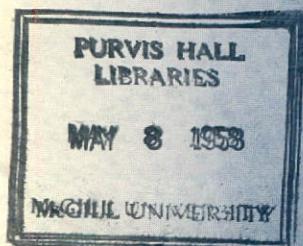




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1957

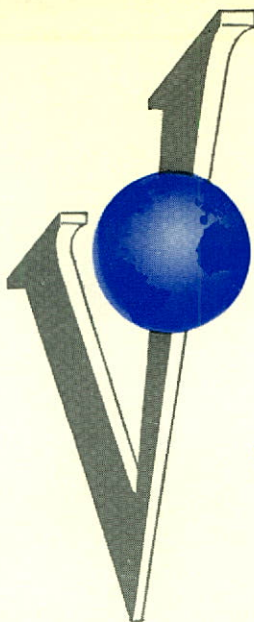
A N N U A L   R E P O R T







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VENTURES LIMITED

29TH ANNUAL REPORT

HEAD OFFICE • 25 KING STREET WEST • TORONTO • CANADA

#### OFFICERS

CHAIRMAN OF THE BOARD  
VICE-CHAIRMAN AND GENERAL COUNSEL  
PRESIDENT AND MANAGING DIRECTOR  
SECRETARY AND TREASURER  
ASSISTANT SECRETARY  
ASSISTANT TREASURER

\*F. V. C. HEWETT  
J. S. D. TORY  
J. D. BARRINGTON  
G. T. N. WOODROOFFE  
J. T. McWHIRTER  
S. F. TAIT

#### DIRECTORS

J. D. BARRINGTON  
H. J. CARMICHAEL  
A. E. GRAUER  
\*F. V. C. HEWETT  
E. E. LINCOLN  
T. LINDSLEY  
J. S. D. TORY  
G. F. TOWERS  
G. T. N. WOODROOFFE

#### TECHNICAL PERSONNEL

##### MINING ENGINEERS

A. J. ANDERSON  
J. D. BARRINGTON  
J. M. CUNNINGHAM-DUNLOP  
B. G. EDWARD  
W. H. WOODS  
H. J. FRASER  
H. C. HERZ  
H. S. MCGOWAN  
J. P. MILLENBACH

##### GEOLOGISTS

J. D. BATEMAN  
A. S. DADSON  
J. M. BIRKBECK  
D. H. BROWN  
G. H. R. BURRILL  
S. N. CHARTERIS  
A. G. DARLING  
J. B. GORDON  
W. H. GROSS  
W. G. ROBINSON  
ALEXANDER SMITH  
W. B. G. WALKER

##### GEOPHYSICIST

D. J. SALT

##### METALLURGISTS

W. G. HUBLER  
J. M. MACKAY  
L. J. LICHTY  
J. M. MORTIMER

##### CONSULTANTS

W. DUNN

\*DECEASED DECEMBER 27, 1957.





1957



VENTURES LIMITED

## REPORT OF THE DIRECTORS

To the Shareholders:

Your Directors take pleasure in submitting the 29th Annual Report of your Company for the year ended December 31, 1957 including audited financial statements of the Company and financial statements of some of the subsidiary and associated companies. You will note that the net profit for the year 1957 amounted to \$1,851,309 as compared with \$1,638,261 for the year 1956. This increase was due entirely to the interest received on short term investments purchased with the additional funds received from the sale of the Company's capital stock during the year.

Last summer, rights were given to the shareholders to purchase at \$30 per share one additional share for each nine shares then held. In accordance with the agreement approved by the shareholders at the last Annual and Special General Meeting, McIntyre Porcupine Mines Limited purchased 400,000 shares at \$35 per share and was granted options to purchase 250,000 additional shares at \$35 per share on or before July 11, 1959 and a further 250,000 shares at \$40 per share on or before July 11, 1960. The Company realized \$19,932,940 from the sale of the 400,000 shares to McIntyre Porcupine Mines Limited and the sale of shares under the rights offering to the shareholders. During the year, a portion of these funds has been used to assist in the financing of certain associated companies and the balance is available for taking advantage of promising opportunities that may arise from time to time.

Falconbridge Nickel Mines Limited earned \$2.65 per share in 1957 — the highest in its history. Records were also established in metal sales and other operating revenues at \$57,920,000 and in the production of the mines, treatment plant and refinery. It might be well to point out that the earnings of 1957 were favourably influenced by factors of limited duration, such as special contract prices for nickel, and the high earnings of the year cannot be considered as indicative of future earnings. Although 2,005,000 tons were mined during the year, ore reserves were increased by half a million tons to 45,776,000 tons averaging 1.44% nickel and 0.79% copper.

Opemiska Copper Mines (Quebec) Limited resumed operations in March, 1957 following the fire which occurred in October, 1956. Due to the continuing decline in copper prices the company suffered a net loss of

\$132,000 after all charges and write offs. Ore reserves at December 31, 1957 were estimated to be 4,743,000 tons averaging 3.21% copper, an increase of 45,520 tons over last year.

Frobisher Limited continued to consolidate its position in 1957. The income of Frobisher Limited during 1957, as in recent years, consisted chiefly of dividends from Falconbridge Nickel Mines Limited, Giant Yellowknife Gold Mines Limited and United Keno Hill Mines Limited, together with a small profit from the Connemara Gold mine in Rhodesia. Its working capital position improved by over \$500,000.

More detailed information regarding the subsidiary and associated companies is given on the following pages of this report.

Mr. R. B. Anderson did not stand for re-election as a Director at the last Annual Meeting in order that he might take up the post of Secretary of the Treasury of the United States of America. At that Meeting a By-law was approved increasing the Board from seven to nine Directors to allow for McIntyre Porcupine representatives. In September, Mr. J. D. Barrington was elected President and Managing Director of your Company.

Your Directors wish to record their deep sorrow at the passing last December of their Chairman, Mr. F. V. C. Hewett. Mr. Hewett was well known for his sound business judgment and broad knowledge of mining and metals, and his wise counsel and advice will be sadly missed. To fill the vacancy created by Mr. Hewett's death, Mr. J. S. D. Tory was elected Chairman of the Board in January and in March, Mr. H. J. Fraser was elected a Director.

Your Directors wish to express their most sincere thanks to the Officers, their staffs and all employees associated with the Company, its subsidiary and associated companies for their devoted service during the year.

On Behalf of the Board,

President and Managing Director.

Toronto, Ontario,  
April 23, 1958.



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### TRANSFER AGENTS AND REGISTRARS:

Crown Trust Company  
302 Bay Street, Toronto, Ontario  
393 St. James Street West, Montreal, Quebec

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

### AUDITORS:

Clarkson, Gordon & Co.  
Toronto, Ontario

### BANKERS:

The Canadian Bank of Commerce  
Toronto, Ontario

Chemical Corn Exchange Bank  
New York, N.Y.

### SOLICITORS:

Tilley, Carson, McCrimmon & Wedd  
Toronto, Ontario

Herridge, Tolmie, Gray, Coyne & Blair  
Ottawa, Ontario

Wickes, Riddell, Bloomer, Jacobi & McGuire  
New York 4, N.Y.

### ANNUAL MEETING OF SHAREHOLDERS

Library, Royal York Hotel, Toronto, Thursday, June 5, 1958, 10:30 a.m. (Toronto Time)



## HOLDING AND EXPLORATION COMPANIES

Hoyle Mining Company Limited  
Latin American Mines Limited

Frobisher Limited

The Nipissing Mines Company Limited  
The Tonopah Mining Company of Nevada

## OPERATING AND DEVELOPMENT COMPANIES

### HYDRO PROJECTS

Survey and engineering studies.....Northwest Power Industries Limited

### BASE METALS

Nickel, Copper .....	Producing .....	Falconbridge Nickel Mines Limited
Zinc, Lead, Silver .....	Producing .....	New Calumet Mines Limited
Silver, Lead, Zinc .....	Producing .....	United Keno Hill Mines Limited
Copper, Zinc, Gold .....	Exploration and producing (through Amulet-Dufault) .....	Lake Dufault Mines Limited
Copper, Gold .....	Producing .....	Opemiska Copper Mines (Quebec) Limited
Copper, Lead, Zinc .....	Prepared for production .....	Consolidated Sudbury Basin Mines Limited
Copper, Gold .....	Underground development .....	Joliet-Quebec Mines Limited
Copper .....	Producing .....	Kilembe Mines Limited, Uganda
Copper .....	Producing .....	Rainville Mines Limited
Copper .....	Being prepared for production .....	Rosita Mines Limited, Nicaragua
Copper .....	Producing .....	Ore Knob, North Carolina (Appalachian Sulphides Inc.)
Lead, Zinc, Copper, Silver ..	Underground development .....	Chavin Mines Corporation, Peru
Lead, Zinc, Silver, Gold ....	Exploration and development .....	Eureka Corporation Limited, Nevada
Lead, Zinc .....	Producing .....	Northern Mining Company, Greenland
Tin .....	Producing .....	Associated Tin Mines (South West Africa) Limited

### OIL AND GAS

Exploration .....	Seaoil Limited, Peru
Exploration.....	Lake St. Clair Gasfields Limited
Producing.....	Trans-Border Oils Ltd., Alberta
Exploration and producing .....	Geoil Limited

### IRON PROPERTIES

Partly developed properties .....	Canada Iron Mining Limited
Proven ore .....	Michipicoten Iron Mines Limited

### RARE MINERALS

Columbium, Phosphate.....	Developed ore .....	Sukulu Mines Limited
Lithium .....	Exploration .....	LaCorne Mines 1957 Limited

### INDUSTRIAL MINERALS

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

### PRECIOUS METALS

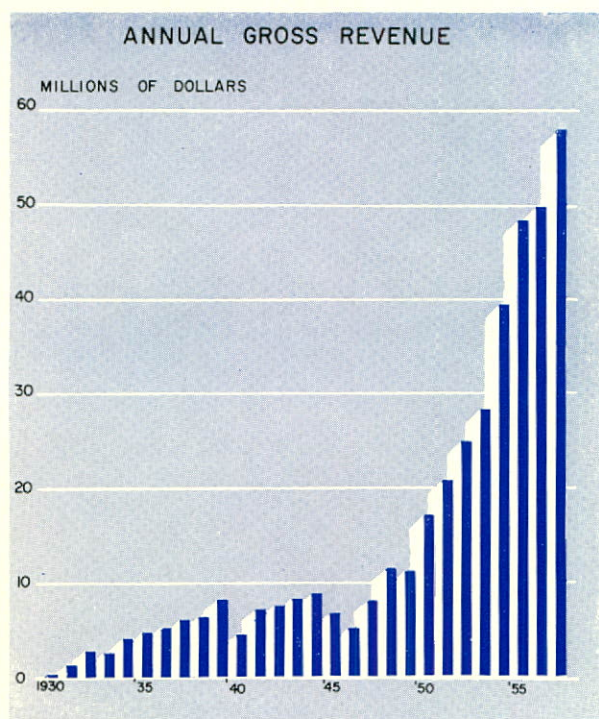
Gold .....	Producing .....	Giant Yellowknife Gold Mines Limited
Gold .....	Producing .....	Coniaurum Mines Limited
Gold .....	Producing .....	Canadian Malartic Gold Mines Limited
Gold .....	Producing .....	La Luz Mines Limited, Nicaragua
Gold .....	Producing .....	Connemara Mine, (Frobisher Limited)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

### RESEARCH AND METALLURGICAL PRODUCTS

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

## FALCONBRIDGE NICKEL MINES LIMITED

<b>CAPITALIZATION</b>	Common Shares .....	<i>Outstanding</i> 3,756,272	<i>Ventures</i> 1,923,151 51.19%	<i>Frobisher</i> 150,000 3.99%
<b>LONG TERM DEBT</b>	5¼% First Mortgage and Collateral Trust Sinking Fund Bonds	\$30,000,000		
	3% Mortgage on refinery, lands and plant .....	\$125,277		
<b>LOCATION</b>	Mines, mills and smelter in Sudbury District, Ontario. Refinery at Kristiansand S., Norway.			
<b>FINISHED PRODUCTS</b>	Electrolytic nickel, copper and cobalt, nickel sulphate, refined platinum, palladium, iridium, rhodium, ruthenium, silver and gold, liquid sulphur dioxide.			
<b>PRODUCTION</b>	Total to December 31, 1956 .....	<i>Tons Treated</i> 19,802,759	<i>Gross metal sales and other operating revenues</i> \$351,179,659	
	Year ended December 31, 1957 .....	2,018,809	57,920,755	
	Total Production .....	21,821,568	409,100,414	

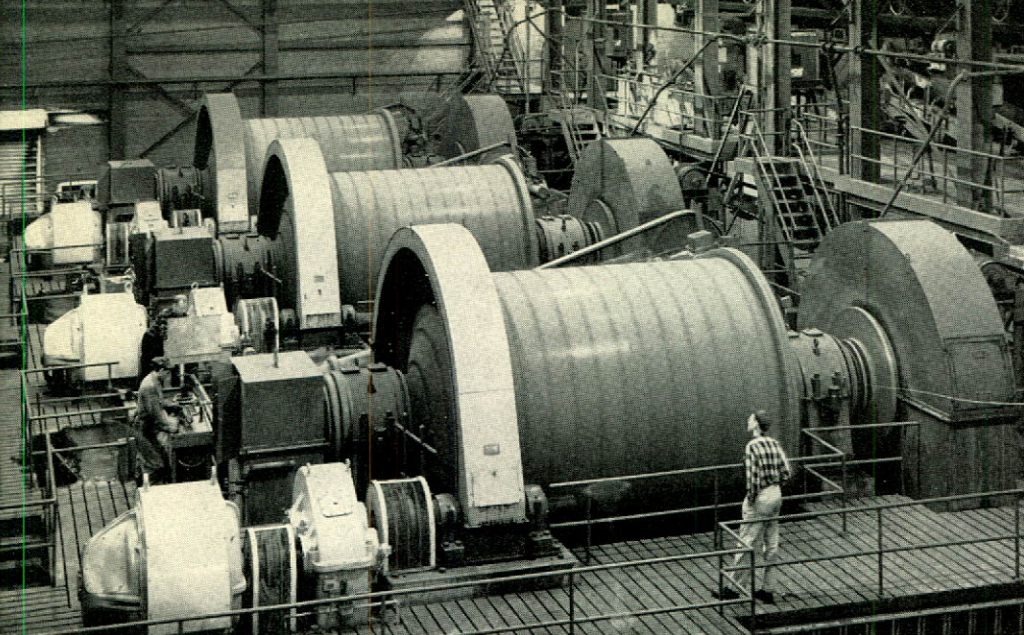


### CURRENT DEVELOPMENTS

Expansion of operations continued throughout 1957, and new high records of production, metal sales, earnings, and ore reserves were established. However, as the year progressed, there was a decrease in the demand for metals, as well as a decline in prices for most of the Company's products other than nickel. With the general weakening of business activity continuing into 1958, it is not anticipated that the 1957 rate of earnings will be maintained.

Net earnings after a special write-off of preproduction expenditures, for the year 1957 amounted to \$9,953,479, or \$2.65 per share as compared with \$7,163,855, or \$1.91 per share for 1956. Net working capital at the year end increased by \$1,493,661 after providing \$3,000,000 for a sinking fund payment due in 1958.





*Grinding units in Fecunis Mill.*



Metal sales and other revenues were \$58,517,000, or \$8,218,000 greater than in 1956. Deliveries of nickel and cobalt during 1957 attained new records of 46,880,000 pounds and 777,000 pounds respectively; whereas platinum group deliveries were somewhat less, and copper deliveries were lower at 25,228,000 pounds.

Dividends paid were maintained at a rate of \$1.20 per share. Two dividend payments during the year amounted to \$4,507,526, bringing total distribution to shareholders to date to \$34,886,000.

Capital expenditures on mines and plants, together with preproduction expenditures, were somewhat lower at \$12,140,446 as compared with \$14,227,883 during 1956. Major capital expenditures included construction of the new smelter at Falconbridge, completion of the Fecunis mill, and improvements to the pyrrhotite plant, and to the refinery in Norway.

Ore treated amounted to 2,019,000 tons, an increase of 6% over the previous year. Mines in the Onaping area (Hardy, Fecunis Lake, Longvack) supplied 43% of this tonnage as compared with 31% in 1956. Underground development at the Boundary, Onaping,

and Fecunis mines was continued and, as production develops from the latter mine, the relative importance of mill feed from the Onaping area will continue to increase. On the south side of Sudbury Basin deep level developments were extended in the Falconbridge, East, and McKim mines. Mining at Mount Nickel was concluded during the year.

