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**CONSOLIDATED REXSPAR**  
**MINERALS & CHEMICALS LIMITED**

✓	J.H.S.	✓
	P.M.K.	✓
✓	G.M.H.	✓
	R.D.S.	
	B.C.B.	
✓	I.D.E.	✓
	M.D.R.	
	J.H.F.	
	E.C.J.	

*Annual Report*

**FOR THE YEAR ENDED DECEMBER 31, 1971**

# **CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED**

## **ANNUAL AND GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the annual and a general meeting of the shareholders of CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED (the "Corporation") will be held in the York Room, King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario, Canada, on Tuesday, the 27th day of June, 1972, at the hour of 10:30 o'clock in the forenoon (Toronto time) for the following purposes:

1. To receive the balance sheet of the Corporation as at December 31, 1971, and the related statements thereto for the year ended December 31, 1971, together with the reports of the directors and auditors thereon;
2. To appoint auditors;
3. To consider and, if approved, confirm Special By-law No. 1 of the by-laws of the Corporation passed by the directors on May 24, 1972, decreasing the number of the directors of the Corporation from eight (8) to five (5). A copy of the said Special By-law No. 1 is attached to and forms a part of the accompanying Information Circular;
4. To elect directors;
5. To transact such further and other business as may properly come before the meeting or any adjournment or adjournments thereof.

Shareholders who cannot be personally present at the meeting are requested to date, sign and return in the envelope provided for that purpose the enclosed form of instrument of proxy for use at the meeting.

DATED this 24th day of May, 1972.

By Order of the Board,

H. G. MacGREGOR,  
Secretary.

# **CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED**

## **INFORMATION CIRCULAR**

This circular is furnished in connection with the solicitation of proxies by or on behalf of the management of CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED (hereinafter sometimes called the "Corporation") for use at the annual and a general meeting of the shareholders of the Corporation to be held in the York Room, King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario, on Tuesday, the 27th day of June, 1972, for the purposes set forth in the notice of meeting. It is expected that such solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by or on behalf of the management will be borne by the Corporation.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Only shareholders of the Corporation of record at the time of the meeting will be entitled to vote at such meeting. The shareholders of the Corporation are entitled to one vote in respect of each share held at such time. The Corporation has only one class of shares. On May 24, 1972, the Corporation had outstanding 3,424,300 shares without par value, all outstanding as fully paid.

To the knowledge of the directors or senior officers of the Corporation, Denison Mines Limited, of Toronto, Ontario, the beneficial and direct owner of 1,500,000 shares (representing approximately 44%) was at May 24, 1972, the only shareholder owning beneficially, directly or indirectly, equity shares of the Corporation carrying more than 10% of the voting rights attached to all equity shares of the Corporation.

### **ELECTION OF DIRECTORS**

The number of directors of the Corporation is presently eight (8). Shareholders will be asked to confirm Special By-law No. 1, which provides for a decrease in the number of directors to five (5). Subject to confirmation of the Special By-law and such decrease in the number of the directors, it is intended that each person whose name appears hereunder will be nominated at the annual and a general meeting on June 27, 1972, for election as a director of the Corpora-

tion to serve until the next annual meeting of shareholders or until his successor is elected or appointed.

In the event that prior to the annual and a general meeting to be held on June 27, 1972, any vacancies occur in the slate of nominees submitted herewith, it is intended that discretionary authority shall be granted to vote proxies solicited by or on behalf of the management for the election of any other person or persons as directors. The management is not presently aware that any of such nominees would be unwilling to serve as a director if elected.

#### INFORMATION CONCERNING NOMINEES AS DIRECTORS

<u>Name and Principal Occupation</u>	<u>Period Served as a Director</u>	<u>Number of shares beneficially owned at May 24, 1972</u>
GEORGE B. HEENAN, President of Perwin Construction Co. Limited.	Since September 2, 1969	15,001
JOHN KOSTUIK, B.Sc., P.Eng., President of Denison Mines Limited.	Since October 22, 1968	1,000
HUGH G. MacGREGOR, Executive and Branch Manager, Crown Life Insurance Company, Montreal, P.Q.	Since August 6, 1957	44,450
W. NOEL O'BRIEN, P.Eng., Director of Engineering, Denison Mines Limited.	Since May 21, 1970	3,000
KENNETH L. PERRY, Vice-President Corporate Affairs, Denison Mines Limited.	Since May 21, 1970	1

The principal occupation of each of the above persons has not changed during the past five years, except that of Mr. Kenneth L. Perry who was formerly counsel for Rio Algom Mines Limited.

John Kostuik aforesaid is the President, Kenneth L. Perry is the Vice-President, and Hugh G. MacGregor is the Secretary-Treasurer of the Corporation at the present time.

#### REMUNERATION OF MANAGEMENT

During the financial year completed December 31, 1971, the aggregate direct remuneration paid by the Corporation to the directors and the senior officers of the Corporation was nil.

## APPOINTMENT OF AUDITORS

It is intended to vote proxies to re-appoint the firm of Eddis & Associates, Chartered Accountants, the present auditors, as the auditors of the Corporation. The said auditors were first appointed as the auditors of the Corporation on May 21, 1970.

