NORANDA MINES LIMITED

ANNUAL REPORT

FOR THE FISCAL YEAR ENDING DECEMBER 31,ST

1949

NORANDA MINES
LIMITED

ANNUAL REPORT

FOR THE FISCAL YEAR ENDING DEC. 31

1949

NORANDA MINES, LIMITED

DIRECTORS

JAMES Y. MURDOCH, O.B.E., K.C., LL.D.	Toronto, Ont.
HARRY G. HASKELL, M.E.	Wilmington, Dela.
A. L. ELLSWORTH	Toronto, Ont.
F. M. CONNELL, O.B.E., B.Sc., M.E.	Toronto, Ont.
H. W. CHADBOURNE, B.Sc., E.M.	New York, N.Y.
LEO H. TIMMINS, B.Sc., M.E.	Montreal, Que.
HON. ALPHONSE RAYMOND, LL.D., M.L.C.	Montreal, Que.
H. L. ROSCOE, B.Sc., E.M., D.Eng.	Toronto, Ont.
N. C. URQUHART, C.B.E.	Toronto, Ont.
JULES R. TIMMINS, O.B.E.	Montreal, Que.

OFFICERS

JAMES Y. MURDOCH, O.B.E., K.C., LL.D.	President
H. L. ROSCOE, B.Sc., E.M., D.Eng.	Vice-President and General Manager
J. R. BRADFIELD	Secretary
R. G. RUDOLF	Treasurer
C. H. WINDELER	Assistant Secretary
C. C. MUIR	Assistant Secretary
HAROLD PINNOCK	Assistant Treasurer

CONSULTING ENGINEER

OLIVER HALL, M.Sc. D.Sc. – Toronto, Ont.

HEAD OFFICE

2 King Street East, Toronto 1,

TRANSFER AGENTS

Chartered Trust Company, Toronto and Montreal,
Bank of The Manhattan Company, New York, N.Y.

REGISTRARS

Imperial Bank of Canada, Toronto and Montreal
The Chase National Bank of the City of New York, N.Y.

BANKERS

Imperial Bank of Canada
The Royal Bank of Canada
The Bank of Nova Scotia

GENERAL COUNSEL

Holden, Murdoch, Walton, Finlay & Robinson, Toronto

ANNUAL MEETING

April 28th, 1950, 2.30 p.m. (Toronto Time), King Edward Hotel

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors submit herewith the Twenty-seventh Annual Report of your Company with Balance Sheet as at December 31, 1949, Auditors' Report and Statement of Operations for the year; Reports of the Vice-President and General Manager, Consulting Engineer and the Manager; together with Statements of Operations, Surplus and Working Capital of Waite Amulet Mines, Ltd., Pamour Porcupine Mines, Ltd., Hallnor Mines, Ltd., Aunor Gold Mines Ltd., Compania Minera La India and Canada Wire and Cable Company, Ltd.

Net profit for the year was $5.68 per share, inclusive of $2.45 per share from dividends and interest on investments. This compares with $4.45 per share in 1948, including $2.29 from dividends and interest. Four dividends of $1.00 each per share were paid during the year.

The average price received for copper during 1949 was 20.57¢ per pound, compared with 22.7¢ during 1948. Your Company benefited by devaluation of the Canadian dollar last September which resulted in increased net revenue from the sale of its products. Production of copper, gold, silver and pyrite were all substantially increased compared with 1948. With some 1,950 employees on the payroll at the year end, it has been possible to increase substantially the amount of development work at the Horne Mine for the first time since the war. It will, however, take considerable time to restore the Mine to normal conditions in this regard. For the first time in many years, a heavy construction programme was undertaken, chiefly in connection with the rehabilitation of smelting facilities. During the year close to two million dollars was spent on capital account and further substantial expenditures are contemplated for 1950. As advised in the Semi-Annual Report last year, a block of ground adjacent to the Horne Mine was leased from Joliet-Quebec Mines, Limited and a drift on the 1000 ft. level has now been extended some 1,050 feet towards this leased body of fluxing ore.

