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# BROULAN REEF MINES LIMITED

*Thirty-first Annual Report*

*to*

*The Shareholders*

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1966

THE ANNUAL MEETING WILL BE HELD ON WEDNESDAY, APRIL 19, 1967  
AT 10:00 A.M., TORONTO TIME,  
AT THE OFFICES OF THE COMPANY, 7<sup>th</sup> FLOOR,  
105 ADELAIDE ST. WEST, TORONTO, ONTARIO

# BROULAN REEF MINES LIMITED

## OFFICERS

**H. F. BROWNBILL**  
*President*

**F. G. LAWSON**  
*Vice-President*

**W. H. MAEDEL**  
*Vice-President and Secretary-Treasurer*

## DIRECTORS

**H. F. BROWNBILL**

**L. B. HARDER**

**D. G. LAWSON**

**F. G. LAWSON**

**W. H. MAEDEL**

## TRANSFER AGENTS AND REGISTRARS

TORONTO, CANADA  
EASTERN & CHARTERED TRUST COMPANY

NEW YORK AND JERSEY CITY, U.S.A.  
REGISTRAR AND TRANSFER COMPANY

## AUDITORS

GLENDINNING, JARRETT, GOULD & CO.

## BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE

## SOLICITORS

LANG, MICHENER, CRANSTON, FARQUHARSON & WRIGHT

## HEAD OFFICE

105 ADELAIDE ST. WEST, TORONTO, ONTARIO

# BROULAN REEF MINES LIMITED

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## *Annual Report of the Directors*

Your Directors present herewith the Thirty-first Annual Report of the Company for the year ended December 31, 1966, which includes the Balance Sheet, Statement of Surplus, Statement of Operations and the Auditors' Report.

Net profit for the year, as shown on the Statement of Operations, amounted to \$178,988. Working capital and investments at quoted market value totalled \$1,082,117 (18¢ per share) as at December 31, 1966 compared to \$880,984 at the previous year-end.

Principal holdings in shares of other companies as at December 31, 1966 comprised the following:

50,000 shares Brazilian Light and Power Company Limited  
10,000 shares Kerr Addison Mines Limited  
2,144,852 shares Hugh-Pam Porcupine Mines Limited

The Company's holdings in Hugh-Pam Porcupine Mines Limited represent 45 per cent of the issued capital of that company, which had working capital and investments at quoted market value totalling \$441,000 at December 31, 1966.

During the year under review \$92,600 was realized from sales of equipment and supplies. A further \$107,987 was realized from sales of salvaged materials, waste rock, mill tailings and gravel, as set out on the Statement of Operations. Since the shut-down of mining operations in September, 1965, total sales of the above-mentioned items amounted to \$429,556.

Custom milling for Texas Gulf Sulphur Company of lead-zinc ores from its Kidd Creek Mine commenced in April, 1966 and carried through until the end of the year, at which time the arrangement was terminated. The clean-out of the circuit and shut-down of the milling plant was completed during January, 1967 and the equipment is now being offered for sale.

As a member of the Great Bear Syndicate, the Company, in association with Northwest Explorers Limited of Edmonton and Freeport Canadian Exploration Company of New York, participated in an exploration venture in the Northwest Territories. Electromagnetic surveys were carried out on three prospects and diamond drilling was done to test an anomaly located on one of them. In all, some thirty prospects were examined but no deposits of commercial grade were discovered.

In October, 1966 the Company started acquiring ground in the Agnew Lake Area, between Blind River and Sudbury, which it deems favorable for the discovery of uranium deposits. A total of 290 claims (approximately 12,000 acres) are now held comprising three groups in the townships of Baldwin, Porter, Shakespeare and Dunlop. Ten claims in the central group in Baldwin Township are

**BROULAN REEF**  
**MINES LIMITED**

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held under options exercisable within five years. The Company holds a 100% interest in the remaining 280 claims.

A location map of the properties is printed on the back cover of this report.

