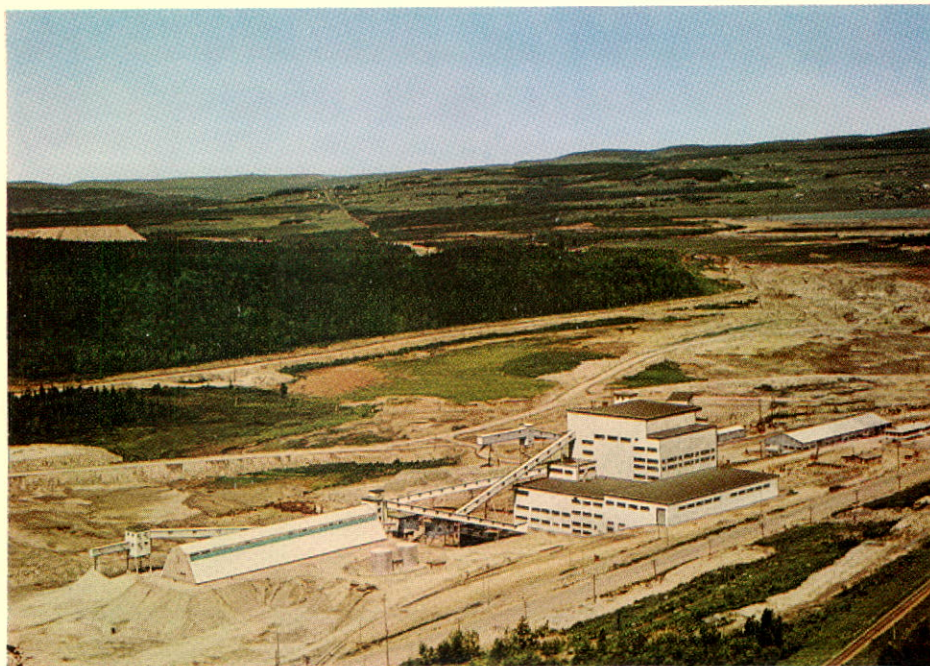


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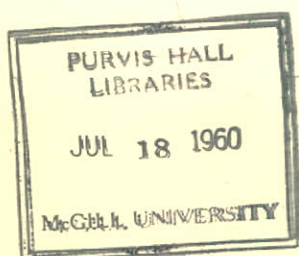
1959



UNITED ASBESTOS

C O R P O R A T I O N L I M I T E D

N O P E R S O N A L L I A B I L I T Y



Report to the Shareholders

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

Directors

A. B. DAVIDSON, *Toronto, Ont.*
P. M. MALOUF, *Montreal, P.Q.*
R. F. DOOLEY, *Chicago, Ill.*
ORVILLE TAYLOR, *Chicago, Ill.*
THE HONOURABLE GASPARD FAUTEUX,
P.C., LL.D., D.D.S., L.D.S., *Montreal, P.Q.*
W. R. SALTER, Q.C., *Toronto, Ont.*
BARTLETT PINKHAM, *New York, N.Y.*

Officers

A. B. DAVIDSON, *President*
P. M. MALOUF, *Vice-President*
E. D. HERVEY, *Secretary*
C. R. SCHULTZ, *Treasurer*

Head Office

132 St. James Street West, Montreal, P.Q.

Executive Office

320 Bay Street, Toronto, Ont.

Transfer Agents & Registrars

GUARANTY TRUST CO. OF CANADA,
Toronto and Montreal
THE BANK OF NEW YORK, *New York, N.Y.*

Consulting Engineer

PHILIP M. MALOUF, P.ENG., *Montreal, P.Q.*

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

December 30th, 1959

TO THE SHAREHOLDERS:

Your Directors present herewith the Balance Sheet of your Company for the year ended December 31st, 1958, and also present a Balance Sheet covering the period ending September 30th, 1959. Accompanying such Balance Sheets are various related statements, together with the Auditors' reports thereon.

