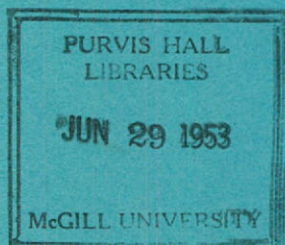


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TWENTY-FOURTH ANNUAL REPORT
OF
NORANDA MINES, LIMITED

For the Year Ending December 31st, 1946



Twenty-Fourth Annual Report of NORANDA MINES, LIMITED

Authorized Capital 2,250,000 Shares without par value

Issued Capital 2,239,772 Shares

Incorporated under the Laws of Ontario

OFFICERS

JAMES Y. MURDOCH, O.B.E., K.C., LL.D.	-	-	-	-	-	-	-	-	President
H. L. ROSCOE	-	-	-	-	-	-	-	-	Vice-President
J. R. BRADFIELD	-	-	-	-	-	-	-	-	Secretary
R. G. RUDOLF	-	-	-	-	-	-	-	-	Treasurer
HAROLD PINNOCK	-	-	-	-	-	-	-	-	Assistant Treasurer

DIRECTORS

JAMES Y. MURDOCH, O.B.E., K.C., LL.D.	-	-	-	-	-	-	-	-	Toronto, Ontario
H. L. ROSCOE	-	-	-	-	-	-	-	-	Noranda, Quebec
HARRY G. HASKELL	-	-	-	-	-	-	-	-	Wilmington, Delaware
A. L. ELLSWORTH	-	-	-	-	-	-	-	-	Toronto, Ontario
F. M. CONNELL, O.B.E.	-	-	-	-	-	-	-	-	Toronto, Ontario
H. W. CHADBOURNE	-	-	-	-	-	-	-	-	New York, N.Y.
LEO H. TIMMINS	-	-	-	-	-	-	-	-	Montreal, Quebec
HON. J. E. PERRAULT, K.C., LL.D.	-	-	-	-	-	-	-	-	Montreal, Quebec
HON. ALPHONSE RAYMOND	-	-	-	-	-	-	-	-	Montreal, Quebec
N. C. URQUHART, C.B.E.	-	-	-	-	-	-	-	-	Toronto, Ontario

CONSULTING ENGINEER

OLIVER HALL - - - - - Toronto, Ontario

Head Office: 2 King Street East, Toronto (1), Ontario

TRANSFER AGENTS

Chartered Trust and Executor Company, Toronto and Montreal, Canada
Bank of The Manhattan Company, New York, U.S.A.

REGISTRARS

Imperial Bank of Canada, Toronto and Montreal
The Chase National Bank of the City of New York, U.S.A.

BANKERS

Imperial Bank of Canada
Chartered Trust and Executor Company
The Royal Bank of Canada
The Bank of Nova Scotia

GENERAL COUNSEL

Holden, Murdoch, Walton, Finlay & Robinson, Toronto

ANNUAL MEETING

April 25th, 1947, 2.30 p.m.
King Edward Hotel, Toronto

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

Your Directors submit herewith the Twenty-fourth Annual Report of your Company with Balance Sheet as at December 31st, 1946, Auditors' Report, Statement of Operations for the year, Reports of the General Manager and the Consulting Engineer, together with Statements of Operations, Surplus and Working Capital of Waite Amulet Mines, Limited, Pamour Porcupine Mines, Limited, Hallnor Mines, Limited, Aunor Gold Mines Limited, Compania Minera La India and Canada Wire and Cable Co. Limited.

A net profit equivalent to \$2.81 per share was earned during the year compared with \$4.02 per share in 1945. Surplus was reduced by \$2,276,804 after the payment of four \$1.00 dividends during the year. The reduction in earnings was due primarily to the shortage of labour throughout the year, the loss of the 10% premium on gold and on other exported products priced in United States currency, which occurred in July last, and the shut-down in November occasioned by a strike called by the International Union of Mine, Mill and Smelter Workers (C.I.O.). On account of decreased earnings and the indefinite period of the strike, your Directors decided, after much consideration, at a meeting on January 31st, 1947, to reduce the dividend rate which had been in effect for a period of nine years and declared a dividend of 50c per share payable March 15th. The General Manager's Report deals with the strike and its settlement.

The domestic ceiling price of 11½c per pound of copper, which had prevailed since February, 1940, remained in effect throughout the year and was only raised in January, 1947, to 16⅞c per lb. which compares with the current world price of 22½c per lb.

WAITE AMULET MINES, LIMITED (Noranda, Quebec)

A net profit of 70.05c per share was earned by this Subsidiary compared with 71.8c per share for 1945. After treating 427,000 tons during the year, the ore reserves of Waite Amulet and its Subsidiary at the year end totalled some 2,100,000 tons compared with 2,500,000 tons at the end of 1945. No new ore was discovered during the year, but exploration will continue during 1947.