At the back of this Report is a diagram illustrating the relationship of the principal operating Subsidiaries and Affiliated Companies with which your Company is associated. In this connection, the change on the Balance Sheet in Investments in Affiliated and other Companies from $8,972,150 to $12,457,292 largely results from the purchase of shares in Anglo-Huronian, Ltd., mentioned in the 1948 Report of your Directors.

WAITE AMULET MINES, LIMITED (Noranda, Que.)—A net profit of $1.56 per share was earned compared with $1.90 in 1948. Dividends of $1.40 were paid during the year and a dividend of 25¢ per share has been declared payable on March 10th, 1950. It will take to the end of the year to sink the East Waite shaft to a depth of 1450 feet and do the necessary drifting and drilling to determine the size and grade of the new orebody. Two other small orebodies are, in the meantime, being brought into production.

PAMOUR PORCUPINE MINES, LIMITED (Pamour, Ont.)—A net profit of $486,500, equivalent to 9.73¢ per share, was earned compared with a profit of only $16,000 in 1948. A dividend of 7¢ per share was paid in December. A major development programme, involving shaft sinking, driving deeper levels, etc. will be started this year and will take approximately four years to complete.

HALLNOR MINES, LIMITED (Pamour, Ont.)—The net profit per share amounted to 33.28¢ as compared with 29.96¢ in 1948. Dividends of 28¢ per share were paid, the same as in the year previous. Ore reserves were increased, but the two lower levels have indicated only small irregular areas of ore.

AUNOR GOLD MINES LIMITED (Timmins, Ont.)—Net earnings amounted to 31.32¢ per share compared with 20.70¢ per share in 1948. Dividends of 20¢ were paid, the same as in 1948. Considerable development work is under way, involving shaft sinking and drifting to the West end of the property.

COMPANIA MINERA LA INDIA (Nicaragua, C.A.)—A net profit of $388,000 (U.S.) was earned, compared with $499,000 in 1948. This includes dividends of $285,000 from its subsidiary, Empresa Minera de Nicaragua, compared with $427,500 in 1948. Dividends of $400,000 (U.S.) were paid by La India during the year, the same as the year previous. A net profit of $247,000 was earned by Empresa compared with $498,000 in 1948. The average price of gold sold during the year amounted to $44.80 (U.S.) per ounce.

CANADIAN COPPER REFINERS LIMITED (Montreal East, Que.)—Copper production totalled 111,100 tons compared with 95,400 tons in 1948. Approximately one million dollars was spent on capital account last year, chiefly in connection with facilities for the production of vertically cast copper cake and billets.

CANADA WIRE AND CABLE COMPANY, LIMITED (Leaside, Ont. and Montreal East, Que.)—The net profit amounted to $1,297,000 compared with $1,360,000 in 1948. Dividends paid during the year amounted to $420,000. Substantial improvements were made at the Leaside plant during the year and further expansion in connection with branch warehouses and offices is planned for 1950.

NORANDA COPPER AND BRASS LIMITED (Montreal East, Que.)—A complete line of brass mill products is now available from this operation. The capital programme is practically at an end and while little export business is available due to world conditions, domestic sales are at a satisfactory volume.

GASPE COPPER MINES, LIMITED (Gaspe, Que.)—You will note from the Consulting Engineer's Report that this Company's property, together with adjacent mining claims owned by Noranda, contain a large tonnage of low grade copper ore which can be mined at a profit, but which will require a very substantial capital investment in order to bring it into production. Exploration work is being continued and studies are being made of the possibilities of power and transportation facilities.

Your Directors wish to express their appreciation of the loyal and competent services rendered by the Management, Staff and Employees throughout the year.

On behalf of the Board,

James G. Gardner

President.

Toronto, March 3, 1950.