Your Company's mine at Black Lake, Quebec, came into production on June 29th, 1958, with a rated capacity to produce approximately 7% of the free world's consumption of asbestos fibre. The business recession had begun to affect world consumption of fibre some months before the mill was put into operation with the consequent result that a serious sales problem faced the American Smelting and Refining Company and its wholly-owned subsidiary, Lake Asbestos of Quebec, Ltd. The shrinkage of consumption of fibre was at such an accelerating rate that in spite of the high quality of fibre available from our mine and the aggressiveness of the Lake Asbestos sales organization, sales were far below capacity to produce. As is the case with all large plants embracing intricate mechanical equipment, distribution systems and controls, the first several months of operation was a period in which personnel had to be carefully instructed and trained, and adjustments made to equipment for efficient processing and establishing quality control. Also, because of radical changes in requirements of fibre quality, demanded by consumers during this last year, it was necessary to install additional equipment, thus extending the breaking-in period of this large and complex asbestos producing plant.

With the sales volume being so much lower than could normally have been expected prior to 1958, the continuing high costs for dredging and mine development have had the effect of increasing costs of producing fibre to an unusual extent. The dredging operation continued throughout the period following commencement of production and was terminated on September 24th last. The cost of dredging from the beginning of milling operations to the end of September exceeded two million dollars, or over one-hundred thousand dollars monthly and was treated as a current expense item. Mechanical stripping of waste material, for development of ore faces, has been maintained at a maximum rate in order to bring the mine, as quickly as possible, to the stage where it can supply ore best suited for production of the various grades of fibre needed to meet market demands. The cost of this development has also been charged to current production costs, and although they reflect disproportionately on the cost of fibre produced and sold at present, there will be compensating reductions in future costs. The most immediate tangible reduction is elimination of the dredging costs, and in this regard it is to be noted that although this was a relatively large charge per month, the cost of the material removed was substantially less than would be the cost of removing the same material at a later date by mechanical means.

The downward trend in demand for asbestos fibre was arrested in the early months of 1959, and concurrent with the strong recovery in industrial production in the United States and other countries, the demand for Canadian asbestos fibre showed substantial improvement, as, for example, shipments from Quebec mines in the six months ended June 30th, 1959, were up 19.6% as compared with the first half of 1958. Shipments of fibre by Lake Asbestos of Quebec, Ltd. have shown most satisfactory improvement. In the second quarter ended June 30th, 1959, there was a gain of 219% over those for the first quarter, while the third quarter showed an increase of 59.2% over the shipments for the second quarter. It is expected that shipments in the fourth quarter will show an increase of approximately 13% over shipments in the third.

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

Your management has been advised by Lake Asbestos of Quebec, Ltd. that sales and shipments reached a point in September, October, and November where sales revenue considerably exceeded operating expense.

Your Directors believe that, under normal conditions, to have reached a full stage of production within fifteen months after milling operations commenced would have been satisfactory. However, to have accomplished this under disturbed world conditions and the unfavourable circumstances prevailing in the industry at the time, represents an extraordinary achievement for which the management and staff of both Lake Asbestos of Quebec, Ltd. and American Smelting and Refining Company are to be congratulated.

As at September 30th, costs, which, as previously stated, included dredging and other similarly unusual items, had exceeded sales revenue by \$1,760,000, therefore, future net proceeds will have to exceed this figure before United can expect a cash flow. Prospects for 1960 are decidedly more encouraging provided industry generally, and particularly the building industry, continue the level of activity prevailing in the last half of 1959. Mining costs will remain higher than normal during part of 1960 due to more than normal stripping, but other mining and milling costs are gradually being reduced and are even now nearly comparable to the costs of the older, large scale operations in the district.

The grade of ore being mined is steadily improving as the benches in the pit reach the level at which grades are average for the mine. The outlook for the Company's mining operation for 1960 is, therefore, one of gradual improvement in earnings.

Until 1959, your Company's only investment has been in the asbestos fibre producing field and, while over the years ahead that investment will be of paramount importance, nevertheless, your Directors felt that it would be well to have interests in other industries, particularly if those other investments could be so directed as to assist in the consumption of asbestos fibre from our mine. With this objective in mind, your Company sold 500,000 treasury shares at \$6.00 per share U.S. funds.

