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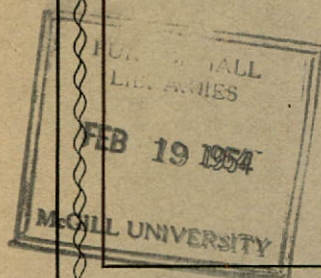
# VENTURES

## LIMITED

### *21st*

### ANNUAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31st, 1949







# 21st Annual Report of VENTURES LIMITED

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21st Annual Report  
of  
**VENTURES LIMITED**

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**Head Office**

25 King Street West, Toronto, Canada

**OFFICERS**

**President**

T. LINDSLEY

**Vice-Presidents**

A. J. ANDERSON   J. M. CUNNINGHAM-DUNLOP   H. J. FRASER  
A. G. FULTON   W. B. MALONE   J. P. MILLENBACH

**Secretary**

W. B. MALONE

**Treasurer**

J. C. RIX

**Assistant Secretary**

A. G. FULTON

**DIRECTORS**

DR. P. P. ALEXANDER  
A. J. ANDERSON  
DR. CHARLES CAMSELL  
J. S. DICKSON  
J. M. CUNNINGHAM-DUNLOP

H. J. FRASER  
A. G. FULTON  
T. LINDSLEY  
C. D. H. MACALPINE  
W. B. MALONE

W. B. MAXWELL  
J. P. MILLENBACH  
W. S. MORLOCK  
J. C. RIX  
G. W. TOWER

**TRANSFER AGENTS AND REGISTRARS**

**Toronto Share Transfer Co. Ltd.**

302 Bay Street  
Toronto, Ontario

**Registrar and Transfer Company**

2 Rector St., New York 6, N.Y.  
and

15 Exchange Place, Jersey City 2, N.J.

**AUDITORS**

**Clarkson, Gordon & Co.**

Toronto, Ontario

**Annual Meeting of Shareholders**

FRIDAY, JUNE 23RD, 1950, 11 A.M. (TORONTO TIME)  
Private Dining Room No. 10  
Royal York Hotel  
Toronto



# VENTURES LIMITED

## *Report of the Directors*

To the Shareholders:

Your Directors submit herewith their Twenty-first Annual Report, together with the Auditors' Report and Balance Sheet as at December 31, 1949.

### FINANCIAL

The reduction of bank loans during the year permitted your Directors to resume the payment of modest dividends, and this policy will be continued through 1950. By 1951 it is expected that larger dividends can be paid.

The following tabulation shows in detail the various holdings in the principal subsidiaries and associated companies.

	Shareholdings			Advances
	Number of Shares	% of Outstanding Capital	Cost less Amounts Written off	
SUBSIDIARY COMPANIES:				
American Nepheline Limited .....	1,479,060	* 49.30%	\$ 483,710.59	
Coniaurum Mines Limited .....	1,430,800	51.71	554,476.04	
Falconbridge Nickel Mines Limited .....	2,388,140	70.86	2,503,880.80	
Frobisher Limited .....	2,415,691	54.42	4,459,469.29	
Hoyle Mining Company Limited .....	1,746,904	94.40	1,362,290.79	\$ 22,848.25
La Luz Mines Limited .....	1,051,089	72.27	2,266,684.58	
Matachewan Consolidated Mines Limited	1,866,827	54.28	503,816.00	
Metal Hydrides Incorporated .....	65,411	72.64	528,312.29	25,041.10
Pelletier Lake Gold Mines Limited .....	2,135,100	78.77	305,843.13	
St. Eugene Mining Corporation Limited	1,079,593	* 44.71	289,348.38	99,427.41
Toronto Mines Finance Limited .....	12,500	100.00	12,500.00	71,423.25
Miscellaneous participations of less than \$10,000 each .....			14,634.69	2,834.10
			<u>\$ 13,284,966.58</u>	<u>\$ 221,574.11</u>
* Controlled through Subsidiary Companies.				
ASSOCIATED COMPANIES:				
Canadian Malartic Gold Mines Limited	1,384,685	37.92%	\$ 510,189.76	
Dominion Magnesium Limited .....	102,307	25.58	649,192.07	
Duport Mining Company Limited .....	556,762	42.99	82,756.20	\$ 17,734.98
Eureka Corporation Limited .....	451,095	11.31	572,647.89	1,447,814.59
Giant Yellowknife Gold Mines Limited ..	73,042	1.83	168,914.39	
Guayana Mines Limited .....	248,335	6.24	72,157.75	114,256.73
Lake Dufault Mines Limited .....	1,238,897	48.63	193,273.30	
New Calumet Mines Limited .....	166,451	4.76	2.00	
Nipissing Mines Company Limited .....	196,040	16.34	502,307.72	
Osisko Lake Mines Limited .....	241,581	9.42	157,252.40	
Pascal's Gold Mines Limited .....	1,462,837	48.75	244,468.09	83,659.29
Tonopah Mining Company of Nevada ..	117,260	13.48	131,964.91	
Miscellaneous participations of less than \$25,000 each .....			99,891.00	
			<u>\$ 3,385,017.48</u>	<u>\$ 1,663,465.59</u>