CANADIAN COPPER REFINERS LIMITED (Montreal East, Quebec)

Copper production during the year totalled 78,000 tons compared with an operating capacity of 112,000 tons. "Noranda" Brand Copper Sulphate was well established in the Canadian market in 1946 and an additional product, tribasic copper sulphate, will be produced in 1947. The demand for selenium and selenium compounds continued to improve.

PAMOUR PORCUPINE MINES, LIMITED (Pamour, Ontario)

Net earnings were equivalent to 4.19c per share compared with 5.26c per share in 1945. This decrease was due to the loss of the exchange premium in the last half of the year and increased costs resulting from the mining of a smaller tonnage of ore. On December 1st, wage rates were increased by 10c per hour. About 175 additional men are required in order to operate this mine at capacity and perform normal development work. A dividend of 3c per share was paid compared with 5c per share paid in 1945.

HALLNOR MINES, LIMITED (Pamour, Ontario)

The net profit per share of this Subsidiary amounted to 39.61c compared with 36.64c in 1945, the increase being due to a recovery of \$17.23 per ton compared with an average grade of ore reserves of approximately \$12.00 per ton. Drifting, which will take about eight months to complete, has been started on the 2750 ft. level towards the ore body previously indicated by diamond drilling from the 2160 ft. level. Dividends paid during the year amounted to 36c per share compared with 30c paid in 1945.

AUNOR GOLD MINES LIMITED
(Timmins, Ontario)

Net earnings amounted to 23.55c per share compared with 29.09c per share in 1945. This reduction resulted chiefly from the loss of the premium on exchange in July. Drifting on the 1875 ft. level was more favourable than the level above, but the comparative results on the 2125 ft. level were disappointing. However, this bottom level drift has a considerable distance to go before reaching the main ore zone. Dividends paid during the year totalled 20c per share, the same as the year previous.

COMPANIA MINERA LA INDIA
(Nicaragua, C.A.)

A net profit of \$194,000 was earned compared with \$195,000 in 1945. No dividends were paid during the year. Development work was hampered by lack of pumping capacity which has since been improved. A small net profit was realized at La India's Subsidiary, Empresa Minera de Nicaragua, compared with a net loss in 1945, although production was hindered by lack of equipment which is now or will shortly be in operation.

CANADA CHINA CLAY AND SILICA, LTD.
(Kasil, Quebec)

An operating loss of some \$15,000 was incurred during the year compared with \$28,000 in 1945. This deficit was caused by suspension of glass sand shipments due to the inability of glass companies to procure soda ash on account of a strike called by the United Mine Workers of America at the plant of the sole Canadian producer.

CANADA WIRE AND CABLE COMPANY, LIMITED
(Leaside, Ontario)

The net profit of this Subsidiary amounted to \$195,000 compared with \$480,000 in 1945. This decrease resulted chiefly from a 110-day strike which was called by the United Electrical, Radio and Machine Workers of America, (C.I.O.) at the Leaside plant. Dividends paid during the year amounted to approximately \$333,000 and Surplus Account was reduced by some \$108,000.

NORANDA COPPER AND BRASS, LIMITED
(Montreal East, Quebec)

Following arrangements for the purchase from War Assets Corporation of the Canada Strip Mill plant at Montreal East, your Company took over the plant on November 4th as Custodian for the Crown. Formal possession was acquired on January 1st, 1947, and production of brass rod began in February. A new company, Noranda Copper and Brass Limited, has been formed with stock participation by the Bridgeport Brass Company, Bridgeport, Conn., who will manage and operate the plant. Included with this Report is a photograph of the plant and a brief description of the operation. Your Board of Directors consider this new subsidiary will, in years to come, prove not only an important outlet for copper and an important source of revenue, but a constructive force in the economic development of Canada.

The past year was a particularly difficult one for Management and your Directors wish to express their appreciation of the loyal and able services of Mr. H. L. Roscoe, Vice-President and General Manager, Mr. R. V. Porritt, Assistant General Manager, and the entire Staff throughout 1946.

On behalf of the Board,

JAMES Y. MURDOCH,

President.

Toronto, March 14, 1947.

GENERAL MANAGER'S REPORT

To the President and Directors of Noranda Mines, Limited:

REPORT OF OPERATIONS FOR YEAR 1946

HORNE MINE:

A total of 789 feet of drifting was done to facilitate the mining of previously known ore, but, because of the acute shortage of miners, no exploratory drifting was done and underground exploration was limited to 42,621 feet of diamond drilling. On surface some 6,890 feet of diamond drilling was done on the northerly section of our Adsit claim which adjoins the property of the Quemont Mining Corporation on the east. Most of this diamond drilling was done from the ice surface of Osisko Lake and the unusually early break-up of the ice interrupted this work before much definite information was obtained, so the programme of drilling this area was resumed this winter with four diamond drills.