VICE-PRESIDENT & GEN. MANAGER'S REPORT

TO THE PRESIDENT AND DIRECTORS

I herewith transmit the Report of R. V. Porritt, Manager, on the operations at the Horne Mine for the year 1949.

The tonnage of ore hoisted was 28% greater than in 1948 and the production of copper and gold was respectively 18.7% and 30.5% greater than in the previous year. It is expected that the production from the Horne Mine in 1950 will be substantially the same as in the past year, but the tonnage treated in the smelter will be greater because of increased shipments of concentrate from other mines.

The experimental test plant designed to determine the feasibility of producing elemental sulphur and high-grade sintered iron-oxide from pyrite was operated throughout the past year. Our technicians and a number from other companies, who have investigated the process, consider that the test plant has demonstrated that the material in our large No. 5 Zone can be economically treated if the elemental sulphur and the iron-oxide sinter can be sold at anything like prevailing prices. This marketing problem has been given careful study during the past year and considerable progress made.

Preliminary estimates indicate that the capital expenditure required to build a mill and treatment plant will be considerable, but as this No. 5 Zone is known to contain 100,000,000 tons of material, 50% of which is pyrite, it is evident that even a small profit per ton of pyrite would justify a very substantial investment.

Respectfully submitted,

H. L. Roscoe

Toronto, March 2, 1950

Vice-President and General Manager.

CONSULTING ENGINEER'S REPORT

TO THE PRESIDENT AND DIRECTORS

The major advance in outside exploration in 1949 was the drilling out of an additional 7,000,000 tons in the Gaspe Copper property. This raised the tonnage indicated by diamond drilling to 48,000,000 tons. Most of this tonnage carries somewhat less than one percent copper but the tonnage drilled in 1949 averages two percent.

The underground exploration of the Midcamp property in the Porcupine gold camp of Eastern Ontario in which we are participating with Hollinger, Anglo-Huronian, Preston East Dome and Paymaster was continued. The southern half of the property on the 1,000 and 1,400 levels has been tested with drifts and drill holes. Drifting near the northern boundary on the 2500 level has indicated pay values in a vein for about 200 feet. Power and labour shortages permitted working only a part of the year.

Scouting and prospecting was carried on in widely scattered areas.

In Quebec parties were maintained in the Norancon iron concession, defining the iron formation and prospecting for ore deposits. Similar work on a smaller scale was carried on in Gaspe near the Gaspe Copper property. The Noranda organization in Western Quebec covered a large area in the Chibougamau district.

Parties were maintained in Western Ontario, in Manitoba north of LePas and northwest of Churchill and in Saskatchewan near Lake Athabasca.

A participation was taken and a zinc property drilled near the east end of Great Slave Lake in the Northwest Territories.

Scouting was carried on west and north of Whitehorse in the Yukon and prospecting and some drilling was done north of Watson Lake.

Parties were also maintained in Northern British Columbia.

Respectfully submitted,

Oliver Hall

Consulting Engineer.

Toronto, March 2, 1950.

MANAGER'S REPORT

TO THE VICE-PRESIDENT AND GENERAL MANAGER

REPORT OF OPERATIONS FOR THE YEAR 1949

HORNE PROPERTY

MINE: Totals of 4,717 feet of drifts and 335 feet of raises were driven for general mine development.

Underground diamond drilling of 72,783 feet was done in detailed examination of the No. 5 Pyrite Zone and other orebodies.

Surface diamond drilling amounting to 51,497 feet was done to complete the programme of exploration of the Horne Creek Fault area and in general exploration of other sections of the property.

