

Placer Development Limited

Forty-Fourth Annual Report

1969



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Annual General Meeting

The Annual General Meeting of Shareholders of the Company will be held on Thursday, April 30, 1970 at 11:00 a.m. in the Waddington Room of the Hotel Vancouver, Vancouver, British Columbia, Canada.

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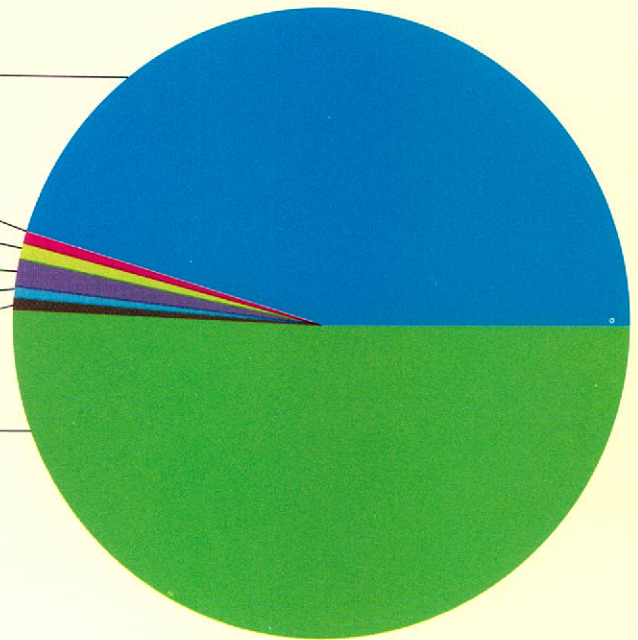
Comparative Highlights

	1969	1968
Operating Revenue.....	\$42,332,763	\$32,122,976
Dividends and interest received.....	\$ 8,488,002	\$ 6,538,733
Net earnings.....	\$10,146,925	\$ 8,016,099
—per share.....	\$ 1.90	\$ 1.50
Common shares outstanding (net).....	5,335,037	5,331,237
Working capital.....	\$25,161,962	\$20,029,708
Exploration expenses.....	\$ 7,242,422	\$ 5,348,032
Capital expenditures.....	\$ 3,996,252	\$ 2,745,948
Investment in shares.....	\$10,185,845	\$ 7,565,700
Number of shareholders.....	4,910	5,280
Number of employees.....	2,280	2,250



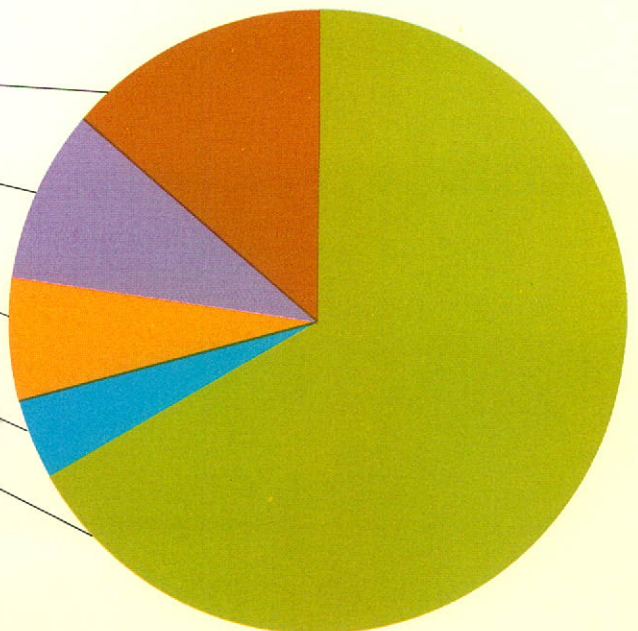
FUNDS MADE AVAILABLE FROM:

Net income	44.61%
Sale of common shares	0.21%
Decrease in exploration in progress	0.92%
Investments (net)	1.34%
Long term debt	0.42%
Miscellaneous	0.39%
Working capital, beginning of period	51.11%



FUNDS USED FOR:

Dividends	13.70%
Additions to fixed assets	10.27%
Purchase of shares in Mattagami Lake Mines Ltd. (N.P.L.)	6.39%
Minority interest in dividends of Endako Mines Ltd. (N.P.L.)	4.36%
Working capital, end of period	65.28%



Directors' Report to the Shareholders



J. D. Simpson
Chairman



T. H. McClelland
President

Net earnings second highest

It is with pleasure that the Board of Directors presents this Forty-Fourth Annual Report of your Company. Placer's earnings in 1969 were the second highest since the Company was founded. Net earnings for the year were \$10,146,925 or \$1.90 per share, compared with \$8,016,099 or \$1.50 per share in 1968. This increase resulted principally from improved earnings of Endako Mines Ltd. (N.P.L.), and an extra dividend received from Craigmont Mines Limited.

Increase in dividend rate

Stock dividends paid in 1969 amounted to \$1.00 per share and were distributed tax-free to Canadian shareholders. Since the inception of stock dividends in 1964, your Company has distributed a total of \$20,101,400 free of Canadian income tax. Distribution in this manner was dependent upon the Company continuing to meet certain conditions of the Department of National Revenue, and such conditions can no longer be met. On February 4, 1970, the Board of Directors increased the quarterly dividend from 25¢ to 30¢ per share. This is a cash dividend and subject to Canadian income tax. Future dividends will be paid on this basis and, under present tax laws, will be eligible for the dividend tax credit and, beginning in 1971, depletion allowance.

Marcopper in production

Marcopper Mining Corporation, in which your Company has a 40% interest, commenced production in September, 1969. The mine was formally inaugurated on October 19, 1969 by His Excellency, Ferdinand E. Marcos, President of the Philippines. Construction was completed in less than 21 months after road and port development commenced and less than 14 months after construction of the plant facilities started. For the initial three months of operations to December 31, 1969, net earnings of Marcopper amounted to U.S. \$2,277,657 or U.S. \$0.18 per share, calculated at the prevailing rate of exchange on December 31, 1969, which was 3.90 Philippine pesos to U.S. \$1.00. Placer will take into income dividends as received from Marcopper. At the present time, dividends of a non-resident company are subject to a 35% withholding tax by the Philippine government. If the above earnings were paid out by way of dividends, Placer's 40% interest would be U.S. \$592,191, or U.S. \$0.11 per share, net, after withholding tax of 35%. On February 20, 1970, the Philippine peso was freed from its fixed rate



and at the time of writing was trading at approximately 5.50 pesos to U.S. \$1.00.

The first quarterly repayment under Marcopper's bank loans in the amount of U.S. \$2,500,000, was made on March 2, 1970.

A brochure which was prepared for the official opening of Marcopper is enclosed with this Report.

Record earnings for Endako— Dividend payments initiated

Endako Mines Ltd. (N.P.L.) has reported its highest earnings since commencement of operations in 1965. Net earnings for the year ended December 31, 1969 were \$13,725,328 or \$1.77 per share. Placer's portion of these earnings is \$11,321,180, which is equivalent to \$2.12 per Placer share. The payment of dividends by Endako commenced in April, 1969 with the declaration of a dividend of 25¢ per share. Quarterly dividends were paid subsequently, together with an extra dividend in December, making a total distribution for the year of \$1.25 per share.

Contrary to earlier predictions, the molybdenum market remained firm through the year and Endako was able to sell all but 500,000 pounds of production for total sales of more than 18 million pounds of molybdenum. The roaster, which produces molybdic oxide, was producing at maximum capacity by the last quarter of 1969.

Extra dividend paid by Craigmont

Craigmont Mines Limited (44.59% owned) reported net earnings of \$6,283,668 or \$1.24 per share for its fiscal year ended October 31, 1969. During 1969 Craigmont paid quarterly dividends and an extra dividend, for a total of \$1.25 per share. Placer received \$2,830,063 which is equivalent to \$0.53 per share of Placer.

High earnings for Mattagami

For its year ended December 31, 1969, Mattagami Lake Mines Limited (N.P.L.) reported earnings of \$9,094,700 or \$1.38 per share and dividend payments during the year amounted to \$1.50 per share. Your Company's portion of these dividends amounted to \$2,578,779 or \$0.48 per share of Placer.

Major discovery by Mattagami

In the last quarter of 1969, Placer increased its interest in Mattagami to 27.21%, with the purchase of an additional 89,550 shares. Mattagami has reported that its exploration program in northwestern Ontario has located a major economic deposit of zinc, copper and silver, with less important amounts of gold and lead. An estimate of ore reserves is not yet available, but it is clear that a profitable mine can be established and plans

are proceeding to place it into production in 1972. Mattagami will have a 60% interest in this property.

Tungsten orebody to be developed

Planning is under way to equip for production the Invincible tungsten orebody located near Salmo, B.C. Mineable reserves are estimated at 278,000 tons of 0.78% WO₃. Use will be made of the existing facilities of the Jersey lead-zinc mine which will probably terminate operations in late 1970. The personnel will be supplied from the existing crew at the Jersey mine.

Metal markets

A strong market demand for molybdenum continued throughout the year and in May the price was increased 10¢ to U.S. \$1.72 per pound of molybdenum in molybdenite concentrate and to U.S. \$1.92 per pound of molybdenum in molybdic oxide.

Copper prices during 1969 were subject to strong upward pressure, due mainly to diverse factors throughout the world such as labour and political unrest and marginal pricing. The market reflected this erratic behaviour and the Metals Week quotation for copper was suspended on February 9, 1970. The 1969 average E & MJ Metals Week export price for refined copper was U.S. 61.90¢ per pound. It is forecast that a strong demand for copper will continue during 1970.

The price of lead increased steadily from U.S. 14¢ per pound in January to 15.5¢ in July, 1969. The price of zinc showed a similar increase during the same period, and at year-end, prices for both metals remained at U.S. 15.5¢ per pound.

Exploration activity remains high

Exploration expenditures continue at a very high level and during 1969, \$7,242,922, or \$1.36 per share, was expended in the search for new mines. Exploration for new orebodies is an extremely high-risk undertaking and usually a bridge of several years exists between successful exploration and its resulting benefits. However, your Company is engaged in several ventures at present which indicate the potential of becoming successful mine operations.