## CERTAIN MATTERS TO BE ACTED UPON

### Special By-law No. 1

The shareholders are being asked to consider and, if approved, confirm Special By-law No. 1 of the Corporation passed by the directors on May 24, 1972, which provides for a decrease in the number of the directors of the Corporation from eight to five and fixes three directors as a quorum of the board. Special By-law No. 1 requires confirmation by two-thirds of the votes cast in person or by proxy at the meeting. A copy of Special By-law No. 1 is attached to and forms a part of this Information Circular.

## VOTING OF PROXIES

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR. TO EXERCISE THIS RIGHT, THE SHAREHOLDER MAY INSERT THE NAME OF THE DESIRED PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKE OUT THE OTHER NAMES, OR MAY SUBMIT ANOTHER APPROPRIATE PROXY.

The shares represented by the proxy will be voted and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will, subject to section 121 of The Business Corporations Act (Ontario), be voted in accordance with the specifications so made. The said section 121 provides as follows:

"121. The chairman at a meeting has the right not to conduct a vote by way of ballot on any matter or group of matters in connection with which the form of proxy has provided a means whereby the person whose proxy is solicited may specify how such person wishes the shares registered in his name to be voted unless,

- (a) a poll is demanded by any shareholder present at the meeting in person or represented thereat by proxy; or
- (b) proxies requiring that the shares represented thereby be voted against what would otherwise be the decision of the meeting in relation to such

matters or group of matters total more than 5 per cent of all the voting rights attaching to all the shares entitled to be voted and be represented at the meeting.”

The form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters which may properly come before the meeting. It is not intended to use the proxy for the purpose of voting upon the financial statements of the Corporation for the year ended December 31, 1971, and the reports of the directors and auditors thereon.

A shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. Section 116(4) of The Business Corporations Act (Ontario) sets out a procedure for revoking proxies by the deposit of an instrument in writing at the head office of the Corporation at any time up to and including the last business day preceding the day of the annual and a general meeting or with the Chairman of such meeting.

#### **GENERAL**

The management knows of no matters to come before the meeting other than the matters referred to in the foregoing notice of meeting. However, if any other matters which are not now known to the management should properly come before the meeting, the proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

DATED as of this 24th day of May, 1972.

# **CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED**

## **SPECIAL BY-LAW NO. 1**

**A by-law changing the number and quorum of directors of  
Consolidated Rexspar Minerals & Chemicals Limited**

BE IT ENACTED as a special by-law of the Corporation as follows:

1. The number of directors of the Corporation is hereby decreased from eight (8) to five (5) so that the board of directors of the Corporation shall hereafter be composed of five (5) directors.
2. Three (3) directors shall constitute a quorum at any meeting of the board of directors.
3. All prior by-laws, resolutions and proceedings of the Corporation inconsistent herewith are hereby amended, modified and revised in order to give effect to this by-law.

PASSED by the board the 24th day of May, 1972.

"JOHN KOSTUIK",  
President.

"H. G. MacGREGOR",  
Secretary.

# **CONSOLIDATED REXSPAR**

## **MINERALS & CHEMICALS LIMITED**

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### President's Report

#### TO THE SHAREHOLDERS:

During 1971 your Company undertook discussions with companies interested in the fluorspar potential of the Rexspar property in British Columbia. Additional metallurgical test work in Japan and Switzerland has been conducted by a major fluorspar consumer to determine the suitability of the Rexspar product for his process. These talks are continuing.

An increase in fluorspar reserves is an important element in improving the economics of the Rexspar property. Denison Mines Limited, as manager, undertook new geological studies which have resulted in the concept that the fluorspar in economic quantities may not be limited to one major deposit as originally believed, but may be continued in one or more larger structures. If this can be confirmed, the fluorspar potential of the property will be very much improved. Field examination is planned and several companies have expressed their interest in possible participation as a result of the new possibilities for additional fluorspar reserves.

Your Company will continue its efforts to determine and develop the mineral potential of its property in British Columbia.

Respectfully submitted on behalf of the Board of Directors.

JOHN KOSTUIK,  
President.

Toronto, Ontario,  
May 18, 1972.



# CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

(Incorporated under the laws of Ontario)

## Balance Sheet — December 31, 1971

<b>ASSETS</b>		1971	1970	<b>LIABILITIES</b>		1971	1970
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash		\$ 13,064	\$ 786	Accounts payable and accrued expenses		\$ 11,545	\$ 61,560
Short term investment, at cost		10,000					
Accounts receivable		314	144				
		<u>23,378</u>	<u>930</u>				
<b>INVESTMENT IN SUBSIDIARY (note 1)</b>				<b>SHAREHOLDERS' EQUITY</b>			
Shares, at cost		150	150	<b>CAPITAL STOCK (note 3)</b>			
Advances		446	446	Authorized			
		<u>596</u>	<u>596</u>	4,920,000 shares of no par value			
Mining properties (note 2)		849,046	849,046	Issued			
				3,424,300 shares (1970, 3,024,300 shares)		3,654,153	3,554,153
<b>FIXED ASSETS, at cost</b>				Deficit		<u>298,995</u>	<u>298,995</u>
Land		10,690	10,690			<u>3,355,158</u>	<u>3,255,158</u>
Buildings		4,298	4,298				
Furniture, fixtures and equipment		2,790	2,790				
		<u>17,778</u>	<u>17,778</u>				
Deferred exploration and development		2,471,556	2,444,019				
Organization expense		4,349	4,349				
		<u>\$3,366,703</u>	<u>\$3,316,718</u>			<u>\$3,366,703</u>	<u>\$3,316,718</u>

Approved on behalf of the Board,

KENNETH L. PERRY, Director.