ORE RESERVES:

From information obtained by diamond drilling and other openings in the various orebodies, there is now indicated above the 2,975-foot level, as of January 1, 1947, the following tonnage of ore:

	Tons	Copper %	Gold Per Ton, Oz.
Sulphide Ore over 4% copper	4,960,000	7.14	0.159
Sulphide Ore under 4% copper	14,692,000	0.67	0.196
Silicious Fluxing Ore	838,000	0.11	0.108

ORE SHIPMENTS:

The tonnage and grade of ore delivered from the Horne Mine to the Smelter and Concentrator from January 1 to November 21, 1946, was as follows:

	Tons	Copper %	Gold Per Ton, Oz.	Silver Per Ton, Oz.
Direct Smelting Ore	358,768	1.383	0.219	0.371
Concentrating Ore	560,710	1.870	0.155	0.348
Silicious Fluxing Ore	33,959	0.297	0.069	0.146
Total	<u>953,437</u>			

No ore was hoisted between November 22 and the year-end, due to a strike which was called by The International Union of Mine, Mill and Smelter Workers.

SMELTER:

During the period from January 1 to November 21, 1946, the smelter treated 752,518 tons of ore, concentrate, slag and scrap brass (shell cases), from which 74,065,031 pounds of anodes were produced. Included in the total material smelted were 250,226 tons of ore, concentrate and scrap which was smelted for other companies on a toll basis. After deducting the copper, gold and silver which was recovered from secondary products such as slag and scrap brass, the estimated recovery of new metals was 70,378,097 pounds of fine copper, 198,660 ounces of gold and 823,171 ounces of silver. The estimated recovery from Horne Mine ore and concentrate was 27,525,548 pounds of copper, 155,197 ounces of gold and 317,997 ounces of silver.

CONCENTRATOR:

During the period from January 1 to November 21, 1946, the concentrator treated 562,034 tons of ore from the Horne Mine, from which 107,252 tons of copper-gold concentrate and 134,287 tons of pyrite concentrate were produced. The copper-gold concentrate was sent to the smelter and the pyrite concentrate was treated in the cyanide plant, where 9,354 ounces of gold was recovered by cyanidation, after which it was dried and sold to chemical plants.

STATISTICS:

The following table shows the amount of ore hoisted, the tonnage treated in the smelter and concentrator, and the output of metals each year since the commencement of operations in December, 1927:

Year	Tons of Ore Hoisted Horne Mine	Tons of Ore Milled	Tons of Horne Mine Ore and Concentrate Smelted	Tons of Material Smelted For Other Companies	Pounds of New Copper Produced	Ounces of Gold Produced	Pounds of Copper from the Horne Mine	Ounces of Gold from the Horne Mine
1927	10,740		10,740		552,345	767	552,345	767
1928	265,970	4,468	266,095	5,831	33,065,261	52,949	32,113,413	52,335
1929	323,316	51,689	383,537	44,684	51,223,115	68,732	44,472,520	66,756
1930	849,303	191,856	713,143	20,930	75,509,373	117,393	69,244,529	116,179
1931	1,012,005	317,792	762,796	2,748	62,010,910	252,561	61,800,247	251,617
1932	1,218,295	379,637	915,157	3,410	60,588,127	338,255	60,584,462	338,025
1933	1,541,524	676,168	1,007,778	2,851	63,548,524	283,109	63,518,749	283,058
1934	1,777,021	920,363	1,044,294	6,390	68,433,016	247,128	68,208,741	242,112
1935	1,906,661	1,048,806	1,069,912	6,320	74,478,436	265,538	74,106,222	259,763
1936	2,011,730	1,070,597	1,116,381	4,074	62,750,342	342,495	62,697,995	340,664
1937	2,024,468	1,106,609	1,101,191	54,564	87,060,237	280,806	80,122,543	274,157
1938	1,996,485	1,107,977	1,070,194	221,498	96,966,169	337,025	75,934,608	300,544
1939	1,926,902	1,103,418	1,022,024	313,275	105,363,477	318,599	82,626,816	267,504
1940	1,970,957	1,118,338	1,040,584	322,100	133,854,138	290,628	76,720,860	251,665
1941	1,956,866	1,099,391	1,071,148	340,267	144,130,669	298,874	74,403,256	259,039
1942	1,862,966	1,109,231	933,276	441,870	141,661,397	319,475	67,516,855	263,901
1943	1,844,692	1,090,166	946,652	434,087	132,762,100	333,261	66,364,854	269,903
1944	1,553,857	1,055,473	703,153	345,285	113,086,814	246,990	56,580,845	196,402
1945	1,330,534	858,523	626,571	296,520	102,323,546	226,095	53,565,532	174,217
1946	953,437	562,034	500,625	250,226	70,378,097	198,660	27,525,548	155,197
TOTAL	28,337,729	14,872,536	16,305,251	3,116,930	1,679,746,093	4,819,340	1,198,660,940	4,363,805

GENERAL:

The scarcity of miners which was general throughout Canada was particularly acute in Western Quebec. At the beginning of the year our working force was 1,420 as compared to the pre-war normal force of 1,800. The number of employees declined steadily during the year and reached a low of 1,147 at the end of October, with the result that the average tonnage of ore hoisted per day worked in 1946 was 20% less than in 1945.