Ore reserves (developed and indicated) were increased by 500,000 tons to a total of 45,775,900 tons after treating more than 2,000,000 tons during the year. The grade of reserves is estimated at 1.44% nickel and 0.79% copper.

Routine exploration work was conducted in Sudbury district, Ungava, Western Ontario, and in southeastern and northern Manitoba. Exploration was continued through a subsidiary company on the lateritic nickel deposits within a 300 square mile concession in the Dominican Republic. Work was suspended on the Kenbridge Nickel Mines property in Kenora district as the underground results and economic prospects did not warrant further development at this time.

PRESIDENT - - - - - H. J. Fraser

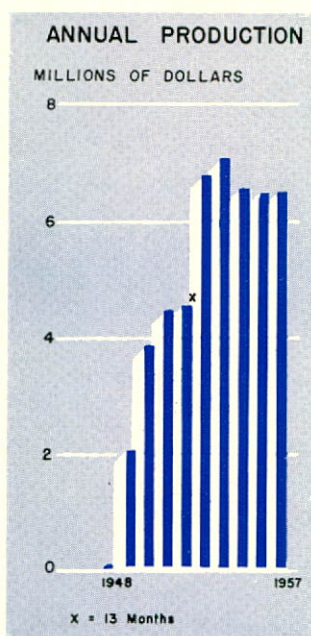




*Tugger hoist scraping ore to a drawpoint.*

## GIANT YELLOWKNIFE GOLD MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Frobisher	
		4,000,000	403,583	10.09%	784,977	19.62%
LOCATION	Mine at Yellowknife, N.W.T.					
PRODUCTION		Tons Milled	Gold Ounces	Silver Ounces	Net value metals recovered (including E.G.M.A.)	
	Total to June 30, 1956 .....	1,634,628	1,062,976	256,888	\$41,344,691	
	Year ended June 30, 1957 ..	309,673	190,418	36,582	6,501,699	
	Total Production .....	<u>1,944,301</u>	<u>1,253,394</u>	<u>293,470</u>	<u>\$47,846,390</u>	



### CURRENT DEVELOPMENTS

A total of 309,673 tons having an average grade of 0.795 ounces per ton was milled during the year ended June 30, 1957. The net value of this production including E.G.M.A. was \$6,501,699 compared with \$6,355,926 for the year ended June 30, 1956. Operating profit was \$2,267,182 compared with \$2,071,541 and net profit was \$1,011,072 compared with \$837,562.

Most of the development work during the year was in areas in which ore reserves had been previously calculated. Ore reserves are 3,140,000 tons with an average grade of 0.79 ounces of gold per ton.

Pilot plant tests of a method whereby calcined residues are retreated have been encouraging and indicate that a substantial amount of the gold now being lost in the residues can be recovered. A plant designed for this process was installed and tune-up operations began in December, 1957 and some improvement has been indicated. Metallurgical research to further improve the recoveries of the refractory ores will continue.

PRESIDENT - - - - - A. J. Anderson  
GENERAL MANAGER - - - - - M. K. Pickard



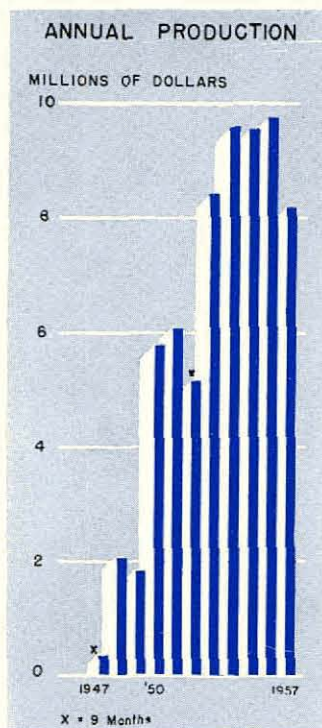


Loading concentrates at the Elsa Mine



## UNITED KENO HILL MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Frobisher		Q.M.I.	
		2,470,000	729,276	29.52%	67,046	2.72%
LOCATION	Mines in Mayo district, Yukon Territory.					
PRODUCTION		Tons Milled	Silver Ounces	Lead Pounds	Zinc Pounds	Cadmium Pounds
	Total to Sept. 30, 1956 .....	1,010,669	37,983,799	163,376,798	122,291,907	1,557,176
	Year ended Sept. 30, 1957 ..	159,885	5,694,850	22,569,908	18,119,454	236,271
	Total Production .....	1,170,554	43,678,649	185,946,706	140,411,361	1,793,447



### CURRENT DEVELOPMENTS

During the year, 159,885 tons of ore were milled of which 78,774 tons came from the Hector Mine, 70,604 tons from the Calumet Mine, 464 tons from the Jock Mine, and 10,043 tons from the exploration and development work at the Elsa Mine. The value of this development ore exceeded the operating costs at the Elsa and Jock Mines. Ore reserves were maintained, and amount to 601,165 tons with an average metal content of 36.8 ounces of silver per ton, 7.3% lead and 6.0% zinc. Exploration and development work at the Hector, Calumet and Elsa mines at Galena Hill and the active exploration program at Keno Hill will continue during the year. The new 3,000 H.P. generating unit at the Mayo power site will help to reduce coal requirements in the coming years.

The lower metal prices received for most of the year's production substantially reduced profits for the year. The working capital at September 30, 1957, was \$3,532,051 and the net profit after write offs and depreciation was \$1,001,748.

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

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

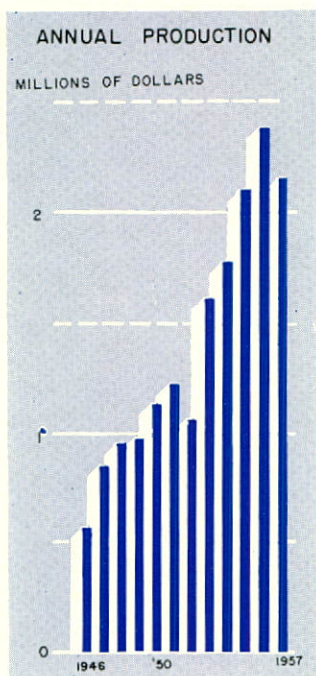




Mining "Lakefield" Nepheline Syenite at Nephton, Ontario.

## AMERICAN NEPHELINE LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures	
		4,100,000	2,055,413	50.13%
LONG TERM DEBT	6% secured loan — Industrial Development Bank .. \$1,144,300			
LOCATION	Nephton, near Lakefield, Ontario.			
PRODUCTION	Total from 1946 to Dec. 31, 1956 .....	Production	Value (Sales)	
	Year ended December 31, 1957 .....	1,056,369 tons	\$14,612,679	
	Total Production .....	156,018 tons	2,155,713	
		1,212,387 tons	\$16,768,392	



### CURRENT DEVELOPMENTS

A decrease in revenues received by the Company during the last half of 1957 reflects the business decline being experienced by most industries. In addition, one of the Company's products is encountering increased price and sales competition. Net profit after write offs, depreciation, and taxes was \$154,678. The processing plant produced 156,018 tons of nepheline products, a small reduction from 1956.

Production costs were lowered and quality control improved by the efficiency of the new processing plant. A reduction in operating costs was made possible by a capital expenditure of \$134,151 on new equipment.

Ore shipped from the Cabin Ridge area to the processing plant totalled 200,552 tons. Reserves are now estimated at 6.3 million tons. An extensive geological mapping and sampling program of the Company's property was undertaken during the year, and nepheline syenite deposits elsewhere were examined.

Research into additional uses for the Company's products is continuing at Ohio State University and the Nephton Laboratories.

VICE-PRESIDENT & GENERAL MANAGER - - - E. Craig

VICE-PRESIDENT & SALES MANAGER - - - H. R. Deeth



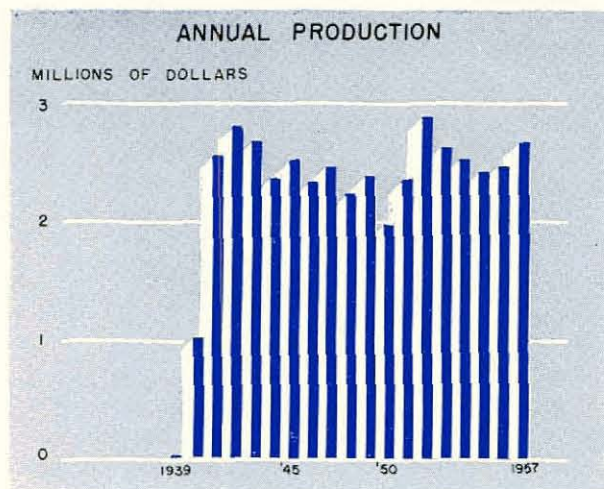


Night view of La Luz Mine and Plant.



## LA LUZ MINES LIMITED

CAPITALIZATION	Common Shares	Outstanding	Ventures	
		1,509,662	1,051,089	69.62%
LOCATION	Mine at Siuna, Nicaragua, C.A.			
PRODUCTION	Total to Sept. 30, 1956	Tons Milled	Ounces Gold	
		8,920,951	1,096,133	
	Year ended Sept. 30, 1957	701,877	75,676	
	Total Production	9,622,828	1,171,809	



### CURRENT DEVELOPMENTS

Net profit for the year was \$46,375 compared with \$477,775 for 1956. However the 1956 profit included

income of a non-recurring nature amounting to \$527,198.

Operating profit for the year amounted to \$792,210, an increase of \$126,980 over the previous year. This improvement was principally the result of a higher grade of ore milled, being 0.1187 ozs. per ton having a value of \$3.75 per ton. An operating profit of \$1.13 per ton won on such low-grade ore is an unusual achievement in the gold mining industry today. Capital expenditures, principally for roads and power, are now completed, and no immediate additional expenditures are contemplated. Ore reserves as of September 30, 1957, were estimated at 5,311,000 tons averaging 0.117 ozs. gold per ton.

At the Rosita copper property, wholly owned by the Company, construction was continued and, at the present rate, the property will be ready for production in the autumn of 1958. Financing to the amount of \$1,500,000 required for Rosita has been arranged on satisfactory terms.

PRESIDENT - - - - - H. S. McGowan  
 GENERAL MANAGER, LA LUZ - - - T. N. Slaughter  
 MANAGER, Rosita - - - - - G. W. Mitchell





*Aerial view of rig at Edith Lake 4-20.*

## GEOIL LIMITED

CAPITALIZATION	Common Shares	Outstanding	Ventures		Frobisher	
		3,024,407	1,363,704	45.09%	1,575,685	52.10%
PRODUCTION	(exclusive of Trans-Border Oils Limited).					
	Year ended December 31, 1956					Barrels 91,976
	Year ended December 31, 1957					129,515
	Total production					<u>221,491</u>

### CURRENT DEVELOPMENTS

The highlight of Geoil's activities during the year centered on participation with the Home Oil group in three exploratory discovery wells drilled in the Virginia Hills-Swan Hills area of north-central Alberta. These wells represent the first Middle Devonian light gravity crude discoveries in Western Canada, and are considered Alberta's most important exploratory results during 1957. Development drilling by the Home Oil group and others in this area is now in progress.

During the year seven development wells were completed by associates in the Harmattan-Elkton field and eight at Westward Ho, bringing 1957 completions to a total of 18. At the end of the year Geoil held interests in 116 oil wells and three gas wells capable of production. A total of 28 development wells is planned by Geoil and associates for 1958, of which 18 are assigned to the Swan Hills-Virginia Hills area. Owing to autumn rains and a late freeze-up, as well as an unsuccessful development well at Virginia Hills, it is not likely that all the projected wells will be drilled during the year. In addition the exploratory programme in Alberta for 1958 includes at least 16 wells extending from the southeast part of the Province to the Red Earth area in the north.

At Pembina secondary recovery practice was commenced with water injection in a number of wells in

which Geoil has interests. At East Harmattan a half section was purchased adjacent to a Shell Mississippian discovery, and the first of four locations was drilling at the year end.

At December 31, 1957, crude oil reserves, after royalty, amounted to 4,590,849 barrels, natural gas liquid reserves were estimated at 518,950 barrels, and natural gas reserves stood at 9.6 billion cu. ft. These figures include Geoil's share of Trans-Border reserves.

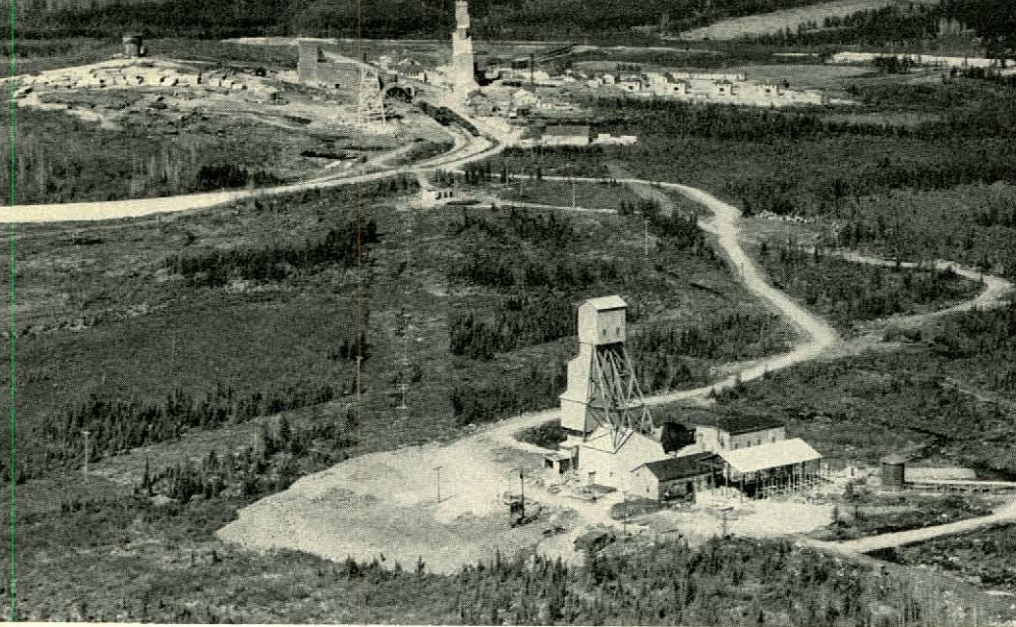
Lake St. Clair Gasfields, in which Geoil holds 20.79%, completed one off-shore well in Lake Erie during the year. This is capped pending the drilling of additional wells in order to justify the cost of connections to shore. The Company has suspended field operations pending negotiations to farm out the off-shore acreage.

Seaoil Limited, holding a 40% interest in Sacramento 1-3 concessions in the Oriente of Peru, participated with several companies in a seismic survey along the Pucallpa road. It is planned to farm out the concessions for a drilling commitment.

Returns of capital from Trans-Border Oils Limited during the year totaled \$566,712, most of which was derived from the sale of Williston Oil and Gas Company.

PRESIDENT - - - - - J. D. Barrington  
VICE-PRESIDENT - - - - - J. D. Bateman





Opemiska property with Perry shaft in foreground.



## OPEMISKA COPPER MINES (QUEBEC) LIMITED

CAPITALIZATION LOCATION	Common Shares .....	Outstanding 5,515,000	Ventures 360,696 6.54%	Hoyle 1,966,913 35.66%		
	Mine in Chibougamau District, Quebec.					
PRODUCTION		Tons Milled	Copper Pounds	Gold Ounces	Silver Ounces	Gross Value Metals
	Total to Dec. 31, 1956 .....	533,369	47,896,144	20,471	271,175	\$18,707,031
	Year ended Dec. 31, 1957 .....	240,422	17,110,530	7,684	98,570	4,336,868
	Total Production .....	773,791	65,006,674	28,155	369,745	\$23,043,899

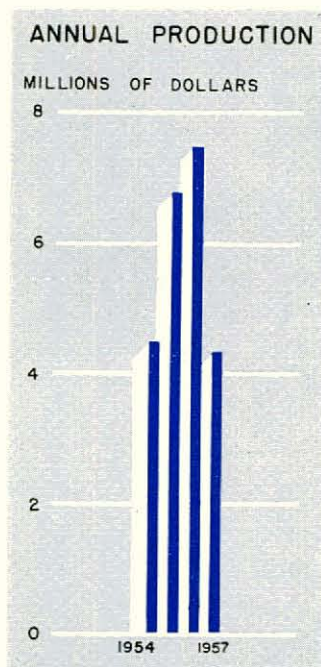
### CURRENT DEVELOPMENTS

Following the fire late in October of 1956 operations were resumed March 1, 1957 and during the remaining ten months of the year, production averaged 786 tons per day. Grade of ore milled averaged 3.90% copper as compared with 4.34% the previous year.