## BASE METAL OPERATIONS

### Dominion Magnesium Limited

The progress of this Company was interrupted during 1949 but it is hoped that subsequent years may fulfill our expectations.

### Eureka Corporation Limited

Negotiations with the Richmond-Eureka Company for a new agreement have been under way during most of 1949 and, should these be satisfactorily concluded, it is hoped that the development program recommended by Mr. Ira B. Joralemon can be started during the summer of 1950. The shareholders will be kept advised as progress is being made.

### Falconbridge Nickel Mines Limited

Pending completion of the reconstruction program at the Kristiansand Refinery, operations during 1949 were continued at approximately the same rate as in the previous year. Reduced sales of metals kept the profit slightly below that of 1948. However, when the presently accumulating surplus of matte is refined and the contained metals sold after 1951, increased profits should then accrue. It might be noted that, if the excess matte produced in 1949 had been sold on reasonable terms, the sales and profits of 1949 would have exceeded those of 1948 by a comfortable margin.

### United Keno Hill Mines Limited

Operations in 1949 were interrupted by the destruction of the mill by fire in the month of June. Active steps were taken to construct a new and larger mill, and production began again in November. As soon as electric power has been provided for this enterprise, active development of this large property will proceed without delay.

### Kilembe

Much progress has been made at this copper-cobalt property in Uganda and, as soon as satisfactory arrangements have been concluded with the authorities, an active development program will be initiated.

## PRECIOUS METAL OPERATIONS

### Canadian Malartic Gold Mines Limited

Underground development was accelerated in order to maintain the present production rate of 1,300 tons a day and to provide an underground crushing system which will expedite the handling of ore and permit the profitable extraction of certain marginal grade orebodies. An important new ore structure lying south of the original orebody is being developed above the 750-foot level. Probable ore reserves at the end of the year were 2,069,000 tons averaging .106 ounces of gold per ton.

### Coniaurum Mines Limited

Underground development work was pressed during the year and resulted in adding to the unbroken ore reserves. Disclosures on the No. 68 Vein on the 2,000-foot level, the No. 51 Vein on the 4,500-foot level and the No. 67 Vein on the 5,000-foot level were the important developments during the year.

The company has taken a 37.5% position in Ranwick Uranium Mines Limited, which is an interesting uranium prospect in the Sault Ste. Marie District in Ontario.



#### **Connemara Mine, Southern Rhodesia**

With the arrival of the new rod mill in March, 1950, and its installation shortly thereafter, this operation will then be established on a scale of 400 tons per day. Devaluation of sterling and the consequent increase in the price of gold to 248s. 3d. will enable this property to enlarge its ore resources and the future is regarded hopefully.

#### **Giant Yellowknife Gold Mines Limited**

This operation is shaping up to be one of the important gold mines of Canada, and as the ore picture gradually unfolds, the confidence in its future increases. Every effort is being made to expand the ore resources to their fullest extent. During 1949 99,564 tons were treated and 59,765 ounces were produced.