Upon successful completion of the financing, certain companies with sound management were investigated. Many inquiries were made and a number of preliminary and some serious negotiations were conducted. During these investigations, one company stood out predominantly because of its proven aggressiveness, youthful management and its excellent record of rapidly increasing earnings and steady physical growth. Negotiations with this company extended over some months but have now been concluded whereby your Company has purchased, through its wholly-owned subsidiary, Detinu Holdings Limited, 50% of the outstanding capital stock of Thorold Concrete Products Limited from the Pennachetti family for \$1,000,000. The other 50% of the capital stock will be owned by the men who so successfully built the company, Messrs. John and Primo Pennachetti, and their continuing services will be assured through their shareholdings in the Company. Detinu Holdings Limited has also paid \$60,000 for a 5% interest, together with a first right of refusal on a further 90% of the capital stock of Capital Concrete Products Limited in which the Pennachetti brothers now hold a 45% interest. United Asbestos loaned to Detinu Holdings Limited sufficient funds to complete the above transactions.

Thorold Concrete Products Limited is one of the oldest manufacturers of concrete blocks and other associated products in the Niagara Peninsula and is one of the most important manufacturers of those products in Canada; owning and operating modern, large-scale plants in Thorold and Hamilton in the industrial heart of southern Ontario. Capital Concrete Products Limited owns and

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

operates a new, modern plant at Iroquois on the St. Lawrence Seaway in eastern Ontario. A brochure more fully describing the activities of these companies is enclosed.

These investments provide United Asbestos with a stake in the construction industry in Ontario which is Canada's wealthiest and fastest growing Province, in partnership with the Pennachetti brothers who have proven themselves outstandingly successful operators in this field. It is planned that Thorold Concrete Products will expand its activities both geographically and in the development of new products and should become an increasingly important business enterprise. Thorold's fiscal year ends December 31st, 1959, and from results to date it would appear that earnings for 1959 will approximate \$550,000 before taxes. This compares with \$274,329.40 for the year 1958, \$111,716.60 for 1957, and \$52,718.09 for 1956.

You will note that United's issued capital at September 30th, 1959, stands at 4,489,000 shares. A little over five years ago at a special shareholders' meeting, shareholders approved options to Directors and certain others who had assisted the Company materially in the early stages of its development, to purchase treasury shares at \$4.00 per share net (Canadian funds) up until but not after September 28th, 1959. Most of the options were exercised and those unexercised were cancelled.

To summarize developments occurring since the last annual report to the shareholders, it will be noted that the whole vast mining and milling project at Black Lake has been run in, tuned up and is now operating at full capacity. A high degree of efficiency has been reached at the mine and the enterprise is producing a most excellent quality product under the trade name "ASARCO Fibre" which is being sold in increasing volume throughout the world. With gradually reducing costs and improving ore grade, prospects for 1960 are favourable for substantial net proceeds and may see the beginning of a cash flow to United from the mining operation.

The purchase of a 50% interest in Thorold Concrete Products Limited brings to United not only a new source of earning power but also the ambitious and able management of Thorold to expand this phase of United's investments into other related companies and products.

Respectfully submitted,

On behalf of the Board,

A. B. DAVIDSON,

President.

UNITED ASBESTOS

(No Personal Liability)

Incorporated under the laws of the Province of Ontario

Balance Sheet
SEPTEMBER 30, 1959

ASSETS

CURRENT ASSETS:

| | | | |
|---|--------------|--------------|----------|
| Cash | 629,863.14 | | |
| Funds on fixed short-term deposit | 2,759,116.01 | | |
| Accrued interest receivable | 4,479.01 | | |
| Returnable deposits | 1,425.00 | | |
| Prepaid expenses | 249.95 | 3,395,133.11 | |
| HEAD OFFICE EQUIPMENT, at cost | | | 3,968.68 |