The operating profit for the year was \$909,103. After providing for depreciation and write-offs less the net proceeds from a Use and Occupancy insurance claim the company had a net loss of \$132,149.

Total drifting in ore during the year amounted to 5,045 feet averaging 3.40% copper over a sampled width of 7.7 feet. The Springer No. 1 shaft was deepened 1,063 feet and six new levels were started down to the 2,150-foot horizon. The Springer No. 2 shaft was commenced and, at the year end, had reached a depth of 959 feet, the ultimate objective being the 2,350 level. The Perry shaft was within 100 feet of the immediate objective of 2,000 feet. Several mineralized lenses were intersected in the shaft.

Ore reserves at December 31, 1957, were estimated at 4,743,000 tons having an average grade of 3.21% copper. This is a slight increase in tonnage and decrease in grade as compared with the previous year.





Exploration of the No. 7 or "Gold-Cobalt" vein by seven diamond drill holes between the 525 and 975 foot levels indicate that the vein has a maximum possible length of 1,300 feet and that the metal content is extremely variable. The average of the drill hole intersections was 2.76% copper and 0.63 ounces gold per ton over 3.5 feet. No estimate of ore content can be made due to the lack of data on the continuity of the ore, but the results are encouraging and worthy of investigation by drifting. A new vein, No. 41, has been disclosed by drilling from the 975-foot level. Four drill holes over a length of 370 feet indicate an

average grade of 5.65% copper over a width of 5.1 feet.

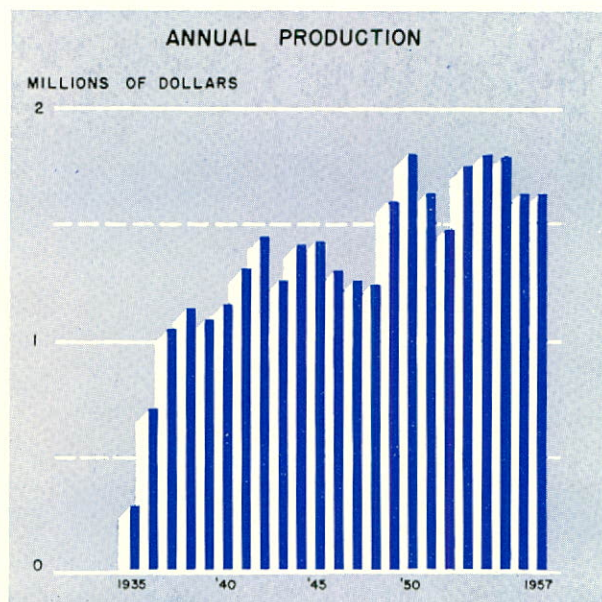
Capital expenditure on plant and equipment during the year amounted to more than \$3,000,000. Most of this expenditure is directed towards an increase in mill capacity to 1,600 tons per day in the second quarter of 1958. A further increase to 2,400 tons per day is planned for late 1959.

PRESIDENT - - - - - J. P. Millenbach

MANAGER - - - - - F. G. Cooke

## CANADIAN MALARTIC GOLD MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding		Ventures	
		3,651,355	1,388,685	38.03%	
LOCATION	Mine at Malartic, Quebec.				
PRODUCTION		Tons Milled	Gold Ounces	Silver Ounces	Net Value Metals Recovered (including E.G.M.A.)
	Total to Dec. 31, 1956 .....	7,534,049	765,858	482,248	\$29,211,811
	Year ended Dec. 31, 1957 .....	462,821	48,155	17,936	1,759,029
	Total Production .....	7,996,870	814,013	500,184	\$30,970,840



### CURRENT DEVELOPMENTS

Net profit for 1957 amounted to \$212,724 after depreciation of \$53,744, an increase over the previous year. Ore reserves were somewhat lower at 1,378,000 tons averaging 0.114 ounce gold per ton. There were no significant ore developments from underground exploration during the year.

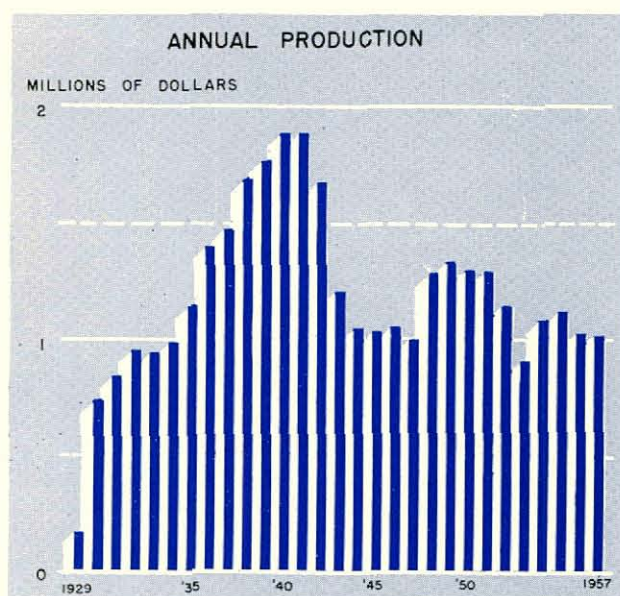
MANAGER - - - - - H. C. Herz



**CONIAURUM MINES LIMITED**

<b>CAPITALIZATION</b>	Common Shares .....	Outstanding 2,766,743	Ventures 1,430,800	51.71%
<b>LOCATION</b>	Mine at Schumacher, Ontario.			

<b>PRODUCTION</b>	By present Company	Tons Milled	Gold Ounces	Net Value Metals Recovered (including E.G.M.A.)
	1929 to Dec. 31, 1956 .....	3,842,692	943,503	\$33,425,417
	Year ended Dec. 31, 1957 .....	118,005	26,013	1,011,833
	Total Production .....	<u>3,960,697</u>	<u>969,516</u>	<u>\$34,437,250</u>

**CURRENT DEVELOPMENTS**

An operating loss of \$23,929 after depreciation was sustained in 1957; but after other income of \$40,684, net profit for the year amounted to \$16,755.

A systematic withdrawal of mining operations is being carried out on the lower levels in favour of increased stoping and development on the levels above the 3,000-foot horizon.

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

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

**DOMINION MAGNESIUM LIMITED**

<b>CAPITALIZATION</b>	Common Shares .....	Outstanding 476,270	Ventures 113,577	23.85%
<b>LOCATION</b>	Dolomite deposit and plant at Haley, Ontario.			

**CURRENT DEVELOPMENTS**

The consolidated net income of this company and its wholly owned subsidiaries amounted to \$350,363 compared with \$617,960 for 1956.

Production of magnesium crowns in 1957 reached an all time high. An addition was made to the melt plant to house a semi-continuous billet casting machine and reverberatory furnace. These will effect an increase in the production and standard of billets for the extrusion plant.

An auxiliary metals building was erected during the year to handle the expanded production of zirconium and thorium. Further research was carried out in the

production of lithium metal, titanium alloy powders, and ductile titanium metal. Demand for calcium metal remained at a low level.

The sales and production from Electro-Reagents (Quebec) Limited were approximately the same as 1956. Light Alloys Limited continued its one shift per day operation. Aerometal Products and Design Limited moved into a new plant which will accommodate its recent expansion.

Financing arrangements for the Alabama Metallurgical Corporation plant at Selma, Alabama have not yet been completed.

GENERAL MANAGER - - - - - John Thomson



### LAKE DUFALT MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Ventures		Frobisher	
		4,134,750	1,591,771	38.50%	224,962	5.44%
LOCATION	Dufresnoy, Duprat, Rouyn, and Beauchastel Townships, Quebec.					

#### CURRENT DEVELOPMENTS

During 1957 further holes were drilled in the Dufresnoy section of the property. Considerable amounts of copper and zinc mineralization were found at approximately the same depth as the small ore body previously indicated, but no ore grade intersections were obtained. The program was suspended in mid-year pending geological studies.

In the Amulet-Dufault area underground drilling from the 1,650-foot level outlined an extensive area

of heavy sulphide mineralization, chiefly pyrite with minor pyrrhotite, at the top of the main rhyolite. However, only a few scattered specks of chalcopryite and pyrrhotite were noted.

It is planned to resume exploratory drilling on the property, in selected areas, during 1958.

PRESIDENT - - - - - J. P. Millenbach

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

### RAINVILLE MINES LIMITED

CAPITALIZATION	Common Shares .....	Outstanding	Frobisher		Canadian Malartic	
		2,807,562	612,143	21.80%	1,150,646	40.98%
LOCATION	Mine at Bourlamaque, Quebec.					
PRODUCTION			Copper Pounds	Silver Ounces	Gold Ounces	Gross Value of Production
		May 1, to Dec. 31, 1956 .....	2,547,920	8,851	529	\$ 899,969
		Year ended Dec. 31, 1957 .....	4,468,283	16,000	785	1,139,163
		Total Production .....	7,016,203	24,851	1,314	\$2,039,132

#### CURRENT DEVELOPMENTS

The mill attained its rated capacity of 500 tons per day during the first 6 months of 1957 reaching a maximum of 505 tons per day in June. A total of 161,572 tons of ore were treated from which 94.5% of the copper was recovered in a concentrate that averaged 28.7% copper.

Mine development was curtailed in September in the face of declining copper prices. Stope development in progress at the time was completed. By the end of March, 1958 the broken ore will have been drawn from the stopes and operations will terminate when this ore has been milled. The mine and mill will

be placed on a care and maintenance basis until the metal market improves. The production and performance records indicate that the present operation is successful at a net price of 32 cents per pound of recovered copper.

Ore reserves available above the 550 level in the No. 4 and No. 2 zones are estimated at 368,000 tons grading 1.3% copper.

Operating profit for the year was \$100,760, but a net loss of \$225,615 was incurred after depreciation and write offs.

PRESIDENT - - - - - J. P. Millenbach

MANAGER - - - - - W. Hubacheck





## NEW CALUMET MINES LIMITED

		Outstanding	Ventures		Frobisher	
CAPITALIZATION	Common Shares .....	4,623,656	112,951	2.4%	1,282,639	27.7%
LOCATION	Mine at Calumet Island, Pontiac County, Quebec.					
		Tons Milled	Zinc Pounds	Lead Pounds	Silver Ounces	Gold Ounces
PRODUCTION	Total to Sept. 30, 1956 .....	2,534,110	281,838,483	80,206,584	6,482,656	38,815
	Year ended Sept. 30, 1957 ....	142,324	14,915,587	3,857,913	341,746	2,772
	Total Production .....	<u>2,676,434</u>	<u>296,754,070</u>	<u>84,064,497</u>	<u>6,824,402</u>	<u>41,587</u>

## CURRENT DEVELOPMENTS

The operation was confronted with a serious decrease in revenue due to the decline in prices of lead and zinc, increases in smelter treatment charges and freight rates, and losses through the discount on United States funds received in payment for the Company's products. In order to counteract this decline, the tonnage milled was decreased, the grade of ore hoisted increased, and the working force reduced.

Operating profit for the year was \$34,049, but a net loss of \$52,584 was sustained after depreciation and write offs. Working capital including supplies and prepaid expenses at September 30, 1957, amounted to \$1,500,172.

MANAGING DIRECTOR - - J. M. Cunningham-Dunlop  
GENERAL SUPERINTENDENT - - - - A. E. Cave

## METAL HYDRIDES INCORPORATED

		Outstanding	Ventures		Hoyle		Falconbridge	
CAPITALIZATION	Common Shares .....	341,062	131,540	38.57%	27,554	8.08%	3,444	1.01%
LOCATION	Plants at Beverly and Danvers, Massachusetts, U.S.A.							

## CURRENT DEVELOPMENTS

The new plant at Danvers, Mass., for the production of tonnage quantities of sodium borohydride, a high-energy chemical fuel, was finished in December, 1957, and the first shipment to a United States Government prime contractor was made January 31, 1958. Sales from this plant during 1958 are expected to be in excess of \$3,800,000, the exact amount depending on the date when full production can be attained.

The research and development laboratories are devoting the largest portion of their time to investigating large-scale commercial application of the Company's products. In 1957, four new products were

released; crystal bar thorium for use in research and nuclear application, magnesium hydride, sodium borohydride stabilized water solution, and high purity reactor grade zirconium hydride, as well as a number of other hydrides and their derivatives.

Sales totalled \$1,250,000 in 1957. Due principally to a drop in sales to the United States government and the necessity to maintain a basic research organization until government research spending is resumed, a \$329,584 loss was incurred.

PRESIDENT - - - - - L. W. Davis  
GENERAL MANAGER - - - - - S. K. Derderian



### KILEMBE COPPER COBALT LTD.

		Outstanding	Frobisher
<b>CAPITALIZATION</b>	Common Shares .....	2,504,810	1,928,823 77.00%
<b>LONG TERM DEBT</b>	6% Collateral Trust Debentures .....	\$4,389,000	
	Promissory Notes .....	\$1,584,638	\$1,584,638
<b>INTEREST</b>	This company was incorporated in 1952 under the laws of Canada. The principal asset is 3,990,000 shares of Kilembe Mines Limited, its subsidiary.		

### KILEMBE MINES LIMITED

		Outstanding	Kilembe Copper Cobalt
<b>CAPITALIZATION</b>	Common Shares .....	5,700,000	3,990,000 70.00%
<b>LONG TERM DEBT</b>	6% First Mortgage Debenture Stock .....	£1,500,000	£ 500,000
	6% Unsecured Loan Stock .....	£ 600,000	£ 200,000

**LOCATION** Mine and smelter in Uganda, British East Africa.

#### CURRENT DEVELOPMENTS

The consolidated net loss for 1957 amounted to \$987,733. Kilembe Mines Limited had an operating profit of \$639,301 and after provision for depreciation write-offs and interest on long term debt a net loss of \$656,515 was sustained.

Completion of the first full year of production saw improvement in operations. Daily tonnage milled increased to 1,550 from the rated capacity of 1,335; metal recoveries materially improved, and blister copper production increased well beyond the original target of 750 long tons per month. During the year the mill treated 479,314 short tons, grading 2.23% copper and 0.17% cobalt. Blister copper shipments in 1957 totalled 7,467 long tons, valued at \$4,100,000. In addition, inventories on hand at year end totalled 10,933 short tons of copper concentrates, grading

23.30% copper, and 48,113 short tons of cobalt concentrates, grading 1.36% cobalt. No value is being placed on the inventory of cobalt concentrates since the present low price for cobalt makes it uneconomical to treat them.

A recalculation of ore reserves, taking into account the decline in copper prices, recorded a total of 17,041,000 tons, grading 2.02% copper and 0.17% cobalt. Included in this total are 9,129,000 tons of proven and probable ore, grading 2.24% copper and 0.18% cobalt.

Installation of a 500-ton per day concentrator to treat known reserves of higher grade and readily accessible oxide ore has been authorized, and these additional facilities will be in service early in 1959.

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

### QUEBEC METALLURGICAL INDUSTRIES LTD.

		Outstanding	Ventures	Frobisher
<b>CAPITALIZATION</b>	Common Shares .....	5,060,100	851,854 16.83%	1,146,249 22.65%
<b>LOCATION</b>	Metallurgical Laboratories, Ottawa; Refinery, Cobalt, Ontario.			

#### CURRENT DEVELOPMENTS

The past year was one of concentration on specific projects and consolidation of Company assets. All outstanding liabilities, other than current expenses, were liquidated by the year end.

Active development of the Klukwan placer magnetite deposits in Alaska was continued by the optionee, Columbia Iron Mining Company. A lease agreement was concluded covering the property owned

by the native community of the Klukwan area, which will add materially to the ore reserves of the deposit.

A sales research program for columbium sponge and various columbium alloys and products was carried out, but the columbium market is still in an early stage of development.

Further research work was carried out on lateritic nickel and cobalt ores and on the refining of nickel and cobalt.