White Paper Proposals for Tax Reform

No report from a Canadian mining company would be complete without reference to the provisions of the White Paper on Tax Reform which was presented by the Minister of Finance on November 7, 1969. The White Paper proposes to eliminate or substantially change those incentives which heretofore have been available to mining companies in Canada and which have contributed in a large measure to the growth of the mining industry in this country. This growth, which has had a strong impact on the whole Canadian economy, could be seriously restricted if the White Paper proposals were implemented.

Canadian mining companies would, under the proposals, become subject to a substantially increased tax and effective rates in excess of those paid by other industries. This could have the effect of seriously impairing the availability of capital required for the development of new mines.

While the Canadian mining industry has been singled out for the greatest increase in taxation, the other proposals of the White Paper have far-reaching economic and social effects on business and the people of Canada. Placer is concerned about the effects of these proposals and is making representations to the Committees of both Houses of Parliament which are studying the White Paper and has also collaborated with the Mining Association of British Columbia and the Canadian Mining Association in additional submissions to these Committees.

Mr. J. R. Bradfield resigns

In April, 1969, Mr. J. R. Bradfield retired as a Director of the Company. Mr. Bradfield had served as a Director of Placer since 1961, during which time your Board had the benefit of his long experience in all phases of the

mining industry. Mr. Alfred Powis, President and Chief Executive Officer, Noranda Mines Limited, was elected to the Board at the last Annual Meeting to fill the vacancy created by Mr. Bradfield's retirement.

New Appointments

The increasing complexity and rapid growth of your Company during the past several years has dictated the need to expand the management team. Recognizing this need, your Board of Directors has appointed Mr. Ross G. Duthie to the position of Vice-President, Project Developments and Mr. James L. McPherson, Vice-President, Finance and Administration. Both Mr. Duthie and Mr. McPherson have long records of employment with the Placer group.

Personnel

Your Board of Directors has always considered that the people of Placer are the main strength of the Company, and its most important asset. During the past year, a separate Personnel and Industrial Relations Department was established for the purpose of developing policies and programs related to human resources. The sustained growth of human resources is essential to keep pace with our overall growth.

Acknowledgements

Messrs. Routley & Routley, Sydney, Australia, who have been the Australian auditors of the Company for many years, are not standing for re-appointment. Your Directors wish to acknowledge their contribution over the long period of their association with the Placer group.

On behalf of the Shareholders, your Directors wish to acknowledge the major contribution made during the year by the employees of the Placer group of companies which contributed so greatly to the successful operations during the year.

On behalf of the Board of Directors



Chairman



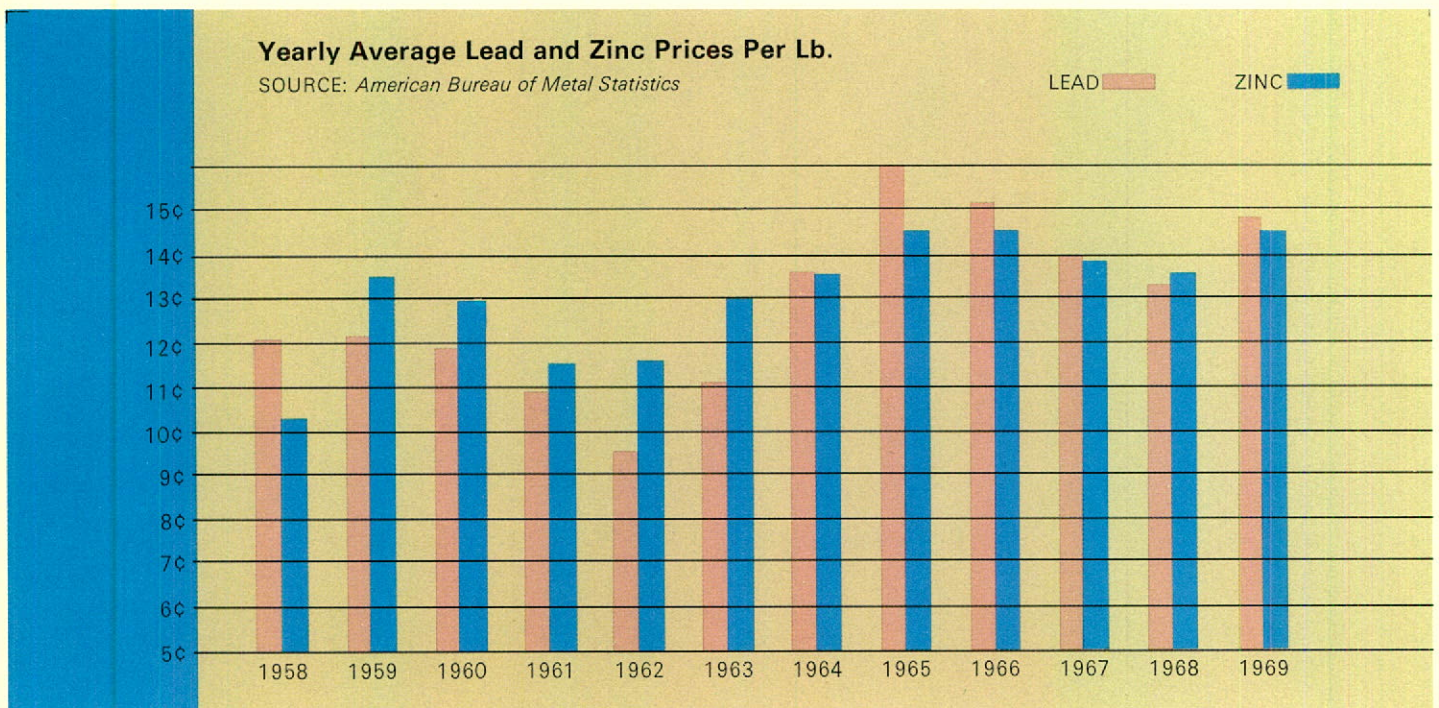
President

VANCOUVER, B.C. MARCH 31, 1970

A view of the Marcopper operation from the primary crusher showing the secondary crusher, workshops, fine ore bins and the process water tank.



Operations



CANADA

Jersey mine (100% interest)

The Jersey mine, located in the West Kootenay area of British Columbia, is an underground operation which commenced production in 1949. During 1969, a total of 517,648 tons of ore grading 1.01% lead and 2.76% zinc was treated to produce 5,785 tons of 74.39% lead concentrate and 22,673 tons of 56.95% zinc concentrate. Both lead and zinc prices increased steadily from U.S. 14 cents per pound in January to U.S. 15.5 cents per pound in July, 1969 and remained at that figure at year-end. The increase in metal prices permitted the mining of ore previously considered uneconomic. Ore reserves at year-end amounted to 305,000 tons with an average grade of 0.9% lead and 2.9% zinc. Present operations are concentrated on the mining of ore remnants and pillar recovery. Limited possibilities exist for additions to reserves, but unless ore reserves are increased, mining operations will cease in the fall of 1970.

Invincible tungsten (100% interest)

At the end of 1969 a decision was made to place the Invincible tungsten orebody into production. This orebody is located in the vicinity of the Jersey mine and the Emerald tungsten mine which was shut down in 1956. Indicated reserves are 278,000 tons grading

0.78% WO₃. The Emerald mill will be rehabilitated for the treatment of 500 tons per day with operations scheduled to commence in early 1971. The estimated cost of mine development and rehabilitation of the surface plant is \$2,050,000.

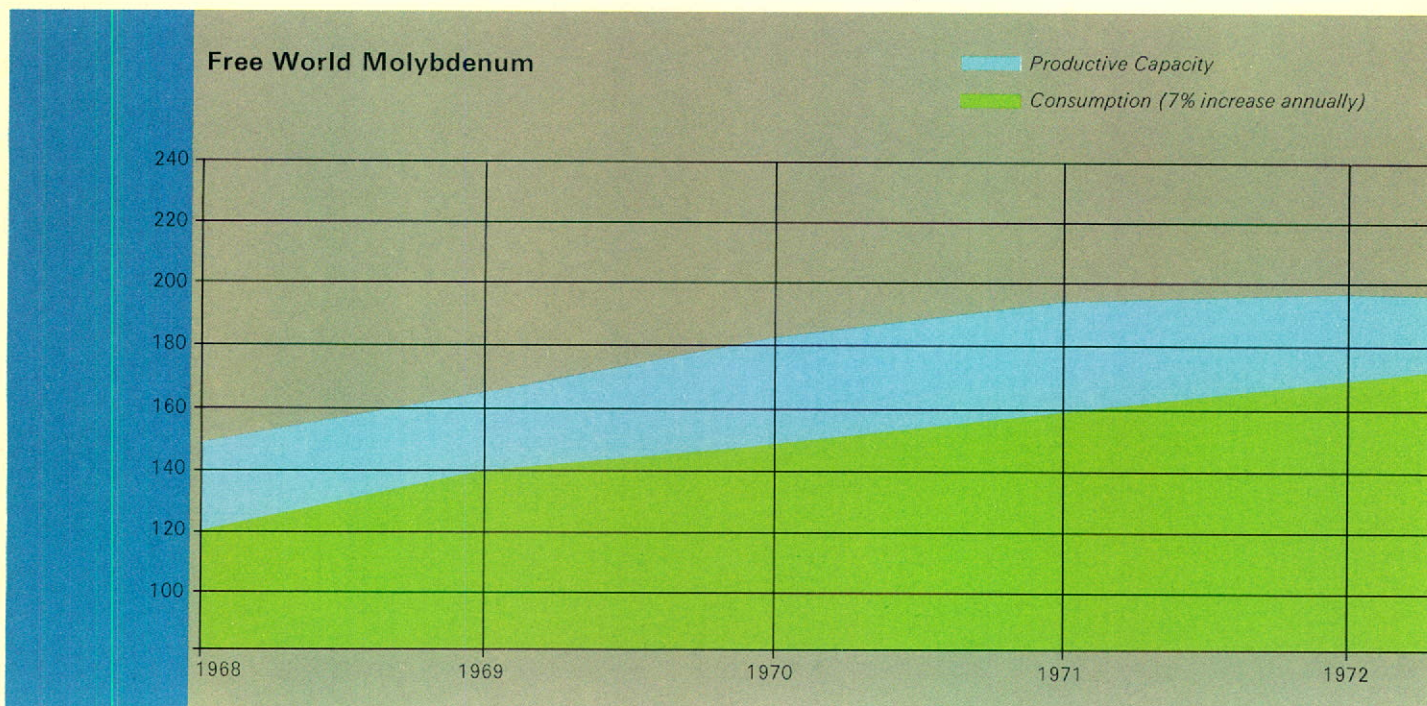
The London Metal Exchange price for tungsten in first quality concentrate reached a range of U.S. \$70.00 to \$80.00 per short ton unit during the first two months of 1970. Although this level probably cannot be sustained, an average price higher than the current fixed U.S. price level of U.S. \$43.00 per short ton unit should be realized for the Invincible operation.

