

9



CONSOLIDATED DENISON

MINES LIMITED •



ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1954

PURVIS HALL
LIBRARIES
FEB 5 1957
MICHIGAN STATE UNIVERSITY



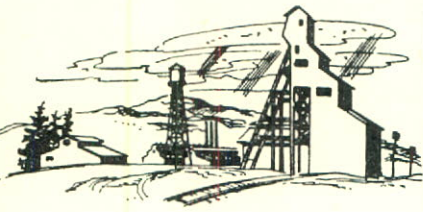
CONSOLIDATED DENISON

MINES LIMITED •



ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1954



Consolidated Denison Mines Limited

(as of December 31, 1954)

CAPITALIZATION

Authorized (Par Value \$1.00) - - - - - 5,000,000 shares
 Issued - - - - - 3,650,000 shares

OFFICERS

President - - - - - J. S. WILLIAMS, Q.C.
Vice-President - - - - - S. B. ROMAN
Secretary-Treasurer - - - - - J. C. PUHKY

DIRECTORS

J. S. WILLIAMS - - - - - Toronto
 S. B. ROMAN - - - - - Toronto
 J. C. PUHKY - - - - - Toronto
 A. W. STOLLERY - - - - - Haileybury
 F. H. JOWSEY - - - - - Toronto

CONSULTING GEOLOGIST

RALPH I. BENNER, P. Eng.

REGISTRAR AND TRANSFER AGENT

GUARANTY TRUST COMPANY OF CANADA - - - Toronto, Ontario

AUDITORS

AMPLEFORD, BROADHEAD & Co. - - - Toronto, Ontario

SOLICITORS

MUNGOVAN & MUNGOVAN - - - Toronto, Ontario

HEAD OFFICE

SUITE 305, ROYAL BANK BLDG. - - - Toronto, Ontario

FIELD OFFICE

CHRISTILAW BLDG. - - - Blind River, Ontario

(Issued March 24, 1955)



Directors' Report

To the Shareholders:

On behalf of your Board of Directors, it is indeed a pleasure to report 1954 a year of outstanding success for the Company in its endeavours in the exploration and development of Canada's mineral wealth.

Following reorganization of the Company's capital structure and entry of the present management early in the year, a policy of revitalization of every phase of the Company's operations was adopted.

To implement this policy the Directors felt that participation in a new venture would be in the best interests of the Company. After due consideration, it was decided to acquire an interest in the Quirke Lake sector of the Blind River uranium camp in Ontario's Algoma district. Blind River then was just beginning to enter the boom phase of the development that now seems likely to make it the richest uranium-producing area in Canada and one of the greatest in the world.

By the end of April, 1954, the Company was able to purchase all of the presently held property of 83 claims (approximately 3,300 acres) adjoining to the south of Algom Uranium Mines' Quirke Lake holdings. Algom was then developing its now sizable orebody which occurs in conglomerate beds dipping shallowly to the southwest and striking to the southeast. Your management felt this ground ideally located for encountering extensions of the Algom ore-carrying structures.

In May, under the direction of Ralph I. Benner, B.Sc., P.Eng., the Company's consulting geologist, systematic geigering and geological mapping was begun on the property to investigate the possibility of such extensions. This work turned up encouraging indications, and diamond drilling was begun in late July.

After the first hole, in the western sector of the property returned two radioactive intersections, operations were moved to the eastern end of the property. Subsequent drilling results were highly satisfactory, confirming Mr. Benner's theory that the conglomerates seemed to follow a southeast-trending structure believed to be the path of an ancient shoreline or river bed.

As drilling continued, it became apparent that an ore deposit of major proportions was developing. By the year's end plans were made to step up the program's tempo so that the full extent of this deposit could be assessed as quickly as possible.



Directors' Report (Continued)

At present there are eight drills on the property engaged in both exploratory and fill-in drilling.

You will note from the Consulting Geologist's report, which follows, that all holes after No. 1 intersected ore grades over excellent widths. This successful drilling has indicated the presence of a shallow-dipping ore bed averaging 12.1 feet in thickness with an average grade of 0.142% U_3O_8 by chemical analysis. This main bed has been delineated over a strike length of approximately one and one half miles and over a width, measured down the dip, of approximately 3,000 feet.

Especially significant were the results in Holes No. 10 and No. 6, the last two holes completed at time of writing. Hole No. 10 cut 0.239% U_3O_8 over 22.5 feet and Hole No. 6 returned 0.13% U_3O_8 over 10 feet (Radiometric assays). Both of these holes added substantially to the dimensions of the indicated main ore bed. Holes Nos. 7 and 9 could, of course, again increase these dimensions appreciably.