Diamond drilling started in November on the central group in Baldwin Township and thirteen holes totalling 5,445 feet have been completed to date. The fourteenth hole, which it is planned to drill for a length of 1,200 feet, is now in progress. Eight of the thirteen holes completed cut the favorable quartz pebble conglomerate. Two separate beds of radioactive conglomerate have been encountered and the best intersections relate to the lower bed. Radiometric assays of these intersections are as follows:

<u>Hole No.</u>	<u>U<sub>3</sub>O<sub>8</sub> - Pounds Per Ton</u>	<u>Length of Intersection</u>
2	2.1	6.2 feet
6	2.2	4.0 feet
7	2.5	8.6 feet
8	2.4	8.3 feet

Intersections represent approximately true widths. The intersection in hole No. 7 includes 2.3 feet grading 8.0 pounds U<sub>3</sub>O<sub>8</sub> per ton, while that in hole No. 8 includes 2.7 feet grading 5.6 pounds.

The two other claim groups contain radioactive outcrops and areas of indicated widespread radioactivity which will be investigated. Plans are now being made for the exploration of these two groups and will probably include prospecting, geological mapping and diamond drilling.

Your Directors wish to express their appreciation of the diligent efforts and able services rendered by the staff and employees during the past year.

On behalf of the Board of Directors,



President.

Toronto, Ontario,  
March 7, 1967.

# BROULAN REEF MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet as at December 31, 1966

### ASSETS

<b>CURRENT</b>			
Cash .....	\$	2,291.95	
Government of Canada Treasury Bills .....		108,342.20	
Accounts receivable .....		152,395.20	\$ 263,029.35
<b>SPECIAL REFUNDABLE TAX</b> .....			4,970.00
<b>INVESTMENT IN BONDS — at cost</b>			
Held by H.E.P.C. of Ontario as security under power contract			
Hydro Electric Power Commission of Ontario bonds .....	\$	16,047.96	
Dominion of Canada bonds .....		4,000.00	
(Quoted market value \$18,560.00)			20,047.96
<b>INVESTMENT IN OTHER COMPANIES — at book value</b> .....			907,814.19
(Quoted market value \$832,810.00)			
<b>FIXED</b>			
Mining properties —			
Agnew Lake Area (Note 2) .....	\$	32,804.75	
Porcupine Area (Note 3) .....		1.00	32,805.75
Plant, machinery and equipment — at cost less			
proceeds of disposal (Note 3) .....	\$	1,636,587.40	
Less: Accumulated depreciation .....		1,046,738.15	
		589,849.25	622,655.00
<b>DEFERRED EXPLORATION COSTS</b>			
Agnew Lake Area .....	\$	17,244.43	
Nighthawk Lake Area .....		5,834.47	23,078.90
<b>OTHER DEFERRED CHARGES</b>			
Supplies (Note 3) .....	\$	78,421.70	
Prepaid expenses .....		5,438.92	83,860.62
			\$ 1,925,456.02

### LIABILITIES

<b>CURRENT</b>			
Accounts payable .....	\$	27,312.13	
Income taxes payable .....		4,970.00	\$ 32,282.13

### SHAREHOLDERS' EQUITY

<b>CAPITAL STOCK</b>			
Authorized			
6,000,000 shares of \$1.00 each			
Issued			
5,961,142 shares .....	\$	5,961,142.00	
Less: Discount on capital stock .....		5,125,714.15	
		\$ 835,427.85	
<b>SURPLUS — per statement</b> .....		1,057,746.04	1,893,173.89
			\$ 1,925,456.02

Approved on behalf of the Board:

"H. F. BROWNBILL", Director.

"DONALD G. LAWSON", Director.