PRESIDENT - - - - - N. B. Davis



## THE NIPISSING MINES COMPANY LIMITED

	Outstanding	Ventures
CAPITALIZATION Common Shares .....	2,473,600	342,840 13.86%

## CURRENT DEVELOPMENTS

Consolidated net income for the year amounted to \$474,615 which included \$314,114 profit on sale of securities. The comparative figures for 1956 were \$594,418 and \$310,896 respectively.

Production at the Elizabeth Mine in Vermont ceased during February, 1958, owing to exhaustion of the ore reserves. This has been a very successful and profitable operation.

Production at the Ore Knob Mine in North Carolina commenced March, 1957 at the rate of 375 tons per day. The mill capacity was increased to 750 tons per day by the addition of a second unit, but the additional mill capacity is being held in reserve until copper prices rise to a more profitable level. Owing to the necessity of preparing the mine for enlarged production no effort was made to increase ore reserves.

Diamond drilling at Portage Island (Chibougamau) Mines Limited outlined some ore in the Hematite Bay

area, but the rest of the drilling results were inconclusive and work was suspended. In March, 1958, drilling was resumed in the water claims near Copper Point to explore the extension of the ore structure located on the ground of Campbell Chibougamau Mines Limited. At December 31, 1957, 866,500 shares were held.

Production of gas from the Piceance Creek field in Colorado averaged 15.9 MMCF per day during 1957. Nipissing has a 14.38405% interest in this production.

At the year end a small interest was held in one hundred and seven producing oil wells and six capped gas wells in Alberta. Nipissing's share of oil reserves is as follows:

Oil Reserves Proven—Developed	345,089 barrels
Probable	149,052 barrels

PRESIDENT - - - - - J. M. Cunningham-Dunlop

## FROBISHER LIMITED

	Outstanding	Ventures
CAPITALIZATION Common Shares .....	6,808,333	2,317,579 34.04%
LONG TERM DEBT 4% Convertible Debentures .....	\$5,000,000	

## CURRENT DEVELOPMENTS

Consolidated net profit for the year amounted to \$260,200. Emphasis during 1957 was placed on consolidation and improvement of the Company's liquid resources. By the end of the year this policy resulted in the Company's working capital being increased by more than \$500,000. Further progress in this respect is anticipated in 1958.

Emphasis during 1957 was placed on consolidation and improvement of the Company's liquid resources. By the end of the year this policy resulted in the Company's working capital being increased by more than \$500,000. Further progress in this respect is anticipated in 1958.

Operations of the principal companies in which Frobisher Limited holds interest are reviewed else-

where in this report. The year was a satisfactory one for all its operating subsidiaries, despite the depressed base metal prices which materialized during the latter part of the year. The Connemara Division, which for many years has been operating a gold mine at Hunter's Road, Southern Rhodesia, continued to earn modest profits sufficient to sustain a limited exploration program in Central Africa. In Canada, the Company's major exploration effort was directed toward the development of magnetic iron ore deposits in British Columbia and in Eastern Ontario. Substantial tonnages of concentrating ore were put in sight by both programs. Elsewhere, the scope of the exploration program was limited to property examinations and investigations in the Seal Lake area of Labrador and the Maritime Provinces.

PRESIDENT - - - - - A. J. Anderson



## THE TONOPAH MINING COMPANY OF NEVADA

CAPITALIZATION	Common Shares	Outstanding	Ventures	
		870,000	252,760	29.05%

### CURRENT DEVELOPMENTS

Net income during 1957 amounted to \$35,242, and net gains on security transactions totalled \$36,272. The market value of investments as of December 31, 1957, was \$2,943,500, having a net asset value of \$3.38 per share.

The directors have decided to suspend the field exploration activities of Tonopah Exploration Company Limited for the time being.

PRESIDENT - - - - - C. H. Nonemaker

## HOYLE MINING COMPANY LIMITED

CAPITALIZATION	Common Shares	Outstanding	Ventures	
		3,001,990	2,076,700	69.18%
	Preferred Shares	21,333		

### CURRENT DEVELOPMENTS

The activities of the Company's principal holdings, Opemiska Copper Mines, Consolidated Sudbury Basin, and Consolidated Mosher are covered elsewhere in this report. The Company also holds 12.6% of the issued capital of Thompson-Lundmark Gold Mines, which in turn holds 40% of Quebec Cobalt and Exploration. The latter company owns a large iron deposit in the Mount Wright area of Quebec, which is under option to Jones and Laughlin Steel Corporation.

A group of claims was optioned at Panache Lake in the Sudbury area, but the results of geophysical surveys and diamond drilling were inconclusive. Limited investigations were continued on the feasibility of producing kyanite at the property of Northern Kyanite Mines. The Company's interest in Temiskaming Construction Limited was sold during the year.

PRESIDENT - - - - - J. M. Cunningham-Dunlop

## LATIN AMERICAN MINES LIMITED

CAPITALIZATION	Common Shares	Outstanding	Ventures		Frobisher	
		2,566,000	1,821,326	70.98%	430,329	16.77%
LOCATION	Mining properties in Peru.					

### CURRENT DEVELOPMENTS

Formerly Consolidated Guayana Mines Limited the name of the Company was changed to Latin American Mines Limited following a reorganization. The Company's interest in Chavin Mines Corporation was increased from 25% to 100% and indebtedness amounting to \$2,800,000 was liquidated through the issuance of treasury shares. Declining prices for lead and zinc have delayed negotiations for the capital and equipment necessary to place the Chavin mine in pro-

duction, and the property has been maintained on a shut-down basis. Options were dropped on a number of mining properties and interests were acquired in the Aguas Verdes copper prospect and the Tintaya copper claims formerly held under option. The Company's exploration office in Lima, Peru, was maintained and overhead was reduced by engaging in several consulting and management projects.

PRESIDENT - - - - - J. D. Bateman

MANAGER, PERU - - - - - J. M. Birkbeck



## OTHER ACTIVITIES

### **CONSOLIDATED SUDBURY BASIN MINES LIMITED,** Chelmsford, Ontario

Mill construction and underground preparation for production at the Company's properties near Sudbury, Ontario, had reached an advanced stage by mid-1957. By that time the recurrent declines in base metal prices had forced a decision to suspend construction and cease operations. Accordingly, the underground equipment was removed and the surface plant was prepared for a prolonged shut-down. Future plans of the Company will be determined by metal prices.

### **LAKEFIELD RESEARCH LIMITED,** Lakefield, Ontario

During the year a subsidiary company, LaCorne Lithium Mines Limited, distributed its assets prior to surrender of its charter. As a consideration for the surrender of 668,606 shares held by Lakefield Research Limited, this Company received \$936,068, 200,583 escrowed shares of Quebec Lithium Corporation, and 133,722 shares of LaCorne Mines 1957 Limited, a new Company formed to hold the properties held by the former LaCorne Lithium Mines Limited.

A flotation pilot mill capable of treating up to 500 pounds per hour was erected during the year. A concentrator table, jigs, and both wet and dry magnetic separators are included with the pilot mill equipment. Further addition to equipment included the purchase of a "Davis Tube" used in the investigation of iron ore concentration problems.

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

Operations were suspended at the Company's property in July, 1957, until times are more favourable to exploit the large tonnage of proven and indicated

low-grade gold ores. Additional underground diamond drilling was directed towards testing and confirming the westerly plunge of the ore zone and to test parallel occurrences. The ore reserves are the same as reported last year, namely 4,008,000 tons grading 0.155 ounces of gold per ton.

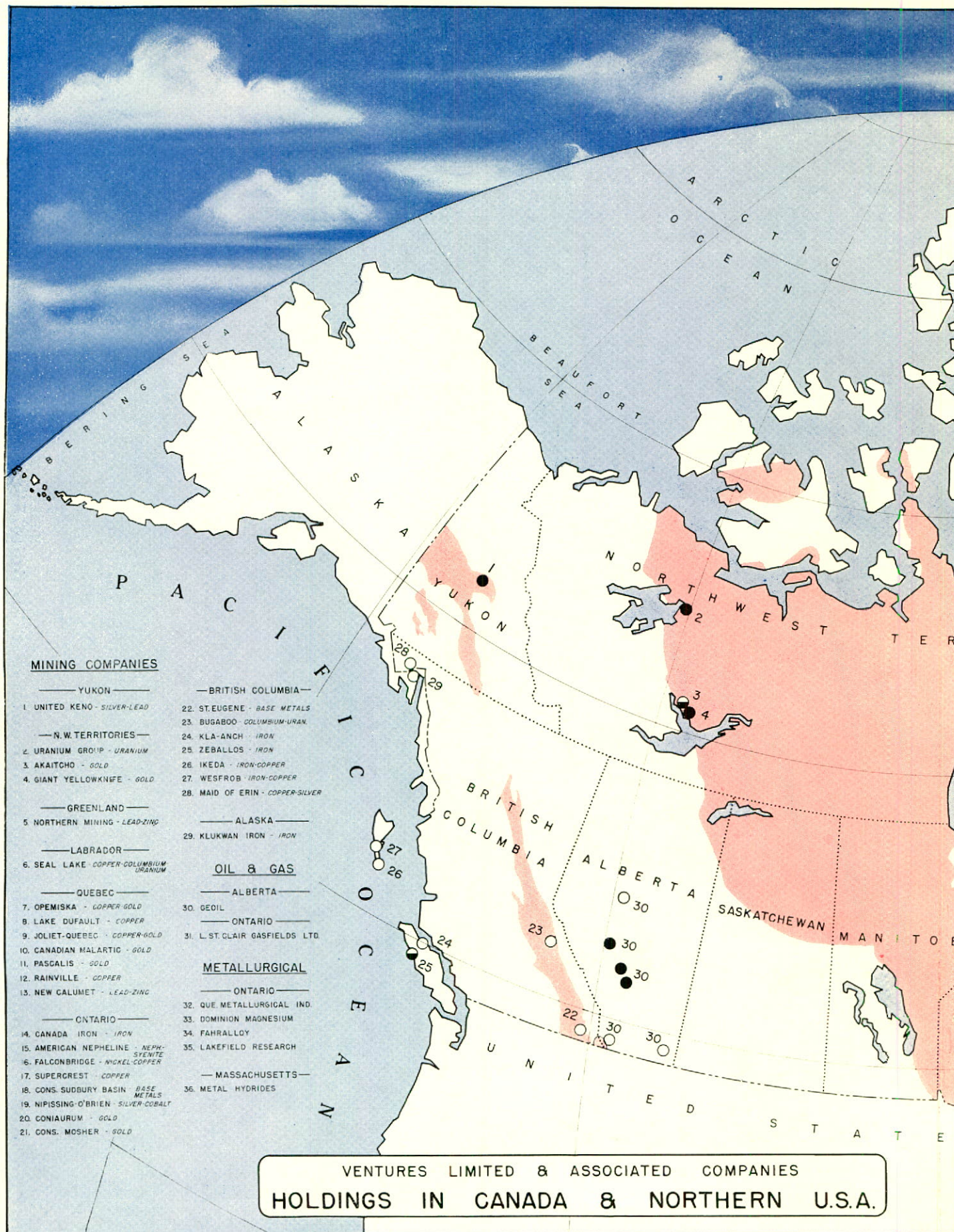
### **EUREKA CORPORATION LIMITED,** Eureka, Nevada

During the year ore has been mined from the TL shaft but due to the continued drop in base metal prices and difficulties in marketing the ore, the operation has become uneconomic and therefore the TL mine has been closed down. The funds required in excess of those realized from this operation have been provided by Ventures Limited and Northfield Mines Inc. and also from a bank loan guaranteed by Ventures Limited.

Drilling in the Fad area was carried on under an agreement made with the Richmond-Eureka Mining Company but the results have been disappointing. Eureka Corporation Limited has been notified by Richmond-Eureka Mining Company that, as of May 1st, they will insist that Eureka comply strictly with all requirements of the original lease and supplemental agreement, which in effect means carrying on underground work in the Fad shaft area.

Under existing conditions, the working requirements of this lease are neither reasonable nor practicable. A report has been made by Messrs. O'Donnell and Schmidt. Taking into account the conclusions of this report, the conditions of the lease and the current base metal prices, the Directors of Eureka see no reasonable possibility of developing a profitable mine in the Fad shaft area and do not consider that further drilling in the hope of increasing the indicated tonnage or other work in the Fad shaft area is justified.











ARTHUR YOUNG, CLARKSON, GORDON & CO.  
ACCOUNTANTS AND AUDITORS  
OFFICES IN PRINCIPAL CITIES OF U.S.A.

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

15 WELLINGTON STREET WEST

*Toronto 1*  
CANADA

AUDITORS' REPORT

To the Shareholders of  
Ventures Limited:

We have examined the balance sheet of Ventures Limited as at December 31, 1957 and the statements of profit and loss, earned surplus and special surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests as we considered necessary in the circumstances. In our opinion the accompanying balance sheet and statements of profit and loss, earned surplus and special surplus, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1957 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

We also report that in our opinion the information required under section 118 of the Companies Act (Canada) is correctly stated in note (2) to the financial statements.

*Clarkson, Gordon & Co.*  
Chartered Accountants.

Toronto, Canada,  
April 17, 1958.

\*  
AUDITORS'  
REPORT



## NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1957

1. No consolidated financial statements have been prepared as it is the company's view that a more intelligent appraisal of the company's financial position may be obtained from the financial statements of the company as such, together with the individual financial statements of the major subsidiary companies.
2. The earnings of the subsidiary companies are included in income only to the extent of dividends received; such dividends were approximately \$2,600,000 less than the company's share of the aggregate profits less losses of the subsidiaries for the year ended December 31, 1957. The interest of Ventures Limited in the aggregate of accumulated surpluses less deficits of subsidiary companies as shown by their 1957 balance sheets amounted to approximately \$15,900,000.
3. At December 31, 1957 the following shares had been loaned by Ventures Limited to Geoil Limited for hypothecation as security for a loan to that company:

	Number of shares	Book value	Market value at December 31, 1957
Falconbridge Nickel Mines Limited .....	50,000	\$ 51,876	\$1,087,500
Giant Yellowknife Gold Mines Limited .....	20,000	26,794	85,000
		<u>\$ 78,670</u>	<u>\$1,172,500</u>

4. 1,000,000 shares of Falconbridge Nickel Mines Limited, having a book value of \$1,037,521 and a market value of \$21,750,000 have been hypothecated as security for the payment of the principal and interest of the 4½% sinking fund debentures of Ventures Limited. The trust deed requires that additional security be provided if the market value of the hypothecated securities should fall below 200% of the principal amount of debentures outstanding at any time.
5. \$2,000,000 of the advance to Northwest Power Industries Limited was made to enable that company to deposit an amount of \$2,500,000 with the Province of British Columbia to be held by that Province under agreements dated August 23, 1954 and January 7, 1955 as security for the due performance by the company of the proposal to develop certain hydro-electric power resources in the northwest corner of British Columbia. This deposit is returnable if the company informs the Province of its intention to abandon the project or recoverable if the project is commenced. The balance is made up of sums advanced under financing agreements.
- At December 31, 1957 the outstanding share capital of Northwest Power Industries Limited consisted of 7 directors' qualifying shares.
6. At December 31, 1957 the company had guaranteed the bank loans of associated companies to the extent of \$660,000 and had agreed to loan one of these companies up to \$188,400 on or before April 30, 1958.
7. Warrants issued in connection with the sale of the company's sinking fund debentures in 1954 and still outstanding at December 31, 1957 entitle the holders to purchase from the company 42,680 shares of its holdings of Falconbridge Nickel Mines Limited at U.S. \$20 a share and to purchase 43,000 authorized shares of the company's share capital at U.S. \$20 per share, all exercisable on or before October 1, 1969.
8. By supplementary letters patent dated May 30, 1957 the authorized capital of the company was increased from 2,000,000 shares without nominal or par value to 4,000,000 shares without nominal or par value.
9. During 1957 the company issued shares for cash as follows:

	Number of shares	Amount
Under rights issued to shareholders to subscribe for one share at \$30 for each 9 shares held at June 10, 1957 .....	197,989	\$ 5,939,670
Underwriting by McIntyre Porcupine Mines, Limited .....	400,000	13,993,270
For warrants exercised (note 7) .....	983	18,756
	<u>598,972</u>	<u>\$19,951,696</u>

10. At December 31, 1957 the company had granted options to purchase its shares as follows:

	Number of shares
To McIntyre Porcupine Mines, Limited—	
Exercisable on or before July 11, 1959 at \$35 per share .....	250,000
Exercisable on or before July 11, 1960 at \$40 per share .....	250,000
To an employee, exercisable on or before July 18, 1959 at \$35 per share .....	5,000
	<u>505,000</u>

11. Under the trust indenture authorizing the certification and issue of the company's debentures, the maximum amount of surplus available for dividends at December 31, 1957 was \$4,265,273.
12. Actions are pending against the company and one of its directors relating to the acquisition of the mining properties of La Luz Mines Limited and its wholly-owned subsidiary, Rosita Mines Limited. At the present time no determination can be made as to the liability, if any, in this connection.