Endako Mines Ltd. (N.P.L.) (82.48% interest)

The Endako mine, located in central British Columbia, 115 miles west of the city of Prince George, is an open-pit molybdenum mine which commenced production in 1965.

Net earnings for 1969 were \$13,725,328, equivalent to \$1.77 per common share, after provision of \$2,341,248 for depreciation and \$5,460,367 for income and mining taxes. The full effect of income tax commenced to be felt during the second half of 1969.

During the year, Endako treated 9,628,000 tons of ore at a grade of 0.189% MoS₂ to produce saleable



concentrate containing 12,962,224 pounds of molybdenum in molybdenite and 5,842,495 pounds of molybdenum in molybdic oxide. The average throughput was 26,600 tons per operating day, operating at 95% of the available time with a recovery of 85.9%. The strip ratio was 0.33 tons of waste to 1 ton of ore. This ratio will be increased in 1970 to approximately 0.8 to 1.

A capital expenditure commitment of \$3,000,000 was made in 1969 for replacements and additions to trucks and shovels in the pit, and this equipment will be delivered in 1970.

Design of a molybdic oxide briquette plant with a capacity of 1,200 pounds of molybdenum contained in briquettes per hour was completed, equipment ordered and the building erected. Modifications of the packaging area were included in the addition of this facility. Briquette production is expected in mid-1970.

Ore reserves remain approximately the same as at the end of the previous year and are reported as follows:

PROVEN AND PROBABLE:
214,000,000 TONS AT 0.146% MoS₂

POSSIBLE:
23,000,000 TONS

DENAK MINES LTD. (100% OWNED) PROVEN AND PROBABLE:
5,400,000 TONS AT 0.23% MoS₂

As a result of 13,700 feet of drilling in 23 holes, sufficient ore was added to offset that mined during the year. The ore reserve potential of the mine has not yet been fully tested. The reserves quoted are sufficient for 22 years at present mill throughput.

Concentrate, both as molybdenite and molybdic oxide, was sold to assured markets for a total of 14,000,000 pounds. Additional spot sales were made directly by Endako and its agent, Noranda Sales Corporation Limited, leaving minimal inventories at year-end.

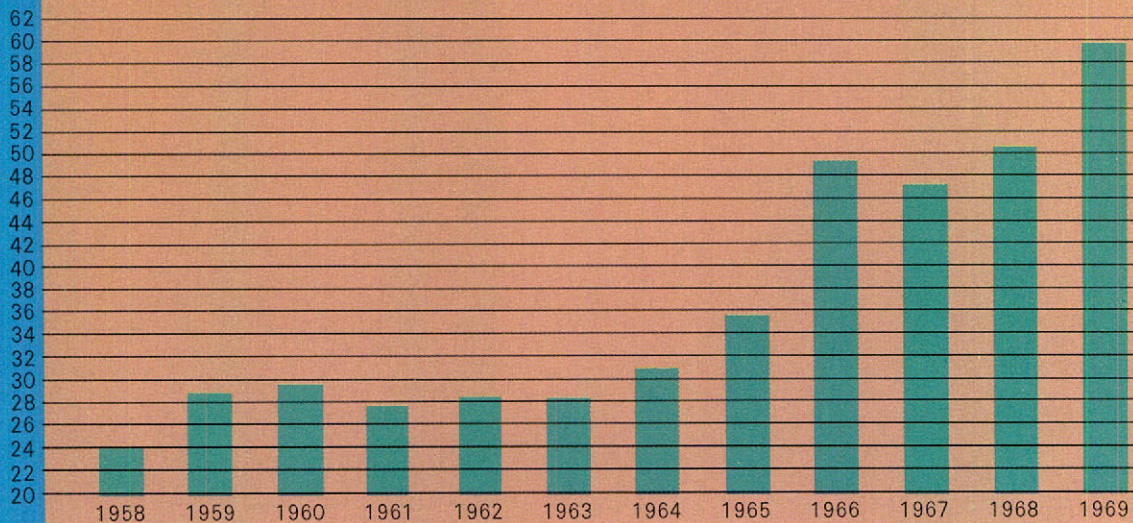
Craigmont Mines Limited (44.59% interest)

The Craigmont mine located near Merritt, in south-central British Columbia, is an underground copper mine which commenced production in 1960. The orebody is a steeply dipping chalcopyrite-magnetite-hematite formation and its surface exposure was mined initially by open pit methods. Since 1967, mining has been underground, employing the sub-level caving method which was developed initially at the Kiruna and other mines in Sweden.

For its fiscal year ended October 31, 1969, Craigmont reported net earnings of \$6,283,668, equivalent to \$1.24 per share, after deductions of \$2,092,855 for depreciation

Yearly Average Copper Prices Per Lb.

Metals week export refinery (U.S. \$)



and depletion and \$5,017,310 for income and mining taxes. Earnings were increased over those of the previous year primarily as a result of high copper prices prevailing during the period. Dividends totaling \$1.25 per share were paid during the year.

The concentrator treated 1,813,163 tons of ore grading 1.06% copper to produce 67,089 tons of concentrate averaging 26.62% copper with 93.36% recovery. The underground mine supplied approximately 60% of the ore treated with the remainder being drawn from the stockpile of low grade ore produced in the mining of the open pit. A capital expenditure was made for a new magnetic iron circuit which was operable by year-end to recover 75 tons per day of very fine magnetite concentrate from the mill tailings. This material is used as a heavy media reagent in coal washing plants and initially is produced for delivery to the Kaiser coal operations in the Crows Nest Pass area of British Columbia.

All copper concentrate was sold to the Japanese market at the average E & MJ Metals Week price. Average price received during the year was U.S. 58.83 cents per pound.

Exploration continued on an extensive evaluation of the Craigmont claims adjacent to the orebody, with

61,059 feet of diamond drilling carried out during the year. An exploration program was carried out off the property, principally on the Douglas Lake plateau, and this work will continue in 1970.

Geologic ore reserves at November 1, 1969 are reported as follows:

STOCKPILES.....	2,709,000 TONS AT 0.60% COPPER
IN PLACE (SEMI-PROVEN)...	15,230,000 TONS AT 1.94% COPPER
	<u>17,939,000 TONS AT 1.74% COPPER</u>

During the year, 1,150,000 tons were added to the reserves as a result of diamond drilling in the area of the orebody.

The current Union Agreement expires on September 15, 1970.

Mattagami Lake Mines Ltd. (N.P.L.) (27.21% interest)

Mattagami Lake Mines Ltd. operates a 3,800 ton per day zinc-copper mine in Galinee township, Province of Quebec. The zinc concentrate is sold on Canadian and world markets and the copper concentrate is sold to the Noranda smelter. In addition to the above mine Mattagami owns 62.5% of Canadian Electrolytic Zinc and through this company has an interest in St. Lawrence Fertilizers and a secondary metal



The Placer Research Centre is completely equipped to assay mineral samples and to conduct various kinds of mineral research. Picture taken on the occasion of the official opening.

smelting company, Genco, at Burlington, Ontario.

For its fiscal year ended December 31, 1969, Mattagami's net earnings were \$9,094,700, equivalent to \$1.38 per issued common share; for the previous year earnings were \$7,258,783 or \$1.10 per issued share. Dividends paid during 1969 amounted to \$1.50 per share.

Mine operations were normal throughout the year. The concentrator treated 1,413,651 tons of ore grading 9.6% zinc and 0.62% copper which produced 232,125 tons of zinc concentrate and 31,650 tons of copper concentrate, a rate slightly above the previous year. Ore reserves at year-end are reported to be 17,246,000 tons grading, 9.6% zinc and 0.69% copper.

The Canadian Electrolytic Zinc plant at Valleyfield, Quebec, produced 129,300 tons of slab zinc, 625,000 pounds of cadmium metal and 132,400 tons of sulphuric acid.

The St. Lawrence Fertilizer plant, acquired in mid-1968, showed improvements in efficiency and operating costs. However, the fertilizer market continued in a depressed state as a result of excess productive capacity in the industry. Operations were essentially on a break-even basis. Some improvement in price and market is anticipated in 1970 but the plant must be regarded primarily as an outlet for the by-product acid from the zinc plant.

The Genco smelter showed some improvement in profits but it is a small operation at present, and has little effect on Mattagami's earnings.

In 1969 Mattagami continued an active exploration program in Quebec and Ontario and was successful in locating a major economic deposit of copper-zinc-silver ore in the Sturgeon Lake area of northwestern Ontario on land owned by the Abitibi Paper Company. An agreement with Abitibi provides for the formation of a new company to develop the orebody. Mattagami will own 60% of the new company. While it is not possible at this time to estimate tonnage or grade, it is clear that a profitable mine can be established and plans are proceeding as more geological information is gained to bring it into production in 1972.