EXPENDITURES RECOVERABLE FROM LAKE ASBESTOS OF QUEBEC, LTD. out of net proceeds of production (Notes 1 and 2):

| | | | |
|---|--------------|--------------|--------------|
| Buildings | 42,873.25 | | |
| Plant and equipment | 322,936.87 | | |
| Mining claims and concessions | 285,792.64 | | |
| Deferred charges to operations: | | | |
| Preproduction expenses, exploration and development | 1,297,261.71 | | |
| Administration | 159,335.73 | 1,456,597.44 | 2,108,200.20 |

OTHER EXPENDITURES:

| | | | |
|---|------------|------------|------------------------|
| Mining claims still held by company (Note 2) | 20,000.00 | | |
| Deferred charges to operations: | | | |
| Preproduction expenses, exploration and development | 245,025.11 | | |
| Administration | 621,919.10 | 866,944.21 | 886,944.21 |
| | | | <u>\$ 6,394,246.20</u> |

The accompanying notes are an integral part of this statement.

Approved on behalf of the Board of Directors

A. B. DAVIDSON, Director.

AUDITORS'

To the Shareholders of
United Asbestos Corporation Limited (No Personal Liability).

We have examined the balance sheet of United Asbestos Corporation Limited (No Personal Liability) as at September 30, 1959 and the statement of deficit for the nine months' period 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 of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada.
November 2, 1959.

CORPORATION LIMITED

iability)

uebec Mining Companies Act

Sheet

, 1959

LIABILITIES

CURRENT LIABILITIES:

| | | |
|---|-----------|-----------|
| Accounts payable and accrued expenses | 46,296.33 | |
| Due to directors | 4,921.92 | 51,218.25 |

DEFERRED ACCOUNT PAYABLE

| | | |
|--|-----------|--|
| Less Instalments due within one year, included above in current accounts payable | 80,000.00 | |
| | 40,000.00 | |

| | | |
|---|--|-----------|
| Balance payable \$20,000.00 on or before July 1, 1961 and \$20,000.00 on or before July 1, 1962 | | 40,000.00 |
|---|--|-----------|

CAPITAL:

Capital stock:

Authorized:

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

Issued and fully paid:

| | No. of Shares and Par Value | Net Premium or (Discount) | Net | |
|-----------------------------------|-----------------------------------|---------------------------------|--------------|------------------------|
| Balance, December 31, 1958 | 3,812,000 | (881,495.70) | 2,930,504.30 | |
| Issued during period, for cash .. | 677,000 | 2,931,218.67 | 3,608,218.67 | |
| | 4,489,000 | 2,049,722.97 | 6,538,722.97 | |
| Less Deficit | | | 235,695.02 | 6,303,027.95 |
| | | | | <u>\$ 6,394,246.20</u> |

balance sheet and should be read in conjunction herewith.

of the Board:

W. R. SALTER, Director.

REPORT

In our opinion, the above balance sheet and accompanying statement of deficit, supplemented by the notes thereto, are properly drawn up so as to exhibit, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, a true and correct view of the state of the affairs of the company as at September 30, 1959 and the results of its operations for the period 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.

THORNE, MULHOLLAND, HOWSON & McPHERSON.

Chartered Accountants.

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

Notes to Balance Sheet as at September 30, 1959

1. Under an agreement dated September 17, 1952 and the supplemental agreements thereto between United Asbestos Corporation Limited and Lake Asbestos of Quebec, Ltd., referred to therein as Asarco, to which American Smelting & Refining Company is also a party, Asarco undertook to equip and operate the company's property at Black Lake, Quebec, and the agreement sets out the basis for the distribution of net proceeds of operations as defined therein. In general, until such time as the respective companies shall have received a share of the net proceeds equal to their respective preproduction and other expenditures referred to in the agreement, seventy-five per cent of the net proceeds is to be distributed between them in the proportion that their respective preproduction and other expenditures bear to the total of such expenditures of both companies. The remaining twenty-five per cent of net proceeds of operations is distributed on a different formula which also applies to the distribution of one hundred per cent of the net proceeds of operations after the respective companies have received a portion of net proceeds equal to their total preproduction and other expenditures as referred to above. Under this latter formula United is to receive 60% of the net proceeds if the net proceeds per ton of ore milled in any fiscal year exceed \$5.00, and a lesser proportion if the net proceeds per ton of ore milled are less than \$5.00, but in no case is United to receive less than 50% of the net proceeds. The above mentioned agreement contains provisions relating to termination upon notice.