# VENTURES

(Incorporated under

## *Balance Sheet as at* (with comparative figures)

### ASSETS

	1957	1956
<b>Current:</b>		
Cash .....	\$ 4,885,847	\$ 622,067
Short term investments at cost .....	4,012,881	
Government of Canada bonds at cost (market value \$8,404,000) .....	8,323,000	
Accounts receivable—		
Subsidiary and associated companies .....	90,112	122,961
Mortgage receivable — current instalment .....	81,667	81,667
Sundry .....	123,045	5,756
	<u>\$17,516,552</u>	<u>\$ 832,451</u>
<b>Investment in subsidiary, associated and other companies at cost less amounts written off (Notes 3, 4 and 7):</b>		
Subsidiary companies—		
Shareholdings .....	\$10,965,976	\$ 8,673,715
Advances .....	730,788	66,000
	<u>\$11,696,764</u>	<u>\$ 8,739,715</u>
Associated companies—		
Frobisher Limited:		
Shareholdings .....	\$ 4,408,362	\$ 4,408,362
Advances .....	1,577,518	1,577,518
	<u>\$ 5,985,880</u>	<u>\$ 5,985,880</u>
Northwest Power Industries Limited:		
Advances (note 5) .....	\$ 2,556,087	\$ 2,440,000
Other associated companies:		
Shareholdings .....	\$12,987,351	\$13,243,505
Advances .....	1,241,968	2,170,768
	<u>\$14,229,319</u>	<u>\$15,414,273</u>
Other companies—		
Shareholdings .....	\$ 379,037	\$ 400,040
	<u>\$34,847,087</u>	<u>\$32,979,908</u>
<b>Other:</b>		
Mortgage receivable from sale of 49% interest in Ile Perrot refinery site (less current instalment) .....		\$ 81,666
Mining claims .....	\$ 36,087	36,087
Expenditures on sundry projects, exploration, etc. carried forward .....	113,967	110,270
Equipment and furniture less accumulated depreciation .....	54,664	49,955
	<u>\$ 204,718</u>	<u>\$ 277,978</u>
	<u>\$52,568,357</u>	<u>\$34,090,337</u>

*The notes to financial statements are an integral part of the*



# LIMITED

(the laws of Canada)



*December 31, 1957*

*for December 31, 1956)*

## LIABILITIES

	1957	1956
<b>Current:</b>		
Accounts payable and accrued charges .....	\$ 190,917	\$ 124,534
Balance payable to La Luz Mines Limited (secured) .....		800,000
Dividend payable .....	598,101	448,358
Long-term debt instalment maturing within one year .....	500,000	500,000
	<u>\$ 1,289,018</u>	<u>\$ 1,872,892</u>
<b>Commitments and contingent liabilities—</b>		
see Notes 3, 6 and 12		
<b>Long-term (Note 4):</b>		
4½% Serial Debentures due on October 1, 1957 .....		\$ 500,000
Less instalment maturing within one year shown under current liabilities .....		500,000
		<u>φ</u>
4½% Sinking Fund Debentures due October 1, 1969—(U.S. \$5,500,000) (Canadian \$500,000) .....	\$ 5,831,563	\$ 5,831,563
Less sinking fund payment to be made within one year shown under current liabilities .....	500,000	
	<u>\$ 5,331,563</u>	<u>\$ 5,831,563</u>
<b>Provision for depletion on shares of subsidiary, associated and other companies</b>	<u>\$ 6,483,588</u>	<u>\$ 5,983,588</u>
<b>Capital and surplus (Notes 7, 8, 9, 10 and 11):</b>		
Capital—		
Authorized—4,000,000 shares of no par value		
Issued —2,392,404 shares (1956—1,793,432 shares) .....	\$29,413,638	\$ 9,461,942
Earned surplus .....	\$ 8,584,645	\$ 7,979,959
Special surplus .....	1,465,905	2,960,393
	<u>\$10,050,550</u>	<u>\$10,940,352</u>
	<u>\$39,464,188</u>	<u>\$20,402,294</u>
 On behalf of the Board:		
 J. D. BARRINGTON, Director.		
 J. S. D. TORY, Director.		
	<u>\$52,568,357</u>	<u>\$34,090,337</u>

*above balance sheet and should be read in conjunction therewith.*



## STATEMENT OF PROFIT AND LOSS

### For the Year Ended December 31, 1957

*(with comparative figures for the year 1956)*

Dividends received from:		
Subsidiary companies—	1957	1956
Falconbridge Nickel Mines Limited .....	\$2,307,781	\$2,310,214
Other subsidiaries .....	82,217	187,325
	\$2,389,998	\$2,497,539
Other companies .....	199,591	168,586
	\$2,589,589	\$2,666,125
Less portion thereof transferred to provision for depletion on shares of subsidiary, associated and other companies .....	500,000	500,000
	\$2,089,589	\$2,166,125
Interest received .....	474,658	177,492
	\$2,564,247	\$2,343,617
Deduct:		
Administrative and general expenses—		
Executive remuneration .....	\$ 145,505	\$ 69,281
Directors' fees .....	14,633	13,379
Legal fees and expenses .....	19,815	10,462
Other administrative expenses less amounts recovered from associated companies .....	244,504	293,522
	\$ 424,457	\$ 386,644
Interest on debentures .....	276,075	306,501
Other interest paid .....	9,712	5,805
Income taxes deducted at source from dividends received .....	2,694	6,406
	\$ 712,938	\$ 705,356
Net profit for the year (excluding items in special surplus) .....	\$1,851,309	\$1,638,261

Note: Fees paid to directors of Ventures Limited by subsidiary companies amount to \$4,975 in 1957 and \$5,525 in 1956.

*The notes to financial statements are an integral part of the above statement of profit and loss and should be read in conjunction therewith.*

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

### For the Year Ended December 31, 1957

*(with comparative figures for the year 1956)*

	1957	1956
Balance at beginning of the year .....	\$5,983,588	\$5,483,588
Add transfer from statement of profit and loss during the year .....	500,000	500,000
Balance at end of the year .....	\$6,483,588	\$5,983,588



## STATEMENT OF EARNED SURPLUS

### For the Year Ended December 31, 1957

*(with comparative figures for the year 1956)*

	1957	1956
Balance at beginning of the year .....	\$7,979,959	\$7,237,952
Add net profit for the year .....	1,851,309	1,638,261
	<u>\$9,831,268</u>	<u>\$8,876,213</u>
Deduct:		
Dividends .....	\$1,196,202	\$ 896,254
Financing expenses (including legal fees of \$7,662) .....	50,421	
	<u>\$1,246,623</u>	<u>\$ 896,254</u>
Balance at end of the year .....	<u>\$8,584,645</u>	<u>\$7,979,959</u>

## STATEMENT OF SPECIAL SURPLUS

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

### For the Year Ended December 31, 1957

*(with comparative figures for the year 1956)*

	1957	1956
Balance at beginning of the year .....	\$2,960,393	\$5,364,976
Net gain or (loss) on sales of securities during the year .....	(37,378)	652,644
	<u>\$2,923,015</u>	<u>\$6,017,620</u>
Deduct:		
Net loss arising out of the sales in prior years of Frobisher Limited shares .....		\$2,533,537
Amounts written off—		
Upon reorganization of Consolidated Guayana Mines Limited (now Latin American Mines Limited) .....	\$1,232,038	
Exploration expenses and payments on lapsed options .....	72,603	63,692
Shares of an associated company .....	131,400	
Advances to subsidiary and associated companies less recovery of amounts previously written off .....	21,069	459,998
	<u>\$1,457,110</u>	<u>\$3,057,227</u>
Balance at end of the year .....	<u>\$1,465,905</u>	<u>\$2,960,393</u>

*The notes to financial statements are an integral part of the above statements of earned surplus and special surplus and should be read in conjunction therewith.*



# VENTURES LIMITED



## STATEMENT OF INVESTMENT IN SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES AS AT DECEMBER 31, 1957 AND DECEMBER 31, 1956

	December 31, 1957					December 31, 1956				
	Shareholdings				Advances	Shareholdings				Advances
	Number of shares	% of outstanding capital	Indicated market value (Note 1)	Cost less amounts written off		Number of shares	% of outstanding capital	Indicated market value (Note 1)	Cost less amounts written off	
<b>Subsidiary companies:</b>										
American Nepheline Limited .....	2,055,413	50.1	\$ 1,336,018	\$ 976,736		2,055,413	50.1	\$ 3,617,527	\$ 976,736	
Avenue Realty Company Limited .....	43,303	61.6		10,053	\$ 40,000	39,103	55.6		3,753	\$ 40,000
Coniaurum Mines Limited .....	1,430,800	51.7	715,400	554,476		1,430,800	51.7	543,704	554,476	
Falconbridge Nickel Mines Limited (Note 2)	1,923,151	51.2	41,828,534	1,995,261		1,924,054	51.2	76,000,133	1,996,247	
Hoyle Mining Company Limited .....	2,076,700	69.2	6,333,935	2,797,335		1,724,604	58.0	9,830,243	1,492,979	
La Luz Mines Limited .....	1,051,089	69.6	3,048,158	2,289,904	650,000	1,051,089	69.6	3,521,148	2,289,904	
Latin American Mines Limited (Note 3) ..	1,821,326	71.3	473,545	982,591	40,788					
Matachewan Consolidated Mines Limited .	3,066,827	89.2	766,707	919,325		3,066,827	89.2	1,840,096	919,325	
Panaminas Incorporated .....	2,600	63.9		76,451		2,600	63.9		76,451	26,000
Pelletier Lake Gold Mines Limited .....	2,135,100	78.7		305,843		2,135,100	78.7		305,843	
Rambridge Mines Limited .....	720,000*	24.0		40,000		720,000*	24.0		40,000	
Toronto Mines Finance Limited .....	12,500	100.0		12,500		12,500	100.0		12,500	
Miscellaneous participations of less than \$10,000 each .....				5,501					5,501	
			<u>\$54,502,297</u>	<u>\$10,965,976</u>	<u>\$ 730,788</u>			<u>\$95,352,851</u>	<u>\$ 8,673,715</u>	<u>\$ 66,000</u>
 * Controlled through subsidiary companies										
<b>Associated companies:</b>										
Frobisher Limited .....	2,317,579	34.0	\$ 2,734,743	\$ 4,408,362	\$1,577,518	2,317,579	34.0	\$ 6,396,518	\$ 4,408,362	\$1,577,518
Northwest Power Industries Limited .....					\$2,556,087					\$2,440,000
<b>Other Associated companies:</b>										
Canadian Malartic Gold Mines Limited ..	1,388,685	38.0	\$ 249,963	\$ 513,411		1,388,685	38.0	\$ 499,927	\$ 513,411	
Chavin Mines Corporation .....										\$ 194,921
Consolidated Guayana Mines Limited (Note 3) .....						533,636	20.9	109,395	192,133	1,129,824
Consolidated Mosher Mines Limited .....	417,633	12.9	233,874	43,620		417,633	12.9	204,640	43,620	
Consolidated Sudbury Basin Mines Limited	191,073	2.5	101,269	270,999		191,073	2.6	557,933	270,999	
Dominion Magnesium Limited .....	113,577	24.1	965,404	773,230		113,577	24.1	1,561,684	773,230	
Duport Mining Company Limited .....	553,262	39.5		82,236		553,262	39.5		82,236	



Eureka Corporation Limited .....	1,696,783	17.0	509,035	2,520,248	\$ 291,949	1,696,783	17.0	1,561,040	2,520,248	200,334
Geoil Limited .....	1,363,704	45.0		2,387,122	373,100	1,356,611	44.8		2,371,145	74,600
Giant Yellowknife Gold Mines Limited (Note 2) .....	403,583	10.1	1,715,228	540,676		403,583	10.1	2,199,527	540,676	
International Ranwick Limited (Note 4) ..	269,452	9.3	20,209	20,209		269,452	9.3	97,003	151,609	
Lake Dufault Mines Limited .....	1,591,771	38.6	573,038	202,748		1,591,771	38.6	2,706,011	202,748	
Metal Hydrides Incorporated .....	131,540	38.5	1,775,790	1,370,402		131,540	38.5	2,038,870	1,370,402	
New Calumet Mines Limited .....	112,951	2.4	20,331			112,951	2.4	53,087		
Nipissing Mines Company Limited, The ..	342,840	13.9	411,408	762,115		342,840	13.9	977,094	762,115	
Opemiska Copper Mines (Quebec) Limited	360,696	6.5	2,308,454	569,052		329,696	6.0	4,162,412	364,602	
Osisko Lake Mines Limited .....						241,581	9.4	72,474	157,252	
Panamerican Ventures Limited .....	900,007	31.0		27,869		900,007	36.9		27,869	
Pascalis Gold Mines Limited .....	1,449,837	48.3	130,485	239,671		1,462,837	48.7	131,655	244,468	
Quebec Metallurgical Industries Ltd. ....	851,854	16.8	579,261	1,767,941		851,854	17.0	1,575,930	1,767,941	
St. Eugene Mining Corporation Limited ..	1,079,593	44.7		289,348	98,340	1,079,593	44.7		289,348	97,847
Tonopah Mining Company of Nevada ...	252,760	29.0	473,925	521,620		252,760	29.0	663,495	521,620	
Uis Tin Mining Company (SWA) Limited ..					459,047					459,047
West Wasa Mines Limited .....	100,000	3.4	2,000	25,000		100,000	3.4	4,000	25,000	
Miscellaneous participations of less than \$25,000 each .....			36,137	59,834	19,532			148,313	50,833	14,195
			<u>\$10,105,811</u>	<u>\$12,987,351</u>	<u>\$1,241,968</u>			<u>\$19,324,490</u>	<u>\$13,243,505</u>	<u>\$2,170,768</u>
			<u>\$12,840,554</u>	<u>\$17,395,713</u>	<u>\$5,375,573</u>			<u>\$25,721,008</u>	<u>\$17,651,867</u>	<u>\$6,188,286</u>
<b>Other companies:</b>										
Empresa Minera de Mantos Blancos S.A. .	2,798			\$ 70,958		2,798			\$ 70,958	
R. J. Jowsey Mining Company Limited ..	72,240		\$ 25,284	60,572		72,240		\$ 46,956	60,572	
United North Atlantic Securities Limited .	10,000			100,000		10,000			100,000	
Miscellaneous participations of less than \$40,000 each .....			59,612	147,507				156,113	168,510	
			<u>\$ 84,896</u>	<u>\$ 379,037</u>				<u>\$ 203,059</u>	<u>\$ 400,040</u>	
			<u>\$67,427,747</u>	<u>\$28,740,726</u>	<u>\$6,106,361</u>			<u>\$121,276,928</u>	<u>\$26,725,622</u>	<u>\$6,254,286</u>

## NOTES:

1. The market values shown above are based on closing market prices at December 31, 1957 and December 31, 1956. Because of the number of shares involved the indicated market value of certain securities is not necessarily indicative of the amount that could be realized if the securities were to be sold.
2. See note (3) to financial statements as to shareholdings loaned to associated companies, note (4) as to 1,000,000 shares of Falconbridge Nickel Mines Limited owned by the company and hypothecated as security for its outstanding 4½% debentures, and note (7) as to warrants outstanding entitling the holders thereof to purchase from the company 42,680 shares of Falconbridge Nickel Mines Limited owned by the company.
3. During 1957 the share capital of Consolidated Guayana Mines Limited was reorganized and its name changed to Latin American Mines Limited.
4. Both the book and market values shown in 1957 for the shares of International Ranwick Limited are the amount receivable on the sale of these shares in 1958.