With major tonnage in sight, planning for underground development and production has been started, and is now well advanced. A contract for the sinking of a five-compartment shaft has been awarded to Patrick Harrison & Company Limited, one of the most prominent shaft sinking and rock cutting contractors in Canada. Work on the shaft is scheduled to begin immediately. Immediate target of the current operations is to provide sufficient information as to grade and size of the ore body for use in negotiating contracts for sale of the end product — uranium concentrates. This will determine, in turn, the size of the mill required.

You will note from the balance sheet that the cash position of the Company as of December 31, 1954 was \$1,164,375.41. Since that time an additional \$1,525,000.00 has been placed in the treasury bringing the current position past the \$2,500,000.00 mark.

Adequate funds are thus assured for the program currently under way. Negotiations have been initiated towards obtaining senior financing required to bring the property into full scale production.

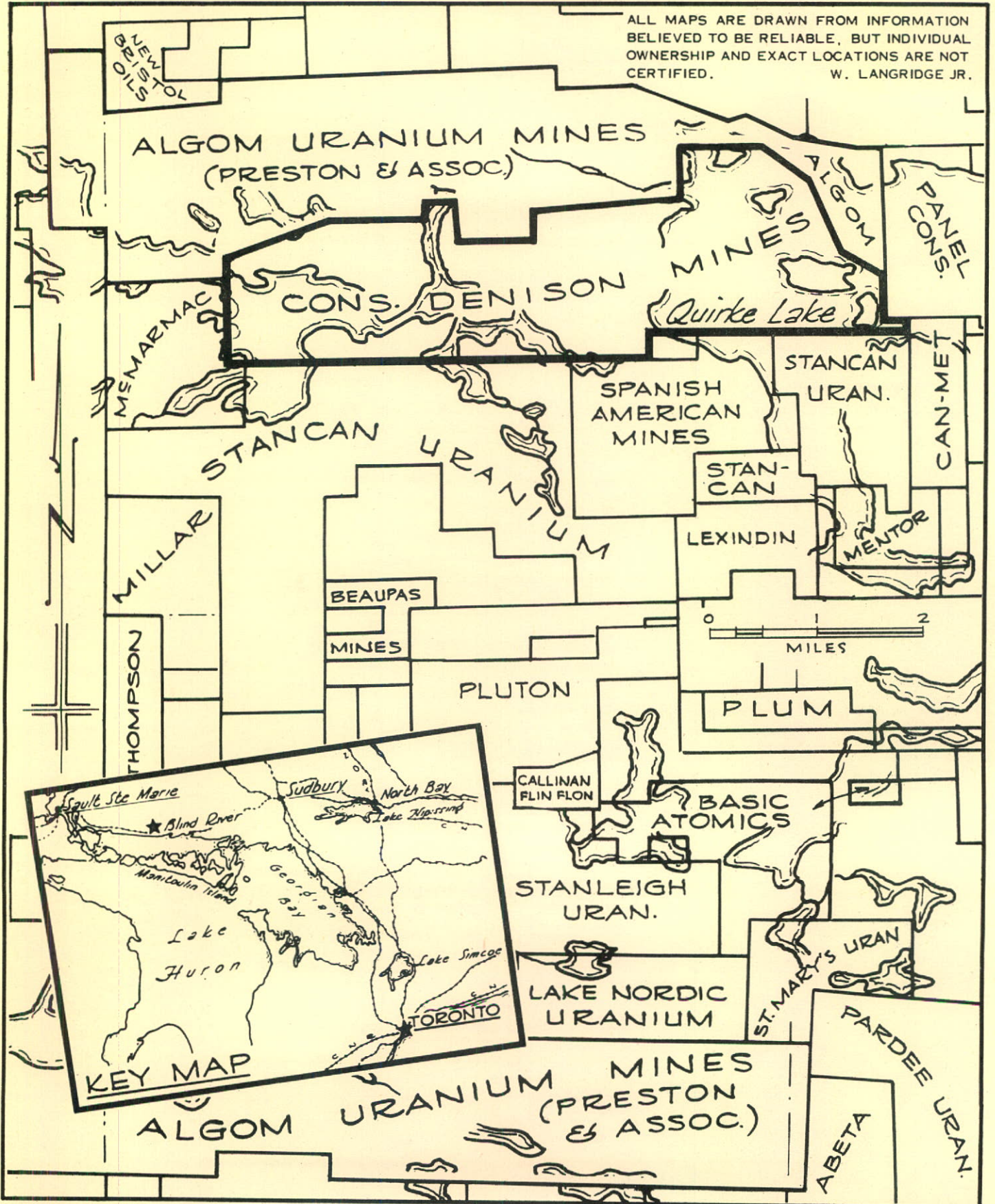
On behalf of the Board of Directors,

J. S. WILLIAMS,
President.

Toronto, Ont.,
March 22, 1955.