UNITED STATES

Cortez Gold Mines (28.33% interest)

This open pit gold mine, located 60 miles from Elko, Nevada, commenced operations in January, 1969, and was developed to production in eight months at a capital cost of U.S. \$8 million. Full production at the

designed capacity of 1,500 tons per day was achieved in February, with throughput for the year averaging 1,750 tons per day.

The cyanide plant treated 582,000 tons of ore grading 0.33 ounces of gold per ton to produce 166,000 ounces, and realized an 86% recovery. Approximately 300,000 tons of waste and ore are mined each month.

Net earnings for the first year of operations were \$2,599,000. The price of gold, which reached a high of U.S. \$43.75 per ounce in May, dropped to a low of U.S. \$35.27 in December.

Ore reserves at January 1, 1970 were 2,981,000 tons grading 0.275 ounces of gold per ton. A continuous program of exploration is being carried out to increase presently known reserves.

Iron Age Division (100% interest)

The Iron Age mine, located near Twentynine Palms in southern California, terminated operations in November, 1969. During 1969, a total of 287,909 tons of iron ore was treated to produce 128,818 tons of lump and cement fines. Total sales amounted to 124,900 tons at an average price of U.S. \$10.50 per ton. A stock of cement fines remained unsold at year-end.

PHILIPPINES

Marcopper Mining Corporation (40% interest)

The Marcopper Mine located on Marinduque Island, 100 miles south of Manila in the Philippines, is an open pit copper mine developed to initial tune-up operation in September, 1969 at a design capacity of 15,000 tons per day. The mine development was financed by a U.S. \$40,000,000 loan provided by a consortium of United States banks and arranged and guaranteed by Placer. As a substantial stockholder, Placer played a leading role in the design and construction of the facilities which were completed approximately two months ahead of schedule and under budget.

For the three month operating period in 1969, Marcopper has reported net earnings of U.S. \$2,277,657 which is equivalent to U.S. \$0.18 per share after deduction of U.S. \$601,874 for income tax and an allowance of U.S. \$922,864 for depreciation and depletion. Marcopper follows the practice of valuing inventories on hand at average cost of production, including depreciation and depletion, and at December 31, reported an inventory of 12,000 metric tons of concentrate, carried at a value of U.S. \$1,320,104. Under Philippine law, Marcopper is exempt from all tax except income tax until May 5, 1973. The concentrator treated 1,270,410 tons of ore at 0.97% total copper or 0.70% sulphide copper to produce

27,910 short tons of copper concentrate grading 27.99% copper, 0.22 ounces gold per ton and 1.08 ounces silver per ton.

In December the mill throughput averaged 15,900 tons per day.

At year-end all construction was complete except for the leach plant, which was completed in March. Initial acid percolation on the first oxide dump commenced in March.

All concentrate produced is sold under a ten-year contract to Nippon Mining Company Limited, and the first shipment was made on November 16. All sales were made at the E & MJ Metals Week price which varied from U.S. 69.8 cents to U.S. 72.5 cents per pound.

Ore reserves are estimated at 85,700,000 tons of 0.75% sulphide copper and 25 cents recoverable gold per ton.

PORTUGAL

Minas de Terramonte Lda. (25% interest)

This underground mine is located on the Douro River, 35 miles from Oporto. The shrinkage stoping method of mining is employed at an extraction rate of 300 metric tons per day. Metallic minerals are recovered by differential flotation at a milling rate of 250 tons per day. Reserves are 293,000 metric tons, with the possibility of additional tonnage at depth.

During 1969, a total of 87,370 metric tons grading 2.6% lead, 2.3% zinc and 128 grams of silver per metric ton were treated. Concentrate production amounted to 2,730 metric tons of lead concentrate and 2,615 metric tons of zinc concentrate.

Net earnings for the year were U.S. \$48,975, after deduction of U.S. \$75,522 for depreciation and U.S. \$115,544 for amortization of exploration and development expenses. During the year, Placer received U.S. \$52,500 in respect of repayment of advances, and loan interest.

AUSTRALIA

All operations in Australia are carried out through Placer Exploration Limited, owned 50% by Placer Development Limited and 50% by Kaiser Aluminum & Chemical Corporation. The percentage interest shown for each operation denotes Placer Development's ownership.

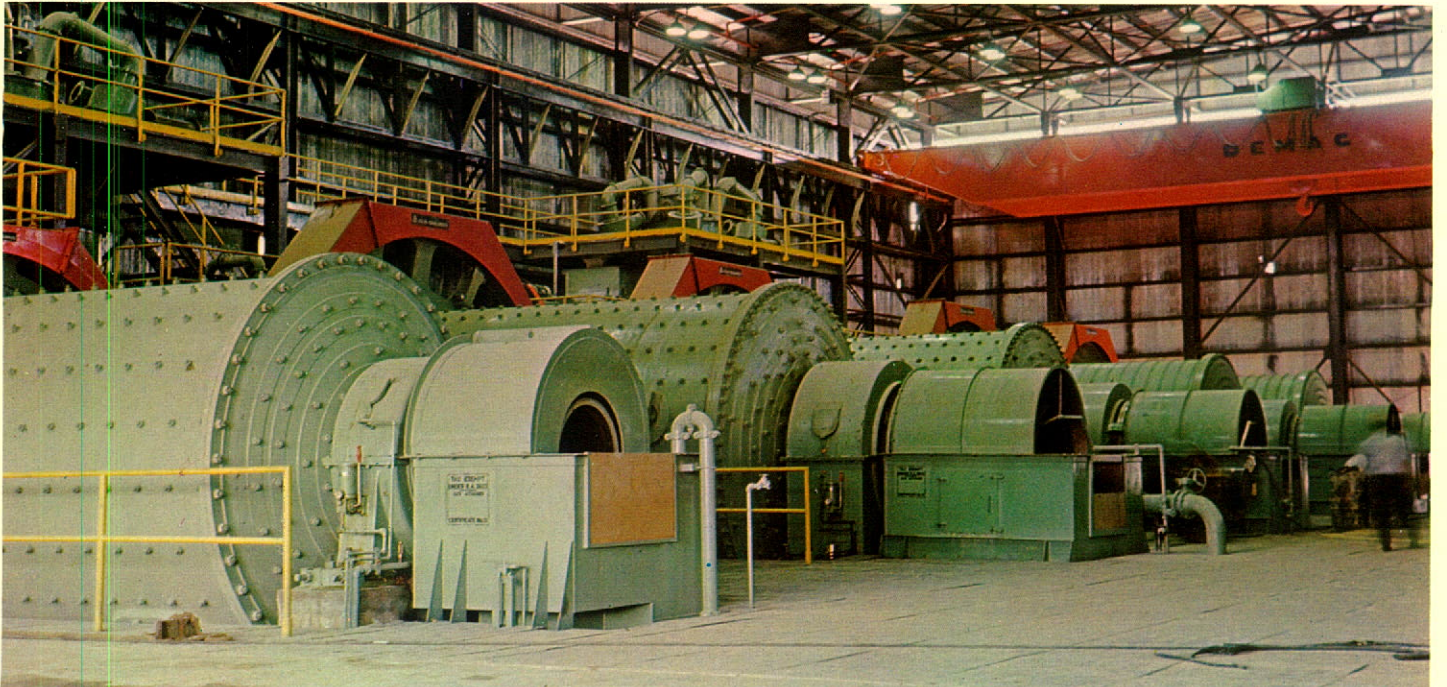
Fox Manufacturing Company (50% interest)

Although sales for the year were maintained at a satisfactory level, operations were disrupted by the relocation of the works to Smithfield, near Sydney. The company's conveyor products sold well and were predominant in the wide range of equipment manufactured. Six mine shuttle cars and eleven mobile drills were manufactured.

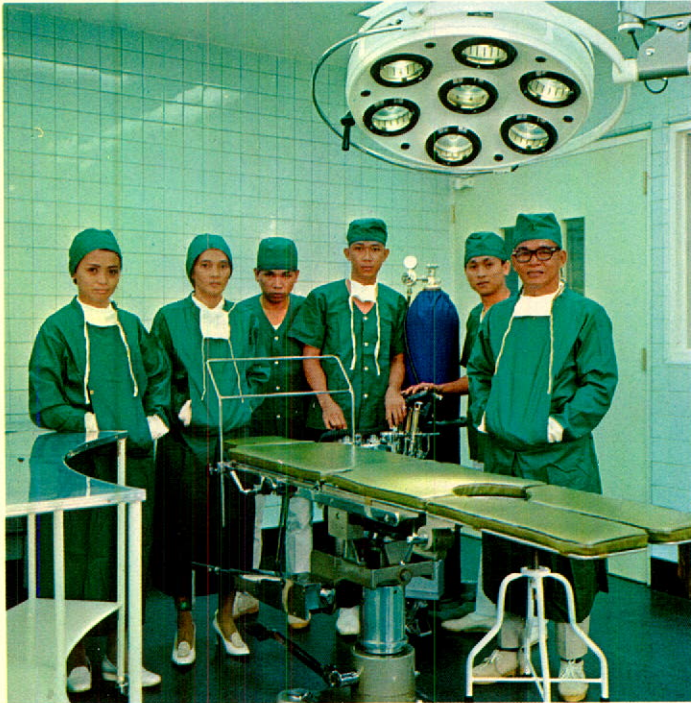
A portion of the Marcopper open pit with equipment at work.



Grinding bay with regrind mill in foreground.



The operating theatre of the Marcopper medical centre. Resident medical officer, Doctor Landrito (right) and staff.



Typical employee housing at Balogo.



Considerable engineering effort was directed towards developing new products and as a direct result, several new machines are in the early stages of manufacture. Included is a 650 h.p. diesel powered tow motor capable of towing the large 747 jets. This tow motor has been designed in conjunction with Qantas Overseas Airlines and the prototype now being manufactured will be followed by a further six units. Qantas have worldwide distribution rights.

No agreement was reached for the line of mine dump trucks referred to in last year's report.

Plywood manufacturing (50% interest)

Trading of the plywood division has been very satisfactory and a new record level of sales has been set. New equipment installed at Smithfield early in the year has resulted in a substantial increase in sales of laminated pyneboard. The buoyant market condition for Klinkii and other products would indicate that the present trend should continue throughout 1970.