The preproduction and other expenses incurred by Lake Asbestos of Quebec, Ltd., as referred to above, are reported by that company to amount to \$34,169,243.88 as at September 30, 1959.

Commencement date of mining and milling operations on a tune-up basis was June 29, 1958. Lake Asbestos of Quebec, Ltd. have reported that there have been no net proceeds resulting from operations up to September 30, 1959.

2. Pursuant to the above mentioned agreement, title to the company's principal lands, mining concessions, and other rights relating thereto as set out and described in Article 1 thereof, and all buildings and improvements thereon, together with all the machinery, equipment, tools and other supplies, etc., owned by the company and located on the properties, have been conveyed to Lake Asbestos of Quebec, Ltd.

3. Subject to the conditions contained therein, the company has, by agreement dated October 21, 1959, through a wholly owned subsidiary incorporated October 19, 1959 agreed to acquire fifty per cent of the outstanding common shares of the capital stock of Thorold Concrete Block Company Limited for \$1,000,000.00 cash and five per cent of the outstanding common shares of Capital Concrete Products Limited for \$60,000.00 cash. In addition, the company has the first right of refusal to purchase the remaining ninety-five per cent of the outstanding common shares of Capital Concrete.

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

Statement of Deficit

NINE MONTHS' PERIOD ENDED SEPTEMBER 30, 1959

DEVELOPMENT AND OTHER PROPERTY EXPENSES:

| | | |
|--|-----------|-----------|
| Engineering and consultants' fees and expenses | 15,568.92 | |
| Mining licenses and taxes | 3,539.94 | 19,108.86 |

ADMINISTRATION:

| | | |
|---|-----------|------------|
| Public relations, advertising, reports to shareholders, directors' and shareholders' meetings | 51,802.06 | |
| Financial consultants' fees and expenses | 73,267.86 | |
| Office rent, taxes and lighting | 2,800.72 | |
| Office repairs and renewals | 1,130.76 | |
| Executive fees | 9,000.00 | |
| Office salaries | 2,140.00 | |
| Office supplies and expenses | 1,112.25 | |
| Travelling | 3,829.23 | |
| Legal and registration fees and expenses | 45,474.25 | |
| Audit fees | 2,616.40 | |
| Telephone and telegraph | 2,484.54 | |
| Business taxes | 222.31 | |
| Transfer agents' fees and expenses | 16,918.86 | |
| Printing and listing expenses | 12,179.41 | |
| Directors' fees | 4,921.92 | 229,900.57 |

ADJUSTMENT RE CONVERSION OF U.S. CURRENCY (see note) 54,825.66

Less Interest earned 303,835.09
68,140.07

DEFICIT, SEPTEMBER 30, 1959 \$235,695.02

NOTE:

In January, 1959, the company sold 500,000 shares of its capital stock for a cash consideration received in U.S. funds. The company chose to retain these proceeds, except to the extent that they were required for current expenditures, in the form of U.S. dollars. The adjustment re conversion of U.S. currency represents the loss which would have been incurred if the company had converted its U.S. funds to Canadian funds as at September 30, 1959.

UNITED ASBESTOS

(No Personal
Incorporated under the

Balance
DECEMBER

ASSETS

CURRENT ASSETS:

| | | | |
|---------------------------|-----------|-----------|--|
| Cash | 54,900.20 | | |
| Accounts receivable | 311.15 | | |
| Returnable deposits | 1,425.00 | | |
| Prepaid expenses | 227.27 | 56,863.62 | |

| | | | |
|--------------------------------------|--|--|----------|
| HEAD OFFICE EQUIPMENT, at cost | | | 3,356.90 |
|--------------------------------------|--|--|----------|