## STATEMENT OF SOURCE AND APPLICATION OF FUNDS YEAR ENDED DECEMBER 31, 1957

**Fund provided:**

From operations .....	\$ 2,358,946
Consisting of —	
Net profit for the year .....	\$ 1,851,309
Add charges to operations which did not in themselves involve an outlay of cash during the year:	
Depreciation .....	7,637
Transfer to provision for depletion on shares of subsidiary, associated and other companies .....	500,000
	<u>\$ 2,358,946</u>
From sales of securities .....	146,659
From collection of mortgage taken on sale of Ile Perrot refinery site .....	81,666
From exercise of warrants to purchase 983 treasury shares .....	18,756
From sale of 400,000 treasury shares to McIntyre Porcupine Mines, Limited .....	13,993,270
From exercise of rights to purchase 197,989 treasury shares .....	5,939,670
	<u>\$22,538,967</u>

**Funds applied:**

Purchase of securities .....	\$ 2,237,940
Advances made —	
Northwest Power Industries Limited .....	\$ 116,087
Other companies (net) .....	1,081,696
	1,197,783
Dividends declared .....	1,196,202
Exploration expenditures, etc. ....	88,646
Provision for repayment of debentures maturing in 1958 .....	500,000
Financing expenses .....	50,421
	5,270,992
Excess of funds provided over funds applied during the year .....	<u>\$17,267,975</u>
This excess is reflected in increased working capital as follows:	

Current assets:	December 31, 1957	December 31, 1956	Increase or (decrease)
Cash .....	\$ 4,885,847	\$ 622,067	\$ 4,263,780
Short term investments .....	4,012,881		4,012,881
Government of Canada bonds .....	8,323,000		8,323,000
Accounts receivable —			
Subsidiary and associated companies .....	90,112	122,961	(32,849)
Mortgage receivable — current instalment .....	81,667	81,667	
Sundry .....	123,045	5,756	117,289
	<u>\$17,516,552</u>	<u>\$ 832,451</u>	<u>\$16,684,101</u>
Current liabilities:			
Accounts payable and accrued charges .....	\$ 190,917	\$ 124,534	\$ 66,383
Balance payable to La Luz Mines Limited .....		800,000	(800,000)
Dividend payable .....	598,101	448,358	149,743
Long term debt instalment maturing within one year .....	500,000	500,000	
	<u>\$ 1,289,018</u>	<u>\$ 1,872,892</u>	<u>\$ (583,874)</u>
Working capital .....	<u>\$16,227,534</u>	<u>\$ (1,040,441)</u>	<u>\$17,267,975</u>



## COMPARATIVE SUMMARY OF PROFIT AND LOSS ACCOUNT

### 1928—1957

	<i>Income from shareholdings and bonds and sundry credits</i>	<i>Administrative expenses and sundry debits</i>	<i>Transfer to Reserve for Depletion</i>	<i>Provision for Taxes</i>	<i>Net Profit (or Loss) for the year</i>	<i>Dividends Declared</i>
1928 .....	\$ 812	\$ 55,706	\$ .....	\$ 23,193	\$ 78,087	\$ .....
1929 .....	36,006	133,677	.....	1,768	99,438	.....
1930 .....	27,636	73,866	12,592	122	58,944	.....
1931 .....	13,194	56,088	6,529	82	49,505	.....
1932 .....	128,390	61,695	23,818	.....	42,877	.....
1933 .....	466,955	55,521	192,626	.....	218,808	.....
1934 .....	450,839	32,300	208,023	.....	210,516	.....
1935 .....	448,200	32,538	270,000	80,000	65,663	.....
1936 .....	584,242	57,374	100,000	146,153	280,715	590,235
1937 .....	874,940	67,303	170,000	12,208	625,428	590,235
1938 .....	1,117,997	68,875	200,000	2,500	846,621	354,143
1939 .....	1,060,319	54,348	350,000	15,000	640,971	78,698
1940 .....	869,819	52,100	250,000	47,000	520,719	236,093
1941 .....	1,005,992	50,849	300,000	15,620	639,523	314,790
1942 .....	824,710	47,666	200,000	10,993	566,051	393,488
1943 .....	797,929	69,041	200,000	55,000	473,888	357,483
1944 .....	904,731	62,865	200,000	812	641,055	357,483
1945 .....	863,257	88,948	200,000	63,265	511,044	357,483
1946 .....	408,887	97,718	100,000	1,156	210,014	357,483
1947 .....	882,925	93,269	200,000	43	589,613	89,371
1948 .....	1,187,907	105,971	250,000	615	831,321	.....
1949 .....	1,240,935	128,097	250,000	749	862,090	89,371
1950 .....	1,305,538	146,880	250,000	2,345	906,313	89,371
1951 .....	1,569,055	147,802	300,000	3,449	1,117,804	536,224
1952 .....	1,475,838	182,643	300,000	5,209	987,986	536,224
1953 .....	1,328,837	206,685	250,000	3,795	868,357	536,224
1954 .....	* 1,390,571	* 343,939	250,000	3,167	793,465	804,337
1955 .....	2,573,611	666,354	450,000	6,177	1,451,080	536,850
1956 .....	2,843,617	698,950	500,000	6,406	1,638,261	896,254
1957 .....	3,064,247	710,244	500,000	2,694	1,851,309	1,196,202

\* Adjusted—Interest receipts now included in income.



## AMERICAN NEPHELINE LIMITED

BALANCE SHEET — DECEMBER 31, 1957

### ASSETS

<b>Current:</b>			
Cash .....	\$	306,666	
Short term investments — at cost .....		195,507	
Accounts receivable .....		288,698	
Inventories of crude ore and finished products as determined by responsible officials and valued at the lower of average cost or market .....		39,580	
Prepaid expenses .....		18,086	\$ 848,537
<b>Inventory of Supplies:</b>			
Mine and mill supplies — at cost .....			185,518
<b>Fixed:</b>			
Mining properties — at cost .....	\$	75,499	
Land, buildings, machinery and equipment — at cost, less depreciation provided of \$1,826,071 ....		2,728,588	
Staff dwellings — at cost, less depreciation provided of \$74,537 .....		116,613	
Construction in progress .....		7,026	2,927,726
<b>Other:</b>			
Deferred development expenditures, less amounts written off of \$336,011 .....	\$	24,548	
Interest in outside mining claims .....		20,896	
Investment in shares of associated company — at cost \$6,450 less full reserve thereon — note 1 .....		—	45,444
			<u>\$4,007,225</u>

### LIABILITIES

<b>Current:</b>			
Accounts payable and accrued charges .....	\$	21,257	
Estimated corporation income taxes, less payments thereon .....		48,482	
Principal payments due in 1958 on mortgage loans .....		198,979	\$ 268,718
<b>Deferred:</b>			
Mortgage loans payable, less amounts shown above — note 2 .....	\$	1,223,559	
Provision for future income tax payments — note 3 .....		120,636	1,344,195
<b>Capital:</b>			
Capital stock			
Authorized 4,500,000 shares each with a par value of fifty cents			
Issued and fully paid — 4,100,000 shares .....	\$	2,050,000	
Contributed surplus .....		374,964	
		<u>\$2,424,964</u>	
<b>less:</b>			
Deficit .....		30,652	2,394,312
			<u>\$4,007,225</u>

#### NOTES:

(1) The company has an interest approximating 17% in an associated company, Lakefield Research Limited, through ownership of 126,000 shares of the capital stock of that company.

(2) The principal amounts payable on mortgage loans at 31st December, 1957 are as follows:

	Principal due in 1958 (shown as a current liability)	Principal due after 1958 (shown as a deferred liability)	Total loans payable
Loan Agency			
Central Mortgage and Housing Corporation .....	\$ 6,476	\$ 79,259	\$ 85,735
Industrial Development Bank .....	192,503	1,144,300	1,336,803
	<u>\$ 198,979</u>	<u>\$ 1,223,559</u>	<u>\$ 1,422,538</u>

The loans from Central Mortgage and Housing Corporation are in connection with staff dwellings erected at Nephton. They bear interest at 4% to 4½%, are being amortized over fifteen years and are secured by a first mortgage on the dwellings. The loan from Industrial Development Bank bears interest at 6% and is secured by a mortgage on the company's lands, buildings and equipment. In addition to stipulated monthly payments of \$11,000 and interest, the indenture provides for an additional principal payment based upon net cash earnings. This additional payment so provided amounts to \$60,503 this year and is payable on or before 15th April, 1958.

(3) Taxes on income for the year are based upon the profits shown on the statement of operations but the amount currently payable is based upon claiming additional depreciation allowable for federal income tax purposes. The amount of taxes thus deferred for 1957 is \$11,768 and, together with similar adjustments of \$108,868 to 1956, is shown on the balance sheet as a provision for future income tax payments.

(4) The company has granted options on a total of 75,000 shares of treasury stock at \$1.47 per share to twenty-eight key employees. These options expire 29th March, 1963. In addition 25,000 shares have been reserved to permit the granting of such further options as the Board of Directors may from time to time recommend.

(5) The remuneration to directors as such (excluding remuneration for services as officers and employees) amounted to \$1,800 in 1957.



**CONIAURUM MINES LIMITED**  
**BALANCE SHEET — DECEMBER 31, 1957**

**ASSETS**

**Current:**

Cash .....		\$ 288,679	
Bullion in transit .....		76,768	
Accounts receivable —			
Estimated amount receivable under the Emergency Gold Mining			
Assistance Act .....	\$ 59,641		
Other .....	2,682	62,323	
			\$ 427,770

**Investments — at cost or at cost less amounts written off:**

Shares of partially owned non-operating subsidiary company,			
Ridgely Mining Company Limited (50.01% owned) .....	\$ 183,250		
Shares of companies with quoted market values			
Affiliated company (quoted market value \$302,042) .....	\$ 47,628		
Other companies (quoted market value \$316,786) .....	500,802	548,430	
Shares of other companies			
Affiliated companies .....	\$ 63,250		
Other companies .....	31,000	94,250	825,930

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

Buildings, machinery and equipment .....	\$1,396,253		
Less accumulated depreciation .....	1,386,679		
	\$ 9,574		
Mining properties (no deduction has been made for ores mined) .....	2,243,709	2,253,283	

**Other:**

Supplies — at cost .....	\$ 116,817		
Prepaid expenses .....	10,483		
Government bonds on deposit with Hydro-Electric Power Commission			
of Ontario at cost (market value \$14,288) .....	15,037	142,337	
		<u>\$3,649,320</u>	

**LIABILITIES**

**Current:**

Wages payable .....	\$ 27,361		
Accounts payable and accrued charges .....	42,243		
			\$ 69,604

**Capital:**

Authorized—3,000,000 shares of no par value			
Issued —2,766,743 shares of no par value .....	\$4,456,337		
Less amount applied in 1938 in reduction of book values of deferred development, buildings,			
machinery, etc., taken over from predecessor company .....	708,842		
	\$3,747,495		

Deficit .....	167,779	3,579,716	
		<u>\$3,649,320</u>	

**NOTE:**

Because of the large minority interest in the partially owned subsidiary company, Ridgely Mining Company Limited, its assets have not been consolidated with those of the company. The company's share of the profits of Ridgely Mining Company Limited for the latter's fiscal year ended November 30, 1957 amounted to \$477, no part of which has been reflected in the accounts of Coniaurum. The company's share of the undistributed profits of the subsidiary to November 30, 1957 amounted to \$2,370.



## FALCONBRIDGE NICKEL MINES LIMITED

### CONSOLIDATED BALANCE SHEET — DECEMBER 31, 1957

*(with comparative figures for December 31, 1956)*

ASSETS	1957	1956
<b>Current:</b>		
Cash .....	\$ 316,914	\$ 662,110
Bank deposit receipts .....		960,000
Government securities at cost which is approximate market value .....	7,910,947	5,436,317
Accounts receivable—		
Trade (including the United States Government) .....	\$6,123,385	
Sundry .....	741,422	6,864,807
Income taxes recoverable .....		386,097
Inventories (note 4)—		
Refined metals .....	\$1,561,168	
Matte and metals in process .....	5,675,443	6,797,242
	<u>\$22,715,376</u>	<u>\$19,101,443</u>
<b>Investments, at cost less amounts written off:</b>		
Unconsolidated subsidiary at cost (note 1) .....	\$ 326,994	
Associated companies .....	374,032	
Maritimes Mining Corporation Limited (note 5) .....	740,710	
Other (quoted market value—\$283,000) .....	505,410	\$ 1,947,146
	<u>\$ 1,947,146</u>	<u>\$ 2,402,671</u>
<b>Advances to associated company .....</b>	<b>\$ 755,310</b>	
<b>Fixed:</b>		
Plant and equipment at cost .....	\$69,995,303	\$61,759,683
Less accumulated allowance for depreciation .....	33,296,967	27,536,143
	<u>\$36,698,336</u>	<u>\$34,223,540</u>
Mining and other property at cost .....	3,971,235	3,960,989
	<u>\$40,669,571</u>	<u>\$38,184,529</u>
<b>Other:</b>		
Supplies, at average cost .....	\$ 4,477,060	\$ 4,270,969
Prepaid expenses and deferred charges .....	264,052	318,403
Long-term accounts receivable .....	191,086	87,362
Guarantee deposits (cash and government guaranteed bonds at cost) .....	104,660	164,535
Mine development and preproduction expenditures less amounts written off .....	6,074,148	7,228,959
	<u>\$11,111,006</u>	<u>\$12,070,228</u>
	<u>\$77,198,409</u>	<u>\$71,758,871</u>
<b>LIABILITIES</b>		
<b>Current:</b>		
Accounts payable and accrued charges .....	\$ 4,055,751	\$ 5,573,663
Advance receipts for metals to be delivered in 1958 .....	801,300	
Portion of long-term liabilities payable within one year .....	3,000,000	334,000
Income and other taxes payable (estimated) .....	918,902	748,018
	<u>\$ 8,775,953</u>	<u>\$ 6,655,681</u>
<b>Advance Receipts</b>		
for metals to be delivered in 1959 and 1960 .....	\$ 1,072,384	\$ 199,071
<b>Long-Term:</b>		
5¼% first mortgage and collateral trust sinking fund bonds, series A, due August 15, 1966—		
Authorized and issued .....	\$30,000,000	\$30,000,000
3% mortgage payable in instalments from December 30, 1960 to December 30, 1961 (secured by refinery lands and plant) (N. Kr. 750,000 in 1957) .....	125,277	459,277
	<u>\$30,125,277</u>	<u>\$30,459,277</u>
<b>Less:</b>		
Amount payable within one year included under current liabilities .....	3,000,000	334,000
	<u>\$27,125,277</u>	<u>\$30,125,277</u>
<b>Shareholders' Equity:</b>		
Capital—		
Authorized—5,000,000 shares of no par value		
Issued —3,756,272 shares of no par value .....	\$12,214,125	\$12,214,125
Retained earnings (note 7) .....	28,010,670	22,564,717
	<u>\$40,224,795</u>	<u>\$34,778,842</u>
	<u>\$77,198,409</u>	<u>\$71,758,871</u>



## FALCONBRIDGE NICKEL MINES LIMITED

### CONSOLIDATED STATEMENT OF EARNINGS FOR THE YEAR ENDED DECEMBER 31, 1957

*(with comparative figures for the year ended December 31, 1956)*

	1957	1956
Metal sales and other operating revenues .....	\$57,920,755	\$49,869,386
Cost of sales and operating expenses other than the undermentioned items .....	\$29,645,407	\$29,008,260
Selling, general and administrative expenses (including remuneration of directors as such of \$24,750 in 1957 and \$12,275 in 1956) .....	1,722,650	1,577,621
	<u>\$31,368,057</u>	<u>\$30,585,881</u>
Operating profit before providing for development and preproduction expenditures and depreciation ..	\$26,552,698	\$19,283,505
Development and preproduction expenditures written off .....	\$ 3,518,063	\$ 3,235,718
Allowance for depreciation .....	5,875,915	5,134,419
	<u>\$ 9,393,978</u>	<u>\$ 8,370,137</u>
Operating profit .....	\$17,158,720	\$10,913,368
Other income:		
Dividend from Fahlralloy Canada Limited, a wholly-owned subsidiary, not consolidated (note 1) ....	35,050	35,050
Income from investments .....	199,124	272,869
Net gain on sale of securities and fixed assets .....	363,146	121,852
	<u>\$17,756,040</u>	<u>\$11,343,139</u>
Other deductions from income:		
Interest on long-term liabilities .....	\$ 1,583,142	\$ 1,591,553
Exploration expenditures .....	1,482,194	2,285,731
Contribution of shares of Maritimes Mining Corporation Limited (note 5) .....	602,225	
	<u>\$ 3,667,561</u>	<u>\$ 3,877,284</u>
Earnings before income taxes .....	\$14,088,479	\$ 7,465,855
Income taxes—estimated (note 9) .....	635,000	302,000
Earnings for the year (before special write-off of preproduction expenditures in 1957) .....	\$13,453,479	\$ 7,163,855
Special write-off of preproduction expenditures (note 8) .....	3,500,000	
Balance of earnings for the year (note 9) .....	<u>\$ 9,953,479</u>	<u>\$ 7,163,855</u>

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) The consolidated financial statements for 1957 reflect the financial position and the results of operations of Falconbridge Nickel Mines Limited and all its subsidiary companies except Fahlralloy Canada Limited which has not been consolidated as its operations are neither similar nor related to those of the parent company. The 1957 profit of this wholly-owned subsidiary exceeded the dividend received from it by \$306,517; the parent company's interest in this subsidiary's profits from date of acquisition to December 31, 1957, not taken up in the parent company's accounts amounted to \$981,687.