ORE RESERVES: From information obtained from diamond drilling and from development openings in the various orebodies, there was indicated above the 2975 foot level, as of January 1, 1950, the following tonnage of ore:

	Tons	Copper %	Gold Oz. Per Ton
Sulphide Ore over 4% Copper	4,290,000	7.13	0.161
Sulphide Ore under 4% Copper	13,217,000	0.66	0.196
Total Sulphide Ore	17,507,000	2.24	0.187
Silicious Fluxing Ore	957,900	0.09	0.121
Total Ore	18,464,900		

Not included above are the Chadbourne orebody, which is about 6000 feet west of No. 4 shaft, and several shoots of fair grade ore which have been outlined below the 2975 foot level in the No. 5 Pyrite Zone of the Horne Mine. Preliminary estimates of these are:

	Tons	Copper %	Gold Oz. Per Ton
Chadbourne	1,550,000	—	0.126
No. 5 Zone, Horne	320,000	—	0.228
No. 5 Zone, Horne	1,500,000	0.7	0.120

ORE SHIPMENTS: The tonnage and grade of ore delivered from the Horne Mine to the Smelter and Concentrator during 1949 were as follows:

	Tons	Copper %	Gold Oz./Ton	Silver Oz./Ton
Direct Smelting Ore	468,753	2.24	0.202	0.39
Concentrating Ore	788,449	2.32	0.140	0.31
Total	1,257,202			

SMELTER: The smelter treated 1,056,780 tons of ore, concentrate, and secondary materials such as refinery slag and scrap copper and brass, from which 144,973,232 pounds of anodes were produced. Included in the total tonnage treated were 454,929 tons of materials which were treated for other companies on a toll basis. After deducting the copper, gold and silver recovered from secondary materials, the estimated recovery of new metals was 137,003,133 pounds of fine copper, 281,757 ounces of gold and 1,779,057 ounces of silver. The estimated recovery from Horne Mine ore and concentrate was 51,896,244 pounds of copper, 185,418 ounces of gold and 524,315 ounces of silver.

In addition, 11,328 tons of blister copper received from a customs shipper were melted and processed into anodes.

CONCENTRATOR: The concentrator treated 792,782 tons of ore from the Horne Mine and 1,370 tons of custom ore from which 133,442 tons of copper-gold concentrate and 130,627 tons of pyrite concentrate were produced. The copper-gold concentrate was sent to the smelter and the pyrite concentrate was treated by cyanidation with a recovery of 8,072 ounces of gold. After cyanidation, 124,008 tons of the pyrite concentrate 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
1947	516,705	194,601	359,631	289,123	85,317,228	127,447	27,539,066	85,462
1948	977,403	603,516	509,401	327,049	97,756,497	186,602	43,731,979	142,273
1949	1,257,202	794,152	601,851	454,929	137,003,133	281,757	51,896,244	185,418
TOTAL	31,089,039	16,464,805	17,776,134	4,188,031	1,999,822,951	5,415,146	1,321,828,229	4,776,958

PLANT ADDITIONS AND IMPROVEMENTS: The new smelter stack was completed and the new Cottrell plant was well advanced. On completion of the latter, about April, 1950, the two units will be put in operation.

A new thaw shed, of twelve car capacity, was built to provide for handling increased receipts of frozen customs concentrate.

A second anode furnace and anode casting wheel were installed in connection with the increased capacity at the Canadian Copper refinery.

No. 2 reverberatory furnace was rebuilt and put in operation in August, after having been shut down since June, 1944. Resumption of two furnace operation was necessary because of increasing receipts of customs material.

A new area was developed to provide for long-term disposal of concentrator tailings, and the necessary dams, pipe lines and pumping station were installed.

Various smaller additions and improvements were made in the plant.

JOLIET LEASE: A block of ground containing a zone of copper-bearing silicious rhyolite was leased from Joliet-Quebec Mines, Limited. The necessary surface plant was installed and work begun on developing the copper-bearing zone and making a connection to the Horne Mine workings some 3,000 feet distant. Detailed examination of the upper part of the zone was completed with 10,337 feet of diamond drilling from surface. Preliminary estimates indicate that the leased block contains some 900,000 tons of good fluxing material carrying about 1% copper.