EXPENDITURES RECOVERABLE FROM LAKE ASBESTOS OF QUEBEC, LTD. out of net proceeds of production (Notes 1 and 2):

| | | | |
|--|--------------|--------------|--------------|
| Buildings | 42,873.25 | | |
| Plant and equipment | 322,936.87 | | |
| Mining claims and concessions | 235,792.64 | | |
| Deferred charges to operations: | | | |
| Preproduction expenses, exploration and development | 1,297,261.71 | | |
| Administration | 159,335.73 | 1,456,597.44 | 2,108,200.20 |

OTHER EXPENDITURES:

| | | | |
|--|------------|------------|------------------------|
| Mining claims still held by company (Note 2) | 20,000.00 | | |
| Deferred charges to operations: | | | |
| Preproduction expenses, exploration and development | 245,025.11 | | |
| Administration | 621,919.10 | 866,944.21 | 886,944.21 |
| | | | <u>\$ 3,055,364.93</u> |

The accompanying notes are an integral part of this

Approved on behalf

A. B. DAVIDSON, Director.

AUDITORS'

To the Shareholders of
United Asbestos Corporation Limited (No Personal Liability).

We have examined the balance sheet of United Asbestos Corporation Limited (No Personal Liability) as at December 31, 1958, and have obtained all the information and explanations we have required. 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.

Toronto, Canada,
April 27, 1959.

CORPORATION LIMITED

Liability)

Quebec Mining Companies Act

Sheet

31, 1958

LIABILITIES

CURRENT LIABILITIES:

| | | |
|---|-----------|-----------|
| Accounts payable and accrued expenses | 48,860.63 | |
| Due to directors | 16,000.00 | 64,860.63 |

| | | |
|---|------------|-----------|
| DEFERRED ACCOUNT PAYABLE (Note 3) | 100,000.00 | |
| Less Included in current accounts payable above | 40,000.00 | 60,000.00 |

CAPITAL STOCK:

Authorized:

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

Issued and fully paid (Note 4):

3,812,000 shares as follows:

| | No. of Shares and Par Value | Net Premium or (Discount) | Net | |
|-----------------------------------|-----------------------------------|---------------------------------|------------------------|--------------|
| Balance, December 31, 1957 | 3,775,000 | (992,495.70) | 2,782,504.30 | |
| Issued during year for cash | 37,000 | 111,000.00 | 148,000.00 | |
| | <u>3,812,000</u> | <u>(\$881,495.70)</u> | <u>\$ 2,930,504.30</u> | 2,930,504.30 |

\$ 3,055,364.93

balance sheet and should be read in conjunction herewith.

of the Board:

PHILIP M. MALOUF, Director.

REPORT

In our opinion, the above balance sheet, supplemented by the notes thereto, is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs as at December 31, 1958, according to the best of our information and the explanations given to us and as shown by the books of the company.

THORNE, MULHOLLAND, HOWSON & McPHERSON,

Chartered Accountants.

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

Notes to Balance Sheet as at December 31, 1958

1. Under an agreement dated September 17, 1952 and the supplemental agreements thereto between United Asbestos Corporation Limited and Lake Asbestos of Quebec, Ltd., referred to therein as Asarco, to which American Smelting & Refining Company is also a party, Asarco undertook to equip and operate the company's property at Black Lake, Quebec, and the agreement sets out the basis for the distribution of net proceeds of operations as defined therein. In general, until such time as the respective companies shall have received a share of the net proceeds equal to their respective preproduction and other expenditures referred to in the agreement, seventy-five per cent of the net proceeds is to be distributed between them in the proportion that their respective preproduction and other expenditures bear to the total of such expenditures of both companies. The remaining twenty-five per cent of net proceeds of operations is distributed on a different formula which also applies to the distribution of one hundred per cent of the net proceeds of operations after the respective companies have received a portion of net proceeds equal to their total preproduction and other expenditures as referred to above. Under this latter formula United is to receive 60% of the net proceeds if the net proceeds per ton of ore milled in any fiscal year exceed \$5.00, and a lesser proportion if the net proceeds per ton of ore milled are less than \$5.00, but in no case is United to receive less than 50% of the net proceeds. The above mentioned agreement contains provisions relating to termination upon notice.