(2) Assets and liabilities in currencies other than Canadian dollars have been converted into Canadian dollars at current quoted rates of exchange at December 31, 1957, except as follows:

(a) Fixed assets and the related accumulated allowances for depreciation—converted at the rates prevailing when the expenditures on fixed assets were made;  
 (b) Long-term liabilities—converted at the rates prevailing when the debts were incurred.  
 Revenues and expenses in currencies other than Canadian dollars have been converted into Canadian dollars at the average monthly quoted rates of exchange except that allowances for depreciation have been converted at the rates prevailing when the expenditures on the related fixed assets were made.

(3) The consolidated balance sheet at December 31, 1957, includes the following assets and liabilities in Norway:

Net current assets .....	\$ 5,027,008
Fixed assets less accumulated allowance for depreciation .....	7,476,376
Supplies and other assets .....	1,229,636
	<u>\$13,733,020</u>
Less long-term debt .....	125,277
Net assets in Norway .....	<u>\$13,607,743</u>

(4) Inventories of refined metals and of matte and metals in process are stated at the lower of cost or market value. In the case of such materials derived from the company's own ores (\$7,059,318 in 1957) cost has been determined on a "last-in, first-out" basis; in the case of such materials derived from other sources (\$177,293 in 1957) cost has been determined on a "first-in, first-out" basis.

(5) The investment in Maritimes Mining Corporation Limited represents the cost (including the cost of properties exchanged for shares) of 1,300,000 shares of that company, less the profit of \$573,750 realized on the sale of that company's shares during 1956. During 1957 the company contributed 400,000 shares of Maritimes Mining Corporation Limited in connection with an arrangement made by that company to obtain funds to enable it to continue operations; the cost of these shares, \$602,225, has been charged against earnings.

(6) There are commitments outstanding in Canada and Norway in connection with construction in progress and development and exploration of outside properties amounting to approximately \$700,000. In addition repayment of a loan to a power company in Norway has been guaranteed to the extent of N.Kr. 4,200,000 (\$579,600) to ensure delivery of increased power to the refinery.

(7) Under the deed of trust and mortgage securing the first mortgage and collateral trust bonds of Falconbridge Nickel Mines Limited, the maximum amount of retained earnings at December 31, 1957, that could be utilized for dividends was approximately \$9,800,000.

(8) In view of the unusually high revenues in 1957 and the high cost of the company's expansion program as outlined on page 4 of the directors' report to the shareholders, a special write-off of preproduction expenditures was made in 1957 in the amount of \$3,500,000.

(9) The estimated income taxes provided for in the statement of consolidated earnings are in respect of Ontario mining and Norwegian income taxes. No federal or provincial income taxes appear to be payable for the following reasons:

(a) A very substantial portion of the 1957 income is attributable to new mines, which income is exempt from income taxes (for a three-year period).

(b) The amounts to be claimed in respect of depreciation and preproduction expenditures are approximately \$790,000 more than the amounts written in the company's accounts including the special write-off of preproduction expenditures referred to in note 8 above.

The total depreciation and preproduction expenditures which will have been claimed for 1957 and prior years will be in excess of the amounts written in the accounts by approximately \$2,109,000. When this amount is written off to earnings in future years, it will not be deductible for tax purposes.



## FROBISHER LIMITED

### CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1957

(with comparative figures for December 31, 1956)

Current:	ASSETS	1957	1956
Cash .....		\$ 800,486	\$ 365,299
Bullion in transit .....		42,238	34,197
Accounts receivable .....		70,201	114,300
		<u>\$ 912,925</u>	<u>\$ 513,796</u>
Investment in subsidiary, associated and other companies at cost less amounts written off (note 3):			
Subsidiary companies —			
Shareholdings .....		\$11,109,028	\$11,858,425
Advances .....		2,118,449	1,138,429
		<u>\$13,227,477</u>	<u>\$12,996,854</u>
Associated and other companies —			
Shareholdings .....		\$ 8,722,479	\$ 9,588,509
Advances .....		1,541,257	2,110,104
		<u>\$10,263,736</u>	<u>\$11,698,613</u>
		<u>\$23,491,213</u>	<u>\$24,695,467</u>
Fixed:			
Buildings, plant and equipment, at cost .....		\$ 1,439,890	\$ 1,439,156
Less accumulated depreciation .....		1,364,873	1,309,428
		<u>\$ 75,017</u>	<u>\$ 129,728</u>
Mining properties at cost .....		395,606	376,233
		<u>\$ 470,623</u>	<u>\$ 505,961</u>
Other:			
Exploration expenditures carried forward .....		\$ 1,483,354	\$ 1,316,910
Supplies and spare parts at the lower of cost or market .....		180,462	202,687
Sundry prepayments and deferred charges .....		14,835	15,101
		<u>\$ 1,678,651</u>	<u>\$ 1,534,698</u>
		<u>\$26,553,412</u>	<u>\$27,249,922</u>
Current:	LIABILITIES		
Bank loan — secured .....			\$ 100,000
Accounts payable and accrued charges .....		\$ 221,193	245,677
Amounts owing to associated companies .....		2,186	27,910
		<u>\$ 223,379</u>	<u>\$ 373,587</u>
Commitments and contingent liabilities — see notes 4 and 5			
Advances from Ventures Limited .....		\$ 1,577,518	\$ 1,577,518
Long term:			
4% convertible debentures due February 15, 1968 (note 3) .....		\$ 5,000,000	\$ 5,000,000
Provision for depletion on shares of associated companies .....		\$ 845,000	\$ 690,000
Shareholders' equity (note 6):			
Capital —			
Authorized — 7,500,000 shares of no par value			
Issued — 6,808,333 shares .....		\$23,059,607	\$23,059,607
Earned surplus .....		\$ 336,334	\$ 76,134
Special deficit .....		(4,488,426)	(3,526,924)
		<u>\$ (4,152,092)</u>	<u>\$ (3,450,790)</u>
		<u>\$18,907,515</u>	<u>\$19,608,817</u>
		<u>\$26,553,412</u>	<u>\$27,249,922</u>

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 1957

- The consolidated financial statements reflect the financial position and operating results of the company and its wholly-owned subsidiaries, Bushveld Limited, Canada Iron Mining Limited, Frobrican Exploration Company Limited, Mines Incorporated and Rare Metals Corporation of Canada Inc. The company's investment in its other subsidiaries is shown as a separate item in the balance sheet; they have not been consolidated because of substantial minority interests.  
No dividends were received from the unconsolidated subsidiaries during the year ended December 31, 1957. No provision has been made in the accounts of Frobisher Limited for its interest of \$3,929,526 in the aggregate of the losses less profits of these subsidiaries accumulated from the date of their acquisition to December 31, 1957, including \$976,300 for the year ended on that date of which \$760,554 arises from the consolidated loss of Kilembe Copper Cobalt Ltd. and its operating subsidiary.
- Assets and liabilities in currencies other than Canadian dollars are converted into Canadian funds at the current quoted rates of exchange at December 31, 1957, except fixed assets (and the related accumulated depreciation) and exploration expenditures which are converted at the rates of exchange prevailing when the expenditures on the assets were made.  
Revenues and expenses in currencies other than Canadian dollars are converted into Canadian funds at approximately the average monthly quoted rates of exchange, except the allowance for depreciation and exploration expenditures written off, which are converted at the rates of exchange prevailing when the expenditures on the related assets were made.



## FROBISHER LIMITED

### CONSOLIDATED STATEMENT OF INVESTMENT IN SUBSIDIARY, ASSOCIATED AND OTHER COMPANIES AS AT DECEMBER 31, 1957

	Number of shares or par value	% of out- standing capital	Indicated market values (Note 1)	Cost less amounts written off	Advances
<b>Subsidiary companies:</b>					
Geoil Limited .....	1,575,685	52.1		\$ 4,487,850	\$ 211,900
Kilembe Copper Cobalt Ltd. ....	1,928,823	77.0	\$ 1,928,823	6,252,295	1,604,137
Supercrest Copper Mines Limited .....	1,590,005	56.0		272,411	40,000
Wesfrob Mines Limited .....	950,005	95.0		54,032	262,412
Miscellaneous participations of less than \$50,000 each .....				42,440	
			<u>\$ 1,928,823</u>	<u>\$11,109,028</u>	<u>\$2,118,449</u>
<b>Associated and other companies:</b>					
Akaiatcha Yellowknife Gold Mines Limited .....	1,165,230	35.7	\$ 384,526	\$ 380,243	
Anyox Metals Limited .....	200,000	40.0			\$ 78,327
Beaver Lodge Uranium Mines Limited .....	48,000	1.8	4,800	60,000	
British Newfoundland Corporation					
— Common shares (Note 3) .....	88,850	2.5		123,450	
— Founders shares (Note 3) .....	173,101	5.4		173,101	
Consolidated Pershcourt Mines Limited .....	36,000		2,700	65,150	
Empresa Minera de Mantos Blancos S.A. ....	5,597			141,915	
Eureka Corporation Limited .....	158,125	1.6	47,438	186,519	63,168
Falconbridge Nickel Mines Limited (Note 4) .....	150,000	4.0	3,262,500	722,091	
Giant Yellowknife Gold Mines Limited (Note 4) .....	784,977	19.6	3,336,152	164,244	
Horne Fault Mines Limited .....	881,634	33.8	44,082	84,900	23,072
International Ranwick Limited (Note 5) .....	315,825	10.9	23,687	23,687	
Joliet-Quebec Mines Limited .....	1,031,800	20.1	196,042	134,602	
Lake Dufault Mines Limited .....	224,962	5.4	80,986	83,070	
Latin American Mines Limited (Note 2) .....	444,614	16.8	115,600	296,290	
Michipicoten Iron Mines Limited .....	874,106	32.6		304,814	90,786
New Calumet Mines Limited .....	1,282,639	27.7	230,875	348,767	
Northern Mining Company .....	2,250	15.0		317,873	6,782
Northfield Canada Limited .....	20,004	17.4		90,004	
Northwest Power Industries Limited (Note 6) .....					658,134
Pilley's Island Copper Pyrite Limited .....	600,000	41.3		125,000	
Quebec Metallurgical Industries Ltd. ....	1,146,249	22.7	779,449	2,503,897	
Rainville Mines Limited .....	612,143	21.8	183,643	404,894	
St. Eugene Mining Corporation Limited .....	841,185	34.8		319,989	564,598
Sukulu Mines Limited					
— common shares .....	48,160	40.0		128,849	15,722
— 5% preference shares .....	81,900	35.6		221,252	
Tororo Exploration Company Limited .....	151			420	
United Keno Hill Mines Limited (Note 4) .....	729,276	29.5	2,734,785	453,425	
Miscellaneous participations of less than \$60,000 each —					
Those with market value .....			158,798	357,800	
Those without market value .....				506,233	40,668
			<u>\$11,586,063</u>	<u>\$ 8,722,479</u>	<u>\$1,541,257</u>
			<u>\$13,514,886</u>	<u>\$19,831,507</u>	<u>\$3,659,706</u>

**NOTES:**

- The market values shown are based on closing market prices at December 31, 1957. Because of the number of shares involved, the indicated market value for certain securities is not necessarily indicative of the amount that could be realized if the securities were to be sold.
- During 1957 the share capital of Consolidated Guayana Mines Limited was reorganized and its name was changed to Latin American Mines Limited. In addition the shares of and advances to Chavin Mines Corporation were exchanged for shares of Latin American Mines Limited.
- In 1958 the company sold its investment in British Newfoundland Corporation at a profit.
- See note (3) to consolidated financial statements as to shareholdings hypothecated as security for the company's outstanding 4% debentures as well as shareholdings loaned to associated companies and note (4) as to the sale in 1958 of the company's investment in British Newfoundland Corporation.
- Both the book and market values shown for the shares of International Ranwick Limited are the amount receivable on the sale of these shares in 1958.
- At December 31, 1957 the outstanding share capital of Northwest Power Industries Limited consisted of 7 directors qualifying shares.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 1957 (Continued)

- The company has pledged 500,000 shares of Giant Yellowknife Gold Mines Limited, 500,000 shares of United Keno Hill Mines Limited and 150,000 shares of Falconbridge Nickel Mines Limited under the trust indenture securing the 4% convertible debentures.
- The company has loaned 20,000 shares of United Keno Hill Mines Limited to a subsidiary company.
- The company has agreed that, if necessary, it will furnish Kilembe Copper Cobalt Ltd. with funds and/or debentures to permit it to redeem its 5½% debentures at the rate of \$600,000 in 1958, \$800,000 in 1959, and \$1,000,000 in each of the years 1960 to 1962 inclusive, a maximum total of \$4,400,000.
- At December 31, 1957, the company has guaranteed the bank loans of a subsidiary company and an associated company to the extent of \$790,000.
- 500,000 unissued shares are reserved for possible issuance upon conversion of 4% convertible debenture.



## HOYLE MINING COMPANY LIMITED

BALANCE SHEET — DECEMBER 31, 1957

ASSETS			
<b>Current:</b>			
Cash .....		\$	229,319.73
Accounts receivable .....			93,214.34
		\$	322,534.07
<b>Investment in subsidiary, affiliated, associated and other companies at cost less amounts written off</b> (indicated market value \$15,565,938):			
Subsidiary companies—			
Shareholdings .....	\$ 121,381.39		
Advances .....	57,484.25	\$	178,865.64
Affiliated and associated companies—			
Shareholdings .....	\$ 7,105,278.05		
Advances .....	17,358.05		7,122,636.10
Other companies			
Shareholdings .....		752,638.04	8,054,139.78
<b>Fixed (note 2):</b>			
Porcupine mining property at cost .....		\$	399,256.02
Haileybury land at cost .....			1,051.77
Buildings, machinery and equipment at cost .....	\$ 190,698.79		
Less accumulated allowance for depreciation .....	105,219.59		85,479.20
Deferred development less amounts written off .....		204,212.06	689,999.05
<b>Other:</b>			
Expenditures on outside properties .....	\$ 99,640.60		
Supplies .....	1.00		99,641.60
			<u>\$ 9,166,314.50</u>
LIABILITIES			
<b>Current:</b>			
Accounts payable .....		\$	14,833.51
Convertible notes payable — convertible into common shares at the rate of \$2.00 per share .....			1,125.00
		\$	15,958.51
<b>Shareholders' equity:</b>			
Capital (notes 3, 4 and 5) —			
5¾% cumulative convertible redeemable preference shares of \$100.00 par value:			
Authorized and issued less purchased for cancellation .....	21,333 shares	\$	2,133,300.00
Common shares of no par value:			
Authorized—3,500,000 shares			
Issued —3,001,990 shares .....		7,527,399.00	
		\$	9,660,699.00
Contributed surplus (note 3) .....			25,000.00
			<u>\$ 9,685,699.00</u>
<b>Deduct —</b>			
Deficit .....	\$ 1,048,135.50		
Less special surplus .....	512,792.49		535,343.01
			<u>\$ 9,150,355.99</u>
			<u>\$ 9,166,314.50</u>

**NOTES:**

- (1) The accounts of the subsidiary companies have not been consolidated with those of the parent company as these subsidiaries are not wholly-owned and their assets and liabilities are not material in comparison with those of the parent company. These subsidiaries, which are inactive mining companies, have incurred no profits or losses since their incorporation.
- (2) A fire destroyed the mill on the company's Porcupine property in 1943 and the company discontinued mining operations at this property in 1948. Since that time the major portion of the company's saleable fixed assets has been sold, no depreciation has been written on the remaining assets and no amount has been written off deferred development expenditures.
- (3) There were the following changes in share capital during the year:
  - (a) 5,000 preference shares were purchased for cancellation at 95% of their par value. The difference between par value and the purchase price, \$25,000, has been credited to contributed surplus.
  - (b) 29,250 common shares were issued for \$37,750 cash.
  - (c) 30 common shares were issued on the conversion of \$60 convertible notes.
- (4) After September 7, 1957, on 90 days' notice, preference shares may be redeemed in whole or in part by the company at a premium of \$5.00 per share if redeemed before September 8, 1958 with reduction of \$1.00 in the premium for each year thereafter. The preference shareholders have the option of converting their preference shares into common shares at any time prior to September 8, 1965 on the basis of thirteen and one-third common shares for each preference share. No dividends were declared on the cumulative preference shares during the year. The arrears of dividends amount to \$122,664.75.
- (5) The company has granted options on 10,000 of its common shares at \$5.27 per share and on 2,000 at \$5.00 per share; both of these options are exercisable on or before November 8, 1958. In addition 30,750 of the company's authorized common shares have been reserved so that they may be optioned to officers and directors as follows:
  - 750 shares at \$3.00 a share;
  - 30,000 shares to officers at \$5.00 a share and to directors at market less 15%.



