special Surplus .....	294,356.28
	394,411.73
	3,596,005.27
	\$4,257,478.07

Note: Dividends in arrears on Preference Shares at 5 cents per share per annum from 1st September, 1946 amounting to \$108,919.20.



**HOYLE MINING COMPANY LIMITED**  
**INVESTMENTS IN AND ADVANCES TO SUBSIDIARY,**  
**AFFILIATED, AND OTHER COMPANIES AS AT DECEMBER 31, 1954**

	Market Value				
	No. of Shares	Per Share	Amount	Cost	Advances
<b>Subsidiary Companies:</b>					
Beaver River Silver Lead Mines Limited .....	1,050,000		\$ 44,340.89	\$ 14,031.39	
South Porcupine Mines Limited .....	1,273,753				3,434.89
Temiskaming Construction Limited .....	299,950		21,938.97		
			<u>\$ 66,279.86</u>	<u>\$ 17,466.28</u>	
<b>Affiliated Companies:</b>					
Devonian Limited .....	10,000	Cost	\$ 10,000.00	\$ 10,000.00	
Falconbridge Nickel Mines Limited .....	5,390	\$ 23.50	126,665.00	34,981.14	
Northfield Canada Limited .....	10,000	Cost	45,000.00	45,000.00	
			<u>\$ 181,665.00</u>	<u>\$ 89,981.14</u>	
<b>Other Companies:</b>					
Bobjo Mines Limited .....	165,689	\$ .27	\$ 44,736.13	\$ 41,187.95	
Consolidated Mosher Mines Limited .....	532,625	.71	378,163.75	641,937.82	
Giant Yellowknife Gold Mines Limited .....	12,500	7.75	96,875.00	100,000.00	
Ontario Pyrites Company Limited .....	1,115,331	* 1.14	1,271,477.34	327,041.91	\$ 107,734.75
Opemiska Copper Mines (Quebec) Limited .....	2,021,913	2.42	4,893,029.46	352,708.64	
Pine Point Mines Limited .....	115,785	3.10	358,933.50	44,715.04	
Quebec Metallurgical Industries Limited .....	33,333	3.25	108,332.25	100,000.00	
Silver Standard Mines Limited .....	135,944	.67	91,082.48	20,540.85	
Thompson-Lundmark Gold Mines Limited .....	594,196	.15	89,129.40	336,207.76	5,000.00
Sundry shareholdings having a market value of less than \$40,000 .....			189,532.72	1,044,701.92	62,734.75
			<u>\$ 7,521,292.03</u>	<u>\$ 3,009,041.89</u>	<u>\$ 107,734.75</u>

\*Exchanged for 557,665 1/2 shares of Consolidated Sudbury Basin Mines Limited.

**NOTES TO FINANCIAL STATEMENTS AS AT DECEMBER 31, 1954**

- In accordance with Section 89 of The Corporations Act 1953 (Ontario) the following information is submitted with respect to Temiskaming Construction Limited, a controlled company not consolidated:
- (1) Because of the different nature of the operations carried on by Temiskaming Construction Limited, and the substantial outside interest (42.3), it is not considered desirable to consolidate the accounts of that company.
  - (2) Profits of Temiskaming Construction Limited for the year ended 31st December, 1954 attributable to the shares owned by Hoyle Mining Company Limited amounted to \$58,645.00.
  - (3) The amount included as income from Temiskaming Construction is \$14,997.50 as shown in the statement of profit and loss representing dividends received.
  - (4) The amount of Hoyle Mining Company Limited proportion of the undistributed profits of Temiskaming Construction Limited since acquisition of the latter shares in excess of the dividend income therefrom reflected in the accounts of the former company was \$161,405.00.
  - (5) The two additional subsidiary companies, investments which are shown on schedule 2 attached to this report, are inactive mining companies which have not incurred profits or losses to date.

# MATACHEWAN CONSOLIDATED MINES LIMITED

BALANCE SHEET DECEMBER 31, 1954

## ASSETS

### Current:

Cash .....		\$	5,174.52
Accounts receivable .....			6,255.76
		\$	11,430.28

### Investments — at cost:

Shares of companies with quoted market values —			
Affiliated companies (quoted market value \$66,870) .....	\$ 20,747.50		
Other companies (quoted market value \$397,149) .....	381,335.20	\$402,082.70	
Shares of companies with no quoted market values —			
Affiliated companies .....	\$193,450.00		
Other companies .....	7,251.00	200,701.00	602,783.70

### Fixed: (Note 1)

Mining leases, buildings, machinery and equipment — at cost, less accumulated depreciation and proceeds of sales (Note 1) .....			323,549.12
(no deduction has been made for ores mined)			

### Other:

Advances for development and operation of properties owned by —			
Matarow Lead Mines Limited — at cost less amounts written off (Note 1) ....	\$ 8,349.78		
Duport Mining Company Limited — at cost (Note 2) .....	138,508.05	146,857.83	
Advances and expenses under option agreement — at cost .....		8,396.63	
Supplies — at cost .....		69,277.31	
Prepaid expenses and deposits .....		3,856.58	228,388.35
			<u>\$1,166,151.45</u>

## LIABILITIES, CAPITAL AND SURPLUS

### Current:

Bank overdraft — secured .....		\$	138,538.36
Accounts payable and accrued charges .....			1,069.32
Wages payable .....			788.84
		\$	140,396.52

### Capital:

Authorized—4,000,000 shares of no par value			
Issued —3,439,000 shares .....	\$914,500.00		

Earned surplus .....	111,254.93	1,025,754.93	
		<u>\$1,166,151.45</u>	

### NOTES:

- Operations were suspended in 1953 on the company's property and on the property of Matarow Lead Mines Limited. In the opinion of management the value at which the company's mining leases and buildings, machinery and equipment are carried in the balance sheet is less than their estimated realizable value. The amounts advanced to Matarow Lead Mines Limited under the terms of the agreement with that company have been written down to the balance estimated by management to be recoverable.
- Under the terms of an agreement, the company is committed to make further advances for the development of property owned by Duport Mining Company Limited in the amount of \$223,992. On completion of such payments the company and its associates will be entitled to receive shares of Duport Mining Company Limited. No active development work has been done on this property since 1951.