#### **Guayana Mines Limited**

In spite of the large potential reserves of good gold ore at this property, labor conditions in Venezuela unless modified, may bring about a cessation of operations. Early in 1950 it was found necessary for your company to join with La Luz Mines Limited in guaranteeing a bank loan of Guayana in the amount of U.S. \$225,000.

#### **La Luz Mines Limited**

A severe drought and unexpected delays will prevent the completion of the expansion program until the summer of 1950. Furthermore, the free market price of gold has taken an unexpected drop, so that patience will have to be exercised before the justifiable expectations of good profit can be realized.

The purchase of the Potosi property was concluded during 1949, which will permit a more effective operation of the whole ore zone. The reserves of ore are large and, once a fair price is obtained for gold, good profits should be made. During the year ended September 30, 1949, 515,616 tons were treated, with a production of 51,561 ounces.

#### **Matachewan Consolidated Mines Limited**

The main shaft was deepened a further 597 feet in 1949 to establish a main deep level at 2,280 feet. In the next few months this new level will be used to explore for betterment of values the downward projection of the zones found in the upper portion of the mine.

Matachewan Consolidated Mines Limited has purchased a block of British Matachewan Gold Mines Limited and this, together with shares already held by Ventures Limited, constitutes control of that company.

In addition, the Company has undertaken to examine the Duport property at Shoal Lake, Western Ontario, where approximately 200,000 tons of good grade gold ore were outlined by underground work and diamond drilling some years ago. An attempt will be made to enlarge the ore picture in 1950 and 1951.

#### **GENERAL**

The progress made during the year by your subsidiary, Frobisher Limited, was most gratifying, and dividends can be expected before long. Your Directors see growth ahead for this Company.

The Directors again wish to record their appreciation of the effective services rendered by all those associated with this group of enterprises.

On behalf of the Board,

Toronto, Ontario,  
May 10th, 1950.

T. LINDSLEY,  
President.

# VENTURES LIMITED

## STATEMENT OF EARNED SURPLUS for the year ended December 31, 1949

Balance December 31, 1948 .....	\$ 3,399,066.69
Net profit for year (Statement 3) .....	862,089.67
	<u>\$ 4,261,156.36</u>
Less dividend No. 25 of 5¢ per share paid December 20, 1949 .....	89,370.80
Balance December 31, 1949 .....	<u>\$ 4,171,785.56</u>

## STATEMENT OF SPECIAL SURPLUS

*(Consisting of the profit (net) on security transactions less the amounts written off exploration expenditures, mining claims and investments in and advances to affiliated and other companies)*

for the year ended December 31, 1949

Balance December 31, 1948 .....		\$195,859.11
Net gain on security transactions during the year .....	\$36,033.38	
Recovery of amounts previously written off advances to subsidiary and associated companies .....	35,386.20	
	<u>\$71,419.58</u>	
Less amounts written off:		
Securities .....	\$20,000.00	
Exploration expenses and payments on lapsed options (including \$5,000 for remuneration of a mining engineer who is also a director) .....	12,398.40	
Advances to subsidiary and associated companies .....	17,495.97	
Patents .....	7,500.00	57,394.37
		<u>14,025.21</u>
Balance December 31, 1949 .....		<u>\$209,884.32</u>



# VENTURES LIMITED

## STATEMENT OF PROFIT AND LOSS for the year ended December 31, 1949

Dividends received from:		
Subsidiary companies .....	\$ 1,009,845.22	
Other companies .....	231,090.13	\$ 1,240,935.35
Sundry interest paid less received .....	\$ 111,453.90	
Executive salaries .....	\$6,341.47	
Directors' fees .....	975.00	
Legal fees and expenses .....	107.50	
Other administrative expenses less amounts recovered from associated companies .....	9,218.69	16,642.66
Income tax deducted at source from dividends received .....	749.12	
Transfer to investment reserve .....	250,000.00	378,845.68
Net profit for year (excluding items in special surplus) .....		<u>\$ 862,089.67</u>

Note: Directors' fees paid to directors of Ventures Limited by subsidiary companies during the year amounted to \$925.00.