GENERAL: The shortage of mine workmen eased toward the year end. An adequate working force was built up, with 1,950 employees on the payroll.

Twenty duplex houses were built to help relieve the housing shortage. The Company now provides 396 dwelling units for rental to married employees, and dormitory and dining hall accommodation for 320 single employees.

Construction was almost completed of a large outdoor swimming pool for the use of employees and the public. The pool will be operated by the City of Noranda.

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

Respectfully submitted,

R. V. Bennett

Manager.

February 7, 1950.

NORANDA

(INCORPORATED UNDER THE LAWS OF

BALANCE SHEET

December 31, 1949

ASSETS

Current:			
Cash on hand and on deposit		$ 3,220,356	
Marketable bonds and shares at cost (market value $4,663,688)		4,320,993	
Secured loans and advances		1,825,100	
Accounts and interest receivable		205,203	
Smelting and refining tolls receivable on metals in process, etc.		1,270,175	
Refinery settlements outstanding and metals on hand as determined and certified by the management and valued as in prior years, at—copper 10¢ per lb., silver 45¢ per oz., gold $38.50 per oz., less estimated refining and marketing charges		7,790,073	$18,631,900
Deferred:			
Materials and supplies		$ 1,519,871	
Mortgage loans on townsite lots, etc.		730,111	
Charges to operations		313,111	2,563,093
Capital Expenditures:			
Mining properties at cost		$ 919,779	
Plant, buildings and equipment at cost	$16,457,055		
Investment in hotel, houses, etc.	2,162,213		
	$18,619,268		
Less accumulated depreciation	15,959,467	2,659,801	3,579,580
Investments at cost, less amounts written off:			
Subsidiary companies		$13,619,871	
Affiliated and other companies		12,457,292	26,077,163
Advances to Subsidiary and Other Companies			135,549
Prospecting and Exploration on Outside Properties, less amounts written off			144,524
			$51,131,809

LIABILITIES

Current:		
Accounts and wages payable and accrued	$ 904,017	
Custom ore settlements outstanding	2,693,156	
Unclaimed dividends	34,562	
Unclaimed portion of dividend paid December 15, 1949	266,625	
Estimated taxes on income (less payments on account)	2,288,025	$ 6,186,385
Reserve for Investments and Contingencies		5,051,559
(reduced during the year by amounts written off investments and advances, $425,979 less net profits on sale of investments $137,812)		
Capital and Surplus:		
Capital—		
Authorized—2,250,000 shares of no par value		
Issued —2,239,772 shares	$11,303,140	
Earned surplus	28,590,725	39,893,865
		$51,131,809

Note: The company has guaranteed the principal and interest on $3,500,000 outstanding bonds of Noranda Copper and Brass Limited, a subsidiary.

STATEMENT OF OPERATIONS

for the year ended December 31, 1949

Revenue:		
From metals produced	$19,124,509	
Dividends and interest earned	5,488,210	$24,612,719
Expenditure:		
Cost of metal production including mining, treatment and delivery	$ 7,333,668	
Provision for depreciation of plant, buildings and equipment, etc.	447,476	
Administrative and general expenses	305,538	
Municipal and sundry taxes	200,300	
Company's contributions to employees' insurance and pension plans	246,025	8,533,007
		$16,079,712
Provided for taxes on income	$ 3,107,714	
Outside exploration written off	255,068	3,362,782
Net profit for year transferred to surplus		$12,716,930

EARNED SURPLUS

Balance December 31, 1948		$24,832,883
Add net profit for year ended December 31, 1949		12,716,930
		$37,549,813
Less:		
Dividends paid in 1949—		
60—$1.00 per share March 15th	$ 2,239,772	
61—$1.00 per share June 15th	2,239,772	
62—$1.00 per share September 15th	2,239,772	
63—$1.00 per share December 15th	2,239,772	8,959,088
Balance December 31, 1949 per balance sheet		$28,590,725

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Noranda Mines, Limited as at December 31, 1949 and the statements of operations and earned surplus 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 company. All our requirements as auditors have been complied with.