Production was interrupted for 14 weeks between November 22, 1946, and February 28, 1947, as a result of a strike called by the International Union of Mine, Mill and Smelter Workers (CIO), in an attempt to enforce demands for wage increases to hourly-paid employees of sixteen cents per hour when working on day shift, nineteen cents on afternoon shift and twenty-one cents on night shift, and the "check-off" of union dues. The Company had offered a uniform wage increase of ten cents per hour.

After protracted negotiations and numerous meetings held in Ottawa and Toronto under the auspices of the Dominion Department of Labour, an agreement was reached and the strike terminated as a result of conferences held in Rouyn February 4 to 9, 1947, under the chairmanship of Honourable Mr. Justice Oscar L. Boulanger, acting in the capacity of a Commissioner appointed by the Dominion Minister of Labour. The settlement provided for a uniform increase of thirteen cents per hour to hourly-paid employees, ten cents of which was to be retroactive to May 16, 1946, but made no provision for the "check-off."

Although the strike ended February 9, it took some time to clear the tracks and roads of snow and get the plants back into operation. The smelter could not be started until the miners were all back and the flow of ore from the mine started again. Resumption of milling will be further delayed until mine production can be brought up to the pre-strike rate.

I wish to express my appreciation to Mr. R. V. Porritt, Assistant General Manager; Mr. W. B. Boggs, Smelter Superintendent; Mr. C. G. McLachlan, General Superintendent of Mills; Mr. H. L. Ames, Concentrator Superintendent; Mr. J. A. Costa, Mine Superintendent; Mr. B. C. Rochester, Plant Engineer; Mr. J. A. Carter, Accountant, and their staffs, for the efficient and loyal services rendered during the past year.

Respectfully submitted,

(Signed) H. L. ROSCOE,

Noranda, Quebec, March 3, 1947.

Vice-President and General Manager.

CONSULTING ENGINEER'S REPORT

To the President and Directors,
Noranda Mines, Limited:

The geological staff at Noranda kept in touch with the extensive exploration in Western Quebec. Participations were taken in four ventures.

Ten prospecting parties were used in Central Canada, one in Quebec, two in Eastern Ontario, four in Western Ontario and three in Manitoba.

Prospecting parties worked in the Red Lake area and in association with others extensive drilling was done on the Robin property and on the Chukuni property. Work is also underway on the Piper Red Lake.

Hollinger, Anglo-Huronian, Paymaster, Preston East Dome and Noranda are participating in Midcamp Mines, a company organized to explore the South Dome and adjacent properties in the Porcupine gold district.

Minor interests were taken in the Highland Bell in British Columbia and in the Brown McDade in the Yukon. Options were taken at the end of the year on four properties in the Mayo silver-lead district in the Yukon.

In association with Quebec Gold Mining Corporation extensive underground exploration was carried on in British Columbia in the Kenville, Pacific Eastern, Raindor and Pellaire. Capital was supplied to cover the cost of sinking the Cariboo Gold Quartz shaft and opening up new levels. The Williams Creek property in the Cariboo is being drilled.

Norancon Exploration Limited explored two large concessions in Labrador and a concession in Quebec in the iron area north of the Labrador Exploration and Hollinger North Shore concessions. The Goose Airport was used as a base for two Canso planes and a Bellanca was based in the iron area. These planes completed over 100,000 miles of reconnaissance and ground parties examined very large areas.

Investigations of conditions and properties have been carried on in five distant countries but no commitment has been made.

Respectfully submitted,

OLIVER HALL,
Consulting Engineer.

Toronto, February 10, 1947.

NORANDA MINES, LIMITED

(Incorporated under the Laws of the Province of Ontario, Canada)

Balance Sheet as at 31st December 1946

ASSETS

Current:

Cash on hand and on deposit	\$ 2,353,700	
Call loans	41,550	
Marketable bonds and shares at cost (market value \$12,397,200)	11,581,991	
Accounts and interest receivable	199,414	
Smelting and refining tolls receivable on metals in process, etc.	311,453	
Refinery settlements outstanding and metals on hand as determined and certified by the management and valued at the same prices as in the previous year (except gold, valued at \$35 per oz.)—less estimated refining and marketing charges	4,303,919	\$18,792,027

Deferred:

Materials and supplies	\$ 975,091	
Mortgage loans on townsite lots, etc.	213,880	
Charges to operations	113,170	
Refundable portion of excess profits tax	93,130	1,395,271

Capital Expenditures:

Mining properties at cost	\$ 919,779	
Plant, buildings and equipment at cost	\$14,484,475	
Investment in hotel, houses, etc.	1,733,066	
Debentures of Town of Noranda	271,100	
	\$16,488,641	
Less reserve for depreciation	14,995,612	1,493,029
		2,412,808