## Reserve for Investments in Subsidiary and Associated Companies for the year ended December 31, 1949

Balance December 31, 1948 .....	\$ 3,433,588.00
Add transfer from profit and loss account during the year .....	250,000.00
Balance at December 31, 1949 .....	<u>\$ 3,683,588.00</u>

# VENTURES

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet as at December 31, 1949

ASSETS			
Cash in banks .....		\$	72,456.55
Accounts receivable .....			955.34
		\$	73,411.89
Interest in subsidiary, associated and other companies at not more than cost:			
Subsidiary companies:			
Shareholdings .....	\$ 13,284,966.58		
Advances .....	221,574.11	\$ 13,506,540.69	
Associated companies:			
Shareholdings .....	\$ 3,385,017.48		
Advances .....	1,663,465.59	5,048,483.07	
Other companies:			
Shareholdings .....	\$ 493,565.84		
Advances .....	131,745.69	625,311.53	19,180,335.29
Note: Shares having a book value of \$77,417 and a market value of \$225,048 have been hypothecated as security for the bank loan of a subsidiary company.			
Mining claims .....		\$	81,398.16
Expenditures on sundry projects, explorations, etc., carried forward		20,764.51	102,162.67
49% interest in Ile Perrot refinery site .....		\$	96,008.11
Equipment and furniture less depreciation .....			2,830.30
Sundry expense advances .....		10,522.14	109,360.55
			<u>\$ 19,465,270.40</u>

### AUDITORS' REPORT

We have audited the accounts of Ventures Limited for the year ended December 31, 1949 and have received related statements of profit and loss, earned surplus and special surplus have been drawn up so as to exhibit a true and correct view of the financial position of the company according to the best of our information and the explanations given us and as shown by the books.

As required by Section 114 of the Companies Act, Canada, we report that the interest of Ventures Limited for 1949 is \$369,135 greater than the dividends received from such subsidiaries and included in the accounts of Ventures Limited for 1949. The interest of Ventures Limited for 1949 is \$369,135 greater than the dividends received from one of these companies amounted to \$94,932. The other subsidiary companies in each case resulted in increasing the deficit carried forward in the books of the subsidiary companies.

The accumulated aggregate of surpluses less deficits of subsidiary companies as shown by their 1949 balance sheet is \$19,465,270.40.

Toronto, Canada,  
May 8, 1950.



## LIMITED

Companies Act, Canada)

December 31, 1949

## LIABILITIES

Bank loans (secured) .....	\$ 1,971,270.60	
Accounts payable and accrued charges .....	61,526.61	
Reserve for taxes on income .....	23,867.72	\$ 2,056,664.93
Reserve for investments in subsidiary and associated companies (Statement 3) .....		3,683,588.00
Capital:		
Authorized — 2,000,000 shares of no par value		
Issued — 1,787,416 shares .....	\$ 9,343,347.59	
Earned surplus (Statement 2) .....	\$ 4,171,785.56	
Special surplus (Statement 2) .....	209,884.32	4,381,669.88
		13,725,017.47

Approved on behalf of the Board:

T. LINDSLEY, Director.

W. S. MORLOCK, Director.

\$ 19,465,270.40

## TO THE SHAREHOLDERS

all the information and explanations we have required. We report that in our opinion the above balance sheet and the correct view of the state of the company's affairs at December 31, 1949 and of the results of its operations for the year,

in the profits of those subsidiary companies which made a profit during the past year amounted to \$1,325,954 which is the year. The interest of Ventures Limited in the losses sustained by subsidiary companies during the year not provided for loss sustained by one subsidiary company for the year was deducted from its surplus account and the losses made by the

sheets amounted to \$6,576,595, of which the interest of Ventures Limited therein was \$5,219,651.

CLARKSON, GORDON & CO.,  
Chartered Accountants.