Molybond Laboratories (50% interest)

During 1969 Placer Exploration Limited acquired a 100% interest in the Molybond operation which produces industrial lubricants, using concentrated molybdenite as a basic raw material.

Sales for the year improved over previous years and a substantial growth is anticipated during 1970. The technique for producing colloidal concentrates has now been perfected and this product will greatly increase the potential of this division.

Northern Cattle Company Pty. Limited (25% interest)

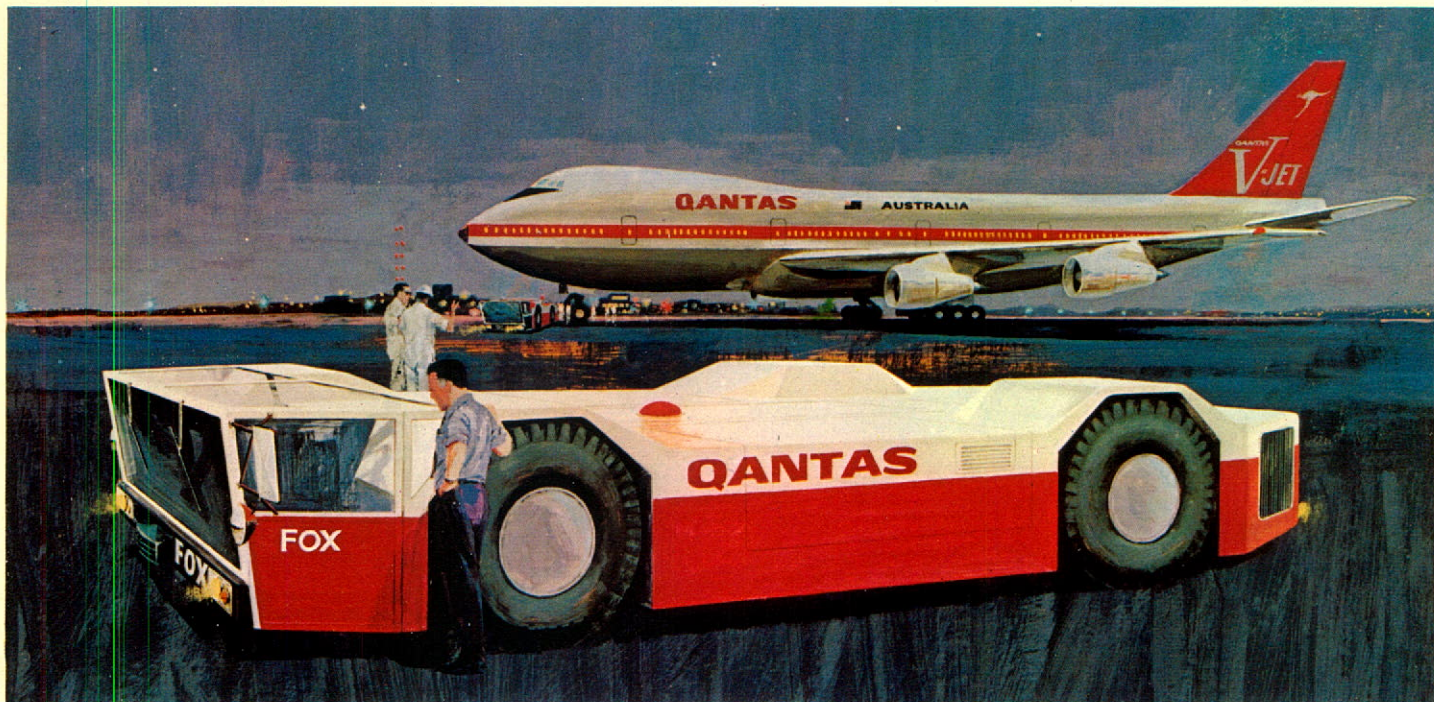
This company, owned jointly by Placer Exploration Limited and the Australian Mutual Provident Society, was formed in October, 1969 as the operating entity of two cattle properties, Moola Bulla and Mt. Amhurst.

Conditions on Moola Bulla and Mt. Amhurst stations were favourable during the year and cattle numbers increased from 33,470 to 38,400. A programme for development and land improvement was initiated and is now well under way.

Three additional properties have been acquired with river frontage to the Fitzroy River in the Kimberley area of northwestern Australia having a combined area of 1,315,000 acres, running 16,000 head of cattle at the present time. This represents a further significant step in Northern Cattle Company's expansion in the pastoral industry in Australia.



Among the machines and equipment manufactured by Fox Manufacturing Company is this 650 h.p. tow motor capable of towing the large 747 jets.



NEW GUINEA

Gold production (100% interest)

A more reliable water source during the year resulted in a slight improvement in hydraulic mining in the Bulolo area. 626,000 cubic yards of gravel were treated for a gold recovery of 1,872 fine ounces.

Present reserves are 550,000 cubic yards at an average value of U.S. 9.5 cents per cubic yard.

Timber (100% interest)

The trading results of South Pacific Timbers were satisfactory despite an unusually wet season which made logging conditions very difficult. Demand for both sawn timber and veneer remained firm during the year and there is every indication that this situation will continue throughout 1970, with the operation maintaining its position in the market.

Leron Plains (100% interest)

The cattle property at Leron had a successful year and with the improvement of pastures at Bulolo the herd numbers have been built up to approximately 7,000 head. 750 cattle were transported to Bulolo for slaughter and 400 breeding cattle were sold by auction and private sale. Several pure blood Brahman bulls were purchased to maintain the high quality of the Brahman stud.

Exploration

Hydro power sales (100% interest)

There was a steady increase in demand by the Electricity Commission at Lae. The generating facilities at Upper and Lower Baiune operated throughout the year at a maximum capacity and efficiency resulting in a satisfactory financial return.

Commonwealth-New Guinea Timbers Limited (49.9% interest)

The plymill at Bulolo continued to operate at peak capacity throughout 1969 and produced a total of 36,000,000 square feet of Klinkii plywood on a $\frac{3}{16}$ " basis. The greater part of this was shipped to Australia through the port of Lae but it was significant to note a substantial increase in consumption by the local market. New and up to date equipment was installed in the mill and logging areas during the year.

A dividend of Can. \$495,000 was received.

Territory Fisheries Pty. Limited (51% interest)

Two fully equipped catching and processing trawlers commenced a fishing survey of waters off the coast of Papua, New Guinea in late March, 1969. The purpose of this survey was to locate prawn in commercial quantities and establish a viable fishing operation, probably based at Port Moresby. Prawn were located in the Gulf of Papua and presently the potential of the field is being assessed prior to acquisition of additional trawlers and plant.

Karlander New Guinea Line Limited (40% interest)

In late 1969 Placer increased its shareholding in Karlander New Guinea Line Limited to 40%. Karlander has entered into a joint venture with Swiss Aluminium Australia Pty. Ltd. to inaugurate a service from Sydney to Gove in the Gulf of Carpentaria and Port Moresby in New Guinea, to commence early in 1970. A company has been formed, Australian Territory Liner Services, owned jointly by the venturers, and two new vessels of 4,800 tons each have been acquired. Nearly all the construction material and supplies for a new alumina plant now under construction at Gove will be transported by Australian Territory Liner Services.

Your Company, through its wholly-owned subsidiary, Canex Aerial Exploration Ltd., maintained a high level of exploration activity throughout Canada, and through Placer Management Limited (100% owned) was active in seven other countries where both the mineral potential and investment climate are considered to be favourable. As an indication of Placer's policy of growth through vigorous exploration, the total exploration expenditures during the past year amounted to \$7,242,922.

CANADA

In western Canada, Placer participated equally with Duval Corporation in a major program of exploration of a porphyry copper property at McLeese Lake in the Cariboo district of central British Columbia. Three to five drills were used to evaluate three properties under option and a fourth property, known as the Pollyanna, which is owned jointly by Placer and Duval.

Placer and Duval can each earn a 25.5% interest in the main property, owned by Gibraltar Mines Ltd., by completing several stages of exploration up to production. The two companies have the right to commingle the Gibraltar and Pollyanna claims on the basis of respective ore values and thereby increase their interests in the combined properties.

Combined ore reserves of the Gibraltar and Pollyanna properties are estimated at 181,000,000 tons, with an average grade of 0.39% copper.

Indications are that the ore would be amenable to mining by open pit methods and metallurgical testing and engineering studies are being carried out to determine the economic feasibility of the properties.

In eastern Canada, several programs are under way in the search for copper-zinc massive sulphide deposits and nickel-copper mineralization.

Oil and gas exploration was continued under the joint venture established in 1968 with Del Norte Oil Limited.

During the year Del Norte, through a merger, became Sunlite Oil Limited. Placer participated in 15 wells, located principally in northwestern Alberta, northeastern British Columbia, and south of the Mitsue field in central Alberta. Seven of these wells are potentially productive. The Company's largest commitment for oil and gas exploration during the winter of 1969/70 is in the area west and northwest of the Zama field in northwestern Alberta. In addition, Placer has a 7% participation in a sour gas scrubbing plant and pipeline in the Burnt Timber area of southwestern Alberta which is expected to become productive in August, 1970.



UNITED STATES

In the United States, Placer, through its wholly-owned subsidiary, American Exploration & Mining Co., was active in most of the western United States and Alaska. Further detailed geologic studies and some diamond drilling were carried out on a low-grade deposit which Amex has held for many years, with the objective of defining new potential targets and extending known mineralization. Two promising coal deposits in Alaska are presently under investigation. A modest drilling program on one deposit has indicated a large tonnage of sub-bituminous coal on which product and market research are presently being carried out. The second deposit contains a number of beds of coking-quality coal with commercial possibilities, but further expenditures are in abeyance pending public land status in the area.

The uranium leases in Wyoming, upon which Amex and Kaiser Exploration Co. carried out an extensive exploration program during the past two years, were sold during the year. Placer's portion of the proceeds from this sale amounts to approximately U.S. \$1,000,000 which is roughly equivalent to the amount spent on the venture.