Investments at Cost:

Subsidiary companies	\$11,346,110	
Affiliated and other companies	5,856,191	17,202,301

Advances to Subsidiaries

281,582

Prospecting and Exploration on Outside Properties, less amounts written off

168,407

\$40,252,396

LIABILITIES

Current:

Accounts and wages payable and accrued	\$ 386,217	
Custom ore settlements outstanding	887,424	
Unclaimed dividends	40,165	
Unclaimed portion of dividend declared payable 14th December 1946 ..	268,064	
Provision for taxes	1,560,000	\$ 3,141,870

Reserve for Investments and Contingencies

4,904,715

(including net profit of \$530,773 on securities sold during the year)

Capital and Surplus:

Capital:		
Authorized—2,250,000 shares of no par value		
Issued —2,239,772 shares	\$11,303,140	
Earned surplus	20,902,671	32,205,811
		<u>\$40,252,396</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the above balance sheet of Noranda Mines, Limited as at 31st December 1946 and of the statements of operations and earned surplus for the year ended on that date. In connection therewith we have examined or tested accounting records of the company and have also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

We report that, in our opinion, the above balance sheet and related statements of operations and earned surplus have been drawn up so as to exhibit a true and correct view of the state of the company's affairs at 31st December 1946 and of the results of its operations for the year according to the best of our information and the explanations given us and as shown by the books. All our requirements as auditors have been complied with.

Toronto, Canada,
11th March 1947.

CLARKSON, GORDON & CO.,
Chartered Accountants.

NORANDA MINES, LIMITED

Statement of Operations *for the year ended 31st December 1946*

Revenue:

From metals produced	\$9,826,805	
Dividends and interest earned	3,450,830	\$13,277,635

Expenditure:

Cost of metal production including mining, treatment and delivery	\$4,250,771	
Provision for depreciation of buildings, plant and equipment, etc.	410,767	
Administrative and general expenses	263,910	
Municipal and sundry taxes	147,201	
Company's contributions to employees' insurance and pension plan	39,935	5,112,584
		<u>\$ 8,165,051</u>
Provision for income and excess profits taxes	\$1,776,561	
Outside exploration written off	101,206	1,877,767
		<u>\$ 6,287,284</u>

STATEMENT OF EARNED SURPLUS

Balance 31st December 1945		\$23,179,475
Add:		
Net profit for year ended 31st December 1946	\$6,287,284	
Credits in respect of prior years (less provision for income and excess profits taxes thereon) resulting from adjustment of refinery metal inventories	395,000	6,682,284
		<u>\$29,861,759</u>
Less:		
Dividends paid in 1946:		
#48—\$1 per share 15th March	\$2,239,772	
#49—\$1 per share 15th June	2,239,772	
#50—\$1 per share 14th September	2,239,772	
#51—\$1 per share 14th December	2,239,772	8,959,088
		<u>\$20,902,671</u>
Balance 31st December 1946 per balance sheet		

WAITE AMULET MINES, LIMITED

(Incorporated under the Laws of the Dominion of Canada)

CAPITAL

Authorized—3,500,000 shares of no par value
Issued —3,300,000 shares of no par value
(Held by Noranda Mines, Limited—2,227,621 shares)

Statement of Operations for the year ended 31st December 1946

Revenue:

Metal recoveries and miscellaneous income \$1,379,405

Expenditure:

Development, mining, treatment and delivery charges \$ 809,211
Provision for depreciation of buildings, plant and equipment 48,827
Administrative and general expenses 12,427
Directors' fees 7,000
Registrar and transfer expense 7,376
Legal fees 1,783

886,624

\$ 492,781

Dividends from subsidiary company 1,980,000

\$2,472,781

Provision for income and excess profits taxes 161,226

161,226

Net profit for year transferred to surplus \$2,311,555

\$2,311,555

Balance 31st December 1945 \$3,683,461

\$3,683,461

Add:

Net profit for year 1946 as above 2,311,555

2,311,555

\$5,995,016

Less:

Dividends No. 21, 22, 23 and 24 2,310,000

2,310,000

Balance 31st December 1946 \$3,685,016

\$3,685,016

WORKING CAPITAL

Current assets \$6,821,171

Current liabilities 790,950

\$6,030,221

NOTE: Issued Capital of Subsidiaries—3,520,000 shares of no par value.
Held by Waite Amulet Mines, Limited, 3,300,000 shares.
Net Profit of Subsidiary for 1946, \$2,214,185.
Dividends paid by Subsidiary during 1946, \$2,112,000.
Waite Amulet's share of 1946 dividends, \$1,980,000.