# VENTURES LIMITED

## COMPARATIVE STATEMENT for the years ended December 31, 1928 to 1949 inclusive

	Income from shareholdings and bonds and sundry credits	Administrative expenses and sundry debits	Transfer to Investment Reserve	Provision for Taxes	Net Profit (or Loss) for the year	Dividends Paid
1928.....	\$ 812.38	\$ 55,705.72	\$ -----	\$ 23,193.48	\$ 78,086.82	\$ -----
1929.....	36,006.40	133,676.62	-----	1,767.89	99,438.11	-----
1930.....	27,635.53	73,866.10	12,592.04	121.70	58,944.31	-----
1931.....	13,193.59	56,087.51	6,528.99	82.48	49,505.39	-----
1932.....	128,390.31	61,695.19	23,818.14	-----	42,876.98	-----
1933.....	466,954.68	55,521.19	192,625.96	-----	218,807.53	-----
1934.....	450,838.75	32,299.85	208,022.87	-----	210,516.03	-----
1935.....	448,200.41	32,537.54	270,000.00	80,000.00	65,662.87	-----
1936.....	584,241.99	57,373.78	100,000.00	146,152.77	280,715.44	590,235.45
1937.....	874,939.59	67,302.92	170,000.00	12,208.40	625,428.27	590,235.27
1938.....	1,117,996.64	68,875.31	200,000.00	2,500.00	846,621.33	354,142.86
1939.....	1,060,319.08	54,347.78	350,000.00	15,000.00	640,971.30	78,697.55
1940.....	869,818.60	52,099.72	250,000.00	47,000.00	520,718.88	236,092.65
1941.....	1,005,991.88	50,849.00	300,000.00	15,620.00	639,522.88	314,790.20
1942.....	824,709.60	47,665.52	200,000.00	10,993.47	566,050.61	393,487.75
1943.....	797,928.75	69,040.91	200,000.00	55,000.00	473,887.84	357,483.20
1944.....	904,731.17	62,864.77	200,000.00	811.88	641,054.52	357,483.20
1945.....	863,257.27	88,948.43	200,000.00	63,264.89	511,043.95	357,483.20
1946.....	408,886.85	97,717.53	100,000.00	1,155.79	210,013.53	357,483.20
1947.....	882,924.80	93,268.84	200,000.00	43.45	589,612.51	89,370.80
1948.....	1,187,907.22	105,971.33	250,000.00	614.53	831,321.36	-----
1949.....	1,240,935.35	128,096.56	250,000.00	749.12	862,089.67	89,370.80

Note: The above statement has been prepared on the basis of the policy set forth in the 1945 report to the shareholders. The above figures do not include net gain or loss on security transactions nor write-offs for exploration expenses, advances, securities, etc.



# FROBISHER LIMITED

(Incorporated under the laws of the Province of Ontario)

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED OCTOBER 31, 1949

### Head office:

Dividends received and interest earned .....	\$212,656.93		
Less portion thereof transferred to reserve for depletion .....	40,000.00	\$172,656.93	
Deduct:			
Administrative and general expenses .....	\$ 60,976.50		
Interest on bank advances, etc. ....	10,063.13	71,039.63	\$101,617.30

### Connemara Division (Southern Rhodesia):

Net proceeds from production .....	\$857,903.44		
Operating expenses .....	628,652.85		
		\$229,250.59	
Provision for depreciation and deferred development .....		146,569.66	
		\$ 82,680.93	
Sundry income .....	11,489.45		
Loss on disposal of fixed assets .....	— 5,576.60		
Net profit of Connemara Division .....			88,593.78

### Black Donald Graphite Division:

Net sales .....	\$234,600.41		
Operating expenses .....	190,621.68		
		\$ 43,978.73	
Provision for depreciation .....		40,985.52	
Net profit of Black Donald Graphite Division .....			2,993.21

### Deduct:

Net loss resulting from devaluation of currencies .....	\$ 16,713.12		\$193,204.29
Provision for sundry taxes .....	4,000.00	20,713.12	

**Net profit for year** (excluding items in consolidated special deficit) (see note) .... \$172,491.17

NOTE: Under the loss carry-forward provisions of the Income Tax Act there are no Dominion Government taxes payable on the income of the current year as a result of losses sustained in prior years.