AUSTRALIA AND NEW GUINEA

Exploratory diamond and percussion drilling and geological studies were carried out during the year on the Lady Annie copper deposit in northern Queensland by Placer Exploration Limited. Currently, a program of fill-in drilling is being carried out to define sulphide copper mineralization which underlies a zone of oxide mineralization. Drilling on the shallow oxide ore has indicated approximately 3,400,000 tons grading 1.56% copper. An accurate assessment of the sulphide ore potential is required to determine the economic feasibility of mining this deposit. Engineering studies should allow a decision to be made by mid-1970. Placer Development can earn a maximum 35% interest in this property.

Further reconnaissance work is being carried out on two disseminated copper deposits in New Britain, a gold deposit in New Guinea, several nickel deposits in Western Australia, and a number of copper prospects in the Mt. Isa district of Queensland.

MEXICO

During 1969, Placer joined with the Banco de Comercio, S.A., the largest financial institution in Mexico, to form a mining and metallurgical company.

Placer's participation in the new company is a maximum of 49%, as stipulated by Mexican law. Currently, exploration personnel are evaluating a series of properties with interesting copper, silver and gold showings. Negotiations are in progress for the acquisition of a promising copper prospect.

SPAIN

During the fall of 1969, preliminary exploration was completed in the Carratraca area of southern Spain on a number of diamondiferous pipes. Experimental treatment in a small rotary pan indicated the presence of diamonds, but because of the nature of the ore, poor recoveries were achieved. Placer and its co-venturers have agreed to further test the deposit by erecting a 250 ton per day heavy media hydrocyclone recovery plant. It is anticipated that the plant will be in full scale operation by May, 1970. Placer manages the venture and has a 24½% interest.

In addition, Placer has a 25% interest in a joint venture formed to carry out an exploration program on a 2½ million acre concession in the foothills of the Pyrenees. Within the concession area, eight cupriferous beds have been identified with tenor of approximately 1% copper and 1% lead. The metallogenic zone is known to recur over a strike length of more than 70 miles. Following the completion of geologic mapping, diamond drilling is contemplated.

GREECE

Ore reserves on the Skouries copper/gold property in Greece are estimated at a minimum of 10.7 million metric tons of open pit sulphide ore grading 0.72% copper and 0.034 ounces of gold per ton. Negotiations are proceeding with European interests for the possible sale of your Company's interest.

ITALY

In April, 1969, Placer acquired the interest of its partner in Italy and farmed out two offshore permits, giving the farmee the right to earn a 50% interest for conducting seismic surveys. These surveys are scheduled for the first half of 1970.

OTHER AREAS

Placer is maintaining its interest in the Cerro Matoso nickel deposit in Colombia, S.A. In addition, negotiations are continuing to finalize acquisition of concessions for copper in the San Felix area, Panama.

8-Year Summary of Operating Results

	<i>8 months to December 31</i>				<i>year ended April 30</i>			
	1969	1968	1967	1966	1966	1965	1964	1963
Net operating income	\$20,616,200	12,841,800	14,982,600	10,592,300	12,078,400	6,164,900	6,292,500	5,854,400
Investment income	8,488,000	6,538,700	9,142,800	2,078,100	1,302,500	3,142,700	2,783,300	1,154,900
	<u>29,104,200</u>	<u>19,380,500</u>	<u>24,125,400</u>	<u>12,670,400</u>	<u>13,380,900</u>	<u>9,307,600</u>	<u>9,075,800</u>	<u>7,009,300</u>
Depreciation and depletion	3,581,800	3,579,200	3,404,400	1,973,900	2,270,200	2,144,900	2,236,200	2,145,600
Preproduction and development expenses	—	696,000	1,194,100	795,000	896,600	—	—	—
Exploration expenses	7,243,000	5,348,000	5,131,300	2,285,500	2,255,400	1,100,400	936,200	803,000
Taxes on income	5,794,400	434,300	542,900	72,700	168,000	1,218,400	1,228,200	1,142,200
Minority interest in earnings of subsidiaries	2,338,100	1,306,900	1,950,600	1,322,100	1,796,400	—	—	—
	<u>18,957,300</u>	<u>11,364,400</u>	<u>12,223,300</u>	<u>6,449,200</u>	<u>7,386,600</u>	<u>4,463,700</u>	<u>4,400,600</u>	<u>4,090,800</u>
Net Earnings	<u>\$10,146,900</u>	<u>8,016,100</u>	<u>11,902,100</u>	<u>6,221,200</u>	<u>5,994,300</u>	<u>4,843,900</u>	<u>4,675,200</u>	<u>2,918,500</u>
Per share	\$1.90	1.50	2.23	1.17	1.15	0.93	0.89	0.56
Shares outstanding (net)	5,335,037	5,331,237	5,330,437	5,301,537	5,228,137	5,217,437	5,229,019	5,204,859

Consolidated Statement of Earnings

for the year ended December 31 1969



	1969	1968*
Revenue:		
Sales (Note 2)	\$42,332,763	\$32,122,976
Income from investments	6,740,996	5,740,610
Interest earned and other income	1,747,006	798,123
	<u>50,820,765</u>	<u>38,661,709</u>
Expense:		
Cost of sales	22,119,219	20,952,517
Administration, selling and general expenses	2,918,053	2,893,681
Interest on long term debt	261,129	73,023
Preproduction and development expenses written off	—	695,976
Exploration (Note 6)	7,242,922	5,348,032
Minority interest in earnings of subsidiaries	2,338,135	1,306,933
	<u>34,879,458</u>	<u>31,270,162</u>
Earnings before income taxes	<u>15,941,307</u>	<u>7,391,547</u>
Income taxes (Note 7):		
Current	4,653,325	434,293
Deferred	1,141,057	—
	<u>5,794,382</u>	<u>434,293</u>
Net earnings for the year before extraordinary item—		
\$1.90 per share (1968—\$1.30)	10,146,925	6,957,254
Extraordinary item:		
Gain on sale of option rights (Note 3)	—	1,058,845
Net earnings for the year (Note 10—\$1.90 per share) (1968—\$1.50)	<u>\$10,146,925</u>	<u>\$ 8,016,099</u>
Cost of sales includes:		
Depreciation	\$ 3,342,066	\$ 3,308,430
Depletion	239,783	270,757
	<u>\$ 3,581,849</u>	<u>\$ 3,579,187</u>

*The Endako mine was closed by a labour strike from July 27, 1968 to November 14, 1968.

Consolidated Statement of Retained Earnings

for the year ended December 31 1969

	1969	1968
Balance at beginning of year	\$53,539,978	\$49,788,549
Add—		
Net earnings for the year—per accompanying statement	10,146,925	8,016,099
	<u>63,686,903</u>	<u>57,804,648</u>
Deduct—		
Stock dividends, \$1.00 per share (80¢—1968)	5,333,512	4,264,670
Balance at end of year	<u>\$58,353,391</u>	<u>\$53,539,978</u>

The attached notes form an integral part of these statements and should be read in conjunction therewith.

Placer Development Limited/Consolidated Balance Sheet

December 31 1969

ASSETS

Current Assets:

	1969	1968
Cash, including time deposits.....	\$13,493,324	\$11,795,477
Marketable securities, at cost (quoted market value \$2,962,050).....	3,032,754	829,633
Accounts receivable.....	9,826,356	6,831,740
Inventories (Note 2).....	5,905,767	4,157,454
Prepaid expenses.....	142,274	185,611
	<u>32,400,475</u>	<u>23,799,915</u>

Amount Receivable from Sale of Option Rights:

(U.S. \$9,000,000) (Note 3).....	9,655,312	9,655,312
Less—Deferred credit arising therefrom.....	<u>9,655,312</u>	<u>9,655,312</u>
	—	—

Investments and Other Assets:

Investment in shares, at cost (Note 4).....	10,185,845	7,565,700
Other investments, at equity in underlying net assets (Note 5).....	8,244,383	9,353,645
Advances to associated companies, at cost plus accrued interest.....	3,194,963	2,875,346
Special refundable tax.....	—	124,175
Mortgages receivable.....	460,598	358,964
	<u>22,085,789</u>	<u>20,277,830</u>

Fixed Assets:

Plant, buildings and equipment, at cost.....	49,854,292	46,309,411
Less—Accumulated depreciation.....	<u>22,617,020</u>	<u>19,601,610</u>
	27,237,272	26,707,801
Mining and other properties, at cost less accumulated depletion of \$2,638,646 (1968—\$2,398,861).....	4,518,376	4,633,444
	<u>31,755,648</u>	<u>31,341,245</u>

Deferred Charge:

Exploration in progress, at cost (Note 6).....	3,675,580	4,032,274
	<u>\$89,917,492</u>	<u>\$79,451,264</u>

Notes to Consolidated Financial Statements

December 31 1969

Note 1. Principles of consolidation:

The consolidated financial statements include the financial statements of the company and all of its subsidiaries.

For purposes of inclusion in the financial statements, accounts prepared in foreign currencies have been restated in Canadian dollars. Current assets and current liabilities have been translated at year-end rates, other assets and liabilities substantially at the rates at the dates of the relevant transactions and amounts (other than depreciation and depletion) appearing in the consolidated statement of earnings at average rates of exchange for the year.

The unrealized foreign exchange gain has been carried forward in the consolidated balance sheet.

Note 2. Inventories:

Concentrates for which firm sales contracts have been made and livestock inventory are valued at net realizable value. The net increase or decrease of such concentrate inventories valued during each year has been reflected in sales.

Raw materials, work in progress, and operating materials and supplies are valued at the lower of cost or replacement cost. Concentrates for which sales contracts have not been made and manufactured products are valued at the lower of cost or net realizable value.