PAMOUR PORCUPINE MINES, LIMITED

(Incorporated under the Laws of the Dominion of Canada)

CAPITAL

Authorized and Issued—5,000,000 shares of no par value

(Held by Noranda Mines, Limited—2,293,236 shares)

Statement of Operations

for the year ended 31st December 1946

Revenue:

Metal recoveries	\$1,317,655	
Income from investments	90,783	\$1,408,438

Expenditure:

Cost of metal production, including mining, milling, delivery and mint charges	\$1,004,614	
Administrative and general expenses	25,718	
Legal fees and costs	1,232	
Directors' fees	750	1,032,314
		<u>\$ 376,124</u>
Reserved for depreciation of buildings, plant and equipment	\$ 139,857	
Reserved for income taxes	26,872	166,729

Net profit for year \$ 209,395

SURPLUS

Balance 31st December, 1945 \$2,373,100

Add:

Net profit for year 1946 as above 209,395

\$2,582,495

Less:

Dividend \$ 150,000

Sinking new internal shaft 120,281 270,281

Balance 31st December, 1946 \$2,312,214

WORKING CAPITAL

Current assets \$3,236,273

Current liabilities 120,038

\$3,116,235

HALLNOR MINES, LIMITED

(No Personal Liability)

(Incorporated under the Laws of the Province of Ontario, Canada)

CAPITAL

Authorized and Issued—2,000,000 shares of the par value of \$1.00 each
(Held by Noranda Mines, Limited—1,882,646 shares)

Statement of Operations

for the year ended 31st December 1946

Revenue:

Metal recoveries	\$1,935,928	
Income from investments	74,739	
Profit on sale of investments	1,600	\$2,012,267

Expenditure:

Cost of metal production, including mining, milling, delivery and mint charges	\$ 781,250	
Administrative and general expenses	20,028	801,278
		<u>\$1,210,989</u>
Reserved for depreciation of buildings, plant and equipment	\$ 82,180	
Reserved for income and production taxes	336,584	418,764
		<u>\$ 792,225</u>
Net profit for year		<u>\$ 792,225</u>

SURPLUS

Balance 31st December, 1945	\$2,098,825
Add:	
Net profit for year 1946 as above	792,225
	<u>\$2,891,050</u>
Less:	
Dividends	720,000
Balance 31st December, 1946	<u>\$2,171,050</u>

WORKING CAPITAL

Current assets	\$3,220,071
Current liabilities	305,492
	<u>\$2,914,579</u>

AUNOR GOLD MINES LIMITED

(Incorporated under the Laws of the Province of Ontario, Canada)

CAPITAL

Authorized and Issued—2,000,000 shares of the par value of \$1.00 each
(Held by Noranda Mines, Limited—1,101,777 shares)

Statement of Operations for the year ended 31st December 1946

Revenue:

Metal production	\$2,079,300	
Income from investments	31,568	
Profit on sale of investments	15,177	\$2,126,045

Expenditure:

Cost of metal production, including mining, milling, delivery and mint charges	\$1,193,693	
Head office administrative and general expenses	24,676	1,218,369
		<u>\$ 907,676</u>
Amount written off pre-operating and deferred mine development and administrative expenses	\$ 118,166	
Depreciation on buildings, plant and equipment	124,058	
Reserved for income and excess profits taxes	194,470	436,694
		<u>\$ 470,982</u>

Net profit for the year

SURPLUS

Balance 31st December, 1945		\$1,371,930
Add:		
Net profit for year 1946 as above		470,982
		<u>\$1,842,912</u>
Less:		
Dividends		400,000
		<u>\$1,442,912</u>

Balance 31st December, 1946

WORKING CAPITAL

Current assets	\$1,924,483	
Current liabilities	217,349	
		<u>\$1,707,134</u>

COMPANIA MINERA LA INDIA

(Incorporated under the Laws of Nicaragua, C.A.)

CAPITAL

Authorized and Issued—10,000 shares of \$4 each
(Held by Noranda Mines, Limited—6,375 shares)

Statement of Operations for the year ended 31st December 1946

Revenue:

From metals produced \$1,142,494

Expenditure:

Cost of metal production, including mining, milling, delivery and mint charges	\$ 582,910	
Administration, engineering and general expenses	150,425	733,335
		<hr/>
		\$ 409,159
Reserved for depreciation of buildings, plant and equipment	\$ 118,600	
Production taxes	52,246	
Outside exploration	44,208	215,054
		<hr/>

Net profit for year transferred to Surplus \$ 194,105

SURPLUS

Balance 31st December, 1945 \$1,220,065

Add:

Balance from statement of operations for year ended 31st December, 1946 194,105

Balance 31st December, 1946 \$1,414,170

WORKING CAPITAL

Current assets	\$ 860,973
Current liabilities	11,997
	<hr/>
	\$ 848,976

NOTE: Issued Capital of Subsidiary Empresa Minera de Nicaragua—10,000 shares of \$4 each.
Held by Compania Minera La India, 9,500 shares.
Net Profit of Subsidiary for 1946, \$7,345.
Net Working Capital, \$446,427.