# BROULAN REEF MINES LIMITED

## *Statement of Operations* For the Year Ended December 31, 1966

<b>REVENUE</b>		
Milling operations .....	\$366,466.41	
Sale of materials .....	<u>107,987.77</u>	\$474,454.18
<i>Deduct:</i> Operating costs .....	\$241,465.50	
Head office administrative and general expenses .....	<u>69,985.40</u>	<u>311,450.90</u>
		\$163,003.28
<i>Deduct:</i> Outside exploration expenditures		
Direct .....	\$ 1,040.03	
Great Bear Syndicate .....	<u>25,000.00</u>	<u>26,040.03</u>
		\$136,963.25
<i>Add:</i> Non-operating income		
Interest and dividends .....		<u>42,025.64</u>
<b>NET PROFIT FOR THE YEAR</b> .....		<u><u>\$178,988.89</u></u>

NOTE: Directors' fees amounting to \$2,450.00 were paid during the year.

## *Statement of Surplus* As at December 31, 1966

BALANCE AS AT DECEMBER 31, 1965 .....		\$ 1,358,637.28
<i>Deduct:</i> Mining properties in Porcupine Area written down to nominal value .....	\$348,962.76	
Deferred development expense written off .....	<u>130,917.37</u>	<u>479,880.13</u>
		\$ 878,757.15
<i>Add:</i> Net profit for the year ended December 31, 1966 .....		<u>178,988.89</u>
<b>BALANCE AS AT DECEMBER 31, 1966</b> .....		<u><u>\$ 1,057,746.04</u></u>

# BROULAN REEF MINES LIMITED

## *Notes to the Financial Statements*

1. No provision has been made in the accounts during the current year for depreciation of fixed assets.
2. Certain of the properties in the Agnew Lake Area are held under options which may be fully exercised upon further payments totalling \$190,200.00, at varying dates on or before March 1, 1972.
3. The Company has closed its mining and milling operations in the Porcupine Area. Mining properties in that area, which had a book value of \$348,963.76, have been written down to a nominal value of \$1.00. In addition the Company has written off the unamortized portion of its deferred development expenses. In the event that the properties were reactivated, consideration would be given at that time to the reinstatement of these book values.

Plant, machinery and equipment as well as supplies have been shown at their net book value. Some further realizations of equipment and supplies are expected on which losses are anticipated.

4. As a result of cessation of operations at the Hugh-Pam Mine, the amount recoverable by the Company in accordance with the terms of the Broulan-Hugh-Pam agreement has been written off. In the event that the Hugh-Pam Mine recommences operations, the amount now written off is recoverable out of operating profits of that mine.

## *Auditors' Report*

To the Shareholders,  
Broulan Reef Mines Limited.

We have examined the balance sheet of Broulan Reef Mines Limited as at December 31, 1966 and the related statements of surplus and operations for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

As set forth in the notes to the financial statements, the Company has closed its mine and milling operations. Plant, machinery and equipment as well as supplies have been shown at their net book value. We are unable to express an opinion as to the realizable value of these assets.

In our opinion, subject to the above comments on certain of the Company's assets, the accompanying balance sheet together with the notes related thereto and the statements of surplus and operations present fairly the financial position of the Company as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GLENDINNING, JARRETT, GOULD & CO.,

Chartered Accountants.

Toronto, Ontario,  
March 1, 1967.