## STATEMENT OF CONSOLIDATED DEFICIT FOR THE YEAR ENDED OCTOBER 31, 1949

Balance October 31, 1948 .....	\$755,276.91
Deduct net profit for year .....	172,491.17
Balance October 31, 1949 .....	<u>\$582,785.74</u>

## STATEMENT OF CONSOLIDATED SPECIAL DEFICIT FOR THE YEAR ENDED OCTOBER 31, 1949

(Consisting of the amounts written off exploration and research expenditures and investments in and advances to affiliated and other companies less the profit (net) on security transactions)

Balance October 31, 1948 .....		\$443,934.27
Exploration expenses written off .....	\$25,423.55	
Advances to affiliated and other companies written off .....	1,251.80	
Provision for depreciation on prospecting equipment .....	196.94	
Administration expenses of exploration subsidiaries .....	11,222.18	
Net loss on security transactions for the year .....	49,485.42	
	\$87,579.89	
Deduct recovery of advance to an affiliated company written off in a prior year ..	4,198.00	83,381.89
Balance October 31, 1949 .....		<u>\$527,316.16</u>

# FROBISHER

(Incorporated under the

## Consolidated Balance Sheet

ASSETS			
Cash on hand and in banks .....		\$ 292,746.81	
Bullion in transit .....		22,467.10	
Accounts receivable—trade .....	\$ 18,695.46		
—sundry .....	11,983.52	30,678.98	
Inventory of graphite valued at 50% of selling price .....		87,109.08	\$ 433,001.97
Interest in affiliated and other companies:			
Shareholdings at cost less amounts written off .....		\$ 4,475,823.55	
Advances .....		616,718.34	5,092,541.89
Exploration expenditures carried forward:			
Kilembe property, Africa .....		\$ 683,740.49	
Other properties .....		516,777.83	1,200,518.32
Mining properties at cost .....		\$ 365,852.82	
Buildings, plant and equipment, at cost .....	\$ 1,172,420.91		
Less reserve for depreciation .....	581,275.24	591,145.67	956,998.49
Deferred development expenses less amounts written off .....		\$ 137,801.64	
Supplies and spare parts at cost .....		147,530.12	
Sundry prepayments and deferred charges .....		16,484.22	301,815.98
			<u>\$ 7,984,876.65</u>

NOTES: (1) Current assets and liabilities in foreign currencies have been converted at the official rates of exchange.

(2) Contingent liabilities outstanding:

(a) United Keno Hill Mines Limited has pledged as security for a bank loan its production of silver and lead concentrates and bagged ore. Frobisher Limited in conjunction with Conwest Exploration Company Limited has guaranteed this loan which at October 31, 1949 amounted to \$275,000;

(b) Guarantee of a loan of an affiliated company \$51,870.



# LIMITED

(Ontario Companies Act)

as at October 31, 1949

LIABILITIES			
Accounts payable .....		\$ 136,694.70	
Advances from affiliated companies .....		12,026.86	\$ 148,721.56
Reserve for depletion on shares in affiliated companies .....			40,000.00
Capital:			
Authorized—5,000,000 shares of no par value			
Issued at October 31, 1948 .....	3,118,956 shares	\$ 5,446,256.99	
Issued for cash during the year ended October 31, 1949 .....	1,320,000 shares	3,460,000.00	
Issued at October 31, 1949 .....	4,438,956 shares	\$ 8,906,256.99	
Less:			
Deficit .....	\$582,785.74		
Special deficit .....	527,316.16	1,110,101.90	7,796,155.09

APPROVED ON BEHALF OF THE BOARD:

T. LINDSLEY, Director.

W. B. MALONE, Director.

\$ 7,984,876.65

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Frobisher Limited and its wholly-owned subsidiary companies, Mines Incorporated, Frobrican Exploration Company Limited and Canada Iron Mining Limited, as at October 31, 1949 and the statements of consolidated profit and loss, deficit and special deficit for the year ended on that date. In connection therewith we made a general review of the accounting methods and, without making a detailed audit of the transactions, examined or tested the accounting records of the companies.

