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CONSOLIDATED REXSPAR
MINERALS & CHEMICALS LIMITED

Annual Report

FOR THE YEAR ENDED DECEMBER 31, 1972

CONSOLIDATED REXSPAR
MINERALS & CHEMICALS LIMITED
20th Floor - 4 King Street West
Toronto, Ontario

C A P I T A L I Z A T I O N

	Authorized	Outstanding
Common Shares.....	4,920,000	3,624,300
No Par Value		

O F F I C E R S A N D D I R E C T O R S

OFFICERS

JOHN KOSTUIK, B.Sc., P.Eng.....*President*
HUGH G. MacGERGOR.....*Secretary-Treasurer*
F. W. BOULGER.....*Assistant-Secretary*

DIRECTORS

GEORGE B. HEENAN.....Toronto, Ontario
JOHN KOSTUIK, B.Sc., P.Eng.....Toronto, Ontario
HUGH G. MacGREGOR.....Montreal, Quebec
W. NOEL O'BRIEN, P.Eng.....Toronto, Ontario

TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY
Toronto, Ontario

SOLICITORS

MANLEY, GRANT & CAMISSO
Toronto, Ontario

AUDITORS

Eddis & Associates
Toronto, Ontario

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

President's Report

TO THE SHAREHOLDERS:

In the interim report issued in August, 1972 shareholders were informed that additional field work was being undertaken on the Rexspar fluorspar property in British Columbia and that financing of \$50,000 for the 1972 program had been arranged through the sale of 200,000 common shares to Denison Mines Limited, the manager of the program.

The principal purpose of the field work was to investigate the possibility of additional fluorspar reserves in economic quantities in larger structures underlying or near the main deposit. Seven holes were drilled (2,373 feet) during the season. A small deposit was located at the expected horizon but it proved too small to be of economic significance; the concept of a major fluorspar body in the lower horizon was not confirmed. Some limited geochemical soil testing of a separate area approximately 8,000 feet from the main zone indicates anomalous zones which may be favorable for exploration.

As a result of interest expressed by a major Japanese company and following their examination of the property in September, 1972 detailed metallurgical investigations on Rexspar samples were undertaken by them in Japan. Their report, received in May 1973, confirms Rexspar's tonnage and grade estimates and concludes that further and detailed test studies would be necessary to recover "acid grade" fluorite concentrate from the deposit. Previous extensive work by Rexspar demonstrated that a metallurgical grade concentrate is the most suitable Rexspar product with the flotation reagents available to them.

Field work and further metallurgical work for 1973 have been deferred, pending review of possibilities for the Rexspar property.

Toronto, May 18, 1973.

John Kostuik,
President.

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET

DECEMBER 31, 1972

	<u>ASSETS</u>	<u>1972</u>	<u>1971</u>
Current assets			
Cash		\$	\$ 13,064
Short term investment, at cost		30,000	10,000
Accounts receivable		<u>200</u>	<u>314</u>
		30,200	23,378
Investment in subsidiary (note 1)			
Shares, at cost		150	150
Advances		<u>645</u>	<u>446</u>
		795	596
Mining properties (note 2)		849,046	849,046
Fixed assets, at cost			
Land		10,690	10,690
Buildings		4,298	4,298
Furniture, fixtures and equipment		<u>2,640</u>	<u>2,790</u>
		17,628	17,778
Deferred exploration and development		2,521,707	2,471,556
Organization expense		<u>4,349</u>	<u>4,349</u>
		<u>\$3,423,725</u>	<u>\$3,366,703</u>

LIABILITIES

Current liabilities			
Bank indebtedness		\$ 861	\$
Accounts payable and accrued expenses		<u>17,706</u>	<u>11,545</u>
		18,567	11,545

SHAREHOLDERS' EQUITY

Capital stock (note 3)			
Authorized			
4,920,000 shares of no par value			
Issued			
3,624,300 shares (1971 3,424,300 shares)		3,704,153	3,654,153
Deficit		<u>298,995</u>	<u>298,995</u>
		<u>3,405,158</u>	<u>3,355,158</u>
		<u>\$3,423,725</u>	<u>\$3,366,703</u>

Approved on behalf of the Board,

JOHN KOSTUIK, Director

GEORGE B. HEENAN, Director

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

EDDIS & ASSOCIATES
CHARTERED ACCOUNTANTS

ASSOCIATED FIRMS

COLLINS, LOVE, EDDIS, VALIQUETTE & BARROW
VANCOUVER · CALGARY · EDMONTON · WINNIPEG · TORONTO
MONTREAL · HALIFAX · MONCTON AND OTHER CITIES IN CANADA
WHITEHILL, EDDIS & CO.
LONDON ENGLAND · TORONTO CANADA

TELEPHONE (416) 363-3235

SUITE 1201
110 YONGE STREET
TORONTO 1, CANADA

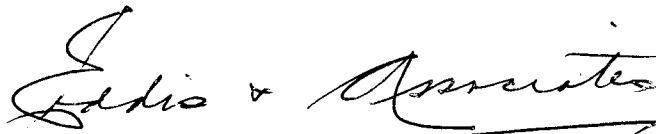
AUDITORS' REPORT

To the Shareholders,
Consolidated Rexspar Minerals & Chemicals Limited.

We have examined the balance sheet of Consolidated Rexspar Minerals & Chemicals Limited as at December 31, 1972 and the statements of deferred 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.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1972 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.

Toronto, Canada,
January 10, 1973.



CHARTERED ACCOUNTANTS.