HUGH G. MacGREGOR, Director.

The accompanying notes are an integral part of this financial statement.

### AUDITORS' REPORT

To the Shareholders,  
Consolidated Rexspar Minerals & Chemicals Limited.

We have examined the balance sheet of Consolidated Rexspar Minerals & Chemicals Limited as at December 31, 1971 and the statements of deficit, exploration and development expenditures and source and application of funds 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.

Toronto, Canada,  
April 4, 1972.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1971 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

EDDIS & ASSOCIATES,  
Chartered Accountants.

# CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

## STATEMENT OF DEFERRED EXPLORATIONS AND DEVELOPMENT EXPENDITURES

For the Year Ended December 31, 1971

	<u>1971</u>	<u>1970</u>
Birch Island, Kamloops Mining Division, British Columbia		
Exploration and development		
Drilling	\$	\$ 112,074
Surface exploration	14,888	81,676
Field administration	1,591	29,107
	<u>16,479</u>	<u>222,857</u>
Administration		
Professional fees	3,727	5,445
Registrar and transfer agents' fees	2,773	4,233
Reports to shareholders	2,397	2,686
Stock exchange fees	700	
Taxes and licenses	125	105
Travelling	1,060	1,913
Other administrative expense	335	1,682
Office supplies	192	1,107
Rent and electricity		1,474
Salaries		5,322
Telephone, telegram and postage		985
	<u>11,309</u>	<u>24,952</u>
Interest earned	251	106
	<u>27,537</u>	<u>247,703</u>
Total expenditure for the year	27,537	247,703
Balance, beginning of the year	2,444,019	2,196,316
Balance, end of the year	<u>\$2,471,556</u>	<u>\$2,444,019</u>

The accompanying notes are an integral part of this financial statement.

# **CONSOLIDATED REXSPAK**

## **MINERALS & CHEMICALS LIMITED**

### **STATEMENT OF DEFICIT**

For the Year Ended December 31, 1971

	<u>1971</u>	<u>1970</u>
Balance, beginning of the year	\$ 298,995	\$ 26,522
Option to purchase shares of Canadian Nepheline Corporation Ltd. allowed to expire		100,000
Construction cost undistributed written off		107,721
Fixed assets written off		64,752
Balance, end of the year	<u>\$ 298,995</u>	<u>\$ 298,995</u>

### **STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

For the Year Ended December 31, 1971

	<u>1971</u>	<u>1970</u>
<b>Source of funds</b>		
Capital stock issued	\$ 100,000	\$ 100,000
Interest earned	251	106
	<u>100,251</u>	<u>100,106</u>
<b>Application of funds</b>		
Exploration and development expenditures	27,788	247,809
Acquisition of mining claims		300
	<u>27,788</u>	<u>248,109</u>
Increase (decrease) in working capital	72,463	(148,003)
Working capital (deficiency), beginning of the year	(60,630)	87,373
Working capital (deficiency), end of the year	<u>\$ 11,833</u>	<u>\$ (60,630)</u>

The accompanying notes are an integral part of this financial statement.

# **CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 1971**

1. The company has not consolidated the accounts of its subsidiary, Rexspar Housing Limited, in these financial statements since that company was inoperative at December 31, 1971.

2. Mining properties — Birch Island, Kamloops Mining Division, British Columbia

22 mineral claims and fractions held under Crown Grant acquired for 825,000 fully paid shares in the capital stock of Rexspar Minerals & Chemicals Limited	\$ 825,000
19 mineral claims and fractions held under Crown Grant, at nominal value	19
107 mineral claims and fractions held by right of location, acquired for 170,000 fully paid shares in the company's capital stock	13,854
18 mineral claims held by right of location, at nominal value	18
106 mineral claims and fractions held by right of location, acquired for cash	10,155
	\$ 849,046

3. (a) During the year the company amended its Articles of Incorporation, changing the issued and unissued shares of \$1 par value each to shares without par value.
- (b) During the year the company issued 400,000 shares for cash at \$0.25 per share.
- (c) Capital stock has been issued for the following consideration, after giving effect to the change noted above.

<u>Issued</u>	<u>Number of Shares</u>	<u>Amount</u>
On consolidation of 6,500,000 shares of Rexspar Minerals and Chemicals Limited	1,300,000	\$2,635,003
For retirement of debentures	104,300	52,150
For mining properties	170,000	17,000
For cash	1,850,000	950,000
	3,424,300	\$3,654,153

4. Directors and senior officers, as defined in The Business Corporations Act (Ontario), received no direct remuneration during the year ended December 31, 1971.