Consolidated Denison Mines Limited

ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE, BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED.
W. LANGRIDGE JR.



CONSOLIDATED DEN

Balance Sheet as at

ASSETS

Cash on Hand and in Banks		\$ 1,164,375.41
Sundry Deposits		600.00
Mining Properties:		
Unpatented Mining Claims acquired for cash and shares of Capital Stock at valuation placed thereon by the Directors of the Company	\$286,000.00	
Mining Equipment—at Cost (50% interest)	2,600.00	
Camp Buildings	1,021.23	289,621.23
Exploration and Development, including Head Office and Administration Expenses		258,571.73
Office Furniture and Fixtures		105.00
Organization, Exchange Listing and Corporate Registration Costs		9,102.19
Shares in Other Mining Company—Nominal Value		1.00
Advances to Mining Company		18,674.95

NOTE #1: Shares of Capital Stock under Option:

Under the terms of an Agreement dated December 2, 1954, 800,000 shares of the Capital Stock are under option for \$1,525,000.00, at prices ranging from \$1.50 to \$2.50 per share, to be taken up within 15 months.

Approved on behalf of the Board of Directors:

\$ 1,741,051.51

J. S. WILLIAMS, Director.

JOHN C. PUHKY, Director.

AUDITOR

We have examined the Balance Sheet of Consolidated Denison Mines Limited as at December 31, 1954 and the results of its operations for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records as we considered necessary.

We have not verified the titles to Mining Properties.

Subject to the foregoing, and our Note #1 above, in our opinion the above Balance Sheet is correct as at December 31, 1954 and the results of its operations for the year then ended.

Toronto, Canada,
February 24, 1955.

ISON MINES LIMITED

December 31, 1954

LIABILITIES

Accounts Payable and Accrued Charges \$ 7,914.84

CAPITAL:

Authorized—

5,000,000 shares with par value of \$1.00 each

Issued and Fully Paid—

1,000,000 shares remaining in the hands of Shareholders after cancellation of shares as provided by Supplementary Letters Patent dated February 17, 1954 \$ 225,636.67

Shares Issued Subsequent to Re-organization:

For Cash:

To June 30, 1954:

170,000 shares \$ 170,000.00
 Less: Discount thereon 110,500.00 \$ 59,500.00

Since June 30, 1954:

1,480,000 shares \$ 1,480,000.00
 Less: Discount on shares after deducting premiums 257,000.00 1,223,000.00 1,282,500.00

For Mining Claims:

To June 30, 1954:

1,000,000 shares \$ 1,000,000.00
 Less: Discount thereon 775,000.00 225,000.00 1,733,136.67

\$ 1,741,051.51

S' REPORT

31, 1954, and the Schedule of Exploration and Development for the year ended on that date. Our and other supporting evidence as we considered necessary in the circumstances.

and accompanying Schedule of Exploration and Development present fairly the financial position of the

AMPLEFORD, BROADHEAD & CO.,

Chartered Accountants.

Consolidated Denison Mines Limited

Schedule of Exploration and Development

FOR THE YEAR ENDED DECEMBER 31, 1954

EXPLORATION AND DEVELOPMENT

Balance January 1, 1954		\$108,258.32	
Engineering and Mine Management Fees and Expenses	\$19,342.55		
Diamond Drilling	35,056.04		
Geological Survey	5,248.25		
Trenching, Line Cutting and General Surface Exploration	8,334.88		
Supplies and Expenses	4,485.17		
Mine Office Expenses	380.96		
Government Fees and Taxes	2,783.40		
Tests, Assays and Maps	398.75		
Staking	635.00		
		<u>76,665.00</u>	\$184,923.32

HEAD OFFICE AND ADMINISTRATION

Balance January 1, 1954		\$ 55,325.27	
Advertising and Shareholders' Information	\$ 4,023.39		
Accounting and Secretarial Salaries	2,478.00		
Legal and Audit	4,578.00		
Transfer Agents Fees and Expenses	3,186.12		
Directors Fees	1,150.00		
Printing and Stationery	70.34		
Sundry Expenses	337.29		
Office Rent	2,500.00		
		<u>18,323.14</u>	73,648.41
			<u>\$258,571.73</u>



Consulting Geologist's Report

The Company's field operations during the past year have been concentrated on exploration and development of the 3,300-acre property adjoining the southern boundary of Algom Uranium's holdings in the Quirke Lake sector of the Blind River uranium camp.