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1972

	<u>1972</u>	<u>1971</u>
Birch Island, Kamloops Mining Division, British Columbia		
Exploration and development		
Surface exploration	\$ 36,702	\$ 14,888
Field administration	5,019	1,591
Consulting	<u>2,700</u>	<u> </u>
	44,421	16,479
Administration		
Professional fees	1,250	3,727
Registrar and transfer agents' fees	2,878	2,773
Reports to shareholders	1,213	2,397
Stock exchange fees	600	700
Taxes and licences	86	125
Travelling	216	1,060
Other administrative expense	77	335
Office supplies	<u>192</u>	<u>192</u>
	<u>6,512</u>	<u>11,309</u>
	50,933	27,788
Interest earned	<u>782</u>	<u>251</u>
Total expenditure for the year	50,151	27,537
Balance, beginning of the year	<u>2,471,556</u>	<u>2,444,019</u>
Balance, end of the year	<u>\$2,521,707</u>	<u>\$2,471,556</u>

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

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1972

	<u>1972</u>	<u>1971</u>
Source of funds		
Capital stock issued	\$50,000	\$100,000
Interest earned	782	251
Proceeds on disposal of fixed assets	<u>150</u>	<u> </u>
	<u>50,932</u>	<u>100,251</u>
Application of funds		
Exploration and development expenditures	50,933	27,788
Advances to subsidiary	<u>199</u>	<u> </u>
	<u>51,132</u>	<u>27,788</u>
Increase (decrease) in working capital	(200)	72,463
Working capital (deficiency), beginning of the year	<u>11,833</u>	<u>(60,630)</u>
Working capital, end of the year	<u>\$11,633</u>	<u>\$ 11,833</u>

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

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1972

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, 1972.
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 |
| 99 mineral claims and fractions held by right of location, acquired for cash | <u>10,155</u> |
| | <u>\$849,046</u> |

3. (a) During the year the company issued 200,000 shares for cash at \$0.25 per share.
- (b) 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 & 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	<u>2,050,000</u>	<u>1,000,000</u>
	<u>\$3,624,300</u>	<u>\$3,704,153</u>

4. Directors and senior officers, as defined in The Business Corporations Act (Ontario), received no direct remuneration during the year ended December 31, 1972.

CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED

INSTRUMENT OF PROXY

The undersigned shareholder of CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED hereby appoints John Kostuik, of Toronto, Ontario whom failing, W. Noel O'Brien, of Toronto, Ontario, or instead of any of the foregoing,....., of....., as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the annual meeting of the shareholders of Consolidated Rexspar Minerals & Chemicals Limited to be held on the 26th day of June, 1973, and at any adjournment or adjournments thereof, in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting, or such adjournment or adjournments thereof.

Signature of Shareholder

GLEN M HOGG
28 THOMPSON AVE
TORONTO 570 ONT

- NOTE: 1. This form of proxy MUST BE DATED and executed by the appointor or his attorney authorized in writing or, if the appointor is a body corporate, under its corporate seal or by an officer or attorney thereof duly authorized.
2. THIS PROXY IS SOLICITED BY OR ON BEHALF OF THE MANAGEMENT OF CONSOLIDATED REXSPAR MINERALS & CHEMICALS LIMITED.

If you are the holder of shares and are not able to be personally present at the annual meeting of shareholders, kindly fill in, sign and return this instrument of proxy in the envelope provided for that purpose.

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 No. 1 Board Room, King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario, Canada, on Tuesday, the 26th day of June, 1973, at the hour of 11:00 o'clock in the forenoon (Toronto Time) for the following purposes:

1. To receive the balance sheet of the Corporation as at December 31, 1972, and the related statements thereto for the year ended December 31, 1972, together with the reports of the directors and auditors thereon;
2. To appoint auditors;
3. To elect directors;
4. 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 23rd day of May, 1973.

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 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 No. 1 Board Room, King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario on the 26th day of June, 1973, 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 31, 1972, the Corporation had outstanding 3,624,300 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 31, 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 five. It is intended that each person whose name appears hereunder will be nominated at the annual and a general meeting on June 26, 1973 for election as a director of the Corporation 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 26, 1973, 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 23, 1973</u>
GEORGE B. HEENAN President of Perwin Construction Co. Limited	Since Sept. 2/69	15,001
JOHN KOSTUIK, B.Sc., P. Eng. President of Denison Mines Limited	Since Oct. 22/68	1,000
HUGH G. MacGREGOR Executive and Branch Manager, Crown Life Insurance Company, Montreal, P.Q.	Since Aug. 6/57	44,450
W. NOEL O'BRIEN, P. Eng. Director of Engineering Denison Mines Limited	Since May 21/70	3,000
ERIC L. EVANS, Ph.D. Director of Exploration Denison Mines Limited	None to date	None

The principal occupation of each of the above persons has not changed during the past five years, except that of Dr. E. L. Evans who was formerly Manager of Exploration, Planning and Research for Rio Tinto Canadian Exploration Limited.

John Kostuik aforesaid is the 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, 1972, the aggregate direct remuneration paid by the Corporation to the directors and the senior officers of the Corporation was nil.

APPOINTMENT OF AUDITORS

Messrs. Eddis & Associates, the present auditors, having indicated their intention to resign it is intended to vote proxies to appoint the firm of Coopers & Lybrand, Chartered Accountants, as the auditors of the Corporation to replace Eddis & Associates.

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 Corporation 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, 1972, 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 23rd day of May, 1973.