We report that in our opinion the above balance sheet and the 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 December 31, 1949 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.

Toronto, Canada,
February 27, 1950.

CLARKSON, GORDON & CO.,
Chartered Accountants.

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—2,240,636 shares)

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1949

Revenue:		
From metals produced	$3,770,686	
Dividends received from subsidiary company	4,290,000	
Other dividends and interest earned	264,039	$8,324,725
Expenditure:		
Development, mining, treatment and delivery charges	$2,857,117	
Provision for depreciation of buildings, plant and equipment	37,911	
Administrative and general expenses	40,479	
Directors' fees	7,000	
Registrar and transfer expense	8,577	
Legal fees	240	2,951,324
		$5,373,401
Provided for taxes on income		235,463
Net profit for year transferred to surplus		$5,137,938

SURPLUS

Balance 31st December 1948	$6,336,250
Add:	
Net profit for year 1949 as above	5,137,938
	$11,474,188
Less:	
Dividends No. 33, 34, 35 and 36	4,620,000
Balance 31st December 1949	$6,854,188

WORKING CAPITAL

Current assets	$4,722,063
Current liabilities	1,140,268
	$3,581,795

NOTE: Issued Capital of Subsidiary, Amulet Dufault Mines Limited—
3,520,000 shares of no par value.
Held by Waite Amulet Mines, Limited, 3,300,000 shares.
Net Profit of Subsidiary for 1949, $3,729,603.
Dividends paid by Subsidiary during 1949, $4,576,000.
Waite Amulet's share of 1949 dividends, $4,290,000.

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 DECEMBER 31, 1949

Revenue:		
Metal recoveries	$2,058,090	
Income from investments	98,361	
Profit on sale of investments	20,606	$2,177,057
Expenditure:		
Cost of metal production, including mining, milling, delivery and mint charges	$1,824,514	
Administrative and general expenses (including legal fees $3,820 and directors' fees $600)	34,295	
Provision for depreciation of buildings, plant and equipment	42,427	
Amount written off special development expenditure	45,845	
	$1,947,081	
Less: Recoverable under The Emergency Gold Mining Assistance Act	291,869	
		$1,655,212
Provision for income and production taxes		521,845
Current year	$ 99,500	
Less: Reduction on application of losses in prior years	64,212	35,288
Net profit for year		$ 486,557

SURPLUS

Balance 31st December, 1948	$2,332,928
Add:	
Net profit for year 1949 as above	486,557
	$2,819,485
Less:	
Dividend	350,000
Balance 31st December, 1949	$2,469,485

WORKING CAPITAL

Current Assets	$3,459,445
Current liabilities	245,827
	$3,213,618

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—1,884,646 shares)

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1949

Revenue:		
Metal recoveries	$1,716,024	
Income from investments	79,833	$1,795,857
Expenditure:		
Cost of metal production, including mining, milling, delivery and mint charges	$ 909,987	
Administrative and general expenses	34,053	
Provision for depreciation of buildings, plant and equipment	11,799	
	$ 955,839	
Less: Recoverable under The Emergency Gold Mining Assistance Act	24,299	$ 931,540
		$ 864,317
Provision for income and production taxes		198,724
Net profit for year		$ 665,593

SURPLUS

Balance 31st December, 1948	$2,189,792
Add:	
Net profit for year 1949 as above	665,593
	$2,855,385
Less:	
Dividends	560,000
Balance 31st December, 1949	$2,295,385

WORKING CAPITAL

Current assets	$3,237,770
Current liabilities	237,714
	$3,000,056

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—1,104,778 shares)