The general geology of the Quirke Lake sector of the camp is characterized by gently dipping Huronian sediments, consisting of Cobalt series conglomerates, Serpent quartzites, Espanola greywackes, impure limestones, Bruce limestones and conglomerates and Mississagi quartzites.

These series overlie unconformably the older granites and Keewatin greenstones.

In the area with which this report deals, the younger sediments strike southeast and dip southwest. The main radioactive mineral is Brannerite, which occurs in the heavy sulphide matrix of quartz-pebble conglomerate beds in the lower Mississagi quartzites.

On the Algom property, adjoining to the north and west, the orebody has been drilled for a length of 7,000 feet and a width down dip of at least 1,300 feet. This ore-bearing strata dips and strikes toward the Consolidated Denison property.

The property is underlain by southeast-striking Huronian sediments with a southwest dip. Along the west shore of Quirke Lake the entire series ranging from the upper Mississagi to the Cobalt series are exposed. The flattening of the formations, as seen on the west shore of Quirke Lake, and on the islands to the southeast, indicate the possibilities of an ancient shoreline on the basement rocks, as reflected in the younger sediments above.

The entire property has been mapped and systematically geigered. All claims have been surveyed by an Ontario Land Surveyor and work sufficient to bring the property to a patent has been performed.

To date a total of 21,500 feet of drilling has been done with eight holes completed and five now drilling. Eight drills are now on the property in a stepped-up drilling program. The first hole, drilled to pick up the down dip extension of the Algom orebody, intersected two radioactive conglomerate beds which were below ore grade. While this hole was being drilled, geological mapping further to the east indicated a flat-lying bench striking southeast as interpreted from data obtained along the west shore of Quirke Lake and the islands to the southeast. This interpolated bench, when projected northwest through the Algom property, coincided favorably with that company's results. On the theory that the ore structure was connected with the bench and that Algom's orebody was striking southeast onto and across the Consolidated Denison property, a drilling program was laid out, which has been extremely successful.

To date seven widely-spaced holes have intersected radioactive conglomerates of ore grade over a strike length of one and one half miles and down dip a distance of 3,000 feet. In every hole a main bed occurs near the base of the Mississagi series, the average of which over the seven holes is 0.142% U_3O_8 over 12.1 feet. In five of the holes a secondary bed approximately 100 feet above the main bed averaged 0.08% U_3O_8 over 7.3 feet.



Consulting Geologist's Report (Continued)

All drills will now be engaged in drilling fill-in holes in order to block out tonnage as a preliminary to obtaining a contract with the Eldorado Mining and Refining Company Limited.

Following are tabulated the assay results of all drill holes completed to date:

DRILL HOLE ASSAY RESULTS

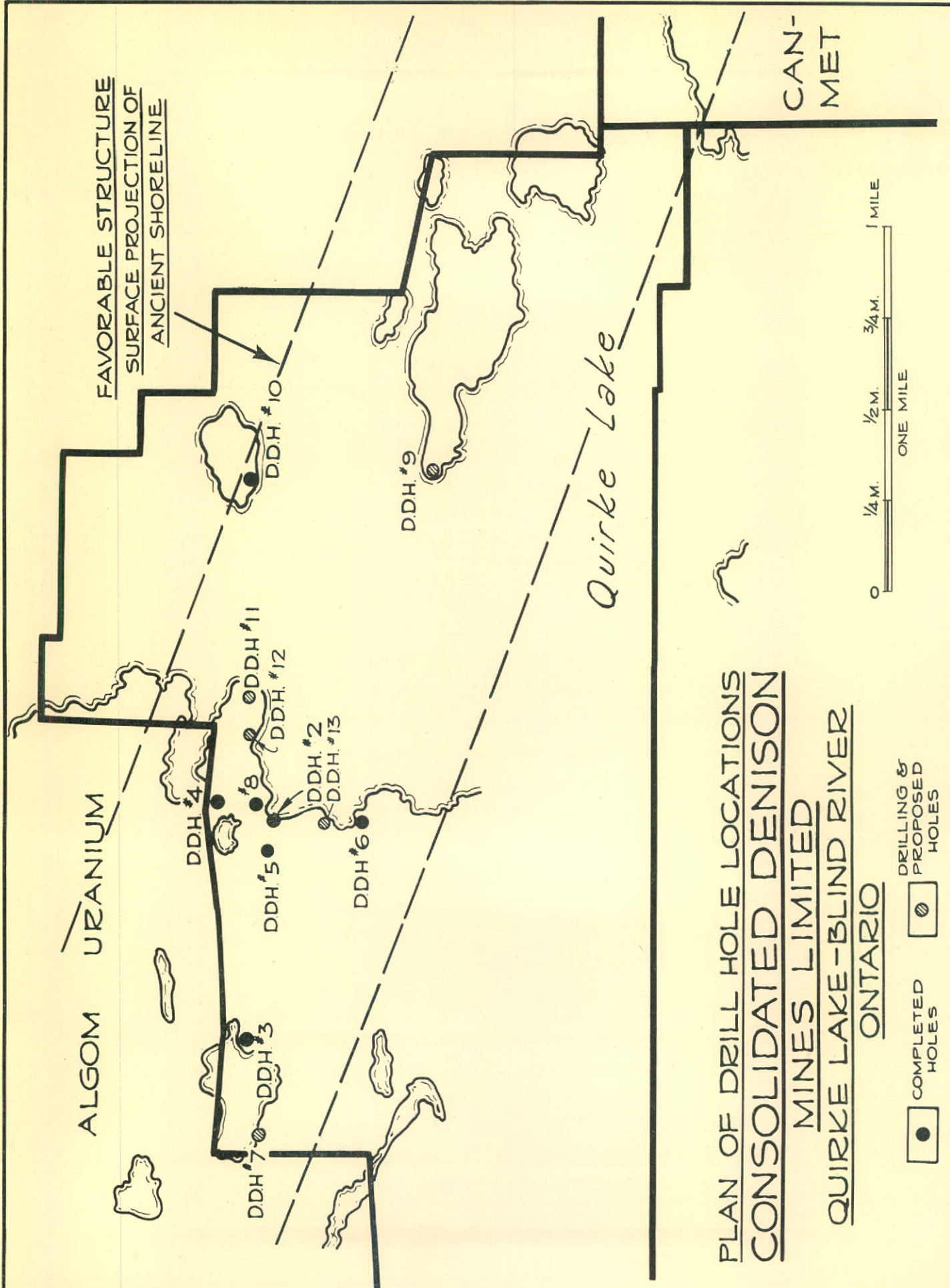
Hole No.	Footage	Width	% U ₃ O ₈ (Chemical)
1	2679.0 - 2690.0	11.0	0.025
	2693.5 - 2706.75	13.25	0.065
2	1685.0 - 1690.0	5.0	0.08
	1798.7 - 1810.0	11.3	0.14
3	2119.5 - 2127.0	7.5	0.065
	2140.0 - 2150.0	10.0	0.103
	2181.0 - 2196.0	15.0	0.065
	2365.0 - 2375.0	10.0	0.10
4	1373.5 - 1378.5	5.0	0.10
	1502.5 - 1515.0	12.5	0.13
	1862.5 - 1870.0	7.5	0.063
5	2024.5 - 2035.0	10.5	0.136
	2042.5 - 2046.7	4.2	0.14
	2204.6 - 2214.6	10.0	0.12
8	1451.0 - 1458.5	7.5	0.091
		9.0	0.068
10	1077.5 - 1100.0	22.5	0.21

Respectfully submitted,

RALPH I. BENNER, B.Sc., P. Eng.,

Consulting Geologist.

Toronto, Ont.,
March 21, 1955.



PLAN OF DRILL HOLE LOCATIONS
CONSOLIDATED DENISON
MINES LIMITED
QUIRKE LAKE-BLIND RIVER
ONTARIO

COMPLETED HOLES
 DRILLING & PROPOSED HOLES

Consolidated Denison Mines Limited

Other Holdings

Consolidated Denison Mines Limited holds in good standing five properties in other mining areas of Canada as follows:

YUKON TERRITORY

14 claims in the Mayo mining district in the Yukon Territory.

SASKATCHEWAN

9 claims in the Foster Lake area of the Rottenstone mining division of Northern Saskatchewan.

4 claims in the Beaverlodge area of Lake Athabaska mining district of Northern Saskatchewan.

ONTARIO

20 claims in the townships of Bannockburn and Argyle in the Temiskaming mining district of Northern Ontario.

QUEBEC

15 claims in Montauban and Chavigny Townships, Quebec.