We report that in our opinion the above consolidated balance sheet and related statements of consolidated profit and loss, deficit and special deficit have been drawn up so as to exhibit a true and correct view of the state of the combined companies' affairs at October 31, 1949 and of the results of their operations for the year, according to the best of our information and the explanations given us and as shown by the books of the companies. All our requirements as auditors have been complied with.

Toronto, Canada,  
January 27, 1950.

CLARKSON, GORDON & CO.,  
Chartered Accountants.

# CONIAURUM MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

## CAPITAL

Authorized - - - - -	3,000,000 shares of no par value
Issued (at December 31, 1949) - - -	2,766,743 shares of no par value
(Held by Ventures Limited, 1,430,800 shares — 51.71%)	

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1949

### Revenue:

Metal sales .....	\$ 1,226,327.77	
Estimated assistance under the E.G.M.A. ....	113,000.00	
Interest and dividends .....	9,397.47	\$ 1,348,725.24

### Expenditures:

Operating costs including mining, milling, delivery and mint charges .....	\$ 1,079,046.57	
Provision for depreciation .....	11,857.58	
Outside exploration .....	10,117.45	
Provision for taxes on income .....	43,500.00	1,144,521.60

Net profit for year .....		\$ 204,203.64
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## DEFICIT

Balance December 31, 1948 .....	\$ 147,471.31
Add:	
Dividends paid during 1949 .....	152,172.20
	\$ 299,643.51
Less:	
Net profit for year 1949 as above .....	204,203.64
Balance December 31, 1949 .....	\$ 95,439.87

## WORKING CAPITAL

Current assets .....	\$ 944,879.19
Current liabilities .....	89,650.69
Working capital at December 31, 1949 .....	\$ 855,228.50



# FALCONBRIDGE NICKEL MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

## CAPITAL

Authorized	- - - - -	5,000,000 shares of no par value
Issued (at December 31, 1949)	- - -	3,370,107 shares of no par value
(Held by Ventures Limited, 2,388,140 shares — 70.86%)		

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1949

### Revenue:

Metal sales	\$ 11,178,731.60	
Dividends received from subsidiary	30,080.00	
Other income	43,469.47	\$ 11,252,281.07

### Expenditures:

Cost of sales and expenses (excluding the undermentioned items)	\$ 8,497,830.99	
Deferred development expenses written off	384,634.57	
Provision for depreciation	265,108.12	
Net loss resulting from devaluation of currencies	94,645.32	
Provision for taxes on income	577,755.44	9,819,974.44

Net profit for year	\$ 1,432,306.63
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## SURPLUS

Balance December 31, 1948	\$ 7,066,090.72
Add:	
Net Profit for year 1949 as above	1,432,306.63
	\$ 8,498,397.35
Less:	
Dividends paid during 1949	1,179,497.45
Balance December 31, 1949	\$ 7,318,899.90

## WORKING CAPITAL

Current assets	\$ 7,964,933.11
Current liabilities	1,354,134.54
Working capital at December 31, 1949	\$ 6,610,798.57

# HOYLE MINING

(Incorporated under the

## Balance Sheet as at

### ASSETS

#### Current:

Province of Ontario Bonds on Deposit with Hydro-Electric Power Commission (at cost) .....	\$	4,000.00	
Accounts Receivable .....		8,429.06	
Claim for Emergency Gold Assistance .....		504.64	\$ 12,933.70

#### Investments in and Advances to Subsidiary Companies:

Shares at Cost (Market value \$545,323.32) .....	\$	490,072.72	
Advances .....		32,909.63	\$ 522,982.35

#### Investments in and Advances to Associated and Other Companies:

Investments—at cost (Market value—\$631,888.13 including \$293,436.90 of Unlisted Securities) .....	\$	1,338,517.74	
Advances .....		57,854.46	1,396,372.20
			\$ 1,919,354.55