Inventories as at December 31 1969 and December 31 1968 comprise the following:

	1969	1968
Inventories, at net realizable value.....	\$2,611,992	\$ 692,364
Inventories, at the lower of cost or replacement cost. . .	2,246,461	2,313,864
Inventories, at the lower of cost or net realizable value. .	<u>1,047,314</u>	<u>1,151,226</u>
	<u>\$5,905,767</u>	<u>\$4,157,454</u>

Note 3. Marcopper options:

Amount receivable from sale of option rights relates to the sale in 1968 by a wholly-owned subsidiary of option rights to acquire 25% of the outstanding and issued shares of Marcopper Mining Corporation which is to be paid to the subsidiary in amounts equal to 90% of the dividends received by the purchasers on the shares acquired. The deferred credit arising from the sale of the option rights will be taken into income in future years as the cash is received from the purchasers.

Note 4. Investment in shares:

Investment in shares at December 31 1969 comprise the following:

	Cost	Quoted market value
With quoted market value—		
Craigmont Mines Limited— 2,264,050 common shares of 50¢ each.....	\$ 1,413,432	\$31,696,700
Mattagami Lake Mines Limited (N.P.L.)— 1,796,076 shares of \$1 each.....	5,634,218	52,882,280
Miscellaneous.....	205,510	52,845
	<u>\$ 7,253,160</u>	<u>\$84,631,825</u>

Without quoted market value—

Marcopper Mining Corporation*— 5,028,571 shares.....	1,008,555
Commonwealth-New Guinea Timbers Limited— 749,999 shares of \$A2 each.....	1,679,998
Miscellaneous.....	244,132
	<u>\$ 2,932,685</u>
	<u>\$10,185,845</u>

*Commenced operations in September 1969.

Note 5. Other investments:

Other investments comprise:

(a) The company's 50% interest in Placer Exploration Limited amounting to \$5,154,735. For the year ended December 31 1969 the company's share of the consolidated net loss of Placer Exploration Limited amounted to \$952,729 which has been included in the statement of earnings as exploration expense.

(b) The company's 28.33% interest in Cortez Gold Mines amounting to \$3,089,648. For the year ended December 31 1969, the company's share of the net earnings of Cortez amounted to \$795,244.

Note 6. Exploration in progress:

The company presently follows the practice in its consolidated financial statements of charging current



exploration expenditures against earnings for the year, except where the expenditures relate to an indicated presence of economically recoverable reserves.

On January 29 1970, the company entered into an agreement to sell its interest in certain properties for U.S. \$1,000,000 of non-interest bearing notes, secured by deed of trust on the properties, payable in instalments of U.S. \$580,000 in 1970 and U.S. \$420,000 in 1971. Exploration costs of U.S. \$970,000 relating to such properties are included in exploration in progress at December 31 1969.

Note 7. Income taxes:

The company is a Canadian corporation and, accordingly, is subject to all Canadian corporate income taxes as well as foreign corporate income taxes in respect of income derived from operations in foreign countries. Under Canadian tax law, dividends received by Canadian companies from other taxable Canadian companies are usually not subject to income tax. In the case of the company and its Canadian subsidiaries dividends received from taxable Canadian corporations have not been taxable.

It is the company's practice to record income taxes on the tax allocation basis recommended by The Canadian Institute of Chartered Accountants. Accordingly, deferred income taxes of \$1,203,888 have been recorded at December 31 1969. The company and certain of its subsidiaries have exploration expenses and other allowances of approximately \$9,000,000 which may be available under certain circumstances to reduce taxable income in future years.

The company's subsidiary, Endako Mines Ltd. (N.P.L.) has incurred federal income tax for the first time during the current year; however, the full impact of taxes will not be felt by that company until 1970.

Note 8. Long-term debt:

Long-term debt comprises the following:

Notes payable to banks which bear interest at ¾% above the New York prime rate and which are payable as to principal in quarterly instalments of U.S. \$150,000	\$2,583,188
7½% mortgage due December 1971	465,474
	<u>\$3,048,662</u>
Portion due within one year.	643,688
	<u>\$2,404,974</u>

Note 9. Share capital and stock option plan:

	1969	1968
Authorized:		
7,908,000 common shares without nominal or par value		
92,000 exchangeable common shares without nominal or par value		
3,000,000 redeemable preference shares with a nominal or par value of \$1 each		
Issued:		
5,394,176 common shares (1968—5,390,376) less 59,139 shares (\$789,246) held by a subsidiary company		
	<u>5,335,037</u>	<u>\$6,106,590</u> <u>\$6,025,799</u>

Under the employee stock option plan, options to purchase 460 common shares and 28,800 exchangeable common shares are outstanding as at December 31 1969 (after the exercise of options for 3,800 shares during the year). Options have a ten-year term and are exercisable as to 20% one year from the date of option and as to 20% in each of the four succeeding years at prices ranging from \$13.00 to \$40.00 per share.

Note 10. Contributed surplus:

The credit arising from increase in capitalization of a former subsidiary company in the amount of \$447,100 which was shown as an extraordinary item in the statement of earnings for the year ended December 31 1968 has been transferred to contributed surplus for that year. Accordingly, net earnings and retained earnings have also been restated for the year ended December 31 1968. These changes were made to conform with the requirements of the Securities and Exchange Commission of the United States.

Note 11. Pension plans:

The company and its subsidiaries have five contributory plans for salaried employees at December 31 1969. All salaried employees are eligible for participation in the plans subject to a period of continuous service for one year. The plans are funded, and company contributions

Auditors' Report

are determined by periodic actuarial computations. Current contributions are based upon 120% of employee contributions and unfunded past service costs at December 31 1969 amount to \$441,000.

The company also maintains a trustee non-contributory pension plan covering presently employed senior personnel. Contributions are made to the trustees of the plan based upon actuarial calculations of the amounts necessary to carry out the purposes of the plan. The unfunded past service cost of this plan was approximately \$861,500 at December 31 1969 which is being paid over a period of years as recommended by the actuaries.

The cost of all pension plans for the year ended December 31 1969 amounted to \$270,376.

Note 12. *Contingent liabilities:*

(1) Under the terms of a loan agreement dated April 15 1968, Placer Development Limited and certain of its subsidiaries have guaranteed a bank loan of Marcopper Mining Corporation in an amount up to U.S. \$40,000,000, of which U.S. \$40,000,000 is outstanding at December 31 1969. In addition, Placer Development Limited is subject to certain limitations on the payment of dividends, the acquisition of its stock, the creation of additional debt, the merger with other corporations, and the acquisition or sale of its assets. The payment of dividends is limited to the aggregate net earnings of the company and its subsidiaries from December 31 1967. Accordingly, at December 31 1969 retained earnings of \$8,564,842 was not restricted as to the payment of dividends.

The loan agreement further provides that the company must maintain, as collateral, securities having a value equal to at least 200% of the unpaid principal amount of the loan outstanding. All of the company's holdings in the securities of Canadian Exploration Limited, Placer Management Limited, Endako Mines Ltd. (N.P.L.), Craigmont Mines Limited, Marcopper Mining Corporation and 1,706,526 shares of Mattagami Lakes Mines Limited (N.P.L.) are pledged as collateral under the loan agreement.

(2) Other commitments and guarantees in respect of capital expenditures, etc. of the company and its subsidiaries amounted to approximately \$3,700,000 at December 31 1969.

Note 13. *Remuneration of directors and senior officers:*

Aggregate direct remuneration paid during the year ended December 31 1969 by the company and its subsidiaries to directors and senior officers of the company amounted to \$399,125.

*To the Shareholders,
Placer Development Limited:*

We have examined the consolidated balance sheet of Placer Development Limited and its subsidiaries as at December 31 1969 and the consolidated statements of earnings, retained earnings and source and application of working capital for the year then ended. Our examination of the financial statements of Placer Development Limited and those subsidiaries of which we are the auditors 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. We have relied on the reports of the auditors who have examined the financial statements of the Australian subsidiaries and of the Sydney and New Guinea branches of the company.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31 1969 and the results of their operations and the source and application of their working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.,
Chartered Accountants.

FEBRUARY 27 1970
VANCOUVER, B.C.

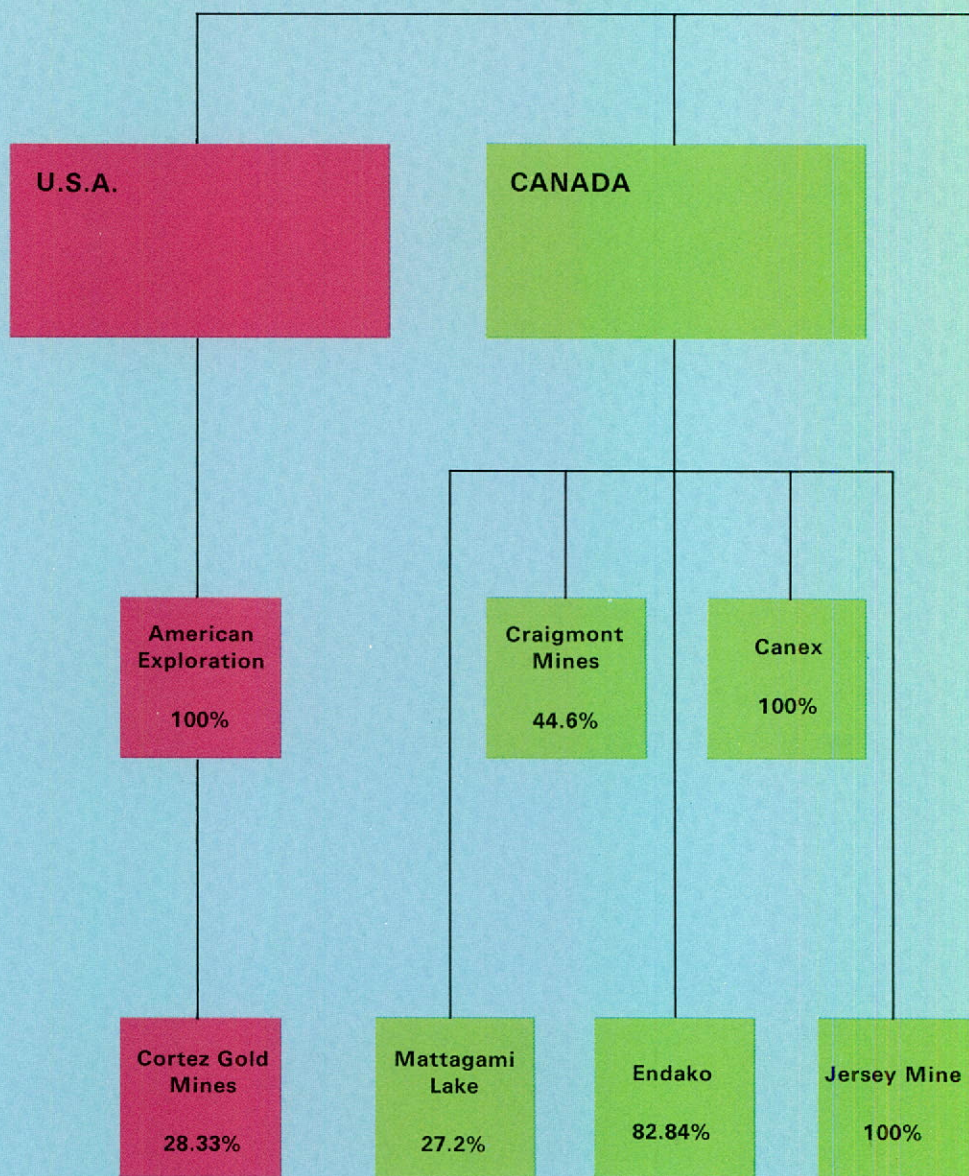
Consolidated Statement of Source and Application of Working Capital