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1949

Revenue:		
Metal production	$2,282,188	
Income from investments	59,169	
Profit on sale of investments	6,065	$2,347,422
Expenditure:		
Cost of metal production, including mining, milling, delivery and mint charges	$1,436,033	
Head office administrative and general expenses	40,312	
Amount written off deferred mine development and administrative expenses	82,841	
Depreciation on buildings, plant and equipment	49,800	
	$1,608,986	
Less: Credit under The Emergency Gold Mining Assistance Act	99,617	$1,509,369
Net profit before provision for taxes on income		$ 838,053
Reserved for taxes on income		211,566
Net profit for the year		$ 626,487

SURPLUS

Balance 31st December, 1948	$1,545,591
Add:	
Net profit for year 1949 as above	626,487
	$2,172,078
Less:	
Dividends	400,000
Balance 31st December, 1949	$1,772,078

WORKING CAPITAL

Current assets	$2,275,240
Current liabilities	295,852
	$1,979,388

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 DECEMBER 31, 1949

		(U.S. Funds)
Revenue:		
From metals produced		$1,336,820
Expenditure:		
Cost of metal production, including mining, milling, delivery and mint charges	$ 798,470	
Administration, engineering and general expenses	155,920	$ 954,390
		$ 382,430
Reserved for depreciation of buildings, plant and equipment	$ 205,502	
Production taxes	52,734	
Outside exploration	21,024	279,260
		$ 103,170
Dividends from Subsidiary Company		285,000
Net profit for year transferred to surplus		$ 388,170

SURPLUS

Balance 31st December, 1948		$1,794,430
Add:		
Adjustments	$ 69,287	
Net profit for year 1949 as above	388,170	457,457
		$2,251,887
Less:		
Dividends		400,000
Balance 31st December, 1949		$1,851,887

WORKING CAPITAL

Current assets	$ 847,810
Current liabilities	18,847
	$ 828,963

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 1949, $247,318.
Dividends paid by Subsidiary during 1949, $300,000.
La India's share of 1949 dividends, $285,000.