Less: Provision for Adjustment of Net Book Value of Investments .....		601,102.72	1,318,251.83
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Supplies .....			49,304.28
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#### Fixed Assets:

Mining Property .....	\$	399,266.02	
Haileybury Property .....		2,208.81	
Buildings, Machinery and Equipment .....	\$	512,791.50	
Less: Reserve for Depreciation .....		261,628.81	251,162.69
			652,637.52

#### Expenditure on Outside Properties:

Expenditure to date .....	\$	114,028.00	
Less: Amounts Written Off .....		56,423.26	57,604.74

#### Deferred Charges:

Deferred Development .....	\$	711,740.85	
Less: Amounts Written Off .....		507,528.79	\$ 204,212.06
Incorporation Expenses .....		8,923.01	
Prepaid Expenses .....		5,151.30	218,286.37
			\$ 2,309,018.44

#### AUDITOR'S

I have audited the books and accounts of HOYLE MINING COMPANY LIMITED for the year ended 31st December, 1949, and report that, in my opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the

New Liskeard, Ontario, 29th March, 1950.



# COMPANY LIMITED

(Ontario Companies Act)

December 31, 1949

## LIABILITIES

### Current:

Bank Overdraft (Secured) .....	\$ 118,632.27	
Accounts Payable .....	175.44	
Convertible Notes Payable—due 1st September, 1946 .....	22,760.00	\$ 141,567.71

Advances from Other Companies ..... 35,364.42

Mortgages Payable ..... 7,131.03

### Capital and Deficit:

#### Capital:

##### Authorized:

1,500,000 Non-voting Cumulative Preference Shares of  
No Par Value  
3,500,000 Common Shares of No Par Value

##### Issued:

272,298 Non-voting Cumulative Preference Shares of  
No Par Value ..... \$ 272,298.00  
1,850,618 Common Shares of No Par Value ..... 3,645,535.00  
\$ 3,917,833.00

#### Deduct: Deficit Account:

Balance, 1st January, 1949 ..... \$ 1,775,496.89  
Add: Net Loss for Year ..... 17,380.83  
1,792,877.72

2,124,955.28

NOTE: Dividends in arrears on Preference Shares at .05¢ per share per annum from 1st September, 1946.

\$ 2,309,018.44

### CERTIFICATE

Company's affairs according to the best of my information, the explanations given to me and as shown by the books of the Company. My requirements as Auditor have been complied with.

FRANK D. KEMP, Chartered Accountant.

# LA LUZ MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

## CAPITAL

Authorized	- - - - -	2,000,000 shares of no par value
Issued (at December 31, 1949)	- - -	1,454,412 shares of no par value
(Held by Ventures Limited, 1,051,089 — 72.27%)		

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED SEPTEMBER 30, 1949

### Revenue:

Metal produced	\$ 2,386,320.03	
Revenue from investments	12,152.65	
Profit on sale of Securities (net)	6,053.48	\$ 2,404,526.16

### Expenditures:

Operating costs including mining, milling, delivery and mint charges	\$ 1,764,869.46	
Deferred development expenses	103,123.20	
Depletion at 20¢ per ton of ore milled	103,123.20	
Outside exploration	2,080.65	
Administrative expenses outside Nicaragua	84,777.94	
Exchange loss on Canadian dollar bank balances	1,266.17	
Provision for depreciation	137,191.66	
Republic of Nicaragua bullion taxes	79,208.78	2,275,641.06

Net profit for the year	\$ 128,885.10
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## SURPLUS

Balance September 30, 1948	\$ 2,649,872.67
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### Add:

Net profit for year 1949 as above	128,885.10
	<u>\$ 2,778,757.77</u>

### Less:

Shares in and advances to affiliated companies written off	\$ 135,023.74	
Dividend paid during 1949	72,720.60	
Net loss of Panaminas Inc. for year 1949	49,848.09	257,592.43

Balance September 30, 1949	<u>\$ 2,521,165.34</u>
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## WORKING CAPITAL

Current assets	\$ 693,721.62
Current liabilities	246,525.36
Working capital at September 30, 1949	<u>\$ 447,196.26</u>