The preproduction and other expenses incurred by Lake Asbestos of Quebec, Ltd., as referred to above, are reported by that company to amount to \$33,935,375.08 as at December 31, 1958.

Commencement date of mining and milling operations on a tune-up basis was June 29, 1958. Lake Asbestos of Quebec Ltd. have reported that there have been no net proceeds resulting from operations up to December 31, 1958.

2. Pursuant to the above mentioned agreement, title to the company's principal lands, mining concessions, and other rights relating thereto as set out and described in Article 1 thereof, and all buildings and improvements thereon, together with all the machinery, equipment, tools and other supplies, etc., owned by the company and located on the properties, have been conveyed to Lake Asbestos of Quebec, Ltd.

3. Under the terms of settlement of a legal action the company is required to pay a total of \$120,000.00 in annual instalments of \$20,000.00 from 1957 to 1962 inclusive, of which the initial instalment has been paid. The company was not obliged to make the 1958 payment because it did not receive revenues from Lake Asbestos of Quebec, Ltd. The 1958 instalment is stated to be payable in 1959 out of the first revenues received from Lake Asbestos of Quebec, Ltd.

4. Options extending to September 28, 1959 are outstanding to certain directors and others to purchase a total of 188,000 shares of the company's capital stock at \$4.00 per share. On May 20, 1958 the company issued 37,000 shares to a director pursuant to the exercise by that director of his option. Cash of \$148,000.00 was received by the company therefrom.

Since December 31, 1958 such options have been exercised to the extent of a further 2,900 shares.

5. Subsequent to December 31, 1958 the company entered into an underwriting agreement for the sale of 500,000 shares of its capital stock at \$6.75 (U.S.) per share, to net the company \$3,000,000.00 (U.S.) cash. This amount has since been received by the company.

UNITED ASBESTOS CORPORATION LIMITED

(No Personal Liability)

Statement of Preproduction Expenses, Exploration and Development

YEAR ENDED DECEMBER 31, 1958

| | Recoverable From Lake Asbestos of Quebec, Ltd. | Other | Total |
|--|---|---------------------|------------------------|
| Balance, December 31, 1957 | 1,297,261.71 | 224,261.22 | 1,521,522.93 |
| Expenditures during year: | | | |
| Engineering and consultants' fees and expenses | | 16,580.22 | |
| Mining licenses and taxes | | 4,183.67 | 20,763.89 |
| BALANCE, DECEMBER 31, 1958 | <u>\$ 1,297,261.71</u> | <u>\$245,025.11</u> | <u>\$ 1,542,286.82</u> |

Statement of Administration

YEAR ENDED DECEMBER 31, 1958

| | Recoverable From Lake Asbestos of Quebec, Ltd. | Other | Total |
|--|---|---------------------|---------------------|
| Balance, December 31, 1957 | 159,335.73 | 503,219.62 | 662,555.35 |
| Expenditures during year: | | | |
| Public relations, advertising, and reports to shareholders | | 36,020.39 | |
| Office rent, taxes and lighting | | 3,694.50 | |
| Executive fees | | 12,000.00 | |
| Office salaries | | 1,680.00 | |
| Office supplies and expenses | | 1,463.42 | |
| Travelling | | 1,522.57 | |
| Legal and registration fees and expenses | | 25,842.90 | |
| Audit fees | | 3,600.00 | |
| Telephone and telegraph | | 2,173.77 | |
| Business taxes | | 243.70 | |
| Transfer agents' fees and expenses | | 13,341.61 | |
| Certificate printing and listing expenses | | 4,964.15 | |
| Directors' fees | | 8,000.00 | |
| Expenses of directors' meetings | | 609.15 | |
| Expenses of shareholders' meetings | | 4,010.16 | 119,166.32 |
| | <u>159,335.73</u> | <u>622,385.94</u> | <u>781,721.67</u> |
| Less Interest earned | | 466.84 | 466.84 |
| BALANCE, DECEMBER 31, 1958 | <u>\$159,335.73</u> | <u>\$621,919.10</u> | <u>\$781,254.83</u> |

