

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

FOR RELEASE October 24, 1956

Securities Act Release No. 3709

The SEC has extended to December 3, 1956, the time for submitting written comments on the proposed revision of Rule 133 under the Securities Act of 1933.

Announcement of the proposed revision was published October 2, 1956, in Release No. 3698. The effect of the proposed revision would be to reverse the so-called "no-sale theory" which has heretofore been applied to transactions involving the issuance of securities in connection with certain mergers, consolidations, reclassifications of securities and transfers of assets.

The extension has been granted at the request of certain persons who desire further time to consider the proposal.

Holding Company Act Release No. 13291

Public Service Company of Oklahoma (Tulsa) has made application to the SEC for an order under the Holding Company Act regarding a proposed contract between the said company and Transok Pipe Line Company; and the Commission has issued an order giving interested persons until November 6, 1956, to request a hearing on the application.

Public Service utilizes natural gas as fuel in its boilers at its principal electric generating stations. Public Service proposes to enter into an amended gas purchase contract with Transok for the term beginning with the date of its execution and ending November 1, 1980, with the right on behalf of either party to extend the term for an additional five years. Transok will undertake to supply and Public Service agrees to purchase, such of the natural gas fuel requirements of Public Service as are not supplied by others. Under the contract, Transok's pipe line and its natural gas supply is dedicated to Public Service which has first call thereon. Public Service is obligated to take, or pay for if not taken, annual minimum volumes of gas, at prices per Mcf sufficient to cover Transok's costs, including interest on, and amortization of \$13,500,000 principal amount of its 3-1/2% first mortgage bonds due 1980. Public Service also agrees that, in the event of a breach of any of the terms of the contract by Transok that Public Service will, at the election and upon the demand of the trustee under Transok's bond indenture, either take over the operation of Transok's pipe line or purchase the pipe line and pay to the indenture trustee, as rentals or as the purchase price, such amounts as then or thereafter are payable by Transok on account of principal and interest, or otherwise, upon Transok's then outstanding bonds, such payments to be made to the indenture trustee when and as they are payable by the terms of Transok's bonds.

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Guaranty Trust Company of New York filed a registration statement (File 2-1286) with the SEC on October 23, 1956, seeking registration of 60,000 American Depositary Receipts for Ordinary Registered Stock of St. John D'el Rey Mining Company, Limited, of England.

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Northspan Uranium Mines Limited (Toronto, Canada) filed a registration statement (File 2-12868) with the SEC on October 23, 1956, seeking registration of \$45,000,000 of General Mortgage Bonds, Series A, with Common Share Purchase Warrants attached, to be offered for public sale through an underwriting group headed by Morgan Stanley & Co. and Model, Roland & Stone. The interest rate, public offering price, underwriting terms, and the terms of the warrants, are to be supplied by amendment.

The General Mortgage Bonds will be junior to a prior lien of not exceeding \$27,000,000 of First Mortgage Bonds proposed to be issued to secure a like amount of bank loans when made.

Proceeds from the sale of the bonds, together with other funds proposed to be raised (including \$6,000,000 of Series B Bonds which the company may determine to issue) will be used by Northspan to meet the requirements of, and repay advances in connection with, its construction program. According to the prospectus, Northspan is currently sinking shafts and advancing underground work on its properties, and constructing three separate plants thereon, with a combined milling capacity of 9,000 tons of ore per day, for the production of uranium concentrates. The expenditures incurred up to August 31, 1956, aggregated \$14,036,078; expenditures in September, 1956, totalled \$1,636,451; and it is estimated that an additional \$57,637,471 will be required to complete the construction projects.

Northspan is the successor to the following three predecessor Ontario companies: Lake Nordic Uranium Mines Limited, Spanish American Mines Limited, and Panel Consolidated Uranium Mines Limited. It was formed in June, 1956, to combine the operations of the three predecessor companies, each of which was exploring and equipping properties in the Blind River area on the north shore of Lake Huron in Ontario.

Northspan is controlled by The Rio Tinto Mining Company of Canada Limited, which, in turn, is controlled by Rio Tinto Company Limited of London, a United Kingdom corporation. Rio Tinto Canada and its parent own or control, directly or indirectly, 3,103,556 shares of Northspan stock (of which 150,000 shares are under option to a non-affiliated person), representing 43.2% of all of Northspan's issued and outstanding shares. Rio Tinto London beneficially owns, directly and indirectly, Rio Tinto Canada stock carrying approximately 55% of the voting power of the outstanding shares of Rio Tinto Canada.

According to the prospectus, Northspan has agreed to enter into a special price contract with Eldorado Mining and Refining Limited, an agency of the Canadian Government, which serves as the sole purchaser of uranium concentrates in Canada, pursuant to which Eldorado will contract to purchase from Northspan, upon delivery, uranium concentrates to the gross minimum value of \$275,000. Northspan understands that Eldorado, in turn, will sell the uranium concentrates to the United States Atomic Energy Commission and to the United Kingdom, pursuant to contracts.

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