## HOYLE MINING COMPANY LIMITED

### STATEMENT OF INVESTMENT IN SUBSIDIARY, AFFILIATED, ASSOCIATED AND OTHER COMPANIES AS AT DECEMBER 31, 1957

	Number of shares	Indicated market value (note)	Cost less amounts written off	Advances
<b>Subsidiary companies:</b>				
Beaver River Silver-Lead Mines Limited .....	1,050,000			\$19,207.79
Larchwood Mines Limited .....	324,351		\$ 65,077.82	13,182.38
Northern Kyanite Mines Limited .....	765,000		56,303.57	20,232.18
South Porcupine Mines Limited .....	1,273,753			4,861.90
			<u>\$ 121,381.39</u>	<u>\$57,484.25</u>
<b>Affiliated and associated companies:</b>				
Affiliated —				
Avenue Realty Company Limited .....	500		\$ 450.00	\$ 5,253.83
Falconbridge Nickel Mines Limited .....	5,390	\$ 117,232.50	34,981.14	
		<u>\$ 117,232.50</u>	<u>\$ 35,431.14</u>	<u>\$ 5,253.83</u>
Associated —				
Big Agaunico Mines Limited .....	555,440		47,298.00	
Consolidated Mosher Mines Limited .....	812,950 <sup>1/2</sup>	455,252.00	887,866.49	
Consolidated Sudbury Basin Mines Limited .....	1,982,829	1,050,899.37	5,071,857.86	
Davidson Tisdale Mines Limited .....	133,333		20,000.00	3,230.77
Garrison Creek Consolidated Mines Limited .....	782,010		45,179.73	
Geoil Limited .....	7,093		10,000.00	
Giant Yellowknife Gold Mines Limited .....	12,500	53,125.00	100,000.00	
International Ranwick Limited .....	12,112	2,180.16	10,946.22	
Kalbrook Mining Company Limited .....	339,861		28,939.50	
Keithgold Mines Limited .....	850,000		30,000.00	
Kiena Gold Mines Limited .....	100,000		20,000.00	
Metal Hydrides Incorporated .....	27,554	399,533.00	283,587.40	
Northfield Canada Limited .....	10,000		45,000.00	
Opemiska Copper Mines (Quebec) Limited .....	1,966,913	12,588,243.20	343,116.64	
Quebec Metallurgical Industries Ltd. ....	33,333	22,666.44	100,000.00	
Miscellaneous participations of less than \$10,000 each ..		9,517.32	26,055.07	8,873.45
		<u>\$ 14,698,648.99</u>	<u>\$ 7,105,278.05</u>	<u>\$17,358.05</u>
<b>Other companies:</b>				
Explorers Alliance Limited .....	10,522 <sup>3/5</sup>	\$ 1,210.03	\$ 26,205.00	
R. J. Jowsey Mining Company Limited .....	55,229 <sup>2/3</sup>	19,330.15	41,187.95	
New Kelore Mines Limited .....	14,470	940.55	26,032.64	
New Potterdool Mines Limited .....	325,517		26,998.05	
New Broken Hill Consolidated Limited .....	6,262	28,930.44	25,434.00	
Pine Point Mines Limited .....	42,705	234,877.50	16,492.27	
Quebec Gold Belt Mines Limited .....	23,750	1,900.00	19,419.15	
Richglen Mines Limited .....	225,000		10,000.00	
Sheldon Larder Mines Limited .....	245,899	19,671.92	90,305.18	
Sil-Van Mines Limited .....	42,117		14,213.00	
Silver Standard Mines Limited .....	134,944	15,518.56	20,389.85	
South Giroux Mines Limited .....	265,000		19,750.00	
Thompson Lundmark Gold Mines Limited .....	627,349	495,605.71	340,393.26	
Miscellaneous participations of less than \$10,000 each ..		49,305.01	75,817.69	
		<u>\$ 867,289.87</u>	<u>\$ 752,638.04</u>	
		<u>\$ 15,565,938.86</u>	<u>\$ 7,979,297.48</u>	<u>\$74,842.30</u>

NOTE: The market values shown above are based on closing market prices at December 31, 1957. Because of the number of shares involved the indicated market value of certain securities is not necessarily indicative of the amount that could be realized if the securities were to be sold.



**LATIN AMERICAN MINES LIMITED**  
**CONSOLIDATED BALANCE SHEET — DECEMBER 31, 1957**  
(Expressed in United States currency)

ASSETS			
<b>Current:</b>			
Cash .....		\$	21,703
Marketable securities at cost less amount written off (market value \$18,300) .....			18,300
Accounts receivable .....			7,090
		\$	47,093
<b>Investment in associated companies:</b>			
Geoil Limited — 42,458 shares at cost .....	\$	124,575	
Seaoil Limited — current advances .....		4,223	
Empresa Minera Mantos Blancos — 933 shares at cost .....		24,171	
Bolivex Corporation — 1,562 shares at cost .....		3,125	
— current advances .....		1,141	157,235
<b>Chavin Mine properties and related expenditures thereon at cost (note 2):</b>			
Mining properties and concessions .....	\$	202,147	
Buildings, equipment and roads .....		486,365	
Exploration development and other expenditures .....		1,237,401	
		\$1,925,913	
Less provision to reduce to estimated value (note 2) .....		921,601	1,004,312
Furniture fixtures and equipment, at cost .....	\$	24,653	
Less accumulated depreciation .....		13,649	11,004
<b>Other:</b>			
Exploration expenditure on other Peruvian property carried forward .....	\$	57,211	
Other investment at cost .....		517	
Incorporation expenses .....		2,335	60,063
			<u>\$1,279,707</u>
LIABILITIES			
<b>Current:</b>			
Accounts payable and accrued charges .....	\$	9,559	
Provision for labour indemnities under Peruvian law .....		13,801	
		\$	23,360
Advance from Ventures Limited, parent company .....			41,400
<b>Shareholders' equity:</b>			
Capital (notes 3 and 4) —			
Authorized — 4,000,000 shares of Can. \$.50 par value each			
Issued — 2,566,000 shares .....		\$1,283,000	
Adjustment to convert capital stock to the amount realizable in United States currency .....		42,521	
		\$1,325,521	
Deduct deficit .....	\$	265,571	
Less contributed surplus — unappropriated balance arising from reorganization of share capital .....		154,997	110,574
			<u>\$1,214,947</u>
			<u>\$1,279,707</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 1957**

- Assets and liabilities and revenues and expenses in currencies other than United States dollars are converted into United States funds on the following bases:  
 Current assets and liabilities — at approximately the quoted rates of exchange at December 31, 1957;  
 Other assets — at the rates of exchange prevailing when the expenditures were made;  
 Capital stock — at the amount actually realized or realizable in United States funds from the proceeds of shares sold in Canada for Canadian dollars;  
 Revenues and expenses — at the rates of exchange prevailing when the transactions occurred.
- All work at the Chavin Mine properties has been suspended. The possibility of any recovery from these properties is dependent upon the further expenditure of a substantial sum of money together with a marked increase in metal prices. No portion of the expenditures made to date would be recovered if the properties were brought into production and the output marketed at the current (December 31, 1957) selling price for metals.  
 At December 31, 1956 the book value of these properties was reduced to \$1,004,312, being the amount which the company estimated could be recovered if metal prices return to those in effect in April, 1957. The expenditures on these properties in 1957 have been included in the consolidated loss for that year.
- Under supplementary letters patent dated December 4, 1957 the name of the company was changed from Consolidated Guayana Mines Limited to Latin American Mines Limited and the authorized share capital of the company was altered by:  
 (a) redividing the company's authorized capital of 6,500,000 shares with a par value of Can. \$1 each into 1,300,000 shares with a par value of Can. \$.50 each;  
 (b) decreasing the authorized capital of the company from Can. \$6,500,000 to Can. \$650,000 by reducing the par value of each and the shares of the company as redivided from Can. \$5 to Can. \$.50; and  
 (c) increasing the company's authorized capital from Can. \$650,000 to Can. \$2,000,000 by creating an additional 2,700,000 shares with a par value of Can. \$.50 each, ranking on a parity with the existing shares of the company, as redivided.  
 Note: As a result of the changes in authorized capital referred to in (a) and (b) above, the company's issued share capital was automatically reduced from 5,851,430 shares of Can. \$1 each to 1,170,286 shares of Can. \$.50 each (note 4).



## MATACHEWAN CONSOLIDATED MINES LIMITED

### BALANCE SHEET — DECEMBER 31, 1957

ASSETS			
<b>Current:</b>			
Cash .....		\$	4,009
Accounts receivable .....			6,290
			\$ 10,299
<b>Investments — at cost or cost less amounts written off:</b>			
Shares of companies with quoted market values—			
Affiliated companies (quoted market value \$58,575) .....	\$ 28,221		
Other companies (quoted market value \$109,604) .....	159,908	\$ 188,129	
Shares of companies with no quoted market values—			
Affiliated companies .....	\$ 39,078		
Other companies .....	67,000	106,078	294,207
<b>Fixed:</b>			
Mining leases, buildings, machinery and equipment and supplies — at estimated salvage value .....			100,000
<b>Other:</b>			
Prepaid expenses and deposits .....			2,293
			\$ 406,799

LIABILITIES, CAPITAL AND SURPLUS			
<b>Current:</b>			
Accounts payable and accrued charges .....		\$	1,563
Wages payable .....			698
			\$ 2,261
<b>Capital:</b>			
Authorized—4,000,000 shares of no par value			
Issued —3,439,000 shares .....	\$ 914,500		
<b>Deficit</b> .....	(509,962)	404,538	
			\$ 406,799

### LATIN AMERICAN MINES LIMITED—NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 1957 (Continued)

4. Changes in the company's issued share capital during 1957 may be summarized as follows:

	Number of shares	Par value	Discount	Exchange adjustment to convert to U.S. funds	Total
Balance December 31, 1956 .....	2,550,000	\$2,550,000	\$(1,523,498)	\$(48,147)	\$ 978,355
Shares issued prior to reorganization —					
For 1,500 shares of Chavin Mines Corporation .....	735,000	735,000	(510,977)	11,201	235,224
In settlement of advances made to the company by associated companies .....	2,133,955	2,133,955		106,697	2,240,652
In settlement of loans made to Chavin Mines Corporation by associated companies .....	432,475	432,475	(301,849)	6,531	137,157
Balance immediately prior to reorganization .....	5,851,430	\$5,851,430	\$(2,336,324)	\$ 76,282	\$3,591,388
<b>Deduct:</b>					
Capital surplus (90% of above balance) arising from reorganization (note 3) .....		\$5,266,287	\$(2,102,692)	\$ 68,654	\$3,232,249
Remainder of discount charged to capital surplus .....			(233,632)		(233,632)
		\$5,266,287	\$(2,336,324)	\$ 68,654	\$2,998,617
Balance after reorganization (note 3) .....	1,170,286	\$ 585,143		\$ 7,628	\$ 592,771
Shares issued subsequent to reorganization — for cash .....	1,395,714	697,857		34,893	732,750
Balance December 31, 1957 .....	2,566,000	\$1,283,000	0	\$ 42,521	\$1,325,521



## LA LUZ MINES LIMITED

### CONSOLIDATED BALANCE SHEET — SEPTEMBER 30, 1957

ASSETS			
<b>Current:</b>			
Cash .....		\$	46,974.76
Bullion in transit and at refineries at estimated realizable value .....			215,994.95
Accounts receivable .....			68,582.63
		\$	331,552.34
<b>Investments:</b>			
Marketable securities — at cost			
Falconbridge Nickel Mines Limited, an affiliated company:			
21,708 shares (quoted market value \$564,503) .....	\$	80,586.88	
Panaminas Incorporated (at nominal value) .....		1.00	80,587.88
<b>Inventories of Supplies</b> valued at the lower of average cost or market:			
Mining and milling supplies and spare parts .....	\$	1,209,312.53	
Rosita construction materials and supplies .....		239,364.24	
Commissary merchandise .....		141,671.50	1,590,348.27
<b>Fixed:</b>			
Siuna mining claims, at cost .....	\$	1,550,000.00	
Potosi property, at cost .....		570,130.16	
		\$	2,120,130.16
Less accumulated depletion .....		1,809,173.22	
		\$	310,956.94
Rosita property, at cost .....		515,907.65	
Riscos de Oro property, at cost .....		113,558.04	
Mine buildings, machinery, equipment, roads, airports and Yy River power development including Rosita construction in progress, at cost .....	\$	7,337,600.41	
Less accumulated depreciation .....		3,097,587.19	
		4,240,013.22	5,180,435.85
<b>Deferred:</b>			
Development and other pre-production expenditures to date on Rosita property .....	\$	388,081.62	
Prepaid fire insurance, taxes, etc. ....		57,171.17	
Native housing project, at cost less amounts written off .....		8,806.22	454,059.01
			\$ 7,636,983.35
LIABILITIES			
<b>Current:</b>			
Bank loan (secured) .....	\$	250,000.00	
Accrued wages .....		6,610.80	
Accounts payable and accrued charges .....		249,488.72	
		\$	506,099.52
<b>Capital:</b>			
Authorized—2,000,000 shares of no par value			
Issued —1,509,662 shares (see note 2 re options outstanding) .....	\$	3,149,691.10	
General reserve .....		2,403,802.53	
Earned surplus .....		1,577,390.20	7,130,883.83
			\$ 7,636,983.35

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (1) The company's transactions arise for the most part in United States and Nicaraguan currencies and to a limited extent in Canadian currency. The financial statements are presented in terms of U.S. dollars with the exception of share capital and the expenditures therefrom which are recorded in Canadian dollars. Conversion during the year from cordobas to U.S. dollars has been made at the official rate of 7 cordobas to \$1 U.S. Conversion from Canadian to U.S. dollars has been made at the various rates prevailing during the year.
- (2) At September 30, 1957 options were outstanding on 25,000 shares of the company's capital stock allocated 12,500 shares to the President and 12,500 shares to other employees at the price of \$3.25 per share. These options may be exercised during the period from September 30, 1957 to September 30, 1958.
- (3) The administrative expenses outside of Nicaragua include remuneration of the directors as such (excluding remuneration for services as officers and employees) amounting to \$672.
- (4) The provision for depletion is based on the average gold content of the ore milled during the year ended September 30, 1957. The rate of provision so determined was 23.8¢ per ton as compared with a rate of 22¢ per ton used in the previous year.
- (5) There were outstanding commitments made prior to or shortly after September 30, 1957 for new equipment purchased on behalf of Rosita Mines Limited which amounted to approximately \$900,000.
- (6) Actions are pending against the company, and certain of its shareholders and former directors and officers relating to the acquisition of the mining properties of the company and its wholly-owned subsidiary, Rosita Mines Limited. At the present time no determination can be made as to the liability, if any, in this connection.