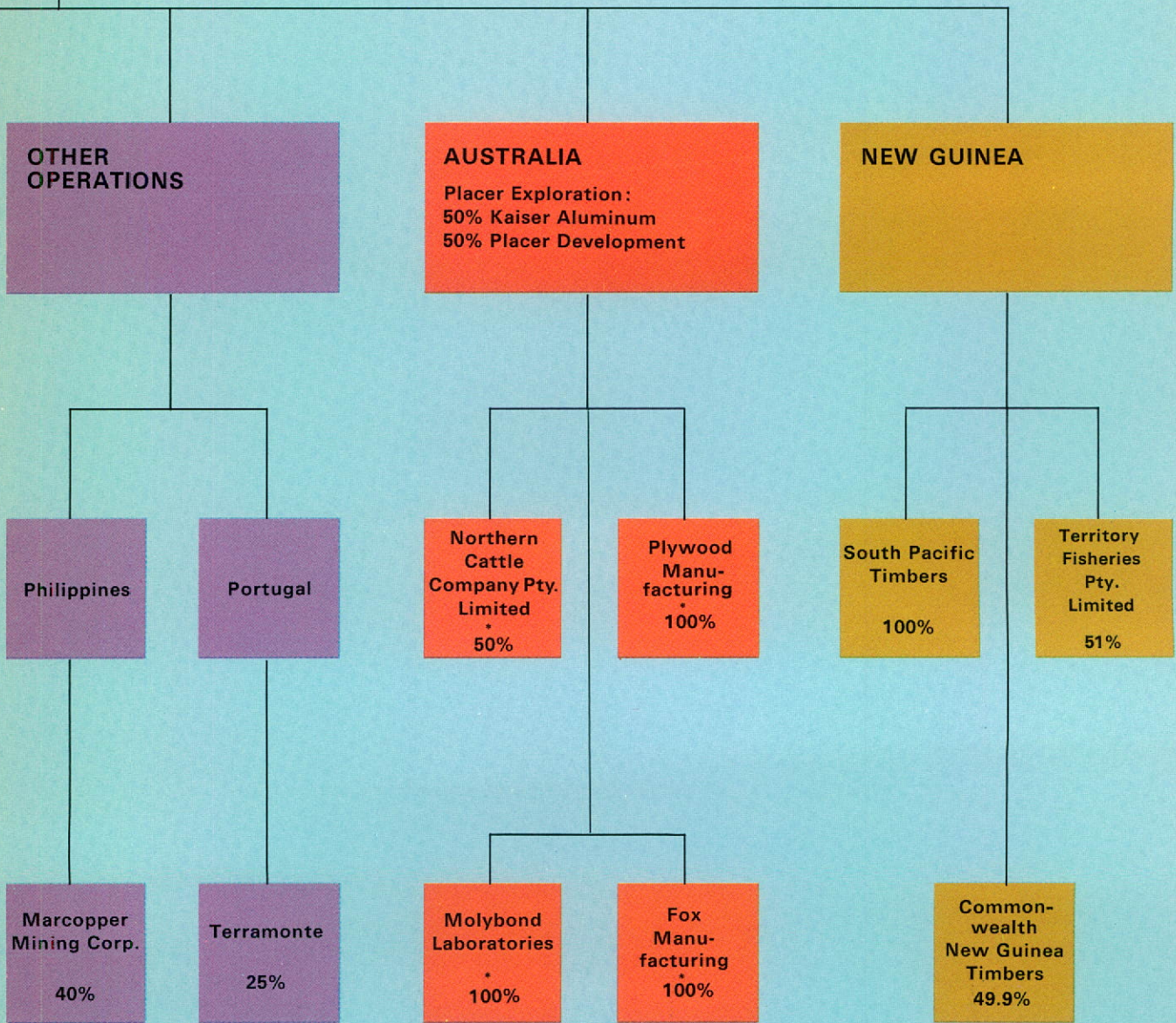
for the year ended December 31 1969



	1969	1968
Source:		
Net earnings	\$10,146,925	\$ 8,016,099
<i>Add—</i>		
Charges (credits) which did not involve an outlay of working capital—		
Depreciation and depletion	3,581,849	3,579,187
Deferred income taxes	1,141,057	—
Minority interest in earnings of subsidiaries	2,338,135	1,306,933
Preproduction and development expenses written off	—	1,372,414
Share of loss of Placer Exploration Limited (Note 5)	952,729	80,112
Share of earnings of Cortez Gold Mines (Note 5)	(795,244)	—
	<u>17,365,451</u>	<u>14,354,745</u>
Long term debt	163,774	2,241,200
Adjustment arising on consolidation with respect to fixed assets of former subsidiary	—	2,244,620
Reclassification of special refundable tax receivable within a year	—	550,944
Employee share options exercised	80,791	15,372
Decrease in exploration in progress	356,694	227,297
Investments and other assets—net	523,415	725,993
Other items	157,629	109,984
	<u>18,647,754</u>	<u>20,470,155</u>
Application:		
Dividends	5,333,512	4,264,670
Net additions to fixed assets	3,996,252	2,745,948
Purchase of shares in Mattagami Lake Mines Limited (N.P.L.)	2,488,859	—
Minority interest in dividends of Endako Mines Ltd. (N.P.L.)	1,696,877	—
Other investment, at equity in underlying net assets	—	6,107,464
Investment in joint venture—Cortez Gold Mines	—	3,153,200
	<u>13,515,500</u>	<u>16,271,282</u>
Increase in working capital	5,132,254	4,198,873
Working capital at beginning of year	<u>20,029,708</u>	<u>15,830,835</u>
Working capital at end of year	<u>\$25,161,962</u>	<u>\$20,029,708</u>

Worldwide Interests





*Denotes Placer Development's interest

Placer Development Limited

DIRECTORS

James C. Dudley, New York, U.S.A.,
Private Financial Consultant

Albert E. Gazzard, Vancouver, Canada,
Executive Vice-President

*Thomas H. McClelland, Vancouver, Canada,
President and Chief Executive Officer

*Richard V. Porritt, Toronto, Canada,
Vice-Chairman, Noranda Mines Limited

Alfred Powis, Toronto, Canada,
President & Chief Executive Officer, Noranda Mines Limited

J. Ernest Richardson, Vancouver, Canada,
President & Chief Executive Officer, B.C. Telephone Company

Robert G. Rogers, Vancouver, Canada
President & Chief Executive Officer, Crown Zellerbach Canada Ltd.

*John D. Simpson, Vancouver, Canada,
Chairman of the Board

Vernon F. Taylor, Jr., Denver, U.S.A.,
President, Westhoma Oil Company

*H. Richard Whittall, Vancouver, Canada,
Partner, Richardson Securities of Canada

*Member of Executive Committee

OFFICERS

John D. Simpson, *Chairman of the Board*

Thomas H. McClelland, *President & Chief Executive Officer*

Albert E. Gazzard, *Executive Vice-President*

Ross G. Duthie, *Vice-President, Project Developments*

J. Douglas Little, *Vice-President, Operations*

James L. McPherson, *Vice-President, Finance & Administration*

Edgar A. Scholz, *Vice-President, Exploration*

Charles L. Pillar, *Assistant Vice-President, Operations*

James C. Tarbuck, *Treasurer*

John M. McConville, *Secretary*

Garth S. Jones, *Comptroller*

Allan R. Edwards, *Sydney Secretary*

OFFICES

Head Office: 700 Burrard Building, Vancouver, Canada

Sydney Office: Gold Fields House, Sydney Cove, Australia

AUDITORS

Price Waterhouse & Co., *Chartered Accountants, Vancouver, Canada*
Routley & Routley, *Public Accountants, Sydney, Australia*

SOLICITORS

Cowan & Co., *Vancouver, Canada*

BANKERS

Canadian Imperial Bank of Commerce

Bank of New South Wales

Brown Brothers Harriman & Co.

Bank of America

First National City Bank

Bankers Trust Company

The Chase Manhattan Bank

The Mercantile Bank of Canada

TRANSFER AGENTS AND REGISTRARS

Central Share Registry of Australia Pty. Limited, *Australia*

National Trust Company, Limited, *Vancouver and Calgary, Canada*

Canada Permanent Trust Company, *Toronto and Montreal, Canada*

Registrar and Transfer Company, *Jersey City, N.J., U.S.A.*

STOCK EXCHANGE LISTINGS

Vancouver Stock Exchange

Toronto Stock Exchange

Montreal Stock Exchange

Sydney Stock Exchange

American Stock Exchange