# BROULAN REEF MINES LIMITED

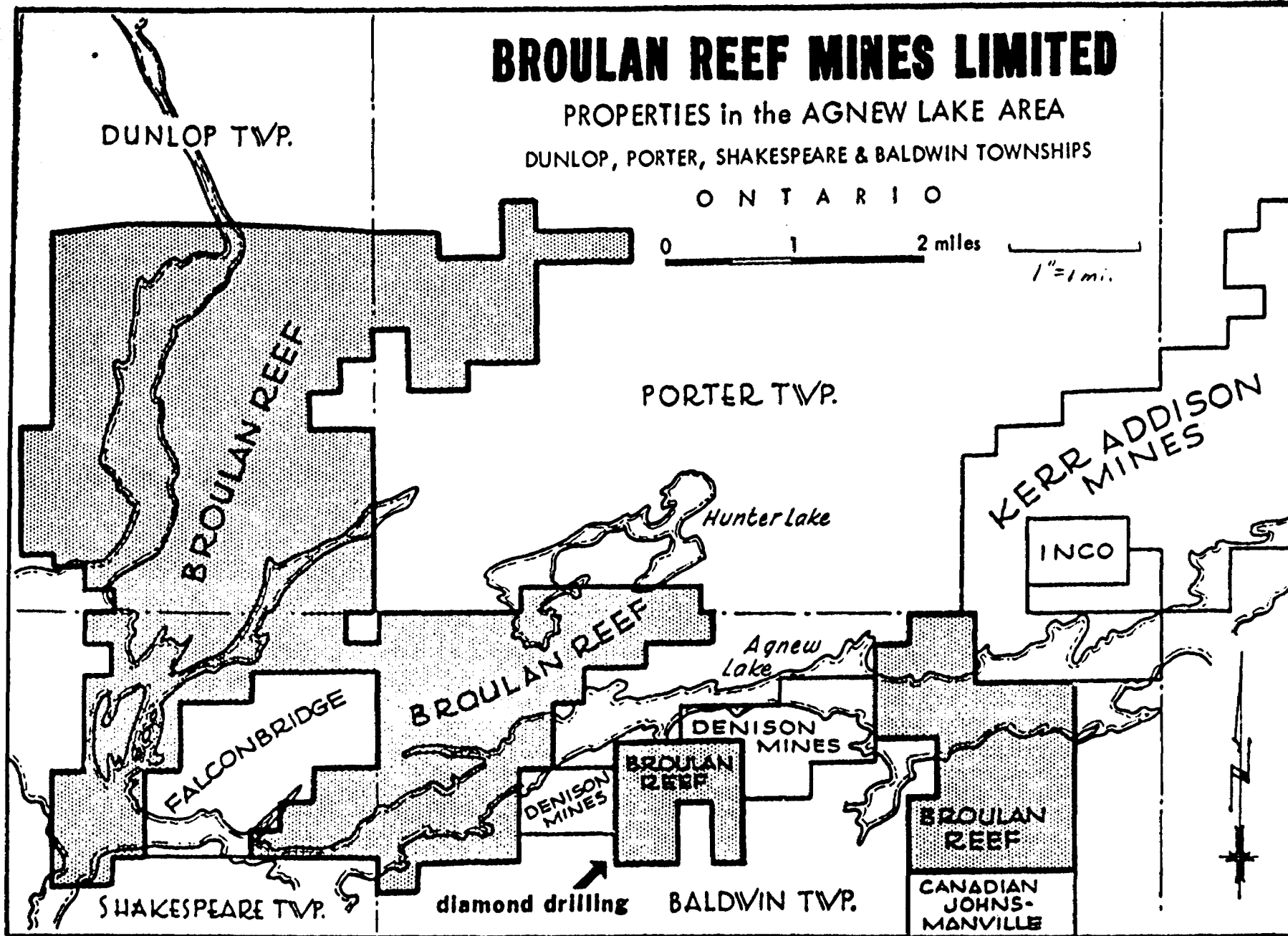
PROPERTIES in the AGNEW LAKE AREA

DUNLOP, PORTER, SHAKESPEARE & BALDWIN TOWNSHIPS

O N T A R I O

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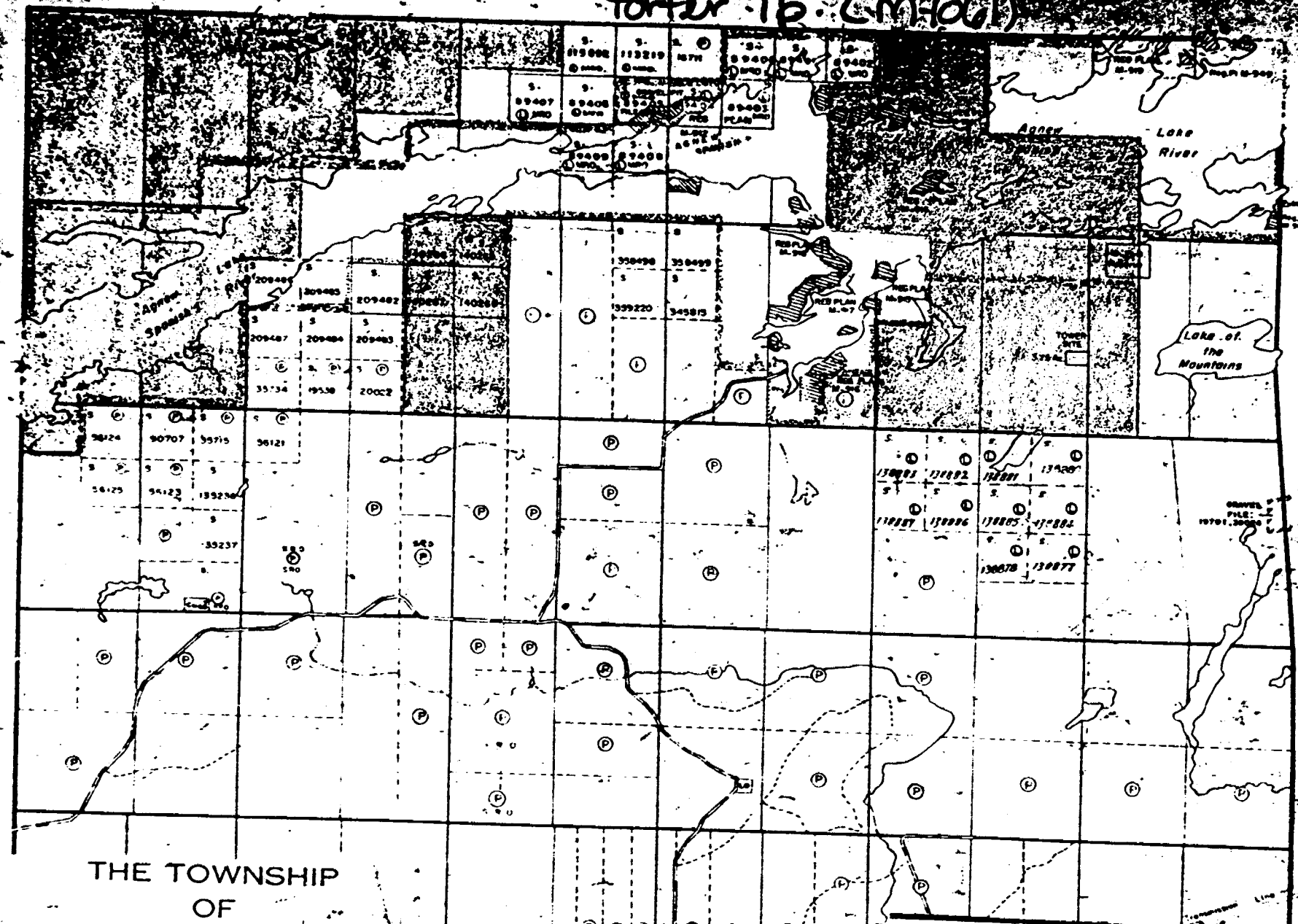
1" = 1 mi.







Porter Tp. (M-1006)



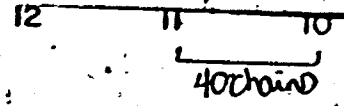
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THE TOWNSHIP OF  
OF  
**BALDWIN**

DISTRICT OF  
SUDBURY  
SUDBURY  
MINING DIVISION

SCALE: 1-INCH=40 CHAINS



**LEGEND**

- ⊙ PATENTED LAND
- ⊙ CROWN LAND SALE
- ⊙ LEASES
- ⊙ LOCATED LAND
- ⊙ LICENSE OF OCCUPATION
- ⊙ MINING RIGHTS ONLY
- ⊙ SURFACE RIGHTS ONLY
- ⊙ ROADS
- ⊙ IMPROVED ROADS
- ⊙ KING'S HIGHWAYS
- ⊙ RAILWAYS
- ⊙ POWER LINES
- ⊙ MARSH OR MUSKOG
- ⊙ MINES
- ⊙ CANCELLED

Merritt Twp. (M-863)