CANADA WIRE AND CABLE COMPANY, LIMITED

and Subsidiary Company

(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 1951-1967	$2,550,000	

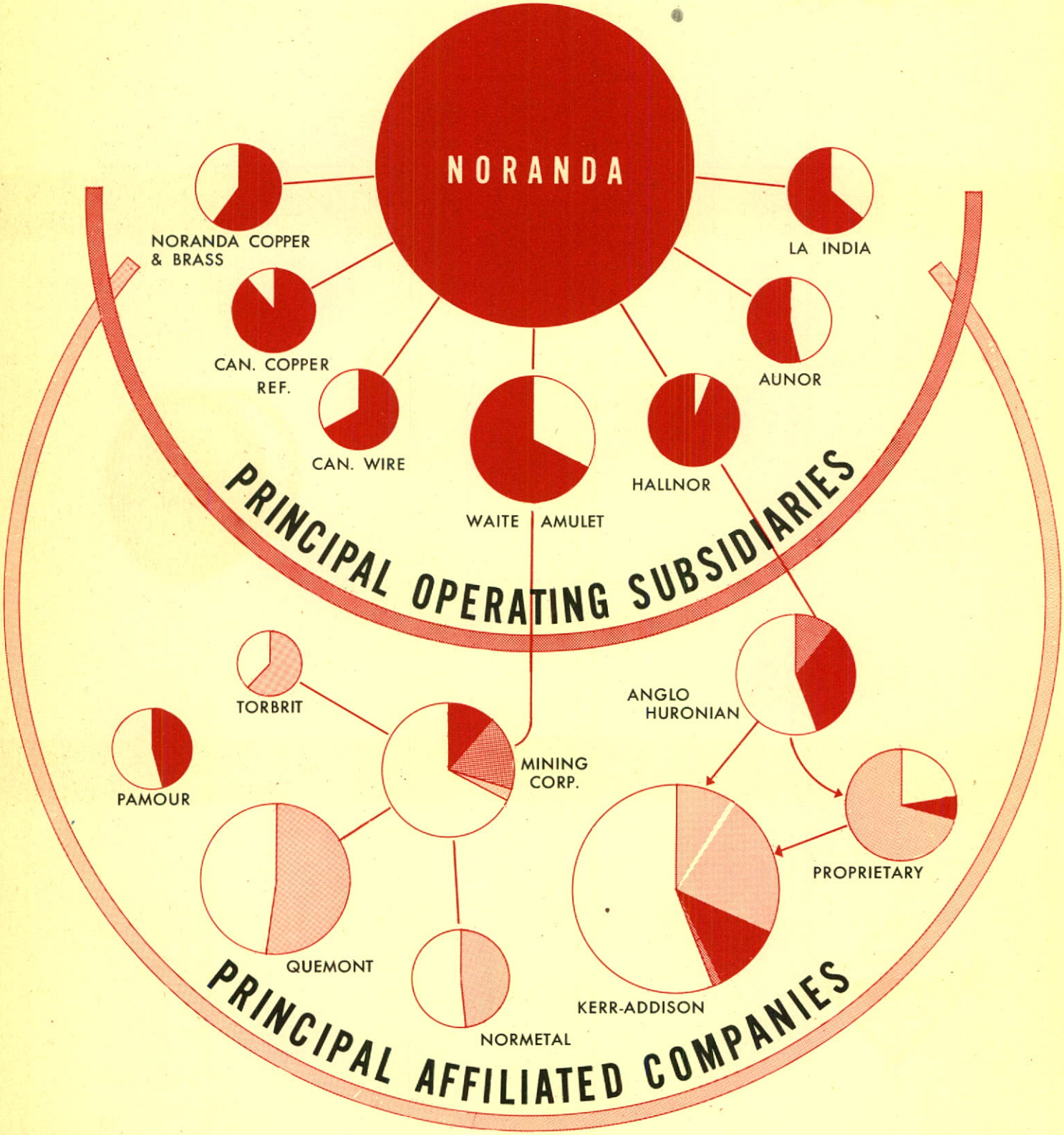
CONSOLIDATED STATEMENT OF SURPLUS AND OF INCOME AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1949

Profit from Operations before effecting undernoted deductions		$2,927,243	
Income from Investments		3,185	
		$2,930,428	
Deduct:			
Provision for Depreciation	$ 445,066		
Executive Remuneration and Legal Fees	72,156		
Directors' Fees	8,025		
Employees' Retirement Income Plan	178,318		
Serial Debenture Interest	83,438		
Provision for Income Taxes	845,942	1,632,945	
Net Profit for year ended 31st December, 1949			$ 1,297,483
Surplus, 31st December, 1948:			
Refundable Portion of Excess Profits Tax	$ 336,157		
Balance	3,324,480	$3,660,637	
Add:			
Credit arising from inventory adjustments for prior years, less provision for income taxes (estimated)	$ 300,000		
Net adjustment to agree Fixed Asset values and Depreciation Reserves with those of the Dominion Income Tax Department, as at 31st December, 1948	40,461	340,461	4,001,098
			$ 5,298,581
Deduct:			
Dividends declared and paid:			
Class "A" shares		$ 118,672	
Class "B" shares		301,328	420,000
Surplus, 31st December, 1949:			
Refundable Portion of Excess Profits Tax		$ 48,315	
Balance		4,830,266	$ 4,878,581

WORKING CAPITAL

Current Assets	$11,430,367
Current Liabilities	3,072,791
	$ 8,357,576

DIRECT AND INDIRECT INTEREST IN SUBSIDIARY & AFFILIATED COMPANIES



NORANDA HOLDINGS — HELD BY NORANDA SUBSIDIARIES — HELD BY NORANDA AFFILIATED COMPANIES

WHERE APPLICABLE THE RELATIVE SIZE OF THE CIRCLES ARE SYMBOLIZED BY THE STOCK OUTSTANDING MULTIPLIED BY MARKET VALUES.

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