Canada Wire and Cable Company, Limited

and Subsidiary Companies

(Incorporated under the Laws of the Dominion of Canada)

	Issued	Held by Noranda Mines, Limited
Common Shares—Class "A", no par value	29,668	12,000
Class "B", no par value	150,664	105,450
Debentures—3% Serial Debentures maturing 1948-1967		\$3,000,000

Consolidated Statement of Surplus and of Income and Expenditure for the year ended 31st December 1946

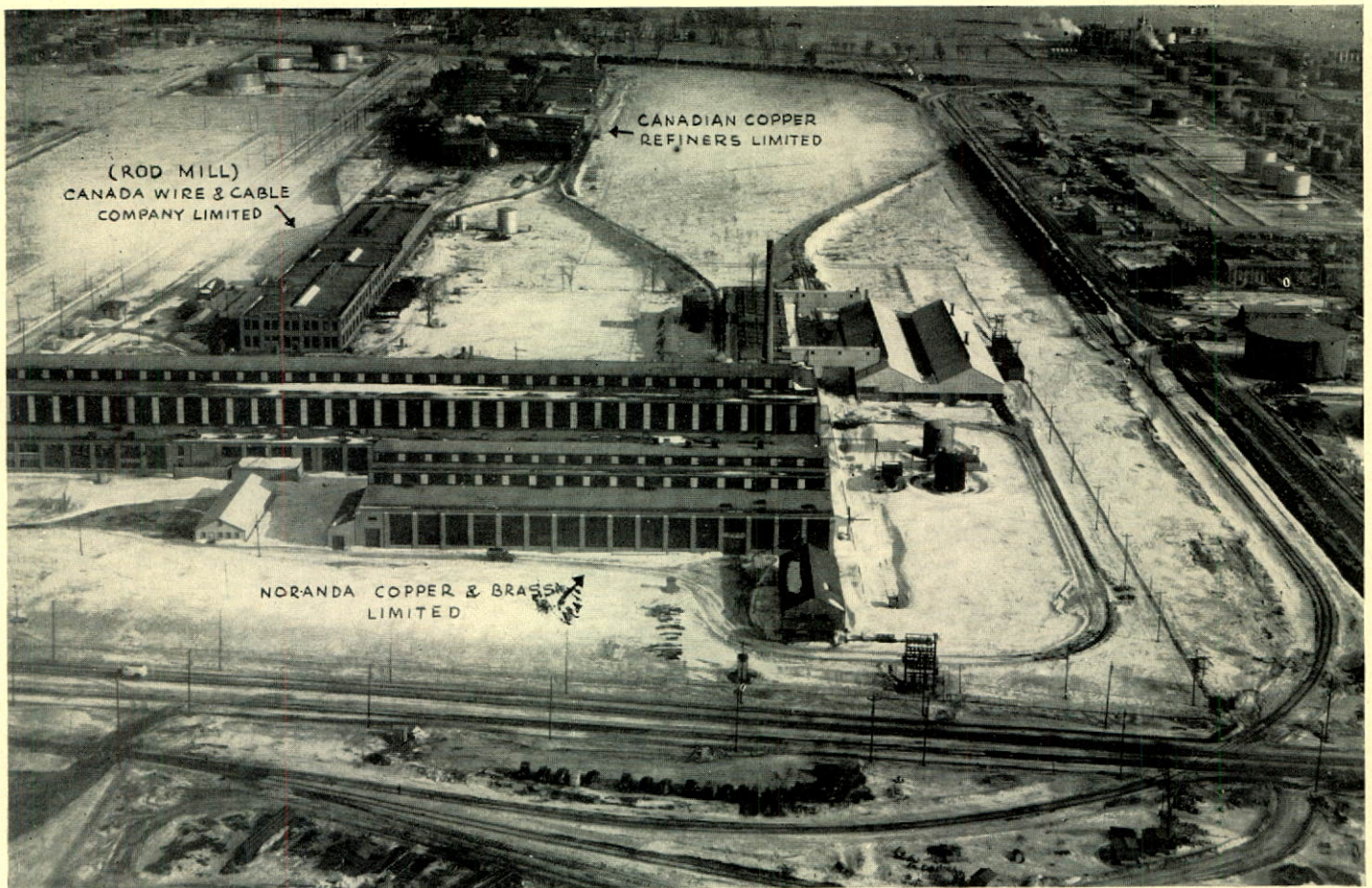
EARNED SURPLUS

Profit from Operations, before effecting undernoted deductions		\$ 794,441	
Income from Investments		6,518	
Deduct:		\$ 800,959	
Provision for Depreciation	\$ 204,842		
Executive Remuneration and Legal Fees	85,629		
Directors' Fees	11,200		
Employees' Retirement Income Plan	135,568		
Serial Debenture Interest	41,250		
Provision for Income and Excess Profits Taxes	127,591	606,080	
Net Profit for year ended 31st December, 1946			\$ 194,879
Surplus, 31st December, 1945:			
Refundable Portion of Excess Profits Tax	\$ 481,387		
Balance	1,588,850		
		\$2,070,237	
Transfer from Capital Surplus, resulting from redemption of 5,000 Preferred Shares, and now restored to Earned Surplus, as authorized by Supplementary Letters Patent, dated 31st July, 1946	500,000	\$2,570,237	
Adjustments:			
Transfer from Reserve for Marketable Securities	\$ 162,521		
Premium on sale of Serial Debentures	60,000		
Refund on Government War Risk Insurance	10,619		
Profit on sale of land and buildings of The Standard Underground Cable Company of Canada Limited	15,303	248,443	
Deduct:		\$2,818,680	
Premium on redemption of Cumulative Redeemable Preferred Shares	\$ 187,500		
Expenses re issue of Debentures	30,781	218,281	2,600,399
Deduct:			\$2,795,278
Dividends declared and paid:			
Preferred 6½% Cumulative, to date of redemption on 15th July, 1946		\$ 101,250	
Common, Class "A"		118,672	
Common, Class "B"		112,998	332,920
Surplus, 31st December, 1946:			
Refundable Portion of Excess Profits Tax	\$ 481,387		
Balance	1,980,971	\$2,462,358	

WORKING CAPITAL

Current Assets		\$6,349,286
Current Liabilities		1,717,846
		<u>\$4,631,440</u>

NORANDA COPPER AND BRASS LIMITED



The above plant, which is located near that of Canadian Copper Refiners Limited and the rod mill of Canada Wire & Cable Co., Limited, in the Town of Montreal East, Province of Quebec, was purchased from War Assets Corporation for \$1,372,000. It was built in 1940 for the production of brass strip for shell cases and a large expenditure will have to be made to convert it to commercial brass and copper mill production.

The conversion programme and management of the operation will be directed by the Bridgeport Brass Company of Bridgeport, Conn., U.S.A., whose President, Mr. H. W. Steinkraus, will be President of the new Company, with our President serving as Chairman of the Board of Directors. This enterprise will not only furnish another outlet for Noranda's copper but assure the consumption in Canada for the domestic and export markets of a substantial tonnage of Canadian Copper and Zinc in the form of semi-finished products rather than as raw material.



Steel and Iron Products	\$ 2,268,000
Fibrous Materials and Plastics	831,000
Reagents and Chemicals	791,000
Non-ferrous metals	773,000
Coal and Coke	664,000
Petroleum products	379,000
Lumber and Timber	360,000
Rubber	275,000
Electrical	274,000
Explosives	250,000
Air operated equipment and parts	245,000
Refractories	193,000
Aircraft, prospecting equipment	119,000
Pipe and fittings	90,000
Miscellaneous	894,000
	<hr/>
	\$ 8,406,000

Hydro electric power	993,000
Incoming freight and express	384,000
Outgoing freight and express	1,625,000
	<hr/>
	\$11,408,000

Purchases in 1946

by

NORANDA MINES, LIMITED and Subsidiary Companies

(Inter-Company purchases omitted)

PRINCIPAL CANADIAN CITIES AND TOWNS WHICH BENEFIT

Ayers Cliff, Beloeil, Brompton, Bromptonville, Brownsburg, Buckingham, Calumet, Cap de la Madeleine, Chambly, Chicoutimi, Drummondville, Grandes Piles, Hull, Joliette, Lachine, LaChute, LaSarre, LaTuque, Lennoxville, Longueuil, Loretteville, Marelan, Malartic, Montreal, Mont Rolland, Pointe aux Trembles, Quebec, Rock Island, Rouyn, St. Hyacinthe, St. Jerome, St. Johns, St. Jovite, Shawinigan Falls, Sherbrooke, Sorel, Staynerville, Three Rivers, Valleyfield, Victoriaville, Ville La Salle, Acton, Amherstburg, Baden, Beachville, Belleville, Blind River, Bowmanville, Brampton, Brantford, Brockville, Carleton Place, Chatham, Cobalt, Cobourg, Cooksville, Cornwall, Dundas, Eganville, Elmira, Ft. Erie, Galt, Gananoque, Georgetown, Goward, Guelph, Grimsby, Haileybury, Hamilton, Hearst, Hespeler, Ingersoll, Kingston, Kirkland Lake, Kitchener, Lindsay, London, Meaford, Merritton, New Liskeard, Newmarket, Niagara Falls, North Bay, Nobel, Orillia, Oshawa, Ottawa, Ojibway, Owen Sound, Perth, Peterboro, Pt. Hope, Renfrew, St. Catharines, Sarnia, Sault Ste. Marie, South River, Smiths Falls, Thorold, Toronto, Walkerville, Walkerton, Welland, Windsor, Sydney, Halifax, Vancouver, Youbou, Tadanac.

